PENNSYLVANIA MUNICIPAL ELECTRIC ASSOCIATION
PA PUBLIC POWER

THE LIVE WIRE

September 2025

Save these Dates!

PMEA Spring Superintendents/ Foremen Meeting
March 26 & 27, 2026 @ The Nittany Lion Inn, State College
Registration opens in January 2026

PMEA 2026 Annual Conference – September 9 – 11, 2026
Omni Bedford Springs, Bedford

PMEA Business Workshop
– September 9, 2026 @ Omni Bedford Springs, Bedford

2025 Training for Line Crews –
Training for 2026 will be announced soon

Team Building
October 16 & 17 - Grove City
October 20 & 21 - Chambersburg
October 22 & 23 - Lansdale

Proposed Data Center Development Transparency Act

Senators Rosemary Brown (R) and David Argall (R) are proposing legislation to strengthen oversight of data center development through mandatory pre-application consultations between developers and local officials. This measure aims to protect municipal infrastructure while ensuring transparency and providing elected officials with comprehensive project information before formal review begins.

In their co-sponsorship memo, the Senators note: "Data centers represent a growing industry with the potential to bring substantial economic opportunity to the Commonwealth. However, they are also resource-intensive facilities. Without strong proactive planning and oversight, these demands can place significant strain on local infrastructure that could be detrimental to a community's future growth."

Key requirements of the proposed legislation would mandate that data center developers:

Submit a pre-application meeting request 30 days before filing formal development applications. These meetings must include:

- Zoning and planning officials
- Elected officials with decision-making authority
- Third-party engineers and solicitors as needed

Provide comprehensive "will-serve" letters from all utility providers (water, sewer, electric, and fiber), demonstrating:

- Available infrastructure capacity at full project build-out (not phased development)
- Potential impacts on existing residents' access to these services

This framework ensures local officials have complete information to assess a project's true infrastructure demands and long-term community impact before entering the formal review process.

Governor Shapiro Said Electric Grid Operator PJM Needs Reform to Put Customers First

The organization that manages the electric grid for Pennsylvania and 12 other states has moved too slowly in response to skyrocketing energy demand and consumers are paying for it, Gov. Josh Shapiro said Monday.

Speaking at a conference of energy industry leaders and regulators in Philadelphia, Shapiro said PJM Interconnection must make changes, including giving states a bigger role in its governance, or the commonwealth could leave the consortium.

“We need to be thinking about consumers and their costs, something that PJM, I think, doesn’t really spend a whole lot of time focused on,” Shapiro told reporters Monday after delivering opening remarks at the event.

He said governors from each PJM state share concerns about the Valley Forge-based organization’s backlog of new energy projects awaiting approval while peak energy consumption is expected to increase by 20% in the next decade, according to PJM’s forecast. Much of that demand will come from data centers that house the computing power for artificial intelligence.

“We need to move more quickly on these energy-producing projects. We’ve got to hold down costs. If PJM cannot do that, then Pennsylvania will look to go it alone,” Shapiro said.

Virginia Gov. Glenn Youngkin, who spoke via video, said overhauling the state’s power policy was among his first calls for action after taking office in 2022. Youngkin, a Republican, said his administration predicted demand would grow faster than PJM’s forecast.

“Indeed, instead of unlocking investment and fast-tracking critical projects, PJM has instead been responsible for bottlenecks and delays that crush jobs, drive up utility bills and leave families and businesses hurting,” he said. “This is a crisis of not having enough power, and it is a crisis in confidence.”

Youngkin said Virginia lawmakers are working on legislation that would allow the state to reassess whether its utilities should remain part of PJM. “This doesn’t mean that we are walking away, but it does mean that collectively, we recognize we need to represent and protect our ratepayers, and that means sending a clear, unified signal that PJM must modernize,” he said.

PJM was founded in Philadelphia nearly a century ago when three electricity utilities connected their independent grids to share resources and improve reliability. With more than 1,000 stakeholder members, it now ensures the flow of power to utilities in all or parts of 13 states from New Jersey to Illinois and the New York border to North Carolina.

It is overseen by a board of governors through a consensus-based issue resolution process in which member organizations and stakeholders have weighted votes on issues that will go before the board. These include state consumer advocate organizations, like Pennsylvania’s Public Utilities Commission, but the states themselves have no direct input. The board’s decisions are ultimately subject to approval by the Federal Energy Regulatory Commission.

PJM’s stakeholder process and meetings are open to the public with agendas and minutes posted on its website, but members of the public are required to register for an account to watch meetings virtually. And while votes by the board’s members committee, the final stop for any action on governing documents, are public, critics have compared the process to a black box because stakeholders’ votes on questions before lower committees and subcommittees are secret.

Lawmakers in several states have proposed laws requiring PJM members to report their votes to state regulators. They include a bill introduced by Pennsylvania state Rep. Chris Rabb (D-Philadelphia), which passed in the House in July and awaits action in the Senate.

