November 16, 2026

The Honorable Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: California Independent System Operator Corporation
Docket No. ER27- ___-000
Large Loads Tariff Amendment
Response to Order to Show Cause

Dear Secretary Reese:

The California Independent System Operator Corporation (CAISO) submits this filing to (1) enhance its large load interconnection procedures through a tariff amendment, and (2) address the issues the Commission raises in its Order to Show Cause (Order).[1] Taken together, the CAISO and Participating Transmission Owner (PTO) tariff revisions supply the tariff-level clarity, customer protections, and operational tools the Order seeks. The result is a comprehensive near-term response to the Order that can accelerate viable large load projects without compromising reliability, affordability, or open access.

I. Executive Summary

California and the West have an established framework for integrating new load growth, including for data centers and other large loads. Through coordinated resource planning, long-term procurement of clean and reliable generation, and an unprecedented expansion of the transmission system, the CAISO and its PTOs are working to ensure that new demand can be served without compromising reliability or affordability. This work entails close, careful coordination with California's principal energy agencies, the California Public Utilities Commission (CPUC) and the California Energy Commission (CEC), and local regulators across the West. It also recognizes that generation and

[1] The CAISO submits this filing pursuant to section 205 of the Federal Power Act (FPA), 16 U.S.C. § 824d, and Part 35 of the Commission's regulations, 18 C.F.R. Part 35. Capitalized terms not otherwise defined herein have the meanings set forth in appendix A to the CAISO tariff, and references to specific tariff sections and appendices are references to sections and appendices in the existing CAISO tariff unless otherwise specified.

transmission are complementary investments: securing adequate generating resources is only valuable if those resources can be delivered where and when they are needed. By planning both in tandem over longer time horizons, California's framework supports continued investment in innovation, electrification, and advanced computing infrastructure while maintaining a reliable, resilient, and increasingly carbon-free electric grid for all customers.

The CAISO and PTOs have complementary and clearly defined responsibilities within this framework. The PTOs lead customer interconnection and the development, engineering, construction, and maintenance of the transmission facilities needed to reliably serve new and expanding customers. For more than a century, that work has enabled California's growth, supporting everything from Silicon Valley and the State's agricultural and industrial base to its ports, cities, and emerging centers of technological innovation. The CAISO builds on that foundation through independent, systemwide transmission planning, coordination of interconnection and grid-development activities, and reliability oversight, evaluating individual projects and load additions in the context of the broader needs of California and the Western interconnected system.

The Commission's Order asks whether the CAISO tariff remains just and reasonable as unprecedented large load growth tests utility tariffs nationwide. The CAISO's proposed reforms answer the Commission's concerns through a framework tailored to the CAISO's distinctive market design and the existing division of responsibility between the CAISO and its PTOs. The CAISO's proposals constitute a major step toward enabling the timely development and interconnection of data centers and other new large loads. The concepts proposed rest on a foundation of highly integrated planning and coordination among the CAISO, PTOs, State energy agencies, and local regulatory authorities, and provide a framework upon which the PTOs will layer their own processes to serve new large loads while upholding and reinforcing the CAISO's commitment to reliability. The proposed reforms strengthen accountability and protect existing customers. They improve transparency, operational visibility, technical standards, cost responsibility, and protection against speculative development.

First, the CAISO and PTO tariff revisions create streamlined paths for large loads to interconnect to the transmission system while preserving the PTOs' lead role in connecting and serving load. Standardized application information, deposits, milestones, study coordination, and service agreements will make the process more transparent and predictable. A large load threshold and enhanced data requirements will give the CAISO and PTOs earlier visibility into a project's size, timing, operating profile, and potential system effects. Coordinated studies, technical standards, telemetry, modeling, ride-through, ramping, power-quality, and other operating requirements will allow the CAISO to

identify and mitigate reliability impacts before service begins and to operate the grid reliably after the load comes online.

Second, the PTOs will implement just and reasonable deposit, security, reimbursement, and cost-recovery provisions in their own tariffs. Milestone and readiness requirements will reduce the risk that speculative projects drive premature investment, and expanded reporting will provide greater transparency into large load requests, study status, projected demand, required upgrades, and cost responsibility. Together, these measures align costs with beneficiaries and cost causers and reduce the risk that abandoned, delayed, or underutilized projects leave other transmission customers paying for facilities built principally to serve a new large load.

Third, the CAISO's tariff revisions close any gaps presented by co-located and behind-the-meter arrangements. The CAISO clarifies their treatment and requires generator interconnection customers to disclose plans to serve co-located load, enabling the CAISO to coordinate its generator studies with the PTOs' load-interconnection review. The framework distinguishes service to load from generator interconnection service, preserves applicable transmission charges and reliability obligations, and allocates upgrade costs based on the facilities and service actually required. These provisions give load and generation developers significant flexibility regardless of their planned configuration. The CAISO also has clarified how developers can submit new interconnection requests or modify existing load or generation sites.

Fourth, the CAISO proposes new service options for flexible large loads that can reduce consumption when transmission capability is unavailable. The CAISO's Flexible Interim Load Interconnection (FILI) can permit earlier energization while network upgrades are pending, enabling the PTOs to provide bespoke solutions to large loads based on their configurations and constraints. Eligibility, study, metering, communications, dispatch, and compliance requirements ensure that flexibility is real and operationally dependable rather than assumed. FILI provides a near-term, prioritized solution for large load developers, with additional work planned on permanent flexibility and other emerging configurations.

Collectively, these tariff revisions will ensure the CAISO tariff remains just and reasonable and not unduly discriminatory or preferential in the face of the challenges the Commission identified in the Order associated with providing the transmission service needed to serve the ongoing influx of large loads while maintaining reliability and affordability.

II. Background

A. Large Loads

The CAISO's work on large loads has unfolded against a rapidly evolving policy landscape. The CAISO's initial focus was to address the most immediate operational challenges that could impact reliability. As the stakeholder initiative progressed, the priorities and expectations of federal and State regulators for large load interconnections continued to develop. Through it all, the CAISO has sought to remain responsive to that evolving direction. The CAISO adjusted the scope and sequencing of its stakeholder process accordingly, while continuing to provide stakeholders a meaningful opportunity to shape the proposals presented in this filing.

In 2025, the CAISO began regular engagement with the PTOs and formed a Large Load Technical Requirements Working Group (LLTRWG) to explore possible technical standards to ensure reliable operations as new large loads interconnect to the CAISO system. The CAISO's Issue Paper, posted in January 2026, described current roles, considerations, and processes for large loads, including transmission and resource planning, transmission service offerings, cost allocation and responsibility, technical requirements and standards, operational requirements, and related issues.[2] The CAISO has continued to monitor and engage in State and federal regulatory discussions regarding large loads and explored central issues and procedural steps that require additional transparency or new products. On June 15, 2026, the CAISO issued a Large Loads Technical Requirements Straw Proposal on behalf of the LLTRWG in order to stay ahead of any potential operational concerns that large loads may present. As NERC's work on large loads ramped up, the LLTRWG focused on responding to NERC alerts and inquiries to help share eventual reliability standards.

On June 18, 2026, the CAISO and PTOs received the Order to Show Cause with the other ISO/RTOs.[3] The CAISO immediately re-scoped its large load stakeholder initiative to work with stakeholders to address each issue in the Order. The CAISO's work included weekly coordination meetings with all of its PTOs, and continuous discussions with local regulators and stakeholders. Several major large load developers participated actively in the CAISO's stakeholder process, including Google, Microsoft, Tesla, and the California Large Energy Consumers Association. The CAISO received written comments on its proposal to address the Order from the following parties: American Clean Power-

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[2] *See* CAISO Large Loads Issue Paper at https://www.caiso.com/documents/issue-paper-large-load-consideration-jan-20-2026.pdf.

[3] *Order Instituting Proceeding Under Section 206 of the Federal Power Act,* 195 FERC ¶ 61,214 (2026) (Order to Show Cause).

California, AltaGas, Antora Energy, Bay Area Municipal Transmission Group, California Community Choice Association, the California Department of Water Resources – State Water Project, the California Large Energy Consumers Association, the CPUC, the Public Advocates Office of the CPUC, the California Solar and Storage Association, Constellation, Google, GridLiance West, IGNIS Energy USA, Independent Energy Producers Association, KritiGrid, Lotus Infrastructure Partners, LS Power Grid California and DesertLink, Microsoft, NextEra Energy Resources, Northern California Power Agency, Pacific Gas and Electric Company, Pattern Energy, Persistence Analytics, Power Applications and Research Systems, San Diego Gas and Electric, the Six Cities,[4] Solar Energy Industries Association, Southern California Edison, State Water Contractors, SunZia Transmission, Tesla, Trimark Associates, Valley Electric Association, Viridon California, and Voltus. These parties and more also participated on the CAISO's public stakeholder calls and tariff development process.[5] Stakeholders overwhelmingly support the CAISO's final proposal as approved by the CAISO Board of Governors.[6]

Independent of this proceeding, the CAISO's work with stakeholders and regulators continues, and with cause for optimism. As described in the CAISO's 30-day informational report on resource sufficiency to serve large loads,[7] current State planning forecasts and procurement trajectories indicate that California can accommodate the large load growth reflected in the adopted demand forecast, provided planned resource additions, procurement and transmission development continue to materialize. As of January 2026, the CEC forecasts that data center load in the CAISO-managed grid will increase by 1.8 GW by 2030 and 4.7 GW by 2035.[8] The CAISO also is aware that utilities are receiving an increasing number of large load interconnection and service applications, and is committed to staying ahead of the curve, with the timely serving of new energy demand reliably and affordably. To date, California's integrated resource planning efforts have resulted in more than 37 GW of nameplate new generation

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4 The cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California are CAISO PTOs and metered subsystems (MSS).

5 https://stakeholdercenter.caiso.com/StakeholderInitiatives/Large-loads.

6 https://www.caiso.com/about/governance-committees.

7 *See* Informational Report on Resource Sufficiency at https://www.caiso.com/documents/jul-20-2026-informational-report-large-loads-and-co-located-loads-el26-71.pdf.

8 California Energy Demand 2025 Hourly Forecast – CAISO – Planning Scenario: https://efiling.energy.ca.gov/GetDocument.aspx?tn=268127&DocumentContentId=105135.

and storage capacity coming online to serve CAISO load since 2020.[9] The close coordination between the CAISO, State agencies, and local regulatory authorities on demand forecasts and resource planning provides a pathway for proactive transmission planning that anticipates emerging large load growth by aligning that growth with commensurate resource and infrastructure development to serve new loads. This will enable the CAISO to accommodate growth reliably and affordably.

The CAISO and PTOs coordinated closely throughout the development of their respective proposals. Consistent with their distinct tariff responsibilities and governance processes, each entity developed and submitted its own tariff revisions. The CAISO's proposals are designed to complement the PTOs' filings while preserving the existing allocation of responsibilities.

B. Key CAISO Differences

1. Capacity Requirements

The CAISO's approach to large loads differs from approaches advanced in other ISO/RTO regions because the CAISO does not condition large load interconnection on a requirement to "bring your own generation." Rather than requiring each new large load to develop or procure a matching increment of dedicated generation, California addresses supply adequacy through coordinated long term demand forecasting, integrated resource planning, resource procurement, and transmission planning. These processes are designed to anticipate new demand and develop the resources and delivery infrastructure needed to serve it. Continued generation and storage additions are expected to support forecast load growth, subject to timely procurement and project development. As such, the CAISO currently can accommodate large loads without making each customer's energization and transmission service contingent on completion of a separate generation project. At the same time, the CAISO recognizes that resource sufficiency depends on the realization of planned additions, and large loads may develop faster than forecast or procurement processes anticipate. For this reason, the CAISO continually works with the California energy agencies on forecasting, procurement, and planning.[10] The CAISO will continue assessing whether new loads create incremental reliability risks; however, at this time, a bring-your-own generation requirement is not a condition for interconnection or transmission service.

