November 13, 2026

VIA ELECTRONIC FILING

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

Re: Revisions to ISO New England Inc. Transmission, Markets and Services Tariff Related to the Integration of Large Loads to the Transmission System; Docket No. ER27-___-000

Requests for an effective date of November 14, 2026, waiver of 60-days' prior notice, and extended comment period of 24 days

Dear Secretary Reese:

Pursuant to section 205 of the Federal Power Act ("FPA"),[1] ISO New England Inc. ("ISO-NE" or the "ISO"),[2] joined by the New England Power Pool ("NEPOOL") Participants Committee,[3] the Participating Transmission Owners Administrative Committee ("PTO AC") on behalf of the Participating Transmission Owners ("PTOs") and the following PTOs: Central Maine Power Company ("CMP"); Connecticut Transmission Municipal Electric Energy Cooperative ("CTMEEC");[4] Eversource Energy Service Company ("Eversource") on behalf of The Connecticut Light and Power Company, Public Service Company of New Hampshire and NSTAR Electric Company; Fitchburg Gas

[1] 16 U.S.C. § 824d.

[2] Capitalized terms not otherwise defined herein have the meanings ascribed thereto in the ISO New England Inc. Transmission, Markets and Services Tariff ("Tariff"). Section II of the Tariff contains the ISO's Open Access Transmission Tariff ("OATT").

[3] NEPOOL supported the Tariff Revisions, except the proposed Large Load Cost Recovery Agreement (new Attachment V to the OATT) and, accordingly, NEPOOL does not join this filing with respect to that agreement.

[4] CTMEEC is a non-jurisdictional utility pursuant to section 201(f) of the FPA, 16 U.S.C. § 824(f), and is expressly excluded from the PTOs that must respond to the Federal Energy Regulatory Commission's ("FERC" or "Commission") June 18, 2026 Order Instituting Proceeding Under Section 206 of the FPA, *ISO New England Inc.,* 195 FERC ¶ 61,215, P 3 n.10 (2026) ("Show Cause Order") *order dismissing request for reh'g & clarification*, 196 FERC ¶ 61,215 (2026). Accordingly, CTMEEC joins this submission as a Filing Party only to the extent necessary to sponsor changes to its Schedule 21-CTMEEC in conformance with the proposed tariff changes sponsored by ISO-NE and the PTO AC.

and Electric Light Company ("Fitchburg"); Green Mountain Power Corporation ("GMP"); The Narragansett Electric Company d/b/a Rhode Island Energy ("RIE"); New England Power Company d/b/a National Grid ("National Grid"); New Hampshire Transmission, LLC ("NHT"); The United Illuminating Company ("UI"); Unitil Energy Systems, Inc. ("Unitil"); Vermont Electric Cooperative, Inc. ("VEC");[5] Vermont Transco LLC ("VTransco"); and Versant Power ("Versant") (together, the "Filing Parties"), submit this transmittal letter and proposed revisions to the Tariff ("Tariff Revisions") to integrate Large Loads to the transmission system. The Filing Parties submit that the Tariff Revisions address all the issues discussed in the Show Cause Order. As stated in Section III of this transmittal letter, ISO-NE and the PTOs respectfully request that, if the Commission accepts this section 205 filing, it terminate the proceeding related to the Show Cause Order in full.

The Tariff Revisions also include provisions relevant to the resource adequacy concerns that the Commission expressed in the Show Cause Order. ISO-NE discussed these resource adequacy concerns and its anticipated response in its informational report on resource adequacy submitted to the Commission on July 20, 2026.[6]

The Filing Parties respectfully request that the Commission waive the 60-day notice requirement and accept the Tariff Revisions without modification or condition effective November 14, 2026. As explained in Section VII of this transmittal letter, this effective date will allow all affected parties to prepare to take advantage of the new transmission services for Large Loads.

The Tariff Revisions related to use of the Dispatchable Asset Related Demand ("DARD") model and the price-based re-dispatch mechanism[7] for the new non-firm transmission services submitted as part of this filing (both described in Section IV.B.3 of this filing letter) are supported by the Testimony of Dennis Cakert. All other Tariff Revisions submitted as part of this filing under the ISO's section 205 rights are supported by the Affidavit of Alexander Rost (both are solely sponsored by the ISO).

I. DESCRIPTION OF THE FILING PARTIES AND COMMUNICATIONS

ISO-NE is the private, non-profit entity that serves as the Regional Transmission Organization ("RTO") for New England. ISO-NE plans and operates the New England bulk power system and administers New England's organized wholesale electricity markets pursuant to the Tariff and the Transmission Operating Agreement ("TOA") with the PTOs. In its capacity as an RTO, ISO-NE has the responsibility to protect the short-term reliability of the New England

[5] VEC is a non-jurisdictional utility pursuant to section 201(f) of the FPA, 16 U.S.C. § 824(f), and is expressly excluded from the PTOs that must respond to the Show Cause Order. VEC is reviewing its Schedule 21-VEC to determine if any proposed tariff changes sponsored by ISO-NE and the PTO AC require amendments to its Local Service Schedule.

[6] *ISO New Eng. Inc.*, Informational Report, Docket No. EL26-72-000 (July 20, 2026) ("Informational Report").

[7] In Section III of the Tariff, "re-dispatch" appears hyphenated. In the OATT, "redispatch" appears without a hyphen. The Tariff Revisions maintain this structure.

Control Area and to operate the system according to reliability standards established by the Northeast Power Coordinating Council and the North American Electric Reliability Corporation.

NEPOOL is a voluntary association organized in 1971 pursuant to the NEPOOL Agreement, and it has grown to include more than 560 members. The Participants include all of the electric utilities rendering or receiving service under the ISO-NE Tariff, as well as independent power generators, marketers, load aggregators, brokers, consumer-owned utility systems, end users, developers, demand resource providers, and a merchant transmission provider. Pursuant to revised governance provisions accepted by the Commission,[8] the Participants act through the NEPOOL Participants Committee. The Participants Committee is authorized by Section 6.1 of the Second Restated NEPOOL Agreement and Section 8.1.3(c) of the Participants Agreement to represent NEPOOL in proceedings before the Commission. Pursuant to Section 2.2 of the Participants Agreement, "NEPOOL provide[s] the sole Participant Processes for advisory voting on [ISO-NE] matters and the selection of [ISO-NE] Board members, except for input from state regulatory authorities and as otherwise may be provided in the [ISO-NE] Tariff, TOA and the Market Participant Services Agreement included in the [ISO-NE] Tariff."

The PTOs[9] are Transmission Providers providing Local Service on an open-access basis under Schedule 21 of the OATT. Pursuant to the terms of the TOA among the PTOs and ISO-NE, the PTOs own, physically operate and maintain Transmission Facilities in New England and ISO-NE has Operating Authority (as defined in Section 3.02 of the TOA) over all of the Transmission Facilities of the PTOs, including those used to provide Local Service under Schedule 21 of the OATT. Section 3.04 of the TOA also grants the PTOs authority to submit filings to the Commission pursuant to section 205 of the FPA in matters affecting the rates, terms and conditions of Local Service under Schedule 21 and rates and charges, including cost allocation, for Regional Transmission Service under the OATT.

Schedule 21 of the ISO OATT comprises two distinct parts. First, under the common provisions of Schedule 21 ("Schedule 21–Common"), the PTOs have collectively accumulated the common terms and conditions of Local Service applicable to transmission service over the local facilities of all of the PTOs. Second, each PTO has its own individual Schedule 21 schedule ("Local Service Schedule"), containing the rates, terms and conditions applicable to service over the Local Facilities owned by that particular PTO. The Schedule 21 Local Service Schedules

[8] *ISO New Eng. Inc. v. New Eng. Power Pool*, 109 FERC ¶ 61,147 (2004).

[9] The PTOs are: Town of Braintree Electric Light Department; CMP; Chicopee Municipal Lighting Plant; Connecticut Municipal Electric Energy Cooperative; CTMEEC; Eversource on behalf of The Connecticut Light and Power Company, Public Service Company of New Hampshire and NSTAR Electric Company; Fitchburg; GMP; The City of Holyoke Gas and Electric Department; Town of Hudson Light and Power Department; Maine Electric Power Company; Massachusetts Municipal Wholesale Electric Company; Town of Middleborough Gas & Electric Department; RIE; National Grid; New Hampshire Electric Cooperative, Inc.; NHT; Town of Norwood Municipal Light Department; Town of Reading Municipal Light Department; Shrewsbury Electric and Cable Operations; Town of Stowe Electric Department; Taunton Municipal Lighting Plant; UI; Unitil; VEC; Vermont Electric Power Company, Inc.; Vermont Public Power Supply Authority; VTransco; Versant; and Town of Wallingford, CT, Department of Public Utilities, Electric Division.

primarily contain the rates that would apply for transmission service over the Local Facilities owned by the particular PTO, and may also include terms and conditions of service in addition to those contained in Schedule 21-Common.

Pursuant to Section 3.04 of the TOA, each PTO has the authority to submit filings under Section 205 of the FPA to establish and to revise the rates, terms and conditions of Transmission Service under its individual Local Service Schedule affecting the facilities owned by that particular PTO. In addition, the PTOs, acting jointly through the PTO AC, and in accordance with the TOA and Disbursement Agreement among the PTOs, have the authority to submit filings under Section 205 of the FPA to establish and revise the common provisions of Local Service under Schedule 21. In this filing, the PTO AC is sponsoring the modifications to the common provisions of Schedule 21 on behalf of the PTOs. While ISO-NE, as the RTO for New England, has operational control over facilities used for Local Service, the PTOs, both individually and collectively, determine the rates, terms and conditions of transmission service over such facilities.

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*Persons designated for service.[10]

II. STANDARD OF REVIEW

The Tariff Revisions are submitted pursuant to section 205 of the FPA, which "gives a utility the right to file rates and terms for services rendered with its assets."[11] Under section 205, the Commission "plays 'an essentially passive and reactive' role"'[12] whereby it "can reject [a filing] only if it finds that the changes proposed by the public utility are not 'just and reasonable.'"'[13] The Commission limits this inquiry "into whether the rates proposed by a utility are reasonable – and [this inquiry does not] extend to determining whether a proposed rate schedule is more or less reasonable than alternative rate designs."[14] The revisions filed herein "need not be the only reasonable

[10] The Filing Parties respectfully request a waiver of Section 385.203(b)(3) of the Commission's regulations to allow the inclusion of more than two persons on the service list in this proceeding.

[11] *Atl. City Elec. Co. v. FERC*, 295 F.3d 1, 9 (D.C. Cir. 2002).

[12] *Id.* at 10 (quoting *City of Winnfield v. FERC*, 744 F.2d 871, 876 (D.C. Cir. 1984)).

[13] *Id.* at 9.

[14] *Cities of Bethany v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir. 1984) ("*Cities of Bethany*"); *see ISO New Eng. Inc.*, 114 FERC ¶ 61,315, at P 33 & n.35 (2006) (citing *Pub. Serv. Co. of N.M. v. FERC*, 832 F.2d 1201, 1211 (10th Cir. 1987); *Cities of Bethany* at 1136).

methodology, or even the most accurate."[15] As a result, even if an intervenor or the Commission develops an alternate proposal, the Commission must accept this section 205 filing if it is just and reasonable.[16]

III. BACKGROUND AND EXECUTIVE SUMMARY

A. Background

The Show Cause Order is one of six show cause orders that the Commission simultaneously issued to all six RTO and Independent System Operators to address large and co-located load issues. In the Show Cause Order, the Commission directed ISO-NE and the PTOs, within 60 days of the order, to either:

(1) show cause as to why the Tariff remains just and reasonable and not unduly discriminatory or preferential without provisions addressing:

(a) the application process, study procedures, and ongoing operational requirements that apply to Eligible Customers seeking transmission service on behalf of large loads;[17]

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

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

(d) transmission services that reflect Eligible Customers taking transmission service on behalf of co-located loads, load with behind the meter generation, and flexible large

[15] *Oxy USA, Inc. v. FERC*, 64 F.3d 679, 692 (D.C. Cir. 1995) (citing *Cities of Bethany* at 1136).

[16] *Cf. S. Cal. Edison Co.*, 73 FERC ¶ 61,219, at 61,608 n.73 (1995) ("Having found the Plan to be just and reasonable, there is no need to consider in any detail the alternative plans proposed by the Joint Protesters." (citing *Cities of Bethany* at 1136)).

[17] ISO-NE's Tariff defines an Eligible Customer as: "(i) Any entity that is engaged, or proposes to engage, in the wholesale or retail electric power business is an Eligible Customer under the [Tariff]. (ii) Any electric utility (including any power marketer), Federal power marketing agency, or any other entity generating electric energy for sale or for resale is an Eligible Customer under the [Tariff]. . . . (iii) Any end user taking or eligible to take unbundled transmission service or Local Delivery Service pursuant to a state requirement that the Transmission Owner with which that end user is directly interconnected or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) offer the transmission service or Local Delivery Service, or pursuant to a voluntary offer of such service by the Transmission Owner with which that end user is directly interconnected, or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) is an Eligible Customer under the [Tariff]." Tariff §§ I.2 (Rules of Construction; Definitions), I.2.2 (Definitions).

loads that are willing and able to limit their use of the transmission system under certain conditions; and

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

(2) explain what changes to the Tariff would remedy the identified concerns if the Commission were to determine that the Tariff has in fact become unjust and unreasonable or unduly discriminatory or preferential and, therefore, proceeds to establish a replacement Tariff.[18]

The Commission also recognized that ISO-NE and/or the PTOs (to the extent the matters addressed in the Show Cause Order implicate aspects of the Tariff over which the PTOs have the filing rights) may elect to address some or all of the issues discussed in the Show Cause Order by proposing revisions to the Tariff pursuant to their applicable FPA section 205 filing rights.[19] The Commission strongly encouraged this.[20] The Commission stated that it would consider requests to hold, for up to 90 days, all or certain aspects of the Show Cause Order proceeding in abeyance, including the deadline to respond to the Show Cause Order, to provide ISO-NE and the PTOs time to work through the stakeholder processes to develop FPA section 205 filings to revise the Tariff to address the issues raised in the Show Cause Order.[21] Accordingly, on August 3, 2026, ISO-NE and the PTO AC (on behalf of the PTOs) submitted a motion to hold the Show Cause Order proceeding in abeyance. The Commission granted that motion on August 14, 2026.[22] The 90-day abeyance allowed ISO-NE, the PTOs, and other stakeholders an opportunity to develop region-specific solutions to the concerns raised in the Show Cause Order.

In Section IV of this transmittal letter, ISO-NE and the PTOs explain how the Tariff Revisions address all of the Commission's concerns in the Show Cause Order. Additionally, Section V of this transmittal letter contains answers to the briefing questions that the Commission posed in the Show Cause Order.[23]

In addition, in the Show Cause Order, the Commission recognized that the relative speed and concentration at which large loads are seeking to interconnect appears to be outpacing the addition of new generation, which in turn heightens reliability risks and drives up costs to ratepayers.[24] The Commission expressed its concern that ISO-NE and load serving entities are unable to plan adequate

[18] Show Cause Order at P 32.

[19] *Id.* at P 35.

[20] *Id.*

[21] *Id.* at P 36.

[22] *ISO New Eng. Inc.*, 196 FERC ¶ 61,132 (2026).

[23] *See* Show Cause Order at P 124 (stating that any filings or Tariff changes submitted in response to the Show Cause Order should address the Commission's briefing questions).

[24] *Id.* at P 118.

generation to serve all load at the pace such load seeks to connect.[25] Accordingly, the Commission directed ISO-NE to submit a detailed informational report on any proposals under consideration in its stakeholder process to address the issue of resource adequacy to serve new large loads.[26] The Commission strongly encouraged new proposals to the extent necessary to address these concerns. The ISO submitted its Informational Report on July 20, 2026. In that report, the ISO explained that two related actions are necessary: requiring new large loads to "bring their own" incremental new capacity (referred to in the Informational Report as new "generation"), and excluding certain new large loads from the load-side requirements of the capacity market (*i.e.,* the Installed Capacity Requirement). Accordingly, as explained in Section IV.E of this transmittal letter, the Tariff Revisions include language providing notice that Large Loads must bring their own new capacity, and that certain large loads will be excluded from the capacity market's Installed Capacity Requirement.

ISO-NE and the PTOs respectfully request that the show cause proceeding be terminated in full if the Commission accepts this section 205 filing. In support of this request, the description of each proposed Tariff Revision indicates which preliminary finding in the Show Cause Order is resolved by the Tariff Revision.

B. Executive Summary

1. The Tariff Revisions Address the Five Categories of Reform in the Show Cause Order

The Filing Parties submit that the Tariff Revisions address all of the Commission's concerns in each of the five categories of reform of the Show Cause Order (*i.e*., efficient study processes, co-location rules, flexible load service, generation studies, and cost transparency).

a. Efficient Study Processes

To address this category of reform, the Tariff Revisions include a definition of Large Load, which is based on the characteristics of ISO-NE's transmission system. The definition includes a 50 MW load size, and a 60 kV interconnection voltage threshold.[27] The ISO also developed exclusions from the definition based on the characteristics of the load, exclusions in other regions, and stakeholder feedback. Importantly, as described in Section IV.B.1 of this transmittal letter, the Tariff Revisions include language that accommodates the transition of a load into the definition of Large Load and accommodates existing commercial arrangements.

In addition, the Tariff Revisions include an application process that applies to Large Load Eligible Customers seeking transmission service on behalf of Large Loads. This process requires a non-refundable application fee and sufficient readiness requirements to deter duplicative or speculative

[25] *Id.*

[26] *Id.* at P 119.

[27] *See* Section IV.A.1 of this transmittal letter.

requests for transmission service. The Tariff Revisions also include study procedures that address (1) evaluating whether a large load may be interconnected to the transmission system and served by the Eligible Customer, and (2) determining whether network upgrades are necessary to provide transmission service. The study process includes electromagnetic transient ("EMT") studies, and the evaluation of alternative transmission technologies as potential solutions to accommodate requests for transmission service.

Moreover, the Tariff Revisions include operational requirements for Large Load Transmission Customers seeking transmission service on behalf of Large Loads, including the provision of hourly forecasts, telemetry data, communication channels, installation of equipment to enable the ISO to monitor the impacts of Large Loads, ramp-rate and ride-through requirements, and requirements for protection systems to limit withdrawals from the transmission system. Under the operational requirements, ISO-NE will also be able to coordinate the remote disconnection of a Large Load to maintain reliability of the transmission system.

Finally, the Tariff Revisions include a *pro forma* Large Load Transmission Service Agreement, as well as a *pro forma* Large Load System Impact Study Agreement and a *pro forma* Large Load Facilities Study Agreement.

b. Co-location Rules

To address this category of reform, the ISO is proposing a definition of Behind-the-Meter Generation along with a netting threshold of zero MW for Large Loads. Effectively, the Tariff Revisions prohibit the netting of a Large Load with Behind-the-Meter Generation for settlement of wholesale services. In addition, as explained in the next category of reform below, the ISO has developed transmission services that recognize the ability of Large Loads (including co-located loads) to limit withdrawal from the transmission system under certain conditions.

c. Flexible Load Service

The Tariff Revisions include three new transmission services: firm transmission service for Large Loads that bring their own new capacity and have completed network upgrades; interim transmission service (*i.e.,*, non-firm transmission service for Large Loads that are in the process of meeting the requirements for firm service), and non-firm transmission service for flexible Large Loads that are willing and able to limit their use of the transmission system under certain conditions.

In building the framework for these new transmission services, ISO-NE was able to capitalize on its DARD model,[28] which will be used to register Large Loads. This model allows the use of current ISO forecasting, telemetry, and dispatch tools, requiring minimal adaptation and resulting in expedited application. Flexibility for non-firm transmission services will be achieved through a price-based re-dispatch mechanism. Specifically, all or a portion of a Large Load's non-firm transmission

[28] *See* Section IV.B.3.a of this transmittal letter.

service will be re-dispatched when the Large Load's applicable Locational Marginal Price ("LMP") exceeds a Large Load Re-Dispatch Price of $250/MWh.[29]

d. Generation Studies

To address this category of reform, the Tariff Revisions include a definition of Electrically Proximate Large Load, which is appropriately tailored to New England's tightly networked transmission system (*i.e.*, an injection into the New England transmission system from a Large Load Electrically Proximate Generator that is one or more substations away from a corresponding Electrically Proximate Large Load would likely not fully flow to the Electrically Proximate Large Load in a manner that is effectively as if the Electrically Proximate Large Load and Large Load Electrically Proximate Generator were located at the same point, or connected radially). Additionally, the ISO and the PTOs have developed rules for the interconnection of Large Load Co-Located Generators and Large Load Electrically Proximate Generators. As explained in Section IV.C of this transmittal letter, the interconnection studies for these generators may be conducted concurrently with a Large Load System Impact Study.

e. Cost Transparency

To address this category of reform, the Tariff Revisions require the ISO to provide, develop, maintain, and post on its website, in an easily accessible, searchable and fillable format: (1) a cumulative list reflecting the Large Load Network Upgrades identified for each Large Load, categorized by upgrade type; and (2) costs estimates for each identified Large Load Network Upgrade for each Large Load. In addition, as described in Section IV.D.2 of this transmittal letter, the PTOs have developed a *pro forma* Large Load Cost Recovery Agreement. The agreement governs the construction of, cost responsibility for, and crediting of revenues associated with Commission-jurisdictional transmission facilities. As indicated below, ISO-NE and the PTOs consent to the Commission's exercise of authority to modify and/or sever any element of the proposed Tariff changes with respect to these cost recovery provisions and agree to make any necessary compliance filing.

2. The Tariff Revisions Address Resource Adequacy Concerns

To complement the Tariff Revisions that address the five categories of reform, ISO-NE is proposing revisions to address the Commission's resource adequacy concerns. The ISO appreciates that, in addition to its continuing work to ensure resource adequacy, it must explicitly consider the potential impact of large loads on the markets. While those loads have yet to materialize in New England, as described in Section IV.E of this transmittal letter, the ISO believes that two related actions are necessary: requiring new large loads to "bring their own" incremental new capacity, and excluding new large loads from the load-side requirements of the capacity market (*i.e.,* the Installed Capacity Requirement). Accordingly, the Tariff Revisions include language providing notice that Large Loads must bring their own new capacity, and that

[29] *See* Section IV.B.3.b of this transmittal letter and Testimony of Dennis Cakert.

certain large loads will be excluded from the capacity market's Installed Capacity Requirement. As these are complex concepts, the Tariff Revisions outline these provisions in broad terms, with the objective of giving large loads notice of this structure. The region will work together over the coming months to expand on the concepts and will make a separate filing with the Commission next year.

In the sections below, the Filing Parties have organized the Tariff Revisions by the party with the section 205 rights. Sections IV.A, IV.B and IV.E cover the Tariff Revisions offered by ISO-NE pursuant to its section 205 filing rights. Section IV.C describes the portion of the Tariff Revisions filed jointly by the ISO and the PTOs, Section IV.D contains the Tariff Revisions offered by the PTOs collectively, as well as the Tariff Revisions made by individual PTOs. Section V contains answers to the Commission's briefing questions. The final sections, offered jointly, are Section VI (the stakeholder process undertaken by the region); Section VII (a request for a waiver of 60-days' prior notice, effective date, and extended comment period); Section VIII (additional supporting information, as required by the Commission's regulations); and Section IX (a brief conclusion).

IV. DESCRIPTION OF THE PROPOSED TARIFF REVISIONS TO ADDRESS THE COMMISSION'S CONCERNS IN THE SHOW CAUSE ORDER

As fully described in Sections IV.A, IV.B, and IV.C of this transmittal letter, ISO-NE and the PTOs are proposing several Tariff Revisions in response to the Show Cause Order. In addition, ISO-NE is proposing Tariff Revisions to address the Commission's resource adequacy concerns. Specifically:

- In response to the Show Cause Order, under the joint section 205 rights of the ISO and the PTOs, Tariff Revisions (described in Section IV.A of this transmittal letter) are proposed in Section I.2.2 of the Tariff (Definitions)

- In response to the Show Cause Order, under the ISO's section 205 rights, Tariff Revisions (described in Section IV.B of this transmittal letter) are proposed by the ISO in the following Sections of the Tariff:
    - Preamble to new Part II.J of the OATT
    - New Section II.56 of the OATT
    - New Section II.57 of the OATT
    - New Section II.58 of the OATT
    - New Section II.60 of the OATT
    - New Section II.61 of the OATT
    - New Section II.63 of the OATT
    - New Attachments S (Large Load Transmission Service Agreement), T (Large Load System Impact Study Agreement), and U (Large Load Facilities Study Agreement) to the OATT
    - Revisions in Schedules 2, 16, and 17 of the OATT
    - Conforming revisions in Sections II.20.2 and II.20.3 of the OATT
    - Revisions in Sections III.1, III.2, and III.15 of the Tariff

- In response to the Show Cause Order, under the joint section 205 rights of the ISO and the PTOs, Tariff Revisions (described in Section IV.C of this transmittal letter) are being proposed by the ISO and the PTOs in Schedules 22 and 23 to the OATT (respectively, Large Generator Interconnection Procedures ("LGIP") and Small Generator Interconnection Procedures ("SGIP"))

- In response to the Show Cause Order, under the PTOs' joint section 205 rights, Tariff Revisions (described in Section IV.D of this transmittal letter) are proposed in the following Sections of the Tariff:
  - New Section II.62 of the OATT[30]
  - New Attachment V of the OATT (Cost Recovery Agreement)
  - Revisions to Schedule 1 of the OATT
  - New Schedule 9A of the OATT
  - Revisions to Schedule 21 Common
  - Conforming revisions in Section II.21.2 of the OATT

In the event the Commission deems it necessary, and to help facilitate the Commission's acceptance of this filing without delay, ISO-NE and the PTOs provide notice that they consent to the Commission's exercise of authority to modify and/or sever any element of the proposed Tariff changes with respect to the cost recovery provisions to the extent necessary and permitted under FPA section 205 and *NRG Power Marketing, LLC v. FERC*.[31] In such event, ISO-NE and the PTOs consent to make a compliance filing consistent with such directive.

- In response to the Show Cause Order, under the PTOs' individual Section 205 rights, Tariff Revisions (described in Section IV.D.6) of this filing letter are proposed to certain PTOs' respective Local Service Schedules in the following Sections of the OATT:
  - Schedule 21-CMP (proposed by CMP)
  - Schedule 21-CTMEEC (proposed by CTMEEC)
  - Schedule 21-ES (proposed by Eversource)
  - Schedule 21-FG&E (proposed by Fitchburg)
  - Schedule 21-GMP (proposed by GMP)
  - Schedule 21-NEP (proposed by National Grid)
  - Schedule 21-NHT (proposed by NHT)
  - Schedule 21-RIE (proposed by RIE)
  - Schedule 21-UI (proposed by UI)
  - Schedule 21-UES (proposed by Unitil)

[30] Included in new Part II.J of the OATT.

[31] *NRG Power Mktg., LLC v. FERC*, 862 F.3d 108 (D.C. Cir. 2017); *see also N.Y. Indep. Sys. Operator, Inc.*, 188 FERC ¶ 61,051, at P 22 n.36 (2024) ("The United States Court of Appeals for the District of Columbia Circuit has held that, in certain circumstances, the Commission has 'authority to propose modifications to a utility's [FPA section 205] proposal if the utility consents to the modifications.'" (alteration in original) (citing *NRG Power Mktg.*, 862 F.3d at 114-15)).

  - Schedule 21-VTransco (proposed by VTransco)
  - Schedule 21-VP (proposed by Versant)

- To address the resource adequacy concerns that the Commission expressed in the Show Cause Order, under the ISO's section 205 rights, Tariff Revisions (described in Section IV.E of this transmittal letter) are proposed by the ISO in the following Sections of the Tariff:
  - New Section II.59 of the OATT
  - Revisions in Section III.12.1 of the Tariff

A. Tariff Revisions in Section I.2.2 of the Tariff (Definitions)

In response to the Show Cause Order, several definitions are being added in Section I.2.2 of the Tariff.[32]

1. Definition of Large Load

In the Show Cause Order, the Commission preliminarily found that the Tariff appears to be unjust and unreasonable because it lacks a definition of large load, as a new category of load.[33] The Commission stated that an appropriate definition, including a load size and interconnection voltage threshold, should be based on the characteristics of ISO-NE's transmission system. In response, ISO-NE proposes to add the following definition of Large Load in Section I.2.2 of the Tariff:

> **Large Load** is a commercial or industrial customer, located at a single site behind one or more points of delivery, and that has a gross peak demand of 50 MW or greater, relative to its exempt demand as described in Part II.J of the OATT, interconnects to the transmission system, either directly or through a system primarily designed to serve the customer, at a voltage level of greater than 60 kV. Excluded from this definition are: electrical energy support resources such as storage resources (*e.g.*, pumped storage and battery energy storage systems); emergency and municipal services resources such as hospitals, major medical complexes and water treatment facilities; transportation and infrastructure resources other than dedicated electric vehicle charging facilities, such as railroads and airports; and campus facilities that do not have an aggregate exceeding 50 MW of dedicated computational, industrial or commercial process loads each 1 MW or greater, including but not limited to a university campus without a major data center.

