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Jeff Killip
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-725022

Re: Comments on behalf of Front and Centered **(Docket UE-260162)**

Dear Director Killip:

Front and Centered appreciates the opportunity to provide comments in Docket UE-260162. Our organization's mission is to advocate for the interests of frontline communities, who are first and worst impacted by the climate crisis, in advocating for a just transition from an extractive to a regenerative economy. As a climate justice coalition of organizations led by and serving communities of color in Washington, our comments focus on equity concerns for frontline communities, including energy affordability, cost allocation, and data transparency and accessibility.

We hope our recommendations can support with the inclusion of frontline community perspectives in regulating emerging large loads in Washington and mitigating their effects on our state's utilities and consequently the communities that rely on them for safe, sufficient, and affordable energy. As is evidenced in Front and Centered's recent report Communities Centered: Frontline Perspectives on Hyperscale Data Centers in Washington State,[1] communities across our state are increasingly concerned about the adverse impacts on their health and livelihoods resulting from the introduction of new large loads to Washington. This includes concerns regarding: 1) immense strain on our existing energy infrastructure and grid, and what this will mean for reliability and energy availability for communities, 2) concerns regarding the lack of information and transparency on hyperscale data center energy consumption, including rising utility rates and what the build-out of hyperscale data centers will mean for the future of energy affordability, and 3) increased energy demand from hyperscale data centers threatening our

[1] Front and Centered (2026). Communities centered: Frontline perspectives on hyperscale data centers in Washington State. Seattle, WA, https://frontandcentered.org/wp-content/uploads/2026/07/Communities-Centered-Frontline-Perspectives-on-Hyperscale-Data-Centers-in-Washington-State-July-2026.pdf,

state's ability to meet its clean energy goals under the Clean Energy Transformation Act (CETA) and other state mandates using existing resources, leading to a potential reactivation of fossil fuels.[2]

This docket serves as an important step towards ensuring that emerging large loads in our state are regulated in a manner that ensures strong protections for ratepayers, advances energy justice, and mitigates adverse impacts to our grid and energy infrastructure.

Responses to Questions

> **Q1) Are there LLC characteristics that create enough differentiation that they would benefit from having their own LLC class of tariffs? If so, what are they, and what tariff mechanics should be different?**

Hyperscale data centers that use 20 megawatts or have a projected or actual load factor of over 80% should qualify as large loads for the purposes of regulation under this docket and should have their own LLC class of tariffs to prevent costs from being offloaded onto ratepayers.

Oregon passed HB 3546 during their 2025 legislative session, which describes large energy use facilities as "a facility that uses or is able to use 20 megawatts or more and is primarily engaged in providing a service described under code 518210 of the 2022 North American Industry Classification System."[3] We recommend that the UTC adopt this definition when creating its own class. Under this code description, facilities classified as large energy users would include "establishments primarily engaged in providing infrastructure for hosting data processing services" which could include computer data storage services, application hosting, and web hosting.[4] The classifications for large energy use facilities should be distinct from other commercial and industrial customers to provide ratepayer safeguards that are adequately protective. As such, we recommend that the UTC adopt similar tariff mechanisms to those adopted in HB 3546. This includes allocating costs to large energy use facilities[5] in a way that is equal to the costs of serving them, directly assigning these costs to said facility, and mitigating the risk of cost shifting.[6]

We also recommend that the separate LLC class be designated based on projected load behavior in addition to load size. Since hyperscale data centers require power in a way that is more volatile in comparison to other large commercial and industrial loads, it is necessary to designate

[2] Ibid., p.2.
[3] Oregon House Bill 3546(1)(d).
[4] NAICS Code Description, 518210 - Data Processing, Hosting, and Related Services, https://www.naics.com/naics-code-description/?code=518210.
[5] Henceforth, "large energy use facilities", "data centers", and "LLC" are used interchangeably in this comment letter to refer to LLCs as defined in our response to Q1.
[6] Oregon House Bill 3546.

a separate class of tariffs that is specific to them. Maryland passed SB 596 earlier this year, which classifies a LLC based on aggregate demand and projected load factor.[7] In addition to using 20 megawatts or more, the UTC should include facilities that have or are projected to have a load factor of more than 80% as part of how it classifies LLCs subject to a separate class of tariffs.

