



December 22, 2025

Matthew L. Homsher, Secretary
PA Public Utility Commission
400 North St.
Harrisburg, PA 17120

Re: PA PUC Tentative Order: Interconnection and Tariffs for Large Load Customers
Docket Number: M-2025-3054271

Dear Secretary Homsher,

Thank you for the opportunity to submit these comments on behalf of Citizens for Pennsylvania's Future (PennFuture), a member-supported, non-profit, environmental organization leading the fight for an equitable, job-creating state economy by advancing clean air, pure water, and climate change solutions through legal advocacy, policy engagement, and empowering all Pennsylvanians. Since 1998, PennFuture has combined legislative advocacy and legal enforcement at the local, state, and federal levels; policy development; educational outreach; and civic engagement support for just and equitable environmental outcomes. A significant focus of PennFuture's work relates to building a sustainable energy economy in Pennsylvania.

A. The Commission must fulfill its responsibility as a trustee of our public natural resources.

As a foundational principle, all agencies of the Commonwealth have an affirmative duty to act as a trustee of our public natural resources and to “conserve and maintain them for the benefit of all the people.”¹ As the Pennsylvania Supreme Court has stated, “The plain meaning of the terms conserve and maintain implicates a duty to prevent and remedy the degradation, diminution, or depletion of our public natural resources. As a fiduciary, the Commonwealth has a duty to act toward the corpus of the trust—the public natural resources—with prudence, loyalty, and impartiality.”² Any consideration of “the value of new load, economic incentives, and jobs,”³ without consideration of the environmental and public health harm associated with such loads, risks violating this duty.

¹ Pa. Const. art I, § 27.

² *Robinson Twp. v. Commonwealth*, 83 A.3d 901 (2013).

³ Tentative Order at 1. Northwest: 1001 State Street Suite 907 Erie, PA 16501 Northeast: 1539 Cherry Lane Road East Stroudsburg, PA 18301 Central: 610 North Third Street Harrisburg, PA 17101 Southwest: 200 First Avenue Suite 101 Pittsburgh, PA 15222 Southeast: 1429 Walnut Street Suite 701 Philadelphia, PA 19102

The potential impact of new Large Load Customers (LLCs)—particularly data centers—on air quality, climate, and our water resources is well documented and directly implicates this public trust responsibility. Although several commentators have highlighted specific issues and proposed measures to address these issues, we are concerned that the Commission has not sufficiently engaged with these suggestions or otherwise fulfilled its fiduciary duty.

At a minimum, the Commission should consider the extent to which this tariff might attract new LLCs, accelerate fossil fuel development, and otherwise negatively impact air and water quality at both the local and the state level. In addition, the Commission must also consider actions within its authority to mitigate these harms. For example, the requirement that a rate be just and reasonable⁴ should imply that before a utility can recoup costs for expanded infrastructure through a tariff, the Commission must first consider whether those costs can be mitigated through cost-effective investments in energy efficiency, battery storage, or clean, renewable generation.

B. Commission action on a large-load tariff is appropriate and need not await FERC action.

While we understand Commissioner Coleman’s concern about whether final action on this matter should be stayed pending FERC action, we do not believe a stay is necessary or warranted. Under the Federal Power Act, Pennsylvania retains exclusive jurisdiction for retail load interconnection and energy sales. FERC “shall not have jurisdiction... over facilities used for the generation of electric energy or over facilities used in local distribution or only for the transmission of electric energy in intrastate commerce, or over facilities for the transmission of electric energy consumed wholly by the transmitter.”⁵

Furthermore, as the National Association of Regulatory Utility Commissioners has stated in their recent comments, “Aside from the fundamental jurisdictional issue, from a policy perspective, the states are well positioned to make decisions on load interconnections necessary to support the best interests of their citizens. Retail load interconnections are an important part of these state interests. Thus, the venue for a retail end-use customer who is directly affected by the services provided by the electric supplier is a state commission.”⁶

C. The tariff must include appropriate financial security.

We support the fundamental principle of cost causation underlying the Tentative Order: that LLCs bear all costs associated with their infrastructure and grid connection. The tariff must strictly enforce this principle to ensure that existing customers are not subsidizing data center or

⁴ 66 Pa. Cons. Stat. § 1301.

⁵ Federal Power Act, 16 U.S.C. § 824(b)(1).