[32] The ISO and the PTOs have joint section 205 rights over definitions used in Sections of the Tariff for which they each have section 205 rights.

[33] Show Cause Order at P 56.

The definition includes a 50 MW load size which is reasonable for the New England transmission system. Specifically, based on survey response data and stakeholder discussions, the ISO believes that 50 MW strikes a reasonable balance between capturing loads with unique reliability impacts while excluding loads in the 20 MW to 50 MW range that do not raise the same concerns. As explained in Section IV.B.1 of this transmittal letter, the 50 MW threshold will not consider existing exempt demand (*i.e.*, the higher of (i) the maximum observed hourly gross MW load value in the ten years prior to June 18, 2026; or (ii) a MW value specified in an existing service or operating agreement with the applicable utility or the ISO as of June 18, 2026).[34]

The definition also includes an interconnection voltage threshold of 60 kV which is appropriate for New England because, while voltage levels below 60 kV are not expected to be able to support a 50 MW load size,[35] the New England transmission system has some facilities below 69 kV nominal that may be able to support a 50 MW load. The Large Load definition applies to commercial and industrial customers, which includes, but is not limited to, manufacturing and computational loads. The exclusions from the definition of Large Load were developed based on the characteristics of the load, exclusions in other regions, and stakeholder feedback. Specifically, the exclusions cover loads related to electrical energy support, the delivery of critical services, and the support of critical infrastructure. In addition, the exclusions consider campuses with mixed-use loads that are more residential in nature (*i.e.*, loads that have different characteristics when compared to loads captured by the Large Load definition). Exemptions to the definition of Large Load that accommodate existing commercial arrangements are contained in the preamble of new Part II.J of the OATT, and they are explained in Section IV.B.1 of this transmittal letter.

2. Definition of Behind-the-Meter Generation

In the Show Cause Order, the Commission points out that the Tariff does not define the term "Behind the Meter Generation."[36] Accordingly, ISO-NE proposes to add the following definition of Behind-the-Meter Generation in Section I.2.2 of the Tariff:

> **Behind-the-Meter Generation** is generation directly connected to end-use customer load and located behind the end-use customer's Retail Delivery Point that reduces the amount of energy that would otherwise have been produced on the electricity network in the New England Control Area, and is not separately metered in wholesale markets from the end-use customer load.

In addition, in the Show Cause Order, the Commission preliminarily found that the Tariff is unjust and unreasonable because it allows load with Behind-the-Meter Generation to net its Behind-the-

[34] The proposed framework for determining exempt demand is intended to respect existing commercial arrangements in which a load has the authority to withdraw a MW amount greater than the MW amount historically withdrawn from the transmission system.

[35] This definition addresses the Commission's concerns in PP 55-56 of the Show Cause Order.

[36] Show Cause Order at P 87.

Meter Generation against its load for purposes of calculating Regional Network Service charges.[37] To address the Commission's finding, and in keeping with the focus of the Show Cause Order, the ISO proposes a netting threshold of zero MW (which applies only to Large Loads). In effect, the Tariff Revisions in Section III.1.10.5A(d)(i) of the Tariff provide that the Assigned Meter Reader for a Large Load must "[s]ubmit Revenue Quality Metering for hourly and monthly settlement that represents gross demand quantities for the Large Load, such that the Large Load's Revenue Quality Metering is not netted by other physical load, supply, or Behind-the-Meter Generation." Thus, this provision effectively prohibits the netting of a Large Load with Behind-the-Meter Generation for settlement of wholesale services.

3. Definition of Electrically Proximate Large Load

In the Show Cause Order, the Commission stated that, for purposes of the order, "electrically proximate large load" means a large load, as defined in the order, that is sufficiently electrically close to the interconnection customer's requested point of interconnection, such that the impact on the transmission system of the combination of the generating facility and the load, with the exception of the transmission facilities between the two, will be effectively the same as if they were located at the same substation (*e.g.*, large load that is located no more than two substations away from the generating facility).[38] The Commission stated that it will consider proposed revisions to this definition that ensure it is appropriately tailored to New England's transmission system.[39] Accordingly, ISO-NE proposes to add the following definition of Electrically Proximate Large Load in Section I.2.2 of the Tariff:

> **Electrically Proximate Large Load** is a configuration where a Large Load's Point of Delivery is located at (or directly connected radially through dedicated facilities to) the same substation and voltage level as a Generating Facility's Point of Interconnection (or to the Generating Facility's radially dedicated facilities that connect between the substation and its Point of Interconnection), such that the Generating Facility's Point of Interconnection is sufficiently electrically close to the associated Large Load's Point of Delivery, such that the impact on the transmission system of the combination of the Generating Facility and the Large Load, with the exception of the transmission facilities between the two, will be effectively the same as if they were located at the same point.

[37] *Id.* at P 100.

[38] *Id.* at P 110.

[39] *Id.*

This definition is appropriately tailored to New England because the New England transmission system is tightly networked.[40] As a result, an injection into the transmission system from a Large Load Electrically Proximate Generator that is one or more substations away from a corresponding Electrically Proximate Large Load would likely not fully flow to the Electrically Proximate Large Load in a manner that is effectively as if the Electrically Proximate Large Load and Large Load Electrically Proximate Generator were located at the same point.

4. Other Definitions

In Section I.2.2 of the Tariff, ISO-NE is also adding the following defined terms, which are used in the Tariff Revisions that address the Commission's concerns in the Show Cause Order:

> **Co-Located Large Load** is a configuration where a Large Load's Point of Delivery is located on the Interconnection Facilities of an existing or planned Generating Facility.
>
> **Firm Contract Demand Service** is a type of transmission service for Large Loads described in Section II.57.1.1 of the OATT.
>
> **Interim Contract Demand Service** is a type of transmission service for Large Loads described in Section II.57.1.2 of the OATT.
>
> **Large Load Affected Party** is the entity that owns, operates or controls a Large Load Affected System, or any other entity that otherwise may be a necessary party to the Large Load study process.
>
> **Large Load Affected System** is any electric system that is outside the New England Control Area that may be affected by the proposed provision of transmission service to a Large Load.
>
> **Large Load Base Cases** are the set of initial cases used to evaluate the impact of Large Loads, including: (1) the latest available case used for performing Needs Assessments; and (2) the latest available case used for a completed Cluster Study or an ongoing Cluster Study.
>
> **Large Load Co-Located Generator** is a Generating Facility that is associated with a Co-Located Large Load through a Non-Firm Large Load Generator Arrangement.
>
> **Large Load Contingent Facilities** are those unbuilt Interconnection Facilities, Large Load Interconnection Facilities, Network Upgrades, and Large Load Network Upgrades or a transmission project that is planned or proposed for the

[40] This definition addresses the Commission's concerns in P 110 of the Show Cause Order. In the Show Cause Order, the Commission recognized that "the unique features of ISO-NE's transmission system may warrant consideration of a more limited definition of electrically proximate." *Id.* at P 113 n.268.

New England Transmission System upon which the Large Load Transmission Customer's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Large Load Transmission Service Application or a reassessment of the Large Load Interconnection Facilities and/or Large Load Network Upgrades and/or costs and timing.

Large Load Cost Recovery Agreement is the agreement in the form of Attachment V to the OATT.

Large Load Distribution Upgrades are the additions, modifications, and upgrades to the Large Load Interconnecting Transmission Owner's distribution system (i.e., facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances) at or beyond the Point of Delivery to facilitate interconnection of the Large Load and render the transmission service necessary to serve the Large Load. Large Load Distribution Upgrades do not include Large Load Interconnection Facilities.

Large Load Electrically Proximate Generator is a Generating Facility that is associated with an Electrically Proximate Large Load through a Non-Firm Large Load Generator Arrangement.

Large Load Eligible Customer is the Eligible Customer that submits an application for Firm Contract Demand Service or Non-Firm Contract Demand Service on behalf of a Large Load.

Large Load Entity is the entity that owns or controls the Large Load.

Large Load Facilities Study is the study for Large Loads conducted pursuant to Section II.60 of the OATT.

Large Load Facilities Study Agreement is the agreement described in Section II.60 of the OATT.

Large Load Internal Affected Party is the entity that owns, operates or controls a Large Load Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the Large Load study process.

Large Load Internal Affected System is any electric system that is within the New England Control Area that may be affected by the proposed provision of service to the Large Load.

Large Load Interconnection Facilities are Large Load Interconnecting Transmission Owner's Interconnection Facilities and Large Load Transmission

Customer's Interconnection Facilities. Collectively, Large Load Interconnection Facilities include all facilities and equipment between the Large Load and the Point of Delivery, including any modifications, additions or upgrades that are necessary to physically and electrically interconnect the Large Load to the Administered Transmission System. Large Load Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Large Load Network Upgrades.

Large Load Interconnecting Transmission Owner is the Transmission Owner that owns, leases or otherwise possesses the controlling interest in the portion of the Administered Transmission System at the Point of Delivery for the Large Load.

Large Load Interconnecting Transmission Owner's Interconnection Facilities are all facilities and equipment owned, controlled, or operated by Large Load Interconnecting Transmission Owner from the Large Load Point of Change of Ownership to the Point of Delivery as identified in Appendix A to the Large Load Transmission Service Agreement, including any modifications, additions or upgrades to such facilities and equipment. Large Load Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Large Load Distribution Upgrades and Large Load Network Upgrades.

Large Load Material Modification is defined in Section II.60 of the OATT.

Large Load Network Upgrades are those upgrades to the New England Transmission System, any Large Load Affected Systems and Large Load Internal Affected Systems as identified in a Large Load System Impact Study.

Large Load Point of Change of Ownership is the point, as set forth in Appendix A to the Large Load Transmission Service Agreement, where Large Load Transmission Customer's Interconnection Facilities connect to the Large Load Interconnecting Transmission Owner's Interconnection Facilities.

Large Load Queue Position is the order of a valid Large Load Transmission Service Application in the New England Control Area, relative to all other pending Large Load Transmission Service Application(s) in the New England Control Area, that is established based upon the date and time of receipt of such application by the ISO.

Large Load Re-Dispatch Price is $250/MWh.

Large Load Scoping Meeting is the meeting between representatives of the ISO, the Large Load Eligible Customer, and the Transmission Owner(s), or any Large Load Internal Affected Party as deemed appropriate by the ISO in

accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Large Load Transmission Service Application, exchanging information, and refining information and models provided by Large Load Eligible Customer.

Large Load Service Commencement Date is the date transmission service is to begin pursuant to the terms of a Large Load Transmission Service Agreement that has been executed or filed unexecuted.

Large Load Site Control is the exclusive right to develop, construct, operate and maintain the Large Load. Large Load Site Control may be demonstrated by documentation establishing that, over the expected term of the Large Load operations, the entity proposing the Large Load will hold ownership or other exclusive rights over the property allowing for the construction, operation and maintenance of the Large Load in the form of either: (a) fee simple ownership of real property; (b) an easement; (c) a valid written leasehold or other contractual interest in real property; (d) a duly executed written contract to purchase, acquire an easement, a license or leasehold interest in real property; or (e) for any federal or state property, has filed applications for required permits or authorizations to construct, operate and maintain the Large Load.

Large Load Study Cases are the cases defined in Section II.60.2 of the OATT.

Large Load Sufficiently Under Construction is a load that is determined by the ISO to have provided sufficient evidence that it received major permits necessary for construction of the project, achieved project financing closing, ordered major equipment necessary for the construction of the project, and has started construction activities on the project site.

Large Load System Impact Study is the study for Large Loads conducted pursuant to Section II.60 of the OATT.

Large Load System Impact Study Agreement is the agreement described in Section II.60 of the OATT.

Large Load Transmission Customer is the Large Load Eligible Customer that has completed the large load service application and study procedures set forth in Sections II.58 and II.60 of the OATT, and executed a Large Load Transmission Service Agreement and receives Firm Contract Demand Service, Interim Contract Demand Service, or Non-Firm Contract Demand Service on behalf of a Large Load.

Large Load Transmission Customer's Interconnection Facilities are all facilities and equipment, as identified in Appendix A of the Large Load Transmission Service Agreement, that are located between the Large Load and

the Large Load Point of Change of Ownership, including any modifications, additions, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Large Load Transmission Customer to the Administered Transmission System. Large Load Transmission Customer's Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

Large Load Transmission Service Agreement is the form of transmission service agreement applicable to a Large Load Transmission Service Application pertaining to a Large Load, that is included as Attachment S to the OATT.

Large Load Transmission Service Application is a Large Load Eligible Customer's application, in the form of **[missing word?]** available on the ISO website.

Non-Firm Contract Demand Service is a type of transmission service for Large Loads described in Section II.57.1.3 of the OATT.

Non-Firm Large Load Generator Arrangement is an arrangement between a Co-Located Large Load or Electrically Proximate Large Load and the applicable Co-Located Generator or Electrically Proximate Generator which supports the Large Load taking Interim Contract Demand Service or Non-Firm Contract Demand Service.

B. Tariff Revisions in Response to the Show Cause Order Proposed by the ISO Under the ISO's Section 205 Rights

1. Preamble in New Part II.J of the OATT – Transition to New Large Load Transmission Services to Accommodate Existing Commercial Arrangements

The preamble in new Part II.J of the OATT – Transmission Services for Large Loads establishes that Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service will be provided by the ISO pursuant to the applicable terms and conditions of the OATT starting on June 1, 2028.[41] As stated in this provision of the Tariff, these terms and conditions are not intended to supersede any applicable state or local laws or regulations nor do they authorize operations that would violate state or local laws and regulations. As explained in Section VII of this transmittal letter, the June 1, 2028 implementation date will provide the ISO with sufficient time to develop the necessary software for the new transmission services for Large Loads.

[41] In the preamble to new Part II.J of the OATT, ISO-NE has included language to establish that any capitalized terms used in new Part II.J of the OATT but not defined in Section I.2.2 of the Tariff will have the meanings ascribed to them in Schedule 22 to the OATT.

To address the Commission's direction in the Show Cause Order that the ISO avoid disrupting existing commercial arrangements,[42] in the preamble to new Part II.J of the OATT, the ISO has also included language that accommodates existing commercial arrangements as well as the transition of a load into the definition of Large Load. Specifically, under ISO-NE's proposal, the MW value of exempt demand for a load in operation or determined by the ISO to be a Large Load Sufficiently Under Construction prior to June 18, 2026, shall be determined as the greater of: (i) its measured maximum observed hourly gross peak in the 10 years prior to June 18, 2026; or (ii) the MW value specified in a service or operational agreement with the applicable utility or ISO as of June 18, 2026. Consistent with these parameters, as of the effective date of Part II.J of the OATT, exempt demand will not be treated as a Large Load and will not be subject to Part II.J of the OATT.

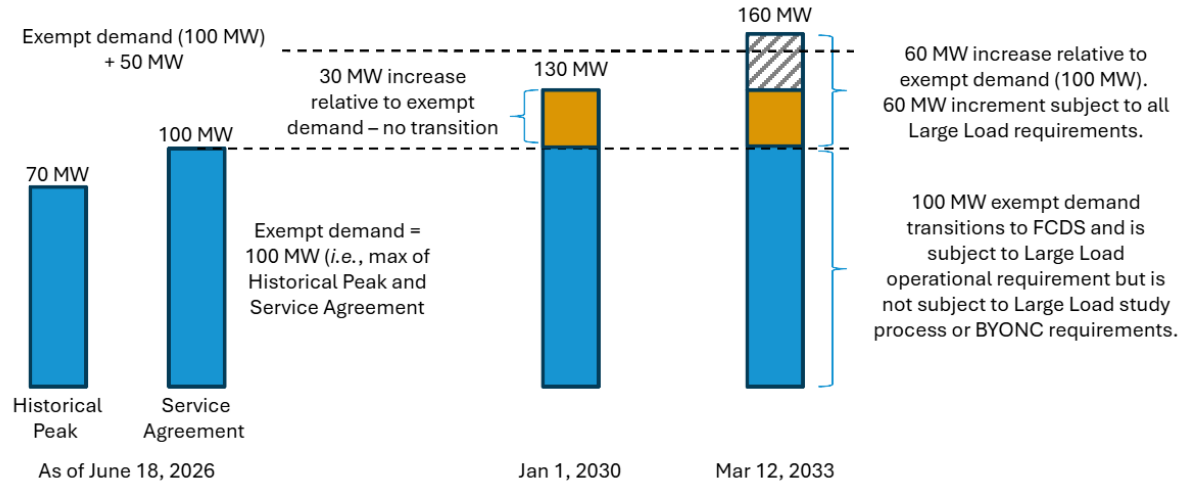
In addition, an existing load or a Large Load Sufficiently Under Construction as of Jun 18, 2026, will be defined as a Large Load when its gross peak demand increases by 50 MW or more relative to its exempt demand. Transmission service for the exempt demand will transition to Firm Contract Demand Service and the load will be subject to Section II.63 of the OATT (operational requirements) but will be exempt from the application and study process in Part II.J of the OATT and the requirements of Section II.59 of the OATT (designation of capacity). The increased demand relative to exempt demand will be subject to all requirements in Part II.J of the OATT.

Furthermore, a load that is not in operation or is determined by the ISO to not be a Large Load Sufficiently Under Construction as of June 18, 2026, will be treated as a Large Load if and when it meets the Large Load definition. Finally, a Large Load that is not in operation or is determined by the ISO to not be a Large Load Sufficiently Under Construction as of June 18, 2026, but has a system impact study agreement with the applicable Large Load Interconnecting Transmission Owner prior to June 1, 2027, will not be subject to the study requirements of Part II.J of the OATT, but will be subject to all other requirements of Part II.J of the OATT. This approach will obviate the need to restart study efforts performed consistent with the requirements of Part II.J of the OATT that are already in progress.

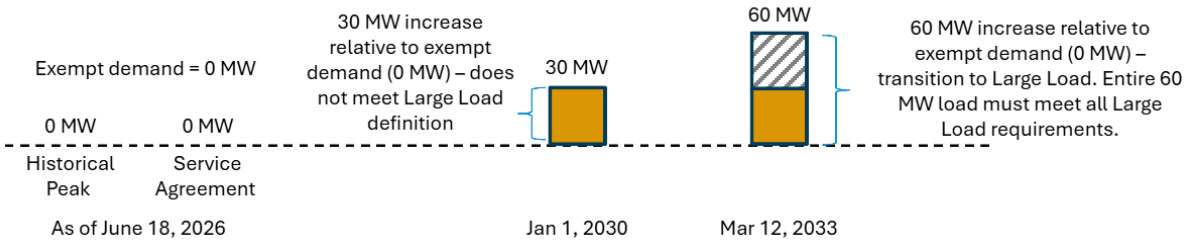
[42] Show Cause Order at P 35.

The June 18, 2026 parameter in the Preamble of new Part II.J of the OATT does not impose any obligations. Rather, it is a historical date used as a marker to establish the parameters for the exemptions to the Large Load definition.[43] The exemptions are illustrated below.

Exemption demand can be illustrated with the following example:



The illustration below shows the transition of a load that, for example, does not exist on June 18, 2026 (*i.e.,* the historical date used as a parameter), so it has no exempt demand for the purpose of determining whether the Large Load 50 MW threshold has been met. When determining if the load is a Large Load, all future load additions are measured cumulatively:



[43] The proposed June 18, 2026 parameter is similar to other parameters in the Tariff. For example, Section III.13.1.1.1.2 of the Tariff – Resources Never Previously Counted as Capacity, which was submitted as part of the ISO's February 15, 2007 Forward Capacity Market rules, established capacity participation parameters based on investments made prior to January 1, 2007. *See ISO New Eng. Inc.*, Filing Containing Revisions to Market Rules Implementing the FCM Settlement Agreement, Docket Nos. ER07-546-000 & ER07-547-000 (Feb. 15, 2007), *accepted by ISO New Eng. Inc.*, 119 FERC ¶ 61,045, *order on reh'g & clarification*, 120 FERC ¶ 61,087 (2007).

The following chart summarizes the exemptions from the definition of Large Load:

Category of Load that Meets the Large Load Requirement	Exempt from Large Load Study Procedures?	Exempt from Large Load Operational and Bring Your Own New Capacity (BYONC) Requirements?
In-Operation as of June 18, 2026	Yes	Yes
Large Load Sufficiently Under Construction as of June 18, 2026	Yes	Yes
Signed a study agreement as of June 1, 2027	Yes	No
Not yet signed a study agreement as of June 1, 2027	No	No

2. New Section II.56 of the OATT – Establishment of New Large Load Transmission Services

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.[44] 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).[45]

In response to the Show Cause Order, new Section II.56.1 of the OATT establishes that a Large Load Eligible Customer may apply for the provision of Firm Contract Demand Service and Non-Firm Contract Demand Service, and the ISO will deem an application for Firm Contract Demand Service sufficient to support a related need for Interim Contract Demand Service. These three new transmission services for Large Loads are described in Section IV.B.3 of this transmittal letter. New Section II.56.2 of the OATT establishes that upon completion of the application, study, and service agreement requirements set forth in new Section IV.58 of the OATT, each of the three types of transmission services must be taken and paid for by each Large Load Transmission Customer that obtains the transmission service on behalf of a Large Load.

[44] Show Cause Order at PP 3, 14, 91, 99.

[45] *Id.* at P 103.

3. New Section II.57 of the OATT and New Section III.1.10.5A of the Tariff – Nature and Flexibility of New Large Load Transmission Services

The nature of each of the new types of transmission services is described in new Section II.57 of the OATT. Under new Section II.57.1 of the OATT, Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service are the transmission services that the ISO provides to a Large Load Transmission Customer and allow a Large Load Transmission Customer to serve a Large Load located in the New England Control Area. New Sections II.57.1.1, 57.1.2, and 57.1.3 of the OATT define each of the three transmission services as follows:

> **Firm Contract Demand Service** is a firm transmission service provided to a Large Load Transmission Customer for a specific contracted MW value that can never be exceeded. All identified Large Load Network Upgrades shall be in service before a Large Load Transmission Customer can be provided Firm Contract Demand Service for a Large Load. Firm Contract Demand Service shall be provided after meeting the requirements of Section II.59 of the OATT.[46]
>
> **Interim Contract Demand Service** is a temporary, non-firm transmission service provided to a Large Load Transmission Customer requesting Firm Contract Demand Service before Large Load Network Upgrades are completed and placed into service, and before the Large Load Transmission Customer has designated, or has caused to be designated, sufficient capacity resources to serve the Large Load pursuant to Section II.59 of the OATT. Interim Contract Demand Service shall be available for a term of no more than seven years, or the length of time required to place the required Large Load Network Upgrades in-service, whichever is longer.[47]
>
> **Non-Firm Contract Demand Service** is non-firm transmission service provided to Large Load Transmission Customers. Large Load Transmission Customers shall not be required to designate capacity resources for a Large Load that is provided Non-Firm Contract Demand Service.[48]

New Section II.57 of the OATT also establishes general terms and conditions for the three transmission services. First, new Section II.57.1.4 of the OATT establishes that a Large Load Transmission Customer receiving Interim Contract Demand Service or Non-Firm Contract Demand Service for a Large Load is subject to the price-based redispatch provisions of Section III.1.10.5A of the Tariff (which are explained in Section IV.B.3.b of this transmittal letter).

[46] New Section II.57.1.1 of the OATT. As explained in Section IV.E of this transmittal letter, under new Section II.59 of the OATT, to receive the requested amount of Firm Contract Demand Service for a Large Load, the Large Load Eligible Customer is required to designate, or cause to be designated, sufficient new capacity resources to meet the requested amount of Firm Contract Demand Service for the Large Load.

[47] New Section II.57.1.2 of the OATT.

[48] New Section II.57.1.3 of the OATT.

Second, new Section II.57.1.5 requires a Large Load Transmission Customer to comply with other applicable OATT requirements, including: (i) obtaining or providing Ancillary Services pursuant to Section II.4 of the OATT;[49] (ii) complying with all applicable creditworthiness and financial assurance requirements set forth by the ISO and Large Load Interconnecting Transmission Owner, including but not limited to the ISO New England Financial Assurance Policy and the ISO New England Billing Policy; and (iii) paying for real power losses associated with its scheduled service as calculated and recovered through the Loss Component of the Locational Marginal Prices ("LMP") as further provided for in the ISO New England Operating Documents.[50] Third, new Section II.57.2 of the OATT establishes the ISO and PTO responsibilities for the planning, construction, operation, and maintenance of the Pool Transmission Facility ("PTF").[51] Finally, under new Section II.57.3 of the OATT, a Large Load Transmission Customer is entitled to use each of the three types of transmission services for any of the uses specified in Part II.J of the OATT.[52]

a. DARD Model

In order for a Large Load Transmission Customer to be able to receive Firm Contract Demand Service, Interim Contract Demand Service, or Non-Firm Contract Demand Service for a Large Load, under new Section III.1.10.5A(a)(i) of the Tariff, the Large Load Transmission Customer shall (or shall cause to) register the Large Load as a DARD.[53] Use of the DARD model allows for the timely and streamlined implementation of non-firm transmission services because it utilizes current ISO forecasting, telemetry, and dispatch tools, requiring minimal adaptation that results in expedited application. Specifically, the DARD model integrates Large Loads into the market optimization solution, simplifying dispatch timing, quantity and priority, which makes electronic dispatch significantly more efficient than manual dispatch. The DARD model also allows a Large Load Transmission Customer to combine multiple services on behalf of a single Large Load, as described in Example #3 below. In addition, the DARD model leverages existing infrastructure for forecasting and telemetry, further streamlining implementation.

A DARD is scheduled and settled at the nodal level, which provides situational awareness for ISO System Operations in the Real-Time dispatch and next day planning horizons. The following are the operational parameters for the DARD model:

- Maximum Consumption ("MaxCons")
    - Represents the expected/forecasted operating level
    - Improves operational planning, forecasting, and situational awareness

[49] A similar requirement applies to Regional Network Service under Section II.15.1 of the OATT.

[50] A similar requirement applies for Regional Network Service under Section II.15.3 of the OATT.

[51] A similar requirement applies for Regional Network Service under Section II.15.2 of the OATT.

[52] A similar requirement applies for Regional Network Service under Section II.15.4 of the OATT.

[53] *See* Section IV.B.3.a of this transmittal letter.

  - Supports reliable Real-Time operations

- Minimum Consumption ("MinCons")
  - Defines the lower bound for price-based dispatchable flexibility

- Manual Response Rate
  - Establishes predictable operational response
  - Supports balancing and management of transmission constraints

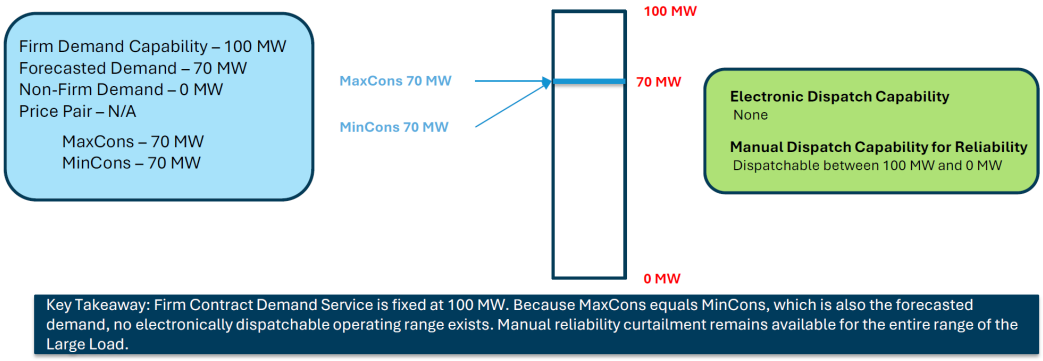
- Price Pairs
  - Allows economic re-dispatch of Non-Firm Contract Demand Service/Interim Contract Demand Service before emergencies occur
  - Integrates portion of Large Loads receiving Non-Firm Contract Demand Service/Interim Contract Demand Service into electronic and/or market dispatch
  - Uses Non-Firm Large Load Re-Dispatch Price and forecasted demand values or other price-quantity pair voluntarily offered (or caused to be offered) by the Large Load Transmission Customer

During normal operations, dispatch occurs between MaxCons and MinCons, and it is managed through market signals and economic dispatch (specifically, the Large Load Re-Dispatch Price described below combined with forecasted demand values or other voluntarily provided price-quantity pair data). The dispatch is automated and predictable, which allows operators to effectively manage Large Load Transmission Customers receiving firm and non-firm transmission services on behalf of Large Loads under normal conditions, even when non-firm transmission service is re-dispatched. For a Large Load Transmission Customer that exclusively receives Firm Contract Demand Service on behalf of a Large Load, absent a voluntarily submitted Demand Bid, its MaxCons and MinCons will both be set to the lesser of its Firm Contract Demand Service MW or its forecasted demand MW, which ensures no price-based redispatch occurs.

