

# BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Comments of Google LLC

Docket No. M-2025-3054271

Interconnection and Tariffs for Large Load Customers

## I. INTRODUCTION

Google LLC ("Google") respectfully submits these Comments in response to the Pennsylvania Public Utility Commission's ("Commission") Tentative Order issued November 6, 2025 ("Tentative Order").

As a large data center developer with a significant presence across the PJM region and a long-standing member of the Pennsylvania business community—including our office presence in Pittsburgh—Google is deeply invested in the Commonwealth's success. In 2024, our investments and operations helped drive \$19.7 billion in economic activity for tens of thousands of Pennsylvania businesses and nonprofits. Google appreciates the Commission's proactive approach to planning for and managing the increased energy requirements of the Commonwealth's growing and diversified economy, from advanced manufacturing and life sciences to robotics and specialty agriculture.

For the reasons described below, Google supports the overall direction of the proposed model tariff while offering several distinct recommendations to ensure the framework effectively balances economic competitiveness with long-term grid stability.

We believe that, taken together, these efforts will best position Pennsylvania to seize the historic opportunity presented by load growth across multiple vectors of the economy.

## II. GOOGLE SUPPORTS THE OVERALL DIRECTION OF THE TENTATIVE ORDER

Google agrees that a formalized model tariff is the right mechanism to align large-scale load growth with long-term utility planning. We particularly endorse the following components of the Tentative Order:

- **Risk-Based Financial Protections:** We support the proposal for graduated financial security—including deposits and collateral—that is tiered based on load size and refunded as load ramps up. This approach protects utilities and existing ratepayers while recognizing a project's maturing creditworthiness.
- **Cost Responsibility and CIAC:** We agree that Large Load Customers should bear interconnection costs that solely benefit them. Furthermore, we support the use of incremental Contributions in Aid of Construction (CIAC) when a customer is the primary beneficiary of infrastructure that provides broader system benefits.
- **Termination Fee Mitigation:** Google strongly endorses the "Capacity Reassignment" principle. Requiring a utility to use reasonable efforts to mitigate

exit fees by assigning reduced capacity to other customers prevents a windfall and aligns with emerging regulatory standards, such as our recent July 2025 settlement with Indiana Michigan Power (I&M).

- **Customer Self-Build Provisions:** We endorse the decision to allow customers to construct network-integrated infrastructure. Empowering customers to self-fund and self-build upgrades, subject to Electric Distribution Company (EDC) engineering standards, is a vital tool for removing bottlenecks and supporting our "Speed to Market" objective without compromising reliability.

### **III. RECOMMENDATIONS FOR TARIFF REFINEMENT**

Google respectfully offers the following enhancements to ensure the model tariff is best equipped to capture the benefits of large-scale growth while maintaining robust protections for the grid and its ratepayers, leveraging established precedents from other successful jurisdictions

#### **A. The Large Load Customer Definition Should Reflect Electrical Relevance Rather Than Corporate Structure**

Google generally supports the Commission's proposal to define a "Large Load Customer" as an entity with a demand of 50 MW individually or 100 MW in the aggregate. However, we recommend refining this definition to ensure it is based on electrical relevance rather than corporate structure.

Specifically, aggregation should apply only to facilities located on contiguous property or served by the same primary substation. Two facilities in different transmission zones create distinct, localized impacts on the system. Aggregating such facilities based solely on common ownership detaches the tariff from the physical reality of the grid and risks creating arbitrary classifications that do not reflect actual infrastructure requirements.

#### **B. Minimum Contract Terms Should Extend to 10–15 Years to Mitigate Stranded Cost Risks**

While the Commission proposes a five-year minimum term, Google's experience suggests a longer horizon is necessary to effectively manage stranded cost risks. We recommend a 10-to-15-year commitment, inclusive of a load-ramp period capped at five years to align infrastructure build-out with actual customer scaling.

