



Maryland

Energy Administration

TO: Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and the Environment Committee

FROM: MEA

SUBJECT: SB 947 - Maryland Co-Location Energy Innovation and Reliability Act

DATE: March 6, 2025

MEA Position: UNFAVORABLE

This bill would define a generator that serves colocated non-network load as not subject to state laws for retail electricity suppliers, state electric distribution fees, nor the Renewable Portfolio Standard (RPS). As a result, any future co-located load would be exempt from contributing to state public programs such as low-income energy assistance and energy efficiency weatherization.

The Public Service Commission (PSC) recently published a Report on Colocation in which it recommended that the Maryland General Assembly clarify that colocated load is retail load.¹ Confirming that the definition of “retail electric customer” as specified in the Public Utilities Article of the Maryland Code does apply to co-located loads would also clarify the PSC’s authority to regulate cost allocation for these loads. Further, it would empower the PSC to impose the costs on a colocated load that it imposes on the grid, commensurate with principles of cost causation.

The report also recommended that the legislature clarify the definition of an electric company or electricity supplier as it applies to a colocated generator that delivers power to the colocated load, and to clarify whether the electric company through which tariffs can be assigned is the utility in whose territory the load is physically located. It is also recommended that the State revise the Public Utilities Article to make clear whether or not colocated load must meet the requirements of Maryland’s RPS, pay for offshore wind renewable energy credits (ORECs), and make other payments to cover State programs such as EmPOWER, regardless of retail load designation by the legislature.

The bill appears to answer to the PSC’s recommendations in the negative, and for that reason MEA urges the committee to issue an **unfavorable report**.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Landon Fahrig, Legislative Liaison, directly (landon.fahrig@maryland.gov, 410.931.1537).

¹ See Maryland PSC Report on Co-Location. PC61.