

February 9, 2026

Dear Senator,

Electricity demand from artificial intelligence data centers and other sources is rising at a rapid rate. At the same time, power plant retirements and renewable energy mandates in the states are pushing the grid to the brink. The existing electrical grid will continue to struggle to meet this burgeoning demand unless we allow new options for electricity-intensive businesses to procure the power they need.

One way to meet this challenge without affecting the broader power grid is to allow for the formation of off-grid power systems. In addition to protecting customers, off-grid power systems would allow for the speed and innovation today's grid sorely lacks. Therefore, the undersigned organizations want to express our strong support for Senate action to remove federal barriers for off-grid power systems, allowing them to more efficiently meet this sudden surge in power demand.

This is precisely what the Decentralized Access to Technology Alternatives Act of 2026 (DATA Act of 2026) would accomplish. Specifically, the DATA Act explicitly exempts Consumer-Regulated Electric (CRE) Utilities, those that provide power physically islanded from the broader electric grid, from Federal Power Act regulation of utilities. It also exempts physically islanded utilities from the Public Utility Regulatory Policies Act of 1978 and certain federal reporting requirements.

Off-grid systems that are not public utilities should not be regulated like public utilities. Federal laws that exist to regulate public utilities don't make sense for private utilities. Importantly, CRE Utilities still must follow existing permitting, environmental, and safety laws. The key change enabled by the DATA Act would be to clarify that these utilities are allowed to function independently from existing public utilities—and public utility regulations—while serving new loads that arise from energy-intensive industries, including data centers.

These exemptions would only apply to power systems that are physically disconnected from the broader power grid. States preserve the option to allow CRE Utility exemptions from state laws, and it will be up to states to decide whether CRE Utilities may serve all customer classes (including residential customers). The DATA Act would provide an important opportunity for innovation in the power sector by removing unnecessary federal obstacles for companies that want to create solutions that best meet their power needs. This opportunity for innovation poses zero cost and zero risk to taxpayers. The cost and risk of investment in off-grid systems falls only on those who build them and is not borne by the broader grid or its ratepayers.

Utilities have an obligation to serve ratepayers at reasonable rates rather than produce innovation. Because of this obligation, innovation in the utility space has been highly constrained by the need to maintain a functional and reliable system.



Congress should allow a parallel path for those who would like to develop new power more quickly or use more innovative and unproven technologies. This quintessentially American approach would allow permissionless innovation by electricity entrepreneurs who could develop new ways to meet rising demand while protecting the existing power grid and ratepayers.

Sincerely,

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