New Mexico Public Regulation Commission

2026 Report

Large Load Policy & Technical Analysis Survey

1. Introduction

The overarching issue this report addresses is "… how other states handle situations where utilities are left with stranded costs after building out energy infrastructure for large customers, special services, or projects that ultimately do not materialize." In approaching this issue, this report focuses primarily on the following three areas of inquiry(1) cost-recovery tools regulators use for stranded assets, (2) allocation of costs tied to large commercial and industrial customers or special-service infrastructure that doesn't materialize, and (3) treatment of canceled or abandoned projects when investments prove uneconomic or imprudent.

2. Executive Summary

This report provides answers to the essential question posed above, which goes to what risk mitigation or cost recovery mechanisms may be available to prevent stranding assets or redress stranded costs[1] incurred by utilities as a result of infrastructure projects built expressly for new large end-use customer loads that, for whatever reason, fail to materialize, ceases operations, or prematurely shifts (before the special service contract's full term) to a different jurisdiction "if," as Rocky Mountain Institute (RMI) explains in a new paper, "grid or economic conditions are not favorable."[2]

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[1] Stranded costs are investments by a regulated utility that were prudent at the time they were made but become unrecoverable due to changes in regulation, market structure, or competition, often because new, more cost-effective generation, or market entrants prevent the utility from recouping these expenses through their rates. *See, e.g.*, Body of Knowledge on Infrastructure Regulation, Glossary (defining "Stranded Costs" as "costs that the operator has properly incurred and that the operator does not have a reasonable opportunity to recover given the introduction of competition or some other (unanticipated) policy change (eg.[sic] new environmental regulations that shut down a generating facility). Stranded costs are calculated as the difference between sunk costs (usually book values) and the present value of expected operating earnings from those sunk assets. Thus, stranded costs represent lost revenues or reductions in asset values experienced by a regulated firm when new policies alter a well-defined regulatory contract. The utility will seek to recover those costs from remaining customers in the new policy environment[,]" online at: https://regulationbodyofknowledge.org/glossary/s/stranded-costs/; Hall, Walter R. II, *Securitization and Stranded Cost Recovery*, Energy Law Journal, Vol. 25:173, 181 (2004), online at https://www.eba-net.org/wp-content/uploads/2023/02/15_25EnergyLJ1732004.pdf ("Stranded costs are "generally defined in state legislation and regulatory decisions as costs which would be recovered under regulation, but which will not be recovered under the reduced price level which is expected to result from competition.").

[2] *See, e.g.*, Sward, J., Shwisberg, L., Stephan, K., Becker, J., *Get a Load of This . . . Regulatory Solutions to Better Enable Forecasting of Large Loads*, RMI (Feb. 2025), online at https://rmi.org/wp-content/uploads/dlm_uploads/2025/03/Get_a_load_of_this_Load_Forecasting.pdf, pp. 6, 18, 19, and 20 (explaining, at 20, that "[l]oad growth from data centers carries perhaps the highest forecast uncertainty of any relevant large end use today. Excitement surrounding generative AI is driving the current data center

For purposes of this Report, large end-use loads or customers refer to high-demand electricity consumers—such as data centers, industrial plants, and EV charging infrastructure—that significantly impact grid reliability and planning. These large end-use loads (also often called large energy users (LEUs)—customers consuming 500,000 kWh of electricity per year or 750,000 kWh for gas end-users),[3] necessitate specialized utility tariffs, enhanced coordination between customers and grid operators, and, in many cases, direct connection to high-voltage transmission, bypassing traditional distribution networks. The recent (and intense) focus of LEUs has been on data centers, a major, rapidly growing, and relatively price-insensitive segment[4] that requires high-capacity, reliable power, among other things.

This report demonstrates that the risk mitigation tools suited to addressing stranded cost and ratepayer cross-subsidization issues encompass several regulatory and rate mechanisms, including (i) next-generation dedicated tariffs (known as "large load" or "data center" tariffs, hereinafter "large load tariffs"), (ii) securitization, (iii) line extension policies, (iv) contributions in aid of construction (CIAC), and (v) departing load exit fees. In addition, another set of risk mitigation tools is available—many of which, incidentally, are incorporated into the most comprehensive large load tariffs discussed below—including planning and registration load requirements mandated in recent legislation, state commission rules, or by independent system operators and regional transmission organizations. This latter risk mitigation toolset includes mandatory load registration and accurate forecasting; feasibility studies and pre-application reviews; formal interconnection processes; ramp-up verification and documentation; and aggregated demand clauses for companies and affiliates with multiple facilities.

This report concludes that, among the risk mitigation mechanisms surveyed, the most potent legal and regulatory tool presently available to protect utilities and ratepayers from financial liability for failed infrastructure projects is the new generation of large load tariffs adopted by state commissions or authorized by state legislation this year. The most innovative and thorough load tariff

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boom, but if long-term business models fail to turn a profit or if hardware and software advances moderate the amount of power demanded from the industry, data centers come with a risk of stranded assets and abandoned contracts.").

[3] 750,000 kWh for a gas large end-use load is approximately 25,600 Therms or 2,560 Mcf.

[4] Price insensitivity or inelasticity describes a situation where price fluctuations have minimal impact on consumption patterns. In economic terms, it is defined as having a price elasticity demand of less than 1, meaning a 10% price increase results in less than a 10% drop in usage. *See, e.g.*, *Price in Consumer Behavior: Understanding Price Insensitivity*, NewtonX (12/12/2023), online at: https://www.newtonx.com/article/price-sensitivity/; and *Understanding Price Inelasticity — How is it Different from Elasticity of Demand?*, Impact Analytics (updated 2/18/2026), online at: https://www.impactanalytics.ai/blog/price-inelasticity.

mechanisms recently approved are detailed in Section 3.1.1 below. The Table in the attached Appendix provides a broader snapshot of the implementation of large load tariffs and of legislation or regulations across states that have adopted the tariffs, are currently considering them, or are addressing tax incentives, interconnection requirements, or other regulatory reform priorities—among others, demand response requirements or opportunities, microgrids, and virtual power plants (VPPs)—involving large industrial and commercial loads but primarily focusing on utility-scale (typically ≥ 20 MW capacity) data centers, considering their rapid proliferation and controversial status across the U.S. and, indeed, the world.[5] In addition, Section 3.1.2 provides a summary of the Federal Energy Regulatory Commission's (FERC) recent proceedings dealing with interconnection procedures for large end-use loads, FERC's PJM Co-Location Order, and FERC's rejection of Tri-State Generation and Transmission Association's (Tri-State) large load tariff.

3. Mechanisms for Avoiding or Recovering Stranded Utility Infrastructure Costs Attributable to Large Electricity Load End Uses that Fail to Materialize or Prematurely Shift Elsewhere

Utilities and regulators have developed or are in the process of considering several different types of remedies or risk mitigation mechanisms to address the situation where significant, planned, and dedicated load—such as an industrial facility or data center—fails to materialize (or shifts to a different state if grid or economic conditions are not favorable) after utilities have made significant infrastructure investments. The mechanisms fall into two key categories with multiple sub-categories: (1) Regulatory and rate mechanisms, including most prominently

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[5] *See e.g.*, Blunt, Katherine and Hiller, Jennifer, *America's Biggest Power Grid Operator Has an AI Problem — Too Many Data Centers,* The Wall Street Journal (01/12/2026), online at: https://www.wsj.com/business/energy-oil/power-grid-ai-data-centers-1235f296; Wiese, Karen and Tan, Eli, *How Tech's Biggest Companies are Offloading the Risks of the AI Boom* (12/15/2025), online at: https://www.nytimes.com/2025/12/15/technology/ai-risks-debt.html; Weise, Karen, *When AI Comes to Town: The Backlash Over Data Centers . . . How one county in Indiana has reacted to artificial intelligence projects in its community*, New York Times podcast (The Daily) (02/16/2026), online at https://www.nytimes.com/2026/02/16/podcasts/the-daily/ai-data-centers-backlash.html; Barratt, Luke and Gambarini, Costanza, *Revealed: Big Tech's new datacentres will take water from the world's driest areas*, The Guardian (4/9/2025), online at: https://www.theguardian.com/environment/2025/apr/09/big-tech-datacentres-water; Wittenberg, Ariel, *Senators probe tech companies over data center pollution*, Politico E&E NEWS (3/13/2026), online at: https://www.eenews.net/articles/senators-probe-tech-companies-over-data-center-pollution/; Gorey, Jan, *Data Drain: The Land and Water Impacts of the AI Boom*, Lincoln Institute of Land Policy (10/17/2025), online at https://www.lincolninst.edu/publications/land-lines-magazine/articles/land-water-impacts-data-centers/; and Nguyen, Terry and Green, Ben, *What Happens When Data Centers Come to Town*, University of Michigan Ford School of Science, Technology, and Public Policy (July 2025), online at https://stpp.fordschool.umich.edu/sites/stpp/files/2025-07/stpp-data-centers-2025.pdf.

among others discussed below, dedicated tariffs with specific rate designs, and (2) planning and load registration requirements. In short, the remedies falling under these categories are by and large designed to protect existing utility customers from "bearing the burden of new transmission [and other infrastructure] if new large load customers do not ultimately connect to the system after committing."[6] In other words, as the Maryland Office of People's Counsel (OPC) aptly stated in support of the dedicated tariff then before the Maryland General Assembly as House Bill 900,[7] entitled "Electricity—Data Centers—Rate Schedules and Requirements,"

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[6] Yussman, E., Ohio Utility Proposes New Data Center Tariffs, Angers Tech Giants, FACTSET Insight (7/12/2024) ("FACTSET"), online at https://insight.factset.com/ohio-utility-proposes-new-data-center-tariffs-angers-tech-giants.

[7] HB 900 died in committee and, thus, was not passed by the Maryland legislature. *See* https://legiscan.com/MD/bill/HB900/2025. Nevertheless, HB 900's key provisions, *which are strikingly similar in most characteristics to the most comprehensive state commission-approved large load tariffs surveyed below*, merit attention here, if for nothing else, future reference and consideration. HB 900 would have: (a) been applicable to standard data centers or mobile (cryptocurrency mining, modular) data centers with monthly demand over 2.5 MW at a single location or aggregated contract capacity must take service under the proposed rate schedule; and (b) defined con-tract capacity as the mutually agreed monthly peak load requirements for every month remaining in a contract term after any ramp period has ended. The text of HB 900 is online at https://mgaleg.maryland.gov/2025RS/bills/hb/hb0900F.pdf. Key contract terms required for approval of specific rate schedules submitted by utilities to the Maryland PSC include:

- Load ramp period may not exceed 4 years.
- Initial term must be not less than ramp period plus 20 years.
- Minimum contracted capacity each year during ramp
  - Year 1: 50%.
  - Year 2: 65%.
  - Year 3: 80%.
  - Year 4: 90%.
- Minimum service charges payable even if service curtailment, reduction, suspension, or termination.
- Exit fee equal to minimum charges for 120 months if terminated after year 10.
- Minimum monthly billing demand Not less than 90% of contract capacity (distribution and transmission).
- Upfront requirements included:
  - Load study and payment of associated fees.
  - Provide guarantee/collateral equal to 50% of minimum charges for the full term; may be waived be waived for customers with credit rating of at least A– (S&P) and A3 (Moody's) and liquidity > 10x collateral requirement.
  - Reimbursement for utility buildout cost in case of cancellation/delay above 12 months.

Given the failure of HB 900, the Maryland General Assembly is taking a different, less prescriptive approach in its current 2026 session. Pending before the General Assembly are SB 596/HB 940, which would require large load customers (≥ 25 MW and load factor > 80%) to participate in demand response programs and

> Under current ratemaking policies, data center-induced load growth poses risks to Maryland ratepayers because large costs required to upgrade distribution and transmission networks would be socialized across all ratepayers, not just data center customers. When network upgrades necessary to serve a data center customer are built, customers pay for those upgrades in rates over many decades. If the data center customer does not remain on the system for all of that time—or reduces its consumption during that time—some of the network upgrades may become unnecessary, and the costs will likely be "stranded" and recovered from other customers absent the provisions in this bill.[8]

The Maryland OPC's statement reflects the current status of ratemaking policies in New Mexico. The typical regulatory approach to addressing stranded infrastructure is to authorize the utility to designate the stranded costs as regulatory assets or liabilities, with the potential for cost recovery through future rates, subject, perhaps, to prudence reviews or, in some states, securitized bonds. Alternatively, regulators might approve accelerated depreciation or amortization or shorten the useful lives of stranded or potentially stranded assets, allowing the utility to recover costs more quickly and potentially diminishing—but certainly not eliminating—ratepayer exposure.[9]

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provide a plan for supplying at least 25% of their own capacity through on-site or dedicated carbon-free generation. The pending legislation also requires the PSC to establish an interconnection process for large load customers that includes a standard timely and an expedited timeline for customers that provide interconnection capacity sufficient to serve 100% of their load. It also requires large load customers to submit a request for a load study to determine the necessary contract capacity for the customer. *See* MD General Assembly, Dept. of Legislative Services, 2026 Session, Fiscal and Policy Note for Senate Bill 596, Education, Energy, and the Environment, online at: https://mgaleg.maryland.gov/2026RS/fnotes/bil_0006/sb0596.pdf. Both SB 596 and HB 940 were introduced on Feb. 5, 2026, and are pending in the Maryland Senate and House of Delegates, respectively. *See* https://legiscan.com/MD/bill/SB596/2026 and https://legiscan.com/MD/bill/HB940/2026.

[8] OPC Memorandum t0 Maryland House Economic Matters Committee (02/20/2025), p. 2 of 3, online at: https://opc.maryland.gov/Portals/0/Files/Bills/2025/House/OPC%20Testimony%20HB900.pdf.

[9] *See, e.g.*, *In the Matter of Avista Corp. d/b/a Avista Utilities*, Washington Util. and Trans. Comm'n (WUTC) Dockets UE-180167 & UG-180168, Order 4 Approving Settlement Stipulation Subject to Conditions (3/25/2019), online at https://www.utc.wa.gov/casedocket/2018/180167/docsets, (approving stipulation that, among other things, provided for shortening remaining useful life of Colstrip coal-fired plant Units 3 and 4 for depreciation purposes to shrink potential stranded undepreciated balances if early closure occurs); *see also* Trabish, H.K., *Securitization fever: Renewables advocates seize Wall Street's innovative way to end coal*, Utilitydive (5/28/2019), online at https://www.utilitydive.com/news/securitization-fever-renewables-advocates-seize-wall-streets-innovative-w/555089/ quoting Colorado state Rep. Chris Hansen — who co-sponsored HB-19-1313 (enacted in 2019 as part of SB 19-3) which, in part, created the "Colorado Energy Impact Bond Act" under

3.1. Regulatory and Rate Mechanisms

3.1.1. Dedicated Large Load Tariffs and Rate Mechanisms

Utility contracts with large customers (variously named electric service agreements (ESAs), special service contracts, special customer service agreements, special service rates) typically are approved by state commissions pursuant to specific utility tariffs or a regulatory review process requiring approval of the utility's special service contract with a large customer.[10] Therefore, given the regulatory framework in New Mexico and other states where large customer special contracts must be pre-approved by state commissions, the contractual provisions described below are considered in the context of dedicated tariffs with approved rate designs and precursor statutory provisions and rules either recently adopted or being considered by state legislatures and commissions deciding whether their states should adopt some form of new large load tariff model designed in considerable measure to protect utilities from incurring stranded costs and then, if incurred, likely attempting to pass on those costs to ratepayers.[11]

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which electric utilities may finance the retirement of fossil-fuel-powered generation facilities and the transition to renewable energy sources by issuing low-cost corporate securities — as follows: "Securitization is the least-cost approach for dealing with stranded assets[.]" . . . "We have used accelerated depreciation in Colorado. Utilities prefer it because they get the full asset value, *but it drives up ratepayer bills* and does nothing for impacted communities and workers.") (emphasis added).

[10] *See, e.g.*, *Application for Expedited Approval of Power Purchase Agreement, Special Service Contract and Special Service Contract Rate, New Green Energy Rider, Special Contract Rate, Exemption Energy Efficiency Rider, Variances from 17.1.201.12(B) NMAC and PNM Rule No. 4, ¶ C and for Other Related Regulatory Approvals,* Case No. 16-00191-UT, Final Order (PRC 8/17/2016), online at https://e360.prc.nm.gov/portal/public/#/public/nm-prc/en/home (Approving the special service contract with Facebook (n/k/a Meta through subsidiary Greater Kudu LLC), Original Rate No. 36B, the Initial Solar Facilities PPAs, and Green Energy Rider, Original Rider No. 47.).

[11] *See generally* Sherwood, S., *Review of Large Load Tariffs to Identify Safeguards and Protections for Existing Ratepayers*, Energy Futures Group (01/28/2025) (Energy Futures Group), online at: https://energyfuturesgroup.com/wp-content/uploads/2025/01/Review-of-Large-Load-Tariffs-to-Identify-Safeguards-and-Protections-for-Existing-Ratepayers-Report-Final.pdf; Satchwell, A., Mims Frick, N., and Cappers, P. (Lawrence Berkeley National Laboratory, LBNL); Sergici, S, Hledik, R., and Kavlak, G. (The Brattle Group), and Oskar, G. (U.S. Department of Energy) (collectively "Satchwell et al."), *Electricity Rate Designs for Large Loads: Evolving Practices and Opportunities*, LBNL Energy Markets & Policy group (Jan. 2025) (LBNL EM&P), online at https://eta-publications.lbl.gov/sites/default/files/2025-01/electricity_rate_designs_for_large_loads_evolving_practices_and_opportunities_final.pdf; Frick, N.M., *Large Loads: Evolving practices and Opportunities,* NASUCA Mid-Year Meeting (6/10/2025) (PowerPoint presentation) (NASUCA), online at https://www.nasuca.org/wp-content/uploads/2025/02/Large-Load-Rate-Designs_NASUCA_nmf4.pdf; Stevens, J. and Brooks, E., *Adapting Utility Tariffs for Data Center Driven Load Growth*, Utilitydive (7/14/2025) (Utilitydive), online at: https://www.utilitydive.com/spons/adapting-utility-tariffs-for-data-center-driven-load-growth/752706/#_ftn4; Gibson Dunn Data Centers and Digital Infrastructure Update, *When Data Center Developers Have Options, State Regulatory Treatment is Key to Success* (3/17/2025), online at: https://www.gibsondunn.com/when-data-center-developers-have-options-state-regulatory-treatment-is-key-to-success; RMI, *supra* n.2.

As discussed more fully below, most emerging large load tariffs feature some combination of:

- Minimum Usage or percentage of capacity guarantees.
- Aggregation clause.
- Long-term contractual commitments and ramp-ups.
- Substantiated load forecasts, verifications, and ramp-up schedules.
- Screening or feasibility study fees as readiness checks.
- Proof-of-site control and permitting.
- Collateral or financial verification.
- Exit fees and penalties.
- Cost responsibility for dedicated infrastructure.
- Reporting and tracking mechanisms.
- True-up and billing provisions.

