

195 FERC ¶ 61,214
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;
David Rosner, Lindsay S. See,
Judy W. Chang, and David LaCerte.

California Independent System Operator Corporation Docket No. EL26-71-000
Citizen S-Line Transmission LLC
Citizens Sunrise Transmission LLC
Citizens Sycamore-Penasquitos Transmission LLC
City of Anaheim, California
City of Azusa, California
City of Banning, California
City of Colton, California
City of Pasadena, California
City of Riverside, California
DCR Transmission, L.L.C.
DesertLink, LLC
GridLiance West LLC
Horizon West Transmission, LLC
LS Power Grid California, LLC
Morongo Transmission LLC
Pacific Gas and Electric Company
San Diego Gas & Electric Company
Southern California Edison Company
Startrans IO, L.L.C.
SunZia Transmission, LLC
Trans Bay Cable LLC
Valley Electric Association, Inc.
Viridon Path 15, LLC
Western Area Power Administration

ORDER INSTITUTING PROCEEDING
UNDER SECTION 206 OF THE FEDERAL POWER ACT

(Issued June 18, 2026)

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1. Over the past year, the Commission has taken action in numerous dockets¹ to address issues related to (a) unprecedented increases in requests for transmission service to serve large loads² and (b) growing interest in the co-location of loads with generating facilities (co-location arrangements³). Separately, the Secretary of Energy (Secretary) released an advance notice of proposed rulemaking (ANOPR) in October 2025. The ANOPR, issued pursuant to section 403 of the Department of Energy Organization Act,⁴ directed the Commission to consider taking additional actions to address the addition of large and co-located loads to the transmission system.⁵ The records in these proceedings illustrate a host of urgent challenges associated with providing the transmission service needed to serve the ongoing influx of large loads while maintaining reliability and affordability. In particular, stakeholders have expressed concerns that large loads are not efficiently and appropriately integrated onto the transmission system; have identified a

¹ See, e.g., *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,115 (2025) (PJM Show Cause Order); *PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,217 (2025) (PJM Co-Location Order); *Sw. Power Pool, Inc.*, 194 FERC ¶ 61,031 (2026) (SPP HILL Order); *Sw. Power Pool, Inc.*, 195 FERC ¶ 61,196 (2026) (SPP CHILLS Order); see also, e.g., *Duke Energy Carolinas, LLC*, 193 FERC ¶ 61,237 (2025); *Commonwealth Edison Co.*, 194 FERC ¶ 61,181 (2026).

² As explained below, it appears that it would be reasonable to define a large load as (1) a new commercial or industrial customer, (2) located at a single site behind one or more points of interconnection, (3) that has a peak load of 50 MW or greater, (4) interconnects to the transmission system at a voltage level of greater than 69 kV, and (5) is not part of a co-location arrangement. See *infra* P 57.

³ As explained below, it appears that it would be reasonable to define co-located load as a configuration that refers to end-use customer load that is physically connected to the facilities of an existing or planned generating facility on the interconnection customer's side of the point of interconnection to the RTO/ISO's transmission system. In this order, we will use the term co-location arrangement when referring to both the co-located load and the associated generating facility. See *infra* P 88.

⁴ 42 U.S.C. § 7173.

⁵ See *Interconnection of Large Loads to the Interstate Transmission System*, Advance Notice of Proposed Rulemaking, Docket No. RM26-4-000 (Oct. 23, 2025) (ANOPR); see also Letter from Chris Wright, Sec'y, U.S. Dep't of Energy, Docket No. RM26-4-000 (Oct. 23, 2025). The ANOPR uses the term "hybrid facilities," which it explains are large loads that "share a point of interconnection with new or existing generation facilities." ANOPR at P 12. In this order, as explained below, we use the term co-located load.

number of unique challenges that large load integration poses for the reliable operation of that system; and have debated how best to ensure that the rates, terms, and conditions of transmission service remain just and reasonable as more and more large loads are onboarded onto that system.⁶ The records in these proceedings likewise present serious concerns about the lack of clarity and consistency in Regional Transmission Organization or Independent System Operator (RTO/ISO) tariffs—including with respect to the rates, terms, and conditions of service that apply to flexible large loads, co-location arrangements, load with behind the meter generation, and generating facilities with electrically proximate large load⁷ or co-located load.

2. The findings in several recent Commission proceedings establish the foundations of a just and reasonable framework for addressing these concerns and ensuring the timely, efficient, and reliable integration of large and co-located loads onto the transmission system. For example, Southwest Power Pool, Inc. (SPP) has recently taken a number of innovative and proactive steps to address the challenges of integrating large loads, co-located loads, and/or generation and electrically proximate large load onto the transmission system while ensuring that its tariff remains just and reasonable, and PJM Interconnection, L.L.C. (PJM) has likewise taken steps toward that goal in response to this Commission's directives.⁸ By contrast, in the California Independent System Operator Corporation (CAISO) region, neither CAISO nor a significant number of the

⁶ Throughout this order we rely on comments and answers filed in response to the ANOPR in Docket No. RM26-4-000 and all referenced comments in this order were filed in that docket, unless otherwise noted. A full list of commenter names and abbreviations is attached to this order as an Appendix. Additionally, we have relied on the discussions held in the Federal and State Current Issues Collaborative in Docket No. AD24-7-000 (NARUC Collaborative). All entities who wish to participate in this docket, regardless of participation in the ANOPR proceeding or NARUC Collaborative, should file to intervene in Docket No. EL26-71-000.

⁷ As explained below, for purposes of this order, an “electrically proximate large load” is a large load, as defined in this order, that is sufficiently electrically close to the interconnection customer's requested point of interconnection, such that the impact on the transmission system of the combination of the generating facility and the load, with the exception of the transmission facilities between the two, will be effectively the same as if they were located at the same substation (e.g., large load that is located no more than two substations away from the generating facility). *See infra* P 112.

⁸ PJM Show Cause Order, 190 FERC ¶ 61,115; PJM Co-Location Order, 193 FERC ¶ 61,217, *order on reh'g*, 195 FERC ¶ 61,209 (2026) (PJM Co-Location Rehearing Order); SPP HILL Order, 194 FERC ¶ 61,031; SPP CHILLS Order, 195 FERC ¶ 61,196.

Participating Transmission Owners⁹ have filed proposals to address the challenges associated with the integration of large and co-located loads.¹⁰

3. As discussed below, we find that CAISO's existing Open Access Transmission Tariff (Tariff) and/or the Transmission Owner Tariffs (TO Tariffs) of the Participating Transmission Owners appear to be unjust, unreasonable, or unduly discriminatory or preferential. We thus institute a show cause proceeding pursuant to section 206 of the Federal Power Act (FPA),¹¹ and we direct CAISO and the Participating Transmission Owners, within 60 days of the date of this order, to either:

(1) show cause as to why their tariffs remain just and reasonable and not unduly discriminatory or preferential without provisions addressing:

(a) the application process, study procedures, and ongoing operational requirements that apply to Eligible Customers¹² seeking transmission service on behalf of large loads;

⁹ Participating Transmission Owners refers to the entities listed in the caption of this order. Although DATC Path 15, LLC is listed as a signatory to the Transmission Control Agreement in CAISO's Tariff, Viridon Path 15 LLC succeeded DATC Path 15, LLC on March 28, 2025. We recognize the Participating Transmission Owners include entities that are not subject to the Commission's jurisdiction because they are not public utilities pursuant to section 201(f) of the FPA. *See* 16 U.S.C. § 824(f); *City of Anaheim*, 171 FERC ¶ 61,263, at PP 19-22 (2020). Although the Commission retains the authority to review those entities' formula rates to ensure that CAISO's rates remain just and reasonable, we acknowledge that those entities are not subject to the Commission's jurisdiction over public utilities pursuant to section 201(f) of the FPA. However, we have included them here because their Transmission Owner Tariffs on file with the Commission detail the wholesale load interconnection process in CAISO. If a non-public utility wishes to be removed from this proceeding, we will rescind the show cause order against them at their request, and we expect CAISO to respond to this order regarding the non-public utility's CAISO Tariff provisions on file with the Commission. *See Sw. Power Pool, Inc.*, 180 FERC ¶ 61,022, at P 40 (2022).

¹⁰ We note that certain Participating Transmission Owners have made filings related to these challenges. *See, e.g.*, GridLiance West LLC, Filing, Docket No. ER26-2272-000 (filed Apr. 21, 2026) (proposing tariff revisions to extend its existing interconnection procedures to end-use customers).

¹¹ 16 U.S.C. § 824e.

¹² CAISO's Tariff defines Eligible Customer as:

(b) additional transparency concerning the network upgrade¹³ costs to provide transmission service to Eligible Customers on behalf of large loads; and a *pro forma* cost recovery agreement between CAISO, the relevant transmission owner, and Eligible Customer taking transmission service on behalf of the large load to mitigate the risk of cost shifting among transmission customers, and a mechanism to ensure such payments are appropriately credited toward transmission owners' transmission revenue requirements consistent with the Commission's cost-of-service regulations;

(c) the rates, terms, and conditions of service that apply to co-location arrangements;

(d) transmission services that reflect Eligible Customers taking transmission service on behalf of co-located loads, load with behind the meter generation, and flexible large loads that are willing and able to limit their use of the transmission system under certain conditions;¹⁴ and

(i) any utility (including Participating [Transmission Owners], Market Participants and any power marketer), federal power marketing agency, or any person generating Energy for sale or resale . . . ; and (ii) any retail customer taking unbundled transmission service pursuant to a state retail access program or pursuant to a voluntary offer of unbundled retail transmission service by the Participating [Transmission Owner].

CAISO, CAISO eTariff, app. A (Definitions), Eligible Customer (1.0.0) (CAISO Tariff). However, under the CAISO Tariff, Scheduling Coordinators must identify the Eligible Customers they represent. *Id.* § 4.5.2 (Eligible Customers and Convergence Bidding Entities) (1.0.0), 4.5.2.1. Therefore, as CAISO explains and as discussed below, demand is met through the market participation of Scheduling Coordinators. CAISO, *Large Load Considerations Issue Paper 11* (Jan. 30, 2026), <https://www.caiso.com/documents/issue-paper-large-load-consideration-jan-20-2026.pdf> (CAISO Large Load Issue Paper).

¹³ The term network upgrades is used throughout this order to refer to modifications or additions to transmission-related facilities that are integrated with and support the overall transmission system. *See pro forma* OATT § 1.27 (Definitions – Network Upgrades). We note that CAISO's definition of Network Upgrades applies only to additions, modifications, and upgrades required to accommodate the interconnection of generating facilities. *See* CAISO Tariff, app. A (Definitions), Network Upgrades (0.0.0).

¹⁴ As explained below, for purpose of this order, “flexible” large loads are a subset of large loads, as used in this order, that are not co-located with generation, but are

(e) the rates, terms, and conditions of service applicable to interconnection customers serving electrically proximate large load or co-located load; or

(2) explain what changes to their tariffs would remedy the identified concerns if the Commission were to determine that the tariffs have in fact become unjust and unreasonable or unduly discriminatory or preferential and, therefore, proceeds to establish a replacement tariff.

4. We are also concerned with CAISO's need to ensure adequate generation to serve new large loads.¹⁵ We therefore direct CAISO to submit, within 30 days of the date of issuance of this order, an informational report on how CAISO intends to ensure that adequate generation will be available to serve existing and new large loads, as detailed later in this order.

5. We recognize that large loads, including data centers, are actively working with transmission owners and other relevant entities to interconnect to, and to take service from, the transmission system. We appreciate that different large loads are currently at different stages of that process. We also understand that large loads and Eligible Customers taking transmission service on behalf of large loads are negotiating, entering into, and/or have executed various agreements related to interconnecting to the transmission system and/or the provision of transmission service. This proceeding is not intended to disrupt existing commercial arrangements, but rather to establish prospective reforms. Accordingly, any tariff revisions offered by CAISO and/or the Participating Transmission Owners in response to this proceeding should (a) propose a reasonable implementation period to ensure minimal disruption to such existing commercial arrangements, and (b) allow a reasonable amount of time to finalize ongoing agreements that are nearing completion as of the date such tariff provisions are filed with the Commission. Such proposed tariff revisions should include a reasonable effective date that accommodates such considerations regarding these existing commercial arrangements.

willing and able to limit their energy withdrawals from the transmission system under certain conditions. *See infra* note 218.

¹⁵ *Cf.* PJM Co-Location Order, 193 FERC ¶ 61,217 at PP 237-239 (highlighting PJM's ongoing Critical Issue Fast Path stakeholder process to consider proposals to help integrate large load additions without causing resource inadequacy and directing an informational report on the status of those proposals).

I. Background

A. Growth of Large and Co-Located Loads and ANOPR

6. As the Secretary explained in the ANOPR, electricity demand in the United States is expected to grow at an extraordinary pace in the near term, largely due to the rapid growth of large loads.¹⁶ The Secretary highlighted findings from the North American Electric Reliability Corporation (NERC) that show that demand growth is now higher than at any point in the past two decades, driven in part by increasing quantities of large commercial and industrial load, most notably data centers, connecting rapidly to the transmission system.¹⁷ The Secretary also highlighted NERC's conclusion that the size and speed with which data centers can be connected to the grid present unique challenges for demand forecasting and system planning. The ANOPR proposed that, in light of the unprecedented current and expected growth of large loads seeking to interconnect to the transmission system, the Commission should standardize interconnection procedures and agreements for large loads, including those that seek to share a point of interconnection with new or existing generation facilities.¹⁸

7. On April 16, 2026, the Commission issued an order regarding its intent to act with respect to the ANOPR docket.¹⁹ In that order, the Commission explained that it agreed with the Secretary "that, '[i]n light of the unprecedented current and expected growth of large loads' such as data centers, there is an urgent need for thoughtful reforms to ensure that large loads are 'able to connect to the transmission system in a timely, orderly, and

¹⁶ ANOPR at 2 (citing U.S. Dep't of Energy, *Resource Adequacy Report: Evaluating the Reliability & Security of the United States Electric Grid* (July 2025), www.energy.gov/sites/default/files/2025-07/DOE%20Final%20EO%20Report%20%28FINAL%20JULY%207%29.pdf).

¹⁷ *Id.* (citing NERC, *2024 Long-Term Reliability Assessment* 8 (Dec. 2024, updated July 2025), https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_Long%20Term%20Reliability%20Assessment_2024.pdf).

¹⁸ *Id.* P 12. For example, the ANOPR proposed that load and hybrid facilities should be studied together with generating facilities, observing that "siting a large load near or at the same point of interconnection as a new generating facility could reduce the network upgrades needed to interconnect only the load or only the generating facility." ANOPR at P 20.

¹⁹ *Interconnection of Large Loads to the Interstate Transmission Sys.*, 195 FERC ¶ 61,045 (2026) (Order Regarding Intent to Act).

non-discriminatory manner.”²⁰ After recognizing the Commission’s recent actions in proceedings involving issues associated with large loads,²¹ the Commission concluded that it was clear that additional “action is warranted to support further progress where it is needed.”²²

8. CAISO’s comments in response to the ANOPR recognize the growth of large loads and highlight the challenges that the integration of large loads poses to transmission system operations given those loads’ size, operational behavior, and unique potential to impact the transmission system.²³ A number of large load projects are underway in the CAISO footprint. Those projects have been driven by a number of factors, including data center development, electric vehicle charging, and electrification of agricultural and industrial processes, among others.²⁴ Further, as of January 2026, the California Energy Commission forecasts data center load in the CAISO balancing authority area to increase by 1.8 GW by 2030 and 4.9 GW by 2040.²⁵ PG&E indicates that by the end of 2024, the megawatts attributable to large load customers in its region who were requesting transmission-level interconnections exceeded existing transmission-level customers’ megawatts by 4,000%.²⁶ Southern California Edison also notes that it has seen an increase in data centers in its service territory.²⁷

²⁰ *Id.* P 2.

²¹ *Id.* (citing PJM Co-Location Order, 193 FERC ¶ 61,217; SPP HILL Order, 194 FERC ¶ 61,031; *Commonwealth Edison Co.*, 194 FERC ¶ 61,181; *Tri-State Generation & Transmission Ass’n*, 193 FERC ¶ 61,070 (2025); *Duke Energy Carolinas, LLC*, 193 FERC ¶ 61,237).

²² *Id.* PP 3-4.

²³ CAISO November 21 ANOPR Comments at 3-4; *see also* CAISO Large Load Issue Paper at 13-14; Southern California Edison December 5 ANOPR Comments at 3-4 (noting concern about reliability and resource adequacy challenges due to large load additions).

²⁴ CAISO Large Load Issue Paper at 3.

²⁵ *Id.* at 8.

²⁶ PG&E November 21 ANOPR Comments at 3.

²⁷ Southern California Edison December 5 ANOPR Comments at 3.

9. While CPUC asserts that issues related to large and co-located load integration are better addressed at the state level in CAISO,²⁸ and PG&E asserts that CAISO's existing processes work well,²⁹ many entities in CAISO suggest that additional reform is needed. CAISO and PG&E generally support standardized study process requirements, as contemplated in the ANOPR with accommodation for regional variations, for large loads and co-location arrangements.³⁰ CAISO also supports establishing operational and information sharing requirements for large loads to ensure reliability and help prevent cost shifting.³¹ CAISO likewise supports efforts to ensure that co-located loads pay for ancillary services from which they benefit.³² CAISO and California DWR note the benefit of encouraging flexible or curtailable loads to help avoid unnecessary network upgrades or new generation.³³ California DWR also raises concerns about cost shifting where network upgrades are built to support large load additions that do not materialize as planned.³⁴ CPUC supports additional transparency related to the addition of large loads, particularly for the costs of network upgrades associated with large load additions.³⁵

10. Moreover, many commenters in the ANOPR proceeding filed persuasive comments documenting, generally, the need for clear and consistent tariff provisions to

²⁸ See generally CPUC November 21 ANOPR Comments at 1-4; see also PG&E November 21 ANOPR Comments at 3-7 (detailing and explaining the advantages of PG&E's state-level rules).

²⁹ PG&E November 21 ANOPR Comments at 12.

³⁰ CAISO November 21 ANOPR Comments at 7-8; PG&E November 21 ANOPR Comments at 14 (noting that standardized requirements could be effective to address speculative projects and provide transmission providers with useful information).

³¹ CAISO November 21 ANOPR Comments at 9-11.

³² *Id.* at 15-16.

³³ *Id.* at 15; California DWR November 21 ANOPR Comments at 3-6; see also PG&E November 21 ANOPR Comments at 16 (recognizing benefits of large and co-located load flexibility).

³⁴ California DWR November 21 ANOPR Comments at 8; see also CPUC November 21 ANOPR Comments at 16 (noting that it supports ratepayer protections and efforts to mitigate risk of cost shifting); Southern California Edison December 5 ANOPR Comments at 3 (supporting protections to prevent cost shifting to other customers).

³⁵ CPUC December 5 ANOPR Comments at 16-19.

ensure regulatory and process certainty, fairness and consistency, and efficiency as large and co-located loads are added to the transmission system in increasing numbers.³⁶ There is also broad support for rules that help to ensure that other transmission customers are not unfairly burdened with additional costs or reliability impacts as large and co-located loads interconnect to the transmission system.³⁷ In addition, many ANOPR commenters highlighted the need to efficiently integrate large loads, particularly data centers, to support national security priorities and economic development.³⁸

B. Recent Proceedings Addressing Large and Co-Located Loads

11. Over the past year, the Commission has begun to address, both *sua sponte* and in response to complaints and FPA section 205³⁹ filings, the growing use of co-location arrangements.⁴⁰ The Commission's orders in those proceedings have addressed the need

³⁶ See, e.g., AI Supply Chain Alliance November 21 ANOPR Comments at 2; Calibrant November 21 ANOPR Comments at 1-3; CEBA November 21 ANOPR Comments at 9-11; Constellation November 21 ANOPR Comments at 6; DCC November 21 ANOPR Comments at 3-4; ECA November 21 ANOPR Comments at 7-11; EPSA November 21 ANOPR Comments at 4-6; Infrastructure Masons December 5 ANOPR Comments at 4-7; Microsoft November 21 ANOPR Comments at 9-10; National Grid November 21 ANOPR Comments at 7; ODEC December 5 ANOPR Comments at 2-4; R Street November 21 ANOPR Comments at 3; Switch December 5 ANOPR Comments at 3; Tract November 21 ANOPR Comments at 5; Vantage November 21 ANOPR Comments at 5-6; Vistra December 5 ANOPR Comments at 1-2.

³⁷ See, e.g., APPA November 21 ANOPR Comments at 6; Buckeye November 21 ANOPR Comments at 17; Exelon November 21 ANOPR Comments at 10; Kansas Commission November 21 ANOPR Comments at 12; NCSL November 21 ANOPR Comments at 1; NRECA November 21 ANOPR Comments at 8-9; NY UIU November 21 ANOPR Comments at 3; OCC November 21 ANOPR Comments at 9; Oklo December 5 ANOPR Comments at 3; Southeast PIOs December 5 ANOPR Comments 11-15; State Entities November 21 ANOPR Comments at 7-8; Tri-State November 21 ANOPR Comments at 8; UCS November 21 ANOPR Comments at 9-11; U.S. Representatives November 21 ANOPR Comments at 1.

³⁸ See, e.g., AI Supply Chain Alliance November 21 ANOPR Comments at 2; DCC November 21 ANOPR Comments at 3; ECA November 21 ANOPR Comments at 6; Geronimo November 21 ANOPR Comments at 1-2; Google November 21 ANOPR Comments at 2-3; Verrus December 5 ANOPR Comments at 2.

³⁹ 16 U.S.C. § 824d.

⁴⁰ See PJM Show Cause Order, 190 FERC ¶ 61,115; PJM Co-Location Order, 193 FERC ¶ 61,217, *order on reh'g*, PJM Co-Location Rehearing Order, 195 FERC

for clear and consistent tariff provisions regarding the rates, terms, and conditions of service that apply to co-location arrangements and for transmission services that reflect Eligible Customers taking transmission service on behalf of co-located loads and load with behind the meter generation that are willing and able to limit their energy withdrawals from the transmission system under certain conditions. Several other Commission proceedings have addressed the challenges of integrating large loads onto the transmission system, including the need for clear and consistent tariff provisions regarding the provision of transmission service to Eligible Customers on behalf of large loads and for interconnection customers serving electrically proximate large load. As explained below, these proceedings provide examples that will help to ensure that jurisdictional transmission service is provided in a manner that is just and reasonable and maintains reliability as large loads are integrated onto the transmission system and co-location arrangements become more common. It is in this context that the Commission now considers whether CAISO's Tariff and/or the TO Tariffs remain just and reasonable without similar provisions.

1. **PJM Co-Location Proceedings**

12. On February 20, 2025, the Commission initiated a show cause proceeding against PJM and the PJM transmission owners regarding the lack of tariff provisions addressing with sufficient clarity or consistency the rates, terms, and conditions of service that apply to co-location arrangements.⁴¹ The Commission explained when initiating that proceeding that the absence of such provisions may leave entities unable to determine what steps they can or must take to effectuate co-location arrangements of various configurations and how to do so in a manner that is just and reasonable.⁴² On December 18, 2025, the Commission found that PJM's tariff was indeed unjust and unreasonable because it does not contain provisions addressing with sufficient clarity or consistency the rates, terms, and conditions of service that apply to interconnection customers serving

¶ 61,209; SPP HILL Order, 194 FERC ¶ 61,031; SPP CHILLS Order, 195 FERC ¶ 61,196.

⁴¹ See PJM Show Cause Order, 190 FERC ¶ 61,115.

⁴² *Id.* P 74. The PJM Show Cause Order defined co-located load as a “configuration [that] refers to end-use customer load that is physically connected to the facilities of an existing or planned Customer Facility on the Interconnection Customer's side of the Point of Interconnection (‘POI’) to the PJM Transmission System.” *Id.* P 3 n.4.

co-located load and Eligible Customers taking transmission service on behalf of co-located load.⁴³

13. Specifically, the Commission found that the PJM tariff was unjust and unreasonable because there is a lack of sufficient clarity or consistency as to the rates, terms, and conditions of service that apply to interconnection customers serving co-located load.⁴⁴ The Commission also found that PJM's tariff was unjust and unreasonable because it does not include transmission services that reflect Eligible Customers taking transmission service on behalf of co-located loads that are willing and able to limit their energy withdrawals from the transmission system under certain conditions.⁴⁵ Additionally, the Commission found that PJM's behind the meter generation rules were no longer just and reasonable.⁴⁶ The Commission directed PJM to file a compliance filing to revise its tariff: (1) to set forth specific terms and conditions that an interconnection customer in PJM seeking to serve co-located load must follow in order to effectuate a co-location arrangement;⁴⁷ (2) to require that the Eligible Customer taking transmission service on behalf of co-located load takes one of three transmission services: (a) network integration transmission service (NITS) or a new interim, non-firm transmission service while network upgrades to provide full NITS service are constructed (interim NITS); (b) a new firm contract demand transmission service; or (c) a new non-firm contract demand transmission service;⁴⁸ (3) to revise the behind the meter generation rules and implement a transition process for existing behind the meter generation participants;⁴⁹ and (4) to make several clarifications on how certain aspects of PJM's generator interconnection process apply to interconnection customers seeking to serve co-located load.⁵⁰

⁴³ PJM Co-Location Order, 193 FERC ¶ 61,217.

⁴⁴ *Id.* P 176.

⁴⁵ *Id.* P 177.

⁴⁶ *Id.* P 179.

⁴⁷ *Id.* PP 187-192, 225-230.

⁴⁸ *Id.* PP 193-218. The Commission also established a paper hearing to determine the just and reasonable rates, terms, and conditions for the new transmission services. *Id.* PP 219-220.

⁴⁹ *Id.* PP 221-224.

⁵⁰ *Id.* PP 161, 231-236.

14. On June 18, 2026, concurrently with the instant order, the Commission issued an order modifying the discussion in the PJM Co-Location Order and setting aside the order in part; accepting in part and rejecting in part PJM's compliance filing, and directing a further compliance filing; and establishing as just and reasonable certain rates, terms, and conditions for the new transmission services (i.e., interim NITS, firm contract demand transmission service, and non-firm contract demand transmission service).⁵¹

2. SPP High Impact Large Load and High Impact Large Load Generation Assessment Process

15. On January 14, 2026, the Commission accepted revisions to SPP's tariff to add a high impact large load (HILL) study process and High Impact Large Load Generation Assessment (HILLGA) process.⁵² SPP's tariff revisions established HILLs as a new category of load;⁵³ imposed enhanced study requirements to enable SPP to assess the HILL's reliability impacts on the transmission system;⁵⁴ and created additional, ongoing

⁵¹ PJM Co-Location Rehearing Order, 195 FERC ¶ 61,209 at PP 7-9. PJM's compliance filing proposing revisions in response to the Commission's directives regarding clarification that certain aspects of PJM's generator interconnection process apply to interconnection customers seeking to serve co-located load was accepted in part on April 16, 2026. *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,030 (2026).

⁵² SPP HILL Order, 194 FERC ¶ 61,031 at PP 61, 64.

⁵³ SPP defines a HILL as:

A new commercial or industrial load, or increase in commercial or industrial load, at a single site connected through one or more shared Points of Interconnection (POIs) or delivery points, where such load is either (1) 10 MW or more if connected to the Transmission System at a voltage level less than or equal to 69 [kilovolts (kV)]; or (2) 50 MW or more if connected to the Transmission System at a voltage level greater than 69 kV. An Electric Storage Resource is not considered a HILL.

SPP, Open Access Transmission Tariff, Sixth Revised Vol. No. 1, pt. I, § 1 (Definitions H) (1.0.0).

⁵⁴ SPP HILL Order, 194 FERC ¶ 61,031 at PP 13-17 (explaining that the HILL process requires up to three additional studies beyond those required of all transmission service requests for transmission customers requesting to add or modify a delivery point associated with a HILL, including a HILL delivery point study, HILL supplemental load

operational requirements for transmission customers serving HILLs to ensure continued reliability of the transmission system.⁵⁵ The tariff revisions also established the HILLGA process, a new generator interconnection service and related interconnection process to facilitate the prompt interconnection of generating facilities that are specifically identified for, and limited to, serving a HILL and are located no more than two substations away from the HILL.⁵⁶

16. The Commission stated that SPP demonstrated that the “unprecedented growth in large loads in the SPP region presents significant and unique operational and planning challenges.”⁵⁷ The Commission found that SPP demonstrated that its proposed HILL process was a just and reasonable approach for integrating transmission customers’ new large loads onto SPP’s transmission system in a reliable manner.⁵⁸ The Commission found that it was reasonable to impose additional study requirements and other proposed requirements given the unique operating characteristics of HILLs. The Commission further found that the proposed study requirements would ensure the reliable integration of the transmission customer’s HILLs onto SPP’s transmission system and would provide SPP with information about their impact on SPP’s transmission system, including the transmission system’s ability to withstand and control disturbances by the HILL at the

connection study, and potential supplemental Electromagnetic Transient study).

⁵⁵ *Id.* P 18 (explaining that market participants registering a HILL must (1) follow all nonconforming load requirements (e.g., additional load forecast requirements); (2) provide load data via telemetry in real time; (3) have remote capability to disconnect the load from the transmission system made available to the transmission operator; (4) have an up/down ramp rate not exceeding 20 MW per minute unless otherwise directed; (5) include additional information with registration; and (6) not have withdrawals from the transmission system without appropriate transmission service); *id.* P 19 (explaining that the transmission owner, at the transmission customer’s expense, must install a phasor measurement unit or similar equipment); *id.* PP 20-21 (explaining that the transmission customer will be required to comply with ride-through requirement guidelines).

⁵⁶ *Id.* P 27 (explaining that, under the HILLGA process, SPP proposes to study HILLGA requests to determine whether any network upgrades are needed to accommodate the generating facility’s injection to the local area); *id.* P 32 (explaining that SPP will grant HILLGA customers a new type of interconnection service, load limited resource interconnection service, which grants limited interconnection service solely to serve the associated HILL).

⁵⁷ *Id.* P 60.

