STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission to Address Interconnection Reforms for Large Loads	**)**	**Case 26-E-0045**

REPLY COMMENTS OF NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID IN RESPONSE TO ORDER INSTITUTING PROCEEDING AND SOLICITING COMMENTS

June 15, 2026

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I. INTRODUCTION & SUMMARY

On February 12, 2026, the New York State Public Service Commission initiated Case 26-E-0045 to advance the Energize NY Development initiative and modernize the interconnection and cost-allocation framework for large electric loads. National Grid and a broad set of stakeholders submitted initial comments on May 13, 2026.

The initial comments demonstrate strong alignment on the need for improved large load forecasting, enforceable reliability requirements, and robust financial commitments. National Grid agrees with various parties' comments that emphasize the importance of protecting existing customers from undue cost increases or cost shifts associated with the addition of new large loads into the customer base. At the same time, several proposals, particularly ones involving overly prescriptive cost allocation methods, connection moratoriums, and other mandates, risk triggering unintended and adverse consequences for reliability, affordability, and economic development. National Grid's reply comments focus on designing a system that is fair to all customers. National Grid offers a set of guidelines that imposes customer protections, attracts new customers to help offset necessary costs for existing customers, and supports New York's competitiveness.

The Reply Comments first address economic development considerations, including the impacts of large loads on customer bills, and further discuss proposed cost allocation frameworks and associated customer protections. They then evaluate the role of moratoriums and mandates. Finally, the Reply Comments identify areas of consensus, including the need for enhanced forecasting discipline, clearly

defined reliability requirements, and the application of all available regulatory and operational tools to facilitate efficient large load interconnection.

II. POTENTIAL ECONOMIC BENEFITS & COMPETITIVENESS CONSIDERATIONS

Businesses in National Grid's large load queue could bring significant economic benefits to New York if their projects are realized. As of March 2026, National Grid's interconnection queue includes approximately 3,083 MW of large loads, consisting of 59% data centers, 34% manufacturing, and 7% other industrial load. Businesses of this scale in National Grid's territory could support up to $6.8 billion in ongoing State GDP and $1.3 billion in tax revenues, and, across New York State, up to $26.6 billion in State GDP and $5 billion in tax income.[1] National Grid acknowledges that not all projects in the interconnection queue will materialize; however, this significant level of interconnection interest demonstrates the need for New York to establish a workable framework urgently. These potential benefits from such new loads should inform the Commission's decision-making in this docket because New York's approach to cost allocation and cost recovery will influence whether such investment occurs in the State.

Cost allocation and ratemaking policies should not undermine Upstate New York's competitive electric service costs nor conflict with existing State economic development programs and rate offerings.[2] National Grid supports the aspects of the record that advance durable customer protections, stronger forecasting discipline, clear and enforceable reliability standards, and meaningful financial commitments from large load customers. Properly calibrated, Commission policy can deliver substantial economic benefits while ensuring new large load customers contribute appropriately to both existing and

[1] Brattle Group analysis for National Grid estimating potential economic benefits of large loads, June 2026. Note these ongoing benefits exclude the upfront construction-related impacts (i.e., project-related jobs).
[2] Today, electricity costs paid by National Grid's Upstate NY industrial customers are competitive on a nationwide basis. Using EIA data from 2019 to 2024 (the latest available), National Grid customer costs were below the national average in all but one year. This total bill competitiveness relies on a combination of Upstate NY's relatively low wholesale electric market prices, the level of delivery rates charged to these customers, and pricing tools for economic development within both the supply and delivery portion of bills.

incremental system costs, thereby reducing the burden on other ratepayers. At the same time, National Grid does not support measures that would materially impair fairness, affordability, or competitiveness—specifically, blanket moratoriums, requirements for full funding of networked upgrades irrespective of system benefit, or rigid, one-size-fits-all mandates.

Accordingly, the Commission should adopt a balanced framework that preserves economic competitiveness while advancing customer protections, avoiding overly burdensome requirements that could undermine the State's economic development objectives, including those reflected in the Governor's Energize NY Development Initiative.

