PENNSYLVANIA MUNICIPAL ELECTRIC ASSOCIATION
PA PUBLIC POWER

THE LIVE WIRE

May 2026

Save these Dates!

PMEA Reception – June 1, 2026
5:00 – 7:00 pm @ PSAB Conference, Cocoa Boardroom, Hershey Lodge

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

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

2026 Training for Line Crews
Registration opens prior to each class

Advanced Transformer
June 4 & 5 – Grove City
June 8 & 9 – Chambersburg
June 10 & 11 – Lansdale

Underground Troubleshooting & Grounding
September 14 & 15 – Grove City
September 21 & 22 – Chambersburg
September 23 & 24 - Lansdale

Safety for Lineworkers
October 22 & 23 – Grove City
October 26 & 27 – Chambersburg
October 28 & 29 – Lansdale

Registration Now Open: PMEA Annual Business Workshop & Annual Conference

Mark your calendars — the Annual Business Workshop and Annual Conference returns September 9–11 to the beautiful Omni Bedford Springs. Whether you are a manager, superintendent, or elected official, this is one event you simply cannot afford to miss. With a packed agenda covering the issues that matter most to our public power communities, this year's conference delivers the insights, connections, and practical tools you need heading into the next year.

This year's conference promises an exceptional lineup designed to inform, connect, and energize public power communities across Pennsylvania. Highlights include:

- **A special session on joint generation projects**, exploring the potential opportunities and pathways for collaborative power development
- **A forward-looking energy outlook session**, examining what the future of energy means for municipal utilities
- **Market pricing and expectations**, with expert perspectives on where rates and wholesale markets are headed
- **Remarks from national leaders Corwin and Thompson**, who will share the current landscape for public power and what lies ahead at the federal level

PMEA associate members will also be on hand throughout the conference to showcase their latest products and services — making it a prime opportunity to connect with colleagues and industry partners alike.

The Business Workshop offers practical, hands-on sessions tailored for all levels of utility operations, covering:

- Legal aspects of municipal electric utilities
- Making sense of utility finances — projects, rates, and safeguards
- The good, bad, and ugly of AMI
- AI applications for utility finance — a practical look at real-world tools

The full agenda will be available soon. In the meantime, registration and hotel reservation information can be obtained by contacting PMEA at bosak@papublicpower.org.

PUC Commissioners: Federal Permitting Reform Should Maintain State Oversight of Transmission Lines

As Congress engages in meaningful legislative discussions about reforming energy permitting processes, Pennsylvania Public Utility Commissioners are urging any type of reform to maintain state oversight of high-voltage transmission line and other energy infrastructure siting.

In a joint letter to Pennsylvania's senators, PUC Chairman Steve DeFrank, Vice Chair Kimberly Barrow and Commissioner Kathryn Zerfuss called Pennsylvania's state siting and permitting processes "consistent, reliable and efficient" – citing that the Commonwealth has already taken steps to reform permitting processes.

While acknowledging that meaningful federal permitting reform is important to address rising energy demand, the commissioners cautioned against an expansion of federal siting that would preempt state oversight of high-voltage transmission line and other infrastructure siting. Their letter reaffirmed that "backstop siting authority" already exists in federal law for the limited number of projects that may qualify for and that are located within the National Interest Electric Transmission Corridor as designated by the U.S. Department of Energy.

Currently, Pennsylvania exports 25% of its electric generation throughout the PJM Interconnection, a regional transmission organization managing the competitive wholesale electricity market and high-voltage grid for over 65 million people across 13 states and the District of Columbia. In 2024-25, the Commission processed five high-voltage transmission line applications and 36 letters of notification in lieu of full siting applications.

Source: PA PUC Press Release, May 14, 2026

PUC Releases Final Order Establishing First-of-Its-Kind Large Load Model Tariff Framework

The Pennsylvania Public Utility Commission (PUC) has released its Final Order establishing a first-of-its-kind model tariff framework for large load customers – including rapidly expanding data centers – marking a major step in the Commission's ongoing effort to manage unprecedented electricity demand growth while protecting existing utility customers.

The Final Order follows the Commission's April 30 public meeting vote adopting a modified framework for large load customers after more than a year of hearings, stakeholder engagement, public comment, and technical review.

