



COMMONWEALTH OF PENNSYLVANIA

October 14, 2026

E-FILED

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Pennsylvania Accelerated Transmission And Energy Redevelopment (PATER)
Study / Docket No. M-2026-3059601**

Dear Secretary Homsher:

Enclosed please find the Comments on Part A of the Pennsylvania Accelerated Transmission and Energy Redevelopment (PATER) study, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceeding.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

Enclosures

cc: Jason Hails / Roger Cathcart

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Accelerated Transmission :
And Energy Redevelopment (PATER) : **Docket No. M-2026-3059601**
Study :

**COMMENTS OF THE
OFFICE OF SMALL BUSINESS ADVOCATE**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) submits the following Comments on Part A of the Pennsylvania Accelerated Transmission and Energy Redevelopment (PATER) study, published in this docket in September 2026. Comments were invited by Secretarial Letter served September 23, 2026. The OSBA also offers these Comments for any later use of the study in a large-load, transmission, default-service, or site-redevelopment proceeding, including Docket No. M-2025-3054271.

The OSBA is an independent agency representing small businesses with 250 or fewer employees in regulated utility matters before the Commission, the courts, and state and federal regulatory agencies. The OSBA was created by the Small Business Advocate Act of December 21, 1988, 73 P.S. § 399.41 et seq. Small businesses account for 99.6 percent of all businesses in the Commonwealth. The OSBA advocates on behalf of about 1.2 million small businesses.

Those customers take service largely on small commercial and small industrial rates. Many remain on default service and pay the price-to-compare, and most do not have an energy manager, a bilateral hedge, or backup generation. A demand-charge increase or a capacity pass-through is difficult for a small firm to absorb, and the same firm is often a gas and water customer. The

OSBA's interest in this study is to encourage reuse of retired sites where that reuse supports local economic development, and to identify the considerations that would keep unreasonable cost increases off existing small business customers.

II. SUMMARY

Part A is a screening study of 21 deactivated sites, about 4,758 megawatts of retired capacity. It defers a short list of five to seven sites to Part B. The OSBA reads Part A as a candidate inventory and a useful starting point. It is not, on its own terms, a finding that the sites are ready or that redevelopment will lower bills. The OSBA is not endorsing or opposing any site or end use at this stage.

The OSBA offers five considerations. First, the practical capability to add load and the practical capability to add generation are not the same number, and a reader of the executive summary could take them as one. For a small firm on default service, that distinction matters. Second, remediation, gas laterals, interconnection, network reinforcement, and capacity sit outside the study's cost ranges, and those are the costs most likely to reach a general-service bill. Third, a jobs multiplier is a useful picture of local activity and not a substitute for a class bill impact. A participation goal for local firms is likewise welcome, and it would be helpful if that goal traveled with an assignment of the related facilities. Fourth, a Part B short list would be more useful to small business customers if it addressed cost causation, security that survives cancellation, class placement, and a workable contracting condition where a public lever is used, including a modest block of output offered to existing general-service customers in the zone at the cost of the new resource rather than at the capacity-inflated price-to-compare. Fifth, Part B should not treat a short-listed site as ready, or rank it on a jobs figure, until the readiness and cost items below are in the comparison, including protection of firm small commercial service ahead of a new interruptible

large load that has not paid for equivalent firm service. Labor participation and direct, indirect, and induced spinoff should carry a high published weight, published on the same table as leakage, the host-county tax line net of abatement, and the non-bypassable class bill impact, so that score cannot be quoted apart from who pays.

III. OUTREACH

Part A says it is not prescriptive of end use and the OSBA agrees. A public-outreach process in Part B is valuable. It is not, by itself, a record that small business customers have accepted a particular allocation. The firms the OSBA represents rarely have counsel in the room, and the OSBA respectfully requests that it receives the Part B ranking inputs, the cost-allocation assumptions, and any large-load or grant agreement tied to a recommended site, subject to protective order.

At the October 7 session the study team asked commenters to address four things: the site attributes that matter, how much remediation a redeveloper will tolerate, community acceptance, and the metrics for the five-to-seven down-select. It also said Part B will have a longer comment window. The OSBA addresses each of those four items in these Comments, and asks that the Part B window open after the draft ranking and its weights are published rather than after the list is fixed.

