

Western Market Choice Reopens as Texas Halts Data-Center Permits

September 19-25, 2026

Executive Summary

Two storylines dominated North American power markets during the week, both rooted in the same underlying pressure: surging data-center demand and the question of how the grid will be organized to serve it. In the West, the contest between CAISO's Extended Day-Ahead Market and SPP's Markets+ sharpened as the Bonneville Power Administration held its first day-ahead-market workshop under Administrator Travis Kavulla and signaled a formal reconsideration of its earlier commitment to Markets+, putting EDAM back in serious contention. The move reverberated across the region. The California Public Utilities Commission opened a rulemaking on how the state's investor-owned utilities will participate in the emerging Regional Organization for Western Energy, an Arizona regulator pressed the state's utilities for fresh analysis of their market-choice decisions, and market participants debated openly whether two competing Western markets serve customers better than one.

In Texas, Governor Greg Abbott directed the state environmental regulator to halt all data-center permitting pending completion of the ERCOT and water-agency audits, extending a de facto moratorium on large-load interconnection to a queue that now approaches 474 GW and is overwhelmingly composed of data centers. At the federal level, the Department of Energy's roughly \$1.9 billion "Speed to Power" award for transmission reconductoring and grid-enhancing technologies touched utilities across the MISO and PJM footprints, while MISO, fresh off its September board week, filed to scale back interconnection restudies and offer a one-time exit ramp for stalled 2022-cycle projects. Operationally the week was quiet, as late-September shoulder-season conditions left most markets without notable price or load events once the mid-month warm spell faded, placing the emphasis squarely on governance, regulatory, and interconnection developments.

CAISO

CAISO itself had a quiet operational week, with late-September shoulder-season conditions producing no notable heat events, grid alerts, or price records, and no new filings at the Federal Energy Regulatory Commission. The grid operator's public activity centered on forward-looking communications, including a newly released operations podcast previewing the coming winter's reliability outlook. Attention within California instead concentrated on the governance architecture of the West's expanding regional markets rather than on day-to-day system conditions.

The California Public Utilities Commission unanimously approved a rulemaking to establish how the state's investor-owned utilities will be authorized to participate in the Regional

Organization for Western Energy, the independent governance body being stood up for CAISO's expanding Western markets. The proceeding implements state legislation directing California toward regional market participation and is closely tied to the West-Wide Governance Pathways Initiative, with at least one commissioner urging that the state take seriously the option to exit should governance terms prove unfavorable. No CAISO board or Western Energy Markets governing body meeting fell within the week; the next such session is scheduled for late October.

WEIM/EDAM

The Western regional markets were the center of gravity for the week's news, driven by the Bonneville Power Administration's decision to reconsider its market path. Under Administrator

Travis Kavulla, BPA convened its first day-ahead-market workshop and signaled to the Regional Organization for Western Energy that it will re-examine its earlier record of decision to join SPP's Markets+, putting CAISO's Extended Day-Ahead Market back in contention. The workshop, which drew input from the Public Power Council, Charles River Associates, and E3, framed the choice as a contest between market design and economic fundamentals, with BPA weighing measures such as market depth and liquidity that its own analysis has characterized as favoring the larger EDAM footprint. A draft decision is expected by year-end.

BPA's reconsideration rippled outward. In Arizona, a Corporation Commission commissioner asked the state's major utilities to refresh their analyses of the EDAM-versus-Markets+ decision, explicitly citing the possibility that a BPA switch could reshape the competitive landscape. At a joint CAISO-SPP seams discussion, The Energy Authority argued that sustained competition between the two Western day-ahead markets would ultimately yield more efficient outcomes than consolidation into a single market, a view that captured the week's central strategic debate. Against this backdrop, CAISO's Department of Market Monitoring noted that natural gas prices across parts of the West had fallen nearly 50 percent in the first quarter of 2026 relative to a year earlier, a dynamic that continues to shape the economics both prospective markets must weigh.

ERCOT

ERCOT's week was defined by regulatory escalation rather than market operations, which were unremarkable in the post-summer shoulder season, with no records, conservation appeals, or emergency conditions reported. Governor Greg Abbott directed the Texas Commission on Environmental Quality to halt issuance of all data-center permits pending completion of the ongoing ERCOT and water-agency audits, with the agency ordered to report its compliance within roughly a month. The directive is notably broad, reaching even behind-the-meter projects that would not interconnect to the grid, and it tightens what has effectively become a moratorium on large-load additions while the state assesses the reliability and resource implications of explosive data-center growth.