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[9] *See* CPUC Resource Tracking Data Reports at https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/summer-2021-reliability/tracking-energy-development/cpuc-resource-tracking-data-reports.

[10] The CAISO describes its resource adequacy framework and current load and supply forecasts in the 30-day Informational Report on Resource Sufficiency.

This distinction can remove an important barrier to timely service: a large load customer need not independently secure new generating capacity or satisfy a separate CAISO forward-capacity-market requirement as a condition of interconnection. The CAISO has no centralized forward capacity market; instead, serving load remains subject to the resource adequacy obligations applicable to its load-serving entity (LSE) and the requirements of the relevant local regulatory authority. The absence of a customer-specific generation requirement therefore does not eliminate advance capacity procurement obligations or guarantee immediate service at every location. Large loads must still complete applicable interconnection studies, satisfy technical and operating requirements, and fund or await required facilities and network upgrades. The resulting framework facilitates access to the shared grid without requiring a one-for-one pairing of each new load with new generation, while preserving the planning, procurement, and cost-responsibility safeguards necessary to protect reliability and existing customers. This framework has enabled the construction of many data centers, including those supporting Silicon Valley, for several years.

This distinction also explains why the CAISO does not propose to replicate generation-linked mechanisms developed or proposed in other ISO/RTO regions. Where a large load's access to service depends on identifying sufficient incremental generation, special arrangements may be needed to pair the load with a generating project, coordinate their development schedules, or condition the load's operation on the availability of designated supply. Those arrangements address a constraint that the CAISO's framework does not impose: a large load customer need not sponsor a corresponding generation project to obtain interconnection. Adopting mechanisms whose principal purpose is to satisfy or provide an exception to that requirement would therefore add complexity without removing a comparable barrier to service in the CAISO. The relevant question is not whether another region has adopted a particular innovation, but whether the condition that makes that innovation necessary exists under the CAISO's market and regulatory framework.

The CAISO's proposed reforms in the instant filing instead focus on the constraints that actually govern a large load's ability to interconnect and operate reliably: available transmission capability, timely completion of necessary upgrades, adequate visibility into load characteristics, enforceable operating requirements, and appropriate cost responsibility. A flexible interim interconnection arrangement, for example, can address a transmission bottleneck by allowing earlier energization subject to operating limits while upgrades are completed; it need not also function as a bridge until the customer's dedicated generation enters service. This does not eliminate the serving LSE's resource adequacy obligations or the need to plan and procure sufficient supply. It means that those obligations remain within the existing planning and procurement framework, rather than becoming a separate, customer-specific generation-matching condition layered onto the load

interconnection process. As explained in detail in the CAISO's Informational Report on Resource Sufficiency, the CAISO will continue to assess reliability and capacity needs presented by large load growth with stakeholders, PTOs, LSEs, and State energy agencies.

2. Eligible Customers and Order No. 888

Similarly, the CAISO's framework for providing transmission access differs from the traditional Order No. 888 model. First, the CAISO does not use the "Eligible Customer" construct in any significant way. The very few references to Eligible Customer in the CAISO tariff are merely catch-alls to prescribe that all market participants use a scheduling coordinator to interact with the markets.[11] Second, the CAISO does not offer specific transmission services. As the Commission stated in the Order to Show Cause:

> Unlike other regions, CAISO does not offer traditional Order No. 888 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. Instead, CAISO offers a single "daily" transmission service that is available to all Eligible Customers on a day-to-day basis. 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.[12]

In other words, transmission service is assumed in the sales of energy and ancillary services. Stakeholders agreed with the suggestions in the Commission's Order that large loads do not warrant reforming how the CAISO complies with Order No. 888, which has remained unchanged for 30 years. As such, the CAISO's compliance focuses on achieving the Order's goals without redesigning transmission service or creating a centralized capacity market for the first time in the CAISO. The CAISO's reforms thus provide *interconnection* services to enable large loads to interconnect to the transmission system expeditiously, and without jeopardizing reliability or just and reasonable rates.

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11 *See, e.g.,* Sections 2.1, 4.5.1, 4.5.2.1, 4.5.4.6.1 of the CAISO tariff.

12 Order to Show Cause at P 19.

3. Allocation of Responsibilities

The Commission's Order does not require the CAISO and its PTOs to reallocate their existing responsibilities for interconnecting and serving load.[13] The Commission expressly stated it recognizes that the PTOs are responsible for conducting load interconnection studies, the Commission "appreciate[s] that this role may stem from how CAISO and the Participating Transmission Owners allocated rights and responsibilities in the governing documents establishing CAISO," and that the Commission "do[es] not seek to alter that allocation of rights and responsibilities."[14] Rather than requiring a reallocation of responsibility between the CAISO and PTO tariffs, the Order identifies a need for greater clarity and consistency in the applicable tariffs, including a clear identification of the entity responsible for studying service to large loads. The distinction is important: addressing potential gaps in the governing procedures does not require transferring the load interconnection study function from the PTOs to the CAISO. Stakeholders' preference was for the existing framework to remain in place, with the PTOs administering load interconnection requests and performing the associated studies under their tariffs, coordinated with the CAISO's transmission planning, generator interconnection, and system reliability responsibilities. The necessary reforms can make those complementary roles explicit and improve coordination without centralizing all interconnection functions in the CAISO tariff.

Although the PTOs will conduct load interconnection studies under their tariffs, the CAISO will play a pivotal role as the balancing authority and planning coordinator for the CAISO area in reviewing those studies. Because each PTO studies requests on its own system, the CAISO is uniquely positioned to evaluate study results in the context of the integrated grid, including the transmission facilities of other PTOs, pending generation, and the CAISO's approved transmission plans. In its role, the CAISO will review PTO load interconnection studies to confirm that study assumptions, load characteristics, and results are consistent with the CAISO's planning models and long-term plans. Most importantly, the CAISO will identify any PTO-proposed solution that could create reliability risk, whether because it relies on an operating measure that cannot be dependably implemented, it shifts or exacerbates constraints elsewhere on the system, or it is inconsistent with the CAISO's planning and operational needs.

The same distinction applies to cost responsibility. Preserving the existing allocation of functions allows the PTOs' tariffs to continue to set forth the

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13 *See, e.g.,* Order to Show Cause at PP 37, 40, 51, 86. The CAISO also recognizes that the Order implicates various types of PTOs, including non-load-serving PTOs and approved project sponsors that could be impacted by large load interconnection requests but are not LSEs and do not have retail interconnection tariffs. The CAISO expects the PTOs to work together to clarify and develop complementary roles and responsibilities in their respective tariffs regarding requests for interconnections to non-load-serving PTO facilities.

14 *Id.* at P 51.

applicable rules for assigning and recovering the costs of facilities needed to interconnect and serve large loads. The CAISO, meanwhile, retains independent responsibility for evaluating systemwide reliability, transmission planning, and operational consequences. The CAISO, PTOs, and stakeholders believe this is the prudent approach because many of the PTOs have a direct relationship with their retail ratepayers and the regulators of those ultimate rates, including the CPUC. Likewise, it is the PTOs that will construct and own the network upgrades if required for the large load interconnection. As such, the CAISO does not propose to issue a new "top-down" cost allocation solution through its own tariff. The CAISO believes that the PTOs may develop their own proposals to address any cost shifting concerns raised in the Order, and that the current transmission revenue requirement and credit mechanisms in the transmission access charges can accommodate those proposals.

The PTOs worked in good faith to establish consistent cost allocation rules in their tariffs; however, there is little case law or Commission precedent to guide what constitutes just and reasonable rates for large loads specifically. Such precedent will likely come from these responses to the Order to Show Cause, offering greater regulatory certainty in the future. If the Commission requires additional tariff provisions or greater uniformity, the CAISO is prepared to work with the PTOs and stakeholders to develop an appropriate response consistent with the existing allocation of responsibilities.

4. Non-jurisdictional Transmission Owners

The Order was directed to the CAISO and all its PTOs; however, the Order stated that if a non-public utility wished to be removed from the proceeding, the Commission would rescind the Order against them. In such a case, the Commission "expected CAISO to respond to this order regarding the non-public utility's CAISO tariff provisions on file with the Commission."[15] Based on this direction, the CAISO's non-public utilities requested the Commission rescind the Order, which the Commission granted.[16] Importantly, these PTOs explained that their exits from the proceeding were not simply a legal issue, but that these PTOs were generally unlikely to receive large load interconnection requests, and as such, did not require tariff revisions. Morongo Transmission, for example, explained that it is a non-load-serving PTO, and has no end users. The Six Cities similarly explained that their facilities and transmission entitlements in the CAISO generally represent shares of jointly-owned facilities with other transmission

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15 Order to Show Cause at P 2 n. 9.

16 Specifically, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities); and Western Area Power Administration (WAPA). Morongo Transmission—wholly owned by the Morongo Band of Mission Indians, a federally recognized American Indian Tribe exercising jurisdiction over the Morongo Indian Reservation—also filed for rescission on August 12, 2026.

owners. WAPA likewise explained only a portion of its Path 15 line, between two PG&E substations, is under the CAISO's operational control.

The CAISO thus believes that its tariff revisions, combined with the anticipated tariff revisions of the other PTOs in this proceeding, satisfy the Order. Together, they will cover the transmission lines and substations in the CAISO where large loads will interconnect to the transmission system.

III. Tariff Revisions and Order to Show Cause

Although the CAISO believes the tariff revisions in this filing do not substantially affect Order Nos. 888, 1000, 2003, 792, 845, 2023, or 1920 policies, the CAISO's proposed tariff revisions meet both the just and reasonable standard and the independent entity standard. The tariff revisions address issues unique to the CAISO, and were generally designed to work without significant conflict with the CAISO's tariff provisions modeled on the Commission's *pro forma* Open Access Transmission Tariff and Large Generator Interconnection Procedures. The proposed tariff revisions build upon the CAISO tariff with independent entity variations previously accepted by the Commission.

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

1. Definition and Applicability

The Commission noted in the Order that the CAISO and PTO tariffs lack a definition of large load as a new category of load.[17] The Commission directed the CAISO and PTOs to create an appropriate definition, including a load size and interconnection voltage threshold, based on the characteristics of CAISO's transmission system. The Commission suggested that a potentially reasonable definition would be Southwest Power Pool's (SPP) definition of "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."[18]

The CAISO proposes to define a Large Load as "An End User located at a single site behind one or more points of interconnection to the CAISO Controlled Grid, and that has a peak load of 50 MW or greater."[19] The CAISO believes this

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17 Order to Show Cause at P 58.

18 *Id.* at P 57.

19 Proposed Appendix A to the CAISO tariff. The CAISO tariff defines an End User as "A consumer of electric power who consumes such power to satisfy a Load directly connected to the

definition satisfies the Order's intent, creates a clear and easy-to-understand class of loads in the CAISO, and avoids infringing on State jurisdiction. Although the words in the CAISO's proposed definition are different than the Commission's proposed definition, the CAISO believes those differences are valuable, as explained below. The CAISO also notes that its proposed definition is similar to the proposed definition the Commission recently approved in the PJM Interconnection.[20]

The CAISO proposes not to include a description of the types of load (*i.e.*, commercial or industrial customer) in its definition of Large Load. Unless there is a relevant operational difference between the types of loads, the CAISO believes that specifying type is unnecessary. The CAISO also wants to avoid a definition that results in false positives, false negatives, or disputes about what constitutes "commercial" or "industrial."[21] In the future, type-based terms may be necessary for different reliability rules, especially as NERC finalizes its standards for computational loads. But the CAISO has elected not to specify any type at this time.