IV. HOSTING CAPACITY

The executive summary states that a statewide screen indicates about 9 gigawatts of practical capability for either generation injections or load withdrawals. The body of the report distinguishes the cases. Generation hosting falls from more than 37 gigawatts under unconstrained redispatch to about 9.8 to 10.1 gigawatts once redispatch is limited to flexible in-state fossil units. Load hosting is about 744 megawatts if only small in-state fossil units can ramp, about 2.2

gigawatts with additional renewable output, about 4.2 gigawatts if planned fossil units expected online by 2030 are included, and about 9.2 gigawatts only if generation anywhere in PJM is assumed available. Generation adequacy binds before wires. The 9 gigawatt figure used for load is the more optimistic case.

The sites were not studied as co-located generation and load. The authors declined a joint optimization because a joint run would offset new generation against new load and give no usable limit. Co-location is nonetheless the configuration developers are likely to propose. Hosting results are the output of a portfolio optimization on the PJM 2025 Summer Peak RTEP planning case, with contingencies reduced from 2,548 to 131 (Part A, p. 61). A site can be assigned little electrical headroom because the optimizer used the capability elsewhere. Winter, stability, and light-load cases are not in the published results.

The OSBA understands headroom to mean the hosting capacity the study reports for a site: the additional generation or load the existing transmission system can accept at that location without network upgrades. That figure depends on available generation, changes as other projects connect, and may already be claimed by another interconnection request. Part B should state, for each short-listed site, the date of the figure, the supply case it depends on, and any prior claim on it.

The OSBA respectfully requests that any Commission description of Part A separate the practical generation case from the practical load case. Counting new load in the PJM forecast before the related generation is in service raises the capacity requirement before any new supply is there to meet it. That is the sequence most likely to reach a small firm that cannot leave default service. Part B would be more useful if it ran a joint case for each short-listed site and stated the capacity obligation that falls on default-service customers if the generation is delayed or cancelled.

The study team said on October 7 that Part B will add power-flow and production-cost modeling and that this is likely to put downward pressure on the 9 gigawatt figure. A short-list rank is not a load forecast.

V. COSTS AND INTERCONNECTION RIGHTS

Table 30 reports costs and construction timelines for electric power generation and storage technologies, with capital costs in 2024 dollars per kilowatt. Combined-cycle gas is \$894 to \$1,321 per kilowatt and about 23 months. Simple-cycle gas is \$861 to \$1,654 per kilowatt and 22 months. The report does not present site-specific costs for remediation, ash, remaining demolition, gas laterals, interconnection upgrades, and interest during construction. Nine of the 21 sites have documented contamination (Part A, p. 101). The October 7 presentation stated that “eight of them have some documented on-site or groundwater contamination that would need remediation.” Part B should publish the count by site with its basis. Nearly all sites are treated as presumptive brownfields on a fuel-type proxy. About half sit in a high flood-risk zone, and about a third have mine-subsidence exposure. The OSBA suggests that a remediation range be developed before a site is recommended. For some end uses, that range can exceed the difference among the technologies in Table 30.

Capacity Interconnection Rights were not evaluated. Under current PJM rules a deactivating unit may hold those rights for one year. Most of these plants retired years before that window, and some candidate sites may overlap current interconnection requests. Distance to a line is not a queue position. Proximity to a line, a pipeline, or a river is not readiness. Part B should state, before a site is short-listed, the remediation range, flood and subsidence limits, whether any interconnection right remains, whether a current request overlaps the parcel, and whether an

existing customer's expansion or small combined heat and power on the same substation would be delayed or restudied.

Part A classified contamination risk by fuel type because site-specific investigations were not available (Part A, pp. 24 to 25). Part B will visit the short-listed sites. The remediation range described above should come from that site work, not from the proxy.

The construction figures start after the turbine, the air permit, and the interconnection are in hand. They are not a commercial operation date. Load forecasted against a two-year build, and generation that arrives later, can produce a capacity obligation in the middle. That obligation is collected from default-service customers, including small business customers, through the price-to-compare.

