

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Interregional Transfer Capability Study:  
Strengthening Reliability Through the  
Energy Transformation**                    )  
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**Docket No. AD25-4-000**

**I. INTRODUCTION**

National Association of State Utility Consumer Advocates (NASUCA) respectfully submits these comments regarding the North American Electric Reliability Corporation’s (NERC) Interregional Transfer Capability Study (ITCS).<sup>1</sup> As the voice of state utility consumer advocates, NASUCA is committed to ensuring that our nation’s electric grid is both resilient and economically efficient. Mandated under the Fiscal Responsibility Act of 2023, the ITCS provides a critical framework for identifying interregional transmission needs that will support a modern, flexible grid and safeguard consumers from undue costs.

**II. GENERAL COMMENTS ON THE ITC STUDY SCOPE AND TERMINOLOGY**

NASUCA appreciates that, in conducting the ITCS, NERC faithfully adhered to the mandate given by Congress; however, NASUCA believes that the recommended addition of 35 gigawatts (GW) of interregional transfer capability may be conservative. First, the study’s projections for electricity demand growth do not account for the “most recent changes to load forecasts.”<sup>2</sup> This is important given that regions have significantly increased their load forecasts. For example, a recent report from Grid Strategies found that the five-year load growth forecast

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<sup>1</sup> NERC, *Interregional Transfer Capability Study (ITCS): Strengthening Reliability Through the Energy Transformation, Final Report* (Nov. 2024).  
<sup>2</sup> *Id* at vii.

has grown from 23 GW to 128 GW over the past two years.<sup>3</sup> Reports conflict over how much of the currently forecasted load growth from data centers will come to fruition. Importantly, FERC should also adopt strategies to avoid stranded infrastructure from changes in data center load requirements.

Second, the study assumes a reserve margin of just 3%, which does not fully account for the higher reserve margins maintained in some regions. Had NERC used a 6% reserve margin, which is better aligned with the contingency reserves typically held in the West and by smaller grid operators, NERC's recommended additions of interregional transfer capability would have been significantly higher.<sup>4</sup> Lastly, Congress required NERC to make recommendations focused on ensuring reliability.<sup>5</sup> As a result, the study did not account for the significant economic cost savings that well-planned and utilized interregional infrastructure can deliver.<sup>6</sup>

### **III. ADDITIONAL COMMENTS SUPPORTING THE NEED FOR INTERREGIONAL TRANSMISSION**

Even under conservative assumptions, the ITCS clearly indicates that enhanced interregional transmission is important.

#### **A. Reliability Benefits**

Enhanced interregional transmission is critical to keeping our grid stable amid increasingly severe weather and rising electricity demand. For instance, during Winter Storm Uri in 2021, ERCOT's limited interregional capacity contributed to prolonged outages affecting 4.5 million

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<sup>3</sup> John D. Wilson, Zach Zimmerman & Rob Gramlich, *Strategic Industries Surging: Driving US Power Demand*, Grid Strategies (Dec. 2024), <https://gridstrategiesllc.com/wp-content/uploads/National-Load-Growth-Report-2024.pdf>.

<sup>4</sup> *ITCS* at 105-06.

<sup>5</sup> *Id* at vi.

<sup>6</sup> *Id* at vii.

customers.<sup>7</sup> In contrast, regions like MISO, which benefit from stronger interregional ties, were able to import nearly 13,000 MW during similar conditions, significantly reducing outage durations.<sup>8</sup> Additionally, the rapid growth of artificial intelligence, data centers—expected to account for up to 9% of U.S. electricity use by 2030—and the onshoring of manufacturing further underscores the need for a transmission network that can efficiently shift power from areas with surplus generation to those facing peak demand.<sup>9</sup>

## **B. Economic Benefits**

The economic case for expanded interregional transmission is also compelling. The National Transmission Planning Study from the Department of Energy states that improved interregional resource adequacy sharing could reduce overall system costs by as much as \$100 billion to \$300 billion.<sup>10</sup> Another recent study showed that interregional transmission between PJM Interconnection and the Midcontinent Independent System Operator could provide up to \$15.1 billion in value from deferred capacity investments, in addition to \$1.7 billion in annual savings from reduced congestion costs.<sup>11</sup>

A study from Grid Strategies also found that enhanced transmission capacity can yield substantial annual savings through reduced congestion costs. According to the study, during

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<sup>7</sup> Paul Takashi, I lost my best friend: How Houston’s winter storm went from wonderland to deadly disaster, *Houston Chronicle* (May 25, 2021), <https://www.houstonchronicle.com/news/investigations/article/failures-of-power-series-part-2-blackouts-houston-16189658.php>.

<sup>8</sup> Michael Goggin, *Transmission Makes the Power System Resilient to Extreme Weather*, Grid Strategies & ACORE, at 8 (July 2021).

<sup>9</sup> EPRI, *Powering Intelligence: Analyzing Artificial Intelligence and Data Center Energy Consumption*, at 2 (May 2024).

<sup>10</sup> U.S. Dep’t of Energy, Grid Deployment Off., *The National Transmission Planning Study: Executive Summary*, at 10 (2024), <https://www.energy.gov/gdo/national-transmission-planning-study>.

<sup>11</sup> Michael Goggin and Zach Zimmermann, “Billions in Benefits: A Path for Expanding Transmission Between PJM and MISO,” Grid Strategies, prepared for the American Council on Renewable Energy (ACORE), October 2023, <https://acore.org/wp-content/uploads/2023/11/ACORE-Billions-in-Benefits-A-Path-for-Expanding-Transmission-Between-MISO-and-PJM.pdf>.

Winter Storm Uri, each additional gigawatt of interregional capacity between ERCOT and the Southeast could have saved approximately \$1 billion.<sup>12</sup> These kinds of cost savings resonate strongly with consumer cost concerns at a time when ratepayer bills are rising. These economic benefits, combined with the reliability enhancements, underscore the importance of well-designed and utilized interregional transmission.

#### IV. CONCLUSION

NASUCA thanks NERC for its diligent work on the ITCS and acknowledges FERC's commitment to consumer protection and grid modernization. Given the clear reliability and economic benefits outlined above, we urge FERC to take proactive steps to support policies that foster the development and optimal management of interregional transmission while also adopting strategies to avoid stranded infrastructure from changes in data center load. Such measures will not only help maintain a resilient grid but also ensure that American families benefit from lower energy costs and a secure, reliable power supply.

Respectfully submitted,

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<sup>12</sup> Michael Goggin, *Transmission Makes the Power System Resilient to Extreme Weather*, Grid Strategies & ACORE, at 2 (July 2021).

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at this 25th day of February, 2025

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