

December 22, 2025

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

VIA ELECTRONIC FILING

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

Dear Secretary Homsher:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Initial Comments of Walmart Inc. in the above-referenced matter.

This document was filed electronically with the Commission on this date. All parties are being served a copy of this document in accordance with the enclosed Certificate of Service.

Please contact the undersigned if you have any questions concerning this filing.

Sincerely,

SPILMAN THOMAS & BATTLE, PLLC

By



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Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the following parties to this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by participant).

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Steven W. Lee

Dated: December 22, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**INITIAL COMMENTS OF
WALMART INC.**

Pursuant to the Pennsylvania Public Utility Commission ("Commission") *Tentative Order Providing a Model Large Load Tariff Notice* adopted and entered November 6, 2025 ("Tentative Order"), Walmart Inc. ("Walmart") provides its Initial Comments from the perspective of a large commercial customer that has substantial operations in Pennsylvania and has plans for significant growth and increased investment in technologies that will drive a rising demand for electricity over the next several years. Walmart appreciates the opportunity to participate in this proceeding and looks forward to engaging in discussions around the Commission's Tentative Order.

I. WALMART'S OPERATIONS IN PENNSYLVANIA

As shown on Walmart's website, Walmart operates 159 retail units, 11 supply chain facilities, and employs nearly 60,000 associates within the Commonwealth of Pennsylvania. In fiscal year ending 2025, Walmart purchased \$17.5 billion worth of goods and services from Pennsylvania-based suppliers, supporting over 131,000 supplier jobs.¹

II. WALMART'S ELECTRIFICATION GOALS AND EFFORTS

Walmart has set aggressive and significant renewable energy and sustainability goals, including (1) to be supplied 100 percent by renewable energy by 2035, and (2) zero carbon emissions in its operations, including transportation fleet vehicles, without the use of offsets, by

¹ <https://corporate.walmart.com/about/location-facts/united-states/pennsylvania>

2040.² To align with these goals and optimize operational efficiencies, Walmart is investing in technologies that will increase its energy load over the next several years, including opening new facilities, upgrading existing ones, and deploying automated equipment in retail locations, distribution centers, and online fulfillment centers. Walmart is also electrifying all its facilities as part of its sustainability strategy, which will include installing electric heating systems.

Additionally, Walmart currently has almost 1,300 electric vehicle ("EV") charging stations located at more than 280 Walmart locations throughout the United States that are owned and operated by third parties. As part of Walmart's goal to create its own network of EV charging stations from coast-to-coast, Walmart plans to install its own public Direct Current Fast Chargers ("DCFC") at thousands of Walmart and Sam's Club locations by 2030.³ Walmart opened its first Walmart-owned and operated charging station in McKinney, Texas,⁴ in March 2025, and since then it has opened several more stations in Arizona, Florida, Texas, and Oklahoma. Furthermore, Walmart is transitioning its entire fleet to carbon-free fuel sources. While various technologies are being evaluated, EVs are expected to play a key role in decarbonizing Walmart's fleet, including its thousands of last-mile delivery vans. In addition to expanding its network of public EV chargers, Walmart will require on-site high-powered EV chargers dedicated exclusively to its fleet vehicles in order to support the transition of its fleet.

All of these efforts will increase Walmart's electricity usage. Walmart anticipates making many of these investments in the near-term, and, in some cases, hopes to roll out these changes expeditiously. Walmart's ability to reach its goals in a cost-effective and timely matter depends on

² <https://corporate.walmart.com/purpose/sustainability>

³ Vishal Kapadia, *Leading the Charge: Walmart Announces Plan To Expand Electric Vehicle Charging Network*, Walmart Inc. (Apr. 6, 2024), <https://corporate.walmart.com/newsroom/2023/04/06/leading-the-charge-walmart-announces-plan-to-expand-electric-vehicle-charging-network>

⁴ <https://www.walmart.com/store/206-mckinney-tx/ev-charging-station>

the ability to work collaboratively with utilities and on capacity being available to serve this increasing load.