Infrastructure upgrades for loads of 50 MW or greater are significant capital undertakings with depreciation schedules spanning decades. A longer term ensures that Large Load Customers remain contributors to the system for a substantial period. This approach is consistent with emerging regulatory frameworks, such as the Ameren Missouri Large Load Rate Plan (effective December 2025), which established a 12-year

standard.<sup>1</sup> Aligning Pennsylvania with this national consensus provides utilities with the revenue certainty required for major grid investments while offering developers the stability needed for multi-year site planning.

### **C. The Commission Should Establish a Capacity Accreditation Mechanism to Value Flexible Load**

Google supports the Commission's tentative finding that interruptible service programs for Large Load Customers are highly beneficial for grid reliability. The Commission's proposal to develop interruptible service options and standby rates should prioritize optionality over mandates to accommodate the diverse reliability profiles of Large Load Customers. While the Commission tentatively finds that interruptible service can help protect ratepayers from stranded costs and reduce system upgrade requirements, it is critical to recognize that many data center customers—including governments, schools, hospitals, and financial institutions—support essential infrastructure that requires absolute firm power. Rather than prescriptive mandates, the Commission should encourage voluntary programs that fairly compensate developers for the grid services they provide. Specifically, customers who opt into these programs should be eligible for expedited interconnection because their ability to curtail load reduces the immediate need for costly and time-consuming network upgrades.

To ensure these programs are properly valued, the Commission should establish a formal capacity accreditation mechanism that treats interruptible load as a reliability asset equivalent to a physical power plant. Following the model established in the July 2025 Indiana Michigan Power agreement, the interruptible portion of a customer's load should be recognized as a capacity resource that helps the utility meet its PJM Resource Adequacy obligations. The resulting reduction in demand charges should be calculated based on the Effective Load Carrying Capability the customer provides to the grid. By recognizing interruptible load as a formal capacity resource rather than a simple tariff discount, the Commission can incentivize large-scale users to serve as a critical reliability buffer, lowering procurement costs for all Pennsylvania ratepayers while avoiding redundant investments in peak-generation infrastructure.

Furthermore, the Commission must maintain a clear distinction between interruption policy and cogeneration/standby rate policy, as they serve different technical functions. Standby rates or non-firm service should be specifically developed for customers with co-located generation who require grid access for limited hours or emergency backup. In contrast, interruptible customers should be encouraged to participate in economic and emergency demand response as grid assets, provided that interruptions are limited to a specific number of hours per year to maintain commercial viability. This distinction is critical to designing a tariff that encourages participation, optimizes grid assets, and maintains Pennsylvania's regional competitiveness in the PJM territory.

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<sup>1</sup> In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Approval of New Modified Tariffs for Service to Large Load Customers, File No. ET-2025-0184, Order Regarding Ameren Missouri's Request for Approval of a Large Load Rate Plan and Associated Variance (Missouri Public Service Commission Nov. 24, 2025). [efis.psc.mo.gov/Document/Display/858399](https://efis.psc.mo.gov/Document/Display/858399).

#### **IV. CONCLUSION**

Pennsylvania stands at a pivotal moment. Adopting a formalized Model Tariff now is the right move for the Commonwealth to seize the opportunity presented by load growth. This expansion—led by data centers, advanced manufacturing, and robotics—represents a historic opportunity to reinforce Pennsylvania’s leadership in the global innovation economy.

Establishing a technically sound framework now, enhanced by Google’s recommendations for Contracted Capacity and 10-to-15-year minimum terms, will provide the regulatory foundation needed to secure these major investments while fully insulating other ratepayers from financial risk.

Parallel to this effort, Google recommends that the Commission also prioritize grid optimization through Advanced Transmission Technologies (ATTs) and enhanced data visibility to maximize existing infrastructure. Specifically, the Commission should initiate formal investigations or workstreams to evaluate how these technologies can be most effectively deployed within the Commonwealth.

Google looks forward to continued collaboration with the Commission and regional stakeholders to finalize a framework that supports a reliable, affordable, and innovative energy future for all Pennsylvanians.