UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Interconnection of Large Loads to the Interstate Transmission System	Docket No. RM26-4-000

COMMENTS OF TRANSMISSION ACCESS POLICY STUDY GROUP

The Transmission Access Policy Study Group ("TAPS"), an association of transmission-dependent utilities ("TDUs") in thirty-five states promoting open and non-discriminatory transmission access, appreciates the opportunity to comment on the Secretary of Energy's proposed Advanced Notice of Proposed Rulemaking ("ANOPR")[1] under consideration by the Federal Energy Regulatory Commission (the "Commission").

EXECUTIVE SUMMARY

As the ANOPR correctly recognizes, the rapid increase in large loads seeking to interconnect to the interstate transmission system—primarily driven by rapid growth in data center demand—is creating new and unique challenges. The ANOPR then presents "potential reforms to ensure the timely and orderly interconnection of large loads" for the Commission to consider in this proceeding.[2]

Given the ANOPR's focus on the unique challenges presented by data centers (and other large commercial and industrial loads),[3] and its emphasis on not intruding on

[1] Secretary of Energy, *Ensuring the Timely and Orderly Interconnection of Large Loads*, Advanced Notice of Proposed Rulemaking (released Oct. 23, 2023), eLibrary No. 20251027-4001 ("ANOPR"). On November 7, 2025, the Commission extended the deadline for comments and reply comments on the ANOPR to November 21, 2025, and December 5, 2025, respectively. Notice Granting Extension of Time (Nov. 7, 2025), eLibrary No. 20251107-3060.

[2] ANOPR P 1.

[3] *See, e.g.*, *id.* (distinguishing (1) the "increasing quantities of large commercial and industrial load, most notably data centers" connecting to the transmission system, from (2) "demand growth, such as home and vehicle electrification").

state authority over retail sales notwithstanding that a large load "is an end-use customer,"[4] TAPS understands the ANOPR's discussions of "large load" as specifically intended to cover a large, individual retail customer seeking to interconnect directly to the transmission system and meeting other to-be-determined qualifications. For clarity, these Comments generally use the term Qualifying Large Loads (and, where a Qualifying Large Load shares a point of interconnection with generation, Qualifying Large Hybrid Facilities) to distinguish these particular large loads from load more broadly.[5]

TAPS agrees that the swift and accelerating development of very large data centers presents unique challenges to the Commission's responsibility under the Federal Power Act ("FPA"). These large loads are already causing, and are expected to continue to cause, extremely costly transmission upgrades to reliably serve their ambitious—yet uncertain—load forecasts. The Commission must be proactive in addressing the huge impact that the interconnections of Qualifying Large Loads have on Commission-jurisdictional services to protect transmission customers—and, ultimately, other end-use individual and business ratepayers—from paying costs they did not cause. But given the numerous complex issues raised by the ANOPR, from both technical and policy perspectives, TAPS requests that the Commission hold a technical conference, with an opportunity for follow-up comments (see Part I below).

While the ANOPR identifies fourteen specific "Principles for Reform," TAPS urges the Commission to follow two overarching goals in any actions it takes regarding Qualifying Large Load Interconnection:

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[4] *Id.* P 15.

[5] With respect to Principle 13, we use the term "large loads" to reference the term used in the currently ongoing efforts by the North American Electric Reliability Corp. ("NERC").

- *First*, the Commission should ensure that any reforms are protective of wholesale transmission customers, so that these other customers are not stuck bearing the cost, reliability, or resource adequacy burdens associated with meeting the needs of Qualifying Large Loads. Affordability to consumers should be a key objective.

- *Second*, any Qualifying Large Load interconnection reforms should be carefully crafted to avoid opportunities for gaming or undue preference that is not tied to and justified by specific, relevant characteristics.

In addition, TAPS offers comments on the ANOPR's principles, which we briefly summarize below:

Principle 1: The Commission should ensure that any Qualifying Large Load interconnection reforms respect state and municipal jurisdiction over retail service (e.g., retail sales of electricity, retail service territories, etc.).

Principle 2: While TAPS does not take a position in these Comments on the MW threshold for determining what is a "large" Qualifying Large Load interconnection, a precise definition of Qualifying Large Loads subject to reforms adopted in this proceeding (beyond just a size threshold) is needed to ensure that any different treatment of such loads is tied to specific, relevant characteristics.

Principle 3: The use of a single study process for Qualifying Large Load and Hybrid Facilities, along with generating facilities, could address concerns with gaming and undue discrimination, but it would require resolution of a host of complicated implementation details.

Principle 4: Study deposits, readiness requirements, and withdrawal penalties could address concerns about speculative Qualifying Large Loads and Hybrid Facilities that might withdraw from the interconnection queue and undermine the goal of an orderly and efficient interconnection process. But these measures are *not* sufficient to address the major concern that Qualifying Large Loads and Hybrid Facilities may complete the interconnection process, cause massive transmission upgrades to be constructed, but then fail to attain and maintain over an extended time the amount of demand for which those upgrades were planned. That major problem must be addressed through additional, separate measures (*see* Principle 8).

Principle 5: Any questions about studying Qualifying Large Hybrid Facilities based on requested injection or withdrawal rights depend on the mechanisms in place to limit injections and withdrawals (*see* Principle 6).

Principle 6: System protection facilities are essential to enforce limits on injection and withdrawal that a Qualifying Large Hybrid Facility commits to and is studied for. Operational limitations may also be necessary, as system protection facilities may fail. While financial penalties may also be appropriate, the

Commission should not rely on them given the serious consequences of exceeding these limits.

Principle 7: Qualifying Large Loads and Hybrid Facilities that agree to be curtailable and dispatchable should *not* receive expedited study treatment. Such an approach would trigger serious undue discrimination problems. Curtailability should instead be encouraged through other mechanisms.

Principle 8: TAPS supports holding Qualifying Large Loads responsible for 100% of the network upgrade costs they are assigned in the study process. This is critical to protecting others from costs specifically caused by Qualifying Large Load interconnections, particularly if Qualifying Large Loads trigger substantial transmission upgrades but fail to take and maintain the level of service for which they are planned. A crediting mechanism could be used as part of this approach, *provided that* it is structured in a way to hold other customers harmless from costs caused by these large load interconnections. Finally, if the Commission does not directly hold Qualifying Large Loads directly responsible for 100% of network upgrades, it should nevertheless take action to protect other transmission customers from bearing such costs, especially if the Qualifying Large Load does not attain and maintain the demand for which the upgrades were planned.

Principle 9: TAPS does not address this principle in these Comments.

Principle 10: To ensure transmission system reliability, there should be a System Support Resource ("SSR")/Reliability Must Run ("RMR")-type study for existing generating facilities that seek to enter a partial suspension to service a Qualifying Large Load at the same location. Other loads should be protected against bearing the costs to construct any network upgrades required for such partial suspension. In addition, the SSR/RMR-type study in this scenario should include an assessment of resource adequacy impacts, which should be made publicly available to enable the Commission, state regulators, ratepayers, and other stakeholders to understand and take into account those impacts in assessing possible additional steps required to maintain resource adequacy.

Principle 11: In addressing the transmission service implications of Qualifying Large Loads and Hybrid Facilities, the Commission must ensure that other customers do not pay for the burden that these Qualifying Large Loads and Hybrid Facilities place on the transmission system.

