

Written Testimony in Favor of HB0940 – Environment and Transportation – Large Load Customers - Electric System Interconnection and Demand Response Program (2-20-26)

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

I am submitting testimony in favor of HB0940. As a Maryland resident, I am very concerned about the many negative impacts of data centers, including the immense use of energy and water that they require. These impacts could potentially threaten Maryland's progress toward environmental sustainability, significantly raise electricity costs for ratepayers, and disturb quality of life for nearby neighborhoods.

Data centers are placing unprecedented strain on Maryland's energy grid. While data centers serve legitimate needs in modern society, the current pace and scale of unchecked scale data center development threaten ratepayers, environmental goals, and quality of life.

PJM Interconnection (our regional grid operator) projects 32 GW of load growth between now and 2030. Data centers account for approximately 30 GW of that growth—representing 94% of the projected demand increase. This demand is constraining the energy grid, potentially leading to inability to reliably and efficiently supply power to Maryland.

This bill gives data centers the flexibility to temporarily reduce their energy consumption during peak hours. This will increase grid reliability and help prevent disruptive blackouts. The bill also creates incentives for data centers to use battery storage instead of pollution-emitting diesel generators for backup power. These provisions will reduce costs to ratepayers and safeguard public health.

The bill will:

- Establish a voluntary demand response program for large load customers to support peak energy use reductions.
- Require that new data centers get at least 25% of their energy from carbon-free sources or demand response.
- Prioritize data centers that bring their own clean energy, support union jobs for Maryland residents, and prioritize battery storage, demand response, and renewable resources.
- Require that data centers pay into a community benefit fund that assists low-income Marylanders through the EmPOWER program.

Please give a favorable report on this important legislation to support responsible data center development in Maryland and keep the state focused on environmental health.

Sincerely,

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