III. IMPACT OF LARGE LOADS ON ELECTRICITY BILLS

Initial comments indicate broad support for actions that are net positive for the system and help address affordability concerns. Experience in other states demonstrates that affordability and economic development can be advanced together when large loads are served under clear, well-structured frameworks such as dedicated rate classes, long-term tariffs, or contract mechanisms that protect existing customers while enabling high-value new load. Large loads served under these mechanisms have not only avoided increasing delivery charges for other customers but also contributed to downward pressure on delivery rates. These examples provide practical evidence that New York can pursue a similar path, supporting both customer affordability and economic growth, by establishing clear rules that distinguish beneficial projects and appropriately allocate risks. The following examples illustrate the potential for large load growth to reduce delivery costs for other ratepayers, in contrast to concerns raised by some parties in this docket.

Table 1

State	Evidence
Virginia	Analysis for the Virginia Joint Legislative Audit and Review Commission (JLARC), examining the world's largest concentration of data centers, found no evidence of significant historical or present-day cost shift from data centers to

	other customers. Existing rate structures generally allocated generation, transmission, and distribution costs proportionally to the customers responsible for incurring them.[3]
California	PG&E reported that large load growth enabled electric rate reductions four times over the prior two years and estimated that each additional gigawatt of load could lower customer bills by roughly 1%.[4]
Georgia	Data-center-related growth is expected to reduce residential bills by approximately $8.50 per month from 2029–2031.[5]
Michigan	Recently approved data center contracts are expected to lower residential costs by approximately 8%, potentially allowing DTE to defer a planned rate request.[6]
South Carolina	South Carolina Power Team offered an illustrative example of fixed-cost contribution from hyperscale loads, stating that in 2024 Google paid the equivalent of 136,000 residential homes toward fixed system costs, implying that absent those revenues, those costs would need to be recovered from other customers.[7]
Indiana	I&M announced a Customer Benefits Plan to reduce base rates, citing increased revenue and load growth from large data centers to spread fixed costs.[8]
Mississippi	Entergy customer rates are expected to be 16% lower than they would have been otherwise because of large load customers added to the grid.[9]

[3] Joint Legislative Audit and Review Commission. (2024). *Virginia data center study: Electric infrastructure and customer rate impacts* (Final report, December 9, 2024). https://jlarc.virginia.gov/pdfs/presentations/JLARC%20Virginia%20Data%20Center%20Study_FINAL_12-09-2024.pdf

[4] Penrod, E. *(2026, February 17). Data center growth has helped PG&E cut rates 11% since 2024, CEO says.* Utility Dive. https://www.utilitydive.com/news/data-center-growth-has-helped-pge-cut-rates-11-since 2024-ceo-says/812230/

[5] Wiser, R. H., Barbose, G. L., Gorman, W., O'Shaughnessy, E., Forrester, S., Donohoo-Vallett, P., Cappers, P., Deason, J., Hledik, R., & Lam, L. (2026). *Retail electricity price trends and drivers: Data update—2026 edition. Lawrence Berkeley National Laboratory.* https://emp.lbl.gov/sites/default/files/2026-03/Retail%20Price%20Trends_2026%20edition.pdf

[6] *Id.*

[7] E3 (2026), *Understanding the Drivers of Rising Electricity Rates and the Role of Data Centers,* p16. Understanding-the-Drivers-of-Rising-Electricity-Rates-and-the-Role-of-Data-Centers_E3-2026.pdf

[8] Indiana Michigan Power, I&M Customers in Indiana Will See Rate Decrease, May 2026, https://www.indianamichiganpower.com/company/news/view?releaseID=11965

[9] Entergy, Entergy Mississippi is powering up the grid to save customers $2B, March 2026, https://www.entergy.com/blog/entergy-mississippi-is-powering-up-the-grid-to-save-customers-2-billion

Large, high-load-factor customers can reduce average delivery system costs when they cover incremental costs and contribute to embedded fixed costs. Empirical analysis supports this outcome: E3 finds that each 100 MW data center yields approximately $3.4 million in annual net surplus (growing to ~$6.1 million by 2030), while LBNL shows that higher load growth correlates with declining average rates (with a 10% load increase reducing prices by ~0.6 cents/kWh).[10]

Consistent with these findings, the Company's preliminary analysis concludes that large load customers should contribute to transmission cost recovery above incremental costs through existing cost-of-service allocation methods, together with a dedicated large load class, upfront assignment of all sole-use costs, and appropriate long-term commitments and financial security ensuring such customers will provide net benefits to the system and mitigate cost impacts to other ratepayers.

