

January 2026

Dear Industry Colleague,

Over the past year, NERC has received feedback suggesting that an occasional direct communication from me to industry leaders would be appreciated, recognizing that we all have a lot on our plates as we each do our part to ensure the reliability and security of the North American grid. To help keep you apprised of NERC's efforts and how you can benefit from our work, I am planning on sharing a letter on critical topic(s) with executives from across our industry three to four times a year. In return, I welcome your feedback and engagement as well.

Growth in Data Center Demand

We are entering a period of load growth unprecedented in recent memory, driven by data centers that both support our daily lives and advance North America's leadership in the deployment of artificial intelligence. While the pace of development puts pressure on all of us, I want to assure you that NERC and the Regional Entities are working at the pace necessary—which at times can be uncomfortable—to meet the moment and enable the interconnection of large data centers in a manner that preserves reliability. We need significant investment in infrastructure and energy resources to meet our transforming resource and energy needs. At the same time, we must stay laser-focused on reliable interconnections, informed by our analysis of grid events in [Virginia and Texas](#), where large data center loads have responded to, and amplified, grid instability.

Recognizing the urgency of this need, we have taken several actions of which you should be aware:

- We established the stakeholder-led Large Loads Task Force to assess the reliability risks associated with large loads and propose appropriate mitigations. The task force published a white paper on risk assessment, [Characteristics and Risks of Emerging Large Loads](#). The task force will publish a second white paper on reliability gaps and mitigations in Q1 2026 as well as a reliability guideline for large load interconnection in early 2026.
- We worked with industry to develop a [Level 2 NERC alert](#), which was published in September 2025. The alert proposes actions that load-serving entities (LSE) should take when interconnecting large loads and asks for a significant amount of data to support our analytics around the magnitude of this challenge; responses are due this month. As we analyze the data we are collecting, we will evaluate the need to issue a Level 3 Essential Actions alert related to connecting these facilities to the grid.
- The Regional Entities have held workshops and sessions, developed and informed studies, and shared critical information on emerging large loads to help bring regionally unique perspectives to bear.

- In November 2025, NERC filed comments with the Federal Energy Regulatory Commission (FERC) regarding the Advance Notice of Proposed Rulemaking (ANOPR) related to the interconnection of large loads. These comments highlight NERC’s critical role and ongoing efforts to find effective pathways to enable the reliable operational integration of large loads onto the grid. Importantly, our comments are focused on our role in reliably interconnecting these loads, while the ANOPR deals with a broader set of issues.
- In parallel, we are exploring NERC registration options for both LSEs (which are not otherwise registered) and the loads themselves. While registering load-side assets is unprecedented, the scale of these facilities, which can exceed 1 GW, can significantly impact grid reliability if they do not perform well and are not appropriately modeled.
- In the longer term, we will be examining what role Reliability Standards might play once registration decisions are made.
- We have also established meaningful engagement efforts with this new community. NERC hosted several representatives from the data center ecosystem (Amazon, Google, and Equinix) at an August Board of Trustees technical session. We are also engaging with trade associations that have members involved in data center development and operations, such as the Data Center Coalition and Clean Energy Buyers Association, among others. We have found them to be very constructive partners, and we look forward to continuing to strengthen these relationships as this work advances.
- In December 2025, NERC hosted a roundtable for key representatives from utilities, operators, data centers, and federal, state, and provincial partners to discuss opportunities to support the efficient and reliable integration of data centers onto the grid. Like any successful endeavor, we need to have a shared vision, a common playbook, and an understanding of our roles to effectively address large-loads integration issues, and this roundtable was an initial conversation to begin aligning on these critical elements. Participants uniformly agreed that clarity and consistency in interconnection requirements is important and conveyed a real sense of urgency in getting those requirements specified.
- We understand we must quickly secure the reliable contribution of these loads to the future system, especially given the lessons learned related to the integration of inverter-based resources. As a result, we are currently processing many tasks in parallel, rather than in sequence as we normally would. We believe this is the most appropriate way to enable data center growth and support the reliable integration to the grid.

Collaboration Is Key

We are in unprecedented times, and NERC, in partnership with the Regional Entities, is committed to doing our part as the Electric Reliability Organization to enable the rapid growth of these key loads in a manner that preserves—and potentially enhances—reliability for all.

We are on this journey together and, in that spirit, will be sharing this letter with FERC leaders, the state and provincial regulatory community, and trades and forums leadership and posting to NERC.com.

I look forward to continuing our work together and welcome any feedback that you or your team may have to make our collaboration even stronger.

Regards,

Jim