



DELAWARE GENERAL ASSEMBLY
STATE OF DELAWARE
411 LEGISLATIVE AVENUE
DOVER, DELAWARE 19901

J. Tyler Anthony
President & CEO
Pepco Holdings
701 9th Street NW
Washington, DC 20001

Tuesday, November 4, 2025

President & CEO Anthony;

We are a group of Delaware legislators writing to urge you to use your voting powers and influence at PJM to address the increasing pressure on electricity rates and reliability resulting from large load additions and their projected growth. Large load additions, like data centers located outside of Delaware have already increased costs for customers in Delaware and those increases will rise drastically in future years without significant policy changes at PJM. While data centers play an important role in national security and economic development, their growth must be incorporated in a fair way that ensures their costs are not unfairly socialized to Delaware ratepayers.

PJM's independent market monitor estimates that existing and projected data center demand growth increased the costs of the last two capacity market auctions by \$16.6 billion. Further, over the past two years, PJM has obtained federal approval for regional transmission upgrades of approximately \$12 billion primarily to support data center demands. More than half of those costs will be socialized to customers across PJM. Existing customers also are paying for local transmission projects to support data centers and increased energy costs.

PJM has several ongoing processes that will affect whether large load additions pay their full costs and impact reliable service for existing customers, including the current Critical Issues Fast Path (CIFP). As part of the PJM State Legislators Collaborative, we have been involved in



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this process. Representatives of our group have asked all the presenters to explain how their proposals protect residential customers from experiencing higher costs because of large load growth, while also protecting existing customers from having their service disrupted. PJM also is reviewing requests from utilities to include massive, additional new large load in its forecast for 2026. That forecast will significantly impact future capacity market auctions and transmission planning—and therefore costs for customers.

As a public service company with government-granted benefits of an exclusive franchise and government protection from competition, you have a special obligation to advance the interests of your existing Delaware customers at PJM. That obligation includes advancing policies at PJM that ensure that your Delaware customers do not bear the massive costs associated with data center load growth, real or projected, as well as ensuring that safe and reliable service for existing customers is not jeopardized as a result of data center load growth. It means supporting policies that assign data center costs to data centers, reliability risks to the large loads creating those risks, and ensuring speculative and uncertain forecasts of data center load do not become a vehicle to increase existing customer costs and risks of stranded investments.

Please also note that as a result of the passage of Senate Bill 61 last June, 26 Del. C. Sec. 1021(b) now requires that you submit a record of your PJM votes to the Delaware Public Service Commission. This ensures transparency and accountability for how those votes affect Delaware ratepayers.

As an initial request, we ask that you provide a summary of the positions that you are supporting in CIFP and large load adjustment processes underway at PJM.



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Specifically:

- Please explain what proposals you are supporting in the CIFP.
- How do they ensure that residential customers' service is not interrupted because there is insufficient generation to serve the new large load additions?
- How do they ensure that additional capacity and energy market costs caused by new large load additions are not incurred by residential customers?
- Have you assessed the impact on your customers of forecasted large load additions on energy and capacity market costs?
- How do proposals you are supporting address the risk of planning transmission projects based on projected new data center load that does not materialize on the projected schedule?
- What planned transmission projects are the result of large load additions, what additional transmission projects are expected because of the additional large load additions, and what are the bill impacts for your residential customers because of these projects?

Customers are experiencing an energy affordability crisis. Substantial increases in distribution rates for gas and electric service over the last decade are now being compounded by added costs resulting from large load growth—costs that will grow drastically if data centers and data center projections are allowed to shift the billions in investments necessary to support their overwhelming energy needs to residential customers. Your influence and votes in the PJM processes are necessary to prevent residential customers from subsidizing actual or forecasted large load growth. We appreciate your timely response.



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Signed,

Handwritten signature of Stephanie Hansen in black ink.

Senator Stephanie Hansen, 10th District
Chair, Senate Environment, Energy, and Transportation
Committee

Handwritten signature of Debra Heffernan in black ink.

Rep. Debra Heffernan, 6th District
Chair, House Natural Resources and Energy
Committee

Handwritten signature of Russ Huxtable in black ink.

Senator Russ Huxtable, 6th District
Vice Chair, Senate Environment, Energy, and
Transportation Committee

Handwritten signature of Frank Burns in black ink.

Rep. Frank Burns, 21st District