196 FERC ¶ 61,131
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;
David Rosner, Lindsay S. See,
Judy W. Chang, and David LaCerte.

California Independent System Operator Corporation   Docket No. EL26-71-000

Citizen S-Line Transmission LLC
Citizens Sunrise Transmission LLC
Citizens Sycamore-Penasquitos Transmission LLC
DCR Transmission, L.L.C.
DesertLink, LLC
GridLiance West LLC
Horizon West Transmission, LLC
LS Power Grid California, LLC
Morongo Transmission LLC
Pacific Gas and Electric Company
San Diego Gas & Electric Company
Southern California Edison Company
Startrans IO, L.L.C.
SunZia Transmission, LLC
Trans Bay Cable LLC
Valley Electric Association, Inc.
Viridon Path 15, LLC

ORDER GRANTING RESCISSION AND ABEYANCE REQUESTS

(Issued August 14, 2026)

1. On June 18, 2026, the Commission initiated a show cause proceeding under section 206 of the Federal Power Act (FPA)[1] (Show Cause Order).[2] The Show Cause Order directed the California Independent System Operator Corporation (CAISO) and the Participating Transmission Owners to explain why CAISO's Open Access Transmission Tariff (Tariff) and the Transmission Owner Tariffs (TO Tariffs) remain just and

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[1] 16 U.S.C. § 824e.

[2] *Cal. Indep. Sys. Operator Corp.*, 195 FERC ¶ 61,214 (2026) (Show Cause Order).

reasonable and not unduly discriminatory or preferential without certain tariff provisions addressing large loads and co-located loads, or propose tariff revisions addressing the Commission's concerns. It also directed CAISO and the Participating Transmission Owners, within 60 days of the date of the order, to respond to the Show Cause Order and the briefing questions. Responses to the Show Cause Order are due on August 17, 2026, with answers due 30 days after the responses are filed.[3]

2. On July 31, 2026, pursuant to Rule 212 of the Commission's Rules of Practice and Procedure,[4] the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities) filed a motion to rescind the Show Cause Order against each of the Six Cities as Participating Transmission Owners (Six Cities Motion for Rescission).[5] On August 3, 2026, pursuant to Rule 212 of the Commission's Rules of Practice and Procedure, Western Area Power Administration (WAPA) filed a motion to rescind the Show Cause Order against WAPA as a Participating Transmission Owner (WAPA Motion for Rescission) (together with the Six Cities Motion for Rescission, the Rescission Motions).

3. On August 3, 2026, pursuant to Rule 212 of the Commission's Rules of Practice and Procedure, CAISO, DCR Transmission, L.L.C. (DCRT), and the Joint Participating Transmission Owners (Joint PTO)[6] each filed motions to hold the above-referenced show cause proceeding in abeyance, in full, for 90 days, pending completion of CAISO's stakeholder proceedings and submittal of the companies' respective FPA section 205[7] filings to address the Commission's preliminary findings in the Show Cause Order

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[3] *Id.* PP 31, 33

[4] 18 C.F.R. § 385.212 (2025).

[5] On August 3, 2026, Six Cities filed a conditional request for a 90-day abeyance of the Show Cause Order in the event the Commission denies their request for rescission. Because we are granting Six Cities Motion for Rescission, as discussed below, we need not address their conditional request for abeyance.

[6] The Joint PTOs include: Southern California Edison Company; Pacific Gas and Electric Company; San Diego Gas & Electric Company; Citizens Sunrise Transmission LLC; Citizens Sycamore-Penasquitos Transmission LLC; Citizens S-Line Transmission LLC; SunZia Transmission, LLC; LS Power Grid California, LLC; DesertLink, LLC; GridLiance West LLC; Horizon West Transmission, LLC; Trans Bay Cable LLC; Viridon Path 15 LLC; Valley Electric Association, Inc.; and Startrans IO, LLC.

[7] 16 U.S.C. § 824d.

(Abeyance Motions). In this order, we grant the Abeyance Motions and hold this proceeding in abeyance for 90 days. We also grant the Rescission Motions.

