

Written Testimony of Judy Chang
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Chairman Lee, Ranking Member Heinrich, and members of the Committee. Thank you for inviting me and my fellow Commissioners to testify today.

Since I last appeared before the Committee two years ago, the country's energy sector has transformed at a pace that would have previously been unimaginable. From my position at the Commission, I am focused on setting rules of the road that ensure that our energy system can keep up with rapid change and continue to deliver affordable and reliable electricity to the American people. I would like to highlight three priorities.

First, our most pressing mandate is to set clear rules to enable the interconnection of new large loads and deliver the electricity needed to power them while protecting existing customers against reliability risks and unwarranted cost shifts. The Commission has been tasked with solving this problem, and over the last year, we have taken action based on the substantial record before us. Last month, we reached an important milestone through the initiation of six regional proceedings, in which I highlighted a number of important issues.¹ Given the increased cost of power in many regions of the country, affordability must continue to be top of mind. The Commission must ensure that creating new pathways for large loads does not lead to major cost shifting to existing customers. Though we are improving our understanding of the types of tools that can provide these protections, ultimately, the details will matter. In addition, the sheer size of large computational loads will have major reliability implications for the grid.² I will continue to work closely with NERC to understand the risks and make sure they are addressed through appropriate Commission action. With ever increasing importance, advanced transmission technologies will play a major role in getting the most out of our existing and expanding grid, which will in turn help ensure affordability and reliability. Overall, the Commission has an important responsibility as both an economic and reliability regulator to take actions that protect consumers.

Second, as we experience rapid growth, the Commission must work to ensure that that our wholesale electricity markets continue to deliver efficiencies for customers. For decades, FERC has promoted the development of competition in the electricity and natural gas sectors, and I remain fundamentally supportive of those efforts. Our current market structures have been tailored over time to meet each region's specific needs, but they must now adapt to major changes underway in the industry. In the Eastern Interconnection, markets must find ways to keep pace with growing demand: on the supply side, by modifying capacity, energy, and ancillary services markets to provide the right economic signals to incent new generation and preserve needed existing resources; and on the demand side, by enabling more savings through

¹ E.g., *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,211 (2026) (Comm'r Chang, *concurring*).

² E.g., *Reliability Standard(s) Pertaining to Computational Load Integration*, 196 FERC ¶ 61,031 (2026).

increased participation of demand-side resources.³ In the Western Interconnection, new markets are taking shape that may present more complex designs, seams, and dynamics to resolve than their eastern counterparts. One of my priorities is to work closely with the market operators and Western stakeholders to identify and address those challenges to optimize operations and prevent potential manipulation.

Third, the Commission must continue to set clear rules and regulations so that the infrastructure needed to support US economic growth can be built. More focus is still needed on planning out the backbone transmission system through regional and interregional processes. Order No. 1920 set the appropriate approach for regions to reach agreement on the long-term trajectory of grid growth and cost allocation. I am thrilled to see that the compliance process has begun and look forward to working with my colleagues to implement these reforms nationwide. The Commission also has a prominent role in siting hydroelectric and natural gas infrastructure, and we are looking for efficiencies that will facilitate the permitting of the next generation of energy projects. We can gain the most efficiencies by ensuring that roles and responsibilities are clear from the outset, and that our decisions are legally durable and account for the people who live near the projects. Making the appropriate process changes can improve access to energy, which should, in turn, improve energy affordability and reliability. I hope that the Commission can continue to be a good partner to states and regional entities in this effort.

Thank you for the opportunity to testify and I am happy to answer any questions.

³ I recently highlighted the importance of ensuring available demand-side resources can participate in Commission-jurisdictional markets, particularly at this moment when supply is tight and prices are high. *Midcontinent Indep. Sys. Operator, Inc.*, 195 FERC ¶ 61,210 (2026) (Comm'r Chang, *dissenting*).