UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

ISO New England Inc.	)	Docket No. ER27-__-000

TESTIMONY OF DENNIS CAKERT ON BEHALF OF ISO NEW ENGLAND INC.

I. WITNESS IDENTIFICATION

Q: Please state your name, title, and business address.

A: My name is Dennis Cakert. I am a Supervisor in the Market Development Department at ISO New England Inc. ("ISO" or "ISO-NE").[1] My business address is One Sullivan Road, Holyoke, Massachusetts 01040.

Q: Please describe your responsibilities, work experience, and educational background.

A: I joined the ISO in November 2021. In my current role, which I have held since October 2025, I serve as a supervisor, a managing reviewer, and a subject matter expert. As supervisor, I coach my colleagues on how to conduct market assessments and how to lead market change projects through internal and external regulatory processes. As managing reviewer, I am responsible for the schedule, scope, and staffing for market change projects. As a subject matter expert, I serve as a contributor to market change projects and train my colleagues on how to lead market training seminars for participants.

[1] Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the ISO New England Inc. Transmission, Markets and Services Tariff ("Tariff"), including the new defined terms proposed in the instant filing. Section II of the Tariff contains the ISO's Open Access Transmission Tariff ("OATT").

In my previous role, which I held from January 2023 to September 2025, I assessed and recommended improvements to the ISO's wholesale market rules. I presented the ISO's recommended market rule changes to the New England Power Pool ("NEPOOL") Technical Committees, answered stakeholder questions, and addressed their feedback. In addition, I taught Market Participant trainings on the ISO's Day-Ahead and Real-Time Energy Markets. Prior to this role, I served as Secretary of the NEPOOL Markets Committee and Chair of the NEPOOL Emerging Technologies Working Group.

Prior to ISO-NE, I worked in New England energy policy administration for several years. I worked as a Regulatory Affairs Manager at the National Hydropower Association. In this role, I testified before federal and state legislatures and agencies on topics such as renewable energy credits, hydroelectric licensing, and Independent System Operator/Regional Transmission Organization market policy. Prior to that, I served as a Legislative Assistant in the United States House of Representatives, where I worked on behalf of Maine's 2nd Congressional District to advance energy and environmental legislation. I have a Bachelor of Arts in Economics and Humanities from Villanova University.

II. BACKGROUND AND PURPOSE OF TESTIMONY

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to explain the ISO's proposals to use a Dispatchable Asset Related Demand ("DARD") model and a price-based re-dispatch for non-firm transmission service mechanism. These proposals are part of the ISO's proposed revisions to the Tariff

to address the Federal Energy Regulatory Commission's ("FERC" or "Commission") concerns related to the provision of new transmission services for Large Loads in its Order Instituting Proceeding Under Section 206 of the FPA.[2]

Q: Please specify which findings in the Show Cause Order are addressed by the ISO's proposals explained in your testimony.

A: In the Show Cause Order, the Commission preliminarily found that the Tariff appears to be unjust and unreasonable or unduly discriminatory or preferential because it does not contain provisions addressing with sufficient clarity and consistency transmission services that reflect a customer's willingness and ability to limit its energy withdrawal from the transmission system under certain conditions.[3] The Commission specifically referred to the following transmission services: (1) an interim non-firm network transmission service while network upgrades are being constructed; and (2) permanent firm and non-firm contract demand transmission services (transmission service up to a specified MW quantity, *i.e.,* the contract level, on a firm or non-firm basis).[4] In response to the Show Cause Order, in the instant filing, the ISO is proposing to establish three new transmission services for Large Loads: Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service. As I explain in my testimony, the DARD model and price-based re-dispatch mechanism allow the implementation of these new transmission services for Large Loads.

[2] *ISO New Eng. Inc.*, 195 FERC ¶ 61,215 ("Show Cause Order"), *order dismissing request for reh'g & clarification*, 196 FERC ¶ 61,215 (2026).
[3] Show Cause Order at PP 3, 14, 91, 99.
[4] *Id.* at 103.

III. TESTIMONY

A. DARD Model

Q: Why is the ISO proposing to use a load model to accommodate the new transmission services for Large Load Transmission Customers requesting service on behalf of Large Loads?

