



December 22, 2025

Via Electronic Filing

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

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

Dear Secretary Homsher:

On November 6, 2025, the Public Utility Commission published for comment a [Tentative Order](#) proposing a statewide model tariff to guide how large load customers (“LLC’s”) connect to the grid. Thereafter, the Tentative Order was published in the Pennsylvania Bulletin on November 22, 2025.

The Keystone Energy Efficiency Alliance (“KEEA”) is Pennsylvania’s trade association for the energy efficiency industry. With our sister organization the Energy Efficiency Alliance of New Jersey, we represent 80 business members across Pennsylvania and New Jersey. Our mission is to champion efficiency as the foundation of a clean, just, and resilient energy economy.

We thank the Commission for the opportunity to provide comments on this important issue. We particularly applaud the Commission’s initiative in attempting to address the impact that the addition of large load customers to the grid will have. AI data centers alone are forecast to add an additional 3 GW of demand in Pennsylvania alone, placing unprecedented strain on the grid.¹ Without adequately preparing for this forecast increase in load, this change will have significant and potentially devastating impacts on ratepayers.

As the Commission considers regulating the interconnection of LLC’s, we urge the Commission to take action to ensure that the risks associated with LLC’s will not be socialized to other rate

¹ Cora Wyent, Miki Verma & Wael Kanj, Rewiring America, Homegrown Energy: How Household Upgrades Can Meet 100 Percent of Data Center Demand Growth (2025), <https://www.rewiringamerica.org/research/homegrown-energy-report-ai-data-center-demand>.

classes, especially residential and small commercial ratepayers. For that reason, we recommend the Commission be guided by two of the foundational principles of cost allocation, “cost causers pay” and “beneficiaries pay.” These principles dictate that entities who increase demand for energy and supporting infrastructure and who benefit from it should bear the costs required to provide that additional energy and infrastructure. Following these principles will minimize the risk of cross-subsidization by customers who are not contributing to increased load growth or benefiting from the infrastructure improvements necessary for LLC’s.

We also recommend that the Commission remain aware of the effects that these large loads will have on the regional transmission organization (PJM) and on society at large and take steps to mitigate the harmful aspects. We urge the Commission to more fully reflect in the final tariff how this order will intersect with grid flexibility and planning. Under FERC order 1920a, states have a larger role in grid planning and coordination along with the RTO, which has not yet filed a complete plan for the PJM region. As noted in large load principles published by RMI², these factors remain important aspects of any large load tariff. In this time period when insufficient energy supply is projected for the region’s grid, the PUC’s oversight and coordination of information with EDCs and transparency with the public should be paramount regarding load projections and associated required additional transmission and distribution, and ideally addressed or acknowledged in the final model tariff.

Taking these combined concerns regarding rate socialization, PJM impact and societal impact together, the Commission can ensure that the costs and risks associated with the large loads connecting to the grid are borne properly, and that society at large can benefit.

Further, we urge the Commission to consider this model tariff in tandem with the recently announced rulemaking to modernize Pennsylvania’s interconnection process generally. As Vice Chair Barrow alluded to in her Motion,³ the current interconnection regulations have been in place since 2006 and are in need of a general update to account for the modern energy landscape. That landscape must include the increased demand that LLC’s are forecast to place onto the grid. We recommend that the Commission eventually memorialize the principles underlying this proposed model tariff in its eventual promulgated regulations.

Appropriate MW Size Designation for Large Load Tariffs in Pennsylvania

KEEA supports the Commission’s proposal that LLC’s be defined as 50 MW individually or 100 MW in the aggregate. In order to minimize the chance that other large industrial customers may be unintentionally captured by this definition, we urge the Commission to consider additional factors, including operational and load characteristics. We also support the Commission’s

² RMI, Large Load Tariff Principles (2025), <https://rmi.org/insight/large-load-tariff-principles>.

³ Motion of Vice Chair Kimberly Barrow, 3059032-CMR (Dec. 18, 2025), <https://puc.pa.gov/pdocs/1906951.pdf>.

proposed flexibility to allow a utility to propose differential rate treatment for customers that fall below the minimum threshold but would still pose the same risks to the grid.

Deposits, Financial Security or Collateral from Large Load Customers

KEEA supports the Commission's consensus-based approach of a tiered, risk-based approach that protects against stranded costs and speculative projects. We would like to emphasize a few principles that the Commission should consider in crafting the deposit requirements.

First, it is essential that none of the costs associated with the interconnection process be passed along to ratepayers, whether it be the costs of interconnection studies, infrastructure upgrades that primarily benefit the LLC, or utility-side administrative costs associated with bringing the LLC online. To that end, the Commission should ensure that any required deposit by the LLC be large enough that it covers these up-front costs. Further, we urge the Commission to consider establishing a fund to be paid into by the LLC's that would recover any stranded costs caused by a project that does not come to fruition.

Second, the Commission should ensure that the financial commitment required is commensurate to the risk of the project. LLC's that are less creditworthy or have unique characteristics that may pose greater dangers to the overall grid should be required to invest more capital than safer projects.

Third, we recommend that the Commission ensure that non-discriminatory access to the grid be assured and that any deposit structure should reflect that overarching goal.

