COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION

RE:	Potential Regulations for Interconnecting Electric Loads	: :	Docket No. L-2025-3059032

COMMENTS OF THE
INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA

July 20, 2026

I. INTRODUCTION AND SUMMARY

The Industrial Energy Consumers of Pennsylvania (IECPA) submits these comments in response to the Pennsylvania Public Utility Commission's (Commission) Secretarial Letter dated June 22, 2026, soliciting comments on potential regulations for the interconnection of electric loads, including large loads, at Docket No. L-2025-3059032.

IECPA is a trade association representing large industrial and manufacturing energy users in Pennsylvania, including manufacturers of aluminum, industrial gases, consumer products, and other energy-intensive products. IECPA member companies collectively employ tens of thousands of Pennsylvanians, make substantial capital investments in the Commonwealth, and are among the largest electricity consumers served by Pennsylvania's electric distribution companies (EDCs). IECPA's members rely on affordable, reliable electricity as a critical input to their manufacturing operations and the foundation of their competitiveness in domestic and global markets.

IECPA strongly supports the Commission's initiative to develop a comprehensive regulatory framework governing load interconnection. Pennsylvania's electric grid is experiencing an unprecedented wave of new load addition requests, driven primarily by data centers and hyperscale computing facilities demanding 100 MW or more of new load in short timeframes.

Without a clearly defined regulatory process, the risks of cost misallocation, queue manipulation, grid destabilization, and inequitable treatment of different customer classes are significant.

IECPA's comments are guided by two overarching principles that should govern any load interconnection regulations:

- **Cost Causation:** The entity requesting interconnection and causing grid upgrades must bear the full costs of those upgrades. Regulations must be designed to prevent the socialization of large-load interconnection costs to existing ratepayers, including IECPA members. This principle is consistent with the Commission's Final Order in Docket No. M-2025-3054271 (Large Load Model Tariff) and should serve as the foundation of any interconnection rulemaking.
- **Regulatory Flexibility for Existing Industrial Customers:** Regulations should preserve the operational flexibility of existing large industrial customers, who have long track records of grid investment, predictable load profiles, and demonstrated commitment to the Pennsylvania grid. Regulations should not impose data center–style requirements on manufacturers with fundamentally different load characteristics and operational profiles.

IECPA's comments address each of the Commission's questions in turn.

II. RESPONSES TO COMMISSION QUESTIONS

Question 1: What electric load interconnection issues should be addressed via regulation?

Regulations should address the following priority issues:

- **Cost allocation and cost causation standards.** Regulations must codify that new large data center load customers bear all incremental network upgrade costs caused by their interconnection request, consistent with the "but-for" standard adopted in the Commission's Large Load Model Tariff Order (M-2025-3054271). Without explicit regulatory language, cost socialization will recur at the individual EDC tariff level.

- **Interconnection queue management.** Regulations must establish clear, transparent queue rules governing position, advancement, and withdrawal, with objective milestones that distinguish serious applicants from speculative ones.
- **Application requirements differentiated by load size and customer class.** Large data center loads (100 MW+) present materially different grid impacts than industrial manufacturers expanding existing operations. Regulations should reflect these differences.
- **Timelines and study processes.** Regulations should establish binding deadlines for each step in the interconnection review process, including feasibility studies, system impact studies, and facility studies, with consequences for EDC non-compliance.
- **Financial security and commitment requirements.** Regulations should require applicants to post meaningful financial security proportional to estimated network upgrade costs, reducing speculative queue congestion that delays legitimate projects.
- **Hosting capacity maps and transparency.** Regulations should require EDCs to publish and maintain hosting capacity maps to improve applicant certainty and reduce unnecessary study costs.
- **Coordination with PJM transmission interconnection.** Regulations should address the interface between PUC-jurisdictional distribution interconnection and FERC-jurisdictional transmission interconnection, particularly for loads requiring both distribution and transmission network upgrades.

Question 2: Should regulations be formulated and applicable by customer class, interconnection voltage, or tariff rate?

Regulations should be structured primarily by load size and interconnection voltage, with customer class as a secondary organizing principle. A tiered framework by MW threshold — consistent with the 50 MW individual / 100 MW aggregate structure adopted in the Large Load Model Tariff — captures the most significant grid impact scenarios.

However, IECPA urges the Commission to recognize that customer class membership is not a reliable proxy for grid impact. Data centers and industrial manufacturers may both qualify for the same large-load tariff rate, but their load characteristics differ materially:

- Industrial manufacturers typically operate continuous, predictable baseload profiles with long operating histories, providing reliable load for the grid.
- Data centers can ramp up or down rapidly, interconnect at very high MW levels simultaneously, and have less certain operational continuity timelines.

