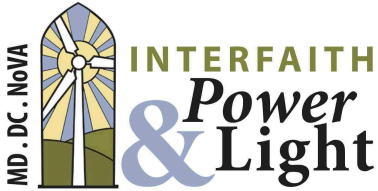


# **IPL-DMV FAV Testimony for HB 940.pdf**

Uploaded by: Andrea Orozco

Position: FAV



**Testimony Supporting HB 940**  
**House Environment & Transportation Committee**  
**February 20th, 2026**  
**Position: FAVORABLE**

Chair Korman and Members of the Committee,

On behalf of Maryland congregations of many faiths working together through Interfaith Power & Light (DC.MD.NoVa), we respectfully urge a favorable report on HB 940 – Data Center Clean Capacity.

Across our faith traditions runs a common thread: **we are called to be wise stewards of creation and to protect the most vulnerable among us.** Economic development cannot come at the expense of our communities. As data centers and large-load customers drive unprecedented electricity demand in Maryland, we insist that real human wisdom – not artificial intelligence or corporate interests – drive our decisions.

Planned data centers are driving up projected electricity load, putting pressure on our grid and risking higher costs for everyday Marylanders. Because utilities must plan for projected demand, even when some of that demand is speculative or duplicative, Marylanders could be left paying for overbuilt infrastructure if projects fail to materialize or relocate. For so many of our families already struggling with rising energy bills, this risk is not abstract. It is a matter of economic dignity and household stability.

This bill offers a faithful and practical solution to this problem in a few key ways.

**First, the bill embraces demand response and load flexibility.** HB 940 establishes a voluntary demand response program for large-load customers (like data centers) over 25 MW, administered by the Public Service Commission, and ensures these reductions come from battery storage, flexible load, or other non-emitting resources. This reduces strain on the grid while avoiding additional pollution that harms frontline communities.

**Second, the bill accelerates clean energy solutions.** By directing the Maryland Energy Administration to identify surplus interconnection capacity at existing generator sites, HB 940 allows new battery storage and zero-emission resources to come online more quickly. In our faith communities, we understand that time matters when responding to urgent needs. Climate change, grid reliability, and affordability are urgent. Unlocking existing infrastructure to deploy clean capacity reflects wise stewardship of what we already have.

**Third, HB 940 ensures that data center facilities and other large-load customers contribute fairly to the system they rely on.** By requiring at least 25% of load capacity to be matched with storage, carbon-free generation, or demand response, we align economic development with moral responsibility. Work must be dignified, and growth must be just.

**Finally, the community benefit fee ensures that as large-load customers seek to interconnect, they contribute to energy assistance and efficiency programs for low-income households through EmPOWER.** Our traditions teach that we are judged by how we treat those with the least. Those demanding more and more energy must not be allowed to impose higher costs on the state's most vulnerable people, but be required to provide meaningful relief.

HB 940 reflects the values we lift up every day in our congregations: stewardship, justice, shared responsibility, and care for our common home. It insists that those building new things in Maryland do so mindful of their impact on our neighbors and our common home. For these reasons, Interfaith Power & Light (DC.MD.NoVa) respectfully requests a favorable report on HB 940.



**HB0940.pdf**

Uploaded by: Bryan Dunning

Position: FAV



February 24, 2026

**Testimony of Bryan Dunning  
Senior Policy Analyst  
Center for Progressive Reform**

**Before the Maryland House of Delegates Environment and Transportation Committee  
Requesting a Favorable Report on HB0940: Large Load Customers – Electric System  
Interconnection and Demand Response**

Dear Chairman Korman, Vice-Chair Guyton, and the members of the Environment and Transportation Committee,

Thank you for the opportunity to provide testimony on HB0940 on behalf of the Center for Progressive Reform. The Center is a research and advocacy organization that focuses on advancing good governance and achieving equitable public protections. HB0940 addresses two vital concerns as relates to the proliferation of large load facilities in Maryland – questions of speed to power in bringing the electricity required online, and placing common sense safeguards around the cost and reliability questions created by the proliferation of large load. For these reasons, the Center for Progressive Reform respectfully requests a **favorable** reading of this bill.

**Surplus Interconnection Service**

HB0940 utilizes PJM’s surplus interconnection service (SIS) rules that went into effect in the PJM footprint in March of 2025.<sup>1</sup> In brief, SIS is a process in which new generation or storage can be brought online using the existing transmission network at a point of interconnection where an existing generator either does not, or cannot, use its full capacity interconnection. This has two immediate benefits. First, it maximizes the value of existing grid assets, and second, a generation or storage facility utilizing SIS does not have to go through the lengthy process of an interconnection study. PJM has a historically ineffective interconnection study queue,<sup>2</sup> going so far as freezing new applications for studies in 2022, and while PJM indicates they are making

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<sup>1</sup> <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mrc/2025/20250319/20250319-item-03---1-surplus-interconnection-services-revisions---presentation.pdf>

<sup>2</sup> <https://rmi.org/pjms-speed-to-power-problem-and-how-to-fix-it/>

process with queue reforms, it remains a major impediment for new utility-scale storage or generation entering the grid.

Not only will HB0940 bring storage online by utilizing SIS, the bill will also require the Maryland Energy Administration to conduct a study identifying where on the grid new storage and generation could be constructed. By bringing these two strategies together, HB0940 would be a critical step towards bringing new capacity assets to meet surging demand from large load customers in a timely fashion.

### **Common Sense Safeguards**

This bill requires that a large load customer who wishes to interconnect in the state must meet 25 percent of the capacity needed to meet their load through either on-site storage, storage or carbon free generation in their load zone or locational delivery area (effectively within the transmission sub zone in which they operate), through demand response, or through new SIS generation or storage. If a large load customer elects to meet 100 percent of their capacity needs through these methods, they receive prioritization for on-lining.

These requirements will protect the reliability of the grid, protect the public from rising costs, and hedge against the risk of stranded assets. PJM currently forecasts peak load growth of roughly 66 GW in the next ten years, driven by large load interconnection.<sup>3</sup> However, it is important to be mindful that load growth protections as relates to large load are extremely volatile. This has been flagged as a problem and priority for PJM as part of its recent critical issue fast path process.<sup>4</sup> It has also already manifested as an issue as recently at December of 2025 and January of 2026. The December base residual auction (colloquially referred to as the “capacity auction”) projected load growth numbers for years 2027 to 2028 that were approximately 4.5 GW higher than the projected numbers in the January load report.<sup>5</sup>

By requiring either new clean generation or storage, or otherwise offsetting capacity needed to meet demand for large load facilities, this bill protects against the spiraling costs to the entire system we would see if we tried to meet increasing demand with current supply. More importantly, by focusing predominantly on meeting new load through the use of storage or demand response, which are broadly beneficial to the grid regardless of projected demand, HB0940 hedges against the costly construction of new polluting (and extremely costly and long-lived) generation facilities that are at risk of being a stranded asset if load projections do not actually manifest.

### **Conclusion**

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<sup>3</sup> <https://www.pjm.com/-/media/DotCom/library/reports-notices/load-forecast/2026-load-report.pdf>

<sup>4</sup> <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2026/20260116-pjm-board-letter-re-results-of-the-cifp-process-large-load-additions.pdf>

<sup>5</sup> <https://www.pjm.com/-/media/DotCom/library/reports-notices/load-forecast/2026-load-report.pdf>

HB0940 directs large load facilities to take advantage of one of, if not the most, expeditious pathways to bring new utility scale storage or generation online available – SIS. It also protects Marylanders from reliability and cost concerns, including stranded assets from unguided large load interconnection. For these reasons the Center for Progressive Reform respectfully requests a **favorable** reading on this bill.

Sincerely,  
Bryan Dunning  
Senior Policy Analyst  
Center for Progressive Reform

**SB0596 & HB0940 - OPC Testimony.pdf**

Uploaded by: David Lapp

Position: FAV

DAVID S. LAPP  
PEOPLE'S COUNSEL

WILLIAM F. FIELDS  
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JULIANA BELL  
DEPUTY PEOPLE'S COUNSEL

— OPC —  
**OFFICE OF PEOPLE'S COUNSEL**  
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BRANDI NIELAND  
DIRECTOR, CONSUMER  
ASSISTANCE UNIT

CARISSA RALBOVSKY  
CHIEF OPERATING OFFICER

**BILL NO.:** Senate Bill 0596 /House Bill 0940– Large Load Customers –  
Electric System Interconnection and Demand Response  
Program

**COMMITTEE:** Education, Energy, and the Environment  
Environment and Transportation

**HEARING DATE:** February 26, 2026 (EEE)  
February 24, 2026 (ENT)

**SPONSOR:** Senator Hester  
Delegate Charkoudian

**POSITION:** Favorable

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The Office of People’s Counsel (OPC) respectfully offers the following comments in support of Senate Bill 0596/House Bill 0940, which proposes protections against the anticipated strain on the electric grid from large load customers like data centers. Specifically, SB 0596/HB 0940 provides that a “large load customer”—defined in the bill as any commercial or industrial customer with a monthly aggregate demand of at least 25 megawatts (MWs) and a load factor exceeding 80%<sup>1</sup>— may not interconnect to the electric system unless the customer (1) supplies at least 25% of its own capacity, and (2) participates in a demand-response program established by the Public Service Commission (PSC). SB 0596/HB 0940 also directs the PSC to establish an interconnection process for

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<sup>1</sup> The definitions of “load factor” and “aggregate demand” are not yet final under Maryland law and are currently under discussion before the Public Service Commission in Public Conference 72. Additionally, the threshold of “large load customer” in Public Utilities Article (PUA) § 4-212(a)(3)(i) is 100 MW— significantly higher than the 25 MW threshold in this bill—and would likely only capture the largest data centers. OPC supports reducing that threshold to 25 MW—as separately proposed in HB 1532—to match the definition of “large load customer” in this bill.

large load customers that prioritizes, for the purposes of load studies, interconnection, and permitting, large-load customers that provide capacity to meet 100 percent of their own needs and pay the prevailing wage. Moreover, SB 0596/HB 0940 would require that before receiving a load study—a requirement to receive service—any large load customer must request a load study and pay the costs associated with conducting the study as well as a fee of no less than \$1,000/MW. SB 0596/HB 0940 explicitly directs that these funds be split evenly between the Electric Universal Service Program and the Department of Housing and Community Development’s EmPOWER Maryland energy efficiency programs for limited-income customers.

