October 28, 2026

CAISO Board of Governors:
Chair Joe Eto
Vice Chair Mary Leslie
Severin Borenstein
Alice Reynolds
Jan Schori

Re: Large Loads Initiative

Dear Chair Eto, Vice Chair Leslie, and Members of the Board:

Constellation Energy supports approval of CAISO's Large Loads proposal and appreciates the significant engagement by CAISO policy and legal staff throughout this accelerated stakeholder process.

The proposal makes meaningful progress on the treatment of existing generation serving co-located large loads. Earlier versions of the proposal suggested that serving new on-site load could effectively require an existing generator to retire or leave the wholesale market. CAISO has worked constructively with stakeholders to address the concern. This is the better direction. California should preserve the reliability and market value of existing generation while creating workable pathways to serve new load.

Constellation's principal remaining concern is that CAISO's pending filing should include a permanent flexible transmission service option, such as FLIP or an equivalent framework. FILI does not resolve the separate need for permanent service that recognizes enforceable load flexibility.

The proposal includes an interim (FILI) but not permanent (FLIP) option for flexible loads. (An earlier version of the proposal included both.) A large load that can reliably reduce its transmission withdrawals during constrained conditions should have a durable service option that recognizes that capability, rather than being limited to an interim arrangement pending transmission upgrades. CAISO should also continue developing rules that allow measurable and enforceable load flexibility to be reflected in market participation and reliability constructs where appropriate.

For co-located facilities, the framework should recognize configurations where generation can serve on-site load while maintaining the ability to provide energy, capacity, or other reliability services to the CAISO system when available. The goal should be to use these capabilities to reduce system stress and infrastructure needs while preserving the reliability and market value that existing resources can provide.

FILI represents useful progress, but it remains an interim solution. This distinction is particularly significant in light of FERC's Show Cause Order. FERC specifically expressed concern that CAISO's Tariff may not provide transmission services for flexible large loads on both an interim and permanent basis and directed CAISO to address the absence of both interim non-firm service and permanent firm and non-firm contract-demand transmission service or explain how CAISO's framework will provide comparable options.[1]

Accordingly, we believe a permanent flexible transmission service option is an important component of CAISO's response to FERC. Deferring FLIP or an equivalent permanent flexible service framework would leave a central element of FERC's preliminary Section 206 concern unresolved. Constellation's overall support for the current proposal does not mean that FILI alone adequately addresses permanent flexible transmission service or that further stakeholder proceedings provide an adequate remedy. We therefore encourage CAISO to include FLIP or an equivalent permanent flexible transmission service option in its upcoming FERC filing.

Constellation appreciates CAISO's consideration of our comments and the significant progress made through this process. We respectfully urge the Board to approve the proposal and direct CAISO to include permanent flexible transmission service in its upcoming FERC filing.

Sincerely,

Constellation Energy
On behalf of Constellation Energy and its Calpine generation fleet

[1] Federal Energy Regulatory Commission, Order Instituting Proceeding Under Section 206 of the Federal Power Act and Directing Informational Filing, 195 FERC ¶ 61,214, Docket No. EL26-71-000, P 106 (June 18, 2026).