⁵⁸ *Id.* P 61.

point of interconnection.⁵⁹ In addition, the Commission found that the proposed study deposits would discourage speculative HILL study requests.⁶⁰ Finally, the Commission concluded that the proposed ongoing reliability requirements would allow SPP to maintain reliable operation of its transmission system by increasing SPP's visibility, providing necessary data, and imposing real-time operational safeguards for HILLs.⁶¹ In accepting HILLGA, the Commission found that "SPP's HILLGA process reasonably provides a flexible, expedited, and separate serial interconnection process that will facilitate the prompt interconnection of generating facilities that are limited to serving a HILL in the same local area."⁶²

3. SPP Conditional High Impact Large Load Service

17. On June 5, 2026, the Commission accepted revisions to SPP's tariff to add a new type of non-firm transmission service, conditional high impact large load service (CHILLS).⁶³ CHILLS allows transmission customers serving HILLs to reliably receive transfers of energy until sufficient designated resources and/or network upgrades are in place to support long-term, firm transmission service.⁶⁴ CHILLS is an as-available transmission service that will transfer energy to designated points of delivery to serve the portion of a HILL eligible to receive CHILLS, subject to curtailment and interruption.⁶⁵ CHILLS has a maximum term of seven years, which is intended to incentivize transmission customers seeking CHILLS to obtain the designated resources and/or

⁵⁹ *Id.* P 62.

⁶⁰ For the HILL delivery point study, SPP required a \$10,000 non-refundable application fee and a \$100,000 study deposit, with an additional \$200,000 study deposit if an Electromagnetic Transient study was also required. *Id.* P 15. For the HILL supplemental load connection study, SPP allows the host transmission owner to require a \$25,000 study deposit. *Id.* P 16.

⁶¹ *Id.* P 63.

⁶² *Id.* P 64.

⁶³ SPP CHILLS Order, 195 FERC ¶ 61,196 at P 1.

⁶⁴ *Id.* P 7.

⁶⁵ *Id.* PP 9-10.

complete the network upgrades needed to procure long-term firm transmission service through existing tariff processes.⁶⁶

18. The Commission found that SPP had shown that unprecedented growth in large loads presents significant and unique operational and planning challenges.⁶⁷ The Commission also found that SPP's ability to add HILLs to its transmission system in a timely manner may be limited due to delays in obtaining sufficient designated resources and completing network upgrades needed to provide long-term firm transmission service to such load.⁶⁸ The Commission concluded that CHILLS is a just and reasonable and not unduly discriminatory or preferential approach to addressing the need to expeditiously interconnect and provide transmission service to new HILLs, while maintaining the reliable operation of SPP's transmission system.⁶⁹

II. CAISO's Existing Processes

A. Existing Tariff Processes

19. Unlike other regions, CAISO does not offer traditional Order No. 888⁷⁰ network and point-to-point transmission services, offers no firm, long-term transmission reservations of capacity, and does not provide a formal application process for transmission service.⁷¹ Instead, CAISO offers a single "daily" transmission service

⁶⁶ *Id.* P 9.

⁶⁷ *Id.* P 84.

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Servs. by Pub. Utils.; Recovery of Stranded Costs by Pub. Utils. & Transmitting Utils.*, Order No. 888, FERC Stats. & Regs. ¶ 31,036 (1996) (cross-referenced at 75 FERC ¶ 61,080), *order on reh'g*, Order No. 888-A, FERC Stats. & Regs. ¶ 31,048 (cross-referenced at 78 FERC ¶ 61,220), *order on reh'g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *order on reh'g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff'd in relevant part sub nom. Transmission Access Pol'y Study Grp. v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff'd sub nom. New York v. FERC*, 535 U.S. 1 (2002).

⁷¹ See *Cal. Indep. Sys. Operator Corp.*, 123 FERC ¶ 61,180, at P 7 n.8 (2008) (CAISO).

that is available to all Eligible Customers on a day-to-day basis.⁷² All energy that is transmitted under CAISO's Tariff that is not associated with historical rights or certain wheeling transactions is treated as "new firm use," and those accessing the CAISO-controlled transmission system cannot reserve transmission capacity beyond the day-ahead time frame.⁷³

20. In CAISO's transmission service model, Scheduling Coordinators represent Eligible Customers and submit bids, or self-schedules, for supply or demand for energy to CAISO.⁷⁴ Scheduling Coordinators have equal access to all available transmission capacity each day and CAISO uses the submitted bids for supply and demand to dispatch the market making use of all available transmission capacity. If there is not enough available transmission capacity, CAISO curtails schedules based upon Tariff-defined scheduling priorities.⁷⁵

21. The processes for studying load additions in the CAISO footprint are not detailed in CAISO's Tariff. Rather, CAISO's Participating Transmission Owners play the lead role in managing the interconnection of load to the transmission system and have their own study processes and requirements for such interconnections.⁷⁶ CAISO's primary role with respect to load additions is to account for state-projected additions of load in its Transmission Planning Process (TPP).⁷⁷ CAISO operates under the assumption that if transmission infrastructure is developed to serve new loads as contemplated in the TPP, the market will reliably meet demand.⁷⁸

22. The TPP is conducted annually and is highly integrated with state processes and forecasts, including the California Energy Commission's development of a statewide electricity demand forecast and CPUC's development of integrated resource plans.⁷⁹ In

⁷² *Id.* P 7.

⁷³ *Id.*

⁷⁴ CAISO Tariff, § 4.5.3 (Responsibilities of a Scheduling Coordinator) (11.0.0).

⁷⁵ *See CAISO*, 123 FERC ¶ 61,180 at PP 7-8; *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,085, at P 5 (2023).

⁷⁶ CAISO Large Load Issue Paper at 3, 5-6.

⁷⁷ *Id.* at 8-10. CAISO incorporates the California Energy Commission's demand forecast into the TPP.

⁷⁸ *Id.* at 9, 11.

⁷⁹ CAISO collaborates with the California Energy Commission and CPUC on

the TPP, CAISO approves transmission solutions, which include new transmission facilities and network upgrades or additions to existing transmission facilities, to meet needs identified by CAISO.⁸⁰ The TPP is conducted in three phases: In Phase 1, CAISO develops planning assumptions and a study plan; in Phase 2, CAISO completes the comprehensive transmission plan; and, in Phase 3, CAISO evaluates proposals to construct and own certain network upgrades or additions.⁸¹

23. To address load additions that occur after the development of the demand forecast and CPUC resource portfolios, the Participating Transmission Owners may propose transmission solutions and network upgrades in the TPP.⁸² Those proposed solutions and network upgrades must be submitted to CAISO for concurrence that the load interconnection and potential network upgrades to interconnect the load meet transmission reliability requirements and are consistent with the long-term transmission plans in the area. The Participating Transmission Owners construct and own the resulting network upgrades.⁸³

24. Costs of transmission additions or network upgrades are borne by the Participating Transmission Owner that will be the owner of the transmission addition or network upgrade, and the Participating Transmission Owner incorporates those costs into its transmission revenue requirement.⁸⁴ A Participating Transmission Owner's transmission revenue requirement is divided into regional (high voltage) and local (low voltage) components that are under CAISO's operational control.⁸⁵ The Participating

electric system planning through a memorandum of understanding. *See* CAISO November 21 ANOPR Comments at 6-7 (citing Memorandum of Understanding Between CPUC and the California Energy Commission and CAISO Regarding Transmission and Resource Planning and Implementation (Dec. 2022), <https://www.caiso.com/Documents/ISO-CEC-and-CPUC-Memorandum-of-Understanding-Dec-2022.pdf>).

⁸⁰ *See* CAISO Tariff, § 24.1 (Overview) (3.0.0).

⁸¹ *See id.* § 24.2 (Nature of the Transmission Planning Process) (8.0.0).

⁸² CAISO Large Load Issue Paper at 9-10.

⁸³ CAISO only considers the transmission aspect of solutions in the TPP.

⁸⁴ CAISO Tariff, § 24.14.2 (Cost of Needed Addition or Upgrade to be Borne by PTO) (0.0.0).

⁸⁵ In CAISO, low voltage facilities are considered to be under 200 kV and therefore included in the local transmission revenue requirement; facilities 200 kV and greater are included in the regional transmission revenue requirement. *See id.* app. F

Transmission Owners recover their transmission revenue requirement through the Access Charge, also referred to as the Transmission Access Charge.⁸⁶ The Participating Transmission Owners directly collect the local component of their transmission revenue requirement from customers in their service area, referred to as the Local Access Charge, while the regional component of the transmission revenue requirement of every Participating Transmission Owner is combined together and divided by gross load to develop a “postage stamp” rate that is assessed to all market participants volumetrically, known as the Regional Access Charge. CAISO collects the Regional Access Charge and then remits the monies associated with costs recovered to the Participating Transmission Owners.⁸⁷

25. The TO Tariffs include the physical interconnection process for requests to interconnect wholesale load that is eligible to request interconnection under FPA section 210(a) directly to the CAISO-controlled grid.⁸⁸ While there is no *pro forma* TO Tariff, the majority of the TO Tariffs contain similar sections regarding the interconnection process and, with limited exceptions, are structured identically. Each TO Tariff provides that the Participating Transmission Owner will review interconnection applications from eligible entities to determine whether a System Impact Study is necessary.⁸⁹ If conducted, the System Impact Study may indicate that a Facilities Study, which the Participating Transmission Owner will conduct in accordance with its TO Tariff, is

(Rate Schedules) (30.0.0), § 12.1(a)(i).

⁸⁶ CAISO’s Tariff provides that “[t]he Access Charge includes the Regional Access Charge and the Local Access Charge. The Access Charge will recover the Participating [Transmission Owners’] Transmission Revenue Requirement in accordance with Appendix F, Schedule 3.” *See id.* app. A (Definitions), Access Charge (1.0.0).

⁸⁷ *See id.* § 26.1 (Access Charges) (8.0.0).

⁸⁸ Some Participating Transmission Owners have established or proposed state-level large load-specific interconnection procedures and requirements for retail load interconnecting at the distribution or transmission level. *See, e.g.*, PG&E November 21 ANOPR Comments at 3-7 (describing its proposed Electric Rule 30).

⁸⁹ *See, e.g.*, Pac. Gas & Elec. Co., Transmission Owner Tariff and Related Service Agreements, § 10.4 (Review of Completed of Interconnection Application) (0.0.0). The interconnection process in the TO Tariffs does not apply to all Eligible Customers, as defined by the TO Tariff, but instead is limited to wholesale load eligible to request interconnection consistent with FPA section 210(a). *See, e.g., id.* § 10.1 (Applicability) (0.0.0). All other requested interconnections are governed by the local regulatory authority. *Id.* § 8.1 (Participating TO Obligation to Interconnection) (0.0.0).

necessary.⁹⁰ The TO Tariffs generally do not explain the details of the study processes or any technical or reliability considerations included in the studies. After completion of the requisite studies, the applicant and Participating Transmission Owner execute an Interconnection Agreement, which will include the cost responsibilities for any required network upgrades or direct assignment facilities.⁹¹ Additionally, the TO Tariffs provide that the Participating Transmission Owners will offer partial interim service if the studies determine that there is not adequate transmission capability to satisfy the full amount of interconnection service requested by the applicant. In that instance, the Participating Transmission Owner will provide the portion of the requested interconnection service that can be accommodated without any additional direct assignment facilities or reliability upgrades.⁹² Further, the TO Tariffs offer expedited interconnection procedures for new network upgrades to interconnect wholesale load.⁹³ The interconnection process does not grant transmission service; rather, the applicant must retain the services of a Scheduling Coordinator to access transmission service over the CAISO-controlled grid.⁹⁴ Of note, the costs of these network upgrades to effectuate load interconnection are not rolled into the transmission revenue requirement of the Participating Transmission Owner and are instead directly assigned to the Eligible Customer.⁹⁵

26. CAISO does not have a process to evaluate load that is co-located with generating facilities.⁹⁶ CAISO's Tariff sets forth generally applicable Tariff provisions regarding

⁹⁰ See, e.g., S. Cal. Edison Co., Transmission Owner Tariff, § 10 (Interconnection Process) (15.0.0).

⁹¹ See, e.g., Pac. Gas & Elec. Co., Transmission Owner Tariff and Related Service Agreements, § 8.1.2 (Costs Associated with Interconnection) (0.0.0).

⁹² See, e.g., S. Cal. Edison Co., Transmission Owner Tariff § 10.10.

⁹³ See, e.g., *id.* § 10.11.

⁹⁴ See CAISO Tariff, § 2.1 (Open Access) (0.0.0).

⁹⁵ Although the TO Tariff interconnection process does not grant transmission service, the network upgrades identified through the interconnection process, which are subject to an interconnection agreement, may be akin to those that would be constructed to accommodate a transmission service request in other RTOs/ISOs; however, it is unclear from the TO Tariffs.

⁹⁶ See CAISO November 21 ANOPR Comments at 6 (noting that co-located retail loads are subject to state jurisdiction tariffs and generation is subject to the generator interconnection process).

generator interconnection⁹⁷ and other generator interconnection procedures, including the Generator Interconnection and Delivery Allocation Procedures (GIDAP)⁹⁸ and the Resource Interconnection Standards (RIS).⁹⁹ The GIDAP and the RIS address CAISO's primary process for studying interconnection requests, the Queue Cluster study process. CAISO's GIDAP applies to Queue Clusters 5 through 14 and consists of Phase I and Phase II interconnection studies that evaluate the impact of all interconnection requests on the CAISO controlled grid and identify cost estimates for network upgrades needed to address such impacts, with annual reassessments that account for changes in the interconnection queue.¹⁰⁰ CAISO's RIS applies to Queue Cluster 15 and subsequent Queue Clusters and consists of: (1) a cluster study that evaluates the impact of all interconnection requests on the CAISO controlled grid and identifies cost estimates for network upgrades needed to address such impacts, (2) an annual reassessment, which includes the cluster restudy, that accounts for changes in the interconnection queue, and (3) a clustered facilities study to specify and provide cost responsibility to implement the conclusions of the cluster study report and connect the interconnection facilities to the transmission system.¹⁰¹ The GIDAP and RIS also provide processes for allocating Transmission Plan Deliverability (TP Deliverability).¹⁰²

⁹⁷ CAISO Tariff, § 25 (Interconnection of Generating Units And Facilities) (0.0.0).

⁹⁸ *Id.* app. DD (Generator Interconnect & Deliverability Allocation Procedure) (7.0.0).

⁹⁹ *Id.* app. KK (Resource Interconnection Standards) (0.0.0).

¹⁰⁰ *Id.* app. DD, §§ 6 (Initial Activities & Phase I of the Interconnection Study Process for Queue Clusters) (22.0.0), 7 (Activities in Preparation for Phase II) (17.0.0), 8 (Phase II Interconnection Study & TP Deliverability Allocation Processes) (22.0.0).

¹⁰¹ *Id.* app. KK, §§ 2 (Scope and Application) (0.1.0), 2.4.3.1, 7 (Annual Reassessment, Cluster Restudy & Activities) (1.1.0), 7.4 (Reassessment Process), 8 (Interconnection Facilities Study & TP Deliverability) (5.0.0), 8.1.2.

¹⁰² Under the Tariff, TP Deliverability is defined as:

The capability, measured in MW, of the CAISO Controlled Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection with Full Capacity Deliverability Status or Partial Capacity Deliverability Status of additional Generating Facilities in a specified geographic or electrical area of the CAISO Controlled Grid.

27. Pursuant to the Tariff, an interconnection customer may request a limited operation study to determine the extent to which the generating unit and the interconnection customer's interconnection facilities may operate prior to the completion of the Participating Transmission Owners' interconnection facilities or network upgrades.¹⁰³ CAISO and the Participating Transmission Owner may permit an interconnection customer to operate its electric generating unit and interconnection facilities in accordance with such studies. An interconnection customer may also request, and CAISO may provide, surplus interconnection service for an unneeded portion of interconnection service capacity at an existing point of interconnection.¹⁰⁴ If the interconnection customer would not require a new interconnection request under the Tariff, CAISO may study a request for surplus interconnection service as a modification under section 6.7.2 of the GIDAP or RIS; otherwise, the request is studied as a new interconnection request in the cluster study process.¹⁰⁵

B. Recent Stakeholder Proceedings in CAISO

28. In January 2026, CAISO published an issue paper on large load considerations that described CAISO's role as it relates to large load integration and identified issues that may arise in future stakeholder discussions.¹⁰⁶ CAISO formally began a policy initiative in February 2026 to consider new policies due to the emergence of large loads and co-located generation, including presenting the issue paper to and soliciting

Id. app. A (TP Deliverability) (1.0.0); *see also id.* app. DD, § 8 (Phase II Interconnection Study & TP Deliverability Allocation Processes); *id.* app. KK, § 8 (Interconnection Facilities Study & TP Deliverability), 8.9 (Allocation Process for TP Deliverability).

¹⁰³ *Id.* app. DD, § 14 (PTOs Interconnection Facilities and Network Upgrades) (12.0.0), 14.2.4; *id.* app. KK, § 14 (Construction and Neighboring System Impacts) (1.1.0), 14.2.4.

¹⁰⁴ *Id.* app. DD, § 3 (Interconnection Requests) (17.0.0), 3.4 (Surplus Interconnection Service); *id.* app. KK, § 3 (Interconnection Requests) (3.0.0), § 3.4 (Surplus Interconnection Service).

¹⁰⁵ *Id.* app. DD, § 6.7 (Initial Activities and Phase I of the Interconnection Study Process for Queue Clusters), 6.7.2; *id.* app. KK, § 6 (Cluster Study Process), 6.7.2.

¹⁰⁶ *See* CAISO Large Load Issue Paper.

comments from stakeholders.¹⁰⁷ CAISO also held a stakeholder meeting in March 2026 on technical requirements for large loads.¹⁰⁸

29. CAISO also established an informal large load technical requirements working group in October 2025.¹⁰⁹ That working group is comprised of Participating Transmission Owners with active large load interconnection requests and aims to develop a coordinated set of technical requirements for interconnecting data center loads to the CAISO-controlled grid. CAISO states that the working group has been addressing topics recommended by NERC, including technical requirements.¹¹⁰

30. While we are encouraged by CAISO's stakeholder efforts, and by its initial attention to the pressing concerns associated with large and co-located loads¹¹¹ and to the Secretary's interest in these issues,¹¹² we are initiating this FPA section 206 proceeding in order to ensure that CAISO's ongoing processes generate reforms that are sufficiently timely and comprehensive to address the concerns we today identify. As such, and as the Commission explained in the April Order Regarding Intent to Act, we find that the Commission must now take further action to ensure that CAISO and/or the Participating Transmission Owners promptly propose revisions to ensure that their tariffs remain just and reasonable.

¹⁰⁷ See CAISO, *Initiative: Large Loads*, <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Large-loads> (providing link to presentation and comments submitted by stakeholders).

¹⁰⁸ *Id.*

¹⁰⁹ CAISO Large Load Issue Paper at 13.

¹¹⁰ *Id.* at 13-14.

¹¹¹ See Elliot Mainzer, *CEO Elliot Mainzer's Recent Congressional Testimony on Grid Reliability*, Energy Matters Blog (Apr. 18, 2025), <https://www.caiso.com/about/news/energy-matters-blog/ceo-elliott-mainzers-recent-congressional-testimony-on-grid-reliability> ("Currently, there is about 1 GW of data center load connected to the CAISO system. The [California Energy Commission] projects an increase in data center loads over the next 15 years, with a sharp increase projected to start around the 2028 timeframe. The CAISO is working diligently to serve emerging large electric loads within our footprint, including major enhancements to the transmission system in the Silicon Valley.").

¹¹² See *supra* PP 6-7.

III. Discussion

31. Based on the discussion below, pursuant section 206 of the FPA, we direct CAISO and the Participating Transmission Owners, within 60 days of the date of this order, to either:

(1) show cause as to why their tariffs remain just and reasonable and not unduly discriminatory or preferential without provisions addressing:

(a) the application process, study procedures, and ongoing operational requirements that apply to Eligible Customers seeking transmission service on behalf of large loads;

(b) additional transparency concerning the network upgrade costs to provide transmission service to Eligible Customers on behalf of large loads, a *pro forma* cost recovery agreement between CAISO, the relevant transmission owner and Eligible Customer taking transmission service on behalf of the large load to mitigate the risk of cost shifting among transmission customers, and a mechanism to ensure such payments are appropriately credited towards transmission owners' transmission revenue requirements consistent with the Commission's cost-of-service regulations;

(c) the rates, terms, and conditions of service that apply to co-location arrangements;

(d) transmission services that reflect Eligible Customers taking transmission service on behalf of co-located loads, load with behind the meter generation, and flexible large loads that are willing and able to limit their use of the transmission system under certain conditions; and

(e) the rates, terms, and conditions of service applicable to interconnection customers serving electrically proximate large load or co-located load; or

(2) explain what changes to their tariffs would remedy the identified concerns if the Commission were to determine that their tariffs have in fact become unjust and unreasonable or unduly discriminatory or preferential and, therefore, proceeds to establish replacement tariffs.

32. We also direct CAISO to submit, within 30 days of the date of issuance of this order, an informational report on how CAISO intends to ensure that adequate generation will be available to serve existing and new large loads.

33. Interested entities may respond within 30 days of CAISO's and the Participating Transmission Owners' filings, addressing either or both of: (1) whether the existing

tariffs remain just and reasonable and not unduly discriminatory or preferential; and (2) if not, what changes to the tariffs should be implemented as replacement rates.

34. We recognize that CAISO and/or the Participating Transmission Owners (to the extent the matters addressed herein implicate aspects of their TO Tariffs) may elect to address some or all of the issues discussed in this order by proposing revisions to their tariffs pursuant to their applicable FPA section 205 filing rights. We strongly encourage this. Although both the Secretary's ANOPR and our own Order Regarding Intent to Act expressly recognized (and indeed encouraged) that possibility,¹¹³ no such filings were received from CAISO or the Participating Transmission Owners by the Commission prior to the issuance of this order. Should CAISO and/or the Participating Transmission Owners elect to make such filings in response to this order, those filings should state explicitly that the proposals are being submitted under FPA section 205. Should CAISO and/or the Participating Transmission Owners submit a filing under FPA section 205, they should also explain which of the Commission's above directives their filing addresses and how it resolves them. Additionally, any such filing should provide a reasoned explanation for how the proposal will avoid disrupting existing commercial arrangements and clearly identify a reasonable effective date that accommodates such existing commercial arrangements.

35. The Commission will consider requests from CAISO and/or the Participating Transmission Owners to hold, for up to 90 days, all or certain aspects of this FPA section 206 proceeding in abeyance, including the deadline to respond to this order. Any such abeyance, which will begin as of the deadline to respond to this order, would be considered to provide CAISO and the Participating Transmission Owners time while they work through the applicable stakeholder processes to develop FPA section 205 filings to revise their tariffs to address the issues raised in this order. Requests for a full or partial abeyance¹¹⁴ should be submitted prior to the deadline to respond to this order, specifically within 45 days of issuance of this order, to allow time for the Commission to act on the abeyance request. We emphasize that we will not grant such abeyances reflexively, that any abeyance will be limited to 90 days, and that we will look with great disfavor toward requests to extend the abeyance period. We anticipate that successful abeyance requests, if any, will include both (1) a robust description of the content of a

¹¹³ See ANOPR at P 32; Order Regarding Intent to Act, 195 FERC ¶ 61,045 at P 5.

¹¹⁴ A partial abeyance may be appropriate to the extent CAISO and/or Participating Transmission Owners are developing FPA section 205 filings in response to only a subset of the directives in this order. For any remaining directives, we expect a response to this order within the 60-day deadline set forth herein.

potential future filing under FPA section 205 and (2) a reasoned and specific explanation of when such a filing is expected to be made.

36. In cases where, as here, the Commission institutes a section 206 investigation on its own motion, section 206(b) of the FPA requires that the Commission establish a refund effective date that is no earlier than the date of the publication by the Commission of notice of its intention to initiate such proceeding nor later than five months after the publication date. In such cases, in order to give maximum protection to customers, and consistent with our precedent, we have historically tended to establish the section 206 refund effective date at the earliest date allowed by section 206, and we do so here as well.¹¹⁵ That date is the date of publication of notice of initiation of this proceeding in the *Federal Register*.

37. We recognize that the framework under which CAISO provides transmission service is unique among the RTOs/ISOs and that certain responsibilities fall to the Participating Transmission Owners.¹¹⁶ We therefore expect that CAISO and the Participating Transmission Owners will coordinate with each other, as appropriate, to develop responses to this order that address the concerns we identify below.

A. Transmission Service to Eligible Customers on Behalf of Large Loads

38. We today make a preliminary finding that CAISO's Tariff and/or the TO Tariffs appear to be unjust and unreasonable because they lack provisions that address, with sufficient clarity and consistency, how CAISO and/or the Participating Transmission Owners will timely study (i.e., within 60-90 days of receiving the request) the provision of transmission service to Eligible Customers on behalf of large loads.¹¹⁷

39. Throughout this order, we use the phrase "the provision of transmission service to Eligible Customers on behalf of large loads" to encompass the provision of new, modified, or additional jurisdictional transmission service to Eligible Customers on behalf of large loads. We use this phrase broadly and recognize that in CAISO there is

¹¹⁵ See, e.g., *Idaho Power Co.*, 145 FERC ¶ 61,122 (2013); *Canal Elec. Co.*, 46 FERC ¶ 61,153, *order on reh'g*, 47 FERC ¶ 61,275 (1989).

¹¹⁶ We recognize, for example, that under the current framework, CAISO does not conduct a study process for the provision of transmission service and note that the Participating Transmission Owners may be able to augment their existing study processes for load interconnections to respond to the Commission's concerns.

¹¹⁷ As discussed below, our findings here also apply to the study process for unbundled retail transmission service requests by end-use large load customers, as allowed by state law or voluntary utility rules.

no formal application process for transmission service and that CAISO does not offer traditional Order No. 888 transmission services, as discussed above. We also recognize that the Participating Transmission Owners have responsibility for wholesale load interconnection studies. Thus, we understand that an Eligible Customer¹¹⁸ submits an interconnection application to the Participating Transmission Owner, who then completes the requisite studies as needed to interconnect new load. The Eligible Customer then must retain the service of a Scheduling Coordinator to access the CAISO market and represent its load.¹¹⁹ CAISO does not appear to conduct studies to determine the necessary network upgrades needed for the provision of transmission service to Eligible Customers outside of the TPP.¹²⁰ CAISO, however, is responsible for access to and the provision of transmission service, including transmission and ancillary services, to all Eligible Customers, and the reliability of that transmission service.¹²¹ We note that this phrase is not limited to instances where an Eligible Customer submits an application to request new transmission service. It also includes instances where an Eligible Customer requests a new or modified point of delivery to serve a large load, where a large load seeks a new or modified delivery point as an unbundled retail transmission service customer, or where large loads are otherwise included in an Eligible Customer's reported load growth and that Eligible Customer is taking network transmission service.

40. We direct CAISO and the Participating Transmission Owners, to the extent the matters addressed herein implicate aspects of their respective tariffs, to explain whether their tariffs remain just and reasonable without an application process, study procedures, and ongoing operational requirements that address the unique characteristics and challenges of providing transmission service to Eligible Customers on behalf of large loads, or to propose appropriate tariff revisions.

¹¹⁸ We note, however, that under the TO Tariffs this applies only to Eligible Customers who are also wholesale load eligible to request interconnection consistent with FPA section 210(a). *E.g.*, Pac. Gas & Elec. Co., Transmission Owner Tariff, § 10.1.

¹¹⁹ *See supra* P 20.

¹²⁰ *See supra* P 21.

¹²¹ Order No. 888, FERC Stats. & Regs. ¶ 31,036 at 31,731 (“An ISO should be responsible for ensuring that all users have non-discriminatory access to the transmission system and all services under ISO control. . . . [T]he ISO should be responsible for ensuring that services (for all users, including new users) can be provided reliably, and for developing and implementing policies related to curtailment to ensure the on-going reliability and security of the system.”).

1. Jurisdiction

41. At the outset, we clarify the principles relating to the Commission's jurisdiction over the matters relevant to the integration of large loads onto the transmission system and the impacts of large loads on the transmission system. We recognize that rates, terms, and conditions associated with the addition of and service to large loads implicate both federal and state interests. We also recognize that resolution of issues related to large load additions will require the involvement of both federal and state actors, including the Commission, state public utility commissions, and other state and local entities. We are encouraged by efforts made at the state level to address issues related to large load additions that fall within state jurisdiction.¹²²

42. As discussed below, however, certain aspects of the process for integrating large loads onto the transmission system fall squarely within the Commission's exclusive jurisdiction.

43. Specifically, we find that it is within the Commission's exclusive authority to ensure that transmission provider and/or transmission owner tariffs include sufficiently clear and consistent provisions governing how transmission service to Eligible Customers on behalf of large loads interconnecting to the transmission system will be studied, including whether new or upgraded transmission facilities are necessary to provide the requested transmission service. The Commission has jurisdiction over the study process for transmission service to both Eligible Customers on behalf of large loads and unbundled retail transmission service to end-use large load customers where, pursuant to state law or a public utility's voluntary offer of such service, the large load is an Eligible Customer under the transmission provider and/or transmission owner tariffs.¹²³

44. The Commission is a creature of statute and has jurisdiction over only those matters that Congress has given it the authority to regulate.¹²⁴ That authority includes jurisdiction over the wholesale sale and transmission of electricity in interstate commerce, including all facilities used for such sale and transmission.¹²⁵ As relevant

¹²² See generally NARUC April 14 ANOPR Comments (highlighting action taken by state public utility commissions related to large loads).

¹²³ Under the *pro forma* OATT, Eligible Customers include end-use customers seeking unbundled retail transmission service, pursuant to state law or public utility's voluntary offer of such service. *Pro forma* OATT, § 1.12 (Definitions – Eligible Customer); see also CAISO Tariff, app. A, Eligible Customer.

¹²⁴ *Atl. City Elec. Co. v. FERC*, 295 F.3d 1, 8 (D.C. Cir. 2002).

¹²⁵ 16 U.S.C. § 824(b)(1).

here, the Commission must ensure that the rates, charges, and classifications for such transmission of electricity—as well as the practices directly affecting such transmission of electricity—are just and reasonable and not unduly discriminatory or preferential.¹²⁶ The Supreme Court has held that the Commission’s authority over interstate transmission is not limited to wholesale transmission service and that the Commission has authority over unbundled retail transmission service.¹²⁷ As part of its transmission authority, the Commission has exercised jurisdiction over the terms of certain interconnections to the transmission system as an element of transmission service,¹²⁸ including the interconnection of wholesale load to the transmission system.¹²⁹

45. As applied to large load additions to the transmission system, these principles mean that the Commission has exclusive jurisdiction over the rates, terms, and conditions of interstate transmission service to Eligible Customers on behalf of large loads connecting to the transmission system, and the practices directly affecting the provision of such interstate transmission of electricity. An essential component of providing such transmission service is the process by which the transmission provider and/or transmission owner evaluates (1) whether it can provide the requested transmission service and (2) the impact that providing such transmission service will have on the jurisdictional transmission system, including determining whether any new or upgraded transmission facilities are needed to provide transmission service while maintaining reliable operation of the transmission system. This transmission service study process determines what network upgrades are needed to provide transmission service to Eligible Customers on behalf of large loads, the costs of which are included in transmission rates. As such, this study process directly affects Commission-jurisdictional transmission rates.¹³⁰ The Commission has exclusive authority to ensure that the process to study the

¹²⁶ *Id.* §§ 824d, 824e; see *FERC v. Elec. Power Supply Ass’n*, 577 U.S. 260, 278 (2016) (*EPSA*) (approving “a common-sense construction of the FPA’s language, limiting FERC’s ‘affecting’ jurisdiction to rules or practices that ‘directly affect the wholesale rate’” (cleaned up)).