Perhaps the best place to start this assessment of exemplar tariffs is Ohio's new and controversial data center tariff—at least to the tech giants opposing the tariff[12]—approved by the Public Utilities Commission of Ohio (PUCO) for AEP Ohio on July 9, 2025.[13] The landmark tariff contains key provisions designed to ensure that large data centers (with a new or expanded load of more than 25 MW) bear the costs of the infrastructure required for their operations and protect other ratepayers from stranded-cost risks. The tariff applies to new or expanding data centers in AEP Ohio territory with demand exceeding 25 MW, or to an expansion of existing load that, in the aggregate, exceeds 25 MW.[14] The tariff also applies to mobile data centers, such as those used for cryptocurrency mining, under the same financial and operational terms applicable to large data centers.

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[12] The AEP Ohio tariff proposal was at least controversial to the tech giant intervenors vigorously opposing it before the PUCO. *See* Yussman, E., Ohio Utility Proposes New Data Center Tariffs, Angers Tech Giants, FACTSET Insight (7/12/2024), online at https://insight.factset.com/ohio-utility-proposes-new-data-center-tariffs-angers-tech-giants.

[13] *In the Matter of the Application of Ohio Power Company for New Tariffs Related to Data Centers and Mobile Data Centers*, PUCO Case No. 24-508-EL-ATA, Opinion and Order (entered 7/09/2025), online at: https://dis.puc.state.oh.us/ViewImage.aspx?CMID=A1001001A25G09B43531I00509.

[14] *Id.* 14-15 (Table, "10/23 Stipulation" column), 74, ¶ 124, 76, ¶ 128. The PUCO decision notes that loads above 25 MW that have already signed a Letter of Agreement (LOA) or Electric Service Agreement (ESA) by the effective date of the tariff are "grandfathered," provided that the load does not expand by more than 25 MW above contracted capacity under the existing agreement. *Id.* 15.

The key provisions of the **AEP Ohio Schedule DCT (Data Center Tariff)** include.

- **Minimum Usage Guarantee.** Data centers must pay monthly charges for at least 85% of the contracted peak load, regardless of their actual consumption. This applies to loads above 25 MW, ensuring infrastructure investments made to support these customers are financially covered.
- **Long-Term Contract Commitment and Ramp-up.** New data center ESAs span up to 12 years, comprising a 4-year ramp-up period followed by an 8-year minimum commitment. Ramp-up charges incrementally increase each year. 50% (year one), 65% (year two), 80% (year three), 90% (year four), then 85% for the remainder of the contract.
- **Aggregation.** New loads of affiliated companies and those with common ownership are aggregated to calculate the minimum demand charge. If there are multiple new facilities at a single location with a total load of less than 25 MW, but the aggregate total load exceeds 25 MW, all of those facilities will be subject to the Schedule DCT.[15]
- **Load Forecast and Feasibility/Readiness Verification.** Applications must complete an intake form and pay a load study fee. Data center applicants are required to provide detailed multi-year load forecasts and documentation of project development status, financing, and construction progress before receiving full approval for interconnection. Readiness criteria and milestone reporting are essential for maintaining reserved or contracted capacity.[16]
- **Site control and operational timeline.** Customer applicants must provide proof of exclusive site control through a deed, lease, or other legal document that demonstrates their ownership or interest in the site. Permitting documentation and municipal approvals must be submitted before contract execution. Transmission planning or grid upgrades cannot be initiated until the applicant demonstrates site control and has either completed or is actively pursuing required local and state approvals.[17]

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[15] PUCO Opinion and Order, at 19-20.

[16] AEP Ohio Data Center Tariff page, online at: https://www.aepohio.com/company/about/rates/data-center-tariff/ ("Additional information also will be needed for projects that ultimately move forward, and customers will need to provide detailed load information at a future date. Examples of this detailed load information include the Load Dynamic NERC questionnaire and Appendix B.2: End-User Connection form of the AE of the AEP Transmission Interconnection requirements. The final plan of service will be subject to RTO review and approval.").

[17] *Id.* (intake form link under "Exiting Data Centers and Data Centers Less Than 25,000 kW); Settineri, M. and Eckert, J., *Public Utilities Commission of Ohio Authorizes Tariff for AEP Ohio's Data*

- **Credit and Collateral Requirements.** Data centers must provide robust financial security, such as surety bonds, letters of credit, or cash collateral, to cover potential revenue losses and costs if the project does not fully materialize. Affected customers are to have both a credit rating of at least A- from S&P and A3 from Moody's, plus cash and cash equivalents exceeding ten times the required collateral amount to qualify for reduced collateral requirements. If customers do not meet these thresholds, they must post a guarantee equal to 50% of their minimum charges for the full contract term, designed to protect AEP Ohio and its ratepayers in the event of default or insolvency.

- **Exit Fees and Penalties.** Substantial exit fees apply for early contract termination, failure to achieve ramped demand, or closure before the end of the contract term. These are designed to recover infrastructure investment for loads that do not materialize as expected and prevent shifting stranded costs to other ratepayers. Exit fees and penalties may also mitigate the risk of "flight risk," i.e., a large load that vacates before a certain number of years, potentially shifting operations to a different jurisdiction if grid or economic conditions are more favorable there.[18]

- **Cost Responsibility for Dedicated Infrastructure.** Customers are responsible for the actual incremental costs of dedicated interconnection, substation, and primary system upgrades required exclusively for their service. This structure prevents infrastructure costs incurred for data center service from being shifted onto retail/industrial and residential ratepayers. This was a key rationale cited by ratepayer and consumer advocates in the proceeding.[19]

Center Customers, Requires End of Moratorium on New Services for Data Centers, Vorys News & Insights (7/11/2025), online at https://www.vorys.com/publication-public-utilities-commission-of-ohio-authorizes-tariff-for-aep-ohios-data-center-customers-requires-end-of-moratorium-on-new-services-for-data-centers ("All customers requesting service under the new tariff will be required to identify a specific site for the data center and own or have the exclusive right to the land at that location.").

[18] RMI, *supra* n.2, pp. 6, 18, 19, 20, 21, 22, and 35 (stating, at 35, that "[t]ariffs can also have clauses that require data centers or other loads with flight risk potential to pay a fee if the load does not materialize as expected or vacates before a certain number of years. Separating the risk of serving some large loads from the rate base can protect ratepayers. Increased certainty for large load requests helps grid planners with load forecasting and transmission planning. Regulators can and should provide guidance on and oversee tariff design for large load interconnection.").

[19] *See, e.g.*, AEP Press Release, *AEP Ohio Proposal on Data Centers to Protect Ohio Consumers Adopted by PUCO* (7/9/2025), online at: https://www.aepohio.com/company/news/view?releaseID=10326 (stating, in pertinent part, that "[t]he staff of [PUCO], the Ohio Consumers' Counsel, the Ohio Energy Group and others had joined AEP Ohio in the filing. The financial requirements are designed to protect other customers from shouldering the costs of grid improvements required to meet data centers' energy demands.").

- **Annual True-Up and Billing Provisions.** Annual true-up mechanisms ensure that any discrepancies between projected and actual loads or revenues are reconciled, with adjustments to minimum billing as needed.

- **Default and Enforcement.** AEP Ohio reserves the right to suspend or terminate service for non-compliance with tariff or contractual terms.

- **Moratorium and Queue Management.** The tariff lifts the earlier moratorium on new data center interconnection requests, but only for customers that meet the readiness, credit, and minimum charge criteria. It also includes queuing rules that prioritize projects with demonstrated viability.

The PUCO affirmed that these provisions are necessary to protect other ratepayers from stranded costs and to ensure that cost causation aligns with the significant new infrastructure built for data centers.[20] The commission advised that if the safeguards in the AEP Ohio were not implemented, "then non-data center customers could experience a significant rate shock if the Company built out its transmission grid and the data center load ends up being an overestimate or does not materialize at all."[21]

AEP Ohio filed an update with the PUCO on February 13, 2026, stating that the Data Center Tariff "is working as designed to ensure new infrastructure investments are right-sized and all costs are allocated to data centers, protecting residential, commercial, and industrial customers across Ohio." The utility reported that as of February 12, 2026, data centers or data center developers have signed binding contracts with AEP Ohio for 5,642 MW. AEP noted in the update, moreover, that "[w]hen required to provide financial and legal commitments, the speculative data center queue of 30,000 MW reduced to 5,642 MW of data load that has signed ESAs with substantial financial commitments."[22]

Utilities frequently impose minimum monthly bills or take-or-pay clauses in contracts with large customers requiring customers to pay for a significant percentage (often 90% or more) of the contracted capacity, regardless of actual usage.[23] Minimum demand and usage guarantees, as well as the special service agreement elements discussed in this section, are often included in tariffs

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20 PUCO Opinion and Order, at 73, ¶ 122, 80, ¶ 131.

21 *Id.* 91, ¶ 154.

22 Feb. 12, 2026, Letter to Jenifer French, PUCO Chair, from AEP Ohio Vice President — Legal, Steven T. Nourse (filed in PUCO Case No. 24-508-EL-ATA).

23 Energy Futures Group, *supra* n.111; Utilitydive, *supra* n.111.

approved by state commissions. They are discussed further under Section 3.2 (Regulatory and Rate Mechanisms) below.

Other states have either adopted large load tariffs similar to the AEP Ohio tariff or enacted legislation or promulgated rules that provide for similar tariffs and special contracts. What follows is a representative sample of other significant large load customer tariffs recently approved by state commissions, as well as legislation and rulemakings addressing the pressing issue of large load/data center risk mitigation.

- **Indiana Michigan Power Company (I&M) Industrial Power (IP) Tariff Revisions.** On February 19, 2025, the Indiana Utility Regulatory Commission (IURC) issued a final order in Cause No. 46097 approving a stipulation and settlement agreement,[24] with an IURC-mandated revision indicated below, that proposed revisions to I&M's industrial power (I&M IP) tariff (Schedule 150, as revised). The revised I&M IP tariff includes several key provisions to address the risks posed by new large load customers, notably data centers and large industrial users.
    - **Minimum Monthly Billing Demand.** Large load customers are subject to a minimum monthly billing demand charge equal to 90% of their contracted capacity, up from 60% previously. This ensures these customers cover the cost of infrastructure investments made to serve their significant and predictable loads.
    - **Contract Capacity Threshold and Aggregation.** The I&M IP tariff applies to new or expanded customers with a contract capacity of 70 MW or more at an individual site or 150 MW or more on an aggregated basis.
    - **Feasibility/Engineering Study.** The tariff requires full planning studies, "including steady-state and dynamic studies, required because of the potential addition of a Large Load Customer, shall be paid solely by the Large Load Customer."[25]
    - **Long-Term Financial Commitment.** Large load customers, including data centers, are required to enter into an initial contract term of at least 12 years. Additionally, these customers may designate a load ramp-up period of up to 5 years before the initial contract term

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[24] *In the Matter of the Verified Petition of Indiana Michigan Power Company for Approval of Modifications to its Industrial Power Tariff — Tariff I.P.*, IURC Cause No. 46907, Order of the Commission (02/19/2025), online at https://www.in.gov/iurc/files/ord_46097_021925.pdf. The IURC order incorporates a settlement agreement negotiated among I&M, the Office of Utility Consumer Counselor, Citizens Action Coalition, Amazon, Google, Microsoft, and the Data Center Coalition.

[25] *Id.* 41. Stip. and Settlement Agrmt., p. 6.

begins. The total service commitment, therefore, consists of the ramp-up period plus the subsequent 12-year contract, meaning agreements may extend up to 17 years for some customers who use the full ramp-up allowance.

- **Exit Fee/Contract Termination Fee.** If a large load customer terminates their contract early, an exit fee equal to the minimum charges for 36 months following termination must be paid. This mitigates the risk of stranded assets and unrecovered costs resulting from sudden load departures.[26]

- **Contracted Capacity-Based Collateral.** Collateral requirements, including deposits or guarantees, are directly proportional to the customer's peak contract capacity. Collateral may be set at a specific dollar amount per MW of contracted capacity, which scales with the facility's size. Collateral payments are recalculated annually and are equal to at least 24 times the customer's expected non-fuel bill. Customers with strong credit ratings (at least A- from S&P or A3 from Moody's, or cash/liquidity equal to ten times the collateral requirement) may be exempt from posting collateral.[27]

- **Reduction in Contracted Capacity — IURC Oversight.** The IURC mandated a revision to the stakeholders' settlement agreement, requiring that any reduction of more than 20% in a large load customer's contracted peak capacity be submitted to the IURC for review and approval. This new requirement is designed to enhance transparency and oversight, and to protect existing ratepayers.

- **Cost Allocation and Grid Modernization.** All costs to serve large load customers, including investments in generation and transmission, are to be reasonably recovered from those customers and not shifted to existing ratepayers. The IURC found that such costs and cost allocation also support ongoing grid modernization, helping to ensure system reliability as demand evolves.

- **Virginia Electric and Power Company (Dominion Energy Virginia) Rate Schedule GS-5.** On November 25, 2025, the Virginia State Corporation Commission (SCC) issued a Final Order in its 2025 biennial

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[26] *See* RMI, *supra* n.2, p. 36 (noting that the revised I&M IP tariff "provides an example of a structure that requires commitment to pay from large loads *to reduce risk*. Large load customers on this tariff must pay an exit fee if capacity is ever reduced by more than 20%, and the minimum demand charge is increased from 60% to 90%.") (emphasis added).

[27] *See id.*, *supra* n.2, p. 36 (noting, additionally, that "companies must pay a collateral payment, recalculated annually, equal to at least 24 times their maximum expected monthly non-fuel bill, *further putting the risk onto the large load customer instead of the utility*.") (emphasis added).

review of Dominion's rates and terms and conditions of generation, distribution, and transmission services. The SCC's Final Order also approved a new high-load rate class in Rate Schedule GS-5.[28]

- **The GS-5 Rate Class** includes customers with a measured or contracted demand of ≥ 25 MW and a measured or expected load factor of at least 75%.

- **Contract Provisions** apply to GS-5 customers who take initial service and sign an ESA on or after January 1, 2027.

  - The contract term is 14 years.

  - The customer may include, within the 14-year contract term, a load ramp-up period not to exceed 4 years.

  - If the customer continues to receive service after the contract term ends, the minimum charges discussed below will remain in effect.

  - If the customer ceases operations or otherwise defaults on its agreement during the contract term, the customer will be required to pay an exit fee covering any outstanding minimum charges over the remaining contract duration, subject to capacity reassignment (discussed below).

- **Collateral Requirements** apply to customers who take initial service and sign an ESA on or after January 1, 2027. Dominion's collateral requirement terms include:

  - $1.5 million/MW.

  - A reduction of up to 70% based on the customer's established credit.

  - Provisions for third-party guarantees and letters of credit.

  - Releasing 1/14th of the collateral requirement each year throughout the contract term.

  - Cash collateral will accrue interest while held by Dominion and will be returned to the customer consistent with standard financial practices.

[28] *See Application of Virginia Electric and Power Co. for a 2025 biennial review of the rates, terms, and conditions for the provision of generation, distribution, and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, SCC Case No. PUR-2025-00058, Final Order (11/25/2025), at 23-27, online at https://www.scc.virginia.gov/docketsearch/DOCS/89g601!.PDF.

- **Minimum Demand Charges** entail:
  - Minimum distribution charge of 85% of contracted demand.
  - Minimum transmission charge of 85% of contracted demand.
  - Minimum generation charge of 60% of contracted demand.
  - PJM capacity expense is excluded from the minimum generation demand charge.
- **Legacy Customer Exemptions.** Certain legacy customers with different risk and cost causation profiles (e.g., Newport News shipyard) are exempted from:
  - Minimum demand charges will not apply to a customer who was taking service from the Company before January 1, 2016.
  - Minimum generation demand charges will not apply to a customer that as of January 1, 2025, (1) was taking supply service from a competitive service provider (CSP), (2) was a Schedule 10-Interruptible Service customer, or (3) that formally notified Dominion before January 1, 2025, that it intended to elect service from a CSP or under Schedule before January 1, 2026.
  - Provisions for third-party guarantees and letters of credit.
- **Capacity Reductions.** Rate Schedule GS-5 customers may reduce their contracted capacity during the contract term as follows:
  - By up to 20% at no cost.
  - By an additional 30% if another customer agrees to assume the associated capacity.
  - Each capacity reduction will require a separate 36-month notice.
  - Before the effective date, existing customers who would be subject to the High Load Customer Terms and Conditions will be allowed to adjust their contracted demand downward (one-time) without penalty.
  - Dominion will track the total amount of capacity reductions and reassignments requested and implemented as of the date of the SCC Final Order and will provide SCC Staff with an aggregated annual report identifying such capacity reductions and reassignments.

- **California — Pacific Gas and Electric Company (PG&E) Rule 30 Tariff.** On July 24, 2025, the California Public Utilities Commission (CPUC) approved, in part and on an interim basis, PG&E's Rule 30 tariff, which aims to establish a transparent process for interconnecting large load customers, such as data centers and electric vehicle fleets.[29] The tariff requires an upfront payment for grid infrastructure costs, with reimbursement only if the projected load materializes; this is designed to prevent cost shifting to other ratepayers. Key CPUC-approved tariff provisions under Interim Rule 30 include:
  - **Advance Payment Requirement.** Transmission-level customers (50 kV to 230 kV, generally anticipated to be 20 MW or more, and frequently 50 MW or more) must provide advance or actual-cost payments covering the full initial costs of needed transmission facilities (Type 1–3 facility upgrades).[30] This upfront funding is mandatory to proceed with interconnection.
  - **Feasibility/Preliminary Design/Study Requirement.** Requires an advance from the applicant for the design, procurement, construction, and/or installation work that has been or will be performed. The applicant may also be required to provide separate advances for preliminary work conducted by PG&E; such advances may not be refundable. PG&E also performs engineering, planning, and project design. All transmission-level service applicants must proceed through planning, design, and cost estimating—functionally a feasibility and engineering study.[31]
  - **Load Forecast and Ramp-up Schedule.** Applicants are required to provide PG&E with a forecast of the expected load for the first 10 years

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[29] *Application of Pacific Gas and Electric Company (U39E) for Approval of Electric Rule No. 30 for Transmission-Level Retail Electric Service*, CPUC Application 24-11-007, Decision Partly Granting and Partly Denying Pacific Gas and Electric Company's Motion for Interim Implementation of Electric Rule Number 30 (7/24/2025), online at https://www.cpuc.ca.gov/news-and-updates/all-news/cpuc-streamlines-electric-grid-connections-for-high-energy-users-like-data-centers-and-ev-chargers ("Proposal Approved" link to download the CPUC Decision).

[30] PG&E Rule 30, Sheets 9-10; CPUC Decision, at 44. Type 1 Facilities refers to transmission service facilities (new transmission facilities are dedicated to providing service to the large load customers only); Type 2 covers transmission interconnection upgrades (substation or switching station facilities that could be new transmission facilities connecting the transmission network to large load facilities); and Type 3 consists of transmission interconnection network upgrades (modifications to adapt the PG&E transmission network to provide service to the large load customers). *See* CPUC Decision, at 8 and 9 (diagrammatic representation of Facility Types 1-4). PG&E Rule 30 is online at: https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_RULES_30.pdf.

