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February 24, 2026

**Support: HB 940 - Large Load Customers - Electric System  
Interconnection and Demand Response Program**

Mr. Chair and Members of the Committee:

Maryland LCV Supports HB 940, Large Load Customers - Electric System Interconnection and Demand Response Program, and we thank Delegate Charkoudian for her leadership on this issue.

HB 940 establishes critical safeguards to ensure that rapid growth in electricity demand from data centers and other large load customers does not increase costs for Maryland ratepayers or undermine grid reliability.

Across the country, large load customers are driving unprecedented increases in projected electricity demand. These projections are often speculative and uncertain, yet utilities must still plan and build infrastructure to meet them. This creates a serious risk of overbuilding generation and transmission, leaving Maryland households and small businesses to bear the costs if projected load does not materialize. HB 940 addresses this risk by requiring large load customers to contribute to the capacity needed to serve them and by ensuring that interconnection requests reflect credible, actionable projects.

The bill also harnesses demand response and load flexibility as cost-effective tools to maintain reliability. Demand response allows large energy users to reduce consumption during peak periods, lowering strain on the grid and reducing the need for expensive new generation. A recent [Duke University study](#) found that even modest flexibility from new data centers nationwide could avoid the need for 100 GW of new generation capacity. By establishing a voluntary demand response program administered by the Public Service Commission, HB 940 ensures Maryland captures these reliability and cost-saving benefits.

HB 940 further accelerates deployment of battery storage and other carbon-free resources by enabling use of surplus interconnection capacity and prioritizing projects that provide their own clean capacity solutions. These provisions ensure that new load can be served without

shifting infrastructure costs onto ratepayers, while supporting Maryland's clean energy transition.

Finally, the bill establishes a community benefit fund to support energy efficiency and bill assistance for low-income households through the EmPOWER Maryland program, and prioritizes projects that create high-quality, prevailing wage jobs for Maryland workers.

Maryland LCV wants to Power Maryland Forward, supporting **energy affordability** through **deployment of solar and storage, defense against more fossil fuels** and **unchecked utility profits**, while **getting the most out of the electricity grid we have**. HB 940 represents a balanced, forward-looking approach to managing load growth, protecting ratepayers, and strengthening grid reliability. Maryland LCV urges a favorable report on this bill.