Regulatory, Policy, and Technology Trends Digest

September 8, 2025

Dear DCFlex Advisor,

Thank you for your participation in DCFlex, which explores how flexible data center operations can support the electric grid, enable better asset utilization, and advance the energy transition. We are pleased to issue our fourth “Regulatory, Policy, and Technology Trends Digest”, a product of *Workstream 2 – Transformational Utility Programs*, which showcases notable developments and trends in regulations, policies, power agreements, and energy technologies relevant to data centers, large load flexibility, and their integration with the grid.

In this Issue

Utilities continue to seek regulatory approval to specify data centers as a distinct customer class warranting unique tariff designs. Ohio, with the recent approval of AEP Ohio’s Data Center Tariff, joins Arkansas, Idaho, Montana, and Wyoming as states that have sanctioned such designation. Many more states have approved, or have pending, utility tariffs for large load customers with eligibility factors essentially designed for data centers while not singling them out explicitly. VEPCO (Dominion’s Virginia subsidiary) is the latest to propose such a tariff in rate case hearings underway. In another notable development, Indiana Michigan Power and Google have filed a proposed contract with the Indiana PUC whereby Google provides both clean generation capacity commitments and demand response to help the utility meet PJM requirements and alleviate grid congestion during peak demand periods.

- Ohio PUC approves AEP Data Center Tariff
- AEP Indiana Michigan Power, Google file custom DR contract
- Dominion VEPCO rate case goes to hearing

- California legislation addresses cost shifts from large loads
- Additional Retail Highlights

Regulatory Updates

Ohio PUC approves AEP Data Center Tariff

On July 9, 2025, the Public Utilities Commission of Ohio (PUC) approved a joint stipulation filed on October 23, 2024, by AEP Ohio, Staff, and the Ohio Consumers' Counsel, among other parties. The stipulation includes a new Schedule Data Center Tariff (DCT) that would apply to any data center customer ESA signed after the tariff effective date for a new load (or expansion of an existing load) greater than 25 MW. The agreement also requires these customers to pay a minimum monthly billing demand of 85% and addresses collateral and exit fee requirements. The PUC rejected a competing joint stipulation filed on October 10, 2024 – supported by data center companies and other parties – which proposed that the new tariff "not be limited in its application to specific customer types, industries, businesses or operational profiles." In discussing the decision to limit the new tariff's applicability to data centers, the PUC Order stated, "we recognize that data center customers pose a different type of risk, as well as an increased amount of risk. By the record evidence, we are persuaded data centers bring with them systematic, data center industry-wide risks that are not present with other types of customers."

Further reading:

- Ohio PUC Case Record 24-0508-EL-ATA
- Commission Order: July 9, 2025

Dominion VEPCO rate case goes to hearing

Dominion subsidiary Virginia Electric and Power Company's (VEPCO) rate case begins evidentiary hearings before the Virginia State Corporation Commission (VA SCC) on September 2, 2025. The rate case includes a VEPCO proposal for a new Rate Schedule GS-5 for High Load Customers with a maximum demand of 25 MW and a 75% load factor. The proposed new tariff features a fixed 14-year minimum contract term for new customers; an exit fee of the minimum monthly demand charges for the remainder of the contract term; an optional 4-year load ramp period; minimum billing demand of 85% for Distribution and Transmission and 60% for Generation; and collateral requirements for new customers of $1.5M per MW of contracted demand. A final decision from the VA SCC is due by November 30, 2025.

Further Reading: VA SCC Case No. PUR-2025-00058

AEP Indiana Michigan Power, Google file custom DR contract

On July 30, 2025, AEP subsidiary Indiana Michigan Power (I&M) filed with the Indiana Utilities Regulatory Commission (IURC) a special joint contract with Google. The proposed contract features two key components: (1) a Google commitment to transfer to I&M long-term accredited capacity from clean energy resources, and (2) a custom demand response (DR) offering structured uniquely to Google's business capabilities. Many of the proposed DR contract details remain confidential; however, the filing proposes an unlimited number of curtailments, with a max duration of 12 hours in summer, and 15 hours in winter. In addition, the proposed contract would allow Google to use behind-the-meter generation during DR events if the resources comply with PJM rules.

Further Reading:

- IURC Cause No. 46276
- I&M News Release

California legislation addresses cost shifts from large loads

California Senate Bill 57 (SB 57), the Ratepayer and Technological Innovation Protection Act, is moving through the legislative session. The bill would require the state's Public Utilities Commission (PUC) to assess potential cost shifts from data centers and establish or modify a tariff for large load customers that minimizes costs shifts to other customers. The PUC would determine whether existing rates meet those requirements, or if new or modified tariffs would be required. The tariff would be applicable to new customers with an estimated peak demand of at least 50 MW. In addition, the bill would require the PUC to "consider opportunities to prioritize large load customer interconnections that accomplish the goal of the state that the development of new large load customers support clean energy and the state's climate goals while encouraging more efficient use of existing assets and the potential to lower costs to all customers." Criteria for this prioritized interconnection include whether the customer participates in a demand response or load modifying program.

Further Reading: California SB 57

Additional Retail Highlights

- Florida Power & Light's rate case filing (Docket No. 20250011) proposes new Large Load Contract Service tariffs for new loads of 50 MW or more with a load factor of 85% or higher.

- California regulators approved PG&E’s proposal for interim application of Rule 30, which would streamline interconnections for large load customers who pay upfront for transmission network upgrades. See: CAPUC Proceeding A2411007
- California SB 541 would require the California Energy Commission (CEC) and the California Public Utilities Commission (PUC) to develop and evaluate the cost-effectiveness and potential of load flexibility strategies.

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Each Regulatory, Policy, and Technology Trends Digest issue is a curated selection of timely and impactful regulatory and policy highlights with succinct contextual commentary and resources for deeper dives. Our aim is for these digests to become essential reading to provide you with broad perspective and insight.

DCFlex will continue to monitor relevant regulatory and policy developments and keep you informed of key filings, proceedings, decisions, and their implications.

We welcome your feedback! Contact DCFlex@epri.com.

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