

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

*En Banc* Hearing Concerning Interconnection )  
and Tariffs for Large Load Customers )

M-2025-3054271

**REPLY COMMENTS OF VISTRA CORP.**

**Introduction**

On March 27, 2025, by motion of Chairman Stephen M. DeFrank, the Commission opened a docket to explore the impact of large-scale electric customers on Pennsylvania’s electric grid. Citing the tremendous opportunity for the Commonwealth in terms of economic development, technological advancement, and job growth, the Chairman sought comments on “establish[ing] just and reasonable tariffs that provide open and non-discriminatory access” to public utility systems while protecting existing customers.

By Secretarial Letter dated April 12, 2025, the Commission convened an *En Banc* hearing to take testimony on topics including appropriate tariff provisions for large load customers and timing and cost structures for interconnection. The Commission also opened a comment period for interested parties to file comments. By Secretarial Letter dated May 15, 2025, the Commission set June 11, 2025 as the deadline for initial comments and June 23, 2025 as the deadline for reply comments. Vistra Corp. (“Vistra”) and numerous other parties filed comments in response to topics raised in the Secretarial Letter and at the *En Banc* hearing. Vistra respectfully submits these Reply Comments in response to some of the comments filed by other parties.

**Background**

Vistra appreciates the Commission’s acknowledgement of the opportunity presented by large load customers locating in the Commonwealth and the collective recognition that this

opportunity needs to balance the statutory requirement to provide open and non-discriminatory access to electric customers with appropriate safeguards to ensure costs are appropriately allocated and existing customers are not subject to stranded costs. Vistra commends the Commission for proactively opening a proceeding to consider these interests.

Vistra maintains that the development of a model tariff can provide clarity and certainty to prospective customers around the terms and conditions to interconnect to the electric transmission and distribution system and the potential timeline. A model tariff will also provide certainty to the Commonwealth's Electric Distribution Companies ("EDCs") by establishing minimum standards and appropriate safeguards to protect against stranded costs in the event a customer changes its business plans. It is through the lens of balancing both of these interests that Vistra submits the following reply comments.

## **Comments**

### **I. Model Tariff Can Provide Certainty to New Customers While Maintaining Flexibility**

Undertaking the process to develop a model tariff presents the Commission with the opportunity to provide clear policy direction to the EDCs on the terms and conditions they should address through their tariffs for the interconnection of large loads onto the system. Vistra acknowledges that each of the EDC service territories has unique characteristics including load, geography, existing system capacity, and number of customers and that this may warrant EDC-specific considerations. At the same time, the Commission can strive to ensure that the terms and conditions are generally consistent across utility territories in order to prevent "venue shopping," a process by which prospective customers may explore several EDC service territories to see where they can achieve the best terms and conditions to establish service. Vistra encourages the Commission to continue down the path of creating a model tariff and to not be dissuaded by

commenters who suggest that this approach is overly prescriptive and does not recognize the unique characteristics of each EDC service territory.

Vistra supports allowing EDCs to have sufficient flexibility to ensure that each utility can account for its unique considerations, however, a model tariff will provide a good starting point and allows each EDC to submit its own tariff for approval that is generally consistent with the model. A model tariff is a starting point, not the ending point. The Commission can limit its model tariff to the key terms and conditions necessary to meet its stated goal of protecting other ratepayers from stranded costs which include minimum contract terms, financial security, early termination fees, and fees for interconnection and contributions in aid of construction. This should allow for standardization across EDCs while still providing the EDCs with flexibility on their internal processes for interconnection.

