



Wes Moore, Governor
Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
David Goshorn, Deputy Secretary

February 24, 2026

BILL NUMBER: HOUSE BILL 940 - FIRST READER

SHORT TITLE: LARGE LOAD CUSTOMERS - ELECTRIC SYSTEM INTERCONNECTION AND DEMAND RESPONSE PROGRAM

DEPARTMENT'S POSITION: SUPPORT WITH AMENDMENTS

EXPLANATION OF DEPARTMENT'S POSITION

House Bill 940 supports the state's efforts to manage rising energy demand, particularly from large consumers such as data centers, while also advancing grid modernization, affordability, and reliability. The legislation would help streamline the approval process for certain large load customers interested in interconnecting to Maryland's electric system. Specifically, the bill directs the Public Service Commission (PSC) to create a demand response program tailored to these customers.

The amendments proposed by MEA would help clarify several aspects of this exemption process, which the department believes would strengthen the bill's intent. They would additionally extend the deadline for the Surplus Interconnection Study requirement to ensure the accuracy and completeness of the subsequent report.

BACKGROUND INFORMATION

The PSC relies heavily upon the Department's Power Plant Research Program (PPRP) to review plans due to its expertise. It is assumed that PSC would consult with PPRP to establish the process, and that PPRP would remain involved in this alternative program tailored to large-load customers.

BILL EXPLANATION

HB 940 establishes specific processes and requirements for "large load customers", encourages data center developers and other large users to purchase interconnection capacity from existing points with "surplus interconnection", provides exemptions from certain certificate requirements and prioritization for customers who provide 100% of their load capacity, and mandates the Public Service Commission to establish a Demand Response Program for large load customers, and requires a study on surplus interconnection potential in the state.

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