I. Rescission Motions

A. Show Cause Order

4. In the Show Cause Order, the Commission included all of the Participating Transmission Owners as respondents to the proceeding.[8] The Commission explained that the processes for studying load additions in the CAISO footprint are not detailed in CAISO's Tariff; rather, the Participating Transmission Owners play the lead role in managing the interconnection of load to the transmission system and have their own study processes and requirements for such interconnections.[9] As such, the Commission included all of the Participating Transmission Owners as respondents to the proceeding, including the Participating Transmission Owners that are not subject to the Commission's jurisdiction because they are not public utilities pursuant to FPA section 201(f).[10] However, the Show Cause Order noted that "[i]f a non-public utility wishes to be removed from this proceeding, we will rescind the show cause order against them at their request."[11]

B. Rescission Motions

5. Six Cities state that each of the Six Cities is a non-public utility that is exempt from the Commission's jurisdiction pursuant to FPA section 201(f).[12] WAPA states that it is a power marketing administration of the United States Department of Energy that was created in 1977 by section 302(a)(1)(E) and (F) of the Department of Energy Organization Act and, therefore, is exempt from the Commission's jurisdiction pursuant to FPA section 201(f).[13] Moreover, in the Rescission Motions, Six Cities and WAPA confirm that they are actively coordinating and cooperating with CAISO in responding to

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[8] Show Cause Order, 195 FERC ¶ 61,214 at P 2 n.9.

[9] *Id.* P 21.

[10] 16 U.S.C. § 824(f).

[11] Show Cause Order, 195 FERC ¶ 61,214 at P 2 n.9.

[12] Six Cities Motion for Rescission at 3.

[13] *See* WAPA Motion for Rescission at 2-4.

the Show Cause Order.[14] Six Cities state that "consistent with the [Six] Cities' practice, if any of the [Six] Cities determines that changes to its TO Tariff are needed to address the issues in the Show Cause Order or any other topics, each City will file proposed revisions to its TO Tariff with the Commission."[15] Similarly, WAPA states that, "in accordance with WAPA policy and practice, if in the course of WAPA's continued coordination with the CAISO that it determines changes to its [TO] Tariff are needed to address the issues in the Show Cause Order, WAPA will file proposed revisions to its [TO] Tariff with the Commission."[16]

6. On August 4, 2026, the Commission issued a notice requiring answers to the Rescission Motions to be submitted by August 7, 2026.[17] None were filed.

C. Commission Determination

7. We grant the Rescission Motions. Consistent with the Show Cause Order, Six Cities and WAPA, as utilities exempt from Commission jurisdiction under FPA section 201(f), have requested to be removed from this proceeding. Both Six Cities and WAPA have confirmed that they will continue to coordinate and cooperate with CAISO in responding to the Show Cause Order and will file with the Commission any proposed revisions to their respective TO Tariffs that become necessary to address issues raised in the Show Cause Order.[18] Accordingly, the Show Cause Order is rescinded as against each of the Six Cities and WAPA and the caption of the proceeding has been amended to reflect their removal from the proceeding.

II. Abeyance Motions

A. Show Cause Order

8. In the Show Cause Order, the Commission stated that CAISO and the Participating Transmission Owners may request an abeyance, in whole or in part, for up to 90 days, "while they work through the applicable stakeholder processes to develop FPA section 205 filings to revise their tariffs to address the issues raised

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[14] *See* Six Cities Motion for Rescission at 4; WAPA Motion for Rescission at 4.

[15] Six Cities Motion for Rescission at 4.

[16] WAPA Motion for Rescission at 4.

[17] Notice of Shortened Answer Period, Docket No. EL26-71-000 (issued Aug. 4, 2026).

[18] Six Cities Motion for Rescission at 4; WAPA Motion for Rescission at 4.

in this order."[19] The Commission also stated that such requests must include: "(1) a robust description of the content of a potential future filing under FPA section 205 and (2) a reasoned and specific explanation of when such a filing is expected to be made."[20]

B. Motions for Abeyance

9. CAISO states that granting the abeyance will provide it sufficient time to work with stakeholders to develop all policies necessary to address the Commission's preliminary findings in the Show Cause Order and to submit an FPA section 205 filing that, with simultaneous filings from the Participating Transmission Owners, will address all the preliminary findings and five categories of reforms set forth in the Show Cause Order, as appropriate for the CAISO region.[21] CAISO states that its ongoing large loads stakeholder initiative has been well-aligned with the five categories of reforms identified in the Show Cause Order. For example, CAISO notes that an issue paper posted by CAISO in January 2026 specifically discusses the current treatment of large load interconnection within CAISO, provisions for co-location of generation and large loads, transmission service offerings, cost allocation and responsibility, technical requirements and standards, and operational requirements. CAISO states that it is actively working on a straw proposal to address other issues identified in the large loads stakeholder initiative and the Show Cause Order. CAISO states it will expedite the process to obtain CAISO Board of Governors and Western Energy Market Governing Body approval as necessary by October 28, 2026 and facilitate a November 16, 2026 filing date for its proposal under FPA section 205.