IECPA therefore recommends that the Commission consider regulations that differentiate requirements based on measurable operational characteristics — load factor, load ramp rate, collocated generation, and operating history — rather than treating all large loads identically. Where tiered requirements are established, existing industrial customers with established operations should have access to simplified or expedited processes that reflect their existing grid relationships.

Question 3: Should load interconnection requests have different review levels based on load size?

Yes. IECPA strongly supports a tiered review structure similar to FERC's generation interconnection framework. IECPA recommends the following tiers as a starting point:

Tier	Load Size	Review Process
Tier 1	< 5 MW	Administrative review only; no system impact study required absent EDC-identified constraint; target: 30-day completion
Tier 2	5 MW – 50 MW	Feasibility and system impact study required; target: 90-day completion; application fee required
Tier 3	50 MW – 200 MW	Full system impact and facility study required; financial security required; target: 180-day completion
Tier 4	> 200 MW	Full system impact, facility, and transmission coordination study required; cluster study option available; highest financial security tier; target: 270-day completion

IECPA recommends that existing industrial customers expanding existing interconnection service points — rather than requesting entirely new interconnections — be eligible for an

expedited review track within each tier, reflecting the reduced grid complexity of modifying an existing connection versus establishing a new one.

Question 4: Should there be an expedited process for generation collocated with a load interconnection request?

Yes. Collocated generation reduces net load impact on the distribution system and can serve grid reliability functions. IECPA supports an expedited collocated review process, subject to the following conditions:

- The collocated generation must be physically interconnected at the same delivery point and operated in a manner that reduces or offsets the gross load being interconnected.
- The expedited process should be available for both new load customers and for existing industrial customers adding behind-the-meter generation to offset or reduce existing load, consistent with IECPA members' interest in deploying on-site generation for energy cost and reliability purposes.
- Cost causation principles must still apply. Gross load interconnection should not receive expedited treatment if the collocated generation is speculative or contingent; firm collocated generation with executed equipment contracts should be the threshold.

Question 5: Should EDCs provide online portals for load interconnection applications?

Yes. IECPA supports standardized online application portals for load interconnection, with the following requirements:

- Portals should provide real-time queue position, study status, and estimated timeline information to applicants.
- All EDCs should be required to use a standardized data format and document submission protocol to reduce applicant burden when engaging with multiple EDCs.
- Portal development costs should be borne by the new large loads benefiting from the streamlined process, not socialized to existing ratepayers through base rate recovery.

The Commission should require EDCs to propose cost allocation for portal development in their compliance tariff filings.

Question 6: What methods may be used to discourage duplicative project submissions with different EDCs?

Queue speculation and duplicate submissions are a major source of congestion and delay for legitimate applicants, including IECPA members pursuing genuine expansion projects. IECPA recommends:

- **Binding exclusivity requirement.** Applicants with a single project should be required to designate a single EDC queue at the time of application; holding position in multiple EDC queues for the same project should be prohibited.
- **Mandatory affidavit of project status.** Applications should require a signed affidavit confirming the applicant is not holding queue position for the same project in another EDC's queue, subject to position forfeiture and fee retention upon discovery of misrepresentation.
- **Interoperability with PJM queue transparency.** The Commission should coordinate with PJM to cross-reference transmission interconnection queue filings, as many large load applicants submit both distribution and transmission interconnection requests.

Question 7: Would requiring a fee to establish queue position minimize duplicative projects?

Yes. A meaningful, non-refundable application deposit is one of the most effective tools for discouraging speculative queue entries. IECPA recommends:

- Application fees should scale with load size and review tier. Nominal fees for small loads; substantial fees (e.g., $50,000–$250,000 or a per-MW equivalent) for Tier 3 and Tier 4 loads.
- Fees should be non-refundable upon withdrawal, except for the portion associated with study work not yet completed at the time of withdrawal.

- Fees should be credited against network upgrade CIAC obligations if the project proceeds to construction, ensuring the fee is not a deterrent for legitimate applicants.
- Existing industrial customers expanding existing service points should have access to reduced application fees reflecting their established relationships with the EDC.

Question 8 & 9: Should projects be able to move ahead of others in the queue based on milestones, and what protocols should govern queue advancement?

