Edith Webster-Freed
Senior Vice President & General Counsel
EWF@exus.us
929-715-3876
New York
www.exus.us

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Matthew 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
M-2025-3054271

Dear Secretary Homsher:

Enclosed for consideration by the Pennsylvania Public Utility Commission, please find the Comments of Exus Renewables North America in the above-referenced proceeding.

Sincerely,

Edith Webster-Freed
Senior Vice President & General Counsel

cc: James A. Mullins (via jamullins@pa.gov)
Scott J. Thomas (via sjthomas@pa.gov)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

INTERCONNECTION AND TARIFFS FOR LARGE LOAD CUSTOMERS	: :	Docket No. M-2025-3054271

COMMENTS OF EXUS RENEWABLES NORTH AMERICA

TO THE HONORABLE, PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Tentative Order issued on November 6, 2025 in the above-referenced proceeding and the associated publication of the Tentative Order in the *Pennsylvania Bulletin*, Exus Renewables North America ("Exus") hereby submits these comments, and incorporates by reference Exus's initial comments that were filed with the Commission on June 6, 2025 and its reply comments that were filed on June 23, 2025. As the Commission contemplates both opportunities and challenges associated with large load growth, it is imperative that the Commission encourage in-state generation and development growth, while ensuring just and reasonable rates for customers. The Commission should pursue policy changes at the state level, consistent with developments at the federal level, including the Federal Energy Regulatory Commission's ("FERC") recent determination that the Open Access Transmission Tariff of PJM Interconnection, L.L.C. ("PJM") is unjust and unreasonable because it does not provide sufficient clarity on co-located load arrangements wherein end-use customer load is "physically connected to the facilities of an existing or planned Customer Facility on the Interconnection Customer's side of the Point of Interconnection to the PJM Transmission System."[1]

[1] *PJM Interconnection, L.L.C. et al*, 193 FERC ¶ 61,217 at P 2, n. 3 (Dec. 18, 2025) (hereinafter "FERC Co-Located Load Order").

I. REPLY COMMENTS

A. The Commission Must Prioritize Economic Development for Large Loads and New Generation in the Commonwealth and Streamline Permitting Where Possible.

1. The Commission Must Continue to Prioritize Faster Interconnections for Large Loads That Bring Their Own Generation.

In the Tentative Order, the Commission found that Large Load Customers "that may not be using their full interconnection limit by having onsite generation may be entitled to lower stand-by charges or possibly a lower minimum demand charge."[2] The Model Tariff language itself includes similar language and also emphasizes the ability of a large load customer using onsite generation to offset demand for grid services.[3] As emphasized by FERC Commissioner Rosner regarding FERC's recent action on co-located loads in PJM, "these [federal policy] changes will make 'bringing your own new generation' co-located with new load cheaper and faster, benefiting the generator, the large load it will serve, and—critically—all other PJM customers."[4]

Like FERC, the PUC must also continue to facilitate mechanisms or policy solutions for incentivizing large data center loads to bring their own generation and sources of generation supply to meet their demand, including both their energy and capacity needs. In comments before the PUC, several parties advocated for a requirement that very large loads bring their own generation or source of generation supply[5], while other parties cautioned against *requiring* very

[2] *See* Tentative Order at 39.

[3] *See* Tentative Order, Appendix (Model Tariff).

[4] FERC Co-Located Load Order, Rosner Concurrence at P 8.

[5] *See, e.g.*, Initial Comments of NRG, Docket No. M-2025-3054271 at 8-9; Initial Comments of Duquesne Light Company at 4.

large loads to be subjected to a bring your own new generation ("BYOG") requirement.[6] Though the Tentative Order does not come to an explicit conclusion on BYOG[7], the Tentative Order importantly recognizes that incentivizing Large Loads to bring onsite generation and realize lower standby charges or minimum demand charges "need not be discriminatory."[8]

Exus appreciates the Commission's tentative findings on BYOG and continues to advocate that the PUC strongly encourage and incentivize, but not mandate, BYOG. Notably, mandating a BYOG requirement may interfere with the longstanding obligation to serve of the public utility,[9] raise undue discrimination concerns,[10] and may require a legislative solution.[11] However, the PUC maintains policy levers, as the PUC has embraced Pennsylvania's dual policy goals of 1) facilitating new economic development in the Commonwealth by affording some business flexibility to co-location arrangements and 2) protecting the existing customer base from any adverse impacts on the distribution and transmission grids.[12] Incentivizing BYOG balances protection of existing customers while also not mandating or overly restricting business approaches for developers seeking to invest in the Commonwealth.[13] New large loads and data

[6] *See, e.g.*, Initial Comments of Constellation Energy, Docket No. M-2025-3054271 at 12.

[7] *See* Tentative Order at 39.

[8] Tentative Order at 39.

