RELIABILITY | RESILIENCE | SECURITY

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Project 2026-02 Outreach

July 2026

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Project 2026-02 Goals

Project Goals include developing:

1. Changes to **NERC Glossary to align with Rules of Procedure modifications**

2. Requirements to address **integration of Computational Loads onto the BPS**

"This drafting team will develop one or more Reliability Standard(s) to address in the near-term **essential actions** entities must take to assure the reliable integration of large loads into the BPS."

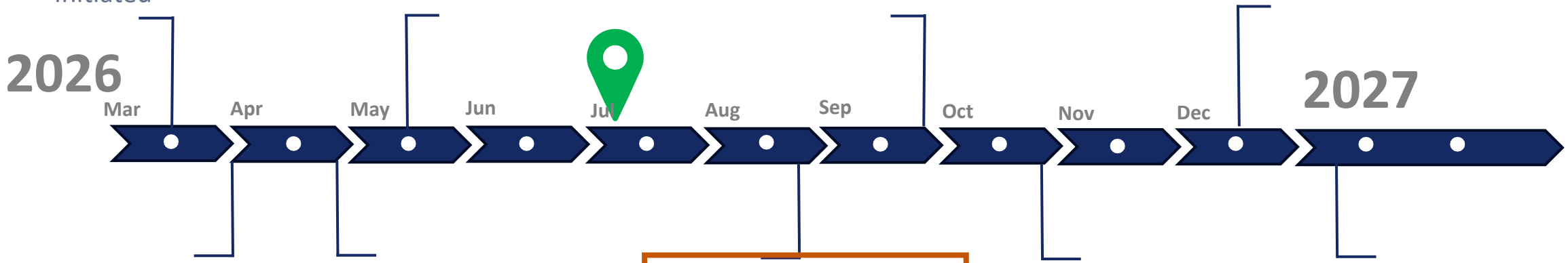
2026-02 Computational Loads Project Timeline

March 18th:
- Project 2026-02 Initiated

May 15th:
- Rules of Procedure Comments Due

September/October:
- DT reviews comments & updates standard draft

December:
- Board Adoption



April 1st:
- Project 2026-02 SAR Posted for Comment
- Rules of Procedure (Computational Load Entities) Posted for Comment

April 30th:
- SAR Comments Due
- Deadline to Join Short-Term Advisory Group

August/September:
- Initial formal posting for industry comment

October/November:
- Additional posting for industry comment

2027:
- Commence Phase 2

Zoom-In

May 15th:
- ROP Comments

May 20th:
- SC approval for formal drafting

August:
- Initial formal posting for industry comment

May 11-13th:
- DT alignment on SAR priorities for Phase 1
- Submit revised SAR to SC
- Deeper dive on framework

June 8-10th:
- Initial draft of Phase 1
- DT coordination with ROP changes/feedback
- Short-Term Advisory Group Engagement

July 14-16th:
- Near final draft of Phase 1
- DT coordination with LLWG on Phase 2
- Short-Term Advisory Group Engagement

Standard & ROP Development Coordination

Project 2026-02 and the ROP modifications are actively being developed in parallel

ROP
NERC Registration Staff

Define “what” and “who”

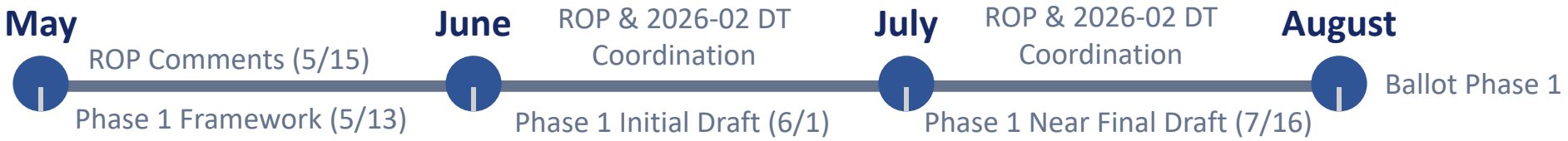
- **What –** type of facilities and thresholds that pose risk to the BPS
- **Who –** the entities responsible for mitigating that risk

