UNITED STATES OF AMERICA

BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C., et al.	)	Docket Nos. EL25-49-000
	)	
Large Loads Co-Located at Generating Facilities	)	Docket No. AD24-11-000
	)	
	)	
Constellation Energy Generation, LLC	)	Docket No. EL 25-20-000
	)	(Consolidated)

COMMENTS OF THE DATA CENTER COALITION

Pursuant to Rule 211 of the Federal Energy Regulatory Commission's (Commission) Rules of Practice and Procedure, 18 C.F.R. § 385.211, the Data Center Coalition (DCC), respectfully submits these formal comments in response to the Commission's February 20, 2025 Order Instituting Proceeding under Section 206 of the Federal Power Act and Consolidating with Other Proceedings (Show Cause Order).[1]

I. COMMUNICATIONS

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II. INTRODUCTION

DCC submits these comments in response to the Commission's consolidated show cause order in the above-captioned dockets, which address the appropriate regulatory treatment of large loads—including data centers—that seek to co-locate with generation in the PJM footprint. This proceeding arises at a pivotal moment for the nation's energy grid and digital infrastructure, as regional grid operators face rising demand, constrained transmission capacity, increased local opposition to infrastructure development, and growing uncertainty around supply adequacy.

[1] *PJM Interconnection, L.L.C., et al.*, 190 FERC ¶ 61,115 (2025).

Data centers are foundational to the modern economy and digital society. They support essential services across nearly every sector, including finance, healthcare, education, communications, manufacturing, defense, and government. As the backbone of the nation's digital infrastructure, data centers host the computing platforms that power artificial intelligence and machine learning workloads, cybersecurity systems that protect critical institutions, and data processing capabilities relied upon by federal agencies and national security entities. These facilities support real-time digital operations that are now inseparable from the functioning of core public and private systems.

In recent years, energy demand has accelerated—driven by AI development, cloud computing, electrification of buildings, industry and transportation, hydrogen fuel production, and the reshoring of U.S. advanced manufacturing. This has created a step change in electricity needs, particularly in regions like PJM, where demand is outpacing outdated planning frameworks. Data center operators are responding with urgency—but face growing constraints from generator interconnection delays, opaque infrastructure planning, and limited transparency into available capacity.

In this context, co-location of load with generation—whether front-of-the-meter or behind-the-meter—is a pragmatic, common, and commercially legitimate strategy to secure timely access to power as markets grapple with years-long interconnection queue backlogs. These arrangements provide critical flexibility and efficiency, enabling data center developers to meet emerging needs on faster timelines and without undue reliance on already-congested grid infrastructure.

At the same time, it is clear that the current regulatory focus on co-location stems less from the structure of these arrangements themselves and more from broader system concerns—specifically, whether there will be sufficient capacity to meet demand in the years ahead. In a more balanced resource environment, co-location would likely be viewed as a beneficial tool, not a policy concern. Indeed, co-location can reduce transmission congestion, avoid costly infrastructure buildouts, and enable the more efficient interconnection of new resources. But amid tightening margins, it has become a stand-in for deeper anxiety about supply adequacy and planning accuracy.

These underlying concerns deserve attention. Rather than restricting or reclassifying commercially valuable arrangements like co-location, the Commission should focus on strengthening the planning and forecasting tools that drive regional infrastructure decisions. Getting this right requires better visibility into both expected load growth and anticipated supply—and a regulatory framework that evolves with changing market dynamics.

DCC strongly believes that this proceeding can and should be resolved through constructive, timely dialogue among affected stakeholders. To that end, and consistent with the Commission's longstanding preference for settlement where feasible,[2] DCC joins other parties in this proceeding seeking that the Commission establish settlement judge procedures and stay these proceedings for a 90-day period.[3] The requested process would facilitate focused, good faith negotiations under Commission oversight, with the aim of achieving clarity, preserving reliability, and supporting just and reasonable outcomes for all parties.

