



## FERC Launches Section 206 Proceeding Into CAISO's Treatment of Large Loads

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On June 18, 2026, the Federal Energy Regulatory Commission (FERC or the Commission) issued an order to the California Independent System Operator Corporation (CAISO) directing CAISO and CAISO transmission owners to show cause as to why CAISO's tariff should not be found to be unjust and unreasonable (*California Indep. Sys. Operator Corp.*, 195 FERC ¶ 61,214 (2026) (the Order)) because it fails to sufficiently:

- Address the interconnection process, study procedures and ongoing operational requirements that apply to large load customers.
- Provide transparency concerning network upgrade costs to provide transmission service to large load customers and include a *pro forma* cost recovery agreement between CAISO, the relevant transmission owner, and the large load customer to mitigate the risk of cost shifting.
- Set forth the rates, terms and conditions of service that apply to co-location arrangements.
- Include transmission services that reflect use of the grid by customers taking transmission service on behalf of co-located loads, load with behind the meter generation and flexible large loads that are willing and able to limit their use of the transmission system under certain conditions.
- Set forth the rates, terms and conditions of service applicable to interconnection customers serving electrically proximate large load or co-located load.

CAISO and its transmission owners are required to submit a response within 60 days (or by [August 17, 2026](#)) justifying the existing tariff language or proposing tariff revisions to remedy the Commission's concerns. Order at P 31. The Order also directs CAISO to file an

informational report within 30 days addressing “how CAISO intends to ensure that adequate generation will be available to serve existing and new large loads.” *Id.* at P 32. Interested entities can respond to the filings made by CAISO and the transmission owners within 30 days of those filings, addressing the same concerns. *Id.* at P 33. The Commission will also allow CAISO and the transmission owners to seek limited abeyance of up to 90 days to allow them time to work through the stakeholder process to develop a filing under Section 205 of the Federal Power Act (FPA) to respond to the issues raised in the Order. *Id.* at P 35.

## Differences Between CAISO and Other RTO/ISO Markets

FERC recognizes that CAISO’s market structure is unique among the other regional transmission organizations (RTOs) and independent system operators (ISOs) that Commission oversees. Key differences that the Order highlights include:

- CAISO does not offer traditional network and point-to-point transmission services, firm long-term transmission reservations of capacity and does not administer a formal application process for transmission service. CAISO’s model instead is a single daily transmission service that is available to all customers (including large load customers) on a day-to-day basis based on the economic bids and schedules submitted by scheduling coordinators.
- Processes for studying load additions within CAISO are not set forth in CAISO’s tariff. Unlike in other markets, CAISO’s transmission owners take the lead role in managing load interconnection and use their own study and interconnection requirements to administer the process. CAISO’s primary role with respect to load additions is to account for state-projected additions of load in its annual transmission planning process *Id.* at P 21.
- CAISO relies on an annual transmission planning process, which is highly integrated with state processes and forecasts administered by the California Energy Commission and the California Public Utilities Commission, rather than on individual transmission service studies associated with specific large-load requests. *Id.* at PP 22-24.

While the Order acknowledges these distinctions, makes certain allowances for the nuances of the CAISO market framework and recognizes that appropriate tariff revisions to address the Commission’s concerns may differ from solutions implemented in other markets, it nevertheless identifies (and directs CAISO to address) substantially similar issues regarding the

treatment of large load detailed in the show cause orders concurrently issued to the other RTOs/ISOs.

The following sections provide a more detailed overview of the Commission's discussion.

## **Transmission Service for Large Load Customers**

The Order preliminarily finds that the CAISO and transmission owner tariffs appear to be unjust and unreasonable because they lack provisions addressing how CAISO and the transmission owners will timely study and provide new, modified, or additional jurisdictional transmission service to large loads. FERC specifies that "timely" study should occur within 60-90 days. *Id.* at P 38. FERC acknowledges that, within CAISO, the wholesale load interconnection study process is conducted by transmission owners, while CAISO is responsible for access to and the provision of transmission service. *Id.* at P 39. The Order first addresses jurisdictional concerns for the Commission as to transmission service for large loads and then turns to concerns with CAISO's tariff.

