

**Borough of Tarentum**

Allegheny County, Pennsylvania

**ORDINANCE NO. 26-\_\_**

**AN ORDINANCE OF THE BOROUGH OF TARENTUM, COUNTY OF ALLEGHENY, COMMONWEALTH OF PENNSYLVANIA, AMENDING ORDINANCE NO. 25-08, THE TARENTUM BOROUGH ELECTRIC SERVICE ORDINANCE (CODE OF THE BOROUGH OF TARENTUM, CHAPTER 111 ELECTRICAL STANDARDS AND AS OTHERWISE APPLICABLE), BY ADDING ARTICLE XIV ENTITLED "LARGE LOAD CUSTOMERS, DATA CENTERS, AND HIGH-DENSITY COMPUTING FACILITIES."**

**WHEREAS**, Section 1201 of the Borough Code, 8 Pa.C.S. § 1202, entitled "Specific Powers," authorizes the Borough to make and adopt ordinances necessary for the proper management, care, and control of the Borough and its citizens and to provide for enforcement and penalties for violation thereof; and

**WHEREAS**, the Borough Code, 8 Pa.C.S. § 1202 et seq., authorizes the Borough to acquire, own, operate, and maintain utilities and other facilities and services, and to make and regulate charges for the same for general Borough purposes; and

**WHEREAS**, the Borough of Tarentum owns and operates a municipal electric utility system for the benefit of its residents, businesses, public facilities, and customers pursuant to Ordinance No. 25-08, the Tarentum Borough Electric Service Ordinance; and

**WHEREAS**, Borough Council finds that data centers, artificial intelligence computing facilities, cryptocurrency mining facilities, and other high-density computing uses can consume electrical power at levels substantially exceeding those of traditional commercial or industrial users, and that such facilities may create significant impacts upon electric generation capacity obligations, transmission capacity, distribution infrastructure, transformer loading, system reliability, emergency operations, and customer rates; and

**WHEREAS**, Borough Council finds that protecting existing ratepayers from unreasonable infrastructure costs attributable to large electrical loads, preserving system reliability, and maintaining adequate capacity for residential, commercial, governmental, and industrial growth constitute legitimate public purposes within the Borough's utility management authority; and

**WHEREAS**, the Pennsylvania Data Center Toolkit (May 2026), prepared by the Pennsylvania Department of Community and Economic Development on behalf of the Commonwealth of Pennsylvania, advises municipalities to require transparency from developers regarding power sourcing, to condition service on adequate infrastructure, and to protect existing ratepayers from costs caused by large-load interconnection; and

**WHEREAS**, Borough Council desires to establish clear standards and procedures for large load service applications consistent with best utility management practices and the Borough's authority under the Borough Code;

**NOW, THEREFORE**, be it enacted and ordained by the Borough Council of the Borough of Tarentum, Allegheny County, Pennsylvania, as follows:

**ARTICLE XIV LARGE LOAD CUSTOMERS, DATA CENTERS, AND HIGH-DENSITY COMPUTING FACILITIES**

This Article is hereby added to Ordinance No. 25-08, the Tarentum Borough Electric Service Ordinance, and shall be incorporated into Chapter 111 of the Code of the Borough of Tarentum as applicable.

**Section 14.1 – Purpose**

The purpose of this Article is to:

- A. Protect the reliability and integrity of the Borough's municipal electric system.
- B. Protect existing ratepayers from unreasonable costs caused by large-load customers.
- C. Ensure adequate electric infrastructure exists before large-load service is provided.
- D. Protect public health, safety, and welfare as contemplated by 8 Pa.C.S. § 1202.
- E. Preserve future electric capacity for residential, commercial, governmental, and industrial growth within the Borough.
- F. Establish minimum requirements for large electrical loads, data center operations, and related high-density computing facilities.

**Section 14.2 – Definitions**

The following definitions apply to this Article. Terms defined in Chapter 265 (Zoning) of the Code of the Borough of Tarentum shall have the meanings set forth therein. Where a term is defined both herein and in Chapter 265, the definition in Chapter 265 shall control for purposes of zoning interpretation; the definitions below apply to electric service administration.

**AI COMPUTING FACILITY.** Shall have the meaning established in § 265-203 of the Code of the Borough of Tarentum, as amended.

**CRYPTOCURRENCY MINING FACILITY.** Shall have the meaning established in § 265-203 of the Code of the Borough of Tarentum, as amended.