A: All load in the ISO-NE Control Area is integrated into ISO-NE systems through a demand asset. Currently, demand assets can represent a single end-use retail customer, such as a business, or an aggregation of end-use retail customers, such as a municipality or a distribution utility's service territory. There are two types of demand assets modeled in ISO-NE: the Load Asset and the DARD asset.

To accommodate the unique characteristics of Large Loads (*e.g.*, forecasting, telemetry, and metering), effectuate non-firm transmission service for those customers that elect it, and limit cost shifting, as part of the ISO's proposal to address the Show Cause Order, a Large Load Transmission Customer must register (or cause to be registered) the Large Load as an individual demand asset (*i.e.,* a DARD) modeled in ISO-NE systems.[5] Otherwise, the Large Load would be intermingled with demand and supply from other physical assets and the forecasting, telemetry, and metering necessary to account for a Large Load would not accurately capture the unique characteristics of the Large Load. To achieve these purposes, the ISO proposes to use the DARD model to provide transmission services to a Large Load Transmission Customer on behalf of a Large Load.

[5] *See* new Section III.1.10.5A (a) (i) of the Tariff, which requires the Large Load Transmission Customer to register (or cause to be registered) the Large Load as a DARD, and new Section III.1.10.5A(d), which requires separate gross metering for the Large Load, such that it is not netted with any other supply or demand.

Q: Why does the ISO propose to use the DARD model over the Load Asset model to provide transmission services to a Large Load Transmission Customer on behalf of a Large Load?

A: The DARD model offers three advantages over the Load Asset model: (1) a DARD is scheduled and settled at a single node; (2) a DARD has existing infrastructure for forecasting and telemetry; and (3) a DARD is integrated into the market optimization software. As a result, the DARD model better accommodates the unique features of Large Loads and allows for greater reliability, a faster implementation timeline, and more efficient daily operations.

Q: What are the benefits of leveraging the DARD's model construct of scheduling and settling at a single node?

A: A DARD is scheduled and settled at a single pricing node, which provides situational awareness for ISO-NE System Operations in the Day-Ahead and Real-Time Energy Markets. This is important given the size and operating characteristics of Large Loads and the potential for Large Loads to create congestion and transmission security risks, particularly those with a non-firm transmission service and correspondingly lower level of network upgrades. The DARD model (together with the price-based re-dispatch mechanism) is readily and automatically able to resolve binding transmission constraints by re-dispatching non-firm transmission services to a level that resolves the constraint.

In contrast, Load Assets are not scheduled in either the Day-Ahead or Real-Time Energy Markets. Rather, the ISO forecasts demand from Load Assets using historical data and then settles it at the Load Zone level, which does not provide the same level of situational awareness for ISO-NE system operators. Settlement at the Load Zone level could also lead to greater cost shifting if the Large Load creates congestion within the Load Zone, because the Load Zone price is the weighted average of all nodes within the Load Zone.

Q: What are the benefits of using the DARD's existing forecasting and telemetry tools?

A: Leveraging the DARD model's existing forecast and telemetry tools allow for streamlined implementation. In response to the Show Cause Order, as part of the instant filing, Large Load Transmission Customers shall submit (or cause to be submitted) demand forecasts and telemetry for the Large Load. The DARD model has parameters that can be used for submitting demand forecasts and scheduling consumption in the Day-Ahead and Real-Time Energy Markets, such as Minimum Consumption Limit and Maximum Consumption Limit. These parameters will also enable ISO-NE to distinguish between the Large Load Transmission Customer's Firm Contract Demand Service and its Interim Contract Demand Service and/or Non-Firm Contract Demand Service, which allows for a Large Load Transmission Customer to have a combination of different transmission services on behalf of a Large Load.

In addition, all existing DARDs currently submit telemetry data. Accordingly, no major additional changes are needed in the software for Large Loads Transmission Customers to submit, and for the ISO to receive and process, telemetry via the DARD model.

In contrast, there are currently no corresponding parameters or telemetry associated with Load Assets. Rather, Load Asset historical demand is used to inform the ISO's energy markets' load forecasts. To use that model for Large Loads, the ISO would need to develop new systems to incorporate specific Load Assets into the load forecast, remove their real-time demand from historic load forecast data, and receive and process telemetry data from a new asset type.