[31] PG&E Rule 30, Sheets, 1-2, 9-10; CPUC Decision, at 28, 31.

during which transmission service facilities are in service.[32] They are also required to give PG&E their capacity ramp schedule.[33]

- **Pre-Funded Loans for Transmission Upgrades.** For Type 4 transmission network upgrades,[34] customers can volunteer to pre-fund 100% of project costs through a loan to PG&E, but repayment (including interest) is temporarily deferred, with final rules to be set in the forthcoming decision.

- **Proof of site control and permitting (rights of way, easements, etc.) and binding estimates of cost of each service for customer's proposed contribution.** Requires customer/application to (a) demonstrate that all legal site control/rights of way and (b) permits have been obtained before service is constructed or commenced and incorporates the site and permitting costs in estimate and contract terms.[35]

- **No Refunds or Repayments During the Interim Period.** Refunds for advances, actual cost payments, contributions, or associated accrued interest are not permitted during the interim period. Decisions on these matters are deferred until final cost causation and allocation are resolved.

- **Quarterly Reporting.** PG&E is required to submit quarterly status reports to the CPUC on all contracts executed and infrastructure funded under Interim Rule 30, providing transparency and accountability.

- **Accounting and Tracking.** PG&E must maintain detailed records of all advances, payments, and pre-funded loans, subject to CPUC review and future adjustment.

- **Provisions of PG&E Rule 30 that have not yet been approved.** Final CPUC determinations regarding (1) the Base Annual Revenue Calculation (BARC) methodology, (2) refunds on advances and/or actual cost payments and contributions for Facility Types 1-3, including interest accrual, and (3) cost causation and cost allocation

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[32] PG&E Rule 30, Sheet 22; CPUC Decision, at 15.

[33] *Id.* 15.

[34] *Id.* 29-32, 40. Type 4 Transmission Network Upgrades entail "modifications to the existing transmission grid to integrate service to the large load customers. PG&E describes the need to adapt an existing transmission asset to large customers." *Id.* 8.

[35] PG&E Rule 30, §§ A.2.a-c (Sheet 3), C.3.a (Sheet 10), G (Definitions, Sheet 18), *see* online at https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_RULES_30.pdf.

for pre-funded Type 4 upgrades are deferred explicitly to the CPUC's final decision after full record development. Contracts approved during the interim approval period will be subject to the outstanding provisions, as adopted in the CPUC's final decision. On January 9, 2026, the CPUC directed parties to submit further testimony and comment on questions related to cost allocation and BARC and established a new proceeding schedule for the final phase of the Rule 30 proceeding.[36]

- **California "Study First" Senate Bill 57 (SB 57).** As introduced in the California General Assembly on January 8, 2025, SB 57, the "Ratepayer and Technological Innovation Protection Act" (Act), would have required (i) the CPUC to establish a special electrical corporation tariff for transmission and distribution (T&D) services to data centers which would have, among other things, (a) provided protections for residential, agricultural, and small business ratepayers and prevent cost shifting to those ratepayers, (b) met certain sustainability requirements, and (c) ensured that electrical grid investments to serve data centers are fully recovered from the data centers through the use of a special services contract to repay an electrical corporation's investment costs to serve the data center; and also (ii) would have provided that 100% of electricity delivered to data centers be provided by zero-carbon resources by 2030.[37]

  However, by the time SB 57 was signed into law on October 11, 2025, by Governor Gavin Newsom, the prescriptive outcomes outlined above were stripped from the Act. Instead, as subsequently amended and enacted, SB 57 takes a decidedly less aggressive, incremental regulatory approach by:

  - Requiring the CPUC to assess the impact of data center load growth on grid infrastructure and ratepayer costs.
  - Specifying that the CPUC investigation covers utility procurement, T&D installation, and potential stranded costs.
  - Studying the aim of mitigating "cost shifts," ensuring that residential and small business customers do not bear the financial burden of utility upgrades to serve large, high-energy data centers.

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[36] Administrative Law Judge's Ruling Establishing Proceeding Schedule, CPUC Application A.24-11-007 (01/09/2026) (The ALJ's Ruling provides that parties must submit: limited opening testimony by February 18, 2026; limited rebuttal testimony by March 13, 2026; a joint motion regarding need for evidentiary hearing by March 23, 2026; an evidentiary hearing, if needed, on April 1, 2026; opening briefs by April 10, 2026; and reply briefs by April 24, 2026.

[37] *See* https://legiscan.com/CA/text/SB57/id/3044106 (SB 57 text as introduced).

- Requiring the CPUC to submit its assessment to the Legislature and post it publicly by Jan. 1, 2027.[38]

- **Oregon House Bill 3546 (HB 3546).** HB 3546, the "Protecting Oregonians with Energy Responsibility (POWER) Act was enacted into law upon the signing of the bill by Governor Tina Kotek on August 25, 2025, and will be codified in the Oregon Revised Statutes (ORS) under Chapter 757.[39] The POWER Act directs the Oregon Public Utility Commission (PUC) to create a separate rate class for data centers, defined in the bill as "large energy use facilities" that use or are capable of using 20 MW or more. The definition of a large energy use facility refers to the North American Industry Classification System (NAICS) code for computing infrastructure providers, data processing, web hosting, and related services. The new rate class must be separate and distinct from classifications of service for other commercial or industrial retail electricity consumers and have its own tariff schedule. HB 3546, according to the Oregon Department of Energy, is "intended to strengthen ratepayer protections against unwarranted cost-shifting and other risks posed by growing data center loads."[40] The act outlines additional requirements for the tariff schedule, including:

  - **Cost assignment and mitigation of risk.** The tariff must directly assign the costs of serving large energy-use facilities to those customers and mitigate the risks of cost shifting to other rate classes.

  - **Special contract requirement.** The POWER Act directs the PUC to require electric utilities serving large energy-use facilities to enter into a contract with the customer of such facilities.

  - **Specified elements for contracts.** The Act states that:

    - contracts must be for a term of 10 years or longer;

    - contracting customers must pay a minimum demand charge or percentage as determined by the PUC;

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[38] *See id.* (SB 57 as enacted).

[39] Being passed by the Oregon Legislature with an effective date of June 16, 2025 and signed into by the governor on August 25, 2025, the POWER Act is not yet codified, but the text of HB 3546, online at https://olis.oregonlegislature.gov/liz/2025R1/Downloads/MeasureDocument/HB3546, will appear as new sections within ORS Chapter 757 (Utility Regulation), likely numbered 757.610 to 757.620 or in some similar sequence upon formal publication in the ORS in the next revision cycle.

[40] Oregon Department of Energy's *2025 Legislative Report* (updated 8/7/2025), p. 13, online at: https://www.oregon.gov/energy/About-Us/Documents/2025-ODOE-Legislative-Report.pdf.

- the minimum amount or percentage paid must be "based on the retail electric consumers' projected electricity usage for the electricity services the electric company is contracted to provide for the duration of the contract," which is interpreted as a *load forecast and readiness requirement* seen in some other analogous large load tariffs recently promulgated;[41] and
- Contracts must "meet any other conditions the [PUC] may require in the public interest."

o **Biennial Reports**. The POWER Act directs the PUC to deliver biennial reports to the Legislature between 2026 and 2035, analyzing trends, impacts, and compliance regarding large load growth, and the effectiveness of the new class/tariff structure.

The foregoing requirements and others specified in the act apply to contracts entered into on or after the effective date of HB 3546.

HB 3546 remains, to date, probably the leading statutory model for the direct assignment of large load costs and the mandatory use of risk-mitigation tools. As for the PUC's path to implementing HB 3546, the PUC's 2025 legislative implementation work plan indicates that HB 3546 is being handled in part within the existing PG&E large load investigation, UM 2377, with an estimated end date in the second quarter of 2026.

Further, the PUC work plan says the Commission planned to direct PacifiCorp and Idaho Power Company to file to establish the new rate class on a specified timeline at a public meeting.[42] PacifiCorp obliged by filing Advice No. (AN) 25-015/Docket No. UE 463, proposing Schedule 401—Service to New Large Energy Use Facilities to implement HB 3546. The PacifiCorp Schedule 401 proceeding has been assigned to an Administrative Law Judge and presently appears to be in the discovery phase.[43] A review of Idaho Power's open dockets on the PUC's eDockets

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[41] In addition to Oregon's HB 3546, the AEP Ohio tariff, the I&M IP tariff, PG&E Rule 30, and the other large load tariffs discussed in this section, load forecast verifications and readiness provisions have either been approved or are under consideration in several states identified in Appendix below, including Minnesota (2025 legislation), Texas (ERCOT, SB6, 2025), and Texas (ERCOT Large Load Interconnection process).

[42] *See* 2025 Legislative Implementation — PUC Staff Work Plan, online at https://www.oregon.gov/puc/Documents/2025-Staff-Legislative-Implementation.pdf.

[43] Docket No. UE 463, online at https://www.oregon.gov/puc/edockets/pages/default.aspx.

portal indicates that the utility has not yet filed an analogous large energy use facilities tariff.[44]

- **Colorado Public Utility Commission's (PUC's) Adoption of Guiding Principles for Service to Public Service Company of Colorado's Large Load Service Customers.** On November 6, 2025, the Colorado PUC issued Decision No. C25-0747 in Phase I of Colorado Public Service Company's (or PSCo, a wholly owned operating subsidiary of Xcel Energy Inc.) Just Transition Solicitation (JTS) in Proceeding No. 24A-0442E.[45] In the Phase I Commission Decision, the PUC adopted guiding principles for PSCo's service to large load customers and directed PSCo to make a detailed Large Load Tariff filing by January 31, 2026.[46] According to the PUC, the Large Load Tariff "will likely not be adopted until late 2026."[47] In the meantime, the following PUC's policy principles or guardrails should guide PSCo in developing its proposed Large Load Tariff.
  - **Commercial Principles**. The following commercial principles were proposed by PSCo and generally adopted by the PUC, with certain modifications made "to ensure the proper risks allocation regarding new large customers, existing customers, and the Company."[48]
    - A minimum 15-year service contract, signaling that the PUC wants a long-term customer commitment before PSCo builds generation or transmission to serve new large loads. The threshold load will be 100 MW of new or expanded load.
    - For security, the large customer will be required to provide a letter of credit (LOC) or cash deposit with the signing or effective date of the interconnection agreement (IA), with the process and conditions aligned with PSCo's existing large customer credit/deposit requirements and Open Access Transmission Tariff (OATT) Schedule Q credit policy:

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[44] Idaho Power Company Open Dockets, online at: https://www.oregon.gov/puc/edockets/pages/default.aspx.

[45] "The JTS," as the PUC explained in the Phase I Decision, "ties to Public Service's most recent Electric Resource Plan ('ERP') in Proceeding No. 21A-0141E that included a Clean Energy Plan[.]" *In the Matter of the Application of Public Serv. Co. of Colorado for Approval of its 2024 Just Transition Solicitation*, Proceeding No. 24A-0442E, Decision No. C25-0747 (11/06/2025) ("Phase I Decision"), at ¶ 1.

[46] *Id.* ¶ 79. The PUC noted, however, that PSCo's new Large Load Tariff may apply to customers who take service before the PUC adopts the tariff. "In other words, tariffs and tariff classes are subject to change." *Id.* ¶ 83.

[47] Phase I Decision, at ¶ 83.

[48] Phase I Decision, at ¶ 76.

- ➢ Customer submits a load ramp in conjunction with an interconnection request to contain peak load.

- ➢ PSCo will require security in the form of cash or an irrevocable standby LOC, equal to six months of estimated bills based on the peak load included in the customer's load ramp schedule. Security will be posted for at least 36 months after the customer starts taking service, will be renewed annually, and, after 36 months, subject to PSCo's agreement, may convert to a "parental guarantee" with security to remain in place for the duration of the contract.

- ➢ All security will be posted on the effective date of the customer's IA.

- ➢ PSCo will conduct a credit evaluation of each counterparty upon submission of an interconnection request (and before executing an IA).

- Up-front facilities payments for all direct assigned facilities, consistent with PSCo's current T&D interconnection policies.

- Customers cannot assign or transfer ESAs or IAs without PSCo approval and the transferee/assignee meeting the requisite credit metrics.

- Encouraging all new large customer loads to provide load flexibility, including 80-100 hours of interruptible load shed annually.

- Early-exit fees are assessed equivalent to 75% of the customers' needs under their customer load ramp schedule for the remainder of the 15-year term if the customer terminates before the end of the 15-year term.[49]

The commercial principles will be fully litigated in Phase II of the JTS proceeding.[50] Several of the principles delineated above evince the PUC's commitment to implement "customer protections to help protect Colorado ratepayers from the risks associated with investments made to serve prospective large loads like data centers."[51] In other words, the "commercial principles include customer protections designed to ensure that large customers "have sufficient 'skin in the game' to avoid the risk of procuring generation for speculative new load or

49 Phase I Decision, at ¶¶ 76-78.

50 Phase I Decision, at ¶ 76.

51 Phase I Decision, at ¶ 2.

procuring load for customers that may move projects to different jurisdictions or disappear altogether."[52]

Finally, in a recent article published by the Denver, Colorado law firm Davis | Graham, RJ Colwell observes that, "Xcel's [PSCo's] forthcoming large load tariff proposal is expected to address how co-located generation affects cost allocation. This may include differentiated transmission charges that reflect actual grid usage rather than full nameplate capacity for data centers with onsite generation, though minimum charges for maintaining backup grid service could also apply, similar to concepts in FERC's PJM order."[53]

- **Pennsylvania PUC's Tentative Order Proposing Statewide Model Tariff for Large Load Customers.**

On the same day that the Colorado commission issued its Phase I Decision in PSCo's JTS proceeding, the Pennsylvania PUC issued a Tentative Order that adopted a statewide model tariff for large load customers.[54] The model tariff is outlined in the Appendix to the PUC's Tentative Order. The PUC published the proposed model tariff, expressly covering data centers and other high-demand users, on November 24, 2025.[55] The model tariff includes the following significant terms and conditions.

  - **Megawatt Size Designation for Large Load Tariffs**. The model tariff would apply to customers ≥ 50 MW individually or 100 MW in the aggregate.[56]

  - **Minimum Contract Term.** The Tentative Order proposes a minimum five-year contract term for large load customers, with the PUC—having considered the 12-year terms in the Indiana, Ohio, and West Virginia tariffs addressed in this report—expressly treating contract length as a tool for balancing commercial practicality with stranded-cost protection.

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[52] Phase I Decision, at ¶ 51; *see id.* ¶¶ 63, 72.

[53] Colwell, RJ, *Federal and Colorado Action on Data Centers and Large Power Loads*, Davis | Graham (01/12/2026), online at https://davisgraham.com/news-events/federal-and-colorado-action-on-data-centers-and-large-power-loads/.

[54] Interconnection and Tariffs for Large Load Customers, PA PUC Docket No. M-2025-3054271, Tentative Order (11/06/2025).

[55] *PUC Announces Publication of Tentative Order on Model Tariff for Large-Load Customers* (11/24/2025), online at https://www.puc.pa.gov/press-release/2025/puc-announces-publication-of-tentative-order-on-model-tariff-for-large-load-customers-11242025.

[56] Tentative Order, at 6-8, Appendix (under Definition of Terms).

  - The 5-year term includes a load ramp period "default" of three to five years, which is the later period of time from:

    - when electric service is available to the Large Load Customer, or

    - the Large Load Customer is scheduled to begin taking electric service until the time the customer's maximum contract capacity is billed.[57]

- **Minimum Demand Charge**. Large Load customers will be subject to a minimum monthly charge of 80% of contract demand.[58]

- **Collateral Requirements.** Large Load Customers with credit ratings of at least A- from S&P and A3 from Moody's, and liquidity greater than ten times the Collateral Requirement, may provide a guarantee from a parent or corporate affiliate for the Collateral Requirements. A Large Load Customer that does not have a credit rating from S&P and Moody's but maintains liquidity greater than ten times the Collateral Requirement (evidenced by providing quarterly financial statements and certification that on the date financial statements are provided that the Large Load Customer's liquidity meets the ten times threshold) are exempt from 50% of the Collateral Requirements not to exceed an exemption of more than $250 million.[59] Collateral would be provided as follows:

  - Guarantee from the ultimate parent or a corporate affiliate of the Large Load Customer for the full collateral requirement, so long as the guarantor has:

    - a credit rating of at least A- from S&P and A3 from Moody's and liquidity greater than ten times the Collateral Requirement, or

    - a standby irrevocable letter of credit for the full collateral requirement for a minimum term of 360 days with required security renewal or extension commitments, provided that the letter of credit is issued by a U.S. bank or the U.S. branch of a foreign bank, which is not affiliated with the Large Load

57 Tentative Order, at 21, 30, Appendix (under Definition of Terms and Term of Contract).

58 Tentative Order, at 28-29, Appendix (under Minimum Demand Charge).

59 Tentative Order, at 12-13, Appendix (under Contractual Flexibility).

Customer or its guarantor, with a Credit Rating of at least A- from S&P and A3 from Moody's.[60]

- **Exit Fee.** No exit fee or penalty after 5 years of the initial contract term by up to 20% of capacity if 42 months prior written notice is given to the electric distribution company (EDC). Subject to the exit fee described below, a Large Load Customer may terminate its contract after the first five years by giving the EDC 42 months' written notice, subject to payment of a capacity reduction or termination fee.
  - The exit fee will be calculated as the greater of (1) the difference between the cost of network improvements and interconnection facilities, less the revenues received from the Large Load Customer, or (2) the nominal value of the remaining minimum charge for the terminated/reduced capacity in excess of the 20% allowed reduction for each year of the exit fee period.
- **Full Planning Studies.** Required full planning studies include steady-state and dynamic studies, as well as any necessary cluster studies, given that the potential addition of a Large Load Customer will be paid solely by the customer. Network open season planning studies are required biannually, and interconnection studies must be completed within 6 months from the date that the EDC accepts the customer's application for interconnection as complete.[61]
- **Contributions in Aid of Construction (CIAC)**. EDCs should handle CIAC for large load customers in the same manner as it is implemented for other EDC tariff customers. However, reasoning that "very large loads may cause network upgrades which benefit the system as a whole, but they themselves still use up most of the benefits," the triggering Large Load Customer should make a CIAC contribution to offset the cost of the line if the customer receives more than half of the benefit of the line at issue.[62]
- **Interruptible Power Options**. Contract service for interruptible power will be available to Large Load Customers on the EDC's existing interruptible tariff provisions. The EDC may also offer customers service options that include mandatory capacity reductions and discretionary energy interruptions under a contract, as agreed to by the customer and the EDC. Minimum interruption will be the minimum requirement under the PJM Interconnection, LLC

[60] Tentative Order, at 13, Appendix (under Collateral Requirements).

[61] Tentative Order, at 25-26, Appendix (under Full Planning Studies).

[62] Tentative Order at 15-16.

