JOHN FETTERMAN
PENNSYLVANIA

COMMITTEES:
AGRICULTURE, NUTRITION, AND FORESTRY
COMMERCE, SCIENCE, AND TRANSPORTATION
HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS

United States Senate
WASHINGTON, DC 20510
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September 30, 2025

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President & CEO
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David Mills
Chair, Board of Managers
PJM Interconnection
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Dear Mr. Asthana and Mr. Mills,

Thank you for the opportunity to provide feedback on the August 8, 2025, letter regarding PJM's proposed Large Load Addition (LLA) Critical Issues Fast Path (CIFP) process. I commend you and the rest of the Board of Managers for your leadership on this issue at a crucial time, as we see data centers in our region jacking up prices for everyday households by as much as 25% over the next 5 years in regions operated by PJM.[1] Put simply, Pennsylvania families cannot afford to see their monthly electric bill jump by a quarter, nor should they be asked to bear this burden.

I share many of the concerns already presented by stakeholders[2] about the need for PJM to pursue "fair cost allocation." Data centers' huge energy needs are driving transmission development, the costs of which may be spread out across ratepayers who do not benefit.[3] I urge PJM—through this CIFP process or a future action—to ensure all LLA operators pay their fair share, which they are currently *not doing*. The impact to existing ratepayers across PJM is too great to only consider tweaks to the interconnection process. PJM must meet the moment by re-focusing across its operation to equitably allocate the costs of necessary infrastructure.

Regarding the topics for which PJM requested specific input, Non-Capacity-Backed Load (NCBL) and Bring Your Own Generation (BYOG) are of greatest concern and interest to me, especially as they pertain to the jurisdiction of the Federal Energy Regulatory Commission (FERC).

Non-Capacity-Backed Load (NCBL)

[1] Penn, I. & Weise, K. (2025). Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone. *The New York Times*. https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html
[2] PJM. (2025). Critical Issues Fast Path – Large Load Additions: Stakeholder Comments. https://www.pjm.com/-/media/DotCom/committees-groups/cifp-lla/postings/20250828-stakeholder-comments-cifp-lla.pdf
[3] Paullin, C. (2025). Regulator approves electricity transmission line, towers in Alexandria to serve one data center. *Virginia Mercury.* Accessed at: https://virginiamercury.com/2025/08/21/virginia-regulator-approves-electricity-transmission-line-and-towers-in-alexandria-to-serve-one-proposed-data-center/

Data centers are necessary for our economic future and national security. But it is undeniable that they are also causing electricity prices to spike—not just in individual states, but across the PJM region.

Some comments have expressed skepticism of PJM's authority either to offer voluntary or to require mandatory NCBL measures, based on Section 210(b) of the Federal Power Act. At the very least, NCBL is not just justified, but required by Section 210(b), in power purchase agreement (PPA) arrangements that necessarily occur in interstate commerce. This arrangement has already been implemented as part of Microsoft's PPA with Crane Clean Energy Center, which is hugely beneficial to Pennsylvania ratepayers. I urge PJM to reconsider its course and bring back potential mandatory NCBL arrangements, while you also consider voluntary NCBL. I am skeptical that a handful of LLA operators rightly benefiting from the AI boom are more important than the 13 million Pennsylvanians who are already seeing rate hikes because of LLAs.

Data centers demand such high volumes of stable energy that interstate commerce of electricity is necessary to reliably sustain such load, thereby placing the issue within PJM's jurisdiction. PJM already regulates to allow large loads, such as those required by a steel mill, to voluntarily be demand response facilities. While available data on electricity demand of individual data centers is hard to find, we know that in 2023 alone, the energy used by U.S. data centers reached 176 TWh.[4] By comparison, the U.S. steel industry annually demands about 6% of the electricity required by data centers.[5]

As mentioned, I understand the importance that data centers play in our economy; however, gaps exist in the data necessary to see the full economic picture, with limited publicly available information about the impacts of LLAs, especially data centers. The lack of information collected and publicly available hinders the ability of grid operators like PJM to understand the entire scope of LLAs and demonstrates the necessity of collecting a broad range of information on the supply chain, from power and water consumption to IT equipment characteristics. That is why my legislation, the *Clean Cloud Act*, is a step in the right direction to better understand the energy use in this fast-growing sector.