The Commission now has the opportunity to modernize its approach in a manner that reinforces reliability, preserves commercial flexibility, and supports efficient investment. To assist in that effort, these comments: (1) reaffirm DCC's co-location principles previously submitted into the record;[4] (2)

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[2] *See*, *e.g.*, *Certification of Uncontested Settlements by Settlement Judges*, Order No. 883, 179 FERC ¶ 61,130, at P 2 (2022) ("The Commission has long recognized the importance of settlements among the participants to litigated proceedings as a tool to efficiently and expeditiously resolve those contested proceedings set for trial-type evidentiary hearing, as well as other contested proceedings." (footnote omitted)); *Ariz. Pub. Serv. Co.,* 97 FERC ¶ 61,315, at 62,449 (2001) ("[I]t has been Commission policy to promote voluntary settlements as an important tool in the administration of our jurisdictional responsibilities."); *Tex. Gas Transmission Corp.*, 28 FERC ¶ 61,372, at 61,665-66 (1984) (encouraging settlements, as they can play an important part in resolving issues without prolonged and contentious litigation); *cf. Tex. E. Transmission Corp. v. FPC*, 306 F.2d 345, 347-48 (5th Cir. 1962) ("For Commission approved voluntary settlements are an important and desirable mechanism as the Commission undertakes the staggering burden of dealing with the ceaseless flow of the ever-more complicated problems….Consequently settlements should be encouraged, not discouraged." (footnotes omitted)).

[3] *See, e.g.*, Joint Comments and Motion to Stay Proceedings and Request to Establish Settlement Judge Procedures of the Electric Power Supply Association, the PJM Power Providers Group, Calpine Corporation, Cogentrix Energy Power Management, LLC, Constellation Energy Generation, LLC, and LS Power Development, LLC, Docket Nos. EL25-49-000, EL25-20-000, and AD24-11-000 (Apr. 22, 2025), Accession No. 20250422-5166 (requesting that the Commission find the PJM Tariff unjust and unreasonable, stay the consolidated proceedings, and initiate a 90-day settlement judge process to develop a replacement rate).

[4] *Statement of Aaron Tinjum on Behalf of the Data Center Coalition*, Docket No. AD24-11-000, at Panel 1 (Nov. 4, 2024), Accession No. 20241104-4011.

clarify the nature and benefits of co-located arrangements; (3) respond to stakeholder concerns raised in this proceeding; and (4) offer targeted recommendations to improve forecasting, tariff clarity, and planning alignment.

Together, these actions will help ensure that emerging load arrangements are addressed in a manner that is fair, transparent, and aligned with the long-term public interest.

II. REINFORCING DCC'S ESTABLISHED CO-LOCATION PRINCIPLES

DCC has previously submitted testimony identifying six core principles that should guide the regulatory treatment of co-located load arrangements.[5] These principles reflect the realities of current market conditions and the commercial, technical, and operational drivers behind co-location. As the Commission considers whether and how to clarify the application of open access and cost allocation rules to these arrangements, it is critical that any resulting framework remain consistent with the following tenets:

- **Preserving Open Access and Commercial Flexibility**:
  Large Loads, particularly data center operators, must retain the ability to pursue behind-the-meter (BTM) and other innovative configurations consistent with applicable rules and operational requirements. Regulatory frameworks that eliminate or disincentivize these options will reduce market efficiency, delay investment, and risk distorting otherwise beneficial commercial arrangements.

- **Ensuring Grid Reliability and Fair Cost Allocation**:
  Co-location should be subject to appropriate grid impact assessments and planning oversight. Where transmission or distribution upgrades are required to accommodate a co-located arrangement, cost responsibility should be allocated to the parties that benefit—consistent with cost causation principles. Avoiding cost shifts to other customers is both feasible and necessary to maintain confidence in these arrangements.

- **Maintaining Consistency with Prior Commission Guidance**:
  Co-location arrangements are not new. Commission precedent supports flexibility in load-serving arrangements and does not impose a single configuration or cost allocation methodology. DCC urges the Commission to reinforce that principle while allowing for further clarity where operational questions arise.

[5] *Id* at 4.