III. WALMART'S RESPONSE TO THE COMMISSION'S TENTATIVE ORDER

A. Order Overview

This matter was initiated on April 12, 2025, when the Commission issued the *Notice of En Banc Hearing Concerning Interconnection and Tariffs for Large Load Customers* in Docket No. M-2025-3054271, designed to culminate in a proposed model tariff for Large Load Customers. This docket is in response to recent impacts of data center growth within the Commonwealth of Pennsylvania, the PJM Interconnection, LLC ("PJM") region, and nationally, with data centers, utilities, and customer advocates discussing the value of new load, economic incentives and jobs, infrastructure, and rates. The Commission sought and received testimony and comments on topics such as:

- Appropriate megawatt ("MW") size designations for large load tariffs;
- Deposits or financial security from Large Load Customers;
- Appropriate calculations of contributions in aid of construction;
- Minimum contract terms;
- Maximum times for interconnection studies and agreements;
- Monthly demand charges;
- Appropriate fees or expenses for interconnection studies;
- Load ramping schedules for customers that may phase in their usage;
- Exit or early termination fees;
- Distinctions in tariff designs for firm service versus interruptible Large Load Customers;

- Large customers bringing primary or back-up generation to serve their load, and any prudent standby rates;
- Transparent cost structures for interconnection;
- Optionality for infrastructure upgrades to be made directly by prospective interconnecting Large Load Customers at their own expense;
- Best practices learned from other jurisdictions; and
- Any other procedures, rules, or tariff designs that can facilitate the efficient and timely interconnection of this unique category of electric customers.

On November 6, 2025, the Commission adopted and entered its Tentative Order and requested Comments to be filed within 30 days of the date of publication in the *Pennsylvania Bulletin*.⁵ The Tentative Order specifically solicited Comments in response to the following key provisions of a model Large Load Tariff:

- (1) MW size designation:
 - (A) Tentative definition of a Large Load Customer: 50 MW on an individual-site basis or 100 MW in aggregate across multiple sites under common control.
- (2) Exit or Early Termination Fees:
 - (A) Proposal of a 42-month notice period for contract capacity reductions; associated exit/early termination fee mechanics to reflect unrecovered investment and planning impacts.
 - (B) Reduction of up to 20 percent permitted after five years or the initial contract term, whichever is greater, without payment of exit fee.

⁵ <https://www.puc.pa.gov/pcdocs/1901687.pdf>

(3) Existing Large Load Customer Contracts:

- (A) Contract requests from existing Large Load Customers shall continue to be addressed by the Company consistent with the Company's existing tariff requirements.

B. Walmart's Response to Key Provisions

At a high level, Walmart supports either a new Large Load Customer-specific tariff or the inclusion of additional requirements in existing tariffs. While Walmart supports the Tentative Order at a macro level, in the subsequent sections, it provides comments on some key provisions from its perspective as a large commercial and industrial ("C&I") customer that is increasing its own power usage, albeit not at the scale of hyperscale data centers. Walmart's primary concerns center on three key issues. First, the minimum load threshold that triggers application of the additional tariff provisions must be set appropriately. Second, Walmart seeks assurance that each utility's system will have sufficient capacity to support its own growing energy needs. Third, Walmart emphasizes the importance of protecting non-data center customers from bearing stranded costs associated with infrastructure investments made to serve Large Load Customers that ultimately do not fulfill their financial obligations.

1. Minimum Threshold

With respect to the definition of a Large Load Customer as greater than either 50 MW on an individual-site basis or 100 MW in aggregate across multiple sites under common control: Walmart believes that this threshold is set sufficiently high and will ensure that non-data center customers are not unintentionally brought within the scope of the definition; however, Walmart recommends that the term "aggregate" should specifically refer to clustered sites in a common area and not applied to a single customer's load across an entire utility territory.