Queue integrity is essential to protect legitimate applicants from being displaced by projects that cannot actually achieve commercial operation. IECPA recommends a milestone-based queue maintenance framework:

- **Queue advancement based on milestone completion.** Projects that complete study milestones on schedule, maintain required financial security, and demonstrate project readiness (executed equipment contracts, permits filed) should earn priority within their cohort.
- **Queue withdrawal upon milestone failure.** Projects that fail to complete milestones within prescribed timeframes should be required to withdraw or re-enter the queue, rather than being allowed to hold position indefinitely.
- **No advancement based on customer class identity.** The Commission should prohibit advancement rules that effectively favor one customer class over another (e.g., regulations that reward data center deployment timelines over manufacturing expansion cycles).
- **Existing customer expansions should not be disadvantaged.** Regulations should not create a system in which a new data center entrant can leapfrog an existing industrial customer that has been patiently progressing through the queue.

Question 10: Should EDCs charge application fees for load interconnection?

Yes. As discussed in response to Question 7. IECPA provides the following additional responses to the sub-questions:

(a) Fee thresholds and scaling

IECPA recommends that fees be required for all Tier 2 and above applications (5 MW+), and that fee amounts increase with load size on a per-MW basis. A de minimis flat fee for Tier 1 applications may be appropriate to cover administrative processing costs.

(b–c) Payment methods

EDCs should accept electronic payment without surcharges. The Commission should prohibit EDCs from imposing administrative fees for electronic payment methods that inflate the effective application cost.

(d) Cost alignment

Application fees should be calibrated to reflect the actual cost of processing the application at each tier, including staff time, outside consultants, and system modeling. EDCs should be required to file cost justifications for fee schedules with the Commission.

(e) Oversight

Yes — the Commission should retain oversight of EDC application fee schedules. Without Commission review, there is a risk that EDCs set fees at levels that create barriers for legitimate industrial customers or generate excess revenue.

Question 11: What information should EDCs provide to applicants after submission, and by what means and frequency?

Regulations should require EDCs to provide applicants with the following information at specified intervals:

- Confirmation of application receipt and assigned queue position within 5 business days of submission.
- Study schedule (including all milestone dates) within 30 days of queue position assignment.
- Monthly status updates via the online portal, including current queue position, study phase, and any issues identified during the study process.

- Immediate notice (within 5 business days) of any change in study timeline, request for additional information, or material development affecting the applicant's interconnection.
- Publication of a queue report on the EDC's public website updated no less than quarterly, showing aggregate queue position, MW pending at each tier, and study completion statistics.

Question 12: Should there be prescribed timelines for completing the load interconnection application review process?

Yes. Binding timelines are essential to prevent EDCs from allowing study backlogs to accumulate, which disadvantages all applicants including legitimate IECPA member expansion projects.

(a) Recommended process steps and timelines

IECPA recommends the following timeline structure for Tier 3 applications as a benchmark; Tier 2 timelines should be shorter and Tier 4 timelines may be extended for cluster studies:

Step	Timeline	IECPA Comment
Application completeness review	15 business days	Clock should not start until application is complete; EDC must provide a deficiency list within 10 days
Feasibility study	30 days	Should identify major constraints only; not full load flow analysis
System impact study	90 days	Full load flow, thermal, and voltage analysis; cost estimates for identified upgrades
Facility study	90 days	Detailed engineering; final CIAC determination
Interconnection agreement execution	45 days	Standard form agreement; material deviations require Commission approval

(b) Overall review timeframe

For Tier 3, a 270-day target from complete application to interconnection agreement execution is reasonable. For Tier 4 cluster studies, up to 18 months may be necessary, but the Commission should require quarterly progress reporting for any application exceeding 180 days.

(c) Collocated load and generation timelines

IECPA recommends a 30-day reduction from standard timelines for collocated applications where firm generation is available to offset gross load, reflecting the reduced complexity of the system impact analysis.

(d) Consequences for EDC timeline exceedances

If an EDC exceeds its prescribed study timeline without documented cause, the EDC should be required to: (i) notify the applicant within 5 business days with a revised completion date; (ii) file a report with the Commission explaining the delay and corrective action; and (iii) for delays exceeding 60 days, credit the applicant's application fee against future CIAC obligations. Systemic delay patterns should be considered in the EDC's service quality reviews.

Question 13: Should there be separate queues for generation and load interconnection requests?

Yes. IECPA supports separate load and generation interconnection queues for the following reasons:

- Load and generation interconnection requests have materially different grid impact profiles, study requirements, and regulatory frameworks. Commingling them creates administrative complexity and potential for inappropriate prioritization.
- Separate queues will allow the Commission to monitor large load queue growth independently, enabling earlier identification of grid stress and capacity constraints.
- For applicants with collocated load and generation, the Commission should establish a coordination mechanism that processes both queue entries simultaneously under a single project manager at the EDC.