"This is one of the most important infrastructure and consumer protection issues facing utility regulators across the country," said PUC Chairman Steve DeFrank. "Pennsylvania is confronting a level of electric load growth that has not been seen in generations, driven largely by data centers and advanced manufacturing. Rather than waiting for these challenges to overwhelm the system, this Commission chose to lead. This Final Order establishes a thoughtful framework that supports economic development, strengthens transparency and planning, and protects existing ratepayers from bearing the financial risks associated with unprecedented new demand."

The model tariff is intended to guide Pennsylvania's electric distribution companies (EDCs) as they evaluate and serve large load customers whose electric demand may significantly impact infrastructure planning, system reliability, and customer costs.

Key Elements of the Final Order

The Final Order establishes guidance in several major areas, including:

- **Large Load Thresholds** – Applying tariff provisions to customers exceeding 50 megawatts (MW) individually or 100 MW in aggregate.
- **Cost Responsibility Protections** – Reinforcing cost causation principles to help ensure that large load customers are responsible for infrastructure and interconnection costs associated with serving their projects, reducing the risk of shifting those costs onto existing residential and small business customers.
- **Collateral and Financial Security Requirements** – Requiring financial protections, including deposits and collateral, intended to mitigate stranded costs from projects that are delayed, abandoned, or fail to meet projected demand.
- **Interconnection Study Timelines** – Establishing expectations for utilities to complete interconnection studies within six months, improving transparency and predictability for project development and grid planning.
- **Contract Terms and Exit Provisions** – Providing guidance related to load ramping schedules, minimum contract terms, and customer exit provisions to support long-term cost recovery and system stability.
- **Public Interconnection Queue Transparency** – Requiring utilities to maintain public-facing information regarding large load interconnection requests and study status.

(continued on next page)

Large Load Tariff *(continued)*

- **Customer Self-Construction Options** – Allowing large load customers to self-construct certain infrastructure upgrades, subject to utility, safety, reliability, and regulatory standards, with the goal of improving project flexibility while insulating ratepayers from unnecessary costs.

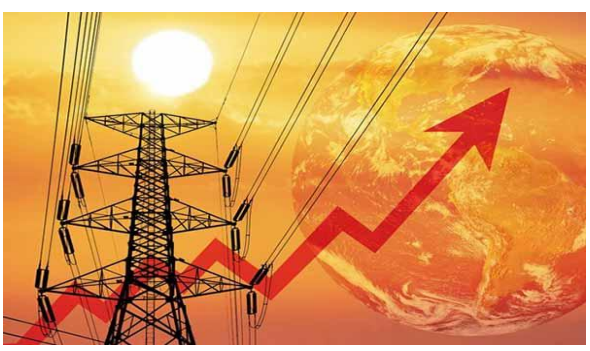
The Commission's Final Order also incorporates revisions adopted through Chairman DeFrank's motion at the April 30 public meeting, including enhanced guidance regarding Contributions in Aid of Construction (CIAC) and cost allocation principles associated with large load interconnections.

The Final Order and model tariff framework will serve as guidance for future utility tariff filings and related proceedings before the Commission. The PUC's Final Order is available at: https://www.puc.pa.gov/pcdocs/1929842.pdf.

Source: PA PUC Press Release, May 13, 2026

PJM Eyes Market Reforms Amid Soaring Energy Demand

Pennsylvania-based electricity grid operator PJM Interconnection — which manages power for 67 million customers across 13 states and D.C. — is pushing to finalize a major market reform strategy by this summer, working alongside industry leaders to address a power grid under increasing strain.



The urgency stems from skyrocketing wholesale electricity prices driven by a surge in data center development and broader electrification of the economy. A July 2024 capacity auction cleared at a record $270 per megawatt-day, prompting Gov. Josh Shapiro to sue PJM over pricing. A settlement established a price floor and ceiling that has since been extended twice, most recently under pressure from PJM state governors and the Trump administration.

At PJM's annual member meeting, Bryan Long, executive director of J.P. Morgan's commodities group, spoke to the investor hesitancy that market unpredictability has created. "If the marketplace can't figure out how to do this, then how are we going to figure out how to do it ourselves?" he said, noting that uncertainty makes it easier for investors to simply stay on the sidelines. Long was clear, however, that the capital exists — once stable market rules are in place, he said there would be "overwhelming amounts of capital available at very advantageous financing rates" to build the generating capacity PJM needs.