Large load customers like 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>2</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 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. Maryland customers see transmission costs on the supply side of their bill. Between 2024 and 2026 alone, PJM has advanced almost \$24 billion in new transmission infrastructure for regional upgrades primarily driven by data center growth, mainly in Northern Virginia and Pennsylvania.<sup>3</sup> Over \$2 billion—plus billions more in recovery for the utility’s return as the initial investments are recovered in future decades—

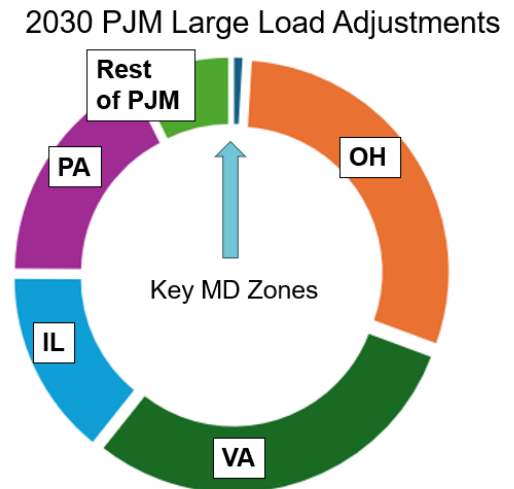
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<sup>2</sup> The entire load for Baltimore Gas & Electric (BGE) is roughly 6.5 megawatts. The new demand in Virginia as of spring 2025 was 10 megawatts. See Jeff Morgan, [MD could get hit with \\$800 million energy bill due to VA data center needs](#), WMAR 2 News.(April 30, 2025).

<sup>3</sup> RTEP 2023, Regional Transmission Expansion Plan, p. 1 (March 7, 2024); Transmission Expansion Advisory Committee (TEAC) Recommendations to the PJM Board, PJM Staff White Paper (Feb. 2025), p. 1; Transmission Expansion Advisory Committee (TEAC), Reliability Analysis Update, 2025 RTEP Cost Summary, p. 61 (Jan. 6, 2026); Transmission Expansion Advisory Committee (TEAC) Recommendations to the PJM Board (February 2026).

will be paid by Maryland customers.<sup>4</sup> Marylanders also are paying tens of millions in local transmission projects for data centers.

**Energy market 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>5</sup>



Source: PJM's 2026 load forecast ...

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

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>6</sup>

SB 0596/HB 0940 would help protect existing Maryland ratepayers from the potentially huge costs associated with data centers in three important ways. *First*, requiring large load customers to provide for a minimum of 25%—and encouraging them to provide 100%—of the generation capacity required to serve their load will, in turn, reduce the impact that the data center will have on the balance between supply and demand in the capacity market. *Second*, requiring large load customers to participate in a

<sup>4</sup> See e.g., Md. Off. of People’s Couns., *Protest and Comments before Federal Energy Regulation Commission* Docket No. ER24-843 and Md. Off. 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>5</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).

<sup>6</sup> PUA § 4-201 (“[A] public service company shall charge just and reasonable rates for the regulated services that it renders.”).

PSC-led demand response program will further reduce the total demand for both capacity and energy market products. *Third*, a large-load customer seeking to interconnect with the grid must make a meaningful contribution to limited-income assistance programs proportional to the customer's load requirements before the customer even begins the interconnection process.

The unprecedented nature of the growth associated with large load customers like data centers poses a monumental threat to the electric grid at a time when many residential ratepayers are facing an unaffordability crisis. SB 0596/HB 0940 provides protections for existing customers. Working in concert with the large load tariffs currently under development pursuant to the Next Generation Energy Act, SB 0596/HB 0940 is a crucial step to protect ratepayers and manage the future interconnection of large load customers.

**Recommendation:** OPC requests a favorable Committee report on SB 0596/HB 0940.

# **ECA testimony HB0940 Large Load Demand Response.pd**

Uploaded by: Frances Stewart

Position: FAV



HB0940 - SUPPORT  
Frances Stewart, MD  
Elders Climate Action Maryland  
[frances.stewart6@gmail.com](mailto:frances.stewart6@gmail.com)  
301-718-0446

HB0940 – Large Load Customers – Electric System Interconnection and Demand Response  
Program

Meeting of the Environment and Transportation Committee

February 24, 2026

Dear Chair Korman, Vice Chair Guyton, and Members of the Committee, on behalf of Elders Climate Action Maryland, I urge a favorable report on HB0940.

Elders Climate Action is a nationwide organization devoted to ensuring that our children, grandchildren, and future generations have a world in which they can thrive. The Maryland Chapter has members across the state.

Each day, we see the climate crisis more clearly. We know that Maryland is at risk for sea level rise, flooding from intense rainfall, heat waves, and other extreme weather events. Maryland can also be a leader in moving us to a safer, cleaner future where we all can thrive. The clean energy transition is an essential part of that future.

Data centers and other large load customers across the country are causing an unprecedented increase in actual and projected electricity loads. That increase is putting the clean energy transition at risk.

We are also acutely aware of the affordability challenges many Maryland households face. Rising utility bills are a large part of that problem. For those of us on fixed incomes, including many of our members, this is a growing concern. The extreme demands of data centers and other large load customers are a significant cause of those increases. That is a problem that will continue to grow without decisive action.

We understand that we use data centers every day for email, video conferencing, online shopping, and much more. We also know that artificial intelligence and other uses of data centers are an important and growing part of our future. We are not opposed to data centers, but we believe it is essential that effective guardrails and well-designed incentives be put in

place so that the data center industry makes positive contributions to our communities and does not interfere with reaching our climate and environmental goals.

This is a multifaceted issue. HB0940 addresses several important aspects. It establishes a voluntary demand response program for large-load customers (greater than 25 megawatts) to support reductions in peak energy use. The demand response must use battery storage, flexible loads, or other non-emitting sources.

It requires the Maryland Energy Administration to gather information from all generators in Maryland to find surplus interconnection capacity. Those sites will be targeted for new battery storage and clean energy sources. Those projects will be fast-tracked through county and Public Service Commission requirements. That will allow new clean capacity to be built quickly, rather than being stuck in PJM's very long interconnection queue.

It requires new data centers to provide 25% of their capacity load through carbon-free means or through demand response. It allows data centers that bring 100% of their capacity needs, support good union jobs, and prioritize battery storage, demand response, and renewable energy to be fast-tracked through the utility study, interconnection, and permitting processes.

It requires data center and other large-load facility developers who want a proposed facility studied and considered for interconnection to pay a community benefit fee of \$100,000 per MW. We know that data center developers submit proposals for the same data centers in multiple states, and that there is no transparency. This makes accurate state and utility planning impossible. The community benefit fee ensures that all the load studied is credible and likely to come online in Maryland. The funds from that fee will be used to provide energy assistance and energy efficiency upgrades to low-income Marylanders.

For all of these reasons, we strongly urge a favorable report on HB0940. Thank you for your time and consideration.

# **TESTIMONY FOR HB0940.pdf**

Uploaded by: Gita Lefstein

Position: FAV

**Testimony on House Bill – Favorable**

**HB 0940 – Large Load Customers – Electric System Interconnection and Demand Response Program**

Environment and Transportation Committee

February 20, 2026

Dear Honorable Chair Korman, Vice Chair Guyton, and Members of the Committee,

My name is Gita Lefstein, and I am a resident of Baltimore County, Maryland. I am writing in support of HB0940, Large Load Customers – Electric System Interconnection and Demand Response Program.

Large loads, which primarily refers to data centers, if not handled correctly, could cause major increases in the cost of electricity for all customers in Maryland. They could also cause many other problems, including increased pollution if powered by fossil fuels and back-up generators, and insufficient electricity at times of peak demand. PJM, the regional grid operator for the region which includes Maryland, does not operate in the interests of consumers. It operates in the interests of its members, largely industry companies. Maryland needs to pass legislation that will protect consumers from having to pay the costs of electricity for data centers, that will insure that data centers get cut back first if there is insufficient energy, and that will make sure that new energy creation puts priority on clean energy sources, such as solar and wind, with battery backup.

For these reasons, I respectfully urge you to issue a favorable report on HB0940.

Thank you.

**VerrusLLC\_Maryland HB940.pdf**

Uploaded by: Jeff Bladen

Position: FAV

# BEFORE THE MARYLAND GENERAL ASSEMBLY ENVIRONMENT AND TRANSPORTATION COMMITTEE

February 20, 2026

**RE: HOUSE BILL 940 – Large Load Customers – Electric System Interconnection and Demand Response Program**

## **FAVORABLE WITH AMENDMENTS**

Verrus LLC (“Verrus”) appreciates the opportunity to provide testimony on House Bill 940. As a developer and operator of the next generation of load-flexible hyperscale data centers, Verrus supports the goals of HB 940 to integrate large loads into the electric system in a manner that enhances grid reliability and affordability.

Maryland is uniquely positioned to become a national leader in grid-aware digital infrastructure. By enacting the reforms in HB 940 with certain refinements to define and empower "Flexible Large Loads," the General Assembly can accelerate economic growth while protecting Maryland ratepayers from unnecessary infrastructure costs.

## **Executive Summary**

Verrus recommends that the Committee advance HB 940 with enhancements that bridge the gap between static "Large Load Customers" and the dynamic, grid-responsive assets needed for a modern energy system. Specifically, we recommend:

1. **Defining "Flexible Large Load" as a distinct class within the bill** to ensure that customers making long-term curtailment commitments receive proportionate interconnection benefits.
2. **Aligning HB 940's Interconnection Process with Flexible Capabilities** to ensure that interconnection studies model the ability of these loads to avoid system peaks and unnecessary infrastructure build-out.
3. **Enhancing the Demand Response Program (Section 7-1008)** to ensure compensation structures reflect the high-value reliability service provided by flexible data centers.

## **I. Aligning HB 940 with the Value of Large Load Flexibility**

Traditional data center development assumes a "gross demand" model where the grid must be built to meet 100% of the customer's nameplate capacity at all times. This leads to multi-year interconnection delays and billions in ratepayer-funded upgrades.