Q: What are the benefits of using the market optimization software to schedule DARDs in the energy markets?

A: The DARD model is integrated into the market optimization software, which simplifies dispatch timing, quantity, and priority. Like other Independent System Operators/Regional Transmission Organizations, ISO-NE uses market optimization software to determine the least cost means of reliably serving regional energy demand. The software uses several look-ahead periods, beginning with the Day-Ahead Market and continuing throughout the Real-Time Operating Day. When load is expected to increase, or transmission lines are expected to become constrained, the software schedules or re-dispatches resources to satisfy energy demand and maintain reserve requirements at least cost while maintaining transmission security. Once demand decreases or the constraint is resolved, the software schedules and re-dispatches resources accordingly. Put simply, use of the optimization software and look-ahead periods allows the ISO to pre-empt emergency conditions, rather than react to them in real-time.

In contrast, a Load Asset is not integrated into the market optimization software. Instead, system operators would need to manually determine when to reduce non-firm transmission service, how much service to reduce, and which Large Load Transmission Customer's service should be reduced first. This process would be reactionary, inefficient for system operators, and most likely would not result in the least cost solution. These manual decisions and actions would become more complex, and less efficient, as more Large Loads are integrated into the system.

Q: Could the Load Asset be modified to include new features needed to account for the unique characteristics of Large Loads?

A: The Load Asset, if modified to achieve the unique characteristics of Large Loads, could potentially be developed to have capabilities that would be, in effect, similar to the DARD as described herein. However, this would not be implementable by June 1, 2028, and would result in largely duplicative functionality and redundant software and system designs.

B. Price-Based Re-Dispatch Mechanism

Q: How does the ISO propose to address the Show Cause Order's considerations of Large Load demand flexibility?

A: Consistent with the Show Cause Order's discussion of transmission services for "*flexible large loads that are willing and able to limit their use of the transmission system under certain conditions,*"[6] the ISO is proposing two non-firm transmission services: Interim

[6] Show Cause Order at PP 58, 102 (emphasis added).

Contract Demand Service and Non-Firm Contract Demand Service. In addition, the Show Cause Order mentions that flexible loads are those that "*can quickly and verifiably adjust their consumption response to system conditions or price signals*."[7] In response to the Show Cause Order, to provide these voluntary, non-firm transmission services, ISO-NE proposes to use the DARD model (discussed above) together with a Large Load Re-Dispatch Price of $250/MWh.

Q: Why is the ISO proposing a price-based re-dispatch mechanism?

A: Together with the DARD model described above, price-based re-dispatch allows the ISO to address transmission security and resource adequacy risks posed by Large Load Transmission Customers that request Interim Contract Demand Service and/or Non-Firm Contract Demand Service on behalf of Large Loads (who are not subject to the network upgrades and capacity requirements associated with Firm Contract Demand Service). In addition, a price-based mechanism allows the ISO to address the Commission's concerns regarding cost shifting to other consumers. Lastly, the price-based re-dispatch mechanism streamlines implementation and allows the ISO to achieve a June 1, 2028 implementation date.

Q: How does price-based re-dispatch work?

A: When the cost to serve a Large Load exceeds the Large Load Re-Dispatch Price, the Large Load Transmission Customer will receive a dispatch instruction to reduce all or a portion

[7] *Id.* at P 101 (emphasis added).

of its Interim Contract Demand Service and/or Non-Firm Contract Demand Service for the applicable Large Load.

Q: Does the Large Load Re-Dispatch Price apply to Firm Contract Demand Service?

A: No. Large Load Transmission Customers receiving Firm Contract Demand Service will not be subject to the Large Load Re-Dispatch Price.[8]

Q: Why does the ISO propose a Large Load Re-Dispatch Price of $250/MWh?

A: The ISO proposes a Large Load Re-Dispatch Price of $250/MWh for three reasons: (1) it addresses transmission security and resource adequacy risks posed by Large Load Transmission Customers that request Interim Contract Demand Service and/or Non-Firm Contract Demand Service on behalf of Large Loads (which are not subject to the network upgrades and capacity requirements associated with Firm Contract Demand Service); (2) it addresses the Commission's considerations of cost shifting and affordability for other consumers; and, (3) it is implementable by June 1, 2028.

