

HB0940- FAVORABLE

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HB0940- Large Load Customers - Electric System Interconnection and Demand Response

Environment and Transportation Committee
February 24, 2026

Chair Korman, Vice Chair Guyton, and Members of the Environment and Transportation Committee,

On behalf of Marylanders for Data Center Reform, I urge a favorable report on HB0940, 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 HB0940, 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 solar¹ and battery storage² 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 state³. According to MDEnvirScreen the site for the proposed 300MW data center at Landover Mall in Prince George'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 matter⁴. 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 HB0940. 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

Interfaith Power & Light (DC.MD.NoVa)

Maryland Legislative Coalition – Climate Justice Wing

Nature Forward

Oceanic Network

Third Act

³<https://baxtel.com/data-center/maryland?lat=39.324942049572215&lng=-77.43243719650428&distance=6366.107638344028>

⁴ <https://experience.arcgis.com/experience/e4148f01acf743bf8ac1d2aa2dc0947f>