# ELECTRICITY CUSTOMER ALLIANCE

To: North American Electricity Reliability Council
ROPComments@nerc.com

Re: Comments on Proposed Computational Load Entity Rules of Procedure Revisions

The Electricity Customer Alliance (ECA), on behalf of itself and the undersigned customer groups, is pleased to submit comments on NERC's proposed changes to its Rules of Procedure to create a new functional entity type, called "Computational Load Entity", and define the criteria that will require such entities to register with NERC and comply with current or future mandatory and enforceable Reliability Standards. ECA appreciates the opportunity to submit these comments and the efforts that NERC and its staff have made to engage with customers through the course of its analysis of the impacts of emerging large loads on bulk power system reliability. **For the reasons discussed below, ECA asks that NERC decline to move forward with the proposal at this time and instead conduct further examination of the most cost-effective and efficient means of addressing the reliability risks it has identified with respect to emerging large loads.**

ECA is a growing national coalition dedicated to advancing customer-centric solutions that modernize the grid, support economic growth and the development of digital infrastructure and advanced manufacturing, and keep electricity affordable and reliable for all users. Members and participants in ECA include a diverse range of customers and customer groups, from large customers in the technology, industrial, and manufacturing segments, to smaller commercial customers and residential ratepayer advocates. ECA works to elevate customer perspectives and coalesce and align customer segments to identify and advance common ground approaches to the challenges of load growth, grid expansion and modernization, electricity market governance and accountability, and rising electricity affordability concerns.

Creating the proposed new functional entity type, "Computational Load Entity," would mark a dramatic departure from historic practice by, for the first time, subjecting end use customers to mandatory and enforceable reliability standards. To date, the mandatory and enforceable reliability standards framework has focused on the planning and operational activities of entities that generate, transmit, or deliver electricity to end use customers to ensure that these activities support reliable operation of the bulk power system. This includes, among other things, planning, operational practices, communications, training, and system protection standards that these entities must individually and collectively perform to ensure reliable operations in accordance with the requirements of Section 215 of the Federal Power Act. In short, the existing reliability standards framework is focused on the entities that have operational control of the bulk power system and that regularly engage in coordinated planning and communications protocols to ensure reliable operations.

NERC has not demonstrated why bringing end use customers into this framework for the first time would be the most effective and efficient means of solving the emerging reliability challenges it has identified. NERC's Large Load Working Group (LLWG) has found that emerging large loads (which it proposes to define as "Computational Loads" like data centers or cryptocurrency operations) may pose certain new risks to reliable operations, including operational risks from sudden load drops, ramping characteristics, and inability to ride through disturbances. In addition, the LLWG identified gaps in existing reliability standards and requirements that do not account for the unique characteristics of these emerging loads, such as planning and interconnection obligations and modeling and study requirements. With respect to large load interconnection processes, the LLWG identified the lack of consistent interconnection requirements among current registered entities to ensure the identification of potential impacts to the bulk power system, such as requirements related to voltage/frequency disturbance ride-through, sensitive protection settings, ramping, power quality, and oscillation. The LLTF also noted gaps in the assignment of responsibility among existing registered entities for assessing and mitigating these potential risks.

NERC has not fully explained why an unprecedented expansion of registration requirements to end use customers is the most effective strategy for filling these gaps in requirements and assignments of responsibility. The LLTF's gap assessment's first recommendation notes that "[t]here are multiple high-impact risks to the [bulk power system] from large loads that NERC registered entities cannot adequately address," a statement followed by a stark conclusion that NERC should "pursue registration of a type of entity (or types of entities) that is able to perform specific functions to address the risks."[1] NERC repeats this conclusion in the "Technical Reasoning" document accompanying the proposed revisions to the Rules of Operating Procedure, stating that "[d]ue to the number of existing and anticipated large loads needing power to support computational processes and the unforeseen and difficult-to-explain dynamic electrical behavior of these users of the [bulk power system] as identified by the LLWG, NERC determined that it was appropriate to propose a new functional entity type that focuses on loads with these characteristics."[2]

These broad statements do not answer the fundamental question of why existing NERC registered entities could not adequately address these impacts with changes to the existing reliability standards, or the development of new reliability standards, to fill the information, modeling, study, and operational coordination gaps that have been identified. The two Large Load Task Force (LLTF) white papers that form the basis for the recommendation to create a new functional entity, and the