Advanced transmission technologies were discussed at length on October 7. Panelists described them as the fastest and cheapest way to add capability, while cautioning that they do not replace new transmission, which takes 10 to 15 years, mostly in permitting. The report notes that they are evaluated as alternatives to network upgrades in the PJM process (Part A, p. 71). A network upgrade is either socialized under the PJM tariff or assigned to the sponsor, and a technology that avoids the upgrade lowers the cost under either path. The OSBA asks that Part B state, for each short-listed configuration, whether such an alternative was evaluated and at what cost, and that any configuration dependent on new transmission be labeled as such.

VI. COST ASSIGNMENT, SECURITY, AND EXIT

In Docket No. M-2025-3054271, the OSBA supported a contribution in aid of construction proportionate to the assessed customer benefit of the line, rather than a trigger that applies only above half the benefit. A small variance near 50 percent can otherwise trigger or avoid a large payment. A load assigned a substantial share of the benefit, but less than half, would leave the

remainder on existing customers. Appropriately allocating development costs will serve to avoid subsidization of large-load development costs by small businesses. The OSBA suggests the same approach for gas laterals, water and wastewater extensions, and any electric facility justified by a configuration in this study. Twelve of the 21 sites are within about 1.4 miles of a pipeline, and many are near a river. Adjacency is not capacity, and it is not a withdrawal right.

The OSBA's position on exit fees in that docket was that an early termination fee should account for amounts already paid and costs not yet recovered, and that residual stranded cost should be the responsibility of the utility's shareholders or the exiting large-load customer. Those stranded costs should not be recoverable from the utility's small business consumers. The OSBA suggests the same treatment here, including security that survives delay, downsizing, and cancellation, and a review, to the extent of the Commission's authority, of vendor-contract compliance on early exit, so that Pennsylvania small businesses are not left with the local obligation.

On energization, the OSBA urged in Docket No. M-2025-3054271 that if a refund is owed because the utility misses a deadline, the cost should not be recoverable in base rates where the delay is within the utility's reasonable control. Small business consumers should not subsidize refunds caused by controllable utility delays. The OSBA respectfully requests the same clarification if Part B or a later tariff promises a compressed timeline.

The PJM panelist described the State Agreement Approach on October 7: a state takes control of cost allocation for transmission built for a project, accepts that the cost stays in state, and may assign it to the project developer, as is being done for a large data center in Ohio. Where Part B identifies transmission for a short-listed site, the OSBA asks that it state whether that approach, or an equivalent developer-funded structure, is available.

VII. CAPACITY AND DEFAULT SERVICE

Pennsylvania exported on the order of 89 million megawatt-hours in 2025, and retail prices have risen about 46 percent since 2018. The study cites a short capacity auction and a proposed Reliability Backstop procurement of about 6,831 megawatts. Monitoring Analytics, the PJM Independent Market Monitor, stated through its president, Joseph Bowring, that data center load accounted for about \$6.3 billion, or about 38 percent, of the \$16.4 billion in charges from the 2028/2029 Base Residual Auction, and about \$29.4 billion, or about 46 percent, of the \$63.6 billion in charges across the last four auctions (Utility Dive, July 20, 2026). Small businesses on default service pay that through the price-to-compare.

The October 7 panel did not dispute the bill impact. The utility association acknowledged that capacity prices have cleared the cap for several years and flow through to customer bills. PJM said load forecasts are inherently inaccurate and that not all forecast load will be built, and FirstEnergy described the criteria it applies before counting a load and the Commission's new forecast verification role. Panelists also described the ratepayer protection pledge as bring-your-own-generation for loads of 50 megawatts and above. The OSBA asks that Part B count only load meeting verified-forecast criteria and state which configurations bring their own generation and which rely on the backstop or the market.

The OSBA asks that Part B identify, for each recommended configuration, what load is counted, when, who procures the capacity, and who pays if the load slips. A backstop procurement should not become a non-bypassable charge on the customers who did not cause the shortfall.

Firm small commercial service should be protected ahead of a new interruptible large load that has not paid for equivalent firm service. That is the outage case, and a small firm has no

backup plant. Part B should state the curtailment order for each short-listed configuration and should not place that new interruptible load ahead of existing firm general-service customers.

VIII. CLASS PLACEMENT

A data center or other large load has a profile that general-service and small industrial customers do not share. Placing it in an existing small commercial or small industrial class would pull cost allocators onto firms that did not cause the interconnection or the peak. The OSBA suggests a separate large-load class, minimum bills, and contract terms that do not expire into the residual rate classes, consistent with the framework in Docket No. M-2025-3054271. The Commission's May 12, 2026 model tariff uses a threshold of 50 megawatts individually or 100 megawatts in the aggregate.

