

DAVID S. LAPP  
PEOPLE'S COUNSEL

WILLIAM F. FIELDS  
DEPUTY PEOPLE'S COUNSEL

JULIANA BELL  
DEPUTY PEOPLE'S COUNSEL

————— OPC —————  
**OFFICE OF PEOPLE'S COUNSEL**  
**State of Maryland**

6 ST. PAUL STREET, SUITE 2102  
BALTIMORE, MARYLAND 21202  
WWW.OPC.MARYLAND.GOV

BRANDI NIELAND  
DIRECTOR, CONSUMER  
ASSISTANCE UNIT

CARISSA RALBOVSKY  
CHIEF OPERATING OFFICER

BILL NO.: House Bill 120 – Moratorium on Construction of New Data Centers - Co-Location and Generation Contingency

COMMITTEE: Environment and Transportation

HEARING DATE: February 3, 2026

SPONSOR: Delegates Fisher, Chisholm, M. Morgan, and Szeliga

POSITION: Informational

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The Office of People’s Counsel (“OPC”) respectfully submits this informational testimony regarding HB 120 - Moratorium on Construction of New Data Centers – Co-Location and Generation Contingency. HB 120 prohibits construction of new data centers in the state unless and until the General Assembly passes legislation that (1) requires all new data centers to be co-located with a new or existing: (i) natural gas power generation facility; (ii) nuclear power generation facility; or (iii) small module reactor; and (2) requires the construction at a co-located power generation facility of additional power generation capacity that meets or exceeds the data center’s power needs—in other words, unless and until the General Assembly requires all new data centers to “bring their own generation.”

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.<sup>1</sup> 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

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<sup>1</sup> 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).

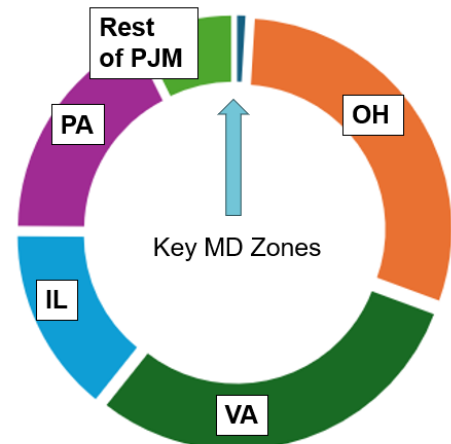
increases in the need for supply, driving up capacity market prices. [According to the independent market monitor \(“IMM”\) for PJM](#), data center load growth is “the primary reason for recent and expected capacity market conditions” within PJM, raising the price in the last three auctions by \$23 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 that Maryland customers see on the supply side of their bill. Between 2024 and 2025 alone, PJM has advanced almost \$12 billion in new transmission infrastructure for regional upgrades primarily driven by data center growth, mainly in Northern Virginia.<sup>2</sup> About \$1.3 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.<sup>3</sup> Marylanders also are paying tens of millions in local transmission projects for data centers.

**Energy market data center 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.<sup>4</sup>

PJM’s recently released [2026 forecast](#) provides important context for where the anticipated load growth is projected to occur. According to that report—based 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.

2030 PJM Large Load Adjustments



Source: PJM's 2026 load forecast ...

<sup>2</sup> Transmission Expansion Advisory Committee (TEAC) Recommendations to the PJM Board, PJM Staff White Paper (Feb. 2025), p. 1 and Transmission Expansion Advisory Committee (TEAC), Reliability Analysis Update, 2025 RTEP Cost Summary, p. 61 (Jan. 6, 2026).

<sup>3</sup> See e.g., Md. Office of People’s Counsel, Protest and Comments before Federal Energy Regulation Commission Docket No. ER24-843 and Md. Office of People’s Counsel’s press release: [PJM proposal would unlawfully saddle Maryland customers with nearly \\$800 million for out-of-state data center growth, OPC tells federal regulators](#).

<sup>4</sup> Monitoring Analytics LLC, annual and monthly wholesale cost components data, [https://www.monitoringanalytics.com/data/pjm\\_cost.shtml](https://www.monitoringanalytics.com/data/pjm_cost.shtml)

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.”<sup>5</sup>

HB 120 proposes to address the costs of data centers by imposing a moratorium on data center development of any size *in Maryland*, unless and until the General Assembly adopts a “bring-your-own-generation” (“BYOG”) approach. As PJM’s Independent Market Monitor (“IMM”) points out, data centers bringing their own supply is the only practical solution to protect customers and prevent reliability issues,<sup>6</sup> and OPC has recommended a BYOG approach at both the state and federal levels.<sup>7</sup>

What HB 120 does not address is the impacts on Maryland residents of the data center development occurring outside of Maryland. Those impacts are largely controlled by PJM market rules, overseen by the Federal Energy Regulatory Commission (FERC), and OPC is extensively engaged in advocacy at PJM, FERC, and in federal courts to protect customers from bearing costs driven by real and projected data center growth.<sup>8</sup>

OPC appreciates the opportunity to provide these informational comments on HB 120 and looks forward to continuing to work with the legislature to exercise its authority to protect residential ratepayers from the costs and risks associated with data center development.

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<sup>5</sup> PUA § 4-201 (“[A] public service company shall charge just and reasonable rates for the regulated services that it renders.”).

<sup>6</sup> [Analysis of the 2027/2028 RPM Base Residual Auction Part A, Independent Market Monitor for PJM](#) (Jan. 5, 2026), at 8.

<sup>7</sup> See e.g., Md. Office of People’s Counsel, Comments, PC 72, RM93 Large Load Tariff Work Group.

<sup>8</sup> For more on OPC’s work to address the impacts of data centers, see the [Data Centers](#) page of OPC’s website. OPC’s data center work has also been highlighted in external media outlets.