IV. FULL ASSIGNMENT OF ALL COSTS

Many commenters recommended that new large load customers fully cover the incremental costs associated with their interconnection to protect other customers from cost increases. National Grid agrees with that principle. Some commenters, however, opposed any cost recovery mechanism that spreads the cost of upgrades to help accommodate large loads to the general customer class. There is considerable risk in oversimplifying the allocation of costs to new large loads, and doing so could overturn traditional regulatory principles proven to support fair recovery of electric system costs over time, leading to a range of adverse consequences, including:

- Driving valuable investment and economic development benefits out of New York State in favor of other states with less burdensome cost allocation methods

[10] Riu, I., Patel, K., Mettetal, L., Santoni-Colvin, M., Greszczuk, S., Cardona, J., Bertrand, L., Spencer, S., & Ramirez, S. (2025). *Tailored for scale: Designing electric rates and tariffs for large loads.* Energy and Environmental Economics, Inc. https://www.ethree.com/wp-content/uploads/2025/12/RatepayerStudy.pdf

- Diminishing the probability that large loads will develop in New York and share in both existing and future electric system costs and other elements of delivery service, including policy costs
- Unfairly burdening customers who trigger system upgrades with costs that will create broader benefits for system users over the life of the infrastructure
- Distorting transmission system planning practices in favor of solutions with lower near-term cost but higher long-term cost to all system users
- Extending interconnection timelines by adding complexity and challenge to NYISO-administered system cluster studies
- Creating more contentious rate proceedings in which large load customers argue for a lower share of embedded system costs based on their upfront cost assignment

The Company's initial comments proposed a standard where the new large load pays upfront for all direct costs required for its connection to the grid and then pays ongoing rates that are fully compensatory for the incremental annual cost of service for upstream network upgrades triggered by their load request. The initial comments described how a new large load rate class could fully cover incremental revenue requirement on transmission infrastructure triggered by large load studies and share in embedded system cost recovery, thereby applying downward pressure on other customers' average delivery rates, consistent with the experience and empirical evidence described above. The opportunity that large loads present in addressing affordability is that their high-volume use results in significant allocation of fixed costs of the whole system, and not just the costs of the system to which those customers are connected, to that customer class. Requiring large loads to pick up all the direct costs makes sense, but extending that to the costs of the greater network that will be shared by all customers creates a different standard and could drive away investment from the State and/or lead to claims by large load customers that they should not pay for parts of the greater network if they are paying all of the costs upfront associated with their addition. Put differently, an overly burdensome initial cost allocation to large loads that is counter to

traditional regulatory principles risks undermining the benefit of high usage customers contributing significantly towards the costs of the embedded system serving all customers.

Networked transmission facilities provide shared and integrated benefits to system users. Within a networked system, individual upgrades often improve reliability, increase transfer capability, create headroom for future load growth, support renewable deliverability, or address asset condition needs, all benefits that are shared broadly. Broad rate-based recovery of upstream transmission network upgrades, using updated transmission cost allocation factors that account for large load customers' increased contribution to system peak, together with the financial protections described above, provides the fairest and most effective model for allocating costs of shared transmission upgrades and ensures large loads pay for incremental costs they drive. This approach is also most consistent with the beneficiary pays principle because parties that share in the benefits of the networked transmission system also share in paying the associated costs in proportion to their usage of the system.

National Grid recommends the Commission avoid approaches requiring full upfront allocation of all upstream shared networked transmission upgrades identified in a large load system study. Such approaches are unnecessary, impractical, inconsistent with transmission planning best practices, inequitable, and counterproductive to New York's energy affordability and economic development objectives. Importantly, the Company's recommended approach protects existing customers from speculative risk: sole-use upgrades remain directly assigned, and broader network costs are paired with long-term contracts, binding demand commitments, collateral requirements, exit fees, and appropriately designed large-load rate structures. These protections ensure that cost responsibility is aligned with beneficiaries while maintaining strong customer safeguards.

