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HB 900 - Electricity – Data Centers - Rate Schedule and Requirements
FAVORABLE
Economic Matters Committee
February 20, 2025

Good afternoon, Chair Wilson and members of the Economic Matters Committee. I'm Laurel Peltier, Lead Volunteer for AARP Maryland, representing one of the state's largest membership-based organizations with over 850,000 members. AARP thanks the Chair for introducing this important legislation.

AARP is a nonpartisan, nonprofit organization dedicated to empowering people to achieve their goals, strengthening communities, and advocating on key issues like healthcare, employment security, retirement planning, affordable utilities, and protection from financial abuse.

HB 900 provides critical protections for ratepayers by establishing a specific rate schedule for large data centers and requiring data center owners to:

1. Remain financially responsible for minimum service charges even if they curtail, reduce, suspend, or terminate service.
2. Pay an exit fee if they terminate the contract.
3. Submit a load study request to determine necessary contract capacity and pay any related fees.
4. Provide a guarantee or collateral covering 50% of total minimum charges for the contract term, based on current electric company rates.
5. Reimburse the electric company for 100% of buildout costs if the project is canceled or delayed by more than 12 months before the planned electricity start date.

The rapid expansion of data centers—driven by AI, cryptocurrency, and other advanced technologies—demands significant energy and infrastructure investments. AARP Maryland is concerned about the potential negative impact on ratepayers, particularly those on fixed incomes. Reports from other states, including Virginia, highlight issues such as rising energy costs, grid reliability concerns, increased noise levels, and higher water usage.

Our primary concern is ensuring that everyday consumers do not bear the costs of data center expansion, including rising electricity rates and future infrastructure needs. HB900 offers reasonable consumer protections by ensuring that data centers, not consumers, shoulder these costs.



For these reasons, AARP Maryland respectfully urges the Committee to issue a **Favorable** report on HB900. For questions or additional information, please contact Tammy Bresnahan, Associate State Director of Advocacy, at tbresnahan@aarp.org or 410-302-8451.