

TO THE ATTENTION OF:
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**Stage 4 Critical Issue Fast Path Comments of the Public Utilities Commission of Ohio's
Office of the Federal Energy Advocate**

The Public Utilities Commission of Ohio's Office of the Federal Energy Advocate (Ohio FEA) appreciates the opportunity to offer comments to the PJM Board as part of the Critical Issue Fast Path (CIFP) process to address resource adequacy concerns arising from large load additions. The Ohio FEA believes that near-term changes are necessary to ensure that PJM can continue to maintain reliability and resource adequacy in the future.

In initiating the CIFP process in its August 8, 2025 letter to stakeholders, the PJM Board emphasized that "[r]ecent increases in large load additions, mainly from data centers, present both opportunities and challenges for the regional grid." Noting that PJM's 2025 load forecast projects a peak load growth of 32 GW from 2024 to 2030 (with approximately 30 GW related to data centers), the PJM Board indicated its intent to develop "reliability-focused solutions to ensure large loads can continue to be integrated rapidly and reliably, without causing resource inadequacy," through measures that are "transitional in nature, permanent or a combination of the two."

The Ohio FEA agrees with the PJM Board that the potential resource adequacy challenges posed by rapidly interconnecting large loads must be promptly addressed and that competitive, market-based solutions should be prioritized.

To address the transmission buildout necessary to meet new data center load in Central Ohio, the PUCO recently authorized a new data center tariff for AEP Ohio's service territory. The tariff subjects data center customers to a "take or pay" contract with a limited load ramp period, longer contract terms, minimum demand charges, a collateral requirement, capacity reassignment limitations, and a new service enrollment process as safeguards to protect other customers in the event the data center load does not materialize as projected. In approving a tariff limited to data centers rather than all new large loads, the PUCO noted that data centers pose unique and particular risks that are not present with manufacturers or other types of customers and that it is in the public interest to ensure that data centers bear their share of the transmission costs incurred to serve them.

The Ohio FEA encourages the PJM Board to adopt a similar approach through the CIFP. Any reforms that are adopted by the PJM Board should be designed to address the unique challenges presented specifically by data centers, ensure that costs are equitably allocated to data center customers, and minimize the significant risks to other customers posed by speculative or redundant data center load. Our collective focus must remain on ensuring reliability and resource adequacy. All customers must have access to reliable, affordable, and secure electricity service, but the interconnection of new data center load must not come at the expense of reliability to other customers.

With these objectives in mind, the Ohio FEA does not endorse any particular proposal but supports several of the key concepts discussed in the CIFP and recommends that the PJM Board incorporate them in its adoption of any final reform package to be filed with the Federal Energy Regulatory Commission. In

addition, while the Ohio FEA considers certain CIFP design component proposals as positive first steps, the scope of the CIFP is limited and should be followed by a more comprehensive solution that will be addressed without significant delay in other relevant PJM stakeholder processes.

Load Flexibility

The Ohio FEA supports increased load flexibility, including measures that encourage new large load additions to bring their own generation to offset their consumption, as well as potential modifications to demand response programs (i.e., new DR products). All load must have a path to participate in market-based solutions before PJM resorts to out-of-market actions such as manual load drops. Any new demand response products must be properly defined and accredited by the Effective Load Carrying Capability that the load flexibility brings to the system. They must also be non-discriminatory by being open to all market participants and be dispatched in a manner that does not unfairly prioritize certain loads over others.

However, the Ohio FEA recognizes that voluntary programs may not be sufficient in the near term to ensure resource adequacy. Therefore, PJM must prioritize the interruption of new large loads if and when manual load drops are necessary, to the extent these loads are unable or unwilling to bring new generation to the system or offer interruptible service into the PJM markets. This may take the form of PJM's Non-Capacity Backed Load proposal or a substantially similar procedure that protects legacy loads during the timeframe where new large loads are being interconnected without a corresponding increase in resources available to serve them.

Accelerated Interconnection

The Ohio FEA generally supports PJM's proposal to implement an Expedited Interconnection Track (EIT) as a means to accelerate the interconnection of generation with a contractual commitment to new large load or to expedite standalone generation. However, the PJM Board should decline to adopt the unnecessary component of the proposal that would require a state commitment to expedited siting and permitting review as evidenced by a letter from a governor's office or state siting authority. Aside from the legal questions that such a requirement would raise, Ohio has already taken steps to expedite the development of new energy infrastructure in the state. The Ohio General Assembly, through its recent enactment of House Bill 15, has implemented accelerated timelines for review of project applications submitted to the Ohio Power Siting Board.

The Ohio FEA also strongly supports PJM's recently approved Surplus Interconnection Service proposal to more fully utilize the surplus interconnection capacity in the PJM region. Spare capacity at any existing points of interconnection can be leveraged by PJM and project developers alike to improve utilization of the grid, avoid new generation interconnection timelines, and ultimately deliver much needed power to the system.

Load Forecasting

The Ohio FEA supports PJM's efforts to improve the load forecasting process and to create an enhanced role for states to validate large load additions before they are included in the PJM Load Forecast. Accurate load forecasts are necessary to ensure that the region procures the right amount of capacity in the right location and avoids costly overinvestment should such loads not materialize. To that end, load forecasts must be based on objective and verifiable financial commitments by large loads and should not

include speculative or redundant projects that are unlikely to materialize. While accurate load forecasting is essential, it only gives us insight into the magnitude of the challenge we face. Forecasting alone will not solve the problem.

Capacity Procurement

The Ohio FEA cautions PJM against adopting any proposal that transfers the bulk of the obligation to procure capacity and the associated risks to Load Serving Entities (LSEs). Such a model is incompatible with restructured states wherein customers are free to migrate between LSEs, rendering it impossible for LSEs to independently predict and contract for their capacity obligation prior to a delivery year with any accuracy. As resource adequacy is fundamentally a regional issue, market-based capacity should continue to be centrally procured by PJM in the Base Residual Auction on behalf of all LSEs. However, proposals that allocate only the incremental capacity obligation associated with new large loads to the LSE serving that specific load may be less disruptive and more feasible.

Next Steps

The Ohio FEA believes that more work will be needed following the conclusion of the CIFP process. PJM's solution package includes a commitment to further review of the reliability backstop, load shed prioritization, and additional resource adequacy enhancements. Although the Ohio FEA supports future discussion on these subjects, we also agree with stakeholders advocating for a separate stakeholder effort to consider a fair allocation of transmission charges to data center loads. In any case, we will continue to engage with PJM and its stakeholders in efforts to adopt reforms to address the rapid demand growth driven primarily by data centers and to ensure the continued reliability of the grid.

Finally, the Ohio FEA appreciates the diligence of PJM and a diverse group of stakeholders to provide numerous proposals for the PJM Board's consideration. Ohio and the other PJM states, through their commissions and/or governors, have been engaged in the CIFP process. While the governors of four states (Maryland, New Jersey, Pennsylvania, and Virginia) have presented a joint solution package with the Data Center Coalition and Exelon, the Ohio FEA encourages the PJM Board to carefully consider the proposals, comments, and verbal remarks offered by all of the states in the PJM region – and not just the solution package offered by a minority of the states. Given the sheer volume of proposals and their varying scopes, the Ohio FEA also recommends that the PJM Board remain open to advancing elements of various proposals as they deem appropriate rather than limiting themselves to adopting any particular package as a whole.