

FERC Show Cause Order on Large and Co- Located Loads:

Market Rule Tariff Proposals & Consumer Protection Assessment

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Agenda

- **Schedule**
- **Background**
- **Consumer Protections**
- **Proposed Key Definitions**
- **MST and OATT Proposed Redlines**
- **Appendix**
 - ISO/RTO Response to FERC Show Cause Order

Schedule

■ October 2026

- 10/21 Joint BIC/OC Presentation & Vote
- 10/28 MC Presentation & Vote

■ November 2026

- 11/16 Section 205 Filing

Previous Presentations

Date/Working Group	Presentation Title	Subject Matter
July 23, 2026 ESPWG	Large Load FERC Show Cause Order	NYISO presented its initial proposed framework for addressing FERC's Large and Co-Located Load Show Cause Order
August 13, 2026 ESPWG	Large Load FERC Show Cause Order	NYISO responded to stakeholder feedback on market participation opportunities for Large Loads, discussed updates/clarifications to the LLIP process and some associated definitions, reviewed process maps for Co-Located and Partner Generators as well as New Large Load Projects and Existing Loads, and reviewed proposed Large Load technical, performance, and operational requirements.
August 20, 2026 ESPWG	FERC Show Cause Order on Large and Co-Located Loads	NYISO responded to stakeholder feedback and presented additional detail on the market design
September 1, 2026 ESWPG	Large Load Integration Procedures: Proposal in Response to the FERC Large Load Show Cause Order	NYISO presented more detail on its Large Load Integration Procedures.
September 8, 2026	FERC Show Cause Order on Large and Co-Located Loads - Market Rule Tariff Proposals	NYISO presented more detail on aspects of the market design including DER Baseline Enhancements, Partner Generator Arrangements, telemetry and metering requirements, and settlements, and provided preliminary draft tariff revisions.
September 14, 2026	Large Load Integration Procedures: Proposal in Response to the FERC Large Load Show Cause Order	NYISO presented updates to its proposed Large Load Integration Procedures.
September 22, 2026	FERC Show Cause Order on Large and Co-Located Loads - Market Design	NYISO presented updates, additional details, and examples on market design elements.
October 1, 2026	1. Large Load Integration Procedures 2. FERC Show Cause Order on Large and Co-Located Loads: Market Rule Tariff Updates	NYISO presented key updates to the Large Load Integration Procedures and provided proposed tariff language to reflect planning procedures and design

Background

Background

- On June 18, 2026, FERC issued Show Cause Orders to each FERC-jurisdictional RTO/ISO and their FERC-jurisdictional Transmission Owner (“TO”) members on the topic of large and co-located load integration (EL26-69)
- NYISO was required, within 30 days of the issuance of the Order, to submit a report on Resource Adequacy in the NYCA and how NYISO intends to ensure that adequate generation will be available to serve existing and new large loads
 - On July 20, 2026, NYISO filed its Resource Adequacy Informational Report
- On August 3, 2026, NYISO requested an abeyance from FERC to place the Show Cause proceeding on hold for 90 days to allow time to work with stakeholders to develop a Section 205 filing
- FERC granted the NYISO’s, the NYTOs’, and the Non-Incumbent TOs’ motions for abeyance on August 14, 2026
 - The Section 205 process will involve the normal tariff filing process (MIWGs/ESPPWG, BIC or OC, and MC votes on tariff language, etc.)
 - Accordingly, NYISO will work with stakeholders to further develop design and tariff language for the Section 205 filing which is due by November 16, 2026