HB 940 correctly identifies that "surplus interconnection" and "demand response" are keys to unlocking this bottleneck. Flexible data centers, like those developed by Verrus, can modulate hundreds of megawatts of demand within seconds, acting as a virtual power plant (VPP). As

noted in recent studies, flexible data centers can connect **three to five years faster** than inflexible counterparts and avoid nearly **untold system upgrade costs**.

## **Key Elements of HB 940 Supported by Verrus**

Verrus strongly supports several foundational elements of the current bill and recommends they remain central to the legislation:

- **CPCN Exemption for Surplus Capacity (Section 7-219.1(B)):** Exempting large loads that utilize surplus interconnection capacity from the Certificate of Public Convenience and Necessity (CPCN) requirement is a common-sense reform. It recognizes that where infrastructure already exists, the regulatory burden should be minimized to accelerate deployment.
- **Surplus Interconnection Potential Study (Section 2):** The mandate for the Maryland Energy Administration to study and report on surplus interconnection potential is critical. This transparency will allow developers to identify "no-regrets" locations where data centers can be added without triggering massive new transmission projects.
- **Prioritization for 100% Capacity Provision (Section 7-219.1(D)(2)):** We support the bill's logic in prioritizing customers who take responsibility for their own load through energy storage or carbon-free assets. This creates a clear "express lane" for the most responsible grid citizens.

## **II. Specific Recommendations for HB 940**

### **1. Refine the Definition of "Large Load Customer" to Include Flexibility (Section 7-219.1)**

HB 940 currently defines a Large Load Customer primarily by size (25 MW) and load factor (80%). We recommend adding a "Flexible" designation for customers who commit to:

- **Enforceable Curtailment:** A commitment to curtail a significant percentage (e.g., 50%) of nameplate load upon signal from the utility or PJM.
- **Speed and Duration:** Capability to execute curtailment within 10 minutes (aligning with NERC contingency reserve standards) for durations of 4 hours or more.
- **Automated Response:** Demonstration of on-site resources (BESS, advanced controls) that satisfy telemetry and M&V requirements without manual intervention.

### **2. Optimize Interconnection Studies (Section 7-219.1(C))**

The bill's requirement for an "expedited timeline" for customers providing 100% capacity is a strong start. However, the **Interconnection Study Assumptions** must also change. We recommend the bill mandate that the Public Service Commission (PSC) require utilities to model the *agreed-to curtailment obligations* of flexible loads. By modeling these loads as curtailable during peak stress, the state can avoid triggering "Network Upgrades" that are only necessary for a very small number of hours in a year.

### **3. Strengthen the Demand Response Program (Section 7-1008)**

We strongly support the establishment of a Demand Response Program. To ensure high participation from hyperscale operators, the "clear compensation structure" required in Section 7-1008(D) should:

- **Recognize Capacity Value:** Compensate flexible loads for the infrastructure *avoidance* they provide to the system, not just the energy saved during a curtailment event.
- **Reflect Risk Profiles:** Adjust collateral requirements and demand charges downward for flexible loads, as they pose a significantly lower "stranded asset" risk to Maryland ratepayers compared to inflexible customers.

### **III. Conclusion**

HB 940 provides a vital framework for Maryland to manage data center load growth responsibly. By explicitly defining and prioritizing "Flexible Large Loads," the General Assembly can ensure that data center growth supports, rather than strains, Maryland's transition to a clean, reliable, and affordable grid.

Verrus LLC urges a **favorable report** on HB 940 with the inclusion of these flexibility-focused refinements.

**Respectfully submitted,**

*Jeff Bladen* Head of Energy, Verrus LLC [bladen@verrusdata.com](mailto:bladen@verrusdata.com)

**HB0940 JVJohnson pdf Testimony 2026.pdf**

Uploaded by: Jeffrey Johnson

Position: FAV

## Testimony for HB0940 - Large Load Customers - Electric System Interconnection and Demand Response Program

Bill Sponsor: Delegate Charkoudian  
Committee: Environment and Transportation  
Organization: Chesapeake Earth Holders Community  
Submitting: Jeffrey V. Johnson, Co-Founder and Board Member  
Position: Favorable

My name is Dr. Jeffrey V. Johnson and I live in Maryland Legislative District 10. I am submitting this testimony in favor of HB0940 on behalf of the Chesapeake Earth Holders Community which is a member of the Maryland Legislative Coalition Climate Justice Wing as well as the Interfaith Power and Light DMV coalition of faith based congregations.

We believe strongly in the need to protect our electrical grid and to do it in a way that respects the needs and interests of the people of Maryland. The magnitude and scope of data centers is growing rapidly in our state. Without wise intervention now the new electrical demands of these rapidly proliferating data centers will put ever increasing pressure on Maryland's electrical grid. This will have a direct impact on Maryland's citizens and businesses in two ways. First, electricity will become far more expensive which will have an adverse impact on those who are least able to afford the increased costs. Second, individual households and smaller businesses are very likely to be pushed into second place during times of peak or high demand for electricity thereby failing to get the electricity that they need.

House Bill 0940 will directly address this potential crises through constructing clear guidelines for how data centers, and other large users of electricity connect to the grid (particularly during times of peak demand). HB0940 will also create incentives for large load customers to provide their own sources of power that specifically address the potential for crises during periods of high use.

Another vitally important element in this bill which we strongly support is the necessity for the use of clean, non-emitting sources of energy during these high demand periods such as battery storage. We believe it would a major step backward for Maryland should we allow fossil fuel powered generators to be used as back up sources of energy during these periods of peak demand.

At the present time no Maryland agency is tracking how large load customers like data centers are consuming electricity on the grid. HB0940 will require the Public Service Commission to establish a process that large load customers would undertake in order to be able to connect to the grid. All large load customers seeking to connect would be required to provide capacity for 25% of load with either behind meter storage, capacity to purchase new battery storage or an additional new carbon-free asset.

We strongly support HB0940 and recommend a **Favorable** report in committee.



# **HB940\_FAV\_EconAction.pdf**

Uploaded by: Jennifer Bevan-Dangel

Position: FAV



## HB940: Large Load Customers – Electric System Interconnection and Demand Response Program

### Position: Favorable

February 24, 2026

The Honorable Marc Korman, Chair  
Environment and Transportation Committee  
250 Taylor House Office Building  
Annapolis, MD 21401  
Cc: Members of the Committee

Chair Korman and members of the Environment and Transportation Committee,

Economic Action Maryland Fund urges a favorable report on HB9840, which would address the impact data centers, and their astronomical energy demands, are having on supply costs for Maryland ratepayers.

As the members of this committee are painfully aware, energy rates have risen dramatically in recent years due to a variety of factors. Thousands of Marylanders each year face shutoff notices due to nonpayment, while many others are forced to juggle multi-hundred-dollar utility bills alongside the ever-increasing costs of rent, groceries, and other necessities. In fact, when Economic Action Maryland Fund surveyed our members and other stakeholders this winter, 63% stated utility bills were their primary concern.

The bill creates a process to incentivize data centers, or any other large load electricity customer, to generate their own energy, rather than competing with residential companies for electric supply. It also creates a fee structure that would generate critically needed funds for the EMPOWER program.

Multiple studies have shown that the energy demands of data centers are directly driving the astronomical increase in energy supply costs for ratepayers. Bloomberg analysis found that energy supply costs are as much as 267% higher in areas near data center expansions.<sup>1</sup> While incentivizing data centers to generate their own energy will not immediately address already-high energy bills, it is a critical step to bend the curve and prevent the continuing acceleration of supply side rates.

For these reasons, we urge a favorable report on HB940.

Sincerely,  
Jennifer Bevan-Dangel, Deputy Director

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<sup>1</sup> <https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/>

*Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.*

**HB940\_MDSierraClub\_fav 24Feb2026.pdf**

Uploaded by: Josh Tulkin

Position: FAV



P.O. Box 278  
Riverdale, MD 20738

**Committee: Environment and Transportation**

**Testimony on: HB940 “Large Load Customers - Electric System Interconnection and Demand Response Program”**

**Position: Support**

**Hearing Date: February 24, 2026**

The Maryland Chapter of the Sierra Club supports HB940. The bill would require the Maryland Public Service Commission (PSC) to develop a large load interconnection process, and it would require large load customers (e.g., data centers) to use clean energy and demand response to support flexibility and to achieve quicker interconnection. The interconnection process established by the PSC for large load customers would need to include an expedited timeline for those customers that provide interconnection capacity for 100% of their load; establish requirements for large load customers to supply 25% of their load from clean energy in order to interconnect to the electric system and contract for service; authorize certain large load customers to receive prioritization if they can supply 100% of their load from clean sources; and require the PSC to establish a large load customers demand response program. HB940 also requires a study of surplus interconnection potential by the Maryland Energy Administration. We believe that HB940 will ensure that large loads that choose to locate in Maryland will be cleaner and more flexible, utilize existing infrastructure as much as possible, ameliorate local and regional environmental impacts that can be created by large loads, and help Maryland achieve its climate goals.

In the absence of HB940, new large loads will be able to interconnect in Maryland without any restrictions on how they can interconnect. Indeed, the current practice of many data center developers is to purchase needed capacity and energy from fossil energy sources, largely natural gas powered – a result encouraged by PJM’s proposal for large loads to bring their own capacity – and to install diesel generation as backup power to ensure 99.99% reliability. Consequently, local and regional air quality will suffer, and carbon emissions will increase markedly. The following discussion highlights how HB940 will forestall these outcomes and help Maryland meet its climate goals.

First, requiring the PSC to develop an interconnection process for large loads will be a massive improvement. Currently, COMAR does not contain any regulations directed at the process of interconnecting large loads. The Next Generation Act did require the development of large load tariffs that account for interconnection, but specific rules guiding the process of interconnection these large loads do not yet exist. Without detailed interconnection regulations, Maryland regulators have no capability to direct how large loads interconnect to the Maryland electric system. HB940 addresses this lack of rules.

Second, HB940 requires that a large load customer may not be interconnected unless the customer provides interconnection capacity for 25% of its load from clean energy sources.

Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.



