



Maryland Energy Administration

TO: Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and Environment Committee
FROM: MEA
SUBJECT: SB 26 - Public Utilities - Off-Grid Electricity Providers - Exemption
DATE: February 19, 2026

MEA Position: LETTER OF INFORMATION

The Maryland Energy Administration (MEA) respectfully submits this letter of information on Senate Bill 26.

Senate Bill 26 establishes a statutory framework for “off-grid electricity providers,” defined as persons that own or operate an electric generating facility that does not interconnect with the electric system in the State, does not cross state lines, and is not located within or crossing any federal, state, or local roadway or right-of-way. The bill exempts qualifying off-grid electricity providers from most provisions of the Public Utilities Article, while maintaining the requirement to obtain a certificate of public convenience and necessity (CPCN). The exemption applies to facilities beginning operation on or after October 1, 2026, and ceases to apply if the facility later interconnects with the grid or otherwise no longer meets the statutory definition.

Governor Moore noted in his State of the State address that Maryland must scale energy generation quickly while protecting affordability and innovation. The Governor highlighted the success of the Maryland Energy Administration’s Community Solar Program, which is adding 78 megawatts of solar capacity and reducing utility bills for at least 10,500 low- and moderate-income Marylanders. At the same time, he emphasized that Maryland must pursue an “all-of-the-above” energy strategy to meet rapidly growing demand. The Governor further underscored the need for grid reform, fair cost allocation, particularly for high-load users, and responsible energy expansion that protects Maryland families.

As energy demand accelerates due to data center growth, electrification, and economic development initiatives, proposals for private or dedicated generation resources may become more frequent.

As drafted, the bill raises several considerations that may benefit from additional discussion as implementation details evolve. While the bill retains CPCN requirements for construction, it exempts qualifying facilities from other regulatory provisions under the Public Utilities Article. Questions may

arise regarding how consumer protections, safety oversight, and long-term system planning interact with an off-grid structure that operates largely outside the traditional regulatory framework.

Although the facilities described in SB 26 would not interconnect with the State's electric grid, stakeholders may examine potential indirect effects, including fuel supply logistics, land use coordination, reliability considerations, and the implications of any future interconnection. The bill appropriately addresses circumstances under which an entity would no longer qualify as off-grid; however, the practical application of those transitions may warrant careful consideration.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten at megan.outten@maryland.gov or 443.842.1780.