Consumer Protections

Consumer Protections in the NYISO's Large Load Design

- **Many of the design features in the NYISO's Large Load design are there to protect consumers. Some examples:**
 - Shielding consumers from Capacity costs:
 - Clearly identifying capacity obligations of FWS, NFWS and ZWS Load and allowing mixed service awards because it provides incentive for Loads with Limited Withdrawal Rights to take actions to acquire Firm Withdrawal Service, and to potentially qualify for additional capacity supply revenue opportunities.
 - Large Loads that cause impacts to Resource Adequacy must pair with Associated Resource(s) in order to become eligible for Firm Withdrawal Service, and the Associated Resource(s) must certify a Capacity Bilateral for each Obligation Procurement Period with the Large Load. This minimizes the capacity costs increases for existing Loads from the entry of the new Large Loads.
 - Associated Resource must remain available for 15 years; early exit can reclassify the associated Large Load as NFWS;
 - A System Reliability Benefit Fee (SRBF) based on the amount of Non-Firm Withdrawal Service and/or Zero Withdrawal Service that a Load is taking, not tied to actual MWh, charges these Loads for the reliability benefits that they receive from the NYISO capacity market. The allocation of the resulting residuals to LSEs helps offset the cost of capacity for existing loads. The Load MWs with a Large Load taking NFWS and ZWS are not included in the IRM, and therefore cannot increase the amount of ICAP that LSEs need to procure through Auction

Consumer Protections in the NYISO's Large Load Design

- Shielding consumers from Energy Market costs:
 - Large Loads seeking Firm Withdrawal Service may also mitigate energy market impacts through the requirement for “new supply via co-location in the same Capacity Region” since requiring additional supply may prevent the Large Loads from increasing the demand for energy when the new supply is generating.
 - Applying Operating reserves, black start, VSS, regulation, FERC, NYISO budget, residual and other charges to all Large Loads on a gross load basis regardless of Withdrawal Rights compared to applying these charges on a Net Load basis today helps to prevent unreasonable cost shifting to existing Loads.
 - Large Loads taking NFWS are subject to a \$200/MWh bid price-cap, which serves to prevent large loads from driving up LBMPs and mitigates the likelihood they will cause reliability issues.
- Transparency of interconnection related costs:
 - Increased readiness obligations for Large Load projects including application fees, study deposits, and commercial readiness screening
 - Large Load Integration Procedures (LLIP) study process including a System Impact Study, and Assessment of Load Integration and Resource Adequacy study to determine the level of FWS. Projects pay the costs of the studies.
 - Clear rules on project modification of proposed or existing loads.

Consumer Protections in the NYISO's Large Load Design

- **Promoting reliable and efficient operations also shields consumers:**
 - Co-Located and Limited Load Configurations are subject to penalties for failure to follow withdrawal dispatch, offsetting consumer's costs to meet reliability deviations caused by dispatchable Large Loads
 - Good operational visibility: including six second telemetry and hourly revenue grade metering; results in more accurate and reliable solutions.
 - The CTO/NYISO may require remote disconnection and controls to enforce NFWS/ZWS injection/withdrawal limits; Large Load bears equipment obligations and costs.
 - Individual and NYCA-wide Large Load ramp limits, and ride-through requirements.
 - Co-Located and Limited Load Configurations must timely respond to ISO/TO OOM instructions and may request OOM through the TO consistent with service.

Tariff Revision Proposals

Large Loads and Local Generators

- **NYISO's existing market rules allow Loads on the distribution system to co-locate with a Local Generator**
 - A Local Generator is a co-located Generator that lacks ERIS/CRIS, and exists solely to serve co-located Load behind-the-meter
 - The exact definition of a Local Generator is contained within Section 2.12 of the MST
 - Because Local Generators lack ERIS/CRIS, they are not permitted to inject Energy onto the distribution system – they are not a market Resource
 - Load that has co-located with a Local Generator may not need to rely on grid-tied withdrawals for service and may exclusively rely on the Local Generator to meet its Energy needs

Large Loads and Local Generators

- **NYISO's market design already supports this concept for Large Loads, but additional clarity is needed**
 - NYISO's Large Load market design already supports the concept of Zero Withdrawal Service Load, which is a Co-Located Load that exclusively relies, in part or in full, on a co-located Generator for service and therefore has not been granted Withdrawal Service rights
 - A co-located Generator that serves Zero Withdrawal Service Load and will not be injecting Energy onto the system will not need ERIS/CRIS to do so, and the resulting co-located configuration will not need to register under the CLLC participation model
 - The resulting co-located facility would need to register as a CLLC if:
 - The co-located Load is only partially classified as a ZWS Load
 - E.g. 100MW of Co-Located Load seeks to source 60MW of demand exclusively from a co-located Generator, while the remaining 40MW of its Load would be served via Withdrawal Service
 - The co-located Generator seeks to offer excess/net capability to the wholesale markets
 - The Generator would need to proceed through the Cluster Study to receive ERIS/CRIS to do this
- **NYISO has introduced new terminology to describe these relationships**