While the Order recognizes that efforts at the state level to address large loads are encouraging, certain aspects of the process for integrating large loads onto the transmission system fall squarely within the Commission's exclusive jurisdiction. *Id.* at PP 42-43. The Order finds that "it is within the Commission's exclusive authority to ensure that transmission provider and/or transmission owner tariffs include sufficiently clear and consistent provisions governing how transmission service to Eligible Customers on behalf of large loads interconnecting to the transmission system will be studied, including whether new or upgraded transmission facilities are necessary to provide the requested transmission service." *Id.* at P 43. The Commission explains that it is exercising its jurisdiction here to "ensure that the process by which jurisdictional transmission providers and/or transmission owners will study the provision of jurisdictional transmission service to Eligible Customers on behalf of large loads interconnecting to the transmission system ... is just and reasonable and not unduly discriminatory or preferential." *Id.* at P 47. But the Order declines to "comprehensively address the Commission's jurisdiction over other aspects of the addition of large loads to the transmission system at this time." *Id.*

While the Order recognizes that CAISO and its transmission owners have existing load integration processes, it finds those processes "are not described in their tariffs with the degree of clarity and specificity necessary to ensure that the transmission provider can mitigate operational risks of providing transmission service to Eligible Customers on behalf of

large loads, given their impact on the transmission system, avoid disputes regarding how studies are conducted, deter speculative or duplicative requests for transmission service by Eligible Customers on behalf of large loads, and help avoid excessive and unnecessary network upgrades.” *Id.* at P 49.

The Order identifies four areas where it believes that the existing tariff provisions fall short: (1) the lack of a definition of large load that is sufficient to capture the unique challenges provided by such customers; (2) the absence of sufficiently clear and consistent tariff provisions establishing the application and study procedures for the provision of large loads, including readiness requirements; (3) insufficiently stated ongoing operational requirements for transmission customers serving large loads necessary to ensure reliable operation of the transmission system; and (4) the lack of *pro forma* provisions in transmission service agreements to memorialize these terms. *Id.* at P 57.

### **1. Definition of Large Load**

The Order finds that the CAISO and TO tariffs are unjust and unreasonable because they lack a definition of “large load” as a new category of load. The Commission acknowledges that the definition of large load, including a load size and voltage threshold, should be based on the characteristics of CAISO’s transmission system, but states that it would be reasonable to define large load as “a new, commercial or industrial customer, located at a single site behind one or more points of interconnection, and that has a peak load of 50 MW or greater, interconnects to the transmission system at a voltage level of greater than 69 kV, and is not part of a co-location arrangement.” *Id.* at P 57. However, it provides that CAISO and the participating transmission owners may propose tariff revisions establishing a different definition of large load. *Id.*

### **2. Application Process and Study Procedures for Evaluation of Transmission Service to Eligible Customers**

The Order finds that the CAISO and CAISO TO tariffs currently lack a sufficiently clear application and study process for transmission service to large load. The Order requires CAISO to explain whether its tariff is just and reasonable despite lacking the following provisions:

- An application process that accepts Eligible Customers’ applications for transmission service on behalf of large loads on a rolling basis.

- A non-refundable application fee and sufficient readiness requirements that escalate at distinct phases of the study process to deter duplicative or speculative requests for transmission service (e.g., meaningful milestones and/or financial commitments).
- Information and data requirements that Eligible Customers must submit to CAISO and/or the CAISO transmission owners regarding the characteristics of the large load on behalf of which the Eligible Customer is taking transmission service, including disclosure to CAISO of any substantially similar pending transmission service requests on behalf of the same large load customer.

*Id.* at P 58. The Commission also states that the tariff does not clearly and consistently require CAISO or its transmission owners to conduct studies that evaluate the transmission system's ability to withstand risks observed from large loads and consider the unique operational characteristics of large loads that are willing to limit their energy withdrawals under certain system conditions. *Id.* at P 59.