PJM recently released a white paper outlining three broad pathways to reform its wholesale electricity markets:

- **Longer-term generator contracts** to help shield consumers from the kind of price volatility seen in recent auctions. Rather than annual capacity commitments, this approach would give both generators and consumers more predictability and could encourage new investment in generation infrastructure.
- **New customer tiers** that would formally distinguish between electricity users who can be temporarily curtailed during peak demand periods — helping the grid get through its highest-stress hours — and those, like hospitals or critical facilities, who cannot be interrupted under any circumstances.
- **A shift in how generators are paid**, placing greater emphasis on payments for actual electricity output rather than simply for being available to produce power. The idea is to better align generator incentives with real market needs and actual energy delivery.

On the supply side, PJM recently reopened its interconnection queue — paused since 2022 — with over 800 proposed projects now under review under a reformed process that prioritizes projects closer to construction and requires proof of financial commitment. A one-time backstop capacity auction is also planned for later this year, with investors signaling that capital is ready to deploy once market rules stabilize.

One key tension remains: how aggressively to connect data centers to the grid. Power generator Vistra Corp. argued that being too cautious risks pushing data center investment to other regional markets, ultimately leaving a smaller customer base to absorb fixed grid costs. The company contends that peak demand concerns are overstated, noting that the most critical supply crunches occur fewer than 50 hours per year.

Source: Peter Hall, Pennsylvania Capital – Star, May 11, 2026

Participation in PMEA Surveys

Your participation in surveys and responses to member inquiries is essential. To effectively assess the needs and challenges facing our membership, we rely on broad and thoughtful input from all members. While we strive to limit the number of requests we send, emerging issues and evolving circumstances often create the need for timely information and data that cannot always be anticipated. Your feedback helps strengthen our advocacy and support efforts — please help us help you.

PJM Says Developers are Proposing 800+ New Power Projects

For the first time in four years, the organization that manages the wholesale electricity supply for Pennsylvania and a dozen other states is reviewing applications to build and connect new sources of power to the grid.

The announcement by PJM Interconnection last week comes as elected leaders across the country are focusing on “the affordability problem,” as rising demand – largely driven by data center development – butts up against a dearth of new supply, driving up electricity bills.

PJM touts more than 800 proposed projects ranging from natural gas-fired thermal power plants to renewables like wind, solar and battery storage. And for the first time, a company planning to build a fusion power plant in Virginia is seeking approval to join the grid.

The projects are the first since 2022, when PJM paused its review process as it scrambled to keep up with applications. The new batch will move forward under “a redesigned approach focused on improving the certainty, speed and discipline of project review,” PJM said in a news release Wednesday.

While electricity market watchers say PJM restarting its queue is good news for the industry and consumers, some note it comes at the cost of fewer sustainable energy sources in the mix.

The reformed process replaces PJM’s first-come, first-served method with a first-ready, first-served approach to prioritizing projects that are closer to actually starting construction. That includes showing proof of meaningful financial commitments and control of the proposed site.

“These requirements are designed to reduce speculative projects, improve predictability and increase the overall pace of interconnection,” the organization said in a release.

Natural gas power plants make up the largest category of projects by generating capacity, with 157 applications totaling nearly 106 gigawatts of electricity. That’s followed by 349 storage projects, totaling about 67 gigawatts; and 27 nuclear projects totaling 18 gigawatts.

The remaining proposals are solar, solar with storage, wind, hydroelectric and other sources including coal, methane, biomass and fusion for a total of 220 gigawatts.

That’s more than the 180 gigawatts of generating capacity that PJM currently oversees and not all of the projects will be built.

PJM forecasts electricity use will grow by nearly 70% over the next two decades. Most of the new demand will come from data centers to develop artificial intelligence, an endeavor some elected leaders liken to a new race for global technological dominance. On the national level, states are competing to attract data center projects for the boost they’re expected to bring to local economies.

But state and national leaders are also focused on the impact the additional generation could have on consumers and transmission costs that could come with massive data centers, which can consume as much power as a small city. In January, the governors of the PJM states and the Trump administration agreed on a set of principles to guide reform of the electricity market.

