BEFORE THE
PENNSYLANIA PUBLIC UTILITY COMMISSION

Interconnection and Tariffs for Large Load Customers	* * * * *	**Docket No. M-2025-3054271**

COMMENTS OF CONSTELLATION ENERGY GENERATION, LLC IN SUPPORT OF TENTATIVE ORDER

Constellation Energy Generation, LLC ("Constellation") appreciates the opportunity to submit these comments on the Pennsylvania Public Utility Commission's ("Commission") November 6, 2025 Tentative Order announcing the Commission's tentative guidelines for a model large load tariff. Constellation largely supports the Commission's proposal, with minimal modifications, and offers comments on certain of these guidelines below.

I. INTRODUCTION

The Commission issued this Tentative Order to address the impacts of large load customers – especially data centers – on Pennsylvania's energy market. The Tentative Order follows an en banc hearing and extensive stakeholder input, aiming to establish a model tariff that effectively and efficiently enables the interconnection of large load customers[1] while mitigating negative ratepayer impacts. Constellation appreciates the Commission's efforts to bring needed consistency, transparency, and speed to the interconnection processes applied to these critical large load customers. The Commonwealth's success in attracting investment from this growing sector of the economy will require a careful balance between meeting the unique needs of these customers and insulating existing ratepayers from excessive costs. If adopted, the Commission's proposed model tariff will be an important step toward supporting these goals.

[1] Constellation notes that jurisdiction over the interconnection of large load customers to the transmission system is the subject of ongoing proceedings at the Federal Energy Regulatory Commission. Constellation's submittal of supportive comments in this proceeding is not indicative of Constellation's position or waiver thereof regarding this jurisdictional issue. *See* U.S. Department of Energy, Secretary of Energy, Letter to FERC re: "Ensuring the Timely and Orderly Interconnection of Large Loads," Advance Notice of Proposed Rulemaking, Federal Energy Regulatory Commission Docket No. RM26-4-000 (Oct. 23, 2025) (issued pursuant to Department of Energy Organization Act § 403, 42 U.S.C. § 7173); *PJM Interconnection, L.L.C.,* Federal Energy Regulatory Commission Docket No. EL25-49-000, *Large Loads Co-Located at Generating Facilities*, Federal Energy Regulatory Commission Docket No. AD24-11-000, *Constellation Energy Generation, LLC v. PJM Interconnection, L.L.C.*, Federal Energy Regulatory Commission Docket No. EL25-20-000 (consolidated).

II. CONSTELLATION SUPPORTS THE COMMISSION'S TENTATIVE ORDER AND PROPOSED LARGE LOAD TARIFF WITH MINIMAL MODIFICATIONS

A. The proposed interconnection study timeline, transparency, and accountability provisions will support the speed to market requirements of large loads.

Constellation supports the Commission's proposed interconnection study timeline, transparency, and accountability provisions.[2] Speed to market is of critical importance to many large load customers,[3] and the Tentative Order recognizes this in proposing guidelines that would provide these customers with needed certainty that their projects will be studied in a rapid and transparent manner. Constellation supports the Commission's proposal to encourage utilities to improve the transparency of their large load customer interconnection processes by providing customers looking to interconnect with periodic updates, average response times, queue position information, and expected timelines. This transparency will allow large load customers to make informed business decisions regarding interconnection requests and proposed projects based on accurate and timely information. In addition, Constellation agrees that six months is a reasonable maximum amount of time for electric distribution companies ("EDCs") to complete interconnection studies unless there are exigent circumstances.[4] Implementing these proposed guidelines, along with mechanisms that incentivize EDCs to follow them, will maximize study efficiency and ensure timely integration of large loads, giving the Commonwealth a regional and national advantage in the effort to attract new jobs, expand tax base, and grow the economy.

B. The Commission's proposed Contribution in Aid of Construction ("CIAC") and self-construct provisions will protect ratepayers while creating pathways to expedited interconnection for critical large load customers.

Constellation supports the Commission's proposal to require large load interconnection customers to bear the interconnection costs that solely benefit them through CIAC contributions.[5] This approach is consistent with cost causation principles and will help ensure ratepayers are not on the hook for the costs of facilities from which they do not benefit. The rules the Commission adopts in the model tariff should incentivize designs and configurations that have the least impact on the grid and other customers, and Constellation believes the proposed CIAC provisions will provide this incentive.

