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VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

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

Dear Secretary Homsher:

Attached for filing with the Pennsylvania Public Utility Commission are the Comments on behalf of the Industrial Energy Consumers of Pennsylvania, in the above-referenced proceeding. Thank you.

Sincerely,

A handwritten signature in black ink that reads 'Susan E. Bruce'.

Susan E. Bruce
MCNEES WALLACE & NURICK LLC

Counsel to the Industrial Energy Consumers of Pennsylvania

c: James A. Mullins, Asst. Counsel, Law Bureau (via email)
Scott J. Thomas, Asst. Counsel, Law Bureau (via email)

Commonwealth's infrastructure, workforce, and economy to succeed.¹ IECPA applauds the Commission's incorporation of provisions into the Model Tariff designed to prevent cost shifts to other customers resulting from rapid, high-impact load additions—including provisions addressing financial security, contributions in aid of construction ("CIAC"), minimum demand charges, ramp schedules, study timelines, and exit fees. IECPA also agrees with robust reporting requirements and supports innovative options such as enabling large load customers to directly construct certain upgrades. Each of these provisions plays a crucial role in preventing cost shifts resulting from high-impact load additions.

While IECPA appreciates the positive progress of the Tentative Order, one fundamental, overriding concern remains: As designed, the Model Tariff threatens to capture traditional industrial and institutional customers and subject these customers to requirements designed for massive, highly capitalized loads with unprecedented speed-to-market requirements. The Commission must update applicability standards, or it risks causing additional harm to Pennsylvania's manufacturing base, and by extension, the communities and employees that depend on such businesses.

Unlike today's high-impact new entrants seeking to connect to the grid "as soon as possible," industrial customers generally (a) plan expansions and growth methodically; (b) are not causing the resource adequacy constraints that are driving up costs; (c) provide long-term jobs and tax base in Pennsylvania's communities; and (d) do not have the same risk profile (or capital

¹ As a group of large energy users, IECPA has a unique vantage point on the issues in the Large Load Docket. IECPA's mission is to support the formation and implementation of energy policies in the Commonwealth that enable energy-intensive enterprises to thrive, expand, and attract new business. IECPA views its mission to be aligned with the Commission's initiative to support an orderly approach to attract new types of large load customers to thrive within the Commonwealth, consistent with cost-of-service and cost-causation principles.

backing) as today's large-load entrants. Manufacturers are energy-intensive, price-sensitive, and compete globally; they are subject to the same market pressures and cost increases as other customers. Industrial customers also require the ability to expand their operations, increase employment, and enhance production.

The Tentative Order draws its applicability threshold too low, inadvertently creating hardship for Pennsylvania's industrial base, even as that industrial base is not the cause of the urgent issues facing the grid. To address this overriding concern, IECPA respectfully urges the Commission to consider the following comments in response to the Tentative Order:

1. To avoid burdening manufacturers and other entities whose load growth is stable, predictable, with limited speed-to-market demands—and thus not the primary driver of increased costs—applicability of the Model Tariff should be revised to apply only to at least 50 MW of *new or incremental load*.
2. Minimum contract periods should be lengthened to be more closely aligned with those in other states and to protect against stranded costs.
3. Hardship contributions, if required, should be limited to high-impact load, which is the central cost-driver in today's energy context. Because speed-to-market is a key cost driver, mandated contributions could also be limited to a defined period of time after a project or upgrade comes online, such as the minimum contract period.
4. While interruptible rates may support bring-your-own-generation (“BYOG”) options indirectly, more should be done to incentivize BYOG, which can reduce strain on the grid and reduce resource adequacy constraints.
5. If the Commission determines that existing industrial load is subject to the Model Tariff, the ratchet should be removed from the Monthly Billing Demand calculations.
6. The Commission should, in its Final Order, require EDCs to propose updates to their tariffs within 180 days, so that the Commission has the opportunity to consider each EDC's terms and conditions for large load additions in light of the Model Tariff.

III. COMMENTS

A. **Applicability of the Model Tariff should be refined to apply to new or incremental load.**

On behalf of industrial and institutional energy users across Pennsylvania, IECPA is concerned that the proposed 50/100 MW threshold for individual or aggregate loads (“Load Threshold”), as currently stated, will sweep in many industrial and institutional customers who are not the primary drivers of the cost drivers present today.² Put another way, subjecting ordinary manufacturers (who are trade-exposed, labor intensive, and price sensitive) and other institutional customers to requirements that are designed for the rapid, high-impact growth that is driving up prices today will have significant practical and financial consequences—including damaging Pennsylvania’s vibrant industrial sector. The Commission can avoid this result by limiting the applicability of the Model Tariff to new or incremental loads and adding the Load Threshold amount within a specified period (e.g., a load growth of 50+ MW in any 3-year period).³

In IECPA’s original Comments in this docket, IECPA outlined the substantial differences between the large load growth seen today (the “data center boom”) and the growth of traditional manufacturers in Pennsylvania.⁴ These differences have significant cost-causation implications.

