

119TH CONGRESS
2D SESSION

S. _____

To amend the Federal Power Act to clarify the jurisdiction of the Federal Energy Regulatory Commission over the interconnection of large loads to the transmission system, to provide for standards and procedures for the interconnection of large loads, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. HEINRICH introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Federal Power Act to clarify the jurisdiction of the Federal Energy Regulatory Commission over the interconnection of large loads to the transmission system, to provide for standards and procedures for the interconnection of large loads, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Guarding Ratepayers
5 from Increased Demand-costs Savings Act of 2026” or the
6 “GRID Savings Act of 2026”.

1 **SEC. 2. LARGE LOAD INTERCONNECTION.**

2 (a) IN GENERAL.—Part II of the Federal Power Act
3 (16 U.S.C. 824 et seq.) is amended by adding at the end
4 the following:

5 **“SEC. 224. LARGE LOAD INTERCONNECTION.**

6 “(a) DEFINITIONS.—In this section:

7 “(1) BULK-POWER SYSTEM.—The term ‘bulk-
8 power system’ has the meaning given the term in
9 section 215(a).

10 “(2) COMMISSION.—The term ‘Commission’
11 means the Federal Energy Regulatory Commission.

12 “(3) COVERED LARGE LOAD.—

13 “(A) IN GENERAL.—The term ‘covered
14 large load’ means a new or expanded nonresi-
15 dential electric load, or a group of such loads
16 under common ownership, control, or affiliation
17 at a single site or at contiguous or adjacent
18 sites sharing electric infrastructure (including
19 phased development), that has an aggregate re-
20 quested or projected peak electric demand of
21 not less than 150 megawatts behind a single
22 point of interconnection.

23 “(B) COMBINED CONFIGURATIONS.—A
24 load or group of loads described in subpara-
25 graph (A) shall be a covered large load without
26 regard to whether it is proposed to be inter-

1 connected, studied, or served in combination
2 with 1 or more generation or energy storage re-
3 sources, and peak electric demand shall be
4 measured without reduction for any such re-
5 source.

6 “(4) COVERED LARGE-LOAD CUSTOMER.—The
7 term ‘covered large-load customer’ means a person
8 that owns, controls, or operates a covered large load.

9 “(5) DEDICATED RESOURCE.—The term ‘dedi-
10 cated resource’ means a new or incremental genera-
11 tion resource, energy storage resource, or enforce-
12 able flexibility arrangement, including a resource lo-
13 cated behind the meter of, co-located with, or prox-
14 imate to and electrically deliverable to the applicable
15 covered large load, that is dedicated to the covered
16 large load and subject to 1 or more enforceable, me-
17 tered commitments.

18 “(6) DIRECT ASSIGNMENT FACILITY.—The
19 term ‘Direct Assignment Facility’ means a facility,
20 or any portion of a facility, that is—

21 “(A) constructed for the sole use or benefit
22 of a particular covered large-load customer;

23 “(B) classified as a Direct Assignment Fa-
24 cility under the applicable tariff or service
25 agreement accepted or approved by the Com-

1 mission, consistent with the definition of the
2 term ‘Direct Assignment Facilities’ in the pro
3 forma open access transmission tariff estab-
4 lished by the Commission under section 35.28
5 of title 18, Code of Federal Regulations (or a
6 successor regulation), as adapted by the Com-
7 mission for covered large loads; and

8 “(C) specified as a Direct Assignment Fa-
9 cility in the applicable tariff or service agree-
10 ment accepted or approved by the Commission.

11 “(7) INTERCONNECTION FACILITY.—The term
12 ‘Interconnection Facility’ means a facility classified
13 as an Interconnection Facility under the applicable
14 tariff or service agreement accepted or approved by
15 the Commission, consistent with the definition of the
16 term ‘Interconnection Facilities’ in the standard
17 interconnection procedures and agreements estab-
18 lished by the Commission under section 35.28 of
19 title 18, Code of Federal Regulations (or a successor
20 regulation), as adapted by the Commission for cov-
21 ered large loads.

22 “(8) NETWORK UPGRADE.—The term ‘Network
23 Upgrade’ means an addition, modification, or up-
24 grade to the transmission system of a transmitting
25 utility, at or beyond the point at which the Inter-

1 connection Facilities for a covered large load connect
2 to that system, that is required to accommodate the
3 interconnection of, or transmission service to serve,
4 the covered large load, consistent with the definition
5 of the term ‘Network Upgrades’ in the standard
6 interconnection procedures and agreements estab-
7 lished by the Commission under section 35.28 of
8 title 18, Code of Federal Regulations (or a successor
9 regulation), as adapted by the Commission for cov-
10 ered large loads.

