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ONE HUNDRED NINETEENTH CONGRESS

Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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May 11, 2026

MEMORANDUM

To: Subcommittee on Energy Members and Staff
From: Committee Majority Staff
Re: Subcommittee on Energy Hearing on May 13, 2026

I. INTRODUCTION

The Subcommittee on Energy will hold a hearing on Wednesday, May 13, 2026, at 10:15 a.m. (ET) in 2123 Rayburn House Office Building. The hearing is entitled, "Wires, Rates, and States: Permitting Transmission for Affordable, Reliable Power." The hearing will review the planning, siting, and permitting of electric infrastructure, and the critical role of state regulatory oversight necessary to provide affordable, reliable delivery of electric power.

II. WITNESSES

- **Tony Clark**, Executive Director, National Association of Regulatory Utility Commissioners (NARUC)
- **Mark Christie,** former Chairman, Federal Energy Regulatory Commission (FERC) and Director, Center on Energy and Law, William & Mary Law School
- **Randy S. Howard,** General Manager, Northern California Power Agency
- **Clay Rikard**, Senior Vice President, System Planning, Southern Company
- **Rob Gramlich**, President, Grid Strategies
- **Michael Skelly,** CEO and Co-founder, GridUnited

III. BACKGROUND

The nation's electric power system is undergoing an extraordinary period of electricity demand growth, which is driving States to consider and permit new electric infrastructure—generation and transmission—necessary to meet that demand and provide power reliably and affordably.

U.S. electricity demand is projected to grow nationally at a significant rate through the end of the decade, and beyond.[1] Recent estimates have projected annual growth rates ranging between 3.7 percent to 15 percent by 2030.[2] In April, the Energy Information Administration (EIA) noted that, after 15 years of nearly flat electricity consumption, demand has increased by 2.1 percent per year, on average, over the last five years. Electricity demand growth is projected to continue to grow steadily through 2050, with data center energy use a major factor.[3]

Providing reliable power requires sufficient transmission and generation resources to deliver that power during periods of peak demand, which tends to be during summer months. Just in the next two years, EIA projects peak summer demand for power to continue to grow significantly overall, at 2.3 percent this year and 3.7 percent in 2027; and for the commercial sector, in which data centers are classified, at 2.6 percent and 5.8 percent respectively. The industrial sector is also projected to grow by upwards of 5.1 percent in 2027.[4] By the end of the decade, data center-driven increases in electricity demand could consume as much as 17 percent of all electricity in the United States.[5]

An appropriate mix of generation resources is essential for reliable service. The North American Electric Reliability Corporation's (NERC) 2026 Long-Term Reliability Assessment finds that most of North America is at risk of energy shortfalls over the next five years, and the risk is growing. Key drivers include a confluence of interrelated issues, including a generation resource base that is becoming more variable and weather-dependent, unprecedented growth in electricity demand, and a pace of resource additions that is not keeping up with demand projections.[6] The report finds, for example, that over the next 10 years more than 104 gigawatts (GW) of generation is projected to retire while peak power demand may grow by over 224 GW in the same time period.[7] The report finds that projections for generation resource and transmission growth lag behind what is needed to support new data centers and other large loads that drive escalating demand forecasts.[8] NERC's president recently called the reliability challenges facing the United States a "five alarm fire."[9]

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[1] Electricity 2024, INTERNATIONAL ENERGY AGENCY (May 2024), https://www.iea.org/reports/electricity-2024/executive-summary; John D. Wilson and Zach Zimmerman, *The Era of Flat Power Demand is Over*, GRID STRATEGIES (Dec. 2023), https://gridstrategiesllc.com/wp-content/uploads/2023/12/National-Load-Growth-Report-2023.pdf; Robert Walton, *US Electricity Load Growth Forecast jumps 81% Led by Data Centers, Industry: Grid Strategies*, UTILITY DIVE (Dec. 13, 2023), https://www.utilitydive.com/news/electricity-load-growing-twice-as-fast-as-expected-Grid-Strategies-report/702366/; *US Power Use to Reach Record Highs in 2024 and 2025 – EIA*, REUTERS (Feb. 6, 2024), https://www.reuters.com/world/us/us-power-use-reach-record-highs-2024-2025-eia-2024-02-06/.

[2] Electric Power Research Institute (EPRI), *Powering Intelligence: Updated Scenarios of U.S. Data Center Electricity Use and Power Strategies* (May 2026), https://www.epri.com/research/products/3002028905.

[3] U.S. ENERGY INFORMATION ADMIN. (EIA), *Annual Energy Outlook 2026* (Apr. 2026), https://www.eia.gov/outlooks/aeo/.

[4] EIA, *Short Term Energy Outlook* (Apr. 2026), https://www.eia.gov/outlooks/steo/archives/apr26.pdf.

[5] EPRI, *id.*

[6] *See* testimony of James B. Robb, *Winter Storm Fern Lessons: Supplying Reliable Power to Meet Peak Demand: Hearing before the Subcomm. On Energy of the H. Comm. on Energy and Commerce*, 119th Cong. (Mar. 17, 2026).

