

Electricity prices are rising much faster than inflation. There are many factors affecting these rates, but data centers' requests to join our grid is a big part; PJM, our grid operator, held an auction to assure enough generation in 2027, and the costs to cover peak load skyrocketed 5 fold.

Data centers are putting an unprecedented strain on Maryland's power grid. PJM (Maryland's regional power grid operator) expects 32 GW of load growth in the next four years, 94% of which is explained by data centers alone. Our power grid is not prepared to handle this rapid, unchecked growth, and on hot days when energy usage reaches its peak, it may be overwhelmed, leading to blackouts for ratepayers across the state. The Data Center Clean Capacity Bill address this problem by:

- **Establishing a voluntary demand response program:** Data centers operators will be able to opt in to a program where they reduce the amount of power they pull from the grid at peak hours through battery storage, shifting workload to other facilities, and carbon-free energy generation.
- **Requiring that new data centers get at least 25% of their energy from carbon-free sources or demand response.** The demand response program is voluntary, as noted above. But this provision requires data centers to source carbon free electricity if they opt out of demand response.
- **Prioritizing data centers that bring their own clean energy:** Data centers that provide 100% of their own energy through carbon-free energy sources, battery storage, and demand response will be fast-tracked for interconnection and permitting.

- **Requiring data centers to pay into a community benefit fund:** Data centers must pay \$1,000 per MW into the EmPOWER program, which assists low-income Marylanders.

I recommend a favorable vote on HB940