# **Testimony in Support of SB 947.pdf** Uploaded by: Brenda Myers Position: FAV

### Testimony in Support of SB 947

### Chair, Vice Chair, and Members of the Committee,

My name is Brenda Myers, and I am writing to you today to strongly support Senate Bill 947 (SB 947), a critical piece of legislation that will protect Maryland's rural landscapes, strengthen our energy infrastructure, and ensure that large corporate data centers do not impose unnecessary burdens on our communities.

Data centers are among the most energy-intensive facilities in modern society, consuming enormous amounts of electricity to support cloud computing, artificial intelligence, and online services. In many states, meeting their power demands has led to the construction of massive new transmission projects—industrial-scale high-voltage lines that cut through farmland, degrade environmental protections, and drive up costs for local ratepayers.

Maryland is at risk of following this dangerous trend. If left unchecked, we could see a surge in transmission line proposals, each justified by the need to supply power to expanding data center operations. These projects not only consume valuable land but also threaten to overload our power grid, raising costs and increasing the likelihood of supply constraints.

SB 947 takes a smarter approach by mandating that data centers generate their own power on-site rather than relying on Maryland's electric grid. This eliminates the need for new transmission infrastructure and ensures that data center growth does not come at the expense of Maryland's communities, farmland, and energy consumers.

**Data Centers Must Co-Locate Generation** – The bill requires data centers to have on-site power generation instead of depending on external electricity transmission.

**Exemptions from Grid Fees & Renewable Energy Mandates** – Since these generating stations operate independently, they are not subject to Maryland's utility fees or renewable energy mandates, making them cost-effective and scalable.

**Strict Cybersecurity & Reliability Requirements** – The bill ensures that data centers implement secure, self-sufficient power solutions, reducing the risk of cyberattacks or grid failures affecting Maryland's electric infrastructure.

**Annual Reporting for Accountability** – Operators must report energy consumption, environmental impact, and contributions to Maryland's energy goals, ensuring transparency and responsible development.

### SB 947 is Essential for Maryland

Without legislation like SB 947, Maryland could follow Virginia's unsustainable path—where data center expansion has driven the construction of massive new transmission lines, displacing communities and farmland while burdening local residents with rising energy costs. We must act now to protect our state's future by:

**Protecting Farmland & Open Spaces** – Transmission lines require vast rights-of-way, consuming agricultural land and destroying forests. Maryland's rural landscapes should not be sacrificed to accommodate the energy demands of corporate data centers.

**Preventing Costly Transmission Upgrades** – Large-scale transmission expansion is expensive, and those costs are often passed on to Maryland ratepayers. SB 947 ensures that data centers pay for their own power generation instead of shifting the financial burden onto residents.

**Strengthening Energy Reliability** – Overloading Maryland's grid with massive new data center demand could lead to rolling blackouts and supply shortages. Keeping data center power off-grid and self-sufficient helps stabilize Maryland's energy infrastructure.

**Reducing Environmental Impact** – Long-distance transmission lines require deforestation, excavation, and destruction of wildlife habitats. SB 947 encourages more sustainable localized energy solutions that minimize environmental damage.

### A Smarter Path Forward

SB 947 offers Maryland a clear alternative to the transmission-heavy approach that has overwhelmed states like Virginia. By requiring on-site power generation, this legislation not only safeguards Maryland's landscapes but also promotes a more resilient, independent energy system.

Rather than allowing big tech corporations to dictate Maryland's energy future, SB 947 ensures that we prioritize community interests, environmental responsibility, and economic sustainability. I strongly urge the committee to pass this bill and protect Maryland from the unchecked expansion of transmission infrastructure driven by corporate data centers.

Thank you for your time and consideration.

