Qcells SB 596 Testimony Letter.pdf
Uploaded by: Blake Koerber
Position: FAV

The Honorable Brian Feldman
Chair, Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Written Testimony of Qcells

FAVORABLE Re: Senate Bill 596

Qcells testifies in support of Senate Bill 596, Large Load Customers – Electric System Interconnection and Demand Response. Qcells—while known as one of the largest domestic manufacturers of solar panels— also provides grid services offerings that aggregate behind-the-meter and front-of-the-meter resources to support reliability, manage peak demand, and lower costs for customers and the grid.

SB 596 prudently links large-load growth to new clean and flexible resources, such as energy storage, virtual power plants, and demand response. Large load customers must provide interconnection capacity for at least 25% of their load through behind-the-meter storage, new storage capacity, new carbon-free assets, or demand response, with a strong incentive to go to 100% in exchange for prioritized studies, interconnection, and permitting. At the same time, the bill directs the Public Service Commission to establish a dedicated demand response program for large load customers with clear event structures, notification timelines, compensation, and performance rules, giving both large customers and solution providers like Qcells the certainty needed to plan and invest. The requirement that the Commission's performance metrics account for virtual power plant aggregation, front-of-the-meter storage, and non-wires alternatives recognizes that a portfolio of distributed and utility-scale assets can operate together like a flexible power plant, delivering capacity, peak reduction, and resiliency at lower cost.

Importantly, SB 596 balances flexibility for large customers with protections and benefits for other ratepayers. It creates a standard and expedited interconnection process for large load customers that may not delay interconnections for others, requires load studies and fees that help fund bill assistance and low-income efficiency programs, and encourages prevailing wage on priority projects. Qcells stands ready to invest in clean energy and grid services programs facilitated by SB 596 to ensure that the costs of accommodating large new loads are met through distributed, flexible capacity. In conclusion, SB 596 is smart policy that will ensure rapid load growth does not unfairly burden ratepayers, while also driving smart investments in the grid. SB 596 is critically needed to set a framework for flexible, clean resources in the wake of data center proliferation.

SB0596_Large_Load_Customers_Electric_System_Interc
Uploaded by: Cecilia Plante
Position: FAV

MARYLAND LEGISLATIVE COALITION

TESTIMONY FOR SB0596

Large Load Customers - Electric System Interconnection and Demand Response Program

Bill Sponsor: Senator Hester
Committee: Education, Energy, and the Environment
Organization Submitting: Maryland Legislative Coalition
Person Submitting: Cecilia Plante, co-chair
Position: FAVORABLE

I am submitting this testimony in favor of SB0596 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

We are in a position where we need to protect our grid. New demands from data centers are putting the supply of electricity in peril. They are also making it much more expensive and households and businesses are concerned that they are going to get second place if there is too much demand.

This bill, if enacted, would put some guardrails around how data centers can connect to the grid and incentivize them for bringing their own power. It specifies -

- a voluntary demand response program for large load customers to support peak energy use reductions that would be managed by the Public Service Commission. Demand response must use battery storage, flexible load, or other non-emitting sources (not generators).
- the Maryland Energy Administration to gather information from all Maryland generators to determine which have surplus interconnection potential and the amount of that potential to deploy additional resources at that site without impacting the existing infrastructure.
- all large load customers seeking to interconnect in Maryland to provide capacity for 25% of load with either behind the meter storage, capacity purchase of new grid connection battery storage or new carbon-free asset.
- a priority path in utility study, interconnection, and permitting for any large load customer that provides capacity for 100% of load with either behind the meter storage, capacity purchase of new grid connection battery storage or new carbon-free asset, or demand response; and pays prevailing wages.
- a community benefit fee paid by the large load customers of $100,000 per MW served in order to be studied and considered for interconnection. This fee ensures that all load studied is

credible and likely to come on line. Funds in the community benefit account will be used for energy assistance and energy efficiency upgrades through the low income Empower program.

These requirements will ensure that current residents and businesses don't become the losers in the demand for electricity and will make data centers support their usage with clean energy.

We strongly support this bill and recommend a **FAVORABLE** report in committee.

SB0596 - Large Load Customers - FAV - EEE- HoCoCl

Uploaded by: HoCo Climate Action Organization

Position: FAV

HoCoClimateAction.org
Howard County, Maryland

Testimony: SB0596 - Large Load Customers - Electric System Interconnection and Demand Response Program
Bill Sponsor: Senator Hestor
Hearing Date: March 5, 2026
Committee: Education, Energy and the Environment
Submitting: Ruth White for Howard County Climate Action
Position: Favorable

Dear Chair Feldman, Vice Chair Kagan and Committee Members,

HoCo Climate Action is a 350.org local chapter and a grassroots organization representing approximately 1,400 subscribers. We are also a member of the Climate Justice Wing of the Maryland Legislative Coalition. Our organization works with residents and ally organizations to promote a safe climate and clean energy future. Specifically, we have worked extensively on clean energy and on building electrification to help Maryland achieve its ambitious climate goals, including net-zero emissions.

Our current electrical regulatory system was built on the principle of a gradual and universal growth, data centers break this paradigm, they are not gradual or universal, they are local and they are massive. One hyper-scale data center can use the power of 640,000 homes and be constructed in 3 years. Imagine the electrical demand of the city of Baltimore being added to the grid in three years. Right now, the estimated 3GW needed to power all the currently proposed data centers at the Alcoa site in Fredrick is almost equal to the electricity used by all Maryland households. As you can see, the old electric system paradigm is truly broken by data centers.

Another typical parameter of electricity use is variability, however for data centers, the load is constant. While this makes predicting electrical use easier, it consistently adds demand during “peak” demand periods. This pattern increases the need to add more generation and reserve capacity for the grid to handle “peak” demand periods. These factors increase ratepayer cost.1

Unfortunately, no Maryland agency tracks and manages large load customers as they request power from a utility or start using electricity on our grid. So basically, the PSC and ratepayers are being blindsided by the data center build out.

Electricity costs in some data center-dense areas have surged by over 250% in just five years. In the PJM region — the world’s largest power market — capacity auction prices spiked 800% in 2024, in large part due to data center growth. That year, consumers across seven PJM states paid $4.3 billion more in electricity costs to cover deployment of new transmission infrastructure to serve data centers. 2,3,4

To help lower the ratepayer impact of data centers in Maryland, a solution is to first create a process for large load customers to interconnect to register their requirements for electricity usage with the PSC. This will help the state plan for these large increases while understanding the impact of these load growths on ratepayers. 5 The second part of the solution is to incentivize large load customers to reduce their consumption during those few peak hours during the year when excess demand is required. 6,7 This will lower the need for peaker plants, (typically fueled by natural gas oil or coal plants which are often older, less efficient, and emit high levels of pollution. Reducing their power requirement can be done in a variety of ways, however if they decided to retain the same level of electrical usage and just decrease demand from the grid, it has to be done with clean electric technologies that are within the PJM territories.

The bill provides solutions by creating both requirements and incentives for “large load customers” to address their impact on the grid and customer rates, and to provide Maryland regulators more information about and control over new large load customers’ interconnection to the electric system. The bill defines a large load customer as a “commercial or industrial customer for retail electric service that: (I) has or is projected to have an aggregate monthly demand of at least 25 megawatts; and (II) has or is projected to have a load factor of more than 80%.” SB0596 requires the Public Service Commission (PSC) to establish a process for large load customers to interconnect to the electric system, contract for service, and receive some prioritization. The bill specifies that in order to interconnect, a large load customer must provide interconnection capacity for 25% of its load through: 1) behind–the–meter energy storage facilities; 2) purchasing capacity with newly interconnected energy storage facilities within the load zone or local delivery area; (3) purchasing capacity with new carbon–free assets in the load zone or local delivery area; or 4) demand response, which will help with peak demand and climate impacts. Implementing these provisions will lessen the impact of data centers on the grid.

For these reasons, we support this bill and recommend a Favorable report.

Ruth White, Steering and Advocacy Committee
www.HoCoClimateAction.org
HoCoClimateAction@gmail.com

1.Data center demand doubles in new power forecast, Fauquier Times, Nov. 5, 2025, https://www.fauquier.com/news/data-center-demand-doubles-in-new-power-forecast/article_88e9bcb8-a385-5c92-b173-5751d9b548f4.html

2 Data centers were 40% of PJM capacity costs in last auction: market monitor, Utility Dive, Jan. 7, 2026, https://www.utilitydive.com/news/data-centers-pjm-capacity-auction/808951/

3.Data centers blamed for electric bill spike, new report says, WUSA, June 5, 2025, https://www.wusa9.com/article/tech/science/environment/data-centers-cause-electric-bill-spike-new-report-says/65-3af6bb57-4704-45c0-9fbf-aaf65daf9b69

4.Here’s how AI data centers affect the electrical grid, CNN, Jan. 18, 2026,https://www.cnn.com/2026/01/18/business/ai-data-centers-electricity-prices

5. No more PJM data centers unless they can be reliably served: market monitor, Utility Dive, Nov. 26, 2025, https://www.utilitydive.com/news/pjm-data-center-interconnection-market-monitor-ferc-complaint/806527/

6. Is data center flexibility a ‘regulatory fiction’?, Latitude Media, Nov. 19, 2025, https://www.latitudemedia.com/news/is-data-center-flexibility-a-regulatory-fiction/

7. The long-term grid impacts of data center flexibility, Latitude Media, Feb. 17, 2026, https://www.latitudemedia.com/news/the-long-term-grid-impacts-of-data-center-flexibility/

Large Load Customers Demand Response.pdf
Uploaded by: Jamie DeMarco
Position: FAV

TESTIMONY OF
BRITTANY BAKER
MARYLAND DIRECTOR
—-
JAMIE DEMARCO
LOBBYIST
—-
MIKE TIDWELL
EXECUTIVE DIRECTOR

SB596 - Large Load Customers - Electric System Interconnection and Demand Response Program

FAVORABLE

EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE

March 6th, 2026

Chair Feldman, Vice-Chair Kagan, and members of the EEE Committee,

On behalf of the Chesapeake Climate Action Network, **I urge a favorable report on SB596 with amendments.**

New data centers connecting to the PJM grid are increasing energy prices for Marylanders. PJM's capacity auction price has increased by over 900% in recent years, a cost increase that is passed on to every ratepayer in the PJM region.

However, data centers only cause the capacity auction price to increase if they are pulling from the grid during peak hours. SB596 would reward data centers who mitigate their use of grid energy during peak demand hours with expedited access to the grid. Under this policy, data centers would get access to power sooner if they are good grid citizens and shave some or all of their energy use during peak hours.

This reduction during peak hours will prevent the need to build new transmission lines, power plants, and substations. At no cost to ratepayers, this policy will incentivize good behavior from data centers that will lower our bills.

For these reasons we urge a favorable report.

SB596_FAV_EconAction (2).pdf
Uploaded by: Jennifer Bevan-Dangel
Position: FAV

SB596: Large Load Customers –
Electric System Interconnection and Demand Response Program

Position: Favorable

March 5, 2026

The Honorable Brian J. Feldman, Chair
Education, Energy and the Environment Committee
2 West Miller Senate Office Building
Annapolis, MD 21401
Cc: Members of the Committee

Chair Feldman and members of the Committee,

Economic Action Maryland Fund urges a favorable report on SB596, which would address the impact data centers, and their astronomical energy demands, are having on supply costs for Maryland ratepayers.

As the members of this committee are painfully aware, energy rates have risen dramatically in recent years due to a variety of factors. Thousands of Marylanders each year face shutoff notices due to nonpayment, while many others are forced to juggle multi-hundred-dollar utility bills alongside the ever-increasing costs of rent, groceries, and other necessities. In fact, when Economic Action Maryland Fund surveyed our members and other stakeholders this winter, 63% stated utility bills were their primary concern.

The bill creates a process to incentivize data centers, or any other large load electricity customer, to generate their own energy, rather than competing with residential companies for electric supply. It also creates a fee structure that would generate critically needed funds for the EMPOWER program.

Multiple studies have shown that the energy demands of data centers are directly driving the astronomical increase in energy supply costs for ratepayers. Bloomberg analysis found that energy supply costs are as much as 267% higher in areas near data center expansions.[1] While incentivizing data centers to generate their own energy will not immediately address already-high energy bills, it is a critical step to bend the curve and prevent the continuing acceleration of supply side rates.

For these reasons, we urge a favorable report on SB596.

[1] https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/

2209 Maryland Ave · Baltimore, MD 21218 | www.econaction.org
Marceline White · Marceline@EconAction.org | Jennifer Bevan-Dangel · Jennifer@EconAction.org

Sincerely,
Jennifer Bevan-Dangel, Deputy Director

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

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Marceline White · Marceline@EconAction.org | Jennifer Bevan-Dangel · Jennifer@EconAction.org

SB596_MDSierraClub_fav5Mar2026.pdf
Uploaded by: Josh Tulkin
Position: FAV

SIERRA CLUB

P.O. Box 278
Riverdale, MD 20738

Committee: Education, Energy and the Environment
Testimony on: SB 596 - Large Load Customers - Electric System Interconnection and Demand Response Program
Position: Support
Hearing Date: March 5, 2026

The Maryland Chapter of the Sierra Club supports SB 596. The bill would require the Maryland Public Service Commission (PSC) to develop a large load interconnection process, and it would require large load customers (e.g., data centers) to use clean energy and demand response to support flexibility and to achieve quicker interconnection. The interconnection process established by the PSC for large load customers would need to include an expedited timeline for those customers that provide interconnection capacity for 100% of their load; establish requirements for large load customers to supply 25% of their load from clean energy in order to interconnect to the electric system and contract for service; authorize certain large load customers to receive prioritization if they can supply 100% of their load from clean sources; and require the PSC to establish a large load customers demand response program. SB 596 also requires a study of surplus interconnection potential by the Maryland Energy Administration. We believe that SB 596 will ensure that large loads that choose to locate in Maryland will be cleaner and more flexible, utilize existing infrastructure as much as possible, ameliorate local and regional environmental impacts that can be created by large loads, and help Maryland achieve its climate goals.

In the absence of SB 596, new large loads will be able to interconnect in Maryland without any restrictions on how they can interconnect. Indeed, the current practice of many data center developers is to purchase needed capacity and energy from fossil energy sources, largely natural gas powered – a result encouraged by PJM's proposal for large loads to bring their own capacity – and to install diesel generation as backup power to ensure 99.99% reliability. Consequently, local and regional air quality will suffer, and carbon emissions will increase markedly. The following discussion highlights how SB 596 will forestall these outcomes and help Maryland meet its climate goals.

First, requiring the PSC to develop an interconnection process for large loads will be a massive improvement. Currently, COMAR does not contain any regulations directed at the process of interconnecting large loads. The Next Generation Act did require the development of large load tariffs that account for interconnection, but specific rules guiding the process of interconnection these large loads do not yet exist. Without detailed interconnection regulations, Maryland regulators have no capability to direct how large loads interconnect to the Maryland electric system. SB 596 addresses this lack of rules.

Second, SB 596 requires that a large load customer may not be interconnected unless the customer provides interconnection capacity for 25% of its load from clean energy sources.