During operations, electronic dispatch between MaxCons and MinCons occurs based on price-quantity pairs (which may be the Large Load Re-Dispatch Price described below combined with forecasted demand values). Full reduction or disconnection between MinCons and zero MW consumption is managed manually through ISO/Local Control Center operating instructions. This allows for load reductions to address emergency conditions involving load shedding. Restoration indication and control are achieved through a combination of electronic and manual dispatch. The following examples illustrate the DARD model:

DARD Model – Example #1

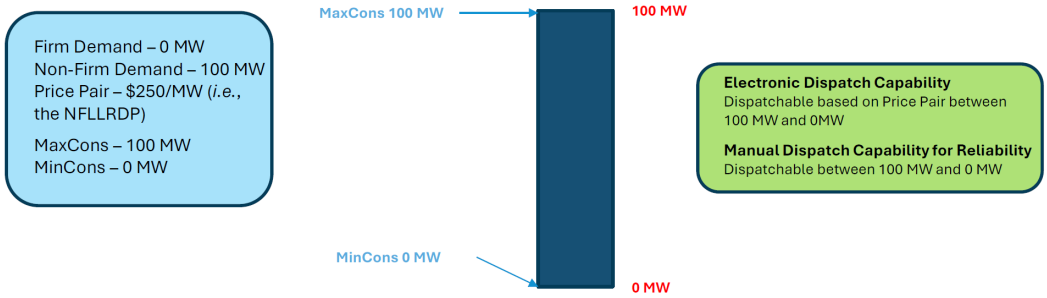
- Firm Contract Demand Service



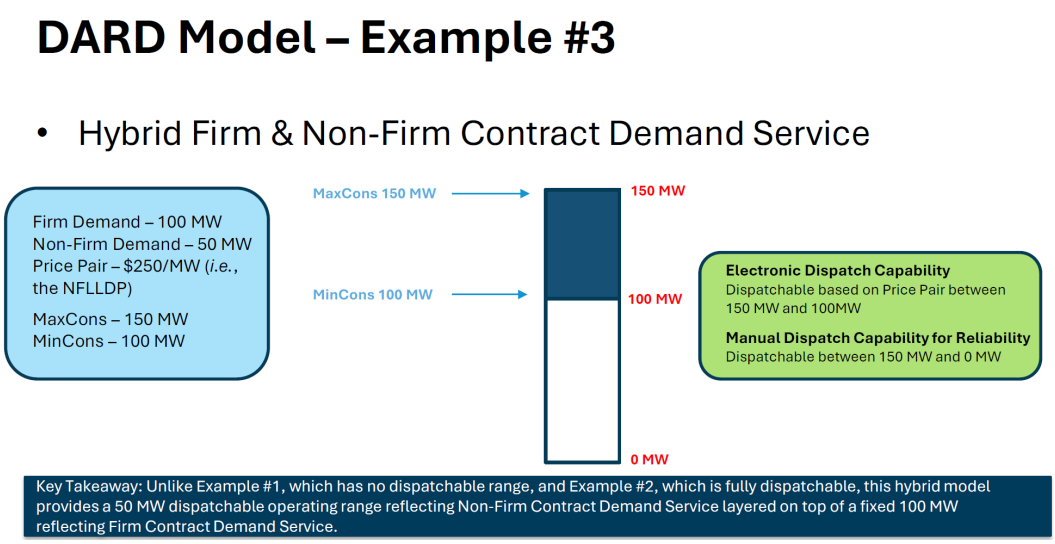
Key Takeaway: Firm Contract Demand Service is fixed at 100 MW. Because MaxCons equals MinCons, which is also the forecasted demand, no electronically dispatchable operating range exists. Manual reliability curtailment remains available for the entire range of the Large Load.

DARD Model – Example #2

- Non-Firm Contract Demand Service



Key Takeaway: Unlike Firm Contract Demand Service, this Non-Firm Contract Demand Service provides a 100 MW dispatchable operating range, allowing consumption to be reduced from 100 MW to 0 MW based on the Non-Firm Large Load Re-Dispatch Price or optionally provided price pair data .



b. Price-Based Re-Dispatch Mechanism

Flexibility for non-firm transmission services (*i.e.*, Interim Contract Demand Service and Non-Firm Contract Demand Service) will be achieved through a price-based re-dispatch mechanism. Specifically, consistent with the "non-firm" flexibility of Interim Contract Demand Service and Non-Firm Contract Demand Service, all or a portion of a Large Load's Interim Contract Demand Service and Non-Firm Contract Demand Service will be re-dispatched when the Large Load's applicable LMP exceeds a Large Load Re-Dispatch Price of $250/MWh. Using a static price streamlines implementation, and the proposed price reduces cost shifting in the energy markets.

This method of providing non-firm transmission service is just and reasonable for several reasons. First, transmission service over the regional transmission facilities in New England is provided to Transmission Customers based on economic dispatch rather than through an advance reservation system; thus, using a re-dispatch price to achieve non-firm transmission service for Large Load Transmission Customers is consistent with that construct while achieving the Commission's expectation regarding non-firm transmission service. Second, using a static price streamlines implementation and is manageable. Third, the proposed price reduces cost shifting in the energy markets[54] by re-dispatching large loads when the energy price is at a relatively high price for the region as the proposed re-dispatch price has occurred in approximately only 1% of hours in New England (based on hourly Load Zone prices) from 2021-2025. Fourth, the proposed re-dispatch price is aligned with the penalty factor for Replacement Reserves; conceptually, since the region is willing to forgo

[54] The price-based re-dispatch mechanism is consistent with the Commission's emphasis on the need for the avoidance of cost shifting and affordability for consumers. *See* Testimony of Dennis Cakert on Behalf of ISO New England Inc. at 15 attached hereto.

Replacement Reserves (a voluntary reliability service) at $250/MWh, it is reasonable to forgo service to non-firm Large Loads at $250/MWh.[55]

Notably, the proposed price-based re-dispatch mechanism does not require submission of a Demand Bid for the Large Load. Rather, submitting a Demand Bid for the Large Load is optional. Specifically, under new Section III.1.10.5A(b)(i) of the Tariff, the Large Load Transmission Customer may elect to submit (or cause to be submitted)[56] Demand Bids for the Large Load in the Day-Ahead and Real-Time Energy Markets. A submitted Demand Bid MW cannot exceed the Large Load's total transmission services, and the Demand Bid price for Interim Contract Demand Service or Non-Firm Contract Demand Service may not exceed the Large Load Re-Dispatch Price. Absent a submitted Demand Bid, the ISO will schedule the Large Load's consumption in the energy markets based on its forecasted demand, transmission services MW, and the Large Load Re-Dispatch Price. This treatment aligns with the treatment of conventional load assets, except for the following: (i) the Large Load's forecasted demand is submitted to the ISO, rather than estimated by the ISO; (ii) the Large Load's maximum consumption is capped (*i.e.*, by the sum of its transmission service MW); and (iii) Large Load non-firm MW are re-dispatchable (*i.e.*, based on price).

The price-based re-dispatch mechanism is reflected in new Section III.1.10.5A(c)(i) of the Tariff, which requires the ISO to schedule the Large Load to withdraw energy based on the lesser of the Large Load's forecasted demand and the sum of the Large Load's transmission services MW pursuant to the Large Load's Transmission Service Agreement. If the Large Load Transmission Customer elects to submit Demand Bids pursuant to new Section III.1.10.5A(b)(i) of the Tariff, then the ISO must schedule the Large Load to withdraw energy based on the lesser of the Large Load's Demand Bid MW and the sum of the Large Load's transmission services MW pursuant to the Large Load Transmission Service Agreement. Under new Section III.1.10.5A(c)(ii) of the Tariff, the ISO is required to send a Dispatch Instruction to redispatch all or a portion of the Large Load's Interim Contract Demand Service and/or Non-Firm Contract Demand Service based on the Large Load's applicable Locational Marginal Price and the Large Load Re-Dispatch Price. Note that, under new Section III.1.10.5A(a)(ii), the Large Load Transmission Customer shall comply with (or cause to be complied with) all applicable requirements in the ISO New England Operating Documents including, but not limited to, forecasting, telemetry, ramp rates, and following Dispatch Instructions. In addition to demand flexibility, under new Section III.1.10.5A(b)(ii) of the Tariff, a Large Load Co-Located Generator and/or Large Load Electrically Proximate Generator may achieve all or a portion of re-dispatch for a Large Load with non-firm service, so long as the combination of demand flexibility and associated generation is equal to the required amount of re-dispatch.

The ISO commits to reviewing the Large Load Re-Dispatch Price through the NEPOOL stakeholder process beginning in 2027 and, after that stakeholder process, proposing any revised price that can be implemented for June 1, 2028 to FERC; and (2) the ISO commits to reviewing

[55] The Testimony of Dennis Cakert further supports the use of a $250 Large Load Re-Dispatch Price at 10-17.

[56] Under the Tariff Revisions, the Large Load Entity may take actions on behalf of the Large Load Eligible Customer/Large Load Transmission Customer, which is obligated to comply with all applicable Tariff requirements.

other price-based approaches to support non-firm transmission services in the stakeholder process for an implementation date after June 1, 2028. In doing so, the ISO will explore other price-based methodologies to support non-firm transmission service that continue to maintain consistency with Commission policy and precedent regarding large load integration, efficient markets, and use of the transmission system.

4. New Section II.58 of the OATT – Application Process to Evaluate the Provision of Large Load Transmission Services

In the Show Cause Order, the Commission preliminarily found that the Tariff appears to be unjust and unreasonable because it lacks sufficiently clear and consistent Tariff provisions establishing the application process that will be used when the ISO evaluates the provision of transmission service to Eligible Customers on behalf of large loads.[57] In response to the Show Cause Order, new Section II.58 of the OATT establishes such application process, and provides that the ISO will start accepting Large Load Transmission Service Applications on June 1, 2027.[58] This will allow the ISO to process applications and conduct studies while the necessary software is developed for the ISO to begin providing the new transmission services for Large Loads on June 1, 2028.

New Section II.58.1 of the OATT sets forth the conditions precedent for receiving Firm Contract Demand Service, Interim Contract Demand Service, or Non-Firm Contract Demand Service, including: (i) completing an application; (ii) providing deposits; (iii) completion of study process under Part II.J of the OATT; (iv) completing technical arrangements in new Sections II.58.5 and II.58.6 of the OATT; (v) executing a Large Load Transmission Service Agreement (or the filing of a non-executed agreement); and (vi) execution of a Large Load Cost Recovery Agreement.

The ISO will accept Large Load Transmission Service Applications from Large Load Eligible Customers on a rolling basis and will assign a Large Load Queue Position for inclusion in the Open Access Same-Time Information System ("OASIS") list of all Large Load Transmission Service Applications in its Control Area once an application is deemed complete.[59] Pursuant to new Section II.58.2 of the OATT, to be complete, a Large Load Transmission Service Application must include:

- Information pertaining to the party requesting service, and a statement that the party is, or will become, a Large Load Transmission Customer under the OATT;

[57] Show Cause Order at P 57.

[58] A Large Load Transmission Service Application form will be available on the ISO website.

[59] Under new Section II.58.2 of the OATT, the ISO will complete its review of a Large Load Transmission Service Application and issue a notice within 20 days of receiving an application. If a deficiency is identified, the Large Load Eligible Customer must cure within 15 days of receipt of the notice.

- Large Load's gross peak demand (MW) and the type and level of each transmission service requested;[60]

- Proposed Large Load Point of Delivery;

- Demonstration of Large Load Site Control;

- Large Load Interconnecting Transmission Owner's interconnecting facilities study report for the Large Load;

- Technical data, as required in Appendix 1 to the Large Load Transmission Service Application;

- Simulation models and accompanying model acceptance testing documentation;

- An affidavit stating that there are no duplicative applications associated with the proposed Large Load in the form of Appendix 2 to the Large Load Transmission Service Application; and

- Fees and deposits (which the Large Load Entity can provide on behalf of the Large Load Eligible Customer)
    - Initial, non-refundable application fee of $50,000
    - Study deposit of $150,000 (unused balances will be refunded)

The requirements to provide the Large Load Interconnecting Transmission Owner's interconnecting facilities study report for the Large Load and an affidavit stating that there are no duplicative applications associated with the Large Load, as well as the application fee and study deposit fee, are designed to address the Commission's concern that the Tariff lacks provisions to deter speculative or duplicative requests for transmission service by Eligible Customers on behalf of Large Loads.[61]

Pursuant to new Section II.58.2 of the OATT, after the ISO determines that the Large Load Transmission Service Application is complete, the ISO will issue a notice and will tender a Large Load System Impact Study Agreement to the Large Load Eligible Customer.

New Section II.58.3 of the OATT requires the ISO to maintain on its OASIS a list of all Large Load Transmission Service Applications in its Control Area, and describes the information

[60] Interim Contract Demand Service is a temporary form of transmission service provided until the requirements for Firm Contract Demand Service are met and, therefore, Interim Contract Demand Service is not a type of service that can be requested in a Large Load Transmission Service Application.

[61] Show Cause Order at PP 49, 54.

that will be included on the OASIS for each application.[62] In addition, in the Show Cause Order, the Commission expressed its concern with the apparent lack of transparency regarding the assignment of network upgrades, and their associated costs, that are needed to provide transmission service to Eligible Customers on behalf of large loads.[63] In response to the Show Cause Order, new Section II.58.4 of the OATT requires the ISO to develop, maintain, and post on its website, in an easily accessible, searchable and fillable format: (1) a cumulative list reflecting the Large Load Network Upgrades identified for each Large Load, categorized by upgrade type; and (2) cost estimates for each identified Large Load Network Upgrade for each Large Load.

New Section II.58.5 of the OATT provides that transmission service to the Large Load Transmission Customer will not commence until the Large Load Interconnecting Transmission Owner and Large Load Transmission Customer (or Large Load Entity on its behalf) have completed installation of all equipment including direct connection facilities and protection systems necessary for the Large Load to reliably withdraw energy at the Point of Delivery (and any additional requirements imposed under the OATT and the ISO New England Planning Procedures to ensure the reliable operation of the New England Transmission System). Under the same section, the ISO is required to exercise reasonable efforts to complete such arrangements as soon as practicable, taking into consideration the Large Load Service Commencement Date.[64]

Finally, new Section II.58.6 of the OATT requires the Large Load Transmission Customer to construct, install, operate and maintain (or to cause these actions) all facilities on the Large Load side of the Point of Delivery. The provision of transmission services will be conditioned upon the construction, installation, operation and maintenance of all facilities on the Large Load side of each Point of Delivery necessary to reliably deliver capacity and energy from the New England Transmission System to the Large Load.[65]

5. New Section II.60 of the OATT – Study Procedures to Evaluate the Provision of Large Load Transmission Services

In the Show Cause Order, the Commission preliminarily found that the Tariff appears to be unjust and unreasonable because it lacks sufficiently clear and consistent Tariff provisions establishing the study procedures that will be used when ISO-NE evaluates the provision of transmission service to Eligible Customers on behalf of large loads.[66] In response to the Show Cause Order, new Section II.60 of the OATT establishes Large Load study procedures.

[62] The information includes the Large Load's gross peak demand, location by county and state, status of the application including queue position, types of transmission service requested, and date of the application. The ISO is also required to post Large Load System Impact Study reports.

[63] Show Cause Order at P 64.

[64] Similar requirements apply to Regional Network Service under Section II.16.3 of the OATT.

[65] Similar requirements apply to Regional Network Service under Section II.16.4 of the OATT.

[66] Show Cause Order at P 57.

a. Study Timelines

Under new Section II.60.1 of the OATT, within 15 days of the ISO's notice to the Large Load Eligible Customer that its Large Load Transmission Service Application is complete, the ISO must hold a Large Load Scoping Meeting that includes the ISO, the Large Load Eligible Customer, the Large Load Interconnecting Transmission Owner, any appropriate Large Load Affected Party, and any appropriate Large Load Internal Affected Party. The purposes of the Large Load Scoping Meeting are to discuss the estimated timeline for completing the Large Load System Impact Study, to exchange pertinent information and analyze it, and to discuss any other information to facilitate the study procedures.[67] Within seven days after the Large Load Scoping Meeting, the Large Load Eligible Customer must execute the Large Load System Impact Study Agreement.[68]

Under new Sections II.60.2, II.60.3, and II.60.4 of the OATT, the ISO and the Large Load Interconnecting Transmission Owner must use reasonable efforts consistent with Good Utility Practice to complete the Large Load System Impact Study[69] within 90 days of the execution of the Large Load System Impact Study Agreement.[70] Under new Section II.60.5 of the OATT, the ISO holds the Large Load System Impact Study report review meeting within seven days of issuing the Large Load System Impact Study report, and the Large Load Eligible Customer has 15 days from the receipt of the Large Load System Impact Study report to review the study results.

New Sections II.60.3 and II.60.4 of the OATT provide for additional analyses as needed. Specifically, if the EMT or Cluster Study and other study[71] coordination screens show the need for additional study, then the ISO will perform the required study in an additional study window (where any required analyses can be done in parallel). The additional study will be performed within 120 days after the Large Load System Impact Study report review meeting is held.[72]

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[67] The Filing Parties are required to bring to the meeting personnel and other resources as may be reasonably required to accomplish the purposes of the meeting in the time allocated for the meeting. The duration of the meeting must be sufficient to accomplish its purposes.

[68] The form Large Load System Impact Study Agreement is being added in this filing as Attachment T to the OATT.

[69] The ISO and the Large Load Interconnecting Transmission Owner must utilize existing studies to the extent practicable.

[70] At the request of the Large Load Eligible Customer or at any time the ISO or Large Load Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Large Load System Impact Study, the ISO shall notify the Large Load Eligible Customer as to the schedule status of the Large Load System Impact Study.

[71] This allows coordination with Cluster Studies and other studies, such as state jurisdictional affected system operator studies. Additional details for this screen will be provided in ISO New England Planning Procedures.

[72] This is consistent with Southwest Power Pool, Inc.'s ("SPP") Commission-approved High Impact Large Load study process. *Sw. Power Pool, Inc.*, 194 FERC ¶ 61,031, at PP 14-15 (2026) (describing SPP's EMT study process requirements); *id.* at P 62 (finding that SPP's proposed EMT study requirements for High Impact Large Loads ("HILLs") will help to ensure the reliable integration of Transmission Customers' HILLs into SPP's transmission system).

The study procedures also include an optional Large Load Facilities Study in new Section II.60.6 of the OATT. If the Large Load Eligible Customer elects to have a Large Load Facilities Study conducted, then the ISO will tender a Large Load Facilities Study Agreement within 30 days of the Large Load System Impact Study report review meeting or the conclusion of any additional study window, whichever is later. The Large Load Eligible Customer has 15 days to execute the Large Load Facilities Study Agreement. The ISO and the PTO(s) will use reasonable efforts to perform the study within 90 days.

Once the studies are complete, under new Section II.60.7 of the OATT, the ISO, the Large Load Eligible Customer, and the Large Load Interconnecting Transmission Owner must negotiate and execute the Large Load Transmission Service Agreement. The ISO must tender a Large Load Transmission Service Agreement within 20 days after it issues the final Large Load System Impact Study report or final Large Load Facilities Study report, whichever is later. The parties to the agreement will have 60 days to negotiate, at the end of which the Large Load Eligible Customer must elect to execute the agreement or request the filing of an unexecuted agreement. Otherwise, the ISO will deem the Large Load Transmission Service Application withdrawn.

b. Large Load Material Modification

Under new Section II.60.8 of the OATT, at any time during the Large Load study process, the following would constitute a Large Load Material Modification that requires the submission of a new Large Load Transmission Service Application:

- A decrease of more than 60% to the Large Load's gross peak demand (MW);
- Any increase to the Large Load's gross peak demand (MW), or any increase to the level of Firm Contract Demand Service being requested;
- Any change to the Non-Firm Large Load Generator Arrangement details impacting the Large Load;
- A modification to the Point of Delivery that is not agreed upon by the ISO, the Large Load Interconnecting Transmission Owner, and the Large Load Eligible Customer; and
- A commencement date for the transmission service that extends for more than three years from the original commencement date or a commencement date that is more than seven years from the date of the Large Load Transmission Service Application, unless an extension request is made to the ISO and the ISO deems the request to be non-material

In addition, during the study period, the following would constitute a Large Load Material Modification that requires the submission of a new Large Load Transmission Service Application:

- A decrease of the total transmission service requested; and

- Any deficiencies in the models associated with the Large Load, Large Load Co-Located Generator, or Large Load Electrically Proximate Generator that are identified by the ISO and take more than 15 days to address

After the study period, any modifications that significantly alter the performance of the studied project would constitute a Large Load Material Modification and, as such, would require the submission of a new Large Load Transmission Service Application.

c. Large Load System Impact Study Scope

New Section II.60.2 of the OATT provides that the Large Load System Impact Study must evaluate the impact of the proposed Large Load on the reliability and operation of the New England Transmission System. The study must consider the Large Load Base Cases as well as all Large Load facilities, any capacity designated under new Section II.59 of the OATT that is available at the time of the study, and any associated Large Load Co-Located Generators or Large Load Electrically Proximate Generators (and with respect to (iii) below, any identified Large Load Network Upgrades associated with such higher queued Large Load facilities) that, on the date the study is commenced: (i) are directly interconnected to the New England Transmission System; (ii) are interconnected to Large Load Affected Systems and may have an impact on the Large Load Transmission Service Application; (iii) have a pending higher queued Large Load Transmission Service Application to receive service from the New England Transmission System and may have an impact on the Large Load Transmission Service Application; and (iv) have no Queue Position but have executed a Large Load Transmission Service Agreement or requested that an unexecuted Large Load Transmission Service Agreement be filed with the Commission (the "Large Load Study Cases" for the Large Load System Impact Study).

New Section II.60.2 of the OATT also provides that the Large Load System Impact Study will consist of short circuit analysis, stability analysis, power flow analysis (including thermal analysis and voltage analysis), system protection and controls analysis, EMT screening, Cluster Study and other study coordination screening, and any other analyses that the ISO deems necessary in consultation with the Large Load Interconnecting Transmission Owner. The analysis must meet the requirements of reliability standards and ISO New England Planning Procedures, including those related to ride-through, ramp rates, and control technologies and/or protection schemes.

New Section II.60.2 also provides that, as described in ISO New England Planning Procedures, the Large Load System Impact Study will recognize the unique operational characteristics of Large Loads that are willing and able to limit their energy withdrawals under certain conditions, which may lessen or avoid the need for certain network upgrades.[73]

[73] The ISO New England Planning Procedures will be updated to allow for load associated with Non-Firm Contract Demand Service to reduce its output to mitigate thermal violations at shoulder and peak load in the Large Load System Impact Study. However, load associated with Non-Firm Contract Demand Service will not be reduced to resolve thermal violations at light load. The intent of these study assumptions is to ensure that a Large Load that is being served by a Large Load Transmission Customer taking Non-Firm Contract Demand Service will be able to operate

New Section II.60.4 of the OATT describes the Cluster and other study coordination. Specifically, this new provision states that the 90-day Large Load System Impact Study period will include a Cluster and other study coordination screening to determine whether additional study is required to account for the combined impacts of a Cluster under study according to Schedules 22, 23, and 25 of the OATT, other studies as described in ISO New England Planning Procedures, and a Large Load System Impact Study. If the Cluster Study and other study coordination screening uncovers the need for additional analysis, then the ISO is required to publish a preliminary Large Load System Impact Study report within the 90-day timeline that includes the results of the stability analysis, steady state analysis, short circuit analysis, protection analysis, EMT screening analysis, and Large Load Network Upgrades and preliminary cost estimate. If the Cluster Study and other coordination screening determines that there are combined impacts that need to be studied in detail, then the ISO shall use reasonable efforts consistent with Good Utility Practice to complete the additional coordination analysis (*i.e.*, with the Cluster and other studies) and publish a final Large Load System Impact Study report within 120 days of publishing the preliminary Large Load System Impact Study report.

d. Large Load System Impact Study Report

New Section II.60.2 of the OATT provides that the Large Load System Impact Study report must state the assumptions upon which it is based and the results of the analysis, as well as provide the requirements or potential impediments to providing the requested transmission service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the transmission service. The report will provide:

- A list of facilities that are required as a result of the Large Load Transmission Service Application and a non-binding good faith estimate of cost responsibility;
- A non-binding good faith estimated time to construct; and
- A protection and controls assessment to determine the required protection upgrades and controls

The report may also provide an identification of the likely permitting and siting process including easements and environmental work.

e. Evaluation of Alternative Transmission Technologies

In the Show Cause Order, the Commission preliminarily found that the Tariff appears to be unjust and unreasonable because it lacks clear and consistent provisions requiring the evaluation of alternative transmission technologies as potential solutions to accommodate an Eligible

under a reasonable set of conditions, while also minimizing or potentially avoiding the need for Large Load Network Upgrades.

Customer's request for transmission service on behalf of a Large Load.[74] In response to the Show Cause Order, new Section II.60.2 of the OATT requires the Large Load System Impact Study to evaluate the use of static synchronous compensators, static volt ampere reactive ("VAR") compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. The ISO must evaluate each identified alternative transmission technology and determine, in the manner described in the ISO New England Planning Procedures, whether the technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. The ISO must include an explanation of the results of its evaluation for each technology in the Large Load System Impact Study report.

f. Large Load Facilities Study Procedures

Under new Section II.60.6 of the OATT, if a Large Load System Impact Study indicates that Large Load Network Upgrades are needed to supply the Large Load Eligible Customer's service or to mitigate indirect impacts on Merchant Transmission Facilities (MTF) or Other Transmission Facilities (OTF), within 30 days of the issuance of the Large Load System Impact Study report, the ISO must tender a Large Load Facilities Study Agreement[75] to the Large Load Eligible Customer.

For a Large Load Transmission Service Application to remain a Completed Application, the Large Load Eligible Customer can either execute the agreement or waive (in writing) the Large Load Facilities Study within 15 days of the ISO's tender. If the Large Load Eligible Customer neither elects to execute the agreement nor waives the Large Load Facilities Study Agreement, then the Large Load Transmission Service Application will be deemed withdrawn.[76]

If the Large Load Eligible Customer executes the agreement, then the ISO and any affected PTO(s) will use due diligence to complete the required Large Load Facilities Study within 90 days. If the ISO and any affected PTO(s) cannot meet that deadline, then the ISO must notify the Large Load Eligible Customer and provide an estimate of the additional time needed, as well as an explanation for the reasons that additional time is required.

When completed, the Large Load Facilities Study will include a +/-20% good faith estimate of the Large Load Eligible Customer's appropriate share of the cost of any required Large Load Network Upgrades, and the time required to complete such construction and initiate the requested service. The Large Load Eligible Customer is required to provide acceptable security to the affected PTO(s) or other entities that will construct the new facilities or upgrades equivalent to the costs of those facilities or upgrades (consistent with commercial practices as established by the Uniform Commercial Code).

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[74] Show Cause Order at P 59.

[75] The form Large Load Facilities Study Agreement is being added in this filing as Attachment U to the OATT.

[76] The study deposit (minus administrative costs incurred) will be returned with Interest.

g. Coordination of Studies to Support a Non-Firm Large Load Generator Arrangement

Under new Section II.60.9 of the OATT, the ISO may perform studies to support the interconnection of a Large Load Co-Located Generator or a Large Load Electrically Proximate Generator to support a Non-Firm Large Load Generator Arrangement with a Co-Located Large Load or an Electrically Proximate Large Load concurrent with the applicable Large Load System Impact Study. These studies must meet the requirements of Schedules 22 and 23 of the OATT for a Large Load Co-Located Generator or Large Load Electrically Proximate Generator. The Large Load Eligible Customer must identify the Large Load Co-Located Generator or Large Load Electrically Proximate Generator and specify the details of the Non-Firm Large Load Generator Arrangement in order to reflect the Large Load Co-Located Generator or Large Load Electrically Proximate Generator and the details of the Non-Firm Large Load Generator Arrangement in the studies performed to support Interim Contract Demand Service or Non-Firm Contract Demand Service. The Large Load Eligible Customer will be responsible for 50% of all Large Load System Impact Study costs if the study includes a Large Load Co-Located Generator or Large Load Electrically Proximate Generator. All non-Interconnection Facility upgrades identified in a Large Load System Impact Study must be considered Large Load Network Upgrades and will be the sole responsibility of the Large Load Transmission Customer, regardless of the participation of a Large Load Co-Located Generator or Large Load Electrically Proximate Generator.

6. New Section II.61 of the OATT – Remote Disconnection of a Large Load and Load Shedding

In the Show Cause Order, the Commission expressed concern that the Tariff "does not require the transmission customer to enable ISO-NE to remotely disconnect large loads when necessary to maintain reliability of the transmission system . . . as well as the terms and conditions under which ISO-NE may remotely disconnect the large load."[77] In response to the Show Cause Order, new Section II.61 of the OATT requires the ISO and the Large Load Transmission Customer to establish re-dispatch and Load Shedding procedures with the objective of responding to contingencies on the New England Transmission System. New Section II.61.1 of the OATT provides that the parties shall implement such programs during any period when the ISO determines that a system contingency exists and such procedures are necessary to alleviate the contingency, up to and including the capability to coordinate the remote disconnection of the Large Load.[78] The ISO is required to notify all affected Large Load Transmission Customers in a timely manner of any scheduled reduction of service.