Regarding contract length, the OSBA has recognized the trade-off between small business protection and the Commonwealth's competitiveness in attracting investment. In Docket No. M-2025-3054271, the OSBA supported an eight- to ten-year term, with financial security, as a way to offer Pennsylvania small businesses the benefit of local economic development while limiting stranded-cost exposure. An economic-development rider can serve that same recruitment purpose. The OSBA asks that any preferential rate be capped, time-limited, and visible to the small commercial customers who would otherwise fund it.

IX. ECONOMIC CLAIMS

Chapter 7 builds multipliers per million dollars of spending for 16 counties and eight technologies. The worked examples are a generic combined-cycle plant and a generic battery factory, not a configuration fitted to a parcel. The report cautions that these multipliers fit a 'shock' that is small relative to the local economy. A large project in Greene or Armstrong County may not be a small shock.

The OSBA does not suggest that sites be set aside on jobs or statewide product. It asks that a ranking, and any recommendation of public support, also show the non-bypassable bill impact by class. Tax abatements, discounted riders, and contributed plant are part of that picture. A small firm already in the county does not receive the abatement and does pay the rider. Indirect jobs are a local benefit. They do not offset a demand-charge increase for the firms already on the system.

The presenter said on October 7 that the Part B down-select will be “very quantitative about minimizing the cost of rate payers.” The OSBA welcomes that commitment and asks that the ratepayer-cost metric be defined by customer class and published with the other ranking weights before the cut. The presenter also invited comment on any impact the study is missing. The impact the OSBA asks to be added is the non-bypassable bill impact on the small commercial and small industrial customers already in the host county.

Part B should publish the weight before the cut. The score should report direct, indirect, and induced effects on employment, labor income, and output, for the host county and for the Commonwealth, with spending and wages that leave Pennsylvania shown as leakage rather than as a local benefit. Construction should be stated separately from operations, and outside labor should not be counted as host-county participation. A tax line should show host-county and school property tax, local earned-income tax, and any payment in lieu of taxes, net of any abatement. A commercial-customer line should show the non-bypassable bill impact by class, and those two lines should sit beside the jobs score.

The study team said on October 7 that the capital cost of each build can serve as a proxy for property tax revenue, and Part B will carry a capital cost for each short-listed configuration. The OSBA asks that Part B use it to estimate the incremental tax revenue, or payment in lieu of taxes, to the host county, municipality, and school district, net of any abatement, and that this

figure, together with any existing distress designation of the host community, be given a stated weight in the site ranking. A redevelopment that adds to a weak local tax base benefits the small commercial customers in that community and the Commonwealth as a whole.

X. PARTICIPATION IN THE BUILD-OUT

Small business participation in construction is part of this mandate, and it is distinct from bill protection. The firms the OSBA represents will not supply the gas turbine. They can perform demolition, civil work, remediation support, trucking, fencing, temporary facilities, local concrete, and electrical rough-in, if the package is sized so they can bond it. Department of General Services small-business practices apply when the Commonwealth is the buyer. Self-certification is available to a for-profit firm with 100 or fewer employees and a three-year average gross revenue at or under \$47 million, a narrower group than the 250-employee constituency the OSBA represents. Those practices do not attach to a merchant plant or a private campus unless a public lever is used.

The October 7 panel treated workforce as a constraint and said the study is mapping local workforces against the sites. The OSBA asks that Part B go one step further. The economic score in Chapter 7 is built on county multipliers that assume the spending lands in the county (Part A, p. 92). That is only true if the civil, trades, and supply packages go to firms located there. Those firms are the small commercial customers who will also pay any rate impact. Part B should therefore measure local capture and report leakage for each configuration, and should treat the capacity of the local trades, and of the nearest trade school and apprenticeship programs to supply them, as part of the site score. Where public support is used, a training commitment with those programs should sit beside the solicitation and reporting condition described below.

