



Artificial Intelligence and Grid Reliability Among Hot Topics on FERC's Radar in Testimony Before U.S. House of Representatives Committee on Energy and Commerce Subcommittee

July 29, 2024

Reading Time : **2 min**

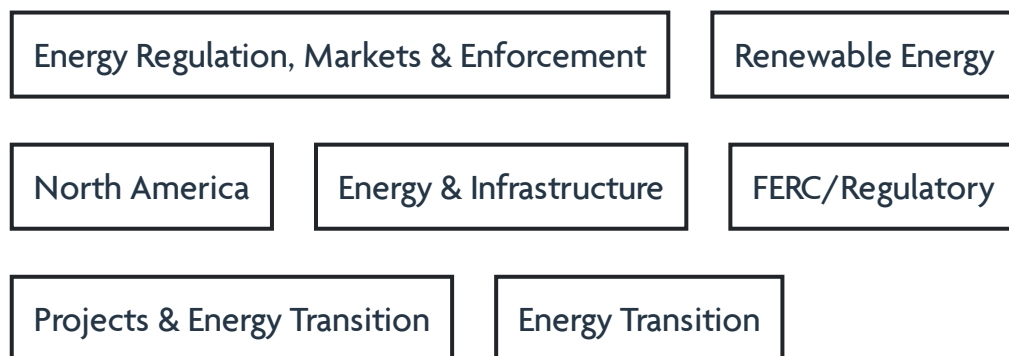
By: Stephen J. Hug, Emily P. Mallen, Ben N. Reiter, Scott Daniel Johnson, Richard Coppola III

On Wednesday, July 24, 2024, the U.S. House of Representative Committee on Energy and Commerce held a Subcommittee on Energy, Climate, and Grid Security hearing to review the Federal Energy Regulatory Commission (FERC or Commission) Fiscal Year 2025 Budget Request. Members of the Subcommittee had the opportunity to hear testimony from all five Commissioners, including FERC Chairman Willie Phillips and Commissioner Mark Christie, as well as the three recently confirmed commissioners, David Rosner, Lindsay See and Judy Chang. In addition to their prepared remarks, the five commissioners answered questions on FERC's mandate to provide affordable and reliable electricity and natural gas services nationwide, while also ensuring it fulfills its primary mission of maintaining just and reasonable rates.

This Subcommittee hearing served as an opportunity to solicit viewpoints on several hot topics intersecting with the Federal Energy Regulatory Commission's (FERC) mission, including the impact that the Supreme Court's decision in *Loper Bright Enterprises v. Raimondo* might have on FERC's recent Order No. 1920 on transmission planning and cost allocation, as well as on the reliability and affordability of energy in light of increasing load growth around artificial intelligence (AI) systems and data centers, and FERC's role in liquefied natural gas (LNG) and infrastructure permitting. Touching on the *Loper Bright* ruling, Commissioner See emphasized that she welcomes the judicial check offered by the separation of powers and encouraged Congress to accept its responsibility to write and pass clear statutes for agencies to implement. Chairman Phillips praised and defended the Commission's Order No. 1920, stating

that it falls under FERC’s Federal Power Act “jurisdiction over electric transmission rates, interstate rates, and the practices that affect those rates” and will enable the Commission to enhance long-term planning to address the unexpected surges in load growth being seen today. All of the commissioners agreed that reliability and affordability are crucial for the Commission, with Commissioner Chang pointing out that a healthy and strong transmission system is explicitly linked to the nation’s economic growth and technological innovation. All of the commissioners agreed the rapid growth of AI systems and data center infrastructure have increased the pressure on the electrical grid and confirmed that grid-enhancing technologies have enormous potential to alleviate constraints. Lastly, all of the commissioners agreed that in order to keep up with demand, the United States has a fundamental interest in supporting critical infrastructure around our nation’s natural gas supply. A more detailed summary of the hearing can be found [here](#). Additional information on *Loper Bright* and Order No. 1920, can be found [here](#) and [here](#).

Categories



© 2024 Akin Gump Strauss Hauer & Feld LLP. All rights reserved. Attorney advertising. This document is distributed for informational use only; it does not constitute legal advice and should not be used as such. Prior results do not guarantee a similar outcome. Akin is the practicing name of Akin Gump LLP, a New York limited liability partnership authorized and regulated by the Solicitors Regulation Authority under number 267321. A list of the partners is available for inspection at Eighth Floor, Ten Bishops Square, London E1 6EG. For more information about Akin Gump LLP, Akin Gump Strauss Hauer & Feld LLP and

other associated entities under which the Akin Gump network operates worldwide, please see our Legal Notices page.