

Pennsylvania Public Utility Commission
Commonwealth Keystone Building, Second Floor
400 North Street
Harrisburg, PA 17120

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

Public Utility Commissioners DeFrank, Barrow, Coleman, Yanora, and Zerfuss:

We thank you for your thoughtful consideration of the proposed model tariff currently pending before the Public Utility Commission. We valued the opportunity to provide testimony and written comments to the Commission and are hopeful that the eventual tariff will take into account all the viewpoints previously shared with the Commission. As you continue your consideration of the tariff, we would like to raise a few essential points that we hope the final order will contain.

- 1. It is essential that any model tariff assigns the costs of connecting large load customers to the grid to the large load customers. It should ensure that costs are not borne by other ratepayers in other rate classes. This should include upfront costs for engineering studies, any needed power delivery infrastructure, and financial security in case a project falls through and leaves stranded assets.**

Almost 25% of Pennsylvanians are already struggling to pay their utility bills¹ due to rising energy costs, stemming from both international strife and interconnection inefficiencies at PJM. It should go without question that other rate classes should not be required to shoulder the additional costs of the connection process, particularly since the vast majority of the benefits of the new construction will go to the large load customers. That being said, there is no one-size-fits-all approach to this issue. States like Minnesota, Massachusetts, and New York have taken varying approaches to data center cost allocation.² Whatever approach the Commission chooses should be guided by two of the foundational principles of cost allocation, “cost causers pay” and “beneficiaries pay.”³ Following these principles will minimize the risk of cross-subsidization by customers

¹ Ross Guidotti, *Why are electric bills so high in Pennsylvania? An energy analyst explains.*, CBS News Pittsburgh (Mar. 20, 2026, 8:33 AM), <https://www.cbsnews.com/pittsburgh/news/pennsylvania-electricity-prices-high/>.

² Jacob Becker et al., *How to Leverage Cost Allocation to Enable Rapid and Affordable Electrification for All: Emerging Case Studies from Distribution Planning Practices*, RMI (Nov. 2025) <https://rmi.org/insight/how-to-leverage-cost-allocation-to-enable-rapid-affordable-and-equitable-electrification-emerging-case-studies-from-distribution-planning-practices/>.

³ *Id.*

who are not contributing to increased load growth or benefiting from the infrastructure improvements necessary for LLC's.

2. It is critical to ensure that the infrastructure of our current grid is capable of withstanding the load that large load customers will place onto it and can manage any reduction in that load.⁴

The tariff should require minimum contract terms, minimum load guarantees, defined load ramp schedules, and exit fees. Tariffs should require mandatory coordination and communication between large load customers, EDC's, and PJM in order to protect from abrupt, unscheduled shifts from grid power to back-up power, including proactive reporting of any conditions that would trip a facility offline.

3. The definition of a large load should not harm traditional industrial customers. The Tentative Order proposed defining large load customers as 50 MW individually or 100 MW in the aggregate. While these proposed limits would adequately capture the data centers that would most impact the grid, there is a risk that defining large load customers based solely on demand could unintentionally capture large industrial customers. Data centers' unique load profiles justify drawing a distinction between them and traditional industrial customers, who operate on a more predictable, cyclical pattern. Therefore we recommend that the Commission require that the tariff define large load customers based on their load characteristics in addition to their demand.

4. Prioritize demand flexibility solutions as part of mitigating large load customers' impact on load growth.

Large load customers can contribute to the stability of the grid by funding virtual power plant ("VPP") programs. Given the substantial energy demand that large load customers are anticipated to bring, along with the years-long connection process for new generation, innovative sources of energy are essential to ensuring grid stability. VPP's are uniquely positioned to fill in that gap, as they are capable of supplying as much generation as a physical power plant without the years long delay for construction and deployment, ensuring expedited, deployable resource adequacy. The Commission could look to states like Nevada for inspiration, where their Public Utilities Commission approved a Clean Transition Tariff that allows large load customers to pay for power from emerging energy technologies.⁵ The Commission should consider using such a structure to incentivize

⁴ Katherine Blunt and Jennifer Hiller, *A New Threat to Power Grids: Data Centers Unplugging at Once*, Wall Street Journal (Mar. 1, 2026, 5:30 AM), https://www.wsj.com/business/energy-oil/a-new-threat-to-power-grids-data-centers-unplugging-at-once-741f1bda?reflink=desktopwebshare_permalink.

⁵ Lisa Martine Jenkins, *The 'clean transition tariff' won approval in Nevada. What's next for Fervo?*, Latitude Media (May 15, 2025),

large load customers who seek to build in Pennsylvania to contribute to the build-out of utility-run VPP programs.

5. Offer reduced load guarantees or faster interconnection to customers who bring their own as clean as possible capacity and to agree to flex their power demand during times of grid stress.

Large load customers can also contribute to grid stability by adding their own capacity. Though the Commission may not have jurisdiction to require data centers to bring their own new clean energy (“BYONCE”), it is still possible to incentivize large load customers to do so. The Commission can look to Georgia, for example, where their Public Service Commission just approved a utility program allowing large load customers to identify and commit to paying for solar, battery, and other renewable energy projects to supply their own power needs.⁶ Further, it is essential that the final tariff incentivizes that any new generation be clean. If a large load customer supplies its own gas-fired power, the increased demand for gas will drive up fuel costs for merchant generators and gas utility customers, regardless of other consumer protection measures. The Commission should consider a similar mechanism to allow Pennsylvania utilities to take the same approach.

6. Finally, the Commission should ensure that any large load tariff includes provisions that provide relief to low-income Pennsylvanians.

The proposal that large load customers contribute to utilities’ hardship funds is a good starting point, but the Commission can and should go farther. The Commission can look to the recent settlement of PPL’s electric rate case, where PPL included as part of its large load tariff payments to their LIURP and CAP programs. The Commission should also take steps to ensure that public housing tenants are not excluded from these benefits. The data center-driven price increases this summer have significantly increased the cost of universal service programs that help low income customers pay their electric bills and reduce their consumption. Therefore, in order to ensure adequate protection for low-income customers, data centers should be required to pay into programs at a level that is commensurate with any potential rate increase the additional load from data centers creates. This surcharge should be based on actual electricity consumed, rather than flat fees tied to the size of the facility.

<https://www.latitudemedia.com/news/the-clean-transition-tariff-won-approval-in-nevada-whats-next-for-fervo/>.

⁶ Jeff St. John, *Georgia Power will now let data centers bring their own clean energy*, Canary Media (Apr. 15, 2026),

<https://www.canarymedia.com/articles/data-centers/georgia-power-byo-clean-energy>.

Thank you again for your consideration.

Sincerely,

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

Justin L. Carpenter, Esq.

Policy Counsel

Energy Efficiency Alliance