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Riverdale, MD 20738

Acceptable clean energy sources identified in HB940 include (i) behind-the-meter energy storage facilities, (ii) new energy storage facilities in local areas, (iii) purchases of capacity from new carbon-free assets, or (iv) demand response. We believe that this 25% directive is the most important requirement in the bill in supporting Maryland climate goals – new data centers will be required to procure clean energy or storage for a portion of their load or engage in demand response. Furthermore, the 25% requirement is doable and is not onerous. Electric storage technologies are rapidly dropping in cost and increasing in their capabilities. Furthermore, use of storage to meet data center load is not a future possibility. It is happening now. At least two large data centers are being developed by Verrus and Oracle/OpenAI to use 100% storage to power their needs. In addition, requiring that data centers engage in demand response is an increasingly common approach to interconnection – see, for example, Indiana & Michigan’s settlement in Indiana (IURC Cause No. 46097).<sup>1</sup>

Third, HB940 incents priority interconnection for large loads that use any of the four sources identified above to meet 100% of their load. This provision will ensure that the data centers which get priority interconnection do not negatively impact Maryland’s environment and its climate goals. As noted above, recent developments suggest that 100% is an achievable requirement.

Fourth, HB940 requires that the PSC establish a large load customer demand response program. Such PSC action will help make the demand response option attractive to large load customers. As noted above, other states, like Indiana, have developed large load demand response programs, and Maryland should follow.

Finally, the use of surplus interconnection is promoted in HB940. Any use of surplus interconnection will reduce the need to obtain the 25% capacity needed to interconnect. Furthermore, the bill directs the Maryland Energy Administration to study each electricity supplier with generating facilities located in the State to determine the surplus interconnection potential at each interconnection point. An assessment of surplus interconnection and eventual use of this capacity will be critical in locating new large loads and new resources. Use of available surplus interconnection capacity by new resources will place less stress on electric infrastructure and the need for new transmission.

In summary, Maryland Sierra Club fully supports HB940 and recommends a favorable report. The Sierra Club also recommends consideration of three additions to the bill. First, to ensure that the storage and demand response procured is from carbon-free sources, we recommend that additional language require or incent the use of carbon-free resources. For example, without this language, diesel generation could be used as demand response to lower demand at a facility to meet the 25% goal. Second, the bill would benefit from clarifying how the existence of virtual

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<sup>1</sup> Indiana Utility Regulatory Commission. *Order of the Commission: In the matter of the verified petition of Indiana Michigan Power Company for approval of modifications to its industrial power tariff, Cause No. 46097*. November 22, 2024.

[https://iurc.portal.in.gov/\\_entity/sharepointdocumentlocation/2b48cf93-d9ee-ef11-be20-001dd80b8c52/bb9c6bba-fd52-45ad-8e64-a444aef13c39?file=ord\\_46097\\_021925.pdf](https://iurc.portal.in.gov/_entity/sharepointdocumentlocation/2b48cf93-d9ee-ef11-be20-001dd80b8c52/bb9c6bba-fd52-45ad-8e64-a444aef13c39?file=ord_46097_021925.pdf)



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power plants can factor in the demand response performance of a large load customer. Virtual power plants represent aggregations of smaller demand response and distributed energy resources that can be relied upon through contractual methods. Finally, we recommend that options available to meet the 25% and 100% goals specified in the bill be expanded to include contracting with or procuring capacity from virtual power plants. We believe that HB940 is positioned to be a valuable addition to Maryland's energy policy framework and that these additions would further strengthen that value.

David Kathan  
Clean Energy Team  
dkathan@gmail.com

Josh Tulkin  
Chapter Director  
Josh.Tulkin@MDSierra.org

Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

**TESTIMONY IN SUPPORT OF HB0940 .pdf**

Uploaded by: Judy Karasik

Position: FAV

**HB0940— Large Load Customers - Electric System Interconnection and Demand Response Program**

House Environment and Transportation Committee  
February 24, 2026

Dear Chair Korman, Vice Chair Guyton, and Members of the Committee:

My name is Judy Karasik and I reside at 2016 Luzerne Avenue, Silver Spring, MD 20910. I have lived in Silver Spring since 2001 and, earlier, resided in Chevy Chase from 1958 to 1971. I am a registered voter and American citizen.

I write to express my support for HB0940, which aims to make the presence of data centers, in the bill referred to as Large Load Customers, if not a direct benefit to the state of Maryland as these are built by corporations for the profit of their shareholders, at the very least, less of a liability.

The bill addresses data centers' impact on electricity; **I would respectfully suggest that an examination and remedy for their significant draw on water also find its way into legislative action. Costs to consumers for both utilities have risen sharply in recent years.**

PJM projects 32 GW of electricity load growth between now and 2030, with data centers accounting for about 30 GW—over 90%—of that growth. Data centers are energy hogs, and when the grid struggles to meet peak capacity on hot days—or cold ones, as more and more Marylanders convert from gas heat to electric—blackouts, with dire consequences, will predictably ensue.

HB0940 would provide a solution to this problem by creating a **demand response program** (the “interconnection program” of the Bill’s title) **that will use carbon-free sources, industry-grade battery storage, and flexible loads to allow data centers to reduce their loads during peak hours.** Further, the Bill **requires that new data centers coming to Maryland provide 25% of their capacity load through battery storage, locally generated carbon-free means, or through demand response. The Bill gives new data centers that provide 100% of their load capacity and pay prevailing wage rates permitting priority for load studies, permitting, and interconnection.**

**These measures will ensure that the burgeoning data-center industry will encourage carbon-free generation, battery storage, and load management instead of having the data centers heedlessly turning to diesel generation, with all its health and pollution issues, to meet peak needs.**

The Bill will also **require that data center developers contribute to a community benefit fund** that assists low-income Marylanders through the Empower program. The larger the data center, the more a developer must contribute, at a rate of \$1,000 per MW. **This is a fine provision, although I**

**believe it should go further: consumer rates for electricity have risen sharply in recent years and we need to be sure that data centers pay their fair share.**

**Might I respectfully suggest that the legislature also examine the burden on water sources, along with electricity a resource used by every Marylander daily and increasingly expensive.**

If and when Data Centers come to Maryland, HB0940 will help to reduce their impact on resources, consumer prices, and the climate itself.

**I urge passage of HB0940 and look forward to additional climate-friendly and consumer-conscious legislation—especially concerning data centers' use of water and their obligation to mitigate the rise in cost of water and electricity to consumers—in the weeks and years to come.**

Respectfully,  
Judy Karasik  
2016 Luzerne Avenue  
Silver Spring, MD 20910  
[karasikjudy@gmail.com](mailto:karasikjudy@gmail.com)  
301-467-8736

**MF\_HB 940\_ Large Load Demand Response Program.pdf**

Uploaded by: Kathy Kinsey

Position: FAV



**Committee: Environment and Transportation**

**Testimony on: House Bill 940 – Large Load Customers – Electric System**

**Interconnection and Demand Response Program**

**Organization: Mobilize Frederick**

**Submitting: Kathy Kinsey**

**Chair, Government Affairs Committee**

**Position: Favorable**

**Hearing Date: February 24, 2026**

Dear Chair Korman and Members of the Committee:

Thank you for the opportunity to comment on House Bill 940 – Large Load Customers – Electric System Interconnection and Demand Response Programs.

Mobilize Frederick, a nonprofit community advocacy organization formed to assist with implementing innovative local solutions to address climate change, strongly urges the Committee to issue a **favorable** report on HB 940.

This bill is urgently needed to help manage an overloaded grid due almost entirely to the unforeseen rapid growth of the data center sector. By 2030, in just four years, data center development is projected to result in an additional 30 gigawatts (GW) of electricity load and as much as 50 GW during periods of peak demand. The need for deployment of new generation and transmission infrastructure to serve data center load is not only straining the grid, but also driving sharp increases in electricity rates. In 2024, ratepayers in seven PJM states paid \$4.3 billion more in electricity costs to cover construction of new transmission infrastructure to serve data centers.

HB 940 will improve grid planning, expedite deployment of new carbon-free generation, and increase participation in clean demand response programs – all measures that are needed to better balance energy supply and demand and control ratepayer costs. The bill will achieve these goals by:

- Establishing an incentivized voluntary demand response program managed by the Public Service Commission for data centers and other large load customers with monthly consumption of 25 MW or more and an 80 percent load factor to reduce

electricity demand during peak demand periods. Demand response measures must include carbon free sources, battery storage, or the capacity for flexibility with respect to load.

- Requiring new large load customers, as a condition of interconnection to the grid, to supply 25 percent of their electricity load by:
  - Providing behind-the-meter battery storage;
  - Purchasing capacity with other newly interconnected energy storage facilities within the load zone or local delivery area;
  - Purchasing capacity from new carbon-free assets in the load zone or local delivery area; or
  - Through demand response measures.
  
- Targeting existing generation facilities with extra interconnection capacity for deployment of new battery storage and carbon-free energy capacity with expedited processing through county and PSC requirements.
  
- Expediting the interconnection and permitting of large load customers that supply 100 percent of their capacity load and prioritize demand response, battery storage, and use of carbon-free resources.
  
- Requiring large load customers to contribute to community benefit funds to assist low-income households with energy efficiency projects and ratepayer relief.

HB 940 would implement a multi-pronged approach to reduce the impact of data centers and other new large load customers on the grid, increase clean generation sources, and strengthen demand response programs.

For all the foregoing reasons, we respectfully urge the Committee to issue a **favorable** report on House Bill 940.

Sincerely,

KATHY KINSEY  
Chair, Government Affairs and Policy Committee

cc: Karen Cannon  
Executive Director

# **TAMD testimony HB940.pdf**

Uploaded by: Laura Welch

Position: FAV

Electricity prices are rising much faster than inflation. There are many factors affecting these rates, but data centers' requests to join our grid is a big part; PJM, our grid operator, held an auction to assure enough generation in 2027, and the costs to cover peak load skyrocketed 5 fold.

Data centers are putting an unprecedented strain on Maryland's power grid. PJM (Maryland's regional power grid operator) expects 32 GW of load growth in the next four years, 94% of which is explained by data centers alone. Our power grid is not prepared to handle this rapid, unchecked growth, and on hot days when energy usage reaches its peak, it may be overwhelmed, leading to blackouts for ratepayers across the state. The Data Center Clean Capacity Bill address this problem by:

- **Establishing a voluntary demand response program:** Data centers operators will be able to opt in to a program where they reduce the amount of power they pull from the grid at peak hours through battery storage, shifting workload to other facilities, and carbon-free energy generation.
- **Requiring that new data centers get at least 25% of their energy from carbon-free sources or demand response.** The demand response program is voluntary, as noted above. But this provision requires data centers to source carbon free electricity if they opt out of demand response.
- **Prioritizing data centers that bring their own clean energy:** Data centers that provide 100% of their own energy through carbon-free energy sources, battery storage, and demand response will be fast-tracked for interconnection and permitting.