2. *Ensuring Adequate Capacity for Non-Large Load Customers*

Walmart is concerned that the significant system demands posed by Large Load Customers could limit system access for other C&I customers such as Walmart that also require additional power to support operational expansion, deploy new technologies, and invest in high-powered equipment. These investments not only drive operational efficiency and performance but are also critical to achieving corporate sustainability goals. Although traditional C&I customers typically do not bring load to the system at the same scale as hyperscale data centers, they nonetheless provide substantial and broad-based economic value to the Commonwealth of Pennsylvania. Customers like Walmart support local economies by creating jobs, generating significant tax revenue, and contributing to long-term economic development. In short, traditional C&I customers bring more than just new load – they help build resilient communities and diversify the economic base. Ensuring that these customers can continue to locate and expand operations within the Commonwealth is essential to sustaining Pennsylvania's economic growth. In order to ensure sufficient capacity for all customers, Walmart recommends that the Commission balance the interests of Large Load Customers with those of other existing and potential customers, particularly traditional C&I customers, by implementing internal procedures that allocate or reserve system access in a way that protects the needs of non-Large Load Customers by ensuring that Large Load Customer demand does not crowd out other C&I customers.

3. *Non-Large Load Customer Protections*

The Tentative Order includes provisions designed to protect the broader customer base from the financial risks associated with Large Load Customers that significantly reduce their energy usage or cease operations. Walmart generally supports these measures as a reasonable

attempt to balance the risk of stranded infrastructure and equipment costs with the goal of supporting data center development within each utility's service territory.

However, Walmart has concerns about the provisions in the Tentative Order that allow for a 42-month notice period for contract capacity reductions as well as the allowance of a reduction of up to 20 percent of contract capacity after five years or the initial contract term, whichever is greater, without payment of an exit fee. As explained below, Walmart believes that a minimum 60-month notice period for contract capacity reductions and an allowance of a reduction of up to 20 percent of contract capacity after at least 15 years would provide greater and more reasonable risk mitigation to ensure that the remaining customers would not be burdened with stranded assets and associated costs.

These longer notice and commitment periods are reasonable given the long-lived nature of the infrastructure investments supported by contract capacity arrangements. Transmission, distribution, and related system upgrades are typically planned, financed, and depreciated over long time horizons. Allowing significant contract capacity reductions after only five years – or on relatively short notice – creates a risk that utility investments made to serve that contracted load will not be fully recovered through the customers that caused those costs to be incurred.

Extending the notice period to at least 60 months and requiring a longer minimum commitment period before capacity reductions are permitted better aligns customer flexibility with a utility's investment cycle and depreciation schedules. These modifications would provide the utility with sufficient time to adjust system planning, identify replacement load, or defer future capital investments, thereby reducing the likelihood of stranded assets. Importantly, this approach protects non-participating customers from being exposed to costs associated with infrastructure that no longer serves the original contract load.

From Walmart's perspective, these revisions would strike a more appropriate balance between accommodating future load uncertainty and maintaining the fundamental cost-causation principle that customers who drive system investments should remain responsible for the costs of those investments over a reasonable period.

C. CONCLUSION

Walmart is a significant C&I customer, providing nearly 60,000 jobs in Pennsylvania and supporting local businesses and their employees through the procurement of goods and services. Walmart plans to expand its footprint across the United States, including the Commonwealth of Pennsylvania, in a manner that will require additional electricity and related infrastructure from the Company. Additionally, as Walmart invests in various technologies, rapid deployment is crucial not only for achieving its sustainability goals but also for expanding economic development opportunities in the communities it serves. While Walmart, as a major C&I customer anticipating significant load growth that will require, in some cases, additional reserved capacity and new or upgraded utility infrastructure, believes the proposed tariff provisions set forth in the Tentative Order generally represent a reasonable approach to balancing the needs of data centers with those of the Commonwealth's broader electricity customer base, certain considerations remain critical for a final order. Specifically, it is important to ensure that non-Large Load Customers continue to have adequate access to power as their own electrification efforts expand. This can be achieved through a robust internal process that allocates or reserves system capacity in a manner that protects these customers' needs. Additionally, as explained above, procedures are needed to protect other customers from the potential for stranded costs posed by Large Load Customers that either significantly reduce their load or exit the system altogether without having to pay an exit fee.

Respectfully submitted,

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