



December 22, 2025

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

**Comment on Proposed Rulemaking:
Model Tariff for Large Load Customers (M-2025-3054271)**

The Commonwealth Foundation appreciates the commission's efforts to balance the economic opportunities that data center development provides with protecting residential customers from rising costs due to unnecessary infrastructure upgrades. Providing clear regulatory guidance to Pennsylvania's utilities and large customers, when done correctly, would enhance the commonwealth's ability to attract this economic development opportunity.

Pennsylvania's status as an energy powerhouse affords specific dynamics to attract large amounts of data center investment. Competitive power markets have led to the creation of a substantial generation surplus, directly positioning Pennsylvania to benefit immensely from the race to attract this development. However, the state's reputation for bureaucratic uncertainty and voluminous red tape is a serious obstacle. We believe a level playing field for data center development will allow residents to both capitalize on economic opportunities and protect residential ratepayers from unnecessary cost-shifting measures. Meanwhile, [Pennsylvanians are wary](#) of data center development driving up electricity rates. Setting clear rules for large load customers would help establish Pennsylvania as a preferred location within the artificial intelligence (AI) boom, benefiting all state residents.

Our comments address efforts to improve load forecasting, regulatory certainty for developers, avoiding special treatment based on generation sources, and opposition to universal service mandates.

We support collateral or deposit requirements for large load customers with the flexibility to improve the quality of load forecasts and protect ratepayers from unnecessary costs, similar to states like Indiana and Ohio. The proposed tariff sets a minimum demand charge of approximately 80%, reflecting the 80% tariff in Indiana and West Virginia and Ohio's 85% data center tariff to create conditions for more accurate load forecasts.

It is important that Pennsylvania has a mechanism in place to ensure its load forecasts include only those large customers that are serious about developing their projects. The PJM Interconnection, the largest U.S. grid operator servicing Pennsylvania plus 12 other states and the District of Columbia, relies heavily upon these load forecasts to identify transmission and generation needs, and they must be credible.

We support efforts to provide more certainty with a set deadline, such as six months, for interconnection studies, as well as accountability for utilities unable to meet this timeline. These principles are in line with recent efforts to improve regulatory certainty, such as the Streamlining

Permits for Economic Expansion and Development (SPEED). Moreover, developers should have clear recourse protocols when utilities fail to complete a timely review of their projects.

The Commonwealth Foundation opposes providing large load customers with any advantages based on the type of generation a large load customer utilizes. We also oppose penalties for not participating in flexibility programs. Renewable energy mandates or benefits will pose an obstacle to development, given the growing demand for generation. Furthermore, regulations of this kind do not align with the competitive structure of Pennsylvania's energy generation market.

Finally, the Commonwealth Foundation disagrees with the recommendation to require large load customers to contribute to the utility's hardship fund. This contribution is in addition to required customer assistance programs. Singling out large load customers is unfair and sets a dangerous precedent for forced contributions unrelated to the costs the entity will impose.

Commissioner Coleman noted a similar concern in his [November 6th statement](#) that mandating a contribution to a hardship fund, "may cause some to think that we can require similar contributions, to other unregulated organizations." And those seeking to deter development or shift more costs to one rate class could abuse these provisions.

Moreover, the creation of such hardship funds (funded by a "tax" on large customers) is well beyond the statutory authority of the Public Utility Commission (PUC) and will certainly lead to litigation. We urge the PUC to drop this aspect of the tentative order from the final order.

Sincerely,



Elizabeth Stelle
Vice President of Policy
Commonwealth Foundation for Public Policy Alternatives
223 State Street
Harrisburg, PA 17101