Q: What is the transmission security risk posed by Large Load Transmission Customers that receive Interim Contract Demand Service and/or Non-Firm Contract Demand Service on behalf of Large Loads?

A: A Large Load Transmission Customer that receives Interim Contract Demand Service on behalf of a Large Load has not yet completed the network upgrades needed to receive Firm Contract Demand Service. A Large Load Transmission Customer that receives Non-Firm

[8] *See* new Section III.1.10.5A (c) (ii) of the Tariff, which only applies to Interim Contract Demand Service and Non-Firm Contract Demand Service.

Contract Demand Service on behalf of a Large Load has elected to be served in a manner that reflects willingness and ability to limit the use of the transmission system under certain conditions, and, as a result, have less network upgrades than a Large Load Transmission Customer that receives Firm Contract Demand Service on behalf of a Large Load. In both cases, the transmission system does not have the network upgrades that are needed to reliably serve the Large Load Transmission Customers on behalf of a Large Load under all conditions. Thus, a Large Load Transmission Customer that continues to receive non-firm transmission service on behalf of a Large Load during tight system conditions can pose a transmission security risk.

For example, assume a local area has 175 MW of peak demand from network load and 200 MW of transmission service. The ISO and the Participating Transmission Owners study the growth of network load in the local area and periodically perform transmission upgrades to ensure the network load in the local area can continue to be served reliably. Now, assume a Large Load Transmission Customer requests 50 MW of Non-Firm Contract Demand Service on behalf of a Large Load in the local area. Because the Large Load Transmission Customer is not required to complete the same level of network upgrades in order to receive Non-Firm Contract Demand Service when compared to the load, the local area peak demand (now 225 MW) exceeds the transmission system's capability (which continues to be 200 MW), and the local area becomes constrained under higher load conditions. Absent the ISO's price-based re-dispatch mechanism, there would be no optimized, market-based solution to resolve the transmission constraint and the local area could face load shedding under ISO-NE Operating Procedures Nos. 7 and 19. This result

would reduce Firm Contract Demand Service and Non-Firm Contract Demand Service under essentially the same priority.

Q: How does the ISO's Large Load Re-Dispatch Price of $250/MWh resolve transmission security risk?

A: A Large Load Re-Dispatch Price of $250/MWh resolves transmission security risk because it prices the non-firm flexibility of Large Loads in the market optimization software. ISO-NE's market optimization software uses look ahead periods to identify constraints and resolve them at least cost before they occur in real-time. Building on the example above, with a Large Load Re-Dispatch Price of $250/MWh, the software identifies the flexibility of the Large Load Transmission Customer receiving Non-Firm Contract Demand on behalf of a Large Load as the least cost solution. The Non-Firm Contract Demand Service that the Large Load Transmission Customer receives on behalf of the Large Load is re-dispatched from 50 MW to 25 MW, which resolves the transmission constraint and negates the need for emergency actions, such as actions under ISO-NE Operating Procedures Nos. 7 and 19.

Q: What is the resource adequacy risk posed by Large Load Transmission Customers that receive Interim Contract Demand Service and/or Non-Firm Contract Demand Service on behalf of Large Loads?

A: Pursuant to the Tariff Revisions in Section III.12.1 of the Tariff, a Large Load Transmission Customer that receives Interim Contract Demand Service is excluded from the Installed Capacity Requirement ("ICR") and has not yet met its Bring Your Own New Capacity ("BYONC") requirement to receive firm service under new Section II.59 of the

OATT. A Large Load Transmission Customer that receives Non-Firm Contract Demand Service on behalf of a Large Load is also excluded from the ICR and has elected to not be subject to the BYONC requirements to receive Firm Contract Demand Service.[9] In both cases, a large amount of load could be added to the system well before the capacity needed to serve it is interconnected, resulting in capacity imbalances and resource adequacy related reliability concerns

For example, on June 24, 2025, the region experienced a shortage of operating reserves and entered a Capacity Scarcity Condition ("CSC").[10] If a Large Load Transmission Customer receiving Non-Firm Contract Demand Service on behalf of a Large Load had been online during that time, it would have exacerbated the reserve shortage and possibly resulted in initiation of additional emergency actions.

