TAPS

Representing community and customer-owned utilities. Advancing electric transmission, reliability and market issues before FERC, NERC and Congress.

Membership NEWSLETTER

WINTER 2026

Pictured are host Ken Nolan-VPPSA, Judy Chang-FERC Commissioner, Scott Corwin-APPA, and Jane Cirrincione-NCPA and TAPS Board Chair

Thank you for your continued support with membership in TAPS. We are providing you with a report on our recent activities. TAPS had a very busy year in 2025. The Fall Member Conference at the end of October was hosted by Ken Nolan and the Vermont Public Power Supply Authority (VPPSA). We had presentations from FERC Commissioner Chang, NERC CEO Jim Robb, and APPA CEO Scott Corwin. We were able to recognize three member CEO's that are retiring in early 2026. They are, Dave Osburn from OMPA, Kevin Gaden from IMEA, and Randy Howard from NCPA. They have provided great support for TAPS during their careers. Dave and Kevin were on the TAPS Executive Committee of the Board of Directors.

Our Spring conference has been set for March 29-31 in Washington, DC. You should have received an invitation to register for the meeting and make hotel reservations. We are currently working on arranging for speakers.

TAPS's work is accomplished through three membership committees that provide input for our consultants who work on our issues. These three committees are the Legislative Committee, Regulatory Committee, and the NERC/NAESB Committee. The committees meet by video conference once per month. Each committee has a report provided for your review. If you wish to add someone from your system to one of these committees, please contact me. My contact information is provided at the end of the report.

Legislative Committee

Committee Chair | Tom Hanrahan, WPPI Energy

Committee Consultant | Robert Talley, Talley and Associates

Entering into the second half of 2025, congressional interest in permitting reform, electric transmission policy, and grid reliability intensified, especially in the House. While Senate policy leaders continued to assert that discussions on permitting reform were ongoing, there was limited evidence of any progress.

As legislators' interest in and understanding of the impacts of load growth from data centers and electrification have become more pronounced, and as concerns about resource adequacy have increased, lawmakers have continued to publicly assert the need for action. Yet partisan differences exist over the right policy solutions. Republicans are calling for deregulatory actions and more dispatchable resources, while Democrats are criticizing the Administration's actions to slow the deployment of renewable energy.

During the fall, House action shifted from hearings to moving legislation through committee and through the House floor. Securing passage of legislation in the fall was remarkable, given how little Congress was in DC. A longer-than-usual August recess combined with a 43-day-long federal government shutdown meant Congress was only in session for a short seven weeks from September through December, missing five full weeks of scheduled session time.

As expected, the House Energy and Commerce Committee was the primary venue for electricity legislation. The Committee passed a total of 18 energy bills related to the electric sector in 2025. Electric policy legislation focused on grid reliability, supply chain resilience, and interconnection backlogs, culminating in a December package of bills aimed at strengthening the grid and lowering electricity prices. These measures included directions to federal agencies to assess vulnerabilities in the electric supply chain and to address delays in bringing new generation online.

Six bills salient to TAPS membership have cleared the House floor.

- H.R. 3638, Electric Supply Chain Act: Requires the Department of Energy to conduct periodic assessments and submit reports to Congress on risks, vulnerabilities, and opportunities in the electricity generation and transmission supply chain.
- H.R. 3632, Power Plant Reliability Act of 2025: Expands Federal Power Act section 207 so FERC can require continued operation or expansion of generation for up to five years and mandates five year advance notice of certain power plant retirements to prevent reliability shortfalls.
- H.R. 3628, State Planning for Reliability and Affordability Act: Amends PURPA section 111(d) to require state regulators to "consider" reliability-focused planning standards, including ensuring sufficient dispatchable generation over a ten year period as part of integrated resource planning.
- H.R. 3616, Reliable Power Act: Amends the Federal Power Act to require FERC and NERC to assess long term bulk power system reliability and to review and comment on major federal rulemakings that could significantly impair that reliability.
- H.R. 3062, Promoting Cross-border Energy Infrastructure Act: Replaces the presidential permit regime for cross border oil, gas, and electric transmission projects with a "certificate of crossing" issued on set timelines by FERC or DOE, while limiting presidential authority to revoke existing permits.
- H.R. 1047, GRID Power Act: Directs FERC to issue a rulemaking reforming the interconnection queue so transmission providers can prioritize and expedite dispatchable power projects that enhance grid reliability, resilience, and resource adequacy.

