

# SENATE BILL 947

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By: **Senators Ready and West**

Introduced and read first time: January 28, 2025

Assigned to: Education, Energy, and the Environment

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Co-Location Energy Innovation and Reliability Act**

3 FOR the purpose of requiring the Public Service Commission to adopt regulations related  
4 to the construction of a generating station that is co-located with a data center but  
5 is not interconnected with the electric transmission system or electric distribution  
6 system; and generally relating to the co-location of data centers with generating  
7 stations.

8 BY adding to

9 Article – Public Utilities

10 Section 7-207.4

11 Annotated Code of Maryland

12 (2020 Replacement Volume and 2024 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
14 That the Laws of Maryland read as follows:

15 **Article – Public Utilities**

16 **7-207.4.**

17 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
18 INDICATED.

19 (2) “CONSTRUCTION” HAS THE MEANING STATED IN § 7-207 OF THIS  
20 SUBTITLE.

21 (3) “DATA CENTER” HAS THE MEANING STATED IN § 11-239 OF THE  
22 TAX – GENERAL ARTICLE.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(4) “GENERATING STATION” HAS THE MEANING STATED IN § 7-207 OF**  
2 **THIS SUBTITLE.**

3           **(B) THIS SECTION APPLIES ONLY TO A GENERATING STATION THAT:**

4           **(1) INCLUDES THE CO-LOCATION OF A DATA CENTER WITH THE**  
5 **STATION; AND**

6           **(2) DOES NOT INTERCONNECT WITH THE ELECTRIC TRANSMISSION**  
7 **SYSTEM OR ELECTRIC DISTRIBUTION SYSTEM.**

8           **(C) THE COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT**  
9 **SPECIFIC POLICIES RELATED TO THE CONSTRUCTION OF A GENERATING STATION**  
10 **UNDER THIS SECTION.**

11           **(D) THE REGULATIONS ADOPTED UNDER SUBSECTION (C) OF THIS SECTION**  
12 **SHALL:**

13           **(1) DEFINE A GENERATING STATION AS AN INDEPENDENT RESOURCE**  
14 **NOT SUBJECT TO STATE LAWS AND REGULATIONS RELATED TO RETAIL ELECTRIC**  
15 **CUSTOMERS OR ELECTRICITY SUPPLIERS;**

16           **(2) CLARIFY THAT STATE-MANDATED ELECTRIC DISTRIBUTION**  
17 **SYSTEM FEES OR RENEWABLE ENERGY PORTFOLIO STANDARD OBLIGATIONS DO**  
18 **NOT APPLY TO THE GENERATING STATION OR ENERGY GENERATED AT THE**  
19 **GENERATING STATION;**

20           **(3) ENSURE THAT A GENERATING STATION INCLUDES BACKUP**  
21 **SOURCES OF ELECTRICITY FOR RELIABILITY, INCLUDING ON-SITE GENERATING**  
22 **CAPACITY;**

23           **(4) DEVELOP ROBUST PROTECTIVE MEASURES TO ENSURE THAT A**  
24 **GENERATING STATION DOES NOT INTERACT WITH THE ELECTRIC TRANSMISSION**  
25 **SYSTEM OR ELECTRIC DISTRIBUTION SYSTEM;**

26           **(5) REQUIRE A GENERATING STATION TO INCLUDE CYBERSECURITY**  
27 **SAFEGUARDS;**

28           **(6) ENSURE THAT AN APPLICANT FOR A CERTIFICATE OF PUBLIC**  
29 **CONVENIENCE AND NECESSITY FOR THE CONSTRUCTION OF A GENERATING**  
30 **STATION DEMONSTRATE DURING THE APPLICATION PROCESS THAT THE**  
31 **GENERATING STATION SHALL:**

1                   **(I) BE AN INDEPENDENT RESOURCE THAT WILL NOT BE**  
2 **INTERCONNECTED WITH THE ELECTRIC TRANSMISSION SYSTEM OR ELECTRIC**  
3 **DISTRIBUTION SYSTEM;**

4                   **(II) COMPLY WITH ALL RELEVANT STATE AND FEDERAL LAWS;**  
5 **AND**

6                   **(III) CONTRIBUTE TO THE STATE’S ENERGY GOALS; AND**

7                   **(7) REQUIRE A PERSON THAT OWNS OR OPERATES A GENERATING**  
8 **STATION TO SUBMIT AN ANNUAL REPORT TO THE COMMISSION THAT INCLUDES**  
9 **INFORMATION REGARDING:**

10                   **(I) THE SOURCE AND AMOUNT OF ENERGY USED AT THE**  
11 **GENERATING STATION;**

12                   **(II) THE ENVIRONMENTAL IMPACT OF THE GENERATING**  
13 **STATION;**

14                   **(III) THE GENERATING STATION’S CONTRIBUTIONS TO STATE**  
15 **ENERGY GOALS THROUGH ENERGY EFFICIENCY OR EMISSIONS REDUCTIONS; AND**

16                   **(IV) COMPLIANCE WITH OPERATIONAL STANDARDS FOR THE**  
17 **GENERATING STATION.**

18                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 2025.