[7] NORTH AMERICAN ELECTRIC RELIABILITY CORP., *Long-Term Reliability Assessment January 2026* (Jan. 2026), https://www.nerc.com/globalassets/our-work/assessments/nerc_ltra_2025.pdf.

[8] *Id*.

[9] Ethan Howland, *NERC president warns of 'five-alarm fire' for grid reliability*, Utility Dive (Oct. 22, 2025), https://www.utilitydive.com/news/data-center-grid-reliability-ferc-nerc/803467/.

Meanwhile, electricity prices increased by an estimated 29 percent from 2019 to 2025, including 5.3 percent increase over 2025.[10] Analysis shows that transmission and distribution costs have risen steadily while fuel and generation costs have generally declined.[11] In 2025, over 7,000 circuit miles of transmission lines entered into service in RTO/ISO regions.[12] Electricity rate increases are most pronounced in states that have aggressive mandates on the use of preferred renewable energy resources.[13] Comparatively, data shows that states with the most affordable electricity rates are consistently those with public policy environments that allow for the rapid integration of reliable generation resources, such as natural gas.[14]

Building out electric infrastructure to meet demand and increase reliability requires planning, siting, and permitting, almost exclusively at the state level. Congress, through the Federal Power Act, provides FERC authority to regulate rates, specifically transmission and wholesale power rates in interstate commerce. States maintain exclusive jurisdiction over all other matters within their borders, including over retail electricity sales, generation resource mix decisions, and the regulatory structure of the electric industry within the state. This jurisdiction includes siting, permitting, and construction of generation and transmission facilities. [15]

In 2005, Congress provided FERC limited "backstop" siting authority, under which FERC could override a state and issue permits for the limited number of transmission projects that may qualify by meeting certain conditions and being located within a National Interest Electric Transmission Corridor designated by the Department of Energy.[16] No permit has been issued under this authority. At the same time, Congress also provided authorization for three or more contiguous states to enter an interstate compact, subject to approval by Congress, to establish a regional transmission siting agency to carry out the transmission siting and permitting responsibilities of states.[17] States have not taken action under this authority.

Congress has been considering various reforms to federal permitting processes to enable more timely, predictable infrastructure build out, including energy infrastructure. Most state permitting decisions relating to transmission do not involve federal regulatory processes. The National Association of Regulatory Utility Commissioners (NARUC), which represents state utility regulatory authorities, recently noted that delays in building energy infrastructure have largely been the result of federal agencies and processes, not state processes:

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[10] LAWRENCE BERKELEY NATIONAL LAB., *Retail Electricity Price Trends and Drivers: Data Update – 2026 Edition (April 2026)* https://eta-publications.lbl.gov/sites/default/files/2026-03/retail_price_trends_2026_edition.pdf.
[11] *Id.*
[12] FEDERAL ENERGY REGULATORY COMMISSION, *The State of the Markets Report 2025* (March 2026), https://www.ferc.gov/news-events/news/report-3-state-markets-report-2025.
[13] Thomas J. Pyle, Kenny Stein, Alexander Stevens, *Blue States, High Rates*, Institute of Energy Research (Dec. 10, 2025), https://www.instituteforenergyresearch.org/the-grid/blue-states-high-rates/.
[14] ENERGY POLICY RESEARCH FOUNDATION, *Changes in Electricity Prices Over 20 Years* (Oct. 15, 2025), https://eprinc.org/wp-content/uploads/2025/10/COW-2025-38-Electricity-prices-20-years-.pdf.
[15] Federal Power Act, 16 U.S.C. § 824b.
[16] Federal Power Act, 16 U.S.C. § 824p.
[17] Federal Power Act, 16 U.S.C. § 824p(i).

> In our experience, it is often not state regulatory processes that add undue delay to projects, it is the creation of a federal jurisdictional nexus. Under existing federal law, when a state-approved transmission project triggers this nexus, such as when a project crosses federally managed land, it means that federal statutes and agencies become involved. This in turn can lead to federal litigation and attendant delays.[18]

In light of the growing need to build and expand power generation and infrastructure to meet growing demand, address reliability risks, and assure affordable electricity rates, this hearing will provide opportunity to review what is necessary for effective and timely planning, siting, and permitting of electric infrastructure, the critical role of state regulatory oversight of these processes, and what is necessary to provide affordable, reliable delivery of electric power.

IV. ISSUES FOR HEARING

- The role of States in siting and permitting generation and transmission;
- Challenges to predictable, timely permitting of energy infrastructure;
- How to plan expansion of electric power systems while protecting consumer interests;
- How to ensure reliable, affordable delivery of power for residential ratepayers; and
- Who is to pay for interstate transmission infrastructure, including through cost allocation methods.

V. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Mary Martin, Peter Spencer, or Andrew Furman of the Committee Staff at (202) 225-3641.

[18] Letter to Sens. Lee and Heinrich, NARUC (Apr. 22, 2026), https://pubs.naruc.org/pub/4A644EC6-95F9-CC83-F8EA-E39DC0BE0037.