



New England States Committee on Electricity

To: Alex Rost, Director, Transmission Services
From: NESCOE (Contact: Shannon Beale)
Date: July 30, 2026
Subject: Preliminary Input on ISO-NE's Response to the Large and Co-Located Loads Show Cause Order

NESCOE writes to share the foundational principles against which it will assess ISO-NE's proposed response to FERC's Show Cause order. NESCOE appreciates ISO-NE's early engagement with stakeholders in light of the short period of time the region will have to develop a response to the Show Cause order, and the ISO's explicit recognition of the importance of the input of states into the proposal. As we have already noted, consumer protection, energy affordability, and electric system reliability remain central priorities for NESCOE.¹ We offer the following observations specific to large load in order to help inform ISO-NE and stakeholders as ISO-NE begins to develop its response to the Show Cause order.

Initial New England Large Load Principles

New large loads present both opportunities and risks for the New England electric grid and customers. Together, the New England states have identified foundational principles on large load development and interconnection that seek to balance these opportunities against risks to consumers, local communities, and our regional electric grid. Some of these principles are closely aligned with the recently issued FERC Show Cause order; others potentially go beyond what that order calls for but are nonetheless important to the New England states.

Well-planned large loads, including data centers, have the potential to provide economic, technological, and ratepayer benefits to the region (e.g., through greater electric system efficiency that lowers average system rates). However, these benefits are not guaranteed. Without sufficient safeguards in place, there are risks that new large loads could also present grid reliability risks, adversely impact local communities, and/or lead to higher costs for other ratepayers.

A policy choice to support large loads by one state can directly impact ratepayers in the other five states in New England due to the interconnectedness of our regional electric grid and power system. The New England states are coordinating to develop large load principles and policies that appropriately preserve local control and decisions in ways that minimize, or even eliminate, large load policies or development in any one state from negatively impacting the other states or the broader region.

New England's slower pace of large-load development to date, relative to some other regions, has created an opportunity to learn from other regions that did not have time to carefully consider large load policies in advance of unforeseen and unprecedented large load growth. To that end, the New England states have identified the following initial, foundational principles to guide

¹ See <https://nescoe.com/wp-content/uploads/2026/07/NESCOE-Large-Loads-Statement-7-1-26.pdf>.

future regulatory and policy frameworks in the region.

Foundational Principles:

1. **Mitigate Ratepayer Cost Impacts** – New large load project developers should not shift the incremental costs of serving their energy, capacity, and infrastructure needs onto existing ratepayers. Projects that demonstrably reduce net system costs through load flexibility and/or by providing new generation capacity should receive appropriate credit and priority. Regional planning and cost-allocation frameworks should recognize and value these arrangements.
2. **Local control** – Addressing new large loads in the region may raise difficult jurisdictional questions between state and federal authority. Relevant state and/or local authorities must retain existing authority on siting and permitting of large loads, as well as the kind of generation to serve large loads under any Bring Your Own Generation (BYOG) or Bring Your Own New Clean Energy (BYONCE) construct. Any regional approach should also respect the traditional role of state public utility commissions in allocating costs in retail rates.
3. **Reliability** - Reliable system operations must continue to be a priority. The interconnection of large loads should be accommodated in a manner that preserves reliability standards and appropriately mitigates reliability risks, including resource and energy adequacy.
4. **Transparency** – Relevant large load information (forecasts, interconnection processes, etc.) should be available in plain language and accessible to state agencies, municipalities, and the public to support informed decisions. Furthermore, costs caused by large loads should be identified in a transparent manner that quantifies each project's contribution to system resource adequacy and grid infrastructure needs.