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Acceptable clean energy sources identified in SB 596 include (i) behind–the–meter energy storage facilities, (ii) new energy storage facilities in local areas, (iii) purchases of capacity from new carbon–free assets, or (iv) demand response. We believe that this 25% directive is the most important requirement in the bill in supporting Maryland climate goals – new data centers will be required to procure clean energy or storage for a portion of their load or engage in demand response. Furthermore, the 25% requirement is doable and is not onerous. Electric storage technologies are rapidly dropping in cost and increasing in their capabilities. Furthermore, use of storage to meet data center load is not a future possibility. It is happening now. At least two large data centers are being developed by Verrus and Oracle/OpenAI to use 100% storage to power their needs. In addition, requiring that data centers engage in demand response is an increasingly common approach to interconnection – see, for example, Indiana & Michigan's settlement in Indiana (IURC Cause No. 46097).[1]

Third, SB 596 incents priority interconnection for large loads that use any of the four sources identified above to meet 100% of their load. This provision will ensure that the data centers which get priority interconnection do not negatively impact Maryland's environment and its climate goals. As noted above, recent developments suggest that 100% is an achievable requirement.

Fourth, SB 596 requires that the PSC establish a large load customer demand response program. Such PSC action will help make the demand response option attractive to large load customers. As noted above, other states, like Indiana, have developed large load demand response programs, and Maryland should follow.

Finally, the use of surplus interconnection is promoted in SB 596. Any use of surplus interconnection will reduce the need to obtain the 25% capacity needed to interconnect. Furthermore, the bill directs the Maryland Energy Administration to study each electricity supplier with generating facilities located in the State to determine the surplus interconnection potential at each interconnection point. An assessment of surplus interconnection and eventual use of this capacity will be critical in locating new large loads and new resources. Use of available surplus interconnection capacity by new resources will place less stress on electric infrastructure and the need for new transmission.

In summary, Maryland Sierra Club fully supports SB 596 and recommends a favorable report. The Sierra Club also recommends consideration of three additions to the bill. First, to ensure that the storage and demand response procured is from carbon-free sources, we recommend that additional language require or incent the use of carbon-free resources. For example, without this language, diesel generation could be used as demand response to lower demand at a facility to meet the 25% goal. Second, the bill would benefit from clarifying how the existence of virtual

[1] Indiana Utility Regulatory Commission. *Order of the Commission: In the matter of the verified petition of Indiana Michigan Power Company for approval of modifications to its industrial power tariff, Cause No. 46097*. November 22, 2024.
https://iurc.portal.in.gov/_entity/sharepointdocumentlocation/2b48cf93-d9ee-ef11-be20-001dd80b8c52/bb9c6bba-fd52-45ad-8e64-a444aef13c39?file=ord_46097_021925.pdf

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power plants can factor in the demand response performance of a large load customer. Virtual power plants represent aggregations of smaller demand response and distributed energy resources that can be relied upon through contractual methods. Finally, we recommend that options available to meet the 25% and 100% goals specified in the bill be expanded to include contracting with or procuring capacity from virtual power plants. We believe that SB 596 is positioned to be a valuable addition to Maryland's energy policy framework and that these additions would further strengthen that value.

David Kathan
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Josh Tulkin
Chapter Director
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SB596-Large Load Customers-Electric System Interco

Uploaded by: Karl Held

Position: FAV

CLIMATE COALITION
Montgomery County, MD

Testimony on:	**SB0596 - Large Load Customers - Electric System Interconnection and Demand Response Program**
Committee:	**Education, Energy and the Environment**
Organization:	**Climate Coalition Montgomery County**
Submitting:	**Karl Held**
Position:	**Favorable**
Hearing Date:	**March 5, 2026**

Dear Chair Feldman and Committee Members:

Thank you for allowing our testimony today in support of SB0596 – Large Load Customers - Electric System Interconnection and Demand Response Program. The Climate Coalition Montgomery County, a group of 20 local organizations whose mission is to lead action on climate change, advance a sustainable and just economy, and build resilience in the face of environmental, social and economic disruption. We urge you to vote favorably on SB0596.

Our current electrical regulatory system was built on the principle of a gradual and universal growth, data centers break this paradigm, they are not gradual or universal, they are local and they are massive. One hyper-scale data center can use the power of 640,000 homes and be constructed in 3 years. Imagine the electrical demand of the city of Baltimore being added to the grid in three years. Right now, the estimated 3GW needed to power all the currently proposed data centers at the Alcoa site in Fredrick is almost equal to the electricity used by all Maryland households. As you can see, the old electric system paradigm is truly broken by data centers.

Another typical parameter of electricity use is variability, however for data centers, the load is constant. While this makes predicting electrical use easier, it consistently adds demand during "peak" demand periods. This pattern increases the need to add more generation and reserve capacity for the grid to handle "peak" demand periods. These factors increase ratepayer cost.[1]

Unfortunately, no Maryland agency tracks and manages large load customers as they request power from a utility or start using electricity on our grid. So basically, the PSC and ratepayers are being blindsided by the data center build out.

Electricity costs in some data center-dense areas have surged by over 250% in just five years. In the PJM region — the world's largest power market — capacity auction prices spiked 800% in 2024, in large part due to data center growth. That year, consumers across seven PJM states paid $4.3 billion more in electricity costs to cover deployment of new transmission infrastructure to serve data centers. [2,3,4]

To help lower the ratepayer impact of data centers in Maryland, a solution is to first create a process for large load customers to interconnect to register their requirements for electricity usage with the PSC. This will help the state plan for these large increases while understanding the impact of these load growths on ratepayers. [5] The second part of the solution is to incentivize large load customers to reduce their consumption during those few peak hours during the year when excess demand is required. [6,7] This will lower the need for peaker plants, (typically fueled by natural gas oil or coal plants which are often older, less efficient, and emit high levels of pollution. Reducing their power requirement can be done in a variety of ways, however if they decided to retain the same level of electrical usage and just decrease demand from the grid, it has to be done with clean electric technologies that are within the PJM territories.

The bill provides solutions by creating both requirements and incentives for "large load customers" to address their impact on the grid and customer rates, and to provide Maryland regulators more information about and control over new large load customers' interconnection to the electric system. The bill defines a *large load customer* as a "commercial or industrial customer for retail electric service that: (I) has or is projected to have an aggregate monthly demand of at least 25 megawatts; and (II) has or is projected to have a load factor of more than 80%." SB0596 requires the Public Service Commission (PSC) to establish a process for large load customers to interconnect to the electric system, contract for service, and receive some prioritization. The bill specifies that in order to interconnect, a large load customer must provide interconnection capacity for 25% of its load through: 1) behind–the–meter energy storage facilities; 2) purchasing capacity with newly interconnected energy storage facilities within the load zone or local delivery area; (3) purchasing capacity with new carbon–free assets in the load zone or local delivery area; or 4) demand response, which will help with peak demand and climate impacts. Implementing these provisions will lessen the impact of data centers on the grid.

For these reasons, we urge this Committee to give SB0596 a FAVORABLE report.

1. Data center demand doubles in new power forecast, Fauquier Times, Nov. 5, 2025, https://www.fauquier.com/news/data-center-demand-doubles-in-new-power-forecast/article_88e9bcb8-a385-5c92-b173-5751d9b548f4.html
2. Data centers were 40% of PJM capacity costs in last auction: market monitor, Utility Dive, Jan. 7, 2026, https://www.utilitydive.com/news/data-centers-pjm-capacity-auction/808951/
3. Data centers blamed for electric bill spike, new report says, WUSA, June 5, 2025, https://www.wusa9.com/article/tech/science/environment/data-centers-cause-electric-bill-spike-new-report-says/65-3af6bb57-4704-45c0-9fbf-aaf65daf9b69
4. Here's how AI data centers affect the electrical grid, CNN, Jan. 18, 2026,https://www.cnn.com/2026/01/18/business/ai-data-centers-electricity-prices
5. No more PJM data centers unless they can be reliably served: market monitor, Utility Dive, Nov. 26, 2025, https://www.utilitydive.com/news/pjm-data-center-interconnection-market-monitor-ferc-complaint/806527/
6. Is data center flexibility a 'regulatory fiction'?, Latitude Media, Nov. 19, 2025, https://www.latitudemedia.com/news/is-data-center-flexibility-a-regulatory-fiction/

7. The long-term grid impacts of data center flexibility, Latitude Media, Feb. 17, 2026, https://www.latitudemedia.com/news/the-long-term-grid-impacts-of-data-center-flexibility/

MF_SB 596_ Large Load Demand Response Program.pdf
Uploaded by: Kathy Kinsey
Position: FAV

Committee: Education, Energy, and the Environment
Testimony on: Senate Bill 596 – Large Load Customers – Electric System Interconnection and Demand Response Program
Organization: Mobilize Frederick
Submitting: Kathy Kinsey
Chair, Government Affairs Committee
Position: Favorable
Hearing Date: February 26, 2026

Dear Chair Feldman, Vice-Chair Kagan, and Members of the Committee:

Thank you for the opportunity to comment on Senate Bill 596– Large Load Customers – Electric System Interconnection and Demand Response Programs.

Mobilize Frederick, a nonprofit community advocacy organization formed to assist with implementing innovative local solutions to address climate change, strongly urges the Committee to issue a **favorable** report on SB 596.

This bill is urgently needed to help manage an overloaded grid due almost entirely to the unforeseen rapid growth of the data center sector. By 2030, in just four years, data center development is projected to result in an additional 30 gigawatts (GW) of electricity load and as much as 50 GW during periods of peak demand. The need for deployment of new generation and transmission infrastructure to serve data center load is not only straining the grid, but also driving sharp increases in electricity rates. In 2024, ratepayers in seven PJM states paid $4.3 billion more in electricity costs to cover construction of new transmission infrastructure to serve data centers.

SB 596 will improve grid planning, expedite deployment of new carbon-free generation, and increase participation in clean demand response programs – all measures that are needed to better balance energy supply and demand and control ratepayer costs. The bill will achieve these goals by:

- Establishing an incentivized voluntary demand response program managed by the Public Service Commission for data centers and other large load customers with monthly consumption of 25 MW or more and an 80 percent load factor to reduce

electricity demand during peak demand periods. Demand response measures must include carbon free sources, battery storage, or the capacity for flexibility with respect to load.

- Requiring new large load customers, as a condition of interconnection to the grid, to supply 25 percent of their electricity load by:

    - Providing behind-the-meter battery storage;
    - Purchasing capacity with other newly interconnected energy storage facilities within the load zone or local delivery area;
    - Purchasing capacity from new carbon–free assets in the load zone or local delivery area; or
    - Through demand response measures.

- Targeting existing generation facilities with extra interconnection capacity for deployment of new battery storage and carbon-free energy capacity with expedited processing through county and PSC requirements.

- Expediting the interconnection and permitting of large load customers that supply 100 percent of their capacity load and prioritize demand response, battery storage, and use of carbon-free resources.

- Requiring large load customers to contribute to community benefit funds to assist low-income households with energy efficiency projects and ratepayer relief.

SB 596 would implement a multi-pronged approach to reduce the impact of data centers and other new large load customers on the grid, increase clean generation sources, and strengthen demand response programs.

For all the foregoing reasons, we respectfully urge the Committee to issue a **favorable** report on SB 596.

Sincerely,

KATHY KINSEY
Chair, Government Affairs and Policy Committee

cc: Karen Cannon
Executive Director

SB 596 Testimony.pdf
Uploaded by: Katie Fry Hester
Position: FAV

KATIE FRY HESTER
Legislative District 9
Howard and Montgomery Counties

Education, Energy, and
Environment Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology

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Testimony in Support of SB 596 - Large Load Customers - Electric System Interconnection and Demand Response Program

March 3, 2026

Chair Feldman, Vice Chair Kagan, and members of the Education, Energy, and Environment Committee:

Thank you for your consideration of Senate Bill 596, Large Load Customers - Electric System Interconnection and Demand Response Program, which establishes a framework to responsibly integrate large load customers, such as data centers, into Maryland's electric grid while protecting ratepayers and improving grid reliability.

Across the country, data centers and other large load customers are driving an unprecedented surge in electricity demand. According to PJM's own Independent Market Monitor, roughly 75 percent of recent capacity cost increases are attributable to data center load growth, contributing to rising costs for consumers.

In the fall, PJM Interconnection launched a fast-tracked process known as the Critical Issue Fast Path (CIFP) to address approximately 32 gigawatts of new large load, primarily driven by data center development. AI-driven data centers alone are projected to account for nearly half of U.S. load growth through 2028. Utilities are reporting multi-year interconnection delays and warning of potential rate increases as they prepare to serve this new demand.

This growth presents a dual risk. First, if we overbuild to accommodate speculative interconnection requests, Maryland ratepayers could be left covering the costs if projects fail to materialize. Second, if we fail to plan appropriately, reliability risks increase during peak periods when power plants are already operating at full capacity.

The traditional model of building infrastructure to meet worst-case peak demand is increasingly unsustainable. On average, the U.S. grid operates at only a 53% load factor, meaning nearly half of existing capacity sits unused much of the time. Ratepayers bear the cost of infrastructure built for occasional peak hours.

However, emerging research suggests a better path forward. A 2025 report from the Nicholas Institute at Duke University proposes leveraging flexible, curtailment-enabled loads to unlock significant "hidden" grid capacity. The study finds that if new large loads agreed to curtail operations during just 85–87 hours per year—the highest stress hours on the system—approximately 76 gigawatts of capacity nationwide could be unlocked without building new generation. Increasing flexibility to 1% of annual hours could unlock as much as 126 gigawatts.

Importantly, many AI data center functions, particularly training workloads, are delay-tolerant and well suited for temporary curtailment. Technologies already exist to pause, throttle, or geographically shift workloads. Maryland has the opportunity to harness flexible load as a reliability and cost-containment tool, while ensuring that ratepayers are protected and economic development continues responsibly.

Until regional markets like PJM evolve to fully value and incentivize this flexibility, states must lead. SB 596 incentivizes this flexibility by:

1. Establishing a voluntary demand response program for large load customers greater than 25MW, administered by the Public Service Commission in coordination with Maryland utilities. Participating customers must use battery storage, flexible load, or other non-emitting resources to reduce demand during peak periods.
2. Directing the Maryland Energy Administration to identify surplus interconnection capacity at existing generation sites and the amount of that capacity that can be deployed to additional resources without impacting the existing infrastructure. This information will be shared with large load customers and the "surplus interconnection service" will allow battery storage or other zero-emission resources to use unused interconnection space, avoiding years-long delays in the PJM queue and accelerating deployment of reliability-supporting resources. Projects that participate in surplus interconnection service shall be exempt from new county and PSC CPCN requirements, although they would need to be filed for notice only with PSC.
3. Establishing a priority interconnection, utility study, and permitting pathway for projects that provide capacity for 100% of their load through the reliability-enhancing mechanisms listed above and pay prevailing wages.
4. Establishing a community benefit fee of $1,000 per MW served in order to be studied and considered for interconnection. This ensures that speculative projects do not clog the queue and directs funds to energy assistance and energy efficiency programs through the low income Empower program.

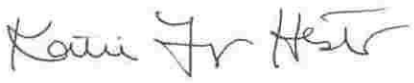
This legislation reflects a balanced, forward-looking approach. Rather than simply managing growth, it creates a framework that encourages large load customers to locate in Maryland by rewarding those projects that are willing to operate with greater flexibility. In doing so, we are

attracting data centers that can help keep electricity costs down for Maryland families while supporting economic development and innovation.

By acting now, Maryland can set clear, enforceable expectations that protect grid reliability, shield ratepayers from unnecessary cost exposure, and ensure that new economic development contributes positively to our energy system.

For these reasons, I respectfully request a favorable report on SB 596.

Sincerely,



Senator Katie Fry Hester
Howard and Montgomery Counties

SB596-Large Load Customers-Electric System Interco

Uploaded by: Laurie McGilvray

Position: FAV

Testimony on: SB0596 - Large Load Customers - Electric System Interconnection and Demand Response Program
Committee: Education, Energy and the Environment
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Dave Arndt, Co-Chair
Position: Favorable
Hearing Date: March 5, 2026

Dear Chair Feldman and Committee Members:

Thank you for allowing our testimony today in support of SB0596 – Large Load Customers - Electric System Interconnection and Demand Response Program. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of 32 grassroots and professional organizations focused on climate justice, urges you to vote favorably on SB0596.