¹²⁷ *New York v. FERC*, 535 U.S. at 17, 19-20 (upholding the Commission’s exercise of jurisdiction over unbundled retail transmission service).

¹²⁸ *Tenn. Power Co.*, 90 FERC ¶ 61,238, at 61,761 (2000) (*Tennessee Power*), order denying reh’g, 91 FERC ¶ 61,271 (2000); *Standardization of Generator Interconnection Agreements & Procs.*, Order No. 2003, 104 FERC ¶ 61,103, at P 9 (2003); see also *Laguna Irrigation Dist.*, 91 FERC ¶ 61,340, at 62,152 (2000).

¹²⁹ *Pac. Gas & Elec. Co.*, 109 FERC ¶ 61,392, at P 37 (2004); *Pac. Gas & Elec. Co.*, 115 FERC ¶ 61,193, at PP 36-38 (2006).

¹³⁰ *Cf. Transmission Plan. & Cost Allocation by Transmission Owning &*

provision of transmission service to Eligible Customers is just and reasonable and not unduly discriminatory or preferential. We therefore find that we have authority to ensure that tariffs include provisions that clearly and consistently address the study process for the provision of transmission service to Eligible Customers on behalf of large loads, including the unique impacts that providing transmission service to Eligible Customers on behalf of large loads may have on the transmission system.

46. At the same time, we continue to recognize that the FPA expressly reserves to states the authority over any other sale of electric energy, including retail sales and wholesale sales not in interstate commerce (such as wholesale sales within the Electric Reliability Council of Texas region), as well as facilities used for the generation and distribution of electricity.¹³¹ As such, we recognize that states will continue to regulate: (1) the specific terms of retail sales to large load;¹³² (2) which entities may make retail sales within their borders, including which entities are legally permitted to provide electricity to retail large load customers;¹³³ and (3) any siting decisions and construction associated with the large load project.¹³⁴ Nothing in this order is intended to intrude upon state authority over retail service to large loads.

47. In sum, we today exercise our authority to ensure that the process by which jurisdictional transmission providers and/or transmission owners will study the provision of jurisdictional transmission service to Eligible Customers on behalf of large loads interconnecting to the transmission system, including where, as allowed by state law a public utility's voluntary offer of such service, an end-use large load seeks unbundled

Operating Pub. Utils., Order No. 1000, 136 FERC ¶ 61,051, at P 112 (2011) (“It is through the transmission planning process that public utility transmission providers determine which transmission facilities will more efficiently or cost-effectively meet the needs of the region, the development of which directly impacts the rates, terms and conditions of jurisdictional service.”).

¹³¹ 16 U.S.C. § 824(b)(1); *see Dayton Power & Light Co. v. FERC*, 126 F.4th 1107, 1129 (6th Cir. 2025).

¹³² *See EPSA*, 577 U.S. at 279-80 (recognizing state authority over retail electricity sales); *New York v. FERC*, 535 U.S. at 28 (same).

¹³³ PJM Show Cause Order, 190 FERC ¶ 61,115 at PP 68-69.

¹³⁴ *See, e.g., Citizens Action Coal. of Ind., Inc. v. FERC*, 125 F.4th 229, 238 (D.C. Cir. 2025) (citing 16 U.S.C. § 824(b)(1)) (recognizing state authority over generation resource mix, including through their siting authority); Order No. 1000, 136 FERC ¶ 61,051 at P 107 (acknowledging state authority over siting, permitting, and construction of transmission facilities).

retail transmission service, is just and reasonable and not unduly discriminatory or preferential. Pursuant to that authority, we find that CAISO's Tariff and/or TO Tariffs appear to be unjust and unreasonable or unduly discriminatory or preferential because they lack sufficiently clear and consistent provisions regarding the study process related to the provision of transmission service to Eligible Customers on behalf of large loads. We need not comprehensively address the Commission's jurisdiction over other aspects of the addition of large loads to the transmission system at this time.

2. Tariff Provisions

48. In the following section, we begin by considering CAISO's Tariff and/or the TO Tariffs as they relate to how CAISO and/or the Participating Transmission Owners will study the provision of transmission service to Eligible Customers on behalf of large loads and explain our concerns that the lack of sufficiently clear and consistent provisions regarding the study process for the provision of transmission service to Eligible Customers on behalf of large loads is unjust and unreasonable or unduly discriminatory or preferential. We then consider whether CAISO's Tariff and/or the TO Tariffs are unjust and unreasonable without certain elements. First, we consider whether CAISO's Tariff and/or the TO Tariffs lack sufficiently clear and consistent tariff provisions establishing an appropriate definition of large load, as a separate category of load. Second, we consider whether CAISO's Tariff and/or the TO Tariffs lack sufficiently clear and consistent tariff provisions establishing an application process and requirements for Eligible Customers requesting transmission service on behalf of large loads and a study process that considers the unique operational challenges of providing transmission service to Eligible Customers on behalf of large loads. Third, we consider whether the CAISO's Tariff lacks sufficiently clear and consistent Tariff provisions establishing ongoing operational requirements necessary to ensure that CAISO can reliably provide transmission service given the unique operational impacts on the transmission system of providing transmission service to Eligible Customers on behalf of large loads. Finally, we consider whether CAISO's Tariff and/or the TO Tariffs require such ongoing operational requirements for Eligible Customers taking transmission service on behalf of large loads to be memorialized in service agreements.

49. We preliminarily find that CAISO's Tariff and/or the TO Tariffs appear to be unjust and unreasonable or unduly discriminatory or preferential because they do not contain provisions addressing with sufficient clarity and consistency how CAISO and/or the Participating Transmission Owners will study the provision of transmission service to Eligible Customers on behalf of large loads. We recognize that CAISO and/or the Participating Transmission Owners may have existing load integration processes, including studies that are performed in evaluating the provision of transmission service to

Eligible Customers on behalf of large loads.¹³⁵ However, we are concerned that those processes and any required studies with regard to the provision of transmission service are not described in their tariffs with the degree of clarity and specificity necessary to ensure that the transmission provider can mitigate operational risks of providing transmission service to Eligible Customers on behalf of large loads, given their impact on the transmission system, avoid disputes regarding how studies are conducted, deter speculative or duplicative requests for transmission service by Eligible Customers on behalf of large loads, and help avoid excessive and unnecessary network upgrades.

50. Moreover, we are concerned that the existing tariffs do not contain other elements akin to those described below, which we preliminarily find may be necessary to ensure that the rates, terms, and conditions of jurisdictional transmission service are just and reasonable.

51. At the outset, we recognize that the Participating Transmission Owners may be primarily responsible for conducting the studies that (1) evaluate whether a large load may be interconnected to the transmission system and served by the Eligible Customer and (2) determine whether network upgrades are necessary to provide transmission service. We appreciate that this role may stem from how CAISO and the Participating Transmission Owners allocated rights and responsibilities in the governing documents establishing CAISO. While we do not seek to alter that allocation of rights and responsibilities, we are concerned that CAISO's Tariff and/or the TO Tariffs may not clearly specify which entity will be responsible for studying the provision of transmission service to Eligible Customers on behalf of large loads.

52. We are further concerned that CAISO's Tariff and/or the TO Tariffs lack a study process that addresses the unique operational and reliability challenges that providing transmission service to Eligible Customers on behalf of large loads presents to the transmission system. Large loads can be more energy intensive and geographically concentrated than traditional load, and exhibit different load profiles.¹³⁶ CAISO itself has recognized that large loads can have a disproportionate impact on system reliability due to their size and unique characteristics and that the scale, pace, and characteristics of large load growth present significant operational and planning challenges.¹³⁷ As a result,

¹³⁵ See *supra* P 25.

¹³⁶ See, e.g., SPP HILL Order, 194 FERC ¶ 61,031 at PP 7-8; NERC, *Characteristics and Risks of Emerging Large Loads* (July 2025), <https://www.nerc.com/globalassets/who-we-are/standing-committees/rstc/whitepaper-characteristics-and-risks-of-emerging-large-loads.pdf> (NERC Characteristics and Risks of Large Loads).

¹³⁷ See CAISO November 21 ANOPR Comments at 1-2.

providing transmission service to Eligible Customers on behalf of large loads may be more complex and could raise greater reliability concerns for the transmission system, relative to a situation where Eligible Customers seek transmission service on behalf of traditional load.

53. Without a clear and consistent process to study the provision of transmission service to Eligible Customers on behalf of large loads, CAISO and/or the Participating Transmission Owners may not fully capture the transmission system impacts of providing such transmission service, which could result in significant operational risks for the transmission system. Furthermore, we are concerned that, without sufficiently clear and consistent tariff provisions, CAISO will not have the ongoing visibility and operational control necessary to provide reliable transmission service.

54. We are also concerned that the absence of sufficiently clear and consistent tariff provisions for how CAISO and/or the Participating Transmission Owners will study the provision of transmission service to Eligible Customers on behalf of large loads will lead to disputes over a variety of issues—e.g., study timelines and delays,¹³⁸ how the transmission service needed on behalf of the large load is studied,¹³⁹ what types of network upgrades are considered, and how required network upgrades to provide the requested transmission service are determined.¹⁴⁰ Such disputes may arise from the lack

¹³⁸ See, e.g., CEBA November 21 ANOPR Comments at 12-13; Eolian November 21 ANOPR Comments at 14-16; Institute for Progress November 21 ANOPR Comments at 7-8; Microsoft November 21 ANOPR Comments at 9; ODEC December 5 ANOPR Comments at 4.

¹³⁹ Commenters raised concern that large loads are not studied with consideration of their known operating characteristics, including their willingness to be flexible or curtailable. See, e.g., ClearPath November 21 ANOPR Comments at 5-6; Constellation November 21 ANOPR Comments at 23-24; Critical Loop November 21 ANOPR Comments at 3; GridCare December 5 ANOPR Comments at 1-2; L. Lynne Kiesling November 21 ANOPR Comments at 10.

¹⁴⁰ Specifically, commenters raised concern that transmission providers/owners may only consider traditional transmission infrastructure or that there is a lack of consideration of alternative transmission solutions. See, e.g., ACORE November 21 ANOPR Comments at 3-4, 6-7; American Terawatt November 21 ANOPR Comments at 4-5; Calibrant November 21 ANOPR Comments at 1-2, 3; CEBA November 21 ANOPR Comments at 9-10; Chamber of Commerce November 21 ANOPR Comments at 3; CTC Global Corporation November 21 ANOPR Comments at 1-3; DCC November 21 ANOPR Comments at 10-11; GridCARE December 5 ANOPR Comments at 4; Industrial Customers November 21 ANOPR Comments at 27-28; Infrastructure Masons December 5 ANOPR Comments at 18; Iron Mountain Data Centers, LLC November 21 ANOPR

of transparency in how studies are performed and how decisions will be made.¹⁴¹ We are thus concerned that the lack of clear and consistent provisions in CAISO's Tariff and/or the TO Tariffs related to the study process for the provision of transmission service to Eligible Customers on behalf of large loads appears to be unjust and unreasonable or unduly discriminatory or preferential.

55. Lastly, we are concerned that CAISO's existing Tariff and/or the TO Tariffs fail to deter speculative or duplicative requests for transmission service by Eligible Customers on behalf of large loads. Many ANOPR comments assert that clear and consistent provisions establishing study timelines and costs, readiness requirements, and/or penalties will deter speculative or duplicative requests related to large load additions.¹⁴² Commenters explain that speculative requests may bog down and delay the study process, wasting time and resources for transmission providers;¹⁴³ result in inaccurate study results or delays for other Eligible Customers seeking transmission service on

Comments at 3-4; Land Trust Alliance November 21 ANOPR Comments at 5-6; PIOs November 21 ANOPR Comments at 22; Southeast PIOs November 21 ANOPR Comments at 44-45; WATT and Advancing Modern Powerlines November 21 ANOPR Comments at 5-8.

¹⁴¹ *See, e.g.*, CEBA November 21 ANOPR Comments at 12; ECA December 5 ANOPR Comments at 1-2; Eolian November 21 ANOPR Comments at 17-18; EPSA November 21 ANOPR Comments at 6; Infrastructure Masons December 5 ANOPR Comments at 4, 6-7; Southeast PIOs November 21 ANOPR Comments at 39-40; Switch December 5 ANOPR Comments at 3; Tract November 21 ANOPR Comments at 5; Vantage November 21 ANOPR Comments at 5-6; Verrus November 21 ANOPR Comments at 6, 12; Vistra December 5 ANOPR Comments at 27.

¹⁴² *See, e.g.*, ACORE November 21 ANOPR Comments at 6; AEU November 21 ANOPR Comments at 17-18; Amazon November 21 ANOPR Comments at 6; Crusoe December 5 ANOPR Comments at 5-6; EDF Power November 21 ANOPR Comments at 12-13; EEI November 21 ANOPR Comments at 20; Fervo November 21 ANOPR Comments at 3; GridCare December 5 ANOPR Comments at 5; Invenergy November 21 ANOPR Comments at 6; Microsoft November 21 ANOPR Comments at 9; Ohio FEA November 21 ANOPR Comments at 4.

¹⁴³ *See, e.g.*, ATC November 21 ANOPR Comments at 12; Eolian November 21 ANOPR Comments at 17-18; GridCare December 5 ANOPR Comments at 5; Illinois AG November 21 ANOPR Comments at 9-10; Institute for Progress November 21 ANOPR Comments at 9; Ohio FEA November 21 ANOPR Comments at 4; Vistra November 21 ANOPR Comments at 23.

behalf of load;¹⁴⁴ create a substantial risk of cost shifts if the large load additions do not materialize as planned;¹⁴⁵ and distort load forecasts.¹⁴⁶ Clear and consistent study procedures that include readiness requirements (i.e., meaningful milestones and/or financial commitments) can help ensure that Eligible Customers' requests for transmission service on behalf of large loads are more viable and more likely to materialize as planned, given that they must meet specific milestones and/or pay costs to proceed.

56. More specifically, we preliminarily find that CAISO's Tariff and/or the TO Tariffs appear to be unjust and unreasonable because they lack sufficiently clear and consistent tariff provisions that address certain aspects of the process to provide transmission service to Eligible Customers on behalf of large loads, including:

(1) a definition of large load sufficient to capture loads that present the unique challenges described herein;

(2) the application process for requesting transmission service to Eligible Customers on behalf of large loads and the study procedures, including readiness requirements, for studying the provision of transmission service to Eligible Customers on behalf of large loads;

¹⁴⁴ See, e.g., Amazon November 21 ANOPR Comments at 6; CEBA November 21 ANOPR Comments at 8; ClearPath November 21 ANOPR Comments at 4; Geronimo November 21 ANOPR Comments at 12; TAPS November 21 ANOPR Comments at 14-15.

¹⁴⁵ See, e.g., Buckeye November 21 ANOPR Comments at 1-2; Exelon November 21 ANOPR Comments at 3; Kansas Commission November 21 ANOPR Comments at 12; NRECA November 21 ANOPR Comments at 9; OCC November 21 ANOPR Comments at 9; Southeast PIOs November 21 ANOPR Comments at 20; State Entities November 21 ANOPR Comments at 7-8; TAPS November 21 ANOPR Comments at 15, 22-24; Tri-State November 21 ANOPR Comments at 6, 8; Vistra November 21 ANOPR Comments at 23.

¹⁴⁶ See, e.g., CEBA November 21 ANOPR Comments at 8; EEI November 21 ANOPR Comments at 20; ELCON November 21 ANOPR Comments at 7; Invenergy November 21 ANOPR Comments at 6; GridCare December 5 ANOPR Comments at 5; OCC November 21 ANOPR Comments at 9; PIOs November 21 ANOPR Comments at 5; Southeast PIOs November 21 ANOPR Comments at 41; Talen November 21 ANOPR Comments at 9.

(3) ongoing operational requirements for transmission customers¹⁴⁷ serving large loads necessary to ensure reliable operation of the transmission system; and

(4) *pro forma* provisions in transmission service agreements, or other applicable agreements, to memorialize these terms.

57. First, we preliminarily find that CAISO's Tariff and/or the TO Tariffs appear to be unjust and unreasonable because they lack a definition of large load, as a new category of load. As CAISO acknowledges, integrating large loads poses specific challenges. CAISO states that although large loads are retail customers, they can impact reliability in ways comparable to large wholesale generators.¹⁴⁸ An appropriate definition, including a load size and interconnection voltage threshold, should be based on the characteristics of CAISO's transmission system. That said, based on the record in the ANOPR proceeding,¹⁴⁹ it appears that it would be reasonable to define a large load as a new commercial or industrial customer, located at a single site behind one or more points of interconnection, and that has a peak load of 50 MW or greater, interconnects to the transmission system at a voltage level of greater than 69 kV, and is not part of a co-location arrangement. In their responses to this order, CAISO and/or the Participating Transmission Owners should explain whether their tariffs remain just and reasonable without such a definition or propose tariff revisions establishing their own definition of large load.

58. Second, we preliminarily find that CAISO's Tariff and/or the TO Tariffs appear to be unjust and unreasonable because they lack sufficiently clear and consistent provisions establishing the application process and study procedures that will be used when CAISO

¹⁴⁷ We note that such ongoing operational requirements should apply to transmission customers, rather than Eligible Customers, as these requirements apply after the Eligible Customer has an executed (or a filed unexecuted) service agreement for transmission service and have become transmission customers under the Tariff.

¹⁴⁸ CAISO November 21 ANOPR Comments at 1-2.

¹⁴⁹ See, e.g., Constellation November 21 ANOPR Comments at 13 (supporting a voltage threshold); DTE November 21 ANOPR Comments at 3, 17-19 (recommending a threshold of an amount between 50 MW to 100 MW); Eolian November 21 ANOPR Comments at 8-9 (recommending a voltage threshold greater than or equal to an amount between 60 kV to 100 kV); Illinois AG November 21 ANOPR Comments at 7 (supporting a 20 MW or 50 MW threshold and consideration of other factors, such as voltage level); ITC November 21 ANOPR Comments at 3 (recommending a threshold of between 50 MW to 100 MW); Nebraska Board November 21 ANOPR Comments at 4 (proposing a 50 MW threshold); New Mexico Commission November 21 ANOPR Comments at 5 (proposing a 50 MW threshold).

and/or the Participating Transmission Owners evaluate the provision of transmission service to Eligible Customers on behalf of large loads. CAISO and/or the Participating Transmission Owners should explain whether their tariffs remain just and reasonable, for example, without: (1) an application process that accepts Eligible Customers' applications for transmission service on behalf of large loads on a rolling basis; (2) a non-refundable application fee and sufficient readiness requirements that escalate at distinct phases of the study process to deter duplicative or speculative requests for transmission service (e.g., meaningful milestones and/or financial commitments); and (3) information and data requirements that Eligible Customers must submit to CAISO and/or the Participating Transmission Owners regarding the characteristics of the large load on behalf of which the Eligible Customer is taking transmission service, including disclosure to CAISO of any substantially similar pending transmission service requests on behalf of the same large load customer.¹⁵⁰ CAISO and/or the Participating Transmission Owners may also elect to propose tariff revisions establishing such an application process, fee, and requirements.

59. Further, CAISO's Tariff and/or the TO Tariffs appear to lack sufficiently clear and consistent provisions establishing a study process for evaluating the provision of transmission service to Eligible Customers on behalf of large loads that considers the unique characteristics and impacts of large loads on the transmission system. For example, we are concerned that CAISO's Tariff and/or the TO Tariffs may not clearly and consistently require CAISO or the Participating Transmission Owners to conduct studies that evaluate the transmission system's ability to withstand risks observed from analyzed large load behavior created by the large load at the point of interconnection, or any other necessary supplemental studies to evaluate the impact of providing transmission service to Eligible Customers on behalf of large loads.¹⁵¹ Additionally, we preliminarily find that CAISO's Tariff and/or TO Tariffs appear to be unjust and unreasonable because they lack appropriate provisions recognizing within the study process for the provision of transmission service the unique operational characteristics of large loads that are willing and able to limit their energy withdrawals under certain conditions, which may thereby lessen or potentially avoid the need for certain network upgrades. While flexible large loads can reduce the demand on the transmission system,

¹⁵⁰ The Electric Reliability Council of Texas (ERCOT) has proposed a similar disclosure requirement in its Batch Zero process for large load interconnections. ERCOT Planning Guide, § 9.7.1(1)(b) (proposed Mar. 4, 2026).

¹⁵¹ See generally NERC, *Industry Recommendation: Large Load Interconnection, Study, Commissioning, and Operations* (Sep. 2025), <https://www.nerc.com/globalassets/programs/bpsa/alerts/2025/nerc-alert-level-2--large-loads.pdf> (finding that unique operational characteristics of large loads necessitate enhancements to studies).

and therefore potentially reduce the need for additional transmission capacity, additional informational and study requirements may be necessary to account for the dynamic nature of these types of loads while maintaining reliability.¹⁵² Additionally, we note that accurate models using Electromagnetic Transient studies may help to ensure that transmission service needed on behalf of large loads can be provided without compromising reliability.¹⁵³

60. Additionally, we preliminarily find that CAISO's Tariff and/or TO Tariffs appear to be unjust and unreasonable because they lack clear and consistent provisions requiring the evaluation of alternative transmission technologies¹⁵⁴ as potential solutions to accommodate an Eligible Customer's request for transmission service on behalf of a large load. Alternative transmission technologies can add more capacity on existing transmission lines quickly, often within one to three years.¹⁵⁵ Unlike with traditional load growth,¹⁵⁶ large load customers often have development timelines requiring

¹⁵² See, e.g., AEMA November 21 ANOPR Comments at 6; Thermal Battery Alliance November 21 ANOPR Comments at 7; Verrus November 21 ANOPR Comments at 10.

¹⁵³ See, e.g., NERC, *Draft Reliability Guideline: Risk Mitigation for Emerging Large Loads* 6-7 (May 2026), https://www.nerc.com/globalassets/who-we-are/standing-committees/rstc/reliabilityguideline_riskmitigationforemerginglargeloads.pdf; NERC, *Assessment of Gaps in Existing Practices, Requirements, and Reliability Standards for Emerging Large Loads* 31 (Mar. 2026), <https://www.nerc.com/globalassets/our-work/guidelines/reliability/white-paper---assessment-of-gaps.pdf>; see also SPP HILL Order, 194 FERC ¶ 61,031 at P 62.

¹⁵⁴ For purposes of this order, alternative transmission technologies include static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, tower lifting, and dynamic line ratings. We note that the Commission has also referred to these types of technologies as Grid Enhancing Technologies (GET).

¹⁵⁵ WATT and Advancing Modern Powerlines November 21 ANOPR Comments at 5-6.

¹⁵⁶ See, e.g., SPP HILL Order, 194 FERC ¶ 61,031 at P 7 (explaining that the HILL proposal was needed in part due to large load customers frequently requesting transmission service within months rather than years of their intended commercial operation, straining legacy regulatory frameworks and planning processes originally designed for slow, incremental, and predictable load growth); see also Commission Staff, *2025 State of the Market Report* 8 (Mar. 2026) (“[D]ata centers have characteristics

interconnection to the transmission system faster than traditional network upgrades can be built, necessitating a sufficient evaluation of alternative transmission technologies that can more quickly accommodate transmission service requests from Eligible Customers on behalf of large loads.¹⁵⁷ The Commission has previously recognized that alternative transmission technologies have the potential to mitigate or defer the need for traditional network upgrades and often can be deployed both more quickly and at lower cost than traditional network upgrades, and therefore failing to consider whether alternative transmission technologies can meet transmission needs more efficiently or cost-effectively than traditional network upgrades has the potential to render Commission-jurisdictional rates unjust and unreasonable.¹⁵⁸ Further, to the extent network upgrade costs to accommodate an Eligible Customer's request for transmission service on behalf of a large load are rolled into a transmission owner's transmission revenue requirement, transmission customers other than the Eligible Customer may bear a portion of those

unlike more traditional loads [including] size, strong desire for faster interconnection, and potential flexibility.”).

¹⁵⁷ Exec. Off. of the President, *Winning the Race: America's AI Action Plan* at 1-2, 15 (July 2025), <https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf> (explaining that accelerated deployment of AI data centers is a critical matter of national security and international economic competitiveness, and recommending federal policy action to optimize the existing grid through advanced grid technologies); WATT and Advancing Modern Powerlines November 21 ANOPR Comments at 5-8 (“[Alternative transmission technologies’] deployment timelines are more aligned with the interconnection needs of new large loads, which may only take 1-2 years to construct.”); Industrial Customers November 21 ANOPR Comments at 28 (“Achieving speed-to-power in the near-term, while also protecting customers, will require the use of GETs, advanced reconductoring, and unlocking all available system capacity.”); Energy Systems Integration Group, *Historical and Modern Large Loads: Characteristics, Context, and Industry Action to Meet Grid and Customer Needs*, at 4 (Mar. 2026), <https://www.esig.energy/wp-content/uploads/2026/03/ESIG-Historical-vs-Modern-Large-Loads-white-paper-2026.pdf> (describing the timing mismatch between how long it takes to build a new data center and how long it takes to plan, permit, and build transmission).

¹⁵⁸ *Improvements to Generator Interconnection Procs. & Agreements*, Order No. 2023, 184 FERC ¶ 61,054 at P 1583, *order on reh'g*, 185 FERC ¶ 61,063 (2023), *order on reh'g*, Order No. 2023-A, 186 FERC ¶ 61,199, *errata notice*, 188 FERC ¶ 61,134 (2024); *see also Bldg. for the Future Through Elec. Reg'l Transmission Plan. & Cost Allocation*, Order No. 1920, 187 FERC ¶ 61,068 at P 1201, *order on reh'g*, Order No. 1920-A, 189 FERC ¶ 61,126 (2024), *order on reh'g*, Order No. 1920-B, 191 FERC ¶ 61,026 (2025).

network upgrade costs, highlighting the need for clear and consistent provisions requiring the evaluation of least-cost options like alternative transmission technologies to mitigate the rate impact on all transmission customers.

61. CAISO and/or Participating Transmission Owners should explain whether the Tariffs remain just and reasonable without provisions that (1) require the evaluation of alternative transmission technologies in studies for the provision of transmission service, using models that are capable of evaluating the transmission system to accurately account for advanced transmission technologies, in all instances, without the need for a request from the Eligible Customer seeking transmission service on behalf of a large load; and (2) if traditional network upgrades are selected instead of alternative transmission technologies, inclusion in the study report to the Eligible Customer seeking transmission service on behalf of a large load of a sufficiently clear demonstration of why alternative transmission technologies are not feasible (i.e., would not resolve reliability violations identified or meet the relevant planning criteria) or would not result in lower costs or a faster timeline for accommodating the transmission service request; or propose Tariff revisions establishing such provisions. This transparency and informational requirement is warranted for the regulatory scheme we are establishing for transmission service requests by Eligible Customers on behalf of large loads given demand from and the expedited development timelines for large load customers. We underscore that we are not mandating the use of alternative transmission technologies. To the extent stakeholders believe that specific characteristics of providing transmission service to Eligible Customers on behalf of large loads warrant requirements beyond those contemplated here, we seek further briefing.

62. Finally, based on the record, it appears reasonable that such study processes, culminating in a report to the Eligible Customer with the results of the studies, including any Direct Assignment Facilities and network upgrades necessary to accommodate the transmission service request as well as a non-binding good-faith estimate of the cost and the time to construct such facilities, should take no more than 60-90 days calendar days to complete.¹⁵⁹ To the extent CAISO or the Participating Transmission Owners already have such procedures and conduct such studies, but those processes are not included in their tariffs, CAISO and the Participating Transmission Owners should explain their

¹⁵⁹ Several commenters support a 60-day timeline. *See, e.g.*, Constellation November 21 ANOPR Comments at 26; Critical Loop December 5 ANOPR Comments at 8; EDF Power November 21 ANOPR Comments at 16; Tract November 21 ANOPR Comments at 9. Other commenters note that SPP's HILL process has a 90-day timeline, or otherwise support a 90-day timeline. *See, e.g.*, AEMA November 21 ANOPR Comments at 3; Eolian December 5 ANOPR Comments at 27; Industrial Customers November 21 ANOPR Comments at 20; PJM November 21 ANOPR Comments at 7; SPP November 21 ANOPR Comments at 16-17.

existing processes and consider whether amendments are necessary to the tariffs to memorialize those processes and also address the concerns expressed herein. Otherwise, CAISO and/or the Participating Transmission Owners should explain whether their tariffs remain just and reasonable without: (1) sufficiently clear and consistent provisions to evaluate the impact of providing the requested transmission service to Eligible Customers on behalf of large loads, including identifying the Direct Assignment Facilities and Network Upgrades necessary to provide such service reliably; (2) provisions to appropriately recognize within the transmission service study process the unique operational characteristics of large loads; (3) a study deadline of no more than 60-90 calendar days; or propose Tariff revisions establishing them.

63. Third, we preliminarily find that CAISO's Tariff and/or the TO Tariffs appear to be unjust and unreasonable because they lack provisions addressing ongoing operational requirements for transmission customers taking transmission service on behalf of large loads. We are concerned that without such requirements the rates, terms, and conditions of transmission service may be unjust and unreasonable. The unique nature of these large loads creates challenges for operation of the transmission system and necessitates greater visibility and operational control when providing transmission service to transmission customers on behalf of large loads, without which the reliability of the transmission system could be at risk.¹⁶⁰ For example, we are concerned that CAISO's Tariff and/or the TO Tariffs do not require transmission customers to provide CAISO hourly forecasts, telemetry data, and other data to ensure sufficient visibility or specify requirements for maintaining communication channels between CAISO and the transmission customer on behalf of the large load. Additionally, we are concerned that the tariffs do not require transmission owners to install, and transmission customers to pay for, equipment to enable CAISO to monitor large loads for impacts of, for example, fast-ramping load that may impact the transmission system too quickly to be captured by conventional data acquisition systems (e.g., the need for phasor measurement units or similar equipment). We are also concerned that the Tariff does not require the transmission customer to enable CAISO to remotely disconnect large loads when necessary to maintain reliability of the transmission system, with the costs of such equipment directly assigned to the transmission customer, as well as the terms and conditions under which CAISO may remotely disconnect the large load (e.g., emergency conditions, so that transmission equipment is not harmed). Further, we are concerned that the tariffs do not specify ramp rate or ride-through requirements with which the transmission customer taking transmission service on behalf of the large load must comply. Lastly, we are concerned that the Tariff does not specify requirements for necessary control technologies and/or protection systems that may be necessary to limit transmission customer's withdrawals

¹⁶⁰ *E.g.*, ATC November 21 ANOPR Comments at 14; CAISO November 21 ANOPR Comments at 10 (citing NERC Characteristics and Risks of Large Loads); Herb Schrayshuen November 21 ANOPR Comments at 2-5.

from the transmission system as appropriate.¹⁶¹ CAISO and/or the Participating Transmission Owners should explain whether the tariffs remain just and reasonable without these or other ongoing operational requirements as part of the rates, terms, and conditions of transmission service or propose tariff revisions establishing necessary ongoing operational requirements.

