

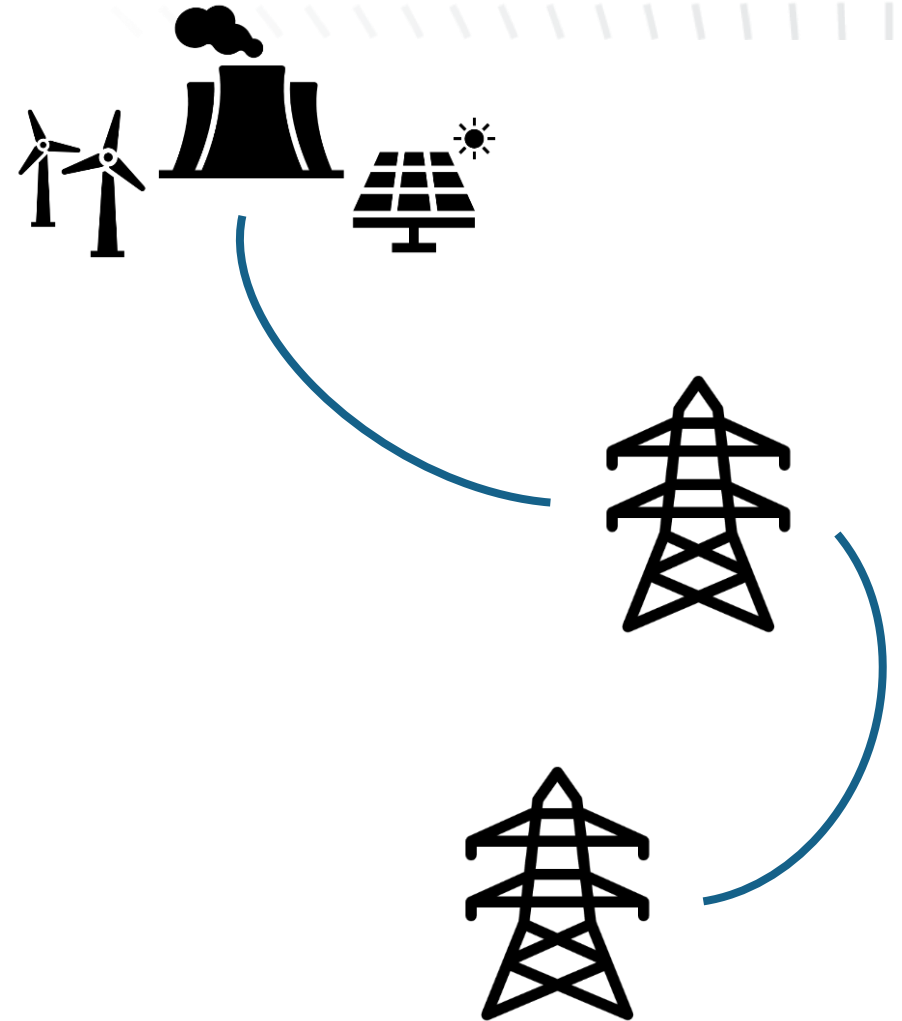
A National View on Co-Location of Large Loads for Data Centers and Artificial Intelligence at Generating Facilities

April 10, 2025

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PJM – At the Front Line of Data Center Large Load Issues

- Home of “Data Center Alley”
- At least six FERC proceedings involving co-located load in PJM:
 - Non-conforming interconnection agreement for co-located load at nuclear power plant
 - Technical conference on large loads co-located at generation facilities
 - PJM TO amendments on transmission service requirements for co-located load
 - PJM TO petition for declaratory order
 - Complaint against PJM tariff for certain co-location configurations
 - FERC show cause order



What Is Co-Located Load?

- A PJM guidance document offers the following definition: “A co-located load configuration refers to end-use customer load that is physically connected to the facilities of an existing or planned Customer Facility [e.g., a generation facility] on the Interconnection Customer’s side of the Point of Interconnection (“POI”) to the PJM Transmission System (co-located Customer Facility).”

FERC's February 2025 Co-Location Show Cause Order

- *PJM Interconnection L.L.C.*, 190 FERC ¶ 61,115 (2025):
 - Directed PJM and the PJM TOs within 30 days to either: (1) show cause as to why the PJM tariff and related agreements remain just and reasonable and not unduly discriminatory or preferential “without provisions addressing with sufficient clarity or consistency the rates, terms, and conditions of service that apply to co-location arrangements;” or (2) explain what changes to the PJM tariff would remedy the concerns identified by FERC.
 - Responses due 30 days after these filings, which were submitted on March 24.
 - FERC commits to act fast – within a few months.

Jurisdiction for Co-Location Arrangements

- **State Jurisdiction:**

- Terms of retail sales, including rate design for passing along costs for wholesale sales and transmission service to retail customers
- Determining which customers are legally permitted to provide electricity to retail customers in co-location arrangements, irrespective of where the load interconnects (e.g., to transmission, distribution, or generation)
- The generation mix, including through siting authority

- **FERC jurisdiction:**

- Rates, terms, and conditions of wholesale sales from generators to serve co-located loads
- Provision of transmission service to co-location arrangements, including over interconnections to the transmission system

- **Boundaries between state and federal jurisdiction not “hermetically sealed.”**

Areas of FERC Concern on Co-Location

- Terms and conditions of transmission service to co-location arrangements
- Ancillary services and black start services
- Interconnection procedures and cost allocation issues
- Resource adequacy, reliability, and PJM capacity markets
- Other issues
 - Cost causation/protection of existing customers
 - Jurisdiction
 - Potential changes to PJM markets
 - National security implications

Questions?



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