[1] NERC, "Assessment of Gaps in Existing Practices, Requirements, and Reliability Standards for Emerging Large Loads: NERC Large Loads Working Group White Paper" at 53 (March 2026), *available at* https://www.nerc.com/globalassets/our-work/guidelines/reliability/white-paper---assessment-of-gaps.pdf.
[2] NERC, "Technical Reasoning: Proposed Computational Load Entity" at 2 (April 2, 2026), *available at* https://www.nerc.com/globalassets/who-we-are/rules-of-procedure/proposed/cle-technical-reasoning-april-2026-posting.pdf.

other available evidence, including the two industry alerts NERC has issued urging existing registered entities to take additional steps to address large load impacts, likewise do not answer this question.

This fundamental question should be answered before taking the unprecedented step of expanding the universe of registered entities beyond those with direct operational control of the bulk power system. Adding end use customers to the NERC registry and the framework of mandatory and enforceable reliability standards would add new complexities to the compliance regime and could create unintended consequences for that regime. For example, end use customers do not have the same operational control over the bulk power system or visibility into operations that existing registered entities possess, nor are they integrated into the communications and protocols that have long existed between these entities. These realities will likely create added complications for end use customers in complying implementing operational controls in real-time when compared to existing registered entities. In addition, integrating an entirely new set of registered entities for the first time could result in new process or analysis gaps or require new modes of communication, requiring additional work that could detract from or stall progress in addressing the emergent reliability concerns identified by the LLWG. Moreover, deflecting a subset of reliability obligations to end use customers instead of the entities with direct bulk power system operational control could fragment and weaken existing accountability structures.

Reforming the existing reliability standards or developing new standards to fill the information, modeling, study, and operational coordination gaps that have been identified would not mean that emerging large loads are free of any responsibility for contributing to the reliable operation of the bulk power system. Load interconnection requirements and communication protocols implemented by registered entities would place appropriate obligations on those large load customers while retaining the focus of the NERC standards framework on those entities who have direct operational control of the bulk power system. The difficulty of defining "Computational Loads" and the fact that customer loads are not a monolith and have different operational profiles and potential grid impacts, both of which NERC has acknowledged, makes it all the more appropriate to focus on interconnection requirements implemented through existing registered entities rather than expanding the registered entities that must be involved.

In addition, before taking such a significant step to expand the universe of registered entities, NERC should solicit the views of the Federal Energy Regulatory Commission (FERC), states, and other key policymakers, and engage them in further examination of the most effective approach to address the identified reliability risks. FERC is ultimately responsible for implementation of the mandatory reliability standards framework envisioned by Congress in Section 215 of the Federal Power Act, including determining the jurisdictional reach of Section 215 to "users, owners and operators of the bulk-power system." NERC's proposed criteria directly implicate jurisdictional questions, particularly its proposal to apply registration requirements based on aggregated load at a single

point of interconnection at a voltage of 60 kV or higher, which is above the 100 kV threshold for determination of bulk power system facilities. FERC guidance on these questions before taking additional steps to extend the NERC compliance framework well beyond where it has been historically, and beginning the process of placing the obligations of that framework on end-use customers, is critical. Moreover, other federal and state policymakers likely have views on the efficacy of such a change and how it could impact consumer costs. Additional process (perhaps convened by FERC) is important to transparently address these issues before moving forward.

Finally, while NERC has identified important reliability considerations of emerging large loads that require immediate attention, it is not clear that expanding the universe of registered entities is necessary on the aggressive schedule NERC is pursuing. We understand that the initial reliability standards developed under the draft Standards Authorization Request issued in April will not apply to the proposed new Computational Load Entities. In addition, the Level 2 and 3 Alerts that NERC has issued in the past several months have identified important steps that existing registered entities should take now to address emergent reliability concerns identified by the LLWG. As a result, there is ample time to engage in additional examination and fact finding before finalizing a decision on registration of Computational Load Entities.

For these reasons, we urge NERC to reconsider adding additional registered entities at this time and instead examine whether reforming existing standards and the responsibilities placed on existing registered entities would be a more effective and efficient approach to address the identified gaps. We look forward to further engaging with NERC and stakeholders on these important reliability issues.

Sincerely,

Electricity Customer Alliance (ECA)
Electricity Consumers Resource Council (ELCON)
Industrial Energy Consumers of America (IECA)