[77] Show Cause Order at P 62.

[78] As is the case under Section II.20.1 of the OATT, which applies to Regional Network Service, the ISO will contact the Local Control Center to coordinate the reduction of service. The ISO will include the conditions under which it will require the Large Load Transmission Customer to remotely disconnect the Large Load in Operating Procedure No. 7 – Action in an Emergency and/or Operating Procedure No. 19 – Transmission Operations. *ISO New England Operating Procedure No. 7: Action in an Emergency (OP-7)*, ISO New England Inc. (June 17, 2026), https://www.iso-

In addition, under new Section II.61.2 of the OATT, during any period when the ISO determines that a transmission constraint exists on the New England Transmission System, and such constraint may impair its reliability, the ISO is required to take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the system. If reliability can be maintained by redispatch reduction of Interim Contract Demand Service or Non-Firm Contract Demand Service, the ISO will initiate procedures pursuant to new Section II.63 of the OATT without regard to ownership.

Moreover, new Section II.61.3 of the OATT states that, to the extent that a system contingency exists on the New England Transmission System and the ISO determines that it is necessary for Large Load Transmission Customers taking Firm Contract Demand Service to shed load, the parties shall shed load in accordance with the ISO New England Operating Documents.

Finally, under new Section II.61.4 of the OATT, the ISO reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to redispatch reduction of Non-Firm Contract Demand Service and Interim Contract Demand Service, or reduction of Firm Contract Demand Service[79] for purposes of adjusting, changing or repairing lines, substations and facilities, and in cases where continuing the transmission services would endanger persons or property. The ISO can also take those actions in the event of adverse conditions or disturbances on the New England Transmission System or any other system directly or indirectly interconnected with it, in order to limit the extent or damage of those conditions or disturbances, prevent damage to generating or transmission facilities, or expedite restoration of service.[80]

7. <u>New Section II.63 of the OATT – Operational Requirements for Large Load Transmission Customers</u>

In the Show Cause Order, the Commission preliminarily found that the Tariff appears to be unjust and unreasonable because it lacks provisions addressing ongoing operational requirements for transmission customers taking transmission service on behalf of large loads.[81] The Commission expressed concerns that the Tariff does not require transmission customers to provide the ISO hourly forecasts, telemetry data, and other data to ensure sufficient visibility or specify requirements for maintaining communication channels between the ISO and the transmission customer on behalf of the Large Load.[82] The Commission also expressed concerns

ne.com/static-assets/documents/rules_proceds/operating/isone/op7/op7_rto_final.pdf; *ISO New England Operating Procedure No. 19 – Transmission Operation*s, ISO New England Inc. (June 16, 2026), https://www.iso-ne.com/static-assets/documents/rules_proceds/operating/isone/op19/op19_rto_final.pdf.

[79] The ISO is required to provide as much advance notice as practicable before reducing the transmission services.

[80] Any redispatch or reduction shall be not unduly discriminatory relative to the Large Load Transmission Customers' use of the Transmission System on behalf of its Large Loads.

[81] Show Cause Order at P 62.

[82] *Id.*

that the Tariff does not specify ramp rate or ride-through requirements with which the transmission customer taking transmission service on behalf of the large load must comply, and that the Tariff does not specify requirements for necessary control technologies and/or protection systems that may be necessary to limit a transmission customer's withdrawals from the transmission system as appropriate.[83]

In response to the Show Cause Order, new Section II.63 of the OATT establishes operational requirements that the Large Load Transmission Customer is required to comply with or cause to be complied with, which means that the Large Load Entity may comply with the requirements on behalf of the Large Load Transmission Customer. New Section II.63 of the OATT includes the same customer obligations and general network terms and conditions that currently apply to Regional Network Service under Section II.B of the OATT. For example, new Section II.63.2(f) of the OATT requires the Large Load Transmission Customer to submit: hourly demand consumption forecasts, redispatch capability, load power factor or reactive power injection/withdrawal performance, underfrequency load shedding capability, block load shedding capability, disturbance/interruption reports, protection system setting conformance, protection system testing and maintenance conformance, planned changes to protection systems, metering testing and maintenance conformance, planned changes in transformation capability, conformance to harmonic and voltage fluctuation limits, and dead station tripping.[84] New Section II.63.2 also includes the same requirements that currently apply to Regional Network Service under Section II.B of the OATT related to: electrical supply, maintenance outage procedures,[85] operational obligations, notice of transmission service interruptions, access and control, Point of Delivery, maintenance of equipment (with the addition of the ability for the ISO to request monitoring), emergency system operations, and cost responsibility.

In addition to the requirements that currently apply to Regional Network Service, for Large Loads, new Section II.63.2 of the OATT requires the reporting of monitoring equipment testing and maintenance conformance,[86] conformance to induced sub-synchronous oscillations, ride-through limits and ramp rate limits. Furthermore, for Large Loads, new Sections II.63.2(b), (c), and (d) of the OATT require the Large Load Transmission Customer to comply with, respectively,

[83] *Id.*

[84] The ISO will develop detailed requirements for large loads related to: demand forecast information for various time horizons (including hourly forecasts), telemetry data and other metering data as necessary to ensure sufficient visibility, and maintaining communications between the ISO and the Large Load Transmission Customer. These detailed requirements will be included in Operating Procedure No. 14 – Technical Requirements for Assets and Resources, or Operating Procedure No. 18 – Metering and Telemetering Criteria.

[85] The ISO will update Operating Procedure No. 5 – Resource Maintenance and Outage Scheduling to incorporate procedures associated with Large Loads.

[86] The ISO will develop detailed requirements for Large Loads related to monitoring equipment, including the installation of equipment such as Phasor Measurement Units, Digital Fault Recorders or other Point-On-Wave monitoring equipment. These details will be included in Operating Procedure No. 22 – Disturbance Monitoring Requirements. In addition, outage reporting procedure and communication protocols will be documented in Operating Procedure No. 2 – Maintenance of Communications, Computers, Metering and Computer Support Equipment.

the ramp rate requirements specified in the ISO New England Operating Procedures,[87] the ride-through requirements specified in ISO New England Planning Procedures and ISO New England Operating Procedures, and the requirements of the Large Load Transmission Service Agreement and ISO New England Operating Procedures with regard to the operation and maintenance of necessary control technologies and/or protection systems to limit withdrawals from the transmission system.

Importantly, under new Section II.63.3 of the OATT, if the Large Load equipment fails to perform consistent with the obligations specified in the OATT, then the Large Load Transmission Customer will be deemed to be in default and service may be suspended immediately and subject to a termination through an ISO filing with the Commission. If the information required in new Section II.63.2(f) of the OATT is not provided in a timely manner, then the ISO is required to issue a notice of such failure to the Large Load Transmission Customer. If the information is not provided or the issues related to providing the information are not resolved within the timeframe established by the ISO, then the ISO may suspend service until the information is provided or the issue is resolved.

8. New Attachments S, T, and U to the OATT – Large Load Transmission Service Agreement, Large Load System Impact Study Agreement, and Large Load Facilities Study Agreement

In the Show Cause Order, the Commission preliminarily found that the Tariff appears to be unjust and unreasonable because it lacks *pro forma* provisions in a transmission service agreement between the ISO and the transmission customer taking transmission service on behalf of a Large Load to memorialize terms such as equipment requirements, data requirements, and remote disconnect capability.[88] In response, the ISO is proposing to add new Attachment S – Large Load Transmission Service Agreement to the OATT. The parties to this agreement are the ISO and the Large Load Transmission Customer. Under the agreement, the ISO agrees to provide and the Large Load Transmission Customer agrees to take and pay for the selected transmission services (*i.e.*, Firm Contract Demand Service and/or Non-Firm Contract Demand Service), and for Interim Contract Demand Service, as applicable, in accordance with the provisions of the ISO New England Operating Documents and the provisions of the agreement. The agreement requires a description of the Large Load that will be served by the Large Load Transmission Customer and will specify the date when service is to commence as well as the Point(s) of Delivery. The agreement also requires a description of, as applicable, a designated capacity resource(s) or a Non-Firm Large Load Generator Arrangement.[89] The Tariff is incorporated and made a part of the

[87] The ISO will specify the ramp rate requirements in Operating Procedure No. 14 – Technical Requirements for Assets and Resources.

[88] Show Cause Order at P 63.

[89] The following will be specified in Appendix A to the Large Load Transmission Service Agreement: Point of Delivery and Large Load Point of Change of Ownership, Large Load Transmission Customer's Interconnection Facilities, Large Load Interconnecting Transmission Owner's Interconnection Facilities, Large Load Network

agreement and, therefore, the agreement memorializes the terms and conditions submitted in this section 205 filing. The Large Load Transmission Customer may terminate the agreement after giving the ISO 30 days' written notice. To resume provision of services, a new Large Load Transmission Service Application is required.

In addition, to implement the study procedures in new Section II.60 of the OATT, the ISO proposes to add Attachment T to the OATT – Large Load System Impact Study Agreement, which is an agreement between the ISO, the Large Load Eligible Customer, the Large Load Interconnecting Transmission Owner and, if applicable, the Interconnection Customer for a Large Load Co-Located Generator or Large Load Electrically Proximate Generator, under which the Large Load Eligible Customer elects and the ISO performs the Large Load System Impact Study. The agreement describes the basis for the Large Load System Impact Study, as well as the contents of the Large Load System Impact Study report. The agreement requires the Large Load Eligible Customer to provide a deposit in the amount of $150,000, which will be applied toward the cost of the study and the development of the agreement and its attachments. The agreement includes an estimated time for completion, as well as a total estimated cost of the study (any difference between the deposit and the cost of the study will be paid by or refunded to the Large Load Eligible Customer). If the Large Load System Impact Study includes a Large Load Co-Located Generator or Large Load Electrically Proximate Generator, then the Large Load Eligible Customer will be allocated 50% of the cost of the study, and the remaining 50% will be paid by the Interconnection Customer for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator. In accordance with Part II.J of the OATT, in performing the study, the ISO and the Large Load Interconnecting Transmission Owner must coordinate with Large Load Affected Parties and Large Load Internal Affected Parties.[90]

To further implement the study procedures in new Section II.60 of the OATT, the ISO also proposes to add Attachment U to the OATT – Large Load Facilities Study Agreement, which is an agreement between the Large Load Eligible Customer and the ISO. The purpose of the study is to determine detailed engineering, design and cost of the facilities, upgrades, and special protection systems necessary to satisfy the Large Load Eligible Customer's interconnection for the project or provide the transmission service as indicated by the Large Load System Impact Study. Under the agreement, the Large Load Eligible Customer will provide all necessary information and technical data. If the ISO determines that additional studies are needed to complete the Large Load Facilities Study, then if the Large Load Eligible Customer elects to proceed, it will pay for the additional studies. The agreement contains a scope of work, the estimated timeline for completion of the study, estimated costs (to be paid or caused to be paid by the Large Load Eligible

Upgrades, Large Load Distribution Upgrades, Large Load Network Upgrades to Large Load Affected Systems and/or Large Load Internal Affected Systems, Large Load Contingent Facilities, and a description of automatic control technologies limiting withdrawals.

[90] The Large Load System Impact Study Agreement also includes the following miscellaneous terms and conditions: accuracy of information, disclaimer of warranty, force majeure, liability and indemnification, third party beneficiaries, term and termination, governing law, severability, counterparts, amendment, survival, independent contractor, no implied waivers, successors and assigns, and due authorization.

Customer), and a prepayment schedule. The ISO will invoice the Large Load Eligible Customer for expenses, with any invoiced amounts to be paid or refunded as appropriate. At the completion of the study, the ISO will provide a report to the Large Load Eligible Customer, and use of the study will be at the Large Load Eligible Customer's sole risk.[91]

9. Revisions in Schedules 2, 16, and 17 of the OATT

Schedule 2 establishes the rules for provision of VAR Service, which helps maintain transmission voltages on the New England Transmission System. Qualified resources receive credits for providing VAR Service, which are then charged to Transmission Customers. In accordance with the beneficiary pays principle of cost allocation, a Transmission Customer's charge for VAR Service is based on their pro rata share of Regional Network Load and Through or Out Service. Large Load Transmission Customers receiving Firm Contract Demand Service, Interim Contract Demand Service, and/or Non-Firm Contract Demand Service will benefit from maintained transmission voltages and should therefore be allocated their pro rata share of costs for VAR Service.

To charge a Large Load Transmission Customer their pro rata share of Schedule 2 VAR Service costs, the following changes are required: (1) establish the Large Load Transmission Customer as an entity that can be charged for VAR Service; (2) establish that demand from all Large Load Transmission Customers, as calculated in OATT Section II.62, is added to demand from all Transmission Customers' Regional Network Load and Through or Out Service to calculate total demand for VAR Service and the charge rate for VAR Service; and (3) establish that a Large Load Transmission Customer's charge for VAR Service is equal to total costs for VAR Service multiplied by the Large Load Transmission Customer's pro-rata share of demand.

Schedule 16 establishes the rules for provision of Blackstart Service,[92] which helps restore the system following a partial or complete shutdown of the New England Transmission System. Eligible resources receive credits for providing Blackstart Service, which are then charged to Transmission Customers. In accordance with the beneficiary pays principle of cost allocation, a Transmission Customer's charge for Blackstart Service is based on their pro rata share of Regional Network Load. Large Load Transmission Customers receiving Firm Contract Demand Service, Interim Contract Demand Service, and/or Non-Firm Contract Demand Service will benefit from

[91] The Large Load Facilities Study Agreement also includes the following general terms: no interconnection or wheeling rights/no interruption of service, indemnification, disclaimer of damages, duration, termination, dispute resolution/voluntary arbitration, Commission jurisdiction over certain disputes/equitable relief, confidential information, miscellaneous (assignment, governing law, enforceability, no waiver, notice, force majeure, use of subcontractors, no third party beneficiary, entire agreement, signature authorization, definitions, and counterparts).

[92] The Commission has found that, regardless of whether a co-located load withdraws energy from the transmission system, co-located load relies on and benefits from regulation service and black start service, and concluded that Eligible Customers taking one of the new transmission services on behalf of co-located load must pay for these ancillary services on a gross demand basis. Show Cause Order at P 96.

system restoration and should therefore be allocated their pro rata share of costs to provide Blackstart Service.

To charge a Large Load Transmission Customer their pro rata share of Schedule 16 Blackstart Service costs, the following changes are required: (1) establish the Large Load Transmission Customer as an entity that can be charged for Blackstart Service; (2) establish that demand from all Large Load Transmission Customers, as calculated in new Section II.62 of the OATT, is added to demand from all Transmission Customers' Regional Network Load to calculate total demand for Blackstart Service and the charge rate for Blackstart Service; and (3) establish that a Large Load Transmission Customer's charge for Blackstart Service is equal to total costs for Blackstart Service multiplied by the Large Load Transmission Customer's pro rata share of demand.

Schedule 17 establishes the rules for recovery of costs associated with Interconnection Reliability Operating Limits - Critical Infrastructure Protection ("IROL-CIP") Costs, which helps protect the Bulk Electric System Cyber Systems and Assets. IROL-Critical Facility Owners receive credits for their applicable costs, which are then charged to Transmission Customers. A Transmission Customer's charge is based on their pro rata share of Regional Network Load and Through or Out Service, in accordance with the beneficiary pays principle of cost allocation. Large Load Transmission Customers receiving Firm Contract Demand Service, Interim Contract Demand Service, and/or Non-Firm Contract Demand Service will benefit from protection of Bulk Electric System Cyber Systems and Assets and should therefore be allocated their pro rata share of IROL-CIP Costs.

To charge a Large Load Transmission Customer their pro rata share of Schedule 17 IROL-CIP Costs, the following changes are required: (1) establish the Large Load Transmission Customer as an entity that can be charged for IROL-CIP Costs; (2) establish that demand from all Large Load Transmission Customers, as calculated in new Section II.62 of the OATT, is added to demand from all Transmission Customers' Regional Network Load and Through or Out Service to calculate total demand for IROL-CIP Costs; and (3) establish that a Large Load Transmission Customer's charge for IROL-CIP Costs is equal to total IROL-CIP Costs multiplied by the Large Load Transmission Customer's pro rata share of demand.

10. Conforming Revisions to Sections II.20.2 and II.20.3 of the OATT

Section II.20.2 of the OATT is being revised to include "any Large Load Transmission Customer's use of the PTF on behalf of its Large Loads" in the types of use of the PTF that cannot be unduly discriminated in redispatch under that provision. The term "Large Load Transmission Customers" is being added in Section II.20.3 of the OATT as a conforming revision in the language that currently applies to Regional Network Service. Specifically, the revisions in Section II.20.3 of the OATT specify that Large Load Transmission Customers (along with Transmission Customers) will bear the costs of the ISO's implementation of least-cost redispatch procedures in response to a transmission constraint in accordance with the ISO New England Operating Documents.

11. Revisions in Sections III.1, III.2, and III.15 of the Tariff

The ISO is proposing revisions in Section III.1.7.19.2.2.2 to establish that a Large Load is ineligible to provide Real-Time Reserves. The revisions state that "[f]or a [DARD] associated with a Large Load, all components of the Real-Time Reserve Designation shall be zero." Similarly, the revisions in Section III.1.8.1 establish that a Large Load is ineligible to provide Day-Ahead Ancillary Services (*i.e.*, day-ahead reserves). Accordingly, the revisions exclude DARD with a Large Load from each Day-Ahead Ancillary Services Offer. At this time, the ISO proposes to prohibit a Large Load from providing reserves because a Large Load is not required to bid into the energy markets. To allow Large Loads with Demand Bids submitted by the Large Load Transmission Customer to provide reserves while also prohibiting Large Loads for which the Large Load Transmission Customer has not submitted Demand Bids without bids from providing reserves would require the ISO to create two different energy market models for Large Loads, which would significantly delay the proposed implementation date of June 1, 2028. In the future, the ISO is open to exploring Tariff revisions that could allow a Large Load with demand flexibility to provide reserves, provided that the Large Load Transmission Customer submits Demand Bids and completes capability auditing.

Additionally, in Sections III.2.5 – Calculation of Nodal Real-Time Prices and III.2.6.1 – Calculation of Day-Ahead Locational Marginal Prices, the words "and re-dispatchable non-firm loads" are being added as conforming changes because re-dispatchable loads (such as Large Loads receiving Interim Contract Demand Service and Non-Firm Contract Demand Service) can set, respectively, Real-Time Prices and Day-Ahead Locational Marginal Prices.

Moreover, in Section III.15.8.5.2.1 of the Tariff – Charges Associated with Dispatchable Asset Related Demands, the Tariff Revisions state that the adjustment to a load serving entity's Coincident Peak Contribution resulting from a DARD associated with a Large Load must be based on the Large Load's Interim Contract Demand Service and Non-Firm Contract Demand Service. As such, the revisions exclude Large Loads receiving Interim Contract Demand Service and Non-Firm Contract Demand Service from capacity cost allocation. This aligns with the beneficiary pays principle because a Large Load Transmission Customer receiving Interim Contract Demand Service and/or Non-Firm Contract Demand Service on behalf of a Large Load is excluded from the calculation used to determine the Installed Capacity Requirement and is re-dispatched prior to a Capacity Scarcity Condition ("CSC").

C. Tariff Revisions in Response to the Show Cause Order Proposed by the ISO and the PTOs Under Joint ISO/PTOs Section 205 Rights

In the Show Cause Order, the Commission preliminarily found that the 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.[93] In response to the Show Cause Order, to establish a study and agreement process for Large Load Co-Located

[93] Show Cause Order at P 111.

Generators and Large Load Electrically Proximate Generators, the Tariff Revisions include: (i) modifications to the LGIP contained in Schedule 22 of the OATT, and the addition of a Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA ("LLCELGIA") as new Appendix 13 to the LGIP; and (ii) modifications to the SGIP contained in Schedule 23 of the OATT, and the addition of a Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA ("LLCESGIA") as new Appendix 12 to the SGIP.[94][95]

New Sections 14 in the LGIP and SGIP contain the rules for Large Load Co-Located Generators and Large Load Electrically Proximate Generators. New Sections 14.1 of the LGIP and SGIP provide that Large Load Co-Located Generators and Large Load Electrically Proximate Generators are only subject to Sections 3.7 (Withdrawal), 12 (Construction of Interconnecting Transmission Owner Interconnection Facilities and Network Upgrades), 13 (Miscellaneous), 14 (Large Load Co-Located Generators and Large Load Electrically Proximate Generators), Attachment D to Appendix 1 (Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application), and Appendix 13 to the LGIP (LLCELGIA)/Appendix 12 to the SGIP (LLCESGIA). The provision requires that Sections 3.7, 12, and 13 be interpreted in such manner as to apply to Large Load Co-Located Generators and Large Load Electrically Proximate Generators. Said differently, Large Load Co-Located Generator and Large Load Electrically Proximate Generator shall be treated synonymously with Interconnection Customer under such sections.

New Sections 14.2 of the LGIP and SGIP establish the Large Load Co-Located Generator/Large Load Electrically Proximate Generator interconnection process. New Sections 14.2 provide that, under a Non-Firm Large Load Generator Arrangement, the Large Load Co-Located Generator or Large Load Electrically Proximate Generator must be deemed to be providing all of its output to the Co-Located Large Load or Electrically Proximate Large Load, must not have the right to inject any energy onto the Administered Transmission System except as permitted by the definitions of Electrically Proximate Large Load and Large Load Electrically Proximate Generator, must receive zero MW of Network Resource Interconnection Service ("NRIS"), and must only be granted the right to physically interconnect at a designated Point of Interconnection ("POI") in the LLCELGIA/LLCESGIA.

[94] The Tariff Revisions in Schedules 22 and 23 to the OATT also include revisions in the definitions of Contingent Facilities and Interconnection Study to include terms related to Large Loads. In Schedules 22 and 23 of the OATT, the Tariff Revisions also add the following definitions, as appropriate: Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Studies, Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA, Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application, and Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA. In Schedule 23 to the OATT, the definitions of Small Generating Facility and SGIA Deposit have been moved and cleaned-up.

[95] The ISO is also making clean up changes to correct inadvertent grammar and terminology errors in the following Sections of Schedules 22 and 23: 3.2.1.3, 4.2.3.1.2, 4.2.3.3, 4.4.1, 4.4.5, 8.1, and 8.3.

Under new Sections 14.2.1 of the LGIP and SGIP, the ISO must start accepting Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Applications under the LGIP/SGIP on June 1, 2027. The applications are for Interconnection Customers to request to physically interconnect to the Administered Transmission System at a designated POI with zero MW of NRIS. The application forms are included as Attachments D to Appendix 1 of the LGIP and SGIP. Applications must be accompanied by a written certification from the Large Load Eligible Customer (or Large Load Entity on its behalf) that the Large Load Co-Located Generator/Large Load Electrically Proximate Generator has been designated to serve its Co-Located Large Load or Electrically Proximate Large Load. Applications must also include the technical data required in Appendix 1 to the LGIP and SGIP, a non-refundable application deposit of $50,000 in cash, a refundable deposit of $150,000 in cash,[96] and proof of Site Control for the Large Load Co-Located Generator/Large Load Electrically Proximate Generator.

New Sections 14.2.2 of the LGIP and SGIP contain the provisions for the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Studies. The study scope is described in new Sections 14.2.2.1 of the LGIP and SGIP. Specifically, studies may consist of reactive power, short circuit/fault duty, stability analyses, and/or other appropriate studies. Steady-state (thermal/voltage) analyses may also be performed as necessary to ensure that all required reliability conditions are studied. If the Large Load Co-Located Generator or Large Load Electrically Proximate Generator includes an electric storage resource, the ISO will use a system load level as defined in its planning procedures when studying the charging mode of the electric storage resource. To the extent required, studies will be coordinated with Internal Affected Systems and Affected Systems.

Importantly, under new Sections 14.2.2.1 of the LGIP and SGIP, the study of Large Load Co-Located Generator/Large Load Electrically Proximate Generator may be conducted as part of the Large Load System Impact Study for the associated Co-Located Large Load or Electrically Proximate Large Load (this study is described in the Tariff Revisions in new Part II.J of the OATT). This study must consider the full capability of the facility to ensure the acceptability of the proposed control technology needed to restrict the ability of the Large Load Co-Located Generator or Large Load Electrically Proximate Generator to inject energy onto the Administered Transmission System. The reactive power, short circuit/fault duty, stability, and steady-state analyses for a Large Load Co-Located Generator or Large Load Electrically Proximate Generator must identify any Interconnection Facilities necessary to interconnect the Large Load Co-Located Generator or Large Load Electrically Proximate Generator. All non-Interconnection Facility upgrades identified in this study as needed to reliably interconnect both the Large Load and the Generating Facility must be classified as Large Load Network Upgrades with costs allocated under the Large Load Cost Recovery Agreement in Attachment V of the OATT.

If the study of the Large Load Co-Located Generator or Large Load Electrically Proximate Generator is conducted after the Large Load System Impact Study has been completed, then the

[96] The study deposit will be refundable, minus all costs incurred by the ISO in the event of a withdrawal of an application prior to the completion of the studies.

Large Load Co-Located Generator or Large Load Electrically Proximate Generator will be studied on its own and, if Network Upgrades are required to accommodate the Large Load Co-Located Generator or Large Load Electrically Proximate Generator, then the study must terminate and the Interconnection Customer will be required to submit an Interconnection Request to participate in the next Cluster Study conducted under the LGIP or SGIP if it seeks to proceed.

New Sections 14.2.2.2 of the LGIP and SGIP provide that the Interconnection Customer for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator will be allocated 50% of the cost of the Large Load System Impact Study (with the remaining 50% to be paid by the Large Load Transmission Customer under Part II.J of the OATT). However, if the study of the Large Load Co-Located Generator or Large Load Electrically Proximate Generator is conducted after the Large Load System Impact Study has been completed, then the Interconnection Customer must be responsible for all costs. Under new Sections 14.2.2.3 of the LGIP and SGIP, the study results will be communicated to the Interconnection Customer in the manner described in new Part II.J of the OATT, regardless of whether the study is conducted as part of the Large Load System Impact Study.

New Sections 14.3 of the LGIP and SGIP require the ISO to maintain on its OASIS a list of all Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Applications in its Control Area. The list must identify: nameplate generating capability, location by county and state, substation or transmission line or lines where the interconnection will be made, projected Initial Synchronization Date, status of the application, and date the ISO received the application.

Under new Sections 14.4 of the LGIP and SGIP, the following constitute Material Modifications for a Large Load Co-Located Generator/Large Load Electrically Proximate Generator such that a new application will be required for study: (i) any increase in capability; (ii) decrease of more than 60% of the capability originally studied; (iii) any change to a Non-Firm Large Load Generator Arrangement that impacts the Large Load Co-Located Generator or Large Load Electrically Proximate Generator; (iv) a modification to the POI that is not agreed upon by the ISO, the Interconnection Customer, and the Interconnecting Transmission Owner; (v) an extension to the Commercial Operation Date that exceeds three (3) years from the Commercial Operation Date or that is more than seven (7) years from the date of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application, unless an extension request is made to the ISO and the ISO deems the extension to be non-material; (vi) during the study period any modifications to the Large Load Co-Located Generator, Large Load Electrically Proximate Generator, or Large Load models that take more than15 Calendar Days to address; and (vii) after the study period, any requested modification that significantly alters the performance of the studied project.

Finally, new Sections 14.5 of the LGIP and SGIP provide that the interconnection of a Large Load Co-Located Generator or Large Load Electrically Proximate Generator will be governed by the LLCELGIA (Appendix 13 to the LGIP)/LLCESGIA (Appendix 12 to the SGIP). The agreements must be developed and negotiated at the Interconnection Customer's expense, in

accordance with these new provisions. Specifically, within 20 days of the ISO's issuance of the final impact study report, the ISO must tender an LLCELGIA/LLCESGIA, and the ISO, Interconnection Customer and Interconnecting Transmission Owner will have 60 Calendar Days to negotiate the agreement, including all its construction milestones. At the end of the 60-day period, the Interconnection Customer must either request to execute the LLCELGIA/LLCESGIA or request the filing of an unexecuted LLCELGIA/LLCESGIA with the Commission. Simultaneously with the execution of the LLCELGIA/LLCESGIA, the Interconnection Customer must provide continued proof of 100% Site Control for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator, and security in an amount and form required by the Interconnecting Transmission Owner to secure the construction of any Interconnection Facilities needed to support the interconnection of the Large Load Co-Located Generator or Large Load Electrically Proximate Generator.

The LLCELGIA and LLCESGIA are versions of, respectively, the Large Generator Interconnection Agreement (Appendix 11 to the LGIP) and Small Generator Interconnection Agreement (Appendix 11 to the SGIP) adapted to address the interconnection of a Large Load Co-Located Generator or Large Load Electrically Proximate Generator, which will have a Non-Firm Large Load Generator Arrangement and will interconnect with zero MW of Network Resource Interconnection Service.