Contributions in Aid of Construction

KEEA agrees that CIAC requirements for LLC's are necessary to protect ratepayers from uneconomic or stranded infrastructure investment. However, we are concerned that the proposal that EDC's handle CIAC for LLC's in the same manner that CIAC is implemented for all other tariff customers presents a risk of costs being improperly allocated to other customers. The Commission should specify a transparent, standardized process to determine CIAC payments to ensure that the cost of necessary infrastructure upgrades is allocated equitably. To that end, we oppose any proposal that utilities be allowed to rate base any asset funded by CIAC payments.

KEEA opposes the proposal whereby LLC's that make voluntary CIAC contributions be allowed to move up the construction queue. Given the cost, scale, and general complexity of these LLC's, allowing projects to be pushed back in the queue due to another LLC's contributions would add a level of uncertainty to the process that could disincentivize these projects from happening at all.

CIAC contributions should be a mandatory requirement for any LLC wishing to locate in Pennsylvania, not a voluntary enticement.

Minimum Contract Terms

KEEA supports the proposed requirement of minimum contract terms and exit fees to ensure cost recovery and system stability. We recommend the Commission adopt a minimum term of twelve years, in order to more closely match the contract length with the expected life of the infrastructure built to support the LLC. This would also align Pennsylvania's tariff with the other approved tariffs in PJM territory, namely in Indiana, Ohio, and West Virginia. We further recommend that the Commission specify any potential exit fees in the model tariff in order to promote uniformity and transparency statewide.

Interconnection Studies and Interconnection Agreements

KEEA supports the proposed structure for interconnection studies and interconnection agreements. As stated already, it is essential that the cost of the interconnection studies should not be borne by other ratepayers. We recommend that the proposed requirement of public meetings be strengthened, and community benefits agreements should be established as part of this process. We encourage utilities to meet with stakeholders to discuss the process and implications of interconnecting LLC's, including but not limited to the appropriate bar for entry into EDC's queues, queue management, interconnection requirements, and load ramping requirements. EDC's should make a good faith effort to implement reasonable improvements that are identified through these discussions.

KEEA also supports the proposal that EDC's make available on their public websites a list of LLC interconnection applications. Public-facing transparency is essential to informed stakeholder engagement, and this proposal would ensure that the public at-large has the ability to effectively engage with EDC's. To that end, we recommend that the Commission require an emissions impact assessment as part of the interconnection study process, as well as transparency and public input related to the siting of any proposed LLC facility.

Minimum Demand Charges

KEEA supports the Commission's disposition to require minimum demand charges of 80%, at least for an introductory period of time. It is critical that applicants are incentivized to provide accurate load projections and to establish a baseline for the electric distribution companies to ascertain the efficacy and appropriateness of this percentage. We suggest that perhaps allowing advocates and EDC's to petition the Commission to adjust that percentage upward or downward after a two-year introductory period may allow for a correction, should one be deemed necessary.

Load Ramp Schedule

KEEA generally supports load ramping, but we provide no specific proscriptive directive.

Exit or Early Contract Termination Fees

KEEA supports the proposed requirement for exit and early termination fees.

Interruptible Service and Standby Rates for Large Load Customers

KEEA supports the Commission's proposal to encourage LLC's to opt-in to interruptible service. Given that PJM's recent 2027/2028 Base Residual Auction, results of which were announced December 17, failed to meet its reliability requirement, ensuring the ability to shave load during peak demand will be essential to maintaining the stability of the grid. Indeed, some data center companies are already contemplating such action voluntarily. One company, Verrus, has designed a data center in Colorado that incorporates utility-scale battery storage to act as a primary backup for their campus.⁴ When given a signal by their utility, their data center is capable of curtailing up to 100% of their load within one minute. Such strategies can and should become the norm for LLC's.

In addition to encouraging interruptibility, we also urge the Commission to incentivize LLC's who co-locate with their own generation to participate in demand response (DR), and should take steps consistent with the Commission's jurisdiction to incentivize clean generation to the greatest extent possible.

Universal Service Cost Allocation

KEEA supports the proposed requirement that Large Load Customers make contributions to support low-income ratepayers. Given that the addition of these LLC's will impact all ratepayers through their impact on the grid, it is imperative that the LLC's contribute in meaningful ways to mitigate the consequences of their connection. We do not support the proposal that the contribution go towards the EDC's hardship fund, however. A more appropriate channel would be a contribution to the Universal Service Fund.

We also urge the Commission to go further. As more demand is placed on the grid, investments in energy efficiency to lessen the demand elsewhere will be essential to maintaining the long-term sustainability of the grid. One method to accomplishing this goal could be a

⁴ Bianca Giacobone, *Verrus successfully demos its flexible data center technology*, Latitude Media (May 15, 2025), <https://www.latitudemedia.com/news/verrus-successfully-demos-its-flexible-data-center-technology/>.

volumetric rider for LLC's that will contribute to an EDC's Act 129 budget. Another possible method could be establishing a fund dedicated to promoting energy efficiency that would be paid into by the LLC's as part of the interconnection process.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Justin L. Carpenter". The signature is written in a cursive, flowing style.

Justin L. Carpenter, Esq.

Policy Counsel

Keystone Energy Efficiency Alliance