

THE U.S. SENATE COMMITTEE ON
ENERGY AND
NATURAL RESOURCES
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GRID CONNECTION AND CONGESTION MANAGEMENT

About 2,000 GW of generation sits in interconnection queues, and only ~19% of projects requesting to come online from 2000 – 2020 were built by the end of 2025.¹ With load growth from data centers and electrification straining electricity supplies, a faster interconnection process is needed to let new generation reach the grid.

Grid operators use generation interconnection processes to connect new power sources to the system in a reliable and safe manner. In 2003, FERC created two interconnection processes: an Energy Resource Interconnection Service (ERIS) that allows generations sources to quickly, safely, and reliably connect to the grid—in exchange for those resources to be curtailed when the system is congested; and the Network Resource Interconnection Service (NRIS), which requires operators to study if the new generation resource can be connected as a firm power source that cannot be curtailed and may require additional transmission upgrades.

Problem: In practice, many RTOs have implemented ERIS in ways that often do not meaningfully reduce study burden, timing, or upgrade exposure compared to the NRIS—meaning that all new generation resources are forced to undergo lengthy pre-connection studies and often pay for expensive transmission upgrades. This limits the amount of new generation that can be added to the grid and drives up electricity costs.

Interconnection delays are also driving capacity-price spikes. PJM's 2025/26 capacity auction cost consumers \$14.7 billion, up from \$2.2 billion, with the clearing price jumping from \$28.92 to \$269.92/MW-day.² According to Grid Strategies, \$7 billion of the increased cost was avoidable if PJM had proactively planned transmission upgrades and simplified the interconnection process in advance. Connecting just 15% of PJM's queue would have supplied the 10 GW the RTO needed to hold prices near prior levels.³

Solution: Allow new generators to connect quickly—lowering electricity prices.

In Texas, an ERIS-style pathway added roughly 43 GW of new generation, between 2020-2024. PJM, a grid twice as big, added just 18 GW over the same period of time.⁴ Texas has used this pathway since 2012 and connects projects about two years faster than the rest of the country.

The ***Grid Connection and Congestion Management Act*** requires that (1) RTO/ISOs submit open access tariff revisions quickly (within 180 days of enactment) to provide for basic access service for energy delivery (BASED) and (2) FERC to establish a pro forma open access tariff to integrate BASED within 18 months of enactment.

¹ <https://emp.lbl.gov/sites/default/files/2026-06/Queued%20Up%202026%20Edition.pdf>

² <https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2025-2026/2025-2026-base-residual-auction-report.pdf>

³ <https://gridstrategiesllc.com/wp-content/uploads/Penny-wise-and-pound-foolish-PJM-capacity-auction-and-interconnection.pdf>

⁴ https://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2025.shtml