Another tariff mechanism that should be included is the requirement that electric companies providing electricity to large energy use facilities should enter a direct agreement that also covers other ancillary services, including transmission, distribution, and capacity.[8] Finally, the UTC should create a tariff mechanism that allows for additional charges to large energy use facilities based on excess demand that surpasses what is contracted for in the tariff schedule.

> **Q2) Commenters identified indirect and difficult-to-track costs that LLCs impose on the utility system. One way for an LLC to address costs that cannot easily be directly assigned to LLC customers is by requiring LLCs to fund programs that support other customers, such as by contributing to low-income bill assistance, low-income weatherization, low-income decarbonization, energy efficiency, demand flexibility programs, or funding for utility ventures.**
>
> **If LLCs were to provide direct payments to a utility in order to fund programs that benefit other customers, what specific programs should LLCs contribute towards (e.g., low income bill assistance, weatherization, demand response programs, intervenors' fund)?**

As part of Front and Centered's recent report on frontline community perspectives regarding data centers, community members across different regions in Washington highlighted concerns around energy affordability and lack of adequate information regarding the cause of rising rates.[9] As large loads continue to grow in Washington, it is critical to ensure that 1) indirect costs from large energy use facilities are not being placed on small businesses and residential utility customers, and 2) spillovers from difficult-to-track costs impacting these customers are being addressed adequately through robust and effective affordability and assistance programs.

In order to support energy affordability for households in both the short and long-term, our recommendations include the following:

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[7] Maryland Senate Bill 219(2).
[8] Oregon House Bill 3546.
[9] Front and Centered (2026). Communities centered: Frontline perspectives on hyperscale data centers in Washington State. Seattle, WA, https://frontandcentered.org/wp-content/uploads/2026/07/Communities-Centered-Frontline-Perspectives-on-Hyperscale-Data-Centers-in-Washington-State-July-2026.pdf at p.2.

- Contributions from large energy users to utility bill assistance programs

Bill assistance programs are a key means for addressing rising rates and affordability challenges that households face by providing baseline affordability support to customers, particularly energy burdened households. Some examples include Puget Sound Energy's (PSE) Bill Discount Rate (BDR) Program and Home Energy Lifeline Program (HELP), Avista's Low-Income Rate Assistance Program (LIRAP), PacifiCorp's Low Income Bill Assistance (LIBA) Program, Northwest Natural Gas's Gas Residential Energy Assistance Tariff (GREAT), amongst others.[10]

- Contributions from large energy users to arrearage management programs

Alongside bill assistance programs, arrearage management programs serve as a key means of support for households by providing predictable payment options and preventing utility shut-offs. Contributions from large energy users towards utility-managed arrearage management programs will ensure service protection and increase access to utility debt forgiveness for customers.

- Contributions from large energy users to low-income weatherization, energy efficiency, and appliance replacement programs

Weatherization and energy efficiency programs are an effective long-term strategy for improving energy affordability by reducing household energy use while improving health and resilience outcomes for households. Contributions from large energy users to low-income weatherization and efficiency programs can expand access for low-income and frontline households, address unmet needs, lower monthly energy bills in the long-term, improve housing quality, and reduce exposure to extreme temperatures. Additionally, contributions to community-scale weatherization and decarbonization programs can also support resilience and benefits beyond the household level to support multiple homes in the same area, particularly in Named Communities. Examples of programs that provide efficiency and decarbonization benefits to low-income customers and Named Communities include PSE's Residential Decarbonization Grants Program.[11]