Similar to generator interconnections, the CAISO proposes to continue to adhere to FERC and California regulations on what constitutes a "site," and thus does not propose defining "site" in its definition. The CAISO believes the large load definition will adequately apply to large loads comprised of distinct loads even if they have separate retail meters. Operationally, such loads would still have the same impact on the CAISO transmission system. Moreover, the prevalence of behind-the-meter and hybrid configurations in the CAISO has led the CPUC and local regulators to address multi-meter and multi-unit sites. The CAISO also does not believe that the CAISO tariff is the proper vehicle to define a site. In the event of a unique configuration, Commission precedent and local regulations are more than sufficient in the large load context.[22] Further, under its

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CAISO Controlled Grid, a Distribution System, or, for purposes of scheduling and operating the Day-Ahead Market only, the transmission system of an EDAM Transmission Service Provider who does not resell the power, or, for purposes of scheduling and operating the Real-Time Market only, the transmission system of an EIM Transmission Service Provider and who does not resell the power." The CAISO tariff defines the CAISO Controlled Grid as "The system of transmission lines and associated facilities of the Participating TOs that have been placed under the CAISO's Operational Control."

The CAISO purposely did not capitalize point of interconnection because its tariff definition is designed for generating facilities, whereas the point of interconnection for a large load will be determined by the retail interconnection agreement consistent with local regulatory authority rules. As with many aspects of this definition, the CAISO's intent is to remain flexible for this new set of rules so as to avoid false positives and false negatives.

20 *PJM Interconnection*, 197 FERC ¶ 61,019 at P 16 (2026).

21 Nor does the CAISO want to compound the issue by formally defining those terms.

22 *Id*.

current rules as planning coordinator and balancing authority, the CAISO will continue to study impacts to the transmission system of any large load that connects to the distribution system or load that falls below the 50 MW peak load threshold but connects to the transmission system. The CAISO will similarly continue to work with NERC and other regulators to address smaller and distributed loads in the future.

The CAISO's proposed definition of Large Load also omits a specific voltage level for the interconnection. The CAISO does not believe this is necessary where the definition specifies the interconnection is to the "CAISO Controlled Grid," a term that already requires evaluation under all Commission tests for transmission vs. distribution, including voltage. The CAISO's proposed definition thus establishes that the large load is transmission-connected, obviating the need to specify a voltage that could conflict with the existing transmission registration. Although distribution-grid voltages likely make interconnection difficult for large loads, the CAISO recognizes that it could be possible for 50 MW loads to interconnect to the distribution grid. Nevertheless, the CAISO is focused on transmission-connected large loads at this time because they are the subject of FERC's Order, and because the transmission grid represents the likely interconnection point for the vast majority of large loads. The CAISO recognizes, however, that the Order represents the frontier of Commission jurisdiction, and there is little precedent to better understand how a large load definition and accompanying rules will operate consistent with the Federal Power Act. The CAISO has created its definition recognizing that it does not have a centralized capacity market for all loads, and that the Commission has stressed avoiding infringement on the States' jurisdiction over retail service and distribution.

The CAISO's proposed definition of Large Load also does not include FERC's proposal that the definition specify that the large load "is not part of a co-location arrangement." The CAISO does not believe it is necessary to exclude large loads participating in co-location arrangements from the *definition* of large loads. Although such loads will be subject to different tariff provisions than standalone large loads, they would still constitute large loads.

Finally, the CAISO does not propose to include the term "new" in its Large Load definition because that term also would require specification. Instead, the CAISO proposes to include in the definition and the tariff a general provision stating that the CAISO will not consider any load a large load subject to the CAISO tariff where the load is operational or has a complete request with the PTO before the CAISO tariff revisions' effective date of February 16, 2027.[23] This

[23] Proposed Section 25.7 of the CAISO tariff. The CAISO has requested a later effective date for two sets of technology-related changes, but this should not impact studies. *See* Section VI, below.

provision will avoid retroactive ratemaking on existing loads, and ensure the CAISO's proposed tariff revisions do not affect existing commercial arrangements. The CAISO also proposes to include a provision stating that if a grandfathered load increases or modifies its load pursuant to a PTO tariff after the effective date, the load would become a large load and subject to those tariff requirements. This approach is similar to those proposed by other ISO/RTOs for large loads, and previous generator interconnection rule changes approved by the Commission.[24] It ensures that existing loads are grandfathered as they are, but without license to evolve without operating under the same rules as other large loads. The CAISO's proposed tariff revisions also recognize that the PTOs are the first and primary referees of which loads will be "large loads." The PTOs will receive the initial energization requests from new loads or modification requests from existing loads, and have far more experience with load interconnection requests than the CAISO. As such, the CAISO purposely defers to their tariffs as the proper place to establish criteria for any grandfathered loads to become large loads consistent with the filed rate doctrine.

Although the CAISO proposes to create a tariff class for large loads, the CAISO does not propose to create any new market participation models for large loads at this time.[25] Rather, the CAISO proposes to enable large loads to participate (1) simply as typical end users, represented by an LSE, or (2) through any existing CAISO participation model, including, for example, proxy demand resources, reliability demand response resources, participating loads, or non-generator resources.[26] Large loads participating in the CAISO markets would then be eligible for all rights and subject to all obligations of the CAISO tariff under those participation models. For example, a large load that desires to participate as a reliability demand response resource could simply adhere to the tariff provisions for reliability demand response resources, just as any other end user.[27] Large loads may participate alone or in permissible aggregations, including with co-located generating units.[28] Likewise, the CAISO proposes to include tariff provisions stating that large loads are eligible to provide, without limitation, demand response energy, curtailable demand, resource adequacy capacity, and ancillary services consistent with their participation model and

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24 *See, e.g.,* Section 25.4.2 of the CAISO tariff (applying asynchronous generating facility technical requirements "to the extent the Generating Facility makes modifications that replace its Generating Unit(s) or any inverter(s)").

25 As explained below, the CAISO believes it has several existing market participation models large loads can use, and plans to explore new, tailored models in stakeholder initiatives in 2027.

26 Proposed Section 4.19 of the CAISO tariff.

27 Section 4.13 of the CAISO tariff. (The large load would still also be required to comply with all tariff provisions regarding large loads.)

28 *Id*.

subject to the requirements of the CAISO tariff.[29] Instead of trying to create a bespoke model for large loads, the CAISO's proposed framework enables developers to choose what model will work best for them based on their configuration and business model. Any large load that elects to participate in the CAISO markets can do so on day one through existing participation models.[30]

2. Large Load Interconnection Study Procedures

The Order highlighted a lack of clarity and consistency regarding the study of the provision of transmission service to eligible customers on behalf of large loads interconnecting to the transmission system.[31] Further, the Commission noted that, while it does not seek to alter the allocation of rights and responsibilities between the CAISO and PTO tariffs, the CAISO and PTO 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.[32] The Order suggested that additional study considerations may be necessary to address the unique operational and reliability challenges presented to the transmission system by providing transmission service to eligible customers on behalf of large loads.[33] The Commission noted that clear and consistent study processes may be necessary to fully capture the transmission system impacts of providing such transmission service, which could result in significant operational risks for the transmission system,[34] and suggested that tariff provisions may prevent disputes over a variety of issues, *e.g.*, study timelines and delays, how the transmission service needed on behalf of the large load is studied, what types of network upgrades are considered, and how required network upgrades to provide the requested transmission service are determined.[35] Finally, the Commission suggested that the CAISO and PTO tariffs may fail to deter speculative or duplicative requests for transmission service by eligible customers on behalf of large loads.[36]

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29 Proposed Section 4.19 of the CAISO tariff.

30 In fact, any load can do the same today, hence the CAISO's inclusion of "Large Loads *and Loads*" in proposed Section 4.19 of the CAISO tariff. The CAISO included such language to avoid the implication that only large loads could avail themselves of such rights, even though loads participate significantly in the CAISO markets today.

31 Order to Show Cause at P 51.

32 *Id*. at P 51.

33 *Id*. at P 52.

34 *Id*. at P 53.

35 *Id.* at P 54.

36 *Id.* at P 55.

As explained in the Order[37] and Section II.B.3, above, the PTOs receive and perform the load interconnection studies today. The CAISO and PTOs do not propose to change this division of responsibility: The PTOs will therefore respond to the Order's findings in their PTO filings. The CAISO expects the PTOs to develop consistent study procedures to be completed within 60 to 90 days, as required by the Commission. The CAISO also expects the PTOs to address network upgrade considerations and deterring speculative requests. For clarity, the CAISO proposes tariff revisions noting that end users, including large loads, interconnect to the CAISO controlled grid pursuant to PTO and retail tariffs.[38] The CAISO also proposes tariff revisions stating that the CAISO will coordinate with the PTOs and any affected systems to account for large load interconnections to the CAISO in all interconnection studies.[39] Consistent with the CAISO's interconnection procedures and the PTO tariffs, the CAISO and PTOs will identify network upgrades and interconnection facilities best reflecting the combined topology of generating facility and large load interconnections.[40]

The PTOs will thus conduct load interconnection studies under their tariffs, and the CAISO will review those studies. As planning coordinator and balancing authority,[41] the CAISO will review PTO load interconnection studies to confirm that study assumptions, load characteristics, and results are consistent with the CAISO's planning models and long-term plans.[42] Most importantly, the CAISO will identify any PTO-proposed solution that could create reliability risk, whether because it relies on an operating measure that cannot be dependably implemented, it shifts or exacerbates constraints elsewhere on the system, or it is inconsistent with the CAISO's planning and operational needs. The CAISO will conduct this process on a monthly basis to ensure the CAISO's review does not affect the PTOs' obligations to complete their studies within 90 days.[43] Where the CAISO identifies a risk, it will work with the PTO to develop an alternative, such as a different network upgrade, an alternative transmission technology, or

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37 *Id*. at P 51.

38 Proposed Section 25.7 of the CAISO tariff. The CAISO tariff also notes that end users do so consistent with local regulatory authority requirements.

39 *Id*.

40 *Id*. This provision is included for general compliance. Specific co-located load and generating facility interconnection study obligations are discussed in Section III.C, below.

41 The CAISO also maintains the base cases, transmission plans, and generator interconnection queues.

42 Proposed Section 25.7 of the CAISO tariff. To avoid the implication that the CAISO reviews transmission upgrades for large loads only, the CAISO has included "Loads and Large Loads" in this provision. This is consistent with the CAISO's *status quo* planning coordinator responsibilities to review all transmission upgrades.

43 *Id*.

modified operating limits, so that the large load can interconnect without compromising reliability. This review complements, rather than replaces, the PTOs' lead role in studying and serving load, and ensures that solutions developed at the local level are reliable and coordinated with the broader system. The CAISO also proposes to memorialize in the tariff that the CAISO's transmission planning process will consider large load growth and any transmission upgrades planned as transmission solutions for public policies selected for consideration under Order No. 1000 processes.[44]

The CAISO also proposes to implement new data requirements for large load interconnection requests and associated cost data. The CAISO discusses these proposals in Section III.B.2, below.