- **Requiring data centers to pay into a community benefit fund:** Data centers must pay \$1,000 per MW into the EmPOWER program, which assists low-income Marylanders.

I recommend a favorable vote on HB940

# **HB0940-Large Load Customers-Electric System Interc**

Uploaded by: Laurie McGilvray

Position: FAV



**Testimony on:** HB0940 - Large Load Customers - Electric System Interconnection and Demand Response Program  
**Committee:** Environment and Transportation  
**Organization:** Maryland Legislative Coalition Climate Justice Wing  
**Submitting:** Dave Arndt, Co-Chair  
**Position:** Favorable  
**Hearing Date:** February 24, 2026

Dear Chair Korman and Committee Members:

Thank you for allowing our testimony today in support of HB0940 – Large Load Customers - Electric System Interconnection and Demand Response Program. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of 32 grassroots and professional organizations focused on climate justice, urges you to vote favorably on HB0940.

Our current electrical regulatory system was built on the principle of a gradual and universal growth, data centers break this paradigm, they are not gradual or universal, they are local and they are massive. One hyper-scale data center can use the power of 640,000 homes and be constructed in 3 years. Imagine the electrical demand of the city of Baltimore being added to the grid in three years. Right now, the estimated 3GW needed to power all the currently proposed data centers at the Alcoa site in Fredrick is almost equal to the electricity used by all Maryland households. As you can see, the old electric system paradigm is truly broken by data centers.

Another typical parameter of electricity use is variability, however for data centers, the load is constant. While this makes predicting electrical use easier, it consistently adds demand during “peak” demand periods. This pattern increases the need to add more generation and reserve capacity for the grid to handle “peak” demand periods. These factors increase ratepayer cost.<sup>1</sup>

Unfortunately, no Maryland agency tracks and manages large load customers as they request power from a utility or start using electricity on our grid. So basically, the PSC and ratepayers are being blindsided by the data center build out.

Electricity costs in some data center-dense areas have surged by over 250% in just five years. In the PJM region — the world’s largest power market — capacity auction prices spiked 800% in 2024, in large part due to data center growth. That year, consumers across seven PJM states paid \$4.3 billion more in electricity costs to cover deployment of new transmission infrastructure to serve data centers.<sup>2,3,4</sup>

To help lower the ratepayer impact of data centers in Maryland, a solution is to first create a process for large load customers to interconnect to register their requirements for electricity

usage with the PSC. This will help the state plan for these large increases while understanding the impact of these load growths on ratepayers.<sup>5</sup> The second part of the solution is to incentivize large load customers to reduce their consumption during those few peak hours during the year when excess demand is required.<sup>6,7</sup> This will lower the need for peaker plants, (typically fueled by natural gas oil or coal plants which are often older, less efficient, and emit high levels of pollution. Reducing their power requirement can be done in a variety of ways, however if they decided to retain the same level of electrical usage and just decrease demand from the grid, it has to be done with clean electric technologies that are within the PJM territories.

The bill provides solutions by creating both requirements and incentives for “large load customers” to address their impact on the grid and customer rates, and to provide Maryland regulators more information about and control over new large load customers’ interconnection to the electric system. The bill defines a *large load customer* as a “commercial or industrial customer for retail electric service that: (I) has or is projected to have an aggregate monthly demand of at least 25 megawatts; and (II) has or is projected to have a load factor of more than 80%.” HB0940 requires the Public Service Commission (PSC) to establish a process for large load customers to interconnect to the electric system, contract for service, and receive some prioritization. The bill specifies that in order to interconnect, a large load customer must provide interconnection capacity for 25% of its load through: 1) behind-the-meter energy storage facilities; 2) purchasing capacity with newly interconnected energy storage facilities within the load zone or local delivery area; (3) purchasing capacity with new carbon-free assets in the load zone or local delivery area; or 4) demand response, which will help with peak demand and climate impacts. Implementing these provisions will lessen the impact of data centers on the grid.

For these reasons, we urge this Committee to give HB0940 a FAVORABLE report.

350MoCo

Adat Shalom Climate Action

Cedar Lane Unitarian Universalist Church Environmental Justice Ministry

Chesapeake Earth Holders

Chesapeake Physicians for Social Responsibility

Climate Parents of Prince George's

Climate Reality Project

ClimateXChange

Coming Clean Network, Union of Concerned Scientists

DoTheMostGood Montgomery County

Echotopia

Elders Climate Action

Fix Maryland Rail

Glen Echo Heights Mobilization

Greenbelt Climate Action Network

HoCoClimateAction

IndivisibleHoCoMD

Maryland Legislative Coalition

Maryland Third Act

Mizrahi Family Charitable Fund

Mobilize Frederick

Montgomery County Faith Alliance for Climate Solutions  
Montgomery Countryside Alliance  
Mountain Maryland Movement  
Nuclear Information & Resource Service  
Progressive Maryland  
Safe & Healthy Playing Fields  
Takoma Park Mobilization Environment Committee  
The Climate Mobilization MoCo Chapter  
Unitarian Universalist Legislative Ministry of Maryland

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2. Data centers were 40% of PJM capacity costs in last auction: market monitor, Utility Dive, Jan. 7, 2026, <https://www.utilitydive.com/news/data-centers-pjm-capacity-auction/808951/>
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**Testimony.HB940\_Delegate Lorig Charkoudian.docx.pdf**

Uploaded by: Lorig Charkoudian

Position: FAV



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

HB 940 - LARGE LOAD CUSTOMERS - ELECTRIC SYSTEM INTERCONNECTION AND  
DEMAND RESPONSE PROGRAM

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN  
FEBRUARY 24, 2026

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

Data centers and other large load customers interconnecting across the country have led to an unprecedented increase in actual and projected electricity load. This increased load is leading to an increase in electricity rates and concerns about the reliability of the grid. One of many challenges is the unpredictable nature of the expected load growth. There is reason to believe that some of the projections are significantly greater than actual expected load, due to the speculative nature of interconnection requests and the possibility that some load may be double or triple counted. Because the grid needs to prepare for projected load, there is a danger of overbuilding, leaving other rate-payers with the cost if the large load customers locate elsewhere. At the same time, it is critical that any load that does come on line have sufficient power capacity to operate.

There are a number of proposed solutions to these issues, however, the potential for flexible load and demand response has emerged as a technical solution with significant potential. A study from Duke University<sup>1</sup> finds that even modest load flexibility in all new data centers across the United States could result in avoiding the need for 100GW of new generation. Unfortunately, the PJM capacity market and other energy markets are not designed to take advantage of or encourage this potential flexibility. Until the PJM markets evolve, it will be up to states to establish policies to harness the potential of demand response.

Even with opportunities to take advantage of load flexibility, the grid needs more capacity in order to integrate significantly more energy demand. The grid itself has a lot of potential, with many power plants not running 24/7. However, the addition of large load customers will contribute to peak period usage, when these power plants are already fully operational. Battery storage can be quickly added to the grid to unlock more potential from the existing power plants and to fully harness the potential of current and future renewables.

While battery storage itself can be built relatively quickly, the extended wait to get through the PJM queue remains a barrier for storage or any other generation to be built to match the energy needs of new data centers. Maryland can use the concept of the surplus interconnection service, which allows battery storage or other new generation use of the “extra interconnection space” not currently being used by generators that are already connected to the grid. This is a new option

<sup>1</sup> <https://nicholasinstitute.duke.edu/publications/rethinking-load-growth>

within PJM and unlocks potential that would not otherwise be available.

Finally, while many of the construction jobs associated with data centers are good-paying union jobs, it's critical to ensure that all data center construction jobs pay prevailing wages so that Maryland workers benefit from any data center growth.

This bill will:

- 1) Establish a voluntary demand response program for large load customers to support peak energy use reductions. This demand response program will be managed by the Public Service Commission with the Maryland utilities. The program will be open to all customers greater than 25 MW. Demand response must use battery storage (not to be charged at peak), flexible load, or other non-emitting sources.
- 2) Require MEA to gather information from all Maryland generators to determine which have surplus interconnection potential and the amount of that potential to deploy additional resources at that site without impacting the existing infrastructure. This information will be shared with large load customers who can then use this surplus interconnection to build new battery storage or other zero emission resources to avoid having to go through the PJM queue. This will allow storage to be built quickly to respond to growing load. Projects that participate in surplus interconnection service shall be exempt from new county and PSC CPCN requirements, although they would need to be filed for notice only with PSC.
- 3) Requires all large load customers seeking to interconnect in Maryland to provide capacity for 25% of load with either behind the meter storage, capacity purchase of new grid connection battery storage or new carbon-free asset in the Load Zone/LDA, or demand response.
- 4) Establishes a priority path in utility study, interconnection, and permitting for any large load customer that provides capacity for 100% of load with either behind the meter storage, capacity purchase of new grid connection battery storage or new carbon-free asset in the Load Zone/LDA, or demand response; and pays prevailing wages.
- 5) Establishes a community benefit fee of \$1,000 per MW served in order to be studied and considered for interconnection. This fee ensures that all load studied is credible and likely to come on line. Funds in the community benefit account will be used for energy assistance and energy efficiency upgrades through the low income Empower program.

For more information about surplus interconnection, check out this website:

<https://www.scarcitytosurplus.com/>

I respectfully request a favorable report on HB 940.

# **Favorable for HB940.pages.pdf**

Uploaded by: Lucy McFadden

Position: FAV

To: Honorable Environment and Transportation Committee Members

From: Lucy McFadden, 3367 Upland Ct Adamstown, MD 21710  
February 20, 2026

I am adding my voice in support of HB 940 Large Load Customers - Electric System Interconnection and Demand Response Program

While appreciating the demand for electricity, per the intent of this bill, it is imperative that data centers and those building and operating them provide clean and renewable energy and that the communities benefit from the revenue that flow from the data centers.