**DATA CENTER.** Shall have the meaning established in § 265-203 of the Code of the Borough of Tarentum, as amended.

**HYPERSCALE DATA CENTER.** Shall have the meaning established in § 265-203 of the Code of the Borough of Tarentum, as amended.

**LARGE COMPUTING FACILITY.** Shall have the meaning established in § 265-203 of the Code of the Borough of Tarentum, as amended.

**LARGE LOAD CUSTOMER.** Any customer requesting or utilizing: (A) one megawatt (1 MW) or greater connected demand; or (B) any load which, in the opinion of the Borough Manager, Electric Department, or Borough Engineer, may materially impact Borough facilities, operations, system reliability, capacity obligations, or customer rates.

SPECIAL ELECTRIC SERVICE AGREEMENT. A written agreement approved by Borough Council establishing conditions, obligations, costs, responsibilities, and operating requirements for service to a Large Load Customer pursuant to Sections 3.1 and 3.2 of Ordinance No. 25-08.

### **Section 14.3 - Applicability**

This Article shall apply to all of the following:

- A. Data Centers.
- B. AI Computing Facilities.
- C. Cryptocurrency Mining Facilities.
- D. Hyperscale Data Centers.
- E. Large Computing Facilities.
- F. Any Large Load Customer as defined in Section 14.2.

### **Section 14.4 - Special Electric Service Agreement Required**

No customer subject to this Article shall receive electric service from the Borough unless and until:

- A. The applicant has submitted a complete application as required by Ordinance No. 25-08 and this Article;
- B. All required engineering studies have been submitted and reviewed pursuant to Section 14.5;
- C. Borough Council has approved a Special Electric Service Agreement pursuant to Sections 3.1 and 3.2 of Ordinance No. 25-08; and
- D. The applicant has satisfied all conditions established by Borough Council.

The Borough reserves the right to reject any application pursuant to Sections 3.1 and 3.2 of Ordinance No. 25-08 where the Borough determines that providing service would be detrimental to system reliability, existing customers, or the long-term integrity of the Borough's electric system.

### **Section 14.5 - Required Engineering Studies**

Prior to approval of a Special Electric Service Agreement, the applicant shall submit, at minimum, the following studies prepared by a professional engineer licensed in the Commonwealth of Pennsylvania:

- A. Electrical Load Analysis, including nominal (average) and peak (maximum) demand.
- B. Demand Study covering existing and projected future loads.
- C. Power Quality Analysis.
- D. Harmonic Analysis identifying potential impacts to Borough distribution infrastructure.
- E. Expansion Forecast for a minimum of ten (10) years.
- F. Reliability Impact Assessment analyzing effects on all Borough customers in the service territory.
- G. Emergency Operations Plan describing facility response to curtailment events, equipment failures, and grid emergencies.

The Borough Manager, Electric Department, Borough Engineer, or Borough Council may require additional studies as deemed necessary to evaluate the application.

#### **Section 14.6 – Independent Review at Applicant's Expense**

The Borough may retain independent engineers, utility consultants, legal counsel, financial consultants, and electric system specialists to review applications and submitted materials. All costs of independent review shall be paid by the applicant prior to Borough Council action on the Special Electric Service Agreement.

#### **Section 14.7 – Applicant Responsibility for Infrastructure Improvements**

The applicant shall bear the full cost of all electric infrastructure improvements required to provide service at the requested load level, including but not limited to:

- A. Transformers, poles, conductors, and distribution circuits.
- B. Underground facilities and switchgear.
- C. Protective relays, SCADA equipment, and communications systems.
- D. Metering systems and substation improvements.
- E. Capacity upgrades required to accommodate the applicant's load.

No cost of infrastructure improvements required solely or primarily to accommodate a Large Load Customer shall be shifted to existing Borough customers. This provision is consistent with Section 9.4 and Section 9.5 of Ordinance No. 25-08 regarding line and service extensions.

#### **Section 14.8 – Grounds for Denial – Reliability**

The Borough may deny service if it determines, based on engineering review, that the proposed service would:

- A. Adversely affect system reliability or increase outage risk.
- B. Cause voltage instability or power quality issues on the Borough's distribution system.
- C. Adversely affect service to existing Borough customers.
- D. Create unreasonable operational burdens on the Borough's Electric Department.
- E. Materially increase wholesale power or capacity costs in a manner that would harm existing ratepayers.

#### **Section 14.9 – Grounds for Denial – Capacity**

The Borough reserves the right to deny service where:

- A. Adequate capacity does not exist to serve the proposed load.
- B. Existing or planned capacity is needed to serve existing customers or planned residential, commercial, or industrial growth.
- C. Capacity obligations associated with the proposed load would create unreasonable financial burdens on the Borough or its ratepayers.