Emergency Load Response Program for capacity purposes, or its successor program.[63]

- The PUC tentatively found that Large Load Customers willing to take interruptible service, which "may not be using their full interconnection limit by having onsite generation, may be entitled to lower stand-by charges or possibly a lower minimum demand charge." [64]

The recently adopted large load tariffs discussed above—i.e., AEP Ohio, I&M IP, PG&E Rule 30, Dominion Energy, Colorado PUC's guiding commercial principles, and Pennsylvania PUC's proposed model statewide tariff—considered in conjunction with the enacted Oregon HB 3546/POWER Act, as a whole exemplify current best practices involving large load tariffs designed in whole or part to protect utilities and ratepayers from responsibility for stranded infrastructure costs when a large load project, such as a data center or industrial facility project, fails to materialize or the large load customer was a flight risk that shifts operations to another jurisdiction.[65] The table in the Appendix below provides a representative sampling of many, if not most, states that have adopted large load tariffs akin to those described above, states that are considering such tariffs, or states that have passed legislation that would permit the state's utility commission to adopt analogous tariffs.[66] The Appendix also describes other legislation on data centers, such as encouraging or incentivizing data center participation in demand response programs, imposing moratoriums on data center construction, and ceasing tax incentives or economic development rates for new data centers.

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[63] Tentative Order, at 39, Appendix (under Large Customer Contract Service Interruptible Power).

[64] Tentative Order, at 39.

[65] RMI, *supra* n.2, pp. 6, 18, 19, 20, 21, 22, 35.

[66] According to MultiState, a government relations services firm, "Data center legislation has exploded in popularity among state legislatures this year. In 2025, more than 200 bills addressing data center issues were introduced in more than 40 states. Now, just six weeks into the new year, more than 300 data center related bills have already been filed in more than 30 states. *Sorting through the crush of proposals affecting data centers and large load energy users is a daunting task*, so our Policy Watch team is zeroing in on some of the most interesting bills to watch this session." Schonerd, David and Miller, Kim, *State Data Center Legislation in 2026 Tackles Energy and Tax Issues*, MultiState (Feb. 20, 2026) (emphasis added), online at https://www.multistate.us/insider/2026/2/20/state-data-center-legislation-in-2026-tackles-energy-and-tax-issues.

3.1.2. Federal Proceedings Focusing on Large End-Use Loads

Federal regulators have recently endeavored to establish new frameworks for large end-use loads and co-located generation.[67] In late October 2025, the Secretary of the U.S. Department of Energy (DOE) (or Secretary of Energy) requested that FERC consider a rulemaking on large load interconnection procedures, which the FERC promptly initiated. In December 2025, FERC issued an order requiring PJM Interconnection[68] to establish three new transmission service options, clarify generator interconnection procedures for co-located project configurations, and revise its retail behind-the-meter generation (BTMG) rules. Additionally, in October 2025, FERC rejected Tri-State's high impact load tariff and associated customer agreement.

The DOE's direction to FERC to initiate an ANOPR

On October 23, 2025, the Secretary of Energy, Chris Wright, directed FERC to consider issuing an Advance Notice of Proposed Rulemaking (ANOPR) offering rules for interconnecting data centers and other large end-use loads to the transmission system. Secretary Wright requested that FERC issue a final rule by April 30, 2026. The Secretary of Energy's request of FERC to promulgate "reforms to ensure the timely and orderly interconnection of large loads to the transmission system" was issued pursuant to section 403(a) of the DOE Organization Act, which empowers the Secretary to propose rules to FERC, but does not oblige FERC to implement them.[69] The FERC issued the ANOPR on October 27, 2025.[70] The DOE's proposed ANOPR asserts that FERC has jurisdiction over large load interconnections through FERC Order No. 888. The federal assertion of jurisdiction

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[67] The section was informed primarily, but not exclusively, from the Davis | Graham article, *supra* n.533 and another recent Mayer | Brown article, Richards, Chad and Kolontai, Kseniia, *FERC Directs PJM to Facilitate Co-Location Arrangements* (01/13/2026), online at: https://www.mayerbrown.com/en/insights/publications/2026/01/ferc-directs-pjm-to-facilitate-co-location-arrangements.

[68] PJM is a regional transmission operator (RTO), part of the Eastern Interconnection grid, operates the electric transmission system serving all or parts of 13 midwestern and central eastern seaboard states and the District of Columbia. *See, e.g.,* online at https://www.pjm.com/about-pjm.

[69] 42 U.S.C. § 7173(a) of the DOE Organization Act; 2025 DOE 403 Orders, online at https://www.energy.gov/topics/2025-doe-403-orders; Large Loads ANOPR, FERC Docket No. RM26-4-000.

[70] Notice Inviting Comment, Interconnection of Large Loads ANOPR, FERC Docket No. RM26-4-000 (Oct. 27, 2025), online at https://elibrary.ferc.gov/eLibrary/filedownload?fileid=eb349a98-9823-c022-96b7-9a27ab000000; The ANOPR, *Ensuring the Timely and Orderly Interconnection of Large Loads*, is posted separately, online at https://elibrary.ferc.gov/eLibrary/filedownload?fileid=4d53dc3f-903a-c7f6-af0a-9a27c4c00000.

over end-user load interconnections, which heretofore have been the province of state regulatory authorities, is premised on four legal arguments:

- large load interconnections are a critical component of open access transmission service analogous to generator interconnections under FERC Order No. 2003;
- such interconnections directly affect jurisdictional wholesale rates;
- the proposal does not intrude on states' retail electricity jurisdiction; and
- FERC's exclusive jurisdiction over transmission of electric energy in interstate commerce encompasses interconnection service.

The ANOPR's standardized large load interconnection rules include 14 guiding principles, including limiting FERC's authority to interconnections directly to transmission facilities, applying reforms only to new loads greater than 20 MW, studying load and hybrid facilities alongside generation projects, implementing standardized deposits and withdrawal penalties, and allocating 100% of network upgrade costs to the load. The Secretary of Energy requested that FERC issue a final rule by April 2026.

Many stakeholders oppose the DOE's controversial ANOPR. For one, the National Association of Regulatory Utility Commissioners (NARUC) maintains that FERC has never asserted jurisdiction over end-user load interconnections and, according to NARUC's Initial Comments, "FERC asserting jurisdiction over load interconnection is outside the boundaries imposed by the FPA [Federal Power Act]." DOE asked FERC to issue a final rule by April 30, 2026.

FERC's PJM Co-Location Order

FERC unanimously issued an order on December 18, 2025, directing PJM to revise its tariff to address co-located loads at generating facilities. The order arose from FERC's show-cause proceeding following high-profile co-location arrangements, including Amazon's data center at Talen Energy's Susquehanna nuclear plant in Pennsylvania and Microsoft's Three Mile Island restart agreement. FERC found that PJM's existing tariff was unjust and unreasonable due to a lack of clarity regarding co-located loads. The order requires PJM to offer four transmission service options:

- traditional Network Integration Transmission Service for the entire nameplate load;
- interim non-firm service permitting expedited construction before grid upgrades are completed, with acceptance of curtailment risk;

- firm contract demand service for only the portion of the load expected to be served by the grid; and
- non-firm contract demand service (which carries curtailment risk).[71]

As for "next steps," the FERC order directed PJM to propose mechanisms, such as minimum monthly charges, to ensure that costs of maintaining grid reliability and backup capability are appropriately allocated, even for facilities with limited grid usage or rarely used backup service. Final tariff details remain pending PJM's compliance filings. On January 20, 2026, PJM filed an informational report on the status and timing of the revisions it was developing for co-located load and related large load issues. One of the intervenors, Constellation Energy Generation, filed a request for clarification or rehearing on January 20, 2026. On March 9, 2026, PJM submitted its supplemental informational report with additional details regarding the timeline and process for developing the revisions to the backstop procurement mechanism responsive to FERC's Co-Location Order, 193 FERC ¶ 61,217. Thus, FERC Docket EL-25-49-000 et al. remains active with ongoing implementation and unresolved post-order argument.

FERC's Order Rejecting Tri-State's Large Load Tariff

On August 28, 2025, Tri-State filed a proposed high-impact load tariff (HILT) and agreement (HILA) (collectively, HIL proposal) for loads exceeding 45 MW at FERC (Docket No. ER25-3316) to manage the high energy demands of large new power users like data centers and protect its 42 member cooperatives and their ratepayers. The Data Center Coalition protested Tri-State's HIL proposal, asserting, in part, that the cooperative failed to show that it was within FERC's jurisdiction. Additionally, the trade group for the data center industry asserted that the emerging patchwork of utility-by-utility large load tariffs was stifling data center development.[72]

On October 27, 2025, FERC unanimously rejected Tri-State's HIL proposal, determining that provisions requiring member cooperatives' retail customers to execute agreements and related security deposit requirements exceeded FERC's jurisdiction over wholesale transactions under Federal Power Act sections 205 and 206, 16 U.S.C. §§ 824d, 824e.[73]

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[71] *Order on Show Cause Proceeding, Directing Compliance Filings, Establishing Paper Hearing, and Granting in Part and Denying in Part Complaint*, FERC Docket Nos. EL25-49-000, et al., AD23-11-000, and EL25-20-000 (Consolidated), 193 FERC ¶ 61,217 (2025), online at: https://elibrary.ferc.gov/eLibrary/search.

[72] FERC Docket No. ER25-3316, Protest of Data Center Coalition (9/08/2025), online at: https://elibrary.ferc.gov/eLibrary/search.

[73] Tri-State Generation and Transmission Ass'n, Inc., Order Rejection Proposed Tariff, 193 FERC ¶ 61,070, at ¶¶ 49-52 (2025), online at https://elibrary.ferc.gov/eLibrary/search.

As RJ Colwell advised Tri-State member distribution cooperatives, including the eleven member cooperatives in New Mexico,[74] in the January 12, 2026, Davis | Graham article,

> FERC's rejection underscores the jurisdictional tensions evident in DOE's ANOPR. Developers considering sites in Tri-State member cooperative territories (which include 15 Colorado cooperatives) may want to consider engaging early with both the local distribution cooperative and Tri-State to understand capacity availability and study timelines. Until a revised framework is in place, large load interconnection in Tri-State territories will follow existing procedures.[75]

There is no record of a revised HIL filing in Docket No. ER25-3316 (in FERC's eLibrary) as of this writing.

3.1.3. Securitization

Securitization seemingly is the most often cited and discussed risk mitigation mechanism in the modern regulator's toolkit. Securitization is a financing mechanism by which a utility, under authorization from a state utility commission, issues bonds — backed by a stable, non-bypassable charge on customer bills — to recover stranded costs or other significant, extraordinary costs. The right to collect this charge is transferred to a bankruptcy-remote special purpose entity (SPE), which then uses the proceeds from the bond issuance to reimburse the utility for qualified costs. Customers pay a dedicated charge over time to retire the bonds, resulting in lower overall carrying costs and less significant rate impacts than traditional cost recovery.[76] In NM Public Regulation Commission (PRC) Case No. 21-00017-UT, involving Public Service Company of New Mexico's (PNM) application to abandon the Four Corners Power Plant (FCPP) and securitize the recovery of the company's assets and costs through a financing order, PNM witness Charles N. Atkins noted that securitization has been used for many purposes besides retiring coal-fired generation plants:

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74 List of Tri-State Utility Members, online at https://tristate.coop/member-list.

75 Davis | Graham article, supra n.533.

76 Hall, *Securitization and Stranded Cost Recovery*, 1-3, 189; Ryan, Kevin & Grosberg, Gabe, *Credit FAQ: The Rationale Behind U.S. Utility Securitization And Reasons for Recent Growth*, S&P Global, online at https://www.spglobal.com/ratings/en/regulatory/article/240304-credit-faq-the-rationale-behind-u-s-utility-securitization-and-reasons-for-recent-growth-s12609481; Utility cost Recovery through securitization, Moody's Investors Service (7/18/2018), online at https://saberpartners.com/wp-content/uploads/2018/10/Moody's-Securitization-Credit-Positive-2018.pdf; *Utility Securitization and Storm Costs*, South Carolina Office of Regulatory Staff, online at https://ors.sc.gov/consumers/electric-natural-gas/utility-securitization-and-storm-costs.

> 'utility securitization' is a generic term used to refer to securitizations for several different recovery purposes; some of the names used include rate reduction bonds, stranded cost bonds, energy transition bonds, storm recovery bonds, system restoration bonds, and restructuring bonds, among other names[.][77]

Consequently, beyond using securitization for utility restructuring, which was widely exploited in the mid-to-late 1990s as about half of U.S. states began experimenting with retail and/or wholesale electricity market competition[78] and beyond securitizing the retirement and abandonment of coal plants in the 2010s,[79] securitization has been employed for a host of regulatory purposes, including—as pertinent to this discussion—to recover investments in T&D regulatory assets and other substantial deferred costs resulting from failed infrastructure projects or extraordinary grid expenditures.

Only a handful of states—approximately six in all—have authorized and used securitization specifically to recover stranded infrastructure assets (outside the context of restructuring, wildfire damage responsibility apportionment, or other environmental disaster liability, utility bankruptcy, etc.) or have enacted legislation that allows securitizing these assets and their associated costs to address the problem posed in this report. The states identified are Idaho, Kansas, Kentucky, Michigan, Missouri, and West Virginia.[80]

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77 Case No. 21-00017-UT, PNM Exh. 15, Dir. Test. of Charles Atkins II, at 4. Similarly, the S&P Global article cited above indicates that, "Historically, electric utility companies throughout the U.S. have used securitization as a means to recover various costs, including, but not limited to, those related to the following:

- Stranded assets, defined as generating assets owned by a regulated utility that have become uneconomical to operate due to deregulation;
- Storm damages;
- Wildfire damages and related risk mitigation expenses;
- Winterizing/hardening of electrical grids; and
- Extraordinarily high fuel costs.

Ryan and Grosberg, online at https://www.spglobal.com/ratings/en/regulatory/article/240304-credit-faq-the-rationale-behind-u-s-utility-securitization-and-reasons-for-recent-growth-s12609481.

78 MCR White Paper, *Securitization: A Valuable Tool for Cost Recovery Opportunities Outside a Normal Rate Case* (Nov. 2024), pp. 2-3, 6 (Restructuring Costs Table), online at https://www.mcr-group.com/wp-content/uploads/2024/11/Securitization-White-Paper-OCT-2024_v1.pdf.

79 *Id*. pp. 3, 6 (Generation Retirement and Abandonment Costs Table).

80 *Id*. pp. 4-7 (tables). Numerous other states, including large ones like California, Florida, and Texas, authorize the use of securitization to recover deferred T&D system costs, other delayed investments, and unrecovered expenses but only in the context of storm recovery, wildfire damage, other

Kentucky provides a clear-cut example of securitizing stranded utility assets to protect the utility and reduce ratepayer exposure. In 2025, the Kentucky Public Service Commission (PSC) approved Kentucky Power's issuance of securitization bonds to finance *deferred costs* from the Big Sandy coal-fired plant units, *which ceased operating in 2015*, significant storm costs, and under-recovered purchased power rider costs.[81]

In Michigan, consistent with the broad definition of "qualified costs" in the state's securitization statute,[82] in 2017, the Michigan PSC authorized the securitization and issuance of $142 million in securitization bonds covering the unrecovered book value and regulatory assets associated with the sale of Consumers Energy Company's (Consumers) interest in the Palisades nuclear plant and related Palisades PPA.[83] Later that same year, the PSC authorized Consumers to securitize up to $688.3 million in qualified costs pursuant to the issuance of securitization bonds related to the *expected costs of the early retirement, well ahead of an abandonment proceeding*, of the D.E. Karn Units 1 and 2.[84]

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extraordinary events, and, formerly as noted above, associated with retail and wholesale utility restructuring.

[81] In 2016, the Big Sandy Power Plant was converted into a 268 MW natural gas facility (Unit 1). *See, e.g.*, https://www.aep.com/environment/ccr/bigsandy/.

[82] MI ST, § 460.10h(j) (defining securitizable "qualified costs" to include an electric utility's regulatory assets as determined by the commission, adjusted by the applicable portion of related investment tax credits, plus any costs that the commission determines that the electric utility would be unlikely to collect in a competitive market, including, but not limited to, retail open access implementation costs and the costs of a commission approved restructuring, buyout or buy-down of a power purchase contract, together with the costs of issuing, supporting, and servicing securitization bonds and any costs of retiring and refunding the electric utility's existing debt and equity securities in connection with the issuance of securitization bonds.").

[83] *In the Matter of the Application of Consumers Energy Co. for a Financing Order Approving the Securitization of Qualified Costs and Related Approvals*, MI PSC Case No. U-18250, Opinion and Order (9/22/2017), online at https://mi-psc.my.site.com/s/case/500t0000008eg0rAAA/in-the-matter-of-the-application-of-consumers-energy-company-for-a-financing-order-approving-the-securitization-of-qualified-costs-and-related-approvals.

[84] *In the Matter of the Application of Consumers Energy Co. for a Financing Order Approving the Securitization of Qualified Costs and Related Approvals*, MI PSC Case No. U-20889, Order, 2020 WL 8255457, at *53 (12/17/2017), (finding "if the cap in the amount that the company can securitize is lowered and costs turn out to be higher than projected, *the company would be required to recover the stranded costs in rates*.") (emphasis added).

Idaho's securitization statute, entitled "Energy Recovery Bonds,"[85] authorizes not only the securitization of early retirements of coal-fired plants, but also financing orders for qualified stranded assets beyond generation.[86]

Finally, Kansas, Missouri, and West Virginia authorize the use of securitization for T&D regulatory asset balances arising from various sources, including failed or failing investments, undepreciated plant balances, abandoned T&D upgrades, and other substantial deferred costs.[87]

As for New Mexico, under the Energy Transition Act (ETA),[88] the Commission's utility securitization authority currently extends solely to two large coal-fired generation plants in Northwest New Mexico formerly operated by PNM (San Juan Generating Station, securitization and abandonment authorized by the Commission in Case No. 19-00018-UT)[89] and that PNM has an ownership stake in (the FCPP), the two coal-fired generation plants specified in the ETA.[90] To extend

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85 Idaho Statutes Title 61-1503 (2001).

86 MCR White Paper, p. 4 (table); Kline, K., *Mitigating Stranded Asset Risks to Utility Customers: and Exploration of Securitization and Retiring Coal Generation*, NARUC (Feb. 2024), pp. 5, n. 6, 17, online at https://www.osti.gov/servlets/purl/2570678.

87 Kansas has a 2021 Utility Financing and Securitization Act, K.S.A. 2024 Supp. 66-1,240 et seq. (allowing for the securitization of deferred extraordinary costs, regulatory assets, and utility tariff property applies to both generation and T&D costs approved by the Kansas Corp. Comm'n as eligible, i.e., if a statute allows). In 2018, Missouri enacted into law SB 564 (2018), codified in Mo. Rev. Stat. §§ 393.1650-393.1655 and other sections (permitting electric utilities to defer and securitize costs associated with "qualifying electric plant," capital investments, and related regulatory assets, including depreciation and return on T&D system upgrades. Deferrals for plant and regulatory assets are specifically addressed; securitization is identified among the allowable recovery mechanisms.). And West Virginia's Utility Consumer Rate Relief Bonds act, W. Va. Code, § 24-2-4h (2023) authorizes the securitization of (i) environ-mental control costs; (ii) expanded net energy costs; (iii) storm recovery costs; and (iv) *undepreciated generation utility plant balances*, *id*. § 24-2-4h(b)(10), which include potentially or actually stranded costs or investments made on or after December 31, 2022, where undepreciated generation utility plant balances are defined as "unrecovered capitalized costs of undepreciated investments in one or more fossil-fired electric generating plants having nameplate capacity in excess of 1,000 megawatts each, and related supply, transmission, equipment, and fixtures." *Id*. § 24-2-4h(b)(26).