Thank you for the opportunity to voice my support of this bill for the sake of the quality of life of all affected by build up of data centers.

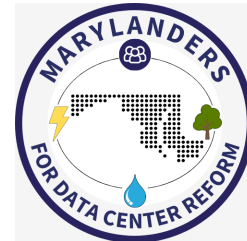
# **HB 940 FAV Testimony .pdf**

Uploaded by: Mariah Davis

Position: FAV

## **HB0940- FAVORABLE**

Mariah Davis  
Nature Forward  
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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 solar<sup>1</sup> and battery storage<sup>2</sup> 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

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<sup>1</sup> <https://www.eia.gov/todayinenergy/detail.php?id=67005>

<sup>2</sup> <https://www.eia.gov/todayinenergy/detail.php?id=63025>

planned and a majority of them are located in underserved and overburdened areas of the state<sup>3</sup>. 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 matter<sup>4</sup>. 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

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

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

# **HB 0940 - Large Load Customers Favorable Testimony**

Uploaded by: Mary Beck

Position: FAV

Mary Beck  
1317 Maple Ave  
Halethorpe, MD 21227  
District 44B

TESTIMONY IN SUPPORT OF HB 0940, Large Load Customers - Electric System  
Interconnection and Demand Response Program

2/24/2026

TO: Members of the House Environment and Transportation Committee

FROM: Mary Beck

Members of the Environment and Transportation Committee, my name is Mary Beck, I live in Halethorpe, Maryland, and I am writing to support HB 0940, to protect average Marylanders from having their utilities interrupted or costs skyrocketing.

Our society is reliant on electricity and the internet, though many companies' usage of AI currently places extreme burdens on our power grids. It is completely unfair to place the energy and energy cost burdens on the shoulders of average Americans who are already struggling to pay their bills. Even data centers outside of our state are having their bills footed by everyday Americans.

Personally, my energy bills are the highest they have ever been, soaring over \$300, \$400, even \$500 in a single month. I do everything I can to keep my personal usage down. Without bills like these holding organizations accountable for their own energy usage and costs, the actions of the people mean almost nothing.

I urge you to support HB 0940 and reduce undue energy burdens on ordinary citizens.

**HB 940 FAV.pdf**

Uploaded by: Maryrose Wilson

Position: FAV

## **HB 940 FAV**

**Committee:** Environment and Transportation

Greetings,

I am submitting this testimony in favor of **HB 940**.

It is urgent that Maryland protect our grid. The supply of electricity is in peril due to the new demands from data centers. This makes it much more expensive for households and businesses.

It makes sense to put some guardrails around how data centers can connect to the grid and incentivize them for bringing their own power. HB940 specifies the following:

- a voluntary demand response program for large load customers to support peak energy use reductions that would be managed by the Public Service Commission. Demand response must use battery storage, flexible load, or other non-emitting sources (not generators).
- the Maryland Energy Administration will gather information from all Maryland generators to determine which have surplus interconnection potential and the amount of that potential to deploy additional resources at that site without impacting the existing infrastructure.
- all large load customers seeking to interconnect in Maryland to provide capacity for 25% of load with either behind the meter storage, capacity purchase of new grid connection battery storage or new carbon-free asset.
- a priority path in utility study, interconnection, and permitting for any large load customer that provides capacity for 100% of load with either behind the meter storage, capacity purchase of new grid connection battery storage or new carbon-free asset, or demand response; and pays prevailing wages.
- a community benefit fee paid by the large load customers of \$100,000 per MW served in order to be studied and considered for interconnection. This fee ensures that all load studied is credible and likely to come on line. Funds in the community benefit account will be used for energy assistance and energy efficiency upgrades through the low income Empower program.

These requirements will make data centers support their usage with clean energy. It will also protect current residents and businesses so that they don't become the losers in the demand for electricity and.

I strongly support this bill and recommend a **FAVORABLE** report in committee.

# **Maryland Catholic Conference\_FAVSB940\_.pdf**

Uploaded by: Michelle Zelaya

Position: FAV



MARYLAND  
CATHOLIC  
CONFERENCE

February 24<sup>th</sup> 2026

SB940

**Large Load Customers - Electric System Interconnection and Demand Response Program  
Environment and Transportation Committee  
Position: Favorable**

The Maryland Catholic Conference offers this testimony in support of **Senate Bill 940**. The Maryland Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

**Senate Bill 940** streamlines the way high-demand facilities connect to the electric system by exempting certain customers from the lengthy certificate of public convenience and necessity process. It also directs the Public Service Commission to establish a clear, structured process to guide how these large load customers safely interconnect and contract for electric service.

**Senate Bill 940** creates a more predictable and efficient system for integrating large-scale energy users while ensuring the stability and reliability of Maryland's electric grid. By establishing consistent requirements and offering appropriate prioritization within the grid, the legislation helps prevent system overload, supports responsible grid planning, and provides greater clarity for businesses looking to invest or expand in Maryland. These improvements are beneficial for communities—ensuring their local infrastructure is not strained; for families—who rely on a dependable and affordable energy system; and for the state—by attracting economic growth, supporting clean-energy capacity, and promoting a resilient and well-managed energy network.

This legislation emphasizes the common good, responsible stewardship of resources, and a preferential option for the vulnerable. A stable and well-regulated energy system ensures that households—especially those most economically fragile—are not disproportionately burdened by grid failures, rising costs, or inadequate infrastructure. By improving reliability and sustainability, Maryland acts as a responsible steward of creation and promotes justice through equitable access to essential services.

For these reasons, the Maryland Catholic Conference urges a favorable report on **Senate Bill 940**.

# Testimony HB 940.pdf

Uploaded by: Mona Guilfoil

Position: FAV

## **Testimony on House Bill – Favorable**

### **HB 940 – Large Load Customers – Electric System Interconnection and Demand Response Program (Data Center Clean Capacity)**

Environment and Transportation Committee

February 20, 2026

Dear Chair Koman, Vice Chair Guyton, and Members of the Committee,

My name is Mona Guilfoil and I am writing in support of HB 940.

I live in rural Carroll county. I am a member of MD Third Act which along with over forty other environmental, advocacy and community organizations forms the Nature Forward Coalition of Marylanders for Data Center Reform( MDCR). My neighbors and community in Carroll County are in the path of the Maryland Piedmont Reliability Project (MPRP). This 67-mile transmission line is being planned to bring power from Pennsylvania through Maryland to hyperscale data centers in Northern Virginia--- Data Center Alley. Maryland farms, businesses, neighborhoods, even land in preservation are being threatened by this project because these large load, hyperscale data centers require so much energy. They are straining the grid and we are expected to pay the price. Clearly, we need responsible, fair, forward-looking planning for data center development. We need HB 940.

This bill would:

- Establish a voluntary [demand response](#) program for data centers
- 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
- Require that data centers pay into a community benefit fund

This bill is a necessary step to ensure that data centers help build up our grid, not just take from it. It will help us prevent ill-conceived, costly, and unfair projects

**HB940\_IndivisibleHoCoMD\_FAV.pdf**

Uploaded by: Naomi Gordon

Position: FAV



## **HB940**

### **Large Load Customers - Electric System Interconnection and Demand Response**

#### **Testimony before Environment and Transportation Committee**

**Hearing Date: 24 Feb 2026**

**Position: Favorable**

Chair Korman, Vice Chair Guyton and members of the committee, my name is Naomi Lilac Gordon and I represent the 1700+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition with 30,000+ members. We are providing written testimony today **in support of HB940**, which would ensure a reduction in harm and impact as data centers are increasingly built in our state. Furthermore, it would ensure that Maryland residents actually retain benefits from these coming tech incursions. I thank Delegate Charkoudian for introducing this bill.

Our federal government and this country's increasingly influential Silicon Valley tech class have hedged their bets on AI and are planning to build data centers all through our great nation. This will be placing unprecedented strain on our energy grid, which is already suffering from increasingly erratic weather patterns. Last summer the winds in Columbia grew so intense that my neighborhood faced a blackout for several hours. I don't think it's a stretch to imagine that as data centers increasingly populate our state, such occurrences will become more frequent.

In light of this, HB940 would create vital harm reduction strategies to help our communities contend with this. The bill contains incentives for data centers to engage in demand response, BTM, and sustainable, carbon-free, energy methods. My personal favorite aspect is that this bill would require that for every megawatt a data center uses, it pays a fee of no less than one thousand dollars. This money would be spent on the Electric Universal Service Program and the Empower Maryland Energy Efficiency Program. Quite a savvy technique, using data center energy usage to fund financial support for low-income Maryland residents with their energy bills, and support a sustainable and reductionist energy initiative in Empower Maryland.

This is a bill that would do a great deal of good in a shaky time where the future of energy remains unclear and at risk. Thank you for your consideration of this important legislation.

**We respectfully urge a favorable report.**

Naomi Lilac Gordon  
Columbia, MD, District 13

# **HB 940 - Large Load - Support-Phil Webster-UULM-MD**

Uploaded by: Phil Webster

Position: FAV



# Unitarian Universalist Legislative Ministry of Maryland

## Testimony in Support of HB 940 Large Load Customers - Electric System Interconnection and Demand Response Program

TO: Chair Korman and Members of the Environment and Transportation Committee  
FROM: Phil Webster, PhD, Lead Advocate for the Climate  
Unitarian Universalist Legislative Ministry of Maryland.  
DATE: February 24, 2026

The Unitarian Universalist Legislative Ministry of Maryland (UULM-MD) strongly supports **HB 940- Large Load Customers - Electric System Interconnection and Demand Response Program**. We are a faith-based advocacy organization based on Unitarian Universalist (UU) Values, including Interdependence (honoring the interdependent web of all existence) and Justice (where all feel welcome and can thrive). Working to mitigate, adapt to, and build resilience for climate change is central to our beliefs. The **Large Load Customers** bill aligns with these values.

Data Centers, and other large load customers, are the leading driver of drastically increasing electricity rates. Electricity costs in some data center-dense areas have surged by over 250% in just five years. In the PJM region—the world’s largest power market—capacity auction prices spiked 800% in 2024, in large part due to data center growth. That year, consumers across seven PJM states paid \$4.3 billion more in electricity costs to cover deployment of new transmission infrastructure to serve data centers. These costs are placing extreme pressure on household budgets, particularly for low and moderate income Marylanders.