64. Fourth, we preliminarily find that CAISO's Tariff and/or the TO Tariffs appear to be unjust and unreasonable because they lack *pro forma* provisions in a transmission service agreement, or other applicable agreement, between CAISO and/or the Participating Transmission Owner and the transmission customer taking transmission service on behalf of a large load to memorialize the above terms (e.g., equipment requirements, data requirements, remote disconnect capability). We are concerned that, without such *pro forma* provisions in a transmission service agreement, or other applicable agreement, between CAISO and/or the Participating Transmission Owner and the transmission customer, CAISO may be unable to enforce ongoing operational requirements for transmission customers taking transmission service on behalf of large loads. CAISO and/or the Participating Transmission Owners should explain whether their Tariffs remain just and reasonable without such *pro forma* provisions in a transmission service agreement, or other applicable agreement, or propose revisions to include *pro forma* provisions memorializing the ongoing operational requirements in a transmission service agreement between CAISO and/or the Participating Transmission Owner and the transmission customer.

B. Cost Shifting Risk Among Transmission Customers

65. We next preliminarily find that CAISO's Tariff and/or the TO Tariffs appear to be unjust and unreasonable because they lack adequate mechanisms to mitigate the risk of cost shifting among transmission customers, which may result in unjust and unreasonable rates for transmission service. In particular, we are concerned about the apparent lack of (1) transparency regarding the assignment of network upgrades, and their associated costs, that are needed to provide transmission service to Eligible Customers on behalf of large loads; and (2) a *pro forma* cost recovery agreement between CAISO, the relevant transmission owner, and the Eligible Customer taking transmission service on behalf of large loads that help ensure that Eligible Customers bear the risk and are ultimately responsible for costs incurred to provide transmission service, including the cost of network upgrades.

¹⁶¹ Specifically, as discussed below, the Commission has found that such necessary control technologies and/or protection schemes may be appropriate where Eligible Customers are taking one of the new transmission services. See *infra* PP 101, 105.

66. We direct CAISO and the Participating Transmission Owners, to the extent the matters addressed herein implicate aspects of their tariffs, to explain whether the tariffs remain just and reasonable without (1) robust, accurate, and systematic provision of data on CAISO's website in a single location, and in an easily accessible format that is searchable and allows users to filter the data, regarding the cost for network upgrades needed to provide transmission service to Eligible Customers on behalf of large loads; and (2) a *pro forma* cost recovery agreement between CAISO, the relevant transmission owner, and the Eligible Customer taking transmission service on behalf of a large load, or to propose tariff revisions to provide additional transparency and establish such a *pro forma* cost recovery agreement. We encourage state regulators responsible for setting retail rates to provide input to CAISO regarding their transparency needs.

1. Jurisdiction

67. The Commission has a duty to address the risk of cost shifting among transmission customers that may result in unjust and unreasonable transmission rates. As explained above, the Commission is obligated to ensure that the rates charged for jurisdictional transmission service—as well as any practice directly affecting such rates—are just and reasonable and not unduly discriminatory or preferential. With respect to the addition of large loads to the transmission system, the Commission has exclusive authority to ensure that transmission rates are just and reasonable. The costs of those upgrades to the transmission system (i.e., network upgrades) necessary to provide transmission service to Eligible Customers on behalf of large loads are inputs to jurisdictional transmission rates, and thus directly affect the Commission-jurisdictional rates paid by transmission customers. To fulfill its responsibility to ensure that transmission rates are just and reasonable, the Commission must act to address the risk of cost shifting among transmission customers due to (1) the process transmission providers and/or transmission owners use to evaluate the facilities needed, and the associated costs, for the provision of transmission service to Eligible Customers on behalf of large loads and (2) speculative transmission service requests by Eligible Customers on behalf of large loads that could result in unjust and unreasonable transmission rates.

68. In response to the ANOPR, many commenters raise concerns about the impact that large load additions can have on retail ratepayers, particularly the concern that other retail ratepayers may be forced to subsidize network upgrades needed to add large loads to the transmission system.¹⁶² While we appreciate and are similarly concerned about this issue, the Commission is limited to addressing jurisdictional transmission rates and as

¹⁶² See, e.g., Southern California Edison December 5 ANOPR Comments at 3; see also CPUC November 21 ANOPR Comments at 16 (noting that it supports ratepayer protections and efforts to mitigate risk of cost shifting); State Entities November 21 ANOPR Comments at 7-8.

such, we do so herein. As the Commission has explained, states determine how Commission-approved rates are collected among the relevant retail consumers along with the rates for state-jurisdictional matters.¹⁶³ Specifically, states have authority over how the wholesale costs of providing electricity, including transmission of such electricity, to those retail customers are recovered through retail rates.¹⁶⁴ We are encouraged by efforts taken by states to reform retail tariffs to address the potential for retail cost shifting as large loads come online,¹⁶⁵ as well as voluntary efforts by transmission owners to protect retail ratepayers through cost recovery agreements with large loads.¹⁶⁶ We are also encouraged by the execution of the President's Ratepayer Protection Pledge, through which data center developers have committed to shield retail ratepayers from increased electricity prices.¹⁶⁷ We expect that the additional cost transparency measures proposed in the following section will give state public utility commissions and other state regulators the information necessary to allow them to understand which transmission costs are caused by which transmission customers, so that they can sub-allocate these costs to the appropriate retail customers. Indeed, the Commission's objective in this proceeding is to respect the cooperative federalism approach established under the FPA. Specifically, one of the benefits of providing transparency on the costs of network upgrades necessary to provide transmission service to Eligible Customers on behalf of large loads is so that state regulators can use that information to protect residential and small commercial customers by incorporating those costs into the retail rates as they see fit given their authority to set rates for different classes of retail customers.

69. We encourage state public utility commissions, state regulators and state consumer advocates to submit comments explaining whether this information is sufficient and granular enough or to submit comments explaining precisely which additional information on transmission cost allocation may be needed to inform proper state-jurisdictional cost allocation.

¹⁶³ PJM Show Cause Order, 190 FERC ¶ 61,115 at P 167.

¹⁶⁴ *Id.* P 68.

¹⁶⁵ *See, e.g.*, CPUC November 21 ANOPR Comments at 2; PG&E November 21 ANOPR Comments at 1-2.

¹⁶⁶ *See, e.g.*, *Commonwealth Edison Co.* 194 FERC ¶ 61,106 (2026); *Commonwealth Edison Co.*, 194 FERC ¶ 61,109 (2026); *Commonwealth Edison Co.*, 194 FERC ¶ 61,110 (2026); *Commonwealth Edison Co.*, 194 FERC ¶ 61,113 (2026); *PECO Energy Co.*, 193 FERC ¶ 61,148 (2025); *Dayton Power & Light Co.*, 192 FERC ¶ 61,103 (2025); *Dayton Power & Light Co.*, 189 FERC ¶ 61,220 (2024).

¹⁶⁷ Proclamation No. 11014, 91 Fed. Reg. 11439 (Mar. 4, 2026).

2. Additional Cost Transparency

70. We preliminarily find that CAISO's Tariff and/or the TO Tariffs appear to be unjust and unreasonable or unduly discriminatory or preferential because they do not contain provisions requiring the provision of data on CAISO's website in a single location, and in an easily accessible format that is searchable and allows users to filter the data, on transmission service provided to Eligible Customers on behalf of large loads, for network upgrades evaluated in the local transmission planning process that are needed to accommodate transmission service to Eligible Customers on behalf of those large loads, and the costs for those network upgrades. We preliminarily find that cost transparency measures are needed to provide stakeholders with sufficient information and visibility regarding the network upgrades, and their associated costs, needed to accommodate transmission service to Eligible Customers on behalf of large loads.

71. In its annual Transmission Plan, CAISO publishes the status, costs, and scope of projects from prior Transmission Plans that are not yet completed and projects that are new to the Transmission Plan.¹⁶⁸ The Transmission Plan for 2025-2026 includes a section on projects that CAISO reviewed and concurred with for large load interconnections that identifies the project, estimated in-service date, and cost.¹⁶⁹ Section 24 of CAISO's Tariff describes the TPP and inputs required to develop the Transmission Plan,¹⁷⁰ such as the Unified Planning Assumptions and Study Plan. However, the Tariff does not specify what information the published Transmission Plan should contain, leaving the contents of the Transmission Plan to be prescribed in a Business Practice Manual. The Transmission Planning Process Business Practice Manual requires the Transmission Plan to contain a description of: (1) solutions with capital costs of \$50 million or more for which CAISO has completed all necessary studies; (2) solutions with capital costs of less than \$50 million that have been approved by CAISO management; and (3) solutions for which additional studies are required.¹⁷¹

¹⁶⁸ See CAISO, Business Practice Manual for the Transmission Planning Process, § 4.9.2 (Transmission Plan Contents).

¹⁶⁹ See CAISO, *2025-2026 Transmission Plan* 91-94 (May 12, 2026), <https://stakeholdercenter.caiso.com/RecurringStakeholderProcesses/2025-2026-Transmission-planning-process>.

¹⁷⁰ CAISO defines the Transmission Plan as: "The report prepared by the CAISO on annual basis pursuant to Section 24, which documents the outcome of the Transmission Planning Process as defined in the Study Plan." CAISO Tariff, app. A, Transmission Plan (0.0.0).

¹⁷¹ See CAISO, Business Practice Manual for the Transmission Planning Process,

72. However, CAISO's Tariff and/or the TO Tariffs do not appear to require that information identifying the network upgrades needed to accommodate transmission service to Eligible Customers on behalf of large loads and the costs of those network upgrades determined through the local transmission planning processes be readily available on CAISO's website in a single location, and in an easily accessible format that is searchable and allows users to filter the data. We acknowledge and are encouraged by the fact that CAISO has published in its most recent Transmission Plan some of the transmission facilities driven by large load additions, but we preliminarily find that it is necessary that CAISO's Tariff and/or the TO Tariffs require such information to be transparently and consistently reported in the future. The speed and scale with which Eligible Customers are seeking transmission service on behalf of large loads makes it difficult for interested parties, including transmission customers and state regulators, to accurately assess which transmission costs are the result of accommodating transmission service for Eligible Customers to serve large loads. We are concerned that the potentially speculative nature of accommodating transmission service for Eligible Customers on behalf of large loads,¹⁷² the speed and scale with which large loads are seeking to be added to the transmission system, the projected need for significant network upgrades to provide transmission service to Eligible Customers on behalf of large loads, and the lack of centralized information on the associated transmission costs in CAISO hamper the ability of the Commission and stakeholders (including transmission customers and state regulators¹⁷³) to understand and accurately assess the relationship between the addition of large loads to the transmission system and wholesale transmission costs.

73. We are concerned that without sufficient transparency regarding the network upgrades, and their associated costs, needed to provide transmission service to Eligible Customers on behalf of large loads, stakeholders may lack information and visibility

§ 4.9.2.1 (Transmission Plan Contents).

¹⁷² See *supra* P 55.

¹⁷³ See Transcript, NARUC Collaborative, Docket No. AD24-7-000, at 16-17 (Feb. 11, 2026) (Chair Bagot, Virginia) (asserting that additional transparency at the RTO level would help the states get the information they need to “identify . . . that bucket of costs” related to large load-driven transmission costs), 19 (Commissioner Chattopadhyay, New Hampshire) (noting the need for “all parties to be able to see things transparently” with respect to wholesale transmission costs), 35-37 (Chair Martz, Iowa) (raising concern that currently RTOs/ISOs do not have to clearly explain when a “bucket of costs is specifically for this large load” and noting that “if we, at the state level, can’t see the driver [of transmission costs], we can’t assign the cost to the causer[,] [a]nd so we need that clarity”), 69-70 (Chair Myers, Arizona) (“[B]eing able to allocate the large load costs to the correct bucket when it gets to the states is kind of a top priority.”).

regarding the costs driven by large load additions. We preliminarily find that, for network upgrades evaluated in the local transmission planning process¹⁷⁴ that are needed to accommodate transmission service for Eligible Customers on behalf of large loads are evaluated, CAISO must provide clear, timely, and detailed information regarding the extent to which accommodating transmission service for Eligible Customers on behalf of large loads necessitates network upgrades, as well as the costs of those network upgrades.

74. We note that centralized information regarding network upgrades needed for accommodating transmission service for Eligible Customers on behalf of large loads would also help inform stakeholders at the state and local level to address affordability and other challenges posed by the integration of large loads. Indeed, commenters state that the opaque nature of accommodating transmission service for Eligible Customers on behalf of large loads, and the associated network upgrades required to provide that transmission service, prevent wholesale and retail customers, states, and other stakeholders from understanding such costs.¹⁷⁵

¹⁷⁴ Our concern with transparency regarding network upgrades needed to provide transmission service to Eligible Customers on behalf of large loads, as well as the costs of such upgrades, is limited to network upgrades planned through the local transmission planning process. While we acknowledge that in Order No. 890, the Commission adopted requirements for RTOs/ISOs, as well as for transmission owners to the extent that they perform transmission planning within an RTO/ISO, to have open and transparent transmission planning processes, there are additional requirements that apply to regional transmission planning processes (that do not apply to local transmission facilities) and thus is relevant to the distinction here. Specifically, under Order No. 1000, public utility transmission providers, including RTOs/ISOs, must evaluate as part of their regional transmission planning process whether there are transmission facilities that more efficiently or cost-effectively meet the transmission planning region's identified transmission needs. *See* Order No. 1000, 136 FERC ¶ 61,051 at P 11.

¹⁷⁵ *See* OCC November 21 ANOPR Comments at 3 (“Consumers, state advocates and state regulatory commissions have a right to know which entities are seeking large-load interconnections, the nature of the requested service, and how related costs could flow through to transmission and distribution rates.”); U.S. House of Representatives Committee on Energy and Commerce Ranking Members November 21 ANOPR Comments at 2 (urging the Commission to “require sufficient transparency from grid operators so it can determine which specific large load facilities are responsible for grid upgrade needs”); *see also* CPUC November 21 ANOPR Reply Comments at 16-17 (asserting that the public posting of large load cost responsibility determinations would improve transparency, to the benefit of businesses and ratepayers).

75. Accordingly, we preliminarily find that CAISO's Tariff and/or the TO Tariffs appear to be unjust and unreasonable because they do not require the provision of data on CAISO's website in a single location, and in an easily accessible format that is searchable and allows users to filter the data that identifies the network upgrades that are needed to accommodate transmission service for Eligible Customers on behalf of large loads, and the costs of those network upgrades. CAISO and/or the Participating Transmission Owners should explain whether their tariffs remain just and reasonable without provisions that would require CAISO and the Participating Transmission Owners to publicly post and regularly update data that details: (1) the aggregate amounts of proposed large load additions in CAISO's footprint or the Participating Transmission Owner's service territory, including the aggregate amounts in each transmission pricing zone; and (2) the planned network upgrades needed to accommodate transmission service for Eligible Customers on behalf of large loads, identified by type of equipment and network upgrade (e.g., new substation, reconductoring, a new high-voltage transmission line) for each transmission service request; and (3) cost estimates for those network upgrades, or propose such tariff revisions. CAISO and the Participating Transmission Owners should also consider what other data related to transmission costs resulting from the provision of transmission service to Eligible Customers on behalf of large loads would be useful to include on CAISO's website. To the extent there are concerns about data confidentiality, CAISO and the Participating Transmission Owners should consider whether there are ways to mitigate those concerns while still providing the necessary transparency.

3. Cost Recovery Agreements

76. We next preliminarily find that CAISO's Tariff and/or the TO Tariffs appear to be unjust and unreasonable because they lack adequate mechanisms to mitigate the risk of cost shifting among transmission customers, which may result in unjust and unreasonable rates for transmission service. In particular, we are concerned about the apparent lack of a *pro forma* cost recovery agreement between CAISO, the relevant transmission owner, and the Eligible Customer taking transmission service on behalf of large loads that help ensure that Eligible Customers bear the risk and are ultimately responsible for costs incurred to provide transmission service, including the cost of network upgrades.

77. Several commenters discuss the risk of cost shifting among transmission customers that could result from transmission service requests by Eligible Customers on behalf of large loads.¹⁷⁶ Commenters also argue that retail-level large load tariffs do not

¹⁷⁶ See, e.g., Buckeye November 21 ANOPR Comments at 8-13; APPA November 21 ANOPR Comments at 6 ("Wholesale transmission customers in particular could be left shouldering massive costs if new large loads do not ultimately attain or maintain the level of electricity demand that is being forecasted."); NRECA November 21 ANOPR Comments at 21 (noting the risk that other transmission customers could bear stranded

protect wholesale transmission customers from cost shifting.¹⁷⁷ Specifically, commenters in the record contend that, while a retail-level large load tariff protects the load serving entity taking wholesale transmission service and its retail customers, it fails “to provide any mechanism to protect *other wholesale transmission customers*” from stranded transmission costs.¹⁷⁸ The Kansas Commission states that while its Large Load Power Services rate plan that requires large loads to make minimum payments toward transmission costs protects retail ratepayers from large-load driven transmission costs, it cannot protect against cost shifting associated with regional transmission buildout where “the large loads that formed the basis for the [regional] transmission plans do not materialize, leaving only existing customers to pay for generational expansions of the transmission grid.”¹⁷⁹ TAPS contends, moreover, that it is not sufficient for the Commission to rely on transmission owners to voluntarily file cost recovery agreements to protect transmission customers from cost shifting for network upgrades.¹⁸⁰

78. We are likewise concerned that there may be speculative transmission service requests by Eligible Customers on behalf of large loads that could result in cost shifting among transmission customers, which may lead to unjust and unreasonable increases in jurisdictional transmission rates. When a transmission owner constructs network upgrades to accommodate the provision of transmission service to an Eligible Customer on behalf of a large load, those transmission costs will be included in the transmission owner’s transmission revenue requirement. If, however, the Eligible Customer takes less transmission service than anticipated because the large load operates at a lower demand than anticipated or fails to materialize at all, other transmission customers may see an increase in transmission rates. In such a situation, those other transmission customers

upgrade costs caused by large loads that they cannot absorb); TAPS November 21 ANOPR Comments at 22-24; California DWR November 21 ANOPR Comments at 8.

¹⁷⁷ TAPS November 21 ANOPR Comments at 26 (“[A] number of state commissions are moving forward with retail large load tariffs, which provide for varying protections, but may not require the revenues and minimum demand levels to be included in wholesale transmission rates.”); Buckeye November 21 ANOPR Comments at 14-16; Kansas Commission November 21 ANOPR Comments at 15-16.

¹⁷⁸ Buckeye November 21 ANOPR Comments at 14-15; *see* TAPS November 21 ANOPR Comments at 26-27 & nn.50-51.

¹⁷⁹ Kansas Commission November 21 ANOPR Comments at 11-12.

¹⁸⁰ TAPS November 21 ANOPR Comments at 25-26 (noting that AES Ohio “committed to reflecting the payments it received from the data center in its Commission-jurisdictional transmission revenue requirement so that other customers are protected,” in a Construction Service Agreement with Amazon).

may have to pay for potentially unnecessary network upgrades that they neither caused the need for nor benefit commensurately from. In other words, this introduces the risk that costs may be unfairly shifted to other transmission customers, which may result in those costs then being passed through to residential customers, among others.

79. CAISO's Tariff and/or the TO Tariffs do not require cost recovery agreements between CAISO, the relevant transmission owner and the Eligible Customer taking transmission service on behalf of a large load. Such agreements would help ensure that the Eligible Customer makes a minimum contribution to the transmission owner's transmission revenue requirement commensurate with the costs incurred to provide the requested transmission service, including the costs of any needed network upgrades. Absent such cost recovery agreements, we are concerned that there is no mechanism to help ensure that Eligible Customers taking transmission service on behalf of large loads (as opposed to other transmission customers) bear the risk of, and are ultimately responsible for, the costs incurred to provide them with the requested transmission service, including the costs of any needed network upgrades.

80. Accordingly, we preliminarily find that, in order to prevent unjust and unreasonable cost shifting among transmission customers, it appears necessary for CAISO, the relevant transmission owner, and the Eligible Customer taking transmission service on behalf of a large load to enter into a cost recovery agreement that requires the Eligible Customer to make a minimum contribution toward the transmission owner's transmission revenue requirement if the Eligible Customer ultimately takes less transmission service than anticipated because the large load does not materialize as planned or is not developed at all. We preliminarily find that such cost recovery agreements are necessary to help ensure that the Eligible Customer is responsible for timely paying the costs of large load-driven transmission (i.e., the costs incurred to provide them with the requested transmission service, including the costs of any needed network upgrades) rather than having those costs paid by other transmission customers that neither caused the need for nor benefit commensurately from those network upgrades.¹⁸¹ Our preliminary finding is not intended to alter or call into question existing regional cost allocation methods for network upgrades, but instead is focused on helping to prevent cost shifting among transmission customers.

81. We note that several transmission owners and large load customers have filed cost recovery agreements (Transmission Security Agreements or Construction Service Agreements) with the Commission that guarantee minimum contributions from a large load customer (rather than from the Eligible Customer taking transmission service on behalf of the large load customer) to the transmission owner's transmission revenue

¹⁸¹ See, e.g., *Midwest ISO Transmission Owners v. FERC*, 373 F.3d 1361, 1368 (D.C. Cir. 2004); *Ill. Com. Comm'n v. FERC*, 576 F.3d 470, 476 (7th Cir. 2009).

requirement.¹⁸² Although we decline to preliminarily find that cost recovery agreements between the transmission owner and the large load customer (rather than the Eligible Customer) are necessary to ensure just and reasonable transmission rates, we continue to find that such agreements directly affect Commission-jurisdictional transmission rates. Therefore, to the extent a transmission owner and a large load customer enter into a cost recovery agreement (whether voluntarily or pursuant to state law) through which the large load customer guarantees contributions to the transmission owner's Commission-jurisdictional transmission revenue requirement, we find that such an agreement should be filed with the Commission.¹⁸³ To reduce duplicative credit requirements and transaction costs, we direct further briefing on whether it would be appropriate for such an agreement to substitute for the requirement on the Eligible Customer to enter into a cost recovery agreement with the transmission owner, if the agreement with the large load customer provided comparable or greater protection against cost shifting among transmission customers than an agreement between the transmission owner and the Eligible Customer would.

82. In addition to our preliminary finding that CAISO's Tariff and/or the TO Tariffs are unjust and unreasonable because they lack a *pro forma* cost recovery agreement of this type, we also preliminarily find that the minimum contribution required pursuant to such an agreement should be based on the level of jurisdictional transmission service (in MW) requested by the Eligible Customer on behalf of the large load. That figure is in turn tied to how CAISO and/or the Participating Transmission Owners will study the requested transmission service and determine any necessary network upgrades that must be developed to provide the requested transmission service. We note, however, that there may be other just and reasonable methods for determining this minimum contribution, including methods that account for potential timing differences between when costs are incurred to develop needed Network Upgrades and the pace at which the large load ramps toward energizing at its full level of requested service. We further preliminarily find that the cost recovery agreement should include a credit support (or other financial security) requirement sufficient to secure the obligations of the Eligible Customer taking transmission service on behalf of a large load to pay the amounts owed pursuant to the cost recovery agreement. We find that a cost recovery agreement with a specified minimum financial contribution and financial security sufficient to secure such contribution is necessary to mitigate cost shifting if the Eligible Customer ultimately takes less transmission service than anticipated because the large load does not

¹⁸² See *supra* note 166.

¹⁸³ We emphasize that this finding is in no way intended to preempt or interfere with the ability of states to implement ratepayer protection measures designed to mitigate cost shifting among retail customers, such as through state-jurisdictional large load tariffs.

materialize as planned or is not developed at all. We preliminarily find that an Eligible Customer may include a credit support or other financial security posted by a large load as part of a retail agreement to avoid creating duplicative credit support requirements. CAISO and/or the Participating Transmission Owners should explain why such a *pro forma* cost recovery agreement is not necessary to ensure just and reasonable rates or propose such a *pro forma* cost recovery agreement. To the extent that stakeholders believe that other mechanisms could address our cost shifting concerns, we seek further briefing as discussed below.¹⁸⁴

83. Although the Commission's concerns surrounding cost shifting described above may not present the same in CAISO as in other RTOs/ISOs, we nevertheless remain concerned that cost shifting may occur. We acknowledge that the Participating Transmission Owners have wholesale load interconnection processes by which Eligible Customers may request interconnection of their wholesale loads. We note that those processes and the related studies may result in network upgrades or transmission expansion projects for which the terms and conditions are memorialized in an interconnection agreement and the costs directly assigned to the Eligible Customer. Nevertheless, we remain concerned that cost shifting may occur through the recovery of the Participating Transmission Owners' transmission revenue requirement through the Access Charge due to speculative requests to accommodate transmission service to serve large loads, i.e., where large loads do not materialize or where the MW quantity of such large loads is lower than proposed, or because of the study process used to evaluate the facilities needed, and the associated costs, to accommodate the provision of transmission service to Eligible Customers on behalf of large loads. We are concerned because, as explained above, the wholesale load interconnection process in the TO Tariffs only applies to a subset of Eligible Customers.¹⁸⁵ We understand that transmission projects resulting from local transmission planning and regional transmission planning processes may be built to accommodate load additions that are not interconnected pursuant to the TO Tariff. While the interconnection of such load may be subject to a process governed by the relevant local regulatory authority, the costs of network upgrades built to accommodate that load growth that is identified through CAISO's Transmission Planning Process are included in the Participating Transmission Owners' transmission revenue requirements and recovered through the Access Charge. Further, the Participating Transmission Owners should demonstrate whether, and if so, how, existing requirements regarding interconnection agreements for wholesale load interconnections protect against cost shifting.

¹⁸⁴ See *infra* P 125.

¹⁸⁵ See *supra* P 25.

84. Lastly, we expect that any payments made by an Eligible Customer to a transmission owner pursuant to such a cost recovery agreement (or by a large load to a transmission owner pursuant to other voluntary agreement) will be appropriately credited toward transmission owners' transmission revenue requirements consistent with the Commission's cost-of-service regulations.¹⁸⁶ We preliminarily find that it appears reasonable for filers of formula rates to provide a separate workpaper in the annual informational filing describing how any payments made pursuant to a cost recovery agreement are reflected in the transmission owner's transmission formula rate.

C. Co-Location Arrangements and Load with Behind the Meter Generation

85. The Commission recently addressed in the PJM region the need for sufficiently clear and consistent tariff provisions addressing the rates, terms, and conditions that apply to co-location arrangements and for transmission services that reflect an Eligible Customer taking transmission service on behalf of Eligible Load¹⁸⁷ that is willing and able to limit its energy withdrawals from the transmission system under certain conditions.¹⁸⁸ As discussed below, CAISO's Tariff appears to be unjust and unreasonable because it lacks such provisions.

86. We direct CAISO and the Participating Transmission Owners, to the extent the matters addressed herein implicate aspects of their TO Tariffs, to explain whether the Tariff remains just and reasonable without provisions addressing the rates, terms and conditions that apply to interconnection customers serving co-located load and for Eligible Customers taking transmission service on behalf of Eligible Load, or propose Tariff revisions establishing the rates, terms, and conditions that apply to co-location arrangements.¹⁸⁹ We recognize that CAISO has begun a stakeholder policy initiative which may consider reforms related to co-location arrangements, and we encourage

¹⁸⁶ See 18 C.F.R. pt. 101 (2025).

¹⁸⁷ As discussed below, for purposes of this order, we will use the term Eligible Load to refer to co-located load and/or load with behind the meter generation. *See infra* P 90.

¹⁸⁸ PJM Co-Location Order, 193 FERC ¶ 61,217 at P 2; PJM Co-Location Rehearing Order, 195 FERC ¶ 61,209 at PP 91, 102.

¹⁸⁹ While this section is directed to both CAISO and the Participating Transmission Owners, we believe it will mostly implicate the CAISO Tariff, as it appears that only the CAISO Tariff involves matters related to co-location arrangements because the CAISO Tariff governs the generator interconnection process and because CAISO is the transmission provider.

CAISO to consider whether these efforts would, either fully or in part, address the Commission's concerns that the Tariff appears to be unjust and unreasonable.

1. Definition

87. The PJM Co-Location Order adopted the following definition of co-located load: a "configuration [that] refers to end-use customer load that is physically connected to the facilities of an existing or planned Customer Facility on the Interconnection Customer's side of the Point of Interconnection to the PJM Transmission System."¹⁹⁰ The PJM Co-Location Order used the term co-location arrangement when referring to both the co-located load and the associated generator.¹⁹¹

88. For purposes of this order, it appears that it would be reasonable to define co-located load as a configuration that refers to end-use customer load that is physically connected to the facilities of an existing or planned generating facility on the generator interconnection customer's side of the point of interconnection to the RTO/ISO's transmission system. In this order, we will also use the term co-location arrangement when referring to both the co-located load and the associated generating facility.

89. The CAISO Tariff does not define "Behind the Meter Generation." For purposes of this order, it appears reasonable based upon the record to refer to Behind the Meter Generation (BTMG) similarly to how that term is used in the PJM Co-Location Order, as a generating facility that delivers energy to load without using the transmission system or any distribution facilities.¹⁹²

90. For purposes of this order, we will use the term Eligible Load to refer to co-located load and/or load with BTMG.¹⁹³

2. Jurisdiction

91. As explained in the PJM Co-Location Order, the Commission has exclusive jurisdiction to oversee the interconnection of generating facilities to the interstate transmission system, including where generators serve co-located load.¹⁹⁴ The

¹⁹⁰ PJM Co-Location Order, 193 FERC ¶ 61,217 at P 164 (alterations in original).

¹⁹¹ *Id.* P 3.

¹⁹² *See* PJM Co-Location Order, 193 FERC ¶ 61,217 at P 7 n.19 (citing PJM, Intra-PJM Tariffs, OATT, § I.1 (Definitions - A-B) (21.0.0)).