Project 2026-02
Standard Drafting Team

Define “how”

- **How** – actions needed to mitigate the risk to the BPS

*Apply actions to the facilities that pose the risk **(What)** & Assign actions to those appropriate to mitigate the risk **(Who)***



Recent Feedback: NERC preliminarily is expecting to have two new Functional Entities – Computational Load Owner and Computational Load Operator

Phase 1 Strategy: "Foundational" Standard(s)

Goal: Deliver Reliability Standard Requirements that…

1. Are essential actions that 'move the needle the most'
2. Can be most effectively delivered on the targeted Phase 1 timeline (2026)

Strategy:

1. **Set the Foundation:**

   Focus on the core, process-related items in Phase 1 (set the foundation)

2. **Don't Start from Scratch**

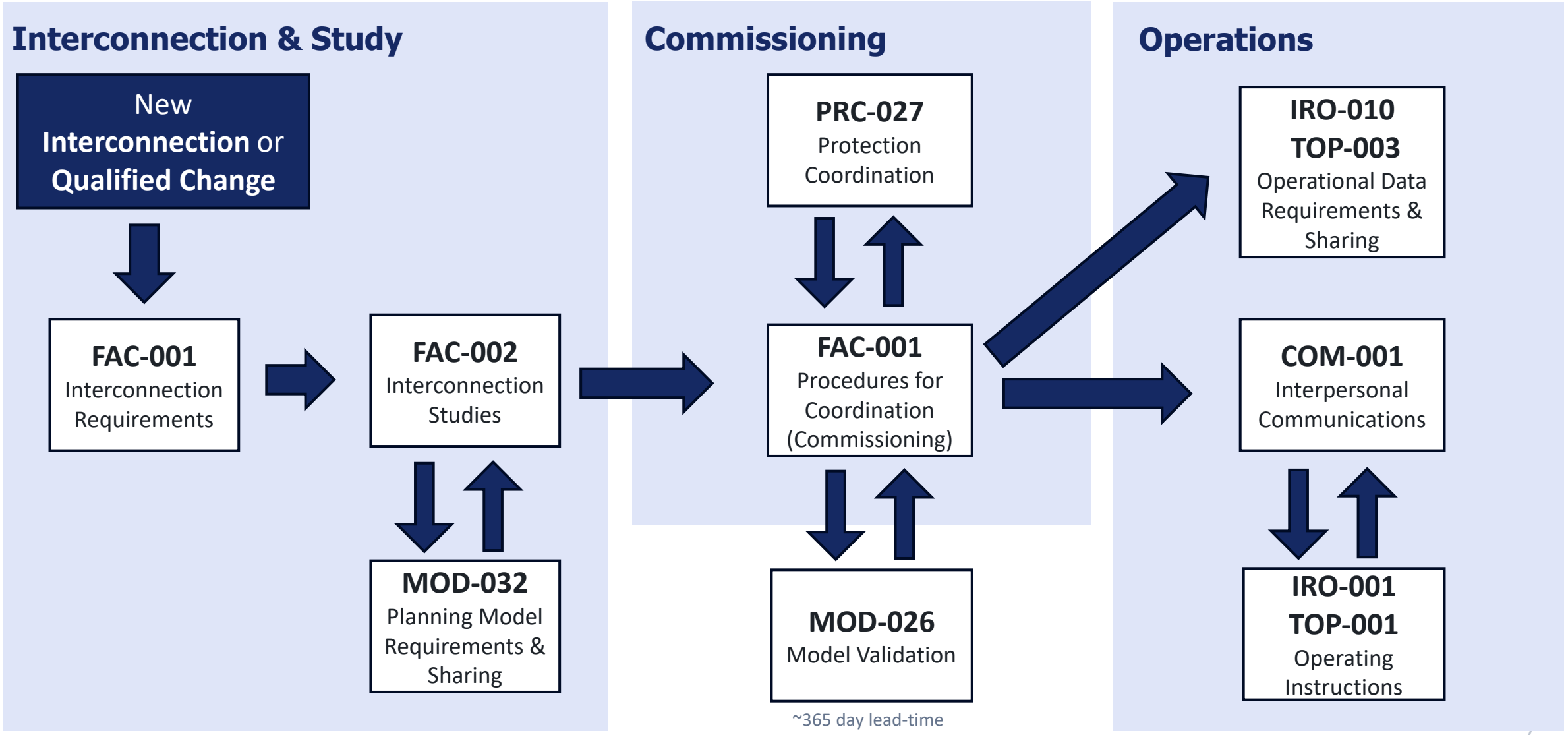
   Leverage existing process-related frameworks & concepts for integrating elements onto the BPS