In addition, Constellation supports the Commission's finding that large load customers should be permitted to self-construct infrastructure upgrades they are willing to fund.[6] Self-construction provides large load customers with more control and certainty during the design and construction phases of the interconnection process. Large load customers may be able to self-

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[2] Tentative Order at 25.
[3] *See* Constellation En Banc Hearing Comments at 2 & n.2.
[4] Tentative Order at 25; *see* Constellation En Banc Hearing Comments at 2 & n.3.
[5] Tentative Order at 15-16.
[6] *Id.* at 42.

construct upgrades more quickly and at a lower cost than the EDC. By requiring these upgrades to be constructed consistent with existing utility standards and to meet any standards in the Public Utility Code for the inspection, maintenance, and repair of such facilities, the Commission will enable speed to market while maintaining safety and reliability and preventing socialization of construction costs to existing customers.[7]

C. The proposed collateral requirements allowing a lower collateral percentage for less risky large load customers will help mitigate risk to ratepayers.

Constellation supports the Commission's proposal to impose collateral requirements on large load customers because these requirements will help mitigate risk of shifting costs to existing ratepayers by deterring speculative projects and insulating ratepayers against project failures.[8] However, financial security requirements should not be so burdensome that they discourage large load customers from seeking to locate mature projects that will promote economic development in the Commonwealth. Constellation agrees with the Commission that financial security should be graduated based upon the proposed size of load and that it should be partially refunded as load ramps up and fully refunded once load has reached its maximum. In addition, we support the Commission's tentative determination that where a large load customer is the majority beneficiary of a network upgrade, the required amount of collateral should be sufficient to cover interconnection costs and the large load customer's share of those network upgrades.[9] Constellation believes that the risk-based flexibility reflected in the draft guidelines is an important component of the collateral requirements, allowing a lower collateral percentage for less risky large load customers with investment-grade credit ratings. Moreover, we believe the Commission should provide additional incentives for projects that impose minimal or no network transmission upgrades beyond reduced collateral. Such incentives would further encourage new large load to locate in the most efficient areas on the grid – where upgrade needs are minimal. Such incentives could include expedited interconnection processes and flexible ramp schedules, which would further support the efficient implementation of these projects. Together, these collateral requirements and related incentives will balance the need to protect existing ratepayers while enabling large load customers to obtain the services they require.

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[7] *See* Supporting Comments of Constellation Energy Generation, LLC, Federal Energy Regulatory Commission Docket Nos. RM26-4-000, et al. at 26-27 (filed Nov. 21, 2025), https://elibrary.ferc.gov/eLibrary/filedownload?fileid=45CB9613-CD8E-C267-9D02-9AA858300000 ("Constellation ANOPR Comments"); Supporting Reply Comments of Constellation Energy Generation, LLC, Federal Energy Regulatory Commission Docket Nos. RM26-4-000, et al. at 25-27 (filed Dec. 5, 2025), https://elibrary.ferc.gov/eLibrary/filedownload?fileid=ED9AF575-7F29-CAC8-9C50-9AF07CB00000 ("Constellation ANOPR Reply Comments").

[8] *See* Tentative Order at 13.

[9] *Id.*

D. A five-year minimum contract term and optional load ramp period will balance cost protection for ratepayers with large load customers' need for flexibility in structuring business plans.

Constellation supports the Commission's proposal to adopt a minimum contract length of five years without specifying a maximum contract term.[10] As the Commission notes, determining the appropriate term for any specific contract requires balancing cost protection for ratepayers with commercial viability for large load customers. Given the variability in size, configuration, and operation of large load customers, providing flexibility in contract length beyond the minimum five-year period enables customers and EDCs to negotiate terms best tailored to fit individual circumstances. Constellation supports the Commission's reasoning that in many cases, a five-year minimum term will provide sufficient time for EDC recovery of interconnection-related costs and ensure that investments do not result in stranded costs borne by other rate classes. In situations where a longer recovery period is warranted, parties can negotiate a different contract term. Constellation also supports the Commission's proposal to allow a large load customer to designate a load ramp period not to exceed five years, with the initial contract term commencing after the load ramp period ends. Constellation notes that there is apparent inconsistency between the termination/modification notice period described in the "Terms of Contract" section of the model tariff and the termination/modification notice period in the "Exit Fee" section of the model tariff. Specifically, the language in the "Terms of Contract" section of the model tariff requires three years' notice to terminate the contract or modify the contract capacity. In contrast, the "Exit Fee" section of the model tariff requires 42 months' notice to terminate the contract or reduce the contract capacity. A 42-month notice period is consistent with the Commission's explanation in the Tentative Order that "[b]y requiring notice of a load reduction three-and-a-half years in advance allows PJM to account for this load reduction in determining its resource adequacy requirements to be acquired in the BRA."[11] Constellation suggests that the Commission either modify these provisions to refer to a consistent notice period or clarify in its final order why these periods differ.

