

**TESTIMONY IN SUPPORT OF  
SENATE BILL 992  
Public Utilities – Large Load Customers – Registration and Demand Response Program  
with the BYOP Large Load Amendment  
Senate Committee on Education, Energy, and the Environment**

---

March 12, 2026

Members of the Maryland Senate Education, Energy, and the Environment Committee  
Maryland State Senate  
Annapolis, Maryland 21401

RE: Written Testimony in **SUPPORT** of Senate Bill 00992 with Amendment (Senator Hester)

Chairman Ferguson, Vice Chair Kagan, and Members of the Committee:

I submit this testimony in strong support of Senate Bill 992, sponsored by Senator Hester, and urge the Committee to adopt the BYOP Large Load Amendment. Together, the bill and the amendment provide a sound, balanced framework for managing the unprecedented growth in large load demand in Maryland - without burdening existing ratepayers.

**SB 992: A Necessary Foundation for Large Load Accountability**

SB 992 establishes a long-overdue registration process for large load customers - commercial or industrial customers with monthly demand of 25 megawatts or more and load factors exceeding 80%. The bill ensures that data centers and other high-demand industrial users disclose critical information to the Public Service Commission before interconnecting with the electric system, including their energy sourcing plans, water usage, financial commitments to transmission infrastructure, and backup generation capacity.

Critically, the bill's cost-passthrough provisions in Section 7-321(F) ensure that any curtailment orders or financial obligations arising from a large load customer's interconnection fall on that customer - not on residential and small commercial ratepayers. This is the right policy. Maryland ratepayers should not be asked to subsidize the grid costs created by some of the largest electricity consumers in the world.

Uniquely, SB 992 amends the Tax-General Article to create a second pathway to qualified data center status for the sales and use tax exemption — one that doesn't require the traditional investment thresholds (\$2M–\$5M) and job creation minimums, but instead requires PSC registration, demand response program participation, and either 100% behind-the-meter generation or 100% renewable energy procurement within PJM territory. This is a significant policy innovation. It essentially uses an existing tax expenditure as leverage to drive compliance with the new regulatory framework.

## **The Amendment: Unlocking Islanded, Behind-the-Meter Power with Zero Ratepayer Impact**

The BYOP (Bring Your Own Power) Amendment makes a targeted but transformative improvement to the bill. It clarifies that a behind-the-meter generating facility that powers a large load customer - is exempt from Building Energy Performance Standards emissions calculations, provided the facility emits less carbon dioxide per megawatt-hour than the regional grid's non-baseload output rate as measured by EPA's eGRID database.

This is a critical and compelling solution. A behind-the-meter facility by definition draws nothing from the grid. It imposes no transmission costs, creates no capacity obligations, triggers no curtailment exposure, and requires no ratepayer backstop. It is the cleanest possible outcome for Maryland's electric system: large loads served by dedicated, lower-emitting on-site generation, fully insulated from the grid.

The amendment's Rule of Construction provisions are equally important. They make explicit that nothing in the bill requires an on-site generating facility to interconnect with the grid, subjects behind-the-meter generation to public utility regulation, or limits a building owner's right to meet energy needs through private generation. These clarifications provide the regulatory certainty that large load customers need to commit capital to in-state facilities, and they do so in a way that poses no risk to other ratepayers.

### **Conclusion**

Maryland has an opportunity to lead the nation in responsibly managing the large load growth driven by data centers and advanced manufacturing — growing the tax base and creating jobs while promoting cleaner power, protecting the grid and holding ratepayers harmless. SB 992, with the BYOP Large Load Amendment, achieves that balance. I urge the Committee's favorable report.

Respectfully submitted,

Brian Sailer  
Flywheel  
16 Spa Creek Landing  
Annapolis, MD 21403  
Brian@flywheelgs.com