¹⁹³ PJM Co-Location Rehearing Order, 195 FERC ¶ 61,209 at P 91.

¹⁹⁴ PJM Co-Location Order, 193 FERC ¶ 61,217 at P 171 (citing 16 U.S.C.

Commission retains exclusive authority to regulate the procedures and agreements that apply to the interconnection of a generator that will make wholesale sales, both where the generator interconnects directly to the interstate transmission system and where a generator interconnects to dual-use distribution facilities.¹⁹⁵ Further, the Commission has exclusive jurisdiction over the provision of transmission service to an Eligible Customer on behalf of Eligible Load, provided that transmission of electricity is in interstate commerce.¹⁹⁶ As the Commission found in the PJM Co-Location Order, we continue to acknowledge that the application of these principles depends on the specific facts and circumstances presented in particular situations.¹⁹⁷

92. Additionally, we reiterate that certain other aspects of co-location arrangements fall squarely within the jurisdiction of the states. As we explained in the PJM Co-Location Order, states retain exclusive authority over the specific terms of retail sales and retail rate design, including retail cost allocation to the co-located load; which entities are legally permitted to provide electricity to retail customers in co-location arrangements; and which generating facilities are sited and allowed to serve co-located load.¹⁹⁸

3. Tariff Provisions

93. We preliminarily find that CAISO's Tariff appears to be unjust and unreasonable or unduly discriminatory or preferential because it does not contain provisions addressing with sufficient clarity and consistency the rates, terms, and conditions of service that apply to interconnection customers serving co-located load. We also preliminarily find that CAISO's Tariff appears to be unjust and unreasonable or unduly discriminatory or preferential because it does not contain provisions addressing with sufficient clarity and consistency transmission services that reflect that an Eligible Customer taking transmission service on behalf of Eligible Load is willing and able to limit its energy withdrawals from the transmission system under certain conditions.

94. The absence of such provisions may leave entities unable to determine what steps they can or must take to effectuate co-location arrangements of various configurations. One step includes determining how interconnection customers serving co-located load

§§ 824d, 824e; *EPSA*, 577 U.S. at 278).

¹⁹⁵ *Id.* P 172 (citing *Nat'l Ass'n of Regul. Util. Comm'rs v. FERC*, 475 F.3d 1277, 1282 (D.C. Cir. 2007)).

¹⁹⁶ *Id.* P 173.

¹⁹⁷ *Id.* P 174.

¹⁹⁸ *Id.* PP 167-169.

may use generator interconnection processes in CAISO's Tariff to facilitate their co-location arrangements. A further step includes requiring interconnection customers serving co-located load to specify the Eligible Customer taking transmission service on behalf of the co-located load under the Tariff for purposes of assessing charges, including the appropriate charges for wholesale services that should apply to such Eligible Customers. Without such a common and consistent understanding of entities' responsibilities relevant to co-location arrangements, many of which may significantly affect rates and are realistically susceptible of specification,¹⁹⁹ we are concerned that these arrangements may be developed in a manner that is itself unjust and unreasonable or that may result in unjust and unreasonable rates for other customers.

95. Moreover, as discussed further below, we are especially concerned that the absence of Tariff provisions addressing transmission and ancillary service rates for Eligible Customers taking transmission service on behalf of Eligible Load creates the potential that Eligible Customers, on behalf of Eligible Load, may not be required to pay for wholesale transmission services that they receive, as required by the cost causation principle. That principle provides that all Commission-jurisdictional rates and charges must "reflect to some degree the costs actually caused by the customer who must pay for them,"²⁰⁰ and that costs must be allocated in a manner that is at least roughly commensurate with the benefits that entity receives.²⁰¹

96. We preliminarily find that CAISO's Tariff appears to be unjust and unreasonable because it lacks sufficient clarity and consistency as to the rates, terms, and conditions of service that apply to interconnection customers serving co-located load, including the scope of the analyses CAISO performs as part of its existing study process to evaluate the impacts of co-location arrangements, which may need to account for any potential dynamic impacts of co-located load and any potential impacts of requests to modify an existing generating facility's interconnection service level to serve co-located load on transmission system reliability. Additionally, in the PJM Co-Location Order, the Commission found that it was necessary to clarify that interconnection customers seeking to use new generating facilities to serve co-located load may (1) request interconnection service at a level below the generating facility's maximum facility output; (2) use existing procedures to accelerate interconnection requests that satisfy certain tariff criteria; and (3) request provisional interconnection service and surplus interconnection

¹⁹⁹ *Hecate Energy Greene Cnty. 3 LLC v. FERC*, 72 F.4th 1307, 1312 (D.C. Cir. 2023).

²⁰⁰ *Midwest ISO Transmission Owners v. FERC*, 373 F.3d at 1368.

²⁰¹ *See, e.g., Ill. Com. Comm'n v. FERC*, 576 F.3d at 476.

service.²⁰² As such, interconnection customers seeking to use their generating facilities to serve co-located load have no means of knowing the appropriate mechanism for setting forth the terms and conditions of co-location arrangements. We are concerned that the details of such a process—including the existing rules and studies applicable to such generator interconnection arrangements—are not sufficiently detailed in the Tariff to ensure clarity for how interconnection customers may seek to serve co-located load. Moreover, without an Eligible Customer designated to take transmission service on behalf of a co-located load, there is no mechanism for CAISO to address situations in which a co-located load withdraws energy from the transmission system.

97. Therefore, we preliminarily find that CAISO's Tariff appears to be unjust and unreasonable because it does not contain provisions addressing with sufficient clarity and consistency the rates, terms, and conditions of service that apply to interconnection customers serving co-located load. CAISO should explain whether the Tariff remains just and reasonable without such provisions, or propose Tariff revisions.

98. We have similar concerns regarding CAISO's existing rate designs for transmission and ancillary services that are used by Eligible Customers taking transmission service on behalf of Eligible Load. The Commission has previously found that co-located loads that are synchronized with the transmission system use and benefit from at least some ancillary services and may be reasonably charged for such benefits.²⁰³ Specifically, the Commission has found that, regardless of whether a co-located load withdraws energy from the transmission system, co-located load relies on and benefits from regulation service and black start service, and concluded that Eligible Customers taking one of the new transmission services (discussed below) on behalf of co-located load must pay for these ancillary services on a gross demand basis.²⁰⁴ In the PJM Co-Location Rehearing Order, the Commission applied these findings to Eligible Customers taking transmission service on behalf of load with BTMG.²⁰⁵ However, CAISO's Tariff does not appear to include a mechanism by which an Eligible Customer, on behalf of Eligible Load, would be charged for ancillary services commensurate with its usage of such services, particularly if such customer did not withdraw energy from the transmission system.

²⁰² PJM Co-Location Order, 193 FERC ¶ 61,217 at PP 231-235. PJM's compliance filing proposing revisions in response to these directives was accepted in part on April 16, 2026. *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,030.

²⁰³ PJM Co-Location Order, 193 FERC ¶ 61,217 at P 183.

²⁰⁴ *Id.* PP 184-185.

²⁰⁵ *See* PJM Co-Location Rehearing Order, 195 FERC ¶ 61,209 at P 400.

99. Therefore, we preliminarily find that CAISO's Tariff appears to be unjust and unreasonable because it does not address whether and how Eligible Customers taking one of the new transmission services on behalf of Eligible Loads will be charged for their use of regulation and black start services, which introduces the risk that Eligible Load may benefit from regulation and black start services without contributing to cost recovery for such services. As noted in the PJM Co-Location Order, this introduces the risk that costs may be allocated entirely to other transmission customers and passed through to residential customers, among others.²⁰⁶ CAISO should explain whether the Tariff remains just and reasonable without requiring Eligible Customers taking one of the new transmission services on behalf of Eligible Loads to pay for regulation and black start services on a gross demand basis, or propose Tariff revisions that require them to do so.

100. The Commission also found in the PJM Co-Location Order that Eligible Customers taking transmission service on behalf of co-located loads are willing and able to limit their energy withdrawals from the transmission system under certain conditions. As such, the Commission found that Eligible Customers taking transmission service on behalf of co-located loads should be allowed to choose a transmission service that aligns with their use of the transmission system and therefore aligns the charges for service with the benefits received.²⁰⁷ On rehearing, the Commission found that it is just and reasonable for these services to be available to Eligible Customers taking transmission service on behalf of loads with BTMG.²⁰⁸ We are concerned that CAISO's Tariff lacks transmission services that would reflect the ability of Eligible Customers on behalf of Eligible Loads to take transmission services that align with their use of the transmission system, which may result in inefficient and costly transmission buildout and costs paid by transmission customers.²⁰⁹

101. Therefore, we also preliminarily find that CAISO's Tariff appears to be unjust and unreasonable because it does not include transmission services that reflect Eligible Customers taking transmission service on behalf of Eligible Load that are willing and able to limit their use of the transmission system under certain conditions. CAISO should

²⁰⁶ See PJM Co-Location Order, 193 FERC ¶ 61,217 at P 159.

²⁰⁷ *Id.* P 199.

²⁰⁸ PJM Co-Location Rehearing Order, 195 FERC ¶ 61,209 at PP 101-103.

²⁰⁹ See, e.g., PSEG November 21 ANOPR Comments at 20 ("The Commission's long-standing policy is to encourage reduced use of the transmission system, which would in turn reduce upgrades to the transmission system, to the benefit of all transmission customers. For instance, if a co-located load's use of the transmission system is limited (or to a lesser degree) than other traditional in front of the meter loads, it should be responsible for costs based on its limited use.").

explain whether the Tariff remains just and reasonable without the transmission services described by the Commission in the PJM Co-Location Order, with regional variation as appropriate, being available to Eligible Customers taking transmission service on behalf of Eligible Load, or propose appropriate Tariff revisions. Specifically, CAISO should explain whether the Tariff remains just and reasonable without (1) an interim non-firm network transmission service while network upgrades are being constructed (i.e., interim NITS) and (2) permanent firm and non-firm contract demand transmission services (transmission service up to a specified MW quantity, i.e., the contract level, on a firm or non-firm basis). In the alternative, CAISO may explain whether, given that CAISO does not offer the transmission services required by Order No. 888,²¹⁰ CAISO's existing transmission service framework addresses the concerns described herein, or explain what specific changes to its existing transmission service framework would effectively provide the same range of transmission service options for flexible large loads as in the PJM Co-Location Order. We note that the Commission has found it just and reasonable that, in order for an Eligible Customer to take interim NITS, firm contract demand transmission service, and non-firm contract demand transmission service, an Eligible Customer must have necessary control technologies and/or protection systems, which may include a special protection scheme, to limit its energy withdrawals to its approved level.²¹¹

102. Finally, we preliminary find that CAISO's Tariff is unjust and unreasonable because it allows load with BTMG to net its BTMG against its load for purposes of calculating Regional Access Charges.²¹² In the PJM Co-Location Order, the Commission found that PJM's BTMG rules, which allowed load serving entities that provide service to loads with qualifying BTMG to reduce their costs by netting output from BTMG in the calculation of their peak demand for the purpose of determining NITS charges, were unjust and unreasonable.²¹³ The Commission concluded that PJM's BTMG rules were no longer consistent with cost causation principles because large loads configured in a BTMG arrangement with significant generation will raise cost shifting concerns compared to loads pursuing smaller amounts of netting.²¹⁴ The Commission also found that such rules could lead to reliability and resource adequacy risks because PJM is

²¹⁰ See *supra* P 39.

²¹¹ PJM Co-Location Rehearing Order, 195 FERC ¶ 61,209 at P 480.

²¹² The Regional Access Charge is calculated by summing the Regional Transmission Revenue Requirements of all Participating Transmission Owners and Approved Project Sponsors and dividing the sum by the gross loads of all Participating Transmission Owners. See CAISO Tariff, app. F (Rate Schedules) (30.0.0), § 5.4.

²¹³ PJM Co-Location Order, 193 FERC ¶ 61,217 at PP 7, 186.

²¹⁴ *Id.* P 186.

obligated to serve transmission customers using BTMG, but does not consider such customers in transmission and resource adequacy planning.²¹⁵ The Commission directed PJM to revise its retail BTMG rules, including establishing a MW threshold for the amount of load at a particular electrical location that network customers may net by using BTMG.²¹⁶ We are similarly concerned that CAISO's Tariff allows Eligible Customers that provide service to loads with BTMG to reduce their network service charges because the definition of gross load, which is used to calculate the Regional Access Charge, excludes load of a retail customer served by its own onsite generating unit or energy storage device.²¹⁷ CAISO should explain whether the Tariff remains just and reasonable even though it allows netting of BTMG from gross load for purposes of determining Regional Access Charges for loads with BTMG, or propose Tariff revisions. Recognizing potential impacts on existing customers, we note that CAISO may explain whether current BTMG rules for customers that fall below a new MW materiality threshold for the amount of load at a particular electrical location that network customers may net using BTMG remain just and reasonable.

D. Extending New Transmission Services to Eligible Customers Taking Service on Behalf of Flexible Large Loads

103. In response to the ANOPR, a number of commenters argue that certain large loads are able to limit their withdrawals from the transmission system under certain conditions. Namely, commenters observe that flexible large loads²¹⁸ can quickly and verifiably adjust their consumption in response to system conditions or price signals.²¹⁹ Commenters in the ANOPR also observe that, where load studies and system planning consider the flexible nature of large loads, flexible large loads can potentially defer or reduce the need

²¹⁵ *Id.*

²¹⁶ *Id.* P 221.

²¹⁷ CAISO Tariff, § 26.1(c); *id.* app. A, Gross Load (3.0.0).

²¹⁸ For purposes of this order, “flexible” large loads are a subset of large loads, as used in this order, that are not co-located with generation, but are willing and able to limit their energy withdrawals from the transmission system under certain conditions.

²¹⁹ *See, e.g.*, AEMA November 21 ANOPR Comments at 1-2; Land Trust Alliance November 21 ANOPR Comments at 10; California DWR November 21 ANOPR Comments at 5; CEBA November 21 ANOPR Comments at 14-15; ClearPath November 21 ANOPR Comments at 2-4; Digital Energy Council November 21 ANOPR Comments at 1; EDF Power November 21 ANOPR Comments at 4; Emerald November 21 ANOPR Comments at 2; Verrus November 21 ANOPR Comments at 4.

for network upgrades, among other potential benefits.²²⁰ In recognition of this flexibility, many commenters support new transmission services that reflect the operational capabilities of flexible large loads, including interim NITS while network upgrades are constructed and non-firm transmission service.²²¹

104. We preliminarily find that CAISO's Tariff appears to be unjust and unreasonable because it does not include transmission services that reflect Eligible Customers taking transmission service on behalf of flexible large loads that are willing and able to limit their use of the transmission system under certain conditions.²²² With limited exceptions, daily transmission service with all energy treated as "new firm use" is the only type of transmission service available in CAISO.²²³ While this remains a just and reasonable option for an Eligible Customer to take on behalf of a flexible large load, based on the record before us, we preliminarily find that new transmission services should be available to reflect the operational reality that large loads may use the transmission system to differing extents and certain large loads are willing and able to limit their use of the transmission system under certain conditions.²²⁴ As explained above, the Commission found that Eligible Customers taking transmission service on behalf of Eligible Load should be allowed to choose a transmission service that aligns with their use of the transmission system and therefore aligns the charges for service with the benefits

²²⁰ See, e.g., AEMA November 21 ANOPR Comments at 5; ELCON November 21 ANOPR Comments at 9; Emerald November 21 ANOPR Comments at 6-7; Institute for Progress November 21 ANOPR Comments at 11; Land Trust Alliance November 21 ANOPR Comments at 10; California DWR November 21 ANOPR Comments at 5; LS Power November 21 ANOPR Comments at 5; Microsoft November 21 ANOPR Comments at 10-11; National Grid November 21 ANOPR Comments at 19-20; OMS November 21 ANOPR Comments at 13-14; Southeast PIOs November 21 ANOPR Comments at 50.

²²¹ See, e.g., Constellation November 21 ANOPR Comments at 24-25; Calibrant November 21 ANOPR Comments at 2-4; Critical Loop November 21 ANOPR Comments at 2; Digital Power Network November 21 ANOPR Comments at 3; PIOs November 21 ANOPR Comments at 27-28; Splight November 21 ANOPR Comments at 3-4.

²²² We direct this section only to CAISO because, unlike in other sections of this order, it appears that only CAISO's Tariff is implicated because CAISO is the transmission provider.

²²³ See *supra* PP 19-20 (describing existing transmission service in CAISO).

²²⁴ See *supra* P 103.

received.²²⁵ As the record suggests, Eligible Customers taking transmission service on behalf of flexible large load also may be willing and able to limit their use of the transmission system under certain conditions. As recognized in the ANOPR record, load flexibility can avoid inefficient and costly transmission system build-out.²²⁶ In addition, transmission services that reflect that flexible large loads are willing and able to limit their withdrawals from the transmission system under certain conditions could help timely interconnect flexible large loads.²²⁷ Entities in the CAISO footprint acknowledge the importance of facilitating load flexibility.²²⁸

105. Therefore, we are concerned that CAISO's Tariff does not include transmission services that reflect the use of the transmission system by Eligible Customers on behalf of flexible large load, on both an interim and permanent basis. CAISO should explain whether the Tariff remains just and reasonable without the transmission services described by the Commission in the PJM Co-Location Order, with regional variation as appropriate, being available to Eligible Customers taking transmission service on behalf of flexible large loads, or propose appropriate Tariff revisions. Specifically, CAISO should explain whether the Tariff remains just and reasonable without (1) an interim non-firm network transmission service while network upgrades are being constructed and (2) permanent firm and non-firm contract demand transmission services (transmission service up to a specified MW quantity, i.e., the contract level, on a firm or non-firm basis). In the alternative, CAISO may explain whether, given that CAISO does not offer

²²⁵ PJM Co-Location Order, 193 FERC ¶ 61,217 at P 199; PJM Co-Location Rehearing Order, 195 FERC ¶ 61,209 at P 103.

²²⁶ See *supra* P 103; see also PJM Co-Location Order, 193 FERC ¶ 61,217 at PP 160, 177, 199 (finding that new transmission service options reflect a co-located load's ability to limit withdrawals from the transmission system and potentially avoid costly and inefficient transmission system buildout that may not be necessary).

²²⁷ See *supra* P 103; see also PJM Co-Location Order, 193 FERC ¶ 61,217 at PP 201 (finding that the interim, non-firm transmission service will facilitate the "timely" provision of transmission service and that "[t]his willingness to curtail would potentially allow them to obtain service more quickly"), 205 (recognizing that parties argue that co-located loads may be able to receive transmission service faster with use of a new, limited transmission service product than they would if they selected NITS, to the extent that providing NITS would require network upgrades that the limited transmission service would not).

²²⁸ See, e.g., California DWR November 10 ANOPR Comments at 5-7; see also CAISO November 21 ANOPR Comments at 15; PG&E November 21 ANOPR Comments at 16 (recognizing benefits of large and co-located load flexibility).

the transmission services required by Order No. 888,²²⁹ CAISO's existing transmission service framework addresses the concerns described herein, or explain what specific changes to its existing transmission service framework would effectively provide comparable transmission service options for flexible large loads as in the PJM Co-Location Order. Finally, we note that the Commission has found it just and reasonable that, in order for an Eligible Customer to take interim NITS, firm contract demand transmission service, and non-firm contract demand transmission service, an Eligible Customer must have necessary control technologies and/or protection systems, which may include a special protection scheme, to limit its energy withdrawals to its approved level.²³⁰

E. Interconnection Customers Serving Electrically Proximate Large Load and Co-Located Load

106. In response to the ANOPR, a number of commenters agree that the ability to study new load and new generation together, when physically or electrically proximate, presents system benefits and can help address the challenges posed by large load additions.²³¹ Commenters argue that studies that consider large load and generation together present a more complete picture of the grid and can enable the identification of more accurate, efficient, and cost-effective transmission solutions by minimizing system impacts.²³² As a result, this can speed up the interconnection process for both large loads and generation, and shorten energization timelines,²³³ which commenters contend reduces

²²⁹ See *supra* P 39.

²³⁰ PJM Co-Location Rehearing Order, 195 FERC ¶ 61,209 at P 480.

²³¹ See e.g., DCC November 21 ANOPR Comments at 5-6; DTE November 21 ANOPR Comments at 11; Google November 21 ANOPR Comments at 7; International Energy Credit Association November 21 ANOPR Comments at 10; Terraflux November 21 ANOPR Comments at 1.

²³² AEU November 21 ANOPR Comments at 13; ClearPath November 21 ANOPR Comments at 4; DCC November 21 ANOPR Comments at 5; DTE November 21 ANOPR Comments at 8-11; ENGIE November 21 ANOPR Comments at 6; Entergy November 21 ANOPR Comments at 5; Geronimo November 21 ANOPR Comments at 17-18; Information Technology Industry Council November 21 ANOPR Comments at 2.

²³³ DCC November 21 ANOPR Comments at 5; DTE November 21 ANOPR Comments at 8-11; Information Technology Industry Council November 21 ANOPR Comments at 2; Microsoft November 21 ANOPR Comments at 8-9; Verrus December 5 ANOPR Comments at 9.

uncertainty for both parties²³⁴ and “is necessary to match the pace of AI innovation in the United States.”²³⁵ CEBA also highlights that cost and timeline factors drive developers to submit multiple requests for price and timing discovery, which inflates queue volumes, distorts demand and supply forecasts, and causes significant delays when projects withdraw late after finding costs or energization timelines uneconomic.²³⁶ Other benefits to a joint study identified by commenters include improving load forecasting and siting decisions²³⁷ and reducing the need for critical supply chain components.²³⁸

107. Commenters contend that current generator interconnection study processes may not adequately capture generation and load, including by failing to model known electrically proximate large load in base case assumptions, which may result in inaccurate studies and inefficient system build-out.²³⁹ For example, Eolian states that in its experience developing a project in PJM, the failure of the generator interconnection study process to reflect reasonably expected load conditions on the grid models triggered overly costly network upgrades and caused the cancellation of generation project that could have reliably served adjacent load growth.²⁴⁰

108. Commenters in the ANOPR proceeding argue that the current state of the generator interconnection queue is not meeting the expeditious time frame needed to match the pace of large load additions and ensure the safe and reliable interconnection of these loads.²⁴¹ For example, Oracle states that one of the most significant and

²³⁴ ClearPath November 21 ANOPR Comments at 4; CEBA November 21 ANOPR Comments at 8.

²³⁵ Microsoft November 21 ANOPR Comments at 8-9.

²³⁶ CEBA November 21 ANOPR Comments at 8.

²³⁷ ELCON November 21 ANOPR Comments at 5; Maryland Commission November 21 ANOPR Comments at 6-7.

²³⁸ AEU November 21 ANOPR Comments at 13.

²³⁹ Base Power November 21 ANOPR Comments at 7; Eolian November 21 ANOPR Comments at 18-19; Eolian May 19 ANOPR Comments at 2; Longroad November 21 ANOPR Comments at 8.

²⁴⁰ Eolian May 19 ANOPR Comments at 10.

²⁴¹ *See, e.g.*, AEP December 5 ANOPR Comments at 1; DCC November 21 ANOPR Comments at 8; esVolta November 21 ANOPR Comments at 11-12; Oracle May 1 ANOPR Comments at 4.

widespread delays it encounters when siting data centers in the U.S. is access to sufficient energy.²⁴² Similarly, Helion contends that more than half of U.S. developers now identify interconnection delays as the single biggest barrier to adding new generation capacity.²⁴³ Commenters contend that if large load interconnection proceeds more quickly than new generation can come online, the result could be price increases for consumers.²⁴⁴

109. A number of commenters support expedited interconnection studies for new generation paired with load.²⁴⁵ Some commenters argue that one solution to generator interconnection delays may be the creation of time-limited or conditional interconnection service for generators serving large loads, which could require less time for initial generator interconnection studies and improve speed to power.²⁴⁶ For example, several commenters express support for SPP's HILLGA proposal as a model and urge the Commission to establish nationwide rules similar to that approach.²⁴⁷ Other commenters suggest reforms to expedite studies for new generation paired with large loads at existing points of interconnection that have already been studied, arguing it is unjust and

²⁴² Oracle November 21 ANOPR Comments at 1.

²⁴³ Helion November 21 ANOPR Comments at 1 (citing Third Way, *Picking Up the PACE: A Comprehensive Analysis of Available Pathways to Accelerating Clean Energy (PACE)* (Nov. 2025)).

²⁴⁴ AEP December 5 ANOPR Comments at 1-2; OPSI November 21 ANOPR Comments at 6-7, 11.

²⁴⁵ See, e.g., DTE November 21 ANOPR Comments at 8; ENGIE November 21 ANOPR Comments at 4; International Energy Credit Association November 21 ANOPR Comments at 8; Meta November 21 ANOPR Comments at 5-6; Ohio FEA November 21 ANOPR Comments at 5.

²⁴⁶ AEP December 5 ANOPR Comments at 12; AEU November 21 ANOPR Comments at 13; Google December 5 ANOPR Comments at 15; see also Duke November 21 ANOPR Comments at 21-22.

²⁴⁷ AEP December 5 ANOPR Comments at 4; Crusoe December 5 ANOPR Comments at 7; Enchanted Rock November 21 ANOPR Comments at 4; Google November 21 ANOPR Comments at 7; GridStor November 21 ANOPR Comments at 5; Verrus November 21 ANOPR Comments at 9.

unreasonable not to fully utilize existing infrastructure and proven reliability paths while new load waits for service.²⁴⁸

1. Jurisdiction

110. The Commission's statutory authority includes jurisdiction over the wholesale sale and transmission of electricity in interstate commerce, including the facilities used for such sale and transmission.²⁴⁹ The Commission also has exclusive jurisdiction to regulate the procedures and agreements applicable to generating facilities seeking to interconnect to a Commission-jurisdictional distribution facility or transmission facility.²⁵⁰ In the PJM Co-Location Order, the Commission observed that a generator's interconnection to the interstate transmission system "does not fall outside of the Commission's jurisdiction merely because there is [c]o-[l]ocated [l]oad behind the generator's point of interconnection."²⁵¹ By the same token, the Commission retains jurisdiction over a generator's interconnection even where the generator plans to serve an electrically proximate large load.

111. We recognize that states have exclusive authority over resource planning and the generation mix within their boundaries.²⁵² Nothing about our preliminary finding here, however, intrudes or is intended to intrude on that exclusive authority. Rather, we preliminarily find that it is necessary and appropriate to exercise our exclusive jurisdiction over generator interconnection to ensure the availability of generator interconnection processes specifically tailored to the unique operational characteristics of generating facilities dedicated to serving electrically proximate large loads and co-located loads, as defined below. The Commission has exercised this jurisdiction previously in

²⁴⁸ Constellation June 5 ANOPR Comments at 8-9.

²⁴⁹ 16 U.S.C. § 824(b)(1).

²⁵⁰ *Id.*; *Nat'l Ass'n of Regul. Util. Comm'rs v. FERC*, 475 F.3d at 1280-82 (affirming Order No. 2003 and observing that "interconnections appear to be relationships between parties with respect to electricity flowing over facilities. . . . By establishing standard agreements [the Commission] has exercised its jurisdiction over the terms of those relationships."); *see Pac. Gas & Elec. Co.*, 115 FERC ¶ 61,193 at P 36 ("[I]nterconnection is part and parcel of transmission of electric energy in interstate commerce, and thus interconnection service is part and parcel of jurisdictional transmission service.").

²⁵¹ PJM Co-Location Order, 193 FERC ¶ 61,217 at P 171.

²⁵² *See, e.g., Citizens Action Coal. of Ind., Inc. v. FERC*, 125 F.4th at 238 (citing 16 U.S.C. § 824(b)(1)).

requiring generator interconnection services that allow certain generating facilities to interconnect more quickly through the use of provisional interconnection service and surplus interconnection service,²⁵³ and has approved interconnection processes that allow certain generating facilities to interconnect more quickly by replacing a retiring existing generating facility.²⁵⁴

2. Definitions

112. For purposes of this order, it appears to be reasonable to use the term “electrically proximate large load” to mean a large load, as defined in this order,²⁵⁵ that is sufficiently electrically close to the interconnection customer’s requested point of interconnection, such that the impact on the transmission system of the combination of the generating facility and the load, with the exception of the transmission facilities between the two, will be effectively the same as if they were located at the same substation (e.g., large load that is located no more than two substations away from the generating facility). We will consider proposed revisions to this definition that ensure it is appropriately tailored to CAISO’s transmission system.

3. Tariff Provisions

113. We preliminarily find that CAISO’s Tariff appears to be unjust and unreasonable because it does not contain provisions allowing an interconnection customer to seek the generator interconnection service(s) that reflects the operational dynamics of serving either: (1) an electrically proximate large load; or (2) a co-located load, as defined in this order,²⁵⁶ that has a high peak load (i.e., large co-located loads that are 50 MW or greater).²⁵⁷ Specifically, we preliminarily find that CAISO’s Tariff appears to be unjust and unreasonable because it lacks a generator interconnection study process and/or

²⁵³ *Reform of Generator Interconnection Procs. & Agreements*, Order No. 845, 163 FERC ¶ 61,043, at PP 438, 467 (2018), *order on reh’g & clarification*, Order No. 845-A, 166 FERC ¶ 61,137, *order on reh’g & clarification*, Order No. 845-B, 168 FERC ¶ 61,092 (2019); Order No. 2023, 184 FERC ¶ 61,054 at P 1436; *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,083 (2025).

²⁵⁴ *See, e.g., PJM Interconnection, L.L.C.*, 194 FERC ¶ 61,079 (2026); *Midcontinent Indep. Sys. Operator Inc.*, 167 FERC ¶ 61,146 (2019).

²⁵⁵ *See supra* P 57.

²⁵⁶ *See supra* P 88.

²⁵⁷ We note that generator interconnection service in and of itself does not convey transmission service.

generator interconnection service to reflect an interconnection customer's commitment in an interconnection agreement to limit the generating facility's output to minimize the impact on the transmission system while serving an electrically proximate large load or large co-located load. We are concerned that CAISO's Tariff lacks, for example, generator interconnection study procedures and generator interconnection services that reflect (a) an interconnection customer's commitment in an interconnection agreement to limit a generating facility's output to match the hourly forecast of an electrically proximate large load or large co-located load; and/or (b) a generating facility with necessary control technologies and/or protection systems, which may include a special protection scheme,²⁵⁸ that ensure that the injection does not exceed the limit in the existing or new interconnection agreement. Where a generating facility's output is matched to the demand of the electrically proximate large load or large co-located load or if the generating facility's output is limited to ensure no new injection, the impacts to the transmission system of interconnecting the generating facility to serve that electrically proximate large load or large co-located load may be limited,²⁵⁹ thereby potentially reducing the need for network upgrades, which can accelerate the generator interconnection process.²⁶⁰ In the absence of Tariff provisions accounting for these operational dynamics when an interconnection customer's generating facility is serving electrically proximate large loads or large co-located loads, new shovel-ready generating

²⁵⁸ PJM Co-Location Rehearing Order, 195 FERC ¶ 61,209 at P 480.

