



In a Move Affecting the Future of Data Centers, DOE Directs FERC to Act On Large Load Interconnections

Client Alert | 3 min read | 10.24.25

Key Takeaways:

- DOE proposes broad principles to apply to all large load interconnections over 20 MW. This would include most data center projects nationally.
- Proposed rule is national, applying to all transmission-level interconnections in all FERC-jurisdictional regions.
- FERC must act by April 30, 2026.

On October 23rd, the U.S. Department of Energy (“DOE”) sent a letter to the Federal Energy Regulatory Commission (“FERC”) containing an Advance Notice of Proposed Rulemaking (“ANOPR”) with principles for all large load interconnections across the US, including those co-located with generating facilities.^[1] Significantly, the Secretary of Energy states that the interconnection of large loads to the transmission system “falls squarely” within FERC’s jurisdiction, thus weighing in on a dispute that has been pending before FERC for over a year. This move appears to be a reaction to the continued pendency before FERC of the colocation dockets^[2] and a technical conference on colocation held almost a year ago.^[3]

Under DOE’s ANOPR, all data center (and large load) interconnections in the U.S. (except in Texas) will be subject to this new process. While FERC considered changes to Eastern processes, particularly in the markets operated by PJM Interconnection, L.L.C., this proposal is broadly applicable to all transmission-level interconnections subject to FERC’s jurisdiction.

In the ANOPR that it directs FERC to issue,^[4] DOE analyzes FERC’s jurisdiction under the Federal Power Act (“FPA”) to determine that there are at least four grounds upon which FERC has jurisdiction over large loads interconnecting to the transmission grid. First, large loads are a critical component of open access transmission service, and require minimum terms and conditions to ensure non-discriminatory treatment. Second, the interconnection of large loads is a practice that directly affects jurisdictional wholesale electricity rates. Third, DOE asserts that this proposal does not impinge on states’ rights as it does not impact anything traditionally reserved to the states. Fourth, any contrary view would conflict with the FPA’s core purpose given the Commission’s jurisdiction over transmission.

The ANOPR further sets out certain principles which should apply to large load interconnections and hybrid facilities involving both a large load and a generating facility. These principles include the following:

- This process will only apply to transmission-level interconnections of loads over 20 MW,^[5]

- A standardized interconnection policy should be created, similar to that for generators, with similar rules and requirements including availability of the option to build;^[6]
- Load and hybrid facilities should be studied together with any co-located or nearby generation (which may reduce the need for network upgrades), based on the requested withdrawal and injection rights and shall be required to install protection systems to honor those withdrawal and injection rights.^[7]
- Curtailable load interconnections should be expedited;^[8]
- The loads should be 100% responsible for network upgrades;^[9]
- Utilities serving loads and hybrid facilities should be responsible for transmission service based on their withdrawal rights;^[10] and
- Utilities serving loads should be responsible for ancillary services based on their peak demand without considering any co-located generation, which would be compensated for any ancillary services it provides.
[11]

DOE directs FERC, under section 403 of the Department of Energy Organization Act,^[12] to act on this matter prior to April 30, 2026. FERC will, presumably, open a notice and comment period to allow interested parties to weigh in on this far broader exercise of jurisdiction.

[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), available at <https://www.energy.gov/sites/default/files/2025-10/403%20Large%20Loads%20Letter.pdf> ("DOE 403 Letter").

[2] See, e.g., *PJM Interconnection, L.L.C.*, 190 FERC 61,115 (2025) (show cause order issued against PJM in February 2025).

[3] *Large Loads Co-Located at Generating Facilities*, Docket No. AD24-11-000. FERC held a technical conference on November 1, 2024 and received many comments following that technical conference.

[4] *Id.*, *Ensuring the Timely and Orderly Interconnection of Large Loads*, Advance Notice of Proposed Rulemaking ("ANOPR").

[5] ANOPR at P 18-19.

[6] ANOPR at P 21, 26.

[7] ANOPR at P 21-23.

[8] ANOPR at P 24.

[9] ANOPR at P 25.

[10] ANOPR at P 28.

[11] ANOPR at P 29.

[12] 42 U.S.C. § 7173(b).

Contacts

Ruta Kalvaitis Skučas

Partner

She/Her/Hers

Washington, D.C. D | +1.202.508.8702
rskucas@crowell.com

Tyler A. O'Connor

Partner

Washington, D.C. D | +1 202.624.2704
toconnor@crowell.com

Jon Welner

Partner

San Francisco D | +1.415.365.7285
Los Angeles D | +1.213.622.4750
jwelner@crowell.com

Kathryn Douglass

Counsel

She/Her/Hers

Denver D | +1.303.524.8654
kdouglass@crowell.com

Kathy Lowrey

Associate

She/Her/Hers

Washington, D.C. D | +1.202.624.2940
klowrey@crowell.com