Draft Market Tariff Revisions

- **NYISO has drafted a set of proposed Tariff revisions in both the MST and the OATT to integrate the proposed Large Load market rules into NYISO Tariffs**
 - Redlined Tariff sections are posted with today's meeting materials
 - Incremental revisions made after the 10/1 ICAPWG are denoted by yellow highlighting in the documents and in red font in the following slides
 - Changes reflect the design presented at the 9/22 ICAPWG
 - Stakeholder feedback on the draft language is welcomed
 - NYISO requests any feedback be sent by October 9, 2026

Review of Tariff Defined Terms

■ Associated Resource:

- A Co-Located Resource or Partner Resource that may mitigate some or all of a Large Load's adverse impacts to resource adequacy and/or transmission security identified in the LLIP set forth in Attachment LL of the ISO OATT, which allows the respective Co-Located Load or Large Load to take some amount of Firm Withdrawal Service.

Review of Tariff Defined Terms

- **Co-Located Load:**

- A Large Load connected behind the same Point of Interconnection as a Co-Located Resource.

- **Co-Located Resource:**

- A Resource, except for Aggregations and Demand Side Resources, connected behind the same Point of Interconnection as a Co-Located Load. A Co-Located Resource does not include Co-located Storage Resources, Hybrid Storage Resources, or the MW of Unforced Capacity associated with a UDR or EDR rights holder.

- **Co-Located Arrangement:**

- An agreement between a Co-Located Load and a Co-Located Resource(s) for the purpose of enabling the Co-Located Load to take some amount of Firm Withdrawal Service. The Co-Located Resource(s) and the associated Co-Located Load must be behind the same Point of Interconnection and must jointly submit an attestation in accordance with Section 44.6.3.5 of Attachment LL of the ISO OATT. The Co-Located Arrangement shall have a required duration of fifteen (15) years, starting the first day of the Obligation Procurement Period for which the UCAP equivalent of ICAP documented in the Large Load Bilateral Transaction is initially certified, in accordance with Services Tariff Sections 5.11.2 and 5.13.1 and ISO Procedures.

Review of Tariff Defined Terms

■ Partner Resource:

- A Resource that has been identified by an Eligible Customer, and confirmed by the Resource developer, to be associated with a Large Load, which is electrically located in the same Capacity Region, that may mitigate some or all of its adverse impacts to resource adequacy and/or transmission security identified in the LLIP set forth in Attachment LL of the ISO OATT and is not connected to the same Point of Interconnection as the Large Load in the applicable Partner Resource Arrangement . A Large Load taking Firm Withdrawal Service that is a party to a Partner Arrangement and that registers as a Demand Side Resource cannot serve as the Partner Resource to another Large Load.

■ Partner Resource Arrangement:

- An agreement between Partner Resource(s) and a Large Load that are electrically located in the same Capacity Region for the purpose of enabling the Large Load to take Firm Withdrawal Service. The Partner Resource(s) and the Large Load must jointly submit an attestation in accordance with Section 44.6.3.5 of Attachment LL of the ISO OATT. The Partner Resource Arrangement shall have a required duration of fifteen (15) years, starting the first day of the Obligation Procurement Period for which the UCAP equivalent of ICAP documented in the applicable Large Load Bilateral Transaction is initially certified, in accordance with Services Tariff Sections 5.11.2 and 5.13.1 and ISO Procedures.

Review of Tariff Defined Terms

■ Limited Withdrawal Service Load:

- A Large Load taking any amount of Non-Firm Withdrawal Service and/or is a Zero Withdrawal Service Load.