A simple example illustrates the problem with assignment of all identified system upgrade costs to a single user. Consider a hypothetical 200 MW new large load customer that seeks interconnection to a section of the transmission system currently operating at 95% capacity, whose request would push the system to 105% of its capacity, risking thermal overloads and other reliability violations. In this instance, a transmission upgrade, using standard planning practices and equipment sizing, would increase the load-

serving capacity of the infrastructure in excess of the immediate requester's need, creating headroom to serve additional customer load over the expected life of the asset (e.g., 45 years).[11] Rate-based recovery for this transmission upgrade, depreciated over the full life of the infrastructure, allows costs to be recovered from both the immediate large load customer and future customers that benefit from and use the expanded capacity over time. By contrast, requiring the initial customer to fund the full cost upfront would fail to match cost recovery with the long-term utilization of that asset. Later customers would effectively free-ride on the initial investment, while the first customer would face a significant "first-mover" penalty that could discourage the project from moving forward.[12]

A second example illustrates how direct assignment of network upgrades can distort transmission planning. Assume a large load request triggers a reliability need identified through the NYISO study process, and the utility must assess alternative solutions. Viewed narrowly, the lowest upfront-cost option might be a $200 million greenfield substation. A broader alternative might be a $300 million rebuild of aging transmission lines. Although the rebuild has a higher initial cost, it would address aging transmission infrastructure that is expected to require replacement in the near future regardless of the large load request. The substation may therefore be cheaper only in the short term; over the full planning horizon, customers could ultimately bear the cost of *both* the substation and the later line rebuild. By contrast, the $300 million rebuild may be the lower-cost, best-fit solution for the broader customer base because it resolves the immediate reliability need, addresses aging infrastructure, and avoids duplicative

[11] This example considers only the proper allocation of load-serving capacity benefits for the hypothetical upgrade, leaving aside additional potential benefits such an upgrade may create for reliability (voltage, stability, short-circuit, or protection), system resiliency, or renewable deliverability, which would also benefit ratepayers. The consideration of these benefits will become even more complex with the implementation of the new NYISO-administered load cluster study process, in which multiple load requests in a given area are considered together for the identification of the most cost-effective shared transmission solutions. The challenge could be even further magnified in scenarios where load and generation interconnections may be studied as part of an integrated cluster process, such as the one recently proposed by SPP and approved by FERC. (FERC Order, March 13, 2026, in Dockets ER26-414-000 and ER26-414-001). These complexities are likely to extend interconnection timelines for businesses seeking to locate in New York, counter to the State's economic development goals and the Governor's Energize NY Development initiative.

[12] Indeed, the potential for this adverse impact to project development was noted by NYSEIA's comments, wherein they noted that 100% upfront cost requirement can fail to promote the most efficient or economical outcome, and can make projects "nonviable", limiting New York's ability to modernize the grid. NYSEIA initial comment in Proceeding to Adress Interconnection Reforms for Large Loads, page 8.

investment. If all network upgrade costs were assigned to the large load regardless of broader system benefits, the utility may be pushed toward the lower upfront-cost but higher long-term-cost solution designed only for the requesting customer. This example demonstrates why direct assignment of networked transmission costs can undermine sound planning, while appropriate rate-based recovery of shared transmission costs can support more efficient long-term outcomes.

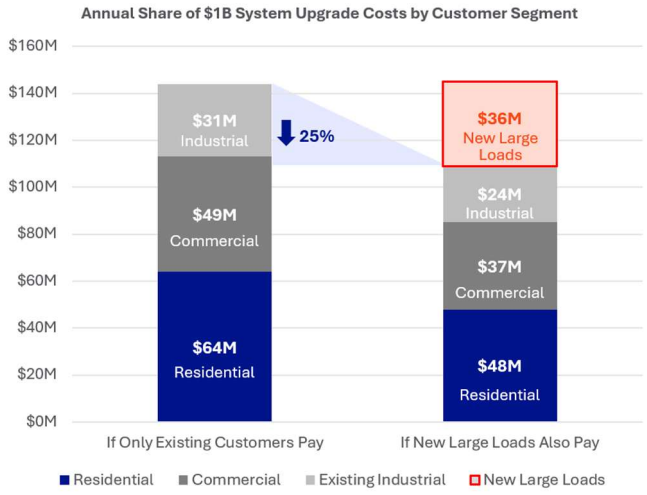
Moreover, large load interconnection requests must also be evaluated in the context of ongoing and future investment needs across New York's transmission system. Much of National Grid's Upstate New York transmission system is aging and is expected to face near-term thermal constraints. As a result, significant asset replacement work and other multi-value transmission investment is already underway or planned, independent of the new large load requests being considered in this proceeding. In many cases, upgrades identified through large load related studies may also be necessary to maintain reliability, improve resiliency, ensure adequacy for expected load growth, or support renewable deliverability. In these instances, it would be inappropriate to presume that the new large load customer is solely responsible for the need for the infrastructure upgrade. Existing customers have used, and continue to use, the transmission system that has reached its current condition over time. Accordingly, cost responsibility may fairly rest both with existing customers and with the new customer requesting interconnection. The fairness issues extend further, as assigning all incremental costs upfront to the new large load outside of established cost-of-service methodologies could create disputes over the customer's responsibility for its allocated cost of service in subsequent rate cases. If such challenges were successful, they could shift significant embedded costs away from large load customers and onto the rest of the customer base.[13]