² See Tentative Order at 6-8. IECPA also notes that there is some lack of clarity on definitions in the tentative Model Tariff. For example, the current definition appears to indicate that “Aggregate Megawatts” must be made up of “Individual Megawatts,” meaning there would be no aggregation of multiple interconnection points if each single interconnection point was individually under 50 MW. Specifically, the draft Model Tariff states, “Aggregate large load refers to a group of individual megawatts large loads that together exceed the threshold for high impact large loads, which can lead to more significant reliability challenges.” It is also unclear if the tentative Model Tariff intends for “high impact large loads” to have a different meaning than “large loads.”

³ Alternatively, the Commission could raise the Load Threshold to 100 MW for individual loads and 150 MW for aggregate loads.

⁴ Comments of the Industrial Energy Consumers of Pennsylvania (Jun. 6, 2025) (“June Comments”).

Briefly, these four factors are as follows:

- *Scale.* First and foremost, the large data center loads coming online today are massive in scale, with most exceeding 50 MW. One EDC witness testified at the En Banc Hearing that the smallest data center project underway at the time for that EDC was 150 MW. A November 2025 report by Grid Strategies reported that “[t]he average size of a proposed U.S. data center doubled between 2023 and 2024, from 150 MW to 300 MW”—a size that dwarfs most industrial loads.⁵
- *Speed-to-Market.* Unlike traditional factories or universities, which typically grow over time or have a lengthy on-ramp to become operational, data centers often have aggressive timelines to achieve operational status. In the PJM Interconnection, L.L.C. (“PJM”) region, PJM recently projected load growth of 32 GW from 2024 to 2030, with approximately 30 GW being from data center growth.⁶ The speed-to-market needs, in conjunction with the scale of the projects, are driving massive regional need for resources and infrastructure.
- *Load profile.* Most large, artificial intelligence-driven data centers have not typically had the capability or interest in their power supply being “interruptible.” Notably, as reported in the Grid Strategies Report, data centers report high load factors; the report noted that Dominion Virginia reported an 82% load factor for large data centers in 2024, and “Duke Energy states that it plans for new large loads to have an 80% load factor”—compared with a nationwide load factor of approximately 60%.⁷ Yet, despite the high load factor, utility operators must also be prepared for massive and instantaneous swings in load.⁸ As stated in the Tentative Order, “large loads present unique characteristics and their treatment from a rates perspective should be based on those characteristics, rather than a static megawatt threshold.”⁹
- *Risk profile.* There are significant questions regarding the short- and long-term load requirements of data centers. Issues include “phantom projects,” rapid technology

⁵ Grid Strategies, *Power Demand Forecasts Revised Up for Third Year Running, Led by Data Centers* (Nov. 2025) (“Grid Strategies Report”) at 12, available at <https://gridstrategiesllc.com/wp-content/uploads/Grid-Strategies-National-Load-Growth-Report-2025.pdf>.

⁶ PJM, *Large Load Additions: Problem/Opportunity Statement*, available at <https://www.pjm.com/-/media/DotCom/committees-groups/cifp-lla/2025/20251014/20251014-informational-only---critical-issue-fast-path--large-load-additions---problem-statement---updated---clean.pdf>.

⁷ Grid Strategies Report at 7.

⁸ “Where large amounts of load suddenly disappear (or reappear), it can require a large, almost instantaneous response by grid operators. With almost 50% of data centers planned for 2030 or sooner being larger than 1,000 MW, grid operators are moving quickly to prepare for new operating challenges.” Grid Strategies Report at 21.

⁹ Tentative Order at 4.

development (more efficient chips, different processing approaches), supply chain constraints, and other economic and political/regulatory factors that make long-term forecasts difficult in a fledgling industry.

The above factors have dramatically shifted the nature of load growth, and the energy industry is scrambling to keep up—and keep the lights on. Time is a defining variable and a significant cost-driver. This urgency is reshaping the landscape of power system planning and investment, and it threatens to short-circuit the traditional manufacturing sector’s ability to expand and grow as a key anchor in the nation’s economy.

Among Pennsylvania manufacturers today, some are seeking to reshore manufacturing operations, expand facilities, and complete electrification projects; these projects tend to have a longer time horizon, without the same speed-to-power requirements of data centers. When evaluating where to make long-term investments in communities, manufacturers have relied on traditional approaches to cost allocation for years, as these are supported by cost causation principles. A manufacturing facility that is at 40 MW should not be dissuaded from adding a production line requiring 10 MW of upgrades simply because its load would become “large.” Put another way, incremental, planned growth by 10, 30 or even 50 MW is “orders of magnitude” different than an entirely new 300 or 500 MW facility with a two-year rollout schedule. Just as expedited logistics services carry premium costs, the power sector must now grapple with the implications of speed-to-market as a cost driver and planning constraint. Industrial customers should retain the ability to build, expand, reshore, and operate without being hindered by rules designed for the substantial load growth seen today. As a result, IECPA recommends that the Model Tariff be applied to only incremental or new load growth reaching the Load Threshold within a defined period of time (e.g., 50+ MW of additional load within any 3-year period).