²⁵⁹ In other words, because the generating facility and load are located so closely on the transmission system, if the generating facility's output matches the load's demand, then the transmission provider would need to study only the local impacts because the impact on the transmission system of the combination of the generating facility and the load, with the exception of the transmission facilities between the two, will be effectively the same as if they were located at the same substation.

²⁶⁰ *See, e.g.*, AEU November 21 ANOPR Comments at 13 ("To the extent that a new large load and new generation or storage resource are geographically and electrically proximate, studying them together would reduce network upgrades, lower costs, and reduce the need for critical supply chain components."); DTE November 21 ANOPR Comments at 10 (integrating the study of load and its supporting generation "reduces the need for network upgrades, optimizes the use of existing infrastructure, and accelerates the timeline for bringing both load and generation online"); Eolian November 21 ANOPR Comments at 18 ("It is obvious from basic engineering principles that generation located near load requires less transmission infrastructure to serve that load than generation located distant from load."); GridStor November 21 ANOPR Comments at 5 ("Siting a large load near or at the same point of interconnection as a new generating facility could reduce the network upgrades needed to interconnect only the load or only the generating facility.").

facilities may face unnecessary delays in reaching commercial operation under current generator interconnection processes and will be unable to serve the immediate demand of new large loads or large co-located loads.²⁶¹

114. As commenters in the ANOPR proceeding have recognized, the status quo may result in inefficient and unnecessary development of infrastructure, which leads to unnecessarily higher network upgrade costs that may result in unjust and unreasonable rates.²⁶² The Commission has already determined in the PJM Co-Location Order that without the new transmission services that reflect the operational dynamics of co-location arrangements, there could be unnecessary, costly, and inefficient network upgrades, increasing network upgrade costs.²⁶³ The same result may occur in the absence of new generator interconnection study procedures and generator interconnection services tailored to a new generating facility coming online for the express purpose of serving an electrically proximate large load or large co-located load.²⁶⁴

115. SPP recognized this problem and submitted an FPA section 205 filing to implement a new, interim, generator interconnection service and related generator

²⁶¹ See AEP December 5 ANOPR Comments at 1; Base Power November 21 ANOPR Comments at 7; CEBA November 21 ANOPR Comments at 8; DCC November 21 ANOPR Comments at 6 (asserting that a clear framework to study large loads paired with generation would resolve development bottlenecks); Eolian November 21 ANOPR Comments at 18-19; Eolian May 19 ANOPR Comments at 2; Google November 21 ANOPR Comments at 7 (calling for nationwide rules enabling proximate load-generation interconnection to “accelerate the pace at which new generation comes online”); Longroad November 21 ANOPR Comments at 8.

²⁶² See, e.g., AEU November 21 ANOPR Comments at 13, AEP December 5 ANOPR Comments at 1-2; Longroad November 21 ANOPR Comments at 8; OPSI November 21 ANOPR Comments at 11.

²⁶³ PJM Co-Location Order, 193 FERC ¶ 61,217 at P 177 (“[F]or Eligible Customers taking service on behalf of Co-Located Loads that do not reserve transmission . . . requiring such Eligible Customers to take NITS on behalf of these Co-Located Loads may in some circumstances result in costly and inefficient transmission system buildout that may not be necessary if such Eligible Customers are willing and able to take a transmission service that requires fewer Network Upgrades to provide, and therefore may result in lower Network Upgrade costs, than would NITS.”).

²⁶⁴ See AEP December 5 ANOPR Comments at 1-2 (stating that current processes produce insufficient/inefficient infrastructure and “potentially unsustainable price increases”); Eolian May 19 ANOPR Comments at 2, 10 (contending that a lack of coordinated study leads to unjust and unreasonable outcomes).

interconnection process, HILLGA, to facilitate the prompt interconnection of generating facilities that are specifically identified for and limited to serving a HILL, which the Commission accepted.²⁶⁵ The Commission found that HILLGA “reasonably provides a flexible, expedited, and separate serial interconnection process that will facilitate the prompt interconnection of generating facilities that are limited to serving a HILL in the same local area.”²⁶⁶ We do not expect or propose that CAISO adopt an identical process to SPP’s HILLGA process, nor do we preliminarily find that the absence of Tariff provisions specifically mirroring SPP’s Tariff renders CAISO’s Tariff unjust and unreasonable. Nevertheless, we remain concerned that the Tariff may be unjust and unreasonable without *any* uniquely tailored interconnection study process and/or generator interconnection service to recognize the reduced transmission system impacts that may result from the interconnection of a generating facility where the interconnection customer has committed, in an interconnection agreement, to limit the generating facility’s output to match the hourly forecast of an electrically proximate large load or large co-located load.²⁶⁷ To the extent that the interconnection customer’s generating facility is serving an electrically proximate large load, we believe that the generator interconnection service should be of an interim nature until the interconnection customer obtains Energy Resource Interconnection Service (ERIS) or Network Resource Interconnection Service (NRIS). To the extent that the interconnection customer’s generating facility is serving a large co-located load, it may be reasonable for the generator interconnection service to be permanent because there will be no injections onto the transmission system and therefore it does not present operational or planning risks for reliability.

116. Another potentially reasonable approach to address our concerns could be to develop a generator interconnection study process that would allow the use of existing ERIS or NRIS of an existing generator to connect a new generating facility and a new large load behind the same point of interconnection of the existing generator with necessary control technologies and/or protection systems, which may include a special

²⁶⁵ SPP HILL Order, 194 FERC ¶ 61,031.

²⁶⁶ *Id.* P 64.

²⁶⁷ While, as discussed above, we view such a process that permits generation to serve electrically proximate loads no more than two substations away from the generators to be reasonable, we understand the unique features of CAISO’s transmission system may warrant consideration of a more limited definition of electrically proximate. *See* Duke November 21 ANOPR Comments at 21-22; DTE November 21 ANOPR Comments at 8-11 (asserting that studying large loads with electrically proximate generation streamlines interconnection and reduces upgrades); AEU November 21 ANOPR Comments at 13-15.

protection scheme, that ensure that the net injection does not exceed the amount in the existing generator interconnection agreement.²⁶⁸ Such an approach could expedite the interconnection study process for a generator planning to serve an electrically proximate (in this case at the same point of interconnection) large load.²⁶⁹ An additional potentially reasonable approach could be a new load-limited generator interconnection service that allows a new generating facility and new large co-located load seeking to interconnect behind the *same* new point of interconnection, with necessary control technologies and/or protection systems, which may include a special protection scheme, to ensure that there is no injection to the transmission system.²⁷⁰ It may be reasonable for such a load-limited generator interconnection service to be or not to be of an interim nature. We invite CAISO and/or Participating Transmission Owners, in responding to this order or in an FPA section 205 filing, to submit original proposals designed to address the concerns expressed herein and tailored to their unique circumstances.

117. We are concerned that the absence of generator interconnection study procedures and generator interconnection services facilitating the interconnection of a new generating facility that is being brought onto the transmission system in order to serve an electrically proximate large load or large co-located load will result in CAISO's current generator interconnection process failing to keep pace with the new large loads seeking to be integrated onto CAISO's transmission system.²⁷¹ We preliminarily find that this outcome may be unjust and unreasonable because reliance on CAISO's current generator interconnection processes for generating facilities serving electrically proximate large loads or large co-located loads could result in unnecessary interconnection delays,

²⁶⁸ See Constellation June 5 ANOPR Comments at 1-2, 10-13.

²⁶⁹ See *id.* at 5 (explaining that when new generation load pairings “are sited at an existing generator’s Point of Interconnection and fall within the same study parameters reflected by that existing generator’s interconnection, they benefit from studies and upgrades already completed for that existing generator and can come on more rapidly without jeopardizing reliability”).

²⁷⁰ See MISO November 21 ANOPR Comments at 13; *see also* MISO TOs April 3 ANOPR Comments at 13-14.

²⁷¹ See Helion November 21 ANOPR Comments at 1 (noting interconnection delays are the biggest barrier to adding new generation); Oracle November 21 ANOPR Comments at 1 (noting significant delays in access to sufficient energy for data centers); OPSI November 21 ANOPR Comments at 11 (explaining that expedited study encourages loads to bring their own generation); Enchanted Rock November 21 ANOPR Comments at 4; Microsoft November 21 ANOPR Comments at 8-9.

unnecessary network upgrades, and an otherwise inefficient expansion of the transmission system, imposing unnecessary delays and costs on transmission customers.

118. CAISO should explain whether the Tariff remains just and reasonable without, for example, provisions that establish: (1) a new generator interconnection study process and new interim generator interconnection service that reflect an interconnection customer's commitment, in a generator interconnection agreement, to limit a generating facility's output to match the hourly forecast of an electrically proximate large load or large co-located load; or (2) a generator interconnection study process that allows the use of the existing ERIS or NRIS of an existing generator to connect a new generating facility and a new large load behind the same point of interconnection of the existing generator with necessary control technologies and/or protection systems, which may include a special protection scheme, that ensures that the net injection does not exceed the amount in the existing generator interconnection agreement; or (3) a new generator interconnection service that allows a new generating facility and new large co-located load seeking to interconnect behind the same new point of interconnection with necessary control technologies and/or protection systems, which may include a special protection scheme, to ensure that there is no injection to the transmission system. We note that, with respect to numbers (2) or (3), these approaches could be either interim or permanent. These approaches may not be mutually exclusive.

119. Given that generator interconnection service in and of itself does not convey transmission service, we encourage CAISO to consider, in responding to these concerns, what type of transmission service an Eligible Customer will need to take on behalf of the electrically proximate large load or large co-located load.²⁷² We note that, in the PJM Co-Location Order, the Commission found that the Eligible Customer must take transmission service on behalf of co-located load that will not withdraw energy from the transmission system, even if it is 0 MW.²⁷³

F. Informational Report

120. The rapid addition and proliferation of large loads without commensurate additions of supply or demand-side resources presents resource adequacy concerns. As discussed above and highlighted in the ANOPR, the growth of demand, and the speed of such growth, is driven in large part by the interconnection of large loads. While not expressly contemplated in the ANOPR, commenters highlight the strain rapid demand growth is putting on resource adequacy in many regions.²⁷⁴ Indeed, the relative speed

²⁷² See SPP HILL Order, 194 FERC ¶ 61,031 at P 34.

²⁷³ PJM Co-Location Order, 193 FERC ¶ 61,217 at P 206.

²⁷⁴ See, e.g., Entergy November 21 ANOPR Comments at 29-30; Eolian November 21 ANOPR Comments at 16-17; Industrial Customers November 21 ANOPR

and concentration at which large loads are seeking to interconnect appears to be outpacing the addition of new generation, which in turn heightens reliability risks and drives up costs to ratepayers.²⁷⁵ We are concerned that CAISO and load serving entities are unable to plan adequate generation to serve all load at the pace such load seeks to connect.

121. We recognize that RTOs/ISOs are engaging in efforts to more rapidly interconnect generation that is needed to serve this unprecedented growth in load. In particular, CAISO has made revisions to its Tariff through its Interconnection Process Enhancement initiative that have enhanced the coordination of resource procurement and interconnection, improved resource planning and transmission planning, and streamlined generator interconnection and Deliverability allocation procedures.²⁷⁶ While we are encouraged by the implementation of such processes to ensure resource adequacy and faster interconnection, and recognize that CAISO continues to engage in Interconnection Process Enhancements,²⁷⁷ we remain concerned that these efforts may fall short in light of generator retirements and tightening supply conditions.

122. Accordingly, we direct CAISO to submit in Docket No. EL26-71-000, within 30 days of the date of issuance of this order, a detailed informational report on any proposals under consideration in its stakeholder process to address the issue of resource adequacy to serve new large loads. Given that the CPUC has primary responsibility for resource adequacy within the CAISO footprint, CAISO should provide information on any ongoing initiatives and coordination with the CPUC and other relevant state agencies related to ensuring generation adequacy. We also strongly encourage new proposals to

Comments at 24-26; R Street November 21 ANOPR Comments at 1; South Dakota Commission November 13 ANOPR Comments at 5; Talen December 5 ANOPR Reply Comments at 7.

²⁷⁵ See, e.g., Eolian November 21 ANOPR Comments at 16-17; David Gardiner & Associates November 21 ANOPR Comments at 1-2; Joint Consumer Advocates December 5 ANOPR Comments at 2; PSEG November 21 ANOPR Comments at 8; Southern California Edison December 5 ANOPR Comments at 3.

²⁷⁶ See *Cal. Indep. Sys. Operator Corp.*, 191 FERC ¶ 61,218 (2025); *Cal. Indep. Sys. Operator Corp.*, 189 FERC ¶ 61,195 (2024); *Cal. Indep. Sys. Operator Corp.*, 184 FERC ¶ 61,069 (2023).

²⁷⁷ CAISO has developed a final proposal for its Interconnection Process Enhancements 5.0 initiative, which was approved by the Board on April 30, 2026. See *CAISO, Initiative: Interconnection Process Enhancements 5.0*, <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Interconnection-process-enhancements-5-0>.

the extent necessary to address these concerns. The informational report must include a detailed schedule of key milestones, such as stakeholder or CAISO Board votes, that includes the estimated date on which CAISO expects to file any such proposals with the Commission. Additionally, as part of this informational report, we direct CAISO to identify any ongoing stakeholder processes that aim to increase the pace of adding generating capacity in the CAISO region. The informational report must include a detailed schedule of such initiatives, including timing of the stakeholder process and dates of any anticipated filings with the Commission.

IV. Briefing Questions

123. We note that large loads, including data centers, are actively working with transmission owners and other relevant entities to interconnect to, and to take interconnection and/or transmission service from, the transmission system and may be at varying stages of that process. We appreciate that different large loads are currently at different stages of that process. We also understand that large loads and Eligible Customers taking transmission service on behalf of large loads are negotiating, entering into, and/or have executed various agreements related to interconnecting to the transmission system and/or the provision of transmission service. We direct further briefing regarding how CAISO and the Participating Transmission Owners, in responding to the order to show cause, should protect existing commercial arrangements including: (1) what would be a reasonable implementation period to ensure minimal disruption to such existing commercial arrangements, and (2) how to allow a reasonable amount of time to finalize ongoing agreements that are nearing completion as of the date such tariff provisions are filed with the Commission.

124. Today's order proposes, as part of a potential replacement rate, to establish new transmission services that recognize flexible large loads' ability and willingness to limit their use of the transmission system under certain conditions. As we assess this proposal, we also consider how these new transmission services might affect other parts of CAISO's Tariff and/or processes. Specifically, what, if any, potential impacts on regional and local transmission planning would arise from the introduction of the new transmission services discussed herein? For example, when planning for load growth, how would transmission providers and planners account for flexible large loads' potential preference to take the new transmission services, including potential uncertainties around the type, location, and quantity of such expected loads?

125. Today's order preliminarily finds that CAISO's Tariff appears to be unjust and unreasonable without the inclusion of cost shifting protections. We find that there may be a variety of possible approaches to protect customers from significant cost shifts associated with network upgrades triggered by large loads. To that end, we direct respondents to include information regarding potential structures for agreements between the transmission owner/provider and an Eligible Customer to prevent unjust and

unreasonable cost shifts among transmission customers related to network upgrade costs required for large loads. Further, please include information on what an appropriate minimum level of cost recovery and financial security from an Eligible Customer would be under any such agreements.

126. Today's order preliminarily finds that CAISO's Tariff appears to be unjust and unreasonable because it lacks clear and consistent provisions requiring the evaluation of alternative transmission technologies. The order directs CAISO to explain whether the Tariff remains just and reasonable without provisions that (1) require the evaluation of alternative transmission technologies in studies for the provision of transmission service, using models that are capable of evaluating the transmission system to accurately account for advanced transmission technologies, in all instances, without the need for a request from the Eligible Customer seeking transmission service on behalf of large load; and (2) if traditional network upgrades are selected instead of alternative transmission technologies, inclusion in the study report to the Eligible Customer seeking transmission service on behalf of large load of a sufficiently clear demonstration of why alternative transmission technologies are not feasible (i.e., would not resolve reliability violations identified or meet the relevant planning criteria) or would not result in lower costs or a faster timeline for accommodating the transmission service request. As noted above, to the extent stakeholders believe that specific characteristics of providing transmission service to Eligible Customers on behalf of large loads warrant requirements beyond those contemplated here, we seek further briefing.

127. Today's order preliminarily finds that CAISO's Tariff appears to be unjust and unreasonable because it does not contain provisions allowing an interconnection customer serving electrically proximate large load or large co-located load to seek generator interconnection service(s) that reflects the operational dynamics of serving such loads. Any filings or tariff changes submitted in response to this order should address the following questions:

- a. To what extent would CAISO allow an interconnection customer's generating facility serving electrically proximate large load or large co-located load to participate in CAISO's energy and ancillary services market, and if CAISO were to allow them to participate, what restrictions or mitigation would CAISO apply?
- b. To the extent that CAISO plans for the electrically proximate large load or large co-located load associated with an interconnection customer's generating facility for resource adequacy purposes, would CAISO account for the generating facilities serving electrically proximate large load or large co-located load in the resource adequacy construct? If applicable, would CAISO allow the generating facilities serving electrically proximate

large load or large co-located load to participate in CAISO's capacity market? If so, would CAISO accredit these generating facilities using the same method as other CAISO generating facilities?

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Energy Regulatory Commission by section 402(a) of the Department of Energy Organization Act and by the FPA, particularly section 206 thereof, and pursuant to the Commission's Rules of Practice and Procedure and the regulations under the FPA (18 C.F.R. Chapter I), the Commission hereby institutes a proceeding in Docket No. EL26-71-000 as discussed in the body of this order.

(B) CAISO and the Participating Transmission Owners are hereby directed, within 60 days of the date of the order, either: (1) to show cause as to why the Tariff remains just and reasonable and not unduly discriminatory or preferential; or (2) to explain what changes to the Tariff it believes would remedy the identified concerns if the Commission were to determine that the Tariff has in fact become unjust and unreasonable or unduly discriminatory or preferential and, therefore, proceeds to establish a replacement Tariff.

(C) CAISO is directed to submit an informational report within 30 days of the date of issuance of this order, as discussed in the body of this order.

(D) Any interested person desiring to be heard in Docket No. EL26-71-000 must file a notice of intervention or motion to intervene, as appropriate, with the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, in accordance with Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2025), within 21 days of the date of issuance of this order. The Commission encourages electronic submission of interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically may file by U.S. mail addressed to Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, N.E., Washington, DC 20426, or by hand (including courier) delivery to Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, MD 20852.

(E) Interested entities may respond within 30 days of CAISO's and the Participating Transmission Owners' filing, addressing either or both of: (1) whether the Tariff remains just and reasonable and not unduly discriminatory or preferential; and (2) if not, what changes to the Tariff should be implemented as a replacement rate.

(F) The Secretary shall promptly publish in the Federal Register a notice of the Commission's initiation of the proceeding under section 206 of the FPA in Docket No.

EL26-71-000.

(G) The refund effective date in Docket No. EL26-71-000 pursuant to section 206 of the FPA shall be the date of publication in the Federal Register of the notice discussed in Ordering Paragraph (F) above.

By the Commission. Chairman Swett is concurring with a separate statement attached.
Commissioner Rosner is concurring with a separate statement attached.
Commissioner See is concurring with a separate statement attached.
Commissioner Chang is concurring with a separate statement attached.
Commissioner LaCerte is concurring with a separate statement attached.

(S E A L)

Carlos D. Clay,
Deputy Secretary.

Appendix - Commenters in Docket No. RM26-4-000

Advanced Energy Management Alliance (AEMA)
Advanced Energy United (AEU)
Advancing Modern Powerlines Coalition (together with Working for Advanced
Transmission Technologies Coalition, WATT and Advancing Modern Powerlines)
Advocates for Consumer Regulated Electricity
AES Corporation
AI Supply Chain Alliance
Alexandre Figueras, on behalf of Monza Tech
Alliance for Tribal Clean Energy
Alliant Energy Corporate Services, Inc.
Amazon Energy LLC (Amazon)
America's Power
American Chemistry Council
American Clean Power Association
American Conservation Coalition
American Council on Renewable Energy (ACORE)
American Electric Power Service Corporation²⁷⁸
American Public Gas Association
American Public Power Association (APPA)
American Terawatt, Inc. (American Terawatt)
American Transmission Company LLC (ATC)²⁷⁹
Americans for a Clean Energy Grid
Antora Energy, Inc.
Arevia Power
Arizona Public Service Company
Arkansas Public Service Commission
Attorney General of the State of Oklahoma

²⁷⁸ American Electric Power Service Corporation submitted comments on behalf of its affiliates Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, Wheeling Power Company, Public Service Company of Oklahoma, Southwestern Electric Power Company, AEP Appalachian Transmission Company, Inc., AEP Indiana Michigan Transmission Company, Inc., AEP Kentucky Transmission Company, Inc., AEP Ohio Transmission Company, Inc., AEP West Virginia Transmission Company, Inc., AEP Oklahoma Transmission Company, Inc., and AEP Southwestern Transmission Company, Inc.

²⁷⁹ ATC submitted comments on behalf of itself and its corporate manager ATC Management Inc.

Base Power Company, Inc. (Base Power)
Bloom Energy Corporation
Buckeye Power, Inc. (Buckeye)
Calibrant Energy Holdings, LLC (Calibrant)
California Department of Water Resources State Water Project (California DWR)
California Independent System Operator Corporation (CAISO)
California Public Utilities Commission (CPUC)
Center for Biological Diversity
Chevron U.S.A., Inc.
Clean Energy Buyers Association (CEBA)
ClearPath, Inc. (ClearPath)
Confederated Tribes and Bands of the Yakama Nation
Constellation Energy Generation, LLC (Constellation)
Consumer Energy Alliance
Consumers Energy Company
Critical Loop, Inc. (Critical Loop)
Crusoe Energy Systems, Inc. (Crusoe)
CTC Global Corporation
Data Center Coalition (DCC)
David Gardiner & Associates
Delaware Division of the Public Advocate (together with Pennsylvania Office of
Consumer Advocate, Joint Consumer Advocates)²⁸⁰
Digital Energy Council
Digital Power Network
Distributed Capacity Parties²⁸¹
DTE Electric Company (DTE)
Dr. Elisa Nelson
Duke Energy Corporation (Duke)
EDF Power Solutions, Inc. (EDF Power)
Edison Electric Institute (EEI)
Electricity Consumers Resource Council (ELCON)
Electricity Customers Alliance (ECA)
Electric Power Supply Association (EPSA)
Emerald AI (Emerald)
Enchanted Rock, LLC
Energy New England, LLC

²⁸⁰ The Illinois Attorney General joined the Joint Consumer Advocates in filing reply comments.

²⁸¹ Distributed Capacity Parties include: Cloverleaf Infrastructure; Spark Community Investment d/b/a Sparkfund; and Voltus, Inc.

Energy Trading Institute
ENGIE North America, Inc. (ENGIE)
Entergy Services, LLC (Entergy)²⁸²
Environmental Law & Policy Center
Eolian L.P. (Eolian)
Equinix, Inc.
esVolta, LP
ETX Upstream, LLC
Eversource Energy²⁸³
Exelon Corporation (Exelon)²⁸⁴
Fervo Energy Company (Fervo)
FirstEnergy Service Company²⁸⁵
Fluence
Front Door Technologies LLC
FuelCell Energy, Inc.
Georgia Public Service Commission
Geronimo Power, LLC (Geronimo)
Google LLC (Google)
Governors Josh Shapiro and Glenn Youngkin
GridCARE
GridStor LLC (GridStor)
Harvard Electricity Law Initiative

²⁸² Entergy submitted comments on behalf of the Entergy Operating Companies, which include Entergy Arkansas, LLC, Entergy Louisiana, LLC, Entergy Mississippi, LLC, Entergy New Orleans, LLC, and Entergy Texas, Inc.

²⁸³ Eversource Energy submitted comments on behalf of its affiliates The Connecticut Light and Power Company, NSTAR Electric Company, and Public Service Company of New Hampshire, and through its agent Eversource Energy Service Company.

²⁸⁴ Exelon submitted comments on behalf of itself and its affiliates Atlantic City Electric Company, Baltimore Gas and Electric Company, Commonwealth Edison Company, Commonwealth Edison Company of Indiana, Inc., Delmarva Power and Light Company, PECO Energy Company, and Potomac Electric Power Company.

²⁸⁵ FirstEnergy Service Company submitted comments on behalf of itself and its affiliates American Transmission Systems, Inc., Jersey Central Power & Light Company, Mid-Atlantic Interstate Transmission LLC, Keystone Appalachian Transmission Company, The Potomac Edison Company, Monongahela Power Company, and Trans-Allegheny Interstate Line Company.

Helion Energy (Helion)
Herbert Schrayschuen
Heron Power Electronics Company
Indiana Energy Association
Indicated PJM Transmission Owners²⁸⁶
Industrial Customer Organizations (Industrial Customers)²⁸⁷
Information Technology Industry Council
Infrastructure Masons, Inc. (Infrastructure Masons)
Institute for Progress
International Energy Credit Association
Invenergy²⁸⁸

²⁸⁶ Indicated PJM Transmission Owners include: AEP on behalf of Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, Wheeling Power Company, AEP Appalachian Transmission Company, Inc., AEP Indiana Michigan Transmission Company, Inc., AEP Kentucky Transmission Company, Inc., AEP Ohio Transmission Company, Inc., and AEP West Virginia Transmission Company, Inc.; AMP Transmission, LLC; City of Cleveland, Department of Public Utilities, Division of Cleveland Public Power; City of Hamilton, OH; Dominion Energy Services, Inc. on behalf of Virginia Electric and Power Company d/b/a Dominion Energy Virginia; Duke Energy Corporation on behalf of its affiliates Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., and Duke Energy Business Services LLC; Duquesne Light Company; East Kentucky Power Cooperative; Exelon Corporation, on behalf of Atlantic City Electric Company, Baltimore Gas and Electric Company, Commonwealth Edison Company, Commonwealth Edison Company of Indiana, Inc., Delmarva Power & Light Company, PECO Energy Company, and Potomac Electric Power Company; FirstEnergy Service Company, as agent for its affiliates American Transmission Systems, Incorporated, Jersey Central Power & Light Company, Mid-Atlantic Interstate Transmission LLC, Keystone Appalachian Transmission Company, The Potomac Edison Company, Monongahela Power Company and Trans-Allegheny Interstate Line Company; Old Dominion Electric Cooperative; PPL Electric Utilities Corporation; Rockland Electric Company; Southern Maryland Electric Cooperative, Inc.; UGI Utilities Inc; and Wabash Valley Power Association, Inc.

²⁸⁷ Industrial Customers include: the Industrial Energy Consumers of America, the American Forest & Paper Association, the PJM Industrial Customer Coalition, and the Coalition of MISO Transmission Customers

²⁸⁸ Invenergy includes: Invenergy Wind Development North America LLC, Invenergy Solar Development North America LLC, and Invenergy Thermal Development Holdings LLC.

Iron Mountain Data Centers, LLC
ISO New England, Inc.
ITC Holdings Corp. (ITC)
Jason Miller, on behalf of VEIR Inc.
Kansas Corporation Commission (Kansas Commission)
L. Lynne Kiesling
L.M. Marlowe
Land Trust Alliance
Large Public Power Council
Lauren Hopkins
LEAN Energy US
Load Flexibility Parties²⁸⁹
Long Island Power Authority
Longroad Energy Holdings, LLC (Longroad)
Louisiana Public Service Commission
LS Power Development, LLC (LS Power)
Maine Office of the Public Advocate
Maryland Energy Administration
Maryland Public Service Commission
Maven Solutions
MCC Economics and Finance
Meta Platforms, Inc.
Michigan Attorney General Dana Nessel
Microsoft, Inc. (Microsoft)
Midcontinent Independent System Operator, Inc.
MISO Transmission Owners (MISO TOs)²⁹⁰

²⁸⁹ Load Flexibility Parties include: Enerwise Global Technologies, LLC d/b/a CPower, Enel North America, Inc., and Voltus, Inc.

²⁹⁰ MISO TOs include: Ameren Services Company, as agent for Union Electric Company d/b/a Ameren Missouri, Ameren Illinois Company d/b/a Ameren Illinois and Ameren Transmission Company of Illinois; American Transmission Company LLC; Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; Citizens Electric Corporation; City Water, Light & Power (Springfield, IL); Cleco Power LLC; Cooperative Energy; Dairyland Power Cooperative; Duke Energy Business Services, LLC for Duke Energy Indiana, LLC; East Texas Electric Cooperative; Entergy Arkansas, LLC; Entergy Louisiana, LLC; Entergy Mississippi, LLC; Entergy New Orleans, LLC; Entergy Texas, Inc.; Great River Energy; GridLiance Heartland LLC; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Municipal Power Agency; Indianapolis Power & Light Company d/b/a AES Indiana; Lafayette Utilities System; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Montana-Dakota Utilities Co.; Northern Indiana Public Service Company LLC; Northern States Power

Mississippi Public Service Commission
 Missouri Public Service Commission
 Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor for PJM
 Nathan Peterson
 National Association of Regulatory Utility Commissioners
 National Association of State Utility Consumer Advocates
 National Conference of State Legislatures (NCSL)
 National Congress of American Indians
 National Grid PLC (National Grid)²⁹¹
 National Rural Electric Cooperative Association (NRECA)
 Nebraska Power Review Board (Nebraska Board)
 New England States Committee on Electricity
 New England Conference of Public Utility Commissioners
 New England Consumer-Owned Systems²⁹²
 New England Public Systems²⁹³

Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation, subsidiaries of Xcel Energy Inc.; Northwestern Wisconsin Electric Company; Otter Tail Power Company; Prairie Power, Inc.; Republic Transmission, LLC; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company (d/b/a CenterPoint Energy Indiana South); Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc

²⁹¹ National Grid submitted comments behalf of its affiliates Niagara Mohawk Power Corporation; New England Power Company; New England Electric Transmission Corporation; New England Hydro-Transmission Corporation; New England Hydro-Transmission Electric Company, Inc.; and Massachusetts Electric Company.

