

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Interconnection and Tariffs for	)	DOCKET NO. M-2025-3054271
Large Load Customers	)	

**COMMENTS OF POSITION OF AMAZON DATA SERVICES, INC  
IN SUPPORT OF TENTATIVE ORDER**

Amazon Data Services, Inc. (ADS) develops and operates data centers to support cloud computing services offered by its affiliate Amazon Web Services (AWS) (collectively, Amazon). This year, Amazon announced a \$20 billion investment in Pennsylvania to expand cloud computing infrastructure and advance AI innovation. Amazon anticipates creating more than 1,250 jobs and supporting new workforce development training programs and local community projects with this investment. While Salem Township and Falls Township are the first communities to be identified as sites for these future innovation campuses, multiple additional Pennsylvania communities are under consideration. We look forward to sharing these announcements soon. These cloud computing and AI innovation campuses join our growing operations footprint across the Commonwealth that now includes 23 fulfillment and sortation centers and 20 last-mile delivery stations.

**I. INTRODUCTION**

Amazon has a long history in Pennsylvania. Since 2010, Amazon has invested \$26 billion in Pennsylvania, contributing more than \$26 billion to the Commonwealth’s GDP and supporting 27,000 full and part-time jobs, as well as 37,100 indirect jobs across various facilities. With this

investment, we will be bringing new high-skilled jobs, ranging from data center engineers and network specialists, to engineering operations managers, security specialists, and many more technical roles. In addition to these direct positions, this planned investment is expected to support thousands of local construction jobs and positions in the data center supply chain, as well as other jobs in the local community.

Amazon thanks the Public Service Commission (“Commission”) for its proactive work to ensure a level playing field for all customers in the Commonwealth. This draft model tariff balances just and reasonable rates while ensuring continued investments in data centers throughout the Commonwealth. Amazon believes that such an approach can offer material benefits to Pennsylvanians.

For example, a recent study by Energy + Environmental Economics, *Tailored for Scale: Designing Electric Rates and Tariffs for Large Loads*,<sup>1</sup> found that Amazon data centers in four utility regions across the United States are not being subsidized by other customers on an individual facility level and, in some cases, have generated surplus utility revenues (defined as revenue above the utility’s cost to serve that specific data center) that can create benefits, such as downward pressure on rates or grid upgrades.

## II. COMMENTS

Amazon provides the following recommendations that could further support reducing speculative interconnection requests, improving better grid stewardship, and greater risk and affordability protections for all customers. Below we outline these considerations for discussion:

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<sup>1</sup> Energy + Environmental Economics, *Tailored for Scale: Designing Electric Rates and Tariffs for Large Loads*, December 2025, available at <https://www.ethree.com/wp-content/uploads/2025/12/RatepayerStudy.pdf>

1. **Appropriate MW size of program.** Amazon agrees with the Commission that the appropriate size threshold should be set to 50 MW or 100 MW in the aggregate to appropriately capture all large load customers into a nondiscriminatory rate class. The size of the electrical load, and not customer end-use type, is a fundamentally important characteristic of defining thresholds for members of any large load tariff in order to maintain non-discriminatory application of the tariff.
2. **Deposits, Financial Security, and/or Collateral.** Amazon agrees with the approach outlined by the Commission to refund financial security to minimize risk on customers and to mitigate potential overcollection from electric distribution companies (EDCs).
3. **Contribution in Aid of Construction (CIAC).** CIACs, contractual term lengths, minimum demand charges and other elements of customer obligations need to be treated as a package deal. For example, if a customer is funding 100% of specific transmission upgrades via a CIAC, the contract term should be relatively short, reflecting the customer's share of the financial risk supporting that specific infrastructure.
4. **Minimum Contract Terms and Minimum Demand.** Amazon supports a three-to-five-year load ramp with a total contract length between eight and 12 years and a minimum demand charge that is supported by appropriate data to ensure Pennsylvania utilities can meet existing and growing demand without impacting other rate classes. This also offers secondary benefits to more accurately forecast and plan for long-term energy needs.
5. **Interconnection Studies.** Amazon appreciates the Commission's approach to accelerating interconnection study timelines to more rapidly energize customers throughout the Commonwealth. Delivering these studies in appropriate and predictable timelines helps

weed out speculative loads while protecting interconnection queues from gridlock and bloat.

6. **Exit and Early Termination Fees.** Amazon supports shorter notice periods for capacity adjustments between 18 and 24 months. This timeline would allow EDCs to properly reallocate existing capacity which promotes more responsible grid use while minimizing the risk of stranded assets built to meet new load that could otherwise be served with reallocated capacity.
7. **Interruptible Service and Standby Rates.** Amazon supports development of these programs and requests that any program developed by EDCs and approved by the Commission be 1) voluntary and 2) open to all customers interested and able to participate.
8. **Customer Constructed Infrastructure.** Amazon supports the Commission's approach to allowing large energy customers to self-fund and construct infrastructure including substations, transformers, breakers, and network upgrade requirements. Amazon further supports the use of advanced grid management solutions as means to improving and increasing capacity headroom on existing infrastructure when possible as a measure to address affordability issues increasing the cost to customers perpetuated by an aging and underinvested grid.

### **III. CONCLUSION**

In closing, Amazon thanks the Commission and staff for its comprehensive approach to this model tariff. We look forward to engaging with the Commission and staff on this critical issue as we continue our investments that will benefit Pennsylvania communities, grow America's economy, and strengthen U.S. innovation and national security through innovation.

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Respectfully submitted,

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