The action lands on an interconnection queue that has swelled to roughly 474 GW, the overwhelming majority of it data-center load, much of which may prove speculative or duplicative. ERCOT has already acknowledged that it will not meet the original spring 2027 study deadline for its Batch Zero cohort of large loads, and the audit that underpins Abbott's pause is targeted for completion around the middle of December. The

stakeholder calendar was light, with the Wholesale Market Working Group convening at week's end but no board or Technical Advisory Committee meeting; the dominant thread remains how Texas will reconcile its open-market tradition with the reliability strains of concentrated new demand.

SPP

SPP had a moderately active week centered on operations and stakeholder work. The grid operator issued a brief Energy Emergency Alert Level 1 driven by congestion on the eastern seam of its eastern balancing authority area, reported as its first such alert in roughly two years, though the precise duration and magnitude were not disclosed. The episode underscored the congestion pressures that continue to accompany SPP's rapid load and resource changes even outside of extreme weather, and it arrived as the pool advanced a dense agenda of stakeholder work.

SPP's working groups gathered in Denver for a concentrated run of face-to-face and net-conference sessions, including the Market Working Group, the Supply Adequacy Working Group, the Finance Committee, the Regional Tariff Working Group, the Model Development Advisory Group, and the Regional Allocation Review Task Force. These meetings advanced the pool's ongoing work on market design, resource adequacy, and cost allocation, with formal outcomes still to be posted and the next board of directors and members committee meeting not scheduled until November. On the seams, an Entergy Texas complaint at FERC contesting roughly \$70 million in joint interregional transmission upgrade costs assigned to a generating plant highlighted the continuing friction over how MISO and SPP allocate the cost of connecting their systems.

SPP Markets+

Because Markets+ remains in development rather than operation, the week produced no operational or price data, but it delivered the single most consequential storyline for the initiative's prospects: the Bonneville Power Administration's public reconsideration of its commitment to join. BPA's day-ahead-market workshop and its signal to the Regional Organization for Western Energy that it will revisit its earlier decision represent a material competitive threat, given the utility's scale and its pivotal position in the Pacific Northwest. No Markets+ Participant Executive Committee meeting was held during the week, no new tariff filing was made, and no new participant commitments were announced, leaving the seven-day momentum tilted toward potential attrition rather than growth.

The broader strategic debate over the Western market landscape bore directly on Markets+'s standing. At the joint CAISO-SPP seams discussion, The Energy Authority's argument for preserving two competing markets served as a counterpoint to the consolidation pressure implied by BPA's potential departure, while Arizona regulators' request for updated utility analyses kept the EDAM-versus-Markets+ question alive in another key subregion. SPP and its supporters will look to the coming weeks, including an interim independent panel session scheduled just after the reporting window, to steady the initiative as year-end decision points approach.

MISO

MISO generated the week's densest slate of developments, largely as follow-through from its mid-September board week in Little Rock, whose filings and decisions surfaced across the reporting window even though the meetings themselves preceded it. Most consequentially, MISO filed at FERC to reduce the volume of interconnection restudies and to offer a one-time exit ramp allowing stalled 2022-cycle projects to withdraw without penalty later in the year, an effort to relieve a queue that has become a chronic bottleneck. The grid operator also drew scrutiny over the governance of its independent market monitor, with a third-party review pointing to stakeholder desire for clearer guardrails and board oversight, and it advanced a board nomination bringing cybersecurity and intelligence expertise for a term beginning in 2027.

Reliability and cost-allocation questions rounded out MISO's week. The Department of Energy's emergency orders keeping Indiana coal units running past their planned retirements grew more legally fraught amid a court decision casting doubt on the agency's authority to compel continued operation, leaving utilities to pursue cost recovery on uncertain footing. On transmission, Entergy Texas's FERC complaint over roughly \$70 million in joint targeted interconnection queue costs assigned to a generating plant extended a running series of disputes over how interregional upgrade costs are allocated along the MISO-SPP seam. Separately, NERC's approval of MISO's shift to SERC Reliability as its primary regional entity, ending a decade-long relationship with ReliabilityFirst, added a structural change to the week's ledger.

PJM

PJM's in-window activity was comparatively muted. The meaningful heat-driven price signal, marked by triple-digit on-peak day-ahead prices and maximum generation warnings tied to unusually warm mid-September weather and maintenance

outages, had largely passed before the window opened as conditions eased. No new capacity-market or FERC action specific to PJM was confirmed during the week, and the market's most significant recent policy filings on large-load service and data-center ride-through requirements predated the reporting period. The week's PJM commentary instead featured an outside opinion piece pressing the view that interconnection delays, driven by sheer queue volume, remain the market's core problem.

