



Items E-7 through E-12: RTO/ISO Show Cause Orders

Docket Nos. EL26-67-000, et al.



Background

- The U.S. is currently experiencing unprecedented demand for electricity, due in large part to the rapid growth of data centers.
- RTOs/ISOs have in some cases struggled to make reforms to ensure that data centers can quickly and efficiently access the transmission system, and to ensure that associated costs are fairly allocated.
- In October 2025, the Secretary of Energy's ANOPR proposed reforms to ensure the timely and orderly interconnection of large loads.
- The Commission received over 3,500 pages of comments in the ANOPR docket, which informed today's draft show cause orders.



Individual, Tailored Show Cause Orders

- The draft show cause orders preliminarily find that these markets' existing tariffs appear to be unjust and unreasonable because they do not adequately address the challenges associated with the integration of large and co-located loads onto the transmission system.
- More specifically, the draft show cause orders preliminarily find that the tariffs appear to lack provisions addressing five categories of reform.



Five Categories of Proposed Reforms on Tight Timelines

1. Transmission service application and study process, including consideration of alternative transmission technologies.
2. Preventing cost shifting and requiring transparency.
3. Co-location arrangements and behind the meter generation.
4. New transmission services for flexible large loads.
5. Generating facilities serving electrically proximate large loads and large co-located loads.



Regional Flexibility

- Today's draft show cause orders provide regional flexibility instead of a one-size-fits-all solution.
- The Commission recognizes progress made in SPP and PJM regions since October 2025 and acknowledges ongoing stakeholder efforts by other RTOs/ ISOs.
- Today's draft show cause orders also specifically encourage the RTOs/ISOs to work with transmission owners and other stakeholders in the region to submit FPA section 205 filings that can address the Commission's concerns.



Timing

- The draft show cause orders direct RTOs/ISOs and transmission owners to:
 - Respond to the draft order, including briefing questions, within 60 days; and
 - File an informational report regarding resource adequacy within 30 days.
- RTOs/ISOs and transmission owners may also request an abeyance within 45 days.
- Interested parties may respond to RTO/ISO and transmission owner filings within 30 days.



Scope

- The draft show cause orders address the pressing need in the RTO/ISO regions.
 - Will affect 200 million Americans in over 30 states and the District of Columbia.
 - Cover nearly two-thirds of electricity load served pursuant to Commission-jurisdictional rates.¹
- The Commission is leaving the Secretary of Energy's ANOPR docket open for further potential action.
- The Commission encourages public utilities in other regions to file section 205 proposals to address the concerns raised in the draft orders and the Secretary of Energy's ANOPR.

¹ Staff analysis of EIA-930 data provided by Hitachi - Velocity Suite. Data from 2025. Load is gross load, not net of solar and wind. Jurisdictional RTOs/ISOs exclude ERCOT. Accounting for the SPP expansion to the West, 2025 load from expansion participant BAs was added to SPP as an estimate of the current SPP load footprint.