Our current electrical regulatory system was built on the principle of a gradual and universal growth, data centers break this paradigm, they are not gradual or universal, they are local and they are massive. One hyper-scale data center can use the power of 640,000 homes and be constructed in 3 years. Imagine the electrical demand of the city of Baltimore being added to the grid in three years. Right now, the estimated 3GW needed to power all the currently proposed data centers at the Alcoa site in Fredrick is almost equal to the electricity used by all Maryland households. As you can see, the old electric system paradigm is truly broken by data centers.

Another typical parameter of electricity use is variability, however for data centers, the load is constant. While this makes predicting electrical use easier, it consistently adds demand during "peak" demand periods. This pattern increases the need to add more generation and reserve capacity for the grid to handle "peak" demand periods. These factors increase ratepayer cost.[1]

Unfortunately, no Maryland agency tracks and manages large load customers as they request power from a utility or start using electricity on our grid. So basically, the PSC and ratepayers are being blindsided by the data center build out.

Electricity costs in some data center-dense areas have surged by over 250% in just five years. In the PJM region — the world's largest power market — capacity auction prices spiked 800% in 2024, in large part due to data center growth. That year, consumers across seven PJM states paid $4.3 billion more in electricity costs to cover deployment of new transmission infrastructure to serve data centers. [2,3,4]

To help lower the ratepayer impact of data centers in Maryland, a solution is to first create a process for large load customers to interconnect to register their requirements for electricity

usage with the PSC. This will help the state plan for these large increases while understanding the impact of these load growths on ratepayers. [5] The second part of the solution is to incentivize large load customers to reduce their consumption during those few peak hours during the year when excess demand is required. [6,7] This will lower the need for peaker plants, (typically fueled by natural gas oil or coal plants which are often older, less efficient, and emit high levels of pollution. Reducing their power requirement can be done in a variety of ways, however if they decided to retain the same level of electrical usage and just decrease demand from the grid, it has to be done with clean electric technologies that are within the PJM territories.

The bill provides solutions by creating both requirements and incentives for "large load customers" to address their impact on the grid and customer rates, and to provide Maryland regulators more information about and control over new large load customers' interconnection to the electric system. The bill defines a *large load customer* as a "commercial or industrial customer for retail electric service that: (I) has or is projected to have an aggregate monthly demand of at least 25 megawatts; and (II) has or is projected to have a load factor of more than 80%." SB0596 requires the Public Service Commission (PSC) to establish a process for large load customers to interconnect to the electric system, contract for service, and receive some prioritization. The bill specifies that in order to interconnect, a large load customer must provide interconnection capacity for 25% of its load through: 1) behind–the–meter energy storage facilities; 2) purchasing capacity with newly interconnected energy storage facilities within the load zone or local delivery area; (3) purchasing capacity with new carbon–free assets in the load zone or local delivery area; or 4) demand response, which will help with peak demand and climate impacts. Implementing these provisions will lessen the impact of data centers on the grid.

For these reasons, we urge this Committee to give SB0596 a FAVORABLE report.

350MoCo
Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
Chesapeake Earth Holders
Chesapeake Physicians for Social Responsibility
Climate and Law and Policy Project
Climate Parents of Prince George's
Climate Reality Project
ClimateXChange
Coming Clean Network, Union of Concerned Scientists
DoTheMostGood Montgomery County
Echotopia
Elders Climate Action Maryland
Fix Maryland Rail
Glen Echo Heights Mobilization
Greenbelt Climate Action Network
HoCoClimateAction
IndivisibleHoCoMD
Maryland Legislative Coalition
Maryland Third Act
Mizrahi Family Charitable Fund
Mobilize Frederick

Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Mountain Maryland Movement
Nuclear Information & Resource Service
Progressive Maryland
Safe & Healthy Playing Fields
Takoma Park Mobilization Environment Committee
The Climate Mobilization MoCo Chapter
Unitarian Universalist Legislative Ministry of Maryland

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SB0596 favorable.pdf
Uploaded by: Leslie Wharton
Position: FAV

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.

SB 596 FAV Testimony.pdf
Uploaded by: Mariah Davis
Position: FAV

SB0596- FAVORABLE

Mariah Davis
Nature Forward
davisstrategies1@gmail.com
757-291-8785

SB0596- Large Load Customers - Electric System Interconnection and Demand Response

Education, Energy, and the Environment Committee
March 5, 2026

Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and the Environment Committee,

On behalf of Marylanders for Data Center Reform, I urge a favorable report on SB0596, Large Load Customers - Electric System Interconnection and Demand Response.

Marylanders for Data Center Reform, created by Nature Forward, represents over 40 Maryland social and environmental organizations, who are deeply concerned about the impacts of hyperscale data center development on ratepayers, water and air quality, and land use decisions. We strongly support SB0596, because this bill helps protect the financial and personal health of Maryland constituents. While data centers serve the needs of modern society, the current pace and scale of unchecked data center development is placing an unprecedented strain on the state's energy grid. We support this bill because it offers near term solutions to these challenges through demand response, while adding clean, new capacity to the grid.

As pressure from artificial intelligence and electrification grows, it is imperative that we use the best available data and research to provide power to data centers that have the least damage and long-lasting impacts to communities and the environment. Utility scale solar[1] and battery storage[2] are not only underutilized, they are the cheapest and fastest way to supply reliable generation to the grid. This bill incentivizes data centers to use battery storage and carbon-free energy sources to interconnect to the grid. If data centers bring their own power, it should include carbon-free generation. This bill encourages data centers to provide at least 25% of their capacity load through carbon-free means or through demand response.

Our coalition prioritizes both people and the environment. Last month, the state supported new PJM reforms to address data center load growth, but we are very concerned how these new policies will impact environmental justice communities. These rules created a new fast-track process that excludes clean energy projects and gives special treatment to fossil fuel power plants built for data centers. Low-cost, carbon-free generation has been waiting too long to connect to the grid. This coupled with Maryland's Critical Infrastructure Streamlining law, which eased regulatory restrictions on diesel backup generators for data centers is a recipe for public health concerns. More than 20 new hyperscale data centers are being

[1] https://www.eia.gov/todayinenergy/detail.php?id=67005
[2] https://www.eia.gov/todayinenergy/detail.php?id=63025

planned and a majority of them are located in underserved and overburdened areas of the state[3]. According to MDEnvirScreen the site for the proposed 300MW data center at Landover Mall in Prince Geroge's County is underserved and has a score of 96.8 for diesel particulate matter. Diesel PM particles can reach deep into the lungs, where they can contribute to health problems such as eye, throat, and nose irritation, heart and lung disease, and lung cancer. The former Social Security headquarters in the Woodlawn area of Baltimore is underserved, overburdened, has an EJ score of 87.10, and a score of 92.3 for diesel particulate matter[4]. This is where a 42 acre, 150MW data center is being proposed.

Environmental justice communities have suffered enough. If you care about the harmful impacts from data centers, then you should care about SB0596. We support this bill because of its incentives to fast-track battery storage and new carbon-free assets, requirements that data centers provide capacity for 25% of their load, and new funds for low-income energy assistance and efficiency programs. Maryland has the opportunity now to step up, and protect communities through better planning for data centers. Demand response programs are readily available, can help lower greenhouse gas emissions, and add new, clean capacity to the grid. Marylanders for Data Center Reform urges a favorable report for this bill.

Respectfully,

American Descendants of Slavery Advocacy Foundation Maryland Chapter

Center for Progressive Reform

Climate Communications Coalition

Green America

Interfaith Power & Light (DC.MD.NoVa)

Maryland Legislative Coalition – Climate Justice Wing

National Parks Conservation Association

Nature Forward

Oceanic Network

Third Act Maryland

[3]https://baxtel.com/data-center/maryland?lat=39.324942049572215&lng=-77.43243719650428&distance=6366.107638344028
[4] https://experience.arcgis.com/experience/e4148f01acf743bf8ac1d2aa2dc0947f

SB 0596 FAV.pdf
Uploaded by: Maryrose Wilson
Position: FAV

SB 0596 FAV

Committee: Education, Energy, and the Environment

Greetings,

I am submitting this testimony in favor of **SB 0596.**

It is urgent that Maryland protect our grid. The supply of electricity is in peril due to the new demands from data centers. This makes it much more expensive for households and businesses.

It makes sense to put some guardrails around how data centers can connect to the grid and incentivize them for bringing their own power. **SB 0596** specifies the following:

- a voluntary demand response program for large load customers to support peak energy use reductions that would be managed by the Public Service Commission. Demand response must use battery storage, flexible load, or other non-emitting sources (not generators).
- the Maryland Energy Administration will gather information from all Maryland generators to determine which have surplus interconnection potential and the amount of that potential to deploy additional resources at that site without impacting the existing infrastructure.
- all large load customers seeking to interconnect in Maryland to provide capacity for 25% of load with either behind the meter storage, capacity purchase of new grid connection battery storage or new carbon-free asset.
- a priority path in utility study, interconnection, and permitting for any large load customer that provides capacity for 100% of load with either behind the meter storage, capacity purchase of new grid connection battery storage or new carbon-free asset, or demand response; and pays prevailing wages.
- a community benefit fee paid by the large load customers of $100,000 per MW served in order to be studied and considered for interconnection. This fee ensures that all load studied is credible and likely to come on line. Funds in the community benefit account will be used for energy assistance and energy efficiency upgrades through the low income Empower program.

These requirements will make data centers support their usage with clean energy. It will also protect current residents and businesses so that they don't become the losers in the demand for electricity and.

I strongly support this bill and recommend a **FAVORABLE** report in committee.

Matthew Katz SB0596 Testimony (March 5th 2026).pdf
Uploaded by: Matthew Katz
Position: FAV

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 creates a voluntary demand response program to address large load customer demand during peak hours, and

5. Increases funding for state energy programs though 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.

Testimony SB0596 March 3rd.pdf
Uploaded by: Mona Guilfoil
Position: FAV

Testimony on Senate Bill – Favorable

SB 0596 – Large Load Customers – Electric System Interconnection and Demand Response Program (Data Center Clean Capacity)

Education, Energy, and the Environment Committee

March 3, 2026

Dear Honorable Chair Feldman, Vice Chair Kagan, and Members of the Committee,

My name is Mona Guilfoil and I am writing in support of SB0596.

I live in rural Carroll county. I am a member of MD Third Act which along with over forty other environmental, advocacy and community organizations forms the Nature Forward Coalition of Marylanders for Data Center Reform(MDCR). My neighbors and community in Carroll County are in the path of the Maryland Piedmont Reliability Project (MPRP). This 67-mile transmission line is being planned to bring fossil fuel generated power from Pennsylvania through Maryland to hyperscale data centers in Northern Virgina. Maryland farms, businesses, neighborhoods, even land in preservation are being threatened by this project because these large load, hyperscale data centers require so much energy. They are straining the grid and we are expected to pay the price. Clearly, we need responsible, fair, forward-looking planning for how data centers are developed and added to the grid.

We need SB 0596.

This bill would:

- Establish a voluntary demand response program for data centers
- Require that new data centers get at least 25% of their energy from carbon-free sources or demand response
- Prioritize data centers that bring their own clean energy
- Require that data centers pay into a community benefit fund

SB 0596 is a necessary step to ensure that data centers help build up our grid, not just take from it---and build it up in a way that's fair, climate-friendly, and respectful of Maryland communities and rate-payers.

I respectfully urge you to issue a favorable report on SB 0596.

Thank you.

SB596_IndivisibleHoCoMD_FAV.pdf
Uploaded by: Naomi Gordon
Position: FAV

SB596

Large Load Customers - Electric System Interconnection and Demand Response

Testimony before Education, Energy, and the Environment Committee

Hearing Date: February 26, 2026

Position: Favorable

Chair Feldman, Vice Chair Kagan and members of the committee, my name is Naomi Lilac Gordon and I represent the 1700+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition with 30,000+ members. We are providing written testimony today **in support of SB596**, which would ensure a reduction in harm and impact as data centers are increasingly built in our state. Furthermore, it would ensure that Maryland residents actually retain benefits from these coming tech incursions. I thank Senator Hester for introducing this bill.

Our federal government and this country's increasingly influential Silicon Valley tech class have hedged their bets on AI and are planning to build data centers all through our great nation. This will be placing unprecedented strain on our energy grid, which is already suffering from increasingly erratic weather patterns. Last summer the winds in Columbia grew so intense that my neighborhood faced a blackout for several hours. I don't think it's a stretch to imagine that as data centers increasingly populate our state, such occurrences will become more frequent.

In light of this, SB596 would create vital harm reduction strategies to help our communities contend with this. The bill contains incentives for data centers to engage in demand response, BTM, and sustainable, carbon-free, energy methods. My personal favorite aspect is that this bill would require that for every megawatt a data center uses, it pays a fee of no less than one thousand dollars. This money would be spent on the Electric Universal Service Program and the Empower Maryland Energy Efficiency Program. Quite a savvy technique, using data center energy usage to fund financial support for low-income Maryland residents with their energy bills, and support a sustainable and reductionist energy initiative in Empower Maryland.

This is a bill that would do a great deal of good in a shaky time where the future of energy remains unclear and at risk. Thank you for your consideration of this important legislation.

We respectfully urge a favorable report.

Naomi Lilac Gordon
Columbia, MD, District 13

SB 596 - Large Load - Support-Phil Webster-UULM-MD

Uploaded by: Phil Webster

Position: FAV

Unitarian Universalist Legislative Ministry of Maryland

Testimony in Support of SB 596
Large Load Customers -
Electric System Interconnection and Demand Response Program

TO: Chair Feldman and Members of the Education, Energy and Environment Committee
FROM: Phil Webster, PhD, Lead Advocate for the Climate
Unitarian Universalist Legislative Ministry of Maryland.
DATE: March 5, 2026

The Unitarian Universalist Legislative Ministry of Maryland (UULM-MD) strongly supports **SB 596 - Large Load Customers - Electric System Interconnection and Demand Response Program.** We are a faith-based advocacy organization based on Unitarian Universalist (UU) Values, including Interdependence (honoring the interdependent web of all existence) and Justice (where all feel welcome and can thrive). Working to mitigate, adapt to, and build resilience for climate change is central to our beliefs. The **Large Load Customers** bill aligns with these values.

Data Centers, and other large load customers, are the leading driver of drastically increasing electricity rates. Electricity costs in some data center-dense areas have surged by over 250% in just five years. In the PJM region—the world's largest power market—capacity auction prices spiked 800% in 2024, in large part due to data center growth. That year, consumers across seven PJM states paid $4.3 billion more in electricity costs to cover deployment of new transmission infrastructure to serve data centers. These costs are placing extreme pressure on household budgets, particularly for low and moderate income Marylanders.

Unfortunately, no Maryland agency tracks and manages large load customers as they request power from a utility or start using electricity on our grid. So basically, the Maryland Public Service Commission (PSC) and ratepayers are being blindsided by the data center build out.

To help lower the ratepayer impact of data centers in Maryland, we need a two-pronged solution:

- First, we need to create a process for large load customers who interconnect to register their requirements for electricity usage with the PSC. This will help the state plan for these large increases while understanding the impact of these load growths on ratepayers.
- Second, we need to incentivize large load customers to reduce their consumption during those few peak hours during the year when excess demand is required. This will lower the need for "peaker plants," (which are typically fueled by natural gas oil or coal plants, these are often older, less efficient plants that emit high levels of pollution). Reducing their power requirement can be done in a variety of ways. However, if they decide to retain the same level of electrical usage and just decrease demand from the grid, it has to be done with clean electric technologies that are located within the PJM territories.