3. Large Load Application Process

The Order suggested that the CAISO and PTOs lack clear and consistent provisions establishing the application process and study procedures that will be used when the CAISO and/or the PTOs evaluate the provision of transmission service on behalf of large loads, including an application process, application fee and readiness requirements, and information and data requirements.[45] The Order also suggested that the CAISO and PTO tariffs lack appropriate study provisions to recognize the unique operational characteristics of large loads that are willing and able to limit their energy withdrawals under certain conditions to lessen or avoid the need for network upgrades.[46] In addition, the Commission noted that accurate models using Electromagnetic Transient (EMT) studies may help to ensure that transmission service needed on behalf of large loads can be provided without compromising reliability and suggests clarity and consistency in the evaluation of alternative transmission technologies (ATTs) as potential solutions to accommodate an eligible customer's request for transmission service on behalf of a large load.[47] To the extent that traditional network upgrades are selected over ATTs, the Commission recommended demonstration of why ATTs were not selected.[48] The Commission directed the CAISO and PTOs to explain whether their tariffs sufficiently address identification of Direct Assignment Facilities and Network Upgrades (as the Order defines) necessary to reliably

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44 Again, this already occurs where the transmission planning process identifies reliability-based transmission solutions and policy-driven transmission solutions, but pursuant to the intent of the Order, the CAISO is highlighting it for large loads to increase transparency. As the CAISO detailed in its 30-day informational report on resource sufficiency, the CAISO, CEC, and CPUC all break out large loads specifically in forecasts and planning scenarios.

45 Order to Show Cause at P 58.

46 *Id.* at P 59.

47 *Id.* (Also known as Grid Enhancing Technologies or GETs).

48 *Id.* at PP 60-61.

provide transmission service to eligible customers on behalf of large loads; include provisions for a 60-to 90-day timeline to study the unique operational characteristics of large loads; and include a study deadline to assess large loads.[49]

The CAISO reiterates that the existing load interconnection process is conducted by the PTOs. For this reason, the CAISO proposes enhanced and ongoing coordination with the PTOs on the load and resource interconnection processes and expects the PTOs to align their load application processes with the CAISO's resource interconnection process to ensure the level of visibility necessary for the CAISO to plan for new large loads and maintain reliability once they are interconnected. The CAISO proposes including general provisions explaining this coordination, as discussed in Section III.A.2, above. The CAISO also notes that existing load and generator interconnection study procedures already include ample processes to detect potential impacts on affected systems and multiple affected PTOs, and those processes will apply to large loads.[50] The CAISO expects that the PTOs will address the other interconnection process issues in their respective filings.

The CAISO understands that transmission providers must consider ATTs at all times. The CAISO currently evaluates ATTs in its transmission planning process and generator interconnection process. The CAISO's evaluation includes static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. Further, the CAISO is expanding its economic consideration of dynamic line ratings to mitigate congestion. As a transmission provider, the CAISO must include in the generator interconnection cluster study report an explanation of the results of the evaluation of the enumerated ATTs for feasibility, cost, and time savings as an alternative to a traditional network upgrade. Therefore, the CAISO supports and has broadly adopted the practice of duly considering and assigning ATTs to meet identified system needs, including when triggered by new loads interconnecting to the CAISO grid. The CAISO also documents consideration of such technologies in its annual Transmission Plan. This has been the practice in CAISO for several years and was recently memorialized in the CAISO's tariff in compliance with FERC Order Nos. 2023 and 1920 (pending FERC approval).[51] To respond to the Order and the large load interconnection context specifically, the CAISO proposes to clarify these considerations through consistent language in the CAISO tariff, which the CAISO expects the PTOs will similarly include in

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49 *Id*. at P 62.

50 *See* proposed Section 25.7 of the CAISO tariff; Section 3.7 of Appendix KK to the CAISO tariff.

51 *See, e.g.*, Section 6.2 of Appendix KK to the CAISO tariff.

their tariffs.[52] The CAISO will continue to set out the alternatives that were considered in the selection of all preferred transmission solutions, whether ATTs or other more conventional solutions, to the reasonable depth necessary given the nature of the transmission need. This approach has worked well in the generator interconnection study process, enabling the consideration and use of ATTs without slowing down studies.

With regard to the Commission's ATTs-related modeling concerns, the CAISO coordinates annually with the transmission owners during the transmission planning process on the feasibility of ATTs, particularly evaluating the application of advanced conductors and flow control devices. The CAISO also expects that both the CAISO and the PTOs will be advancing their EMT-related studies, and expects that the PTO tariffs will address the timely provision of EMT models in the large load application process.

4. Operational Requirements

The Commission preliminarily found in the Order that the CAISO and PTO tariffs appear to be unjust and unreasonable because they lack provisions addressing ongoing operational requirements for eligible customers taking transmission service on behalf of large loads.[53] The Commission enumerated specific examples, including the lack of provisions governing hourly forecasts, telemetry data, and equipment to enable the CAISO to monitor large loads.[54] The Commission also suggested the CAISO should impose requirements to remotely disconnect large loads when necessary to maintain reliability; ramp rate or ride-through requirements; and control technologies and/or protection systems that may be necessary to limit withdrawals from the transmission system.[55]

The CAISO agrees that the operational requirements the Commission identifies in the Order are necessary. The CAISO has been exploring these issues through discussions with PTO representatives in the LLTRWG, CPUC workshops, an industry Expert Working Group (EWG), and through engagement with NERC. The LLTRWG was established by the CAISO and utilities interconnecting large loads to develop consistent technical requirements for the reliable interconnection and operation of large data center loads connected to the CAISO controlled grid. The EWG was likewise formed to gain collaborative feedback from diverse industry representatives focused on developing a

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52 Proposed Sections 24.1 and 24.3.1 of the CAISO tariff. For co-located generating units and large loads, the CAISO and PTOs are already obligated to evaluate ATTs/GETs by Section 6.2 of Appendix KK to the CAISO tariff.

53 Order to Show Cause at P 63.

54 *Id*.

55 *Id*.

coordination framework and functional model that advances opportunities in Transmission and Distribution coordination, including large loads, while maintaining current roles and responsibilities. As detailed at length in the LLTRWG proposal, the LLTRWG developed its operational requirements after broadly surveying operational requirements developed by other utilities with large loads.[56] This process ensures that the CAISO's operational requirements will be consistent with national requirements, and thus easier and less expensive to implement for developers. The CAISO also put its proposed operational requirements to stakeholders in the general large load initiative, where stakeholders supported the proposals.

To maintain reliability, the CAISO proposes several new requirements regarding large loads. Because many large loads may not be directly subject to the CAISO tariff,[57] the CAISO's proposed requirements place the onus of responsibility on the PTOs and LSEs.

Prior to the interconnection of any large load to the CAISO controlled grid, the CAISO proposes to require the PTO to provide the CAISO with the following information for the large load: Load type, variable or flat load designation, expected hourly operating profile, points of interconnection and withdrawal, MW capacity, minimum and maximum operating levels, expected CAISO market participation model (if any), curtailment and ramping capabilities, and behind-the-meter generation capacity and characteristics (if any).[58] This will provide the CAISO with the necessary information to assess any operational impact before energization. The CAISO also proposes to require the PTO to ensure the large load has continuous dynamic disturbance recording data and storage on the high-side of the main power transformer or common point of connection to determine the following electrical quantities for the large load: (1) Phase-to-neutral voltage for each phase, (2) each phase current and the residual or neutral current, (3) real power and reactive power flows expressed on a three-phase basis corresponding to all circuits where current measurements are required; and (4) frequency.[59] This requirement will ensure adequate reliability data for each large load. The CAISO also proposes to require each PTO to ensure it can

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56 Included as Attachment D to this filing, and available at https://www.caiso.com/documents/jul-20-2026-informational-report-large-loads-and-co-located-loads-el26-71.pdf.

57 In other words, many large loads may interconnect subject to a PTO tariff alone. As such, the CAISO may not always have contractual privity to subject large loads to its requirements or enforce reliability provisions. As such, the CAISO's compliance obligations are directed toward the PTOs and LSEs already subject (or unavoidably subject) to the CAISO tariff. They can then enforce the CAISO tariff requirements through their tariffs, agreements, or procedures.

58 Proposed Section 25.7.1 of the CAISO tariff.

59 *Id*.

disconnect or otherwise isolate the large load in the event of a contingency, imminent, or actual system emergency, to maintain system reliability.[60]

The CAISO also proposes to require each PTO to impose ride-through requirements for large loads to remain electrically connected during certain frequency[61] and voltage disturbances.[62] Similar to generating facility requirements,[63] these rules provide the severity and length of disturbance in which a large load may or may not trip. All requirements were based on the work by NERC, regional entities, and utilities facing large load disturbances.[64] The CAISO also has included a general tariff provision stating that a load shedding program or remedial action scheme directed or required by the CAISO or PTO takes precedence over these ride-through requirements.[65] This provision avoids any ambiguity over potentially conflicting ride-through/trip directions.

The CAISO also proposes to require each PTO to impose ramp-rate limitations in active power consumption during normal operation, start-up, shutdown, and restoration processes.[66] The average active power ramp rate, measured at the point of interconnection over a rolling ten (10)-minute interval, should not exceed twenty (20) megawatts per minute (MW/min), applying to both increases and decreases in active power consumption. This ramp-rate limitation does not apply to the immediate post-disturbance recovery of active power consumption following a system fault or voltage disturbance. The PTO also will require each large load to restore its active power consumption following a system fault or voltage disturbance to at least 90 percent of its pre-disturbance active power consumption within three seconds after the post-fault voltage at the point of interconnection recovers to at least 0.90 pu.[67] Additionally, the CAISO has included a general requirement that after a disturbance or other reliability event involving a large load, the large load, any associated interconnection customer, scheduling coordinator, and PTO must comply with any CAISO, regional entity (i.e., WECC), or Reliability Coordinator data request related to the event.[68] This is already the case today, but the CAISO believes a specific tariff

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60 *Id*.

61 Proposed Section 25.7.1.1 of the CAISO tariff.

62 Proposed Section 25.7.1.2 of the CAISO tariff.

63 Attachment H to Appendix LL to the CAISO tariff.

64 *See* Attachment D to this filing.

65 This would include programs or remedial action schemes designed to facilitate FILI as well.

66 Proposed Section 25.7.1.4 of the CAISO tariff.

67 Proposed Section 25.7.1.3 of the CAISO tariff.

68 Proposed Section 25.7.4 of the CAISO tariff.

provision for large loads provides greater transparency. This transparency will ensure parties involved in a reliability event continue to provide data to help understand the event and prevent future issues.

The CAISO's remaining operational requirements apply to the scheduling coordinator representing the large load's demand. For each large load, the scheduling coordinator must provide the CAISO:

1. Daily and hourly forecast data otherwise required for the CAISO demand forecast;
2. Any real-time, material deviations from provided forecasts, including changes resulting from energization activities, material operational changes, curtailments, outages, derates, operating limits, operating envelopes, or co-located generation impacts that materially affect expected demand;
3. The forecasts are expected to reflect the resource's anticipated operating capability, including planned outages or derates that materially affect the large load's expected consumption or operating capability; and
4. Operational status and real-time consumption in accordance with the CAISO's standards for direct telemetry and consistent with CAISO telemetry requirements.[69]

These data requirements will ensure the CAISO has day-ahead and real-time information sufficient to manage reliability risks from large load demand swings. For those not participating through a market model, demand forecasting and settlement will remain at the LSE level, and the CAISO will have specific data inputs to understand the behavior of those large loads that could impact reliability.

Based on stakeholder feedback, the CAISO believes most large loads will elect not to participate directly in the CAISO markets, and will simply be represented by their LSE like conventional loads today. Nevertheless, the CAISO proposes to include tariff language stating that large loads may elect to participate in the CAISO markets directly, including as stand-alone loads or in aggregation with other resources.[70] Large loads also may elect to participate as their own LSE, a non-generator resource, or a participating load, if they qualify for those models under CAISO tariff and local regulatory authority

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69 Proposed Section 25.7.3 of the CAISO tariff. The CAISO notes that its telemetry requirements are tailored to coordinate with local regulatory authority standards and nationally available telemetry technologies.