[9] *See* "A Guide to Utility Ratemaking," PA PUC (2018) at 1, 4 (explaining the utility's obligation to serve all applicants in the utility's franchised area). *available at* https://www.puc.pa.gov/General/publications_reports/pdf/Ratemaking_Guide2018.pdf (last accessed Dec. 22, 2025).

[10] *See* Constellation Energy Initial Comments at 12.

[11] *See* Initial Comments of PPL Electric Utilities, Docket No. M-2025-3054271 at 13-14.

[12] *See* "Comments of the Pennsylvania Public Utility Commission," *PJM Interconnection, L.L.C. et al.*, Docket No. EL25-49-000 *et al.*, at 5-6 (filed Apr. 22, 2025) (hereinafter "PA PUC FERC Comments").

[13] *See* PA PUC FERC Comments at 5-6, 9.

centers that provide their own generation or utilize unused interconnection rights of an existing or retiring power plant could be rewarded with a faster interconnection.[14]

2. The Commission Should Evaluate Whether the PJM State Agreement Approach Would Help Facilitate Pennsylvania's Policy Goals Related to Economic Development and In-State Generation.

New large load interconnections and new or replacement generation will often trigger various levels of necessary transmission system upgrades. To help facilitate a measured energy transition and to help maintain robust generation capacity in the Commonwealth, Exus has encouraged the PUC and Pennsylvania to evaluate use of the PJM State Agreement Approach.[15] Under the PJM State Agreement Approach, Pennsylvania would seek to remove a barrier to entry for investment in large load infrastructure by assuming cost responsibility for transmission upgrades in the PJM Regional Transmission Expansion Plan ("RTEP") that may be triggered by a new large load, such as a data center.[16] For a particular project where Pennsylvania desires to see sufficient economic development or revitalization,[17] Pennsylvania could select the project and the Designated Entity (likely the incumbent transmission owner for a PJM Supplemental Project[18]) to complete the project or could request PJM to open a competitive window to seek proposed transmission solutions for any baseline projects and larger upgrades that may be

[14] *See* Initial Comments of Evergreen Collaborative, Docket No. M-2025-3054271 at 2.

[15] *See* Exus Initial Comments at 9-10. In the Tentative Order, the Commission did not address Exus's suggestions regarding the PJM State Agreement approach.

[16] *See* PJM Operating Agreement, Schedule 6, section 1.5.9 (State Agreement Approach).

[17] For an overview of the current Administration's policy goals related to energy, see https://www.pa.gov/governor/newsroom/2025-press-releases/governor-shapiro-unveils--lightning-plan--to-strengthen-commonwe.html (last accessed Dec. 22, 2025) and https://www.pa.gov/governor/newsroom/2024-press-releases/governor-josh-shapiro-s-energy-plan-builds-on-pennsylvania-s-leg.html (last accessed Dec. 22, 2025).

[18] The process for Supplemental Projects, which are not subjected to competitive solicitations, is provided in PJM Tariff Attachment M-3.

needed.[19] Notably, Pennsylvania ratepayers would be assigned the costs of the selected transmission upgrades pursuant to a FERC-accepted cost allocation methodology or a methodology determined by Pennsylvania. Costs will not be recovered from customers in any state that does not agree to be responsible for the project in the State Agreement Approach.

Given that Pennsylvania adheres strongly to cost-of-service and cost causation principles, the PUC may want to initiate a study and cost-benefit analysis to ensure that any Pennsylvania ratepayers would sufficiently benefit from a public policy economic revitalization effort within the PJM State Agreement Approach framework. For example, if Pennsylvania were to sponsor a State Agreement Approach to fund network transmission upgrades needed for particular data center load(s) and any associated generation, would the Commonwealth receive a reasonable return on its investment, and would affected ratepayers receive roughly commensurate benefits from the costs assigned to them? Pennsylvania may wish to explore supporting high voltage backbone transmission in the Commonwealth (*e.g.*, 500 kV) that helps strengthen the existing grid and provides economic development opportunities to communities undergoing transformative experiences associated with a forthcoming deactivation of a large baseload generation resource (and employers). As a result, Pennsylvania could take a more meaningful role in the transmission planning performed by PJM.

3. The Commission Should Consider Proactively Addressing Supply Chain Constraints by Evaluating a Wholesale, State-Based Purchasing Approach.

The electricity industry continues to face supply-chain delays, risks, and cost increases with respect to procuring critical infrastructure (such as transformers, cables, and circuit

[19] For a summary of the PJM State Agreement Approach, see https://www.pjm.com/-/media/DotCom/about-pjm/newsroom/fact-sheets/the-state-agreement-approach.ashx (last accessed Dec. 22, 2025).

breakers) necessary for transmission upgrades and enhancements.[20] Roughly 80% of large transformers have been imported from Mexico, China, and Thailand.[21] Lead times for transformers and other grid equipment have become extreme (often ~120+ weeks for many transformer classes, and longer for large power transformers), which is now a binding constraint on interconnection and system upgrades. To address supply chain constraints, the PUC should evaluate, in conjunction with respective Commonwealth officials, a wholesale, bulk purchasing approach to procure necessary equipment such as transformers and circuit breakers. Because the Commonwealth inherently has more purchasing power and potential overseas influence than some single actors and companies, such a wholesale purchasing approach could lead to more streamlined, negotiated, and cost-effective procurement.