In addition to the changes in the LGIP and SGIP, to address the Show Cause Order's findings that co-location can reduce transmission system impacts,[97] under new Section III.1.10.5A(b)(ii), the Large Load Transmission Customer may, or may cause to, use energy supply from a Large Load Co-Located Generator or Large Load Electrically Proximate Generator to achieve re-dispatch requirements for Interim Contract Demand Service and/or Non-Firm Contract Demand Service pursuant to Section III.1.10.5A(c)(ii) (which requires the ISO to send a Dispatch Instruction to redispatch all or a portion of the Large Load's Interim Contract Demand Service and/or Non-Firm Contract Demand Service based on the Large Load's applicable Locational Marginal Price and the Large Load Re-Dispatch Price). Furthermore, to address the Show Cause Order's considerations on cost shifting,[98] new Section III.1.10.5A(d)(ii) of the Tariff provides that the Assigned Meter Reader for the Large Load must submit Revenue Quality Metering for hourly and monthly settlement that represents gross supply quantities for Large Load Co-Located Generators and/or Large Load Electrically Proximate Generators associated with a Large Load, such that the generator's Revenue Quality Metering is not netted with any other load or supply.[99]

[97] Show Cause Order at PP 111-17.

[98] *Id.* at P 97.

[99] The Commission has found that, regardless of whether a co-located load withdraws energy from the transmission system, co-located load relies on and benefits from regulation service and black start service, and concluded that Eligible Customers taking one of the new transmission services (discussed below) on behalf of co-located load must pay for these ancillary services on a gross demand basis. Show Cause Order at P 96. Gross metering results in charges for ancillary services, including regulation service, based on the Large Load's gross load.

In Order No. 2023, the Commission was clear that its final rule was "not intended to divert or slow the potential progress of" efforts to address interconnection queue management issues and transmission providers were explicitly encouraged "to continue to innovate to remedy their identified interconnection queue management issues."[100] Consistent with that guidance, the Commission stated that RTOs could propose deviations from the requirements adopted in the final rule and those deviations would be evaluated in light of the independent entity variation standard.[101] Though the changes proposed herein mark a deviation from Order No. 2023 in certain respects, such changes are nevertheless consistent with the Commission's goal, as expressed most recently in Order No. 2023, "to ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner, thereby ensuring that rates, terms, and conditions for Commission-jurisdictional services are just, reasonable, and not unduly discriminatory or preferential."[102] Although the proposed Tariff Revisions meet the just and reasonable standard on its merits, to the extent necessary and appropriate, the Commission also could approve such revisions under the independent entity variation standard, which was recently reaffirmed in Order No. 2023.

D. PTOs' Tariff Revisions in Response to the Show Cause Order

1. New Section II.62 of the OATT

The new Section II.62 in the Tariff Revisions is the provision under which the applicable demand for a Large Load Transmission Customer is determined. Firm Contract Demand is calculated as the amount of Firm Contract Demand Service requested by the Large Load Eligible Customer on its Large Load Transmission Service Application, while Non-Firm Contract Demand and Interim Contract Demand are calculated based on the coincident load of the Large Load Transmission Customer during the Monthly Peak. To avoid disrupting service arrangements for

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[100] *Improvements to Generator Interconnection Procedures and Agreements*, Order No. 2023, 184 FERC ¶ 61,054, at PP 10, 1765 ("We do not intend to disrupt . . . ongoing transition processes or stifle further innovation."), *limited order on reh'g*, 185 FERC ¶ 61,063 (2023), *order on reh'g & clarification*, Order No. 2023-A, 186 FERC ¶ 61,199, *errata notice*, 188 FERC ¶ 61,134 (2024), *aff'd sub nom.*, *Advanced Energy United v. FERC*, 185 F.4th 186 (D.C. Cir. 2026).

[101] The Commission has granted independent entity variations from Order No. 2023 where the RTO/Independent System Operator demonstrates that the proposed variation: (1) is just and reasonable and not unduly discriminatory or preferential; and (2) accomplishes the purposes of the order. Order No. 2023 at P 19; *see Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 104 FERC ¶ 61,103, at PP 822-27 (2003) ("With respect to an RTO or [Independent System Operator] . . . we will allow it to seek 'independent entity variations' from the Final Rule pricing and non-pricing provisions. This is a balanced approach that recognizes that an RTO or [Independent System Operator] has different operating characteristics depending on its size and location and is less likely to act in an unduly discriminatory manner . . . . The RTO or [Independent System Operator] shall therefore have greater flexibility to customize its interconnection procedures and agreements to fit regional needs."), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220, at P 759 ("[T]here is a rational basis for giving RTOs and [Independent System Operators] more flexibility . . . . The foremost reason for different treatment is the fact that an RTO or [Independent System Operator] is independent and is less likely to act in an unduly discriminatory manner . . . . The RTO or [Independent System Operator] also may have operating characteristics . . . that require more flexibility than provided by the 'regional differences' justification."), *order on reh'g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom.*, *Nat'l Ass'n of Regul. Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

[102] Order No. 2023 at P 37.

existing loads which have been served reliably for many years using the existing transmission system, demands exempt from Part II.J consistent with the methodology described above that then transition to FCDS for additional demand above such exempt demand (so long as that additional demand can be separately metered) shall be billed at the rate established for that demand as of June 18, 2026, as may be later amended or revised. The new Section II.62 is necessary, just, and reasonable because it provides the calculation for the demand that is used in the billing calculations of the new proposed Schedule 9A.

2. New Attachment V of the OATT (Large Load Cost Recovery Agreement)

Consistent with the Show Cause Order, the Tariff Revisions include a new *pro forma* cost recovery agreement designed to ensure that large loads "are ultimately responsible for the costs incurred to provide transmissions service, including the cost of network upgrades" and to remedy the Commission's preliminary finding that the Tariff "lacks adequate mechanisms to mitigate the risk of cost shifting among transmission customers."[103] However, the PTOs believe that a cost recovery agreement among ISO-NE, the relevant transmission owner, and the Eligible Customer taking transmission service on behalf of large loads is an insufficient guarantor of preventing the cost-shifting concerns raised by the Commission in the Show Cause Order. As the Commission is aware and notes throughout the Show Cause Order, Eligible Customers may not be (and often are not) the large loads actually interconnecting to the transmission system but instead may be the applicable electric distribution company ("EDC") or load-serving entity applying for service on behalf of the large load. In the case where a cost recovery agreement is solely among the Eligible Customer, applicable PTO, and ISO-NE, a default or failure to come online by the large load itself would not adequately protect either the EDCs or other wholesale transmission customers from cost shifting for the reasons described below.

Accordingly, the PTOs are proposing a *pro forma* Large Load Cost Recovery Agreement ("LLCRA")[104] as Attachment V to the OATT among the Large Load Interconnecting Transmission Owner ("LLITO"), the Large Load Eligible Customer, and the Large Load Entity (the entity owning the proposed Large Load Facility). Under the LLCRA, no transmission service, wholesale service, distribution service, or other electrical service, FERC-jurisdictional or otherwise, is being provided. Rather, the LLCRA governs the construction of, cost responsibility for, and crediting of revenues associated with Commission-jurisdictional transmission facilities that are used to provide Commission-jurisdictional transmission service to Large Load Facilities. As explained below, a contract need not itself provide jurisdictional service to be subject to section 205 of the FPA; the LLCRA is jurisdictional because it directly and significantly affects Commission-jurisdictional transmission rates and services. The LLCRA establishes the terms and conditions under which the LLITO will construct and the Large Load Entity will compensate the LLITO for both sole-use facilities necessary to interconnect the Large Load Facility ("Direct

[103] Show Cause Order at PP 74-75.

[104] Capitalized terms not otherwise defined in this section have the meaning set forth in the OATT or the LLCRA, as applicable.

Assignment Facilities") and LLITO's Network Upgrades[105] identified as part of the OATT's Large Load interconnection process.

The Large Load Entity will pay for the Direct Assignment Facilities on a reimbursable basis, and no costs for such facilities will flow into transmission rates. As consideration for the construction of LLITO's Network Upgrades, so that there is no increase in transmission rates for other transmission customers caused by the interconnection of the Large Load Facility to the transmission system, the Large Load Entity will pay a Cost Recovery Charge, when necessary, to be credited against the LLITO's transmission revenue requirements. The combination of the Large Load Transmission Customer's payment for its applicable transmission service, which supports the costs of the entire transmission network, with the Large Load Entity's payment of the Cost Recovery Charge and the associated crediting will ensure that the construction of LLITO's Network Upgrades and those facilities' inclusion in transmission rates will result in no increase in the transmission rates of other customers. The Large Load Entity will also agree to pay an Exit Fee in the event of early termination of the LLCRA or disconnection of the Large Load Facility equal to the Net Book Value of the LLITO's Network Upgrades. The Exit Fee will likewise be credited against the LLITO's revenue requirements, further ensuring that the costs of LLITO's Network Upgrades will not be shifted to other transmission customers.

The LLCRA also contains provisions to ensure that (1) the Large Load Entity posts adequate security to ensure that in the event of default or disconnection by the Large Load Facility no costs will be shifted to either the Large Load Eligible Customer as EDC or to other transmission customers; (2) establishes a contractual obligation for the Large Load Entity to comply with ISO-NE operational requirements; (3) lays out milestones for construction for the Direct Assignment Facilities and LLITO's Network Upgrades ("Required Facilities"); and (4) industry standard and previously FERC-approved terms and conditions to ensure a just and reasonable cost recovery agreement, including confidentiality, tax, insurance, termination, and dispute resolution provisions.

For the reasons explained below, the PTOs believe that the LLCRA offers a surer guarantee of a large load both paying their fair share of transmission charges and preventing cost shifting to other transmission customers, which the PTOs agree is of paramount importance. Contractual privity between the Large Load Entity and the LLITO ensures that construction arrangements, including milestones, scheduling, billing, and cost responsibility are effected with minimal issue. Furthermore, should an EDC as Large Load Eligible Customer enter into a separate cost recovery agreement with the Large Load Entity in order to indemnify itself against failure of the Large Load Facility to materialize or otherwise effect compliance with ISO-NE operational or tariff

[105] Similar to network upgrade arrangements for generators under Schedules 22, 23, and 25 of the OATT, under Article 10 of the LLCRA the Large Load Entity will separately contract for the construction of network upgrades on non-LLITO systems (Large Load Affected Systems and Large Load Internal Affected Systems) both internal to ISO-NE and external (such as in NYISO). Such agreements will be outside of the *pro forma* LLCRA and shall be filed with the Commission pursuant to FPA section 205 for approval or acceptance. Likewise under Article 10, the Large Load Entity agrees to contract for any distribution system upgrades identified by the Large Load System Impact Study.

requirements, that agreement may be of uncertain jurisdictional provenance from the outset, creating significant regulatory and litigation risk. Other arrangements for the indemnification of an EDC by a Large Load Entity are likewise potentially fraught, especially under what mechanism an EDC could require such an indemnity in light of a state obligation to serve a new load in its territory. And in the absence of such indemnity, an EDC Eligible Customer would be legally responsible for the costs allocated to it under a cost recovery agreement without meaningful recourse, with potentially disastrous consequences for both transmission and retail customers.

The PTOs recognize that a *pro forma* agreement to which the Large Load Entity, which may be a retail customer of an EDC, is a party warrants careful jurisdictional analysis. However, and as more fully explained below, the LLCRA directly and significantly affects Commission-jurisdictional transmission rates and services and therefore falls within the Commission's section 205 authority, meets the jurisdictional tests cited by the Commission in this and other large load proceedings, is consistent with other agreements approved or accepted by the Commission without jurisdictional issues, and specifically is readily distinguishable from the *Tri-State Generation and Transmission Association* order and the jurisdictional pitfalls described therein.[106] Finally, it is through direct contractual privity with the large load that no cost shifting for network upgrades can be assured. To the extent that the Commission finds that certain provisions of the LLCRA are impermissible on jurisdictional grounds, the PTOs respectfully request that the Commission undertake an analysis of how a *pro forma* cost recovery agreement between the applicable transmission owner and a large load could be jurisdictionally acceptable. The PTOs note that no jurisdictional objections regarding the LLCRA were raised by NEPOOL stakeholders, including applicable state entities, as part of the ISO-NE and NEPOOL stakeholder process for the development of this filing. While NEPOOL supports the LLCRA as part of the package of proposed Tariff Revisions, NEPOOL takes no position on the PTOs' legal arguments regarding jurisdiction related to the LLCRA.

Accordingly, the PTOs respectfully request that the Commission accept the LLCRA as a just and reasonable agreement to address the cost-shifting issues raised in the Show Cause Order.

a. Operation and Provisions of the LLCRA

The LLCRA is a cost recovery agreement between the LLITO, the Large Load Eligible Customer, and the Large Load Entity that provides for the construction of LLITO's Network Upgrades and the sole-use facilities necessary to effect the reliable interconnection of the Large Load Facility consistent with the upgrades and facilities identified in the Large Load System Impact Study, and describes the cost allocation for those facilities to be constructed.[107] Specifically, each article of the LLCRA does the following:

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[106] *Tri-State Generation & Transmission Ass'n*, 193 FERC ¶ 61,070 (2025) ("*Tri-State*"). The Commission subsequently accepted Tri-State Generation and Transmission Association, Inc.'s ("Tri-State") revised High Impact Load tariff and agreement. *Tri-State Generation & Transmission Ass'n*, 196 FERC ¶ 61,127 (2026) ("*Tri-State II*").

[107] The LLCRA contains provisions that address the instance where the Large Load Eligible Customer and the Large Load Entity are one and the same. Under the Tariff Revisions, the Large Load Eligible Customer also becomes a Large Load Transmission Customer once transmission service is being provided to that customer under the OATT.

- Article 1 of the LLCRA establishes the definitions of several terms, including LLITO's Network Upgrades and Direct Assignment Facilities, that are not otherwise defined in the OATT. For convenience and clarity, the definitions of other terms otherwise defined in the OATT have likewise been included.
- Article 2 of the LLCRA establishes a 40-year Initial Term and then renews the LLCRA on an annual basis unless otherwise agreed to by the parties in writing,[108] establishes both voluntary and involuntary termination procedures, allocation of costs following termination, and survival of obligations following termination of the LLCRA.
- Article 3 obligates the LLITO to file the LLCRA if required, such as in the case of a nonconforming LLCRA.
- Article 4 describes the LLITO's obligation to design, procure, and construct the Direct Assignment Facilities and LLITO's Network Upgrades on terms consistent with the LGIA and other Commission-jurisdictional construction agreements,[109] including procurement and commencement of construction. Article 4 also provides for the construction of the Large Load Entity's Interconnection Facilities ("LLEIF"), certain tax treatments related to the Direct Assignment Facilities, and states that no electrical or transmission service is being provided pursuant to the LLCRA.
- Article 5 describes testing and inspecting arrangements both before and after the commercial operation date of the Large Load Facility.
- Article 6 describes the metering obligations of the Parties, including check meters and metering data.
- Article 7 describes the communications obligations of the Large Load Entity, including Remote Terminal Unit and telemetry requirements.
- Article 8 describes the operational and compliance obligation of each Party under the agreement, including (1) compliance with ISO New England Operating Documents and NERC Reliability Standards; (2) outages and interruption authority and coordination; (3) system protection and control obligations; and (4) use of the Direct Assignment Facilities and LLEIF by third parties.
- Article 9 describes the LLITO and Large Load Entity maintenance obligations, including the Large Load Entity's obligation to pay for operating and maintenance expenses for the Direct Assignment Facilities as more fully described in an LLITO-specific Appendix C-1.
- Article 10 describes the performance, credit support, and cost recovery obligations of the LLCRA, including the LLEIF, the Direct Assignment Facilities, and LLITO's Network Upgrades. Article 10 obligates the Large Load Entity to pay the Cost Recovery Charge described in Appendix C-2, provide initial and ongoing Credit Support sufficient to cover both

[108] The term of the LLCRA renews following the Initial Term in order to ensure ongoing payments for Direct Assignment Facilities operation and maintenance charges, as well as ongoing obligations and rights of all Parties.

[109] *See* OATT Schedule 22, Appendix 11, Large Generator Interconnection Agreement at Article 5.

initial construction as well as the Exit Fee for early termination of the LLCRA, and pay the Exit Fee in the event of termination, disconnection, or cessation of operation. Article 10 also obligates the Large Load Entity to enter into other agreements for the construction of needed distribution system upgrades and Large Load Network Upgrades on systems other than the LLITO's.

- Article 11 provides invoicing procedures for the LLCRA, including a final invoice and true-up for charges relating to the Direct Assignment Facilities and interest for late or missing payments.
- Article 12 lays out the obligations and rights of each Party during a system emergency.
- Article 13 states that the LLCRA is conditioned on any necessary regulatory requirements, describes the governing law of the LLCRA, and incorporates the OATT by reference.
- Article 14 describes the notice provisions and obligations of the LLCRA.
- Article 15 excuses performance under the LLCRA by a party due to Force Majeure as that term is defined in the OATT.
- Article 16 describes Events of Default by any Party, and remedies for such Events of Default and further survival provisions.
- Article 17 provides for indemnity, exclusion of consequential damages, and insurance requirements for the Parties.
- Article 18 provides for the requirements and rights of any Party to assign the LLCRA.
- Article 19 provides that all provisions of the agreement are severable.
- Article 20 provides for comparability and code of conduct compliance.
- Article 21 describes the confidentiality obligations of the Parties under the LLCRA, including Critical Energy/Electric Infrastructure Information ("CEII").
- Article 22 creates notice obligations for each Party relating to the release of Hazardous Substances as that term is defined in the OATT.
- Article 23 describes information acquisition and provision requirements by the Parties.
- Article 24 describes the information access and audit rights of the Parties under the LLCRA.
- Article 25 creates obligations and rights relating to subcontracting to each party.
- Article 26 provides for dispute resolution under the LLCRA.
- Article 27 states certain representations, warranties, and covenants of each Party, including good standing and authority to enter into the LLCRA.
- Article 28 provides for miscellaneous legal provisions to ensure the clarity, legality, and enforceability of the LLCRA, as well as procedures for amending the LLCRA.

- Appendix A of the LLCRA describes the Large Load Facility, its Interconnection Point, and all facilities to be constructed pursuant to the LLCRA. Appendices A-1 and A-2 will include diagrams of such facilities and interconnection and will be deemed CEII.
- Appendix B describes the milestones for the construction of the facilities under the LLCRA as well as required dates for certain LLCRA obligations.
- Appendix C is a technical description of the Large Load Facility.
- Appendix C-1, consistent with similar operation and maintenance provisions in ISO-NE, will be specific to each LLITO and will describe the mechanism under which the LLITO will charge for operation and maintenance for the Direct Assignment Facilities.
- Appendix C-2 describes the Cost Recovery Charge and the Exit Fee, including the specific calculation of each.
- Appendix D will describe the specific credit support requirements of the LLITO, consistent with the requirements of Article 10 of the LLCRA.
- Appendix E describes the notice addresses of each Party.

b. Cost Allocation Mechanisms of the LLCRA

The LLCRA utilizes four mechanisms to ensure that the costs of serving the Large Load Facility are not passed on to other transmission customers: (1) direct assignment of costs, both initial and ongoing, for the Direct Assignment Facilities; (2) payment of the Cost Recovery Charge when necessary to eliminate any transmission rate increases caused by the interconnection of the Large Load Facility and the construction of LLITO's Network Upgrades; (3) payment of an Exit Fee, as applicable, upon termination of the LLCRA; and (4) adequate Credit Support to cover the cost of the Direct Assignment Facilities and LLITO's Network Upgrades prior to commercial operation and the Exit Fee and all associated charges following commercial operation. If the Large Load Eligible Customer and the Large Load Entity are the same entity, that entity is responsible under the LLCRA for these payments and the Credit Support.

i. Direct Assignment Facilities

The Direct Assignment Facilities, analogous to Interconnecting Transmission Owner's Interconnection Facilities in a generator context, are sole-use facilities which will be constructed by the LLITO and paid for on a reimbursable basis by the Large Load Entity, consistent with the Commission's cost-causation principles for sole-use facilities. Following the construction of the Direct Assignment Facilities, the Large Load Entity will also pay for operation, maintenance, repair, and replacement of such facilities consistent with the individual LLITO's methodology currently in place for analogous generator interconnection facilities.[110]

[110] *See* LLCRA Article 10.

ii. Cost Recovery Charge

The Cost Recovery Charge is the primary mechanism under which the PTOs will prevent cost shifts to other transmission customers caused by the interconnection of the Large Load Facility. Under Article 10 and Appendix C-2 of the LLCRA, the Cost Recovery Charge will be billed monthly to the Large Load Entity and will be calculated in the following manner:

> Annual Cost Recovery Charge = Large Load Revenue Requirement – Applicable Transmission Service Payments

The Large Load Revenue Requirement is the gross cost of LLITO's Network Upgrades multiplied by the applicable Regional or Local Carrying Charge Factor and represents the revenue requirement impact of those upgrades. The applicable transmission service payments are the payments made by the Large Load Eligible Customer for the applicable transmission service reserved on behalf of the Large Load Facility (FCDS, NFCDS, or ICDS). This difference is the net impact of the upgrades on transmission rates, and payment (and associated crediting) of this amount holds other transmission customers harmless from the rate impacts of LLITO's Network Upgrades.

iii. Exit Fee

In the event the LLCRA terminates and uncovered rate impacts remain for LLITO's Network Upgrades, the Large Load Entity will pay the Exit Fee described in Article 10 and Appendix C-2. The Exit Fee is equal to the Net Book Value of LLITO's Network Upgrades along with Decommissioning Costs, and will, like the Cost Recovery Charge, be credited against the applicable transmission revenue requirement to avoid cost shifting to transmission customers.

iv. Credit Support

The LLCRA also requires the Large Load Entity to post sufficient financial assurance ("Credit Support") both prior to commercial operation to cover the costs of the Direct Assignment Facilities and LLITO's Network Upgrades[111] as well as subsequent to commercial operation to cover the cost of the Exit Fee and any ongoing amounts due under the LLCRA.[112] Due to differing financial assurance policies among the PTOs, the specific form, process, and amounts for Credit Support will be described in a PTO-specific Appendix D to be negotiated by the Parties, but nevertheless complying with Article 10 of the LLCRA. Provision of Credit Support throughout the term of the LLCRA will ensure that the LLITO is fully covered in the event of default or insolvency by the Large Load Entity, and in turn ensures that no costs caused by such default or insolvency will be passed on to other customers.

c. The LLCRA Meets the FPA Section 205 Standard

In the Show Cause Order, and in acting on the Secretary of Energy's Advance Notice of Proposed Rulemaking on large loads, the Commission recognized the extraordinary growth in requests

[111] *See id.* Article 10.6. Credit Support provided under Article 10.6 will be consistent with the individual milestone schedule contained in Appendix B.

[112] *See* Show Cause Order at P 80 (preliminarily finding that a cost recovery agreement "should include a credit support (or other financial security) requirement sufficient to secure the obligations" to pay the amounts owed).

by data centers and other unprecedentedly large loads to interconnect to the transmission system.[113] It is essential that every Commission-jurisdictional transmission operator have a just and reasonable process to efficiently and fairly interconnect these loads and ensure that other transmission customers do not bear the costs of interconnecting these large loads, both in the interest of fairness and cost-causation principles as well as affordability. As the Show Cause Order likewise points out, Commission-jurisdictional cost recovery arrangements for network upgrades caused by large loads are an essential part of a just and reasonable transmission tariff.[114] Accordingly, in the Show Cause Order the Commission contemplated a *pro forma* cost recovery agreement between ISO-NE, the applicable transmission owner, and the eligible transmission customer, who was procuring transmission service either for itself as the owner of a proposed large load or on behalf of a large load as an EDC.

However, the eligible transmission customer/ISO-NE/transmission owner cost recovery agreement construct is insufficient to ensure that such cost recovery arrangements are effective, just, and reasonable. The eligible transmission customer is often a simple pass-through obtaining transmission service on behalf of a different entity which owns and operates the proposed load. In such cases, which would be mandatory in jurisdictions that do not allow unbundling of transmission service, if the large load failed to materialize, it would be the EDC, the retail electric utility, which would be legally responsible for the cost impacts of the large load's network upgrades, which could easily run to the hundreds of millions of dollars. In that case, the EDC would need to rely on an entirely separate agreement with the large load itself in order to indemnify itself against such a massive risk, and it is uncertain under what mechanism the EDC could compel the large load to enter into such an unfavorable arrangement given an EDC's obligation to serve loads in its service territory consistent with state law.

Such potentially massive liability poses an unjust and unreasonable risk either to transmission customers (due to nonpayment for the large load's network upgrades causing cost shifting) or to EDCs and their customers (due to the liability for the cost impact of those upgrades). Even if such back-end indemnifications could be arranged, asking a party to accept, without indemnification in the agreement itself, a potential nine-figure liability for network upgrades that party is not causing is neither just nor reasonable. Accordingly, the only just and reasonable method for recovering costs associated with a large load's network upgrades is through a cost recovery agreement to which the large load itself is a party. Accordingly, the PTOs propose that the *pro forma* LLCRA between the applicable transmission owner, eligible customer, and large load is a just and reasonable cost allocation mechanism that addresses the cost recovery and cost-shifting issues raised by the Show Cause Order.[115] The

[113] *See id.* at PP 1, 6-8; *Interconnection of Large Loads to the Interstate Transmission System*, 195 FERC ¶ 61,045, at P 2 (2026); *Interconnection of Large Loads to the Interstate Transmission System*, Advance Notice of Proposed Rulemaking, Docket No. RM26-4-000 (Oct. 23, 2025).

[114] *See* Show Cause Order at PP 64, 74, 78 (preliminarily finding that, "in order to prevent unjust and unreasonable cost shifting among transmission customers, it appears necessary" to require a cost recovery agreement).

[115] Jurisdictional concerns of the LLCRA are discussed in the section titled "The LLCRA is subject to the Commission's jurisdiction," *infra.*

Commission also recognized and allowed for other jurisdictional cost-recovery arrangements in the Show Cause Order, including arrangements similar to the proposed LLCRA.[116]

The Show Cause Order expressly invited this showing. Although the Commission declined to preliminarily find that cost recovery agreements with the large load customer are necessary, it directed "further briefing on whether it would be appropriate for such an agreement to substitute for the requirement on the Eligible Customer to enter into a cost recovery agreement with the transmission owner, if the agreement with the large load customer provided comparable or greater protection against cost shifting among transmission customers than an agreement between the transmission owner and the Eligible Customer would."[117] The Commission further recognized that "there may be a variety of possible approaches to protect customers from significant cost shifts associated with network upgrades triggered by large loads,"[118] and asked that any Section 205 filing "explain which of the Commission's above directives their filing addresses and how it resolves them."[119] The LLCRA responds directly to directive (1)(b) of the Show Cause Order and to the Commission's briefing request.

The LLCRA provides greater protection than the Eligible Customer construct in at least four respects. First, it places the payment obligation on the entity whose request causes the Network Upgrades, consistent with the cost-causation principle that rates must "reflect to some degree the costs actually caused by the customer who must pay for them."[120] Second, the Cost Recovery Charge is calculated from the actual revenue requirement of LLITO's Network Upgrades, net of transmission service payments, so that the protection scales with the cost actually incurred rather than with a fixed revenue commitment. That design responds to Commissioner Chang's concern that "bilateral agreements that simply provide transmission revenue contributions untethered from any assessment of the actual cost of providing transmission service induced by individual large loads may be insufficient to adequately protect other customers against unjustified cost shifts."[121] Third, the Exit Fee, equal to the Net Book Value of LLITO's Network Upgrades plus Decommissioning Costs, addresses the mismatch between long-lived transmission investment and shorter-term load commitments. Fourth, Credit Support posted directly by the Large Load Entity secures these obligations throughout the term, consistent with the Commission's preliminary finding that a cost recovery agreement should include

[116] *See* Show Cause Order at P 79 ("To reduce duplicative credit requirements and transaction costs, we direct further briefing on whether it would be appropriate for such an agreement to substitute for the requirement on the Eligible Customer to enter into a cost recovery agreement with the transmission owner, if the agreement with the large load customer provided comparable or greater protection against cost shifting among transmission customers than an agreement between the transmission owner and the Eligible Customer would.").

[117] *Id.*

[118] *Id.* at P 122.

[119] *Id.* at P 35; *see also id.* at PP 3, 32 (setting out directive (1)(b)).

[120] *Midwest ISO Transmission Owners v. FERC*, 373 F.3d 1361, 1368 (D.C. Cir. 2004); *see* Show Cause Order at P 78 & n.186.