Constellation also believes there is ambiguity in the phrase "After the initial term" used in the "Terms of Contract" section of the model tariff. Specifically, it is not clear whether this phrase means that notice can only be provided after the end of the initial term, or if it is addressing the provision of notice regarding the period after the initial term. To address this ambiguity and the notice period inconsistency described above, Constellation suggests the following clarifying revisions to the second paragraph of the "Terms of Contract" section of the model tariff:

> Regarding the period a~~A~~fter the initial term, Contracts shall remain in effect unless terminated by either party by providing written notice to the other party no later than 42 months ~~three (3) years~~ prior to the requested date of termination. Regarding the period a~~A~~fter the initial term, either party may request a modification to the Contract Capacity by providing written notice to the other party no later than 42 months ~~three (3) years~~ prior to the requested modification date. During the initial term of the Contract, the

[10] *Id.* at 21.
[11] *Id.* at 34.

customer will be financially responsible to pay the minimum charges regardless of the customer choosing to curtail, reduce, suspend, or terminate service.

E. The Commission should revise its proposed exit fee calculation to remove the alternative method that would result in excessive large load customer payments.

Constellation supports the Commission's proposal to require large load customers to pay early exit/termination fees that "account for what has already been paid by the Large Load Customer and what costs have yet to be recovered by the utility."[12] Specifically, Constellation supports an exit fee calculated as "the difference between the costs placed into rates less the revenues received from the Large Load Customers."[13] As the Commission notes, exit fees are primarily used as a mechanism to provide utilities with adequate planning time for capacity adjustments while limiting the financial impact of customer load reductions. However, Constellation urges the Commission to remove its proposed alternative method for calculating exit fees "as the nominal value of the remaining Minimum Charge for the reduced capacity in excess of the 20% allowed reduction for each year of the exit fee period."[14] The proposed alternative exit fee results in unjust and excessive customer payments. For example, if a customer intends to receive service for 20 years and provides notice to terminate 42 months prior to the end of the 20 years, the customer would be charged an exit fee equal to the Minimum Charge for the final 42 months on top of the actual charges for the same 42 months. There is no way for the customer to avoid double-payment for the final 42 months under the alternative exit fee methodology. An exit fee that is determined by the difference between the costs to interconnect the customer less the revenue received from the customer is a much more reasonable method of determining the exit fee and should be the only calculation included in determining the exit fee.

To effectuate this change, Constellation suggests that the Commission revise the third paragraph of the "Exit Fee" provisions in the model tariff as follows:

> The Exit Fee will be calculated as ~~the greater of (1)~~ the difference between the cost of Network Improvements and Interconnection Facilities less the revenues received from the Large Load Customer~~, or (2) the nominal value of the remaining Minimum Charge for the terminated/reduced capacity in excess of the 20% allowed reduction for each year of the Exit Fee Period~~.

F. Requiring EDCs to mitigate exit fees appropriately encourages EDCs to make reasonable efforts to minimize losses.

Constellation supports the Commission's proposal to require EDCs to mitigate the exit fee amount owed by a large load customer that reduces its contracted capacity requirement by more

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[12] *Id.*
[13] *Id.*
[14] *Id.*

than 20%.[15] While Constellation understands EDCs' concerns regarding the risks associated with large load customers drastically reducing their contracted capacity requirements, EDCs should be required to make reasonable efforts to minimize the financial impact of load reductions.[16] By requiring EDCs to evaluate opportunities to allocate freed transmission capacity to other customers, the proposed model tariff promotes efficient use of available capacity and avoids unnecessarily penalizing large load customers who make business decisions to reduce contracted capacity after the initial term of the contract. This proposal represents reasonable and fair business practice, aligning with the Commonwealth's commitment to foster a well-functioning, balanced and efficient competitive energy market.

G. Constellation supports reporting requirements that align with the Commission's statutory obligation to oversee load forecasting.