Principle 12: In addressing any ancillary service-related responsibilities of and opportunities for Qualifying Large Loads and Hybrid Facilities, the Commission must ensure that these large data center loads bear their fair share of costs and that other wholesale transmission customers are protected against bearing costs caused by such loads.

Principle 13: The Commission should take action to ensure that ratepayer protections that are included in agreements with Qualifying Large Loads or retail

tariffs before implementation of standardized Qualifying Large Load interconnection procedures and agreements (and/or other protections) are applied to jurisdictional transmission rates. The Commission should find that jurisdictional transmission rates that fail to reflect the impact of ratepayer protections imposed by retail arrangements with Qualifying Large Loads are unjust, unreasonable and unduly discriminatory, and move forward to promptly remedy that discrimination.

Principle 14: Applicable NERC reliability standards must be complied with. However, the Commission should avoid specifically identifying the entity responsible for such compliance, as this issue should be left to NERC to determine in the first instances along with developing any new or modified standards required to mitigate the risks posed by large loads (which NERC is actively assessing). The applicability of OATT provisions requires careful consideration, especially as to RTO tariffs.

INTEREST OF TAPS

TAPS is an association of TDUs in thirty-five states promoting open and non-discriminatory transmission access.[6] As municipal, cooperative, and investor-owned load serving entities, TAPS members (and their members) are responsible for providing reliable and affordable transmission service to the consumers and businesses that rely on them and their members.

As entities entirely or predominantly dependent on transmission facilities owned and controlled by others, TAPS members recognize the importance of a robust transmission grid and have long supported Commission initiatives to provide not unduly discriminatory open access and to ensure efficient and fair interconnection procedures. To that end, TAPS has been actively involved in all major rulemaking proceedings

[6] *See* TAPS, *About Us*, https://www.tapsgroup.org/about-us/ (last visited Nov. 18, 2025). Jane Cirrincione, Northern California Power Agency, is the TAPS Chair; Kevin Gaden, Illinois Municipal Electric Agency, is the Vice Chair. Tom Heller is TAPS's Executive Director.

regarding the development of the open access transmission tariffs,[7] transmission planning,[8] and interconnection procedures and agreements. [9]

The need to plan for the rapid addition of enormous—yet uncertain—Qualifying Large Loads, coupled with the massive transmission upgrades they will trigger, pose unprecedented challenges especially given the unique characteristics of these loads. Commission efforts to address these complex issues could significantly impact both the cost and reliability of transmission service to TAPS members. It is therefore vital to TAPS that any reforms developed from this ANOPR are structured to protect other transmission customers from the transmission costs, reliability impacts, and resource adequacy burdens associated with these loads. It is critical that the Commission act to maintain affordability.

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[7] TAPS filed extensive comments in *Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Docket No.RM05-25; and *Preventing Undue Discrimination and Preference in Transmission Service*, Docket Nos. RM05-17 & RM05-25, leading to Orders 888 and 890, respectively.

[8] TAPS similarly filed extensive comments in *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Docket No. RM10-23; and *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, Docket No. RM21-17, leading to Orders 1000 and 1920, respectively.

[9] TAPS also actively participated in *Standardization of Generator Interconnection Agreements and Procedures*, Docket No. RM-02-1; *Reform of Generator Interconnection Procedures and Agreements*, Docket No. RM17-8; and *Improvements to Generator Interconnection Procedures and Agreements*, Docket No. RM22-14, leading to Orders 2003, 845, and 2023, respectively.

Communications regarding these proceedings should be directed to:[10]

Thomas J. Heller
Executive Director
TRANSMISSION ACCESS POLICY STUDY GROUP
6224 S. Pinehurst Court
Sioux Falls, SD 57108
(605) 376-2797
Email: theller@tapsgroup.org

Cynthia S. Bogorad
William S. Huang
Jeffrey M. Bayne
Lauren L. Springett
SPIEGEL & MCDIARMID LLP
1818 N Street, NW, 8th Floor
Washington, DC 20036
(202) 879-4000
Email: cynthia.bogorad@spiegelmcd.com
william.huang@spiegelmcd.com
jeffrey.bayne@spiegelmcd.com
lauren.springett@spigelmcd.com

COMMENTS

I. REQUEST FOR TECHNICAL CONFERENCE

The ANOPR recognizes the "unprecedented and current and expected growth of large loads seeking to interconnect to the transmission system," and states that it is "necessary to standardize interconnection procedures and agreements for such [large] loads, including those seeking to share a point of interconnection with new or existing generation facilities (hybrid facilities)."[11] The ANOPR therefore presents "potential reforms to ensure the timely and orderly interconnection of large loads" to inform the Commission's rulemaking procedures.[12]

TAPS agrees that that the rapid growth of Qualifying Large Loads—most notably data centers—raises new issues and challenges for fulfilling the Commission's statutory duty to ensure just, reasonable, and not unduly discriminatory transmission service. Because of the direct impact on Commission-jurisdictional service, these are not

[10] TAPS requests that the Commission waive Rule 203(b)(3) of its Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3), to allow each of the individuals listed below to be placed on the official FERC service list in order to avoid delays in receipt of notices and responses to pleadings.

[11] ANOPR P 12.

[12] *Id.* P 1.

challenges that the Commission can ignore. Yet these are also complex and multifaceted issues, which require considered and deliberate action. It is vital that the Commission proceed carefully to ensure that any standard Qualifying Large Load interconnection procedures and agreements are just, reasonable, and not unduly discriminatory, and to avoid unintended consequences.

For instance, the Commission adopted standard interconnection procedures and agreements for large *generators* over twenty years ago; but that has been an iterative process with changes needed to address new challenges,[13] and the actual generator interconnection procedures and agreements used vary significantly across the country—particularly among the Regional Transmission Organizations and Independent System Operators (for shorthand, collectively "RTOs").[14] This experience in the generator interconnection context, coupled with the new, unique, and evolving challenges posed by Qualifying Large Load interconnections, highlights the complexity of the issues raised by the ANOPR.

While the issues raised in the ANOPR are both important and urgent, they raise a host of novel questions that may lack a uniform answer. To better inform the Commission's decision-making process, the Commission should hold a technical conference on the topics raised in the ANOPR, with the opportunity for follow-up comments on that technical conference. Although the Commission previously held a

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[13] *See Improvements to Generator Interconnection Procs. & Agreements*, Order No. 2023, 184 FERC ¶ 61,054, PP 11-17 ("Order 2023"), *on reh'g*, 185 FERC ¶ 61,063 (2023), *on reh'g*, Order No. 2023-A, 186 FERC ¶ 61,199, *errata notice*, 188 FERC ¶ 61,134 (2024) (summarizing the Commission's numerous major rulemakings on *pro forma* generator interconnection standards over the past two decades).

[14] *See id.* P 1764 (continuing to allow, as the Commission had in earlier rulemakings, "non-RTO/ISO transmission providers to use the regional differences rationale to seek variations made in response to established reliability requirements" and the "'independent entity variation' standard" when considering such proposals from RTOs).

technical conference on Large Loads Co-Located at Generating Facilities, Docket No. AD24-11, it covered a different and narrower (i.e., limited to hybrid facilities) set of issues and was approximately one year ago. A technical conference in this proceeding would facilitate the creation of a robust factual record on the much broader range of additional issues raised in the ANOPR that reflects the most recent developments in this fast-moving area.