11 “(9) STAND ALONE NETWORK UPGRADE.—The
12 term ‘Stand Alone Network Upgrade’ means a Net-
13 work Upgrade classified as a Stand Alone Network
14 Upgrade under the applicable tariff or service agree-
15 ment accepted or approved by the Commission, con-
16 sistent with the definition of the term ‘Stand Alone
17 Network Upgrades’ in the standard interconnection
18 procedures and agreements established by the Com-
19 mission under section 35.28 of title 18, Code of Fed-
20 eral Regulations (or a successor regulation), as
21 adapted by the Commission for covered large loads.

22 “(b) JURISDICTION OVER LARGE LOAD INTER-
23 CONNECTION.—

24 “(1) IN GENERAL.—The Commission shall have
25 jurisdiction over the interconnection of any covered

1 large load to 1 or more facilities used for the trans-
2 mission of electric energy in interstate commerce.

3 “(2) TREATMENT.—The interconnection de-
4 scribed in paragraph (1) shall be—

5 “(A) subject to the requirements of this
6 section and sections 205 and 206; and

7 “(B) considered to be a component of open
8 access transmission service.

9 “(3) INCLUDED MATTERS.—The jurisdiction of
10 the Commission under paragraph (1) includes—

11 “(A) flexible interconnection service, sub-
12 ject to enforceable operating limits;

13 “(B) provisional or phased interconnection
14 service; and

15 “(C) the study and interconnection, sepa-
16 rately or together, of a covered large load and
17 any associated generation, energy storage, or
18 verifiable load flexibility, including a dedicated
19 resource.

20 “(c) RULEMAKING.—

21 “(1) IN GENERAL.—Not later than 1 year after
22 the date of enactment of this section, the Commis-
23 sion shall issue a final rule, applicable to each trans-
24 mitting utility, establishing standards and proce-
25 dures for the interconnection of covered large loads.

1 “(2) INCLUSIONS.—The rule under paragraph
2 (1) shall include pro forma provisions and regionally
3 tailored requirements.

4 “(3) THRESHOLD CRITERIA.—The rule under
5 paragraph (1) shall establish criteria and procedures
6 for determining whether a load or group of loads is
7 a covered large load.

8 “(d) REQUIRED STANDARDS AND PROCEDURES.—
9 The rule issued under subsection (c) shall establish stand-
10 ards and procedures governing each of the following:

11 “(1) STUDY PROCESS.—Timelines, readiness re-
12 quirements, and study procedures for interconnec-
13 tion requests for covered large loads that—

14 “(A) protect other customers from the
15 costs of speculative or duplicative requests;

16 “(B)(i) identify reasonable alternatives, in-
17 cluding the services and configurations de-
18 scribed in subsection (b)(3) and advanced
19 transmission technologies;

20 “(ii) present the alternatives, with esti-
21 mated costs and schedules, to the covered large-
22 load customer; and

23 “(iii) permit the covered large-load cus-
24 tomer to elect among the alternatives in accord-
25 ance with the applicable tariff; and

1 “(C) provide for the services and configu-
2 rations described in subsection (b)(3), at the
3 election of the covered large-load customer,
4 where consistent with reliable operation of the
5 bulk-power system.

6 “(2) CLASSIFICATION AND ALLOCATION OF
7 TRANSMISSION COSTS.—

8 “(A) CLASSIFICATION.—Criteria and pro-
9 cedures governing the classification of facilities
10 as Interconnection Facilities, Direct Assignment
11 Facilities, Network Upgrades, or Stand Alone
12 Network Upgrades for a covered large load,
13 consistent with the definitions in subsection (a),
14 with each classification supported by the record
15 of the applicable study.

16 “(B) INTERCONNECTION AND DIRECT AS-
17 SIGNMENT FACILITIES.—A requirement that—

18 “(i) each applicable tariff or service
19 agreement identify the Interconnection Fa-
20 cilities and Direct Assignment Facilities
21 for a covered large load; and

22 “(ii) 100 percent of the costs of those
23 facilities be—

1 “(I) directly assigned to, and
2 fully borne by, the applicable covered
3 large-load customer; and

4 “(II) paid or secured as provided
5 under paragraph (3).