²⁹² New England Consumer-Owned Systems include: Belmont Municipal Light Department, Block Island Utility District, Braintree Electric Light Department, Concord Municipal Light Plant, Danvers Electric Division, Georgetown Municipal Light Department, Groveland Electric Light Department, Hingham Municipal Lighting Plant, Hudson Light & Power Department, Littleton Electric Light & Water Department, Merrimac Municipal Light Department, Middleborough Gas & Electric Department, Middleton Electric Light Department, North Attleborough Electric Department, Norwood Municipal Light Department, Clear River Electric & Water District, Rowley Municipal Lighting Plant, Stowe Electric Department, Taunton Municipal Lighting Plant, Town of Wallingford, Connecticut Department of Public Utilities Electric Division, Westfield Gas and Electric Light Department, and Mid-Coast Regional Redevelopment Authority.

²⁹³ New England Public Systems include: Connecticut Municipal Electric Cooperative, Massachusetts Municipal Wholesale Electric Company, and Vermont

New Mexico Public Regulation Commission (New Mexico Commission)
New York Independent System Operator, Inc.
New York State Department of State Utility Intervention Unit (NY UIU)
New York Public Service Commission
New York State Reliability Council
New York Transmission Owners²⁹⁴
North American Electric Reliability Corporation
North Carolina Utilities Commission
North Carolina Utilities Commission Public Staff
North Dakota Public Service Commission
Northeastern Rural Electric Membership Corporation
NRG Energy, Inc.
Office of the Illinois Attorney General (Illinois AG)
Office of the Ohio Consumers' Counsel (OCC)
Oklahoma Corporation Commission
Oklo Inc. (Oklo)
Old Dominion Electric Cooperative (ODEC)
Oncor Electric Delivery Company LLC
ON Energy Storage, Inc.
OpenAI Inc.
Oracle America, Inc. (Oracle)
Organization of MISO States, Inc. (OMS)
Organization of PJM States, Inc. (OPSI)
Paces AI Inc.
Pacific Gas & Electric Company (PG&E)
Paige Lambermont, on behalf of Competitive Enterprise Institute
Paul Statchen
Pennsylvania Office of Consumer Advocate
Pennsylvania Public Utility Commission
Pew Charitable Trusts Energy Modernization Project
PJM Interconnection, LLC
Power for Tomorrow
PPL Corporation²⁹⁵

Public Power Supply Authority.

²⁹⁴ New York Transmission Owners include: Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York Power Authority, New York State Electric & Gas Corporation, Niagara Mohawk Power Corp. (d/b/a National Grid), Orange and Rockland Utilities, Inc., Long Island Power Authority, and Rochester Gas and Electric Corporation.

²⁹⁵ PPL Corporation submitted comments on behalf of the PPL Companies, which

Prime Mover Institute
 PSEG Companies²⁹⁶
 Public Citizen, Inc.
 Public Interest Organizations (PIOs)²⁹⁷
 Public Utilities Commission of Ohio's Office of the Federal Energy Advocate (Ohio FEA)
 R Street Institute (R Street)
 Rewiring America
 MCC Economics Ltd.
 RWE Clean Energy, LLC
 Sarah McKinley
 Shell Energy North America (US), L.P.
 Sierra Club
 SMA Solar Technology AG
 Solar Energy Industries Association
 South Carolina Office of Regulatory Staff
 South Dakota Public Utilities Commission (South Dakota Commission)
 Southeast Public Interest Organizations (Southeast PIOs)²⁹⁸
 Southern California Edison Company (Southern California Edison)
 Southern Companies²⁹⁹
 Southern Maryland Electric Cooperative, Inc.
 Southwest Power Pool, Inc.

include PPL Electric Utilities Corporation, Louisville Gas & Electric Company and Kentucky Utilities, and The Narragansett Electric Company d/b/a Rhode Island Energy.

²⁹⁶ PSEG Companies include: Public Service and Gas Company, PSEG Power LLC, and PSEG Energy Resources & Trade LLC, which are each wholly-owned, direct or indirect subsidiaries of Public Service Enterprise Group Incorporated.

²⁹⁷ PIOs include: Clean Air Task Force, Inc., Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, Earthjustice, Environmental Defense Fund, Montana Environmental Information Center, Natural Resources Defense Council, Sustainable FERC Project, Sierra Club, and Southern Environmental Law Center.

²⁹⁸ Southeast PIOs include: Southern Environmental Law Center, Appalachian Voices, North Carolina Sustainable Energy Association, South Carolina Coastal Conservation League, and Southern Alliance for Clean Energy.

²⁹⁹ Southern Companies include: Georgia Power Company, Alabama Power Company, and Mississippi Power Company.

Southwest Power Pool Transmission Owner Group³⁰⁰
Splight Inc. (Splight)
State Entities³⁰¹
Steel Manufacturers Association
Switch, Ltd. (Switch)
Talen Energy Corporation (Talen)
Terraflux LLC (Terraflux)
Tesla, Inc.
Texas Blockchain Council
Thermal Battery Alliance
Tract Holding Company I, LLC (Tract)
Transmission Access Policy Study Group (TAPS)
Tri-State Generation and Transmission Association, Inc. (Tri-State)
Travis Fisher, on behalf of Cato Institute
U.S. Chamber of Commerce (Chamber of Commerce)
U.S. Energy Storage Coalition
U.S. House of Representatives Committee on Energy and Commerce Ranking
Members³⁰²
U.S. Representatives³⁰³
U.S. Senate Committee on Energy and Natural Resources
U.S. Senators³⁰⁴

³⁰⁰ Southwest Power Pool Transmission Owner Group includes: American Electric Power Service Corporation, Evergy Kansas Central, Inc., Evergy Metro, Inc., Evergy Missouri West, Inc., Oklahoma Gas and Electric Company, and Xcel Energy Services Inc., on behalf of Southwestern Public Service Company.

³⁰¹ State Entities include: Massachusetts Attorney General's Office, the Arizona Attorney General's Office, the Colorado Attorney General's Office, the Connecticut Office of Consumer Counsel, the Maryland Office of People's Counsel, the Minnesota Attorney General's Office, the Office of the Nevada Attorney General, Bureau of Consumer Protection, the New Hampshire Office of the Consumer Advocate, the Oregon Attorney General, and the Rhode Island Division of Public Utilities and Carriers.

³⁰² Submitted by Frank Pallone, Jr. (Ranking Member) and Kathy Castor (Ranking Member, Subcommittee on Energy).

³⁰³ The U.S. Representatives that submitted comments include: Suhas Subramanyam, John W. Mannion, Mike Quigley, and Donald S. Beyer Jr.

³⁰⁴ The U.S. Senators that submitted comments include: Edward J. Markey, Chris Van Hollen, Elizabeth Warren, Peter Welch, Raphael Warnock, Richard Blumenthal, and

U.S. Senator Jon Ossoff
Union of Concerned Scientists (UCS)
Vantage Data Centers (Vantage)
Verrus
Virginia State Corporation Commission
Vistra Corp. (Vistra)
Washington Utilities and Transportation Commission
Wisconsin Electric Company
Wisconsin Public Service Corporation

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator Corporation Citizen S-Line Transmission LLC Citizens Sunrise Transmission LLC Citizens Sycamore-Penasquitos Transmission LLC City of Anaheim, California City of Azusa, California City of Banning, California City of Colton, California City of Pasadena, California City of Riverside, California DCR Transmission, L.L.C. DesertLink, LLC GridLiance West LLC Horizon West Transmission, LLC LS Power Grid California, LLC Morongo Transmission LLC Pacific Gas and Electric Company San Diego Gas & Electric Company Southern California Edison Company Startrans IO, L.L.C. SunZia Transmission, LLC Trans Bay Cable LLC Valley Electric Association, Inc. Viridon Path 15, LLC Western Area Power Administration	Docket No.	EL26-71-000
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(Issued June 18, 2026)

SWETT, Chairman, *concurring*:

1. Today, we take historic action to push our country’s electric markets and economy into the future—a future of fair cost allocation, unprecedented transparency for the American ratepayer, respect for states’ rights, efficient markets and speed to power. Last October, Secretary Wright articulated the monumental, generational and “urgent” challenge FERC must solve for our country when he directed us to develop “reforms to

ensure the timely and orderly interconnection of large loads to the transmission system.”¹ I strongly agree. And now, through this suite of six orders, we deliver.

2. Simply put, the show cause orders the Commission issues today to each of the six electric markets subject to its jurisdiction find that the status quo across much of the country is not good enough.² Nowhere close. The record prompted by the Secretary’s ANOPR leaves no doubt that most of the markets (and their existing rules) are inherently slow and prohibitive of the dexterity necessary to adapt to and power societal evolution—whether brought about by technological innovation or sustaining the great industrial economy that anchors America.

3. I wholeheartedly, fully concur with these orders, which we carefully crafted to execute upon the problems the Secretary identified in a manner that is quick, efficient, and legally durable. I write separately to highlight certain considerations underlying the Commission’s procedural approach to delivering on the ANOPR and to today’s orders.

4. Based on my analysis of the extensive record and numerous ongoing substantive stakeholder interactions, I have determined that the most productive way to “build upon the[] principles”³ in the ANOPR and “work expeditiously”⁴ towards a solution is to issue individualized orders to show cause to each market.⁵ That is so for two main reasons.

¹ Advance notice of proposed rulemaking (ANOPR) *Interconnection of Large Loads to the Interstate Transmission System*, Advance Notice of Proposed Rulemaking (Oct. 23, 2025) (ANOPR); see Letter from Chris Wright, Sec’y, U.S. Dep’t of Energy (Oct. 23, 2025) (Secretary’s Letter).

² *Cal. Indep. Sys. Operator Corp.*, 195 FERC ¶ 61,214 (2026) (*CAISO*); *ISO New Eng. Inc.*, 195 FERC ¶ 61,215 (2026) (*ISO-NE*); *Midcontinent Indep. Sys. Operator, Inc.*, 195 FERC ¶ 61,212 (2026) (*MISO*); *N.Y. Indep. Sys. Operator, Inc.*, 195 FERC ¶ 61,216 (2026) (*NYISO*); *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,211 (2026) (*PJM*); *Sw. Power Pool, Inc.*, 195 FERC ¶ 61,213 (2026) (*SPP*) (collectively, Orders to Show Cause).

³ Secretary’s Letter at 2.

⁴ *Id.*

⁵ See *SEC v. Chenery Corp.*, 332 U.S. 194, 202-03 (1947) (“[A]n administrative agency must be equipped to act either by general rule or individual order. To insist upon one form of action to the exclusion of the other is to exalt form over necessity. . . . [T]he choice made between proceeding by general rule or by individual, *ad hoc* litigation is one that lies primarily in the informed discretion of the administrative agency.”); *Wis. Gas Co. v. FERC*, 770 F.2d 1144, 1166 (D.C. Cir. 1985) (“It is a well-settled principle of

5. First, the record the Commission collected in response to the challenges identified in the ANOPR and subsequent resulting developments indicate that an approach that honors the ANOPR principles but accounts for widening regional variation may now be more efficient than a one-size-fits-all rule.⁶ The world has changed a great deal since last October. The ANOPR itself, including the articulated principles, appears to have shifted the playing field and prompted great progress across several electric markets. This change (and the Commission's alignment with the Secretary) is well illustrated by a number of landmark orders approving several market new constructs that we issued since October, which together operationalize the Secretary's principles and laid groundwork for meaningful reform and today's actions.⁷ While working to develop those orders, the Commission has simultaneously devoted significant attention to evaluating the various procedural paths through which we might comprehensively deliver.

6. Individual show cause proceedings will allow the Commission to ensure that solutions to the problems the Secretary identified are tailored to the specific, varied circumstances and market constructs of each region. Indeed, a careful review of today's six orders reveals the many ways in which those orders are customized for each market's unique circumstances and progress (or lack thereof) towards serving large load. To name just a few examples, the orders recognize ongoing stakeholder processes in various regions and are adapted to existing tariff provisions concerning large and co-located loads; account for regional variances in allocating rights and responsibilities among RTOs/ISOs and the transmission owners; leave room for each market to tailor operational requirements for large loads that are particular to their region; and otherwise account for incumbent regional differences on topics such as cost allocation and cost transparency, study processes, and network upgrade procedures.

7. Proceeding via show cause proceedings will also allow the markets (and their respective transmission owners) to explain, in the first instance, how to address the Commission's concerns. These entities have the deepest understanding of their

administrative law that the decision whether to proceed by rulemaking or adjudication lies within the broad discretion of the agency.”).

⁶ “[T]he Commission may rely on ‘generic’ or ‘general’ findings of a systemic problem to support imposition of an industry-wide solution.” *Interstate Nat. Gas Ass’n of Am. v. FERC*, 285 F.3d 18, 37 (D.C. Cir. 2002) (internal citations omitted). However, the Commission “has long allowed different regional transmission organizations to follow different rules, in recognition of regional variations including potential differences in ‘geographic size and location.’” *Cent. Hudson Gas & Elec. Corp. v. FERC*, 138 F.4th 531, 539 (D.C. Cir. 2025) (internal citations omitted).

⁷ See *id.* P 2 & nn.6-11.

respective regions and are best positioned to implement solutions we identified, in the most expeditious manner. The Commission will promptly evaluate their responses to today's orders, and, with input from stakeholders, swiftly establish appropriate reforms.

8. Second, proceeding via individual show cause orders will allow the Commission to act more quickly than through traditional rulemaking. Notice-and-comment rulemaking may not capitalize upon individual market progress prompted since October and would be unduly time-consuming,⁸ as it also inevitably would require the additional steps of accommodating the regional variations of the approach we take today. Rulemaking efforts can be particularly inefficient when, as here, they risk incubating uncertainty after progress has begun, and diverting scarce stakeholder resources away from other endeavors, such as the development of market-specific reforms submitted to the Commission under section 205 of the Federal Power Act (FPA). (To be clear, we very much encourage 205 submissions encapsulating the principles we articulate in the 206s, and with all due deliberate haste.)

9. Furthermore, rulemaking requires a lengthy series of steps before the proposed reforms would actually take effect—e.g., a NOPR, then a final rule, then potential orders on rehearing, and then a “compliance” process in which affected parties make filings (or, more likely, multiple rounds of filings) explaining how they intend to implement the rule. By their nature, these procedures take time. For example, the compliance process for the Commission's Order No. 2023⁹ (which matured out of an ANOPR issued in July 2021 and a NOPR issued in June 2022) still is not fully complete as of June 2026. The compliance process for Order No. 2222¹⁰ (NOPR issued in November 2016) could be considered completed in May 2026; however, even with that timing, not all of the RTOs/ISOs have yet fully implemented their Commission-accepted market rules. I provide these examples not to suggest that the completion of a rulemaking process on the interconnection of large loads would take this long,¹¹ but rather to make clear the scope

⁸ See, e.g., Comments of Talen Energy Corporation, Docket No. RM26-4, at 5-6 (filed Nov. 21, 2025).

⁹ *Improvements to Generator Interconnection Procs. & Agreements*, Order No. 2023, 184 FERC ¶ 61,054, *order on reh'g*, 185 FERC ¶ 61,063 (2023), *order on reh'g*, Order No. 2023-A, 186 FERC ¶ 61,199, *errata notice*, 188 FERC ¶ 61,134 (2024).

¹⁰ *Participation of Distributed Energy Res. Aggregations in Mkts. Operated by Reg'l Transmission Orgs. & Indep. Sys. Operators*, Order No. 2222, 172 FERC ¶ 61,247 (2020), *order on reh'g*, Order No. 2222-A, 174 FERC ¶ 61,197, *order on reh'g*, Order No. 2222-B, 175 FERC ¶ 61,227 (2021).

¹¹ I do not mean to suggest that the public utilities subject to compliance under these rulemakings—or the Commission itself—have been derelict. The time-consuming

of the years-long delays in implementation that might be expected if the Commission elected to proceed via a NOPR. By contrast, we expect that individual show cause proceedings for each of the RTO/ISOs will enable the Commission to spearhead lasting reform much more expeditiously.

10. The six markets together cover nearly two-thirds of load subject to Commission-jurisdictional rates, and therefore focusing initially on those regions is a prudent first step. But I am under no illusion that the challenges discussed in today's orders are somehow unique to the RTO/ISO regions. Our actions today do not foreclose the possibility of a future rulemaking, and nor do they prevent us from acting on filings made under sections 205 and 206 of the FPA. I encourage transmission providers and other stakeholders outside RTO/ISO regions to make individual filings to address the issues we discuss today.

11. FERC is no longer the sleepy, responsive agency of the past—our country cannot afford for it to be. This is a time for the best thinkers we have to collaborate on solving our biggest problems, and thus it is my great honor to deliver a solution that honors the Secretary's goals. For these reasons, I respectfully concur.

Laura V. Swett
Chairman

nature of the compliance process is a natural consequence of complex, nuanced efforts toward tariff reform. As Chairman, I will continue to evaluate Commission directives to ensure that obligations on regulated entities are not unduly burdensome and to make certain that Commission action during the compliance process is as timely as possible.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator Corporation Docket No. EL26-71-000
Citizen S-Line Transmission LLC
Citizens Sunrise Transmission LLC
Citizens Sycamore-Penasquitos Transmission LLC
City of Anaheim, California
City of Azusa, California
City of Banning, California
City of Colton, California
City of Pasadena, California
City of Riverside, California
DCR Transmission, L.L.C.
DesertLink, LLC
GridLiance West LLC
Horizon West Transmission, LLC
LS Power Grid California, LLC
Morongo Transmission LLC
Pacific Gas and Electric Company
San Diego Gas & Electric Company
Southern California Edison Company
Startrans IO, L.L.C.
SunZia Transmission, LLC
Trans Bay Cable LLC
Valley Electric Association, Inc.
Viridon Path 15, LLC
Western Area Power Administration

(Issued June 18, 2026)

ROSNER, Commissioner, *concurring*:

1. The electric industry is in the midst of changes not seen in a generation. Compared to more traditional load growth, the large loads seeking to connect to the grid today are larger, sometimes by orders of magnitude, and more concentrated. They also exhibit different operational characteristics, such as the ability to quickly change their energy consumption, sometimes in seconds. Often, these large loads seek to connect to the grid as quickly as possible. And because of these dynamics, large loads are rapidly driving the need for new transmission infrastructure and energy supply. This creates new challenges that, if unaddressed, could jeopardize the reliability and affordability of the grid on which we all depend.

2. Today, we are taking an important step toward addressing these challenges. We are opening a dialogue with each of the six RTO/ISOs on a series of reforms that are tailored to address the unique reliability and affordability challenges posed by large load growth and the infrastructure buildout needed to serve dramatically growing demand. Informed by the record developed in response to the Secretary of Energy's October 2025 ANOPR,¹ and by innovative proposals that stakeholders have filed with the Commission under FPA section 205, today's orders are aimed at ensuring that the grid remains reliable and affordable for *all* customers, especially residential customers. It is also crucial that we unlock the immense economic opportunity that once-in-a-generation growth represents. While each order's specific focus varies according to the progress that each RTO/ISO has made, our actions today fit broadly into four key pillars that, taken together, provide a foundation for durable reform. Today, we are: (1) Protecting Consumers, (2) Safeguarding Reliability, (3) Enhancing Transparency, and (4) Fostering Innovation (*see Figure 1*). I write separately to explain how.

3. **Protecting Consumers:** Today's orders include key protections that promote affordability. First, today's orders require "Cost Recovery Agreements", which are designed to ensure that large loads pay their fair share of the costs incurred to serve them, regardless of whether the large load comes online as planned. Thus, if new infrastructure is built to accommodate a data center, and that data center doesn't show up, residential customers are not left on the hook to pay the costs. Cost Recovery Agreements prevent those costs from being shifted to residential customers. Depending on how they are structured, Cost Recovery Agreements can also address the potentially uneven pacing of new infrastructure costs, where grid upgrade costs may hit customer bills *before* the large load is fully online and energized. Data centers have committed to paying their own way.² Today, with "Cost Recovery Agreements," we are taking steps to ensure that those commitments are honored. I note, however, that the door remains open to other creative, regionally-specific ideas to protect consumers. If there are other ways to accomplish that goal, I welcome those proposals.

4. Another win for consumers is requiring RTO/ISOs to consider grid enhancing technologies (GETs), including dynamic line ratings, when adding new large loads to the grid. GETs are technologies that squeeze more juice out of the existing grid, reducing the need for expensive upgrades and speeding up the time connect. Ensuring that RTO/ISOs

¹ U.S. Dep't of Energy, Secretary of Energy Chris Wright, Direction that the Commission Initiate Rulemaking Procedures and Proposal Regarding the Interconnection of Large Loads Pursuant to the Secretary's Authority Under Section 403 of the Department of Energy Organization Act (Oct. 23, 2025).

² *See* Proclamation No. 11014, 91 Fed. Reg. 11439 (Mar. 4, 2026).

consider GETs in the planning process—and if GETs are not used, explain why—not only helps new large loads get connected more quickly, but is also a commonsense step towards saving *all* consumers money. Put differently, today’s orders will help us understand if we are leaving efficiencies on the table, an outcome we cannot afford.

5. **Safeguarding Reliability:** Today’s orders safeguard reliability. They help ensure that RTO/ISOs use study procedures and operational requirements that reflect large loads’ unique characteristics and the reliability impacts of connecting them to the grid. Those novel characteristics and reliability impacts are well-documented, and it is not clear if existing study procedures or operational requirements account for them. Clear, comprehensive, and specifically tailored study procedures and operational requirements are needed, such as enhanced data reporting and telemetry to increase visibility into how these loads interact with the grid, and today’s orders represent progress towards this goal.

6. Finally, although not part of today’s orders, I want to highlight NERC’s ongoing efforts to establish registration criteria for large computational loads and to develop reliability standards.³ NERC’s goal is to finish the first phase of this critical work this year. It is essential that NERC meet this deadline. I encourage all stakeholders to participate in NERC’s process.

7. **Enhancing Transparency:** Today’s orders provide regulators—the Commission and, critically, our state partners—and customers with data on how connecting large loads to the grid affects bills. Today’s orders embody a commonsense approach: if a Network Upgrade is built to connect a large load to the grid, consumers should know who that upgrade was built for and what it cost.

8. Transparency is important because “who pays?” has been and continues to be a fraught and contentious question for large load interconnection. Stakeholders, including state regulators and the ratepayers that they represent, must know the costs, for whom they are being incurred, and how they are being allocated, to know that everyone is paying their fair share. Today’s orders ensure that this information is public, accessible, and clear. State regulators in more than half of the country have enacted large load tariffs.⁴ Our action today helps them as they continue their critically important work.

³ NERC, *Large Loads Action Plan Q1 2026 Update* (Apr. 2026), <https://www.nerc.com/globalassets/initiatives/large-loads-action-plan/llap-quarterly-update-q1-2026.pdf>.

⁴ See, e.g., National Association of Regulatory Utility Commissioners Supplemental Comments at 2-6; Edison Electric Institute Supplemental Comments at App. 9-13.

9. The Commission’s action today also addresses speculative load interconnection requests, which clog up load interconnection queues, divert resources, and distort forecasts. Under current rules, data centers can (and are incentivized to) “shop around” their prospective projects with different utilities to identify the fastest and cheapest location to connect. This wastes time and resources studying projects that are not real. Worse yet, it can inflate expected load growth by modeling projects that do not materialize, leading to double counting, inaccurate market signals, and unnecessarily high prices for consumers. Today, we target speculative projects by establishing escalating readiness requirements for distinct phases of the study process to deter duplicative or speculative requests for transmission service. I strongly encourage RTO/ISOs to pursue other improvements to load forecasts, such as using objective screening criteria like physical site control, to ensure that the data used to plan the grid is as accurate as possible.⁵

10. **Fostering Innovation:** As I have said, to meet the moment, “a business-as-usual approach . . . will not suffice.”⁶ Building new infrastructure is difficult and costly, which delays efforts to connect large loads to the grid quickly, reliably, and cost effectively. This is doubly true when generation and load are planned and studied separately. Today’s orders push beyond this status quo.

11. First, today’s orders promote flexible transmission services—that is, non-firm service to a co-located load that is willing and able to limit withdrawals from the grid—in every RTO/ISO (*see Figure 2*). As we explained when we first created these transmission services in PJM for co-located loads, customers willing to embrace flexibility can reduce the need for Network Upgrades and generating capacity to serve a co-located load, which speeds up connecting to the grid *and* reduces costs for the co-located load *as well as* other retail customers.

12. Second, today’s orders recognize that extending these same transmission services to large loads that are *not* co-located but that may also be willing to limit their withdrawals from the grid can unlock even more efficiency. Just as for co-located loads, legalizing flexible transmission service options for more large load customers can speed interconnection, avoid constructing unnecessary transmission upgrades, reduce strain on the grid, and make power bills cheaper for everyone.

⁵ See Comm’r David Rosner, *Letter to the RTOs/ISOs on Large Load Forecasting* (Sept. 18, 2025), <https://www.ferc.gov/news-events/news/chairman-rosners-letter-rtosisos-large-load-forecasting>.

⁶ *PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,217 (2026), (Rosner, Comm’r, concurring) at P 3.

13. Finally, today's orders embrace yet another innovation. Load and generation need not be co-located to reduce the number of Network Upgrades; in other words, literal co-location is not the only way to facilitate faster, more efficient, and more cost-effective connections to the grid. Rather, where a large load and an associated generator are *electrically proximate* (i.e., close together) *and studied together*, the reliability impacts on the grid may be more limited than if the load and generator are studied separately. Just like with co-location, more limited impacts on the grid mean, all else equal, fewer Network Upgrades, which makes connecting to the grid faster, more efficient, and cheaper for both the large load *and the associated generator*. That last point is key. To add new supply to the grid, we must create incentives for "Bring Your Own *New* Generation." Today's orders make BYONG faster and more efficient.

14. SPP has been a leader in showing how to push beyond the status quo. With its innovative HILLGA proposal, approved by the Commission in January,⁷ SPP leveraged the opportunity for speed and efficiency by studying load and generation together, and by creating a limited, expedited interconnection service to connect faster. By matching the generator's output to the electrically proximate large load's demand, the impacts to the grid are less than they otherwise would be, minimizing the need for time-consuming and costly Network Upgrades needed to connect. HILLGA is one solution that works for SPP, but today's orders direct other regions to follow SPP's lead in ways that work for them. Today's orders add a key tool by ensuring that all RTO/ISOs can study load and generation together.

15. The Commission's action today is an important step forward, but the Commission cannot accomplish this work alone. States are essential partners in this work. The Commission's actions here respect the long-standing jurisdictional line between federal and state authority provided by Congress and repeatedly affirmed by the Supreme Court. States retain exclusive jurisdiction to allocate the costs of FERC-jurisdictional transmission charges among their retail ratepayers, including co-located loads. States also hold the keys to energy infrastructure permits, so we rely on their decisions to ensure that needed transmission and generation get built. At a time when some large loads are retail customers that can consume as much energy as a small city, it is imperative that we work within our respective jurisdictions, but that we collaborate. I look forward to continued collaboration.

16. Today's orders *begin* an important dialogue with RTO/ISOs. As a potential next step, today's orders invite RTO/ISOs to respond by submitting proposals under FPA section 205. I cannot encourage this enough. I also encourage public utilities outside of RTO/ISOs across the country to do the same. The electric industry is rapidly evolving

⁷ See *Sw. Power Pool, Inc.*, 194 FERC ¶ 61,031 (2026).

with regions experiencing and addressing these challenges in different ways. Many of the examples on which the actions in today's orders are based on stakeholders thinking creatively to develop solutions, and I welcome other new, innovative, and regionally tailored proposals that build on the four key pillars set forth today: (1) Protecting Consumers, (2) Safeguarding Reliability, (3) Enhancing Transparency, and (4) Fostering Innovation. Only by working together can we rise to the occasion and meet this once-in-a-generation moment to deliver the reliable and affordable energy on which we all depend. It will not be easy, but I remain optimistic and look forward to the path ahead.


For these reasons, I respectfully concur.

David Rosner
Commissioner

Figure 1


Four Pillars – FERC’s Response to the Large Load ANOPR

Protect Consumers




- Prevent cost-shifting with mandatory contracts
- Reduce infrastructure costs with smarter studies
- Boost efficiency with Grid Enhancing Technologies

Enhance Transparency





- Provide transparency in transmission costs
- Improve load forecasting practices
- Increase disclosure of utility investments

Safeguard Reliability



- Establish new large load impact studies
- Accelerate interconnection for system stability
- Continue NERC standards development process

Foster Innovation

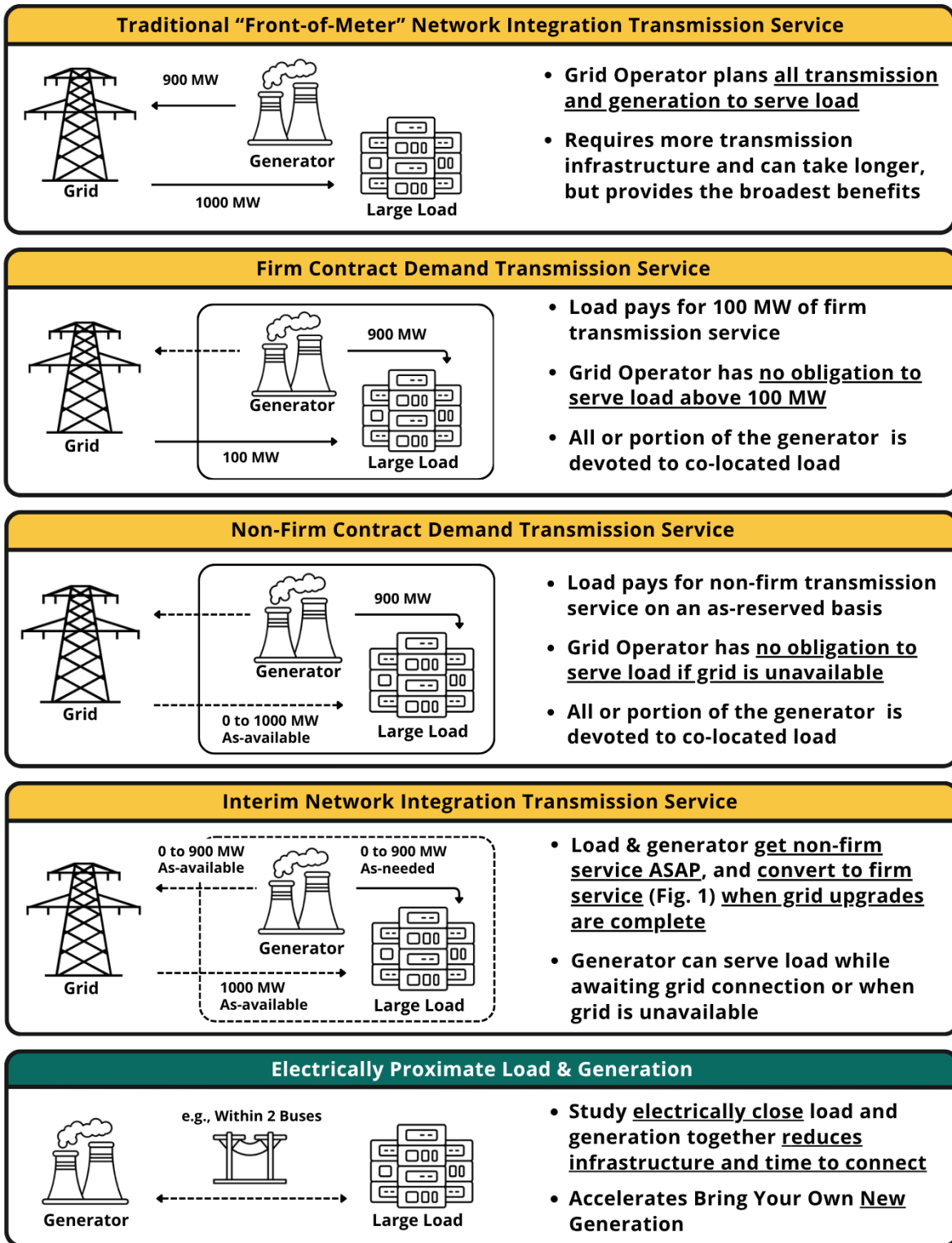


- Accelerate co-located and proximate loads
- Leverage advanced load flexibility
- Complete studies faster (60 to 90 days)



Figure 2

Large Load Interconnection: Transmission & Interconnection Service Innovation



UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator Corporation Docket No. EL26-71-000
Citizen S-Line Transmission LLC
Citizens Sunrise Transmission LLC
Citizens Sycamore-Penasquitos Transmission LLC
City of Anaheim, California
City of Azusa, California
City of Banning, California
City of Colton, California
City of Pasadena, California
City of Riverside, California
DCR Transmission, L.L.C.
DesertLink, LLC
GridLiance West LLC
Horizon West Transmission, LLC
LS Power Grid California, LLC
Morongo Transmission LLC
Pacific Gas and Electric Company
San Diego Gas & Electric Company
Southern California Edison Company
Startrans IO, L.L.C.
SunZia Transmission, LLC
Trans Bay Cable LLC
Valley Electric Association, Inc.
Viridon Path 15, LLC
Western Area Power Administration

(Issued June 18, 2026)

SEE, Commissioner, *concurring*:

1. Growing electricity demand underscores America's economic strength and the opportunities that come with it. And with new opportunities come new challenges. The pace and scale of emerging large loads create new circumstances that require us to adapt in how we build and manage the grid. Large and flexible loads can materially change system operations, for instance, as well as near-term planning needs, upgrade requirements, and how we allocate costs. Most existing systems were not designed to accommodate those changes—especially not at the pace needed to support AI growth and advanced manufacturing that are central to America's economic competitiveness. As a

result, uncertainty over the operative rules and delays in interconnecting large loads can undermine reliability and investment and add unacceptable and avoidable costs.