The bill provides solutions by creating both requirements and incentives for “large load customers” to address their impact on the grid and customer rates AND provide Maryland regulators with more information about—and control over—new large load customers’ interconnection to the electric system.

For these reasons, we urge this Committee to give **SB 596** a **FAVORABLE** report.

Phil Webster, PhD
Lead Advocate for the Climate, UULM-MD

SB 596 Maryland LCV FAV_Large Load Customers_Elect
Uploaded by: Rebecca Rehr
Position: FAV

MARYLAND LEAGUE OF CONSERVATION VOTERS

March 5, 2026

Support: SB 596 - Large Load Customers - Electric System Interconnection and Demand Response Program

Mr. Chair and Members of the Committee:

Maryland LCV Supports SB 596, Large Load Customers - Electric System Interconnection and Demand Response Program, and we thank Senator Hester for her leadership on this issue.

SB 596 establishes critical safeguards to ensure that rapid growth in electricity demand from data centers and other large load customers does not increase costs for Maryland ratepayers or undermine grid reliability.

Across the country, large load customers are driving unprecedented increases in projected electricity demand. These projections are often speculative and uncertain, yet utilities must still plan and build infrastructure to meet them. This creates a serious risk of overbuilding generation and transmission, leaving Maryland households and small businesses to bear the costs if projected load does not materialize. SB 596 addresses this risk by requiring large load customers to contribute to the capacity needed to serve them and by ensuring that interconnection requests reflect credible, actionable projects.

The bill also harnesses demand response and load flexibility as cost-effective tools to maintain reliability. Demand response allows large energy users to reduce consumption during peak periods, lowering strain on the grid and reducing the need for expensive new generation. A recent Duke University study found that even modest flexibility from new data centers nationwide could avoid the need for 100 GW of new generation capacity. By establishing a voluntary demand response program administered by the Public Service Commission, SB 596 ensures Maryland captures these reliability and cost-saving benefits.

SB 596 further accelerates deployment of battery storage and other carbon-free resources by enabling use of surplus interconnection capacity and prioritizing projects that provide their own clean capacity solutions. These provisions ensure that new load can be served without

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shifting infrastructure costs onto ratepayers, while supporting Maryland's clean energy transition.

Finally, the bill establishes a community benefit fund to support energy efficiency and bill assistance for low-income households through the EmPOWER Maryland program, and prioritizes projects that create high-quality, prevailing wage jobs for Maryland workers.

Maryland LCV wants to Power Maryland Forward, supporting **energy affordability** through **deployment of solar and storage, defense against more fossil fuels** and **unchecked utility profits**, while **getting the most out of the electricity grid we have**. SB 596 represents a balanced, forward-looking approach to managing load growth, protecting ratepayers, and strengthening grid reliability. Maryland LCV urges a favorable report on this bill.

SB596_FAV_Detchon.pdf
Uploaded by: Reid Detchon
Position: FAV

SB 596 - SUPPORT

Reid Detchon
E-mail: reid.detchon@gmail.com
Mobile phone: 202-446-7589

SB 596 SUPPORT

Large Load Customers –
Electric System Interconnection and Demand Response Program

Senate Committee on Education, Energy, and the Environment
March 5, 2026

Chair Feldman, Vice Chair Kagan, and Members of the Committee:

I am writing to express strong support for SB 596, encouraging the use of battery storage and demand response programs to reduce the impact of major new power users, such as data centers, on our electricity grid and on consumers' monthly electric bills.

I am writing as a confessed energy nerd – a retired private citizen in Bethesda, a customer of Pepco, a member of Third Act Maryland, and a former official in the U.S. Department of Energy, where I served as Principal Deputy Assistant Secretary for Conservation and Renewable Energy from 1989 to 1993. **Third Act Maryland** is a volunteer organization that brings together over-60 adults who want to build a better future for our children and grandchildren – in this case, by strengthening clean energy policies that also reduce energy costs to consumers.

The rising cost of our monthly electricity bills has focused the attention of Marylanders on the issue of energy availability and affordability – a complex topic that seemingly defies easy solution. This bill focuses on an often-overlooked dimension of the problem – the ability of battery storage systems and demand response programs to reduce demand when the system is most stressed, thus avoiding the risk of blackouts in real time and at much lower cost than building additional generation and transmission.

SB 201, which you considered in an earlier hearing, encourages another solution to the grid's capacity crisis – the use of advanced transmission technologies to squeeze more juice from the grid we already have. Like that bill, which we also support, SB 596 will save consumers money and make better use of our built-and-paid-for electricity system. In fact, **20 years ago,** in the Energy Policy Act of 2005, Congress defined advanced transmission

technology as including, among other things, **energy storage devices (specifically including batteries), controllable load**, and distributed generation (including PV, fuel cells, and microturbines). *[Emphasis added]*

PJM Interconnection (our regional grid operator) projects that **data centers are responsible for 94 percent** of its projected load growth between now and 2030. On hot days when energy usage reaches peak capacity, the grid struggles to keep up, increasing the risk of blackouts.

But adding new capacity to meet that peak demand is only half of the potential solution. The other half is to take steps to reduce demand during the brief periods when the grid is most stressed. Large users can help by shifting their demand to other times, by paying other users to reduce their demand, or by tapping into energy storage devices such as batteries. Collectively, these are called **demand response programs**, and their cost is a tiny fraction of the cost of new generation and transmission.

The Data Center Clean Capacity bill, SB 596, requires the Public Service Commission (PSC) to establish a voluntary demand response program for large load customers such as data centers. It gives data centers the flexibility to temporarily reduce their energy consumption during peak hours – increasing grid reliability and helping to prevent blackouts. The bill also creates incentives for data centers to use battery storage and renewable energy instead of high-polluting diesel generators for backup power – reducing costs to ratepayers and protecting public health.

New data centers coming to Maryland would be required to provide 25% of their energy through carbon-free means, or through demand response. Data centers that provide 100% of their energy through carbon-free energy sources, battery storage, and demand response would be fast-tracked for interconnection and permitting.

Data centers are neither a silver bullet to solve government funding woes nor an unacceptable blight on the landscape. Sensibly regulated to reduce their impact on energy and water use and air pollution, they can be a useful addition that supports economic growth, job creation, and the use of machine learning and artificial intelligence to bring technological gains. But we would be foolish to abandon our ambitious commitments to our long-term health and environmental well-being, in the form of the state's climate goals, for the sake of a few quick bucks. By taking advantage of relatively low-cost battery storage systems to reduce the need for expensive additions to our electricity grid, we can reduce the cost of the grid to ordinary consumers and supply major new users like data centers: We can have our cake and eat it, too.

We urge a favorable report on SB 596.

Testimony in support of SB0596 - Large Load Custom

Uploaded by: Richard KAP Kaplowitz

Position: FAV

SB0596_RichardKaplowitz_FAV
03/05/2026
Richard Keith Kaplowitz
Frederick, MD 21703

TESTIMONY ON SB#0596- POSITION: FAVORABLE

Large Load Customers - Electric System Interconnection and Demand Response Program

TO: Chair Feldman, Vice Chair Kagan, and members of the Education, Energy and the Environment Committee
FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#0596**, Large Load Customers - Electric System Interconnection and Demand Response Program**

This bill has become necessary due to actions by the Federal Government. According to Utility Watch *DOE large load interconnection proposal sparks federal-state jurisdiction concerns - State regulators, lawmakers and ratepayer advocates voiced alarm over the department's interconnection proposal….* [1]

> The U.S. Department of Energy's proposal for federal regulators to set rules for interconnecting data centers and other large loads to the transmission system has sparked major jurisdictional concerns, according to filings at the Federal Energy Regulatory Commission.
>
> Under the Federal Power Act, states have jurisdiction over retail load interconnections, regardless of their size, as well as "end-use" electricity sales… "If jurisdiction for interconnection of large loads is claimed by the FERC, what is the process for determining how those large loads will impact an already strained power supply, and who bears responsibility for managing and mitigating the ensuing reliability concerns?

Maryland can and should take action to protect our states' control over energy distribution within Maryland.

This bill will exempt certain large load customers from requirements to obtain a certificate of public convenience and necessity; requiring the Public Service Commission to establish a certain process for large load customers to interconnect to the electric system; establishing requirements for a large load customer to interconnect to the electric system and contract for service; authorizing certain large load customers to receive certain prioritization; etc.

I respectfully urge this committee to return a favorable report on SB#0596.

[1] https://www.utilitydive.com/news/doe-large-load-interconnection-ferc-naruc/806278/

SB0596 & HB0940 - OPC Testimony in Senate.pdf
Uploaded by: William Fields
Position: FAV

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BILL NO.:	Senate Bill 0596 /House Bill 0940– Large Load Customers – Electric System Interconnection and Demand Response Program
COMMITTEE:	Education, Energy, and the Environment Environment and Transportation
HEARING DATE:	March 5, 2026 (EEE) February 24, 2026 (ENT)
SPONSOR:	Senator Hester Delegate Charkoudian
POSITION:	Favorable

****

The Office of People's Counsel (OPC) respectfully offers the following comments in support of Senate Bill 0596/House Bill 0940, which proposes protections against the anticipated strain on the electric grid from large load customers like data centers. Specifically, SB 0596/HB 0940 provides that a "large load customer"—defined in the bill as any commercial or industrial customer with a monthly aggregate demand of at least 25 megawatts (MWs) and a load factor exceeding 80%[1]— may not interconnect to the electric system unless the customer (1) supplies at least 25% of its own capacity, and (2) participates in a demand-response program established by the Public Service Commission (PSC). SB 0596/HB 0940 also directs the PSC to establish an interconnection process for large load customers that prioritizes, for the purposes of load studies, interconnection, and permitting, large-load customers that provide capacity to meet 100 percent of their

[1] The definitions of "load factor" and "aggregate demand" are not yet final under Maryland law and are currently under discussion before the Public Service Commission in Public Conference 72. Additionally, the threshold of "large load customer" in Public Utilities Article (PUA) § 4-212(a)(3)(i) is 100 MW—significantly higher than the 25 MW threshold in this bill—and would likely only capture the largest data centers. OPC supports reducing that threshold to 25 MW—as separately proposed in HB 1532—to match the definition of "large load customer" in this bill.

own needs and pay the prevailing wage. Moreover, SB 0596/HB 0940 would require that before receiving a load study— a requirement to receive service—any large load customer must request a load study and pay the costs associated with conducting the study as well as a fee of no less than $1,000/MW. SB 0596/HB 0940 explicitly directs that these funds be split evenly between the Electric Universal Service Program and the Department of Housing and Community Development's EmPOWER Maryland energy efficiency programs for limited-income customers.

Large load customers like data centers have city-sized energy demands that can grow quickly. They are unprecedented in both scale and timing. For example, PJM projects that the Dominion zone in Virginia will add about as much new electric demand from data centers by 2030 as the total electric demand that Maryland has built up over more than a century.[2] The electric demands required to support data centers are driving up wholesale market supply costs for Maryland customers in three main areas:

Capacity market costs: PJM operates a periodic capacity market auction under which power plant owners make advance commitments to provide power to meet reliability requirements. The power demands of data centers are driving substantial increases in the need for supply, driving up capacity market prices. According to the independent market monitor ("IMM") for PJM, data center load growth is "the primary reason for recent and expected capacity market conditions" within PJM, raising the price in the last three auctions by $23 billion.

***Transmission costs*:** The anticipated addition of massive new electric needs associated with the construction of data centers is driving a large expansion of PJM's transmission system. Maryland customers see transmission costs on the supply side of their bill. Between 2024 and 2026 alone, PJM has advanced almost $24 billion in new transmission infrastructure for regional upgrades primarily driven by data center growth, mainly in Northern Virginia and Pennsylvania.[3] Over $2 billion–plus billions more in recovery for the utility's return as the initial investments are recovered in future decades– will be paid by Maryland customers.[4] Marylanders also are paying tens of millions in local transmission projects for data centers.

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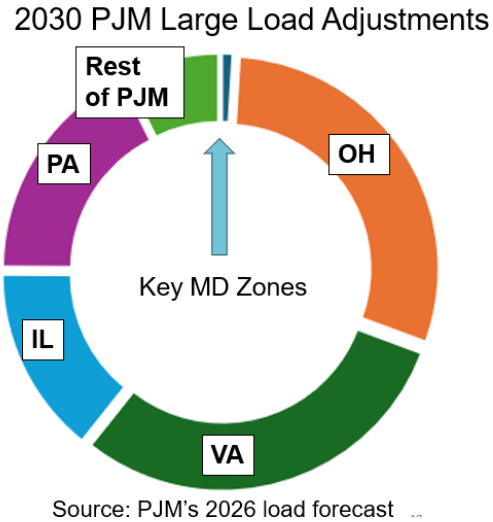
[2] The entire load for Baltimore Gas & Electric (BGE) is roughly 6.5 megawatts. The new demand in Virginia as of spring 2025 was 10 megawatts. *See* Jeff Morgan, *MD could get hit with $800 million energy bill due to VA data center needs,* WMAR 2 News.(April 30, 2025).

[3] RTEP 2023, Regional Transmission Expansion Plan, p. 1 (March 7, 2024); Transmission Expansion Advisory Committee (TEAC) Recommendations to the PJM Board, PJM Staff White Paper (Feb. 2025), p. 1; Transmission Expansion Advisory Committee (TEAC), Reliability Analysis Update, 2025 RTEP Cost Summary, p. 61 (Jan. 6, 2026); Transmission Expansion Advisory Committee (TEAC) Recommendations to the PJM Board (February 2026).

[4] *See e.g.,* Md. Off. of People's Couns., *Protest and Comments before Federal Energy Regulation Commission* Docket No. ER24-843 and Md. Off. of People's Counsel's press release: PJM proposal

***Energy market costs*:** Energy costs change hour-by-hour, which makes the impact of data centers harder to quantify, but data centers are most certainly driving higher energy costs for Maryland customers. An analysis by Bloomberg, for example, found that between 2020 and 2025 energy prices grew significantly more near "data center hot spots," including Baltimore, where they more than doubled. Energy prices comprise the largest part of wholesale costs that show up as part of the supply portion of a residential customer bill. (Wholesale costs include transmission and capacity costs as well.) Energy prices in PJM grew almost 50% from January 2025 to September 2025 compared to the same period last year.[5]



PJM's recently released 2026 forecast provides important context for where the anticipated load growth is projected to occur. According to that report—based in part on information from the utilities—PJM forecasts only modest load growth in Maryland through 2045. As this figure demonstrates, almost all of the projected growth in demand from data centers is occurring outside of Maryland.

If Maryland customers are not responsible for the monumental projections of increased energy demand, then Maryland customers should not bear the costs necessary to meet that rising demand. This principle of "cost causation" is a fundamental tenet of public utility regulation and core to the legal standard that utility rates be "just and reasonable."[6]

SB 0596/HB 0940 would help protect existing Maryland ratepayers from the potentially huge costs associated with data centers in three important ways. *First*, requiring large load customers to provide for a minimum of 25%—and encouraging them to provide 100%—of the generation capacity required to serve their load will, in turn, reduce the impact that the data center will have on the balance between supply and demand in the capacity market. *Second*, requiring large load customers to participate in a PSC-led demand response program will further reduce the total demand for both capacity and energy market products. *Third*, a large-load customer seeking to interconnect with the grid must make a meaningful contribution to limited-income assistance programs

---

would unlawfully saddle Maryland customers with nearly $800 million for out-of-state data center growth, OPC tells federal regulators.