For instance, a technical conference would allow the Commission to better understand regional differences relevant to Qualifying Large Load interconnections. Although the ANOPR points to the Commission's *pro forma* generator interconnection procedures and agreement, it does not acknowledge the significant differences in large generator interconnection procedures and agreements in RTO versus non-RTO areas, and among the RTOs. There may be additional and new regional differences that must be understood in the context of addressing Qualifying Large Load interconnections, particularly as efforts are already underway in parts of the country to consider these issues.[15]

A technical conference would also help clarify the scope of this proceeding. As noted above, TAPS understands the ANOPR to be specifically focused on large retail customers (like large data centers) seeking to connect to the transmission system. But it will be important for the Commission to understand how to precisely define Qualifying Large Loads for purposes of standardized interconnection procedures and agreements—

[15] For example, Southwest Power Pool, Inc. ("SPP") just recently filed a proposed High Impact Large Load Process High Impact Large Load Generation Assessment to address large load issues in that region. *See* SPP, Tariff Revisions to Add the High Impact Large Load Processes and High Impact Large Load Generation Assessment, *Sw. Power Pool, Inc.*, Docket No. ER26-247 (Oct. 24, 2025), eLibrary No. 20251024-5192.

e.g., what constitutes such large loads, whether there are certain operating characteristics relevant to the scope of large data center loads, etc.

TAPS therefore requests that the Commission hold a technical conference, with the opportunity for follow-up comments, at this stage of this proceeding.

II. RESPONSE TO CERTAIN OF THE ANOPR'S PRINCIPLES FOR REFORM

TAPS comments below on many of the ANOPR's "Principles for Reform." At the outset, however, we emphasize two overarching principles that should guide any Commission action with respect to Qualifying Large Load interconnections, whether in this proceeding or in case-specific proceedings.

First, to maintain affordability, the Commission should ensure that any reforms for Qualifying Large Load interconnections are protective of wholesale transmission customers. As the ANOPR explains, serving these Qualifying Large Loads will require significant investment in new and upgraded transmission and generation infrastructure. It is essential that Qualifying Large Loads bear the costs and consequences of this buildout, and that other customers (i.e., wholesale transmission customers) are not left bearing the cost, reliability, or resource adequacy burdens associated with meeting those needs.

Second, any Qualifying Large Load interconnection reforms should be carefully crafted to avoid opportunities for gaming or preferences that are undue—not tied to and justified by specific, relevant characteristics.

In terms of the ANOPR's individual "Principles for Reform," TAPS provides the following comments:

1. *"First, to avoid even arguably affecting the States' jurisdiction over generation facilities, facilities used in local distribution or only for the transmission of electric energy in intrastate commerce, or transmissions consumed by the transmitter, the Commission's*

> *jurisdiction should be limited to interconnections directly to transmission facilities, consistent with the Commission's seven-factor test."*[16]

TAPS agrees that the Commission can and should address the impact that Qualifying Large Load interconnections have on Commission-jurisdictional transmission service. TAPS also agrees that, in doing so, the Commission should avoid the potential of intruding on matters subject to state and local jurisdiction. In addition to the items listed in Principle 1, the Commission should also ensure that any Qualifying Large Load interconnection reforms respect state and municipal jurisdiction over *retail service* (e.g., retail sales of electricity, retail service territories, etc.).

Respecting state and municipal jurisdiction over retail service is consistent with the discussion elsewhere in the ANOPR, which explains that "[e]ven if the large load seeking to interconnect to the transmission system is an end-use customer, the proposal does not exert jurisdiction over any retail sales to the large load."[17] Avoiding intrusion on state and municipal authority over retail service is required by the FPA, which establishes Commission jurisdiction over "sale of electric energy *at wholesale* in interstate commerce,"[18] and prohibits the Commission from issuing orders "inconsistent with any State law which governs the retail marketing areas of electric utilities"[19] or ordering retail wheeling (except in limited cases).[20]

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[16] ANOPR P 18 (footnotes omitted).

[17] *Id.* P 15.

[18] 16 U.S.C. § 824(b)(1) (emphasis added). *See also id.* § 824k(g) ("No order may be issued under this chapter which is inconsistent with any State law which governs the retail marketing areas of electric utilities."); *id.* § 824k(h).

[19] 16 U.S.C. § 824k(g).

[20] *Id.* § 824k(h).

Commission precedent further confirms the importance of respecting state authority over retail sales and siting, including where transmission facilities may be involved. In Order 888, the Commission stated that "even when our technical test for local distribution facilities identifies no local distribution facilities for a specific transaction, we believe that states have authority over the service of delivering electric energy to end users."[21] And the Commission recently addressed the scope of its jurisdiction in the context of high impact, large loads, explaining that "the law places beyond the Commission's jurisdiction, and leaves to the states alone, the regulation of 'any other sale'—most notably, any retail sale—of electricity."[22]

> 2. *"Second, consistent with the Commission's pro forma LGIP and LGIA, the reforms should only apply to new loads greater than 20 MW and, for hybrid facilities, where the load is greater than 20 MW. We seek comment on alternative thresholds, including whether such a threshold is necessary at all."*[23]

TAPS does not take a position in these initial Comments on the whether 20 MW is an appropriate size threshold for determining Qualifying Large Loads. But a MW threshold for determining what is "large" is not the only characteristic that the Commission must address in defining what Qualifying Large Loads would be subject to reforms for standardized Qualifying Large Load interconnection procedures and agreements.

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[21] *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Pub. Utils; Recovery of Stranded Costs by Pub. Utils. & Transmitting Utils.*, Order No. 888, 75 FERC ¶ 61,080, 61 Fed Reg. 21,540, 21,626, *clarified*, 76 FERC ¶ 61,009 (1996), *modified*, Order No. 888-A, 78 FERC ¶ 61,220, *order on reh'g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *order on reh'g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff'd in part and remanded in part sub nom. Transmission Access Pol'y Study Grp. v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff'd sub nom. New York v. FERC*, 535 U.S. 1 (2002).

[22] *Tri-State Generation and Transmission Ass'n, Inc.*,193 FERC ¶ 61,070, P 46 (2025) (quoting *FERC v. Elec. Power Supply Ass'n*, 577 U.S. 260, 265 (2016)).

[23] ANOPR P 19.

As noted above, the ANOPR is specifically focused on data center large loads (and similar large industrial or commercial loads), which present unique challenges for Commission-jurisdictional services. A precise definition of large data center loads subject to reforms adopted in this proceeding is needed to ensure that any different procedures required for such loads are tied to specific, relevant characteristics of such loads. TAPS requests that this topic be included among the issues discussed at a technical conference.

> 3. *"Third, to the extent practicable, load and hybrid facilities should be studied together with generating facilities. Such an approach will allow for efficient siting of loads and generating facilities and thereby minimize the need for costly network upgrades. For example, siting a large load near or at the same point of interconnection as a new generating facility could reduce the network upgrades needed to interconnect only the load or only the generating facility."*[24]

The use of a single interconnection queue to study Qualifying Large Loads and Hybrid Facilities together with generating facilities may facilitate identifying and avoiding undue discrimination or preference. Using separate study processes for different types of facilities could create opportunities for gaming the system or raise concerns about undue discrimination. For example, entities may seek to redesign their projects by adding generation or load in order to qualify for a favored study process or avoid others. These incentives could distort behaviors in unintended ways and undermine the goal of ensuring orderly interconnections.