#### **Section 14.10 – Emergency Load Curtailment**

In addition to the requirements of Section 10.1 (Load Emergency) of Ordinance No. 25-08, all customers subject to this Article shall comply with emergency curtailment orders issued by the Borough. Such orders may be issued during:

- A. PJM Interconnection emergency events or capacity emergencies.
- B. Distribution or substation emergencies.
- C. Equipment failures affecting Borough system reliability.
- D. Natural disasters or declared emergencies.
- E. Public safety emergencies as determined by the Borough Manager or Borough Council.

Failure to comply with a curtailment order shall constitute a violation of Ordinance No. 25-08 and grounds for disconnection of service.

#### **Section 14.11 – Demand Management Requirements**

As a condition of a Special Electric Service Agreement, the Borough may require participation in demand response programs, load management programs, curtailment programs, or peak reduction programs, consistent with best utility management practices and the Borough's obligations as a PJM load serving entity.

#### **Section 14.12 – Security Deposits and Financial Guarantees**

Consistent with Section 5.5 of Ordinance No. 25-08, Borough Council may require, as a condition of a Special Electric Service Agreement, one or more of the following:

- A. Cash deposit.
- B. Irrevocable letter of credit from a financial institution acceptable to the Borough.
- C. Performance bond.
- D. Escrow account.
- E. Other financial security acceptable to Borough Council.

The amount and form of financial security shall be determined by Borough Council based on the scope of infrastructure improvements, estimated service costs, and risk to Borough ratepayers.

#### **Section 14.13 – Limitation on Load Expansion**

No customer approved under this Article may increase its connected load by more than ten percent (10%) above the load approved in the Special Electric Service Agreement without prior submission of updated engineering studies and prior approval by Borough Council. Load expansions that would exceed the thresholds in Section 14.2 (Large Load Customer) shall be subject to full review under this Article.

#### **Section 14.14 – Annual Reporting**

Each customer subject to this Article shall provide an annual report to the Borough Manager and Electric Department by March 1 of each year, covering the prior calendar year and including:

- A. Peak and average electrical demand, by month.
- B. Expansion plans for the next five (5) years.
- C. On-site generator and energy storage capacity.
- D. Any material operational changes affecting electrical demand.

#### **Section 14.15 – Relationship to Other Ordinances and Regulations**

Nothing in this Article relieves any applicant from compliance with:

- A. Chapter 265 (Zoning) of the Code of the Borough of Tarentum, including the conditional use approval requirements for data centers established by Ordinance No. 26-\_\_ (Data Center and High-Density Computing Facilities Zoning Ordinance).
- B. Ordinance No. 25-09, the Tarentum Borough Water Service Ordinance, as amended, including the large water user provisions of Article XIV thereof.
- C. The Pennsylvania Construction Code Act, 35 P.S. § 7210.101 et seq.
- D. All applicable requirements of PJM Interconnection and the relevant Electric Distribution Company serving the Borough's wholesale supply.
- E. All other applicable Borough ordinances and state and federal regulations.

#### **Section 14.16 – Violations and Remedies**

Violation of any provision of this Article shall constitute a violation of Ordinance No. 25-08, the Tarentum Borough Electric Service Ordinance. In addition to the penalties and remedies provided under Ordinance No. 25-08 and Article XIII (Enforcement and Penalties) of the Borough Code, the Borough may:

- A. Disconnect or suspend electric service pursuant to Article VI of Ordinance No. 25-08.
- B. Revoke any Special Electric Service Agreement approval.
- C. Recover all costs, damages, and expenses, including engineering, legal, and administrative expenses.
- D. Pursue civil remedies and injunctive relief in a court of competent jurisdiction.

#### **Section 14.17 – Severability**

If any provision of this Article is held to be invalid, unconstitutional, or unenforceable by a court of competent jurisdiction, the remainder of this Article and of Ordinance No. 25-08 shall remain in full force and effect pursuant to § 1-14 of the Code of the Borough of Tarentum.

#### **Section 14.18 – Effective Date**

This Article shall become effective five (5) days following enactment, consistent with the Borough Code, 8 Pa.C.S. § 1006.

ENACTED AND ORDAINED this \_\_\_\_ day of \_\_\_\_\_, 2026.

#### **BOROUGH OF TARENTUM**

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President of Council

**ATTEST:**

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Borough Secretary