

The following outlines a menu of options for utilities to consider:

Minimum Revenue Protections

- + **Minimum demand charges** require customers to pay for a minimum percentage (e.g., 70–90%) of contracted or installed capacity, even if actual usage falls below that level. This measure protects against underutilization of infrastructure.
- + **Take-or-pay provisions** obligate customers to pay for reserved capacity regardless of actual consumption. This measure ensures cost recovery even if load temporarily declines.
- + **Minimum bills** guarantee a floor level of annual revenue from the customer. This measure stabilizes recovery of fixed generation, transmission, and distribution costs. Minimum bill provisions ensure baseline revenue recovery even if actual demand underperforms, often requiring customers to pay for a substantial portion of their contracted load.
- + **Capacity reservation charges** require customers reserve a specified amount of system capacity and pay for it whether used or not. This measure aligns payment with infrastructure sizing decisions.

Contractual Commitment Mechanisms

- + **Long-term service agreements** require multi-year commitments (often 5–15+ years). This measure reduces risk of early exit after infrastructure is built.
- + **Exit fees and early termination charges** impose financial penalties if a customer leaves before contract expiration. This measure mitigates stranded asset risk.
- + **Load ramp schedules stage load** increases over time with defined milestones. This measure prevents premature buildout before load materializes.

Financial Security Requirements

- + **Upfront deposits** require customers to post refundable deposits tied to projected revenue or infrastructure investment. This measure protects against default risk.
- + **Credit and collateral requirements** to incorporate risk symmetry, reduce stranded asset risk and ensure long-term financial viability.

Direct Cost Assignment

- + **Contribution in aid of construction (CIAC)** involves customers paying upfront for dedicated facilities (substations, lines, transformers). This measure prevents socialization of customer-specific infrastructure. CIAC

payments also act as private grid investments that benefit the broader community, rather than just managing liability.

- + **Line extension policies** assign costs beyond defined allowances directly to the customer. This measure limits cost spillover to existing customers.
- + **Refund mechanisms for shared use** allow cost sharing to be recalibrated if infrastructure later benefits other customers, preserving fairness over time.

Operational Risk Controls

- + **Interruptible or non-Firm service options** allow utilities to curtail load during system stress for customers that opt in. This measure reduces need for new peaking capacity.
- + **Demand response participation requirements** encourage or require flexibility during peak events. This measure mitigates capacity-driven infrastructure build.
- + **Behind-the-meter generation** involves the loads using on-site generation to manage peak exposure. This measure reduces stress on bulk system.

Planning and Allocation Safeguards

- + **Frequent cost-of-service updates** shorten intervals between rate cases or update allocation factors more frequently. This measure reduces regulatory lag under rapid load growth.
- + **Separate large load rate classes** isolate risk and cost responsibility within a defined class. This measure prevents cross-subsidization.

Transmission and Interconnection Protections

- + **Network upgrade cost assignments** ensure that a customer pays for transmission upgrades triggered by its load. This measure avoids socialization of load-driven upgrades.
- + **Queue reform and project readiness requirements** require financial commitments before advancing interconnection. This measure filters speculative projects and reduces stranded risk.

Moreover, this commitment to prevent cost shifting and mitigate risk is held by data center customers as well, with many public pledges to pay their fair share of costs. These commitments have ranged from individual companies announcing their own initiatives to prevent electricity price increases and deliver community benefits to working directly with utilities to fund new infrastructure and community programs to signing the Ratepayer Protection Pledge.