- **Recognizing Co-location as a Legitimate Response to Infrastructure Constraints**: These arrangements are not a means of avoiding planning processes or cost responsibility. Rather, they reflect the practical need for large new loads—such as data centers—to access power in a timely manner amid system congestion and long interconnection timelines. That commercial motivation should be acknowledged and appropriately integrated into regulatory expectations.

- **Aligning Regulatory Treatment with Grid and Market Realities**: As PJM and other regions experience rapid load growth and limited infrastructure headroom, enabling flexible, efficient service arrangements like co-location can help alleviate pressure on the broader system. Regulatory approaches that support, rather than restrict, these configurations will better serve both reliability and affordability objectives.

DCC respectfully refers the Commission to its technical conference testimony[6] for the full articulation of these principles, including additional discussion of community engagement, environmental considerations, and innovation. These principles are not theoretical—they are grounded in the real-world operational experience of data center developers, owners, and operators seeking to support digital infrastructure while maintaining compliance with evolving grid requirements.

As this proceeding moves forward, DCC urges the Commission to use these principles as guideposts for evaluating tariff language, assessing stakeholder proposals, and crafting regulatory clarity that is durable, consistent, and adaptable to continued growth.

III. CLARIFYING THE NATURE OF CO-LOCATION

Co-location is a commercial arrangement—not a system problem. It enables load and generation to be sited together in ways that facilitate timely power delivery, reduce dependence on constrained transmission systems, and enhance investment certainty. These arrangements involve sophisticated engineering, contractual, and regulatory compliance components. When properly structured, they can preserve and improve overall grid reliability while expanding the set of viable options available to new large loads.

The increased scrutiny of co-located load in the PJM footprint is not primarily about the nature of the arrangement itself. Rather, it reflects growing concern about tightening resource adequacy margins,

[6] *Id.*

interconnection queue delays, an increasingly congested transmission grid, and the adequacy of grid operators' planning tools in the face of rapid demand growth. In a more balanced supply environment, co-location would likely be viewed as a beneficial market response to reduce expensive transmission upgrades. However, against the backdrop of constrained capacity and delayed infrastructure development, co-location has become a focal point for concerns about whether the grid can meet emerging load requirements at all, rather than being seen as a possible solution in PJM's toolbox.

This misdirected focus risks clouding policy decisions. Renewed interest in co-location is not the cause of planning strain—it is a symptom of it. The urgency surrounding this docket is not because co-location arrangements evade responsibility or undermine grid operations, but because they are advancing more quickly and visibly than the traditional processes for bringing on new generation or transmission infrastructure. That visibility has made co-location a convenient—yet misplaced—target for broader anxieties about system adequacy.

DCC urges the Commission to avoid adopting prescriptive or overly restrictive frameworks that wrongly conflate co-location with systemic risk. Instead, the Commission should focus on strengthening the underlying tools that support sound system planning—improved transmission planning, timely generator interconnection, and the accuracy and transparency of load forecasting processes.

Ultimately, the challenge before the Commission is not whether co-location should be allowed—it should—but how to ensure that planning frameworks are modernized to reflect new load patterns and enable timely response of new generation to meet new load.

As discussed in the next section, improving the transparency and accuracy of load forecasting—particularly around large, non-traditional load additions—is critical to aligning infrastructure investment with real-world demand. Mischaracterizing co-location as a mere workaround risks obscuring the actual planning failure: the inability to systematically and reliably forecast what load is coming, when, and how and enable the marketplace and transmission planners to respond effectively.

IV. RESPONSE TO FERC'S SHOW CAUSE ORDER AND STAKEHOLDER POSITIONS

DCC appreciates the Commission's attention to the complex issues raised in this proceeding and supports the development of a regulatory framework that provides clarity, preserves commercial flexibility, and protects reliability. The Commission's February 20, 2025, show cause order—alongside stakeholder comments and PJM's subsequent filings—underscores the need for a coherent, transparent, and durable approach to co-location arrangements, especially as they become more prevalent across the PJM footprint.