For TAPS members, this period was also especially important as proposals on transmission policy that could materially affect access to the bulk power system, long term planning, and cost allocation began to appear in legislative text. Rep. Peters (D-CA) filed a bill, H.R. 4897, the Streamlining Powerlines Essential to Electric Demand and Reliability Act of 2025 (SPEED and Reliability Act), that largely followed the 2024 Senate Energy and Natural Resources Committee bipartisan permitting reform package backstop siting authority. TAPS has raised concerns about the workability of this proposal.

Also introduced was legislation addressing state-level cost allocation concerns. Rep. Fedorchak (R-ND) introduced H.R. 6336, the Fair Allocation of Interstate Rates (FAIR) Act, which would require FERC to issue new rules prohibiting out-of-state cost allocation for any transmission project related to state policies.

These two notable bills set forth negotiating positions ahead of larger permitting reform discussions that are expected to evolve next year. These positions and others will set the contours for any eventual permitting reform transmission title.

Throughout this period, the TAPS Legislative Committee continued to monitor activity of interest, and TAPS's lobbyist was in close contact with committee staff. TAPS engaged with key offices on the House Energy and Commerce and Senate Energy and Natural Resources Committees to stress the importance of non discriminatory transmission access, adherence to cost causation principles, and permitting reforms that deliver timely, predictable decisions without unnecessarily imposing new burdens on the transmission system. As the year closed, these efforts positioned TAPS to remain an effective voice as Congress weighs whether and how to assemble a comprehensive permitting reform bill with a transmission title in 2026.

Regulatory Committee

Committee Chair | Scott Tomashefsky, Northern California Power Agency

Committee Consultant | Cindy Bogorad, Spiegel & McDiarmid

Until very recently, it was quiet on the non-reliability electric rulemaking front. Under the leadership of Chairman Mark Christie (designated chair by President Trump on January 20, 2025, but not renominated when his term expired June 30, 2025) and Chairman David Rosner (designated chair on August 13, 2025, upon Chairman Christie's departure from FERC), no new major electric rules were proposed or issued.

All that changed in October 2025 when two new Trump-nominated Commissioners were sworn in and new Commissioner Laura Swett was designated Chairman. Our report below focuses on TAPS's role in recent activities and developments.

Advance Notice of Proposed Rulemaking ("ANOPR") on Interconnection of Large Loads to the Interstate Transmission System

On October 23, the U.S. Department of Energy ("DOE") exercised a rarely used authority to direct FERC to initiate a rulemaking on the interconnection of large loads (expected to primarily consist of data centers) directly to the interstate transmission system. DOE's ANOPR asks FERC to assert jurisdiction over such interconnections, consider standardizing large load interconnection procedures, and take final action on the ANOPR by April 30, 2026. FERC issued DOE's ANOPR on October 27, with unusually tight two-week deadlines for initial and reply comments (later pushed back one week in response to state requests). TAPS, along with close to 200 other commenters, filed Initial Comments on November 21.

The ANOPR proposed 14 principles to govern the interconnection of large loads, which covered a range of issues that can directly affect the ability of TAPS members to provide reliable and affordable electric service. The Regulatory Committee quickly developed positions on these challenging new issues, focusing on the interconnection of large, individual retail customers connecting directly to the transmission system—not all load interconnections. TAPS framed its comments around two overarching points:

1. FERC should ensure that any reforms are protective of wholesale transmission customers, so that these other customers are not stuck bearing the cost, reliability, or resource adequacy burdens associated with meeting the needs of large loads. Affordability to consumers should be a key objective.
2. Any large load interconnection reforms should be carefully crafted to avoid opportunities for gaming or undue preference that is not tied to and justified by specific, relevant characteristics.