[5] Monitoring Analytics LLC, *Annual and monthly wholesale cost components data*, https://www.monitoringanalytics.com/data/pjm_cost.shtml.

[6] PUA § 4-201 ("[A] public service company shall charge just and reasonable rates for the regulated services that it renders.").

proportional to the customer's load requirements before the customer even begins the interconnection process.

The unprecedented nature of the growth associated with large load customers like data centers poses a monumental threat to the electric grid at a time when many residential ratepayers are facing an unaffordability crisis. SB 0596/HB 0940 provides protections for existing customers. Working in concert with the large load tariffs currently under development pursuant to the Next Generation Energy Act, SB 0596/HB 0940 is a crucial step to protect ratepayers and manage the future interconnection of large load customers.

Recommendation: OPC requests a favorable Committee report on SB 0596/HB 0940.

SB0596_fav_mascioli.pdf
Uploaded by: William Mascioli
Position: FAV

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

Senate Education, Energy, and the Environment Committee
March 5, 2026

Dear Chair Feldman, Vice Chair Kagan, and Members of the Committee:

My name is William Mascioli. I have lived in Silver Spring, Maryland, for more than 40 years. I am gravely concerned about the ever-looming climate crisis, and with the federal government's complete abdication of anything even close to a responsible energy policy, I am counting on Maryland to legislate thoughtfully and effectively; SB0596 does that.

We live in a data-driven society, so it may be unavoidable that "Large Load Customers" – i.e., data centers, will be an increasing part of our energy architecture. PJM projects 32 GW of load growth between now and 2030, with data centers accounting for about 30 GW—over 90%--of that growth. With the reinstatement of last year's SB0116—the Data Center Impact Analysis and Report—we can at least know the consequences of building data centers and will, I hope, proceed wisely. But in any event, data centers are going to seriously strain our grid and when the grid struggles to meet peak capacity on hot days—or cold ones, as more and more Marylanders convert from gas heat to electric-- blackouts, with dire consequences, will predictably ensue.

SB0596 would provide a solution to this problem by creating a demand response program (the "interconnection program" of the Bill's title) that will use carbon-free sources, industry-grade battery storage, and flexible loads to allow data centers to reduce their loads during peak hours. Further, the Bill requires that new data centers coming to Maryland provide 25% of their capacity load through battery storage, locally generated carbon-free means, or through demand response. The Bill gives new data centers that provide *100%* of their load capacity *and* pay prevailing wage rates permitting priority for load studies, permitting, and interconnection.

These measures will ensure that the burgeoning data-center industry will not just benefit billionaires, it will encourage carbon-free generation, battery storage, and load management instead of having the data centers heedlessly turning to diesel generation, with all its health and pollution issues, to meet peak needs. The Bill will further climate justice by requiring that data center developers contribute to a community benefit fund that assists low-income Marylanders through the Empower program. The larger the data center, the more a developer must contribute, at a rate of $1,000 per MW.

Data Centers may be our future; with SB0596 we can make this a future we can live with. Accordingly, I urge a favorable report and thank you for your consideration.

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Uploaded by: Allison Lepp
Position: FWA

March 5, 2026

Education, Energy, and the Environment Committee

Large Load Customers – Electric System Interconnection and Demand Response Program

Senate Bill 596

Sponsor: Senator Katie Fry Hester

Allison Lepp, Ph.D., Policy Analyst

Kenneth Schisler, Chief Legal and Regulatory Officer

CPower Energy Management

FAVORABLE WITH AMENDMENTS

Dear Chair Feldman, Vice Chair Kagan, and esteemed members of the Committee:

Based in Baltimore, CPower is the largest distributed energy resource aggregator in the United States. CPower engages with commercial, institutional, and industrial customers throughout Maryland and elsewhere to participate in various demand flexibility strategies, including wholesale (PJM) and utility-administered demand response programs. CPower recommends a favorable report of the EEE Committee on SB0596, with Amendments.

This legislation establishes interconnection procedures and requirements for new large load customers and a new demand response program.

1. The legislation should specify that large load customers may meet the requirement to provide 25% of capacity with demand response may do so through participation in either the existing demand response programs offered through PJM Interconnection or the new program envisioned under the legislation, at the customer's option.
2. SB596 should be amended to be less prescriptive in terms of its design elements While it is appropriate to direct that the program should have limits to prevent excessive or overuse, the legislation should allow the PSC to design appropriate criteria for dispatch, lead times, duration, etc. according to reliability needs.
3. Instead of a "calendar year" basis, the Demand Response program should operate on the PJM electric delivery year basis that runs from June 1 – May 31.

Thank you for your consideration of these comments.

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Sincerely,

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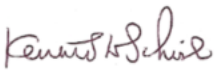

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Residential Industry Letter SB596 - Favorable w_ A
Uploaded by: Jake Assael
Position: FWA

The Honorable Brian Feldman
Chair, Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Written Testimony of GoodLeap, Sunrun, Tesla, and Enphase

FAVORABLE WITH AMENDMENTS Re: Senate Bill 596 Large Load Customers - Electric System Interconnection and Demand Response Program

Dear Chairman Feldman and Members of the Committee,

On behalf of GoodLeap, Sunrun, Tesla, and Enphase we are submitting favorable with amendments testimony on SB 596, "Large Load Customers - Electric System Interconnection and Demand Response Program"

Maryland is experiencing rapid load growth at the same time the electric system faces long lead times for traditional infrastructure. Interconnection studies, substation upgrades, feeder rebuilds, transmission additions, and new generation can take years to plan, permit, and construct. Yet large-load projects often advance on much shorter timelines. That mismatch creates real risk: utilities must plan for increased peak demand and system stress, and customers can ultimately see higher rates as the costs of incremental capacity and grid upgrades work their way into bills. SB 596 offers a balanced framework by requiring large-load interconnections to procure 25% of their needed capacity through one of four eligible options.

Although we strongly support SB 596, the cosigned companies believe that targeted changes to the bill language can strengthen its ambition, while ensuring ratepayers are protected from rising costs and empowered to take control of their utility bills through the adoption of residential behind-the-meter ("BTM") battery storage. SB 596 does not mandate any single compliance pathway. That flexibility is a strength. But it is crucial that the eligible options include solutions that are scalable, deployable quickly, and that deliver tangible benefits to Maryland ratepayers, especially as data center growth continues to accelerate.

In addition to this submission, we would also like to endorse testimony submitted by QCells.

I. Residential BTM storage can advance goals of SB 596

Customer-sited residential storage can be deployed far faster than most traditional grid solutions. Unlike large, centralized projects that require extensive siting, permitting, and network upgrades, residential batteries can be installed on existing homes using standardized equipment and established installation practices. This approach allows capacity to come online quickly, an important advantage when the grid is under near-term pressure from large-load additions.

While residential batteries are small individually, they are powerful in aggregate. Widespread adoption across service territories can reduce peak demand, ease local distribution constraints, and lessen the need for expensive "build-out" solutions that customers pay for over decades. Including residential BTM storage as an eligible capacity procurement option ensures that large-load growth can be paired with a resource that can deliver benefits broadly, rather than only at the point of interconnection.

Third party asset owners can play a crucial role in targeting development and aggregate residential storage devices close to the large-load customer. Third party owners can manage the device on behalf of the customer of record through sophisticated and innovative grid software, ensuring capacity is available to the large-load interconnection when needed. This is common practice in residential storage, retail demand response and Virtual Power Plant ("VPP") programs. Except in this case the end beneficiary would be the large-load customer rather than the investor owned utility.

Although this bill does not exempt residential customer sited BTM storage, the bill could be interpreted as solely referring to onsite storage at the large load. A clear acknowledgment that offsite residential BTM storage that is engaged in a related demand response program or a VPP qualifies as part of the 25% capacity procurement would send a strong market signal to large load customers to seek out this asset class amongst their other pathways. To achieve this, the cosigned companies recommend the following addition to Section (D)(1)(II) allowance for proximal energy storage facilities:

> (II) PURCHASING CAPACITY WITH NEWLY INTERCONNECTED ENERGY STORAGE FACILITIES WITHIN THE LOAD ZONE OR LOCAL DELIVERY AREA, **INCLUDING FRONT-OF-THE-METER ENERGY STORAGE AND BEHIND-THE-METER ENERGY STORAGE OPERATED AS AN AGGREGATED RESOURCE**;

Furthermore, as drafted, the bill casts capacity procurement requirements (or opportunities) for large load customers in terms of customers meeting varying percentages of their overall load with on-site or off-site resources. Eligible resources identified in Section (D)(1) are energy limited by nature and would struggle to provide a continuous 24x7 generation profile, akin to baseload resources. These resources nevertheless provide highly valuable capacity services that can offset large load customers' incremental contributions to system peak load, which drive capacity cost increases in PJM and the EDCs' allocation of PJM's capacity costs. For the avoidance of doubt, the cosigned companies recommend the following revision to Section (D)(1) to ensure that large load customers can meet their capacity procurement requirements based on the peak capacity attributes of eligible resources:

> (D) (1) A LARGE LOAD CUSTOMER MAY NOT INTERCONNECT TO THE ELECTRIC SYSTEM UNLESS THE CUSTOMER PROVIDES ~~**INTERCONNECTION**~~

CAPACITY **TO MEET** 25% OF THE CUSTOMER'S **PEAK** LOAD **REQUIREMENTS** THROUGH:

Additionally, we are supportive of bill language in Section 7–1008 (G)(1) that opens the door for new VPP aggregations to be considered when evaluating large load performance within the prospective demand response program. This appears to open the door for large load customers to fund the development of offsite VPPs, that deploys and manages storage and solar on residential and commercial residences. Particularly those who are most vulnerable to data centers driving up energy costs. VPPs give customers the tools to lower their bills while simultaneously making the grid more reliable and cost effective.

VPPs are not foreign to Maryland, as the Public Service Commission in accordance with the DRIVE Act, is standing up VPP pilot programs that will be operated by the Utilities. This bill could provide another avenue for accelerating and expanding VPPs as a tool in the state.

II. Residential storage provides multifaceted benefits to customers

Data centers and other large loads can drive substantial new infrastructure needs—new substations, upgraded feeders, reconductoring, transmission enhancements, and additional capacity to meet peak conditions. Even where large-load customers contribute to interconnection costs, the system-wide effects of accelerated load growth can still put upward pressure on rates through planning reserves, congestion, and broader grid reinforcement.

Residential storage provides a direct customer affordability buffer in two key ways:

a. Reducing a household's exposure to peak prices

Many of the costs residential customers are subjected to are embedded in electric rates are driven by when the system is most constrained and most expensive to operate otherwise known as peak demand. A home battery allows a customer to draw less from the grid during peak periods by discharging stored energy. This can reduce household usage when prices are highest and when the grid is under the most stress. Mitigating customer exposure to peak prices is accomplished through load shifting–charging when the grid is less constrained (and often less expensive) and discharging during peak periods. This is especially impactful as Maryland's system faces sharper peaks from growing demand. Widespread load shifting can flatten the system peak, lowering the need for costly marginal resources that drive rates upward.

b. Pairing with rooftop solar to maximize customer benefit.

When paired with rooftop solar, storage becomes even more effective. Solar can reduce daytime grid demand, and batteries can store excess solar production for use in the evening when demand and costs are typically higher. Solar plus storage reduces customer load, decreases reliance on the grid during peak hours, and increases the value of clean onsite generation—helping families better manage energy costs even as grid expenses rise.

SB 596's inclusion of residential BTM storage as a compliance option creates a pathway for large-load growth to be accompanied by customer-side tools that can offset cost pressures rather than amplify them. If data center growth contributes to higher system costs, residential storage helps ensure Maryland households have practical ways to reduce and shift their load and soften the impact on their bills.

III. Broader grid benefits of residential storage

Beyond customer affordability, residential storage supports a healthier, more reliable electric system.

a. Peak reduction and infrastructure deferral.

Lowering peak demand reduces the scale and frequency of investments in wires and substations. Deferring even a portion of these upgrades can have meaningful long-run ratepayer benefits.

b. Improved reliability during system stress.

During extreme weather and grid emergencies, reducing net load at the household level can lessen strain on the system. Storage can help reduce demand during critical hours when the grid is most vulnerable.

c. Reduced reliance on the most expensive generation.

Peak periods often require dispatching the costliest generators. By lowering demand at those times, residential storage can reduce dependence on high-cost peaking resources, supporting both affordability and cleaner outcomes.

d. Local resilience.

For individual families, residential storage can provide backup power during outages improving safety and continuity for critical needs. Resilience benefits are especially important as storms and heat events become more disruptive.

IV. Conclusion

SB 596 is a forward-looking response to Maryland's large-load interconnection challenge. The inclusion of residential BTM storage in the bill's 25% capacity procurement requirement would help ensure that rapid load growth does not outpace reliability or unfairly burden ratepayers. Residential BTM storage is scalable, can be deployed quickly, and directly supports customer affordability—particularly when paired with rooftop solar—while delivering meaningful grid reliability and cost benefits.

Sincerely,

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Uploaded by: Lydia McPherson
Position: FWA

MARYLAND DEPARTMENT OF NATURAL RESOURCES

Wes Moore, Governor
Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
David Goshorn, Deputy Secretary

March 5, 2026

BILL NUMBER: **SENATE BILL 596 - FIRST READER**

SHORT TITLE: **LARGE LOAD CUSTOMERS - ELECTRIC SYSTEM INTERCONNECTION AND DEMAND RESPONSE PROGRAM**

DEPARTMENT'S POSITION: **SUPPORT WITH AMENDMENTS**

EXPLANATION OF DEPARTMENT'S POSITION

Senate Bill 596 supports the state's efforts to manage rising energy demand, particularly from large consumers such as data centers, while also advancing grid modernization, affordability, and reliability. The legislation would help streamline the approval process for certain large load customers interested in interconnecting to Maryland's electric system. Specifically, the bill directs the Public Service Commission (PSC) to create a demand response program tailored to these customers.

The amendments proposed by MEA would help clarify several aspects of this exemption process, which the department believes would strengthen the bill's intent. They would additionally extend the deadline for the Surplus Interconnection Study requirement to ensure the accuracy and completeness of the subsequent report.

BACKGROUND INFORMATION

The PSC relies heavily upon the Department's Power Plant Research Program (PPRP) to review plans due to its expertise. It is assumed that PSC would consult with PPRP to establish the process, and that PPRP would remain involved in this alternative program tailored to large-load customers.

BILL EXPLANATION

SB 596 establishes specific processes and requirements for "large load customers", encourages data center developers and other large users to purchase interconnection capacity from existing points with "surplus interconnection", provides exemptions from certain certificate requirements and prioritization for customers who provide 100% of their load capacity, and mandates the Public Service Commission to establish a Demand Response Program for large load customers, and requires a study on surplus interconnection potential in the state.

Contact: Lydia McPherson, Director, Legislative and Constituent Services
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M&A_ Madello UA International_SB586 HB 940_Testimo

Uploaded by: Roger Manno

Position: FWA

UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA

TESTIMONY OF CHRIS MEDELLO

INTERNATIONAL REPRESENTATIVE AND NORTH AMERICA DATA CENTER LEAD

HOUSE BILL 940 / SENATE BILL 596 – FAVORABLE WITH AMENDMENTS

BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE
AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

Dear Chair Feldman, Chair Korman, and Honorable Members of the Committees:

My name is Chris Medello, and I serve as an International Representative of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, as well as the Union's North America Data Center Lead. In this role, I work with owners, developers, contractors, and local unions across the United States and Canada on the construction of large-scale, mission-critical data center facilities. I respectfully submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

Data centers depend not only on electric infrastructure, but on sophisticated mechanical systems that manage heat and ensure continuous operation. UA members perform the start-up, commissioning, service and maintenance work associated with chilled-water plants, cooling towers, heat exchangers, and hydronic distribution systems. Increasingly, these facilities rely on closed-loop water systems, which circulate treated water through sealed piping networks to move heat efficiently while minimizing water loss and improving reliability. These systems require precision installation, pressure testing, water-chemistry controls, and long-term integrity—work performed by UA journeyworkers and apprentices trained through registered apprenticeship programs.

