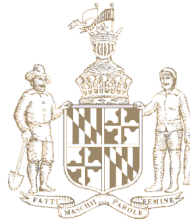


KATIE FRY HESTER
Legislative District 9
Howard and Montgomery Counties

Education, Energy, and
Environment Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



Annapolis Office
James Senate Office Building
11 Bladen Street, Room 304
Annapolis, Maryland 21401
410-841-3671 · 301-858-3671
800-492-7122 Ext. 3671
KatieFry.Hester@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB 992 - Public Utilities - Large Load Customers - Registration and Demand Response Program

March 10, 2026

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

Thank you for your consideration of Senate Bill 992, which addresses the rapid growth of very large electricity customers, such as data centers, by taking three key steps.

First, the bill improves transparency by requiring large electricity customers to register key planning information about their projects with the Public Service Commission before interconnecting with the grid.

Currently, utilities and regulators have limited visibility into which large electricity users are planning to build in Maryland or what their expected demand will be. Developers often submit multiple interconnection requests across different locations while deciding where to ultimately build. Because system planners cannot always determine which projects will actually move forward, these speculative requests can inflate demand forecasts. When planners prepare for demand that may never materialize, it can contribute to higher capacity procurement and infrastructure planning costs that are ultimately borne by ratepayers.

Requiring early registration will provide regulators with better information about the timing, scale, and likelihood of large new electricity demand, allowing Maryland to plan infrastructure more accurately and avoid unnecessary costs.

Second, the bill ensures that costs associated with serving large new electricity loads are appropriately assigned to those customers rather than shifted onto other ratepayers.

Maryland participates in the PJM regional electricity market, where recent discussions have raised concerns about how costs associated with large new loads—such as capacity procurement obligations—may be allocated. In some cases, these costs could be spread across all customers in a transmission zone even when they are driven by a specific project.

SB 992 helps address this risk by ensuring that PJM curtailment obligations and certain capacity-related costs associated with large load customers can be passed through directly to the customer responsible for creating that demand. The bill also requires financial security from these customers to ensure Maryland ratepayers are held harmless.

Third, the bill updates state law to reflect the scale of new electricity demand by lowering the definition of a “large load customer” from 100 megawatts to 25 megawatts (technical amendments to come to ensure that this change is made in the Next Generation Energy Act Statute).

The existing 100-megawatt threshold was established before the current wave of large electricity demand across the PJM region. Lowering the threshold ensures that Maryland regulators have visibility into a broader set of large projects that could meaningfully affect grid planning and ratepayer costs.

We are continuing to work with the Maryland Energy Administration, the Public Service Commission, the Office of People’s Counsel, and representatives of the data center industry on amendments to refine the bill and address stakeholder concerns, including ensuring that proprietary information submitted through the registration process is appropriately protected.

By improving transparency around large load development, ensuring appropriate cost allocation, and updating the definition of large electricity customers, SB 992 will help Maryland better plan for future electricity demand while protecting ratepayers.

For these reasons, I respectfully request a favorable report on SB 992.

Sincerely,

A handwritten signature in black ink that reads "Katie Fry Hester". The signature is written in a cursive, slightly slanted style.

Senator Katie Fry Hester
Howard and Montgomery Counties