DCC acknowledges PJM's recognition, in its Answer and Exhibit A, that multiple viable configurations of co-located load and generation exist today, including both front-of-meter and behind-the-meter designs. However, DCC emphasizes that these configurations must not only be acknowledged—they must be *explicitly supported* in PJM's tariff to provide developers and large customers with the certainty necessary to proceed with time-sensitive projects. Regulatory silence or ambiguity creates risks for all parties involved and invites inconsistent application by Transmission Owners (TOs).

To that end, the Commission should direct PJM to develop clear, enforceable tariff language that affirms the permissibility of multiple co-location configurations, including those where load is served directly from a generation resource located on or near the same site. Tariff clarity is essential to reduce unnecessary disputes, avoid case-by-case confusion, and enable transmission providers to process interconnection and load addition requests efficiently and predictably.

DCC also responds to arguments advanced by certain TOs advocating for the universal classification of co-located load as Network Load, regardless of configuration or actual reliance on the grid. This categorical approach is both overbroad and unworkable. It risks undermining legitimate commercial arrangements, misaligning cost allocation, and chilling innovation. Rather than applying a one-size-fits-all label, the Commission should instead require PJM to adopt a criteria-based framework

that evaluates co-located load based on specific, fact-driven indicators—such as the nature of grid reliance, services taken, and metering configuration.

Such a framework can preserve open access and nondiscrimination while reflecting the physical and operational distinctions among co-location designs. It would also reduce the likelihood of cost-shifting and ensure that grid services are paid for by those who use them, consistent with long-standing cost causation principles.

Finally, given the contested nature of the issues raised and the diversity of views among stakeholders, DCC strongly supports the initiation of expedited settlement procedures. The Commission should place these consolidated proceedings into a structured, 90-day settlement process overseen by a Commission-appointed settlement facilitator or settlement judge. This would allow PJM, TOs, large load customers, and other interested parties to engage in a focused and facilitated dialogue aimed at expeditiously resolving the most contentious issues, including tariff clarity, network service classification, and the integration of co-located load into planning processes.

Structured settlement procedures have proven effective in prior PJM-related proceedings and offer the best chance of achieving a workable and broadly supported resolution in a timely manner. DCC is actively participating in a joint motion requesting the establishment of such procedures and encourages the Commission to grant that request.

V. RECOMMENDATIONS FOR IMPROVED LOAD FORECASTING

As emphasized throughout these comments, many of the concerns raised in this proceeding—particularly around co-location—are rooted not in the technical structure of load-generation arrangements, but in broader questions of resource adequacy. The current sense of urgency around how load is served reflects a deeper and more consequential challenge: planning frameworks have not kept pace with accelerating demand, and current load forecasting practices are failing to provide the transparency, consistency, and reliability needed to support sound infrastructure investment.

Effective load forecasting is not merely a technical input—it is a foundational requirement for ensuring long-term grid reliability, resource adequacy, and cost-effective transmission development. When forecasts are too high, they can lead to inflated capacity prices, trigger unnecessary transmission buildouts, and result in stranded or underutilized assets. When forecasts are too low, the consequences are even more severe: insufficient capacity procurement, underinvestment in transmission, and a persistent cycle of short-term emergency responses rather than long-term strategic planning.

While no forecast will ever be perfect, the Commission must take steps to modernize load forecasting practices across all levels of the system and hold PJM accountable for ensuring its forecasts reflect the best available data and methods.

PJM currently builds its long-term forecast using an in-house econometric model but supplements this forecast with large load additions reported by TOs and electric distribution companies. These supplemental values—presented annually in Table B-9—often reflect inconsistent assumptions, are not subject to standardized validation, and lack meaningful transparency. Yet they are incorporated directly into forecasts that drive capacity procurement and transmission planning outcomes.

Although PJM cannot control how load is interconnected at the distribution level—a process governed by state jurisdiction—it is responsible for the integrity of its forecast. This includes ensuring that reported large load additions are vetted for commercial viability and reasonably reflect actual development timelines. That responsibility cannot be delegated, nor excused by reference to differing utility practices.