B. Contract terms should be lengthened.

IECPA supports the Commission’s inclusion of a minimum contract term in the tentative Model Tariff. However, the Commission should consider lengthening the minimum contract period. As mentioned in the Tentative Order, other PJM states have contract lengths of 12 years.¹⁰ 10 years is already being used by FirstEnergy Pennsylvania.¹¹ A contract period longer than 5 years, perhaps closer to the standard length in other PJM states, would keep Pennsylvania competitive in relation to neighboring states but provide better assurance against stranded costs. Organizations that require massive investments in grid infrastructure should be required to provide commensurate commitment—buildouts costing tens or even hundreds of millions of dollars should not be in operation for only 5 years, when utility assets used to serve that load are depreciated over significantly longer terms.

The Commission’s proposed exit provision provides additional support for a longer contract term, as it allows for a “softer landing” for a Large Load Customer who exits early, if another organization is found to step into the departing customer’s shoes by stepping in to use the previously-utilized interconnection.¹² It also allows for a 20% reduction in contract capacity without payment of an exit fee.

C. Required contributions to EDCs’ hardship funds should, if adopted, be directly connected with cost-causation principles.

As articulated above, significant upward pressure is being placed on both energy supply and electrical infrastructure, primarily due to the rapid growth of new, high-impact large loads.

¹⁰ Tentative Order at 21.

¹¹ See Tentative Order at 19.

¹² See Tentative Order at 33-35.

Partially in response to this, the tentative Model Tariff provision requires an annual contribution toward hardship funds from large load customers.

If the Commission opts to include a mandated hardship fund contribution, such a requirement should be tailored to only apply to the load that is driving the increase in costs. As explained above, the scale, speed-to-market demands, load profile, and risk profile of today's large load entrants are driving market changes that affect all other customers. Industrial and institutional loads are subject to the same pressures and market factors as other customers, without being the cause of it. When designing any program, it is crucial that the true cost drivers – that is, the high-impact loads that rapidly change the cost and market factors – are the ones that require contribution. Put simply, any mandated hardship contribution must not encompass existing industrial and institutional customers who are not driving the increased costs.

To ensure this, the Commission should, if mandating hardship fund contributions: (1) update the Load Threshold to avoid encompassing existing and gradually expanding industrial load; and (2) limit mandated hardship fund contributions by large load customers to a defined period of time (e.g., the minimum contract period) to ensure the contributions are roughly matched with the cost drivers, particularly the speed-to-market demands of high-impact load growth.

D. Incentives to bring generation with load should be increased.

IECPA supports the Commission's decision to encourage interruptible load programs developed by EDCs. IECPA believes such programs could, if well-designed, bolster on-site generation investment.

The expansion of generation provides significant benefits to the grid, including system-wide reliability improvements and enhanced resource adequacy. As a practical matter, BYOG can also help associated load to come online more quickly with less infrastructure investment. In its

June Comments, IECPA encouraged the Commission to provide an expedited process for projects to come online when they bring their own generation. IECPA continues to recommend that the Commission offer expedited treatment for loads with BYOG. Further, the Commission should consider adding language to the Model Tariff that ensures BYOG will be considered by the EDCs when studying needed infrastructure upgrades, to avoid overbuilding infrastructure where the customer has primary or backup onsite generation. Any incentives for BYOG, however, should avoid shifting costs to other ratepayers.

E. Monthly Billing Demand calculations should not include a ratchet.

In the tentative Model Tariff, the Commission provides for a Monthly Billing Demand calculation that is the measured single-highest 15-minute integrated peak in kW, but no less than the greater of (a) 80% of the customer's contract capacity or (b) 80% of the customer's highest Monthly Billing Demand during the last 11 months ("Ratchet").

If the final Model Tariff applies to existing industrial large load, IECPA recommends that the Commission remove the Ratchet provision. If existing industrial customers are subject to the Model Tariff requirements, they may already be required to execute new contracts and conform to other provisions of the Model Tariff. Adding the Ratchet, which increases costs for nearly a year after a momentary spike in demand, is an additional strain on industrial customers and should be removed. On the other hand, if the Model Tariff is applied only to substantial (e.g., 50+ MW) *new and incremental load*, IECPA does not object to the Ratchet provision.

F. To ensure the Commission's Final Order in this docket has prompt effect, the Commission should require EDCs to file a tariff update proposal within 180 days of the Final Order.

Because the Model Tariff is not directly prescriptive, EDCs will presumably have flexibility to propose provisions that vary somewhat from the Model Tariff. This is part of the

design of the docket, based on the Chairman’s original motion.¹³ While the approach of a Model Tariff allows EDCs to propose flexible approaches, the Model Tariff should also not be ignored by EDCs. The Commission should, in its Final Order, require EDCs to propose updates to their tariffs within 180 days, so that the Commission has the opportunity to consider each EDC’s terms and conditions for large load additions in light of the Model Tariff.

¹³ Motion of Chairman Stephen M. DeFrank, Agenda No. 3054271-CMR (Mar. 27, 2025).

IV. CONCLUSION

WHEREFORE, the Industrial Energy Consumers of Pennsylvania respectfully requests that the Pennsylvania Public Utility Commission consider and adopt, as appropriate, the foregoing Comments.

Respectfully submitted,

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