3. **Enable Industry Flexibility in an Evolving Time**

   Allow flexibility on process specifics, do not include technical specifics that are still evolving and/or may have regional variances

Notable Integration Requirements: Other Facilities

Generation & transmission Facilities have foundational “essential actions” as part of integration



Project 2026-02: "Six Core Buckets"

Data Sharing	– CL Data → Owners, Planners, Operators
Interconnection Requirements	– Developed in coordination with Planners & Operators
Interconnection Study & Modeling	– Interconnection study process with accurate modeling data
Commissioning	– Establish commissioning procedures
Communications & Response	– CLs have communication protocols with Operators
High Resolution Disturbance Monitoring	– Require high-resolution monitoring for CLs

Phase 2 & Beyond to address gaps that require additional technical work (e.g., minimum Voltage & Frequency Ride-Through performance requirements)

Voltage & Frequency Ride-Through (VRT/FRT)

Project 2026-02 is addressing **foundational** essential actions associated with VRT/FRT risk

Phase 1 Foundational Requirements	Dynamic Modeling	Interconnection Studies	Interconnection Requirements

While Phase 1 is not planning to address **industry-wide**, minimum VRT/FRT performance thresholds due to further technical work required, work **is actively progressing in parallel**

LLWG Work Plan (Dec 2026)	Whitepaper: Large Load Disturbance Performance

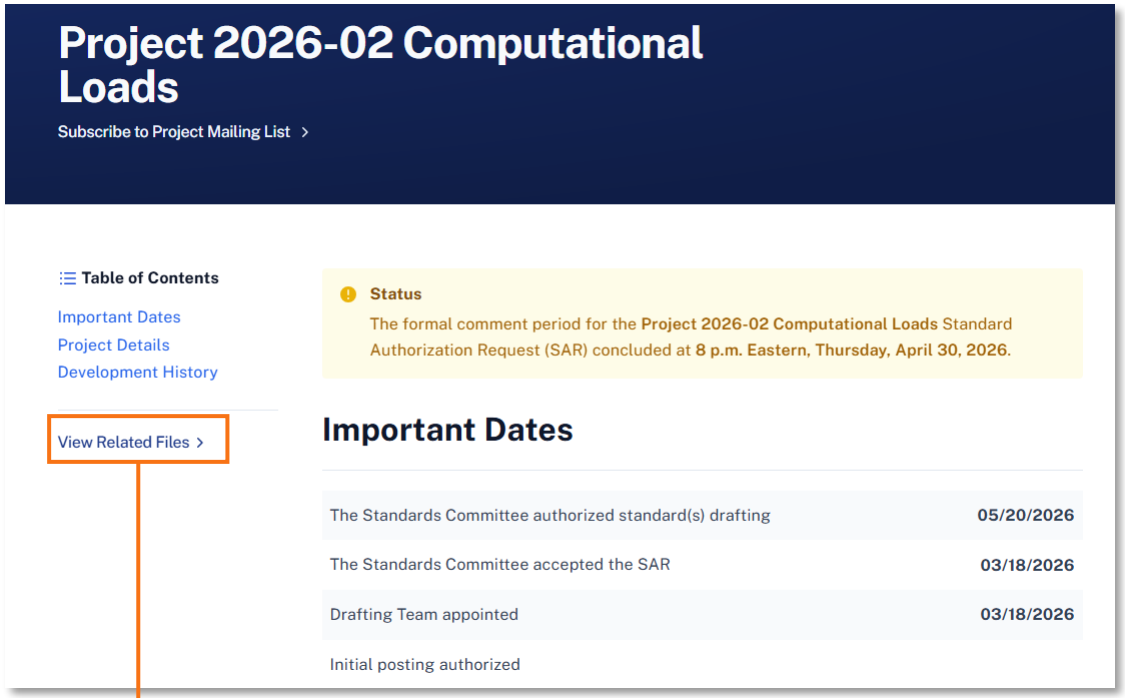
Assess appropriateness and reliability need for industry-wide vs. regional or local VRT/FRT thresholds