Since LLAs are a primary driver of energy demand and consumption, information that is collected can remain proprietary while ensuring that policymakers, grid operators, and consumers understand how energy is used. The *Clean Cloud Act* would require the Environmental Protection Agency, in conjunction with the Energy Information Agency, to conduct and publish an annual survey of electricity consumption from data centers, an important step to improve efficiency, limit emissions, and bolster the economic competitiveness of the region and the U.S. In a show of good faith, PJM should collect data, to the extent possible, on LLAs' energy usage, especially as new ones come online, by leveraging its ability to direct the

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[4] Shehabi, A.; Newkirk, A.; Smith, S.; Hubbard, A.; Lei, N.; Siddik, M., et al. (2024). 2024 United States Data Center Energy Usage Report. Lawrence Berkeley National Laboratory. Report #: LBNL-2001637 http://dx.doi.org/10.71468/P1WC7Q Retrieved from https://escholarship.org/uc/item/32d6m0d1

[5] Snook, J.; Thorne, S.; Hardison R.; Homicki C.; Seidenfeld J.; Kuhn K.; Devlin A., et al. (2024). Powering United States Primary Steel Decarbonization. Clean Energy Buyers Association. https://cebuyers.org/blog/ceba-report-cutting-steel-industry-emissions-will-require-174-terawatt-hours-of-electricity-annually-by-2050/

flow of electricity across the grid and thereby understand how much electricity each one may require.

Given PJM's previous practices, I believe PJM has the broad authority necessary to set rules for NCBL. If PJM determines it does not have such authority, potentially based on arguments about utilities determining retail rates, it should at the very least pursue NCBL rules that dictate a new category within which utilities would ultimately set different rates for this category of customer.

This grid-planning CIFP is timely, as the back-to-school period has demonstrated just how intermittent data centers' energy use is and how this variability contributes to grid stability planning. At the end of the 2024-2025 school year, ChatGPT use dropped precipitously, only to rise again as the 2025-2026 school year began.[6] This demonstrates that data center operators are already primed to flex their energy needs with use and would be able to respond to a LLA designation as proposed by PJM.

Bring Your Own Generation (BYOG)

PJM should—at minimum—incentivize a voluntary, tiered arrangement to incentivize LLAs to bring more energy generation rather than use existing generation needed by household ratepayers. An example of good behavior has been Microsoft, bringing Three Mile Island back online as the Crane Clean Energy Center. Nuclear—whether restarting existing large reactors, building new state-of-the-art reactors, or deploying small modular reactors—must be part of the solution here. Many entities commenting on this PJM proceeding also commented on FERC's post-technical conference docket (Docket No. AD24-11-000)[7] regarding the benefits of LLAs incentivizing new generation as they interconnect to the grid, even in co-location arrangements, which suggests data center operators are eager and ready to participate in BYOG.

An arrangement like this would not be prohibited by the Federal Power Act (FPA). In fact, it is arguably required by the FPA as data centers' disproportionate strain on the grid is giving them "undue preference or advantage"[8] by not paying their fair share into transmission. PJM should coordinate with FERC as it considers matters such as co-location and how co-location might fit into a BYOG arrangement.

Thank you again for the opportunity to address this important economic issue. LLAs will continue to be important economic development engines, but PJM stands at a crossroads. It is essential that PJM steps up to protect ratepayers so families can afford to pay their electric bills in the communities driving economic development, rather than deferring to the preferences of the largest LLA operators with the deepest pockets. I'll continue to fight to cut costs for every

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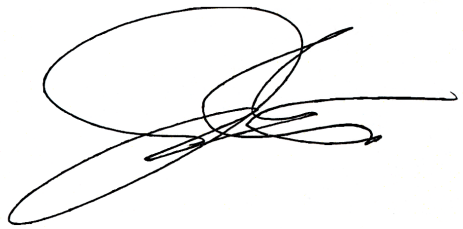
[6] Burman, T. (2025). ChatGPT Usage Skyrockets as Kids Return to School. *Newsweek.* Accessed at: https://www.newsweek.com/chatgpt-use-skyrockets-school-kids-homework-2120753

[7] See Docket No. AD24-11-000. Commissioner-led Technical Conference Regarding Large Loads Co-Located at Generating Facilities. Accessed at: https://www.ferc.gov/news-events/events/commissioner-led-technical-conference-regarding-large-loads-co-located

[8] See Federal Power Act § 205, 16 U.S.C. § 824d(b) ("No public utility shall, with respect to any transmission or sale subject to the jurisdiction of the Commission, (1) make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage, or (2) maintain any unreasonable difference in rates, charges, service, facilities, or in any other respect, either as between localities or as between classes of service.").

Pennsylvania family, knowing that they should not have to foot the bill to benefit from our future economy.



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