10. The Joint PTOs assert that granting the requested abeyance will allow each of the Participating Transmission Owners to develop filings under FPA section 205 that address the issues identified by the Commission in the Show Cause Order.[22] The Joint PTOs state that their filings will present revisions to their TO Tariffs to include study, application, and operational procedures for the interconnection of large loads, as well as provisions to address transparency, cost recovery, and financial security, and rate-treatment provisions intended to prevent cost shifting. The Joint PTOs also highlight that, to address the myriad concerns raised by the Show Cause Order and account for each Participating Transmission Owners' unique circumstances, coordination with CAISO and other transmission owners will be necessary. The Joint PTOs state that the

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[19] Show Cause Order, 195 FERC ¶ 61,214 at P 35.

[20] *Id.*

[21] CAISO Abeyance Motion at 4-7.

[22] Joint PTOs Abeyance Motion at 3-7.

requested 90-day abeyance will permit a coordinated set of filings by November 16, 2026, rather than tariff revisions that may conflict with CAISO's design.

11. DCRT asserts that an abeyance is warranted until November 16, 2026 so that it has sufficient time to develop tariff revisions that address each of the Show Cause Order's directives that implicates DCRT's TO Tariff.[23] Specifically, DCRT anticipates proposing tariff revisions related to transmission service to eligible customers on behalf of large loads and cost shifting risk among transmission customers. DCRT also states that, as appropriate, it will address co-location arrangements, flexible transmission services, and electrically proximate large load and co-located load in its proposed tariff revisions. Like the Joint PTOs, DCRT highlights the need for additional time to ensure clear and consistent provisions between CAISO and the Participating Transmission Owners.

12. On August 4, 2026, the Commission issued a notice requiring answers to the Abeyance Motions to be submitted by August 7, 2026.[24] Corporate Energy Buyers Association filed a timely answer in support of the Abeyance Motions.

C. <u>Commission Determination</u>

13. We grant the Abeyance Motions. Consistent with the Show Cause Order, CAISO, DCRT, and the Joint PTOs have provided robust descriptions of the FPA section 205 filings they anticipate making by November 16, 2026, and have described the on-going stakeholder process, including stakeholder and governing body vote dates. Such a stakeholder process will provide CAISO, the Participating Transmission Owners, and other stakeholders an opportunity to consider region-specific solutions to the concerns raised in the Show Cause Order.

14. Accordingly, to allow CAISO's stakeholder process to continue so that CAISO and the Participating Transmission Owners can make the anticipated described filings, we will grant their Abeyance Motions. We will hold this FPA section 206 proceeding in abeyance, in full, including responses to the Show Cause Order and briefing questions, for 90 days. Therefore, responses to the Show Cause Order will be due on November 16, 2026, and answers to responses will be due on December 16, 2026.

15. If CAISO or Participating Transmission Owners submit an FPA section 205 filing addressing the Commission's preliminary findings in the Show Cause Order on or before November 16, 2026, then the obligation of the respondent(s) who have made such an

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[23] DCRT Abeyance Motion at 4-14.

[24] Notice Establishing Answer Period, Docket No. EL26-71-000 (issued Aug. 4, 2026).

FPA section 205 filing to file a response to the Show Cause Order will be suspended, and this proceeding will continue to be held in abeyance pending further Commission directive in this proceeding.

16. To the extent that CAISO and/or Participating Transmission Owners intend to request in their FPA section 205 filing that the show cause proceeding be terminated in full or in part if the Commission accepts the filing, we encourage CAISO and/or Participating Transmission Owners to explain, with specificity, which of their proposed Tariff revisions they believe resolve all or some of the Commission's preliminary findings in the Show Cause Order, and whether the Commission should terminate the Show Cause Order, in full or in part.

17. While we expect CAISO and/or Participating Transmission Owners to implement these tariff revisions as expeditiously as possible, we encourage CAISO and/or Participating Transmission Owners to propose an effective date that takes into account the necessary time to implement the proposed Tariff revisions and accommodate existing commercial arrangements.

<u>The Commission orders</u>:

(A) The Rescission Motions are hereby granted, as discussed in the body of this order.

(B) The Abeyance Motions are hereby granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Debbie-Anne A. Reese,
Secretary.

Document Content(s)