Q: How does the ISO's Large Load Re-Dispatch Price of $250/MWh resolve resource adequacy risk?

A: A Large Load Re-Dispatch Price of $250/MWh reduces resource adequacy risk because it ensures that the Large Load Transmission Customer receives a dispatch instruction to reduce demand from a Large Load receiving Interim Contract Demand Service and/or Non-Firm Contract Demand Service before the region enters a CSC. A CSC results when there is a shortage of reserves, which occurs when the cost of maintaining a reserve requirement

[9] Tariff Revisions in Section III.12.1 of the Tariff.
[10] *See* Vamsi Chadalavada, *June 24, 2025 OP-4 Event and Capacity Scarcity Condition*, ISO New England Inc. (Aug. 7, 2025), https://www.iso-ne.com/static-assets/documents/100027/june-24-2025-coo-op-4-and-csc-summary-08072025.pdf.

exceeds the Reserve Constraint Penalty Factor ("RCPF") for system Minimum Total Reserve Requirement ($1,000/MWh) or system Ten-Minute Reserve Requirement ($1,500/MWh). Thus, a Large Load Re-Dispatch Price of $250/MWh ensures that the non-firm transmission service for a Large Load Transmission Customer on behalf of a Large Load is re-dispatched *prior to* violating a reserve requirement.

Further, the $250/MWh Large Load Re-Dispatch Price significantly reduces the likelihood that redispatch of the non-firm transmission service for the Large Load Transmission Customer receiving non-firm transmission service on behalf of a Large Load is the final step prior to a CSC. On average, from May 2025 to April 2026, there were between 2,500 to 3,000 MW of energy supply offered above $250/MWh, which gives the region a buffer between re-dispatch of non-firm transmission service and a potential CSC that is roughly commensurate with ISO's average reserve requirements.[11] This buffer is especially important given that the number of MW of non-firm transmission service that will be requested in the New England region is uncertain.

Q: Why does cost shifting and affordability factor into ISO-NE's $250/MWh Large Load Re-Dispatch Price?

A: The ISO interprets the Show Cause Order and Commissioners' concurrences as strongly emphasizing the need for the avoidance of cost shifting and affordability for consumers. Specifically, the Show Cause Order requires ISO-NE to address cost shifting for

[11] *See* Internal Market Monitor, *2024 Annual Markets Report*, ISO New England Inc. (May 23, 2025), https://www.iso-ne.com/static-assets/documents/100023/2024-annual-markets-report.pdf

transmission services[12] and in the Ancillary Services markets.[13] The ISO's informational filing on resource adequacy emphasized the need to address cost shifting in the capacity market.[14] Moreover, the Commissioners' concurrences emphasized the need for holistic approaches to address cost shifting and affordability.[15] Consequently, the ISO interprets the Show Cause Order as establishing that cost shifting and affordability should be considered not only for transmission services and Ancillary Services, but also in the energy and capacity markets.

Q: How did ISO determine that $250/MWh is an appropriate price with respect to cost shifting in the energy markets?

A: The ISO concluded that $250/MWh is an appropriate price to prevent cost shifting in the energy markets because it aligns with the RCPF values for Replacement Reserves. For background, in addition to the RCPFs for Minimum Total Reserve Requirement ($1,000/MWh) and Minimum Ten-Minute Reserve Requirement ($1,500/MWh), the ISO also has an RCPF for Replacement Reserves of $250/MWh. Replacement Reserves are