- Contributions from large energy users to distributed energy resource (DER) programs

DER programs, including rooftop and community solar, battery storage, microgrids, and other distributed energy technologies, can improve energy affordability, increase resilience, and

[10] "Washington Ratepayer Funded Programs." The LIHEAP Clearinghouse. Accessed July 31, 2026. https://liheapch.acf.gov/dereg/states/wasnapshot.htm.
[11] "Residential Decarbonization Grants Program." PSE. Accessed July 31, 2026. https://www.pse.com/en/pages/decarbonization-grant-program.

support a more flexible and reliable electric grid. Contributions from large energy users to DER programs can expand access for low-income and frontline households that may otherwise face financial or technical barriers to participation. These investments can reduce household energy costs, provide backup power during outages, improve resilience to extreme weather and other grid disruptions, and help communities benefit from the clean energy transition.

- Contributions from large energy users to Participatory Funding

By contributing to the participatory funding pool established by the UTC, large energy users can support investor-owned utilities (IOUs) in expanding access for groups representing vulnerable populations or highly impacted communities to participate in UTC proceedings that directly impact their livelihoods and well-being. Increased participatory funding can help address longstanding barriers to participation, including limited organizational capacity, lack of technical and legal expertise, resource constraints, language access needs, and the significant time required to engage in complex regulatory proceedings. Expanding participatory funding helps ensure that utility decision-making is informed by the perspectives and lived experiences of communities most affected by energy affordability, reliability, health, and environmental impacts, leading to more equitable and durable regulatory outcomes.

- Contributions from large energy users to utility programs designed specifically to support Named Communities

Contributions to utility programs designed specifically to benefit our state's Named Communities can help ensure that the benefits from the clean energy transition are being channeled towards communities disproportionately impacted by rising rates and climate impacts. An example of an existing program that supports Named Communities is Avista's Named Communities Investment Fund (NCIF).[12] Funding provided to utilities for this purpose can also assist with the process of setting up similar programs at other IOUs that currently may not have them.

- Contributions from large energy users to utility community outreach programs

Named Communities often face unique hurdles when it comes to accessing information and participating in conversations around affordability and clean energy program offerings. This includes language barriers, working multiple jobs, lack of childcare, or access to transit. Factors such as these that limit participation are compounded by inaccessible processes, technical terminology, and inconvenient meeting formats. Contributions from large energy users to community outreach programs can ensure that communities are gaining access to information

[12] "Named Communities Investment Fund." Avista. Accessed July 31, 2026. https://www.myavista.com/about-us/washingtons-clean-energy-future/named-community-investment-fund.

and resources that have a significant impact on their quality of life. Funds can be used to hold public meetings with targeted outreach that reduce many of the barriers to engagement by having interpretation, translated materials, and food and childcare for community members when meetings are hosted in the evening. Equitable outreach can also be achieved through community partnership programs that compensate community-based organizations, community action agencies, and housing organizations to help with outreach and make existing engagement practices more accessible.

Q4) To serve LLC customers, utilities likely must invest in significant upgrades to their grid infrastructure. Stranded asset risks arise if LLCs do not remain on the system for the life of those resources and utilities depend on serving LLCs for revenue to cover the cost of service. Some options to alleviate these concerns are minimum contract lengths, upfront payments, collateral requirements, and exit fees.

a) To the extent that it is possible to assign direct costs to an LLC, do up-front payments eliminate the need for contract length minimums or exit fees?

b) If direct costs are paid for upfront by LLCs, are minimum contract lengths and exit fees appropriate tools to address stranded asset risks for indirect costs or costs that cannot be directly assigned to an LLC customer? How do their uses change?

