

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

En Banc Hearing Concerning
Interconnection and Tariffs for
Large Load Customers

Docket No. M-2025-3054271

**COMMENTS OF
AMAZON DATA SERVICES, INC.**

I. INTRODUCTION

Amazon Data Services, Inc. (“ADS” or “Amazon”) is submitting these opening comments pursuant to the Motion of Chairman Stephen M. DeFrank, dated March 27, 2025 requesting comments on the Pennsylvania Public Utility Commission’s (“Commission”) *En Banc* Hearing Concerning Interconnection and Tariffs for Large Load Customers, Directed Questions of Vice Chair Kimberly Barrow filed on May 1, 2025, and the May 15, 2025 Secretarial Letter establishing a comment deadline of June 6, 2025.

II. RESPONSES TO DIRECTED QUESTIONS

1. What contract structures (e.g., minimum demand charges, exit fees) do you find most acceptable to balance the need for cost predictability with the need to prevent uncompensated stranded assets?

Any tariff structure, including ones designed to support large loads, should prioritize the preservation of nondiscriminatory principles and build rate classes that are based upon the relevant load characteristics (total load, load profile, load factor, power, factor, voltage class, etc.) versus building rates based on customer type alone. With that baseline understood, any terms and conditions of a proposed large load tariff must be considered in its entirety by public service commissioners when determining if the tariff structure is just and reasonable. As stated within our initial testimony, the combination of reasonable term, minimum demand charges, and

exit fees are all existing commercial obligations of rate payers, and reasonable for consideration within a new large load tariff.

However, the determination of the correct combination of these terms should consider (i) the operational needs of consumers within this rate class, (ii) how tariffs are structured for similar customers in adjacent rate classes, (iii) the commitments the incumbent utility must make to fulfill its obligation to serve the large load customer, and (iv) a data driven assessment of net new costs to serve and the commitments needed to ensure said investments do not result in stranded costs borne by other rate classes.

The principles of utility rate making should be at the heart of any tariff model being designed in Pennsylvania. Ultimately, the goal of a public utility commission should be to establish a tariff that promotes maintaining reliable service to existing customers while working in good faith to connect new customers without passing costs from any one customer onto another – regardless of consumption.

2. How flexible are your operations in terms of geographic load-shifting or demand response, and how should that flexibility be reflected via rate discount in tariff design or expedited interconnection processes?

At Amazon, we believe that the focus must always be on the customer. Meeting our customers' needs is critical to how we operate our data centers. We do not believe it is our position to determine which customer to dial back or have their data diverted to an alternative location. Instead, we work with utility partners to support the necessary development of infrastructure. We do this via directly or indirectly procuring materials and long-lead equipment to shield other customers from increased costs. As the largest corporate purchaser of renewable energy, we invested in the delivery of net new power generation options through PJM and the world, enabling more than 600 renewable energy projects, with more than 100 located along the

PJM grid.¹ We also support improved utility load forecasting for large load customers. Requiring load serving entities to work more transparently and collaboratively with large load customers and wholesale market operators would minimize the prospects of infrastructure being built without an end user.

3. To what extent are energy storage and other technologies integrated into the design of your facilities to address oversizing of compute beyond existing needs—driving increased design load—and enable participation in demand response programs?

As the global leader in cloud infrastructure, we are constantly innovating and investing in technologies to drive increased efficiency across our portfolio. Due to this, ADS infrastructure is up to 4.1 times more energy efficient than on-premises and when workloads run on ADS the associated carbon footprints are reduced by up to 99%.² We achieve this via innovations like the deployment of our new Graviton 4 chips that offer 4x the performance with 60% less energy than comparable EC2 instances, by investing in small modular nuclear reactor companies to offset round-the-clock power needs, utilizing low carbon concrete and energy efficiency technologies to drive down emissions and energy consumption to provide customers with the lowest, most impactful products. Across the country, we are actively exploring and investing in resources like energy storage, fuel cells, and other carbon-free resources to mitigate emissions and provide rapid responding back up power in the event of a grid disturbance.

We continue to innovate and solve challenging problems alongside our utility partners. Addressing state and federal regulatory barriers could allow for the formation of programs that increase capacity on our constrained transmissions grid. These barriers include restricting the use

¹ *Amazon is the world's largest corporate purchaser of renewable energy for the fourth year in a row*, Amazon (Jan. 2025), <https://www.aboutamazon.com/news/sustainability/amazon-renewable-energy-solar-wind-nuclear-climate-change>.

² *Amazon, How moving onto the AWS cloud reduces carbon emissions (2025)*, <https://sustainability.aboutamazon.com/carbon-reduction-aws.pdf>.

of onsite generators for demand response and provide capacity accreditation on the transmission system. We are committed to working with partners to design voluntary programs that could support accelerated load and generation interconnection onto the electric grid, increased capacity headroom on existing infrastructure, and cost-savings for all customers.

4. To what extent do you intend to collaborate with grid operators on the timing of discretionary high-load tasks like model training in order to avoid increasing coincident peaks?

Large Load Customers, like ADS, have and will continue to operate in close coordination with their local utility provider and RTO to promote highly reliable, resilient and efficient operations.

Dated: June 6, 2025

Respectfully submitted,

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