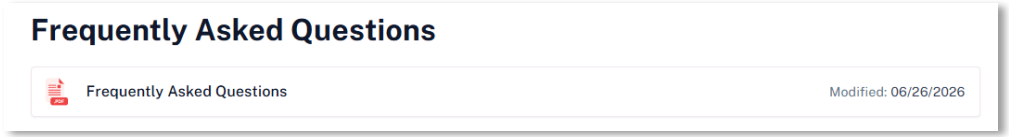
Provide insight on how to construct VRT/FRT, and post fault active power recovery requirements

What We Must Deliver

Reliability Standards	Implementation Plan	Technical Rationale
v4 Draft Complete	v2 Draft Complete	v1 Draft Complete
Packaging & Redlines	Robust Outreach Plan & Messaging	FAQ
Not Started	In Progress Complete	v1 Draft Complete

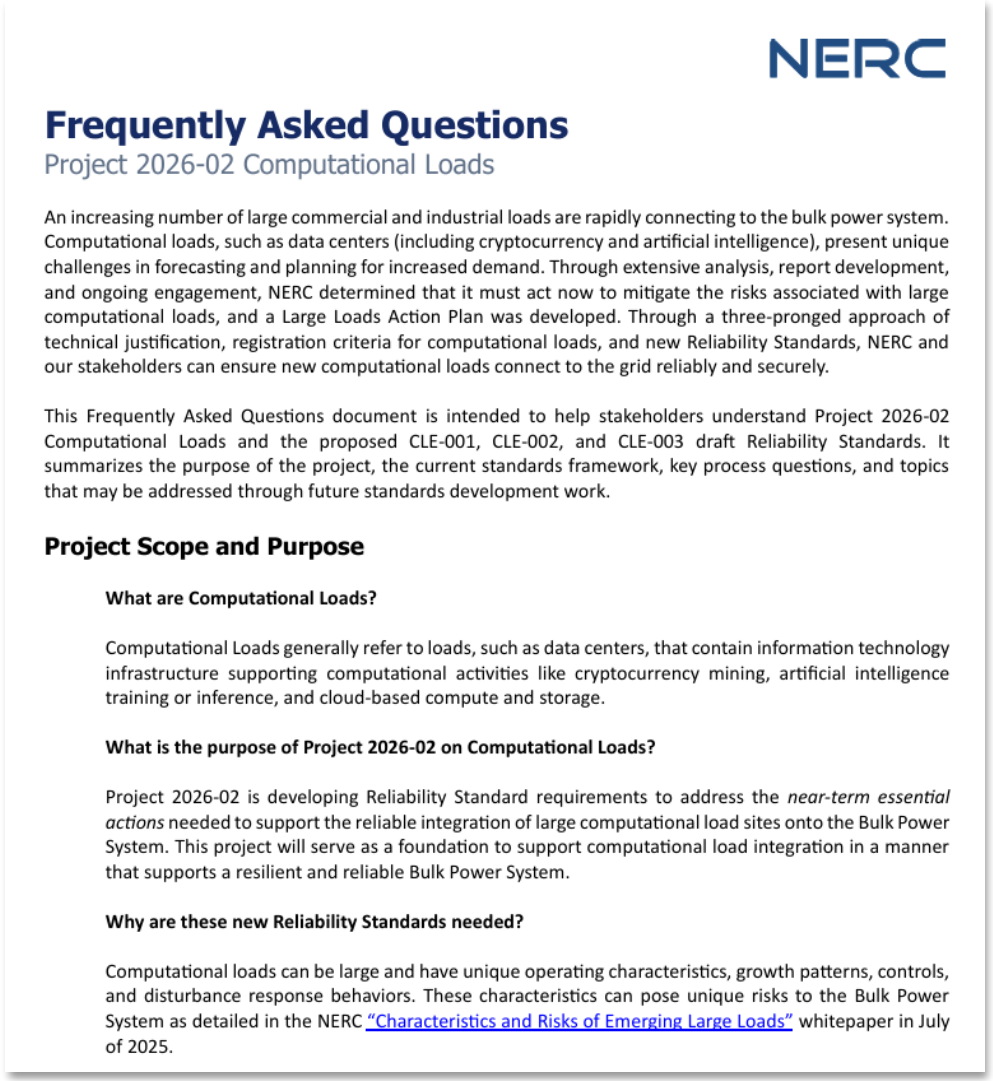
Frequently Asked Questions (FAQ)