We support Maryland's goal of protecting electric system reliability as large-load demand grows. However, as drafted, this bill makes interconnection contingent on a fixed requirement that a large load customer provide interconnection capacity equal to 25% of its load, through specified methods. That is a front-loaded mandate that must be resolved early—often before a project can reach financing, site readiness, or construction.

From a North America-wide siting perspective, this is consequential. In a review of publicly available state and provincial approaches to large-load oversight, we have not identified another statute that uses this same fixed "25% of load" interconnection prerequisite. While

“25%” thresholds can appear in other interconnection contexts—such as financial commitments or deposits tied to study or construction costs—those are not the same as conditioning a customer’s ability to interconnect on providing capacity equal to a set percentage of its load.

In competitive markets, developers evaluate not only power availability, but regulatory predictability. Requirements that are uncertain, duplicative of regional frameworks, or imposed too early in the project lifecycle can lead projects to be delayed, downsized, or sited elsewhere—before construction employment begins.

When large-scale construction projects do not move forward, union construction jobs do not materialize—and the career pathways created through high-quality apprenticeship and training programs, particularly for locally hired workers, fail to materialize as well.

Accordingly, we urge amendments that maintain reliability objectives while avoiding project-killing barriers—specifically, amendments that (1) allow interconnection to proceed based on a PSC-approved compliance pathway aligned with PJM structures, rather than a hard precondition; (2) permit phased compliance on a predictable timeline; and (3) avoid duplicative or conflicting mandates that undermine feasibility.

With these amendments, House Bill 940 / Senate Bill 596 can strike the appropriate balance between grid reliability and economic competitiveness—supporting responsible large-load growth while preserving prevailing-wage construction jobs and apprenticeship-based workforce development.

For these reasons, I respectfully request a favorable report with amendments.

Sincerely,

Chris Madello
International Representative
North America Data Center Lead
United Association of Journeymen and Apprentices

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Position: FWA

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TESTIMONY OF CHRIS ANDERSON, BUSINESS AGENT
PLUMBERS AND STEAMFITTERS LOCAL 486

IN SUPPORT WITH AMENDMENTS

HOUSE BILL 940 / SENATE BILL 596 – LARGE LOAD CUSTOMERS – ELECTRIC SYSTEM INTERCONNECTION AND DEMAND RESPONSE PROGRAM

BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

Dear Chair Feldman, Chair Korman, and Honorable Members of the Committees:
On behalf of UA Plumbers and Steamfitters Local 486, I respectfully submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

UA Local 486 represents union plumbers and steamfitters who perform complex mechanical and process piping work on large commercial and industrial projects throughout the Baltimore region and across Maryland. Large-load facilities—including data centers, advanced manufacturing sites, and industrial campuses—are critical sources of prevailing-wage construction work for our members and are central to continued economic growth in urban and industrial corridors.

We support responsible grid planning and recognize the State's interest in addressing increasing electric demand. However, as currently drafted, House Bill 940 risks chilling large-load industrial development in Maryland by introducing uncertainty at the earliest stages of project planning and interconnection. Developers evaluating Maryland sites must be able to rely on clear, predictable regulatory frameworks that align with regional market practices; when that certainty is lacking, projects are often delayed or redirected to competing jurisdictions.

When large-scale construction projects do not move forward, union construction jobs do not materialize—and the career pathways created through Maryland's high-caliber, state-registered apprenticeship programs, particularly for locally hired workers, fail to materialize as well.

From Local 486's perspective, the bill's mandatory capacity procurement requirements and undefined clean-energy obligations are especially problematic for industrial and process-driven facilities. These projects frequently rely on phased development, complex sequencing, and significant upfront capital commitments. Requiring customers to resolve energy procurement and compliance obligations as a precondition to interconnection can disrupt financing, delay construction start dates, and undermine project feasibility.

Local 486 is also concerned that the bill creates Maryland-specific demand response requirements that may duplicate or conflict with existing PJM programs already relied upon by large-load customers. Adding overlapping compliance regimes increases cost and operational complexity without necessarily improving grid reliability outcomes.

Accordingly, UA Plumbers and Steamfitters Local 486 urges amendments to House Bill 940 / Senate Bill 596 that:

- Remove mandatory capacity procurement and demand response participation as prerequisites to interconnection;
- Clearly define eligible compliance resources and allow flexibility through established PJM-qualified mechanisms;
- Avoid duplicative regulatory requirements that introduce uncertainty into project financing and construction schedules; and
- Preserve Maryland's competitiveness for large-scale industrial development that supports prevailing-wage construction and long-term workforce training.

With these amendments, the bill can advance grid reliability while continuing to attract the types of large-load projects that sustain union jobs, support apprenticeship programs, and strengthen Maryland's industrial economy.

For these reasons, UA Plumbers and Steamfitters Local 486 respectfully requests a favorable report with amendments.

Sincerely,

Chris Anderson
Business Agent
UA Plumbers and Steamfitters Local 486

M&A_Armstrong Ironworkers 5_HB940 SB596_Testimony_
Uploaded by: Roger Manno
Position: FWA

TESTIMONY OF GARY ARMSTRONG
BUSINESS MANAGER
IRONWORKERS LOCAL 5
ON BEHALF OF IRONWORKERS LOCAL 5
HOUSE BILL 940 / SENATE BILL 596 – FAVORABLE WITH AMENDMENTS
BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE
AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

Dear Chair Feldman, Chair Korman, and Honorable Members of the Committees:

On behalf of Ironworkers Local 5, I respectfully submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

Ironworkers Local 5 represents union ironworkers who perform the structural steel, reinforcing steel, and critical structural systems that form the backbone of large-scale industrial and commercial construction across Maryland. Hyperscale data centers and other large-load industrial campuses represent some of the most significant construction opportunities for our members, often involving multi-building projects constructed on accelerated schedules and at a scale that supports hundreds of union jobs.

We support policies that promote electric grid reliability and responsible long-term planning. However, as currently drafted, House Bill 940 risks deterring large-load industrial development in Maryland by introducing regulatory and financial uncertainty at the earliest stages of project development. Large-load industrial projects are highly mobile, and developers routinely compare Maryland to neighboring states where interconnection processes are predictable and aligned with regional PJM standards. When uncertainty is introduced at the front end, projects are often redirected elsewhere before construction ever begins.

When those projects do not move forward, union construction jobs do not materialize—and the career pathways created through Maryland's high-caliber, state-registered apprenticeship programs, particularly for locally hired workers, fail to materialize as well.

From the perspective of Ironworkers Local 5, early-stage delays have outsized impacts. Structural steel and reinforcing work occur at the front end of construction and establish the pace and sequencing for all subsequent trades. Mandatory capacity procurement requirements, undefined "carbon-free" procurement obligations, and new state-specific

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demand response mandates can delay financing and site readiness, preventing projects from advancing to the construction phase where ironworkers are engaged.

The bill also risks placing Maryland at a competitive disadvantage by layering state-specific obligations on large-load customers that are not required under PJM or in nearby jurisdictions. While we recognize the State's interest in ensuring grid reliability, those objectives can be achieved without imposing prescriptive requirements that undermine project feasibility and investment decisions.

Accordingly, Ironworkers Local 5 urges amendments to House Bill 940 / Senate Bill 596 that:

- Eliminate mandatory capacity procurement and demand response participation as prerequisites to interconnection.
- Align compliance pathways with existing PJM reliability and market structures.
- Provide clear and predictable standards that allow projects to secure financing and proceed to construction; and
- Avoid regulatory frameworks that discourage large-scale industrial development in Maryland.

With these amendments, the bill can strike the appropriate balance between grid reliability and economic competitiveness, ensuring Maryland continues to attract large-load projects that support prevailing-wage construction jobs and robust apprenticeship pipelines for Maryland workers.
For these reasons, Ironworkers Local 5 respectfully requests a favorable report with amendments.

Sincerely,

Gary R. Armstrong
Business Manager / FST
Ironworkers Local 5

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M&A_Ascher MAPTA_SB596 HB940_Testimony_FWA.pdf
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Budget and Tax

To: Senator Guy Guzonne, Chair; Senator Jim Rosapepe, Vice Chair; Members of the Committee
From: Jason Ascher, Political Director, Mid-Atlantic Pipe Trades Association

SB 673 – STATE PROCUREMENT – APPRENTICESHIP PROGRAM ACCOUNTABILITY AND COMPLETION

On behalf of the Mid-Atlantic Pipe Trades Association and our five United Association of Plumbers and Steamfitters Locals, which represent over 10,500 Plumbers, Steamfitters, Welders, HVAC Techs, and Sprinkler Fitters across Maryland. I ask you to **SUPPORT SB 673.**

The Mid-Atlantic Pipe Trades have a long-standing commitment to apprenticeship training as the foundation of workforce development in the construction industry. Our registered apprenticeship programs are jointly administered, highly regulated, and designed to produce safe, productive, journey-level workers capable of meeting the demands of complex public projects.

Current State procurement law appropriately requires bidders and contractors either to participate in a certified apprenticeship training program or to make payments into the State Apprenticeship Training Fund. Senate Bill 673 builds on that existing framework by adding an important accountability measure: ensuring that apprenticeship programs utilized in State procurements are not only registered, but effective.

By requiring registered apprenticeship programs to demonstrate a minimum 25 percent completion rate, this legislation reinforces the principle that public dollars should support training programs that successfully graduate apprentices into the skilled workforce. This provision does not mandate the creation of new programs, nor does it eliminate existing compliance options. Instead, it establishes a reasonable performance standard that aligns State procurement with real workforce outcomes.

From the perspective of the pipe trades, apprenticeship completion is essential. Programs that consistently fail to graduate apprentices undermine workforce planning, jobsite safety, and the long-term availability of skilled labor. By contrast, programs with demonstrated completion outcomes strengthen the construction workforce and ensure that State procurement investments yield lasting public value.

Senate Bill 673 promotes fairness by applying this accountability standard uniformly across covered procurements, while preserving flexibility for contractors through existing statutory pathways. In doing so, it strengthens the integrity of State procurement without disrupting established labor-management training systems that are already delivering results.

For these reasons, the Mid-Atlantic Pipe Trades Association (MAPTA) respectfully urges a favorable report on **Senate Bill 673**.

Sincerely,

Jason Ascher
Political Directo
Mid-Atlantic Pipe Trades Association

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Position: FWA

TESTIMONY OF THOMAS BELLO, EXECUTIVE VICE PRESIDENT
MECHANICAL CONTRACTORS ASSOCIATION OF METROPOLITAN WASHINGTON

ON BEHALF OF THE MECHANICAL CONTRACTORS ASSOCIATION OF METROPOLITAN WASHINGTON

HOUSE BILL 940 / SENATE BILL 596 – **FAVORABLE WITH AMENDMENTS**

BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE
AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

Dear Chair Feldman, Chair Korman, and Honorable Members of the Committees:

On behalf of the Mechanical Contractors Association of Metropolitan Washington (MCAMW), I respectfully submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

MCAMW represents approximately 200 union mechanical contractors employing roughly 10,000 skilled workers and more than 1,500 apprentices across the region. Our member companies perform complex mechanical, piping, HVAC, and process work on large commercial and industrial projects, including hyperscale data centers and other large-load facilities that are among the most significant drivers of construction activity and private investment in Maryland.

We support responsible electric system planning and the State's interest in ensuring grid reliability as large-load demand grows. However, from the perspective of contractors who must bid, bond, finance, and deliver these projects, House Bill 940, as currently drafted, introduces material uncertainty that risks chilling large-load industrial development in Maryland.

Large-scale industrial projects require predictable regulatory frameworks in order to secure financing, establish construction schedules, and assemble a qualified contractor workforce. Mandatory capacity procurement requirements, undefined clean-energy compliance obligations, and state-specific demand response mandates create uncertainty that directly affects project underwriting and the ability of contractors to responsibly price work, obtain bonding, and commit labor and capital.

When large-scale construction projects do not advance to execution, union construction jobs do not materialize—and the career pathways created through Maryland's high-caliber, state-registered apprenticeship programs, particularly for locally hired workers, fail to materialize as well.

MCAMW is particularly concerned that the bill front-loads costs and compliance obligations at the earliest stages of project development, before interconnection outcomes and timelines are known. For contractors, delays or uncertainty at this stage can result in cancelled procurements, deferred bid packages, or projects being redirected to neighboring states with more predictable interconnection and regulatory processes.

The association is also concerned that the bill may unintentionally place Maryland at a competitive disadvantage by imposing requirements on large-load customers that go beyond established PJM market structures and regional utility planning practices. Grid reliability objectives can be achieved without creating bespoke regulatory frameworks that complicate project delivery and increase risk for owners and contractors alike.

Accordingly, MCAMW urges the General Assembly to amend House Bill 940 / Senate Bill 596 to:

- Remove mandatory capacity procurement and demand response participation as conditions precedent to interconnection;
- Clearly define eligible compliance resources and allow flexibility through PJM-qualified mechanisms;
- Avoid duplicative or conflicting regulatory requirements that undermine financing and construction certainty; and
- Preserve predictable timelines that allow contractors to bid, bond, and staff projects responsibly.

With these amendments, House Bill 940 / Senate Bill 596 can support grid reliability while maintaining Maryland's competitiveness for large-load industrial projects that sustain union contractors, create thousands of skilled construction jobs, and support long-term apprenticeship training pipelines.

For these reasons, the Mechanical Contractors Association of Metropolitan Washington respectfully requests a favorable report with amendments.

Sincerely,

Thomas L. Bello
Executive Vice President
Mechanical Contractors Association of Metropolitan Washington

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Position: FWA

Journeymen Pipe Fitters and Apprentices

Local Union No. 602

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AFFILIATED WITH AFL-CIO

TESTIMONY OF SIDNEY BONILLA, BUSINESS MANAGER
STEAMFITTERS LOCAL 602
IN SUPPORT WITH AMENDMENTS

HOUSE BILL 940 / SENATE BILL 596 – LARGE LOAD CUSTOMERS – ELECTRIC SYSTEM INTERCONNECTION AND DEMAND RESPONSE PROGRAM

BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE
AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

On behalf of UA Steamfitters Local 602, I respectfully submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

UA Steamfitters Local 602 represents highly skilled union steamfitters who construct and maintain complex piping systems serving mission-critical facilities, including data centers, advanced manufacturing plants, and other large-load industrial users. These facilities depend on continuous, reliable operations and are typically built through multi-year construction schedules requiring significant upfront investment and long-term planning certainty.

We support policies that promote grid reliability and responsible system planning. However, as currently drafted, House Bill 940 risks chilling large-load industrial development in Maryland by introducing regulatory and financial uncertainty at the earliest stages of project development. Data center developers and other large-load customers evaluate jurisdictions based on clarity, predictability, and alignment with regional market structures. When those elements are lacking, projects are delayed, re-scoped, or relocated to competing states.

When large-scale construction projects do not proceed, union construction jobs do not materialize—and the career pathways created through Maryland's high-caliber, state-registered apprenticeship programs, particularly for locally hired workers, fail to materialize as well.