They included a two-year extension of the price collar established in January 2025 by a settlement between PJM and the Shapiro administration. The agreement capped bids to provide capacity to meet peak demands at $325 per megawatt day. It followed a capacity auction in July 2024 that set a new record price of $270 per megawatt day.

The Federal Energy Regulatory Commission, which oversees regional transmission organizations including PJM, approved the extension Thursday. It will apply to two auctions this year to secure resources for 2028 through the 2029-2030 delivery year.

In its announcement, PJM noted that although it was not accepting new applications while its interconnection queue was paused, it was still approving requests to connect made before 2022.

Source: Peter Hall, Pennsylvania Capital – Star, May 4, 2026

.

PJM Videos Available

PMEA's annual 2025 Business Workshop included an essential session on PJM, giving attendees a comprehensive look at how PJM operates and its critical role in managing the regional power grid. Click here to view on PMEA’s private YouTube channel.

PMEA's Public Power Governance 101 educational video is available exclusively to member municipalities. Designed for elected officials and staff across Pennsylvania's 35 public power communities, this module delivers insights into the management and operation of municipal electric systems. To receive a viewing link, contact Diane Bosak at bosak@papublicpower.org.

PA Legislators are Talking the Talk on Data Center Regulations

Public opposition to AI data center development is surging in Pennsylvania, but whether the state's divided legislature can translate that frustration into meaningful policy remains deeply uncertain.

The backlash has been swift and broad. A February 2026 Quinnipiac poll found 68 percent of Pennsylvania voters would oppose an AI data center being built in their community — including 53 percent of Republicans. Grassroots resistance groups have organized rapidly, in some cases successfully blocking projects. Yet just months ago, there was virtually no legislative conversation about regulating the industry.

Now there is, though it's fragmented. The most aggressive proposal comes from Democratic state Sen. Katie Muth, who is pushing a three-year moratorium on "hyperscale" data center construction. Despite winning support from Republican Sen. Rosemary Brown, Muth herself doubts the measure will pass in Pennsylvania's often-gridlocked legislature. "I don't see Pennsylvania putting out some sort of progressive policy," she said.

The Democratic-controlled House has seen more movement. Rep. Robert Matzie's bill — described as Pennsylvania's "first-ever data center regulations" — passed the House and would shield consumers from utility-bill increases caused by the energy-hungry facilities. Two additional bills are percolating in the House Energy Committee: one requiring annual data center reports on water and energy usage, another creating a model zoning ordinance municipalities could voluntarily adopt. Neither has yet received a full House floor vote.

If these bills reach the Senate, they face a steeper climb. The relevant committee is chaired by Republican Gene Yaw, who critics say has a habit of holding hearings without producing results. The industry's trade group, the Data Center Coalition — representing Amazon, Microsoft, and others — has already come out against the Matzie bill, arguing it's overly restrictive and could drive data centers out of the state. The coalition contends public concerns are largely based on "misperceptions" and that education, not legislation, is the real solution.

Gov. Josh Shapiro occupies a complicated position. He has championed data centers as economic engines that will generate "hundreds of millions" in tax revenue and strengthen the U.S. in its technology competition with China. But he also acknowledged public anxiety in his February budget address. His response is a set of policy principles called GRID (Governor's Responsible Infrastructure Development), which he says will address concerns around resource consumption and community impact. Critics note that GRID's specific requirements remain vague, and that tying the standards to an optional fast-track permitting process gives them limited enforcement power.

For townships already fielding close to 60 proposals statewide, the pace of state action feels inadequate. Local governments want to retain zoning authority — their primary tool for blocking unwanted development — while fearing that state-level legislation could inadvertently undermine that authority.

Former Department of Environmental Protection head David Hess is blunt about the pattern he sees: "I think they are happy to let local officials shoulder all of the blame." With the legislature divided, the industry well-resourced, and the governor still refining his position, meaningful statewide regulation of AI data centers in Pennsylvania may remain just out of reach.

Source: Kyle Bagenstose, Inside Climate News, April 1, 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 they will be used in upcoming editions. We also welcome your suggestions for topics of interest for our newsletters.

Pennsylvania Municipal Electric Association
1801 Market St., Suite 300 Camp Hill, PA 17011
Tel: 717-489-2088
info@papublicpower.org