To that end, DCC urges the Commission to require the following forecasting reforms:

1. **Commercial Readiness Verification for Large Load Additions**:
   For any load adjustment of 50 MW or greater submitted for inclusion in PJM's forecast, the submitting entity should demonstrate indicators of commercial viability. These could include attestations to executed service agreements, site control, permitting progress, or other objective milestones.[7] Criteria should be firm enough to exclude purely speculative additions, but not so inflexible such as to exclude genuine proposals reaching commercial readiness. This approach mirrors the readiness criteria applied in generator interconnection processes and ensures the

[7] PJM, PUCs and the TOs may be best suited to identify objective milestones but these should be transparent and effective indicators of commercial viability.

forecast reflects realistic development trajectories. This would not impose such structures within the TO and EDC load interconnection process–instead it would provide discipline and consistency to what PJM does with the request for the large load adjustment.

2. **Transparency of Forecast Assumptions**:
   PJM should be required to publicly disclose the key assumptions, data sources, and validation processes underlying both its base forecast and supplemental inputs. This would enable stakeholders to engage more effectively and improve accountability in planning processes.

3. **Reporting Standardization Across TOs and EDCs**:
   The Commission should direct PJM to develop clear and enforceable standards for how member utilities report anticipated load additions, including data quality, documentation, information about associated transmission needs, including supplemental projects, and regular revalidation. A common framework would reduce uncertainties and improve the comparability of load inputs across PJM's footprint.

4. **Regular Forecast Review and Backcasting Analysis**:
   PJM should conduct annual assessments comparing past forecasts to actual outcomes (backcasting) to identify sources of error and improve future performance. These assessments should be shared with stakeholders and posted for public review.

These reforms would significantly improve the accuracy and integrity of PJM's load forecast while preserving flexibility for utilities and customers. They would also ensure that co-located arrangements—whether grid-connected or BTM—are integrated into forecasts in a manner that reflects actual system impacts rather than assumption-driven speculation.

Importantly, these changes would simply refine the process that PJM currently uses to verify large load adjustments before adding them to its annual load forecast. PJM would only accept large load additions into its forecast that the EDC demonstrates verifiable commercial viability. This approach to load forecasting is a non-arbitrary, non-discriminatory way to inject discipline into PJM's load forecast by ensuring that requesting customers are commercially ready. It also incentivizes participation from end use customers and the EDCs because PJM's transmission planning processes will accurately reflect the appropriate level of investment to reliably meet expected demand.

PJM has the authority today to implement this approach through its load forecasting business practice manual without changes to its current tariff and other governing documents.

Under PJM's Manual 19, PJM must verify that proposed load adjustments are "real and significant."[8] To manage the near term risk of significant capacity and transmission-driven cost increases over the next 5-8 years, PJM should only include in the load forecast requested load adjustments due to new large load requests (50 MW or greater) when the requesting EDC/LSE demonstrates that the large load interconnections are backed by stringent financial commitments.

Ultimately, strengthening load forecasting is a prerequisite to resolving not just the questions raised in this docket, but the broader resource adequacy and infrastructure planning challenges PJM now faces. The Commission has an opportunity—and a responsibility—to lead this reform.

VI. ENHANCED VISIBILITY INTO SUPPLEMENTAL PROJECTS AND REGIONAL LOAD DEVELOPMENT

As PJM continues to experience significant growth in large load additions it is essential that planning processes reflect how infrastructure is evolving to serve this demand. While many of the upgrades necessary to support new load are pursued through supplemental projects initiated by TOs, additional transparency can improve alignment between infrastructure development and PJM's system-level forecasts and planning efforts.

Specifically, DCC recommends that the Commission direct PJM to enhance visibility into the relationship between new large loads and the transmission upgrades that support them, by requiring the following:

1. **Disclosure of Load Linkages for Supplemental Projects**:
   For any supplemental project developed primarily to support new large load, the responsible entity should indicate whether the project is associated with a specific customer load addition. This disclosure should include the general location of the load, the expected service date, and a qualitative description of the anticipated ramp-up schedule. This information would help PJM and stakeholders understand emerging demand patterns without compromising commercially sensitive data.

2. **Confirmation of Forecast Inclusion**:
   When a supplemental project is identified as being load-driven, PJM should confirm whether the associated load has already been incorporated into its system-level forecast, including Table B-9.