The Order finds that CAISO's tariff does not sufficiently address how CAISO and the TOs will study the potential use of alternative transmission technologies to accommodate large load transmission requests. *Id.* at P 60. FERC explains that such technologies can add more capacity on existing transmission lines faster and more cost-effectively than traditional network upgrades and may mitigate the rate impact on other transmission customers who would otherwise be responsible for a portion of network upgrade costs. *Id.* Specifically, the Commission notes that the CAISO tariff lacks clear provisions requiring the evaluation of alternative transmission technologies as potential solutions to accommodate a large load customer's request for transmission service and, when traditional network upgrades are assigned, an explanation in a customer's study report of why the use of alternative transmission technologies is not feasible.

Finally, the Commission finds that the study processes contemplated in the Order should culminate in a study identifying any direct assignment facilities and network upgrades an Eligible Customer is responsible for and take "no more than 60-90 calendar days to complete." *Id.* at P 62.

### **3. Ongoing Operational Requirements**

The Order finds that the CAISO and transmission owner tariffs appear to be unjust and unreasonable because it does not include provisions to mitigate operational risks associated with large load, including provisions that require transmission customers to provide CAISO

hourly forecasts, telemetry data and other data to provide CAISO with sufficient visibility into the operation of large loads. *Id.* at P 63. The Commission also expresses concern that the tariffs do not require transmission owners to install—at the expense of the relevant transmission customer—equipment to mitigate the risks of large loads, including equipment that allows CAISO to monitor large loads for impacts of fast-ramping large loads that may not be capable of being captured by conventional data acquisition systems or equipment that allows CAISO to disconnect large loads when necessary to maintain reliability. *Id.* The Commission further expresses concern that the tariff does not specify ramp rate or ride-through requirements that transmission customers taking service on behalf of large loads must comply with or specify control technologies and protection systems required to limit a customer’s withdrawal from the transmission system as appropriate. *Id.*

#### **4. Pro Forma TSA Provisions**

FERC also directs CAISO and its transmission owners to amend the *pro forma* provisions in transmission service agreements (TSA) among CAISO, the applicable transmission owner, and large load transmission customers to memorialize ongoing operational requirements, explaining that this is an important step to ensure that such requirements are enforceable. *Id.* at P 64.

### **Cost Shifting Issues**

The Order finds that the CAISO tariff lacks adequate mechanisms to mitigate the risk of cost shifting among transmission customers with respect to the integration of large load. Specifically, the Commission finds that (i) additional transparency about the assignment of network upgrade costs associated with providing transmission service to large loads is needed and (ii) CAISO should require large load customers to execute a cost recovery agreement requiring them to bear the risk and cost responsibility for the network upgrades required to serve them. *Id.* at P 65.

#### **1. Cost Data Transparency**

To promote transparency regarding the network upgrades necessary to accommodate large load, FERC directs CAISO to make available “robust, accurate, systematic, and searchable” data regarding the cost of network upgrades required to provide transmission service to large load customers on a single location on its website. Publicly available data would include (1) the aggregate amounts of proposed large load additions in the CAISO footprint, (2) the planned

network upgrades needed to provide service to large load customers, identified by type of equipment and network upgrade for each transmission service request and (3) cost estimates for the network upgrades. *Id.* at P 75. FERC explains that centralized information concerning network upgrades required to serve large loads will also help inform stakeholders at the state and local level to address affordability and other challenges posed by the integration of large loads. *Id.* at P 74.

## 2. Cost Recovery Agreements

FERC finds that CAISO's tariff does not adequately mitigate the risk of cost shifting among transmission customers, which may result in unjust and unreasonable transmission service rates. Specifically, FERC states that additional measures are needed to protect other wholesale transmission customers from "stranded" transmission costs resulting from network upgrades constructed for large load projects that either do not ultimately materialize or that operate at a lower demand than anticipated. FERC expresses concern that the CAISO tariff does not require cost recovery agreements among CAISO, the relevant transmission owner and the large load customer that require the customer to cover the costs incurred to provide the requested transmission service, including the costs of any needed network upgrades. *Id.* at P 79.