88 NMSA 1978, §§ 62-18-1 to -23 (2019).

89 *See* Case No. 19-00018-UT, *In the Matter of Public Service Company of New Mexico's Abandonment of San Juan Generating Station Units 1 and 4*, Recommended Decision on PNM's Request for Issuance of a Financing Order and Recommended Decision on Abandonment (PRC 02/21/2020), *adopted and approved in* Final Order on Request for Issuance of a Financing Order (PRC 04/01/2020). *See also* C. Morehouse, *New Mexico approves PNM exit from San Juan coal plant, but CCS could still save facility* (01/31/2020, updated 4/2/2020), online at https://www.utilitydive.com/news/new-mexico-must-apply-clean-energy-law-to-the-san-juan-coal-retirement-but/571464/; H. Grover, *State Supreme Court rejects constitutional challenge to Energy Transition Act* (01/11/2022), online at https://nmpoliticalreport.com/2022/01/11/state-supreme-court-rejects-constitutional-challenge-to-energy-transition-act/.

90 *See* ETA, NMSA 1978, §§ 62-18-2(S)(3)-(4) (defining "qualifying generating facilities as "if *operated* [and owned or leased in part] by a qualifying utility (PNM) prior to the effective date of the

the Commission's ability to securitize stranded infrastructure would require legislation analogous to the state securitization statutes discussed above.

3.1.4. Line Extension Policies/CIAC

A line extension is the expansion of electric or gas utility service to a location not currently served, requiring the installation of additional utility-owned facilities, such as wires, poles, pipes, or transformers, to connect to a customer.[91] While some states have standardized line policies applicable to all utilities by regulation, most states "leave it up to the utilities to create their own extension policies."[92] That is the approach the PRC has taken regarding its jurisdictional utilities' line extension policies.[93] However, even in states without standardized policies, utility line extension policies are filed with and overseen by state commissions to ensure fairness, transparency, and compliance with established standards for protecting utilities and ratepayers.[94]

Line extension policies specify how the costs of extension are split between the utility and the requesting customer. Common approaches include:

- **Allowance Portion** — The utility may pay a base allowance in the form of a footage allowance (with the customer paying the additional cost of construction beyond the footage allowance if it is located farther from the distribution main or existing power line than the footage allowance), a dollar allowance (with the construction allowance capped at a fixed dollar amount and the customer paying the costs above the fixed cap),

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[ETA], is to be abandoned prior to January 1, 2023," and "if *not operated* [and owned or leased in part] by a qualifying utility . . . is to be abandoned prior to January 1, 2032.").

[91] American Gas Ass'n (AGA), *The Current State of Natural Gas Utility Line Extension Policies* (7/10/2024), at 47 (Glossary), https://www.aga.org/wp-content/uploads/2024/07/The-Current-State-of-Natural-Gas-Utility-Line-Extension-Policies_FINAL.pdf; 17.5.410.7(M) NMAC, online at https://prod-rf-lambda.rtssaas.com/PublicFiles/d89c47bd0d70402dba89b03a22bda6d1/ef525da9-9572-49e6-ac6a-94d7105dda9a/17.005.0410.pdf (defining line extension to mean "that part of a utility's system for the delivery of gas or electric utility service which extends and connects the utility's existing system to a residential customer, exclusive of yard lines or service drops.").

[92] AGA, p. 34-35 (Table 2 shows that Arizona , California, Florida, Illinois, Iowa, Kentucky, Oklahoma, and New York have some form (e.g., allowance portion, excess portion, surcharge) of statewide line extension policies employing various disparate formulas.).

[93] *See* PRC Docket No. 12-00374-UT, *Order Closing Docket* (3/6/2025), at 3 (in closing Notice of Inquiry, the Commission found that the "information provided in this docket is no longer current, and the Commission has other current dockets that address grid modernization, grid readiness, and utilities' ability to furnish adequate, efficient, and reasonable service."), online at: https://e360.prc.nm.gov/portal/public/#/public/nm-prc/en/home.

[94] Costello, K., *Line Extension Policies for Natural Gas: Regulatory Considerations* (Feb. 2013), p. v, 27, 40, 45 (Table 1); 17.1.210.10(C)(2)(x), 17.5.410.9 NMAC, online at: https://pubs.naruc.org/pub/FA86B6C6-E91D-FF76-882F-04081293B088.

or a revenue/margin multiplier by which the utility determines the maximum allowed investment of the line extension by multiplying the expected revenue by a certain number of years.

- **Excess Portion** — Any cost above the base allowance is typically paid by the developer/customer, either upfront (as a CIAC) or as a long-term surcharge.[95]

Typically, utilities, including PNM, SPS (Southwestern Public Service Company), and EPE (El Paso Electric Company),[96] require formal service agreements as part of their line extension policies. Service agreements outline cost estimates, payment terms, construction timelines, and ownership of new infrastructure. Refunds or credits may be given if additional connections are made later, or costs may be shared among the benefiting properties.

CIAC frameworks thus frequently include refundable advances or clawbacks[97] tied to realized demand or energy over a term, aligning customer payments with actual usage and minimizing stranded costs if projects do not materialize.[98]

The discussion of line extension policies is in this report because the leading theory behind requiring CIACs and line extension surcharges is to protect existing (non-cost-causing) ratepayers from having to absorb the costs of new utility infrastructure built to serve specific new customers or developments, especially when these projects might later become underutilized, abandoned, or stranded.[99] However, considering that all fifty states in the U.S. have long required utilities to have approved line extension policies on file, the recent advent of the large load

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[95] AGA, pp. 32-34; Pereira, G., Deason, J., and Sandonato, A., *Unlocking load growth at the grid edge: Practices for Managing, recovering, and allocating distribution system investments*, LBNL Energy & Policy Markets group (Jan. 2025), pp. 27-29, 30-38, 40 (electrification context), online at https://eta-publications.lbl.gov/sites/default/files/2025-01/unlocking_load_growth_berkeley_lab_final_01192025_0.pdf.

[96] PNM 9th Revised Rule No. 15 (Electric Line Extension Policy), 9th Revised Sample Form No. 31 (Electric Line Extension Agreement, Company Built); SPS Original Sample Form No. 33 (Customer Line Extension Agreement); EPE Sixth Revised Rule No. 8 (Line Extensions).

[97] Clawbacks entail returning previously paid CIACs to the customer or developer if additional customers connect and thereby spread the cost of investment more broadly.

[98] Michigan Public Service Commission, *Contribution in Aid of Construction Workgroup Report* (01/15/2022), p. 15, online at: https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y000001keFvAAI.

[99] AGA, p. 5, n. 10 (citing Hammond E. and Rossi, J., *Stranded Costs and Grid Decarbonization*, Brooklyn Law Review, 82(2) (2017), 645-91 (summarizing "the practical approach to stranded cost recovery by noting that '…courts were not receptive to legal claims that the Constitution required full compensation…[yet]…regulators found ways to help mitigate the standard costs impacts on firms…' This practical approach dates back centuries. *See e.g., infra* note 21. For a contra approach, see Proprietors of the Charles River Bridge v. Proprietors of the Warren Bridge,36 U.S. 420 (1837).").

tariffs discussed above strongly suggests that line extension policies are, at best, a partial if not negligible protective mechanism for utilities and ratepayers when large load projects become underutilized, abandoned, or stranded.

3.1.5. Departing Load Exit Fees

Departing load exit fees are charges paid by a customer who terminates service or significantly reduces its contracted demand ahead of schedule. These fees are intended to recover the utility's outstanding costs (e.g., grid upgrades, power purchase contracts, stranded costs) incurred to serve the now departed or reduced load.[100]

In the context of publicly-owned utilities (POUs) and community choice aggregators (CCAs), departing load exit fees are critical mechanisms — especially in California — to prevent stranded costs and ensure that customers leaving investor-owned utilities for CCAs or POUs pay their fair share of legacy power procurement, infrastructure, and regulatory assets. California CCAs and Direct Access ("departing load") customers must pay a Power Charge Indifference Adjustment (PCIA) exit fee to their former IOU.[101] The PCIA is calculated annually to cover the above-market costs of power procurement investments and long-term contracts made by the IOU for bundled customers, ensuring that cost shifts do not burden those who remain with the IOU.[102] The PCIA fees are non-bypassable; customers must pay them whether they join a CCA, take service from a POU, or self-generate.[103] When load transfers from an IOU to a POU, departing load charges (sometimes referred to as Cost Responsibility Surcharge, DWR bond charge, etc.) apply to most loads departing after a specific fixed historical date.[104]

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[100] Trabish, H.K., *Exit Fee: Deciding the Fate of California's utilities and customer choice movement* (8/14/2025), online at https://www.utilitydive.com/news/exit-fee-deciding-the-fate-of-californias-utilities-and-customer-choice-m/529894/.

[101] *See* CPUC Power Charge Indifference (PCIA), online at https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/power-charge-indifference-adjustment.

[102] Barrow, D., *Huge Potential New Demand for Power* (10/16/2016), Norton Rose Fulbright Project Finance, online at https://www.projectfinance.law/publications/2016/october/huge-potential-new-demand-for-power/.

[103] PG&E Departing loads . . . Transferred Municipal Departing Loads and Customer Generation Departing Loads, online at https://www.pge.com/en/account/alternate-energy-providers/departing-load.html; Webster, R., *Understanding Departing Load Charges for Non-Export Systems in California* (4/09/2025), online at https://www.energytoolbase.com/blog/utility-rates/understanding-departing-load-charges-for-non-export-systems-in-california/.

[104] *Id*. PG&E Departing Loads.

These charges ensure IOUs recover stranded costs as customers transition to local public power, based on historical usage and forecasted obligation.[105]

Most CCAs also charge their own exit/termination fee to ensure customers leaving the CCA pay for any long-term costs incurred on their behalf (such as resource contracts made for the departing customer). The fee may be a fixed administration charge plus a proportional cost-recovery charge for long-term power commitments.[106]

Of course, as pertinent to this discussion, departing load exit fees are a core feature in large load tariffs (such as those of AEP Ohio, I&M, and PG&E) to ensure utilities recover costs for stranded investments if a customer leaves before the end of a contract or minimum billing period.

3.2. Planning and Load Registration Requirements

3.2.1. Mandatory Load Registration and Accurate Forecasting

As discussed in Section 3.1 above, several large load tariffs adopted by state commissions or contemplated in legislation, such as Oregon HB 3546, require load registration and accurate, granular forecasting. Apart from the large load tariffs mentioned above, utilities are increasingly adopting load registration programs that require prospective large load customers to submit rigorous, transparent forecasts and technical details for new load projects.[107]

Granular grid data and reporting practices are evolving to instill more transparency into factors such as energization waiting times, for which regulators may establish standardized timelines. For instance, California enacted into law Senate Bill No. 410, the Powering Up Californians Act, with Governor Gavin Newsom's signature on October 7, 2023. Among other things, the California act requires regulators to establish maximum and average target timelines for

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[105] Webster, *supra* n.1033 ("DLCs are meant to cover stranded costs like long-term power contracts for departing customers as originally planned based on that customer's expected energy usage and demand. DLCs are billed as an aggregation of non-bypassable charges (NBCs).").

[106] *See, e.g.*, Marin Community Choice Aggregator Frequently Asked Questions (9/19/2007), pp. 9-10, 15, 17, 21, online at https://www.localcleanenergy.org/files/CCA_FAQ_9-19-07.pdf.

[107] Kasiewicz, C. (PE) and Postma, C. (PE), *How utilities can partner with data centers amid surging load and on-site generation*, Utilitydive (9/08/2025), online at https://www.utilitydive.com/spons/how-utilities-can-partner-with-data-centers-amid-surging-load-and-on-site-g/759200/ (discussing ERCOT's Large Load Inter-connection process and Florida Public Utilities Commission's Facility Interconnection Requirements framework, covering generation, transmission, and load-serving facilities. *See also* GridLab's *Practical Guidance and Considerations for Large Load Interconnections* (March 2025, working draft) ("GridLab"), online at https://gridlab.org/wp-content/uploads/2025/03/GridLab-Report-Large-Loads-Interim-Report.pdf.

utilities to serve new or upgraded loads. In accordance with the act, the CPUC established its timeline in September 2024, relying on granular utility data.[108]

Similarly, Colorado Governor Jared Polis signed Senate Bill 218, the Modernize Energy Distribution Systems Act (Powering Up Colorado), into law on May 22, 2024.[109] The Colorado act requires, among other things, the Colorado PUC "to commence a data collection process to inform future energization timelines"[110] and in setting long-term distribution system plan requirements, directs qualifying utilities to, in ordinary circumstances, "include[], "unless already informed or satisfied by [PUC] rules, standardized, quantifiable, and transparent processes and timelines within the planning period for formal load and generation interconnection and energization requests."[111] The act also includes performance metrics, tracking, and reporting requirements.[112]

During the 2025 New Mexico legislative session, an analogous Power Up New Mexico act (HB 13) passed the House but did not become law. The bill was sent to the Senate and referred to the Senate Conservation Committee and then Senate Tax, Business, and Transportation Committee. On March 15, 2025, the committee reported the measure without a recommendation, and it was then postponed

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108 *See Order Instituting Rulemaking to Establish Energization Timelines*, CPUC Rulemaking 24-01-018 (9/12/2024) (Appendix A, Statewide Energization Timelines Analyses Report), online at: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M540/K806/540806654.PDF.

109 The Powering Up Colorado act is codified at CRS § 40-2-132.5. SB 218 information online at https://legiscan.com/CO/bill/SB218/2024. *See*, e.g., Davis | Graham, *Power On! Colorado Upgrades Electric Grid for Clean Energy Transition* (8/13/2024), online at https://davisgraham.com/news-events/sb-24-218-colorados-electric-grid-receives-major-upgrade/.

Colorado Solar & Storage Ass'n, *Governor Polis Signs SB24-201, Powering Up Colorado* (5/22/2024) "(This comprehensive legislation introduces a suite of policy changes aimed at modernizing our local electric grid, ensuring proactive investments, and fostering the adoption of clean energy technologies.").

110 CRS § 40-2-132.5(4)(b)(1) (under "Near-term actions — interconnection and energization backlogs — identification of hosting capacity — cost recovery.").

111 *Id.* § 40-2-132.5(d)(V). In addition, Section 5(c)(II) provides that.

> In determining the distribution capacity necessary to meet projected load growth and distributed energy resource expansion, including to affordably and reliably support implementation of applicable targets, standards, plans, and regulations described in subsection (5)(a) of this section, a qualifying retail utility shall incorporate a scenario that incorporates load and managed generation flexibility that may increase system capacity utilization, reduce the need for system upgrades, and lower system costs.

Id. § 40-2-132.5(c)(II).

112 *Id.* § 40-2-132.5(e)(II) ("In the second distribution system plan filed after May 22, 2024, measurement of any energization timelines must commence upon submission by the customer of a formal load request, and any performance-based framework must only include the steps in the energization process that are the sole responsibility of the qualifying retail utility.").

indefinitely, effectively stalling the process and preventing it from receiving a final floor vote or further action in the Senate.[113]

Nevertheless, in its pending Grid Modernization statute rulemaking, initiated by the Commission on February 6, 2025, in Docket No. 22-00089-UT, the Commission included distribution system planning and hosting capacity rules, whereby utilities must submit load forecasts at feeder and substation levels when filing 10-year integrated grid modernization and distribution plans ("grid plans").[114] The objective of the proposed rule "is to bring transparency to distribution system planning and establish a defined process to create a grid plan for each jurisdictional electric utility."[115] The grid plan must include several years of historical data, feeder/substation maximum capacities, and load forecasts.[116] Additionally, hosting capacity analyses (HCAs) and grid needs assessments must evaluate existing and forecasted capacity and/or reliability constraints over a ten-year planning horizon.[117] Utilities must also propose solutions for new customers and anticipated larger loads, such as data centers and other large load sources. This should be guided by feeder/substation-level load forecasts and hosting capacity analysis, which should be included in their formal grid plan and updated regularly. The plan should be made public, providing for transparent registration and forecasting requirements at the feeder level.[118]

3.2.2. Feasibility Studies and Pre-Application Reviews

Load developers proposing interconnections, i.e., interconnection-scale customers or small generators, are often required to fund and participate in feasibility studies that assess capacity needs and identify infrastructure impacts before construction or approval.[119]

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[113] LegiScan, https://legiscan.com/NM/bill/HB13/2025.

[114] Case No. 22-00089-UT, *Order Issuing Notice of Proposed Rulemaking* ("Order"), at 7, ¶ 30, online at https://e360.prc.nm.gov/portal/public/#/public/nm-prc/en/home, ("the grid plan's focus is solely on the networks for delivery of electricity and energy services, rather than new sources of generation of energy or capacity. In both instances, however, *reliable load forecasts and understanding of the drivers of new load are critical for informed planning and improved investment decisions*.") (emphasis added); Order, Exh. A (proposed rule), at (C)(2)(a)-(f) NMAC and 17.9.587.8(G)(3) (definition of "grid plan")

[115] *Id.* Order, Exh. A, 17.9.587.6(A) NMAC; *see* Order, at 6, ¶ 25 ("One objective of the Proposed Rule is to bring greater transparency and consistency to the utility distribution planning process[.]").

[116] *See id.* Order, Exh. A, Appendix A (Guidelines for the Grid Plan).

[117] *Id.* 13-14, ¶¶ 45-47, Exh. A, 17.9.587.8(C)(2), 17.9.587.8(E), and Appendix A.

[118] *Id.* 7, ¶ 30, Exh. A, 17.9.587.8(B)(4), Exh. A, 17.9.587.8(C)(2), 17.9.587.8(E), and Appendix A.

[119] *See, e.g.*, PRC Interconnection Rule, 17.9.568.7.D(1), F(4) [Definitions], 568.18 [Detailed Study Process], 568.28 [Reporting Requirements] NMAC; CPUC Electric Rule 21: Generating Facility Interconnections, online at https://www.cpuc.ca.gov/rule21/. *See also* FERC Order 792, Small Generator Interconnection Procedures, 18 C.F.R. Part 35 [Interconnection Feasibility Study].