70 Proposed Section 25.7.3.1 of the CAISO tariff.

requirements.[71] Such large loads could then elect to comply with the CAISO tariff operational requirements and participate in the CAISO markets through their own scheduling coordinator in lieu of their LSE scheduling coordinator. However, the CAISO has included a qualification that any such direct participation must be consistent with local regulatory authority requirements.[72]

Additionally, the CAISO proposes to include a qualification that the applicable LSE, utility distribution company, MSS operator, large load, and scheduling coordinator may satisfy the operational requirements through coordinated arrangements that clearly assign each CAISO tariff obligation and avoid duplicative submissions.[73] The applicable arrangement must identify the scheduling coordinator responsible for submitting bids, scheduled demand, meter data, forecasts, and real-time operational updates for the large load. The CAISO also must verify the arrangement will comply with the tariff before its use. This provision recognizes that these are novel operational requirements, and developers have varying needs based on their configuration and location. It is in everyone's interest for the CAISO to provide flexibility to enable large loads and their counterparts to identify the best compliance practices. As such, the CAISO believes this tariff provision will provide significant value without sacrificing reliability.

5. Large Load Service Agreements

The Commission preliminarily found in the Order that the CAISO and PTO tariffs lack *pro forma* provisions in a transmission service agreement, or other applicable agreement, to memorialize the technical and operational terms the Order describes.[74]

The PTOs will propose consistent *pro forma* agreements to memorialize the technical and operational terms the Order describes. At this time, the CAISO and stakeholders do not believe the CAISO should always be a signatory to a three-party agreement for large load interconnections, especially where the large

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71 In other words, this provision would not operate to make a large load an LSE or participating load unless the large load meets the tariff definition and requirements for those entities. This provision is intended to encompass rare cases where certain loads participate directly in the CAISO markets. The CAISO also notes that although a large load also could participate in a demand response program, it would still require an LSE to account for its general demand (in addition to demand response provider managing the demand response participation).

72 For example, the CAISO tariff requires the State or local regulatory authority to allow any end user to be an LSE or a Participating Load. *See* "Load Serving Entity," Appendix A to the CAISO tariff; Appendix B.4 of the CAISO tariff.

73 Proposed Section 25.7.3 of the CAISO tariff.

74 Order to Show Cause at P 64.

load is not taking FILI service or participating in the CAISO markets.[75] The large load developer and PTO can negotiate the terms of construction and cost rules, while the CAISO would not require any rights or obligations. Rather, such arrangements will be effectuated through a two-party interconnection agreement between the PTO and the large load developer, as performed today.[76] For a large load requesting FILI service, the PTO will need the CAISO to help memorialize and agree to the operational procedures necessary to provide that service through new service agreements or having the CAISO co-sign the PTO's interconnection agreement.

For co-located large loads with exporting generation, likewise, the CAISO will need to be a party to a *pro forma* agreement that bridges the *pro forma* Large Generator Interconnection Agreement (LGIA) with the *pro forma* large load interconnection agreement or negotiate a non-conforming LGIA to account for certain details of the co-located large load interconnection on an individual basis. The developer also will need to execute a CAISO *pro forma* Participating Generator Agreement for the generator, but not a Participating Load Agreement for the large load.[77]

B. Cost Shifting Risk among Transmission Customers

1. Cost Allocation Rules and Agreements

In the Order, the Commission laid out key objectives regarding cost allocation of infrastructure needs attributable to eligible customers taking transmission service on behalf of large loads: improved transparency regarding the assignment of network upgrades and their associated costs; and development of a *pro forma* cost recovery agreement between the CAISO, the relevant PTO, and the eligible customer taking transmission service on behalf of large loads. The Commission stated that improved transparency would provide important information to State public utility commissions and other State regulators, enabling them to identify which transmission costs are caused by which transmission customers to appropriately sub-allocate costs at the retail level. According to the Commission, a *pro forma* cost recovery agreement would ensure that eligible customers bear the risk and are ultimately responsible for the costs incurred to provide transmission service, including the cost of network upgrades.

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75 For example, the CAISO likely will not have any roles or responsibilities for the financing and construction of simple network upgrades needed for large loads receiving firm interconnection service.

76 The CAISO describes the elements required for a three-party agreement for FILI in Section III.D, below.

77 Unless it will participate as a Participating Load, in which case it would. *See* Proposed Section 4.19 of the CAISO tariff.

The CAISO shares the objectives of the Order to prevent cost shifting among transmission customers and to ensure that large loads equitably bear risk and responsibility for costs incurred to interconnect, including the cost of network upgrades attributed to the large loads. The CAISO understands the importance of maintaining affordability while addressing large load integration. The CAISO expects that in addressing cost shifting concerns, the PTOs will address the collateral issues regarding financial security, revenue stability, and adequate exit provisions for large loads. As explained in Section II.B.3, above, the CAISO believes it is prudent for cost allocation rules to be set forth in the PTO tariffs rather than the CAISO tariff. The PTOs will continue to manage large load interconnections through their tariffs. Many of the PTOs also have a direct relationship with their retail ratepayers and the regulators of those ultimate rates, including the CPUC. Additionally, it is the PTOs that will construct and own the network upgrades if required for the large load interconnection. As such, the CAISO does not propose to issue a new "top-down" cost allocation solution through its own tariff. The CAISO believes that the PTOs may develop their own proposals to address any cost shifting, and that the current transmission revenue requirement and credit mechanisms in the transmission access charges can accommodate those proposals.[78] The CAISO proposes some metering and settlement changes in Section III.C.2 to account for co-located large loads and generation.

2. Data Transparency

In the Order, the Commission highlighted the need for "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."[79]

The CAISO agrees that cost data should be transparent and can be provided on the CAISO website in a searchable format. This is important both to aid large load developers in making efficient siting decisions as well as to provide information critical for State regulators to ensure fair cost allocation at the retail level. For large load developers, the CAISO notes that for the interconnection study process, the CAISO already provides each PTO's per unit cost guide for all

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78 The CAISO notes that the orders to show cause represent largely novel issues: There is little case law to guide what constitutes just and reasonable rates for large loads specifically. Such precedent will likely come from these responses to the Orders to Show Cause, offering greater guidance for future enhancements.

79 Order to Show Cause at P 46.

network upgrade cost components.[80] These guides are updated and shared with stakeholders annually based on the latest industry cost estimates. As such, the CAISO believes its tariff provides detailed, transparent, up-to-date cost information on potential costs for transmission network upgrades.

For State regulators and stakeholders, per the Commission's direction,[81] the CAISO also proposes to clarify in the transmission planning process where network upgrades were needed to accommodate both general load growth and large load interconnection specifically. Large load growth has already been incorporated into the CEC, CPUC, and CAISO forecasting and planning processes, as detailed in the CAISO's informational report on resource sufficiency already submitted to the Commission.[82] The CAISO also proposes to publicly post:[83]

1. Aggregate amounts of proposed large load additions in the CAISO operating area, including the aggregate amounts in each transmission pricing zone;
2. Planned network upgrades needed to accommodate eligible customers taking transmission service 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 each planned network upgrade identified as needed for large loads, as described in (2).[84]

The CAISO proposes to memorialize these transparency requirements in its tariff. The CAISO also has encouraged the PTOs to memorialize tariff requirements to adopt large load queue spreadsheets as they do for wholesale generator interconnection customers. The CAISO likewise proposes to include in its generator interconnection queue report whether the interconnection customer proposes to include a large load, and its capacity.[85]

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80 *See* CAISO current cost guides at https://www.caiso.com/library/current-cost-guides.

81 Order to Show Cause at PP 70-72.

82 *See* CAISO Informational Report on resource sufficiency at https://www.caiso.com/documents/jul-20-2026-informational-report-large-loads-and-co-located-loads-el26-71.pdf.

83 Proposed Sections 24.3.1 and 24.19.1 of the CAISO tariff, and proposed Section 3.6 of Appendix KK to the CAISO tariff.

84 Order to Show Cause at P 75.

85 *See* CAISO Generator interconnection at https://www.caiso.com/generation-transmission/generation/generator-interconnection.

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

1. Co-located Interconnection Studies

The Commission stated in the Order that the CAISO's tariff 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.[86] The Commission included, "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."[87] The Commission noted that in one of its recent orders on co-located load in the PJM Interconnection (PJM), it 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 service.[88] The Commission additionally noted that interconnection customers should have a means of knowing the appropriate mechanism for setting forth the terms and conditions of co-location arrangements. The Commission also expressed concern that "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."[89]

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86 Order to Show Cause at P 93. The Order to Show Cause did not require, and the CAISO does not believe it is necessary, that the CAISO create formal tariff definitions for co-located load or behind-the-meter generation. Both terms already have plain meanings, and behind-the-meter is already used frequently throughout the CAISO tariff, including for different configurations based on whether the meter is a CAISO meter or a retail end-user meter. Thus, providing a definition may have inadvertent consequences to the extent it differs in any meaningful respect from the use of these terms currently. Likewise, the CAISO, PTOs, and developers have not experienced controversy in determining co-location or what constitutes a single site under FERC precedent and State law. The CAISO is thus concerned that trying to create formal definitions at this time may result in false positives or negatives that impair rather than aid development. The CAISO may revisit this issue if controversies arise, or may provide clarifications in its business practice manuals.

87 *Id*. at P 96.

88 *PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,217 at PP 231-235 (2025) (PJM Co-Location Order). 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 (2026).

89 Order to Show Cause at P 96.

Drawing on its track record for co-located generating technologies, the CAISO proposes to clarify how co-located large loads and generation may interconnect to and operate within the CAISO controlled grid.[90] Co-location frequently can result in significant operational flexibility, avoided infrastructure, and reliability benefits. At the same time, physical proximity between load and generation does not guarantee reduced transmission requirements or resource adequacy obligations: The actual benefits depend on the operating characteristics of both resources, their ability to operate independently, and their behavior during contingencies. The CAISO and PTOs thus must draw on their significant experience with co-located and behind-the-meter configurations to help large load developers maximize efficiencies for them and for ratepayers.

The CAISO proposes to clarify in its tariff co-location arrangements that would not require a CAISO resource interconnection request and could be accommodated through applicable PTO or State-jurisdictional retail interconnection tariffs,[91] such as Rule 21.[92] These will include large loads with back-up generation only to be used during outages or islanding, and large loads with non-exporting behind-the-meter generation.[93] The CAISO notes that both categories will require sufficient control technologies to ensure they do not impact the transmission grid.[94]

The CAISO proposes that new or existing large loads seeking to co-locate with new generation that may export energy to the transmission grid[95] will require a CAISO interconnection study under the CAISO's Resource Interconnection

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90 Proposed Sections 25.1, 25.1.1, 25.5.1, 25.7.6 of the CAISO tariff; Proposed Sections 2.4.4 and 6.7.2.9 of Appendix KK to the CAISO tariff.

91 The CAISO reiterates that the PTOs will continue to govern and study all load interconnection requests pursuant to their tariffs. The CAISO, likewise, will continue to govern and study wholesale generation interconnection requests.

92 *See, e.g.*, CPUC's Electric Rule 21: Generating Facility Interconnections, https://www.cpuc.ca.gov/Rule21/. Other local regulatory authorities and utilities have established similar interconnection procedures for back-up, non-injecting, and net metering configurations.

93 Proposed Sections 25.1 and 25.1.1 of the CAISO tariff. The sequencing likewise will not impact whether a CAISO interconnection study is required.

94 The CAISO notes that the CAISO's proposal is fundamentally different than MISO's Zero Injection Generation Resource, at issue in Docket No. ER26-3552. The CAISO's proposed tariff language merely reflects the *status quo* in California and western States, long in practice between local regulatory authorities and CAISO. The CAISO already has thousands of megawatts of generation allowed to interconnect without CAISO study because there is no impact to the CAISO controlled grid, including generation co-located with large loads on the transmission system. More critically, the CAISO requirements only bypass a CAISO interconnection study where there is truly no impact, rather than a netting construct that could ignore short-circuit duty and other reliability impacts.