From the perspective of the steamfitting trades, the bill's mandatory capacity procurement requirements and undefined clean-energy obligations present particular challenges. These provisions require customers to resolve complex energy procurement and compliance questions before construction can begin, even though such matters are typically addressed in parallel with — not as a prerequisite to — project delivery. This misalignment can delay project financing and disrupt carefully sequenced construction schedules.

UA Steamfitters Local 602 is also concerned that the bill establishes a Maryland-specific demand response framework that may duplicate or conflict with existing PJM programs in which many large-load facilities already participate. Layering additional state-level requirements increases compliance complexity without necessarily improving grid reliability outcomes.

Accordingly, UA Steamfitters Local 602 urges amendments to House Bill 940 / Senate Bill 596 that:

- Remove mandatory capacity procurement and demand response participation as preconditions to interconnection;
- Clarify eligible compliance options and permit flexibility through established PJM-qualified resources;
- Avoid duplicative regulatory frameworks that create uncertainty for project financing and construction planning; and
- Preserve Maryland's competitiveness for large-load industrial facilities that support prevailing-wage construction and long-term workforce development.

With these amendments, House Bill 940 / Senate Bill 596 can advance grid reliability while ensuring Maryland remains an attractive location for large-scale industrial projects that sustain union jobs and robust apprenticeship pipelines.

For these reasons, UA Steamfitters Local 602 respectfully requests a favorable report with amendments.

Sincerely,

Sidney Bonilla
Business Manager / Financial Secretary-Treasurer
UA Steamfitters Local 602

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Position: FWA

Robert J. Cooper, Jr.
Business Manager

Kristopher D. Winget
Financial Secretary-Treasurer

Carl J. Westby
President-Organizer

TESTIMONY OF ROBERT COOPER, BUSINESS MANAGER
UA SPRINKLER FITTERS LOCAL 669

ON BEHALF OF UA SPRINKLER FITTERS LOCAL 669

HOUSE BILL 940 / SENATE BILL 596 – FAVORABLE WITH AMENDMENTS

BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE
AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

Dear Chair Feldman, Chair Korman, and Honorable Members of the Committees:

On behalf of UA Sprinkler Fitters Local 669, I respectfully submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

UA Sprinkler Fitters Local 669 is a national local representing approximately 16,000 highly trained sprinkler fitters nationwide, including members who live and work throughout Maryland and the broader Mid-Atlantic region. Our members install and maintain fire protection and life-safety systems in large commercial and industrial facilities, including hyperscale data centers and other large-load campuses where reliability, redundancy, and safety are mission-critical. These projects are an essential source of sustained, prevailing-wage work for our members and require predictable construction sequencing and regulatory certainty.

We support responsible electric system planning and policies that protect grid reliability. However, as drafted, House Bill 940 risks chilling large-load industrial development in Maryland, particularly data centers that are actively comparing Maryland to competing jurisdictions. Mandatory, front-loaded requirements tied to interconnection, undefined clean-energy procurement obligations, and duplicative demand-response structures introduce uncertainty at the earliest stages of project planning—uncertainty that can delay, downsize, or deter projects before construction begins.

When large-scale construction projects do not move forward, union construction jobs do not materialize—and the career pathways created through Maryland's high-caliber, state-registered apprenticeship programs, particularly for locally hired workers, fail to materialize as well.

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From the perspective of the fire protection and life-safety trades, early-stage delays have disproportionate impacts. Sprinkler systems are installed later in the construction sequence, after significant capital has already been committed. When projects stall or fail to advance past interconnection or financing hurdles, specialized trades like ours lose work opportunities despite strong demand and workforce readiness.

Local 669 is also concerned that the bill establishes Maryland-specific requirements that may duplicate or conflict with existing PJM and utility reliability programs already used by large-load customers. Grid reliability goals can be achieved through alignment with established regional frameworks without imposing prescriptive mandates that undermine project feasibility.

Accordingly, UA Sprinkler Fitters Local 669 urges the General Assembly to amend House Bill 940 / Senate Bill 596 to:

Remove mandatory capacity procurement and demand-response participation as preconditions to interconnection;

Clearly define eligible compliance resources and allow flexibility through PJM-qualified mechanisms;

Avoid duplicative regulatory structures that create uncertainty in project timelines; and

Preserve Maryland's competitiveness for large-scale industrial projects that support prevailing-wage construction and life-safety work.

With these amendments, the bill can advance grid reliability while continuing to attract the large-load projects that sustain union jobs, support apprenticeship training, and ensure safe, resilient facilities for Maryland communities.

For these reasons, UA Sprinkler Fitters Local 669 respectfully requests a favorable report with amendments.

Sincerely,

Robert Cooper
Business Manager
UA Sprinkler Fitters Local 669

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Position: FWA

WILLIAM C. SPROULE
EXECUTIVE SECRETARY-TREASURER

ANTHONY N. ABRANTES
ASST. EXECUTIVE SECRETARY-TREASURER

Eastern Atlantic States
REGIONAL COUNCIL OF CARPENTERS

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TESTIMONY OF FRANK MAHONEY

DEPUTY POLITICAL DIRECTOR
EASTERN ATLANTIC STATES REGIONAL COUNCIL OF CARPENTERS

ON BEHALF OF THE EASTERN ATLANTIC STATES REGIONAL COUNCIL OF CARPENTERS

HOUSE BILL 940 / SENATE BILL 596 – FAVORABLE WITH AMENDMENTS

BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE
AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

Dear Chair Feldman, Chair Korman, and Honorable Members of the Committees:

My name is Frank Mahoney, Deputy Political Director of the Eastern Atlantic States Regional Council of Carpenters. On behalf of the carpenters we represent across the Mid-Atlantic, I submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

Large-scale industrial projects, particularly data centers, are a critical source of prevailing-wage construction work for our members and a key driver of apprenticeship opportunities. While we support the State's goal of ensuring electric grid reliability, as drafted, this bill risks chilling large-load development by introducing front-loaded requirements that create uncertainty early in the project lifecycle. When large projects do not move forward, union construction jobs do not materialize—and the career pathways created through Maryland's apprenticeship programs, particularly for locally hired workers, fail to materialize as well.

From the carpenters' perspective, early delays are especially impactful. Structural and enclosure work occurs at the front end of construction and sets the pace for all subsequent trades. Requirements that complicate financing or interconnection can prevent projects from reaching construction entirely.

Accordingly, we urge amendments that remove mandatory capacity procurement and demand-response participation as preconditions to interconnection, align compliance with existing PJM frameworks, and avoid duplicative requirements that undermine project timelines.

With these amendments, the bill can advance grid reliability while preserving Maryland's competitiveness for large-scale industrial development and union construction jobs.

For these reasons, we respectfully request a favorable report with amendments.

Frank Mahoney
Deputy Political Director
Eastern Atlantic States Regional Council of Carpenters

M&A_Roger Manno_Manno & Associates LLC_SB596 HB940
Uploaded by: Roger Manno
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February 24, 2026

The Honorable Brian J. Feldman, Chair
Senate Education, Energy, and the Environment Committee
Maryland Senate
Miller Senate Office Building, Room 2 West
11 Bladen Street
Annapolis, Maryland 21401

The Honorable Marc Korman, Chair
House Environment and Transportation Committee
Maryland House of Delegates
House Office Building
6 Bladen Street
Annapolis, Maryland 21401

Dear Chair Feldman, Chair Korman, and Honorable members of the Senate Education, Energy, and the Environment Committee and the House Environment and Transportation Committee:

I respectfully submit this correspondence on House Bill 940 / Senate Bill 596 on behalf of the Mid-Atlantic Pipe Trades Association (United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, or "UA"), its affiliated local unions throughout Maryland, Virginia, and the District of Columbia, and the Ironworkers District Council of the Mid-Atlantic States. I appear in my capacity as an attorney with Manno & Associates, LLC, a government-relations and regulatory law firm engaged in infrastructure, energy, and workforce policy matters affecting complex industrial development.

At the outset, our clients recognize and support the State's responsibility to ensure electric system reliability and prudent long-term planning as large-load demand increases. At the same time, legislation affecting large-scale energy users—particularly data centers—must be approached with extraordinary care. Data centers represent one of the most significant sources of private capital investment, high-wage construction employment, and long-term tax revenue currently available to Maryland.

By way of context, nationally a single hyperscale data center campus, built out over multiple phases, can represent upwards of $10 billion in cumulative private capital investment, support thousands of highly skilled construction jobs over many years, and generate tens to hundreds of millions of dollars in state and local revenue over time, depending on project structure and duration. Projects of this scale routinely involve extensive mechanical, electrical, and structural systems and are among the most reliable sources of prevailing-wage construction work and apprenticeship-driven workforce development.

Maryland's broader economic context makes this especially salient. The State is confronting a structural budget imbalance, continued employment volatility, and heightened scrutiny from credit-rating agencies. Recent actions by Moody's to revised the State's outlook—while not unique among states—underscore the importance of maintaining a stable and competitive economic base, protecting revenue growth, and avoiding policy signals that could deter major private investment at precisely the wrong moment.

House Bill 940 / Senate Bill 596, as drafted, risks doing just that. By imposing front-loaded, Maryland-specific requirements on large-load customers as a condition of interconnection, the bill introduces uncertainty at the earliest stages of project planning—often before financing, site development, or construction can proceed. In a highly competitive national market, even modest regulatory uncertainty can result in projects being delayed, downsized, or sited in neighboring jurisdictions.

Importantly, we are not aware of another North American statute that conditions interconnection on a fixed requirement that a customer provide capacity equal to a set percentage of its load. While large-load customers elsewhere are subject to cost-allocation rules, curtailment obligations, or participation in regional reliability programs, those requirements are typically aligned with established RTO frameworks and implemented on a phased basis. Maryland should be cautious about adopting an approach that diverges materially from those norms.

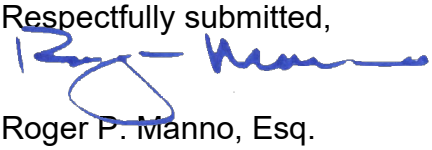
The consequences of chilling data-center development are not abstract. When projects do not advance, construction jobs do not materialize, and the career pathways created through high-quality, state-registered apprenticeship programs—particularly for locally hired workers—do not materialize either. For the building trades we represent, large-load projects are among the most reliable sources of sustained employment and long-term workforce training in today's construction economy.

None of this is to suggest that reliability concerns should be ignored. Rather, the State can and should pursue reliability objectives in a manner that is coordinated with PJM and existing regional mechanisms, allows for predictable and phased compliance, and avoids making interconnection contingent on requirements that, by their nature, are addressed during construction and operation—not before a project can even break ground.

For these reasons, we respectfully urge the Committees to consider amendments to House Bill 940 / Senate Bill 596 that preserve Maryland's competitiveness for large-scale industrial development while advancing legitimate reliability goals. Striking that balance is essential if Maryland is to attract investment, stabilize its fiscal outlook, and support the thousands of skilled construction workers and apprentices whose livelihoods depend on these projects.

Thank you for your careful consideration of this matter.

Respectfully submitted,



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PLUMBERS LOCAL UNION NO. 5
UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA, AFL-CIO
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TESTIMONY OF TERRIEA "T" SMALLS, BUSINESS MANAGER
PLUMBERS LOCAL 5
IN SUPPORT WITH AMENDMENTS

HOUSE BILL 940 / SENATE BILL 596 – LARGE LOAD CUSTOMERS – ELECTRIC SYSTEM INTERCONNECTION AND DEMAND RESPONSE PROGRAM

BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE
AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

Dear Chair Feldman, Chair Korman, and Honorable Members of the Committees:

On behalf of Plumbers Local 5, I respectfully submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

Plumbers Local 5 represents union plumbers who perform critical mechanical and piping work on large commercial and industrial projects across Maryland. Hyperscale data centers and other large-load industrial facilities are among the most significant sources of prevailing-wage construction work for our members and a growing driver of long-term economic development in the State.

We support thoughtful electric grid planning and policies that ensure reliability, affordability, and responsible growth. However, as currently drafted, House Bill 940 risks chilling large-load industrial development in Maryland, particularly data centers that are actively comparing Maryland to competing jurisdictions. Mandatory preconditions to interconnection, project-specific capacity procurement requirements, and duplicative demand response obligations introduce cost, timing, and regulatory uncertainty that can undermine project financing and delay or deter construction altogether.

When large-scale construction projects do not move forward, union construction jobs do not materialize—and the career pathways created through Maryland's high-caliber, state-registered apprenticeship programs, particularly for locally hired workers, fail to materialize as well.

Specifically, Plumbers Local 5 is concerned that the bill:

- Requires large-load customers to procure or self-supply a fixed percentage of capacity as a condition of interconnection, rather than relying on established PJM and Public Service Commission reliability frameworks;
- Imposes undefined and geographically constrained “carbon-free” procurement requirements that limit feasible compliance options and introduce unnecessary project risk;
- Creates a Maryland-specific demand response program that may duplicate or conflict with existing PJM participation; and
- Front-loads study fees and compliance obligations at the earliest stages of project development, before interconnection certainty exists.

These provisions, taken together, place Maryland at a competitive disadvantage for large-load industrial investment and risk discouraging precisely the types of projects that support union labor, apprenticeship training, and long-term workforce development.

Plumbers Local 5 therefore urges the General Assembly to amend House Bill 940 / Senate Bill 596 to:

- Make capacity procurement and demand response participation voluntary or incentive-based rather than mandatory preconditions to interconnection;
- Clearly define eligible resources and allow compliance through regional PJM-qualified assets;
- Avoid duplicative regulatory structures that conflict with existing grid reliability programs; and
- Preserve predictable timelines and financing certainty for large-scale construction projects.

With these amendments, House Bill 940 / Senate Bill 596 can advance grid reliability while maintaining Maryland’s competitiveness for large-load development that delivers prevailing-wage construction jobs and meaningful apprenticeship opportunities for Maryland workers.

For these reasons, Plumbers Local 5 respectfully requests a favorable report with amendments.

Sincerely,

Terriea “T” Smalls
Business Manager / FST
Plumbers Local 5

FirstEnergy UNFAV EEE - SB596.pdf
Uploaded by: Timothy Troxell
Position: UNF

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OPPOSE – Senate Bill 0596

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

Education, Energy, and the Environment Committee
Thursday, March 5, 2026

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 293,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Maryland, Ohio, Pennsylvania, New Jersey, New York, and West Virginia.

Unfavorable

Potomac Edison / FirstEnergy respectfully requests an Unfavorable report on SB-596 - *Large Load Customers - Electric System Interconnection and Demand Response*. As currently drafted, the bill imposes requirements that are technically infeasible, operationally inconsistent with industry standards, and financially risky for Maryland ratepayers.

SB-596 requires accelerated interconnection timelines, large-load self-supply requirements, and expanded non-wires alternatives that do not reflect practical grid engineering constraints, particularly for high-density large power users such as data centers. In many cases, the technologies identified in the bill - battery storage, distributed generation, and site-level demand response - cannot replace the major distribution or transmission upgrades required to serve rapidly growing loads.

This legislation also creates substantial new utility obligations without a clear cost-recovery framework. The bill imposes extensive administrative, engineering, metering, and program-management responsibilities on utilities - yet does not provide a comprehensive or explicit mechanism for recovering these new costs. New requirements for accelerated studies, demand-response program administration, measurement and verification, and customer support could create significant costs. Without statutory cost recovery, these mandates risk increasing utilities borrowing costs, which can affect future infrastructure investments, and shift substantial costs onto existing Maryland customers.

