196 FERC ¶ 61,216
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. EL26-71-001
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 DISMISSING REQUEST FOR REHEARING AND CLARIFICATION

(Issued September 21, 2026)

1. On June 18, 2026, the Commission issued an order under section 206 of the Federal Power Act (FPA)[1] initiating a show cause proceeding directing California Independent System Operator Corporation (CAISO) and the Participating Transmission Owners[2] to explain why CAISO's Open Access Transmission Tariff (Tariff) and the Transmission Owner Tariffs (TO Tariffs) remain just and reasonable and not unduly

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[1] 16 U.S.C. § 824e.

[2] Participating Transmission Owners refers to the entities listed in the caption to this order.

discriminatory or preferential without certain Tariff and TO Tariff provisions addressing large loads and co-located loads, or propose tariff revisions addressing the Commission's concerns.[3] On July 20, 2026, Eolian, L.P. (Eolian) filed a request for clarification or, in the alternative, rehearing.

2. Pursuant to *Allegheny Defense Project v. FERC*,[4] the rehearing request filed in this proceeding may be deemed denied by operation of law. However, we are dismissing Eolian's request for rehearing and clarification, as discussed below.

I. Show Cause Order

3. In the Show Cause Order, the Commission found that CAISO's existing Tariff and/or the TO Tariffs appear to be unjust, unreasonable, or unduly discriminatory or preferential because they lack certain provisions related to large loads and co-located loads and instituted a show cause proceeding pursuant to FPA section 206.[5] The Commission directed CAISO and the Participating Transmission Owners, within 60 days of the date of the Show Cause Order, i.e., by August 17, 2026, to either explain why their tariffs remain just and 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.[6]

4. Specifically, the Commission made preliminary findings that CAISO's existing Tariff and the Participating Transmission Owners' TO Tariffs appear to be unjust, unreasonable, and unduly discriminatory or preferential because they lack provisions addressing: (1) the application process, study procedures, and ongoing operational requirements that apply to Eligible Customers seeking transmission service on behalf of large loads;[7] (2) additional transparency concerning the network upgrade costs to provide

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[3] *Cal. Indep. Sys. Operator Corp.*, 195 FERC ¶ 61,214, at PP 3, 31 (2026) (Show Cause Order); *order granting rescission and abeyance requests*, *Cal. Indep. Sys. Operator Corp.*, 196 FERC ¶ 61,131, at PP 13-14 (2026) (Abeyance Order). Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Tariff.

[4] 964 F.3d 1 (D.C. Cir. 2020) (en banc).

[5] Show Cause Order, 195 FERC ¶ 61,214 at PP 3, 31.

[6] *Id.* P 3.

[7] While the Commission stated that "it appears that it would be reasonable to define a large load as a new, commercial or industrial customer, located at a single site behind one or more points of interconnection, and that has a peak load of 50 MW or greater, interconnects to the transmission system at a voltage level of greater than 69 kV, and is not part of a co-location arrangement," the Commission also stated that CAISO

transmission service to Eligible Customers on behalf of large loads, a *pro forma* cost recovery agreement to mitigate the risk of cost shifting among transmission customers, and a mechanism to ensure such payments are appropriately credited toward transmission owners' transmission revenue requirements consistent with the Commission's cost-of-service regulations; (3) the rates, terms, and conditions of service that apply to co-location arrangements; (4) transmission services that reflect Eligible Customers taking transmission service on behalf of co-located loads, load with behind the meter generation, and flexible large loads that are willing and able to limit their use of the transmission system under certain conditions; and (5) the rates, terms, and conditions of service applicable to interconnection customers serving electrically proximate large load or co-located load.[8]

5. On August 14, 2026, the Commission granted motions for abeyance filed by CAISO, DCR Transmission, L.L.C., and the Joint Participating Transmission Owners,[9] such that responses to the Show Cause Order will be due on November 16, 2026, and answers to responses will be due on December 16, 2026.[10] The Commission also stated that if CAISO or the 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 FPA section 205 filing to file a response to the Show Cause Order will be suspended, and the show cause proceeding will continue to be held in abeyance pending further Commission directive in the show cause proceeding.[11]

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and/or the Participating Transmission Owners could propose Tariff revisions establishing their own definition of large load. *Id.* P 57.

[8] *Id.* PP 3, 31.

[9] The Joint Participating Transmission Owners 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.

[10] Abeyance Order, 196 FERC ¶ 61,131 at PP 13-14.

[11] *Id.* P 15.