95 Frequently, constantly, or even rarely, such as in the event the Large Load is offline.

Standards, Appendix KK to the CAISO tariff.[96] This means that such resource interconnection requests will be screened and compete for capacity in the next cluster study based on the CAISO's scoring criteria.[97] However, all scoring, financial requirements, and study results will be based on the requested capacity figures the developer provides, so the developer may significantly limit the generation potentially to be exported based on how much generation will serve the large load.[98] The CAISO tariff will require it to work with the PTOs to produce study results that reflect the combined impact of the co-located large load and generation, as requested by the developer. This is a simple extension of current rules that allow interconnection customers to be studied for a specific interconnection capacity even if their generating capacity is higher. Interconnection requests with co-located large loads may avail themselves of all rights under the Resource Interconnection Standards, including surplus interconnection service, grid enhancing technologies, phasing, etc. Rather than add "and Large Load" throughout the CAISO generator interconnection procedures and agreements, the CAISO proposes general provisions enabling large load studies to be considered in every step of the interconnection process, and that all study results will account for the combined operation of the generating units and large loads.[99] Interconnection customers for generating units and co-located large loads will be subject to all applicable commercial readiness and GIA deposit requirements.[100] Because their costs generally result from network upgrade and interconnection facility costs, which will be based on the combined facility configuration, all required deposits will be fair and equitable under Order No. 2023.

Because it may be difficult to predict every possible issue with future load studies conducted by the PTO and generator studies conducted by the CAISO, the CAISO proposes to include general conflict provisions stating that (1) for any conflict between the CAISO tariff and the PTO tariff pertaining to the interconnection of the generating unit, the CAISO tariff will control; and (2) for any conflict between the CAISO tariff and the PTO tariff pertaining to the

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96 Proposed Sections 25.1, 25.1.1, 25.5.1, 25.7.6 of the CAISO tariff; Proposed Sections 2.4.4 and 6.7.2.9 of Appendix KK to the CAISO tariff.

97 As Energy Only or Deliverable. Energy Only interconnection customers not seeking reimbursement for network upgrades are not screened and proceed directly to the cluster study.

98 This is already the *status quo* per Section 3.1 and Attachment 1 (4.h) of Appendix KK to the CAISO tariff. The CAISO always has allowed interconnection customers to request to be studied for less interconnection service capacity and/or deliverability than generating capacity, and all scoring is calculated on the requested interconnection service capacity or requested deliverability, as applicable.

99 Proposed Section 25.7.6 of the CAISO tariff; proposed Sections 2.4.4 and 3.1 of Appendix KK to the CAISO tariff.

100 Proposed Section 25.7.6 of the CAISO tariff.

interconnection of the large load, the PTO tariff will control.[101] This provision will provide transparency to developers and may help resolve future issues should they arise.

The CAISO notes that despite the ubiquity of co-located resources in California, the CAISO has not received any interconnection requests for co-located load with *CAISO-participating* generation. This is in part because the CAISO is in a different situation than other regions that needed to impose bring-your-own generation requirements to address capacity market issues. Because the CAISO does not have a bring-your-own generation requirement, developers have been less interested in co-locating load with participating generation. Additionally, to the extent large loads have brought generation to serve onsite load, they have elected to do so through tariffs for net energy metering, obviating the need for a CAISO interconnection request. However, developers may want to co-locate load with participating generation in the future. Stakeholders expressed that in California, adding load to existing wholesale generators may be an ideal path to cost savings and utilizing plants that are dispatched infrequently or approaching retirement. As such, the CAISO's tariff revisions document developers' ability to add load to existing generator sites, and that they may maintain all interconnection rights so long as they continue to comply with the CAISO tariff obligations.[102] Specifically, the CAISO proposes to clarify that the addition of a co-located load or large load will not necessarily affect the qualifying capacity, net qualifying capacity, deliverability status, or eligibility to provide energy, ancillary services, or resource adequacy capacity of a generating unit. Any effect of adding a co-located load will be determined under the otherwise applicable CAISO tariff provisions for those rights, modification results, and local regulatory authority requirements.[103]

In addition to the information required in the CAISO resource interconnection request process, and the large load operational requirements discussed in Section III.A.4, the CAISO may require the following operational information for co-located resources, if applicable:

- Expected presence of co-located load;
- Range of energy consumption characteristics of the load;
- Minimum and maximum generator operating capabilities;
- Generator operating characteristics when the load is at its minimum level;
- Market participation status, if any; and

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101 Proposed Section 25.7.6 of the CAISO tariff and proposed Section 2.4.4 of Appendix KK to the CAISO tariff.

102 Proposed Sections 25.5.1 of the CAISO tariff.

103 The CAISO believes this is an important clarification because local regulatory authorities generally set resource adequacy capacity and emissions rules, among others.

- Any load services requested when the generator is off-line.[104]

For co-located large loads and wholesale energy storage, the CAISO notes that the storage and large loads will need to be separate operationally, and all study results will reflect the same.[105] Energy storage resources are fully dispatchable and have separate wholesale meters and settlement. Their energy cannot be commingled with the large load such that the large load could take power effectively at a wholesale rate. The large load can otherwise net its withdrawals against behind-the-meter/non-participating generation and storage.[106]

The CAISO also proposes to require co-located load and exporting generation studies to begin the cluster study process with the large load assumptions. The CAISO also proposes to allow interconnection customers to request to modify or remove large loads during the study process, and for the PTOs and the CAISO to evaluate whether the requested change is a material modification. (The removal or modification to the large load would be under the PTO tariff.) In other words, after the commencement of the cluster study, the interconnection customer may request to remove the large load as a modification, and the CAISO and PTOs will evaluate whether the requested change can be accommodated. Likewise, interconnection customers already in the queue can request to add large loads as modifications, subject to PTO and CAISO evaluation, including through downsizing requests as necessary. The CAISO and PTO will assess whether either change would require complete re-studies and could not be accommodated during the study process, or if the requested modifications are material. This is not to say that the CAISO proposes to prohibit the addition of large loads to existing generation or in-progress interconnection requests; only that the interconnection customer would need to do so through the PTO tariff, and the generation interconnection study results may not be able to reflect the combined configuration if changed substantially well after studies commence (similar to any other modification request).

If an online CAISO generator seeks to add a large load to its site, the developer would submit the large load interconnection request to the PTO pursuant to its tariff. When ready to reflect the large load, the interconnection customer could request a post-commercial operation date (COD) modification[107] or use the Master File change process as needed to assess and capture

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104 Proposed Section 25.7.1 of the CAISO tariff.

105 Proposed Section 25.7.5 of the CAISO tariff.

106 In other words, the CAISO does not propose any change to the *status quo* for separating wholesale generation/storage and retail load or net energy metering generation/storage.

107 Section 25.5 of the CAISO tariff.

changes currently allowed under these processes.[108] The CAISO, PTO, and interconnection customer could likewise amend the generator interconnection agreement to reflect the large load and any configuration changes.

The CAISO notes that both loads and generation associated with co-located loads can be eligible for resource adequacy or demand response programs pursuant to current program rules.[109] Therefore, the CAISO does not propose changes to the eligibility criteria for participation in any of these programs.

2. Cost Allocation for Co-located Loads

In the Order, the Commission stated that the CAISO tariff does not appear to include a mechanism to charge large loads, and co-located loads in particular, for ancillary services commensurate with their use of such services, particularly if such customers do not withdraw energy from the transmission system.[110] Specifically, the Commission noted that co-located loads may unjustly benefit from regulation and black start services.[111]

The CAISO agrees that assessing ancillary service costs on a net $/MWh basis to LSEs' measured demand could enable a large load co-located with behind-the-meter generation to avoid an appropriate share of its costs for regulation and black start services.[112] Unlike some other ISO/RTOs, however, the CAISO already has separate, specific rates to assess regulation[113] and black start services.[114] The issue thus becomes how to appropriately meter and assess those rates onto co-located large loads. The CAISO proposes to address this issue by requiring the PTOs to sub-meter each co-located large load

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108 *See* CAISO Master File at https://www.caiso.com/systems-applications/portals-applications/master-file.

109 Section 40 of the CAISO tariff establishes rules about eligible capacity and uses criteria provided by the CPUC and other Local Regulatory Authorities determine what projects are resource adequacy eligible.

110 Order to Show Cause at PP 98-99 ("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").

111 *Id*.

112 Likewise, if the rate were assessed on a net meter basis to co-located load and participating generation, the result would be the same.

113 Section 11.10.2.1 of the CAISO tariff.

114 Section 11.4.2 of the CAISO tariff. The PTOs assess the costs of black start services through their PTO tariffs.

independent of any onsite generation.[115] Scheduling coordinators for the load-serving entities serving those loads will then be required to report those meter values separately for the relevant CAISO charge codes. Going forward, the rates' calculations will include all separately submitted gross volumes for the large loads. Each large load with co-located generation will pay on a gross load basis for regulation and black start services.[116] This solution not only results in just and reasonable cost allocation, it is also relatively simple to implement because the CAISO and PTOs will not be required to calculate and assess new rates, nor will the CAISO need to create new settlement charge codes.

3. Transmission Access Charges

The Commission preliminarily found in the Order that the CAISO tariff may be unjust and unreasonable because it allows load with behind-the-meter generation to net its generation against its load for purposes of calculating Regional Access Charges.[117] The Commission explained its thinking based on the PJM co-location proceeding:

> 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. 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. The Commission also found that such rules could lead to reliability and resource adequacy risks because PJM is obligated to serve transmission customers using BTMG but does not consider such customers in transmission and resource adequacy planning.[118]

The Commission then noted that it is "similarly concerned that CAISO's Tariff allows Eligible Customers that provide service to loads with BTMG to reduce

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115 Proposed Section 11.36 of the CAISO tariff.

116 Pursuant to the CAISO tariff, the CAISO assesses reliability services costs—the settlement charge for black start costs—to the PTOs, who then allocate those costs to their customers. The CAISO's proposed tariff revisions thus create specific sub-allocations earmarked for large loads, based on their gross load.

117 Order to Show Cause at P 102.

118 *Id*.

their network service charges because the definition of gross load,[119] 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." The Commission directed the CAISO to explain whether the tariff remains just and reasonable even though it allows netting of behind-the-meter generation from gross load for purposes of determining Regional Access Charges for loads with behind-the-meter generation, or to propose tariff revisions. The Commission also stated that the CAISO may explain why the CAISO believes it remains just and reasonable for network customers that fall below a new megawatt materiality threshold for the amount of load at a particular electrical location to net using behind-the-meter generation.[120]

The CAISO believes that its current transmission access charge structure is just and reasonable. Respectfully, the concerns underlying the Commission's findings in the PJM proceeding do not translate to the CAISO. The CAISO and PJM have very different forward capacity, resource adequacy, and transmission service constructs. Moreover, behind-the-meter generation is far more abundant in California, so the CAISO and California policymakers have considered this issue more extensively than other regions. For example, in 2020, the Commission approved the CAISO's proposal to amend its definition of Gross Load—the billing determinant for transmission access charges—to include load served by excess behind-the-meter production, *i.e.,* behind-the-meter energy that exceeds the onsite load. The CAISO amended this policy to ensure uniform settlement practices, and to ensure load-serving entities were allocated the correct costs of their use of the transmission system, which includes use by excess behind-the-meter generation. The CAISO did not propose to assess transmission access charges based on gross load figures that included load served onsite by its own behind-the-meter generation. Neither the CAISO nor stakeholders in 2020 believed such loads use the transmission grid in proportion to those load figures. To the contrary, a benefit of rooftop solar, onsite storage, and other behind-the-meter generation is to reduce the use of the grid and the generation delivered across it. The CAISO does not believe this rationale has

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119 Appendix A to the CAISO tariff defines Gross Load as "Demand (adjusted for distribution losses) of End-Use Customer Loads directly connected to the transmission facilities or directly connected to the Distribution System of a Utility Distribution Company or MSS Operator located in a PTO Service Territory, or End Use Customer Loads directly connected to the Distribution System or transmission facilities of an EDAM Transmission Service Provider in an EDAM Entity Balancing Authority Area. Gross Load includes Load served by Excess Behind the Meter Production. Excess Behind the Meter Production shall not be netted against End-Use Customer Load in determining Gross Load." The definition also provides a list of certain loads excluded, including "Load of an individual retail customer served by its own onsite Generating Unit or energy storage device, or as authorized by Section 218 of the California Public Utilities Code;" and "Onsite Load served by a qualifying small power production facility or qualifying cogeneration facility, as those terms are defined in the FERC's regulations implementing Section 201 of the Public Utility Regulatory Policies Act of 1978."

