DOE DIRECTS FERC TO TAKE ACTION ON LARGE LOAD INTERCONNECTION

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US Power Alert

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On 23 October 2025, Department of Energy (DOE) Secretary Chris Wright asked the Federal Energy Regulatory Commission (FERC) to consider an Advance Notice of Proposed Rulemaking (ANOPR) for the interconnection of retail loads greater than 20 MW to jurisdictional transmission facilities.[1] DOE expects FERC to take final action not later than 30 April 2026.

In issuing the letter and proposed rule, Secretary Wright explained that unprecedented and extraordinary quantities of electricity and substantial investment in the nation's interstate transmission system are necessary to meet the Trump administration's commitment to revitalizing domestic manufacturing and driving American artificial intelligence innovation. Secretary Wright points to the fact that electricity demand is expected to grow at an extraordinary pace due in large part to the rapid growth of large loads and the unique challenges presented by the size and speed with which data centers can be connected to the grid. Secretary Wright argues that it has become necessary to standardize interconnection procedures and agreements for large loads.

The ANOPR presents a number of principles for consideration in a large load/hybrid interconnection rule, including:

- *Limited Jurisdiction.* FERC interconnection rules would apply only to direct interconnections to jurisdictional transmission facilities.
- *Large Loads.* The rules would apply only to new standalone loads greater than 20 MW and loads greater than 20 MW that share a point of interconnection with new or existing generation facilities (hybrid facilities). The ANOPR seeks comments on whether a 20 MW cutoff for large loads or an alternative threshold is appropriate.
- *Loads and Generation Studied Together.* When possible, interconnecting large loads and hybrid facilities would be studied with generating facility interconnections, which may reduce the scope and cost of network upgrades for the interconnection customer.
- *Standardized Study Procedures.* Large loads and hybrid facilities would be subject to standardized deposits, readiness requirements, and withdrawal penalties. The ANOPR seeks comments on what study deposits, thresholds, commitments, or penalties should apply.
- *Study Parameters.* Hybrid facilities' interconnections would be studied using the developer's requested amount of system injection and withdrawal rights.

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- *System Protections.* Hybrid interconnections would be required to install system protection facilities that prevent unauthorized injections or withdrawals in excess of study parameters. The ANOPR seeks comments on proposed operational limitations and technical requirements.
- *Expedited Processes.* Curtailable large loads and dispatchable hybrid facilities could seek expedited study procedures. The ANOPR seeks comments on recommendations for accomplishing expedited studies for curtailable large loads.
- *Cost Causation.* Load and hybrid facilities would be responsible for the full cost of all network upgrades identified during the study process. The ANOPR seeks comments on offsetting costs for network upgrades via a crediting mechanism.
- *Self-Build for Certain Network Upgrades.* Large loads and hybrids could exercise the same self-build option that is available to generator interconnection customers.
- *Co-location with Existing Generation to be Studied*. An existing generating facility that enters a partial suspension to serve co-located load would be studied for system reliability impacts. The ANOPR seeks comments on the role of resource adequacy in the relevant studies.
- *Transmission Service.* Transmission service would be based on system withdrawal rights, reflecting the quantity of capacity and energy that is being transmitted across the transmission system to the load.
- *Ancillary Services.* Large loads would pay for ancillary services based on peak demand, without netting for energy supplied by co-located generation.
- *Transition Plan.* A transition plan would address the treatment of large load interconnections that are already being studied for interconnection. The ANOPR seeks comments on appropriate transition plans for interconnections already being studied.
- *Compliance.* All applicable NERC reliability standards and tariff requirements would be complied with.

The ANOPR is intended to provide a path forward to address the urgent electric power needs of large loads. Nevertheless, the rulemaking is going to be controversial. As DOE acknowledges, FERC has never before exercised authority over the interconnection of retail loads. Such a move will likely be viewed by some as an unacceptable encroachment on states' historic authority.

The ANOPR provides several justifications for exercising jurisdiction over these interconnections. First, large load connections are a critical component of open access transmission service that require minimum terms and conditions to ensure nondiscriminatory transmission service. Second, large load interconnections are directly affecting FERC-jurisdictional wholesale electricity rates. Third, states' authority to regulate retail electricity sales and site data centers is undisturbed. Lastly, according to DOE, any contrary view would conflict with the Federal Power Act's core purposes.

Comments on the ANOPR are due by 14 November 2025, and reply comments are due by 28 November 2025.[2]

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READY TO HELP

The firm's Power practice group is closely monitoring these developments and stands ready to assist clients in navigating evolving laws, regulations, and policies governing interconnection of data centers, industrial facilities, and large loads.

FOOTNOTES

[1] *Secretary of Energy's Direction that the Federal Energy Regulatory Commission Initiate Rulemaking Procedures and Proposal Regarding the Interconnection of Large Loads Pursuant to the Secretary's Authority Under Section 403 of the Department of Energy Organization Act* (Oct. 23, 2025), https://www.energy.gov/articles/secretary-wright-acts-unleash-american-industry-and-innovation-newly-proposed-rules.

[2] *Interconnection of Large Loads to the Interstate Transmission System,* Docket No. RM26-4-00*, Notice Inviting Comments* (Oct. 27, 2025), https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20251027-3056.

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