SB0596 - SUPPORT
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SB0596 – Large Load Customers – Electric System Interconnection and Demand Response Program

Meeting of the Energy, Education, and the Environment Committee

March 5, 2026

Dear Chair Feldman, Vice Chair Kagan, and Members of the Committee, on behalf of Elders Climate Action Maryland, I urge a favorable report on SB0596.

Elders Climate Action is a nationwide organization devoted to ensuring that our children, grandchildren, and future generations have a world in which they can thrive. The Maryland Chapter has members across the state.

Each day, we see the climate crisis more clearly. We know that Maryland is at risk for sea level rise, flooding from intense rainfall, heat waves, and other extreme weather events. Maryland can also be a leader in moving us to a safer, cleaner future where we all can thrive. The clean energy transition is an essential part of that future.

Data centers and other large load customers across the country are causing an unprecedented increase in actual and projected electricity loads. That increase is putting the clean energy transition at risk.

We are also acutely aware of the affordability challenges many Maryland households face. Rising utility bills are a large part of that problem. For those of us on fixed incomes, including many of our members, this is a growing concern. The extreme demands of data centers and other large load customers are a significant cause of those increases. That is a problem that will continue to grow without decisive action.

We understand that we use data centers every day for email, video conferencing, online shopping, and much more. We also know that artificial intelligence and other uses of data centers are an important and growing part of our future. We are not opposed to data centers, but we believe it is essential that effective guardrails and well-designed incentives be put in place so that the data center industry makes positive contributions to our communities and does not interfere with reaching our climate and environmental goals.

This is a multifaceted issue. SB0596 addresses several important aspects. It establishes a voluntary demand response program for large-load customers (greater than 25 megawatts) to support reductions in peak energy use. The demand response must use battery storage, flexible loads, or other non-emitting sources.

It requires the Maryland Energy Administration to gather information from all generators in Maryland to find surplus interconnection capacity. Those sites will be targeted for new battery storage and clean energy sources. Those projects will be fast-tracked through county and Public Service Commission requirements. That will allow new clean capacity to be built quickly, rather than being stuck in PJM's very long interconnection queue.

It requires new data centers to provide 25% of their capacity load through carbon-free means or through demand response. It allows data centers that bring 100% of their capacity needs, support good union jobs, and prioritize battery storage, demand response, and renewable energy to be fast-tracked through the utility study, interconnection, and permitting processes.

It requires data center and other large-load facility developers who want a proposed facility studied and considered for interconnection to pay a community benefit fee of $100,000 per MW. We know that data center developers submit proposals for the same data centers in multiple states, and that there is no transparency. This makes accurate state and utility planning impossible. The community benefit fee ensures that all the load studied is credible and likely to come online in Maryland. The funds from that fee will be used to provide energy assistance and energy efficiency upgrades to low-income Marylanders.

For all of these reasons, we strongly urge a favorable report on SB0596. Thank you for your time and consideration.