2. Today, the Commission takes strong action within our jurisdictional sweep to address these and other challenges that large load growth poses to the interstate transmission system. Today's orders support both just and reasonable rates and speed to (reliable) power. I'm deeply grateful for the many commenters who shared their insight and ideas in this action. They let us build a record that highlights the need for clearer processes, better information, and faster analysis while our country moves new large load additions online. As we press forward in these dockets, I will be looking to continue building on the momentum already underway across the country to craft more practical, region-specific solutions that support timely action while protecting consumers. Our continued ability to deliver reliable and affordable electricity requires nothing less.

3. Today's orders speak for themselves. I write separately to briefly highlight two principles baked throughout them and that I believe must remain central as the Commission evaluates further steps.

4. First, these issues extend beyond the Commission. Creating efficient, predictable large load interconnection processes is a joint and overlapping task for us, other federal agencies, the States, and the RTOs/ISOs and utilities. My animating principle here is that we must use FERC's statutory authority to bring clarity to the parts of this national issue we own, and to complement and aid others as they tackle theirs. The very procedure the Commission deploys today reflects that goal: Recognizing the value in region-specific approaches, we are directing individual action in each of the RTO/ISO regions and encouraging—strongly—proposals under section 205 of the Federal Power Act from transmission providers or other entities that are molded to their unique system needs.

5. Most critically, exercising our authority fully without hamstringing our regulatory and industry partners means respecting the States. States make many of the key decisions that affect how we manage large loads. States bring indispensable expertise over local conditions, siting needs, retail structures, and the resource decisions within their borders. And they have been hard at work pursuing the retail implications and other State-specific concerns that large load interconnection presents.¹ All this effort flows from the States' statutorily preserved role in regulating the power system. Today's order understands that limit—our power “extend[s] only to those matters which are not subject to regulation by the States.”² It also embraces the value in a statutory lens that views large load issues as an area of shared federal-State responsibility. As we require clear study and operational

¹ See EEI Supplemental Comments at Appendix 9 – 13 (listing pending and approved State large load tariffs).

² 16 U.S.C. § 824(a).

parameters for large load interconnection, we should remember that the nation's energy landscape is not monolithic. State and regional diversity is a strength, and today's orders know that the best solutions reflect differing system characteristics. Our action today is designed to support further State efforts in this urgent and fast-moving space, not override them.

6. Second, affordability must be at the forefront as we protect consumers from unnecessary costs in a time of rising demand. True, the Commission lacks authority over all the factors that drive electricity costs at the retail level. Today's orders recognize that. In response, the orders strive to aid the States in their front-line affordability duties by getting into their hands all relevant information about Commission-jurisdictional costs. As these matters move forward, I am particularly interested in continued feedback from the States on what information they most need to assess cost implications as new loads come online. Are the cost transparency measures we identify today sufficient, or are additional or more granular data needed for States to appropriately suballocate transmission costs among retail customers? Tools like alternative cost allocation structures, greater clarity in transmission service agreements, accounting for States' large-load-specific tariffs, and direct assignment in appropriate cases may help States ensure that retail consumers do not bear costs incommensurate with the benefits they receive.

7. Moving to areas where the Commission has a more direct role in ensuring cost responsibility, we need to pull all the levers we have to keep rates fair and transparent. Today we reaffirm our responsibility to assign jurisdictional costs to the customers who drive or benefit from grid upgrades, not shift them onto families and small businesses. For instance, today's orders seek to reduce large-load driven network upgrade costs through alternative transmission technologies, or ATTs (also commonly called Grid Enhancing Technologies). In determining how best to meet the needs of this historic large load growth, technologies that can improve system capability faster than traditional upgrades and at lower costs deserve a hard look. ATTs may not be the best tool in every circumstance, but where they are they can support timely interconnections and avoid potentially tens or hundreds of millions of dollars in unnecessary network upgrade costs that would otherwise flow into transmission customers' bills.

8. So our approach today supports continuing the Commission's policy to roll most network upgrade costs—including those in the large load space—into the embedded-cost rate most transmission customers pay. But it includes an asterisk that this policy works for ratepayers only so long as we remain committed to pursuing technological innovations that keep those costs at a responsible and accountable level. Today's order thus calls for transmission providers to sufficiently evaluate ATTs to assess if and how they can meet large loads' interconnection needs. The answer may be yes or no in a given case. But if the transmission provider opts for traditional network upgrades, they must *demonstrate* why ATTs are not feasible or would not result in lower costs or a faster

timeline for the large load interconnection customer. In short, the goal is to respect transmission providers' engineering judgments while protecting against upgrade costs when ATTs could solve transmission needs faster and with a lower bill.

9. I am also sensitive to novel questions about cost shifting that interconnecting large load may present. Today's findings on cost recovery agreements between transmission owners and Eligible Customers are an important step in mitigating the risks of stranded assets if large loads prove speculative. We are also reducing unnecessary redundancy by allowing an Eligible Customer to meet its financial security requirements by relying on credit support or other financial security a large load customer may have posted under a retail agreement. As we gain more experience studying transmission service requests on behalf of large loads, it may become appropriate to further streamline financial security arrangements. Perhaps, for instance, cost-recovery agreements between a transmission owner and a large load customer itself could satisfy an Eligible Customer's financial security requirements. As we move forward, I'll be looking to ensure cost-recovery agreements contain fair and transparent measures to ensure the right costs get on the right bills. (Relatedly, the discussion about the full nature of transmission-related charges in our concurrent PJM Order on Rehearing, Clarification, Compliance, and Paper Hearing³ may prove relevant here: Real-world experience with new transmission services for co-located load may clarify if future action becomes needed to address potential cost shifts as Eligible Customers take new transmission services on behalf of large loads.⁴)

10. More generally, as we gain more experience as an industry and a country in getting large loads connected to the grid, I welcome bold proposals to keep affordability central. Large load growth presents a real opportunity to build a stronger, more capable, and more reliable electric system that can benefit all ratepayers. Meeting that opportunity at the pace we need and at an acceptable cost requires innovative thinking and fast action. I commend the States in their continued work in these areas. I urge the RTOs and ISOs to continue their good work as they respond quickly to today's orders. I also remain committed to moving forward within the Commission's statutory zone with clarity and decisiveness. I am proud to support the Commission's important steps today. And we all have more work ahead.

For these reasons, I respectfully concur.

³ *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,209 (2026).

⁴ *See id.* P 456.

A handwritten signature in blue ink that reads "Lindsay See". The signature is written in a cursive style with a long horizontal stroke at the end.

Lindsay S. See
Commissioner

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(Issued June 18, 2026)

CHANG, Commissioner, *concurring*:

1. In a series of orders today, the Commission initiates separate proceedings under Federal Power Act (FPA) section 206 to explore the impact of the increasing growth of large loads in Regional Transmission Organization (RTO) and Independent System Operator (ISO) regions. The preliminary findings in these orders, and the associated proposed reforms to RTO/ISO and transmission owner tariffs, could significantly change how loads procure, use, and pay for transmission service, with ramifications for RTO/ISO operations, planning, and markets. I write separately to emphasize the

importance of building actionable records in these proceedings, particularly with respect to our consideration of customer protection, transmission service, and alternative transmission technology reforms.

I. Overview of Today's Orders

2. In each of today's orders to show cause, the Commission identifies a series of issues raised by the ongoing growth of large loads, directs briefing on whether existing tariffs remain just and reasonable in light of those developments, and describes possible solutions to those issues if the Commission ultimately concludes that the relevant tariffs are unjust and unreasonable. Each order is directed to a specific RTO/ISO and relevant transmission owners that play a role in interconnecting large loads to the Commission-jurisdictional transmission system. The Commission does not pursue the broad assertion of jurisdictional authority contemplated in the Advanced Notice of Proposed Rulemaking, which I hope assuages concerns raised by our state colleagues that the Commission ought not encroach upon matters properly left to their jurisdiction.¹

3. Broadly summarized, each order seeks regional input on a specific list of issues: (1) the clarity and consistency of existing rules governing how each RTO/ISO and its relevant transmission owners analyze the impact of providing transmission service to Eligible Customers on behalf of large loads; (2) whether each RTO/ISO tariff requires reforms to mitigate the risk of cost shifting among wholesale transmission customers; (3) whether each RTO/ISO tariff (other than PJM) requires additional clarity regarding the provisions addressing co-located generation and load arrangements; (4) the potential extension of new firm and non-firm transmission services to co-located load, load behind the meter generation, and other flexible loads; and (5) the need for reforms, modeled on Southwest Power Pool, Inc.'s High Impact Large Load Generation Assessment concept, to facilitate a process through which a generator may temporarily serve a co-located or electrically proximate load until interconnection and transmission service is available. The Commission also invites each region to submit FPA section 205 filings that can address each issue identified in the orders, thereby resolving the Commission's concerns.

II. The Commission Needs Good Records to Ensure Reasoned Decision-Making

4. I first want to emphasize that the Commission needs active participation from interested stakeholders to develop thorough records in each region. The Commission

¹ I will do my part to ensure that the Commission continues to be a collaborative partner to our state counterparts, other federal agencies, and the industry as we seek to address this wide-ranging challenge. Accordingly, I welcome feedback from our state colleagues and others if they believe the Commission's preliminary findings raise jurisdictional concerns.

cannot make reasoned decisions about whether reforms might be needed without an accurate understanding of the existing processes, which differ by region. Because the Commission is acting via FPA section 206 rather than generically through a rulemaking, the issues addressed by these orders will be subject to *ex parte* restrictions across the RTOs/ISO regions, including with our state colleagues whose regulation can and will directly affect the individual transmission owners that need to comply with the orders issued today. This will limit the Commission's ability to engage in informal fact-finding and discussions with regional stakeholders, and thus, it is even more essential that the record in each region fully reflects the views of all interested parties.

5. Second, I highlight three issues below that will be especially important to the success of this effort, and I hope that interested parties will take particular care in helping the Commission address those issues. Importantly, I recognize that the record established in each RTO/ISO region will (and should) differ, which will allow the Commission to ensure any required changes to an RTO/ISO's tariff are appropriately tailored to that region's needs.

III. The Commission Needs to Pursue Meaningful Customer Protection

6. The FPA is fundamentally a customer protection statute,² and the Commission has an obligation to ensure that the rates that wholesale and transmission customers pay are just and reasonable. Rapid large load growth has strained planning and resource procurement processes around the country, as transmission owners, load serving entities, and generators accelerate the building of new infrastructure needed to serve these new loads. As we develop the new infrastructure, many have raised concerns about whether these costs are being fairly assigned to new and existing customers, whose benefits must be commensurate with the costs they pay. While individual states have been exploring or using various approaches to protect *retail* customers against unjustified cost shifts, the Commission to date has not initiated any proactive exploration of how to protect *wholesale* customers against unjustified cost shifts. I am laser-focused on this issue because we should not create unjustified costs for consumers in our efforts to connect and serve large loads.

7. In today's orders, the Commission launches an inquiry into whether existing RTO/ISO tariffs include adequate mechanisms to mitigate the risk of undue cost shifting among transmission customers. To address this risk, the Commission preliminarily identifies a two-part solution: (1) that each RTO/ISO post public information about the amount of new large loads seeking to connect to the RTO's/ISO's transmission system,

² See, e.g., *Mun. Light Bds. Of Reading and Wakefield v. FPC*, 450 F.2d 1341, 1348 (D.C. Cir. 1971) (stating that the FPA's "primary aim is the protection of consumers from excessive rates and charges").

any Network Upgrades identified in the local transmission planning process to serve those loads, and the costs of those Network Upgrades; and (2) that each RTO/ISO adopt a *pro forma* cost recovery agreement to help ensure that Eligible Customers serving large loads bear the risk and are ultimately responsible for costs incurred to provide transmission service. I strongly support this effort to provide additional transparency regarding jurisdictional transmission service requests and the costs associated with providing transmission service to the requesting parties, as the Commission cannot effectively execute its statutory responsibilities without sufficient understanding of the costs that feed into jurisdictional rates.

8. Exploring how agreements between transmission owners and Eligible Customers can protect *wholesale* customers against cost shifts is important. However, as I have previously explained, bilateral agreements that simply provide transmission revenue contributions untethered from any assessment of the actual cost of providing transmission service induced by individual large loads may be insufficient to adequately protect other customers against unjustified cost shifts.³ It is therefore important that the resulting regulatory and rate design are not limited to a pre-defined solution set, and that parties provide the Commission with comprehensive records outlining various and innovative approaches to protect customers. I am encouraged by the continued development of the ANOPR record on this subject,⁴ innovative solutions being developed at the state level,⁵ and a growing body of thoughtful analyses and proposed approaches to provide customer protection for costs driven by large load growth.⁶ Without prejudging any particular

³ *E.g.*, *PECO Energy Co.*, 193 FERC ¶ 61,148 (2025) (Comm'r Chang, *concurring*); *Commonwealth Edison Co.*, 194 FERC ¶ 61,109 (2026) (Comm'r Chang, *concurring*).

⁴ *E.g.*, *Interconnection of Large Loads to the Interstate Trans. Sys.*, Supplemental Comments of FirstEnergy Svc. Co., Docket No. RM26-4-000 (filed June 5, 2026); *id.*, Comment of the Harvard Electricity Law Initiative, Docket No. RM26-4-000 (Apr. 15, 2026); *id.*, Supplemental Comments of WIRES, Docket No. RM26-4-000 (Mar. 30, 2026).

⁵ *E.g.*, Utility Dive, *Microsoft seeks Nevada tariff to shield ratepayers from data center costs* (June 8, 2026), available at <https://www.utilitydive.com/news/microsoft-seeks-nevada-tariff-to-shield-ratepayers-from-data-center-costs/822250/>.

⁶ *E.g.*, Travis Kavulla, *How Will Data Centers Pay for Power?*, American Affairs (may 2026), available at <https://americanaffairsjournal.org/2026/05/how-will-data-centers-pay-for-power/>; Electricity Customer Alliance, *A Customer-Centric Agenda for the Federal Energy Reg. Comm'n* (Jan. 2026), available at <https://lnkd.in/em-apfuQ>; Grid Strategies, *Federal Transmission Pricing Vol. 2, Options for Ensuring Affordability in an Era of High Load Growth* (June 2026), available at

proposed solution, the Commission needs a robust record in each docket and each region to ensure we establish the right cost shift protections for wholesale customers, including but not limited to the commitments outlined in the Ratepayer Protection Pledge.⁷

9. I support initiating our own review of customer protection approaches, rather than simply relying on voluntary commitments that may fall short of optimal protection, because the Commission has the opportunity and obligation to get this issue right. I therefore encourage interested parties to assist the Commission in that effort by clearly and comprehensively explaining the benefits and tradeoffs of alternative customer protection approaches. How power infrastructure costs will be assigned across Eligible Customers that serve large loads and other customers is at the core of the efforts we initiate today.

IV. The Commission Needs to Understand the Implications of Extending New Transmission Services to Additional Loads and Regions

10. The orders also preliminarily find that the Commission should extend the transmission services developed in the PJM co-location proceeding – Interim NITS, Firm Contract Demand, and Non-Firm Contract Demand – to new types of load and new regions. These new transmission services represent a fundamental paradigm shift from the traditional network service and point-to-point transmission service models established in Order No. 888 that have been used across the country for the last three decades.⁸ While these services have the potential to facilitate more efficient use and build out of the transmission system, they also contemplate running the system “tighter” than we have done in the past, potentially with more loads on the system served by co-located or behind-the-meter generation, and potentially more use of batteries, load control systems, and backup resources to manage demand during system peaks or other stressed conditions. While it is important to identify innovative solutions that can adapt to the needs of the system, the Commission and grid operators must also be careful not to implement changes that create unforeseen reliability risks. Ultimately, we must find the proper balance (and I would argue we are exploring a *new* balance) between costs of investments versus reliability.

11. The Commission’s experience in the PJM co-location proceeding highlights the complexities and challenges of introducing these new transmission services, which have significant ramifications for system operations, transmission planning, grid reliability,

<https://gridstrategiesllc.com/project/federal-transmission-pricing>.

⁷ Proclamation No. 11014, 91 Fed. Reg. 11439 (Mar. 4, 2026).

⁸ This is particularly true in CAISO, which does not rely upon the Order No. 888 NITS framework.

market dispatch, resource adequacy, and cost allocation. As the Commission considers whether to expand these transmission services to new types of load and new regions, I encourage commenters to address what impacts the introduction of new firm and non-firm transmission products would have in their regions, as well as any relevant characteristics that might distinguish their regions from the Commission's findings in the PJM co-location docket. Ultimately, this topic will have direct long-term impacts on how future transmission systems will be planned and configured, how efficiently future power markets will operate, and how customers will respond to prices and system needs. Therefore, I am specifically interested in understanding how extending the new transmission services might affect individual suppliers or customers, as well as how existing systems or processes might be affected by these new services. I am open to understanding how these services might be helpful to a region or that they may create problems not yet anticipated.

V. The Orders Recognize the Importance of Evaluating Advanced Transmission Technologies

12. Lastly, today we preliminarily find that each RTO/ISO's tariff is unjust and unreasonable because the tariff lacks clear and consistent provisions requiring the evaluation of alternative transmission technologies as potential solutions to accommodate an Eligible Customer's request for transmission service on behalf of a large load. Specifically, it is important for RTO/ISOs and transmission owners to evaluate whether alternative transmission technologies are feasible in reducing the cost of transmission system upgrades or allow for a faster timeline for accommodating the transmission service request. As many transmission owners have explored various alternative technologies in pilot projects,⁹ it is time to roll out all available technologies to reduce

⁹ See, e.g., *Increasing Mkt. and Planning Efficiency Through Improved Software, Effective Congestion Mitigation with Transmission Topology Optimization at Alliant Energy and ATC*, Docket No. AD10-12-016, *available at* <https://www.ferc.gov/media/effective-congestion-mitigation-transmission-topology-optimization-alliant-energy-and-atc> (Alliant and ATC were able to save customers approximately \$24 million over a 12-month period through the use of topology optimization); Pablo Ruiz and Derek Brown, "Reliable and Efficient Congestion Mitigation Using Transmission Reconfigurations," NewGrid and Evergy presentation (Oct. 2022), *available at* <https://www.spp.org/Documents/67968/SAG%20Meeting%20Materials%2020221007.zip> (identifying reconfigurations, had they been implemented, which could eliminate 98% of overloads and reduce congestion costs by 85% for congestion patterns associated with 10 significant constraints on Evergy's system); Pacific Gas & Electric Press Release, *PG&E and Smart Wires Enhance Grid Reliability, Capacity for Data Centers in San Jose* (May 28, 2025), *available at* <https://investor.pgecorp.com/news-events/press-releases/press-release-details/2025/PGE-and-Smart-Wires-Enhance-Grid-Reliability-Capacity-for-Data-Centers-in-San->

risks and costs for customers, as well as help the industry continue to develop new technologies that can increase the robustness of our transmission system while protecting customers from higher costs.

VI. Conclusion

13. Today's orders address some of the most consequential issues currently in the industry and before the Commission. I hope that these proceedings provide vehicles through which the Commission can provide much-needed clarity and direction, and it is imperative that we build strong and comprehensive records on each issue in each region to inform our decision-making. I therefore encourage all interested parties to fully engage and help the Commission navigate these complex, multi-faceted challenges. Our success will ultimately be measured by our shared ability to deliver reliable and affordable power to all customers, to ensure new loads can interconnect in a timely fashion while paying their fair share of system costs, and to protect existing customers against adverse reliability or economic impacts.

For these reasons, I respectfully concur.



Judy W. Chang
Commissioner

Jose/default.aspx (describing PG&E's deployment of advanced power flow control devices were able to mitigate thermal overloads by up to 34%, enabling an additional 100 MW of firm power delivery over existing lines at a congested substation).

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(Issued June 18, 2026)

LACERTE, Commissioner, *concurring*:

1. I support today's fleet of show cause orders. We are at an inflection point in the history of American energy infrastructure. The extraordinary and rapid growth of large loads in RTOs and ISOs is faster than the current system can handle. This order charts a course for addressing the potential gaps and shortcomings in CAISO's Tariff and/or the Transmission Owner Tariffs (TO Tariffs) that need to be resolved to appropriately respond to this growth, as informed by careful review of the thousands of pages of comments received in response to the advance notice of proposed rulemaking (ANOPR).¹

¹ *Interconnection of Large Loads to the Interstate Transmission System*, Advance Notice of Proposed Rulemaking, Docket No. RM26-4-000, (Oct. 23, 2025) (ANOPR);

I write separately to underscore my expectation for RTOs and ISOs, including CAISO and/or the Participating Transmission Owners, to timely submit their robust, thoughtful, and region-specific proposals to address the concerns that we have preliminarily identified in their respective tariffs and agreements. By harnessing your region-specific expertise and creativity to bring tailored solutions to the table, together we can efficiently, reliably, and affordably integrate large load, co-located load and generation and/or storage, as well as electrically proximate large load onto the transmission system. I also support the use of alternative transmission technologies to unlock every megawatt of existing capacity from our current transmission system. We have the technology. We should use it now to enable faster interconnection of large loads, lower costs to customers, and help prevent cost shifting.

2. To that end, and in light of our action in today's orders, I also ask the state public utility commissions—whether they have already approved large load retail tariffs, are in the process of crafting large load retail tariffs, or have yet to embark on this essential tariff design process—to take a hard look and ensure their large load retail tariff provisions insulate ratepayers from the negative impacts of data center growth. Additionally, I expect CAISO and/or the Participating Transmission Owners to design proposals in response to this show cause order that dovetail with the efforts on the retail side to implement the Ratepayer Protection Pledge, protect customers, and ensure that large loads cover the costs they incur to integrate with the grid.

3. The stakes here could not be higher and every gambler knows that the secret to surviving is knowing what to throw away and knowing what to keep.² Today's orders do exactly that—adopting thoughtful proposals that position our nation for success, driving meaningful change, and rejecting the gridlock, half-measures, and failure to plan that have gone on for far too long. The data center odyssey that we embarked upon first with PJM, then SPP, we now aggressively extend to all the RTO/ISO regions.³ Enabling the swift and efficient interconnection of large loads to the transmission system while maintaining affordability, reliability, commitment to open access, competitive principles and cooperative federalism, will only be achieved through consistent, coordinated action

see also Letter from Chris Wright, Sec'y, U.S. Dep't of Energy (Oct. 23, 2025) (Secretary's Letter).

² Kenny Rogers, *The Gambler* (United Artists Records 1978).

³ *Interconnection of Large Loads to the Interstate Transmission System*, 195 FERC ¶ 61,045 at P 2 (2026) (Order Regarding Intent to Act) (citing PJM Co-Location Order, 193 FERC ¶ 61,217; SPP HILL Order, 194 FERC ¶ 61,031; *Commonwealth Edison Co.*, 194 FERC ¶ 61,181 (2026); *Tri-State Generation and Transmission Ass'n*, 193 FERC ¶ 61,070 (2025); *Duke Energy Carolinas, LLC*, 193 FERC ¶ 61,237 (2025)).

and persistence. But without that first step,⁴ there is no direction, no forward momentum, no journey, and no way to arrive at our future destination. In the show cause orders we issue today, the Commission takes a series of long strides towards our ultimate large load interconnection destination: we make preliminary findings that the RTO/ISO tariffs, including CAISO's and/or the TO Tariff(s), may be unjust and unreasonable and/or unduly discriminatory or preferential because they lack features necessary to timely, reliably, and safely interconnect and serve new large loads in a way that produces just and reasonable rates.

4. I commend each commentor for their robust and ongoing responses to the concerns that Secretary Wright and the Commission raised in the ANOPR proceeding. The comments helped us identify the common issues, common solutions, and individual differences among the RTOs/ISOs. We heard a plea for broad flexibility and regionally tailored solutions. And we will strive to work towards those solutions, not through top-down, one-size-fits-all mandates, but through consideration of region-specific proposals. And we endeavor to support an appeal for federal policies that build upon rather than disrupt current and planned developments, reflecting state and local processes and stakeholder efforts. Through these individually tailored and region-specific show cause orders, we are delivering to ensure that our transmission system can accommodate new large loads in a timely, safe, and reliable manner. And, importantly, in a manner that ensures benefits and protection for all customers. Affordability remains a top concern as we proceed forward.

5. The collective voices in the ANOPR comments have shaped our decision to issue six separate individually tailored and region-specific show cause orders, rather than a proposed final rule *at this time*. But the success of the next phase of this journey rests with you, CAISO, and/or your Participating Transmission Owners, and your stakeholders. We are directing you to expeditiously bring forward for our consideration your novel, region-specific solution(s). Time is of the essence. By inviting you to proceed under FPA section 205, we are giving you significant perks: the benefits of first wielder of the pen and the relatively capacious standard under FPA section 205 that allows us to accept a potentially broad range of proposals provided they are shown to be just and reasonable and not unduly discriminatory or preferential.⁵ We are even giving

⁴ Admittedly, we are further down the road in some regions as compared with others.

⁵ See, e.g., *NRG Power Mktg, LLC v. FERC*, 862 FERC 108, 105 (D.C. Cir. 2017) (FERC may not employ a rate design that follows “a completely different strategy” than, or is “methodologically distinct” from, a proposed rate) (internal quotations omitted); *Oxy USA, Inc. v. FERC*, 64 F.3d 679, 692 (D.C. Cir. 1995) (stating that a proposal under FPA section 205 “need not be the only reasonable methodology, or even the most accurate”); *City of Winnfield v. FERC*, 744 F.2d 871, at 874-875 (D.C. Cir. 1984)

you flexibility to propose the implementation date for your innovative proposals. But such freedom comes with great and concomitant responsibility.

6. This is not a time to be cavalier and dodge the urgent need to meet the moment. While this is a long journey, even so, we must continue to move at breakneck pace to win the AI race. So let me be direct. If you choose not to submit timely, reasonable, non-discriminatory or preferential, comprehensive, and substantiated proposal(s), as directed and as required under our applicable statutes, your deficient response will not go unnoticed. I am prepared to play jurisdictional hardball, if needed.⁶ This Commission has appropriately exercised considerable restraint in asserting the full scope of our jurisdiction in these orders. However, the Commission has very broad jurisdiction over transmission that we will not hesitate to utilize as necessary to ensure that we meet our objectives in all show cause proceedings, including this CAISO and/or the Participating Transmission Owners proceeding we initiate here. If we find your Tariff is in fact unjust and unreasonable and unduly discriminatory or preferential, any failure on your end to provide a sufficient FPA filing or filings to address the large-load-related concerns that we have identified will result in the Commission dictating the solutions for you. I say this not as a threat, but as a statement of duty. While you may not like our remedies—I have often said that the federal government generally does not come up with the best solutions—this is an outcome we are prepared to pursue given the gravity of the moment and our statutory obligation. Notwithstanding our readiness to step in, it greatly benefits everyone for you to come up with an approach tailored to your region.

7. I will end my concurrence where I began: We have heard your concerns, and, let me underscore, now is the time for you to heed ours. This is an extraordinarily consequential proceeding. The stakes for reliability, for affordability, and for the American ratepayer could not be higher. We owe it to the public to get this right. I look forward to reviewing and acting as expeditiously as possible on your responses to this show cause order, which I expect will include an FPA section 205 proposal or proposals.

8. For these reasons, I respectfully concur.

(comparing the respective authorities of the Commission and public utilities under sections 205 and 206).

⁶ 16 U.S.C. § 824(b); *New York v. FERC*, 535 U.S. 17 (2002) (“There is no language in the statute limiting FERC’s *transmission* jurisdiction to the wholesale market[.]”) (emphasis in original); *id.* at 20 (stating that “the FPA authorizes FERC’s jurisdiction over interstate transmissions, without regard to whether the transmissions are sold to a reseller or directly to a consumer[.]”).

David LaCerte
Commissioner