

Good afternoon, Chair Feldman, Vice Chair Kagan, and members of the Committee.

My name is Matthew Katz. I am a graduate student in Johns Hopkins University's Energy Policy and Climate program and a legislative intern with Senator Hester's office. As an intern, I work to elevate the voices of constituents.

Last month, I took notes on a Montgomery County community forum on data centers where the vast majority of constituents were very concerned about data center growth in Maryland.

They worried that the cost of new transmission and grid expansion for these facilities would be shifted to ratepayers and that electricity demand from new data centers will contribute to continuously higher energy prices.

According to the U.S. Energy Information Administration, average monthly residential electricity prices in Maryland have increased by almost 54% since 2020.

SB596 addresses these issues by providing responsible and incentive-based solutions for large-load facilities. This bill:

1. Initiates the study of surplus interconnection to expand new generation,
2. Establishes a minimum level of data center capacity to be sourced from behind-the-meter storage, demand response, and/or purchases from newly interconnected battery storage or carbon-free generation,
3. Enacts a priority path for large load facilities that provide 100% load capacity,
4. Authorizes the MD PSC to create a voluntary demand response program to address large load customer demand during peak hours, and
5. Increases funding for state energy programs through a community benefit fee on new data center load.

Together, these actions will internalize the cost of data center expansion and allow Maryland's grid to be operated in a modern and efficient manner because grid reliability isn't just about keeping the lights on, it's about being a fair and reliable protector of ratepayer wellbeing.

I ask for a favorable vote on SB596. Thank you.