



Position Statement

Letter of Information
Environment & Transportation
2/24/2026

House Bill 940 - Large Load Customers - Electric System Interconnection and Demand Response Program

Baltimore Gas and Electric Company (BGE) submits this letter of information on ***House Bill 940 - 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. *House Bill 940* 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, *House Bill 940* 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

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

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Position Statement

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.

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

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preserving existing requirements to avoid ambiguity and ensure adequate cost recovery for the utilities performing the work.

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 *House Bill 940* in a way that balances the needs of large-load customers, Maryland communities, and the electric grid.

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