Question 14: How should the Commission address exigent circumstances delaying project review or approval?

Regulations should define a limited category of "force majeure" events that excuse timeline compliance — e.g., natural disasters, cyberattacks affecting EDC systems, court orders — with all other delays subject to the compliance consequences outlined in response to Question 12(d).

IECPA urges the Commission to resist broad discretionary extensions that allow EDCs to routinely excuse delays based on claimed workload or staffing constraints. If grid interconnection request volume is outpacing EDC study capacity, the appropriate remedy is Commission-directed EDC staffing and resource investments, not indefinite timeline waivers.

The Commission should also establish a formal complaint process for applicants — including IECPA members — to seek Commission intervention when an EDC is not meeting prescribed timelines. This process should have a defined response timeline (e.g., 30 days from complaint filing to Commission staff action).

Question 15: Should EDCs be required to provide hosting capacity maps?

Yes. Hosting capacity maps are a transparency tool that benefits all market participants, including existing industrial customers evaluating distribution system capacity before submitting expansion or behind-the-meter generation requests.

(a) Benefits of hosting capacity maps

- Allow prospective applicants to identify available capacity on specific feeders and substations before incurring application fees, reducing exploratory applications that congest queues.
- Assist industrial customers in siting new facilities or evaluating expansion options based on existing grid infrastructure.
- Provide the Commission and the public with visibility into where the distribution grid is approaching capacity limits.

(b) Concerns

- Data accuracy: Maps must reflect as-built conditions and queued (but not yet completed) projects; stale maps that do not reflect pending queue load may create false signals of available capacity.
- Security: Regulations should address what information is publicly available versus available only to verified applicants to avoid disclosing sensitive grid topology information.

(c) Map requirements

- Updates: EDCs should be required to update hosting capacity maps at least quarterly; more frequent updates (monthly) should be required during periods of high interconnection activity.
- Content: Maps should include feeder-level available capacity, substation capacity, voltage constraints, and pending load queue impact projections.
- Filtering: Maps should include filtering by MW range, voltage level, and geographic area.
- Complaint process: Applicants should be able to challenge hosting capacity map data if project studies reveal material discrepancies.

Question 16: Should EDCs be required to publish a public list of projects in the load interconnection queue?

Yes. With appropriate protections for commercially sensitive information. A public queue report advances transparency and enables the Commission, existing ratepayers, and policymakers to understand the scale and location of large load demand on the Pennsylvania grid.

(a) Benefits of public queue lists

- Enable IECPA members and other existing customers to understand the magnitude of new load entering their service territory and anticipate grid investment needs.
- Allow the Commission and the General Assembly to make informed policy decisions about grid investment priorities and cost allocation.
- Create accountability for EDC queue management by making backlogs visible.

(b) Concerns

- Queue lists should not disclose specific applicant identity, precise facility location, or commercially sensitive project details. Project-level circuit identifier and approximate substation area are sufficient for transparency purposes.

- Queue withdrawal data should also be published to enable assessment of speculative application rates.

(c) Reporting requirements

- Updates: Queue lists should be updated monthly.
- Content: Each entry should show tier/size category, circuit identifier, queue date, current study phase, and projected in-service date (once known).
- Aggregate statistics: EDCs should also publish aggregate quarterly statistics on MW queued, MW completed, MW withdrawn, and study completion rates by tier.

III. CONCLUSION

IECPA respectfully urges the Commission to develop load interconnection regulations that establish clear, binding timelines and cost causation standards that protect existing ratepayers from bearing the costs of new large load interconnections, while providing flexibility for industrial manufacturers with established grid relationships. The rapid growth of large data center and hyperscale load in Pennsylvania presents a genuine grid management challenge, and IECPA supports a robust regulatory framework — provided that framework is built on the foundational principle that the load causing the cost must bear the cost.

IECPA requests that the Commission recognize in any NOPR or proposed rulemaking the distinction between existing large industrial customers — who have long-term operating histories, predictable load patterns, and established relationships with their EDCs — and new large load entrants such as data centers, whose demand profiles, commitment certainty, and grid impacts are categorically different. Treating these customer types identically in interconnection regulations would impose unnecessary burdens on Pennsylvania's manufacturing sector without advancing grid reliability goals.

IECPA is available to provide additional information, participate in any technical conferences, and submit reply comments as the Commission advances this rulemaking.

Respectfully submitted,

Industrial Energy Consumers of Pennsylvania
Dated: July 24, 2026