In response to DOE's various proposed principles, TAPS took the following positions:

- FERC should ensure that any large load interconnection reforms respect state and municipal jurisdiction over retail service (e.g., retail sales of electricity, retail service territories, etc.).
- FERC must establish a precise definition of large loads subject to reforms adopted in this proceeding (beyond just a size threshold) to ensure that any different treatment of such loads is tied to specific, relevant characteristics.
- The use of a single study process for large load and hybrid (i.e., where the large load seeks to share a point of interconnection with new or existing generation) facilities, along with generating facilities, could address concerns with gaming and undue discrimination, but it would require resolution of a host of complicated implementation details (e.g., how to allocate network upgrade costs; how to incorporate large loads and hybrid facilities into existing, region-specific interconnection processes; etc.).
- Study deposits, readiness requirements, and withdrawal penalties could address concerns about speculative large loads and hybrid facilities that withdraw from the interconnection queue and undermine the goal of an orderly and efficient interconnection process. But they are not sufficient to address the major concern that large loads and hybrid facilities may complete the interconnection process, cause massive transmission upgrades to be constructed, but then fail to attain and maintain over an extended time the amount of demand for which those upgrades were planned. Additional measures are needed to address that major concern.
- Questions about studying large hybrid facilities based on requested injection or withdrawal rights depend on the mechanisms in place to limit injections and withdrawals.
- System protection facilities are essential to enforce limits on injection and withdrawal that a large hybrid facility commits to and is studied for. Operational limitations may also be necessary, as system protection facilities may fail. While financial penalties may also be appropriate, FERC should not rely on them given the serious consequences of exceeding these limits.
- Large loads and hybrid facilities that agree to be curtailable and dispatchable should not receive expedited study treatment. Such an approach would trigger serious undue discrimination problems. Curtailability should be encouraged through other mechanisms.
- Large loads should be responsible for 100% of the network upgrade costs they are assigned in the study process. This is critical to protecting others from costs specifically caused by large load interconnections, particularly if large loads trigger substantial transmission upgrades but fail to take and maintain the level of service for which they are planned. A crediting mechanism could be used as part of this approach, provided that it is structured in a way to hold other customers harmless from costs caused by these large load interconnections. If FERC does not hold large loads directly responsible for 100% of network upgrades, it should take action to protect other transmission customers from bearing such costs, especially if the large load does not attain and maintain the demand for which the upgrades were planned.

- To ensure transmission system reliability, there should be a System Support Resource/Reliability Must Run-type study for existing generating facilities that seek to enter a partial suspension to service a large load at the same location. Other loads should be protected against bearing the costs to construct any network upgrades required for such partial suspension. In addition, such studies should include an assessment of resource adequacy impacts, which should be made publicly available to enable FERC, state regulators, ratepayers, and other stakeholders to understand and take into account those impacts in assessing possible additional steps required to maintain resource adequacy.
- In addressing any ancillary service-related responsibilities of and opportunities for large loads and hybrid facilities, FERC must ensure that large data center loads bear their fair share of costs and that other wholesale transmission customers are protected against bearing costs caused by such loads.
- In terms of transition mechanisms, FERC should ensure that ratepayer protections that are included in agreements with large loads or retail tariffs before implementation of standardized large load interconnection procedures and agreements (and/or other protections) are applied to reduce jurisdictional transmission rates. It should find that transmission rates that fail to reflect the impact of ratepayer protections imposed by retail arrangements with large loads are unjust, unreasonable and unduly discriminatory, and move forward to promptly remedy that discrimination.
- NERC reliability standards must be complied with. However, FERC should avoid specifically identifying the entity responsible for such compliance, as this issue should be left to NERC to determine in the first instances along with developing any new or modified standards required to mitigate the risks posed by large loads (which NERC is actively assessing). The applicability of OATT provisions requires careful consideration, especially as to RTO tariffs.