A single interconnection queue both for Qualifying Large Loads and Hybrid Facilities and for generating facilities, however, has its own set of complications. For instance, a single study process would require developing a fair means of allocating the costs of network upgrades identified in the study cluster among Qualifying Large Loads,

[24] *Id.* P 20.

Qualifying Large Hybrid Facilities, and generating facilities—and these details would need to be integrated into existing, region-specific interconnection processes and tariffs.

> 4. *"Fourth, like generating facilities, load and hybrid facilities should be subject to standardized study deposits, readiness requirements, and withdrawal penalties. These provisions deter speculative projects and provide transmission providers with more useful information to more accurately forecast demand on their systems. We seek comment on the extent to which the existing study deposits, readiness requirements, and withdrawal penalties can be adopted. We also seek comment on whether additional commitments or financial penalties would be appropriate."*[25]

TAPS agrees that standardized study deposits, readiness requirements, and withdrawal penalties would be beneficial in the context of Qualifying Large Load interconnections. As in the context of generator interconnections, these kinds of requirements are needed to deter speculative requests that may begin the study process but then withdraw, causing delays and restudies.

For example, the Commission's most recent update of its generator interconnection standards, Order 2023, explained that "the withdrawal of speculative interconnection requests that trigger reassessments and possible restudies by the transmission provider can delay the timing and increase the cost to interconnect for lower-queued interconnection requests."[26] It therefore adopted reforms, such as readiness requirements, study deposits, and withdrawal penalties, to "produce efficiencies by, for example, reducing speculative interconnection requests and interconnection request withdrawals, which in turn will reduce the time and resources spent in interconnection studies and restudies thereby decreasing interconnection queue backlogs and delays."[27]

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[25] *Id.* P 21

[26] Order 2023, P 47

[27] *Id.* P 59

Such reforms could have similar benefits in discouraging speculative Qualifying Large Load interconnection requests that are withdrawn in the middle of the interconnection process, disrupting studies and adversely affecting other interconnection customers. But while standardized study deposits, readiness requirements, and withdrawal penalties may be necessary and appropriate, they are *not sufficient to address particular concerns with Qualifying Large Load interconnections*.

Specifically, a major concern with Qualifying Loads interconnections is that they may complete the interconnection process and cause major transmission upgrades to be constructed, but then fail to either attain, or maintain over a long period of time, the level of demand for which the interconnection request was studied. As discussed under Principle 8 below, this possibility creates a risk that wholesale transmission customers may be saddled with enormous stranded transmission costs. The kinds of standardized interconnection requirements listed in Principle 4 do not address this key concern with interconnection of Qualifying Large Loads, as this separate concern is not related to the Qualifying Large Load withdrawing its interconnection request. Thus, to ensure that Qualifying Large Loads interconnections are consistent with its statutory mandate, additional Commission action is required (as explained below under Principle 8), to protect transmission customers—and, ultimately, other end-use individual and business ratepayers—from paying costs they did not cause.

5. *"Fifth, hybrid facilities should be studied based on the amount of injection and/or withdrawal rights requested. For example, a hybrid facility consisting of a 500 MW load and a 600 MW generating facility may seek no withdrawal rights and 100 MW of injection rights.[*] This provides incentives for co-location with new generation facilities and ensures efficient buildout of the transmission system."*[28]

Principle 5 is inextricably linked to Principle 6, which seeks comment on system protection facilities/mechanisms/schemes, operational limitations, technical requirements, and penalties to prevent unauthorized injections or withdrawals. Any consideration of the issues posed under Principle 5 must take into account Principle 6. In addition, it is essential that a separate interconnection request be required before any Qualifying Large Load Hybrid Facility withdraws or injects more than allowed by the rights for which its interconnection was originally studied.

6. *"Sixth, any hybrid interconnection shall be required to install the system protection facilities necessary to prevent unauthorized injections or withdrawals that exceed the respective rights. We seek comment on whether other operational limitations should be considered. We also seek comment on the minimum technical requirements for such system protection facilities, whether a hybrid interconnection customer should be subject to penalties for unauthorized injections or withdrawals, how any such penalties should be designed, and how such penalties should be allocated to other transmission customers."*[29]

For Qualifying Large Hybrid Facilities to seek limited injection or withdrawal rights based on some netting of on-site Qualifying Large Loads and generation, it is essential that they be required to have system protection facilities/mechanisms/schemes that are adequate to enforce these limits. That is the fundamental premise for studying Qualifying Large Hybrid Facilities based on their requested injection or withdrawal

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[*] *Any facility should be able to seek additional rights through a separate interconnection request.*

[28] ANOPR P 22.

[29] *Id.* P 23.

rights. Operational limitations may also be necessary to further safeguard the reliability of the grid and protect service to other customers, as protective equipment may fail. In addition, although penalties beyond what is charged for energy or generator imbalance are also appropriate, the Commission should not rely on financial incentives to prevent the potentially serious consequences to the grid if hybrid facilities exceed their injection/withdrawal rights.

Given the highly technical nature of this issue, and the potential variation among different types of large data centers and other industrial loads, this topic would benefit from a technical conference to better develop the factual record.

Finally, Qualifying Large Load and Hybrid Facility interconnections pose numerous reliability challenges that go well beyond those raised in Principles 5 and 6. These concerns are discussed more in response to Principle 14; but in considering Principles 5 and 6, the Commission should not take a narrow view of the reliability-related challenges associated with these interconnections.

> 7. *"Seventh, the interconnection study of large loads that agree to be curtailable and hybrid facilities that agree to be curtailable and dispatchable should be expedited. The system operator's ability to control such facilities through curtailment and/or dispatch must be sufficient for the system operator to integrate the facility into both operations and system planning. This ensures the timely and orderly addition of large loads to the transmission system in a safe, reliable, and non-discriminatory manner. We seek comment on whether this should be accomplished through a serial interconnection study process or by some other means. We also seek comment on appropriate deadlines for such an expedited study process, including whether such studies can be completed in 60 days."*[30]

Qualifying Large Load and Hybrid Facilities should *not* be permitted to cut the queue and receive expedited study treatment if they agree to be curtailable and

[30] *Id.* P 24.

dispatchable, and any standardized interconnection procedures and agreements for such facilities should be designed to not adversely affect the study of other interconnections.

Creating an expedited process for Qualifying Large Load and Hybrid Facilities that agree to be curtailable and dispatchable raises serious concerns about undue discrimination and the potential for abuse. Addressing these concerns would raise a host of challenging questions (that may not have universally applicable answers)—e.g., how much curtailability is needed to qualify for this fast-track treatment? Is that measured in the absolute quantity of MW or percentage of load? How often must the Qualifying Large Load or Hybrid Facilities agree to be curtailable? For how long? How does that curtailment commitment impact the grid over time? How do you ensure that the curtailment commitment reduces burdens on the grid rather than merely inviting gaming? What happens if the Qualifying Large Load or Hybrid Facility later seeks to reduce its curtailability? What are the consequences of failing to curtail after receiving fast-track treatment?

Providing a broad, expedited process for Qualifying Large Load and Hybrid Facility interconnections that agree to be curtailable is also contrary to recent Commission precedent. Where the Commission has allowed for an expedited study process for certain generation interconnections, it has required a narrowly tailored, expedited process to address a specific, near-term resource adequacy crisis.