Brenda Myers

Hampstead, Maryland

**SB947 Price.pdf** Uploaded by: Brysn Price Position: FAV

Dear Members of the Committee,

I am writing to express my strong support for Senate Bill 947 (SB 947), the Maryland Co-Location Energy Innovation and Reliability Act. This legislation is critical in addressing the reckless expansion of data centers and their relentless demand for energy. Without forward-thinking policies like SB 947, Maryland risks being steamrolled by corporate interests, much like we've seen with the disastrous Maryland Piedmont Reliability Project (MPRP) and the utility giant PSEG. These projects prioritize profit over people, gutting communities, devastating farmland, and forcing Marylanders to foot the bill for infrastructure that only serves corporate greed.

Data centers are among the most energy-hungry facilities in the world, consuming massive amounts of electricity to sustain cloud computing, artificial intelligence, and digital services. Virginia has already been overrun by this unchecked expansion, where transmission lines have carved up rural communities, destroyed forests, seized homes, and erased farmland, all while shifting the costs onto residents. Maryland must not follow in its footsteps. Texas and North Carolina have also seen skyrocketing energy costs and grid instability as utilities scramble to meet the ever-growing demand of these tech behemoths. Yet time and again, utilities like PSEG insist on building massive new transmission lines instead of embracing smarter, localized solutions that would actually benefit ratepayers.

Adding insult to injury, the recent PJM TEAC meeting has confirmed what many of us suspected all along: the MPRP is not designed to benefit Maryland residents at all. Instead, the transmission line will bypass Maryland entirely, directly connecting Virginia to Pennsylvania. The official documentation from PJM states:

"Terminate the Woodside-Goose Creek 500 kV line into Doubs substation, creating the Woodside-Doubs No. 2 500 kV line. Remove the Chanceford-Doubs and Rocky Point-Doubs line terminations at the Doubs substation and connect the two lines through a 0.6mile 500 kV bypass line around the Doubs substation."

This confirms that MPRP is bypassing Maryland substations altogether, proving that the project is not about serving Marylanders: it is about fueling Northern Virginia's data center expansion at our expense. Why should Maryland sacrifice its most beautiful scenic landscapes, its farmland, family homes, and its environmental integrity so that Virginia can recklessly expand its data center industry? This is an egregious overreach that must be stopped.

Other nations have taken proactive steps to rein in these harmful practices. Singapore, recognizing the dangers of an overburdened grid, has imposed strict limits on data center expansion, requiring higher energy efficiency and localized power generation. Germany has prioritized decentralized energy production to avoid the kind of transmission-line sprawl that has already marred states like Virginia. Canada has implemented regional energy caps, ensuring that data centers generate their own power rather than siphoning it from the public grid and driving up costs for everyday people.

SB 947 is Maryland's opportunity to avoid the same pitfalls. By mandating that data centers generate their own on-site power, this bill eliminates the need for massive new high-voltage transmission lines, the kind that companies like PSEG are all too eager to impose on us. These lines not only deface our landscapes but also force Maryland residents to subsidize infrastructure that primarily benefits massive corporations. The MPRP is a perfect example of this—an unnecessary, destructive project designed to maximize profits at the expense of Maryland's natural beauty and energy security.

Furthermore, SB 947 strengthens Maryland's energy reliability. We've already seen how unchecked data center expansion can destabilize grids, leading to blackouts and supply shortages. Keeping these massive energy consumers off the public grid ensures that Maryland's existing infrastructure remains stable and that ratepayers aren't left to pick up the pieces after another corporate free-for-all.

Enough is enough. Maryland cannot afford to be bullied by utility monopolies and Big Tech interests that prioritize profits over the well-being of our state. SB 947 offers a smarter, more sustainable path—one that values our communities, preserves our landscapes, and ensures that Marylanders are not forced to bankroll corporate infrastructure.

I urge the committee to support SB 947 and take a stand against the reckless expansion that has already wreaked havoc in other states. Let's stop rubber-stamping transmissionheavy projects that strip Maryland of its land, raise energy costs, and undermine grid reliability. We have a chance to do better. Now is the time to take it.