- Project Scope & Purpose
- Industry Engagement
- ROP Modifications
- Standard Applicability
- New vs. Existing Standards
- Implementation Plan
- Technical Topics

[Project 2026-02 FAQ]



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Frequently Asked Questions

Project 2026-02 Computational Loads

An increasing number of large commercial and industrial loads are rapidly connecting to the bulk power system. Computational loads, such as data centers (including cryptocurrency and artificial intelligence), present unique challenges in forecasting and planning for increased demand. Through extensive analysis, report development, and ongoing engagement, NERC determined that it must act now to mitigate the risks associated with large computational loads, and a Large Loads Action Plan was developed. Through a three-pronged approach of technical justification, registration criteria for computational loads, and new Reliability Standards, NERC and our stakeholders can ensure new computational loads connect to the grid reliably and securely.

This Frequently Asked Questions document is intended to help stakeholders understand Project 2026-02 Computational Loads and the proposed CLE-001, CLE-002, and CLE-003 draft Reliability Standards. It summarizes the purpose of the project, the current standards framework, key process questions, and topics that may be addressed through future standards development work.

Project Scope and Purpose

What are Computational Loads?

Computational Loads generally refer to loads, such as data centers, that contain information technology infrastructure supporting computational activities like cryptocurrency mining, artificial intelligence training or inference, and cloud-based compute and storage.

What is the purpose of Project 2026-02 on Computational Loads?

Project 2026-02 is developing Reliability Standard requirements to address the *near-term essential actions* needed to support the reliable integration of large computational load sites onto the Bulk Power System. This project will serve as a foundation to support computational load integration in a manner that supports a resilient and reliable Bulk Power System.

Why are these new Reliability Standards needed?

Computational loads can be large and have unique operating characteristics, growth patterns, controls, and disturbance response behaviors. These characteristics can pose unique risks to the Bulk Power System as detailed in the NERC "Characteristics and Risks of Emerging Large Loads" whitepaper in July of 2025.

