California ISO

Decision on large load enhancements

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This initiative focuses on the ISO's response to the FERC order to show cause on large loads

- The ISO began clarifying large load roles and responsibilities and convened a Technical Requirements Working Group in 2025
- Refocused the scope of the initiative to focus on the response to the the Order to Show Cause

ISO Action	Date
Issue paper	January 28, 2026
Technical requirements straw proposal	June 15, 2026
FERC Order to Show Cause on Large Loads	June 18, 2026
30-day report on resource sufficiency	July 20, 2026
Straw proposal	August 12, 2026
Draft final proposal	September 24, 2026
Board of Governors consideration	October 28, 2026
Section 205 tariff filings from the ISO and PTOs	November 16, 2026

Collaboration between the ISO and PTOs will drive a holistic large load integration framework

Plan proactively
Incorporate viable large load growth into CAISO transmission planning and resource interconnection process.

Study consistently
Establish consistent, transparent and timely study processes across PTOs to support efficient interconnection and system reliability.

Protect customers
Allocate costs and financial risks appropriately, improve cost transparency, and protect existing customers from unreasonable cost shifting.

Connect faster
Enable expedited Flexible Interim Load Interconnection (FILI), using enforceable flexibility until required network upgrades are complete.

Operate reliably
Establish the forecasting, visibility, coordination and operational capabilities necessary to reliably integrate large loads.

The ISO response to the Order will address five key topics.

The ISO's response addresses five key areas:

1. Load interconnection and study procedures, including technical and operational standards
2. Framework to prevent cost-shifting
3. Parallel information and application requirements for co-located arrangements
4. Flexible interim load interconnection (FILI) service to expedite interconnection
5. Future consideration of service to electrically proximate large loads

1. Load interconnection application, study procedures, and operational requirements

- Proposed definition: end users behind points of interconnection with peak load of 50 MW or greater and interconnecting to the transmission system, namely the ISO controlled grid.
- No proposed changes to the interconnection roles and responsibilities; consistency among the PTOs in large load interconnection processes will be critical.
- Support the PTO 60-90 day timeframe for load interconnection studies within the transmission planning process (TPP).
  - Monthly review of new load interconnection requests
  - Transmission planning study results will determine eligibility for flexible interim load interconnection

1. Load interconnection application, study procedures, and operational requirements

- Technical and operational requirements will support reliable integration of large loads, while remaining informed by and complementary to ongoing North American Electric Reliability Corporation (NERC) standards development efforts.
- Technical and operational requirements will also apply to flexible and co-located load and generation configurations.

2. Mitigate risk of cost shifting among transmission customers

- The Transmission Access charge (TAC) coupled with enhanced PTO cost-allocation rules will prevent cost-shifting.
- Provide transparency regarding assignment of network upgrades and associated costs attributable large loads by publicly posting:
  - Aggregate large load additions in the ISO operating area and by transmission pricing zone
  - Planned network upgrades needed to serve large loads
  - Cost estimates for each planned network upgrade
- *Pro forma* cost recovery agreement between PTO, eligible customer, and in some cases the ISO.
- Mechanism to ensure that co-located loads pay for ancillary services from which they benefit.

3. Accommodate co-location agreements and behind-the-meter generation

- Clarify interconnection and operational requirements for co-located large loads and generation
  - Process for studying generating component in the ISO generator interconnection process
  - Coordination with the PTO tariffs
- Require sub-metering of co-located large loads to appropriately meter and assess ancillary service rates.
- Consider implications for existing generation “leaving the grid” with requests to connect load onsite.

4. Provide new flexible interconnection service for faster interconnection

- Flexible Interim Load Interconnection service offers faster load interconnection.
- In practice, this could include Remedial Action Schemes (RAS), PTO operator curtailment, or managing to a pre-set schedule.
- If a remedial action scheme is considered but cannot be reliably operated, or is found to have significant market implications, the ISO will not enable that option.
- Explore a permanent flexible offering in a future initiative.

5. Future consideration of a process to study generating facilities that serve electrically proximate large loads and co-located loads

- The ISO intends to prioritize stand-alone and co-located load and generator interconnections in this response to the Order and will focus on proximate load and generation arrangements in a future policy initiative.

RESPONSES TO STAKEHOLDER FEEDBACK

Parties were generally supportive of the draft final proposal.

- Most stakeholders expressed support for the overall framework.
- Stakeholders sought more details on implementation, particularly as it relates to the load interconnection and study process, technical requirements, and flexible interim load interconnection
  - ISO response: Convene working groups and engage stakeholders in development of business practice manuals to develop and refine the details.
- Stakeholders asked the ISO to commit to an initiative to explore permanent flexible load interconnection and interconnection of electrically proximate loads and generation
  - ISO response: The draft infrastructure policy roadmap proposes to open a stakeholder initiative in the first half of 2027.

The ISO is working with PG&E and other stakeholders to address concerns with the proposed definition of large loads

- PG&E's concerns with the ISO's proposed definition carried through its comments on the broader ISO proposal.
- The ISO is working cooperatively with PG&E, the CPUC, and other stakeholders to develop consensus language that respects jurisdictional lines.

Stakeholders frequently sought more information on PTO tariff proposals and implementation details

- The ISO established consistent minimum expectations for PTOs:
  - coordination between load-serving PTOs and non-load serving PTOs
  - affected system coordination
  - 60-90 day load interconnection study process
  - alignment of PTO load application processes with the ISO's resource interconnection process
  - consideration of advanced transmission technologies
  - viability of specific load interconnection requests
  - risk of large loads not materializing and exposing other customers to cost.

Management recommends approval of these large load enhancements.

The large load enhancements initiative seeks to:

- improve planning, visibility, and operational awareness of new large loads on the system,
- prevent cost-shifting, and
- encourage flexibility and expedite large load energization.