Sincerely,

**Bryan Price** 

21221 York Road Parkton, MD 21120 Bryan.s.price@gmail.com 410.302.8074

**SB 947.pdf** Uploaded by: CHERYL EBAUGH Position: FAV

Please pass SB 947 to protect Maryland landowners and ensure that our elected officials and leaders of our beautiful state of Maryland are doing their due diligence to promote responsible transmission development and ensure fair energy policies.

Thank you,

Cheryl Ebaugh

## Testimony to General Assembly James Belt 03042025. Uploaded by: James Belt

Position: FAV

March 4, 2025

James H. Belt, III

2626 Stone Road

Westminster, MD 21158

Maryland General Assembly

### RE: Support of bills advocating for a better approach to energy development

Dear Members of the Maryland General Assembly:

My name is James Belt. As a resident of Carroll County and a proud Maryland business owner, I am writing to ask you to vote favorably for bills advocating a better approach to energy development.

As someone who had the potential to be impacted by the Maryland Piedmont Reliability Project, I was disturbed and disappointed by the existing process for project consideration and protections for landowners. It became apparent that the current process did not require enough investigation into potential alternatives to the proposed transmission lines. Additionally, the public appeared to be brought into the process at later stages, making it harder for citizens impacted by the project to voice their concerns. It appears that there may be many viable alternatives to the proposed project. I also believe there has not been enough consideration to the impact of closing existing power plants before the State of Maryland has a viable alternative to generate the power being lost.

With that in mind, I would strongly encourage you to vote for the proposed bills that improve the process, provide more protection for Maryland citizens, and advocate for investigation into potentially better and more economic alternatives to new transmission lines.

Thank you in advance for your consideration.

Best,

James Belt

(410)-236-3574

## FAV\_SB0947\_StopMPRPInc.pdf Uploaded by: Joanne Frederick

Position: FAV



### WRITTEN TESTIMONY

Bill No.: Senate Bill 947 – The Maryland Co-Location Energy Innovation and Reliability Act
Committee: Education, Energy, and the Environment Committee
Sponsors: Senators Ready and West
Hearing Date: March 6, 2025
Position: Favorable

I write to express strong support for Senate Bill 947 (SB 947), the Maryland Co-Location Energy Innovation and Reliability Act, and urge the Committee to issue a favorable report on this important legislation. SB 947 represents a forward-thinking solution to Maryland's energy challenges, ensuring that data centers generate their own power on-site rather than burdening the state's electric grid and leading to unnecessary high-voltage transmission line expansion.

### The Threat of Unchecked Transmission Expansion

Maryland is at risk of following Virginia's short-sighted approach to data center development, which has led to an explosion of high-voltage transmission lines crisscrossing communities, consuming farmland, and disrupting the environment and rural economies. Without proactive legislation, data centers in Maryland will drive demand for massive new transmission infrastructure, forcing landowners to sacrifice their property while ratepayers absorb the financial burden.

### SB 947: A Smarter Approach to Powering Data Centers

SB 947 provides a targeted regulatory framework for the co-location of data centers and power generation, ensuring that:

- Data centers generate their own electricity on-site, rather than relying on longdistance transmission.
- Maryland's energy grid remains stable and reliable by keeping these massive loads separate from transmission and distribution systems.
- Critical cybersecurity protections are implemented to prevent potential threats from centralized power dependencies.
- State-mandated electric distribution fees and renewable portfolio obligations do not apply, recognizing that these facilities are independent power generators.



### Key Benefits of SB 947

- **Protecting Maryland's Landscapes**: Prevents the need for new transmission lines that would destroy farmland, forests, and conservation lands.
- **Reducing Energy Costs for Ratepayers**: Stops utility companies from shifting transmission expansion costs onto Maryland families and businesses.
- Enhancing Grid Reliability: Ensures Maryland's existing energy infrastructure is not overloaded by energy-intensive data center growth.
- **Safeguarding Agricultural and Rural Communities**: Preserves the state's agricultural economy, preventing land loss and displacement.
- **Encouraging Energy Innovation**: Fosters the use of localized, high-efficiency power generation instead of inefficient long-distance transmission.