Potential Structure of Phase 1 Standards

CLE-001: Interconnection, Studies, & Modeling Data

CLE-002: Operational Data & Communications

CLE-003: Protection & Disturbance Monitoring

Standard Development Strategy

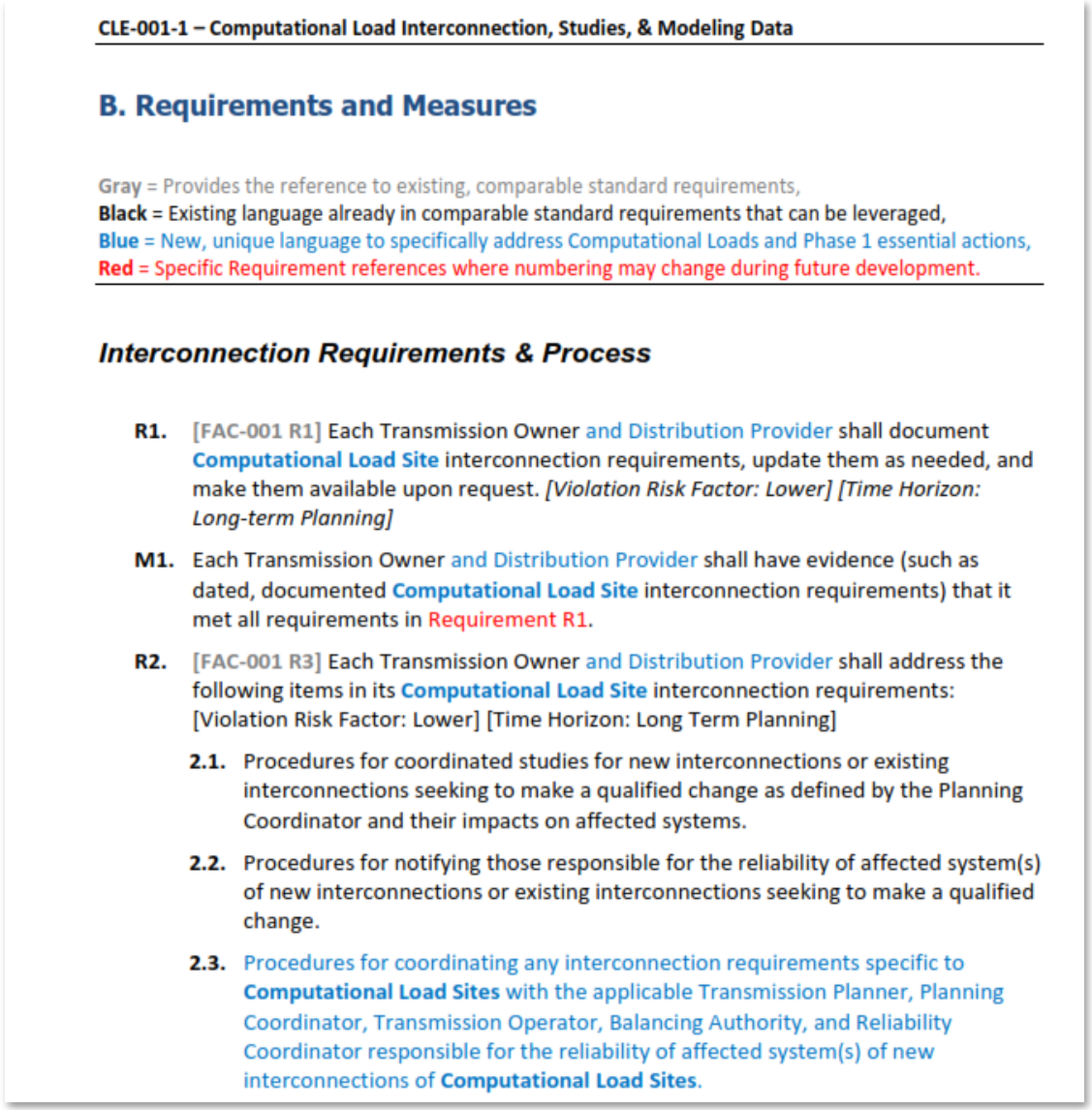
"Compliance Words Matter"