The data-center theme surfaced prominently in executive commentary, as Exelon's chief executive told an audience in Washington that mounting community opposition to data centers stems from inadequate engagement and framed the backlash as a solvable problem rather than an intractable obstacle. At the state level, Ohio regulators approved a change of ownership for a PJM utility with conditions barring board members holding data-center financial interests from related decisions and limiting ratepayer recovery of deal costs, though the underlying vote appears to have occurred just before the window opened. The Department of Energy's roughly \$1.9 billion transmission award also reached at least one PJM utility, folding the market into the week's broader federal push to expand grid capacity through reconductoring and grid-enhancing technologies.

ISONE

ISO New England saw a quiet operational week amid mild shoulder-season conditions, with no notable price or load events confirmed. The grid operator marked a milestone in the region's solar transformation, reporting that New England had recorded its five-hundredth "duck curve" day, the pattern in which abundant midday behind-the-meter solar output depresses net demand before a steep evening ramp. The pace of that shift has accelerated markedly, with behind-the-meter solar now capable of meeting a substantial share of daytime demand and reshaping how the system is forecast, scheduled, and operated.

Policy and market-design conversation continued around the region's resource future, including a feature examination of whether New England is positioned to host new nuclear generation as interest in existing plants and small modular reactors grows. A FERC order approving changes to ISO-NE's day-ahead ancillary services market appeared to have issued around the edge of the window, though its precise timing was difficult to confirm, and the region's longer-running dispute over the cost of that ancillary services design remained in the background. No NEPOOL committee meeting was confirmed as

held during the seven days, leaving the week light on formal stakeholder action.

NYISO

NYISO's week was anchored by transmission policy and a retrospective on summer performance. In coverage landing within the window, the New York Public Service Commission's approval of the roughly \$3.26 billion Propel NY Energy project, a ninety-mile underground transmission build across the New York City region and downstate suburbs developed by New York Transco and the New York Power Authority, drew attention for reaffirming the state's offshore-wind and clean-energy ambitions despite earlier project cancellations, even as the commission's underlying vote appears to have come just before the window opened. The project targets completion around the end of the decade and is intended to unlock delivery of offshore wind and support long-term reliability.

Separately, NYISO presented a look back at summer system conditions, noting that New York had experienced ten days with system peak load above 27,000 MW during a summer marked by a persistent heat dome. The grid operator did not disclose in-window daily price figures, and late-September conditions were unremarkable. No major NYISO committee meeting was confirmed as convening during the week, and the market's larger themes for the year, accommodating large new loads and preserving reliability through the clean-energy transition, carried forward without a defining in-window action.

AESO

Alberta's market was quiet on confirmable news during the week, with no verified pool-price events, grid alerts, or stakeholder sessions falling within the seven days. The dominant provincial storyline remained the collision between surging data-center interest and the physical limits of grid access. An in-window industry analysis underscored that requested data-center load in Alberta now exceeds 20,600 MW, well above the province's typical peak demand near 13,000 MW, making grid access rather than capital or siting the binding constraint on that growth.

The same analysis highlighted Alberta's data-center regulation, which codifies a bring-your-own-generation policy requiring large connecting loads to contribute offsetting generation to the common pool, and noted that AESO's rollout of the associated process has been pushed to later in the fall with a compressed intake window. The province's broader Restructured Energy Market redesign continued in the background without a verifiable in-window milestone. Taken together, Alberta's near-term trajectory hinges on how quickly the system operator can translate its evolving rules into actual interconnection capacity for the loads clamoring to connect.

IESO

Ontario's system operator had an active week focused on market-design and procurement mechanics. The IESO pressed forward with changes to its Intertie Offer Guarantee program, holding to an early-2027 implementation timeline and moving to restrict import price guarantees to declared reliability needs, over objections from energy traders and market observers who warned the change could discourage cross-border flows and raise wholesale costs. The operator also proposed adjustments to a program that helps industrial, commercial, and institutional facilities identify and finance energy savings, part of a continuing effort to sharpen demand-side tools under the renewed market.

On procurement, the IESO finalized modifications to its long lead-time request for proposals aimed at new hydroelectric and long-duration energy storage resources, opening registration and adding a mechanism to replace awards that go unsigned or are disqualified, along with provisions allowing it to share project-progress information with the provincial government. In parallel, the operator opened qualification for its November capacity auction, with a qualification deadline at week's end and bidding set for late November covering obligation periods spanning summer 2027 and the following winter. The combination of import-guarantee reform, targeted long-duration procurement, and the capacity-auction cycle underscored an Ontario market working through the operational details of its post-market-renewal era.

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