### Maryland Must Act Now

If Maryland fails to act, PJM Interconnection and major utilities will dictate the state's energy future, prioritizing profit-driven transmission projects over community interests. SB 947 offers a critical safeguard against this by ensuring that data centers bear the responsibility for their energy consumption without offloading costs onto ratepayers or taking land for transmission infrastructure.

This bill represents a balanced solution: It allows Maryland to support high-tech economic growth while protecting landowners, the environment, and the integrity of our energy grid.

### Conclusion

For these reasons, I strongly urge the Committee to issue a favorable report on SB 947. The future of Maryland's energy security, economic sustainability, and environmental integrity depends on policies that prioritize smart, local energy solutions over unnecessary and costly transmission expansion.

Thank you for your time and consideration.

### Respectfully submitted,

Joanne Frederick President Stop MPRP, Inc. joanne.frederick@stopmprp.org 443.789.1382

**MPRP BILLS SUPPORT.pdf** Uploaded by: Julie Holly Position: FAV

I am writing in support of the following bills: SB483, SB853, SB947, SB950, SB951, SB952, SB953, SB955, HB631, HB1079, HB1337, HB1362, and HB1396.

Each of these bills is essential to ensuring that any entity seeking to construct energy transmission or generating facilities is held accountable for the full impact of its actions. For too long, citizens have shouldered the financial and personal costs of these projects—whether through harm to their health, businesses, properties, incomes, or overall quality of life. Meanwhile, corporations reap the benefits without sufficient regard for the communities they affect.

The approval of the MPRP project as currently proposed would send a troubling message to Maryland residents about where their interests rank in the eyes of their representatives. Maryland thrives when its communities thrive, and maintaining a strong, engaged population depends on policies that protect the well-being and economic stability of those who call this state home. Enacting stricter regulations to ensure corporate responsibility would reinforce that Maryland legislators are committed to safeguarding their constituents and the long-term prosperity of the state.

Thank you for your time and consideration.

Julie Holly, District 4

**SB947 Co-location testimony.pdf** Uploaded by: Justin Ready Position: FAV

Finance Committee



James Senate Office Building 11 Bladen Street, Room 315 Annapolis, Maryland 21401 410-841-3683 · 301-858-3683 800-492-7122 Ext. 3683 Justin.Ready@senate.state.md.us

THE SENATE OF MARYLAND Annapolis, Maryland 21401

March 6, 2025

### SB 947 – Maryland Co-Location Energy Innovation and Reliability Act

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

Senate Bill 947 would require the PSC to adopt regulations and provide a framework for energy generation facilities not interconnected with the electric transmission or distribution system. This would promote energy independence, reliability, and environmental responsibility while ensuring fairness to ratepayers and alignment of State energy goals.

Maryland currently imports 40% of its electric power from outside of the State.<sup>1</sup> Data centers are among the most energy-intensive facilities in modern society, consuming enormous amounts of electricity to support cloud computing, artificial intelligence, and online services. We see this with the current MPRP project which will cut through Maryland farmland and drive-up costs for local ratepayers – all without providing any additional electricity to Maryland consumers.

Senate Bill 947 offers a solution to the unchecked growth driven by corporation data centers and AI. I respectfully request a favorable on SB 947.

<sup>&</sup>lt;sup>1</sup> MEA Interim Carbon Free Electricity Report v2 MEA Comms

**SB947.pdf** Uploaded by: Lisa Orens Position: FAV

I support SB947. Allowing the co-location of data centers with independent power generation will prevent the use of eminent domain to construction new transmission lines. Avoiding the construction of unnecessary new transmission lines will preserve valuable farmland, protect forests and wetlands and maintain landowners' property values. The data centers should finance these power generation sources should be financed by the data center owners, not by Maryland taxpayers.

