

FERC Orders on Large Loads and Co-Location

UNDERSTANDING IMPLICATIONS FOR DATA CENTER INVESTMENTS

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Image credit: Taylor Vick

Today's Presentation

Objective:

- Explain implications of recent FERC orders on accelerated interconnection of large loads

Agenda:

- PJM Co-Location Order
- Six Large Load Interconnection Orders (to all FERC jurisdictional ISO/RTOs)

FERC Decision in PJM Co-location Docket (EL25-49-000)

- Co-location is a *speed to power* play (and connects new supply more quickly too)
 - Fewer network upgrades required if new load is next to new gen
 - Focus of President Trump
 - Co-locating generation and data centers “*was largely my idea. Nobody thought this was possible ... I told them that what I want you to do is build your electric generating plant right next to your plant as a separate building connected.*”
- In December 2025, [FERC ordered PJM](#) to revise tariff to detail how interconnection customers can use generation to serve co-located load, transmission customer to choose from **4 service paths**:
 - Existing** Network Integrated Transmission Service (NITS)
 - New** interim, non-firm service (only for NITS-seekers)
 - New** Firm Contract Demand
 - New** Non-Firm Contract Demand

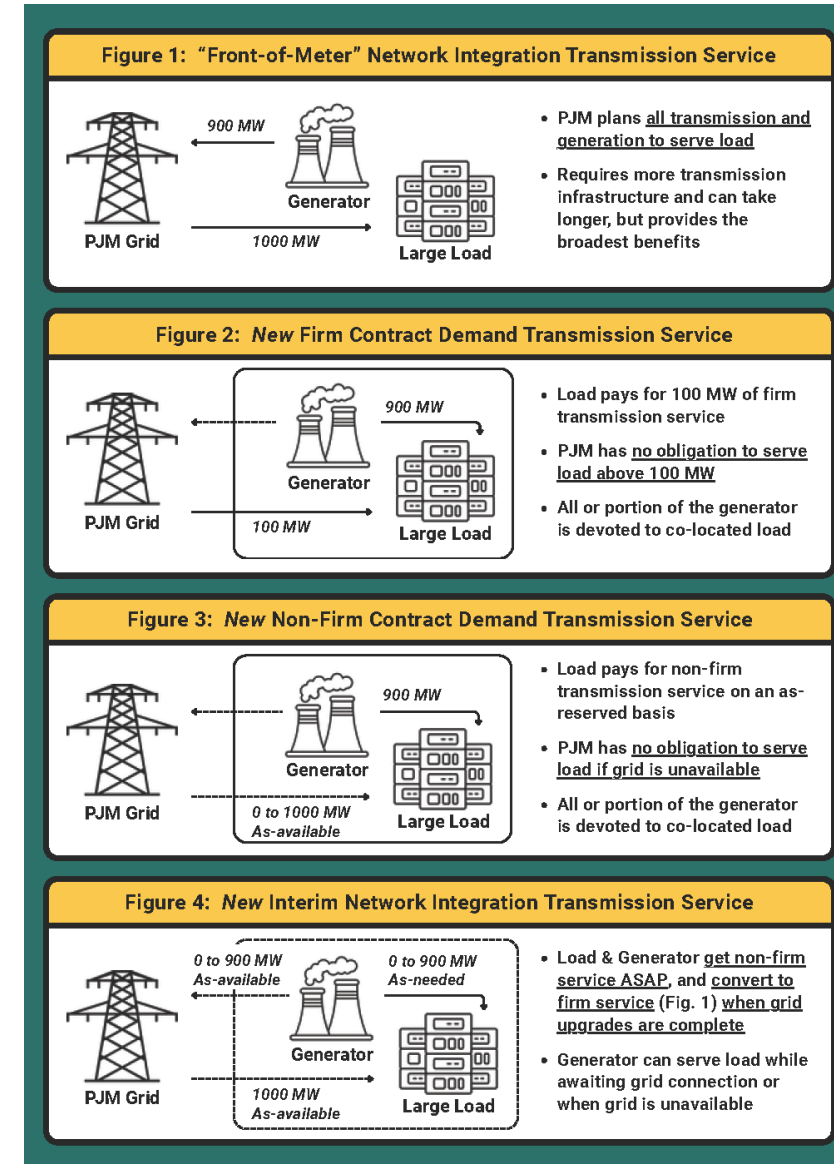


Figure from [Commissioner Rosner's concurrence](#)

PJM Proposals and FERC Responses

PJM's proposal to comply with FERC has many features that make their non-firm services commercially unworkable:

- “Non-firm Contract Demand Service (NFCDS)” is PJM’s permanent non-firm option
 - But PJM says this is to be only available when the load’s co-located generation is on **outage**, such that co-location would only work with baseload resources
- “Interim NITS” allows for interim non-firm access to the grid while upgrades are built for eventual firm, NITS service
 - But PJM says load must curtail to zero gross load before pre-emergency demand response
 - This means the co-located generator cannot serve its load during such (relatively frequent) conditions

On June 18, 2026, FERC rejected these and other aspects of the proposal

Issue	PJM Proposal	FERC Response?
When is non firm access to the grid available for co-lo load under NFCDS?	Only available when co-lo gen is on outage	 Ordered PJM to make NFCDS available broadly
During tight conditions, should load under Interim NITS curtail to gross zero or net-zero (netting its co-lo gen output)?	Load should curtail to gross zero irrespective of output of its own co-lo gen	 Allowed PJM gross-zero curtailment if gen is a PJM capacity resource, net-zero if not
Timing?	2029	 Asked PJM to reconsider noting faster speed in ERCOT and SPP
Penalties for failure to curtail?	Disconnection after first failure to follow curtailment order	 One-strike too strict, termination after second strike
Details on Studies for Co-Located Resources	No details	Ordered PJM to provide details on studies

Next Steps for PJM

- PJM compliance filing due **August 17, 2026**
- Final FERC order could be in 2026
- Implementation **unlikely to be later than 2028** since FERC already rejected 2029
- Many interactions likely with PJM's version of the Large Load Order (which covers standalone load flexibility and accelerated interconnection of new supporting generation nearby)

Implications: Two Possible Paths

	Features	Implications
Option A: PJM Gets Behind Comprehensive Reform	NFCDS: reservation requests allowed in all hours, not only when gen is on outage	Co-located interconnected gen can greatly expand the grid's load-hosting capacity >> <i>moves constraint from speed of Tx build to speed of gen build</i>
	Interim NITS: <i>net</i> curtailment to zero during tight conditions	DOM could add load faster (although still tight due to possible stability issues), rest of PJM can go faster longer (EXC, PPL, AEP)
	PJM IX process recognizes co-located assets across separate load & generation queues to speed up study processes	Expedited IX of load that brings its own generation, <i>eases pressure on the capacity market</i>
Option B: PJM Minimum Compliance	NFCDS revision still restricted and not widely available	Reforms have minimal effect; all of PJM taps out relatively soon in terms of load interconnection; transmission upgrades proceed too slowly to be relevant for AI customers, who continue to expand off-grid or in other markets (e.g., ERCOT)
	Interim NITS revision to still only require gross curtailment	
	Any number of other unworkable provisions	

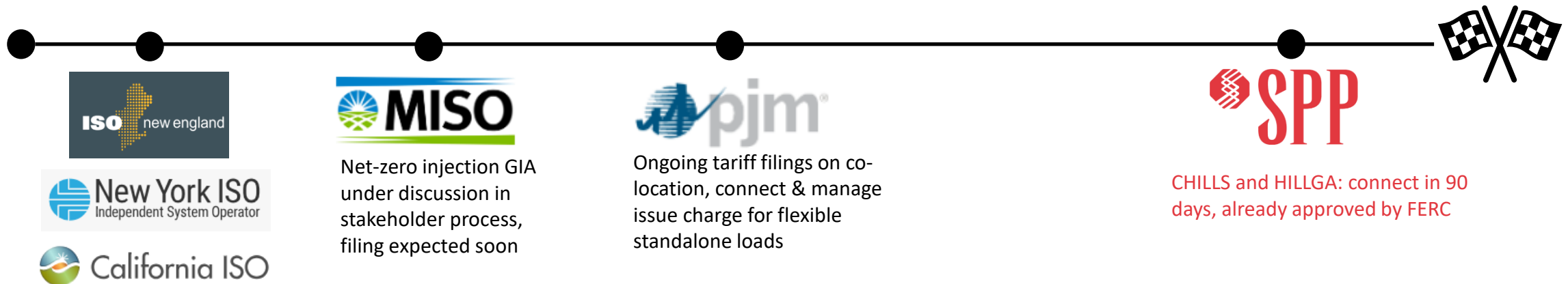
FERC Order on Large Loads is Broader than PJM Co-lo Docket

- **Overview:** FERC has issued [six show-cause orders](#) requiring each RTO and its transmission owners to justify or revise their tariffs for accelerated interconnection of large loads
- **Scope of Orders**
 - ERCOT is **not** covered by the Order
 - Non-ISO/RTO regions are **not** covered by the Order (e.g., utilities in Southeast, WECC)
- **Key Dates**
 - **July 20, 2026:** Submit Informational Report on generation adequacy for existing and new large loads
 - **August 3, 2026:** RTOs can concede tariff not J+R and ask to hold proceedings in abeyance (up to 90 days) until they can submit their own proposals OR
 - **August 17, 2026:** RTOs must justify current tariffs or file tariff changes addressing identified issues