In MISO, for example, the Commission originally rejected a proposal for an Expedited Resource Addition Study ("ERAS") because (1) "MISO's proposed Tariff places no limit on the number of projects that could be entered in the ERAS process,"[31]

[31] *Midcontinent Indep. Sys. Operator, Inc.*, 191 FERC ¶ 61,131, P 199 (2025).

and (2) MISO's proposal "does not sufficiently describe how the [expedited] process is sufficiently targeted to study only interconnection requests needed to meet the anticipated shortfall in generating capacity described by MISO."[32] The Commission accepted a subsequent revised MISO proposal, finding that the revised proposal:[33]

> sufficiently addresses these concerns . . . by capping the number and size of ERAS projects . . . [and including various other] changes [that] ensure the ERAS process is sufficiently *limited in scope* to swiftly address *discrete, demonstrated resource adequacy needs in a narrowly tailored fashion*, and on a *temporary, time-limited basis*. Additionally, we note that *the limited, one-time design of the process weighed significantly on our decision here*.

In approving an Expedited Resource Adequacy Study proposal by Southwest Power Pool, Inc. ("SPP"), FERC similarly emphasized that it was approving a "*narrowly tailored, one-time cluster study process* that will address *urgent near-term resource adequacy needs* by processing ERAS interconnection requests in an expedited manner."[34]

Critically, these limited expedited processes were approved only after the Commission made fact-intensive, case-specific findings on severe, near-term resource adequacy crises in particular regions.[35] Moreover, in both the MISO and SPP examples, the Commission specifically found that interconnection customers outside the expedited

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[32] *Id.* P 201.

[33] *Midcontinent Indep. Sys. Operator, Inc.*,192 FERC ¶ 61,064, P 195 (2025) (emphasis added).

[34] *Sw. Power Pool, Inc.*, 192 FERC ¶ 61,062, P 162 (2025) (emphasis added).

[35] 192 FERC ¶ 61,064, P 82 (concluding that MISO "sufficiently demonstrated that it has near-term resource adequacy needs in its region"); *Sw. Power Pool, Inc.*, 192 FERC ¶ 61,062, P 105 (2025) (summarizing data that "support SPP's arguments that its region faces an urgent resource adequacy challenge, which ERAS is intended to address").

process (i.e., those proceeding through the existing "normal" interconnection process) would not be harmed.[36]

These fact-specific, and time-limited, examples stand in stark contrast to an open-ended, generic expedited process for Qualifying Large Loads that agree to curtail (to an undefined extent). Such an expedited process for curtailable Qualifying Large Loads would not be narrowly tailored because it is untethered from any specific near-term need and lacks protections and limitations on the number of eligible interconnections.

Equally important, expedited interconnection studies *are not needed* to encourage Qualifying Large Load and Hybrid Facilities to agree to be curtailable. TAPS recognizes that there are benefits of having curtailable and dispatchable Qualifying Large Load and Hybrid Facilities. But this can (and should) be encouraged through means other than an expedited interconnection study process.

For example, depending on the degree and enforceability of committed curtailability and other relevant considerations (noted above), it may be appropriate to study Qualifying Large Load and Hybrid Facilities that agree to being curtailable and dispatchable differently in the interconnection process. In the generator interconnection context, a generator that requests Energy Resource Interconnection Service ("ERIS")—a basic, minimal interconnection service that allows the generator to deliver output using the existing firm or non-firm capacity of the transmission system on an as-available

[36] 192 FERC ¶ 61,062, P 156 ("[W]e find that SPP's proposal *will not harm DISIS [the existing interconnection process] interconnection customers* because, as discussed above, the LRE Ceiling Capacity mechanism limits the impact of the one-time ERAS process to only the capacity needed to address LREs' projected capacity deficiencies by 2030. We find that LRE Ceiling Capacity function provides a further restriction to ensure that ERAS is a limited process and to *safeguard against harm to DISIS interconnection customers*." (emphasis added)); 192 FERC ¶ 61,064, P 263 (rejecting arguments "that interconnection customers currently in the DPP queue [i.e., the existing interconnection process] will be harmed as a result of" MISO's revised proposal).

basis—is studied differently than a generator that requests Network Resource Interconnection Service.[37] But requesting ERIS does not result in the generator jumping the queue or going through a separate, expedited process. The nature of ERIS service, however, means that the studies are different and reflect the more limited nature of the service. The same could be true of large data center loads that agree to be curtailable to a degree that effectively limits the service to which such loads are entitled—they get the benefit of a study that reflects the service they are requesting.

Moreover, there are additional ways to appropriately encourage large data center loads to agree to curtail. If a commitment to be curtailable means that fewer network upgrades are required to interconnect the Qualifying Large Load, then under Principle 8 (discussed below) that Qualifying Large Load would be responsible for fewer assigned network upgrade costs and face potentially shorter transmission construction timelines. That is a significant and meaningful benefit that is distinct from, and does not require, any special, expedited study treatment.

Furthermore, retail programs can also encourage curtailment. Similarly, the Commission can ensure that these loads can participate in wholesale markets (e.g., demand response programs) to the full extent they are capable, and be eligible to receive the benefits associated with doing so. For instance, any contribution of a curtailable Qualifying Large Load or Hybrid Facility to addressing resource adequacy should be accounted for through relevant resource adequacy regimes. There is no need or

[37] In fact, because ERIS does not include *any* guarantee that transmission capacity will be available, that service is even more limited than a Qualifying Large Load or Hybrid Facility that commits to be curtailable in certain circumstances. This difference further supports not granting any expedited study treatment for Qualifying Large Loads or Hybrid Facilities that commit to be curtailable.

justification for providing preferential expedited interconnection studies to Qualifying Large Loads or Hybrid Facilities that commit to be curtailable.

> 8. *"Eighth, load and hybrid facilities should be responsible for 100% of the network upgrades that they are assigned through the interconnection studies. We seek comment on whether such costs should be offset through a crediting mechanism and, if so, over how many years."*[38]

TAPS supports holding Qualifying Large Load and Hybrid Facilities responsible for 100% of the network upgrades that they are assigned. Principle 8 is key to addressing one of the most important challenges raised by large data centers and other similar loads: that, if rolled into wholesale transmission rates, the substantial costs of transmission upgrades needed to serve these unique loads gets borne by other customers, particularly if the data center demand does materialize or is not sustained as expected. Holding Qualifying Large Load and Hybrid Facilities responsible for 100% of the new network upgrades that they are assigned through interconnection studies addresses this problem, as it ensures that other transmission customers (and the individuals and businesses that rely on them for service) will not have to bear the costs caused by these large loads. Such action is necessary to ensure just, reasonable, and not unduly discriminatory rates for Commission-jurisdictional transmission service.

Upfront payment for assigned network upgrades by large data center loads, without provision for crediting, would implement this goal in a manner most protective of other customers. However, it may be acceptable to offset upfront payments by a crediting mechanism consistent with the goal of Principle 8 and cost causation *provided that* crediting is structured in a way that holds other transmission customers harmless from

[38] ANOPR P 25 (footnote omitted).

stranded costs. Specifically, the crediting mechanism would have to prevent the significant risk of cost shifts to other customers and be tailored to the particular characteristics of large data center loads. For instance, if a data center fails to sustain the expected level of demand over an extended period of time, it would not be appropriate to credit upfront payments when doing so results in other customers ultimately bearing the costs of network upgrades originally assigned to the data center.

