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Pennsylvania Public Utility Commission
400 North Street
Keystone Bldg.
Harrisburg, PA 17120

Comment on the PA PUC Tentative Model Tariff for Large Load Customers at Docket No. M-2025-3054271

To the Pennsylvania Public Utility Commission (PUC) Chairman, Vice Chairman, and Commissioners,

Please accept this comment on behalf of Protect PT (Penn-Trafford) and our 235 members. Protect PT is a nonprofit dedicated to ensuring the safety, security, and quality of life from the effects of unconventional gas development for residents in Westmoreland and Allegheny Counties. In order for Pennsylvanians to thrive for generations to come, industry needs to operate responsibly, which is why strong regulations to safeguard our water, air, land, and energy are so important. Protect PT's environmental policy advocate can be reached at (412) 307-7099 and lauren@protectpt.org. This comment addresses the PUC Tentative Model Tariff at Docket No. M-2025-3054271.

Summary of Recommendations

We appreciate the PA PUC's thorough consideration of stakeholder perspectives in its efforts to create a robust Model Tariff for Large Load customers. As established by many stakeholder comments, large data center facilities are new to our state and present a wide range of deleterious impacts on our residents, environment, and economy if improperly managed. Therefore, the PUC's priority in this process should be protecting those existing ratepayers.

The PUC must not find itself infected by the hype and boosterism around data centers and artificial intelligence (AI) that was brought to the En Banc Hearing and has been touted in the business press. For example, Commission Chairman DeFrank, in his Statement [November 6,

2025, Document #1901645], writes, “It is vital that Pennsylvania set itself apart as an attractive place for these customers to invest.” This presumption, that PUC needs to help “win” data center development projects, seems to have been adopted implicitly, but it needs to be called-out and challenged. If “impartiality” and “neutrality” are cornerstones of PUC’s charter, then those principles must apply in both directions. If it would be wrong for PUC to discriminate against a particular business segment, then it is equally wrong to give priority to a new industry over and above Pennsylvania’s current customers (both residential and business).

The “challenge” - to use Chairman DeFrank’s word - of data center development did not arise from Pennsylvania’s communities and existing energy customers. It has been imposed on us by high-risk entrepreneurs who are in a hurry to amass capital and to dominate their technology markets. There’s no public interest justification for PUC, or any other civic institution, to endeavor to aid data center developers. On the contrary, in our view, the urgency of implementing a Large Load tariff is to protect the public from hasty accommodation to would-be developers, not to “attract” more of them.

The PUC must adopt a Model Large Load Tariff as soon as possible and require that it be followed by the utilities. There is already a race to commit power to data centers, and the model tariff must be enacted promptly to standardize the process and protect ratepayers. At the same time, PUC and utilities must retain the ability to continue to revise the tariff as necessary, and to flow those revisions onto Large Load contracts that have already been made under the tariff.

The PUC needs to prepare for a large-scale commitment of its executive and technical focus to address Large Load challenges. This customer segment can command overwhelming resources of cash, expertise, and political influence. The PUC will need to defend its authority, which can only be successful if PUC shows that it knows how to use it.

Addressing the Tentative Model Tariff’s Provisions

1. Appropriate MW Size Designation for Large Load Tariffs

We find the PUC's proposed definition of a large load customer as 50 MW individually or 100 MW in the aggregate to be satisfactory. We warn that behind the meter generation should not be counted as an offset to calculate customer load.

2. Financial Collateral and Contributions in Aid of Construction

Developers should put down deposits for interconnection studies and cover the actual cost of construction for any necessary additional infrastructure. We agree that utilities should not earn a rate of return on building this new infrastructure. We also agree with the PUC's further finding that large load customers may receive most of the benefits from new infrastructure that was intended to benefit the entire grid and therefore should make a contribution payment to offset costs if they receive over 50% of the benefit. We propose that the degree of contribution be equivalent to the degree of benefit – if a large load customer will individually receive 60% of the benefit of a new line, this customer should contribute 60% of the cost.

3. Minimum Contract Terms

Protect PT concurs with the OCA's recommendation of a 20 year minimum contractual term, exit fees for early termination, allowances of contract transfer to another large load customer, and a five-year notification period for renewal or non-renewal decisions. Termination should only be allowed if the facility ceases operations, and the required exit fees must be substantial enough to adequately deter any speculative or financially precarious large load customers from seeking interconnection.

The PUC's tentatively selected contract length of 5 years is not nearly long enough to match infrastructure cost recovery periods and would result in a higher risk to utilities and ratepayers. The PUC acknowledges that our fellow PJM region states of Indiana, Ohio, and West Virginia all have minimum contract lengths of 12 years. Considering many states in the PJM region are being particularly targeted for large data center development, and therefore bear a higher risk than other states across the nation, we recommend the PA PUC follow suit by implementing a longer minimum contractual term in its final Model Tariff.

4. Minimum Demand Charges

There is strong stakeholder consensus on the necessity of this provision to incentivize accurate load estimates. We support the PUC's tentative adoption of a minimum demand charge of 80% of contracted demand as an opening position, which is in alignment with Indiana, Ohio, West Virginia, and Michigan. However, we encourage the PUC to go further and follow the recommendations of either Earthjustice or the OCA, which call for a monthly demand charge of 90% of the customer's maximum billing demand or MW size, respectively.