■ Zero Withdrawal Service Load:

- A Large Load or portion thereof that physically cannot withdraw Energy from the NYS Transmission System or has requested not to withdraw Energy from the NYS Transmission System and is served by a Co-Located Resource(s). Energy consumption by Zero Withdrawal Service Loads shall be metered and included in Gross Load.

Review of Tariff Defined Terms

■ Co-Located and Limited Load Configuration (“CLLC”):

- A configuration that consists of (a) a Co-Located Load that is a Limited Withdrawal Service Load participating with one or more Co-Located Resources, in accordance with Section 4.1.12 of the Services Tariff, or (b) a stand-alone Limited Withdrawal Service Load. All components of the CLLC must be located behind a single Point of Interconnection. A Large Load taking only Firm Withdrawal Service may not participate in a Co-Located and Limited Load Configuration. A Co-Located Resource(s) participating as part of a CLLC may not participate in the ISO Administered Markets through any other participation models.
- The CLLC shall participate in the ISO-administered Energy and Ancillary Services markets as a single Resource that is capable of following the ISO’s dispatch instructions. A CLLC will be required to submit Energy Bids consistent with withdrawal service being taken by the Co-Located Load and the manner in which the [Market Participant] seeks to exercise those withdrawal service rights within a given real-time market interval. The Co-Located Resource(s) in a CLLC shall participate in the ISO-administered Installed Capacity market as a single ICAP Supplier referred to as a Composite Co-Located Resource.

■ Composite Co-Located Resource:

- One or more Co-Located Resource(s) within a CLLC that participate in the ISO-administered Installed Capacity market as a single Installed Capacity Supplier.

MST

■ Definitions

- New: Large Load, Computational Large Load, Co-Located and Limited Load Configuration, Co-Located Arrangement, Co-Located Load, Co-Located Resource, Co-Located Supply, Composite Co-Located Resource, Firm/Non-Firm/Partial Withdrawal Service, Gross Load, Partner Resource Arrangement, System Reliability Benefit Fee, Zero Withdrawal Service Load
- Updates to existing definitions to reflect proposed design
- Definitions revised to reflect sunset of the BTM:NG Resource program, removal of Capacity Limited Resources

■ MST 3.5.2

- LSE data reporting obligations for Large Loads

■ MST 4.1

- New provision that DSR > 20 MW will not be allowed to Aggregate with other Resources
- Aggregations cannot be part of a CLLC, and Generators in a CLLC can not also participate as part of an Aggregation
- New section 4.1.12 Composition of Co-Located Limited Load Configurations
- New section 4.1.13 Co-Located Arrangements

■ MST 4.2, 4.4

- DAM and RT bidding requirements and settlement for Large Loads and Co-Located Load Configurations

MST (continued)

- **MST 4.1.10, 4.2.1, 4.2.3, 4.3, 4.5, 5.12, 15.3A, 23.4**
 - Reflecting update to BTM:NG program; removal of Capacity Limited Resource language
- **MST 4.5**
 - CLLCs subject to balancing settlement rules
- **MST 5.11**
 - Exclusion of Loads taking NFWS from Peak Load Forecasts, since these loads will not have a capacity obligation
- **MST 5.12**
 - CLLC ICAP Supplier requirements
- **MST 5.13**
 - Co-Located and Partner Arrangement ICAP obligation requirements

MST (continued)

■ MST 5.18

- Rules for Associated Resources transitioning into IIFO or Mothball Outage and simultaneous transition of associated Large Load from FWS to NFWS
- Outage scheduling provisions for CLLC

■ MST 7.4

- Reporting of Large Load meter data to the ISO

■ MST 8.2

- Components of a CLLC must be under the same bidding entity and same billing organization

■ MST 13

- Metering requirements for Large Loads and CLLCs

■ MST 15.2

- Voltage Support Service compensation

■ MST 15.3

- CLLCs are not eligible to provide Regulation Service

MST (continued)