Given DOE's April 30, 2026 deadline for final action, we expect FERC to act quickly on the ANOPR.

Withdrawal of Proposed Policy Statement on Waiver of Tariff Requirements:

At her first open meeting on November 20, Chairman Swett announced that as part of FERC's effort to streamline processes and enhance regulatory certainty to help stakeholders plan, build, and invest with confidence, FERC was closing several pending rulemakings that were stale and unnecessary. This included its May 2020 Proposed Policy Statement on waiver of tariff requirements and petitions or complaints for remedial relief.

FERC's withdrawal of this Proposed Policy Statement was welcome news, as TAPS had strongly opposed it. If adopted, the Proposed Policy Statement would have severely limited the ability to seek remedial relief—even where a tariff violation was due to inadvertent error or oversight. It also would have limited the ability to obtain a service with an effective date earlier than the date of a section 205 filing. FERC's order agreed with commenters, including TAPS, that the Proposed Policy Statement would increase burdens for market participants, unnecessarily limit FERC's discretion in granting waivers, and may deter timely corrections of errors.

NERC/NAESB Committee

Committee Chair | Scott Tomashefsky, Northern California Power Agency

Committee Consultant | Devon Tremont, Utility Services of Vermont

In the second half of 2025, the TAPS NERC/NAESB Committee has been focused on several key issues: the modernization of the standards development process (in which TAPS and other trades have been heavily engaged and successfully reshaped the outcome); the finalization and submission of NERC's Milestone 3 projects; the treatment of Large Loads; potential modifications to the CIP framework; and a potentially problematic energy assurance standard now under development.

Top Issues Being Addressed at NERC:

Inverter-Based Resources Activities:

FERC's Milestone 3 projects, which include MOD-026, MOD-027, and MOD-032, were submitted to FERC for approval. TAPS was much more focused on the issues debated earlier in the year, such as the definitions of DERs and *unregistered IBRs*, but we kept close tabs on how those terms were treated and further developments this fall. TAPS's feedback on remaining issues were clarifying and we supported the approval of the remaining projects in advance of the FERC directive deadline. NERC has since initiated the projects for Milestone 4 with SARs being accepted for Project 2025-03 and Project 2025-04. Work will continue into 2026.

Large Loads:

The NERC Large Loads Task Force ("LLTF") has continued to develop materials. In July, it released a white paper, Characteristics and Risks of Emerging Large Loads, and in October the Reliability and Security Technical Committee circulated for comment the Risk Mitigation for Emerging Large Loads Reliability Guideline. In Q1 2026, the LLTF plans to publish a new white paper that will assess the gaps between current practices and the reliability standards for emerging large loads, at which time we may begin to see what the future may hold for these resources. While NERC had initially talked about registering LSEs to reach Large Loads (a concept we pushed back against), more recently NERC has highlighted its authority to directly register Large Loads. TAPS will continue to monitor.

CIP Roadmap / CIP-003 NOPR:

The CIP Roadmap is an effort by NERC to understand and rank cybersecurity risks, assess how the current standards mitigate those risks, and close any gaps found. The CIP-003-11 NOPR (regarding NERC's proposed revisions to CIP standards for low impact BES Cyber Systems to require remote user authentication, protection of user authentication information, and detection of malicious communications) came out long after the Roadmap effort began and asked if NERC should be directed to perform a study on evolving risks to low impact BES Cyber Systems such as lateral movement to higher-impact systems. TAPS worked with APPA in developing comments for the CIP Roadmap paper and joined with other trades in submitting comments on the CIP-003 NOPR, urging FERC to approve the proposed standard without further directives or requiring NERC to perform additional studies given ongoing CIP Roadmap efforts.

