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## PUBLIC SERVICE COMMISSION

Chair Brian Feldman  
Education, Energy, and the Environment Committee  
2 West Miller Senate Office Building  
Annapolis, MD 21401

### **RE: SB 992 – Information – Public Utilities - Large Load Customers - Registration and Demand Response Program**

Dear Chair Feldman and Committee Members:

The Public Service Commission (“Commission”) appreciates this opportunity to provide informational testimony on SB 992. This bill requires the Commission to establish both a large load registration process and a large load demand response program. The Commission supports the goal of this bill to provide more visibility into the process of connecting large load customers like data centers to the grid, which hopefully improves planning. The Commission has been working with the bill’s sponsor to make amendments to the bill in order to ensure it can be implemented to achieve its purpose. Below, the Commission notes some of the provisions that are being discussed.

SB 992 requires that all large load customers register with the Commission prior to interconnection with the grid. However, the bill does not define the exact time during the process of interconnection that registration must occur. The Commission recommends that the legislation be amended to state specifically when a customer must register—e.g., after a load study request has been provided to the local electric company.

The Commission notes that the legislation may be impacted by FERC jurisdictional issues and it may be appropriate to clarify the extent to which it fits within Commission jurisdiction. Also note that some of the financial commitment requirements may already be covered by the large load tariffs currently under development as required by 4-212.

The bill further requires that a PJM curtailment order be passed through to large load customers only and not assigned or passed through to other customers. Requiring the large load customers to be the first customers to respond to any curtailment may be achievable through electric company tariffs, but the additional language which states that the curtailment cannot be passed on to any other customers may not be feasible. The legislation does not cover a scenario where large load customers curtail their load but additional curtailments are still needed. The Commission recommends that this subsection be amended to allow the Commission to establish curtailment procedures that prioritize large load customers first when appropriate and subject to Commission authority.

SB 992 also allows for data centers that are large load customers to be exempt from the sales and use tax if the customer (1) registers with the Commission, (2) agrees to participate in the demand response program created by the bill, and (3) provides enough behind the meter energy generation to fully operate the data center or agrees to purchase 100 percent renewable energy located in PJM service territory to operate the data center. The Commission notes that it does not have jurisdiction over sales and use tax collection, so it may be appropriate to establish these provisions with the appropriate agency. Additionally, this section does not put restrictions on what types of installed behind-the-meter energy generation may qualify and could allow sources that increase local and state air pollution and greenhouse gas emissions.

With respect to the demand response program, the Commission requests removal of the language that suggests Commission administration of this process and that it be administered through utility tariffs subject to Commission oversight instead. The Commission may also recommend other amendments to minimize conflicts with other parts of statute and provide greater flexibility in utilization of the process.

The Commission appreciates the bill's purpose to address the growing problem of data center load stress on the grid and is happy to continue working with the sponsor on this bill to address the identified potential issues. Please contact the Commission's Director of Legislative Affairs, Niki Wiggins, if you have any questions.

Sincerely,



Kumar P. Barve  
Chair, Maryland Public Service Commission