[12] Show Cause Order at P 122.
[13] *Id.* at PP 96-97.
[14] *ISO New Eng. Inc.*, Informational Report, Docket No. EL26-72-000 (July 20, 2026).
[15] *See* Show Cause Order, concur op. (Commissioner Rosner) at P 3 ("[T]he door remains open to other creative, regionally-specific ideas to protect consumers. If there are other ways to accomplish that goal, I welcome those proposals.); *id.*, concur op. (Commissioner See) at PP 6, 10 ("[A]ffordability must be at the forefront as we protect consumers from unnecessary costs in a time of rising demand. . . . [A]s we gain more experience as an industry and a country in getting large loads connected to the grid, I welcome bold proposals to keep affordability central."); *id.*, concur op. (Commissioner Chang) at P 6 ("While individual states have been exploring or using various approaches to protect *retail* customers against unjustified cost shifts, the Commission to date has not initiated any proactive exploration of how to protect *wholesale* customers against unjustified cost shifts. I am laser-focused on this issue because we should not create unjustified costs for consumers in our efforts to connect and serve large loads."); *id.*, concur op. (Commissioner LaCerte) at P 2 ("I expect ISO-NE to design proposals in response to this show cause order that dovetail with the efforts on the retail side to implement the Ratepayer Protection Pledge, protect customers, and ensure that large loads cover the costs they incur to integrate with the grid.").

combined with Minimum Total Reserve Requirement to become the system's Total Reserve Requirement.[16]

The region procures Replacement Reserves as an added reliability benefit. Conceptually, a $250/MWh price for Replacement Reserves implies that $250/MWh is an inflection point at which the region chooses affordability over additional reliability. Said differently, the region would prefer to forgo a voluntary reliability service rather than pay more than $250/MWh to procure it. The ISO proposes to extend this concept to the Large Load Re-Dispatch Price because, if the region is willing to forgo a voluntary reliability service in favor of affordability at $250/MWh, it is reasonable to conclude that the region would also choose to forgo a voluntary non-firm transmission service for Large Load Transmission Customers on behalf of Large Loads that are willing and able to limit their energy withdrawals under certain conditions in favor affordability at that same price.

Q: How often would a Large Load Re-Dispatch Price of $250/MWh result in re-dispatch for a Large Load Transmission Customer receiving Interim Contract Demand Service and/or Non-Firm Contract Demand Service?

A: Historically, ISO-NE's Real-Time Hub LMP exceeded $250/MWh in 1% of intervals from January 2021 to February 2026. While historical results are not necessarily indicative of future outcomes, these data suggest that a Large Load Transmission Customer receiving Interim Contract Demand Service and/or Non-Firm Contract Demand Service on behalf of

[16] In addition, $250/MWh is also the penalty factor for the Zonal Reserve Requirement, which helps satisfy local needs, as described in Market Rule 1 Section III.2.7A and ISO New England Operating Procedure No. 8.

a Large Load can expect to consume system energy in 99% of hours. Combined with the benchmark to Replacement Reserve RCPF, the ISO believes a Large Load Re-Dispatch Price of $250/MWh strikes a reasonable balance between cost shifting, affordability, and the frequency of re-dispatch, while addressing transmission security and resource adequacy risk related to voluntary non-firm transmission services for those that are willing and able to limit their energy withdrawals under certain conditions with the benefits of smaller network upgrades and no BYONC requirement.

Q: Why is a Large Load Re-Dispatch Price of $250/MWh implementable by June 1, 2028?

A: A Large Load Re-Dispatch Price of $250/MWh is implementable by June 1, 2028 because it is a static number that can easily be used with the DARD model and does not require new software to facilitate any potential future updates to this value.

Q: Is ISO-NE open to re-considering the Large Load Re-Dispatch Price of $250/MWh, including dynamic prices?

A: Yes. In particular, during the stakeholder process, some Market Participants expressed their preference for a dynamic price that reflects the seasonal differences in the ISO-NE energy markets, especially regarding fuel costs. The ISO agrees that a dynamic Large Load Re-Dispatch Price has potential benefits, and there is precedent for dynamic prices in ISO-NE markets, such as the Demand Response Threshold Price ("DRTP") and the Day-Ahead Ancillary Services ("DA A/S") Strike Price floor. However, designing and implementing a price similar to either the DRTP or the DA A/S Strike Price floor is a substantial effort

that could not be achieved prior to the end of the abeyance period. Moreover, such a price would not be implementable by June 1, 2028. Nevertheless, the ISO intends to evaluate and discuss a dynamic Large Load Re-Dispatch Price with stakeholders beginning in 2027.

Q: Does this conclude your testimony?

A: Yes.

I declare that the foregoing is true and correct to the best of my knowledge.

/s/Dennis Cakert
Dennis Cakert

November 12, 2026