3.2.3. Formal Interconnection Processes

Large loads are often required to comply with formal interconnection processes. A leading example is the formal interconnection process outlined in Electric Reliability Council of Texas' (ERCOT's) new Large Load Interconnection (LLI) protocol, which applies to aggregate peak demand of 75 MW or greater behind one or more common points of interconnection (POIs) or service delivery points, or to larger projects, to ensure that system impacts are properly studied and coordinated.[120]

3.2.4. Ramp-Up Verification and Documentation

The large load tariffs detailed above (AEP Ohio, I&M IP, and PG&E Rule 30) all incorporate ongoing ramp-up reviews, technical data submissions, and routine load performance documentation to monitor progress and ensure loads are materializing as planned. These ramp-up requirements were adopted or repurposed from large load interconnection processes, such as ERCOT's LLI process.[121]

3.2.5. Aggregate Demand Clause

To prevent load splitting and tariff avoidance, utilities establish rules based on the aggregate demand of affiliated entities, thereby capturing the actual load impact and safeguarding against regulatory circumvention.[122] Aggregation clauses are included in the AEP Ohio and I&M IP tariffs. Still, they are neither mentioned in the CPUC Decision nor included in PG&E Rule 30, which, as noted, is an interim tariff subject to further CPUC treatment.

4. Conclusion

Having surveyed the landscape of risk mitigation tools for infrastructure projects gone bad when large new customer facility loads fail to materialize or cease operating prematurely, it is readily apparent that one tool stands head and shoulders above the others, particularly if the objective is to protect, to the extent feasible, utilities and ratepayers from responsibility for stranded infrastructure assets. While mechanisms like securitization, line extension policies, transparent

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[120] *See* Kasiewicz, C. (PE) and Postma, *supra* n.10707.

[121] As part of PGRR115's Formalizing Large Load Interconnection Study, projects "must submit a step-by-step ramp-up schedule that includes milestone demands and supporting infrastructure dependencies. This ensures that new demand does not exceed grid capabilities." Electric Power Engineers (EPE) Consulting, *ERCOT's Large Load Interconnection Process: Now Approved by ERCOT's Board of Directors* (4/21/2025) (EPE Consulting), https://epeconsulting.com/epe-intelligence/news/ercots-large-load-interconnection-process-now-approved-by-ercots-board-of-directors.

[122] Energy Futures Group, *supra* n.111, at 17.

load forecasting, pre-planning, and load registration may operate to *reduce* to some quantifiable degree utility and ratepayer exposure to stranded cost liability, only the thorough, innovative large load tariffs such as the AEP Ohio, I&M IP, and PG&E Rule 30, and Dominion Virginia tariffs, as well as legislation like Oregon's HB 3546 (POWER Act), hold out the promise of ensuring jurisdictional utilities recover infrastructure investments for failed large loads and New Mexico ratepayers are fully insulated against the unjust and unreasonable shifting of stranded infrastructure costs for unsuccessful large loads onto them in a ratemaking or other (e.g., regulatory asset) proceeding.

APPENDIX

Large Load Tariff Implementation and Related Legislation or Regulation

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Federal Energy Regulatory Commission (FERC)	FERC Oct. 27, 2025, Advanced Notice of Proposed Rulemaking (ANOPR) proposing rules for interconnecting data centers and other large loads to the transmission system. The U.S. Dept. of Energy (DOE) direct the FERC, pursuant to § 403 of the DOE Act, to initiate a rulemaking to consider the DOE's ANOPR "presenting potential reforms to ensure the timely and orderly interconnection of large loads to the transmission system." The standardized large load interconnection rules include 14 "principles," including that new loads and co-located "hybrid" loads be responsible for all network upgrade costs that they cause. Also, reliability studies should be conducted when an existing power plant seeks to serve a new large load.	ANOPR pending in FERC Docket No. RM26-4-000. NARUC and other commenters opposing the proposed rule maintain that FERC has never asserted jurisdiction over end-user load interconnections and, according to NARUC, "FERC asserting jurisdiction over load interconnection is outside the boundaries imposed by the FPA [Federal Power Act]." DOE asked FERC to issue a final rule by April 30, 2026.	FERC; NARUC; Utilitydive.[123]
Alabama	SB 270, introduced in Feb. 2026, would add § 37-4-22.1 to the Alabama Code and require the APSC, when deciding whether a utility contract with a large load data center (≥ 150 MW) is in the public interest, to consider whether the contract recovers incremental costs attributable to the data center and produces positive benefits for other customers.	Pending in Alabama Senate.	Alabama Legislature; LegiScan.[124]

[123] https://www.ferc.gov/rm26-4; NARUC Initial Comments, Docket No. RM26-4-000 (11/21/2025), at 3; Howland, Ethan, *DOE large load interconnection proposal sparks federal-state jurisdiction concerns* (11/24/2025), online at https://www.utilitydive.com/news/doe-large-load-interconnection-ferc-naruc/806278/.

[124] SB 270 information online at: https://alison.legislature.state.al.us/files/pdf/SearchableInstruments/2026RS/SB270-int.pdf and at https://legiscan.com/AL/bill/SB270/2026.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Alaska	HB 259 would require a utility serving a "large energy use facility" (≥ 20 MW of peak demand or 20% of utility's prior year electricity sales) to enter an RCA-approved 12-year contract, with an optional ramp-up period of up to 5 additional years. After the ramp-up period, the facility would have to pay at least 80% of contracted amount annually. HB 259 also provides for exit fees backed by collateral, direct assignment of infrastructure and variable costs to the large facility, and rates that fully compensate the utility without shifting costs to other customers.	Pending in Alaska House; referred to House Energy Committee.	Alaska Legislature; LegiScan.[125]
Arizona	Arizona Corporation Commission (ACC) reviewing data center tariffs and ratepayer protections analogous to those adopted in Oregon HB 3546; AZ HB 2756, introduced on Jan. 20, 2026, would require quarterly reporting on new extra high load factor customers, inclusion of those customers in utility load-growth projections and integrated resource planning, and cost-of-service studies showing the cost allocation of serving new extra high load factor customers. Separately, the AZ Senate rejected a floor amendment to SB 1419 (solar energy device regulation)	ACC Docket E-00000A-25-0069; workshops. HB 2756 passed AZ House on Feb. 23, 2026, and is now pending in Senate Natural Resources Committee. TEP Docket No. E-01933A-25-0817, ACC Decision No. 81587 (12/03/2025). APS's rate case is pending with evidentiary hearings scheduled for May 18-June 30, 2026, in Docket No. E-01345A-25-0105.	ACC, LegiScan, ACC eDocket portal.[126]

125 HB 259 information online at: https://www.akleg.gov/basis/Bill/Detail/34?Root=HB259 and at https://legiscan.com/AK/bill/HB259/2025.

126 ACC Press Release, *ACC Addresses Data Center Development; Ensure Customers are Financially Protected* (4/10/2025), online at https://www.azcc.gov/news/home/2025/04/10/acc-addresses-data-center-development--ensure-customers-are-financially-protected; HB 2756 information online at https://legiscan.com/AZ/bill/HB2756/2026; https://citizenportal.ai/articles/7591503/arizona/2026-legislature-arizona/senate-rejects-amendment-forcing-data-centers-to-pay-grid-costs-advances-solarinspection-bill; ACC Decision No. 81587 (TEP), online at: https://docket.images.azcc.gov/0000215738.pdf?i=1773292783747; ACC Rate Case, Docket No. E-01345A-25-0105, online at https://edocket.azcc.gov/search/docket-search/item-detail/29551.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Arizona (cont.)	that would have required large load customers to bear the costs of additional generation, transmission, and other grid updates associated with their loads so that residential ratepayers would not experience higher utility bills. In December 2025, the ACC approved a Tucson Electric Power (TEP) special contract (ESA) with Humphrey's Peak Power LLC for a proposed data center campus in Pima County. The ESA includes a 10-year term, monthly billing requirements, an 18-month load ramp, and provisions making the developer responsible for new infrastructure serving only that data center campus. Additionally, Arizona Public Service Company (APS) is advocating for tightening its existing data center rate treatment through its pending rate case.		
California	PG&E Rule 30 (≥50kV): load forecast, readiness/site proof, prepayment, contract minimums, exit penalty, etc. SB 57 (the Ratepayer and Technological Innovation Protection Act) takes an incremental regulatory approach by requiring the CPUC to investigate, among other things, whether the costs of grid infrastructure to serve large data centers are being shifted to residential and small business customers and requires the CPUC	CPUC interim order on Rule 30 (PG&E Application 24-11-007). ALJ set a schedule to determine remaining issues on Jan. 9, 2026. SB 57 passed both chambers of the CA Legislature as of Sept. 2025. Governor Gavin Newsom signed SB 57 into law on Oct. 11, 2025. It was chaptered by the Secretary of State as Chapter 647, Statutes 2025.	*See supra* Sec. 3.1.1; LegiScan; Morgan Lewis[127]

[127] *See* online at https://legiscan.com/CA/bill/SB57/2025; Liverant, Marc and Melby, Barbara Murphy, , *California Takes a 'Study First' Approach to Data Center Regulation*, Morgan Lewis Blog Post (01/0/2026), online at https://www.morganlewis.com/blogs/datacenterbytes/2026/01/california-takes-a-study-first-approach-to-data-center-regulation.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
California (cont.)	to provide its findings to the Legislature and the public by January 1, 2027. Earlier versions of SB 57 included more prescriptive outcomes, such as ratepayer protections and cost-allocation mechanisms, but those provisions were removed from the stripped down, "study first" SB 57 before the bill's enactment.		
Colorado	No state-level tariff; PUC/legislature studies grid modernization and industrial rates for load growth; planning studies ongoing. *See* HB 26-1081 (Concerning Measures to Optimize Colorado's Electric Transmission System, the "Colorado Grid Optimization Act") and SB 102 (concerning measures to ensure accountability for large load Data Centers. SB 26-102 creates requirements for new data centers (peak load > 30 MW or multiple new data centers with a collective peak load > 60 MW) and an existing data center that adds a peak load > 30 MW or multiple existing data centers that add a collective peak load > 60 MW. In sum, SB 26-102 would regulate large load data centers through energy-supply, contract (up-front payment or 15-year contract requiring, among other things, payment of certain infrastructure and resource costs), reliability, water, air, siting, and community-impact requirements	HB 26-1081, introduced on Feb. 2, 2026, as amended, passed the House on Mar. 6, 2026 (Y: 42, N: 20). SB 26-102, introduced on Feb. 11, 2026, is pending in the Senate Transportation and Energy Committee. In Proceeding No. 24A-00442E, the PUC granted applications for rehearing for the "sole purpose of tolling the statutory time limit" to allow further review of the Phase I decision. The FERC rejected Tri-State's HIL tariff in an Order issued on Oct. 27, 2025, in Docket No. ER25-3316.	*See supra* Sections 3.1.1 *and* 3.1.2. Colorado Politics; Tri-State; LegiScan.[128]

[128] Tri-State Press Release, *Collaborative work results in FERC filing of Tri-State's High Impact Load Tariff Agreement* (8/29/2025), online at https://tristate.coop/collaborative-work-results-ferc-filing-tri-states-high-impact-load-tariff-and-agreement Colorado Politics, *Tri-State electric co-op seeks FERC approval for new heavy-load regulations* (9/22/2025), online at: https://www.coloradopolitics.com/2025/09/05/tri-state-electric-co-op-seeks-ferc-approval-for-new-heavy-load-regulations.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Colorado (cont.)	rather than just through utility ratemaking before the PUC. The bill would also bar utilities from offering economic development rates to large load data centers. Instead, utilities would be required to develop and offer demand-response programs or flexible connection tariffs for customers that are operators. Utilities would be required to file Annual reports with the PUC describing their compliance efforts. In Decision No. C25-0747 in Proceeding No. 24A-0442E, the PUC adopted guiding principles for service to large load customers and directed Xcel to file a dedicated large load tariff proposal, the details of which are described in Section 3.1.1 *supra*. Tri-State G&T Association filed a proposed high impact load tariff and agreement (HIL) with the FERC on Aug. 28, 2025, to manage high energy demands of large new power users like data centers, with the goal of protecting its 42 member cooperatives and their ratepayers.		
Florida	SB 484 establishes a comprehensive framework for large-scale data centers and requires PSC action on large load tariffs. It covered large load threshold at 50 MW monthly peak load for large load customers under the PSC tariff provisions.	SB 484 passed in the Florida Senate on Feb. 26, 2026 (Y:37 N: 0 ABS: 2) and passed the House, as amended, on Mar. 11, 2026 (Y:92 N: 16 NV: 9).	LegiScan; Central Florida Public Media; PSC online dockets portal.[129]

[129] SB 484 online at https://legiscan.com/FL/bill/S0484/2026; Saunders, Jim, *Bill to Regulation AI data centers advances in Florida Senate*, Central Florida Public Media (01/20/2026), online at: https://www.cfpublic.org/politics/2026-01-20/bill-to-regulate-ai-data-centers-advances-in-florida-senate; PSC Final Order in 20250011-El online at: https://www.floridapsc.com/pscfiles/library/filings/2026/00561-2026/00561-2026.pdf; Duke Energy Docket No. 20250113-El online at: https://www.psc.state.fl.us/clerks-office-dockets-level2?docketNo=20250113.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Florida (cont.)	Non-rate issues covered in SB 484 include public disclosure of proposed data-center plans, water-permitting standards, local siting limits, and restrictions on shifting hyperscale data-center capital costs onto residential or commercial customers. The PSC approved Florida Power & Light's (FPL) Large Load Contract Service Tariffs LLCS-1, LLCS-2, and LLSC Service Agreement Tariffs as part of the Stipulation and Settlement Agreement in FPL's 2025 Rate Case. The settlement created two large load tariff structures for data-center-type customers, and public reporting says one is tailored to the Treasure Coast area where FPL has major transmission infrastructure. The tariffs include a take-or-pay demand charge set at 80% of the otherwise applicable demand charge, a negotiated compromise aimed at protecting other customers from speculative hyperscale-load buildout risk. Duke Energy Florida also has a separate large load tariff case pending before the PSC.	FPL Docket No. 20250011-EI, Final Order Approving 2025 Stipulation and Settlement Agreement, Order No. PSC-2026-0022-S-EI (01/22/2026). Duke Energy Docket No. 20250113-EI, captioned *Petition for a limited proceeding to approve large load tariff*, is pending before the PSC. The matter is pending with discovery running into Mar. 20, 2026.	
Georgia	Georgia PSC adopted a large load rule (Jan 2025): min charge, 10–15 yr contract, exit fee/penalties, grid cost assignment for data centers. GA SB 34 aimed at protecting residential and small business customers from bearing the cost of electric service for large data centers, was introduced and passed favorably out of the Senate Regulated Industries Committee	GA PSC large load rule adopted in Jan. 2025. SB 34 died in Senate. Substitute SB 410 passed in the Senate on March 6, 2025 (Y:32 N: 21 NV: 1 Abs: 1) and is currently pending in the House Ways and Means Committee.	RMI, *supra* n.2, at 36; Gibson Dunn, *supra* n.11, LegiScan, Westlaw.[130]

[130] *See* SB 34 information online at https://legiscan.com/GA/bill/SB34/2025; SB 476 information online at https://legiscan.com/GA/bill/SB476/2025;Order Approving Revisions to Georgia Power Company's Rules and Regulations, Ga.P.S.C. No. 44280, 2025 WL 388303 (2025).

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Georgia (cont.)	in Feb. 2025, but did not advance further, dying in the GA Senate. GA SB 410 repeals sales tax exemptions for data centers and requires that any new utility contracts with large loads include indemnification and security to protect residents from potential rate hikes caused by infrastructure overbuild or default. No new exemption certificates for data centers may be issued after the act's effective date. Projects that already received exemptions may continue using them under the prior rules. The bill also expresses legislative intent that data centers, not other Georgia Power customers, should pay the costs to generate and transmit the electricity they need. GA SB 476, the Income Tax Reduction Act of 2026, would fund a reduction of the income tax by eliminating all tax credits, including the credit for data centers. Additionally, the Georgia PSC entered an order in January 2025, that allows Georgia Power to charge new Large Load Customers using more than 100 MWs of energy in a manner that will protect ratepayers from cost shifting. New large load customers may be billed using terms and conditions beyond those used for standard customers to address risks associated with these large load users, such as costs incurred by upstream generation, transmission, and distribution. The order also states that any new Georgia Power contract with a company that fits the 100 MW	SB 476 passed the Senate on Feb. 12, 2026 (Y: 32 N: 18 NV: 1 Abs: 3). The bill is currently pending in the House Ways and Means Committee. Order Approving Revisions to Georgia Power Company's Rules and Regulations, Ga.P.S.C. No. 44280.	

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Georgia (cont.)	usage category must be submitted to the PSC for review.		
Indiana	I&M IP, as modified: 12-yr contract min., 5-yr ramp, exit fee, 90% bill minimum, credit/collateral requirements, etc. IN HB 1333 would require data centers to send portions of sales taxes to local governments. As amended, the bill would require data center companies to provide at least 1% of their sales tax abatements to local governments; i.e., 1% of the amount of taxes not paid on each purchase of qualified date center equipment.	IURC Cause No. 60097, approved. HB 1333, introduced on Jan. 6, 2025, passed the Indiana House on Feb. 2, 2025 (Y: 56 N: 43 NV: 1) and had its first reading in the Senate Utilities Committee on Feb. 5, 2026.	*See supra* Section 3.1.1. Indiana Business Journal (IBJ); LegiScan[131]
Kentucky	The Kentucky PSC approved on Feb. 16, 2026, for LG&E and KU a new large load rate, named Extremely High Load Factor (EHLF) service. EHLF applies to energy-intensive customers like data centers signing 15-year service contracts; EHLF customers must pay for at least 80% of the power they reserve (take-or-pay); they must provide deposits equal to between 12 and 24 months of service; and must pay the full cost for infrastructure needed to serve their site.	KY PSC final orders in Kentucky Utilities Company Case No. 2025-00113 (02/16/2026) and Louisville Gas & Electric Co. Case No. 2025-00114 (02/16/2026).	KY PSC; LG&E and KU.[132]
Maryland	SB 596/HB 940 would require large load customers (≥ 25 MW and load factor > 80%) to participate in demand response programs and provide a plan for supplying at least 25% of their own capacity through on-site or dedicated carbon-free generation. The legislation also requires the PSC to establish an	The cross-filed bills are pending in the Maryland General Assembly.	*See supra* Section 3, n. 7 for additional background information.

[131] Mazurek, Marek, *Bill would give local governments slice of data center's tax break*, IBJ (02/13/2026), online at https://www.ibj.com/articles/bill-would-give-local-governments-slice-of-data-centers-tax-break; HB 1333 text and progression online at https://legiscan.com/IN/drafts/HB1333/2026.

[132] Information regarding Case Nos. 2025-00113 and 2025-00114) online at: https://psc.ky.gov/Case/ViewCaseFilings and https://lge-ku.com/raterequest.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Maryland (cont.)	interconnection process for large load customers; and requires large load customers to submit a request for a load study to determine the necessary contract capacity for the customer.		
Michigan	In Nov. 2026, the MPSC approved Consumers Energy tariff changes for data centers and other very large customers. The approved Consumers provisions apply to customers with a minimum service threshold of 100 MW, or aggregated loads of 100 MW with individual sites of at least 20 MW under common ownership. Key protections include a 15-year minimum contract term, an 80% minimum monthly demand / payment obligation, a load-ramp period of up to five years, a one-time capacity reduction of no more than 10% with four years' notice, and utility authority to suspend service if demand exceeds contracted capacity. The order also requires Consumers to file ex parte applications before each large load customer takes service to show that costs caused by that customer are not being paid by other customers. On Dec. 18, 2025, the MPSC approved DTE Electric energy contracts for a major data center project but did so with conditions intended to strengthen protections for other customers. In that same order, the Commission directed DTE to file, within 90 days, an application for approval of a generally applicable large load customer tariff that	Consumers Energy Case No. U-21859, MPSC Order (11/06/2025). DTE Case No. U-21990, MPSC Order (12/18/2025).	MPSC eDockets portal.[133]

[133] MPSC eDockets Portal, online at: https://mi-psc.my.site.com/s/filing/a00cs00001C0rBNAAZ/u218590221 (U-21859) and at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001Nipc9AAB (U-21990).