Respectfully submitted,

Lisa Orens

Owner, Bluebird Hall Farm

## SB0947 - FAVORABLE testimony - MPatton.pdf Uploaded by: Mary Patton

Position: FAV

Mary Patton 5772 Catoctin Vista Dr Mount Airy, MD walton\_m@yahoo.com March 4, 2025

### Re: Testimony in Support of SB0947 – Maryland Co-Location Energy Innovation and Reliability Act

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

My name is Mary Patton and I am a resident of Mount Airy, MD. I am writing to express FAVORABLE support for SB0947. I am a community advocate, parent, and resident that has the potential to be impacted by the Maryland Piedmont Reliability Project. Bills such as SB0947 will help protect communities from similar projects by requiring on-site power generation.

This bill just makes good sense by supporting localized energy generation that does not interconnect with Maryland's electric grid. This essentially eliminates the need for new transmission infrastructure while ensuring reliability by avoiding overloading Maryland's power grid with massive new data center demand. Further, long-distance transmission lines require deforestation, land excavation, and wildlife habitat destruction. By requiring on-site power generation environmental impact will be significantly reduced and our increasingly limited farmland and open spaces are preserved.

On-site power generation is a clear alternative to the transmission-heavy approach that has overwhelmed states like Virigina. I ask you to support this bill and find a smarter path forward for Maryland by prioritizing community interests, environmental responsibility and economic sustainability.

Thank you for your time and consideration.

Sincerely,

Many Potton

Mary Patton

**SB947.pdf** Uploaded by: Whitney Miller Position: FAV

Hello,

There is no denying that energy demands are changing, and we must rise to the occasion. Data centers are becoming more prevalent, but should not be added to existing grids. We cannot allow data centers to take energy resources from our residents and our state and strain our grids. Please support Senate Bill 947.

Thank you,

Whitney Miller Maryland Resident

## SB947. HB1219 - Pavlak FWA - Colocation.v1.pdf Uploaded by: Alex Pavlak

Position: FWA

### (HB1219), **(SB947) Pavlak FWA**

Maryland Co-Location Energy Innovation and Reliability Act

### THE VISION

- Massive off-the-grid-nuclear in Western Maryland
- Data centers choose to locate here because electricity is cheaper and more reliable than the plug-it-into-the-grid paradigm
- No need for MPRP

### OVERVIEW

- This bill is Maryland's regulatory welcome mat for off-the-grid nuclear powered data centers.
- Western Maryland will see nuclear plants and data centers quicker than anyone could imagine because the economics work.

### WHY

- PJM on average pays 3.5 cts/kWh (2023) for electricity from generators. New nuclear cannot compete at that price today and needs subsidy.
- Virginia's data centers (industrial users) pay 8.9 cts/kWh (2023) for electricity. New nuclear can compete with those prices.

### PROPOSED AMMENDMENT, ADD THE FOLLOWING

TO § 7-207.4(D)(7)(II) THE ENVIRONMENTAL IMPACT OF THE GENERATING STATION; <u>INCLUDING A PLAN TO REDUCE GHG EMISSIONS TO LESS THAN 10% OF</u> <u>TOTAL ENERGY CONSUMPTION WITHIN 10 YEARS AND AN EVENTUAL GOAL OF</u> <1%;

(this amendment precludes fossil fuel as the primary solution)



## BGE\_EEE\_OPP\_SB947 – Maryland Co-Location Energy In Uploaded by: Dytonia Reed

Position: UNF



OPPOSE Education, Energy, and Environment 3/6/2025

### Senate Bill 947 - Maryland Co-Location Energy Innovation and Reliability Act

Baltimore Gas and Electric Company (BGE) opposes *Senate Bill 947* – Maryland Co-Location Energy Innovation and Reliability Act. Senate Bill 947 requires the Public Service Commission to adopt regulations related to the construction of a generating station that is co-located with a data center but is not interconnected with the electric transmission system or electric distribution system.