As a result, the Commonwealth could facilitate the development process for large load growth while stimulating economic growth in the Commonwealth, thereby taking the lead in the PJM footprint at a time of surging demand and generation resource inadequacy. In developing such a purchasing program, the PUC and Commonwealth officials could utilize existing procurement and importing approaches, such as the Pennsylvania Liquor Control Board's worldwide import capabilities through its single vendor purchasing power of alcohol overseas. Another potential approach is a state-enabled, large-load (LL) developer/customer- and utility-funded structure, through which Pennsylvania would coordinate advance manufacturing slot reservations and long-lead equipment commitments at a programmatic level, aligned with

[20] *See* "Supply-chain delays for transformers, cables, and breakers push power grid to the brink," FastCompany (Nov. 18, 2025), *available at* https://www.fastcompany.com/91442349/supply-chain-delays-transformers-push-power-grid (last accessed Dec. 22, 2025).

[21] *Id.* (citing "Transformer troubles: manufacturing and policy constraints hit US transformer supply," Wood Mackenzie (Aug. 13, 2025), *available at* https://www.woodmac.com/news/opinion/transformer-troubles-manufacturing-and-policy-constraints-hit-us-transformer-supply/) (last accessed Dec. 22, 2025)).

statewide data-center development goals, as opposed to individual project-specific procurement contracts.

B. The Commission Should Pursue Increased Transparency Both In Processing New Large Loads and Load Forecasting To Ensure Expedited Interconnections.

Increased transparency in procedures can help expedite interconnections and optimize economic development and redevelopment opportunities in the Commonwealth. While the Tentative Order encourages additional transparency to customers looking to interconnect, via periodic updates, average response times, queue positioning, and expected timelines,[22] the Commission should also encourage such transparency obligations for new data centers. To help validate the authenticity of a large load interconnection request, the Commission could incentivize data centers to present their development plans to PUC officials before development begins. This would assist in both accurate load forecasting and increased transparency goals.

Improving transparency necessarily implicates the importance of transparent, data-driven load forecasting techniques that use standardized methodologies and assumptions along with an ability to reconcile near-term customer demands with long-term planning models.[23] Enhanced accuracy and granularity with load forecasting can protect the existing customer base by both preventing costly overbuilds and avoiding underbuilds that could jeopardize reliability. Exus agrees with requests that the Commission prioritize accurate load forecasting.[24] Load forecasting practices impact both state and federal jurisdictions. Accurate load forecasting at the retail level is important because the EDCs then provide their load forecasts to PJM, which resultingly affects PJM's transmission planning processes and the interstate, federally-regulated wholesale energy

[22] *See* Tentative Order at 25.

[23] *See* Data Center Coalition Initial Comments, Docket No. M-2025-3054271 at 4.

[24] *See* Vistra Initial Comments at 9-10.

and capacity markets. In finalizing the Tentative Order, the PUC should take clearer, concrete policy actions to ensure transparent and accurate load forecasting measures.

C. The Model Large Load Tariff Should Afford Some Degree of Flexibility Regarding the Contracts Between the Large Load Customer and the EDC.

In this proceeding, the Energy Association of Pennsylvania recognized that "[s]tandard tariff offerings provide valuable transparency and predictability, but rigid adherence to standardized approaches that may not scale well may prevent creative solutions that benefit both utilities and customers in complex interconnection scenarios."[25] Similarly, FirstEnergy recognizes the need for individualized contracts based on the project.[26] Exus agrees with these utility requests for flexibility and allowance of individualized contract terms, based on the particular large load or data center application, load study, construction service agreement, energy service agreement, and particular customer profile. While the PUC's model tariff concerns guidelines and not requirements, Exus emphasizes the importance of protecting existing negotiated contractual arrangements between large loads and electric utilities with respect to new service application and interconnection requests.

II. CONCLUSION

Exus Renewables North America respectfully requests that the Commission consider these comments when establishing a model large load tariff and formulating its Final Implementation Order in this proceeding or with respect to any additional Commission actions addressing large loads and associated interconnection requests.

[25] Energy Association of Pennsylvania Initial Comments, Docket No. M-2025-3054271, at 12.

[26] FirstEnergy Initial Comments, Docket No. M-2025-3054271 at 3.

Respectfully submitted,

Edith Webster-Freed
Senior Vice President & General Counsel
Exus Renewables North America
489 Fifth Ave., Floor 31
New York, New York 10017
EWF@exus.us
929-715-3876

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