

Written Testimony of David LaCerte
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Before the House Committee on Energy and Commerce
Subcommittee on Energy
United States House of Representatives
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Chairman Latta, Ranking Member Castor, Members of the Subcommittee.

Thank you for the privilege of appearing at my first hearing as a Commissioner on the Federal Energy Regulatory Commission. It is my honor to serve the American people by implementing FERC's statutory mandate to ensure just and reasonable rates for reliable electricity, site natural gas pipeline infrastructure and LNG facilities, and license non-federal hydropower facilities.

As today is my first appearance in front of the House of Representatives, I would like to present to you my priorities as Commissioner.

Affordability and Reliability

As the demand for energy is growing, it is incumbent upon FERC to protect America's customers from unjust rates. With the huge growth and interest in data centers and the reindustrialization of America, FERC must ensure that we insulate customers as best we can from cost pressures resulting from increased demand and an aging grid. Failure to do so could cause customers to incur ever greater costs. That cannot happen on our watch. I understand well that ensuring the delivery of reliable power at affordable rates is a paramount concern – and, as this is and should be FERC's mission, I vow to take every step possible to achieve this objective. In fact, during my short time at FERC, I have already voted with my fellow Commissioners to approve 12 major infrastructure projects, bringing more than 3.3 million dekatherms per day of natural gas transportation capacity to power generators, residential consumers, and industrial customers. To put that number in perspective, that's roughly enough natural gas to meet the electric demand of between 10 to 14 million average America homes. These, and other similar projects that we have recently approved will enhance generation and energy storage capabilities for American businesses and consumers. This enhances reliability and, as the staff at FERC have noted, should drive prices lower for ratepayers.

Winning the Artificial Intelligence Race

At the turn of this century, the internet fundamentally changed everything: how we communicate with one another, how businesses transact with customers, how universities and scientists conduct research, among many other examples. I'm convinced that the challenge of today: the AI race, and even more importantly, who ultimately wins, will also fundamentally transform how Americans engage, transact, and compete on the global stage. The AI race is here and America's power grid is a major battlefield. And while China has been adding new electric capacity – with new infrastructure - to its grid at a staggering rate in preparation, the US is attempting to catch up with the interconnection bottlenecks of the last decade. Business-as-usual will not work. The

risks of inaction or delayed action are simply too great. Therefore, it is incumbent upon FERC to play a leading role in reforms that will ensure American data centers and chip manufacturing can get the energy they need - on time and on target - to ensure America has the energy it needs. Failure to meet the moment at a time when our adversaries are in direct competition could jeopardize our national security and America's global competitive advantage. In short, losing the AI race could significantly and fundamentally impact American leadership as we know it. I will not let this happen on my watch. I will call on my fellow Commissioners to the same task.

I'm proud to testify today that my fellow Commissioners and I have been actively taking deliberate action. For example, in December, we addressed service to large load—including data centers—co-located with generating facilities, through revisions to PJM's Tariff. Among those revisions, we directed PJM to establish transparent rules governing certain large load arrangements and certain transmission services. We recognize that this is a first step in a long road, but I'm proud of the decisive action that the Commission took in that proceeding, which is still open before us. I also look forward to working with my fellow Commissioners in responding to the Advanced Notice of Proposed Rulemaking that Secretary Wright directed us to consider. That ANOPR recognizes the challenges created by the current situation of exploding load growth from data centers and other large load coupled with generation interconnection bottlenecks. My staff and I have been reviewing and carefully considering the hundreds of comments submitted in that ANOPR docket. It remains true that I, along with my colleagues, are actively engaged in identifying what we hope will be creative, practical solutions to address the competing priorities of increased demand from data center growth and affordable rates.

Swift and Legally Defensible Permitting Decisions

Finally, it is my belief that it simply takes too long to build energy infrastructure in this country. A big part of that delay results from permitting decisions that take too long and the leveraging of judicial review to create uncertainty around project development. Delay is no longer the currency it once was and we frankly cannot afford these types of delays. Fortunately, we're in a moment today where the President, Congress, and the Supreme Court have all stressed that implementation of certain permitting and environmental statutes and policies, like the National Environmental Policy Act, were intended to be used to enable responsible infrastructure development, not stymie it.

A recent example of this was last month, FERC issued an original license for the 1,200-megawatt Goldendale Pumped Storage Project. Although it took 7 years to complete the review needed to issue the order, much of that time was because it took 6 years to complete NHPA Section 106 consultation. It also took 3 years for the applicant to receive a state water quality permit. FERC staff did, however, meet the statutory deadline of two years to complete the Environmental Impact Statement.

I use this as an example to show that I will not shy away from looking for areas of improvement at FERC to expeditiously review projects and to use FERC's bully pulpit to point out areas for improvement that are not directly within the scope of our statutory jurisdiction, but which impact FERC's effectiveness.

Finally, I want to recognize the staff at FERC. As I've now been at FERC for a few months, I've found FERC staff to be some of the most professional and driven employees in the federal government. Our human capital is key to our success. Despite FERC's passive reduction in staffing levels over the past year, our staff has risen to meet the moment. I look forward to continuing to work with them in serving the American people.

Chairman Latta, Ranking Member Castor, Members of the Subcommittee, thank you for bringing us together to discuss these important issues.