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Michigan (cont.)	aligns with the findings in the November 6 order Consumers Energy Case No. U-21859. The DTE tariff filing was due Mar. 18, 2026.		
Minnesota	Similar to Oregon's HB 3546, the MN Legislature's HF 16 requires, among other things, the MN PUC to establish a "very large customer class" or subclass for each public utility providing service in MN and to establish, modify, or reject tariffs or service agreements with very large customers that require data centers to pay their full cost of service, specifies that ratepayers must not bear the risk of paying for stranded assets built to service data centers, and electricity provided to serve data centers must achieve MN's renewable and carbon-free standards. Xcel Energy is seeking approval to establish a tariff for "very large customers or large data center loads in PUC Docket No. 25-289. Key provisions include risk mitigation terms such as a minimum contract length, exit fees, a load ramp period limited to five years, and direct assignment of transmission interconnection costs to the large load customer.	On 6/14/2025, Governor Tim Walz signed into law HF 16 which the MN Legislature passed in its special session on 6/09/2025 (Y:85, N: 43). Xcel's filing in Docket No. 25-289 was made in July 2025. The PUC stated in a Feb. 18, 2026, publication that it is currently taking comments on Xcel's filing, "with a decision likely in late spring."	Citizens Utility Board (CUB); LegiScan; MN Office of the Revisor Statutes; PUC.[134]
Missouri	SB 4 requires large utilities to develop tariffs for customers requesting over 100 MW. SB 4 prevents costs of meeting high energy demand customers (data	The Missouri 103rd General Assembly passed SB 4 on Mar. 13, 2025, and signed into law by Governor Mike Kehoe on Apr. 9, 2025.	SB 4 as enacted;[135] Missouri Times, St. Louis npr; MO PSC

[134] Levenson-Falk, A., CUB spearheads nation-leading legislation to protect ratepayers from the costs to serve data centers, CUB (7/09/2025), at https://cubminnesota.org/cub-spearheads-nation-leading-legislation-protect-ratepayers-costs-serve-data-centers; LegiScan regarding HF 16 online at https://legiscan.com/MN/text/HF16/2025 X1; Text of H.F. 16 also online at https://www.revisor.mn.gov/laws/2025/1/Session+Law/Chapter/12/; PUC Update to House Energy Finance and Policy Committee slide deck, p. 23 (02/19/2026), online at: https://www.house.mn.gov/comm/docs/7PQfTQiFcECHZnaU8VEUSw.pdf.

[135] Text of SB 4 online at https://www.senate.mo.gov/25info/pdf-bill/tat/SB4.pdf.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Missouri (cont.)	centers) being passed on to ratepayers and requires utilities like Ameren Missouri and Evergy Missouri to create special tariff terms for these large load customers through regulatory large load customer tariff proceedings before Missouri PSC. The PSC approved Ameren Missouri's Large Load Rate Plan in Nov. 2025. The Ameren plan applies to large load customers that reasonably forecast ≥ 75 MW of monthly peak demand during the contract term. Key provisions include a 12-year minimum term, an optional 5-year load ramp for a possible 17-year total commitment, collateral equal to two years of minimum monthly bills, automatic 5-year extensions absent 36 months' written notice, and both exit fees and early termination fees. The Ameren order also requires full recovery of costs incurred to serve large load customers and returns a portion of excess revenues for the benefit of all customers, with revenues above a fixed percentage dedicated to low-income customers. The tariff additionally gives large load customers the option to participate in added generation and capacity programs, including nuclear and clean energy programs. The PSC also approved Evergy Metro/Evergy Missouri West's	Ameren Missouri Case No. ET-2025-0814, Order Regarding Ameren Missouri's Request for Approval of a Large Load Rate Plan as Associated Variance (11/24/25). Evergy Missouri Case No. EO-2025-0156, PSC Report and Order (11/13/2025).	online docket portal.[136] Energy Futures Group, *supra* n.111, pp. 4, 11, 13, 14, Appendix A, p. 1.

[136] Kroesen, J., *Energy Used by Data Centers Won't be Subsidized by Ratepayers in Missouri* (9/12/2025), online at https://themissouritimes.com/missouri-continues-to-finalize-data-center-laws/; Grumke, K., How Ameren hopes to attract huge data centers and protect customers in Missouri, at https://www.stlpr.org/health-science-environment/2025-08-25/ameren-missouri-huge-data-centers-protect-customers (8/25/2025); Ameren Order online at: https://efis.psc.mo.gov/Document/Display/858399; Evergy PSC Order online at: https://efis.psc.mo.gov/Document/Display/857331.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Missouri (cont.)	Large Load Power Service Plan in Nov. 2025. The Evergy approval likewise covers customers with ≥75 MW peak demand and was described by the PSC as including customer protections so that current ratepayers do not bear an unfair share of large load-related costs.		
New Mexico	The self-sourced power generation section of House Bill 93 (HB 93), the Advanced Grid Technology Act. The act was signed into law on April 8, 2025. Section 6 of HB 93, which added a new chapter to 62 NMSA 1978, is entitled "Self-Sourced Power Generation." That new chapter, Section 6 of HB 93, is codified at the end of, but not made part of, the Efficient Use of Energy Act (EUEA), at NMSA 1978, § 62-17-12 (2025). The Self-Sourced Power Generation statute provides that a utility-scale microgrid[137] or "qualified microgrid" (QM), as defined in the statute, may be deployed in three distinct transactional configurations or scenarios — (i) where the owner/operator of a large load project like a data center campus receives electricity service using a QM that may also deliver	SB 39 and SB 235 failed in the 57th Legislature, second session (2026.) HB 311 (VPPs) also failed in the 2026 legislative session. The PRC is currently managing data center and industrial load through utility applications.	LegiScan; PRCe360; PRC Notice; Santa Fe New Mexican.[138]

[137] The U.S. Department of Energy (DOE) describes a microgrid as a group of interconnected loads and distributed energy resources within defined electrical boundaries that acts as a single controllable entity, and its examples of generation include solar arrays, wind turbines, and diesel or natural-gas generators. That means the term "microgrid" is fuel-neutral at the technical level. Microgrid Overview, Grid Deployment Office, DOE (Jan. 2024), at https://www.energy.gov/sites/default/files/2024-01/.

[138] SB 39 information online at https://legiscan.com/NM/bill/SB39/2026; SB 235 information online at https://legiscan.com/NM/bill/SB235/2026; HB 311 information online at https://legiscan.com/NM/bill/HB311/2026; Information regarding the bulleted dockets online at: https://e360.prc.nm.gov/portal/public/#/public/nm-prc/en/home; Notice of Sept. 2, 2025 Special Open Meeting Information Workshop and Agenda online at https://www.prc.nm.gov/wp-content/uploads/2025/08/September-2-2025-Agenda-Special-Open-Meeting.pdf; Raúl Torrez, *New Mexicans shouldn't subsidize Big Tech's power needs*, Santa Fe New Mexican (Nov. 22, 2025), online at: https://www.santafenewmexican.com/opinion/my_view/new-mexicans-shouldnt-subsidize-big-techs-power-needs/article_1a5edafa-3d0e-4d82-bca5-85b2dbcda9f4.html.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
New Mexico (cont.)	electricity to the grid; (ii) where a public utility acquires self-source generation resources or energy generated from such resources and dedicates those resources or energy to retail services; or (iii) where the owner/operator of the QM producing electricity dedicated to serving a large load project does not sell any self-source generation to a utility, does not resell QM generation, or does not otherwise allow it to be used by others. In the 2026 session of the NM Legislature, SB 39 and substitute bill SB 235, both entitled the Microgrid Oversight Act, would have, among other things, provided the PRC regulatory jurisdiction over microgrids. HB 311 would direct the PRC to adopt rules for Virtual Power Plants (VPP), with the goal of creating a framework where large loads (like data centers) can be interrupted or provide grid flexibility to lower costs for all users. On September 2, 2025, the PRC held an informational workshop that specifically included "Electricity Rate Designs for Large Loads: Evolving Practices and Opportunities." In late 2025, New Mexico Attorney General (AG) Raúl Torrez publicly called for the PRC to create a specific "Data Center Rate Class." The AG's proposal asserts that large energy consumers should pay the full cost of grid upgrades rather than shifting those costs to residential ratepayers.		

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
New York	The New York Sustainable Data Centers Act (A9086/S6394) includes provisions for a gradual transition to 100% renewable energy for data centers by 2040. The bill also mandates the NYPSC create a data center surcharge sufficient to ensure surcharge will cover any rate increases resulting from T&D system upgrades required for regulated data centers to interconnect to the grid, along with increases in energy supply costs resulting from data center operations. Bills also include data center disclosure reports to NYPSC specifying numerous detailed requirements, including forecasting (or projections), etc. NY A10141/S9144 (moratorium), introduced in the NY General Assembly in early Feb. 2026, would halt data center construction for up to 3 years while state agencies adopt rules to minimize impact on utility rates. New York Municipal Power Agency requires costs associated with purchased power adjustments and rate statements to be allocated to the large load customer.	NY S6394, introduced 3/13/2025, is pending in Senate Energy and Telecommunications Committee. NY A9086, introduced 9/12/2025, was referred most recently to the Assembly Energy Committee. NY A10141/S9144 (same or similar) are pending, in the Assembly and Senate Environmental Conservation Committees.	Energy Futures Group, *supra* n.111. LegiScan.[139]
North Carolina	In April 2025, the NC legislature introduced HB 1002, the Rate	HB 1002 referred House Rules, Calendar, and	LegiScan; NCUC; Utilitydive.[140]

[139] *See* online at https://legiscan.com/NY/bill/S06394/2025 and https://legiscan.com/NY/bill/A09086/2025; https://legiscan.com/NY/bill/A10141/2025 and https://legiscan.com/NY/bill/S09144/2025.

[140] *See* online at https://legiscan.com/NC/bill/H1002/2025/ (text of HB 1002 online at this LegiScan link); *In the Matter of Large Electric Load Additions*, Docket No. E-100, SUB 208, NCUC Order Initiation Proceeding and Requesting Comments (6/06/2025), online at: https://starw1.ncuc.gov/NCUC/ViewFile.aspx?Id=e11bad51-1ebd-4237-acf7-358c292be069; Martucci, B., 'Growing reliability concerns' top North Carolina regulator's large load conference, Utilitydive (7/07/2025), online at https://www.utilitydive.com/news/growing-reliability-concerns-top-north-

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
North Carolina (cont.)	Payer Protection Act, which prohibits NC's regulated utilities from recovering the costs of providing power to commercial data centers from the utilities' other retail ratepayers. A "commercial data center" is defined as having a peak demand of 100 MW or greater. The statutory language prohibiting utilities from permitting the shifting of costs of commercial data centers to other customer classes is relatively broad and includes any costs that "may be reasonably attributed to, either in whole or in part, the electric demand of commercial data centers. The NCUC initiated a proceeding in June 2025 asking utilities to consider tariffs for high-load customers due to growing concerns about data center power demand and grid reliability. Pursuant to Executive Order 23, Governor Josh Stein created the Energy Policy Task Force to "develop recommendations for how to manage increasing electricity demand while maintaining adequate reliable, affordable, and clean electricity for North Carolina."	Operations of the House Committee. NCUC proceeding pending in Docket No. E-100, SUB 208 (technical conference held Oct. 14, 2025). Governor Stein's Energy Policy Task Force interim report, released in February 2026, recommends development of a new tariff for the largest users of electricity, including data centers, specifically to help insulate other ratepayers from infrastructure costs associated with those loads. The report also recommends exploring reforms to large load interconnection processes, options to encourage load flexibility, and evaluation of the state's sales-tax exemptions for data centers.	
Ohio	AEP Ohio tariff: ≥12 yr contract, ramp/readiness/site/collateral, 85-90% min billing, exit fee, grid study, PJM inclusion, etc.	Approved by PUC in Case No. 24-508-EL-ATA, Opinion and Order on 7/09/2025. AEP Ohio filed a formal update in Feb. 2026 stating the tariff is "working."	*See supra* Section 3.1.1.

carolina-regulators-large-load-co/752307/; NC Energy Policy Task Force Interim Report on line at: https://governor.nc.gov/documents/files/nc-energy-policy-task-force-2026-report/open.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Oklahoma	SB 1488 would place a moratorium on data centers over ≥ 100 MW until Nov. 1, 2029. HB 4424 would end tax incentives for data centers not in operation by Jan. 1, 2027.	SB 1488, introduced on Feb. 2, 2026, is pending in Senate Rules Committee. HB 4424, also introduced on Feb. 2, 2026, is pending in the House Appropriations and Budget Committee.	LegiScan[141]
Oregon	HB 3546 (2025): ≥10 yr contract, min. billing tied to forecast; readiness/site/collateral; exit fee; tariff class set. PacifiCorp filed Advice No. (AN) 25-015/Docket No. UE 463 with the PUC on Oct. 2, 2025. Advice Notice No. 25-015 proposes approval of Schedule 401 – Service to New Large Energy Use Facilities to implement HB 3546.	Signed into law 8/25/2025 as the POWER Act. The POWER Act took effect June 16, 2025. The PacifiCorp Schedule 401 proceeding has been assigned to an Administrative Law Judge and appears at present to be in the discovery phase.	*See supra* Section 3.1.1 for information regarding HB 3546 and PUC implementation efforts, i.e., PacifiCorp Schedule 401 in AN 25-015/Docket No. ADV 1790.
Pennsylvania	The PUC held an *en banc* hearing in Docket M-2025-3054271 on 4/24/2025 seeking information from industry leaders and interested parties regarding interconnection and tariffs for large load customers in PA. PAPUC's apparent aim is to develop a model tariff for large load customers. Issues being addressed include PUC stakeholder design: contract/ramp/readiness, cost allocation/min billing required.	Document search indicates proceeding in M-2025-3054271 is active and ongoing. The Load Forecast Accountability Act (Act), introduced at HB 1924 on Oct. 6, 2025, but tabled in the House on Oct. 29, 2025, was folding into HB 416, the 2025-2026 fiscal code/budget implementation bill. As	PA PUC; PA State Senate; LegiScan; Senate Legislative Journal.[142] [143]

[141] *See* online at https://legiscan.com/OK/bill/SB1488/2026 and https://legiscan.com/OK/bill/HB4424/2026.

[142] *See* PUC *en banc* hearing information online at https://www.puc.pa.gov/filing-resources/issues-laws-regulations/en-banc-hearing-on-interconnection-and-tariffs-for-large-load-customers/; LegiScan regarding HB 416 online at https://legiscan.com/PA/bill/HB416/2025; Senate Legislative Journal (11/12/2025) regarding enactment of HB 416 online at: https://www.palegis.us/senate/session/journals?sessYr=2025&sessInd=0&pdfName=Sj20251112.pdf; at POWER Act information online at: https://www.palegis.us/senate/co-sponsorship/memo?memoID=47154; LegiScan regarding HB 1834 online at: https://legiscan.com/PA/bill/HB1834/2025.

[143] *See* at https://www.palegis.us/senate/co-sponsorship/memo?memoID=47154.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Pennsylvania (cont.)	The Load Forecast Accountability Act focuses on speculative data-center-driven load growth and gives the PUC new authority over utility load forecasts submitted to PJM, rather than itself creating a finished statewide retail large load tariff. Specifically, the law (i) gives the PUC review and validation authority over utility load forecasts before those forecasts are submitted to PJM; (ii) lets the PUC coordinate with PJM and other state regulators to prevent the same large load project from being counted multiple times across service territories; (iii) gives the PUC access to confidential utility-customer agreements so the Commission can verify that projected load growth is backed by real commitments rather than preliminary discussions; and (iv) also requires annual reporting on load-forecasting methodology. Additionally, on July 25, 2025, State Senator Katie Muth of Senate District 44 announced she will soon introduce legislation to prevent Pennsylvania residents and small businesses from subsidizing energy costs driven by large data center operations. Muth states the proposal is modeled on Oregon's recently enacted POWER Act (HB 3546). The legislation was introduced in the General Assembly as HB 1834.	part of HB 416, the Act was signed into law by Lieutenant Governor Austin Davis on Nov. 12, 2025. HB 1834 was tabled in the House on Feb. 2, 2026, and subsequently removed on Feb. 4, 2026, for reconsideration.	
South Carolina	SC SB 867, the Data Center Development Act, would establish new and comprehensive data center regulations. SB 867 establishes a dedicated Data Center Development Office within the newly formed Department of Environmental Services (DES). This office acts as a "single point of	SB 867, introduced on Jan. 29, 2026, is pending in the Senate Committee on Agricultural and Natural Resources where discussion has included, among other things, strengthening certain elements such as collateral tiers to match the	LegiScan; Report by the Energy Systems Integration Group's Large Loads Task Force (ESIG)report; Briefing by South Carolina Policy Council (SCPC); SC

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
South Carolina (cont.)	contact" for developers but also serves as the state's primary regulator for siting. Permitting authority would be shifted from local counties to the state level to ensure projects don't overwhelm the regional power grid. Every permit application must include a mandatory plan for how the facility will be safely retired or repurposed at the end of its life, preventing "zombie" server farms. The bill also sets forth a tiered large load framework: Tier 1: Up to 10 MW (minor regulatory oversight); Tier 2: 11 to 50 MW (requires full siting review); Tier 3: Over 50 MW (mandates comprehensive environmental and grid-impact analysis); Tier 4 (proposed amendment) would address "Super Load" tier facilities over 100 MW, which would require the highest level of financial collateral. The bill also features financial and ratepayer protections, including (i) a take-or-pay minimum contract obligation; (ii) financial assurances specifying Developers must provide collateral (letters of credit or bonds) to cover the cost of dedicated transmission and generation infrastructure. If the data center closes early, the utility uses this collateral to prevent "stranded" cost; and (iii) regarding on-site generation (e.g.,	strictness of the AEP Ohio and Dominion Virginia GS-5 tariffs regarding, for instance, contract length (10-15 years), take or pay (≈ 80 to 85% of contracted capacity), exit fees (full recovery of stranded assets). SB 784, introduced on Jan. 13, 2026, is pending in the Senate Judiciary Committee. SB 902, introduced on Feb. 10, 2026, and referred to the Senate Judiciary Committee.	Legislature video archives.[144]