## **II. Model Tariff Should Provide Transparency into Process and Estimated Timelines**

As acknowledged by several commenters, large load customers often cite speed to market as a key criterion when deciding where to locate (Industrial Energy Consumers of Pennsylvania Comments, p. 3; Constellation Comments, p. 2). These customers are often evaluating multiple options to site a new project which could include various sites within the Commonwealth in different service territories or locations outside of Pennsylvania. Given the stated importance of speed to market, the Commission should direct the EDCs to provide increased transparency into the process and estimated timelines for interconnection so new customers can evaluate their options based on what best meets their individual business needs. Regardless of where a new load comes onto the system, whether it is within the Commonwealth or in a neighboring state, the load will require investment in transmission and distribution infrastructure and impact the resource adequacy needs of the system, as would any other new customer. In order to obtain the economic

development benefits that come along with large load additions, the EDCs should strive to provide clear and accurate information to prospective customers upfront, so customers understand the process, costs, and associated timeline. Vistra is not advocating for a time limit on processing applications at this time but believes customers should have clarity into estimated timelines and their status in the process with regular updates. While Vistra acknowledges that there are fundamental differences between large load projects and smaller commercial customers, we encourage the Commission to thoughtfully consider whether there is an opportunity to put rigor around the processing timelines.

As an alternative to establishing maximum times for interconnection studies and agreements, Vistra strongly encourages the Commission to consider whether additional transparency can be provided to customers seeking to interconnect. This could include data points like average response time from the initial application, average study time upon receipt of a complete application, or place in the queue. This additional transparency will also help ensure that the EDCs do not use the discretion they have to process load interconnections in an unduly discriminatory manner. The Commission should also encourage the EDCs to provide routine updates to customers so they understand how they are moving through the process. While Vistra appreciates the Energy Association of Pennsylvania's ("EAP") concerns that "rigidly defined study timelines could potentially compromise the thoroughness of system reliability analysis and proper planning," Vistra is confident that utilities will not undertake any activity that would jeopardize reliability or safety given statutory mandates (EAP Comments, p. 13).

The Commission should not be persuaded by comments that having a timeline, which could be a target rather than a firm deadline, will somehow jeopardize reliability or safety. Vistra agrees with and supports Duquesne's suggestion that at a minimum, "utilities provide a standard timeline

for the process to set customer expectations” (Duquesne Comments, p. 9). Pennsylvania must acknowledge that it is in competition with neighboring states to host these large loads which will provide economic benefits to the Commonwealth. To ensure Pennsylvania has a fair shot in getting these economic development projects in-state, utilities should seek to provide clarity and transparency for the interconnection process.

### **III. Model Tariff Should Focus on Terms and Conditions Related to Interconnection**

Vistra acknowledges that the rapid load growth associated with large users like data centers raises valid questions about the potential impact on the grid and the investment required to support these new customers. In addition to these questions, several commenters also raised concerns about resource adequacy (PPL Comments, p. 12; IECPA Comments, p. 10). While Vistra agrees that resource adequacy more broadly is an important topic to consider in a time of rapid load growth and generator retirements, the Commission should not be persuaded to address potential resource adequacy issues through a proceeding designed to establish a model utility tariff. A model tariff should focus on the terms and conditions of interconnection to the transmission and distribution system. The model tariff should not pre-determine which options are available to customers to meet their needs, and instead, should focus on defining how a new customer interconnects to the grid, the required process and associated costs, and the terms and conditions of an electric service agreement.

Vistra appreciates commenters’ acknowledgement that certain customers may choose to build new generation in connection with the construction of a large facility (FirstEnergy Comments, p. 6; NRG Comments, p. 5). Vistra believes that when a customer brings its own generation, this should be acknowledged in the interconnection process. However, Vistra cautions against requiring certain customers to bring generation simply based on their end use of electricity.

The decision to contract with new generation or install back-up generation should be a commercial hedging decision, and the Commission should not dictate how large load customers choose to hedge. It is important to note that any new customer coming onto the system in any state within the PJM footprint will impact the region's resource adequacy needs. This impact is the same whether the customer chooses to locate in front-of-the-meter or behind-the-meter. If Pennsylvania chooses to impose requirements that limit customer options, including a bring your own generation requirement, this could push the economic development to other states while causing the same resource adequacy impact on the PJM system. If this were to occur, Pennsylvania would essentially be foregoing economic development opportunities with no corresponding reliability benefit.