We are using **time-tested**, **compliance-vetted**, and **industry-supported** language and making incremental changes where appropriate due to the uniqueness of Computational Loads

The drafting team is clearly denoting comparable integration requirements in existing standards and incremental changes to that language (based on industry feedback and support)

Black = Existing language in comparable requirements
Blue = New language needed for Computational Loads

The latest version (6/11) is our 4th revision, reflective of extensive industry feedback and comprehensive DT discussions



CLE-001-1 – Computational Load Interconnection, Studies, & Modeling Data

B. Requirements and Measures

Gray = Provides the reference to existing, comparable standard requirements,
Black = Existing language already in comparable standard requirements that can be leveraged,
Blue = New, unique language to specifically address Computational Loads and Phase 1 essential actions,
Red = Specific Requirement references where numbering may change during future development.

Interconnection Requirements & Process

R1. [FAC-001 R1] Each Transmission Owner and Distribution Provider shall document **Computational Load Site** interconnection requirements, update them as needed, and make them available upon request. *[Violation Risk Factor: Lower] [Time Horizon: Long-term Planning]*

M1. Each Transmission Owner and Distribution Provider shall have evidence (such as dated, documented **Computational Load Site** interconnection requirements) that it met all requirements in Requirement R1.

R2. [FAC-001 R3] Each Transmission Owner and Distribution Provider shall address the following items in its **Computational Load Site** interconnection requirements: [Violation Risk Factor: Lower] [Time Horizon: Long Term Planning]

- **2.1.** Procedures for coordinated studies for new interconnections or existing interconnections seeking to make a qualified change as defined by the Planning Coordinator and their impacts on affected systems.
- **2.2.** Procedures for notifying those responsible for the reliability of affected system(s) of new interconnections or existing interconnections seeking to make a qualified change.
- **2.3.** Procedures for coordinating any interconnection requirements specific to **Computational Load Sites** with the applicable Transmission Planner, Planning Coordinator, Transmission Operator, Balancing Authority, and Reliability Coordinator responsible for the reliability of affected system(s) of new interconnections of **Computational Load Sites**.

Draft Implementation Plan Development

CLE-001

Interconnection, Studies, & Modeling Data

Interconnection Process & Modeling Data Specifications

Study Coordination & Data Provision

Reg Approval → Next Quarter → +6 Months / +9 Months

CLE-002

Operational Data & Communications

Operational Data Specifications

Operational Data Provision

Interpersonal Communication

Reg Approval → Next Quarter → +6 Months / +9 Months / +12 Months

CLE-003

Protection & Disturbance Monitoring

Protection Coordination

Disturbance Monitoring

In-Service Prior

In-Service After

Reg Approval → Next Quarter → +9 Months

50% within 3 Years
100% by Jan 1, 2032

+15 Months

Notable Recent Draft Standard Modifications

- **ROP**
  - Computational Load Site
  - Computational Load Owner vs. Computational Load Operator
- **CLE-001**
  - TO, DP, GO applicability only for those with existing or future Computational Load Site Interconnection
  - Minimum modeling data specifications
  - Model Verification
- **CLE-002**
  - Modify Operating Instruction definition (add Computational Load Site)
- **CLE-003**
  - Sequence of Event Recording (SER) data

Next Steps

- July
  - Updated ROP Functional Entity Definition Coordination (July 1st)
  - In-person drafting team meetings (July 14-16th) to create near final drafts
    - Standards, FAQ, Implementation Plans, Technical Rationale, Redlines & Packaging
  - NERC LLWG Coordination
  - Final ROP alignment pre-ballot
  - Continued extensive industry outreach, including Short-Term Advisory Group Engagement
- August
  - Target initial posting for industry comment

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Discussion