[144] SB 867 information online at https://legiscan.com/SC/bill/S0867/2025; SB 784 information online at https://legiscan.com/SC/bill/S0784/2025; SB 902 information online at https://legiscan.com/SC/bill/S0902/2025. Foundational texts cited in testimony before the Mar. 10, 2026 hearing on SB 867 before the SC Senate Subcommittee on Agric. and Nat. Res. that address the AEP Ohio and Dominion VA tariffs included the Report by the ESIG Report, *Forecasting Large Loads . . . Current Practice and Recommendations* (Dec. 2025), online at https://www.esig.energy/wp-content/uploads/2025/12/ESIG-Large-Loads-Forecasting-report-2025.pdf and the SCPC Briefing by Neil Wolin, *A trio of data center bills in the Senate* (02/13/2026); Video of the Mar. 10th hearing on SB 867 in the Senate Subcommittee on Agric. and Nat. Res. online at: https://www.scstatehouse.gov/video/archives.php.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
South Carolina (cont.)	microgrids) explicitly allows —and encourages — data centers to build their own on-site power generation to reduce reliance on the public grid. Operational and environmental standards in the bill include (i) water efficiency measures such as requiring reports on water usage and mandating "closed loop" cooling technologies for the largest facilities; (ii) acoustic/visual standards setting state-level limits on noise, vibration, and light pollution, which have been primary points of contention in South Carolina's rural communities and in other states; and (iii) establishing brownfield incentives in offering a 25% income tax credit for data centers that build on "brownfield" sites (reclaimed industrial land) to encourage redevelopment over "greenfield" (forest/farm) expansion. SB 784 addresses commercial data center contracts (15-year contracts for commercial data centers over 100 MW that require unrecovered costs to be paid upon termination), incentives (eliminating the current incentive structure for data center equipment and electricity purchases and replacing them with targeted brownfield incentives), and eminent domain (new plant and transmission line construction may result in the use of eminent domain to service the energy infrastructure cost demands). SB 902 resembles SB 867, except for changing significant components, such as granting the PSC jurisdiction over the		

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
South Carolina (cont.)	permitting process, watering down ratepayer protections and superseding much of what SB 867 purports to achieve.		
South Dakota	SB 232, introduced on Feb. 4, 2026, proposed a one-year moratorium on the expansion or new construction of "hyperscale" (peak demand ≥ 50 MW) data centers.	SB 232, as amended, would not have applied to hyperscale data centers that obtained all final government approvals and permits and executed all interconnection agreements before July 1, 2026. However, as amended, SB 232 failed to pass the SD Senate State Affairs Committee (Y: 3, N: 5) and was tabled on Feb. 18, 2026 (Y: 5, N: 3) and thus failed.	LegiScan[145]
Texas	SB 6 implementation (ERCOT, 2025) applies to projects with peak demand up-front transmission study fees and load forecast disclosure, disconnect, cost recovery, reliability requirements proof of site control for proposed load location; ERCOT Large Load Interconnection Protocols (LLIP) (for NPRR1234/PGRR115 load forecast details and readiness documents, screening fees,	SB 6 signed into law and effective as of 6/20/2025. LLIP approved by ERCOT Board of Directors 4/08/2025. PUCT rulemakings: All projects, except for 58480, remain pending. Project 54480 (large load forecasting criteria) was	SB 6: LegiScan, Bracewell, Balch & Bingham; LLIP: EPE Consulting, n.1211 *supra*; PUCT Interchange Filing searches; SWEPCo; [146]

[145] SB 232 information online at https://legiscan.com/SD/bill/SB232/2026.

[146] SB 6 information online at https://legiscan.com/TX/bill/SB6/2025; Berg, W.J. and Clark, B.L., Texas Senate Bill 6 Ushers in Major Overhaul of Large Load Interconnection and Grid Access Rules, Bracewell (7/09/2025), https://www.bracewell.com/resources/texas-senate-bill-6-ushers-in-major-overhaul-of-large-load-interconnection-and-grid-access-rules/; Kirby, C. and Muzondo, F., *Texas SB 6 Overhauls Rules for Large Energy Loads in ERCOT*, Balch & Bingham, LLP (6/25/2025), online at: https://www.balch.com/insights/publications/2025/06/texas-sb-6-overhauls-rules-for-large; PUCT rulemakings and adjudicatory docket information online at https://interchange.puc.texas.gov/; additional SWEPCO rate case information online at: https://www.swepco.com/company/about/rates/tx#:~:text=October%203%2C%202025%2C%20SWEPCO%20filed,or%20greater%20than%2075%20megawatts; ERCOT Project No. 59142 information online at https://www.ercot.com/calendar/03102026-Batch-Study-Process-for (includes slide deck presented at March 10, 2026 workshop and market comments in ZIP file); Walton, Robert,, *ERCOT's large load queue jumped almost 300% last year,* Utilitydive (01/06/2025), online at: https://www.utilitydive.com/news/ercots-large-load-queue-jumped-almost-300-last-year-official/808820/.

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Texas (cont.)	documentation of site control and permitted status, and demonstrate project readiness before transmission upgrades proceed.) PUCT rulemakings initiated: Projects 58479 (net metering/co-location); 58480 (large load forecasting); 58481 (interconnection standards); 58482 (reliability/demand reduction service); and 58484 (transmission cost allocation/4CP review). Southwestern Electric Power Company (SWEPCO), an AEP subsidiary, filed an application with the PUCT in October 2025 for a new standard contract framework. The frameworks includes: (i) a ≥ 75 MW threshold, (ii) adhering to SWEPCO's Amazon NW Louisiana/Texas contract, the contract provides for the customer to pay 100% of project-specific infrastructure (substations, direct lines, etc.) upfront to ensure no cross-subsidization by other ratepayer classes (esp., the residential class); and (iii) contains a take-or-pay provision (≈ 80-85% capacity payment as in the AEP Ohio tariff). In the broader AEP Texas territory and the ERCOT grid, the focus is on a new BATCH study framework. The framework includes a "filtering effect" in which AEP Texas uses new financial requirements to "flush" the queue. By requiring substantial up-front deposits and proof of "shovel-readiness," AEP expects to reduce its speculative load projections by over 50%. AEP Texas and ERCOT have proposed a "Batch Zero" cutoff. Projects that have not achieved specific	adopted by the PUCT on Feb. 6, 2025, with its *Order Adopting New 16 TAC §25.370*. SWEPCO Docket No. 58819 is a rate case in which the company is seeking approval of an Electric Service – Large Load (ES-LL) contract. The PUCT is currently reviewing testimony. A final order is expected by late spring/early summer 2026. AEP Texas Docket No. 58315 concerns the company's annual rate adjustment. The case is active with interim rates approved subject to refund for AEP Texas's Transmission Cost Recovery Factor (TCRF) and Distribution Cost Recovery Factor (DCRF). The TRCF and DCRF riders are the mechanism through which the company recovers the cost of the rapid grid expansion needed for its 36 GW data queue. ERCOT-wide PUCT Project No. 59142 (Large Load Interconnection Review is an umbrella project implicating all ERCOT-based utilities (including AEP Texas), which aims to overhaul how large loads join the grid by implementing a Batch Study process to manage an unprecedented influx of over 233 GW of large load requests (mostly data centers), as of late 2025.	

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Texas (cont.)	milestones (like a signed Interconnection Agreement and dynamic data submission) by July 15, 2026, will be subject to the new, stricter study and financial rule. Finally, AEP Texas is proposing to refund financial security payments only after a large load customer sustains operations at their contracted peak for five years, a provision similar to others studied in this Report.	Following a workshop on Mar.10, 2026, ERCOT is finalizing the "Batch Zero" framework. This is designed to "flush" the speculative queue by forcing projects to meet strict financial and technical milestones by June 1, 2026, to stay in line for interconnection.	
Utah	SB 132 provides utilities with special contract authority to serve large loads. The Utah PSC must review these contracts. PSC recently held a technical conference regarding large-scale electric service requirements in rulemaking in Docket No. 25-R318-01. The PSC also has a related investigation, Docket No. 24-035-43, which began as an inquiry into Rocky Mountain Power's line-extension policy for large loads. However, the PSC stayed the investigation as the rulemaking proceeds.	SB 132 signed into law in March 2025; codified in Utah Code §§ 54-26-101 to -901, Laws 2025, Ch. 318 (5/27/2025). Utah PSC technical conference in Docket No. 25-R318-01 held 9/17/2025. A February 2026 scheduling notice set a joint conference for the rulemaking and Rocky Mountain Power investigation. The joint conference is set for Apr. 14, 2026. Initial comments filed in March 2026 likewise frame the open issues as possible rules regarding a large load flexible tariff and related large load policy questions.	LegiScan; Utah PSC [147]
Virginia	Dominion Energy Virginia (Dominion) proposed a new GS-5 high load tariff: ≥25 MW, 14-yr term, min. demand guarantee no less than 85% contract capacity, collateral, exit fee, specific cost	Final Order issued by the SCC in Case No. PUR-2025-00058 on 11/25/2025. The Final Order, which also resolves numerous general rate case issues, approves	*See* Section 3.1.1 supra regarding Dominion SCC Case No. PUR-2025-00058;

[147] *See* at online at https://legiscan.com/UT/bill/SB0132/2025 (text of SB 132 online at this link); YouTube transcript of technical conference available online at: https://www.youtube.com/watch?v=XBccnRy1pPY&t=930s; Virtual scheduling conference information online at https://www.utah.gov/pmn/sitemap/notice/1059411.html; Utah Division of Public Utilities' Initial Comments re: Suggested Scope Principles of Potential Large Load Flexible Tariff and Possible Changes to R746-318 (4/05/2206), online at: https://pscdocs.utah.gov/electric/24docs/2403543/344195DPUIntlCmnts3-5-2026.pdf.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Virginia (cont.)	allocation and transmission project risk mitigation. Appalachian Power Co. (APCo) filed on Mar. 24, 2025, a petition for approval of revisions to its Large Power Service (LPS) Rate Schedule. Schedule LPS would apply to customers with loads ≥ 100 MW at an individual site or ≥ 150 MW on an aggregated basis; includes a 14-year contract, including a load ramp-up period of up to 4 years, 5-year notice period for termination, an 80% demand requirement, a minimum charge, collateral requirements, option to reduce capacity up to 20% or to terminate contract after 5 years into contract by providing 42 months prior notice; exit fees and dispute resolution process. HB 897 would reduce tax incentives for data centers and would add clean energy requirements for data center operators and their tenants to qualify for the data center sales tax exemption.	provisions governing a new GS-5 Rate Class (Rate Schedule GS-5). In APCo Case No. PUR-2025-00057, a Hearing Examiner issued a recommended decision in the form of a "Report." The Report recommends approval of the Revisions to Schedule LPS as set forth in the Partial Stipulation with modifications concerning collateral flexibility requirement, exit fee mitigation, exit fee dispute resolution, and additional reporting requirements. HB 897 passed the Virginia House of Delegates on Feb. 17, 2026 (Y:61 N: 34 Abs: 5) and passed the Senate Finance and Appropriations Committee (15-Y, 0-N) on March 3, 2026.	APCo SCC Case No. PUR-2025-00057, Report of T. Borden Ellis, Hearing Examiner (01/15/2026); LegiScan.[148]
Washington	No large load tariff; however, Governor Bob Ferguson issued Executive Order 25-05 on 02/04/2025 establishing a data center workgroup; Washington State Data Center & Resource Impacts Subgroup' draft and tentative findings for the general power sector updated 7/18/2025.	The WA State Dept. of Revenue issued the Data Center Workgroup's Preliminary Report on Dec. 1, 2025. The report contains 17 energy and resource subgroup findings, 16 tax revenue and economic development subgroup	Governor's press 02/04/2025 release; Subgroup's 7/18/2025 draft & tentative findings; preliminary report; LegiScan; The Seattle Times; GeekWire.[149]

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[148] HB 897 information available online at https://legiscan.com/VA/bill/HB897/2026.

[149] Governor Bob Ferguson's Press Release, online at https://governor.wa.gov/news/2025/governor-bob-ferguson-signs-executive-order-establishing-data-center-workgroup; Data Center & Energy Resource Impacts Subgroup's draft and tentative findings, online at: https://dor.wa.gov/sites/default/files/2025-07/DataCenterIndustry_EnergySubgroupPreliminaryFindings.pdf; Data Center Workgroup Preliminary Report on line at https://dor.wa.gov/sites/default/files/2025-12/2025DataCntrWrkgrpPrelimReport.pdf; https://legiscan.com/WA/bill/HB2515/2025; Swanson, Conrad, *Tech Companies gain ground in fight*

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Washington (cont.)	SB 5982 is a Clean Energy Transformation Act (CETA) bill, not a standalone large load tariff bill. Its main purpose is to ensure certain data-center-style self-supply and port-based electricity arrangements could not avoid Washington's clean-energy compliance framework. It expanded the entities subject to CETA to include port districts that distribute electricity and certain nonresidential electricity consumers that generate electricity for their own consumption. The policy concern identified in committee materials was that fast-growing data-center load could otherwise bypass CETA standards through self-generation or nontraditional supply arrangements. The bill directs the WUTC to adopt rules establishing reporting requirements for affected market customers to demonstrate compliance with CETA. HB 2515 targeted "emerging large use energy facilities" (≥ 20 MW maximum aggregate contract demand) that are primarily engaged in data processing, hosting, and related services. The bill would have required utilities serving those facilities to have a dedicated tariff or policy approved by the WUTC for investor-owned utilities or by the governing body for consumer-owned utilities. The required tariff or policy framework was aimed at avoiding cost shifts,	findings, and 8 agreed-to recommendations. The report also indicates that Tribal consultation is in progress. SB 5982 passed the House on Feb. 28, 2026 (Y:57 N:37 Excused 4), passed the Senate on Mar. 10, 2026 (Y: 30 N: 19), and was signed by the Governor Mar. 24, 2026. HB 2515 passed the WA House of Representatives on Feb. 14, 2026, after moving through House Environment and Energy and House Appropriations. It was pending in the Senate Committee on Ways & Means as of Mar. 2, 2026, the last day to read in committee reports from the opposite chamber. No action having been taken on the legislation in Senate Ways and Means by the Mar. 2 deadline, HB 2515 died in Committee. A GeekWire report indicates that "HB 2515 had garnered support among Democratic lawmakers, while Microsoft and Amazon lobbied behind the scenes, the Seattle Times reported. The tide turned on Friday when Microsoft — which has roughly 30 data centers in the state — publicly came out in opposition to the bill."	

against WA data center regulations, The Seattle Times (02/28/2026), online at: https://www.seattletimes.com/seattle-news/climate-lab/tech-companies-gain-ground-in-fight-against-wa-data-center-regulations/; Stiffler, Lisa, *Washington State's data center regulation fails following push back from tech industry*, GeekWire (3/03/2026), online at: https://www.geekwire.com/2026/washington-states-data-center-regulation-bill-stalls-following-pushback-from-tech-industry/.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Washington (cont.)	stranded utility assets, and other increased costs for existing customers. Required elements included at least a 10-year commitment, collateral, infrastructure cost recovery, exit-fee protections, cost-based pricing, and a demand-response or equivalent peak-reduction component tied to at least 2% of marginal load. HB 2515 would have added reporting and clean-energy requirements beyond pure tariff design. It required sustainability and annual reports on water, energy, refrigerants, and air pollutants, and it required new or expanded emerging large use energy facilities to meet 80% clean energy by 2031 and 100% by 2046 using renewable or non-emitting generation, with REC-retirement rules to prevent double counting. HB 2515 also barred the use of no-cost Cap-and-Invest allowances primarily for emerging large use energy facilities' benefit and created a new, narrower sales-and-use tax exemption for certain data centers east of the Cascades under specified conditions.		
West Virginia	In August 2025, the West Virginia PSC issued an order approving a large load tariff for Appalachian Power Co. and Wheeling Power Co., both wholly owned subsidiaries of American Electric Power (AEP). The key provisions of the tariff approved by the PSC	Appalachian Power and Wheeling Power LCP and IP tariff revisions approved by the PSC on Aug. 28, 2025, in Case No. 24-0854E-42-T.	PSC Order; PSC W.VA. Tariffs Nos. 16 (Appalachian Power) & 21 (Wheeling Power); WV Public Broadcasting.[150]

[150] WV PSC Case No. 24-0854-E-42T, Commission Order on the Tariff Filing of Appalachian Power Co. and Wheeling Power Co. to Increase Rates (8/28/2025), online at https://s3.us-east-005.backblazeb2.com/wvmn-s3/2025/08/Appalachian-Power-Base-25.pdf; Appalachian Power and Wheeling Power Tariff Nos. 16 and 21 online at: https://www.appalachianpower.com/lib/docs/ratesandtariffs/WestVirginia/2025_Base_Case_Tariff_11-17-2025.pdf; Tate, Curtis, *Data Center Deal Struck Between Appalachian Power, Google*, WV Public Broadcasting (01/22/2025), online at https://wvpublic.org/story/energy-environment/data-center-deal-struck-between-appalachian-power-google/.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
West Virginia (cont.)	include, among others, (i) application to customers with a minimum capacity of 100 MW at an individual site; (ii) 12-year minimum contract term; (iii) an 80% minimum take or pay obligation; (iv) minimum charge is equal to the sum of the customer charge and monthly billing demand, all applicable adjustments, and the product of base billing energy and monthly base energy charge, with base billing energy computed as contract capacity (kW) x 60% x monthly billing hours; (v) a collateral requirement; and (vi) contract capacity reduction and exit fee provisions. Published reports indicate that the Appalachian Power tariff, implemented through revisions to existing large capacity power (LCP) and Industrial Power Service (IP) schedules, adheres to the template created in the Indiana Michigan Power-Google large load arrangement, suggesting the West Virginia provisions were negotiated around hyperscale-load risk allocation rather than adopted as a generic statewide commission rule.		
Wisconsin	Wisconsin Electric Power Company's (WE Energies) application before the WI PSC filed 3/31/2025 requests approval to implement Very Large Customer (VLC) tariff and bespoke resources tariff and respective service agreement and resource agreement form agreements; the	WE Energies' application, pending in WI PSC Docket 6630-TE-113 is still under active PSC review. The application has moved through the major evidentiary phase with a virtual public hearing on Feb. 10, 2026, and a party	WI PSC; WE Energies; RTO Insider[151]

[151] Access WI PSC Docket 6630-TE-113 at WI PSC Electronic Records Filing System (ERF), at https://apps.psc.wi.gov/ERF/ERFsearch/content/searchResult.aspx?UTIL=6630&CASE=TE&SEQ=113&START=none&END=none&TYPE=none&SERVICE=none&KEY=none&NON=N; *see* We Energies Application, at https://apps.psc.wi.gov/ERF/ERFview/viewdoc.aspx?docid=539747; https://www.rtoinsider.com/124929-wis-psc-staff-we-energies-data-center-rate-plan-lacks-safeguards.

Federal/State	Key provisions of Large Load Tariff, Legislation, or Regulation	Legislation/Regulation Status	Citations
Wisconsin (cont.)	bespoke tariff addresses specific costs for VLC customers.	hearing before an ALJ on Feb. 12, 2026. Therefore, a hearing record has been developed, comments have been submitted, and PSC Staff has signaled the need for stronger consumer safeguards. The application awaits a final PSC disposition as of this writing.	