“Utility companies operating in our regional power grid that determine the electric bills, environmental and public health of 65 million people should never be allowed to vote in secret,” Rabb said. “Such decisions must be publicly disclosed. End of story.”

PJM CEO Manu Asthana, who is set to step down at the end of this year, said he’s proud of the reliability that PJM has provided through a series of unusual events during his tenure, including record peak demands, a pandemic, geomagnetic storms and the collapse of the Francis Scott Key Bridge in Baltimore, which threatened a major transmission line.

Asthana said criticism of PJM’s interconnection queue, in which 63,000 megawatts of power projects await review for permission to connect to the grid, is not warranted.

“There’s a lot of mythology and a lot of things that are said about our interconnection queue,” he said, noting that number is down from 200,000 megawatts when the organization implemented reforms in 2023. PJM also notes that it has cleared tens of thousands of megawatts worth of projects that have failed to come online for reasons outside of its control, including site acquisition, permitting and supply chain problems.

PJM has also worked proactively with members to prioritize important projects, such as restarting Constellation Energy’s former Three Mile Island nuclear power plant, now renamed the Crane Clean Energy Center, and redeveloping Homer City, one of the nation’s largest coal power plants, into the nation’s largest natural gas-burning power stations. Both projects will power data centers.

Experts who spoke during panels at the conference agreed with Shapiro, Youngkin and New Jersey Gov. Phil Murphy, who also spoke via video, that PJM is not serving consumers well.

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PJM Reform *(continued)*

"You've got 67 million people who are very concerned, and again, consumers are called voters, and that makes the politicians concerned," said former FERC Chairman Mark Christie. Christie and former FERC Commissioner Allison Clements were recommended by a bipartisan panel of PJM-state governors to fill vacancies on the board, but neither was ultimately nominated.

"PJM should be reimagined in the governance sense," Christie said, adding that he would not interfere with the technical aspects of operating the grid. "The policy making things that PJM does in their political policy, if it's going to be a regional government for the grid, people who are elected will have a much bigger role in that."

Vincent Duane, a former senior vice president and general counsel at PJM, said changes need to go deeper than simply giving elected officials a bigger role.

"I'm going to be blunt and unpopular when I say that PJM has become ungovernable," Duane said "Adding seats to an already crowded banquet table with 1,000 parliamentarians with vastly different interests, I think, is going to ultimately leave states feeling disappointed with the outcomes."

What is missing is more purposeful and deliberate decision making from a strong executive branch in the organization that is accountable to state utility regulators, he said.

Duane later added that as general counsel, PJM board members often asked him to whom they had a fiduciary responsibility. He said he had trouble answering the question. To say the responsibility was to the marketplace or membership was unsatisfactory.

"Until we can get a good answer to that question, it's premature to start talking about process and voting structures," Duane said.

Source: Peter Hall, Pennsylvania Capital-Star, https://penncapital-star.com, published September 22, 2025.

The AI Boom Hits PA: How Will Lawmakers Respond?

State Senator Katie Muth (D) toured a data center in her district this May, she discovered the source of growing concern statewide: AI servers that consume massive amounts of power and drive-up energy costs for consumers. The experience prompted Muth to propose the "Pennsylvania Ratepayer Protection Act," one of at least a dozen bills addressing the commonwealth's hottest industrial issue.

The Energy Cost Crisis
Pennsylvania ranks second and third nationally for announced data center development, according to consulting firm Wood Mackenzie. The surge is already hitting consumers' wallets hard.

PJM's independent market monitor identifies data centers as the primary cause of these "unprecedented" increases, accounting for about $9.3 billion of this year's auction prices across the 13-state grid that stretches from Chicago to New Jersey.

Muth's upcoming legislation targets transmission costs—when new power-hungry facilities require new infrastructure, companies like PECO and PPL pass those costs to customers. Her bill, modeled on Oregon policies, would require "high-load" customers to cover infrastructure costs themselves.

Political Divisions and Opportunities
The state's politics complicate any solutions. Yet there's apparent agreement on one goal: attracting more AI development.

At July's Energy and Innovation Summit in Pittsburgh, President Trump, Gov. Josh Shapiro, and Sen. Dave McCormick all celebrated more than $90 billion in tech investments announced for the state. Amazon Web Services alone is investing $20 billion, promising at least 1,250 "high-skilled" jobs.

The legislature has found common ground before. In 2021, bipartisan support expanded tax credits for data center equipment purchases—an incentive currently costing the state $43 million annually and projected to exceed $50 million by decade's end.

Competing Legislative Visions
Shapiro's "Lightning Plan" packages six bills combining streamlined permitting for energy projects with clean energy policies, carbon cap-and-trade, and rural energy cost relief. While not directly targeting AI centers, it focuses on generating the power these facilities demand.