To address this issue, FERC directs CAISO to establish a *pro forma* cost recovery agreement between CAISO, the relevant transmission owner, and the large load customer that ensures that the large load customers bear the risk and responsibility for all costs (including network upgrade costs) incurred to provide transmission service. *Id.* at P 80.

- FERC preliminarily finds that the minimum contribution required should be based on the level of FERC-jurisdictional transmission service, in megawatts (MW), requested by the large load customer, although it acknowledges that there may be other just and reasonable methods for determining the minimum contribution, including methods that account for potential timing differences between when costs are incurred to develop network upgrades and the pace at which the large load energizes at its full level of requested service. *Id.* at P 82.
- FERC states that a credit support or other financial security requirement sufficient to secure the customer's obligations under the cost recovery agreement is necessary, but notes that security posted by the customer as part of a retail agreement may be included to avoid creating duplicative credit support obligations. *Id.*

# Treatment Of Co-Location Arrangements And Load With Behind The Meter Generation

## 1. Rates, Terms and Conditions Applying to Co-Location Arrangements

The Order finds that CAISO's tariff does not contain sufficiently clear and consistent provisions addressing the rates, terms, and conditions that apply to co-location arrangements and transmission services available to large load customers that are willing and able to limit energy withdrawals from the grid under certain conditions. *Id.* at P 93. FERC is particularly concerned that the absence of provisions that clearly explain the responsibilities associated with co-location arrangements may lead to the development of unjust and unreasonable arrangements that adversely affect other customers. For example, FERC explains that the failure of the tariff to clearly address transmission and ancillary service rates for large load customers creates the potential that such customers may not pay for wholesale transmission services that they receive, violating the cost causation principle. *Id.* at PP 94-96.

FERC thus directs CAISO to propose tariff revisions establishing the rates, terms, and conditions that apply to co-location arrangements. The issues requiring clarification or modification include:

- How interconnection customers serving co-located load may use generator interconnection processes in CAISO's tariff to facilitate their co-location arrangements.
- For interconnection customers serving co-located load, designation of the specific Eligible Customer taking transmission service on behalf of the co-located load under the tariff for purposes of assessing charges, including the appropriate charges for wholesale services that should apply to such Eligible Customers.
- Providing additional information about the existing rules and studies applicable to co-location arrangements to ensure clarity for how interconnection customers may seek to serve co-located load.
- Ensuring that Eligible Customers serving co-located load pay for the use of regulation and black start services on a gross demand basis. The Order notes that the Commission has found that co-located loads benefit from certain ancillary services, such as black start and regulation service, regardless of whether they withdraw energy from the grid. The Commission expresses concern that the CAISO tariff does not appear to include a mechanism by which an Eligible Customer taking ancillary services

on behalf of a large load would be charged commensurate with the use of these services, particularly if the large load did not withdraw energy from the grid.

*Id.* at PP 94-99.

## **2. New Flexible Transmission Service for Co-Located Load**

FERC preliminarily finds that CAISO's tariff is unjust and unreasonable because it fails to offer transmission service options tailored to "flexible" large loads—i.e., loads that are not co-located with generation, but that are willing and able to limit their energy withdrawals under certain conditions. *Id.* at P 100.

Based on the record developed in the Advanced Notice of Proposed Rulemaking (ANOPR) on large load interconnections, the Commission concludes that CAISO's tariff lacks transmission services that would allow flexible large loads to take transmission services that align with their use of the transmission system. *Id.* FERC emphasizes that allowing Eligible Customers serving such loads to select transmission services aligned with actual usage would better match costs to benefits, could reduce inefficient or premature network upgrades, and facilitate more rapid interconnection of large loads. *Id.* Accordingly, FERC expresses concern that CAISO does not offer interim non-firm network service or contract-demand-based transmission services (firm or non-firm) designed for flexible loads. Given that CAISO does not offer Order No. 888 transmission services to its market participants generally, FERC directs CAISO to explain whether its current transmission service framework addresses its concerns about the lack of transmission service options for flexible large loads, or propose revisions to its framework that would provide the same range of service options for flexible large loads that FERC is ordering other RTO/ISO markets to implement. *Id.* at P 103.