120 Order to Show Cause at P 102.

changed in light of large loads. Although a customer with behind-the-meter generation may still depend on transmission capacity and reliability services if its generation is unavailable, the CAISO and LSEs reflect those costs through the reliability services charges described above, and through stand-by service rates assessed by the LSEs. Assessing transmission access charges without reflecting behind-the-meter generation also could lessen the incentives to avoid using and building out the transmission grid in the first place.

Perhaps more critically, the CAISO's transmission access charges are fundamentally different from the PJM transmission charges that concerned the Commission. PJM calculates and assesses its transmission charges based on certain peak demand figures. A large load with behind-the-meter generation could mask all of its transmission usage simply by producing generation equal to its demand during that peak period. In contrast, the CAISO assesses its transmission access charges 24/7/365 to each utility based on its gross load, which consists of total end-user demand accounting for losses and excess behind-the-meter production. As such, the CAISO will allocate costs to each large load with behind-the-meter generation to the extent the large load uses the transmission system, as reflected by its metered load. In other words, any energy withdrawal by the large load will be reflected in the gross load. The LSE can then easily pass down the costs of that use in the retail bill, just as the millions of Western residents with rooftop solar or battery storage are billed today. Thus, the CAISO does not believe that changes to its tariff are needed to address concerns raised by the Commission in the Order.

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

In the Order, the Commission preliminarily found that the CAISO tariff may 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, suggesting that "firm use" is essentially the only type of transmission service available in the CAISO. The Commission encouraged new transmission services be made 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.[121] At the same time, the Commission stated, "In the alternative, CAISO may explain whether, given that CAISO does not offer the transmission services required by Order No. 888, 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

[121] *Id*. at P 104.

in the PJM Co-Location Order."[122] The Commission then explained that the 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," which are typical elements of interconnection service.[123]

The CAISO proposes to create a new flexible interconnection service option that will enable large loads and co-located loads to limit their energy withdrawals or injections until their network upgrades are placed into service. The CAISO believes this will provide large load developers with the option to interconnect to the transmission system quickly through enforceable physical and operational controls. The PTOs will define and implement this interconnection service offering, and the CAISO will ensure that any flexibility provides greater reliability to the system. The CAISO does not propose to create new "transmission services" or more responsibilities around eligible customers, which would require redesigning transmission and interconnection service entirely. The CAISO does not believe such a redesign is warranted, and the Commission expressly invites the CAISO to explain alternative service frameworks that may enable similar flexibility.[124]

The CAISO proposes to create a new "Flexible Interim Load Interconnection" (FILI) service that will enable faster interconnections while mitigating transmission constraints and will be implemented in close coordination with the PTOs.[125] The proposed FILI offering will enable large loads to interconnect flexibly and receive service up to a certain level based on grid conditions and constraints until network upgrades are complete, at which time the large load will switch over to receiving firm service. This will likely be a bespoke option for each large load based on its point of interconnection and the constraints it faces, and will be developed through a contractual agreement with the PTO. For example, some FILIs may require limited curtailability for a limited time because there are few, less probable contingencies. Others may require more because of transmission constraints that require network upgrades with longer timelines. The FILI option provides flexibility to the PTOs, CAISO, and

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122 *Id*. at P 103.

123 *Id*. Moreover, in real time, LSEs can schedule demand as needed, including for customers limiting their use of the transmission system. With the operational data and process described in Section III.A.4, the CAISO can accommodate flexible loads without creating new separate classes of transmission service. This will also enable the PTOs to provide bespoke interconnection configurations for large loads, saving ratepayers from the costs of network upgrades that conform to specific "transmission services." The CAISO believes this course of action is consistent with developers' desires to interconnect quickly and affordably.

124 *Id.* at P 101.

125 The CAISO clarifies that this interconnection service offering is not intended to address supply constraints, which the CAISO does not have at this time, as explained in the CAISO's 30-day informational report on resource sufficiency.

developers to customize solutions. For this reason, the CAISO declines to propose any kind of temporal or capacity cap on this interconnection service offering.

FILI may include a number of tools or measures identified by the PTO with the CAISO's concurrence. They could include, for example, Remedial Action Schemes (RAS), enforceable operating requirements, or managing to a preset schedule.[126] The PTO may request automated schemes, such as a RAS, for FILI that are limited by the transmission overload under N-1-1, with the CAISO and Reliability Coordinator (RC) concurrence; or the PTO will perform its own load curtailment for FILI that is limited by transmission overload under N-1-1 after the first N-1 contingency occurs.

Prior to the energization of the large load, the CAISO, PTO, and large load or its authorized agent will negotiate and execute an agreement describing the circumstances in which the large load receiving FILI may be temporarily curtailed and the mechanism used to perform the curtailment. The CAISO will work closely with the PTO and large load developer to ensure the compliance obligations for each party adhere to all operating limits and promote reliability. At a minimum, the agreement will specify:

a) The circumstances, contingencies, or operating conditions in which the large load would be curtailed
b) The mechanism used to perform the curtailment
c) The entity responsible for performing the curtailment
d) The notification method, response time, duration, restoration, testing, and verification requirements
e) The interim operating limits both in and out of curtailable events, and
f) The network upgrades or interconnection facilities required to conclude the curtailability requirements.

The CAISO will post these agreements on the CAISO website. The CAISO base case, full network model, and operating procedures will account for such large loads as applicable. This will ensure transparency over FILI arrangements, enabling developers and market participants to understand the offering and any potential impact. Before energization of large loads, the CAISO will work with the large load developers and PTOs to test any FILI tools for safety and reliability, just as the CAISO and PTOs do the same for generator interconnections today.

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[126] The CAISO and PTOs have had success with preset schedules with energy storage resources that elect to forgo upgrades and thus may not charge during peak conditions (*e.g.,* summer afternoons).

The CAISO's proposed FILI framework fulfills the Commission's central objective of making meaningful service options available to large loads whose willingness and ability to limit withdrawals permit earlier, reliable access to the transmission system, without importing three distinct transmission service products into the CAISO's unique market structure. The Order expressly allows the CAISO to explain how changes within its existing framework can provide comparable flexibility, rather than requiring it to replicate the service classifications contemplated for PJM. FILI translates that flexibility into enforceable interconnection terms: a large load may energize before completion of required network upgrades, but only within operating limits supported by system conditions and subject to specified curtailment triggers, control mechanisms, response times, and verification requirements. Agreements executed before energization identify those obligations and the facilities necessary to conclude interim service, while incorporation into the CAISO's models and operating procedures makes the customer's flexibility operationally usable rather than merely aspirational. Public posting of those agreements also provides transparency into the conditions governing access. Although FILI is an interim arrangement rather than a substitute for every feature of the three contemplated services, it addresses the immediate barrier posed by transmission construction timelines while preserving reliability and applicable cost-responsibility requirements. The relevant distinction is therefore not the number or label of service offerings, but whether the framework enables customers to obtain earlier service commensurate with their actual, enforceable use of the grid—the result FILI is designed to achieve.

As described in Section III.F, below, the CAISO plans to develop a permanent version of FILI in 2027. This would allow large loads to forgo some identified network upgrades altogether if the large loads were curtailable. The CAISO recognizes that permanent load flexibility can have significant value even in a system with adequate aggregate generating capacity. Although the CAISO believes its tariff is just and reasonable without a permanent option at this time, the CAISO is committed to exploring the permanent option. The prioritization of FILI is consistent with stakeholders' comments, especially from the large load development community.

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

The Commission preliminarily found in the Order that the CAISO 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 the Order, that has a high peak load (i.e., large co-located loads that are 50 MW or

greater).[127] The Commission defined an "electrically proximate large load" as a large load "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 from the generating facility)."[128]

The CAISO has committed to examining electrically proximate co-location in an upcoming stakeholder initiative to determine whether it may have future value for the CAISO and developers. Stakeholders, especially data center developers, agreed during the CAISO's stakeholder process in response to the Order that electrically proximate co-location is not a near-term priority. The CAISO thus believes its tariff is just and reasonable at this time without provisions allowing an interconnection customer to "co-locate" or otherwise be studied with an electrically proximate large load.

The Commission's contemplated treatment of electrically proximate generation and large load addresses a potential benefit of studying their combined transmission-system effects, but the need for a separate service pathway must be evaluated against the CAISO's existing framework. Unlike an Eastern framework that conditions a large load's energization on the development of corresponding generation, the CAISO does not require a large load customer to bring its own generation or pair its interconnection request with a particular generating facility. Supply adequacy remains the responsibility of the LSE under applicable resource adequacy and regulatory requirements, while the load's ability to interconnect depends on the applicable studies, available transmission capability, necessary facilities, and operating requirements. Accordingly, to the extent an electrically proximate pathway is intended to enable a customer to satisfy a generation-matching condition or obtain an exception from such a condition, it solves a problem the CAISO's framework does not impose. The CAISO's near-term reforms instead target the barriers its customers actually face, including transmission construction timelines, coordinated studies, and enforceable operating limits that can permit earlier energization.

That distinction does not mean electrically proximate generation and load can never produce transmission benefits. The Order's premise—that sufficiently close generation and load may have combined effects resembling a co-located arrangement—presents a legitimate study question. It does not, however, establish that electrical proximity alone eliminates the need to evaluate intervening facilities, the consequences of a generator outage or a change in load, or the obligations necessary to make any assumed offset dependable. Nor

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127 Order to Show Cause at P 113.

128 *Id*. at P 112.

does the absence of a customer-specific generation requirement, standing alone, resolve the Commission's concern about recognizing combined system impacts. The CAISO therefore distinguishes between considering those impacts and creating an immediate, separate interconnection pathway for paired projects. Its proposed sequencing allows the CAISO and stakeholders to address the additional study and operating questions associated with electrically proximate arrangements without delaying reforms applicable to stand-alone loads and co-located configurations.

The stakeholder process supports that sequencing rather than a categorical rejection of electrically proximate arrangements. As the CAISO explained in its October 22, 2026 Board memorandum, stakeholder feedback led it to prioritize the more common stand-alone and co-located load and generator interconnections in this proposal and filing, with electrically proximate arrangements to follow once the co-location process is underway. The appropriate conclusion is therefore not that stakeholders oppose innovation or that developers could derive no benefit from a future pathway, but that the CAISO identified more immediate priorities for this filing. Preserving electrically proximate arrangements for subsequent policy development permits further consideration of their potential benefits and necessary safeguards while advancing the interconnection, reliability, customer-protection, and flexible interim service reforms that can be implemented now.

F. Future Issues

The CAISO remains committed to working with stakeholders, PTOs, and State energy agencies, to support the reliable integration of large loads. Building on the reforms in this initiative, the CAISO has identified several areas for continued stakeholder engagement, including operational and technical requirements, market participation, flexible interconnection, electrically proximate loads, cost allocation, and implementation of recent State legislation.

