



Committee: Environment and Transportation

Testimony on: House Bill 940 – 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 24, 2026

Dear Chair Korman and Members of the Committee:

Thank you for the opportunity to comment on House Bill 940 – 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 HB 940.

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.

HB 940 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.

HB 940 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 House Bill 940.

Sincerely,

KATHY KINSEY
Chair, Government Affairs and Policy Committee

cc: Karen Cannon
Executive Director