

# PJM Co-located Load Show Cause Order Workshop

March 10, 2025



# About AEP



**16,000 EMPLOYEES**

**29GW OWNED GENERATION**

**5.6M CUSTOMERS, 11 STATES**

**\$103B TOTAL ASSETS**

**40,000 TRANSMISSION MILES**

**225,000 DISTRIBUTION MILES**

**\$70B RATE BASE**

**\$56B CURRENT MARKET CAPITALIZATION**

# Co-location of Large Loads

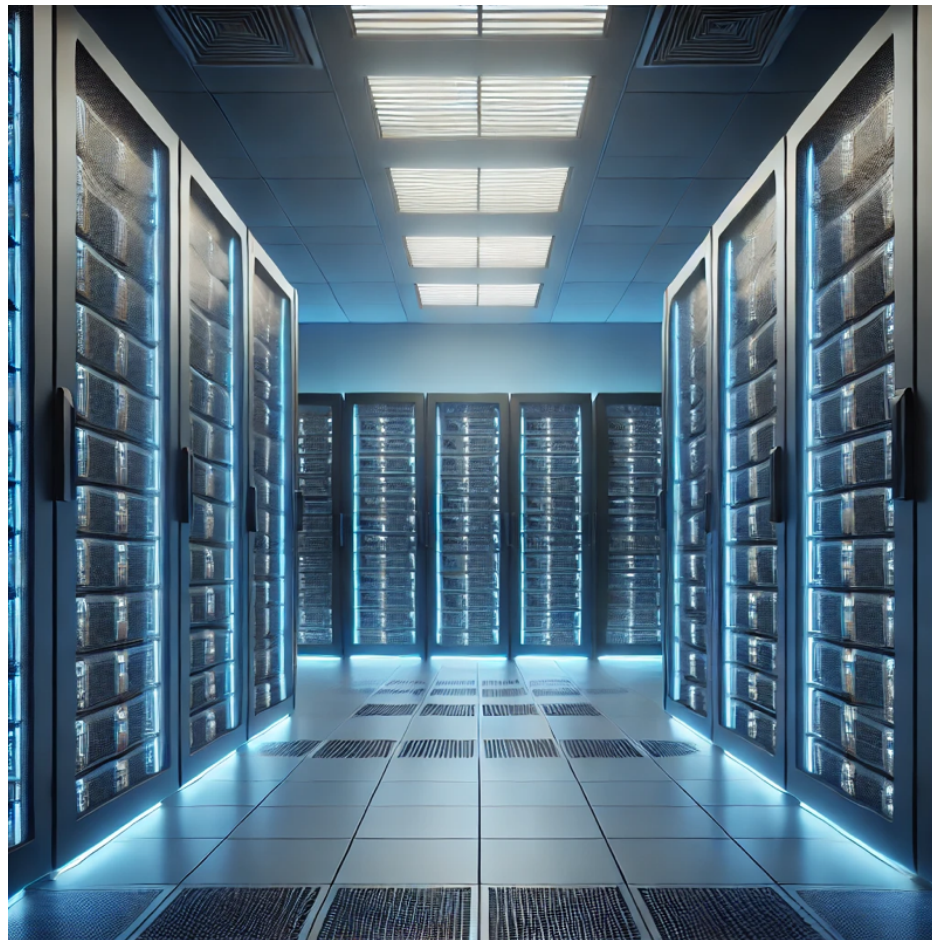


## OUR STORY

- **AEP supports co-location.**
- **AEP supports data centers.**

AEP has approximately 20 GW of load through 2029 driven by data center demand and economic development.

We are committed to providing reliable service, supporting economic growth, and working with all customers to determine how to best meet their energy needs.





# Core Principles – Co-location



**Beneficiaries must pay.**



**Co-located load, when connected, is using the transmission system and benefitting from infrastructure and services.**

**All co-located load, when connected, should be served from the PJM transmission system as PJM Network Load with firm transmission service.**

# Transmission and Essential Reliability Services



## What does it mean for co-located load to "use" the transmission system?

- When co-located load is interconnected to and synchronized with the system, it is *using* the transmission system.
- Essential Reliability Services (ancillary services) *require* use of the transmission system.
- Isolated: Only when a facility is disconnected from the grid is it fully isolated and not using the transmission system.
- Meter placement: A revenue meter does not isolate a load from the grid, it simply provides a point of measurement—it is an accounting tool.



# Cost Allocation – Beneficiaries Pay



## What is a "fair share" of transmission costs?

- Designation of co-located load as PJM Network Load ensures that this load pays its fair share of transmission costs and Essential Reliability Services.
  - This is equitable, consistent with cost causation principles, and the current framework where load pays for the transmission system.
- Essential Reliability Services (like blackstart), are not only billed through Network Integration Transmission Service, but require *use* of the transmission system.
- Just like all other customers using the transmission system, interconnected co-located load must pay for all of the services they are receiving.

**Core Principle: Beneficiaries must pay.**