[121] Show Cause Order, concur op. (Comm'r Chang) at P 4. Commissioner See likewise observed that "cost-recovery agreements between a transmission owner and a large load customer itself could satisfy an Eligible Customer's financial security requirements." *Id.*, concur op. (Comm'r See) at P 4.

credit support "sufficient to secure" the obligations owed, and with its recognition that credit support posted by a large load may be relied upon "to avoid creating duplicative credit support requirements."[122]

The LLCRA's methodology for the Cost Recovery Charge also falls within the range the Commission anticipated. While the Commission preliminarily found that a minimum contribution should be based on the level of transmission service requested, it expressly recognized that "there may be other just and reasonable methods for determining this minimum contribution, including methods that account for potential timing differences between when costs are incurred to develop needed Network Upgrades and the pace at which the large load ramps toward energizing at its full level of requested service."[123] Because the Cost Recovery Charge equals the Large Load Revenue Requirement less the Applicable Transmission Service Payments in each period, it automatically accounts for such ramp-period timing differences. Finally, consistent with the Commission's expectation that cost recovery payments "will be appropriately credited toward transmission owners' transmission revenue requirements consistent with the Commission's cost-of-service regulations," the Cost Recovery Charge and any Exit Fee are credited against the LLITO's transmission revenue requirement.[124]

As a construction and cost recovery agreement, the correct parties for the LLCRA are the LLITO, the Large Load Eligible Customer, and the Large Load Entity. The LLITO constructs the facilities described in the LLCRA, the Large Load Entity pays for those facilities through both direct assignment and the Cost Recovery Charge and Exit Fee, and the Large Load Eligible Customer is a necessary party both to provide information necessary for the calculation of payments under the agreement, alignment with tariff processes, and operational and system requirements.

In addition to being the surest guarantor of cost recovery for large load network upgrades and associated facilities, having the Large Load Entity as a party to the LLCRA brings significant benefits to all stakeholders in the large load interconnection process. By creating direct contractual obligations for communications, information sharing, design, engineering, construction, and credit support rather than requiring that the Large Load Eligible Customer be a pass-through to the Large Load Entity, the entire large load interconnection process becomes much more efficient and legally certain even though no electric service is being provided under the LLCRA. The LLCRA likewise becomes an efficient mechanism under which the Large Load Eligible Customer can meet the numerous requirements (including deposits, information provision, and other compliance obligations) of the OATT in an efficient and effective manner. Billing and payments for the pertinent cost recovery are likewise streamlined, as is an elimination of the complexity of the Large Load Entity (being the entity ultimately responsible for LLCRA costs consistent with the Commission's cost-causation principles) providing backstop financial assurance and indemnification for the Large Load Eligible Customer in order to avoid adverse outcomes.

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[122] *Id.* at P 80.

[123] *Id.*

[124] *Id.* at P 81 (citing 18 C.F.R. part 101).

Finally and as described above, the LLCRA meets the burden of section 205 of the FPA by being a just and reasonable solution, even if alternative solutions may exist. Under section 205, a utility's proposal "need not be the only reasonable methodology, or even the most accurate,"[125] and the Commission plays "an essentially passive and reactive role" in evaluating it.[126] As members of the Commission have emphasized, Section 205 is a "relatively capacious standard . . . that allows [the Commission] to accept a potentially broad range of proposals provided they are shown to be just and reasonable and not unduly discriminatory or preferential."[127] The Commission reaffirmed this principle in its most recent large load order, explaining that "[f]or filings made under FPA section 205, the Commission evaluates whether the proposal in the filing is just and reasonable, and not whether alternative proposals are more or less reasonable than the filing party's proposal."[128] The LLCRA as proposed meets the concerns raised by the Commission in the Show Cause Order and represents the results of an extensive stakeholder process, including being part of the Tariff Revisions passing a two-thirds advisory vote at the NEPOOL Transmission Committee and a two-thirds advisory vote of the entire NEPOOL Participants Committee.

d. The LLCRA is subject to the Commission's jurisdiction

Although the LLCRA does not itself provide transmission or interconnection service, it is subject to the Commission's jurisdiction under section 205 because it directly and significantly affects Commission-jurisdictional transmission rates and services. The LLCRA allocates and recovers the costs of Commission-jurisdictional transmission facilities (LLITO's Network Upgrades and the Direct Assignment Facilities) that are constructed to enable jurisdictional transmission service to Large Load Facilities, and it requires that the resulting payments be credited against the LLITO's Commission-jurisdictional transmission revenue requirement. The Commission has already found that cost recovery agreements of this kind "directly affect Commission-jurisdictional transmission rates" and "should be filed with the Commission."[129] At the same time, the LLCRA does not impermissibly intrude on jurisdictional areas solely reserved to the states, including retail sales of electricity and siting and construction decisions associated with load and transmission facilities. No jurisdictional concerns for the LLCRA were raised as part of the NEPOOL stakeholder process. Accordingly, it is within the Commission's authority to accept and approve the LLCRA as just and reasonable consistent with section 205 of the FPA.

[125] *Oxy USA*, 64 F.3d at 692.

[126] *Advanced Energy Mgmt. All. v. FERC*, 860 F.3d 656, 662 (D.C. Cir. 2017) (quoting *City of Winnfield*, 744 F.2d at 871).

[127] Show Cause Order, concur op. (Comm'r LaCerte) at P 3 (citing *Oxy USA*, 64 F.3d at 692; *City of Winnfield*, 744 F.2d at 874-75).

[128] *PJM Interconnection, L.L.C.*, 197 FERC ¶ 61,019, at P 29 (2026) ("PJM IRAS Order") (citing *Cities of Bethany*, 727 F.2d at 1136); *see also id.* at P 50.

[129] Show Cause Order at P 79.

i. The LLCRA directly and significantly affects Commission-jurisdictional transmission rates and services and does not impermissibly intrude on state authority

In the Show Cause Order, the Commission based its assertion of jurisdiction in part on it having jurisdiction over "transmission of electricity in interstate commerce, including *all facilities used for such sale and transmission*."[130] Furthermore, the Commission recognizes that its jurisdiction extends to not only "the rates, charges, and classifications" of such service, but also "practices directly affecting such transmission of electricity."[131] In terms of the transmission study process and the construction of network upgrades necessary to interconnect Eligible Customers, the Commission found that such a study process "directly affects Commission-jurisdictional transmission rates" and is accordingly jurisdictional.[132]

In addition to the study processes and facilities used for transmission, the Commission also has jurisdiction over the costs of upgrades to the transmission system and ensuring that the costs of those upgrades do not result in unjust, unreasonable, or unduly preferential transmission rates due to cost shifting or other concerns.[133] Accordingly, any rate or practice that directly affects such rates by ensuring that such cost shifting does not occur is subject to the Commission's jurisdiction so long as it does not intrude on areas reserved solely for the states.

Section 205(c) of the FPA requires every public utility to file not only its rates and charges for jurisdictional transmission, but also "the classifications, practices, and regulations affecting such rates and charges, together with all contracts which in any manner affect or relate to such rates, charges, classifications, and services."[134] Section 205(a) requires that all "rules and regulations affecting or pertaining to" jurisdictional rates be just and reasonable, and section 206(a) extends the Commission's remedial authority to any "rule, regulation, practice, or contract affecting" such rates.[135] The Supreme Court has endorsed "a common-sense construction of the FPA's language, limiting FERC's 'affecting' jurisdiction to rules or practices that 'directly affect the wholesale rate,'"[136] and the Commission has applied that construction to practices directly affecting transmission rates.[137] The filing obligation is further informed by the Commission's rule of reason, under which the statute "must reasonably be read to require the recitation of only those practices that affect rates and services significantly, that are

[130] *Id.* at P 44 (emphasis added) (citing 16 U.S.C. § 824(b)(1)).

[131] *Id.* (citing *FERC v. Elec. Power Supply Ass'n*, 577 U.S. 260, 278 (2016) ("*EPSA*")).

[132] *Id.* at P 45.

[133] *See id.* at P 66.

[134] 16 U.S.C. § 824d(c); *see PacifiCorp*, 127 FERC ¶ 61,144, at P 9 (2009) ("*PacifiCorp*"); *ALLETE, Inc.*, 161 FERC ¶ 61,013, at P 13 (2017) ("*ALLETE*").

[135] 16 U.S.C. §§ 824d(a), 824e(a).

[136] *EPSA*, 577 U.S. at 278 (quoting *Cal. Indep. Sys. Operator Corp. v. FERC*, 372 F.3d 395, 403 (D.C. Cir. 2004)) (cleaned up).

[137] Show Cause Order at PP 44-45, 66.

realistically susceptible of specification, and that are not so generally understood as to render recitation superfluous."[138]

Critically, the Commission's jurisdiction under these provisions does not depend on whether a contract itself provides transmission service. In *PacifiCorp*, the Commission found that facilities agreements between PacifiCorp and the Bonneville Power Administration were jurisdictional because, "while they do not themselves provide for transmission service, all of the contracts involve the construction or replacement of facilities or equipment on PacifiCorp's transmission system in order for PacifiCorp to provide jurisdictional transmission service," and a portion of the project costs was paid by PacifiCorp's customers; "[t]his being the case, such agreements affect or relate to jurisdictional transmission service and rates."[139] The Commission then held that, where a third party pays the utility for work on the utility's facilities, the agreement must be on file "because [the third party's] payment significantly affects or relates to PacifiCorp's rates and services."[140] The Commission rejected the argument that only certain enumerated categories of agreements must be filed, explaining that "the Commission has never stated that its jurisdiction is limited to just these specific kinds of contracts,"[141] and it characterized the agreements as "in the nature of contracts providing contributions in aid of construction – essentially, they provide a pre-payment of expenses that would otherwise be recoverable in rates over time – and must be filed."[142] The Commission likewise required filing of an agreement under which a generation developer paid for interconnection-related facilities that PacifiCorp would own, because those payments "constitute 'a charge connected to jurisdictional service' and would affect PacifiCorp's rates."[143]

The LLCRA presents a far stronger case for jurisdiction than the agreements in *PacifiCorp*. Under the LLCRA, the Large Load Entity pays the LLITO for the construction of Direct Assignment Facilities on the LLITO's transmission system, which is precisely the type of third-party payment for work on a utility's facilities that the Commission found "significantly affects or relates to" jurisdictional rates and services. More fundamentally, the Cost Recovery Charge and Exit Fee are calculated by reference to the revenue requirement and Net Book Value of LLITO's Network Upgrades, which are Commission-jurisdictional facilities whose costs are recovered through Commission-jurisdictional transmission rates, and those payments are credited directly against the LLITO's transmission revenue requirement. As the Commission explained in the Show Cause Order, "[t]he costs of those upgrades to the transmission system (i.e., network upgrades) necessary to provide transmission service to Eligible Customers on behalf of large loads are inputs to jurisdictional transmission rates, and thus directly affect

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[138] *PacifiCorp* at P 9 (citing *City of Cleveland v. FERC*, 773 F.2d 1368, 1376 (D.C. Cir. 1985)); *see also ALLETE* at P 13 (rule of reason permits utilities to forgo filing contracts that deal only with matters of "practical insignificance") (quoting *Pub. Serv. Comm'n of N.Y. v. FERC*, 813 F.2d 448, 454 (D.C. Cir. 1987)).

[139] *PacifiCorp* at P 10.

[140] *Id.* at P 12; *see id.* at P 13.

[141] *Id.* at P 14.

[142] *Id.* at P 16 (citing *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,982, 61,988-92 ("Prior Notice Order"), *order on clarification*, 65 FERC ¶ 61,081 (1993)).

[143] *Id.* at P 19 (quoting Prior Notice Order, 64 FERC at 61,993).

the Commission-jurisdictional rates paid by transmission customers."[144] An agreement that determines whether, and to what extent, those costs are borne by the Large Load Entity rather than by other transmission customers necessarily affects jurisdictional transmission rates directly, not remotely or indirectly.

The Commission's decision in *ALLETE* confirms that the LLCRA lies well above the significance threshold. There, the Commission found that three pre-construction agreements for the Great Northern Transmission Line need not be filed because they "act as a guide for development activities that must occur prior to construction" and only "[i]n limited respects . . . provide terms and conditions related to cost sharing that could potentially affect rates for future jurisdictional services."[145] The Commission emphasized that "jurisdictional activity related to the Great Northern Transmission Line project is addressed in additional agreements" that ALLETE had filed, including a construction management agreement and a system improvements agreement under which ALLETE would construct upgrades and its counterparty would contribute to their cost.[146] The Commission also made clear that applying the rule of reason to excuse filing "does not make an agreement non-jurisdictional."[147] The LLCRA is not a preliminary development framework. It is the operative agreement that governs the design, procurement, and construction of jurisdictional transmission facilities, allocates their costs, and fixes the payments that will be credited against transmission rates over a 40-year Initial Term. It is therefore analogous to the construction and cost-contribution agreements that ALLETE filed and the Commission accepted, not to the preliminary agreements the Commission found it need not review.

The LLCRA's structure also tracks agreements the Commission has long treated as jurisdictional even though they do not themselves convey transmission service. The Commission has explained that "interconnection is part and parcel of transmission of electric energy in interstate commerce, and thus interconnection service is part and parcel of jurisdictional transmission service,"[148] and it has exercised that jurisdiction over the interconnection of wholesale load to the transmission system.[149] The D.C. Circuit affirmed the Commission's standardized interconnection agreements, observing that "interconnections appear to be relationships between parties with respect to electricity

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[144] Show Cause Order at P 66.

[145] *ALLETE* at P 14.

[146] *Id.* at PP 7, 14 & nn.11-12 (citing *ALLETE, Inc.*, Construction Management Agreement, Docket No. ER17-1147-000 (Apr. 28, 2017) (delegated letter order accepting Construction Management Agreement), and delegated letter orders issued April 28, 2017 in Docket Nos. ER17-1148-000, ER17-1149-000, and ER17-1150-000 accepting the Operation and Maintenance Agreement, Transmission Capacity Exchange Agreement, and System Improvements Agreement); *see also* ALLETE, Inc., Transmittal Letter, Docket No. ER17-1144-000, Attachment A (Mar. 10, 2017) (describing System Improvements Agreement); *Midcontinent Indep. Sys. Operator, Inc.*, 149 FERC ¶ 61,161 (2014) (accepting Multi-Party Facilities Construction Agreement).

[147] *Id.* at P 14 n.24 (citing *LG&E Energy Mktg., Inc.*, 123 FERC ¶ 61,147, at P 12 & n.20 (2008)).

[148] *Pac. Gas & Elec. Co.*, 115 FERC ¶ 61,193, at P 36 (2006); *see Tenn. Power Co.*, 90 FERC ¶ 61,238, at 61,761 (2000); Order No. 2003, 104 FERC ¶ 61,103, at P 9.

[149] *Pac. Gas & Elec. Co.*, 109 FERC ¶ 61,392, at P 37 (2004); *Pac. Gas & Elec. Co.*, 115 FERC ¶ 61,193, at PP 36-38; *see* Show Cause Order at P 44 & nn.128-29.

flowing over facilities" and that, "[b]y establishing standard agreements [the Commission] has exercised its jurisdiction over the terms of those relationships."[150] Generator interconnection service "in and of itself does not convey transmission service,"[151] yet the construction and cost-responsibility provisions of generator interconnection agreements are plainly jurisdictional. The LLCRA's construction provisions are modeled on Article 5 of the Large Generator Interconnection Agreement in Schedule 22 of the OATT, and the Tariff already allocates the costs of network upgrades needed to accommodate Regional Network Service requests in the same manner as generator upgrades under Schedule 11.[152]

The LLCRA, as a cost allocation and construction agreement for the construction of Commission-jurisdictional transmission facilities, with associated terms and conditions consistent with other Commission-jurisdictional agreements, thus falls cleanly within the jurisdictional space described above. Accordingly, the specific jurisdictional issue is whether the LLCRA impermissibly intrudes on jurisdiction reserved for the states under Commission precedent and the FPA.

The Commission also recognized in the Show Cause Order such areas of state authority, recognizing "that states will continue to regulate: (1) the specific terms of retail sales to large load; (2) which entities may make retail sales within their borders, including which entities are legally permitted to provide electricity to retail large load customers; and (3) any siting decisions and construction associated with the large load project."[153] The LLCRA does not intrude on any of these areas. The LLCRA does not specify terms of retail sales or distribution of electricity to any customer, does not determine which entities are permitted to make retail sales or provide electricity to retail customers, and leaves all siting and construction decisions associated with the Large Load Network Upgrades to the state's authority the same as any other Commission-jurisdictional agreement or rate for the construction of transmission facilities. To the extent that the Commission does determine that any provisions of the LLCRA do constitute an intrusion on such areas, the PTOs respectfully request that the Commission identify such intrusions so that a fully jurisdictional LLCRA between the LLITO, the Large Load Entity, and the Large Load Eligible Customer may be submitted and approved.

The Show Cause Order makes clear that the Commission's finding that cost recovery agreements with large load customers should be filed "is in no way intended to preempt or interfere with the ability of states to implement ratepayer protection measures designed to mitigate cost shifting among retail customers, such as through state-jurisdictional large load tariffs."[154] The LLCRA is fully consistent with that cooperative-federalism framework. The Cost Recovery Charge and Exit Fee are transmission-level charges calculated from the revenue requirement of Commission-jurisdictional facilities and credited against the LLITO's Commission-jurisdictional transmission revenue requirement; they do not set the price, quantity, or terms of any retail sale. States retain full authority to

[150] *Nat'l Ass'n of Regul. Util. Comm'rs*, 475 F.3d at 1280-82.

[151] Show Cause Order at P 111 n.258.

[152] *See* OATT Schedule 22, Appendix 11, Large Generator Interconnection Agreement, Article 5; OATT Schedule 11; Show Cause Order at P 23 (citing ISO-NE Tariff § II.19.4).

[153] Show Cause Order at P 46.

[154] *Id.* at P 79 n.188.

determine "how Commission-approved rates are collected among the relevant retail consumers,"[155] and nothing in the LLCRA limits a state's authority to adopt additional retail-level protections. In accepting a transmission security agreement between a transmission-owning utility and a retail data center customer, the Commission likewise confirmed that the state commission "retains authority to establish terms of retail service" between the utility and the customer.[156]

In the Show Cause Order, the Commission acknowledged several cost recovery agreements directly between the large load and the transmission owner that were accepted by the Commission consistent with the standard of section 205 of the FPA.[157] In the ISO-NE region, the Commission has accepted numerous viability study agreements filed by the PTOs that were contracts directly between the applicable transmission owner and a prospective Large Load Entity, demonstrating that the sole fact of a potential retail customer being a party to an agreement does not raise jurisdictional questions under the FPA.[158] The Commission has likewise accepted under section 205 agreements between transmission owners and other entities to perform transmission-related services, including construction related to the undergrounding of a transmission line requested by a property developer.[159] The LLCRA, as a service and construction agreement between a transmission owner and another entity, is likewise a jurisdictional agreement.

These accepted agreements include agreements with large loads that are retail customers and will not themselves take service under an OATT. In *ComEd*, the utility filed a Transmission Security Agreement with a data center developer that would be "a ComEd retail customer that will not take transmission service under the PJM Open Access Transmission Tariff," explaining that it was filing under Section 205 because the agreement's provisions "may be construed as affecting rates and practices for FERC jurisdictional transmission service."[160] The Commission accepted the agreement, noting the utility's attestation that shortfall payments and early or partial termination fees would be credited against its transmission revenue requirement.[161] Similarly, the Commission accepted a construction service agreement between AES Ohio and Amazon Data Services governing new transmission facilities needed to serve a data center that would be served exclusively under a state-

[155] *Id.* at P 67 (citing *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,115, at P 167 (2025)).

[156] *Commw. Edison Co.*, 194 FERC ¶ 61,109, at P 23 (2026) ("*ComEd*").

[157] Show Cause Order at P 67 & n.172 (citing *Commw. Edison Co.*, 194 FERC ¶ 61,106 (2026); *ComEd*, 194 FERC ¶ 61,109; *Commw. Edison Co.*, 194 FERC ¶ 61,110 (2026); *Commw. Edison Co.*, 194 FERC ¶ 61,113 (2026); *PECO Energy Co.*, 193 FERC ¶ 61,148 (2025); *Dayton Power & Light Co.*, 192 FERC ¶ 61,103 (2025); *Dayton Power & Light Co.*, 189 FERC ¶ 61,220 (2024)); *id*. at P 79 & n.187.

[158] *See id.* at P 8 n.26 (citing *NSTAR Elec. Co.*, Docket No. ER21-2696-000 (Oct. 14, 2021) (delegated order); *Pub. Serv. Co. of N.H.*, Docket No. ER24-2522-000 (Aug. 30, 2024) (delegated order); *NSTAR Elec. Co.*, Docket No. ER25-1796-000 (May 27, 2025) (delegated order); *NSTAR Elec. Co.*, Docket No. ER25-1795-000 (May 27, 2025) (delegated order); *The Conn. Light & Power Co.*, Docket No. ER26-1158-000 (Mar. 18, 2026) (delegated order); *The Conn. Light & Power Co.*, Docket No. ER26-1597-000 (Apr. 21, 2026) (delegated order)).

[159] *See The Narragansett Elec. Co.*, Docket No. ER16-986-000 (March 21, 2016) (delegated order).

[160] *ComEd*, 194 FERC ¶ 61,109, at P 3.

[161] *Id.*

jurisdictional retail tariff.[162] The LLCRA serves the same function as these agreements, but on a *pro forma*, non-discriminatory basis available to every Large Load Entity in New England.

Nor does the participation of the Large Load Entity, rather than only an Eligible Customer, place the LLCRA outside the Commission's jurisdiction. Section 205(c)'s filing obligation attaches to the public utility and reaches "all contracts which in any manner affect or relate to" its jurisdictional rates and services, without regard to the identity of the counterparty.[163] The counterparties in *PacifiCorp* were the Bonneville Power Administration and a generation developer, and the Commission found the agreements jurisdictional based on their effect on PacifiCorp's rates and services, not on the counterparty's status.[164] The Show Cause Order itself confirms that agreements between a transmission owner and a large load customer "directly affect Commission-jurisdictional transmission rates," whether entered into "voluntarily or pursuant to state law."[165]

ii. The LLCRA is not analogous to the agreement found non-jurisdictional in the Tri-State Order

In 2025, the Commission specifically ruled on the jurisdiction of an agreement governing the interconnection of large loads in *Tri-State*. In that proceeding, a FERC-jurisdictional transmission owner, Tri-State, proposed a High Impact Load ("HIL") Tariff, with an associated High Impact Load Agreement ("HILA") to be executed between Tri-State and the EDCs for whom Tri-State provided transmission service.[166] Specifically, the HILA required the applicable EDC to enter into an agreement, known as a Member Contract with High Impact Load ("MCHIL"),[167] with a large load retail customer under which that customer would agree to certain terms and conditions associated with the electric service the EDC would provide to that customer, including minimum load and energy requirements and energy and demand limits.[168] Tri-State asserted that placing these contractual obligations on the EDC was jurisdictional because the HILA was "in connection with the . . . sale of electric energy."[169]

The Commission rejected the HILA (and accordingly the HIL Tariff) on jurisdictional grounds, finding that the HILA constituted "an impermissible intrusion on retail rate regulation."[170] The Order found that the HILA effectively set specific terms and conditions of retail service by requiring the EDC

[162] *Dayton Power & Light Co.*, 189 FERC ¶ 61,220.

[163] 16 U.S.C. § 824d(c).

[164] *See PacifiCorp* at PP 10, 12, 19.

[165] Show Cause Order at P 79.

[166] *Tri-State* at PP 1, 11.

[167] *Id.* at P 12.

[168] *Id.* at PP 48-49.

[169] *Id.* at P 24.

[170] *Id.* at P 45.

to execute an MCHIL with its large load retail customer.[171] Specifically, the Commission held that setting "a minimum amount of energy that a large load customer must purchase at retail" rendered the HILA outside of its jurisdiction.[172] More generally, the Commission found that "Tri-State has not provided a sufficient basis for the Commission to find that its proposal does not regulate the terms and conditions of a HIL Customer's retail service in ways that are beyond the Commission's authority."[173] Finally, the Commission noted that "specification of terms of sale at retail is a job for the states alone."[174]

The LLCRA and the HILA in *Tri-State* are not analogous. The LLCRA is an agreement for the construction of FERC-jurisdictional facilities and the cost allocation for the construction of those facilities, both as directly assigned to the beneficiary of sole-use facilities (the Direct Assignment Facilities) or the payment of the Cost Recovery Charge to hold other ratepayers harmless from the rate impacts on transmission service caused by the construction of necessary Network Upgrades consistent with the agreement. No electric service, whether retail, wholesale, transmission, or distribution, is being provided pursuant to the LLCRA, and the LLCRA places no terms and conditions on the retail service being provided to a large load customer. Under the Tariff Revisions, transmission service will be provided to the Large Load Entity either directly if the Large Load Entity is the Large Load Eligible Customer, or through the Large Load Eligible Customer on behalf of the Large Load Entity consistent with a bundled state retail rate. Wholesale and retail electric purchases and sales will likewise be provided through the ISO-NE markets and a state-approved retail electric supplier or through the applicable EDC.

The PTOs do not dispute that "specification of terms of sale at retail is a job for the states alone,"[175] but the LLCRA provides no such specifications. The LLCRA does not establish minimum and maximum energy requirements, which from an Eligible Customer standpoint will be the provisions of the OATT and from an Eligible Customer-retail customer standpoint will be determined by the ultimate retail tariff or contract between the Eligible Customer and the retail customer. None of the grounds for which the Commission rejected the HILA are present in the LLCRA, and accordingly *Tri-State* has no bearing on the LLCRA's jurisdictional status.

The LLCRA is also distinguishable from *Tri-State* on a second, independent ground. As described above, the HILA operated by requiring the EDC to impose terms of retail service on its retail customer. The LLCRA, by contrast, operates at the transmission level: it addresses the construction of Commission-jurisdictional transmission facilities and ensures that their costs, which are inputs to Commission-jurisdictional transmission rates, are not shifted to other transmission customers, which is precisely the subject matter the Show Cause Order identified as within the Commission's authority.[176]

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[171] *Id.*

[172] *Id.* at P 48.

[173] *Id.* at P 49.

[174] *Id.* at P 50 (internal quotation marks omitted) (citing *EPSA*, 577 U.S. at 280).

[175] *Id.*

[176] Show Cause Order at PP 66, 79.

The LLCRA does not require any EDC to enter into any retail contract, and it imposes no minimum purchase obligation, demand limit, or other term of retail service.

The Commission's subsequent treatment of Tri-State's revised proposal reinforces the point. In *Tri-State II*, the Commission accepted a revised High Impact Load tariff and agreement. In the later PJM proceeding, parties distinguished the accepted Tri-State tariff on the ground that, unlike PJM's proposal, it left the distribution utility discretion to determine whether and how retail customers would be affected.[177] The LLCRA likewise leaves every decision regarding the terms of retail service with the EDC and the state regulator, and, unlike the original HILA, it does not condition transmission service on the execution of any retail contract.

iii. The LLCRA avoids the jurisdictional defects identified in the PJM IRAS Order

Most recently, the Commission rejected the core of PJM's large load proposal, the Interim Resource Adequacy Service ("IRAS") framework, in part because certain aspects of the proposal "appear[ed] to present an impermissible intrusion on retail rate regulation."[178] The Commission identified three defects in the proposed tariff language: provisions that "appear[ed] to place obligations directly on Eligible New Large Loads, which are, for the most part, retail customers"; provisions that "appear[ed] to dictate which retail customers taking retail service will be curtailed"; and a compensation framework that "appear[ed] to establish a retail rate."[179] The Commission further found that the proposal appeared to allow a retail regulator to set a wholesale rate.[180] Applying *EPSA*, the Commission reiterated that a regulation that "specifies terms of sale at retail" exceeds its authority, no matter how direct or dramatic its effect on wholesale rates.[181] The LLCRA presents none of these defects.

First, the LLCRA does not dictate which retail customers will be served or curtailed. It contains no curtailment, load-reduction, or priority-of-service provision; the curtailment priority of a Large Load Facility, like that of any other load, remains governed by the OATT, applicable Reliability Standards, and state-jurisdictional retail arrangements. Second, the LLCRA does not establish a retail rate. The Commission objected that the IRAS tariff created "a framework whereby retail customers will be paid by other retail customers" for a purported wholesale service, without specifying which wholesale customer would be paid or how.[182] The LLCRA's payment stream is entirely different and fully specified: the Large Load Entity pays the Cost Recovery Charge, any Exit Fee, and the costs of the Direct Assignment Facilities to the LLITO, and those amounts are credited against the LLITO's

[177] *Tri-State II*, 196 FERC ¶ 61,127; *see* PJM IRAS Order at PP 72 (summarizing arguments distinguishing *Tri-State II*), 66 & n.158 (summarizing PJM's reliance on *Tri-State II*, 196 FERC ¶ 61,127, at P 68).

[178] PJM IRAS Order at P 77.

[179] *Id.*

[180] *Id.* at P 83.

[181] *Id.* at P 79 (citing *EPSA*, 577 U.S. at 279-80).

[182] PJM IRAS Order at P 82.