To address stranded asset risks, up-front payments by large energy use facilities must be paired with contract length minimums and exit fees. Up-front payments alone do not eliminate the need for contract length minimums or exit fees. Examples from other states where different mechanisms for addressing stranded asset risks are paired include that of Virginia. The state created a new large-load tariff in 2025, approved by the State Corporation Commission for Dominion Energy to ensure long-term cost recovery to shift risk from ratepayers to large loads. In Virginia, customers that demand 25 MW or more will automatically be subject to the new "GS-5" tariff and will be required to enter into contracts with minimum 14-year terms, pay 85% of contracted transmission demand and 60% of contracted generation demand, and put up collateral worth $1.5 million per MW of capacity.[13] Under Ohio's Data Center Tariff (DCT) adopted by the state in 2025, if a large energy user closes or terminates early, it must pay an exit

[13] "In Biennial Review Ruling, SCC Creates New Class for Large-Scale Energy Users." SCC Issues Order on DEV Biennial Review 2025. Accessed July 31, 2026. https://www.scc.virginia.gov/about-the-scc/newsreleases/release/scc-issues-order-on-dev-biennial-review-2025/scc-rules-in-dev-biennial-review-case.html; "SCC DATA Center Initiatives Ensuring Data Centers Pay Their Own Costs." SCC Virginia. Accessed July 31, 2026. https://www.scc.virginia.gov/media/sccvirginiagov-home/about-the-scc/fact-sheets/scc-data-center-initiatives-02-2026.pdf.

fee equal to 36 months of minimum charges.[14] Similarly, in Michigan, the Michigan Public Service Commission (MPSC) approved a large load tariff in 2025 that requires strict early termination fees. The early termination fee is calculated as the minimum monthly bill multiplied by the total number of months remaining on the required 15-year contract, and a required 4 years' notice for contract termination.[15]

Given that up-front payments alone do not eliminate the need for contract length minimums or exit fees, we recommend that the UTC adopt similar requirements as outlined for other states for data centers regulated under this docket, with: 1) minimum 15-year contract terms and potentially longer term requirements for larger facilities, 2) strong early termination fees, similar to those adopted by Michigan which are calculated as the minimum monthly bill multiplied by the total number of months remaining on the facility's contract. These requirements will ensure that direct costs for stranded asset risks are not shifted over to ratepayers; a growing area of concern for frontline and low-income communities across Washington.[16]

Indirect costs that are not covered by these requirements must be addressed through other mechanisms like contributions to utility affordability and assistance programs, as discussed in response to Q2. In addition to these contributions to utility-operated programs, direct community capital and resilience investments in low-income communities and Named Communities are critical to ensure that impacts are being addressed at both the household and community level. Examples include those from states like Virginia, where the Solar Access Henrico program - funded by a data center - is supporting a solar energy program for low-to-moderate income households.[17]

Q5) Utility interconnections are typically "firm," where customers are free to use the resource at any time. In some instances, where supply is not always available, customers may be limited during some hours of the year depending on market conditions. For example, Bonneville Power Administration plans to offer transmission customers "conditional firm" service, which may interrupt customer transmission access when the system is strained. Utilities and LLCs engage in a

[14] "Data Center Tariff." AEP Ohio. Accessed July 31, 2026. https://www.aepohio.com/company/about/rates/data-center-tariff/.
[15] "MPSC Approves Terms of Service between Consumers Energy and Data Centers, Other Very Large Customers; Adds Protections for Existing Customers." Michigan Public Service Commission, November 6, 2025. https://www.michigan.gov/mpsc/commission/news-releases/2025/11/06/mpsc-approves-terms-of-service-between-consumers-energy-and-data-centers.
[16] Front and Centered (2026). Communities centered: Frontline perspectives on hyperscale data centers in Washington State. Seattle, WA, https://frontandcentered.org/wp-content/uploads/2026/07/Communities-Centered-Frontline-Perspectives-on-Hyperscale-Data-Centers-in-Washington-State-July-2026.pdf at p.22.
[17] "When Data Centers Call: A Community Model for Energy Cost Savings, Economic Development." Local Initiatives Support Corporation. Accessed July 31, 2026. https://www.lisc.org/our-stories/story/when-data-centers-call-community-model-energy-cost-savings-economic-development/.