Importantly, the Commission cannot achieve this goal by merely copying the existing crediting mechanisms used for different purposes in the different context of generator interconnections.[39] For example, the *pro forma* Large Generator Interconnection Agreement calls for upfront payment by the Interconnection Customer for network upgrades;[40] credits against transmission service associated with the generator;[41] full reimbursement to the Interconnection Customer, including FERC interest, 20 years after the Commercial Operation Date;[42] and Transmission Owner[43] roll-in of credited amounts into rate base as the Interconnection Customer is reimbursed.[44] That crediting scheme for the network upgrades associated with generators was intended as a financing mechanism that would result in rolling the full costs of the network

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[39] Moreover, in practice, there is significant variation on the generation side in how crediting is handled in RTO versus non-RTO areas, and among the RTOs.

[40] *See Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003-B, 109 FERC ¶ 61,287, P 10 (2004) ("Order 2003-B"), order on reh'g, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom. NARUC v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008).

[41] *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003-A, 106 FERC ¶ 61,220, P 615 (2004) ("Order 2003-A") (subsequent history omitted).

[42] Order 2003-B P 36.

[43] In non-RTO regions, the Transmission Owner and Transmission Provider are the same entity. But in RTOs, the independent Transmission Provider is different from the individual Transmission Owners. In this section we refer to Transmission Owners as including Transmission Providers in non-RTO regions.

[44] *See* Order 2003-A, P 299.

upgrades into the Transmission Owner's rate base.[45] It was *not* intended to address stranded costs risks (much less the unique and substantial stranded transmission cost risk posed by Qualifying Large Loads), and it thus will fail to hold other transmission customers harmless from transmission upgrade costs specifically caused by Qualifying Large Load interconnections.

For instance, if a Transmission Owner is permitted to roll-in network upgrade costs as they get credited, and a data center receives a balloon credit payment after a fixed period regardless of its transmission service usage, other transmission customers could be left holding the bag. The risk of this cost shift is particularly high for large data center loads that trigger very expensive upgrades or that fail to maintain the high demand for which they were studied over a long period of time. As this example illustrates, any crediting mechanism must account for the unique risks and characteristics of large data center loads to protect other customers.

While TAPS supports requiring upfront payment of 100% of the network upgrade costs assigned to Qualifying Large Loads (if necessary, with any credits structured to protect other transmission customers), this is not the only way in which Qualifying Large Loads can be held responsible for the costs their interconnections cause. To the extent the Commission does not adopt reforms that directly hold Qualifying Large Loads responsible for 100% of assigned network upgrade costs, it must nevertheless protect other transmission customers from bearing costs that they did not cause. Doing so is

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[45] *See id.* P 582 ("The Interconnection Customer's upfront payment, with the associated credits and reimbursements, *serves simply as a financing mechanism* that is designed to facilitate the construction of the Network Upgrades." (emphasis added)); *id.* P 612 ("[T]he Interconnection Customer's upfront payment, with provisions for the payment of interest, credits and reimbursements, serves not as a rate for interconnection or transmission service, but simply as a financing mechanism that is designed to facilitate the efficient construction of Network Upgrades.").

particularly important in RTO pricing zones and in non-RTO regions where the Transmission Owner's transmission revenue requirement is allocated to transmission customers beyond just the Transmission Owner's native load.

For example, the Commission has accepted agreements between Dayton Power and Light Company d/b/a AES Ohio ("AES Ohio") and Amazon Data Services, Inc. ("Amazon") that contemplate rolled-in rate treatment of network upgrade costs, but protect other customers through "numerous clauses addressing a variety of specific scenarios to ensure that Amazon would be responsible for all project costs in the event the project is terminated, does not reach Minimum Load, or does not operate for at least 10 years."[46] AES Ohio contemplates rolled-in treatment of these costs, which could expose other customers to these costs—particularly if the data center load did not show up and maintain the level of demand expected. Critically, however, AES Ohio committed to protecting other transmission customers by stating that any payments it received under the protective provisions in its agreement with Amazon would be reflected in its transmission cost of service.[47] In other words, if the data center failed to have the expected level of demand and triggered one of these provisions in the agreement, AES Ohio committed to reflecting the payments it received from the data center in its Commission-jurisdictional transmission revenue requirement so that other customers are protected.

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[46] *Dayton Power & Light Co.*, 189 FERC ¶ 61,220, P 23 (2024).

[47] AES Ohio, Transmission Customer New or Upgraded Service Construction Service Agreement, Transmittal Letter at 9 n.18, *Dayton Power & Light Co*., Docket No. ER25-192 (Oct. 23, 2024), eLibrary No. 20241023-3047 ("In order to avoid the potential for double recovery of Network Upgrade costs, AES Ohio agrees that, if the Network Upgrade costs are rolled into its transmission rates under Attachment H-15 of the PJM OATT and if Amazon subsequently makes a payment to AES Ohio of the Network Upgrade costs incurred under Section 8 of the CSA (other than the payment for Project Development costs), AES Ohio will appropriately reflect Amazon's payment in its transmission cost of service under Attachment H-15.").

As AES Ohio explained, adjustments to its Commission-jurisdictional transmission revenue requirement in this circumstance is necessary to prevent "the potential for double recovery of Network Upgrade costs."[48] Other utilities have similarly filed agreements with large, data center loads and committed to reflect any minimum payments (i.e., protective measures that apply if the data center load is less than planned for) in Commission-jurisdictional rates to protect other customers and avoid double recovery.[49]

Of course, it is not adequate for the Commission to rely on public utilities to voluntarily file agreements with their Qualifying Large Load customers with the Commission and voluntarily commit to preventing double recovery through Commission-jurisdictional rates. Likewise, the adequacy of any such agreements and commitments depends on robust requirements that hold the Qualifying Large Load responsible for costs if it fails to achieve the level of demand for which it was planned.

In addition, a number of state commissions are moving forward with retail large load tariffs, which provide for varying protections, but may not require the revenues and minimum demand levels to be included in wholesale transmission rates.[50] If the results of

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[48] *Id.*

[49] *See, e.g.*, PEPCO, Transmission Security Agreement between PECO Energy Company and Amazon Data Services, Inc., Transmittal Letter 11 n.48, *PECO Energy Co*., Docket No. ER25-3492 (Sep. 23, 2025), eLibrary No. 20250923-5131 ("In order to avoid the potential for double recovery of the costs of transmission facilities used to provide delivery services to Amazon, PECO agrees that, if these costs are rolled into its transmission rates under Attachment H-7 of the PJM Tariff and if Amazon subsequently makes a payment to PECO as a result of a Customer Shortfall Event, PECO will appropriately reflect Amazon's payment in its transmission cost of service under Attachment H-7. However, rate treatment of such proceeds should be appropriately addressed in a future PECO proceeding (i.e., its annual formula rate updates), not this proceeding.").

[50] *See, e.g.*, *In the Matter of the Application of Ohio Power Co. for New Tariffs Related to Data Ctrs. and Mobile Data Ctrs.*, No. 24-508-EL-ATA, Order, P 132 (Pub. Util. Comm'n of Oh. July 9, 2025), (approving a retail data center tariff but concluding that concerns about impacts on wholesale transmission customers "are statutorily outside of this Commission's intrastate purview"), https://dis.puc.state.oh.us/ViewImage.aspx?CMID=A1001001A25G09B43531I00509..

those protections are dedicated exclusively to the retail customers of the state-regulated utility, other transmission customers will be unfairly burdened through unjust, unreasonable, and unduly discriminatory transmission rates.[51] Because such a result would violate the FPA, the Commission should find that failing to reflect the results of these protective arrangements with large load customers in Commission-jurisdictional rates is unjust, unreasonable, and unduly discriminatory.