Cost allocation approaches that impose too great a burden on new customer additions may be challenged on fairness grounds, including in future rate cases, and they may also discourage large businesses from advancing projects in New York where more favorable electric service terms are

[13] A study from Concentric Energy Advisors found that incremental cost assignment creates an opportunity for customers to argue that charging for both incremental and embedded system costs violates FERC's "and" pricing principle: https://ceadvisors.com/wp-content/uploads/2026/03/CEA_Large-Load-Cost-Shift-Report_vF.pdf.

available in other states. Conversely, when large loads are added to the customer base and billed under appropriately designed, cost-reflective rates, necessary transmission projects can be funded at a lower cost to other National Grid customers than would be the case if those large loads do not locate in New York. The following chart illustrates the potential reductions in customer costs for existing classes under a hypothetical $1 billion transmission investment whose costs are shared among existing customer classes and a new large load rate class.

Figure 1



National Grid is encouraged by the consensus among commenters on the establishment of large load rate classes and long-term contract obligations, and recommends DPS Staff prioritize evaluation of these mechanisms rather than upfront cost assignment of networked upgrades, to help mitigate potential risks posed by new types of large load customers while retaining New York's competitiveness for business attraction and growth.

V. CUSTOMER PROTECTION THROUGH FINANCIAL COMMITMENTS

The initial comments demonstrate broad support for requiring large load customers to make binding financial commitments in support of utility investments and to protect other customers from cost shifts, ensuring that large load customers pay for their share of system costs. Commenters representing utilities,

consumer advocates, environmental groups, and other perspectives recognize that large loads can create stranded cost, underutilization, and attrition risks if projects are delayed, downsized, or canceled after utilities have begun constructing infrastructure. To mitigate those risks, commenters support mechanisms such as take-or-pay commitments, minimum demand charges, long-term contracts, collateral, financial security, and exit fees that are paired with enforceable milestones and penalties. This broadly supports National Grid's position.

Commenters also supported contributions to State priorities in large load tariff frameworks. Rewiring America, Evergreen Action, NYSEIA, Earthjustice and Sierra Club, and NRDC recommended contributions to programs supporting DERs, low-income affordability, NYSERDA initiatives, REC procurements, efficiency, and load management. These comments align with National Grid's proposal as well.

The Commission should require large load customers to have meaningful financial commitments before significant investments are made. While parties may differ on the exact level of minimum demand, contract duration, collateral, or exit-fee structure, the comments support the core principle that existing customers should not bear the risk that large load projects fail to materialize or underperform. As the Company recommended in its initial comments, the Commission should therefore direct utilities to develop a standardized large load tariff framework that includes:

1. minimum monthly demand charges;
2. minimum term durations;
3. exit fees for early termination;
4. financial collateral covering exit exposure; and
5. a state-prescribed customer benefit contribution to support state customer or energy priorities.

Public comments reflect some uncertainty regarding the overall benefits associated with the addition of large loads; however, when appropriately structured, such loads can deliver meaningful benefits to existing customers and to the State. This proceeding presents a critical opportunity for the Commission to establish clear and consistent signals regarding the conditions under which large load development can

proceed in New York. The Commission should adopt a framework that both protects existing customers from undue risk and provides prospective customers with a fair and predictable pathway for investment in the State.

VI. MORATORIUMS

Some commenters proposed connection moratoriums or blanket delays on large load development. Such mandates are concerning, however, because they could undermine both the economic development potential of large loads and the affordability benefits they can bring. Broad restrictions risk driving investment out of New York, undermining tax base expansion, economic growth, job creation, and cost-sharing benefits without meaningfully improving reliability or affordability outcomes. They are also unnecessary given existing, well-established safeguards, including NYISO reliability studies, Commission oversight of cost allocation and CLCPA alignment, and local siting and environmental review authorities. Most critically, moratoriums run directly counter to the State's Energize NY Development objectives to accelerate interconnection timelines and strengthen economic competitiveness. Instead of imposing inflexible mandates, risks associated with large load growth should be addressed through targeted, case-specific evaluation within existing regulatory and planning frameworks.