- **MST 15.3B**
 - Deviation charges for Loads with Limited Withdrawal Rights
- **MST 17.1.3**
 - Day-Ahead Commitment of CLLC
- **MST 18**
 - Exclusion of CLLC from Day-Ahead Bid Production Cost guarantee payment eligibility
- **MST 21**
 - NFWS and PFWS bid cap language (\$200/MWh)
- **MST 23.2 & 23.3**
 - Addition of Partnered Resource and Co-Located Arrangement to the definition of Excluded Facilities
 - Addition of resources addressing RNA or STAR needs to the definition of Excluded Facilities
 - Reference Levels and energy market monitoring measures for CLLCs
- **MST 25**
 - Exclusion of CLLC from DAMAP

OATT

■ OATT 2.7.4

- Mirrors MST 7.4.1 language for meter data reporting

■ OATT 3A

- New section to describe FWS, PFWS, and NFWS, as well as OOM responsiveness requirement for PFWS and NFWS

■ OATT 6.2, 6.3, 6.5, and 6.17-19

- Rate schedule updates to ensure that charges will be assessed on a gross load basis

OATT (continued)

■ OATT 6.23

- New section to describe the System Reliability Benefit Charge

■ OATT 24.2 & 24.4

- DSR baseline enhancements to integrate the MBMA/ECBL proposal
- New provision that Aggregation UOL must reflect actual Load reduction capability
- The Aggregator is responsible for the calculation of the Baseline Load and the resulting Demand Reductions communicated through telemetry and settlement data provided to the NYISO on their behalf by the Meter Authority and shall be subject to any applicable penalties.

■ OATT 38

- Reference to MST 5.18 IIFO and Mothball Outage provisions for Large Loads

Next Steps

Next Steps

- NYISO thanks stakeholders for their feedback and continued engagement on the proposed Large and Co-Located Load design
- Please send any additional feedback on the tariff to MemberRelations@nyiso.com by October 9, 2026

Next Steps

- 10/21 Joint OC/BIC Presentation & Vote
- 10/28 MC Presentation & Vote
- 11/16 FERC Filing

Our Mission and Vision



Mission

Ensure power system reliability and competitive markets for New York in a clean energy future



Vision

Working together with stakeholders to build the cleanest, most reliable electric system in the nation



Questions?

Appendix

ISO/RTO Response to Show Cause Order

Common question / premise	NYISO	PJM	ISO-NE	MISO	SPP	CAISO
Bring your own new generation for large loads: required for ordinary firm priority?	Yes—cover studied adequacy impact (DR allowable)	Yes—cover adequacy need to avoid IRAS (DR allowable)	Yes—designate sufficient new capacity	No special BYO requirement	Conditional—adequate existing designated resources can substitute	No special BYO requirement
BYONG timing: consequence of proceeding without new generation?	No prescribed timing impact; same process	No separate study delay; IRAS connection possible	No separate study delay; non-firm connection possible	Expedited paired-study option unavailable	May forgo quicker interconnection through HILLGA	No prescribed timing impact; same utility-led process
If a new load requests grid service, how is it studied?	Grouped load studies	Unified load/generation study cycle	Rolling individual studies	Load review; optional paired studies	Resource-backed load studies; HILLGA expedites new generation	Utility-led studies; ISO coordination
If the load accepts curtailment, what service is available?	Permanent non-firm withdrawal	IRAS; interim/partial firm transmission	Interim and permanent non-firm	Interim non-firm; permanent option developing	Generation-backed temporary conditional service	Interim flexible service; permanent option deferred
Under that curtailable service, what triggers reductions?	Price or reliability limits	Supply shortages or transmission limits	Price or reliability limits	Transmission limits; ordinary priority in supply shortages	Transmission/emergency limits; supporting-resource conditions	Site-specific transmission limits
For a new load, what limits cost shifting to existing customers?	Security, Upgrade commitments; gross-load charges; reliability benefit fee	Upgrade deposits/security; exclude unbacked load from capacity procurement	Minimum payments; rate-impact protection	Secured minimum cost-recovery payments	Customer pays upgrades above cost allowance	Utility safeguards; gross ancillary charges