similar transaction when considering flexible demand in exchange, typically in exchange for faster interconnection and lower rates. Industry-accepted language and standards regarding large load flexibility is only recently emerging. The Commission invites commenters to consider EPRI's draft data center flexibility framework, included as appendix A, in order to answer the following questions.

a) Should IOU offerings for flexibility be uniform, such as through a tariff, or is flexibility better pursued as a case-by-case negotiation?

b) If uniform, what terms of flexible interconnections should be established?

c) If case-by-case, what insight should the Commission and interested persons have into the negotiation process and results? What information could not be shared?

Large energy use facility offerings for flexibility should be done uniformly rather than on a case-by-case basis. By allowing individual facilities to negotiate their own terms and conditions for flexibility, there is an increased risk that the regulatory landscape will become fragmented and important operational and financial information could be concealed. Creating a uniform flexibility framework that classifies large energy use facilities based on magnitude, timing, duration, and frequency can ensure that flexibility offerings are appropriately tailored to different facility characteristics without compromising transparency. Even if certain compliance data must be disclosed to a utility, the use of standardized tiers like those proposed by the Electric Power Research Institute helps provide a shared understanding of what flexibility terms different facilities will be subject to. This can provide important context for communities about how facilities in their vicinity are consuming power and under what conditions facilities will use back up power such as diesel generators.

Terms for flexible interconnection should include parameters around:

- Temporal flexibility that shifts workloads outside of peak operation hours to avoid high demand and periods in which renewable generation is low.
- Spatial flexibility, requiring coordination with other data centers to prioritize time-sensitive tasks, allowing for more power intensive functions to be conducted outside of peak demand
- Demand response protocols with mandatory, temporary cuts to LLCs depending on power availability, the need for emergency grid support, local substation capacity, and circuit-level congestion.

Q6) The Public Utility Commission of Texas requires disclosures, such as the list below, as part of an "intermediate agreement" or final "interconnection agreement" when an LLC submits an interconnection request to ERCOT for study. Some data submitted in an intermediate agreement are required to be updated in the final interconnection agreement phase.

Information required by the Texas Public Utility Commission

- **Proof of site control**
- **State and local regulatory approvals**
- **Disclosure of substantially similar requests in other service territories**
- **Site-related studies, such as engineering studies, and potential for heat reuse**
- **Expected permitting timeline**
- **Expected energization schedule, with ramp rates, including for contracted peak demand**
- **Financial securities for significant equipment or services, or for system upgrades**
- **Power supply details, including back-up generation**
- **Nonrefundable interconnection study fee that is proportional to expected energy or capacity demand**
- **Intention to employ flexibility and curtailment**
- **Expected power usage effectiveness, energy reuse effectiveness, or other efficiency metrics**
- **Contributions in aid of construction**

b) For all commenting parties, what additional information should LLCs submit when entering an interconnection queue? What information would not be necessary?

c) For all commenting parties, should this information be made available to the Commission, stakeholder groups, or the public? If not, how could it be made available at an aggregated level?

All of the information required by the Texas Public Utility Commission should also be disclosed when a large energy use facility submits an interconnection request to the UTC. This information is critical for the UTC to more accurately assess impacts to grid reliability, energy costs, and local communities. In addition to being made available to the UTC, all of this information should also be made available to the general public in an online database. Communities across

Washington have expressed their frustration at a lack of transparency around how data centers contribute to energy costs and demand increases that impact them.[18]

Similarly, information related to state and local regulatory approvals, site-related studies, expected permitting timelines, and power supply usage must be public so local communities can better understand the way data centers are being developed. This information can also help communities understand project timelines and increase participation through better access to information about the interconnection and where there will be opportunities for community input.