5. Load Ramp Schedule

A load ramping schedule of 3-5 years should be adequate; however, the load ramping schedule must be separate from the minimum contractual term, especially if the PUC's proposed minimum term is only 5 years.

6. Exit Fees

The exit fee for early contract termination should cover the remaining minimum bill charge for the terminated portion of the contract's duration. We find a 42 month notice period to be satisfactory, but we invite the PUC to implement a 48 month notice period instead to better align with PJM load forecast for the delivery year in which the large load contract would terminate.

7. Interruptible Service and Standby Rates

Interruptible service for data centers has the potential to decrease strain on the grid, reduce the amount of system upgrades needed, and reduce costs for residential ratepayers. A program should be developed so that large load grid service can be interrupted under prescribed and necessary conditions.

8. Bring Your Own Generation (BYOG)

Provisions for customers bringing onsite generation appear overly simplistic. BYOG is a risky answer to the administrative and technical processes that are necessary to manage Large Loads. We note that NERC and PJM, among others, are only beginning to get on top of the implication of Large Loads for network stability. The Model Tariff addresses "emergency" and "curtailment" situations, but does not account for swings in demand that are brought about by

the customer itself (such as fluctuations in activity during machine learning cycles, or response to short term price signals, or the need to test backup generators, etc).

The challenges from Large Load development (especially data centers) are numerous and complicated, and competing constraints are imposed by political, economic, technical and management realities. It's natural, then, given the difficulty of reconciling those conflicts, to look for a novel, breakthrough "solution" that cuts through the thicket of complexity.

"Bring Your Own Generation" is the catch phrase in land-development and investment circles. Yet, in most cases, sites with "co-located generation" would still be connected to the grid. On-site generation doesn't really insulate utility customers from cost impacts. Fuel, equipment, and technical expertise will be "bid up" by data center generators. As both a potential energy "source" and "sink" (and possibly swinging between one and the other in real time), a data center brings more complexity for electric network planners and operators. Price incentives, which suit our ideological preference for "free market" measures, will also open new avenues for "gaming the system" and shifting costs onto other consumers.

In the long run, a BYOG strategy is likely to lead to separate-and-unequal energy economies, where data centers have the purchasing power to take what they want, while "captive" consumers get second-class status. (Note, for example, that Pennsylvania DEP has pledged to give "concierge" attention to the permitting requests from data center developers.)

Communities and Utilities Need Guidance Now: The Case of Springdale, PA

In late August of this year, a hyperscale data center was proposed in Springdale, Allegheny County, PA. The project was immediately met with concern from many community members. They stared down the prospect of a 565,000 square foot building and 200,000 square foot cooling facility being sited right across a narrow street from rows of their homes. Residents worried about the data center's tremendous power draw of 180 megawatts. This is enough to power 150,000 homes - almost as many in the entire city of Pittsburgh. Residents also worried about the potential for noise and light pollution that would interfere with their daily lives.

After engaging with this community through door-to-door canvassing, community meetings, and other forms of outreach, our organization was able to listen to some of the most commonly-expressed questions and concerns.

“Will my electric bill increase?” — An additional increase in utility costs is not a burden Pennsylvania residents can bear. Many of these people are already experiencing economic strain, and they are acutely aware that this impact could leave their family vulnerable. We would see an increase in the need for low-income electricity program funds, at a time when federal funding for these programs has already been cut.

“Will our grid be able to handle this increase in demand?” — The data center proposal prompted discussion on what would happen in the event of a power outage. Would ordinary residents lose power before the data center did? If the data center stayed online while others lost power, would this leave the community without power for longer periods of time? Many people with assisted needs rely on electric power to survive – would data center development disproportionately affect those individuals?

In mid December of this year, the Springdale data center project was approved in a 5-2 vote by the Borough Council.¹ Several council members cited unresolved concerns but felt like they had no choice but to approve the project, fearing a costly lawsuit if the development was denied.

We raise this case of proposed data center development in Springdale, PA to demonstrate the urgent need for guidance and regulation of Large Load customers. Without a current Model Tariff from the PUC, or legislation from our representatives, local communities are left to try to learn about these facilities and propose regulations on their own, often scrambling to do so after a project has already been proposed. Large Load customers are already here by the dozens, and communities like Springdale need protections as soon as possible. The Model Tariff needs to be designed first and foremost for the protection of PA residents like them.

¹ James Engel, “Springdale Council members say they legally had little choice in data center approval,” *TRIB Live*, Dec. 20, 2025.
<https://triblive.com/local/valley-news-dispatch/springdale-council-members-say-they-legally-had-little-choice-in-data-center-approval/>



3344 Route 130, PO Box 137
Harrison City, PA 15636

Sincerely,

A handwritten signature in blue ink that reads "Lauren Posey".

Lauren Posey
Environmental Policy Advocate, Protect PT
lauren@protectpt.org
412-307-7099

A handwritten signature in blue ink that reads "Gillian Graber".

Gillian Graber
Executive Director, Protect PT
gillian@protectpt.org
724-392-7023