VII. MANDATES

National Grid supports integrating large loads in a manner that preserves reliability, protects existing customers, and advances New York's clean-energy goals, while maintaining flexibility to deploy tools such as storage, demand response, phased ramps, and co-located resources where technically feasible and enforceable. However, broad mandates requiring project-specific clean-energy procurement or default non-firm service risk overreaching into complex statewide policy issues including additionality, deliverability, REC eligibility, behind-the-meter resources, and interactions with existing programs that should be addressed through a coordinated statewide framework rather than utility interconnection processes.

Such mandates could create inconsistent requirements, duplicate existing programs, and introduce delays and uncertainty for otherwise viable economic-development projects prepared to meet cost and reliability obligations. Similarly, while flexible interconnection arrangements can provide meaningful value, including as bridge-to-wires solutions, they should remain optional, measurable, operationally reliable, visible to the utility and NYISO, and supported by enforceable obligations. Flexibility should not be presumed equivalent to firm capacity.

A blanket non-firm or interruptible-service default is an imprecise approach that could undermine investment certainty, complicate financing, and deter high-value projects, contrary to the State's economic development objectives. The Commission should instead adopt a balanced, case-by-case framework that preserves optionality, ensures enforceability, and aligns reliability, affordability, CLCPA goals, and New York's competitiveness for large load investment.

VIII. MILESTONES, MATURITY, AND FORECASTING

The initial comments reflect strong consensus that speculative or duplicative large load requests should not drive base forecasts, capital planning, procurement decisions, or infrastructure investment. At the same time, mature and financially committed projects should have a predictable path to advance in a timely manner to ensure long-lead-time equipment is procured. Initial comments reflect support for a standardized, milestone-based framework to assess when large load projects should be included in NYISO forecasts and utility planning assumptions. Across a wide range of perspectives, commenters do not support treating queue position or customer-stated demand, standing alone, as a sufficient basis for treating large load projects as forecasted load.

Commenters also expressed support for a more disciplined NYISO large load forecasting process under which more standardized, project-specific information would be required and indicators of project maturity or viability would be considered before large load additions are reflected in planning assumptions. NYISO and Potomac Economics emphasized the need for timely, updated, and standardized information to distinguish committed from prospective load. Consumer, public-interest, and governmental

commenters, including UIU, PULP, NRDC, EDF, PSEG Long Island, and the City of New York, supported similar measures such as screening, reporting, and financial commitments designed to improve forecast accuracy and reduce the risk that speculative, duplicative, or insufficiently mature projects are reflected in planning assumptions. Although the commenters varied in the specific requirements proposed, their recommendations frequently included factors such as site control, permitting status, financing or financial-security commitments, contractual commitments, utility agreements, duplicate request disclosures, ramp schedules, load profiles, in-service dates, development status, and other indicators of project viability.

The Commission should direct NYISO and utilities to develop a standardized, maturity-based screening process before large loads enter the NYISO process or affect forecasts, including financial commitments, site control, duplicate project disclosure, realistic schedules, technical data, and modeling inputs. In addition, stakeholders should work collaboratively to strengthen queue discipline and study rigor, including deposits, milestones, limits on project changes, removal and re-entry rules for stalled projects, standardized modeling packages, advanced study criteria where needed, and model validation at commissioning.

IX. RELIABILITY REQUIREMENTS

The initial comments demonstrate broad support for making clear, enforceable reliability requirements a core element of any large load interconnection framework. Commenters generally recognized that large loads can create operational impacts that differ from traditional load growth and therefore warrant standardized technical, modeling, monitoring, telemetry, communications, and operating requirements.

NYISO, NYSRC, utilities, and public-interest commenters supported, or advanced substantially similar concepts related to, consistent interconnection and performance standards for large loads. The measures discussed in the comments include requirements addressing voltage and frequency ride-through, ramp-rate or active-power variation limits, disturbance response, dynamic performance, power quality,

participation in reliability programs such as under-frequency load shedding, robust modeling including EMT modeling where appropriate, monitoring, data sharing, operational reporting, and performance verification. Commenters also emphasized site-specific reliability screening to ensure large loads do not introduce instability, degrade service quality, or impose reliability risks on host communities, as well as clear consequences if unresolved reliability violations remain. National Grid broadly agrees with increased requirements around reliability, as outlined in the initial comments.

