February 10, 2026

NYISO Considers Revisions to Large Load Interconnection Process

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The New York Independent System Operator (NYISO) recently released a presentation outlining potential revisions to its large load interconnection study process in response to the unprecedented pace and scale of large load development across New York State. These potential reforms, discussed at the Transmission Planning Advisory Subcommittee and Electric System Planning Working Group, are intended to address bulk-system reliability concerns while improving the efficiency and predictability of the large load interconnection process.

For developers of energy-intensive facilities – including data centers, cryptocurrency mining operations, and advanced manufacturing projects – the NYISO's evolving approach to large load integration may significantly affect project timelines, study requirements, electrical infrastructure upgrade obligations, and overall development risk.

Rapid Growth in Large Load Interconnection Requests Raises Reliability Concerns

The NYISO reports dramatic recent growth in large load interconnection activity – both in terms of project count and requested electrical power. In 2022, the NYISO interconnection queue included six large load projects accounting for 1 gigawatt (GW) of demand. As of Dec. 31, 2025, the interconnection queue included 48 large load proposals totaling approximately 12 GW of demand.

The NYISO projects continued growth in manufacturing and data center electricity demand over the coming decade, with the scale and timing of these additions expected to significantly affect statewide load growth and system risk. Large loads can pre[illegible] distinct reliability challenges due to uncertainty around in-service timing, ramp-

operational duration, and curtailment or on-site generation capability. The NYISO is also concerned that these projects may narrow reliability margins, reduce resource adequacy, degrade transfer capability and voltage performance, and create broader system stability concerns, particularly when evaluated collectively. These considerations are driving the NYISO's reassessment of its existing interconnection framework.

Overview of the Current NYISO Load Interconnection Framework

Under the NYISO Open Access Transmission Tariff (OATT) and related manuals, NYISO load interconnection procedures generally apply to load interconnections greater than 10 MW at voltages of 115 kV or higher, as well as load interconnections of 80 MW or greater below 115 kV, including uprates to existing facilities. Projects outside these thresholds are governed instead by the procedures of the connecting transmission owner/utility.

Within this framework, the NYISO's primary responsibility is to evaluate reliability impacts through the System Impact Study (SIS) process. After completion of the SIS, a developer may elect to proceed to a facilities study with the connecting transmission owner/utility and ultimately execute a two-party interconnection agreement.

Key Challenges Driving Potential Reform

The NYISO has identified several structural limitations in the current process that are contributing to the need for reform. These limitations include study-timeline delays caused by the volume of requests, the absence of resource-adequacy evaluation within load interconnection studies, and the limited ability to assess collective reliability impacts across multiple projects. The NYISO also notes insufficient mechanisms to capture broader transmission-system effects, variability in facilities-study practices across transmission owners, and the lack of defined frameworks for evaluating material project modifications or co-located load-generation configurations.

Proposed Principles for Revising the Load Interconnection Process

To address these challenges, the NYISO is considering reforms centered on the following principles:

- Reducing and improving predictability of the timeline for the load interconnection study process.
- Allowing for the evaluation of more complex and compounding reliability impacts of load interconnections to reliability and the broader transmission system, including identification of necessary system upgrades.
- Clarifying processes for the modification of a large load interconnection.
- Defining milestones for inclusion of large load interconnections in Reliability Planning Process studies and Short-Term Assessments of Reliability.

The NYISO also indicated these reforms could involve revisions to tariff provisions and updates to key planning and interconnection manuals.

The NYISO's initiative is unfolding alongside broader regulatory attention to large-load growth at both the federal and state levels. For example, the U.S. Secretary of Energy directed the Federal Energy Regulatory Commission (FERC) to consider an Advanced Notice of Proposed Rulemaking addressing the timely and orderly interconnection of large loads, and any resulting rulemaking could influence tariff design and regulatory requirements nationwide. At the state level, Gov. Kathy Hochul announced the Energize NY Development Initiative, which will direct the New York State Department of Public Service to ensure fast and predictable interconnection while ensuring strict protections for ratepayers regarding grid-upgrade cost allocation.

Anticipated Timeline for NYISO Action

The NYISO outlined a preliminary schedule for continued stakeholder engagement and potential tariff revisions:

- **February – May 2026:** Discussion of concepts and challenges
- **June – July 2026:** Discussion of a straw proposal
- **August 2026:** Review of a detailed proposal and initial tariff revisions
- **September – October 2026:** Continue tariff-revision review

- **November 2026:** Committee review and approval of tariff and process revisions
- **December 2026:** NYISO Board approval and filing with FERC

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