

While there are many factors at play, the risk of increasing rates and cost shifting from load growth is real. E3 examined forward-looking studies highlighting potential cost pressures under rapid load growth, including tighter electricity supply, accelerated infrastructure needs, and stressed regulatory processes, but these challenges are neither novel nor unmanageable. There is a range of tools to address these dynamics and support equitable cost allocation, including robust tariff protections, timely cost-of-service updates, federal and state coordination, data-driven monitoring of impacts, and improved forecasting and planning processes.

Markets across the US illustrate a range of approaches to addressing load growth:

- + In **PJM**, recent capacity price increases reflected tightening supply conditions with load growth as one but not the only contributor. PJM has responded by advancing proposals to reform its market and processes, and in parallel the 13 PJM-state governors and federal officials issued a Statement of Principles calling for more immediate and structural reforms.
- + **Texas** has experienced significant load growth in recent years and developed specific policies such as Senate Bill 6, without disproportionate retail rate increases to date.
- + In **Georgia**, regulators have responded to rapid data center growth by strengthening long-term contract requirements and minimum billing protections to reduce stranded cost risk.
- + **Arizona** is experiencing rapid, large-scale data center-driven load growth, and regulators and utilities have responded by refining rate design and contractual protections to better align with cost causation and limit cross-subsidization risks.
- + **Missouri** is one of several emerging markets that has proactively established large load tariffs and long-term contractual requirements with extensive stakeholder involvement to preempt cost shifts and mitigate stranded cost risk.

These varied responses underscore that affordability outcomes can and are shaped by market conditions, adaptive planning and regulatory action, and that impacts will vary across regions rather than follow a single national pattern.

Attributing rising electricity bills to a single, visible source such as data centers oversimplifies a more nuanced reality. The financial pressures facing the electric system reflect a range of economic, policy and market factors, and the conversation should therefore shift beyond generalized claims and instead focus on creating a framework for responsible load growth.

E3 recommends the following approach, with more details included in the full report:

- + **Strengthen planning and forecasting.** Implement techniques to reduce the risk of speculative overbuild, stranded infrastructure, and unnecessary customer exposure.
- + **Leverage tailored large load tariffs and regularly update cost allocation to appropriately reflect the scale and pace of load growth.** Use risk mitigation tools and timely cost allocation updates to align cost responsibility with evolving system conditions and mitigate risk.
- + **Enable innovative supply and load integration models.** Leverage approaches such as load flexibility, “bring your own generation” models, streamlined permitting, and utility data sharing (such as on available capacity and timelines) to better integrate large loads while reducing system costs.
- + **Close research gaps with targeted analysis.** Expand data collection and targeted analyses to better understand long-term impacts and inform evidence-based decision-making.

With thoughtful, market-specific approaches, regulators can support economic growth while protecting customers and ensuring fair cost allocation.