II. Eolian Request for Clarification or, in the Alternative, Rehearing

6. Eolian requests clarification or, in the alternative, rehearing to provide that electrically proximate generation may access permanent load-limited generator interconnection service where it is equally capable of enabling the large load to limit its withdrawals from the transmission system on a long-term basis without creating system reliability risks.[12] Eolian contends that the Show Cause Order limits CAISO's ability to put in place a replacement rate that will ensure just and reasonable and not unduly discriminatory rates by not requiring or by limiting its ability to adopt a permanent load-limited generator interconnection service for front-of-the-meter resources that are capable of enabling large loads to limit their withdrawals from the transmission system under certain conditions on a long-term basis without resulting reliability concerns.[13] Eolian argues that this limitation would create a significant barrier to large loads' ability to use the new transmission services directed under the Show Cause Order, and therefore would significantly impair the ability of the Show Cause Order to ensure just and reasonable and not unduly discriminatory rates.[14]

7. Eolian also requests rehearing or clarification to clarify that any flexibility to tailor the generator interconnection reforms to the unique circumstances of the region must be paired with an obligation for CAISO to show that the reforms will enable a pathway for significant generating capacity to provide load-limited interconnection.[15] Eolian argues that the Show Cause Order includes some language that could be interpreted such that it gives flexibility to CAISO to adopt minimal reforms that do not achieve the objectives of ensuring just and reasonable and not unduly discriminatory rates.[16]

III. Discussion

8. Rule 713(b) of the Commission's Rules of Practice and Procedure permits requests for rehearing "of any final decision or other final order in a proceeding."[17] A

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[12] Eolian Request at 3, 4-14. Eolian states that load-limited generator interconnection service "is premised on the generator's commitment to limiting its output to match the consumption of the load it is supporting." *Id.*, attach. A (Aff. of Andrew Levitt) at 3.

[13] *Id.* at 3-4.

[14] *Id.* at 4-5.

[15] *Id.* at 16.

[16] *Id.* at 3-4, 14-16.

[17] 18 C.F.R. § 385.713(b) (2025); *see also* 16 U.S.C. § 825*l*(a) (parties "aggrieved

final order imposes an obligation, denies a right, or fixes some legal relationship as a consummation of the administrative process.[18] The Show Cause Order did none of those things. The Commission did not make any final decision or determination in the Show Cause Order on whether the CAISO Tariff and the TO Tariffs are unjust, unreasonable, or unduly discriminatory or preferential. The Commission determined only that the tariffs appear to be unjust, unreasonable, and unduly discriminatory or preferential and instituted an FPA section 206 show cause proceeding to reach a final determination on this issue.[19] We therefore dismiss the request for rehearing, which concerns a Commission action that is not final and that will be succeeded by further Commission action.[20]

9. For similar reasons, we also dismiss the request for clarification. The show cause proceeding has been held in abeyance until November 16, 2026, to allow CAISO's stakeholder process to continue so that CAISO and the Participating Transmission Owners may submit FPA section 205 filings addressing the Commission's preliminary findings in the Show Cause Order.[21] We do not intend to provide clarification or guidance with respect to the Show Cause Order while the show cause proceeding is held in abeyance.[22] We encourage CAISO, the Participating Transmission Owners, and

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by an order issued by the Commission in a proceeding . . . may apply for a rehearing within 30 days after the issuance of such order").

[18] *Reliable Automatic Sprinkler Co. v. Consumer Prod. Safety Comm'n*, 324 F.3d 726, 731 (D.C. Cir. 2003) ("[f]inal agency action 'mark[s] the consummation of the agency's decisionmaking process' and is 'one by which rights or obligations have been determined, or from which legal consequences will flow'") (quoting *Bennett v. Spear*, 520 U.S. 154, 178 (1997)).

[19] *See, e.g.*, Show Cause Order, 195 FERC ¶ 61,214 at PP 3, 30-31.

[20] *See, e.g.*, *Westlands Transmission, LLC*, 177 FERC ¶ 61,175, at P 4 (2021); *Red Horse Wind 2, LLC*, 172 FERC ¶ 61,147, at P 3 (2020); *BridgeTex Pipeline Co., LLC*, 164 FERC ¶ 61,111, at PP 10-12 (2018); *Pac. Gas & Elec. Co.*, 162 FERC ¶ 61,246, at PP 6-7 (2018); *Talen Energy Mktg., LLC*, 158 FERC ¶ 61,077, at PP 3-4 (2017).

[21] Abeyance Order, 196 FERC ¶ 61,131 at PP 13-15.

[22] The Commission possesses "broad power to structure the proceedings before it." *Papago Tribal Util. Auth. v. FERC*, 628 F.2d 235, 242 (D.C. Cir. 1980) (quoting *La. Power & Light Co. v. FPC*, 536 F.2d 898, 910 (5th Cir. 1976)).

stakeholders to continue with the development of one or more FPA section 205 proposals.

The Commission orders:

Eolian's request for clarification or, in the alternative, rehearing is hereby dismissed, as discussed in the body of this order.

By the Commission.

(S E A L)

Debbie-Anne A. Reese,
Secretary.