Constellation supports reporting requirements that align with the Commission's statutory obligation to oversee load forecasting pursuant to Article XVII-B of the 2025 Fiscal Code Omnibus Amendment ("Act No. 45").[17] This legislation plays an important role in ensuring oversight and accountability for electricity load forecasts submitted by EDCs to PJM. The primary aim of the legislation is to ensure more accurate, transparent, and non-duplicative load forecast inputs, which are needed for efficient system planning, reliability, and consumer protection. Act No. 45 requires the Commission to submit a report to legislative committees and make it publicly available by June 30 annually. This report must include, among other things, findings from EDC load forecast reviews, coordination efforts to prevent duplicative counting, and recommendations for statutory or regulatory improvements. Requiring EDCs to report aggregate information regarding large load interconnections may assist the Commission in evaluating load forecast accuracy.

H. Lower standby and/or minimum demand charges for large load customers with onsite generation appropriately incentivize efficient use of the transmission system.

Constellation supports the Commission's tentative finding[18] that large load customers that may not be using their full interconnection limit by having onsite generation should be entitled to lower standby charges and/or a lower minimum demand charge.[19] Large load customers with

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[15] *Id.* at 35.

[16] *See* 1 Corbin on Pennsylvania Contracts § 57.05 (2025) ("A party who suffers a loss has a duty to make a reasonable attempt to mitigate damages, but the burden is on the party who breaches the contract to show how further loss could have been avoided through the reasonable efforts of the injured party.").

[17] Act No. 45, 2025 Pa. Laws 156, art. XVIII-B, Electricity Load Forecast Accountability (Nov. 12, 2025), https://www.palegis.us/statutes/unconsolidated/law-information/view-statute?txtType=PDF&SessYr=2025&ActNum=0045.&SessInd=0.

[18] Tentative Order at 39.

[19] A standby charge reflects the fact that the transmission system must be built to a certain extent to serve a large load customer's load on a firm basis, but this may not be reflected in

onsite generation are capable of self-supplying all or a portion of the power they need to operate, thereby reducing the amount of firm service they require. Incentivizing large load customers to reduce the amount of firm service required through use of onsite generation by requiring corresponding reductions in standby and/or minimum demand charges to reflect netting of generation and load will promote more efficient use of the transmission system. Moreover, by co-locating with onsite generation, a large load customer may obviate the need for many transmission upgrades and reduce the overall system costs paid by other customers while reducing interconnection timelines. As the Commission notes, "demand charge[s] should be tied to the actual need for the utility to recover fixed costs associated with serving that particular customer's load, consistent with cost causation and cost-of-service principles."[20] Constellation encourages the Commission to adopt guidelines providing that minimum demand charges and/or standby charges should be reduced to reflect the netting of the load and the onsite generation the large load customer is self-supplying.

I. The Commission should maintain the Tentative Order's approach and not require large load customers to bring their own new generation.

As the Commission notes in the Tentative Order, there is significant disagreement over whether Large Load Customers should be required to bring their own new generation ("BYOG"). Constellation implores the Commission to adopt a model tariff that does not include a BYOG requirement, consistent with the Tentative Order. As Constellation explained in its comments in the en banc hearing, requiring large load customers to bring their own new generation would be unduly discriminatory and likely to exacerbate the very resource adequacy issues it purports to address.[21] Such an approach would also expand the competitive advantage of states without a BYOG requirement, in part because a requirement for large load customers to wait for new generation to be sited and built, in addition to the time already required to site and build the large load facility itself, may be a significant deterrent to siting in a state with such a requirement. It takes more than just new resources to supply the power system—the Commonwealth also must retain existing resources and not create policies that cause their premature retirement, such as distorting market signals by creating incentives for large load customers to contract only with new resources. Constellation urges the Commission to maintain the Tentative Order's approach and not require large load customers to bring their own new generation.

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conventional transmission rates. Such a standby charge could be based on a customer-designated firm load subscription level of what the customer could draw from the transmission or distribution system. Under this type of structure, a large load customer with onsite generation would pay the greater of the standby charge or its net transmission rate, but not both. *See, e.g.*, Constellation ANOPR Comments at 34-35 (describing a potential standby charge).

[20] Tentative Order at 28-29.

[21] *See* Constellation En Banc Hearing Comments at 12; *see also* Constellation ANOPR Comments at 14-17 (describing the discriminatory impact of a BYOG approach).

III. CONCLUSION

Constellation largely supports the Commission's Tentative order, with minimal modifications. The proposed model tariff balances the need to attract and efficiently integrate large loads in the Commonwealth with the goal of protecting existing customers from excessive rate increases. Adoption of the model tariff will help secure the Commonwealth's position as a leader in meeting this energy growth opportunity.

Respectfully submitted,

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