Issue	PJM Co-Lo Docket	Large Loads Order
New, clear ISO/RTO process for connecting all large loads	✗	✓
Accelerated IX for loads co-located with generation	✓	✓
Accelerated IX for large flexible loads (standalone)	✗	✓
Accelerated IX for new co-located or proximate supporting generation	✗	✓
Consideration of alternative Tx technologies (GETs)	✗	✓
Prevent cost shifting and require transparency in costs	✗	✓

Ongoing RTO Reforms Related to FERC Orders

- SPP has been innovative already on this issue
 - FERC Chairman: “SPP is 90% of the way there already”
 - CHILLS and HILLGA pathways offer 90-day studies, rapid interconnection
- MISO pursuing zero net injection GIA for generators to co-locate with large loads without injection rights
- PJM had head start with co-location docket
- CAISO, NYISO, ISO-NE have so far made limited progress on these issues



Implications of FERC Large Load Orders

Things to watch (near term)

- **How will RTOs respond to FERC?** Create opportunity to be open for business OR poison pill implementation
- All this continues to rely on transmission utilities to process and study load connections in collaboration with RTOs

Things to watch (long term)

- **How often might the 60-day study time fail?**
 - Studies in 60-90 days not guaranteed. A failed stability screen > detailed EMT analysis > 6-9 months
 - 60 days + serial queue = few requests per year. If requests go up considerably, expect a cluster process
 - ERCOT Batch Zero is a cluster process and timeline is 9 months for final study results
- **How will curtailment frequency/probability be communicated to developers?**
 - More non-firm load means more flex for everyone creating risks related to utilization of assets
- **Finally, none of this** addresses 3-5 year timelines for transformers, turbines + permitting delays

Presenter Bio



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Andrew Levitt is a Senior Consultant at The Brattle Group specializing in wholesale electricity market design and policy. With 15 years of experience, he advises system operators, state agencies, investors, and market participants on market design reforms, resource valuation, transmission interconnection, and reliability on an evolving grid. Before joining Brattle, he was Senior Lead Market Designer at PJM Interconnection, leading capacity and ancillary services market reforms and integrating hybrids, storage, and distributed resources. His research has been published by the IEEE and Energy Policy, and he frequently speaks at industry conferences. He holds an MA in Policy from the University of Delaware (where he studied at the Center for Carbon-Free Power Integration) and a BSc in Physics from the University of Toronto.

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Aniruddh Mohan is an Energy Associate at the Brattle Group. He specializes in the evaluation of energy technologies at a systems level, with expertise in electricity markets and energy policy. His most recent work focuses on the interconnection and resource adequacy challenges posed by large loads such as data centers. He has filed expert testimony to FERC on the expedited interconnection of co-located large load facilities with generation resources and is also involved in several wholesale electricity market reform initiatives including bilateral capacity contracts, advanced generator retirement planning, and long-term transmission planning. He has published research on energy systems in several leading peer-reviewed journals using interdisciplinary methods such as optimization models and techno-economic analysis.

Dr. Mohan holds a PhD in Engineering & Public Policy from Carnegie Mellon University.

Selected Brattle Group Publications

[Remedial Action Schemes \(RAS\) to Quickly and Affordably Connect New Generation and Large Loads](#), June 2026

[Brattle Experts Examine the Potential Impacts of Large Loads on Electricity Prices in Iowa and Wisconsin](#), June 2026

[Transmission Planning with Large Loads: Current Practices and Recommendations](#), April 2026

[Loads of Loads: Electricity Demand Growth and Forecasting in a Time of Change](#), April 2026

[Brattle Experts Assess PJM's Proposed Transmission Services for Large Loads Co-Located with Generation](#), March 2026

[Exploring Opportunities for Energy Parks: The Promise and Potential of Energy Parks](#), February 2026

[Accelerating Generation Additions to Serve Large Load Customers](#), October 2025

[Proposed Options for Bilateral Integration of Generation Portfolios and Load \(BIGPAL\)](#), September 2025

[Optimizing Grid Infrastructure and Proactive Planning to Support Load Growth and Public Policy Goals](#), July 2025.

[The Challenges and Opportunities of On-site Resources in Accelerating Data Center Interconnection and Reliability](#), June 2025.

[Accelerating Integration of New Co-located Generation and Loads](#), April 2025.

[Incorporating GETs and HPCs into Transmission Planning Under FERC Order 1920](#), April 2025.

[Brattle Consultants Examine the Challenges & Opportunities Associated with Meeting Load Growth Surge](#), April 2025.

[A Wide Array of Resources is Needed to Meet Growing US Energy Demand](#), February 2025.

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