Unfortunately, no Maryland agency tracks and manages large load customers as they request power from a utility or start using electricity on our grid. So basically, the Maryland Public Service Commission (PSC) and ratepayers are being blindsided by the data center build out.

To help lower the ratepayer impact of data centers in Maryland, we need a two-pronged solution. First, we need to create a process for large load customers who interconnect to register their requirements for electricity usage with the PSC. This will help the state plan for these large increases while understanding the impact of these load growths on ratepayers.

The second part of the solution is to incentivize large load customers to reduce their consumption during those few peak hours during the year when excess demand is required. This will lower the need for peaker plants, (which are typically fueled by natural gas oil or coal plants, these are often older, less efficient plants that emit high levels of pollution). Reducing their power requirement can be done in a variety of ways, however if they decide to retain the same level of electrical usage and just decrease demand from the grid, it has to be done with clean electric technologies that are located within the PJM territories.

**UULM-MD c/o UU Church of Annapolis 333 Dubois Road Annapolis, MD 21401 410-266-8044,**

[www.uulmmd.org](http://www.uulmmd.org) [info@uulmmd.org](mailto:info@uulmmd.org) [www.facebook.com/uulmmd](https://www.facebook.com/uulmmd) [www.Twitter.com/uulmmd](https://www.Twitter.com/uulmmd)

The bill provides solutions by creating both requirements and incentives for “large load customers” to address their impact on the grid and customer rates AND provide Maryland regulators with more information about—and control over—new large load customers’ interconnection to the electric system.

For these reasons, we urge this Committee to give **HB 940** a **FAVORABLE** report.

*Phil Webster, PhD*

Lead Advocate for the Climate, UULM-MD

**UULM-MD c/o UU Church of Annapolis 333 Dubois Road Annapolis, MD 21401 410-266-8044,**

[www.uulmmd.org](http://www.uulmmd.org) [info@uulmmd.org](mailto:info@uulmmd.org) [www.facebook.com/uulmmd](http://www.facebook.com/uulmmd) [www.Twitter.com/uulmmd](http://www.Twitter.com/uulmmd)

# **HB 940 Maryland LCV FAV - Large Load Customers - E**

Uploaded by: Rebecca Rehr

Position: FAV



**MARYLAND  
LEAGUE OF  
CONSERVATION  
VOTERS**

**Maryland LCV  
Board of Directors**

Patrick Miller  
*Chair*

Honorable Nancy Kopp  
*Treasurer*

Bonnie Norman  
*Secretary*

Kimberly Armstrong  
Caroline Baker  
Joe Gill  
Lynn Heller  
Honorable Steve Lafferty  
Kevin Loeb

Kim Coble  
*Executive Director*

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.

# **HB 940\_Maryland Catholics for Our Common Home\_FAV.**

Uploaded by: Robert Simon

Position: FAV



# Maryland Catholics for Our Common Home

**Responding to the cry of the Earth  
and the cry of the poor.**

Hearing before the House Environment and Transportation Committee  
Maryland General Assembly  
February 24, 2026

**Statement of Support (FAVORABLE)  
of Maryland Catholics for Our Common Home on  
HB 940, Large Load Customers – Electric System Interconnection and Demand Response Program**

Maryland Catholics for Our Common Home (MCCH) is a lay-led organization of Catholics from parishes in the three Catholic dioceses in Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington. It engages in education about, and advocacy based upon, the teachings of the Catholic Church relating to care for creation and respect for all life. MCCH is a grassroots voice for the understanding of Catholic social teaching held by a wide array of Maryland Catholics. In the 2025 Legislative Session, over 700 Maryland Catholics from 45 different Catholic parishes and religious communities across the State joined together through MCCH to support several key environmental bills under consideration by the General Assembly. MCCH is independent, though, and should be distinguished as an organization from the Maryland Catholic Conference, which represents the public policy positions of the bishops who lead these three dioceses.

Because we are attuned both to the cry of a distressed Earth and the cry of the poor who suffer first and foremost from a warming planet, **MCCH would like to express its strong support for the passage of House Bill 940, Large Load Customers – Electric System Interconnection and Demand Response Program.**

As Catholics, we are guided by the teachings of Pope Leo XIV, Pope Francis, and their predecessors, which have given priority to (1) care for Earth's environment, (2) concern for the economic burdens experienced by the poor, and (3) protection for the workers whose labor is essential to building our energy future.

In his 2015 encyclical, entitled *Laudato Si': On Care for Our Common Home*,<sup>1</sup> Pope Francis called for a comprehensive response to the threats from climate change, including especially "an urgent need to develop policies so that, in the next few years, the emission of carbon dioxide and other highly polluting gases can be drastically reduced (by) substituting for fossil fuels and developing sources of renewable energy." (*Laudato Si'*, no. 26) He also identified "promoting ways of conserving energy" as an important line of action, including "encouraging the construction and repair of buildings aimed at reducing their energy consumption and levels of pollution." (*Laudato Si'*, no. 180)

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<sup>1</sup> The English text of the encyclical, to which the paragraph numbers in the parentheses refer, can be found at:  
[https://www.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco\\_20150524\\_enciclica-laudato-si.html](https://www.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco_20150524_enciclica-laudato-si.html).

Both of these aspects of Pope Francis' teaching are relevant to the situation posed by the proliferation of data centers and other facilities with large demands for electricity. Data centers and other large-load customers across the country are creating an unprecedented increase in actual and projected electricity load. This increase has outpaced the development of new electricity supply, leading to (1) increased costs for all consumers of electricity, (2) the postponement of retirement of older, more highly polluting generation facilities, (3) proposals to build fossil-fueled generation that will lock in higher greenhouse gas emissions for the next few decades, and (4) concerns about the reliability of the grid. These four undesirable trends will affect all Marylanders negatively, but especially low- and moderate-income Marylanders, who already cope with high energy bills, and in whose communities many of the most-polluting electric generation facilities are located. A concern for both environmental protection and environmental justice, in line with the social teaching of the Catholic Church,<sup>2</sup> should impel us to find a better path forward than the one on which we are headed.

House Bill 940 provides the elements of this better path. It requires all large-load customers seeking to interconnect in Maryland to provide capacity for 25 percent of load from clean energy sources (i.e., behind-the-meter storage, capacity purchase of new grid connection battery storage or new carbon-free generation in the Load Zone/Locational Delivery Area, or demand response). It provides them with a regulatory incentive to do much more, with expedited regulatory treatment for those large-load customers that provide capacity for 100 percent of their load from these clean energy sources, and also pay prevailing wages. It establishes a voluntary demand response program for large-load customers to support peak energy use reductions, which will relieve upward pressures on prices in the short term, and reduce the need to build new generation for which all electricity customers will have to pay in the long term. It tasks the Maryland Energy Administration with gathering information from all Maryland generators, to determine which generators have surplus interconnection potential that could be used to deploy new battery storage or other zero-emission resources quickly. Finally, it establishes a community benefit fee to ensure that all load studied is credible and likely to come online. This is important because if speculative interconnection requests, based on double- or triple-counting prospective load, lead to an overbuilding of capacity, then Maryland ratepayers will be ones to absorb the excessive costs. Funds in the community benefit account will be directed to energy assistance and energy efficiency upgrades for low- and moderate-income Marylanders through the EMPOWER program.

All of these elements ameliorate the negative impacts of the sudden growth in electricity demand from data centers and other large-load customers. And the provisions that workers in Maryland who labor on projects to build and maintain our energy infrastructure deserve fair wages and benefits is in keeping with Catholic social teaching that:

All people have the right to economic initiative, to productive work, to just wages and benefits, to decent working conditions as well as to organize and join unions or other associations.<sup>3</sup>

For these reasons we strongly urge your support for this bill. Thank you for your consideration of our views and our respectful request for a **favorable** report on House Bill 940.

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<sup>2</sup> As recently as February 17, the United States Conference of Catholic Bishops published "An Invitation to Ecological Conversion for U.S. Catholics," stating that "Even where the challenges loom large, we must continue to advocate for changes to care for the earth and the poor, and to ensure opportunities for workers while we transition to more sustainable approaches." United States Conference of Catholic Bishops, "An Invitation to Ecological Conversion for U.S. Catholics" (2026), available at <https://www.usccb.org/resources/invitation-ecological-conversion-us-catholics>.

<sup>3</sup> United States Conference of Catholic Bishops, "A Catholic Framework for Economic Life" (2015), no. 5, available at <https://www.usccb.org/resources/catholic-framework-economic-life-0>.

# Written Testimony in Favor of HB0940 .pdf

Uploaded by: Susan Barnett

Position: FAV

February 20, 2026

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

To: Environment and Transportation Committee

My name is Susan Barnett. I am submitting testimony as an individual. I am in support of HB0940, sponsored by Delegate Charkoudian.

The bill will:

- Establish a voluntary demand response program
- 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
- Require that data centers pay into a community benefit fund

I am deeply concerned about the many negative impacts of data centers, including impacts to human health, the environment, and personal and regional economies, as well as the immense impacts to our water supply and power /energy supply. These impacts could potentially leave our communities with dire medical issues, destroy aquatic environments, create land grabs, and residents might face insurmountable expenses for power and water.

With major energy sources struggling to keep up with the heightened demand, smaller data centers and other commercial and industrial sources can play a critical role in stabilizing the grid by participating in demand response programs and implementing battery storage solutions.

HB0940 is a necessary step to ensure that data centers help build up our grid, not just take from it.

HB0940 should receive a favorable vote and moved out of committee.

Sincerely,

Susan Barnett

Greenbelt, MD



# **TAMD testimony HB940 Lake.pdf**

Uploaded by: Tim Lake

Position: FAV

I'm writing to support the Data Center Clean Capacity Bill (HB940) which addresses energy affordability and threats to increased clean energy use by:

- **Establishing a voluntary demand response program:** Data centers operators will be able to opt in to a program where they reduce the amount of power they pull from the grid at peak hours through battery storage, shifting workload to other facilities, and carbon-free energy generation.
- **Requiring that new data centers get at least 25% of their energy from carbon-free sources or demand response.** The demand response program is voluntary, as noted above. But this provision requires data centers to source carbon free electricity if they opt out of demand response.
- **Prioritizing data centers that bring their own clean energy:** Data centers that provide 100% of their own energy through carbon-free energy sources, battery storage, and demand response will be fast-tracked for interconnection and permitting.
- **Requiring data centers to pay into a community benefit fund:** Data centers must pay \$1,000 per MW into the EmPOWER program, which assists low-income Marylanders.