Resource adequacy is a critical concern in Maryland. It's essential to have enough electricity generation capacity to meet peak demand and ensure reliable power delivery through sufficient transmission infrastructure. With limited in-state generation and the impending retirements of dispatchable generation, Maryland relies heavily on imported electricity to meet its energy needs. This dependency underscores the importance of maintaining a robust and reliable electric grid.

*Senate Bill 947* intensities existing challenges by allowing the construction of generating stations colocated with data centers that are not interconnected with the electric transmission or distribution system. BGE is not opposed to co-location if the customer who is directly connected to the generation facility pays their fair share to connect to the electric grid impacted by their electric consumption. Allowing them to co-locate and not pay for the impact their consumption creates will directly impact the rest of the ratepayers in Maryland as that increased demand will require additional energy on the grid to maintain a reliable electric grid. This bill allows data centers to build and operate independent generation stations, thereby avoiding mandated distribution fees. As Maryland strives to address resource adequacy challenges while prioritizing affordability, *Senate Bill 947* places even more strain on the electric grid. By allowing data centers to forego paying their fair share of system costs, it unfairly shifts the financial burden onto other Maryland ratepayers, who will have to make up the difference. Lastly, *Senate Bill 947* could potentially result in data centers being build outside of the PJM planning process for the regional grid, and if they require offsite power for the loss of their generation, this could further constrain and already congested regional transmission grid.

BGE remains committed to supporting Maryland's energy transition and the development of data centers in the State, and supports policies that keep affordably, resiliency, and reliability a priority. *Senate Bill 947* will cause higher energy bills for Maryland residents and reduced reliability and safety of the electrical grid.

For these reasons, BGE requests an unfavorable report.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

Charles Washington | Brittany Jones | Guy Andes | Dytonia Reed | 410.269.5281



BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

Charles Washington | Brittany Jones | Guy Andes | Dytonia Reed | 410.269.5281

## SB0947 - UNF - Maryland Co-Location Energy Innovat Uploaded by: Landon Fahrig

Position: UNF



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 <u>not</u> 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 <u>is</u> retail load.<sup>1</sup> Confirming that the definition of "retail electric customer" as specified in the Public Utilities Article of the Maryland Code <u>does</u> 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 (<u>landon.fahrig@maryland.gov</u>, 410.931.1537).

<sup>&</sup>lt;sup>1</sup> See Maryland PSC Report on Co-Location. PC61.

## SB0947\_MDSierraClub\_opp\_6March2025.pdf Uploaded by: Mariah Shriner

Position: UNF



# Committee:Education, Energy, and the EnvironmentTestimony on:SB 947 – Maryland Co-Location Energy Innovation and Reliability ActPosition:UnfavorableHearing Date:March 6, 2025

The Maryland Chapter recommends an unfavorable report on SB 947, Maryland Co-Location Energy Innovation and Reliability Act. This bill would require the Public Service Commission (PSC) to adopt regulations related to the construction of a generating station that is co-located with a data center but is not interconnected with the electric transmission system or electric distribution system.

### SB 947 Disregards Maryland's Clean Energy Goals

The Maryland Chapter is especially concerned that SB 947 would exempt co-located generating stations from the renewable energy portfolio standard (RPS) and state laws and regulations related to retail electric customers or electricity suppliers. This would appear intended to exempt co-located generating facilities from aligning with RGGI and the State's climate goals as well.

