



Montgomery County

Office of Intergovernmental Relations

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SB 992

DATE: March 12, 2026

SPONSOR: Senator Hester

ASSIGNED TO: Education, Energy, and the Environment

CONTACT PERSON: Garrett Fitzgerald (garrett.fitzgerald@montgomerycountymd.gov)

POSITION: Favorable with Amendments

Public Utilities - Large Load Customers - Registration and Demand Response Program

Montgomery County appreciates the leadership of the bill sponsors to introduce this important legislation to help guide the future of data center development in Maryland. Senate Bill 992 directs the Public Service Commission to establish a registration process for data centers, enhances ratepayer protections, creates a demand response program, and updates state tax incentives available to data centers.

The County supports the proposed data center registration process and financial commitments which should enable better planning for energy demand and other impacts.

The County also strongly supports the monetary and reliability ratepayer protections created by this legislation. For example, the bill directs that any financial obligations of an electric company to procure new energy capacity for a new large load customer must be passed on to that customer rather than existing ratepayers. Similarly, if an order is received from the regional transmission organization, PJM, to curtail energy use, that order is to be passed only to the large load customers. These are important provisions that protect current ratepayers from the cost and growing demand for energy.

Montgomery County would prefer two amendments to this important legislation. First, the bill should remove rather than expand opportunities for the data center industry to receive tax incentives from the State. Second, language should be included in 7-1008 (F) of the bill, which starts on page 7, line 16, to prohibit the use of diesel generators to maintain typical power demand during participation in a demand response event called under the voluntary Demand Response Program created by the bill. While the County supports efforts to save money and reduce grid impacts from data centers, these facilities should rely on technologies that can adjust energy use as opposed to using off-grid resources that create other negative impacts.

With the requested amendments, Montgomery County encourages the Education, Energy, and the Environment Committee to issue a favorable report on Senate Bill 992.