Organization of MISO States (OMS)
Transmission Planning and Resources Work Groups
Response to LLWG Feedback Request
Submitted on August 19, 2026

During the August 12, 2026 Large Load Working Group (LLWG), MISO introduced a Non-Firm Transmission Service proposal titled *Flexible Large-Load Interconnections and Transmission Service* (FLITS). Stakeholders were invited to provide general feedback on the proposal with specific focus on the questions regarding Resource Adequacy from slide 9.

LLWG: Flexible Large-Load Interconnections and Transmission Service (FLITS) Proposal (LLWG-2026-5) (20260812)

The OMS Transmission Planning and Resources Work Groups (OMS Work Groups) provide this feedback to MISO regarding efforts on the FLITS issue at the LLWG. **This feedback is from OMS work groups and does not represent a position of the OMS Board of Directors.**

Resource Adequacy Participation:

The OMS Work Groups recommend that MISO use the same method for determining the resource adequacy obligations of load using Alliant Energy's BITS framework or MISO's FLITS framework that is employed for load not using BITS or FLITS.

- FERC's Show Cause Order stated that due to operational capabilities of flexible large loads, MISO's Tariff must allow for them to choose a transmission service that aligns with their use of the transmission system. The Show Cause Order does not suggest that the resource adequacy contributions of large load should be adjusted based on taking flexible service.
- The OMS Work Groups therefore suggest MISO reject Option 1 from slide 13. Option 1 is also problematic, as:
    - Not representing large load in the Loss of Load Expectation (LOLE) model may lead to inaccurate results, including when risk hours occur which has implications for resource accreditation
    - By not including large load demand in the Planning Resource Auction (PRA), prices may be inadvertently suppressed (Option 1)

The OMS Work Groups request clarification from MISO regarding FLITS load that participates as an LMR (Options 2 and 3).

- Our understanding is that there is an existing option for large loads to participate as LMRs and that such resources could be Designated Network Resources that contribute to NITS. How would FLITS, under Options 2 and 3, be different than this existing option?
- For FLITS, would the associated LMR receive an accreditation value?
- If so, would that value determine the level of FLITS allowed?

As an alternative to Options 2 and 3, has MISO considered a curtailment approach where curtailment is more geographically targeted and the curtailment would not be considered an LMR?

- If FLITS load did not receive accreditation for curtailment, it would still benefit from its curtailment through a reduced obligation if it were to curtail during a time period that impacts resource adequacy obligations. This may be simpler than having a separate set of parallel FLITS LMR rules.

- It may also be more logical to have large load using FLITS curtail for triggers approximating transmission system capacity, as such triggers could be more geographically granular and tied to the transmission service benefit. Example: energy prices or congestion.
- There may also be issues with a blanket Capacity Advisory curtailment:
    - A Capacity Advisory may be at a subregional or footprint-wide basis, and having all FLITS load curtail could potentially make transmission congestion worse in particular geographic areas.
    - If generation was committed for a level reflecting FLITS load, and all the FLITS load all curtailed due to Capacity Advisory status, it is possible that MISO would have inefficiently overcommitted resources in some areas of the footprint.
- We would still suggest that MISO have the option to curtail load taking FLITS at anytime as needed for reliability purposes before deploying LMRs regardless of prices.

Price Responsiveness and Transmission Rate Design

The FERC Show Cause Order discusses the ability of flexible large loads to respond to price signals as a justification for the need for non-firm transmission service. MISO's proposal does not require that type of responsiveness.

- Non-firm load curtailment may be best conditioned on price signal in the energy market in combination with administrative capacity emergency status, to balance both economic and operational risks as conditions tighten.
- If large loads taking service under FLITS cause or worsen congestion, their only responsibility to curtail would be in the case of a Capacity Advisory. Requiring curtailment based on prices, instead, could help ensure service is only available at times to limit the potential to negatively impact other customers.