Unabated, data centers' energy use poses tremendous ramifications for Maryland's ability to meet its statutory mandates under the Climate Solutions Now Act – which requires a 60% reduction in greenhouse gas emissions by 2031 and net-zero carbon emissions by 2045 – while also threatening Governor Moore's goal of ensuring 100% clean energy generation by 2035. About a dozen new data centers have been proposed that, if all constructed, would use on the order of 5 to 7 gigawatts GW of power around the clock. This growth would represent 20-30 times as much power as is currently used by data centers in Maryland.<sup>1</sup> In the face of this growth, electricity use by data centers must be part of the solution to meeting our broader goals, not considered separate. Generating facilities, even if they do not interconnect with the electric transmission or distribution systems, should be subject to existing State emissions goals and the RPS obligations.

Based on proposals around the country, co-located generating facilities, as described in the bill, are largely proposed as new gas-fired power plants. The loose guidelines in the bill would provide an incentive for data centers to be served by new gas, essentially skirting Maryland's energy system regulations.

Any regulations adopted by the PSC related to the construction of a generating station co-located with a data center should also ensure robust public engagement, and an adequate level of review from relevant agencies – including the PSC, Maryland Department of the Environment (MDE), and the Maryland Department of Natural Resources (DNR) – to fully assess, and if necessary

<sup>&</sup>lt;sup>1</sup> While systematic collated data is not readily available from the State, the best estimates that we know of – based on data collected by the Maryland Legislative Coalition Climate Justice Wing – indicate that Maryland has about two dozen commercial data centers that currently use about 235 megawatts (MW) of power.

Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

mitigate, the impact of the generating facility on the economy, environment, and surrounding communities.

### Concerns Around Back-Up Generation

The Chapter is also concerned about the lack of clarity in the bill regarding back-up power sources for a data center with a co-located generating station that is not connected to the distribution or transmission system.

Even a data center co-located with its own power generation could, in practice, still have a grid connection for additional power back-up when the generating stations go down for planned and unplanned maintenance, allowing the facility to stay online. If this is the case, these co-located facilities would still have impacts on ratepayers – including the costs of building out transmission lines – and the grid, and should only be considered with adequate planning and review.

Additionally, while use of battery storage or green hydrogen (hydrogen gas produced by clean renewable sources) is a possibility, if on-site backup power is supplied by diesel generators, the air pollution impacts from periodic testing can be significant. Emergency diesel generators tend to have high rates of air pollution, including particulates and nitrogen oxides. Moreover, in addition to periodic testing of hundreds of generators at each center, if a large data center's generators need to operate for weeks or more after a major power disruption, the greenhouse gas and regional air quality impacts could be substantial and comparable to or greater than a large fossil-fueled electric generating plant.<sup>2</sup>

### Conclusion

We strongly encourage the Committee to prioritize further data center study and energy resource planning before passing legislation directing the PSC to develop and adopt regulations to implement specific policies related to the construction of co-located generating stations.

For these reasons, we urge an unfavorable report on SB 947.

Mariah Shriner Climate Campaign Representative Mariah.Shriner@MDSierra.org Josh Tulkin Chapter Director Josh.Tulkin@MDSierra.org

<sup>&</sup>lt;sup>2</sup> Sierra Club Prince George's County Group, Testimony to the Prince George's County Council on CB-52-2024: Subdivision Regulations: Exemptions for Qualified Data Centers, November 14, 2024.

**SB 947 - CBF - UNF.pdf** Uploaded by: Matt Stegman Position: UNF



### **CHESAPEAKE BAY FOUNDATION**

Environmental Protection and Restoration Environmental Education

### Senate Bill 947 Maryland Co-Location Energy Innovation and Reliability Act

Date:	March 6, 2025	Position:	UNFAVORABLE
То:	Education, Energy, & Environment Committee	From:	Gussie Maguire,
			MD Staff Scientist

Chesapeake Bay Foundation (CBF) **OPPOSES** Senate Bill 947, which would enable largely unregulated energy generation to take place at stations co-located with data centers. This bill would exempt these generating stations from state laws and regulations that govern retail electricity suppliers, from distribution fees, and from renewable energy portfolio standard obligations. Any extra energy generated by the facilities would be of no benefit to the surrounding communities, as the bill requires that these generators be entirely separate from the state's transmission system. Furthermore, the data centers would be required to have backup power generation capability. Under this bill, a data center could potentially be co-located with a fossil fuel burning power plant, with a backup collection of diesel generators.