The Commission should require large loads to be subject to enforceable interconnection, modeling, telemetry, operating, and performance requirements coordinated with NYISO, NYSRC, NERC, NPCC, and affected utilities. Customer ownership or operation of high-voltage facilities should be limited and conditioned where necessary to preserve utility control over system configuration and protection equipment to ensure reliability. Large loads should also be integrated into applicable under-frequency load shedding and emergency load-shed protocols. In particular, large loads connected on the transmission system at 115 kV or above should be capable of direct operator-controlled load shedding through SCADA as needed for emergency reliability actions. The Commission should also support standardized modeling packages, advanced study criteria where appropriate, and model validation during commissioning.

Adopting these requirements would allow credible large load projects to advance while ensuring that their operation does not compromise reliability or service quality for existing customers.

X. USING A SUITE OF TOOLS FOR INTERCONNECTION

Initial comments indicate broad support for using a wide range of tools to integrate large load projects efficiently while protecting reliability and customers. Commenters such as PSEG Long Island, IPPNY, NRDC, ESD, NYSEIA, NY-BEST, ACE NY, Rewiring America, UIU, NRG, and Bloom Energy identified a wide range of potentially valuable solutions, including advanced analytics, automated study tools, standardized engineering designs, digital platforms, grid-enhancing technologies, storage, demand response, load flexibility, phased ramps, distributed energy resources, virtual power plants, and co-located

generation. National Grid concurs that utilities and large load customers should use a broad array of tools to improve interconnection if viable.

Utilities and stakeholders broadly support leveraging advanced technologies (e.g., automation, analytics, grid-enhancing tools) and flexible solutions (e.g., DR, storage, phased energization, co-location) to reduce uncertainty and accelerate service to large loads. However, these solutions must be technically mature, operationally visible, and contractually enforceable to be relied upon in planning. At the same time, no single tool or approach fits all scenarios. Given the wide variation in project characteristics, the Commission should ensure case-by-case application of solutions grounded in sound engineering judgment rather than mandated uniform requirements.

The Commission should also direct utilities and NYISO to develop implementation pathways that allow customers to propose storage, demand response, DERs, co-located generation, phased ramps, or other technologies as part of their interconnection solution to accelerate service where technically feasible. At the same time, the Commission should preserve utility engineering judgment to apply utility-side tools to improve interconnection and grid capacity as they reach maturity, cost effectiveness, and compatibility with safe and reliable operation. Leveraging these tools responsibly on a case-by-case basis can preserve reliability while giving customers more options to reduce costs and accelerate service.

XI. CONCLUSION

National Grid is participating in this discussion with a focus on serving its customers while identifying opportunities to improve affordability and support economic growth in New York. National Grid is encouraged by the general alignment reflected in the initial comments that large load growth can be integrated responsibly through a framework that distinguishes credible projects from speculative requests, preserves reliability, and protects existing customers from undue risk. The Company supports a framework including forecasting discipline, clear reliability guardrails, and strong customer protections, while respectfully opposing proposals that would overcorrect in ways that could unintentionally undermine affordability, competitiveness, or effective system planning. National Grid appreciates the

opportunity to provide reply comments and to engage with DPS Staff, NYISO, utilities, customers, and other stakeholders as this important policy framework develops.

For the reasons set out above, National Grid respectfully urges the Commission to adopt a balanced approach that reinforces proven "beneficiary pays" principles, strengthens financial and operational safeguards, and preserves the flexibility to evaluate projects on a case-specific basis. The Commission should avoid moratoriums, overly prescriptive mandates, or cost allocation approaches that could discourage beneficial investment.

With the right safeguards, New York does not need to choose between affordability, reliability, and economic development. A targeted, balanced framework can do both: protect existing customers and create a workable path for responsible growth. Getting that balance right will better position New York to support needed infrastructure capacity, attract investment, grow jobs and the tax base, help manage customer bills and advance broader State economic development and policy objectives in a coordinated and durable manner.

Dated: June 15, 2026

Respectfully submitted,
NIAGARA MOHAWK POWER CORPORATION
d/b/a NATIONAL GRID

By: */s Kristoffer P. Kiefer*
Kristoffer P. Kiefer

/s Carlos A. Gavilondo
Carlos A. Gavilondo

Attorneys for National Grid