As several commenters note, the Federal Energy Regulatory Commission ("FERC") has an open proceeding to consider various configurations for new large load with PJM<sup>1</sup>. In addition, FERC has issued a show cause order to PJM regarding its Open Access Transmission Tariff on issues related to collocating large loads<sup>2</sup>. Given these pending proceedings, which will offer important guidance to customers, generators, and transmission owners, Vistra encourages the Commission to keep its focus on the terms and conditions for the interconnection of new customers which are jurisdictional through a model utility tariff.

#### **IV. Load Forecasting is Primed for Consideration**

During the April 24, 2025 *En Banc* hearing, Vice Chair Kimberly M. Barrow called for "radical transparency" in the consideration of load growth on the electric system. Vistra strongly agrees with the Vice Chair that this time of unprecedented load growth requires transparency and suggests that the requirement for transparency should be appropriately extended to the EDCs. The

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<sup>1</sup> AD24-11-000

<sup>2</sup> EL25-49

Vice Chair goes on to state that “radical transparency” is required “so that this Commission can do its job of ensuring reliability, ensuring affordable rates for all of our rate classes and making sure that no cost shifts are occurring between distribution rates, between transmission rates.”

In its initial comments, Vistra encouraged the Commission to prioritize accurate load forecasting as it considers a model tariff for large loads to interconnect. Likewise, the topic of load forecasting was addressed by many commenters. As previously noted, customers may be pursuing agreements with multiple EDCs within the Commonwealth for the same project. To ensure the EDCs do not overbuild a system to support duplicative load, the Commission should take immediate steps to address uncertainty in load forecasting. As part of this process and a first step towards better understanding the amount of load looking to interconnect, the Commission could establish reporting requirements for the EDCs to submit information on the amount of prospective load that has expressed interest in interconnecting within its service territory. While customer-specific features like customer name, specific location, end use should be kept confidential, the EDCs could aggregate information to provide a high-level picture of the amount of interest in interconnecting new load.

Vistra would also encourage the Commission to set reporting criteria and consider requiring the EDCs to classify load based on whether they meet the criteria. For example, an expression of interest would be categorized differently than a project that has filed an application and paid a study fee. There are a variety of approaches that can be used to “qualify” new customer loads for inclusion in load forecasting. Vistra previously referenced the Clean Energy Buyers’ Association criteria, developed in collaboration with the Rocky Mountain Institute, which

proposes using a combination of financial and status commitments<sup>3</sup>. In the context of a model tariff proceeding, the Commission could encourage EDCs to establish an appropriate application fee, as an example of a financial commitment, which acts as a gating criterion for projects to be included in a load forecast. The model tariff should require a minimum application fee that is substantial enough to discourage speculative requests. In addition to requiring an application fee or study deposit, the Commission should also consider whether to establish status commitment criteria. This could include a requirement that the potential customer has site control to confirm that the customer has the ability to site the project within the EDC's service territory.

Vistra also echoes IECPA's comments regarding the availability of data for all stakeholders (IECPA Comments, p. 10). In order to address not only system planning but also to determine whether there are potential challenges for resource adequacy, all stakeholders must have access to data around the potential interconnection of large loads. The Commission should make load forecasting data available to all stakeholders and further consider whether additional requirements like hosting capacity maps or other data could provide additional transparency and benefits to prospective customers.

Finally, Vistra believes the load forecasting process would benefit from additional context by considering the likely aggregate national demand from data centers. Ultimately, data center growth will be constrained by the availability of the chips used to power data centers. Putting EDC load forecasts in the context of national demand growth will provide additional conviction of whether the EDCs' load forecasts, both individually and aggregated across the Commonwealth, is reasonably attainable. The Commission could consider partnering with PJM on the development

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<sup>3</sup> Post-technical Conference Comments of the Clean Energy Buyers Association, Large Loads Co-Located at Generating Facilities, Docket No. AD24-11, (filed Dec. 9, 2024) ("Post-Technical Conference Comments of the Clean Energy Buyers Association").

of a national data center load growth forecast given that PJM and all the PJM states could benefit from this context.

## **Conclusion**

Vistra appreciates the opportunity to submit these reply comments to the Commission as the Commission continues to evaluate how to best support large load interconnection to the transmission and distribution system in the Commonwealth.

Respectfully Submitted,

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