# ELECTRICITY CUSTOMER ALLIANCE

May 30, 2025

Federal Energy Regulatory Commission
Chairman Mark C. Christie
Commissioner David Rosner
Commissioner Lindsay See
Commissioner Judy Chang

Mr. Chairman and Commissioners,

The undersigned organizations, which represent electricity customers ranging from the largest new loads to industrial and small retail customers, write to urge that the Federal Energy Regulatory Commission (FERC) work with its state colleagues to initiate an independent examination of current load forecasting practices and potential improvements to those practices. The uncertainty and lack of transparency surrounding current load forecasting practices across the country, in both Regional Transmission Organization/Independent System Operator (RTO/ISO) regions and non-RTO/ISO regions alike, further complicates the already challenging task of comprehensively planning for the reliable, cost-effective, and timely integration of new large loads. Because load forecasting practices and the impacts they can have on consumer costs implicate both federal and state jurisdiction, we urge that the Commission either launch an independent forum to examine these issues (e.g., a Technical Conference or Federal Power Act Section 209 Joint Board with the states) or place them at the top of the agenda for the FERC-NARUC Collaborative.

Exponential load growth is already underway and will accelerate in response to new demands from Artificial Intelligence (AI), data centers, and reshored advanced manufacturing facilities.[1] Meeting this demand through more proactive electricity system planning is foundational to the Nation's efforts to win the global AI race and reliably and cost-effectively serve the energy demands of a digital economy. We cannot meet these national security imperatives, however, without more confidence in load growth forecasts, greater transparency and standardization in how forecasts are constructed, and clearer lines of communication among state and federal regulators, transmission operators, generators, load serving entities, and customers as forecasts are adjusted. Customers face significant reliability and cost risks when load growth forecasts and projections are uncertain and not transparent. Artificially low forecasts lead to insufficient infrastructure investment and resulting high

[1] The most recent publicly released forecast from ICF projects 25% load growth by 2030 and 78% by 2050, with annual growth rates of 3.2% through 2030 and 2.2% through 2050, far outpacing recent growth rates. *See* Lalit Batra, et al., "Rising current: America's growing electricity demand", ICF (May 2025), *available at* https://www.icf.com/insights/energy/impact-rapid-demand-growth-us.

costs and potential reliability problems, while artificially high forecasts risk overinvestment, unnecessary rate increases for already burdened customers, and stranded costs.

Load forecasting practices directly implicate both the functioning of wholesale markets and transmission planning processes under the Commission's jurisdiction and numerous matters under state jurisdiction. This reality makes a joint examination essential. Load forecasting practices impacting FERC-jurisdictional markets and planning processes in most (but not all) cases begin with forecasts conducted by load-serving utilities. Those forecasts may, or may not, be the same as those the utilities use under state jurisdiction. The use of utility forecasts in processes that determine wholesale rates and transmission plans has raised questions regarding their accuracy and transparency for customers. Participants in FERC-jurisdictional wholesale markets have raised concerns about the impact that large changes in load forecasts, and the lack of transparency of those forecasts, has on market functioning and investment.[2] The Commission thus has a strong interest in how load forecasts directly impact wholesale energy prices and transmission rates and services, including how they are used as inputs to resource adequacy mechanisms and local and regional transmission plans. The Commission's agenda for its upcoming Technical Conference on Resource Adequacy in RTOs/ISOs recognizes the direct impact of load forecasting practices on resource adequacy and wholesale capacity prices.[3]

Examining where current load forecasting practices may be incomplete or inaccurate, and identifying best practices to improve the certainty, transparency, and consistency of load forecasting practices across regions, are important steps to protecting customers from the reliability and stranded cost risks of inaccurate forecasts. Some best practices could be implemented in the near term, such as requirements that requests for large load additions to forecasts used in wholesale markets and planning processes demonstrate commercial viability or be commitment-backed, similar to approaches already undertaken in some state retail tariffs.[4] Other best practices may require longer-term improvements to load forecasting practices to integrate those practices into the more holistic, transparent, and proactive generation and transmission planning for load and generation growth needed to meet future demands.

The Commission is uniquely positioned to convene the states, industry, and customers to examine load forecasting practices, given the impact of these practices on matters in the jurisdiction of both

[2] *See, e.g.,* "PJM/PC TEAC Briefs: January 7, 2025", *RTO Insider* (Jan. 13, 2025), *available at* https://www.rtoinsider.com/95369-pjm-pc-teac-010725/.
[3] Docket No. AD25-7-000, Supplemental Agenda at 5-6.
[4] *See, e.g.,* Settlement Agreement in Indiana-Michigan Power, Cause No. 46097, Indiana Utility Regulatory Commission (filed Nov. 22, 2024).

the Commission and the states. Electricity customers from across the broad spectrum of customer classes stand ready to assist the Commission and the states in these efforts to ensure that our Nation is positioned to serve all customers reliably and affordably.

Sincerely,

Electricity Customer Alliance (ECA)
Electricity Consumers Resource Council (ELCON)
Industrial Energy Consumers of America (IECA)
Coalition of MISO Transmission Customers (CMTC)
National Association of State Utility Consumer Advocates (NASUCA)
PJM Industrial Customer Coalition (ICC)