

Comments to Tentative Order for Model Tariff

Docket Number M-2025-3054271

December 17, 2025

I. INTRODUCTION

The MBA (Manufacturer & Business Association), founded in 1905, represents more than 2,000 member companies in fifty-four counties across the Commonwealth. The MBA is dedicated to helping employers face challenges by delivering services that lower the cost of doing business, ease the burden of compliance and increase productivity for its members.

I am Eileen Anderson, the director of government relations, and have served in this role since 2005 for two organizations. I was the lobbyist for SMC Business Councils which was based in southwest PA and merged with the Manufacturer & Business Association in 2019.

I stepped out of my own small business in Pittsburgh to work on health care reform at SMC Business Councils. My focus has always been small businesses, small manufacturers and their struggles. Education is a central part of my role. MBA informs elected officials of our members' top concerns and in turn educates MBA members and keeps them informed.

Many small business owners do not know the names of their PA representatives and PA senators. Some have a challenging time distinguishing between their state and federal lawmakers. They are too busy running their businesses. Many are not aware of the PJM Interconnection. I feel very strongly in light of the coming AI revolution that my role is to serve as their "eyes and ears" and protect their interests.

My lobbying now pertains to legislation impacting AI, data centers, the PJM power grid and energy. Leaders must proceed with thoughtfulness and keep the possible "unintended consequences" at the forefront, or the impact on smaller businesses and manufacturers may be debilitating. Those same small businesses and manufacturers are dealing with increased costs due to tariffs, inflation, ever-increasing health insurance premiums, and a labor shortage that prohibits expansion. They are especially

vulnerable to energy price hikes. For certain energy-intensive industries, these costs account for more than 50% of their total operating costs.

II. THE CHALLENGE: Ensuring reliable and affordable electricity for residential, commercial, and smaller industrial customers. They should not subsidize large load users.

As data center developers, and other large-load users invest billions of dollars in Pennsylvania, the state is evaluating who should pay for their arrival. Large-load users have an insatiable appetite for energy. MBA wants to ensure Pennsylvania residential, commercial, and smaller industrial customers do not subsidize large-load users. The MBA believes those costs should fall to large-load users and developers.

It is necessary to revisit the fundamental assumptions of how utilities traditionally charge for electricity. Pennsylvania is redefining the relationship between data centers powering AI, large load users and electric utilities. Energy cost has historically followed a model, based on the idea that everyone benefits from reliable electricity. However, large-load users' rapid growth is disrupting this traditional model.

III. THE STATE LEGISLATURE CAN DO THE FOLLOWING:

- Modernize and streamline permitting - The permitting process must be efficient, coordinated, and predictable thereby reducing expensive delays. Investors and developers are keenly aware that permitting uncertainty can be a major barrier to site selection.
- Maintain a tax and regulatory structure that supports long-term growth.
- Universal service fund contributions for customer assistance programs and hardship funds should be in statute. There are 253 state lawmakers, and they are very accessible by their constituents who will bear increasing energy costs. Lawmakers are closer to those impacted.
- Modernize energy infrastructure - Energy infrastructure includes the physical assets and systems for generating, transmitting, storage and distribution of electricity, oil, and natural gas to accommodate new industrial loads to meet the moment.

IV. THE PUC CAN ENSURE THE FOLLOWING:

- Encourage responsible growth by large load users. Large load users need their own rate class. They must pay their fair share both up front and over the long

term to avoid cost shifting. They must contribute equitably through rate structures that reflect their ongoing, high-volume use.

- Large load users can be encouraged to “Bring Your Own Generation.” Utilities should lower charges for data centers that offset their electricity pull from the grid by bringing their own generation.
- Large load users should not be bumped off the grid during emergency situations.

V. NOT SURE WHO DOES THIS:

- Fairly allocate the costs of large load users between system improvements which should be shared across the system and those costs that only benefit the specific large load users that should not be shared across the system. MBA understands allocating these costs poses a significant challenge when distinguishing between the costs that are associated with large load users, and the costs that arise because the energy infrastructure needs additional investment to benefit all users.
- Incentivize operators to make their data centers more energy secure by installing backup generators to ensure an uninterrupted power supply if there’s a power outage.

Thank you for your consideration. I look forward to your decision.

Eileen Anderson, Director, Government Relations

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