Commission-jurisdictional transmission revenue requirement, to the benefit of all transmission customers. No retail customer is compensated, and no amount is collected from other retail customers. Third, the LLCRA does not allow a state regulator or an EDC to set or vary a Commission-jurisdictional charge.[183] The Cost Recovery Charge methodology, the Exit Fee, and the credit support requirements are fixed in the filed *pro forma* agreement and may be changed only by a filing with the Commission.

The PTOs recognize that the LLCRA, unlike the IRAS tariff as described in PJM's transmittal, contemplates that the Large Load Entity, which may be a retail customer, will undertake contractual obligations directly. That feature does not bring the LLCRA within the defect the Commission identified. The obligation the Commission found problematic was a mandatory tariff obligation, imposed on a class of retail customers, to curtail their service, which is a term of the retail sale itself.[184] The Commission contrasted that obligation with a non-firm transmission service that is "affirmatively a *voluntary* option."[185] The Large Load Entity's obligations under the LLCRA are assumed voluntarily, and they concern only the construction, cost recovery, and credit support for Commission-jurisdictional transmission facilities; none governs the price, quantity, or conditions of any retail purchase of electricity. The Show Cause Order and *ComEd* confirm that agreements between transmission owners and retail large load customers that allocate the costs of transmission facilities are Commission-jurisdictional.[186]

Finally, the Commission gave decisive weight to "the plain language of the Tariff, as proposed," rejecting the IRAS framework in part because that language was inconsistent with the transmittal letter's description of obligations running only to Electric Distributors.[187] The operative provisions of the LLCRA match the description in this transmittal letter: no provision of the LLCRA establishes minimum or maximum energy purchases, demand limits, curtailment obligations, or retail compensation. The PJM IRAS Order also reaffirmed that "the rapid emergence of large loads presents a shared regulatory challenge that implicates both federal and state authority," and that states have "a crucial role to play" in designating which retail customers must be curtailed when the system is stressed.[188] The LLCRA respects that division: it addresses only the recovery of the costs of jurisdictional transmission facilities and leaves curtailment priority and all terms of retail service to the states.

[183] Cf. *id.* at P 83 (finding that the IRAS tariff appeared to allow a retail regulator to set a wholesale rate).

[184] *Id.* at PP 77, 81.

[185] *Id.* at P 108.

[186] Show Cause Order at P 79; *ComEd*, 194 FERC ¶ 61,109.

[187] PJM IRAS Order at P 81.

[188] *Id.* at P 95 (citing *PJM Interconnection, L.L.C.*, 196 FERC ¶ 61,245, at P 161 (2026)).

iv. The LLCRA addresses the concerns identified in the Show Cause Order

The PTOs anticipate that the Commission may ask why the LLCRA departs from the three-party construct described in the Show Cause Order. As explained above, the Show Cause Order did not foreclose alternatives. It expressly sought briefing on substituting an agreement with the large load customer where that agreement affords comparable or greater protection, and it invited regionally tailored Section 205 proposals.[189] Individual Commissioners reinforced that invitation, noting that "the door remains open to other creative, regionally-specific ideas to protect consumers,"[190] and that "cost-recovery agreements between a transmission owner and a large load customer itself could satisfy an Eligible Customer's financial security requirements."[191] The LLCRA retains the Large Load Eligible Customer as a party, so that the Eligible Customer's tariff obligations, information, and transmission service payments remain integrated with the cost recovery mechanism, while placing the financial obligation on the entity that causes the costs.

The PTOs also note that, unlike the individually negotiated agreements discussed above, which the Commission accepted on the basis that the *Mobile-Sierra* presumption applied,[192] the LLCRA is a *pro forma* agreement of general applicability. The Commission will therefore review the LLCRA under the ordinary just-and-reasonable standard, and any non-conforming LLCRA must be filed pursuant to Article 3. This structure provides the transparency and Commission oversight that members of the Commission have identified as important when relying on cost recovery agreements to protect other customers.[193]

3. Revisions to Schedule 1 of the OATT

The proposed tariff revisions to Schedule 1 of the OATT ("Schedule 1") require that Large Load Transmission Customers pay for Scheduling, System Control and Dispatch Service consistent with other ISO-NE transmission customers. Large Load Transmission Customers shall be required to pay the scheduling and dispatch surcharge in an amount equal to that customer's demand for FCDS, NFCDS, and ICDS as determined by Section II.62 of the OATT multiplied by the Monthly Scheduling and Dispatch Surcharge Rate as determined by Section II.C of Schedule 1. Revisions to Section II.C of Schedule 1 now include Large Load Transmission Customers' transmission demand from the prior calendar year in the calculation of the Scheduling and

[189] Show Cause Order at PP 35, 79, 122.

[190] *Id.*, concur op. (Comm'r Rosner) at P 2.

[191] *Id.*, concur op. (Comm'r See) at P 4.

[192] *See ComEd*, 194 FERC ¶ 61,109, concur op. (Comm'rs Swett, Chairman, and LaCerte) at P 1 (explaining that the order accepts the agreement "based on the Commission's determination that the Agreement qualifies for the Mobile-Sierra presumption").

[193] S*ee id.*, concur op. (Comm'r Chang) at P 1 (expressing concern that "reliance on bilaterally-negotiated agreements, particularly ones shielded from meaningful Commission review by the Mobile-Sierra presumption, may not be sufficient to ensure that customers are protected against unjust cost shifts from new large loads").

Dispatch Surcharge Rate by subtracting prior year Schedule 1 revenues for such transmission demand in the calculation of the Scheduling and Dispatch Surcharge Rate.

This revision is necessary, just and reasonable to ensure that Large Load Transmission Customers are subject to the same costs and charges required of similarly situated transmission customers in ISO-NE. Failure to make Large Load Transmission Customers subject to these charges could result in inadvertent cost shifting if other transmission customers paid for scheduling, system control and dispatch that was exercised, in part, to the benefit of the Large Load Transmission Customers.

4. New Schedule 9A of the OATT

The proposed new Schedule 9A to the OATT establishes the rates to be charged for Large Load Transmission Customers taking FCDS, NFCDS, and/or ICDS. This schedule is necessary, just, and reasonable to ensure that Large Load Transmission Customers are subject to the same costs and charges required of other transmission customers in New England. More specifically, the rates for FCDS, NFCDS, and ICDS will be numerically identical to the RNS rate.

5. Revisions to Schedule 21-Common

The proposed revisions to Schedule 21-Common of the OATT create transmission services over Local Facilities that parallel the transmission services proposed in Part II.J of the OATT.[194] Specifically, the revisions create three new transmission services to be offered by the PTOs consistent with their individual Local Service Schedules (which are revised as described below) under Schedule 21: Local Firm Contract Demand Service ("LFCDS"), Local Non-Firm Contract Demand Service ("LNFCDS"), and Local Interim Contract Demand Service ("LICDS"). These transmission services are substantially identical and analogous to the regional FCDS, NFCDS, and ICDS proposed in Part II.J of the OATT, and will be billed based on Local Network Service rates (as opposed to Regional Network Service rates) consistent with the revised Local Service Schedules. Unlike other loads, loads associated with a Large Load Transmission Customer will not be studied under Schedule 21-Common, but instead, consistent with Part II.J of the OATT, will be studied by the ISO through the proposed large load study process described herein.

The revisions to Schedule 21-Common are necessary, just, and reasonable in order to effect the transmission of electric energy to a Large Load associated with a Large Load Transmission Customer across the Non-PTF portion of the New England Transmission System. Without these revisions, a Large Load Transmission Customer could not procure transmission service consistent with the Commission's concerns raised in the Show Cause Order across local transmission systems in ISO-NE. By the same reasoning, the revisions to the Local Service Schedules are necessary, just, and reasonable in order to implement these new transmission services. Due to the congruence and parallel nature of these new local transmission services to the regional services described by

[194] NEPOOL takes no position on the proposed Schedule 21 revisions to the Tariff. Schedule 21 is not subject to NEPOOL review and advisory vote.

ISO-NE, the justness and reasonableness of the services rests on the same reasons given by ISO-NE, and are incorporated herein. The PTOs' individual Local Service Schedules are also being revised as described below.

6. Revisions to Local Service Schedules in Schedule 21 of the OATT

a. Revisions to Schedule 21-CMP

The proposed revisions add a new Part IV to Schedule 21-CMP governing Local Contract Demand Transmission Service for Large Loads. The new provisions establish Firm, Non-Firm, and Interim service options, incorporate the applicable regional Large Load requirements, and specify the related operating, reliability, curtailment, cost-allocation, and rate treatment for service over CMP's local transmission facilities. The proposed revisions also make conforming changes to CMP's local study procedures, billing provisions, agreements, and calculation of Local Network Transmission System load.

b. Revisions to Schedule 21-CTMEEC

CTMEEC proposes limited revisions to Schedule 21-CTMEEC to account for the addition to the OATT and Schedule 21-Common of new transmission service types available to Large Load. Specifically, CTMEEC proposes changes to Schedule 21-CTMEEC to add references to Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service in: (1) the definition of Customer's Schedule 12C Costs Load contained in § I.1.2; (2) the Nature of Service description contained in § II.1; (3) the text of § II.2.2 describing a Transmission Customer's obligation to pay Schedule 12C Costs; and (4) Attachment CTMEEC-A, which contains CTMEEC's form of Schedule 12C Cost Responsibility Agreement. The changes also revise the Customer Default provisions contained in § I.2.3 to make clear that for a Transmission Customer taking Firm Contract Demand Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service, the applicable Cost Recovery Agreement will govern, clarify the determination of a customer's Schedule 12C Costs Load contained in § II.2.4, and correct minor formatting or grammatical errors throughout Schedule 21-CTMEEC.

c. Revisions to Schedule 21-ES

Eversource proposes revisions to Schedule 21-ES (Parts A and B) to account for the addition to the OATT and Schedule 21-Common of three new transmission service types available to Large Load Transmission Customers. Specifically, Eversource proposes revisions to Schedule 21-ES (Parts A and B) to add references to Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service in: (1) the definitions of Customer's Monthly Local Service Load, Customer's Monthly Schedule 12C Costs Load, and the applicable transmission system Local Service Load contained in § I.1 (Parts A and B); (2) new Sections IV, V, and VI (Parts A and B) detailing the nature of the three new types of transmission service, as well as provisions governing real power losses, redispatch, interruption, curtailment, load shedding, operating requirements and cost responsibility; (3) the provisions

governing the calculation of and a Transmission Customer's obligation to pay Local Service charges and Schedule 12C Costs contained in Section VII (Parts A and B), Schedule ES-2 (Part A) and Schedule ES-3 (Part B); and (4) Attachment ES-E (Part A) and Attachment ES-C (Part B), which contain Eversource's form of Schedule 12C Costs Responsibility Agreement. In addition, the changes also revise the Customer Default provisions contained in § I.3.3 (Part A) and I.4.3 (Part B) to make clear that for a Large Load Transmission Customer taking Firm Contract Demand Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service, the applicable Cost Recovery Agreement will govern. The revisions also include conforming, clarifying, administrative, and formatting changes throughout Schedule 21-ES and the associated rate schedules and attachments.

d. Revisions to Schedule 21-FG&E and Schedule 21-UES

Fitchburg and Unitil propose revisions to Schedule 21-FG&E and Schedule 21-UES, respectively, to account for the addition to the OATT and Schedule 21-Common of three new transmission service types available to Large Load Transmission Customers. Specifically, Fitchburg and Unitil propose changes to Schedule 21-FG&E and Schedule 21-UES to add references to Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service in: (1) common service provisions (2) Customer Default provisions, Section II.8.4 to make clear that for a Large Load Transmission Customer taking Firm Contract Demand Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service, the applicable Cost Recovery Agreement will govern; (3) Rates and Charges, Section 9; (4) New Sections III, IV and V addressing Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service provisions; and (5) Revision to Schedule 1, Local Scheduling, System Control and Dispatch Service to include new transmission service types.

e. Revisions to Schedule 21-GMP

GMP proposes company-specific revisions to Schedule 21-GMP implementing the ISO and PTO proposed Large Load changes to the OATT and Schedule 21-Common. The proposed changes incorporate the new transmission services available to Large Load Transmission Customers, in a new Section IV that sets forth the terms and conditions applicable to GMP Local Contract Demand Service including Real Power Losses, Load Shedding and Curtailment, Cost Responsibility, Charges for Local Contract Demand Service including Determination of Large Load Transmission Customer's Contract Demand and Monthly Demand Service Charge. GMP has also made changes to other Sections to reflect this new service, specifically: referring to the requirement to adhere to state law and regulatory orders and to arrange and pay for local distribution service; including a new definition in Section 1 of "Transmission Customer" so that all Local Service customers, including Large Load Transmission Customers, are clearly covered by that term throughout; revising the definition of Load Ratio Share; and revising Sections 4.3 and 7 to make clear that the applicable Cost Recovery Agreement governs the Customer Default and Creditworthiness provisions for a Transmission Customer taking Local Contract Demand Service. Changes to Section 13.2 regarding the determination of GMP's monthly transmission peak specify

that GMP will subtract the coincident peak of all Firm Large Load Transmission Customers and add the Firm Contract Demand in the Determination of Green Mountain's Transmission Peaks. Revisions to Schedule 1 provide that the Large Load Transmission Customer's Schedule 1 charge is the monthly rate multiplied by the Large Load Transmission Customer's Contract Demand. Revisions also include other minor conforming, clarifying, administrative, and formatting changes throughout Schedule 21-GMP.

f. Revisions to Schedule 21-RIE

RIE proposes to revise its Local Service Schedule to include the three new transmission services offerings available to a Large Load. The revisions extend local requirements such as metering and losses, protection requirements, load shedding and curtailment, and direct-assignment charges to Large Loads and provide clarifying cross-references to the Large Load interconnection procedures in Part II.J of the ISO-NE OATT.

Additionally, during its review of Schedule 21-RIE, a small number of edits and corrections were identified, e.g., outdated terminology and organizational references, provisions carried forward from predecessor tariffs, and cross-references and section numbering. These corrections and ministerial changes improve the clarity, readability, and usability of Schedule 21-RIE.

g. Revisions to Schedule 21-NEP

National Grid's proposed revisions amend Schedule 21-NEP to bring the Large Load transmission service framework set out in Part II.J and Schedule 21 of the ISO-NE OATT into NEP's Local Service Schedule. First, the revisions establish three new local services under Schedule 21-NEP: Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service. These services are added to the definition of Local Service Annual Transmission Revenue Requirement in Section 1.11, to the Purpose statement in Section 2, and to the heading and introductory provisions of Part II. A new provision in Part II states that these services shall be provided in accordance with Schedule 21, Part II.J of the ISO-NE OATT, and Schedule 21-NEP, and shall permit a Large Load Transmission Customer to serve a Large Load through NEP's Transmission System. Section 24 is revised so that NEP's existing local service rates and charges may apply to the new contract demand services. The definition of Network Load in Section 1.15 is amended to exclude any Large Load, or portion of a Large Load, served under the Firm, Interim, or Non-Firm Contract Demand Services or their local counterparts. Conforming revisions extend provisions that previously applied only to Network Customers to "other Transmission Customers" as well. These include real power losses (Section 19), power factor requirements and penalties (Sections 20.1 and 24.5), redispatch cost responsibility and system reliability (Sections 23.2 and 23.3), and the individual charges in Section 24 and Attachment OCC.

Second, the revisions make clear that Large Load interconnection and study requests proceed under Part II.J of the ISO-NE OATT, not under NEP's existing local procedures. Sections 1.7.1, 2(c), and 22.1 are amended to state that the Large Load interconnection process is

set forth in Part II.J. Attachments C (Form of System Impact Study Agreement), D (Form of Facilities Study Agreement), and H (Methodology for Completing System Impact Study) are each amended to provide that they shall not apply to transmission service requests on behalf of a Large Load. Attachment H further provides that the ISO will study such requests in coordination with NEP. Attachment E (Policy and Practices for Protection Requirements) is revised to apply to a Large Load interconnection only to the extent not inconsistent with the Large Load protection requirements under Part II.J and the applicable ISO New England Operating Procedures, which govern in the event of a conflict.

The revisions further align Schedule 21-NEP with the Large Load Transmission Service Agreement and the Large Load Cost Recovery Agreement. Section 4.2 provides that, where a Transmission Customer is taking any of the contract demand services, the terms of the applicable Large Load Cost Recovery Agreement shall govern billing disputes. Section 4.3 provides that termination costs and the Exit Fee for Large Load Network Upgrades and Direct Assignment Facilities owed by a Large Load Entity shall be determined and paid in accordance with that agreement. Section 24.6 applies the Direct Assignment Facility Charge to Direct Assignment Facilities directly assigned to a Large Load Transmission Customer, except to the extent such costs are recovered under a Large Load Cost Recovery Agreement, so that such costs are not recovered twice. Section 23.1 requires Large Load Transmission Customers to comply with load shedding and curtailment procedures established under the ISO-NE OATT, the applicable ISO New England Operating Documents, the applicable Large Load Transmission Service Agreement, and Schedule 21-NEP. The same section provides that redispatch may not unduly discriminate among NEP's Native Load Customers, Network Customers, and other Transmission Customers in their use of the Non-PTF to serve Network Load or Large Load. Attachment OCC provides that its charges apply to a Large Load Transmission Customer only to the extent provided in the applicable Large Load Transmission Service Agreement or Large Load Cost Recovery Agreement. Attachment F provides that the insurance requirements of Article 17 of the applicable Large Load Cost Recovery Agreement shall govern in lieu of Attachment F to the extent of any inconsistency. The Creditworthiness Policy in Attachment L is extended to Large Load Eligible Customers, Large Load Transmission Customers, and Large Load Entities, and to Large Load Transmission Service Agreements and Large Load Cost Recovery Agreements. Any financial assurance required under a Large Load Cost Recovery Agreement is in addition to, and not in lieu of, the Policy's requirements, except to the extent that agreement provides otherwise. Section 3.1.4 of Attachment L is amended to provide that, for a Large Load Entity, the required security shall include security for the Exit Fee, equal to the Net Book Value of the Large Load Network Upgrades constructed by NEP plus estimated decommissioning costs, as determined under the applicable Large Load Cost Recovery Agreement. Finally, the revisions make several ministerial corrections:

- updating NERC's name to the North American Electric Reliability Corporation;
- replacing "Local Network Service Load" with "Local Service Load" and conforming related terms;
- capitalizing "Network Load" as a defined term in Sections 2(c), 22.1, and 24.13;
- revising the Part II heading and its corresponding Table of Contents reference; and

- correcting the line references in the Local Network Load Dispatch Surcharge Rate formula in Attachment OCC, Exhibit 5.

h. Revisions to Schedule 21-NHT

NHT proposes revisions to Schedule 21-NHT to incorporate three new transmission service types available to Large Load Transmission Customers: Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service. The proposed revisions add new Parts IV, V, and VI addressing service availability, operating requirements, real power losses, load shedding, curtailment, and cost responsibility. The revisions also update applicable definitions, customer default provisions, and transmission service charges, including the addition of Schedules 7A and 8A, to align Schedule 21-NHT with the proposed changes to the OATT and Schedule 21-Common. Additional conforming, clarifying, and administrative revisions are included.

i. Revisions to Schedule 21-UI

The United Illuminating Company proposes revisions to Schedule 21-UI to establish the terms and conditions governing Firm, Non-Firm, and Interim Local Contract Demand Service for Large Loads served over UI's Local Network. The revisions align UI's local service provisions with the new regional Large Load framework in the ISO New England Transmission, Markets and Services Tariff and address service availability, reliability and operating requirements, load shedding and curtailment, customer cost responsibility, and the rates and charges applicable to each form of Local Contract Demand Service. The proposed revisions also make conforming changes to UI's definitions, study procedures, billing provisions, Schedule 12C cost recovery, and calculation of local transmission loads and rates.

j. Revisions to Schedule 21-VTransco

The changes proposed to Schedule 21-VTransco are intended to align Vermont Transco LLC's Local Service Schedule with changes proposed by ISO-NE and other PTOs in order to integrate three new service categories for large loads connecting to Non-PTF. These revisions include: adding definitions for Large Load Transmission Customer, Local Firm Contract Demand Service, Local Interim Contract Demand Service, Local Non-Firm Contract Demand Service, Monthly Local Firm Contract Demand, Monthly Local Interim Contract Demand, Monthly Local Non-Firm Contract Demand, and Transmission Customer; revising the existing definitions for Load Ratio Share and VTransco's Monthly Transmission System Peak; revising the Customer Default provision to clarify that the default provisions of the applicable Large Load Cost Recovery Agreement shall also apply for Transmission Customers taking Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, or Interim Contract Demand Service; clarifying the Redispatch Charge for Local Network Service to clarify that Local Network Customers shall pay a Load Ratio Share of any dispatch costs allocated between the Local Network Customer, any Large Load Transmission Customer, and VTransco; including under new Sections IV, V, and VI of Schedule 21-VTransco provisions implementing Local Firm Contract Demand Service, Local Non-Firm Contract

Demand Service, and Local Interim Contract Demand Service, which set forth the nature of the services, rates and charges, real power losses, load shedding and curtailment requirements (and redispatch requirements for Local Non-Firm Contract Demand Service), operating requirements, and cost responsibility; and revising Schedule 1 (Scheduling, System Control and Dispatch Service) to set forth Schedule 1 charges for the new large load service categories.

k. Revisions to Schedule 21-VP

Versant Power proposes revisions to Schedule 21-VP to account for the addition to the OATT and Schedule 21-Common of three new transmission service types available to Large Load Transmission Customers. Specifically, Versant Power proposes changes to Schedule 21-VP to add references to Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service (collectively, "Local Contract Demand Service") in: (1) § 1 (Definitions), including a new definition of Local Contract Demand Service in § 1.6A; (2) a new Part IV (Local Contract Demand Service), which includes a preamble and new Sections 22 through 26 describing the nature of the three new types of transmission service; (3) the provisions governing the rates and charges applicable to Local Contract Demand Service in Schedule 1-VP (Scheduling, System Control and Dispatch Service), Schedule 7-VP (Charges For Wholesale Customers Interconnected on the BHD System - Firm), and Schedule 8-VP (Charges For Wholesale Customers Interconnected on the BHD System - Non-Firm); (4) Attachment C-VP (Methodology to Assess Available Transfer Capability); (5) Attachment D-VP (Methodology for Completing a System Impact Study); (6) Attachment G-VP (Local Network Operating Agreement); and (7) Attachment P-VP (Determination of Charges). The revisions also include certain conforming, clarifying, administrative, and formatting changes in the foregoing sections, as well as correction of certain typographical errors.

7. Conforming Revisions in Section II.21.2 of the OATT

The term "Large Load Transmission Customers" is being added in Section II.21.2 of the OATT as a conforming revision in the language that currently applies to Regional Network Service. Specifically, the revision in Section II.21.2 of the OATT specifies that the coincident aggregate load of all Network Customers and Large Load Transmission Customers will be included in the calculation of a Customer's Monthly Regional Network Load.

E. Tariff Revisions in Response to the Commission's Resource Adequacy Concerns Proposed by the ISO Under the ISO's Section 205 Rights

In the Show Cause Order, the Commission recognized the reliability concerns created by the addition of Large Loads without concomitant additions of supply or demand-side resources.[195] The Commission directed the ISO to outline its plans to ensure that adequate generation will be available

[195] Show Cause Order at P 4.

to serve existing and new Large Loads in an informational report.[196] In compliance with the Commission's directive, on July 20, 2026, the ISO submitted its Informational Report.

In the Informational Report, the ISO described that, over the past decade, load in New England has been either flat or declining, and the region has generally been long on supply, with a robust, largely uncongested transmission system that facilitates the delivery of supply to load.[197] Moreover, unlike other regions of the country, New England has not yet encountered significant load growth attributable to the addition of Large Loads, such as data centers.[198] Nonetheless, ISO-NE has been planning for large loads by working with the region's transmission owners to develop protocols for tracking large loads, and incorporating large loads in its forecasting processes.[199]

The ISO went on to explain that the region's most recent Report on Capacity, Energy, Loads, and Transmission (the "CELT Report") suggests that, into the next decade, electricity demand will grow steadily, given electrification and other drivers.[200] On the supply side, the CELT Report indicates adequate installed reserve margins.[201] Nonetheless, the ISO is prepared for the factors that are not accounted for in the CELT Report and occur in the ordinary course of business, including winter gas pipeline constraints, operating reserve requirements, unplanned outages, and reduced availability of imports during periods of high demand.[202] Moreover, the ISO is undertaking capacity accreditation changes that are part of the Capacity Auction Reforms ("CAR") project.[203]

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[196] *Id.* at P 119.

[197] *2025 Assessment of the ISO New England Electricity Markets*, Potomac Economics, 4-5 & Figure 2 (June 2026), https://potomaceconomics.com/wp-content/uploads/2026/06/ISO-NE-2025-EMM-Report_Final.pdf ("Potomac Annual Report").

[198] Gordon van Welie, *ISO-NE's Response to Chairman David Rosner's September 18, 2025 Letter Seeking a Dialogue on Large Load Growth in New England*, ISO New England Inc., 3 of PDF (Oct. 6, 2025), https://www.iso-ne.com/static-assets/documents/100028/large-load-forecasting-isone-response.pdf.

[199] Al McBride, *Planning for Large Loads in New England*, ISO New England Inc. (May 20, 2026), iso_large_loads_necpuc_symposium_mcbride.pdf.

[200] System Planning, *2026-2035 Forecast Report on Capacity, Energy, Loads, and Transmission*, ISO New England Inc., Tab 1.1 & Section 1 (May 1, 2026), 2026_celt.xlsx.

[201] *Id.* at Tab 1.1, Section 4.2.

[202] Regarding imports, *see 2025 Annual Markets Report*, ISO New England Inc., 39 (May 29, 2026), 2025-annual-markets-report.pdf (net interchange with Canadian and New York balancing areas combined was at its lowest level in 13 years).

[203] As explained in the Informational Report, with the two-phase CAR project, ISO-NE is moving from a three-year forward to a prompt seasonal capacity market, which will incorporate updated and more accurate information on supply and demand conditions. The design also includes a marginal reliability impact-based accreditation methodology. This accreditation methodology will better reflect each technology's contribution to resource adequacy, thereby sending appropriate price signals to capital markets regarding investment in new and existing resources of different technology types as well as resource performance improvements. The project is also introducing an innovative approach to capturing the impacts of the region's constrained gas system on the gas fleet's resource adequacy contributions. The ISO anticipates making its second filing for this project at the end of this year. Should

Large Loads, however, are not the ordinary course of business. They create unique circumstances that, as described in this transmittal letter, require changes to the Tariff to facilitate their integration while ensuring system reliability. They may also require new capacity at a speed and in amounts that are not typical, and that new resource development may be slowed by existing permitting and supply chain challenges. In recognition of these realities, ISO-NE has concluded that New England must, at a minimum (i) maintain its existing fleet through competitive markets that assure the fleet's continued commercial viability in the near term; (ii) ensure these competitive markets will send appropriate price signals to provide incentives for cost-effective new resource development when needed; and (iii) maintain the competitive markets' structure and stability in the face of the abrupt emergence of material amounts of Large Loads.

The ISO also outlined in the CELT report why it believes that the markets are well-positioned to meet the first two objectives above, and how the region may need to adapt to maintain the markets' functioning as reflected in the third objective. In sum, the region's over-arching wholesale market structure is designed to, and has proven effective at, cost-effectively compensating generation and providing incentives for new entry to reliably meet the needs of the consumers the markets were designed to serve. This design includes not only the capacity market, which the ISO continues to enhance to address the region's evolving system, but also the region's energy market—through which the vast majority of generators' revenue flows.

From an investor's perspective, these markets work to provide that essential compensation because of three key factors. First, New England's forward power market prices, which guide resources' future energy revenue expectations, are among the highest in the nation and remain elevated for coming years.[204] Because of these high prices, some recent analyses indicate total wholesale market revenues are presently approaching the cost of new entry ("CONE") for dispatchable combined cycle generation in the New England region.[205] Second, as discussed above, New England is now facing steady, incremental load growth over the coming decade due to increasing electrification (even without large load development), further supporting that the forward market's energy price signals are not likely to abate any time soon.

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the Commission approve this second filing, the ISO will administer its first prompt and seasonal auction in May 2028 (the date through which the region has previously procured capacity). The ISO is focused on administering the capacity auctions on schedule, as it believes such consistency is critical to the wholesale markets and to investors. As a core market principle, the ISO will continuously evaluate and work with stakeholders to ensure efficient price formation in the capacity market.

[204] Maya Weber & Ronnie Turner, *US EIA forecasts 8% drop in nation's summer wholesale power prices from year ago*, S&P Global (July 7, 2026), https://www.capitaliq.spglobal.com/apisv3/spg-webplatform-core/news/article?id=103582694&documentsource=1 ("PJM and ISO-NE are forecast to have the country's highest prices this summer at $69/MWh and $64/MWh," citing the Energy Information Administration's July 2026 Short Term Energy Outlook). Looking further forward, annual average on-peak power contract prices for New England system power trading at the Intercontinental Exchange exceed $68/MWh for 2030 (ISO-NE calculations, trade data as of July 10, 2026).