## **3. Tariff Rules Permitting Netting of Behind the Meter Generation**

The Order also preliminarily finds that the tariff is unjust and unreasonable because it allows load with behind-the-meter generation to net such generation against its load for the purpose of calculating Regional Access Charges. FERC refers to the CAISO Co-Location Order, in which it found that a similar arrangement previously permitted by the CAISO tariff was no longer consistent with cost causation principles due to potential cost-shifting associated with netting large loads, could lead to reliability and resource adequacy risks, and directed CAISO to revise its behind-the-meter generation rules to include an MW threshold for the amount of load at a single location that customers may net, and explains that CAISO's netting rules raise the same concerns. *Id.* at P 101.

To address this issue, FERC directs CAISO to propose tariff revisions that change the rules regarding netting of behind the meter generation from gross load for the purpose of determining Regional Access Charges, and suggests that establishing a new MW materiality threshold for the amount of load at a single location that customers may net against behind the meter generation may be just and reasonable.

## **Interconnection Service For Electrically Proximate Large Load And Co-Located Load**

The Commission finds that it has an obligation to use its “exclusive jurisdiction over generator interconnection to ensure the availability of generator interconnection processes specifically tailored to the unique operational characteristics of generating facilities dedicated to serving electrically proximate large loads and co-located loads.” *Id.* at P 111. For the purpose of the Order, the Commission defines “electrically proximate large load” as a large load that is sufficiently electrically close to the interconnection customer’s requested point of interconnection, such that the impact on the transmission system of the combination of the generating facility and the load, with the exception of the transmission facilities between the two, will be effectively the same as if they were located at the same substation (e.g., large load that is located no more than two substations away from the generating facility). *Id.* at P 112.

The Order finds CAISO’s tariff appears to be unjust and unreasonable because it does not address interconnection reflecting the operational dynamics of an electrically proximate large load or co-located load. *Id.* In particular, it notes that the CAISO tariff does not include a generator interconnection study process or generator interconnection service that would allow a customer to make a commitment to limit its output to match the hourly forecast of an electrically proximate large load or large co-located load or to implement control technologies and protection systems that ensure that the injection from the resource does not exceed the limit prescribed by its interconnection agreement. *Id.* at P 113. The Commission explains that “[w]here a generating facility’s output is matched to the demand of the electrically proximate large load or large co-located load or if the generating facility’s output is limited to ensure no new injection, the impacts to the transmission system of interconnecting the generating facility to serve that electrically proximate large load or large co-located load may be limited, thereby potentially reducing the need for Network Upgrades, which can accelerate the generator interconnection process.” *Id.* Absent operational

procedures that account for the unique operational dynamics of a generator and the load that it services, the Commission finds that new “shovel-ready generating facilities may face unnecessary delays in reaching commercial operation under current generator interconnection processes and will be able to serve the immediate demand of new large loads or large co-located loads.” *Id.*

The Order highlights Southwest Power Pool, Inc.’s (SPP) High Impact Large Load Generator Assessment (HILLGA) process as one example of the type of process that would address the Commission’s concerns, although it emphasizes that the Commission is not requiring CAISO to adopt an identical process. *Id.* at P 115. The Commission explains that a potential alternative to the HILLGA model would be to “develop a generator interconnection study process that would allow the use of existing [energy resource interconnection service (ERIS)] or [network resource interconnection service (NRIS)] of an existing generator to connect a new generating facility and a new large load behind the same point of interconnection of the existing generator with necessary control technologies and/or protection systems . . . that ensure that the net injection does not exceed the amount in the existing generator interconnection agreement.” *Id.* at P 116.

