



## FERC Issues Landmark Show Cause Orders on Large Load Interconnection

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Today, the Federal Energy Regulatory Commission (FERC) issued tailored show cause orders under section 206 of the Federal Power Act to PJM Interconnection, L.L.C. (PJM), Midcontinent Independent System Operator Inc. (MISO), Southwest Power Pool Inc. (SPP), California Independent System Operator (CAISO), ISO New England Inc. (ISO-NE) and New York Independent System Operator (NYISO), together with their transmission owners, directing each region to justify or reform the tariff provisions governing how data centers and other large loads connect to and receive service from the transmission grid. The orders are part of FERC's broader response to rapidly increasing electricity demand, particularly from data centers and other large loads, and advance the objectives of the Secretary of Energy's [October 2025 Advance Notice of Proposed Rulemaking \(ANOPR\)](#) by seeking to accelerate "speed to power" while preserving grid reliability, affordability and consumer protections.

The Commission preliminarily finds that the existing tariffs in FERC-jurisdictional Regional Transmission Operator (RTO)/Independent System Operator (ISO) regions may be unjust and unreasonable because they do not contain clear and consistent provisions tailored to the integration of large loads and co-located loads. FERC emphasized that these customers present issues that existing tariff structures may not adequately address, including the timing and sequencing of transmission service studies, potential network upgrade costs, co-location with generation, behind-the-meter configurations, flexible load operations and cost-shifting concerns.

FERC directs each RTO/ISO and its transmission owners to make a filing within 60 days that either (i) explains why their current tariff remains just and reasonable without additional large-load-specific provisions or (ii) proposes tariff revisions to address the issues identified by the

Commission. FERC identified five categories of reform that will need to be addressed in each response:

- First, the Commission seeks more efficient transmission service application and study processes, including consideration of alternative transmission technologies that could reduce the need for upgrades, accelerate service or better use existing transmission capability.
- Second, FERC directs the regions to address cost-shifting concerns and provide greater transparency into transmission costs, including how costs associated with serving large loads are identified, allocated and communicated.
- Third, the orders require attention to co-location arrangements and behind-the-meter generation, including situations where a large load is located near or paired with generation and may not fit neatly within traditional transmission service models.
- Fourth, FERC seeks consideration of new transmission services for flexible large loads, recognizing that some large customers may be capable of curtailing, shaping or otherwise managing demand in ways that could support reliable grid operations.
- Fifth, the orders call for establishing processes to study generating facilities that serve electrically proximate large loads and large co-located loads, so that the grid impacts of those arrangements can be evaluated in a transparent and reliable manner.

The orders do not impose a single national tariff or interconnection rule. Instead, FERC emphasized regional flexibility and acknowledged that the six RTOs/ISOs differ in market design, geography, stakeholder processes, planning responsibilities, existing transmission service models and current progress on large-load reforms. For example, SPP already has developed High Impact Large Load and related generation assessment processes to study large-load additions and electrically proximate generation.<sup>1</sup> PJM's co-location issues are being addressed in a separate proceeding,<sup>2</sup> while CAISO's market differs because it does not offer physical transmission services. The orders leave flexibility for each region to define large loads and develop operational requirements suited to its own system.

FERC also made clear that the orders are not intended to intrude on state authority. The Commission framed its action as focused on Commission-jurisdictional transmission service and transmission cost shifting, while leaving retail customer protections to state regulators. FERC also stated that the orders are not intended to disrupt existing large-load agreements or agreements nearing completion, and that RTOs/ISOs should provide a reasonable transition period for such arrangements when they file tariff revisions.

In addition to establishing the 60-day tariff response deadline, FERC is requiring RTOs/ISOs and transmission owners to submit informational reports within 30 days explaining how each region intends to ensure adequate generation will be available to serve existing and new large loads. The informational reports must identify relevant stakeholder proposals, provide milestone schedules for stakeholder or board action, estimate when any proposals may be filed with FERC and describe ongoing efforts to accelerate the addition of generation capacity.

RTOs/ISOs and transmission owners may seek abeyance within 45 days, and interested parties may respond to the regional filings within 30 days. FERC also left the Secretary of Energy's ANOPR docket open for potential further action and encouraged utilities outside RTO/ISO regions to consider making section 205 filings addressing similar large-load issues.

Copies of the [presentation](#) provided by staff and a one-page [fact sheet](#) released by FERC are available online. The show cause order issued to MISO is also available [here](#).<sup>3</sup> The remaining orders are pending release by the Commission.

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<sup>1</sup> Southwest Power Pool, Inc., Tariff Revisions to Add the High Impact Large Load Processes and High Impact Large Load Generation Assessment (filed Oct. 24, 2025); *see also* *Southwest Power Pool, Inc.*, 194 FERC ¶ 61,031 (2026) (order accepting tariff revisions subject to condition).

<sup>2</sup> *PJM Interconnection L.L.C., et al.*, 190 FERC ¶ 61,115 (order directing PJM to show cause as to why its tariff is just and reasonable or to propose tariff revisions as to the rates, terms, and conditions of service that apply to co-location arrangements); 193 FERC ¶ 61,217, *order on reh'g*, 195 FERC ¶ 61,209 (2026) (PJM Co-Location Orders).

<sup>3</sup> *Midcontinent Independent System Operator, Inc., et al.*, 195 FERC ¶ 61,212 (2026).

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