[8] *See* PJM Manual 19: Load Forecasting and Analysis, Attachment B at 26 (Rev. 37, effective Dec. 18, 2024) (requiring PJM to verify that any proposed load adjustment is "real and significant").

If the load is not reflected in the forecast, PJM should indicate whether it expects it to be incorporated in the next forecast update and on what basis.

These modest improvements would help ensure that infrastructure decisions made at the local level are visible within broader planning discussions and appropriately reflected in resource adequacy and transmission assessments. They would also support more accurate forecasting and reinforce stakeholder confidence in the alignment between load growth and infrastructure investment.

VII. SPECIFIC RECOMMENDATIONS TO THE COMMISSION

In light of the issues raised in this proceeding and the recommendations outlined in the sections above, the Data Center Coalition respectfully urges the Commission to take the following actions to support a durable, transparent, and flexible framework for co-located load:

1. **Affirm the Legitimacy of Co-location**:
   Confirm that co-location—whether behind-the-meter or front-of-meter—is a commercially legitimate and operationally viable arrangement, consistent with open access principles and not inherently inconsistent with reliability or cost causation.

2. **Direct PJM to Provide Tariff Clarity**:
   Require PJM to develop and file clear, enforceable tariff language that supports multiple viable co-location configurations and avoids default classifications that mischaracterize grid usage or constrain commercial flexibility.

3. **Reject One-Size-Fits-All Treatment of Network Load**:
   Decline to endorse stakeholder proposals that would universally categorize all co-located load as Network Load. Instead, require PJM to establish criteria that evaluate grid reliance and service characteristics on a fact-specific basis.

4. **Initiate Expedited Settlement Procedures**:
   Place these consolidated proceedings into a 90-day settlement process supervised by a Commission-appointed settlement judge, with the goal of resolving outstanding disputes related to co-location configurations, tariff treatment, and cost allocation.

5. **Improve Large Load Forecasting Practices**:
   Direct PJM to implement commercial readiness criteria for all forecasted load additions of 50 MW or greater, ensure consistency across TOs and EDCs, and increase transparency around forecasting assumptions and methodologies.

These recommendations are designed to help the Commission provide needed regulatory clarity, avoid unnecessary market disruptions, and ensure the planning process is aligned with current and emerging system needs.

VIII. CONCLUSION AND SUMMARY OF KEY REQUESTS

The issues raised in this proceeding lie at the intersection of rapidly evolving load growth, strained infrastructure, and regulatory frameworks that must adapt to new market realities. Co-location arrangements are not the cause of grid stress—they are a rational, flexible, and increasingly necessary response to it. Rather than restricting these arrangements, the Commission should seize this opportunity to clarify their legitimacy, reinforce open access principles, and ensure that planning tools are modernized to reflect the scale and pace of change in electricity demand.

To that end, the Data Center Coalition respectfully urges the Commission to:

- **Affirm the legitimacy of co-location arrangements** and the right of large customers to pursue service through behind-the-meter and other commercially viable configurations;
- **Direct PJM to develop clear tariff language** supporting multiple co-location models and avoid prescriptive classifications that reduce flexibility;
- **Reject proposals to universally classify co-located load as Network Load**, and instead require PJM to apply criteria that reflect actual grid reliance;
- **Initiate a 90-day settlement process**, appointing a settlement judge to assist parties in resolving contested issues around tariff language, service classification, and cost allocation;
- **Improve large load forecasting processes** by requiring readiness criteria, increased transparency, and standardized inputs across utilities; and
- **Enhance visibility into large load additions and associated infrastructure**, including confirmation of whether new loads tied to supplemental projects are reflected in PJM's official forecast.

These steps are essential to ensuring that regulatory treatment of co-located load is fair, transparent, and aligned with long-term grid reliability and economic growth. DCC appreciates the

Commission's attention to these comments and respectfully requests timely and decisive action consistent with the recommendations set forth herein.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding. Dated at Herndon, VA this 23 day of April 2025.

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Document Content(s)