Republicans favor deregulation. Senator Greg Rothman's bill would create "Commonwealth Opportunity Zones" with fast-track permitting and "regulatory sandboxes" encouraging deregulation. Rep. Jason Ortitay proposed a "Keystone Artificial Intelligence Authority" to centralize and streamline permitting.

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AI Boom *(continued)*

Internal Democratic tensions complicate Shapiro's agenda. His RESET bill, creating a central authority for approving large energy facilities, faces opposition from environmental groups fearing it could fast-track fossil fuel projects, and from local officials worried about losing siting authority.

The Regional Greenhouse Gas Initiative adds another wrinkle. Shapiro's predecessor joined the 10-state cap-and-trade program in 2022, but Pennsylvania's participation remains tied up in courts. Senate Majority Leader Joe Pittman says the pending case leaves Republicans "very limited" in considering energy legislation.

Environmental and Consumer Concerns Sidelined
Critics worry Pennsylvania is repeating historical mistakes—rolling out the red carpet for industries without considering consequences. "Pennsylvania's history is, we roll out the red carpet for every industry, regardless of whether its impacts are known or unknown," said John Quigley, former state environmental secretary and now senior fellow at the University of Pennsylvania's Kleinman Center. "Then we find out later we made a mistake. I don't see too much indication we're not on the same track."

Water usage presents another overlooked concern. Quigley notes data centers can use millions of gallons daily, yet "nobody's raised the issue, nobody's planned for it"—concerning for a state where millions rely on groundwater wells.

Alternative Paths Forward
With legislative gridlock, regulatory agencies may drive policy. The Pennsylvania Public Utility Commission held hearings in April about a potential "model tariff" ensuring data centers pay transmission costs they generate. The PUC could also require companies to help low-income residents afford energy bills. A spokesperson said the commission is drafting a proposal for release "in the near future." PJM Interconnection is considering policies requiring data centers to "bring their own power" rather than straining existing grid capacity.

Source: Inside Climate News, September 2025.

Highlights from the PMEA Annual Conference

Strategic Focus on Industry Transformation
The conference's opening session set an ambitious tone with "Navigating the New Energy Landscape: Strategic Priorities for Public Power in Times of Uncertainty." Industry leaders Jolene Thompson, President & CEO of AMP, and Scott Corwin, President & CEO of APPA, examined how recent federal legislation has reshaped the renewable energy landscape while municipalities grapple with unprecedented electricity demand growth.

A standout panel, "Balancing Grid Reliability and Consumer Costs," featured Pennsylvania Public Utility Commission Chairman Steve DeFrank addressed the state's proactive response to last year's 22% surge in PJM capacity market pricing. The discussion highlighted Pennsylvania's emergence as a leading voice in tackling critical energy challenges, from AI-driven electricity demand to grid modernization needs.

Practical Knowledge for Real-World Challenges
The Business Workshop delivered immediately applicable insights through sessions like "Electric Utility Fund -- Accounting Fundamentals," where Baker Tilly's Bethany Ryers demystified GASB and FERC requirements while covering unique public power considerations including work orders, payroll allocation, and capital versus maintenance distinctions.

The comprehensive "Understanding PJM -- The Fundamentals" panel, featured experts from GDS Associates, Smart Utility Management, and Salzmann Hughes, provided essential knowledge about one of the nation's largest regional transmission organizations and its impact on electricity costs and market dynamics.

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PMEA Conference *(continued)*

Innovation Meets Implementation
PMEA demonstrated its forward-thinking approach with sessions on emerging technologies and operational excellence. Scott Corwin returned to present APPA's newly released "Guide to Utility Operational Excellence," outlining 11 strategic areas that serve as critical pillars for municipal utilities navigating an increasingly complex energy landscape.

The conference's cutting-edge session, "A Roadmap for AI Compliance, Policy, and Usage," led by Iowa State University's Mike Bootsma, addressed the practical implementation of artificial intelligence in utility operations while managing organizational and customer risks.

Collaborative Solutions and Professional Development
Recognizing that municipal utilities face varying challenges based on their size and resources, PMEA offered targeted breakout sessions. Managers and elected officials explored collaborative approaches including shared service agreements and mutual aid partnerships, while superintendents and foremen participated in specialized training discussions.

The conference's structure fostered both formal learning and informal networking, with events ranging from the golf outing at Omni Bedford's Old Course to evening receptions that facilitated meaningful connections among Pennsylvania's public power community.

To access presentations from this year's conference, please visit the members only section of our website, www.papublicpower.org. Presentations will be available for a limited time only.

Do not miss out – this conference is for all of PMEA's members from large to small. Plan today to attend the Annual Conference next year, September 9 – 11, 2026!

Share Your News….

Please share with us your exciting new projects, photos, personnel updates, and any other news! Your submissions should be sent to **bosak@papublicpower.org** at any time and we will use them in upcoming editions. We also welcome your suggestions for topics of interest for our newsletters.

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