First, the CAISO will continue coordinating with California's principal energy agencies, the CPUC and CEC, as well as local regulatory authorities and other stakeholders, to address statutory requirements arising from recently enacted large load legislation.[129] As the large load landscape continues to evolve, the CAISO recognizes the need to review existing processes and develop additional tools to support reliable integration. This includes exploring a risk-mitigation framework under which local regulatory authorities, load-serving entities, utility distribution companies, metered subsystems, the PTOs, and the CAISO could curtail large loads under tight grid conditions before a reliability event. [130] The CAISO expects to explore this framework through a stakeholder

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129 *See* Large Load Enhancements Draft Final Proposal at pg. 8, included as Attachment C.

130 Id.

process beginning in early 2027.[131] Unlike other markets that have developed curtailment *requirements* the Commission has rejected as improper conditions of retail service,[132] the CAISO currently plans to develop curtailment *tools* the LSE and local regulatory authority can use pursuant to their jurisdiction.

Second, the CAISO is committed to continuing to work with NERC and WECC on new reliability requirements for computational loads and other large loads. The CAISO and PTOs will ensure that their tariffs do not conflict or unduly overlap with similar reliability standards. All parties must work to ensure compliance maintains reliability without being unduly burdensome. This work will complement the CAISO's ongoing engagement with the PTOs and the LLTRWG.

Third, the CAISO will continue engaging stakeholders on opportunities for large load market participation, including participation through demand response, price responsive load, and other market mechanisms. This work will continue in the CAISO's ongoing Demand and Distributed Energy Market Integration (DDEMI) initiative throughout 2027, including EWG efforts on coordination framework.[133] Similarly, while the CAISO is committed to respecting FERC's jurisdictional considerations, the CAISO understands that distribution-connected and non-PTO connected loads can impact the transmission system. Although the CAISO already considers transmission network upgrades driven by these loads through the transmission planning process, the CAISO may consider through DDEMI whether additional measures are appropriate when these loads affect the transmission system. As additional large loads, including loads co-located with generation, interconnect to the system, additional resource adequacy or reliability issues may also emerge. Any necessary modifications to resource adequacy requirements would be considered through future resource adequacy policy initiatives at the CAISO and in coordination with local regulatory authorities.[134]

Fourth, the CAISO will further explore flexible load interconnection – permanent (FLIP) through a stakeholder initiative that is expected to commence in 2027.[135] If developed and implemented, FLIP would enable large loads to

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131 *See* 2027-2029 ISO Draft Infrastructure Policy Roadmap at https://stakeholdercenter.caiso.com/InitiativeDocuments/2027-2029-ISO-Draft-Infrastructure-Policy-Roadmap-Oct-8%202026.xlsx.

132 *PJM Interconnection*, 197 FERC ¶ 61,019 at P 77 *et seq.* (2026).

133 *See* 2027-2029 California ISO Market Policy Initiatives Roadmap at https://stakeholdercenter.caiso.com/InitiativeDocuments/2027-2029-ISO-Draft-Market-Policy-Roadmap-Sep-24-2026.xlsx.

134 *See* Large Load Enhancements Draft Final Proposal at pp.54-55.

135 *See* 2027-2029 ISO Draft Infrastructure Policy Roadmap at https://stakeholdercenter.caiso.com/InitiativeDocuments/2027-2029-ISO-Draft-Infrastructure-Policy-Roadmap-Oct-8%202026.xlsx.

interconnect and avoid the need to fund completion of transmission network upgrades that would be required for firm load service by accepting terms of flexible interconnection service in perpetuity. As explained above, large load developers and stakeholders broadly desired the CAISO to prioritize FILI, and develop FLIP in 2027.

Finally, stakeholders also stressed the need for the CAISO to prioritize the more common stand-alone and co-located load and generator interconnections in the near-term; however, the CAISO is committed to exploring provisions for interconnection customers to serve electrically proximate loads in a future stakeholder initiative. The CAISO has included a stakeholder initiative to address these items on its draft Infrastructure Policy Roadmap and expects to begin policy development in early 2027.[136]

These commitments should further demonstrate to the Commission that the CAISO will continue to innovate interconnection and market efficiencies for large loads without the need for a Section 206 proceeding.

IV. Briefing Questions

The CAISO responds to the Order's briefing questions as follows:

P 123:[137] 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.

The CAISO and PTOs have designed their tariff revisions to apply to future large load interconnection requests, thus protecting existing commercial arrangements. The CAISO and PTOs have not proposed imposing any of the new large load requirements on operational loads or loads that completed interconnection requests before the proposed effective date of these tariff revisions. As such, the CAISO and PTOs can implement their tariff revisions

136 *Id.*

137 "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." Order to Show Cause at P 123.

expeditiously without disrupting existing commercial arrangements. Future large load developers will have sufficient notice of these new rules while operational and in-flight loads can proceed without disruption.

P 124:[138] *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?*

The CAISO and PTOs do not believe that flexible large loads will create significant new challenges for regional and local transmission planning for two reasons. First, flexibility is a tool, not a hindrance: flexible loads create more opportunities for lower-cost, bespoke planning solutions. For FILI specifically, the service is interim and tied to identified network upgrades, and the CAISO will reflect FILI loads and applicable operating limits in its models and operating procedures." Second, the CAISO and local regulators are accustomed to planning for flexible, non-traditional loads, including batteries, electric vehicle charging stations, and homes with behind-the-meter solar and storage systems. Flexible large loads will join this mélange, but as a contribution rather than a challenge. The CAISO and PTO planning departments are also highly accustomed to planning the grid around flexible resources, namely generating facilities. This is especially true in the CAISO, where over 17,000 MW of energy storage resources have interconnected in the past few years.

P 125:[139] *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.*

The CAISO responds to this issue in Section III.B, above.

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138 "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." Order to Show Cause at P 124.

139 "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." Order to Show Cause at P 125.

P 126:[140] *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 [for ATTs], we seek further briefing.*

The CAISO's stakeholder process supported the CAISO's proposed tariff revisions memorializing its consideration of ATTs in transmission planning and interconnection procedures. The CAISO has a long, proven track record of considering ATTs and non-transmission solutions, as discussed in Section III.A.3, above.

P 127:[141] *(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?*

The CAISO has not proposed excluding any loads or co-located resources from using any participation model or providing any service for which they can meet the existing tariff requirements. Loads large and small and co-located generators already participate in the CAISO markets today and provide every service, including capacity and ancillary services. Here again, the CAISO has a proven track record of innovation to enable non-conventional resources to access the CAISO markets.

P 127: (b) To the extent that CAISO plans for the electrically proximate large load or large co-located load associated with an interconnection customer's

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140 "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." Order to Show Cause at P 126.

141 "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." Order to Show Cause at P 127.

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?

Nothing in the current CAISO tariff or the CAISO's proposed tariff revisions would make co-located generating facilities ineligible to provide resource adequacy, nor affect their qualifying capacity. So long as the generating facility continues to meet all portfolio, capacity, and must-offer obligations, and respond to all CAISO dispatches, the CAISO does not have cause to remove or reduce their resource adequacy value.

As the CAISO explained in its 30-day informational report and in Section II.B.1, the CAISO does not administer a centralized forward capacity market. The CPUC, in consultation with the CAISO, establishes resource adequacy requirements for CPUC jurisdictional load serving entities. CPUC-jurisdictional load serving entities represent the vast majority of the load in the CAISO's service territory. Other local regulatory authorities within California, like municipal utilities, establish these requirements for load serving entities under their authority. The CAISO only sets default resource adequacy requirements if a local regulatory authority elects not to establish their own. Moreover, the CPUC establishes resource accreditation methodologies and counting rules used to determine the qualifying capacity of resource types participating in the resource adequacy program. As such, the CPUC and local regulatory authorities will evaluate whether co-located or other loads affect generating facilities' ability to provide resource adequacy capacity.

V. Order to Show Cause

The Commission should conclude the Order to Show Cause proceeding. Only a small minority of comments in the Commission's ANOPR proceeding referenced the CAISO and the West, and fewer, if any, argued that the *status quo* was unjust and unreasonable. As the CAISO describes above, a significant portion of the Commission's findings in the Order to Show Cause are based on issues specific to other markets. Although no one in the West would argue that the work is done, the CAISO and PTO filings demonstrate they will continue to proactively evolve to meet the demands of large loads. The CAISO and stakeholders are committed to the principles the Commission established in the Order, and will continue to bring frequent, rapid enhancements to the Commission for approval without the need for a Section 206 proceeding.

VI. Effective Date, Comment Period, Request for Waiver

With the exception of the two sections described below, the CAISO requests that the Commission accept the tariff revisions contained in this filing effective February 16, 2027 (*i.e.*, 92 days after the date of this filing).[142] Although the CAISO is ready to implement its tariff revisions as soon as approved, the CAISO is proposing a 92-day notice period to recognize that comments and Commission review are largely occurring over the holiday season. Similarly, the CAISO requests the Commission establish a 30-day deadline for comments on the CAISO's filing so stakeholders have additional time for the Thanksgiving holiday.

The CAISO requests that the Commission accept the tariff revisions in Sections 25.7.3 and 25.7.3.1 (scheduling coordinator requirements) effective November 1, 2027, and the tariff revisions in Section 11.36 (settlements) effective April 30, 2028. The CAISO respectfully requests waiver of the Commission's 120-day notice requirement to permit the requested November 1, 2027 effective date.[143] Good cause exists to grant the requested waiver. The tariff revisions will require software development, simulation, and scheduling coordinator training. The CAISO's proposed effective dates align with their annual software releases for scheduling coordinator software in the Fall and settlements software in the Spring. Importantly, the effective dates for these technology changes should have little or no negative impact because the CAISO software will be available before the new large loads subject to those requirements will finish studies and construction.

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142 February 14, 2027 is a weekend, and February 15, 2027 is a federal holiday, hence 92. The CAISO may have other proceedings revising some of the sections in the instant filing. If necessary, the CAISO will reconcile any overlapping revisions after Commission review.

143 Specifically, pursuant to section 35.11 of the Commission's regulations, 18 C.F.R. § 35.11, the CAISO respectfully requests waiver of the notice requirement in section 35.3(a)(1) of the Commission's regulations, 18 C.F.R. § 35.3(a)(1), to allow the tariff revisions to go into effect more than 120 days after submittal of this filing.

VII. Communications

Pursuant to Rule 203(b)(3) of the Commission's Rules of Practice and Procedure,[144] the CAISO requests that all correspondence, pleadings, and other communications regarding this filing should be directed to the following:

William H. Weaver
Assistant General Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 608-1225
Fax: (916) 608-7296
bweaver@caiso.com

VIII. Service

The CAISO has served copies of this filing on the CPUC, the CEC, and all parties with scheduling coordinator agreements under the CAISO tariff. In addition, the CAISO has posted a copy of the filing on the CAISO website.

IX. Contents of Filing

In addition to this transmittal letter, this filing includes the following attachments:

Attachment A	Clean CAISO tariff sheets incorporating this tariff amendment
Attachment B	Red-lined document showing the revisions in this tariff amendment
Attachment C	Final Proposal
Attachment D	Technical Working Group Proposal
Attachment E	Board Memorandum

144 18 C.F.R. § 385.203(b)(3).

X. Conclusion

For the reasons set forth above, the CAISO respectfully requests that the Commission accept the CAISO's proposed tariff revisions and conclude the Order to Show Cause proceeding.

Respectfully submitted,

/s/ William H. Weaver
Roger E. Collanton
General Counsel
William H. Weaver
Assistant General Counsel
California Independent System
Operator Corporation

Counsel for the California Independent System Operator Corporation