

SENATE BILL 596

C5

6lr2073
CF HB 940

By: Senator Hester

Introduced and read first time: February 5, 2026

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Large Load Customers – Electric System Interconnection and Demand**
3 **Response Program**

4 FOR the purpose of exempting certain large load customers from requirements to obtain a
5 certificate of public convenience and necessity; requiring the Public Service
6 Commission to establish a certain process for large load customers to interconnect to
7 the electric system; establishing requirements for a large load customer to
8 interconnect to the electric system and contract for service; authorizing certain large
9 load customers to receive certain prioritization; requiring the Commission to
10 establish a Demand Response Program for large load customers; requiring the
11 Maryland Energy Administration to study and report to the General Assembly on
12 certain information regarding surplus interconnection potential; and generally
13 relating to large load electricity customers.

14 BY adding to
15 Article – Public Utilities
16 Section 7-219.1 and 7-1008
17 Annotated Code of Maryland
18 (2025 Replacement Volume and 2025 Supplement)

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

21 **Article – Public Utilities**

22 **7-219.1.**

23 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
24 **INDICATED.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) "LARGE LOAD CUSTOMER" MEANS A COMMERCIAL OR INDUSTRIAL CUSTOMER FOR RETAIL ELECTRIC SERVICE THAT:

5 (II) HAS OR IS PROJECTED TO HAVE A LOAD FACTOR OF MORE
6 THAN 80%.

16 (C) (1) THE COMMISSION SHALL ESTABLISH AN INTERCONNECTION
17 PROCESS FOR LARGE LOAD CUSTOMERS.

18 (2) THE PROCESS REQUIRED UNDER THIS SUBSECTION:

19 (I) SHALL INCLUDE:

20 1. A STANDARD TIMELINE; AND

24 (II) MAY NOT IMPACT THE TIMEFRAME OR ABILITY OF
25 CUSTOMERS THAT ARE NOT LARGE LOAD CUSTOMERS TO INTERCONNECT TO THE
26 ELECTRIC SYSTEM.

29 (D) (1) A LARGE LOAD CUSTOMER MAY NOT INTERCONNECT TO THE
30 ELECTRIC SYSTEM UNLESS THE CUSTOMER PROVIDES INTERCONNECTION
31 CAPACITY FOR 25% OF THE CUSTOMER'S LOAD THROUGH:

- (I) BEHIND-THE-METER ENERGY STORAGE FACILITIES;
- (II) PURCHASING CAPACITY WITH NEWLY INTERCONNECTED FACILITIES WITHIN THE LOAD ZONE OR LOCAL DELIVERY AREA;
- (III) PURCHASING CAPACITY WITH NEW CARBON-FREE ASSETS IN THE LOCAL DELIVERY AREA; OR
- (IV) DEMAND RESPONSE.

- (I) LOAD STUDIES;
- (II) INTERCONNECTION; AND
- (III) PERMITTING.

18 (E) (1) BEFORE SIGNING A CONTRACT FOR SERVICE, A LARGE LOAD
19 CUSTOMER SHALL:

(I) SUBMIT A REQUEST FOR A LOAD STUDY TO DETERMINE THE
TRACT CAPACITY FOR THE LARGE LOAD CUSTOMER; AND

(II) PAY:

4 (II) 50% OF THE FEES COLLECTED SHALL BE USED FOR THE
5 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S EMPOWER
6 MARYLAND LIMITED INCOME ENERGY EFFICIENCY PROGRAM.

7 7-1008.

8 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
9 INDICATED.

10 (2) "LARGE LOAD CUSTOMER" HAS THE MEANING STATED IN §
11 7-219.1 OF THIS TITLE.

12 (3) "PROGRAM" MEANS THE DEMAND RESPONSE PROGRAM.

13 **(B) THE COMMISSION SHALL ESTABLISH A DEMAND RESPONSE PROGRAM**
14 **FOR LARGE LOAD CUSTOMERS.**

15 (c) THE COMMISSION SHALL OFFER EACH LARGE LOAD CUSTOMER THAT
16 PARTICIPATES IN THE PROGRAM THE OPTION OF CONTRACTING FOR:

17 (1) 6 NONCONSECUTIVE 4-HOUR PERIODS OF LOAD MANAGEMENT OR
18 DEMAND-SIDE MANAGEMENT TIME SLOTS PER CALENDAR YEAR; OR

21 (D) THE COMMISSION SHALL:

22 (1) DEVELOP A CLEAR COMPENSATION STRUCTURE OR FINANCIAL
23 INCENTIVES FOR PROGRAM PARTICIPATION:

(3) ESTABLISH A DISPUTE RESOLUTION PROCESS; AND

3 (E) EACH ELECTRIC COMPANY SHALL PROVIDE PARTICIPATING LARGE
4 LOAD CUSTOMERS:

5 (1) 24 HOURS OF ADVANCE NOTICE OF POTENTIAL DEMAND
6 RESPONSE PERIODS; AND

7 (2) 30 MINUTES OF NOTICE BEFORE EACH DEMAND RESPONSE
8 PERIOD.

9 (F) THE COMMISSION SHALL ADOPT REGULATIONS THAT:

10 (1) PROHIBIT BEHIND-THE-METER ENERGY STORAGE FACILITIES
11 FROM BEING INCLUDED IN A PARTICIPATING LARGE LOAD CUSTOMER'S LOAD;

18 (G) IN MEASURING A PARTICIPATING LARGE LOAD CUSTOMER'S DEMAND
19 RESPONSE PERFORMANCE, THE COMMISSION SHALL FACTOR IN:

20 (1) NEW VIRTUAL POWER PLANT AGGREGATION OPTIONS
21 DEVELOPED BY ELECTRIC COMPANIES;

22 (2) FRONT-OF-METER ENERGY STORAGE FACILITIES; AND

25 (H) A PARTICIPATING LARGE LOAD CUSTOMER CONSTRUCTING A
26 BEHIND-THE-METER ENERGY STORAGE FACILITY UNDER THE PROGRAM IS EXEMPT
27 FROM THE REQUIREMENTS TO:

28 (1) OBTAIN A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
29 UNDER § 7-207 OF THIS TITLE; OR

(2) OBTAIN COMMISSION APPROVAL UNDER § 7-207.1 OF THIS TITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(2) The summary:

10 (i) shall describe the total surplus interconnection potential
11 available in the State; but

12 (ii) may not itemize the surplus interconnection potential by electric
13 company or interconnection point.

14 (c) The Administration shall share the results of the study with data center
15 developers in order to encourage the use of surplus interconnection.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2026.