Thus, if the Commission does not require upfront funding of Qualifying Large Load driven network upgrades, as contemplated by Principle 8, it must require some other mechanism(s) that protects wholesale transmission customers from bearing costs caused by Qualified Large Loads. These could include, but are not limited to, requiring the filing of agreements with Qualifying Large Loads (as AES Ohio has done), and requiring that the impacts of all ratepayer protections that have been included in public utilities' retail tariffs or contracts with Qualifying Large Loads (e.g., minimum load requirements, exit fees, or other stranded cost protections) be reflected in Commission-jurisdictional transmission rates.

> 9. *"Ninth, to the extent the interconnection customer is not the transmission owner, the interconnection customer shall be afforded the same (or equivalent) option to build as currently provided to generator interconnection customers."*[52]

TAPS does not address Principle 9 in these Comments, but may address related issues in future filings.

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[51] Exclusion of wholesale transmission customers from the value of such stranded cost protections could produce a price squeeze that unlawfully impacts competition between the public utilities (or their retail affiliates) and other transmission customers at the retail level, e.g., competition for industrial customers, franchise competition, and yardstick competition. *See FPC v. Conway Corp.*, 426 US 271, 279-82 (1976) (holding that the Commission's predecessor, the Federal Power Commission, is obligated to consider price squeeze arguments as part of its duty to prevent unduly discriminatory rates).

[52] ANOPR P 26.

> 10. *"Tenth, an existing generating facility that seeks to enter a partial suspension to serve a new load at the same location must go through a system support resource (SSR)/reliability must run (RMR) type study. The study must consider system conditions, including forecasted load growth, at least three years after the proposed suspension date. The partial suspension can only proceed after any network upgrades needed to ensure reliability are placed into service. Any such network upgrades shall be the responsibility of the generating facility. We invite comments on whether and how resource adequacy should be considered in the in the SSR/RMR type study."*[53]

TAPS agrees that there should be an SSR/RMR-type study for existing generating facilities that seek to enter a partial suspension to service a Qualifying Large Load at the same location. Such a study is important to ensure reliability of the transmission system.

TAPS also agrees that that "[t]he partial suspension can only proceed after any network upgrades needed to ensure reliability are placed into service."[54] And we agree that "[a]ny such network upgrades shall be the responsibility of the generating facility."[55] As a further corollary, the Commission should make clear that the generator should not be entitled to any special arrangements that impose new or different cost obligations on load during the time when the existing generating facility is delayed from proceeding to partial suspension. For example, in this circumstance, it would *not* be appropriate to enter an SSR/RMR agreement that requires load to bear costs associated with the generator's continued availability. An existing generator seeking partial retirement to serve a Qualifying Large Load is not like resources covered by traditional SRS/RMR agreements, which seek to retire because they are no longer economic or require uneconomical upgrades to comply with regulatory requirements. As a result, there is no

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[53] *Id.* P 27.

[54] *Id.*

[55] *Id.*

reason or justification for imposing special, non-market requirements to require load to bear costs while any necessary network upgrades are being constructed.

This SSR/RMR-type study of existing generating facilities proposing to exclusively serve new, co-located Qualifying Large Loads should also examine resource adequacy/capacity market considerations. The unique size and accelerated timing of new large data center loads, coupled with existing resource adequacy challenges (given retirements of generation and generation interconnection queue backlogs creating barriers to their timely replacement),[56] make it vital to understand the resource adequacy and capacity market implications of taking generation that now serves regional load and instead sequestering it to exclusively serve a co-located large data center load. This information should be made public to provide the transparency essential for the Commission, state regulators, ratepayers, and other stakeholders to evaluate the resource adequacy implications of these arrangements and consider possible actions to maintain affordability.

> *11. "Eleventh, utilities serving large loads, including those at hybrid facilities, should be responsible for transmission service based on their withdrawal rights, as that value amount reflects the quantity of capacity and energy that is being transmitted across the transmission system to the load."*[57]

In addressing the transmission service implications of Qualifying Large Loads and Hybrid Facilities, the Commission must ensure that other transmission customers do not pay for the burden that these Qualifying Large Loads and Hybrid Facilities place on the transmission system—including (but not limited to) Qualifying Large Loads and

[56] As the Commission is well aware, currently there are significant resource adequacy challenges throughout the country, which were explored in the two-day technical conference held in Docket No. AD25-7, *Meeting the Challenge of Resource Adequacy in the Regional Transmission Organization and Independent System Operator Regions*.

[57] ANOPR P 28.

Hybrid Facilities using massive amounts of existing capacity that has been paid for by others. This protection must account for the transmission service required to reliably serve and provide back-up service for these Qualifying Large Loads and Hybrid Facilities.

> 12. *"Twelfth, utilities serving large loads, including those at hybrid facilities, should be responsible for ancillary services based on peak demand, without consideration of any co-located generation. Any co-located generating facilities will similarly be fully compensated for the provision of ancillary services."*[58]

In addressing any ancillary service-related responsibilities of large data center loads, the Commission must ensure that these large data center loads bear their fair share of costs and that other wholesale transmission customers are protected against bearing costs caused by large data center loads.

> 13. *"Thirteenth, there must be a plan to implement these proposed reforms. We seek comment on appropriate transition plans, including the treatment of large load interconnections that are already being studied for interconnection."*[59]

The Commission must take action to protect other transmission customers from these impacts before standardized Qualifying Large Load interconnection procedures and agreements (and/or other protections) are implemented. While the specifics of any transition plan will need to be tailored to any reforms adopted, it is critical that the Commission recognize that the concerns expressed above about wholesale transmission customers unfairly bearing the cost, reliability, and resource adequacy burdens of serving large data center loads *exist today.* Qualifying Large Loads interconnections are already having an impact on Commission-jurisdictional services, and many more such

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[58] *Id.* P 29.

[59] *Id.* P 30.

interconnections are currently being studied. These concerns are just as relevant to large data center loads currently being studied as they are for future large data center loads.

In particular, in addition to ensuring that any future standard large data center load interconnection procedures and agreements are protective of other customers, the Commission should ensure that other customers are protected from harm resulting from large data center load interconnections already being studied, as well as earlier data center-driven network upgrades that are subject to ratepayer protection provisions by contract or retail tariff.

As discussed with reference to an alternative approach suggested in Principle 8 above,[60] the Commission should find that it is unjust, unreasonable, and unduly discriminatory for a public utility to charge rates that fail to reflect the impact of ratepayer protections imposed by retail arrangements with Qualifying Large Loads. Consistent with that finding, the Commission should require that the impacts of all ratepayer protections that have been included in public utilities' retail tariffs or contracts with Qualifying Large Loads (e.g., minimum load requirements, exit fees, or other stranded cost protections) be reflected in Commission-jurisdictional transmission rates.[61] Consequently, to the extent such retail-level stranded cost protections apply to Qualifying Large Loads whose associated network upgrades will not be covered by upfront funding requirements imposed through compliance filings directed in any final rule in this proceeding (e.g., those network upgrades currently under study or placed in service), the

[60] As discussed in Principle 8, TAPS agrees that the cleanest and most protective approach is to require upfront funding of network upgrades associated with interconnecting Qualifying Large Load, which could include a crediting mechanism that is designed to hold other customers harmless from these costs.