⁶ Initial Comments of the National Association of Regulatory Utility Commissioners at 5, Docket No. RM26-4-00, (November 21, 2025).

other large load customer buildout. This must include not only direct subsidies, but also indirect subsidies resulting from the assumption of risks.

We agree with the Commission that appropriate financial security from LLCs can be an effective risk mitigation tool and agree that it should be sufficient to cover their share of “network upgrades for which the [LLC] is the majority beneficiary.”⁷ We are concerned, however, that the minimum contract length of five years proposed in the executive order is too short to ensure that utilities and customers will be protected from stranded costs.

Because, as the Legislature has recognized, “the current process by which utilities submit information to PJM lacks transparency,”⁸ we further agree with commentators who suggest that such financial security should be a precondition for inclusion in any load forecasts.

Furthermore, to ensure the recovery of capacity investments, prevent cost shifting, and reduce volatility, we support Earthjustice’s minimum billing demand requirement of “at least 90% of the highest of (a) the customer’s on-peak contract capacity or (b) the customer’s highest previously established monthly billing demand during the past 11 months or (c) the customer’s maximum demand created during the billing month.”⁹

D. We support a load threshold of 50MW individually or 100MW in the aggregate.

Any such threshold should be reasonably calculated to capture LLCs with a significant impact on the grid or its customers. The proposed threshold of 50MW individually or 100MW in the aggregate appears reasonably calculated to fulfill this goal, but a final decision on this issue would depend on the specific factors used to determine when loads are aggregated. However, this threshold should not be raised further in the final tariff model.

While it is reasonable that aggregation requires common ownership or control, we believe the impact of interconnection, avoidance of cross-subsidization, and preservation of cost-causation principles should take priority over secondary factors such as proximity or specific contractual terms. In short, LLCs must not receive unwarranted subsidies due to fragmented metering or billing arrangements.

We further note that these loads should be measured in terms of actual impact on the grid. The practice of considering the nameplate capacity of behind-the-meter generation, whether that is ever exported to the grid, makes little sense and can discourage investment in clean, renewable generation.

⁷ Tentative Order at 13.

⁸ Act 45 of 2025 § 1802-B(A)(2) (Nov. 12, 2025).

⁹ Comments of Earthjustice at 15, (June 6, 2025).

E. Decisions regarding Contribution in aid of Construction (CIAC) should be based on cost causation principles and the protection of ratepayers.

We believe that LLCs should bear the full cost of infrastructure upgrades they trigger and support mechanisms like CIACs to prevent cost shifting to existing customers. We are concerned that the Commission’s proposal to limit payments to cases where the LLC is the majority beneficiary, particularly without a clear and transparent process for determining how “majority beneficiary” is defined, invites utilities and LLCs to avoid full responsibility. Instead, we believe the presumption should assign the full cost of infrastructure upgrades to the triggering LLC. A rebuttable presumption that an LLC must bear the full costs of infrastructure upgrades it triggers will not only ensure that costs are borne by those who benefit from them but will also incentivize transparency and information sharing from LLCs who wish to show why costs for particular upgrades should be shared.

F. Demand Response and Interruptibility.

The PJM Independent Market Monitor’s recent filings with FERC¹⁰ highlight concerns that interconnecting LLCs without adequate capacity is neither just nor reasonable and poses systemic risks to grid stability. The Commission’s tariff should reflect this principle by requiring firm capacity commitments as a precondition for interconnection and participation in demand management programs. Without such safeguards, interruptibility alone cannot guarantee reliability during peak conditions or unforeseen contingencies.

To align with PJM’s reliability standards and cost-causation principles, the Commission should incorporate clear requirements that LLCs demonstrate capacity adequacy—through PJM market participation, bilateral contracts, or self-supply—before service is initiated. Demand management provisions, including interruptible rates, should complement these obligations rather than substitute for them. This approach ensures that flexibility programs enhance reliability and affordability without exposing existing ratepayers to stranded costs or reliability risks. By embedding these conditions into the tariff, the PUC can protect system integrity while responsibly supporting economic development.

¹⁰ *Independent Market Monitor for PJM v. PJM Interconnection, L.L.C.*, Complaint, Docket No. EL26-30-000 (F.E.R.C. Nov. 25, 2025).

Thank you for consideration of these comments.

Sincerely,

Rob Altenburg
Senior Director for Energy and Climate
Citizens for Pennsylvania's Future
altenburg@pennfuture.org