Modernization of Standards, Processes, and Procedures Task Force (MSPPTF):

TAPS has been heavily engaged in the MSPPTF efforts to modify the standards development process. TAPS provided written input and comments in May, August, and November, was actively engaged in webinars, met with the MSPPTF chair and co-chair, and was represented in-person at the Atlanta workshop in November. TAPS's greatest victory was maintaining the separate TDU and LSE voting Segments, which the MSPPTF had initially proposed to combine. TAPS's primary focus was to retain the TDU voice in standards development, as well as to ensure that the governing structures are representative of industry and that industry will have enough time and opportunity for meaningful input.

Important positions taken by TAPS on the October proposal and where they stand based on the December MSPP webinar previewing the final recommendations include (recognizing that we will need to see the final recommendations to be certain):

- The RISC Subcommittee structure: TAPS successfully advocated for at least some industry-elected sectors to govern this subcommittee.
- Requiring industry feedback opportunities on the Term Sheets to assess the degree of consensus appropriate to proceed to drafting the standard: The MSPPTF has confirmed that the RISC Subcommittee will be required to provide for written industry comment with a straw poll, while allowing discretion as to the need for workshops.
- Term Sheet structure: TAPS implored the MSPPTF to ensure that the Term Sheet is sufficiently specific to enable industry understanding of the elements contemplated in the standard, and to enable NERC staff to prepare a well-developed "version zero" draft standard. This issue was not addressed in the webinar.
- SME Pool (was "SME Panel"): TAPS comments raised concerns that the then-proposed SME panel, with a multi-year term and open-ended time commitment will serve as the only group to be considered to serve on a Standard Drafting Team, restricting opportunities for small entities to participate in a particular project team of interest. From the webinar, it remains unclear whether the final structure will still fail to allow for drafting project-specific self-nominations for non-SME Pool members. However, the barriers to entry to the SME Pool have been lowered (i.e. flexibility on timing to join what is anticipated to be a large SME Pool, with no time limits or obligations to participate in project teams). This revised approach may allow more opportunities for TAPS members to join project teams of interest.

- Fast-Tracked Projects: TAPS has successfully advocated for 30 days to be the default comment and ballot period for fast-tracked projects, though NERC will have freedom to shorten this as needed.
- Attestations: The MSPPTF initially recommended executive leadership attestations for every standards development project. TAPS pushed back as it could encumber and discourage balloting, though we are willing to accept an annual attestation process. The Task Force ultimately decided to not pursue any changes to the attestation process.
- Registered Ballot Body (RBB) Composition: In October, the MSPPTF made several recommendations for RBB Segment changes, which included combining Segments 3 and 4 (LSEs and TDUs). TAPS argued strenuously that doing so would effectively mute the TDU Segment's voice, contradicting the basic purpose of weighted segment balloting as well as NERC's obligations under the Federal Power Act and its governing documents to ensure a balance of interests. In addition to submitting comments that raised strong objections, TAPS attended one of the MSPPTF workshops in person to directly discuss the TDU Segment issue, and with APPA provided follow-up written comments, which (we have since learned) successfully protected these two Segments.

The final recommendations will be shared at the end of January 2026 with a small window for TAPS and others to submit feedback to the Board of Trustees in advance of the February meetings. Many remaining clarifications that we sought will not be known until we see the final recommendations, and potentially the implementation details. TAPS is pleased with the changes that have been made since the July and October MSPPTF proposals were shared and acknowledges that the MSPPTF has been actively listening and adjusting their recommendations to address significant TAPS concerns. We will continue to monitor and provide feedback during the implementation phase of these changes.

Project 2024-02:

This project included a planning energy assurance standard that effectively required Resource Planners and Transmission Planners to develop solutions to mitigate unacceptable reliability risks identified by the Planning Coordinator. While the options to satisfy the corrective action plan are left up to the applicable registered entities, the NERC auditors may be positioned to assess their adequacy. As a result, this proposed standard may effectively require the construction of generation or transmission capacity, in direct contradiction of Section 215 of the Federal Power Act. TAPS provided comments on the jurisdictional issue and other concerns specific to Joint Action Agencies, and joined industry in voting down the draft standard, which failed to pass in the December ballot.

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