[61] To the extent transmission rates charges by public utilities (e.g., RTOs) include transmission revenue requirements of non-Commission jurisdictional utilities, those transmission revenue requirements should also reflect applicable retail level stranded transmission cost protections.

impact of those retail-level stranded cost protections should be reflected in wholesale transmission rates on an ongoing basis given the long-term rate impacts of rolling in these network upgrade costs.[62] We urge the Commission to take all steps necessary to ensure that the above finding and directive are implemented at quickly as possible.

> *14. "Fourteenth, utilities serving large loads must meet all applicable NERC reliability standards and OATT provisions. Utilities and we must be prepared to revise large load interconnection procedures and agreements, as necessary. NERC should review its reliability standards to determine if new registration categories or new or modified reliability standards are required to ensure reliability of the BES."*[63]

TAPS generally agrees with ANOPR Principle 14. Compliance with applicable NERC standards and applicable OATT provisions is essential not only to protect reliability, consistent with FPA section 215, but also to fulfill the Commission's obligations under FPA section 206 to maintain just, reasonable, and not unduly discriminatory or preferential jurisdictional transmission service. However, the applicability of various OATT provisions requires careful consideration and flexibility, especially as to RTO tariffs.

Reliability Standards. TAPS supports NERC's effort to review reliability standards to identify reliability issues related to large data center loads. In August 2024, a Large Loads Task Force was established by NERC's Reliability and Security Technical Committee, and in February 2025, the NERC Board of Directors adopted a resolution directing NERC to develop an action plan to address large loads. In July 2025, the Task Force issued a whitepaper, *Characteristics and Risks of Emerging Large Loads*, that

[62] Many of the minimum payment and other protective provisions may not be triggered until years in the future.

[63] ANOPR P 31.

identifies the unique risks posed by large loads.[64] The risks explored included those posed by in-front-of-the-meter Large Loads, as well as hybrid and flexible large loads.[65] The Task Force is working on a second whitepaper, *Assessment of Gaps in Existing Practices, Requirements, and Reliability Standards for Emerging Large Loads*, which it expects to issue in the first quarter of 2026.

Principle 14 is worded in terms of holding "*utilities* serving large loads" responsible for compliance with applicable NERC standards.[66] As the Commission proceeds in this rulemaking process, TAPS urges it to steer away from specifically identifying the entities that may be required to be responsible for compliance with NERC standards addressing the risks posed by large loads. At the Commission's October 21, 2025 Reliability Technical Conference, Mark Lauby, NERC's Senior Vice President and Chief Engineer, testified that NERC is currently considering directly registering large loads themselves, noting that NERC has authority to do so.[67] Consistent with FPA

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[64] NERC, *Characteristics and Risks of Emerging Large Loads: Large Loads Task Force White Paper* (July 2025), https://www.nerc.com/globalassets/who-we-are/standing-committees/rstc/whitepaper-characteristics-and-risks-of-emerging-large-loads.pdf ("Whitepaper"). *See also* Pre-Conference Comments of the North American Electric Reliability Corporation at 15-16, *Reliability Technical Conference*, Docket No. AD25-8 (Oct. 21, 2025), eLibrary No. 20251021-4002. NERC also identified "high priority risks" ranging from long term planning (resource adequacy) and operations/balancing (balancing and reserves) to stability (ride through, voltage stability, angular stability and oscillations). Whitepaper at vii & 38. Security is another concern. *See* Whitepaper at 36, 39.

[65] *See* Whitepaper at 13-14. The Whitepaper (at 1) defined large loads as ""Any commercial or industrial individual load facility or aggregation of load facilities at a single site behind one or more point(s) of interconnection that can pose reliability risks to the BPS due to its demand, operational characteristics, or other factors. Examples include, but are not limited to, data centers, cryptocurrency mining facilities, hydrogen electrolyzers, manufacturing facilities, and arc furnaces." More specifically defining large loads is among the tasks ahead. See Whitepaper at vii, 38. We therefore use lower case "large loads" in the discussion of this principle.

[66] ANOPR P 31 (emphasis added).

[67] *See* FERC, 2025 Commissioner-Led Reliability Technical Conference at 2:09:50, YouTube (Oct. 21, 2025), https://www.youtube.com/watch?v=Z12EVWhA-rw. FPA section 215(b) extends Commission jurisdiction over "users" of the bulk power system, in addition to owners and operators. *See* U.S.C. § 824*o*(b)(1).

section 215,[68] the determination as to required registrations, as well as the development of proposed standards to mitigate large load related risks, are tasks that should be left to NERC in the first interest, recognizing that the Commission will be in a position to review any new registration proposed and associated new or modified proposed standards.

As illustrated by the work underway at NERC, the reliability issues associated with large loads go beyond the specific issues raised in the ANOPR's Principles for Reform.[69] Nor are hybrid and curtailability arrangements a cure-all for the full range of reliability challenges related to these loads. These concerns reinforce our comments on Principle 7 above, urging the Commission *not* to give unduly preferential treatment to large loads/hybrid facilities simply because their configuration may help address some reliability concerns. Ensuring reliability is an overarching requirement that should be expected and required of all such large loads and may need to be carefully considered in the interconnection process.

Applicable OATT Provisions. The ANOPR contemplates significant changes to public utilities' interconnection procedures and agreements, which is a substantial and complex undertaking—particularly when considering the range of different interconnection procedures and agreements in effect across the country. But Qualifying Large Loads also implicate Commission-jurisdictional services beyond the interconnection service provided under OATTs (e.g., transmission service, as suggested

[68] *See* FPA Sections 215(d) and 215(c), U.S.C. §§ 824*o*(d), 824*o*.

[69] NERC's Reliability and Security Technical Committee is developing a Reliability Guideline on Risk Mitigation for Emerging Large Load, which addresses interconnection and interconnection studies, among other things), and is expected to be released in the second quarter of 2026. The draft guideline is available at NERC, *Preliminary Draft of Reliability Guideline: Risk Mitigation for Emerging Large Loads* (expected May 2026), https://www.nerc.com/globalassets/who-we-are/standing-committees/rstc/draft_reliabilityguideline_riskmitigationforemerginglargeloads.pdf.

under Principle 11). The extent to which OATTs vary across the country further complicates matters. For instance, RTO tariffs include resource adequacy constructs, which are directly affected by the massive and rapid growth of Qualifying Large Loads.

Consequently, the question of what OATT provisions are "applicable" to public utilities serving large loads is both challenging and a moving target, as RTOs and other public utilities are attempting to grapple with the growth of Qualifying Large Loads.

CONCLUSION

For the reasons set forth above, the Commission should consider these Comments as it moves forward with this important effort.

Respectfully submitted,

/s/ Cynthia S. Bogorad
Cynthia S. Bogorad
William S. Huang
Jeffrey M. Bayne
Lauren L. Springett

Attorneys for Transmission Access Policy Study Group

Law Offices of:
SPIEGEL & MCDIARMID LLP
1818 N Street, NW
8th Floor
Washington, DC 20036
(202) 879-4000

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