Where a site receives a grant, a loan, a tax credit, site-readiness funds, or rate recovery for a related facility, the OSBA suggests that separable civil, remediation, and balance-of-plant

packages be identified and solicited, rather than buried in a single award. The prime should solicit self-certified small businesses and report awards by package, dollar value, and county of the firm. A diverse-only goal would miss many of the shops in the counties where these sites sit. A package-level waiver, filed before notice to proceed and limited to scopes with no certified bid, would keep the goal workable. Prompt-payment and retention terms, and bonding assistance under a stated threshold, matter because bonding and cash timing, not interest, are what keep a small firm off the job. Reported awards on those packages should feed the labor-participation score. A local-firm quota should not be imposed on a merchant build. Where a grant, a credit, site-readiness funds, or rate recovery is the lever, noncompliance with the solicitation and reporting condition should be a basis to withhold the lever.

The OSBA suggests that a participation condition and a cost-assignment condition travel together. A local contracting commitment is welcome. It answers a different question from who pays for the line. Where public or ratepayer resources support a redeveloped plant, a modest block of the output should be offered to existing general-service customers in the zone at the cost of the new resource, rather than at the capacity-inflated price-to-compare. A shop that wins a fencing package still pays the demand charge unless that price condition travels with the grant.

XI. REQUESTED CONSIDERATION

The OSBA respectfully requests that the Commission consider the following in receiving Part A and in scoping Part B:

1. Treat Part A as a screening inventory, useful for site visits and comparison, and not yet as a finding of readiness, available load hosting, or customer support.
2. Separate the practical generation case from the practical load case, state the planning case behind each hosting figure, including whether it is a summer or

winter peak case, and confirm that about 744 megawatts, not 9 gigawatts, is the in-state load result under the more realistic generation-adequacy assumption.

3. Address sponsor responsibility for interconnection, laterals, water and wastewater extensions, and network upgrades, proportionate to benefit, with security and exit terms that do not leave a residual on small business customers. State whether an advanced transmission technology alternative to each network upgrade was evaluated, and whether a State Agreement Approach or equivalent developer-funded structure is available for any transmission a configuration depends on, and label any configuration that depends on new transmission as such.
4. Determine Capacity Interconnection Rights and any overlapping queue position before a site is ranked, state the date, supply case, and any prior claim behind each site's hosting figure, and consider a joint generation-and-load case that states the residual obligation if the generation is late.
5. Keep large loads out of existing small commercial and small industrial classes, show a class-specific bill impact before a site is ranked, count only load that meets verified-forecast criteria, and identify the capacity-cost path of each configuration, including whether it brings its own generation or relies on backstop procurement. Firm small commercial service should be protected ahead of a new interruptible large load that has not paid for equivalent firm service. Any economic-development rider should be capped, time-limited, and visible to the customers who would otherwise fund it.
6. Where public support is used, pair it with a small-business contracting, bonding, and prompt-payment condition, and a training commitment with local trade schools

and apprenticeship programs, as a complement to cost assignment rather than as a substitute for it. Where public or ratepayer resources support a redeveloped plant, a modest block of the output should be offered to existing general-service customers in the zone at the cost of the new resource, rather than at the capacity-inflated price-to-compare.

7. Provide the OSBA with the Part B ranking inputs, cost-allocation assumptions, and any large-load or grant agreement tied to a recommended site, subject to protective order, open the Part B comment window after the draft ranking and weights are published, and reserve to the OSBA a party role in any proceeding that converts a Part B recommendation into rates, a tariff, a siting order, or recovery of related transmission.
8. Publish the Part B weights before the five-to-seven cut. Assign a high weight to Pennsylvania-captured labor participation and to direct, indirect, and induced spinoff, reported for construction and operations and for the host county and the Commonwealth, with leakage, host-county, municipal, and school district tax net of abatement, any existing distress designation of the host community, and the class bill shown on the same table.
9. Before a site is called ready for the five-to-seven list, state the remediation range, the documented contamination count by site with its basis, rights and queue overlap, any restudy of an existing commercial customer on the same substation, and security that survives cancellation. A short-list rank is not a finding that existing small commercial customers should bear the residual.

XII. CONCLUSION

The OSBA welcomes further work on reuse of deactivated sites, including work that can bring contracts to firms already in these counties. The OSBA respectfully requests that the path to that reuse keep unreasonable increases off the small commercial, small industrial, and default-service bill. The OSBA respectfully requests that the Commission consider the Comments set forth above.

Respectfully submitted,

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Dated: October 14, 2026