[205] Potomac Annual Report at 21, Figure 8.

Finally, investors value a stable market in which they have confidence, facilitated by a dependable regulatory environment. New England has a longstanding and effective NEPOOL stakeholder process that collaboratively and thoughtfully produces market enhancements large and small. This participatory, effective and efficient rule change process in New England helps to bolster confidence in the stability of the region's wholesale market.

From the ISO's perspective, the existing competitive market structure has proven able to send the appropriate capacity and energy price signals to provide incentives for new entry and maintain existing supply in the ordinary course of business. Tailored changes currently underway, including CAR, are appropriate to sustain the markets' strength as the system evolves.[206]

The ISO appreciates that, in addition to its continuing work to ensure resource adequacy, it must explicitly consider the potential impact of Large Loads on the markets. While those loads have yet to materialize in New England, as described in the Informational Report, the ISO believes that two related actions are necessary: requiring new Large Loads to "bring their own" incremental new capacity (referred to in the Informational Report as new "generation"), and excluding new Large Loads from the load-side requirements of the capacity market (*i.e.*, the Installed Capacity Requirement). Accordingly, the Tariff Revisions include language providing notice that Large Loads must bring their own new capacity, and that certain Large Loads will be excluded from the capacity market's Installed Capacity Requirement.[207]

[206] As the Commission required in the Informational Report, the ISO described pending projects that are intended to create incentives for new investment, retain the existing fleet, and deal with increased uncertainty and volatility. Many of these projects are detailed in the ISO's multi-year roadmap, which sets out present priorities through 2030, and addresses resource adequacy as well as operational uncertainty related to steeper ramps, the need for flexibility, and limited energy constraints. The projects most directly related to resource adequacy and operational uncertainty are: the reduction in the Pay for Performance rate; the CAR project; improvements to Surplus Interconnection Service; probabilistic forecasting; uncertainty reserves; updated capacity market parameters, including revisions to the Cost of New Entry ("CONE") and net CONE; and work with the states to facilitate greater demand flexibility in the region. In the Informational Report, the ISO also mentioned past projects in the categories of resource adequacy and operational uncertainty: the changes to generator interconnection practices in compliance with Order No. 2023, as a result of which most speculative projects have left the queue, leaving it essentially with no backlog; the Day-Ahead Ancillary Services Market, which compensates resources that provide the ancillary service capabilities necessary to meet reliability requirements; and the development of the Probabilistic Energy Adequacy Tool and the Regional Energy Shortfall Threshold, which, together, assess energy shortfall risk and guide consideration of mitigations (such as the need for additional resources).

[207] The Informational Report stated that "[s]ubject to discussion with stakeholders, ISO-NE anticipates including a statement in its filing to comply with the June 18 Order that will put Eligible Customers on notice that large loads must 'bring your own new generation.' Following a robust stakeholder process and resolution of operational issues, ISO-NE anticipates filing the detailed supporting rules implementing this concept in 2027" and that "[s]ubject to discussion and review with stakeholders, ISO-NE anticipates including a statement in its filing to comply with the June 18 Order that will put Eligible Customers on notice that the capacity market will exclude new large loads. Following a robust stakeholder process, ISO-NE will file detailed rules implementing this concept in 2027." Informational Report at 7.

Specifically, to establish the "bring your own new capacity" ("BYONC") requirement, new Section II.59 of the OATT provides as follows:

> To receive the requested amount of Firm Contract Demand Service for a Large Load, the Large Load Eligible Customer shall designate, or cause to be designated, sufficient new capacity resources to meet the requested amount of Firm Contract Demand Service for the Large Load. Interim Contract Demand Service shall be provided for the amount of requested Firm Contract Demand Service until such sufficient capacity resources are designated and achieve commercial operation.

In addition, to ensure that Large Loads are excluded from the Installed Capacity Requirement, the following language is being added in Section III.12.1 of the Tariff: "Large Loads receiving Interim Contract Demand Service or Non-Firm Contract Demand Service shall be excluded from the calculation of the Installed Capacity Requirement and related values."

Following a robust stakeholder process and resolution of operational issues, the ISO anticipates filing the detailed supporting rules implementing these concepts with the Commission in 2027. The topics the ISO intends to discuss with stakeholders in 2027 related to BYONC includes, but is not limited to: definition of "new" in "new capacity;" accreditation of designated resources; locational requirements; load forecast and Installed Capacity Requirement; and Pay-for-Performance settlement.

V. ANSWERS TO BRIEFING QUESTIONS

In the Show Cause Order, the Commission directed further briefing on six questions. Consistent with the descriptions for the proposed Tariff Revisions included in each of the previous sections of this transmittal letter, this section includes ISO-NE's answers to questions A, B, D, E and F, and the PTOs' answer to question C.

A. *How should ISO-NE and the PTOs 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*.[208]

ISO-NE plans to protect existing commercial arrangements through multiple mechanisms to address projects in different stages of development. As described in Section IV.B.1 of this transmittal letter, each existing load in operation or sufficiently under construction as of June 18, 2026, will be exempt from the proposed Large Load definition and all associated requirements, even if it would otherwise meet the definition of a Large Load. The MW value that is exempt will be the greater of (i) a given load's hourly historical gross peak in the ten years prior to June 18, 2026; or (ii) a MW value specified in an existing service or operational agreement. The exemption

[208] Show Cause Order at P 120.

will hold until and unless a load adds an incremental 50 MW and otherwise meets the definition of a Large Load. If a load transitions to a Large Load due to an increment of 50 MW or greater, the previously exempt load will transition to being served by Firm Contract Demand Service without the associated study and capacity resource designation requirements but will be subject to Large Load operational requirements. The PTOs will continue to honor existing rate agreements if the previously exempt load can be metered separately from the incremental load.

A load will be defined as a Large Load Sufficiently Under Construction if it is determined by ISO-NE to have provided sufficient evidence that it received major permits necessary for construction of the project, achieved project financing closing, ordered major equipment necessary for the construction of the project, and has started construction activities on the project site. A load determined to be a Large Load Sufficiently Under Construction as of June 18, 2026, will be exempt from the proposed Large Load definition and all associated requirements as if it were in operation.

Further, a Large Load will be exempt from the ISO-NE Large Load application and study requirements if it has signed a study agreement with its interconnecting utility prior to the June 1, 2027, implementation date for the ISO-NE Large Load application and study procedures. Such Large Loads will still be required to meet all other Large Load requirements, including operational requirements and the BYONC requirement as a condition for its Large Load Transmission Customer to receive Firm Contract Demand Service.

B. *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?*[209]

Loads served under the new Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service will be treated separately from loads served under existing Regional Network Service and Local Network Service in the Regional and Local System Planning processes. This differing treatment will reflect the impacts of Large Loads on the transmission planning process, as described below, and appropriately allocate costs for upgrades caused by these Large Loads to the associated cost recovery agreement rather than to other customers, while maintaining system reliability.

Once a Large Load has completed its Large Load System Impact Study, it will be included in models used in transmission planning studies, along with any required system upgrades identified in the Large Load System Impact Study, and any generating capacity associated with the Large Load. Any unique characteristics of this load, including behavior unique to data center loads, will be represented by the most recently available models provided by the Eligible Customer, whether received during the Large Load System Impact Study process, Large Load

[209] *Id.* at P 121.

commissioning, or after the Large Load has begun commercial operation. Uncertainty around the type, location, and quantity of such loads will no longer be a factor, as the load's characteristics and modeling data have already been established in the Large Load System Impact Study process.

The treatment of this load in transmission planning studies for the Regional System Planning processes, including Needs Assessments, will depend on the type of load service under which the Large Load interconnected. A Large Load receiving Firm Contract Demand Service will be treated similarly to other firm retail loads in transmission planning studies. The inclusion of the Large Load's required upgrades, as identified in the Large Load System Impact Study, will ensure that any reliability impacts directly attributable to the Large Load are mitigated, and not designated as regional reliability needs to be addressed through ratepayer-funded upgrades. If further growth of load served under Regional Network Service or Local Network Service combined with the presence of Large Loads leads to additional reliability concerns, these concerns will be identified in a Needs Assessment and mitigated through regionally funded transmission upgrades identified in a Solutions Study or a competitive request for proposals.

A Large Load receiving Non-Firm Contract Demand Service will also be initially included in system models used in Needs Assessments. If the Needs Assessment identifies any voltage or stability criteria violations, these will be designated as needs and will proceed to a Solutions Study or a competitive request for proposals. Additionally, any thermal criteria violations that would persist in the absence of loads receiving Non-Firm Contract Demand Service would be designated as needs and treated similarly. If the Needs Assessment identifies thermal violations that are caused or worsened by the presence of one or more loads receiving Non-Firm Contract Demand Service, the load(s) will be curtailed to minimize or eliminate the criteria violation. The violation will only be designated a need to the extent that it is still present after the full curtailment of any relevant loads receiving Non-Firm Contract Demand Service. A Large Load receiving Interim Contract Demand Service will be handled in a manner similar to loads receiving Firm Contract Demand Service or Non-Firm Contract Demand Service, depending on the timing of the load's associated capacity and upgrades relative to the year of study for any particular analysis.

C. *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 upgrades 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*.[210]

As explained in Section IV.D.2 above, the PTOs believe that the only sure way to prevent unjust and unreasonable cost shifts among transmission customers related to network upgrade costs required for large loads is to establish the appropriate cost responsibility with the entity driving the need for such upgrades, consistent with the Commission's cost-causation principles.[211] The LLCRA in the Tariff

[210] *Id.* at P 122.

[211] *See supra* Section IV.D.2.

Revisions is one such agreement. Given the uncertainty in the indemnification of an EDC Eligible Customer by a large load served by that EDC for the cost of network upgrades, as well as the ability of the EDC to compel (presumably under state law) such an indemnity, only an agreement including the Large Load Entity itself sufficiently prevents cost shifting, including cost shifting caused by default of the Large Load Entity. As likewise explained above, the LLCRA is squarely within the Commission's jurisdiction and including the Large Load Entity as the entity responsible for paying so that cost shifting does not occur is a just and reasonable approach.

Furthermore, and as illustrated by the LLCRA, the only appropriate level of cost recovery and financial security from the Large Load Entity is 1) cost recovery that ensures that none of the cost for the Large Load Network Upgrades causes an increase in transmission rates and 2) financial security that ensures that in the event of default or insolvency the entire value of either the cost of constructing the upgrades (pre-commercial operation and the inclusion of those updates in transmission rate base) or the net book value of those upgrades (following those upgrades being placed in-service and included in transmission rate base) as well as all other costs under the LLCRA is paid to the TO and credited against rates to avoid cost shifting.

The LLCRA addresses both concerns. The obligation for the Large Load Entity to pay all costs associated with the construction of the Required Facilities in the event of termination prior to commercial operation of the facility ensures that the LLITO and its customers are not burdened with stranded costs in the event of early termination of the large load project.[212] The Cost Recovery Charge ensures that there is no transmission rate impact caused by the construction of LLITO's Network Upgrades.[213] Direct assignment of costs for the Direct Assignment Facilities ensures that the cost of sole-use facilities for the large load are borne solely by that load.[214] The Exit Fee ensures that following the termination or disconnection of the large load, the remaining net book value of LLITO's Network Upgrades is paid and credited against transmission rates.[215] Finally, the Credit Support ensures that sufficient security exists to cover all these cost-shifting prevention mechanisms in the event of default or insolvency by the Large Load Entity.[216]

D. *Further briefing regarding specific characteristics of providing transmission service to Eligible Customers on behalf of large loads that warrant requirements beyond those contemplated in the Show Cause Order*.[217]

The Show Cause Order acknowledges that "[t]he rapid addition and proliferation of large loads without commensurate additions of supply or demand-side resources presents resource

[212] *See* LLCRA Article 2.

[213] *See id.* Article 10 and Appendix C-2.

[214] *See id.* Articles 4 and 10.

[215] *See id.* Article 10.

[216] *See id.*

[217] Show Cause Order at P 123.

adequacy concerns"[218] and the Commission strongly encouraged new proposals to address these concerns. To address resource adequacy concerns associated with the rapid addition of large loads, ISO-NE proposes a BYONC requirement as a condition of Firm Contract Demand Service. As explained in Section IV.E of this transmittal letter, ISO-NE originally raised this concept in its Informational Report using the name "bring your own new generation" but has since refined the concept during stakeholder discussions to more directly align with resource adequacy concerns associated with supply capacity.

Importantly, the BYONC requirement is only a condition of Firm Contract Demand Service. Large Load Transmission Customers have the option to instead take Non-Firm Contract Demand Service and not be subject to the BYONC requirement. Large Load Transmission Customers taking Non-Firm Contract Demand Service on behalf of a non-firm Large Load are both (i) exempt from capacity charges and (ii) required to reduce their wholesale service taken on behalf of a non-firm Large Load prior to the region entering a CSC. Re-dispatch reduction of Non-Firm Contract Demand Service will be achieved through the use of a DARD asset. Large Load Transmission Customers may utilize Interim Contract Demand Service, which is a temporary non-firm service provided prior to a Large Load Transmission Customer completing necessary upgrades and designating sufficient capacity to meet the BYONC requirement. Interim Contract Demand Service will be treated the same as Non-Firm Contract Demand Service with respect to capacity charges and service reductions. Should a Large Load Transmission Customer utilizing Interim Contract Demand Service fail to designate sufficient capacity to meet the requirements of Firm Contract Demand Service within seven years or the length of time required to place the required Large Load Network Upgrades in-service, whichever is longer, its Interim Contract Demand Service will be permanently transitioned to Non-Firm Contract Demand Service.

As stated in Section IV.E of this transmittal letter, ISO-NE will further develop with stakeholders and propose, pursuant to FPA section 205, specific rules detailing which resources will qualify to meet the BYONC requirement, the process to do so, and related matters require significant NEPOOL discussion. For the purposes of this filing, the salient fact is that Large Load Transmission Customers will be placed on notice of the BYONC requirement for Firm Contract Demand Service as of November 14, 2026, the proposed effective date for the Tariff Revisions. The details of how a Large Load Transmission Customer may meet such a BYONC requirement will be the subject of further stakeholder process and subsequent filing with the Commission. Therefore, ISO-NE plans to engage with stakeholders in 2027 to develop a robust set of rules for BYONC resources, prior to the implementation of the proposed Large Load transmission services in 2028.

E. *To what extent would ISO-NE allow an interconnection customer's generating facility serving electrically proximate large load or large co-located load to participate in ISO-NE's energy and ancillary services market, and if ISO-NE were*

[218] *Id.* at P 118.

> *to allow them to participate, what restrictions or mitigation would ISO-NE apply*?[219]

An interconnection customer's generating facility serving an Electrically Proximate Large Load or Co-Located Large Load in ISO-NE will be defined as a Large Load Co-Located Generator or Large Load Electrically Proximate Generator. To align with the Show Cause Order's considerations on cost shifting, the ISO proposes to meter Large Loads and any associated Large Load Co-Located Generator or Large Load Electrically Proximate Generator separately based on gross demand and gross supply, such that the two are not netted. Large Load Co-Located Generators and Large Load Electrically Proximate Generators will be eligible to participate in the energy market, with some restrictions depending on how they are studied and their zero MW NRIS.

As explained in Section IV.C of this transmittal letter, a Large Load Co-Located Generator or Large Load Electrically Proximate Generator has access to a new interconnection process that provides zero MWs of NRIS. Under this process, the Large Load Co-Located Generator or Large Load Electrically Proximate Generator can be included in the same expedited 90-day study process as its associated Large Load. This service allows the Large Load Co-Located Generator or Large Load Electrically Proximate Generator to achieve all or a portion of re-dispatch instructions for a Large Load receiving Non-Firm Contract Demand Service or Interim Contract Demand Service by injecting energy supply, consistent with the Non-Firm Large Load Generator Arrangement. However, this service does not allow the Large Load Co-Located Generators and Large Load Electrically Proximate Generator to net inject to the grid, because their net injections have not been studied. Therefore, a Large Load Co-Located Generator or Large Load Electrically Proximate Generator may provide and receive credit for energy supply, on a gross supply basis, up to but not exceeding their associated Large Load's gross demand.

A Large Load Co-Located Generator and Large Load Electrically Proximate Generator may subsequently elect to participate in a Cluster Study in order to increase its Interconnection Service. Through this process, the Large Load Co-Located Generator's or Large Load Electrically Proximate Generator's net injections are studied, which could result in NRIS greater than zero MWs. Therefore, a Large Load Co-Located Generator or Large Load Electrically Proximate Generator that is subsequently studied in the cluster study process may provide and receive credit for energy supply, on a gross supply basis, in excess of their associated Large Load's gross demand, but not exceeding their NRIS.

The market mitigation rules in Market Rule 1 Appendix A, which apply to all other wholesale energy supply resources in ISO-NE, will apply to a Large Load Co-Located Generator and Large Load Electrically Proximate Generator. These rules allow for consultation with the market monitor on resource-specific physical and financial parameters. Large Load Co-Located Generators and Large Load Electrically Proximate Generators will be eligible to participate in the ancillary services markets, subject to the same requirements for other generators, including but not limited to capability auditing.

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[219] *Id.* at P 124.

In ISO-NE, all resources undergo capability auditing to provide ancillary services, such as reserves, regulation, and voltage. A Large Load Co-Located Generator and Large Load Electrically Proximate Generator will receive the same treatment—once they complete the interconnection process, the Large Load Co-Located Generator and Large Load Electrically Proximate Generator may perform capability audits to demonstrate their ability to provide ancillary services. Therefore, Large Load Co-Located Generator and Large Load Electrically Proximate Generator may provide ancillary services, subject to a performance auditing, which aligns with the treatment of other supply resources.

The same mitigation rules that apply to other sellers of ancillary services will apply to a Large Load Co-Located Generator or Large Load Electrically Proximate Generator that provides ancillary services.

F. *To the extent that ISO-NE 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 ISO-NE account for the generating facilities serving electrically proximate large load or large co-located load in the resource adequacy construct? If applicable, would ISO-NE allow the generating facilities serving electrically proximate large load or large co-located load to participate in ISO-NE's capacity market? If so, would ISO-NE accredit these generating facilities using the same method as other ISO-NE generating facilities*?[220]

As discussed in Section IV.C of this transmittal letter and in the answer to question E above, ISO-NE's proposal creates an expedited interconnection pathway for generating facilities associated with Co-Located Large Loads and Electrically Proximate Large Loads. Such generating facilities are defined as Large Load Co-Located Generators and Large Load Electrically Proximate Generators, respectively. Under ISO-NE's proposal, Large Load Co-Located Generators and Large Load Electrically Proximate Generators will have access to an expedited interconnection pathway and an associated limited interconnection service that only provides zero MWs of NRIS. This process allows ISO-NE to study a Co-Located Large Load or Electrically Proximate Large Load together with its associated Large Load Co-Located Generators or Large Load Electrically Proximate Generators in the same study, outside of the generation cluster study process. Generating facilities that utilize this expedited interconnection pathway will be allowed to operate in parallel to the ISO-NE transmission system, but not be allowed to inject power to the grid, nor will they be given Capacity Network Resource Interconnection Service ("CNRIS"). In other words, Large Load Co-Located Generators or Large Load Electrically Proximate Generators are not deliverable to their respective Load Zones within the New England Transmission System, and are limited to serving their associated Co-Located Large Load or Electrically Proximate Large Load consistent with their Non-Firm Large Load Generating Arrangement. Therefore, defined Large Load Co-Located Generators and Large Load Electrically Proximate Generators that choose

[220] *Id.*

to utilize the expedited interconnection pathway will not be counted towards the region's capacity for resource adequacy purposes, will not participate in the capacity market, and will not be accredited using the same method as other ISO-NE generating facilities.

Large Load Co-Located Generators and Large Load Electrically Proximate Generators that utilize this expedited interconnection process will not be eligible to meet the requirements of a designated resource necessary to fulfill the BYONC requirement for firm service because that process does not allow resources to obtain CNRIS. These generating facilities will instead be allowed to achieve the re-dispatch reduction of non-firm service that a Large Load Transmission Customer takes on behalf of the Large Load associated with such generating facilities, consistent with their Non-Firm Large Load Generating Arrangement. The re-dispatch benefit that a Large Load Co-Located Generator or Large Load Electrically Proximate Generator provides to its associated Large Load will be reflected in the Large Load System Impact Study.[221]

Generating facilities that are co-located with or electrically proximate to a Large Load are not precluded from pursuing other existing options for interconnection, including the Cluster Study process, to increase their Interconnection Service. Should a generating facility that is co-located with or electrically proximate to a Large Load choose to enter a Cluster Study to establish CNRIS, they will be treated the same as any other similar generating facility with similar levels of established CNRIS with respect to capacity market participation and accreditation. This process will be required for new generating facilities aiming to become designated resources to fulfill a Large Load Transmission Customer's requirements for Firm Contract Demand Service on behalf of a Large Load, even if those generating facilities are co-located or electrically proximate to the Large Load. However, doing so may prevent such a generating facility from being used to achieve the re-dispatch reduction associated with a Large Load Transmission Customer's non-firm transmission service.

VI. STAKEHOLDER PROCESS

The Tariff Revisions were considered and supported in the NEPOOL stakeholder process. On November 3, 2026, the NEPOOL Transmission Committee, Reliability Committee, and Markets Committee each voted in favor of recommending the Participants Committee's support for the Tariff Revisions. At its November 12, 2026 meeting, the Participants Committee supported the Tariff Revisions.[222]

[221] A Large Load Co-Located Generator or Large Load Electrically Proximate Generator that is studied after the completion of the Large Load System Impact Study for its associated Large Load will be studied in an interconnection study separate from the Large Load System Impact Study.

[222] NEPOOL supported the Tariff Revisions, except the proposed Large Load Cost Recovery Agreement (new Attachment V to the OATT) and, accordingly, it does not join this filing with respect to that agreement.

VII. EFFECTIVE DATE; REQUESTS FOR WAIVER AND EXTENDED COMMENT PERIOD

The Filing Parties respectfully request that the Commission accept the Tariff Revisions to become effective on November 14, 2026, one day after filing. Because the requested effective date does not permit 60-days' prior notice, the Filing Parties request waiver of the Commission's prior notice requirements to permit the proposed Tariff Revisions to take effect on the day after filing. Good cause exists for the Commission to grant waiver of the 60-day prior notice requirement.[223] While the Filing Parties propose to commence the new transmission services application and study processes starting June 1, 2027, and provide the new transmission services starting June 1, 2028, a November 14, 2026 effective date for the Tariff Revisions is necessary to allow affected parties, *e.g.*, Large Load developers, potential Large Load Eligible Customers, to prepare and modify behavior and development plans as necessary to best take advantage of the new transmission services. In other words, once approved and made effective by the Commission, the Tariff Revisions would provide certainty as to the applicable rules and avenues for interconnecting Large Loads.[224]

Given the breadth of this filing, including the Tariff Revisions, and upcoming holiday, the ISO respectfully requests that the Commission grant an extended comment period of 24 days, or until December 7, 2026, to ensure that interested parties have ample time to review the filing.

As described in this transmittal letter, the ISO proposes to start providing the transmission services on June 1, 2028. This is the date when the development and testing for the suite of software components needed for implementation of the transmission services and operational requirements will be ready. The ISO has initiated an expedited process, in parallel to this filing, to develop the necessary software updates to modify the existing DARD model for use by Large Load Transmission Customers. While the ISO has planned to shift resources and work plans to prioritize this effort, it is still critically important to follow all development procedures and testing plans as this new software will be integrated into real-time market operations. The use of the DARD model leverages an existing asset framework, but even minor updates will result in impacts

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[223] *Id.* (permitting the Commission to waive the notice requirement for "good cause shown").

[224] *See, e.g.*, *Nw. Power Pool*, 197 FERC ¶ 61,098, at P 23 n.43 (2026) (permitting effective date one day after filing and granting applicant's request for waiver of the Commission's 60-day prior notice requirement (citing 18 C.F.R. § 35.11 ("Upon application and for good cause shown, the Commission may, by order, provide that a rate schedule or tariff, tariff or service agreement, or part thereof, shall be effective . . . prior to the date the rate schedule or tariff, tariff or service agreement would become effective in accordance with these rules.")); *Sentinel Energy Ctr., LLC*, 189 FERC ¶ 61,177, at P 14 (2024) (permitting effective date one day after filing and granting waiver of prior notice "in order for the parties to receive the benefit of certain provisions of the Amended Agreement that need to be in effect during the final phases of the construction, commissioning, and performance testing to be done in November or December, 2024"); *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,227, at P 29 (2026) (permitting effective date one day after filing and stating "we find good cause to grant PJM's request for waiver of the Commission's 60-day prior notice requirement to allow PJM's requested effective date because it is necessary to provide certainty to [State Agreement Approach] Project developers, participants in the upcoming [Regional Transmission Expansion Plan] proposal window, and interconnection customers and developers regarding the status of the affected projects and the assumptions that will be used in PJM's planning and interconnection processes").

to power system modeling systems, markets systems, settlement systems, the Customer Asset Management System, forecasting applications, and dozens of other downstream applications. During the time when the software is being developed, the ISO can conduct studies for Large Loads, and, accordingly, the ISO will start accepting Large Load Transmission Service Applications and Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Applications starting on June 1, 2027.

VIII. ADDITIONAL SUPPORTING INFORMATION

Section 35.13 of the Commission's regulations generally requires public utilities to file certain cost and other information related to an examination of traditional cost-of-service rates.[225] However, the Tariff Revisions filed herein are not traditional "rates." Further, ISO-NE is not a traditional investor-owned utility. Therefore, to the extent necessary, the Filing Parties request waiver of Section 35.13 of the Commission's regulations. Notwithstanding their request for waiver, the Filing Parties submit the additional information enumerated below in substantial compliance with relevant provisions of Section 35.13.

35.13(b)(1) – Materials included herewith are as follows:

- This transmittal letter;
- Testimony of Dennis Cakert in support of the Tariff Revisions related to use of the DARD model and the price-based re-dispatch mechanism;
- Affidavit of Alexander Rost in support of all other Tariff Revisions submitted under the ISO's section 205 rights;
- Marked Tariff sections reflecting the Tariff Revisions proposed under the section 205 rights of the ISO and under the joint section 205 rights of the ISO and the PTOs, as well as the Tariff Revisions in Section II.21.2 of the OATT and new Section II.62 of the OATT (both proposed under the joint section 205 rights of the PTOs);
- Clean Tariff sections incorporating the Tariff Revisions proposed under the section 205 rights of the ISO and under the joint section 205 rights of the ISO and the PTOs, as well as the Tariff Revisions in Section II.21.2 of the OATT and new Section II.62 of the OATT (both proposed under the joint section 205 rights of the PTOs);
- Marked Tariff sections reflecting the Tariff Revisions proposed under the joint section 205 rights of the PTOs and under the individual section 205 rights of the PTOs;

[225] 18 C.F.R. § 35.13.

- Clean Tariff sections incorporating the Tariff Revisions proposed under the joint section 205 rights of the PTOs and under the individual section 205 rights of the PTOs; and

- List of governors, utility regulatory agencies in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, and others to whom a copy of this filing has been emailed.

35.13(b)(2) – As noted above, the Filing Parties request that the Tariff Revisions become effective on November 14, 2026.

35.13(b)(3) – Pursuant to Section 17.11(e) of the Participants Agreement, Governance Participants are being served electronically rather than by paper copy. The names and addresses of the Governance Participants are posted on the ISO-NE website at https://www.iso-ne.com/participate/participant-asset-listings/. A copy of this transmittal letter and the accompanying materials have also been sent electronically to the governors and electric utility regulatory agencies for the six New England states that comprise the New England Control Area, to the New England Conference of Public Utility Commissioners, and to the Executive Director of the New England States Committee on Electricity. In accordance with Commission rules and practice, there is no need for the Governance Participants or the other entities described above to be included on the Commission's official service list in the captioned proceeding unless such entities become intervenors in this proceeding.

35.13(b)(4) – A description of the materials submitted in this filing is contained in Section VIII of this transmittal letter.

35.13(b)(5) – The reasons for this filing are discussed in Section IV of this transmittal letter.

35.13(b)(6) – The ISO and PTO AC's respective approval of the Tariff Revisions is evidenced by this filing. The PTO AC reviewed and provided input on the revisions to Section I.2.2 of the Tariff and Schedules 22 and 23 of the OATT, which are subject to the PTOs' shared filing rights with the ISO, at its October 29, 2026 meeting, and voted in accordance with the TOA and the Rate Design and Funds Disbursement Agreement among the PTOs. With respect to NEPOOL's support, as noted in Section VI of this transmittal letter, the revisions reflect the results of the Participant Processes required by the Participants Agreement and reflect the support of the NEPOOL Participants Committee.

35.13(b)(7) – The Filing Parties have no knowledge of any relevant expenses or costs of service that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

IX. CONCLUSION

For the foregoing reasons, the Filing Parties respectfully request that the Commission accept the Tariff Revisions as proposed herein, without modifications or conditions, so that they can become effective on November 14, 2026, and terminate the show cause proceeding in full.

Respectfully submitted,

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