



Committee: Economic Matters
Testimony on: HB0900 - Electricity - Data Centers - Rate Schedule and Requirements
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Dave Arndt, Co-Chair
Position: Favorable
Hearing Date: February 20, 2025

Dear Mr. Chair and Committee Members:

Thank you for allowing our testimony today in support of HB0900. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations, urges you to vote favorably on HB0900.

The data center industry is experiencing unprecedented growth throughout the United States. The best way to measure this is by projected electrical demand. [One report by the Electric Power Research Institute](#) (EPRI), for example, predicts data center electricity demand could grow by as much as 166% from 2023 levels by 2030. Recently, our neighboring states of [Virginia](#) and [Pennsylvania](#) have sounded an alarm for even higher growth rates. Data centers have been cited as a root cause of [an expected 20% increase in utility prices](#) in 2025 in the Mid-Atlantic region.

While this trend has some very frightening implications for Maryland ratepayers, there is another frightful scenario: what if you build out all the infrastructure, generating stations, transmissions and distribution lines, and substations and data center demand is much lower than projected? Ratepayers will be left holding the bill to subsidize these stranded assets.

This scenario is not far-fetched. In connection with the build-out of computers and servers, electrical demand was projected to grow 15-20 percent year over year. That did not happen because of the advancement of computer chips and hardware and the bursting of the dotcom bubble. HB900 puts prudent ratepayer protections in place by requiring electric utilities to submit to the Public Service Commission for approval by July 1, 2026, a specific rate schedule for data centers and mobile data centers, including minimum durations, financial responsibilities, and fees.

AI is driving our current demand forecast, but could that bubble burst? Well, the introduction of [DeepSeek](#) has already sent shocks through our financial markets. Some big players are [reviewing their investments](#) and possibly [delaying deployments](#). Alternately, a [recent report](#) concludes, massive savings in energy can be achieved if data centers operate in a more flexible manner with only modest, short-duration reductions in usage.

Other states have recognized the possibility of this scenario and have put in place guardrails to protect ratepayers. [Indiana](#) has a legal settlement to protect ratepayers. It requires that data centers commit to a long-term agreement for at least 12 years, an exit fee, a minimum bill and reporting requirements. [Georgia's](#) Public Service Commission unanimously approved a rule that will protect Georgia Power ratepayers from cost-shifting. Even further ratepayer protections are being proposed in [Georgia](#), [Virginia](#), [North Carolina](#) and [Ohio](#).

HB900 puts in protections for Maryland ratepayers in case this scenario plays out; it mandates a few common-sense guardrails on data centers. The data center future is unclear; however, it is clear to us that we must protect ratepayers from whatever scenario happens with the unprecedented energy demand caused by the build out of data centers.

For all of these reasons, we strongly support HB0900 and urge a **FAVORABLE** report in Committee.

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Adat Shalom Climate Action
Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
Chesapeake Earth Holders
Chesapeake Physicians for Social Responsibility
Climate Parents of Prince George's
Climate Reality Project
ClimateXChange – Rebuild Maryland Coalition
Coming Clean Network, Union of Concerned Scientists
DoTheMostGood Montgomery County
Echotopia
Elders Climate Action
Fix Maryland Rail
Glen Echo Heights Mobilization
Greenbelt Climate Action Network
HoCoClimateAction
IndivisibleHoCoMD
Maryland Legislative Coalition
Mobilize Frederick
Montgomery County Faith Alliance for Climate Solutions
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