

In response to the invitation for comments by the Pennsylvania Utility Commission (PUC) docket M-2025-3054271, I am pleased to offer these thoughts on behalf of myself and the York County Farm Bureau.

Background:

Over the last ten years I have learned far more about electric regulation, transmission, and public policy than I ever wanted to know. My farm was threatened by a 230kv transmission line that would have moved power from Pennsylvania to Maryland. I learned a lot during that experience, primarily that landowner rights are not well represented in the process.

In my experience, PJM determined that because the LMP cost of electricity in Northern Virginia was more than 25% greater than PA LMPs, a set of new transmission lines were required. It needed to be a set of 230kV lines because if it were a single 500kV line, a different calculation in the PJM tariff would be triggered and the line could not be justified¹. The OCA represented ratepayers, the utility had an unlimited budget thanks to a FERC abandonment guarantee, and landowners like me were forced to represent ourselves. I was the one who identified newly built, but only half used, lines running parallel to the proposed greenfield that resulted years later in a settlement for our portion of the line.

Public policy seems to have gone from bad to worse. The current state of affairs is such that if a single data center developer in Northern Virginia wants to build a 1GW load, and Virginia has decided not to generate their own power, then PJM has no choice but to order new transmission from Pennsylvania (or West Virginia), and the PA PUC now does not have the right to deny the request². Construction of the new line will start in PA long before it is approved in the downstream states, and PA ratepayers will be required to pay for part of it (if 500kv).³

The public policy problems here are numerous:

- 1) PJM, a body primarily made up of utilities, has no ability to order generation... only transmission. So every shortfall is seen as an opportunity to build new transmission and enrich the members.
- 2) Because PJM is so busy moving power around the region, we find ourselves in a situation where power runs in circles. Witness the recent TEAC suggestion that a new 760kV line be constructed from West Virginia to central PA at a cost of nearly \$2B. The only reason that is needed is because so much power has been moved south from Pennsylvania to Virginia.
- 3) The underlying assumption behind PJM's 500kV transmission cost socialization, and indeed the very notion of eminent domain in electrical distribution and transmission, is that new construction benefits all. These rules were fine when new demand benefited

¹ See PJM OA Schedule 6 1.5.7 B/C ratio Regional vs Lower Voltage Facilities

² US 3rd Circuit: Transource v Defrank

³ 2025 PPL Rebuild of 230kv OtterCreek/Conastone to 500kv Chanceford/Doubs (b3800) AND/OR PECO Brandon Shores retirement mitigation (b3780)

large numbers of people. But today's demands benefit incredibly few people, while generating huge profits for only a handful of companies.

- 4) While the PUC may have the ability to regulate loads in state, out of state loads fall to PJM and FERC which may have very different rules. There appears to be no protection for PA if the giant sucking sound to our south and east increases. Commissioners should ask themselves how the model tariff protects PA ratepayers should the new data center decide to site itself just outside the state boundary.

I understand that the PUC is not in a position to address all of these public policy problems. That does not make the problems any less important, and in fact, it lends to the impression that the management of the grid is a mess. The PUC does not seem to have the ability, or perhaps the will, to influence PJM and FERC. Every month it seems that the IMM is a voice crying in the wilderness, with no one listening to their warnings of impending doom.

Purpose of model tariff:

It is helpful to acknowledge the reasons behind the changes in the PUC's tentative order.

The underlying premise behind all the changes is that the current costs of LLC interconnection are not commensurate with the benefits seen by ratepayers. Everyone – including the utilities and LLCs – agrees that the current model is not fair. But the solutions proposed only address the financial shortfalls seen by ratepayers. In short, the remedy so far seems to be “pay a little more in the right places, and all will be good.”

The party that is still harmed in this scenario is the landowner. The farmer. The family who has been taking care of the same piece of land for the last 200 years. How can the PUC say, “We know this LLC only makes one company rich, but because they paid a little extra to make the rest of the ratepayers whole, you need to give up your land.”

If the PUC recognizes that an LLC is SO large and different that it requires a new tariff structure, should the PUC not also recognize that the LLC does not meet the “public” criteria for a CPCN that necessitates the use of eminent domain?

Proposed remedy:

There are several ways to address these issues:

- 1) Explicitly state that LLC's will not enjoy the option of eminent domain in their interconnection. Because the benefits of their large loads are not widely available to residents or ratepayers, they do not meet the threshold of a public use.
- 2) Find ways in the model tariff to encourage co-location with new generation subject to local municipal approval. New generation avoids issues of cost-shifting, and in fact can open up grid-stabilizing interconnection options.

I am encouraged that the PUC is undertaking this effort to better regulate LLC's. My hope is that the PUC will remember that ratepayers are not the only entities harmed by new

interconnection requests. Farmers and landowners are at high risk from data center development and deserve protections as well.

Sincerely,

Barron Shaw
President York County Farm Bureau