In addition to the information required by the Texas Public Utility Commission, large energy use facilities should also be required to provide information regarding their load-shifting plans and contracts related to connection, rate agreements, or special tariffs. Site-related studies should also explicitly include water usage and projected emissions as part of the facility's required disclosure.

With current trends indicating that data centers are increasingly sited in communities with higher proportions of people of color, making this type of information publicly accessible is critical to avoiding the replication of harm caused by historic siting processes.[19] Oftentimes communities where data centers are located are the same communities that have been excluded from decision-making processes historically for energy projects, resulting in lasting harms.[20] Given this history of marginalization, data transparency and accessibility for data centers are necessary to mitigate harms across the state. To increase transparency in this regard, data centers should also submit the Environmental Health Disparity Map score for the census tract it is located in, data on existing energy burden faced by the community, proximity to other forms of pollution including hazardous and toxic waste sites, and current air and water quality characteristics. The analysis should also include an assessment of how the large energy use facility's interconnection could impact these conditions and ultimately be mitigated.

7) LLCs present challenges in a system that must balance supply and demand both instantaneously and over the long term. Information related to the demand of LLCs can help utilities efficiently manage their systems by reducing uncertainty.

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[18] Front and Centered (2026). Communities centered: Frontline perspectives on hyperscale data centers in Washington State. Seattle, WA, https://frontandcentered.org/wp-content/uploads/2026/07/Communities-Centered-Frontline-Perspectives-on-Hyperscale-Data-Centers-in-Washington-State-July-2026.pdf at p. 29

[19] Ibid., p. 32

[20] "Northwest dams have devastated the region's Native tribes, U.S. government acknowledges." Cascade PBS. Accessed July 31, 2026. https://www.pbs.org/newshour/politics/northwest-dams-have-devastated-the-regions-native-tribes-u-s-government-acknowledges.

a) Regarding short-term demand fluctuations or interruptions, what notice does a utility need in order to effectively manage changes, such as an LLC fully or partially switching to backup power?

c) Can this information be made "binding" once provided by LLCs? What would the best mechanism for that binding be, and how would compliance or penalties be determined?

To address increasing and fluctuating demand for large energy use facilities, federal regulators Federal Energy Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC) are issuing reliability standards and registration requirements with NERC for large loads, with a deadline for end of 2026 to finalize registry criteria and initial Reliability Standards pertaining to the integration of computational loads.[21] These actions at the federal level signal the critical need for greater communication and visibility by large energy use facilities on demand fluctuations and interruptions, which have already had adverse impacts on the national grid recently.[22]

It is necessary for large energy use facilities to communicate information about power oscillations and expected load losses to utilities to ensure that reliability and power availability is not compromised for other utility customers. The information provided must include (at the very least) information on data center oscillation and ramp behaviors, tripping metrics, and backup power and reconnection plans. Depending upon which information is key for utilities in ensuring reliability and demand management, this information should largely be considered binding in order to safeguard reliability for other customers, reduce uncertainty, and preserve grid stability. Penalties, such as mandatory curtailment of power during grid emergencies, financial penalties, and withholding interconnections, amongst others mechanisms can ensure compliance.

[21] "FERC Sets Year-End Deadline for NERC to Finalize Registry Criteria and Standards for Computational Loads." North American Electric Reliability Corp. Accessed July 31, 2026. https://www.nerc.com/newsroom/ferc-sets-year-end-deadline-for-nerc-to-finalize-registry-criteria-and-standards-for-computational-loads.

[22] "NERC Issues Level 3 Alert, Reliability Guideline Focused on Large Load Challenges." North American Electric Reliability Corp. Accessed July 31, 2026. https://www.nerc.com/newsroom/nerc-issues-level-3-alert-reliability-guideline-focused-on-large-load-challenges.

We appreciate the opportunity to provide comments. Please do not hesitate to contact us if you have any questions.

Respectfully,

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