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FOR IMMEDIATE RELEASE

AES Ohio Data Center Tariff Could Leave Customers Exposed to \$1.3 Billion in Grid Costs

COLUMBUS, Ohio — The Ohio Manufacturers' Association (OMA) today said [expert testimony filed last week](#) confirms that the proposed AES Ohio data center tariff is customer protection in name only, leaving manufacturers and other customers exposed to more than \$1.3 billion in transmission upgrade costs tied to just two data center projects.

Filed June 18 on behalf of the OMA Energy Group, the testimony states that “the Staff Report’s proposed Data Center Tariff does not ensure that data centers fully pay for their transmission system upgrade costs.” Instead, the tariff would give AES Ohio decades of guaranteed cost recovery while leaving other customers at risk for the unpaid balance.

The math is stark.

For two AES Ohio data center projects, the testimony identifies \$837.5 million in initial transmission project costs that would create roughly \$2.77 billion in 40-year guaranteed revenue requirements for AES Ohio. Under the proposed tariff, the data centers would provide about \$1.4 billion in guaranteed transmission payments. That leaves more than \$1.3 billion at risk to other customers.

“AES gets 40 years of guaranteed recovery. Data centers get a 12-year payment obligation. Customers get the gap,” said OMA President Ryan Augsburger. “That is not customer protection. That is a cost shift dressed up as a tariff.”

The testimony also shows why minimum demand provisions, often promoted by utilities as a safeguard for customers, do not solve the problem. Those provisions may affect charges within a customer class, but they do not protect residential, secondary, primary or other customer classes from transmission costs. In some cases, they can make matters worse by inflating utility load forecasts, triggering more infrastructure, higher utility revenue requirements and greater risk for customers.

“Minimum demand charges sound protective until you look at the math,” Augsburger said. “The math says they do not protect other customer classes from paying transmission costs caused by speculative data center demand.”

OMA said the testimony should serve as a warning to lawmakers considering utility-backed data center tariff proposals. Customer protection is not a label. A tariff that leaves other customers exposed to more than \$1.3 billion in grid costs is not protection, no matter how utilities package it.

The testimony recommends that data centers pay the full cost of supplemental transmission upgrades up front, rather than allowing those costs to be socialized through rates paid by other customers. It also urges the Public Utilities Commission of Ohio to deny its staff's proposed data center tariff in the AES Ohio case and instead require technical workshops, independent analysis, cost-of-service studies, customer impact analysis and a full review of transmission upgrade costs caused by data centers.

“Ohio manufacturers are not asking for special treatment,” Augsburger said. “We are asking for the oldest rule in ratemaking to be enforced. The customer that causes the cost should pay the cost. If a data center needs a billion-dollar grid upgrade, the bill should go to the data center, not to Ohio manufacturers and other customers.”

The testimony puts the choice plainly. Ohio can require data centers to pay up front for the grid upgrades built to serve them, or it can allow monopoly utilities to recover those costs from everyone else over decades. Customer protection means closing that gap before Ohio manufacturers and other customers are asked to pay it.

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The Ohio Manufacturers' Association is Ohio's largest statewide business association composed solely of manufacturers. Established in 1910, the OMA's mission is to protect and grow Ohio manufacturing. It represents manufacturers of all sizes in every subsector of the industry. Manufacturing is Ohio's largest economic sector, employing approximately 690,000 Ohioans and contributing more than \$138 billion annually to the economy. Visit ohiomfg.com, or follow us on [LinkedIn](#), [X](#), [Facebook](#) and [YouTube](#).

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