

In these Comments, the Council wishes to focus on a single issue. That is, the concern raised most prominently by Vice Chair Barrow and Commissioner Zerfuss in their Statements regarding the impact of these massive new loads on the rates paid by Pennsylvania's low-income electricity consumers as well as the burdens borne by other residential ratepayers to support our existing universal service programs.

As noted by Vice Chair Barrow, "PJM's market monitor attributed over seven billion dollars of increased costs in PJM's latest capacity market auction to the entry of new large loads. It is uncontroverted that large load additions are roiling energy market pricing." Barrow Statement at 1. While the Pennsylvania Public Utility Commission does not directly regulate the generation component of electric utility rates, the costs of PJM capacity and energy find their way into the rates paid by Pennsylvania residential customers in two ways. First, for most residential customers, including the majority of low-income consumers who do not participate in Customer Assistance Programs (CAPs), the PJM capacity and energy costs (as well as transmission costs) incurred by electric distribution companies and other load serving entities are directly passed on to retail customers. Second, to the extent that the costs to serve CAP customers exceed the discounted rates charged to those customers, those excess costs are directly (and exclusively) charged to non-CAP participating residential customers.

The Commission's Tentative Order begins to address this issue by recommending that Large Load Customers be required to "contribute to the utility's hardship fund annually." Tentative Order at 43. While acknowledging that "having Large Load Customers contribute to utilities' Hardship Funds is a step in the right direction," Commissioner Zerfuss stated that she "would like to know if the Commission should be considering a more comprehensive solution to assist

Pennsylvania families, including having Large Load Customers contribute to or share in the allocation of costs related to all utility universal service programs.” Zerfuss Statement at 1.

Similarly, Vice Chair Barrow noted that while “enhancing hardship funding is beneficial, I also believe that directing the money to offset the universal service charge currently paid by the residential class on a per-kwh basis is likely a more beneficial solution.” Barrow Statement at 1. The Vice Chair concluded: “The Commission should both increase funding for low-income Pennsylvanians while reducing the burdens on other residential ratepayers to support existing low-income programs.” Id.

The CAC respectfully urges the Commission to adopt the positions recommended by Vice Chair Barrow and suggested by Commissioner Zerfuss. That is, in addition to any contributions to their utility hardship funds, a proportionate level of universal service program costs should be assigned to large load customers. There is no question that the costs associated with the introduction of potential large load customers are already reflected in the PJM wholesale capacity markets – even before most of the planned data centers interconnect to the distribution system. In turn, these costs have been reflected in the retail generation prices paid by Pennsylvania consumers. While a portion of Pennsylvania low-income customers participate in CAP programs in which their bills are limited based on their income, many low-income customers are not served by those rates. As noted above, to the extent that CAP customers do not cover the full tariffed rate, 100 percent of the shortfall is currently covered by non-CAP participating residential customers. As these costs will increase as a result of new large loads, those new loads should cover the costs they are causing. This will alleviate rates for all residential consumers, and will help to ensure that large load customers are not shifting more costs to residential customers.

Again, the members of the PUC Consumer Advisory Council applaud the Commission's efforts to address the potential impact of new large load customers on all Pennsylvania consumers and urge the Commission to take the additional steps identified by Vice Chair Barrow and Commissioner Zerfuss with respect to universal service programs to help alleviate rate impacts on all residential customers, while in turn enabling the programs to serve increased need as energy costs continue to rise.

Respectfully submitted,

Consumer Advisory Council to the Pennsylvania Public Utility Commission

A handwritten signature in black ink, appearing to read "Sonny Popowsky", with a long, sweeping flourish extending to the right.

By: Sonny Popowsky, Chairperson,
Consumer Advisory Council

Dated: December 15, 2025