6 “(C) NETWORK UPGRADES.—Costs of Net-
7 work Upgrades shall be allocated to covered
8 large-load customers, and those costs shall be
9 credited back against transmission service
10 charges, in a manner that is consistent with the
11 standard interconnection procedures and agree-
12 ments established by the Commission under sec-
13 tion 35.28 of title 18, Code of Federal Regula-
14 tions (or a successor regulation), as adapted by
15 the Commission for covered large loads.

16 “(D) OPTION TO BUILD.—A covered large-
17 load customer may elect to construct its own
18 Network Upgrades and Interconnection Facili-
19 ties under an option to build, in a manner that
20 is consistent with the standard interconnection
21 procedures and agreements established by the
22 Commission under section 35.28 of title 18,
23 Code of Federal Regulations (or a successor
24 regulation), as adapted by the Commission for
25 covered large loads.

1 “(3) PAYMENT AND FINANCIAL SECURITY.—

2 “(A) IN GENERAL.—Requirements for—

3 “(i) the payment of costs allocated to
4 a covered large-load customer; and

5 “(ii) financial security designed to
6 protect any customer from unrecovered
7 costs if a covered large load fails to pro-
8 ceed or perform.

9 “(B) REQUIREMENTS.—The provision of
10 financial security described in subparagraph
11 (A)(ii) shall not alter the final allocation of
12 costs.

13 “(4) TRANSPARENCY.—Disclosure to the appli-
14 cable covered large-load customer, each applicable
15 State commission, and the Commission of—

16 “(A) the classification of, estimated and
17 final costs of, allocation of costs for, and meth-
18 od of cost recovery for the facilities associated
19 with a covered large load; and

20 “(B) the alternatives evaluated, subject to
21 appropriate protection of critical electric infra-
22 structure information (as defined in section
23 215A(a)).

24 “(5) RELIABILITY.—Standards to ensure that
25 the interconnection of covered large loads is con-

1 sistent with current and future reliability standards
2 (as defined in section 215(a)).

3 “(e) VOLUNTARY FUNDING OF REGIONAL AND
4 INTERREGIONAL FACILITIES.—

5 “(1) IN GENERAL.—Except as provided in para-
6 graph (2), nothing in this section alters the alloca-
7 tion of the costs of transmission facilities selected in
8 a regional or interregional transmission plan under
9 a planning process accepted or approved by the
10 Commission.

11 “(2) VOLUNTARY FUNDING.—The Commission
12 shall include in the rule issued under subsection (c)
13 a mechanism to allow a covered large-load customer
14 to voluntarily fund all or a portion of a transmission
15 facility selected in a regional or interregional trans-
16 mission plan under a planning process accepted or
17 approved by the Commission that plans for the
18 transmission needs of anticipated load growth in ex-
19 change for a Commission-defined right to trans-
20 mission service enabled by the funded facility, sub-
21 ject to the conditions that such funding—

22 “(A) shall reduce the costs otherwise allo-
23 cated pursuant a regional or interregional cost
24 allocation method accepted or approved by the
25 Commission;

1 “(B) shall not impact whether the trans-
2 mission facility is selected under the rules of
3 the Commission; and

4 “(C) except as provided in subparagraph
5 (A), shall not impact how the costs of the
6 transmission facility are allocated under the
7 rules of the Commission.

8 “(f) SAVINGS PROVISIONS.—

9 “(1) COMMISSION AUTHORITY; PENDING PRO-
10 CEEDINGS.—Nothing in this section—

11 “(A) limits or impairs any authority of the
12 Commission under any other provision of law;
13 or

14 “(B) affects any proceeding pending be-
15 fore, or any order issued by, the Commission
16 before the date of enactment of this section.

17 “(2) ERCOT.—This section does not apply to
18 ERCOT or an ERCOT utility (as those terms are
19 defined in section 212(k)(2)) with respect to the
20 transmission of electric energy occurring wholly
21 within ERCOT.”.

22 (b) CONFORMING AMENDMENTS.—Section 201 of the
23 Federal Power Act (16 U.S.C. 824) is amended—

24 (1) in subsection (b)(2)—

1 (A) in the first sentence, by striking “and
2 222” and inserting “222, and 224”; and

3 (B) in the second sentence, by striking “or
4 222” and inserting “222, or 224”; and

5 (2) in subsection (e)—

6 (A) by striking “206(f),”; and

7 (B) by striking “or 222” and inserting
8 “222, or 224”.