

Committee: Economic Matters

Testimony: HB0900 – Electricity - Data Centers – Rate Schedule and Requirements

Submitting: Deborah A. Cohn

Position: Favorable

Hearing Date: February 20, 2025

Dear Chair Wilson and Committee Members:

Thank you for allowing my testimony today in support of HB0900. I have resided in Maryland since 1986, and most of my descendants reside in Maryland. I write to you with them in mind.

Many Marylanders benefit from and depend on the services that data centers provide. The data center industry is experiencing unprecedented growth creating the possibility of significant growth energy 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.

Given recent technological advances such as DeepSeek and the [potential](#) for future technological advances in a young and rapidly developing industry, the possibility of significant data center efficiencies that would reduce energy demand also needs to be taken into account. As this legislature rightfully tries to contain ratepayer costs, it needs to try to right size the building of new generating stations and transmission infrastructure so that we simultaneously ensure a reliable supply of electricity while protecting consumers from stranded assets. In particular, with respect to data centers, we need to enact certain guardrails to protect consumers against less energy demand from data centers than is expected based on last year's technology. HB0900 would provide some sensible guardrails.

HB900 requires electric companies to submit to the PSC for approval a specific rate schedule for data center customers. The bill imposes several requirements on this rate schedule designed to provide ratepayer protections to right size building electric generating stations and transmission or distribution infrastructure to serve data center demand.

Specifically, HB900 requires that a data center customer that contracts with the electric company:

1. Be financially responsible for paying minimum service charges even if that customer chooses to curtail, reduce, suspend, or terminate service it has contracted for and is receiving from an electric company;
2. Pay an exit fee if that customer decides to terminate a contract with the electric company;
3. Submit a request for a load study to determine the necessary contract capacity and pay any applicable fees associated with the study;

4. Provide a guarantee or collateral that is equal to 50% of the total minimum charges for the full term of the contract calculated based on the electric company's rates in effect at the time the guarantee or collateral is provided; and
5. Reimburse the electric company for 100% of its buildout costs if the data center customer cancels or delays the project by more than 12 months before the target date on which the electric company plans to begin providing electricity to the data center.

Given the ratepayer guardrails included in HB0900, I support the bill and urge a FAVORABLE report in Committee.

Thank you.