To address this issue, the Commission directs CAISO to address in its response whether its tariff remains just and reasonable without provisions that establish:

- A new generator interconnection process and new interim generator interconnection service that reflect an interconnection customer’s commitment to limit a generating facility’s output to match the hourly forecast of an electrically proximate large load or co-located load.
- A generator interconnection study process and new interim generator interconnection service that allows an existing generator’s ERIS or NRIS to be used to connect a new generating facility and a new large load behind the same point of interconnection of the existing generator with necessary control technologies and/or protection systems, which may include a special protection scheme, that ensures that the net injection does not exceed the amount in the existing generator interconnection agreement.
- A new generator interconnection service that allows a new generating facility and new large co-located load seeking to interconnect behind the same new point of interconnection with necessary control technologies and/or protection systems, which may include a special protection scheme, to ensure that there is no injection to the transmission system.

*Id.* at P 118.

The Order additionally encourages CAISO to consider what type of transmission service an eligible customer would need to take on behalf of electrically proximate large loads or large co-located load. *Id.* at P 119. FERC notes its previous determination in its CAISO co-location order that an eligible customer must take transmission service on behalf of co-located load that will not withdraw energy from the transmission system, even if it is 0 MW. *Id.* at 119.

## Informational Report and Briefing Questions

Finally, the Order directs CAISO to file an informational report within 30 days (or by July 20, 2026) “on any proposals under consideration in its stakeholder process to address the issue of resource adequacy to serve new large loads.” *Id.* at P 122. FERC also directs additional briefing on issues related to large load integration including:

- How CAISO and the CAISO transmission owners should protect existing commercial arrangements proposing tariff revisions in response to the Order, including suggestions for a reasonable implementation period to minimize disruption to existing arrangements and a reasonable amount of time to finalize ongoing agreements that are nearing completion as of the date that responsive tariff provisions are filed with FERC.
- Potential impacts on regional and local transmission planning that would arise from the introduction of the new transmission services FERC identifies in the Order.
- Potential structures for cost recovery agreements to prevent unjust and unreasonable cost shifts among transmission customers related to network upgrade costs required for large loads, including proposals for minimum levels of cost recovery and financial security required from a large load customer.
- Whether further evaluation of alternative transmission technologies beyond those the Commission has discussed in the Order is warranted.
- Any filings or tariff changes in response to the Order should also address:
  - 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?

- To the extent that CAISO plans for the electrically proximate large load or large co-located load associated with an interconnection customer’s generating facility for resource adequacy purposes, would CAISO account for the generating facilities serving electrically proximate large load or large co-located load in the resource adequacy construct? If applicable, would CAISO allow the generating facilities serving electrically proximate large load or large co-located load to participate in CAISO’s capacity market? If so, would CAISO accredit these generating facilities using the same method as other CAISO generating facilities?

*See id.* at PP 123-127.

## Concurrences to the Order

Each Commissioner also issued a brief concurrence to the six show cause orders:

### Chairman Swett

Chairman Swett highlights that the record prompted by the ANOPR “leaves no doubt that most of the markets (and their existing rules) are inherently slow and prohibitive of the dexterity necessary to adapt to and power societal evolution[.]” Order (Swett, Chairman, concurring at P 2). Her concurrence explains that individualized orders for each market—as opposed to a single rulemaking—is the best approach for two reasons: (1) that the ANOPR and subsequent developments suggest that individual show cause proceedings are better tailored to addressing the unique circumstances of each market and (2) individual show cause orders will allow the Commission to act more quickly. *Id.* at PP 4-10.

### Commissioner Rosner

Commissioner Rosner’s concurrence identifies four key pillars that provide a foundation for durable reform: (1) protecting consumers, (2) safeguarding reliability, (3) enhancing transparency and (4) fostering innovation. Order (Rosner, Comm’r, concurring at P 2).