SB-596's proposed demand-response requirements create additional challenges and may conflict with PJM market rules, FERC Order 2222 implementation, and ongoing distributed energy resource aggregation frameworks. Misaligned and uncoordinated state and regional demand response programs for large load customers could reduce grid reliability, introduce duplicative or conflicting curtailment signals, create opportunities for double compensation, and complicate load forecasting and emergency operations. Any new demand response program must integrate cleanly with PJM's established market structures to avoid these reliability and operational risks.

Several key definitions—including “large load customer,” the 80% load-factor requirement, and “surplus interconnection capacity” are imprecise and not technically grounded. As written, these definitions could potentially capture a broader set of customers than intended, introduce uncertainty into project planning and interconnection sequencing, and ultimately discourage data-center and industrial development in Maryland by creating unpredictable requirements.

Finally, the accelerated timelines in SB-596 are incompatible with real-world utility operations. The bill shortens timelines for system studies, billing, crediting, and interconnection processing in ways that conflict with utility operational requirements, PJM sequencing, and national supply-chain constraints. Complex projects involving hybrid solar-storage systems or on-site generators require more detailed engineering analysis, not expedited timelines. In practice, onsite generation or storage increases study complexity - lengthening, not shortening, engineering review timelines. In addition, these types of projects still rely on the grid for emergency support, reliability, and coordination, and therefore require thorough system studies. We are concerned the bills proposed time requirements would undermine reliability and increase the risk of errors in planning and interconnection.

Potomac Edison / FirstEnergy supports Maryland’s clean-energy, electrification, and economic-development goals and are committed to collaborating with policymakers to enable large-load customer growth while maintaining affordability and reliability. However, SB-596 as drafted**,** presents significant operational, technical, and cost-recovery challenges that make compliance difficult and, in some cases, unattainable - ultimately increasing risk and costs for all Maryland ratepayers.

For these reasons, Potomac Edison / FirstEnergy respectfully requests an <u>Unfavorable</u> report on SB-596.

SB596-HB940.LargeLoadCustomers.INFO.W.pdf
Uploaded by: Alex Pavlak
Position: INFO

March 5, 2026
3/3/2026 2:57 PM

SB596-HB940.LargeLoadCustomers.Pavlak. INFO

Oral & written testimony

Good afternoon Mr. chairman Madam vice chair. My name is Alex Pavlak I'm a PhD engineer from Severna Park and the chairman of the Future of Energy Initiative.

One of our fortes is the Art of Systems Architecting. Goven a set of building blocks, such as wind, solar, storage and nuclear, how do they fit together to deliver reliable affordable power? What is the system architecture?

Today's topic is large loads. Integrated System Operators ARE NOT THINKING STRATEGICALLY. They are trying to accommodate large loads within the architecture of the legacy power grid. Beyond a certain modest size, retaining a single integrated solution will frustrate everyone.

The legacy power grid is the product of 144 years of evolution. It employs thousands of independent generators to reliably and affordably serve millions of small loads.

The emerging requirement is for huge loads with unique profiles and a reliability requirement substantially greater than that the legacy power grid.

Our main conclusion is that two separate systems will be simpler and cheaper than a single integrated system. One system is a refined version of the legacy system. The second will be off-the-grid 10 GW scale nuclear energy complexes located where there is environmentally acceptable cooling.

Maryland needs a strategic plan to capture this business.

The concept study is published here:

https://www.futureofenergyinitiative.org/Pubs/5nines.pdf

And a 6 min video summary is published here.

https://youtu.be/gpjMeHL8nKQ

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Dr. Alex Pavlak; Future of Energy Initiative; www.pavlak.net; www.FutureOfEnergyInitiative.org
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SB 596 Information testimony PSC.pdf
Uploaded by: Barve Barve
Position: INFO

STATE OF MARYLAND

PUBLIC SERVICE COMMISSION

Chair Brian Feldman
Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, MD 21401

RE: **SB 596 - Information - Large Load Customers Electric System Interconnection and Demand Response Program Act of 2026**

Dear Chair Feldman and Committee Members:

The Public Service Commission (the "Commission") appreciates the opportunity to provide this informational testimony for SB 596. This bill defines which electric customers are considered large load customers based upon their aggregate monthly demand and specifies terms and conditions for large load customers to receive service and obtain capacity for their loads. The bill also requires the Commission to establish and administer large load customer interconnection processes, and a large load customer demand response program that provides compensation for curtailment.

The Commission understands the intent of this bill is to minimize potential negative effects on the grid caused by the capacity needs of large-load customers like data centers, and agrees that addressing issues around data center capacity planning is an important part of ensuring that Maryland ratepayers have access to reliable and affordable energy. Operationally, however, there may be elements of this proposed legislation that would impede the Commission's ability to implement it in a way that effectively addresses the most salient issues associated with data center load.

The Commission would recommend that the Committee incorporate the considerations summarized below in its review of SB 596. Additional information can be provided if requested.

1. Certain terms that are defined or used in the bill are ambiguous or conflict with existing definitions in statute. Aligning the definition of "large load customer" with existing statutory definitions and clarifying "surplus interconnection" and "interconnection capacity" in various provisions of the bill would avoid potential legal challenges, prevent possible circumvention of the intended requirements of this bill, and avoid errors in capacity planning studies that may underestimate the capacity needs of large load customers and thereby cause risks to reliability. The Commission also notes that the term "interconnection" in general typically refers to generation interconnection to the grid, and

not load. To prevent confusion, the bill could be amended to reference "large load interconnection" or "large load integration."

2. The bill introduces CPCN exemptions for large load customers in several instances, including when they interconnect at points in the grid with surplus potential, or when they participate in demand response. Currently, however, CPCN requirements apply to generation and transmission, not load, and the CPCN exemptions for load in this bill would have no effect. The exemption provisions would need to be removed or reworked to prevent superfluity or ambiguity that could lead to legal challenges.

3. To the extent that the Commission-established large load customer interconnection process called for in the bill has not already been implemented in other proceedings, it may be hindered by questions of jurisdictional authority. Interconnection processes for electric distribution customers are fully administered by electric distribution utilities pursuant to Commission-approved regulations, tariffs, and engineering practices. If the large load customers will be interconnecting at transmission voltages, which is likely because of their size, those processes are established and overseen by PJM.

4. The bill's requirement that interconnection must be expedited for large load customers that provide capacity for 100% of their load would present implementation challenges. Project prioritization could conflict with clustered study approaches used by utilities and PJM to model interacting projects and the sequencing needed to identify required upgrades. The Commission would recommend amending the bill to clarify that the Commission's role is to oversee and approve the processes administered by utilities rather than operate an interconnection queue, and to make any timelines contingent upon completion of required utility and PJM studies (as applicable), outage availability, equipment lead times, and construction windows necessary to maintain safe and reliable service.

5. The Commission notes that there are alternatives to SB 596's requirements related to demand response programs that may effectively manage large load demand in a way that is more administratively efficient. For example, establishing large load curtailment requirements through utility tariffs in lieu of a Commission-administered demand response program could achieve load reduction during force majeure events at a lower fiscal and operational cost. Additionally, where the bill directs the Commission to establish regulations governing demand response energy storage facilities for large load customers, clearer definitions of key terms and addressing how such resources interact with existing Commission and FERC regulations would prevent duplication or circumvention of efforts that already exist.

Please contact Niki Wiggins, Director of Legislative Affairs, at irene.wiggins3@maryland.gov if you have any questions related to this informational testimony.

(signature to follow)

Sincerely,

Kumar P. Barve
Chair, Maryland Public Service Commission

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BGE_LOI_EEE_Senate Bill 956 - Large Load Customers
Uploaded by: Dy Reed-Lipscomb
Position: INFO

Position Statement
Letter of Information
Education, Energy and Environment
2/24/2026

Senate Bill 956 - Large Load Customers - Electric System Interconnection and Demand Response Program

Baltimore Gas and Electric Company (BGE) submits this letter of information on **Senate *Bill 956 - Large Load Customers - Electric System Interconnection and Demand Response Program***. The bill creates a new regulatory framework governing how large load customers, defined as commercial or industrial users with 25 megawatts (MW) or more of monthly demand and load factors above 80%, interconnection to the electric system, including a process for an expedited interconnection for large load customers. **Senate *Bill 956*** also requires the Public Service Commission (PSC) to develop a voluntary demand response program for large load customers.

BGE support reasonable and well-designed policies that help Maryland manage the growth of large load customers while maintaining a reliable, affordable energy system and continuing to foster economic development and. We recognize the importance of aligning data center growth with sound energy planning, and we support efforts that improve transparency, ensure grid reliability, and establish appropriate processes for large load customers.

As currently written, **Senate *Bill 956*** presents several challenges that we believe must be addressed to ensure the legislation is both workable and aligned with Maryland's broader energy and economic objectives.

Definition of Large Load Customer
The bill creates a new definition for "large load customer," which is defined as a user with a 25MW or more monthly demand and a load factor above 80%. This threshold is significantly lower than other existing Maryland frameworks, such as the **2025 Next Generation Energy Act**, which is 100 MW at an 80% load factor. Establishing a maximum threshold of 100 MW, more accurately reflects the point at which customer load begins to materially affect system planning, transmission constraints, and resource adequacy. Additionally, a 100 MW definition better aligns with industry practice and acknowledges the scale at which data center growth meaningfully impacts utility operations, while also giving utilities the flexibility to identify customers appropriately based on their system needs. By contrast, a 25 MW threshold is too low and could unnecessarily sweep a broad range of commercial customers into a regulatory structure designed for only the most energy intense users. A 25 MW threshold is too low and risks pulling a much wider range of commercial customers into an unnecessarily burdensome regulatory structure.

John Haysbert| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

Position Statement

New Interconnection Process

The bill directs the Commission to establish a new interconnection process for large loads, with both standard and expedited timelines. BGE recommends creating a pathway for large loads that cannot meet the 25% requirement, instead of creating a fixed minimum threshold. We support protections ensuring that a new large-load interconnection process does **not** negatively impact the timing or ability of **non-large-load customers** to interconnect. Utilities must retain the authority to set their own study requirements and schedules in order to manage the growing volume and complexity of large-load study requests. These requirements may need to change based on system needs, available resources, and reliability considerations.

Additionally, the requirement that large-load customers provide 25% of interconnection capacity using specific technologies is too narrow. To maintain reliability and affordability, all technologies should be considered rather than limiting options to a prescribed subset.
Given the State's resource adequacy and affordability challenges, all technologies should be considered as part of meeting interconnection capacity, not a limited or restrictive subset. Overly narrow requirements risk increasing project costs, limiting technological flexibility, and creating compliance burdens without measurable reliability benefits.

PJM Planning and Affordability Implications & Demand Response Integration

The bill circumvents PJM's established resource adequacy and transmission planning processes by removing the requirement for interconnection studies. Without these studies, Maryland would forgo key opportunities to evaluate affordability, system impacts, and cost-effective solutions through PJM's proven regional planning mechanisms. In addition, any Maryland PSC- or utility-led demand response initiative should be aligned with PJM's interconnection, planning, and market structures to ensure reliability, avoid duplicative efforts, and maximize value for all customers. Maintaining proper cost causation is essential; however, the bill does not clearly define incentive structures, funding mechanisms, or which entities would ultimately bear the costs associated with encouraging large-load participation.

Load Study Fee Structure

Finally, the bill's load-study fee structure must recognize that utilities already conduct these studies and maintain their own deposit and fee requirements. The bill requires large-load customers to request a load study and pay Commission fees of at least $1,000 per MW.
The bill should reflect those existing practices to avoid confusion and ensure cost recovery. Utilities already perform these studies and have established large-load study deposits and fee structures that reflect the complexity and cost of performing technical analyses. We recommend preserving existing requirements to avoid ambiguity and ensure adequate cost recovery for the utilities performing the work.

John Haysbert| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

Position Statement

We respectfully recommend adjustments to the bill to align the large-load definition with regional standards, ensure utilities can manage interconnection studies responsibly, allow flexibility in meeting interconnection capacity, and clarify the role of utility study fees and processes.

We look forward to working with the bill sponsor to refine **Senate *Bill 956*** in a way that balances the needs of large-load customers, Maryland communities, and the electric grid.

John Haysbert| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

SB596- Large Load Customers.pdf
Uploaded by: Poetri Deal
Position: INFO

March 5, 2025

112 West Street
Annapolis, MD 21401

Letter of Information– Senate Bill 596- Large Load Customers - Electric System Interconnection and Demand Response Program.

Potomac Electric Power Company (Pepco), and Delmarva Power & Light Company (Delmarva Power) submit this letter of information on ***Senate Bill 596- Large Load Customers - Electric System Interconnection and Demand Response Program***. Senate Bill 596 creates a new regulatory framework governing how large load customers are, defined as commercial or industrial users with 25 megawatts (MW) or more of monthly demand and load factors above 80%, interconnection to the electric system, including a process for an expedited interconnection for large load customers. *Senate Bill 596* also requires the Public Service Commission (PSC) to develop a voluntary demand response program for large load customers.

Pepco and Delmarva Power agree that Maryland needs a clear and durable approach to managing rapid growth in large load customers—particularly where development is occurring at a scale that can meaningfully change how the grid is planned and operated. We support efforts that improve predictability and transparency while safeguarding reliability, affordability, and continued economic growth. At the same time, as drafted, Senate Bill 596 would benefit from targeted revisions to make it workable in practice and aligned with existing planning frameworks.

The bill defines a large load customer as 25 megawatts or more with an 80% load factor. Pepco and Delmarva Power are concerned that this is set too low and could pull in customers that are not the type of exceptionally high impact loads the bill appears intended to address. A threshold closer to 100 megawatts at an 80% load factor is more consistent with the point at which load begins to drive significant system planning changes—transmission constraints, infrastructure timing, and broader resource adequacy impacts. If Maryland is creating a new regulatory structure, we recommend refining the definition, so it is narrowly tailored to the loads that truly require special processes and oversight.

Interconnection improvements should not come at the expense of grid integrity or other customers. We support creating clearer pathways for large-load interconnection. But any expedited process must be designed so that it does not delay or displace the study timelines and interconnection opportunities for other customers. Equally important: utilities need sufficient discretion to manage study sequencing, technical requirements, and schedules based on real system conditions, available engineering resources, and reliability needs.

Amber Perry | Anne Klase | Allyson Black-Woodson | Poetri Deal | **410 980 5347**

Large-load requests are technically complex and often iterative. A framework that is overly prescriptive can lead to bottlenecks, confusion, and unintended reliability risks. The bill should also provide an alternative pathway for projects that cannot meet any fixed minimum requirements embedded in the expedited process, rather than relying on a rigid threshold that may not be feasible in all circumstances.

PJM alignment and demand response design must be clearer. Maryland operates within a regional grid, and large-load additions have consequences beyond a single service territory. PJM's planning and market structures play a critical role in evaluating impacts and identifying cost-effective reliability solutions. We recommend ensuring the bill does not unintentionally conflict with, bypass, or weaken the value of PJM's established interconnection and planning processes—especially the study work that identifies network needs and cost drivers. The bill should also clarify how the program is funded, what incentives are contemplated, and how cost causation is maintained so that costs are assigned appropriately.

Finally, the bill's load study fee language should be reconciled with the fact that utilities already conduct these studies and maintain deposits and fee structures that reflect the scope and complexity of the engineering work. Pepco and Delmarva Power recommend clarifying the bill to avoid overlapping or inconsistent requirements and to ensure that the costs of these technical analyses are recoverable and administered in a straightforward way. **Study fee requirements should reflect existing utility practices**.

With refinements—particularly to the definition of large load, the structure of the interconnection process, technology flexibility, PJM alignment, and fee clarity—Senate Bill 596 can better support responsible economic growth while protecting reliability and affordability for all Maryland customers.