Data centers can and should be held responsible for their disproportionate consumption of state resources, from energy to land to water. However, allowing them to operate outside of state regulations, avoiding stress on the electricity distribution system but simultaneously pumping harmful emissions into the atmosphere, must not be considered as a solution. In addition to the expensive consequences of greenhouse gas emissions and subsequent climate change, including property loss from sea level rise, saltwater intrusion, and inland flooding due to increased precipitation intensity, the state would also face increased nutrient contributions to the Chesapeake Bay and its tributaries in the form of nitrogen oxide emissions. Excess nutrients lead directly to dead zones, which harm the state's economically crucial fisheries and impact regional tourism and recreation.

The free rein this bill gifts to data centers and their associated power plants will come with extremely costly consequences for Maryland residents and the environment. **CBF urges the Committee's UNFAVORABLE report on SB 947.** 

For more information, please contact Matt Stegman, Maryland Staff Attorney, at <u>mstegman@cbf.org</u>.

## Senate Bill 947-UNF- Maryland Co-Location Energy I Uploaded by: Poetri Deal

Position: UNF





March 6, 2025

112 West Street Annapolis, MD 21401

### **Oppose – Senate Bill 947- Maryland Co-Location Energy Innovation and Reliability Act**

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) submit this letter of opposition on **Senate Bill 947-Maryland Co-Location Energy Innovation and Reliability Act**. Senate Bill 947requires the Public Service Commission to adopt regulations related to the construction of a generating station that is co-located with a data center but is not interconnected with the electric transmission system or electric distribution system.

Maryland is currently facing critical challenges in maintaining resource adequacy. Given the limited local generation within Maryland and the pending retirements of dispatchable generation, our state is heavily reliant on energy imports from the PJM Interconnection. The loss of existing generation resources, without adequate replacement, could create severe supply shortages resulting in higher costs for Maryland customers.

Senate Bill 947would allow data centers to operate independent generating stations without connecting to the broader electric grid, thereby avoiding essential costs such as state-mandated distribution fees and Renewable Energy Portfolio Standard obligations. This exemption creates an unfair cost shift, forcing residential and business customers to shoulder a disproportionate share of infrastructure and energy transition expenses. At a time when Maryland is already grappling with resource adequacy and affordability challenges, Pepco and Delmarva Power are concerned Senate Bill 947would exacerbate strain on the grid by allowing large energy consumers to bypass their fair share of system costs, further increasing electricity prices and undermining the reliability of the state's energy network.

Pepco and Delmarva Power are not opposed to co-location if the customer who is directly connected to the generation facility pays their fair share to construct or upgrade the distribution system that is impacted by their electric consumption. Allowing them to co-locate and not pay for the demand on the system their consumption creates will directly impact on the rest of the ratepayers in Maryland as that increased demand will have to be replaced to maintain a reliable electric distribution system. This bill allows data centers to build and operate independent generation stations, thereby avoiding mandated distribution fees.

Pepco and Delmarva Power strongly urge the Committee to oppose Senate Bill 947 due to its negative implications for Maryland's resource adequacy, system reliability, and affordability.

Pepco Holdings, the parent company of Pepco, an electric utility serving Washington, D.C., and suburban Maryland; Delmarva Power, an electric and gas utility serving Delaware and portions of the Delmarva Peninsula; and Atlantic City Electric, an electric utility serving southern New Jersey. Anthony and his team are responsible for guiding the company's delivery of reliable and excellent service to more than two million customers in the Mid-Atlantic. Pepco Holdings is a subsidiary of Exelon Corporation, one of the nation's leading energy services companies.

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