Commissioner Rosner asserts that the show cause orders protect consumers because they include key provisions that promote affordability, including requirements addressing cost recovery agreements and consideration of grid enhancing technologies. *Id.* at PP 3-4. The show cause orders safeguard reliability because they ensure that regional transmission organizations (RTO) and independent system operators (ISO) use study procedures and operational requirements that reflect the unique considerations of large loads. *Id.* at P 5. The

show cause orders enhance transparency because they provide data to regulators and customers on how large loads impact bills. *Id.* at PP 7, 8. The show cause orders also address speculative load interconnection requests by establishing escalating readiness requirements in the study process. *Id.* at P 9. Finally, the orders foster innovation because they promote flexible transmission services, recognize that large loads that are not co-located can promote efficiency by limiting their withdrawals from the grid, and embrace the unified study of large loads and generation that are electrically proximate. *Id.* at P 13.

Separately, Commissioner Rosner underscores that FERC cannot act alone and that partnership with the states is essential. *Id.* at P 15. Commissioner Rosner asserts that the show cause orders respect the existing jurisdictional framework provided by Congress and affirmed by the Supreme Court and these orders are the beginning of a dialogue with RTOs/ISOs to address the challenges facing their regions. *Id.* at PP 15-16.

### **Commissioner See**

Commissioner See's concurrence highlights two principles present throughout the show cause orders: that these issues extend beyond the Commission and that affordability is key. Order (See, Comm'r, concurring at PP 3-4, 6). Creating efficient large load interconnection is a task for FERC, other federal agencies, the states, RTOs/ISOs and utilities. *Id.* at P 4. The concurrence recognizes the value in independent approaches and strongly encourages proposals under Section 205 of the FPA. *Id.* Commissioner See says it is critical to respect the jurisdictional arrangement between FERC and the states and that today's actions are designed to support further state efforts addressing large load, not override them. *Id.* at P 5. Although FERC lacks authority over all factors that impact electricity prices at the retail level, the show cause orders provide the states all relevant information about Commission-jurisdictional costs. *Id.* at P 6. Commissioner See seeks continued feedback from the states on the cost transparency measures in the orders. *Id.* The concurrence also addresses where FERC can directly address cost responsibility, including using grid enhancing technologies. *Id.* at P 8. Commissioner See also addresses the novel questions for cost shifting that large load interconnection present, including mitigating the risks of stranded costs. *Id.* at P 9.

### **Commissioner Chang**

Commissioner Chang emphasizes the importance of building actionable records in the show cause proceedings, particularly as to customer protection, transmission service and alternative transmission technology reforms. (Chang, Comm'r, concurring at P 1). The

concurrency stresses the need for active stakeholder participation because of the *ex parte* restrictions caused by the Commission acting under Section 206 of the FPA. *Id.* at P 4. The records in these proceedings will differ, and as such, the required changes in each region will be tailored to that region’s needs. *Id.* at P 5. Because the FPA is fundamentally a consumer protection statute, Commissioner Chang says FERC needs to pursue meaningful consumer protection. Addressing how costs will appropriately be assigned is at the core of the show cause orders. *Id.* at PP 6-9. Commissioner Chang also indicates that the introduction of new transmission service is complex and could create unforeseen reliability risks and FERC must find the proper balance between costs of investments and reliability. *Id.* at PP 10-11. Finally, the concurrence underscores the impact of evaluating advanced transmission technologies. *Id.* at P 12.

### Commissioner LaCerte

Commissioner LaCerte says that the country is “at an inflection point in the history of American energy infrastructure.” Order (LaCerte, Comm’r, concurring at P 1). Commissioner LaCerte’s concurrences sets forth his expectation that each of the RTOs and ISOs will timely submit their proposals to address the concerns of the show cause orders or else he is prepared to “play jurisdictional hardball” to any deficient responses. *Id.* at P 6. The concurrence also asks that state commissions review their large load provisions to ensure that ratepayers are insulated from the negative impacts of data center growth. *Id.* at P 2. Commissioner LaCerte notes the high stakes for the industry at this time and discusses how the ANOPR responses lead to the Commission’s region-specific approach. *Id.* at PP 4-5. While the Commission has exercised restraint thus far in addressing these issues, Commissioner LaCerte points to the broad jurisdiction the Commission has over transmission and asserts that it will not hesitate to use in these proceedings to ensure that the Commission achieves its objectives. *Id.* at P 6.

### Categories



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