

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120

En Banc Hearing Concerning Interconnection Docket No. M-2025-3054271
and Tariffs for Large Load Customers

DIRECTED QUESTIONS OF VICE CHAIR KIMBERLY BARROW

On April 24, 2025, this Commission held an *en banc* hearing on rate impacts and tariff designs due to the interconnection of data centers. While the hearing was comprehensive, the issue is complex, and Numerous questions were left unanswered.¹ By Order of the Commission at this Docket, stakeholders now have 30 days to submit comments and 15 days for reply comments. I encourage interested stakeholders to consider my questions—listed below—in their responses. Although the questions are structured to a targeted audience, the questions are intended to be answered by any stakeholder to the extent they may be able to provide relevant information.

For Build-to-Own Data Center Developers

1. What contract structures (e.g., minimum demand charges, exit fees) do you find most acceptable to balance the need for cost predictability with the need to prevent uncompensated stranded assets?
2. How flexible are your operations in terms of geographic load-shifting or demand response, and how should that flexibility be reflected via rate discount in tariff design or expedited interconnection processes?
3. To what extent are energy storage and other technologies integrated into the design of your facilities to address oversizing of compute beyond existing needs—driving increased design load—and enable participation in demand response programs?
4. To what extent do you intend to collaborate with grid operators on the timing of discretionary high-load tasks like model training in order to avoid increasing coincident peaks?

For Independent Data Center Developers

5. In a business model where a data center is developed and then compute is leased or resold, how do you manage risk associated with customer churn and underutilized capacity, and what tariff design elements help you manage that risk? How can these risk savings benefit other ratepayers?
6. Can a data center which is developed to be resold utilize tariff flexibility incentives, or does building in flexibility make it impossible to plan the data center development?

¹ At the hearing I also referred stakeholders to the article *Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power*, by Ari Peskoe and Eliza Martin, for any comments they may have. For convenience, that article is available at <https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/>.

For Electric Distribution and Transmission Utilities

7. How should costs be allocated when a data center triggers a major upgrade—should it be directly assigned, shared by the EDC, or spread across the TO zone, and under what criteria? Should existing methods be re-examined for these customers? Should they be re-examined for all customers?
8. What tariff design features (e.g., minimum load factor, monthly demand floors) have proven most effective in ensuring reliable forecasts from large-load additions?
9. One hearing commenter suggested that only load under contract should be used in demand forecasts. Do you agree?
10. How do you assess the risk of early termination, and what role do exit fees and collateral requirements play in mitigating that risk for your infrastructure investments?
11. Would you be willing to trade off speed of interconnection in exchange for greater load flexibility commitments from data centers—and how would you quantify that tradeoff?
12. What technical and tariff design features, in your view, stand in the way of facilitating demand response programs for large loads?

For Consumer Advocates, Industrial Customers, Other Ratepayers, and Public Interest Stakeholders

13. What safeguards do you believe are essential to prevent cost-shifting from speculative or short-lived data center investments onto existing ratepayers?
14. How can we ensure tariff structures are transparent enough to allow meaningful public input on what constitutes fair cost allocation, especially when commercial contracts are confidential?

May 1, 2025
DATE



Kimberly Barrow, Vice Chair