Additionally, MISO and the Transmission Owners should consider how to incorporate price responsiveness in the transmission rate design for non-firm transmission service.

- This non-firm transmission rate could be a function of the demand elasticity of non-firm load, resulting in loads who are willing and able to be more flexible to pay a lower cost for non-firm service, compensating them for their ability to curtail.
- In effect, this creates an incentive for competition between non-firm large loads as to who can be most flexible, with the potential benefit of reducing the need for network upgrades as large loads more efficiently utilize existing transmission capacity.

ARR/FTR Considerations

The OMS Work Groups support MISO's position that non-firm load should not qualify for ARR entitlements, preventing gaming in the ARR nomination process. However, the OMS Work Groups note that while congestion costs may be mitigated through the ARR/FTR market, more discussion is needed to holistically assess the impact of non-firm load on congestion in MISO.

- The mentioned costs are only relevant to Day-Ahead congestion, any spikes in Real-Time congestion have no analogous mechanism to hedge.
- The *opportunity* to be hedged in the ARR/FTR construct does not *guarantee* that outcome, and more work is ongoing to address improving LSE hedging of congestion. Given the cost that can be incurred by entities purchasing FTRs in MISO's auctions, acquiring FTRs should be seen as a final tool in hedging congestion costs, downstream of efficient operation of the transmission system and generation dispatch.

- As MISO and stakeholders continue to work on enhancements to the ARR/FTR construct at the MSC, the concerns raised about the impact of non-firm load on congestion in MISO is a leading example of the importance of better hedging congestion costs for LSEs. MISO should continue to analyze enhancements that will better reflect current system conditions in the ARR/FTR construct to provide for more accurate hedging, where FTRs more consistently converge with Day-Ahead congestion in an increasingly dynamic grid.

Financial Penalties

To ensure non-firm load faces the appropriate economic consequences for failing to curtail, MISO should explore whether the Compute Heat Rate (CHR) is a sufficient metric to assess a large load's willingness to pay.

- The CHR factors in an individual large load's workload, gross revenue, operating costs, and required return margin to calculate the maximum electricity price at which the workload remains economic. Hans Royal, originator of this concept, estimates that frontier model training may have a CHR as high as $53,000/MWh.
- Therefore, given the highly inelastic demand among some large loads, especially those with a CHR above the MISO-established VOLL of $10,000/MWh, this metric should be considered amongst other tools to ensure the proper price signal is sent to large loads when system conditions are constrained.
- In a recent whitepaper, *Powering Reliability Through Market Design*, PJM contemplated use of the CHR as a means of economic rationing rather than administrative action to induce curtailment, and the OMS Work Groups urge MISO to give the same consideration.

Equipment

The Show Cause Order dictates that if an Eligible Customer to take interim NITS, firm contract demand transmission service, and non-firm contract demand transmission service, an Eligible Customer must have necessary control technologies and/or protection systems. This is an important aspect we see missing from MISO's proposal.

Underlying Cost Shift Issue

The OMS Work Groups highlight the need to resolve the issue of cost shifts of large load network upgrades to other wholesale transmission customers raised in the Show Cause Order to adequately assess the impacts of non-firm transmission service on cost allocation. The OMS Work Groups believe that by ensuring large loads pay the full cost of their requisite network upgrades, large loads would be incentivized to optimize their points of interconnection (POI) to those which require the least expensive network upgrades. By selecting POIs in less constrained areas, large loads can better avoid causing congestion than non-firm load at less optimal POIs would have caused, avoiding higher energy costs for non-large load customers. MISO and the transmission owners should account for these benefits when considering the appropriate cost allocation for FLITS, as well as future discussions at LLWG on cost allocation and cost shifting.

BITS Integration

MISO should clarify how the Bridge Interim Transmission Service (BITS) proposed by Alliant Energy will be handled concurrently with FLITS, and whether it would be offered as a sub-option for an interim transmission service type.