I recommend a favorable vote on HB940.

Thank you,

Tim Lake

Rockville, Maryland

# **Written Testimony in Favor of HB0940 – Environment**

Uploaded by: Tom Taylor

Position: FAV

**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,

Tom Taylor  
11 Laurel Hill Road, Unit G  
Greenbelt, MD 20770  
301-513-9524

**HB0940\_fav\_mascioli.pdf**

Uploaded by: William Mascioli

Position: FAV

**HB0940 - SUPPORT**  
William Mascioli  
2021 Luzerne Avenue  
Silver Spring, MD 20910

[B3mascioli@verizon.net](mailto:B3mascioli@verizon.net)  
301.404.7490

## **HB0940– Large Load Customers - Electric System Interconnection and Demand Response Program**

House Environment and Transportation Committee  
February 24, 2026

Dear Chair Korman, Vice Chair Guyton, and Members of the Committee:

My name is William Mascioli. I have lived in Silver Spring, Maryland, for more than 40 years. I am gravely concerned about the ever-looming climate crisis, and with the federal government's complete abdication of anything even close to a responsible energy policy, I am counting on Maryland to legislate thoughtfully and effectively; HB0940 does that.

We live in a data-driven society, so it may be unavoidable that “Large Load Customers” – i.e., data centers, will be an increasing part of our energy architecture. PJM projects 32 GW of load growth between now and 2030, with data centers accounting for about 30 GW—over 90%--of that growth. With the reinstatement of last year's HB0270—the Data Center Impact Analysis and Report—we can at least know the consequences of building data centers and will, I hope, proceed wisely. But in any event, data centers are going to seriously strain our grid and when the grid struggles to meet peak capacity on hot days—or cold ones, as more and more Marylanders convert from gas heat to electric-- blackouts, with dire consequences, will predictably ensue.

HB0940 would provide a solution to this problem by creating a demand response program (the “interconnection program” of the Bill's title) that will use carbon-free sources, industry-grade battery storage, and flexible loads to allow data centers to reduce their loads during peak hours. Further, the Bill requires that new data centers coming to Maryland provide 25% of their capacity load through battery storage, locally generated carbon-free means, or through demand response. The Bill gives new data centers that provide *100%* of their load capacity *and* pay prevailing wage rates permitting priority for load studies, permitting, and interconnection.

These measures will ensure that the burgeoning data-center industry will not just benefit billionaires, it will encourage carbon-free generation, battery storage, and load management instead of having the data centers heedlessly turning to diesel generation, with all its health and pollution issues, to meet peak needs. The Bill will further climate justice by requiring that data center developers contribute to a community benefit fund that assists low-income Marylanders through the Empower program. The larger the data center, the more a developer must contribute, at a rate of \$1,000 per MW.

Data Centers may be our future; with HB0940 we can make this a future we can live with. Accordingly, I urge a favorable report and thank you for your consideration.

**HB0940\_DNR\_SWA\_ENT\_2-24-26.pdf**

Uploaded by: Lydia McPherson

Position: FWA



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

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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**

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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**

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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**

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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.

Contact: Lydia McPherson, Director, Legislative and Constituent Services  
[lydia.mcpherson1@maryland.gov](mailto:lydia.mcpherson1@maryland.gov) ♦ 410-260-8113 (office) ♦ 443-875-7785 (cell)

# **HB0940 - FWA - Large Load Customers - Electric Sys**

Uploaded by: Megan Outten

Position: FWA



# Maryland Energy Administration

**TO:** Chair Korman, Vice Chair Guyton, and Members of the Environment & Transportation Committee

**FROM:** MEA

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

**DATE:** February 24, 2026

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## **MEA Position: FAVORABLE WITH AMENDMENTS**

The Maryland Energy Administration (MEA) respectfully submits this letter in support of House Bill 940 (HB940) with amendments.

HB 940 establishes a framework for large load customers to interconnect to Maryland's electric system and directs the Public Service Commission (PSC) to create a demand response program tailored to these customers. The bill also requires MEA to study surplus interconnection potential across the State. As Maryland experiences significant growth in high-load commercial and industrial development, including large data centers, it is essential that interconnection processes protect grid reliability, ensure ratepayer equity, and align with the State's clean energy goals.

MEA supports the bill's intent to manage large load growth responsibly and to encourage demand flexibility. However, several technical amendments will better align the legislation with existing statute, regional grid conditions, and long-term system reliability:

**Large Load Definition and Interconnection Threshold:** The bill defines a "large load customer" as a commercial or industrial customer with an aggregate monthly demand of at least 25 MW. MEA recommends revising this threshold to 100 MW to align with the existing definition under § 4-212 of the Public Utilities Article and to focus the framework on the largest new loads, such as data centers. Aligning definitions reduces statutory inconsistency and ensures regulatory clarity.

**Surplus Interconnection and CPCN Exemption:** The bill exempts large load customers that purchase surplus interconnection capacity from Certificate of Public Convenience and Necessity (CPCN) requirements. Surplus interconnection service (SIS), as implemented in PJM, is designed to allow additional generation to use unused interconnection capacity at an existing generating facility without increasing total interconnection rights. It is not designed to accommodate incremental load. The SIS process is separate from the full interconnection process and allows resources to come online more quickly than they otherwise would, so long as no new network upgrades are required.

MEA appreciates the intent to encourage efficient use of surplus interconnection, particularly following recent federal reforms. However, exempting large loads that do not bring new incremental generation onto the system risks accelerating interconnection of load without commensurate supply additions, exacerbating PJM’s current supply-demand constraints.

MEA recommends limiting the CPCN exemption to large load customers that bring their own new incremental generation to the system, on an accreditation-adjusted basis, to offset their load additions. This approach ensures that large loads contribute to system adequacy rather than intensify capacity shortfalls.

**Load Offset Requirements:** The bill prohibits large load customers from interconnecting unless they provide interconnection capacity for 25% of their load and provides expedited treatment for customers that offset 100% of their load. If “interconnection capacity” is interpreted to mean generation, the 25% requirement effectively mandates a bring-your-own-generation model. MEA recommends removing the 25% mandatory threshold and instead structuring incentives around new incremental generation that offsets load growth.

In addition, MEA recommends clarifying that offsetting resources may include clean generation located behind the meter, such as advanced nuclear technologies, where appropriate. Expanding the list of qualifying technologies ensures the framework remains technology-neutral and innovation-friendly. The bill also requires clarification of subsection (D)(3), which states that surplus interconnection purchases must offset capacity provided through other listed methods. The intent and interaction between these provisions should be clarified to avoid conflicting compliance obligations.

**Load Study Fees:** The bill establishes a minimum fee of \$1,000 per MW for large load study requests, with revenues directed to the Electric Universal Service Program and DHCD’s limited income EmPOWER program. MEA recommends removing the statutory minimum fee and instead allowing load-serving entities to determine study costs, provided large load customers pay the full cost of the study. This approach ensures that other retail customers do not subsidize study costs while avoiding potential over- or under-pricing of complex load analyses.

**Demand Response Program Design:** MEA supports the development of demand response products tailored to large loads and appreciates the bill’s emphasis on compensation, dispute resolution, and notification clarity. However, Section 7–1008 at (F) raises concerns regarding behind-the-meter (BTM) storage treatment. If BTM storage cannot be reflected in net load during demand response events, customers may lose incentives to invest in storage. MEA recommends clarifying that the prohibition aims to prevent baseline manipulation rather than prohibit legitimate storage discharge from counting toward load reduction. Alternatively, the provision should be reconsidered.

The bill’s reference to charging limitations during “peak demand” periods requires further specificity. Any charging restrictions should be tied to clearly defined system conditions, whether distribution peak, PJM system peak, local reliability events, or emergency declarations, to avoid unintended reliability consequences.

(G) warrants clarification as well. While MEA supports Virtual Power Plant (VPP) participation consistent with FERC Order 2222, the current language could be interpreted to mean a utility-controlled aggregation model that may limit third-party participation. The bill could clarify that aggregation structures must remain technology-neutral and competitive. Additionally, MEA suggests the reference to non-wires alternatives that “feed electricity back to the electric system” specify the technologies such as distributed generation, storage discharge, vehicle-to-grid technologies, or exporting microgrids, if the intent is to address a subset of nonwire solutions. Grid-enhancing technologies increase transmission capacity but do not inject energy.

**Surplus Interconnection Study:** The bill directs MEA to complete a study of surplus interconnection potential by December 31, 2026. Given the October 1, 2026 effective date and the need to obtain potentially business-sensitive information from market participants, MEA respectfully requests extending the reporting deadline to at least July 1, 2027.

MEA also recommends revising the requirement to conduct individualized outreach to data center developers. Instead, MEA should make the summary information publicly available upon request. MEA anticipates requiring consultant support to complete this study, at an estimated cost of \$150,000 annually beginning in fiscal year 2027.

House Bill 940 addresses an important and timely issue: how Maryland integrates very large electric loads without compromising reliability, affordability, or climate commitments. With targeted amendments to align definitions, clarify surplus interconnection treatment, refine demand response design, and adjust study timelines, this legislation can provide a durable framework for responsible large load integration.

For these reasons, MEA respectfully requests a **favorable report with amendments.**

Thank you for your consideration. For additional information, please contact Megan Outten, Policy Manager, at [megan.outten@maryland.gov](mailto:megan.outten@maryland.gov) or 443-842-1780.

**M&A\_Anderson Local 486\_SB596 HB940\_Testimony\_FAV.p**

Uploaded by: Roger Manno

Position: FWA

**PLUMBERS AND STEAMFITTERS**

**UA LOCAL UNION 486**

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Founded 1889

**Pasquale D. Petrovia**

*Business Manager*

**Gary G. Glab**

*Financial Secretary/Treasurer*

**Harry M. Schleicher Jr.**

*Business Agent*

**C. Ryan Ambrose**

*Business Agent*

**Stephen M. Nitsch**

*Business Agent*

**Christopher D. Anderson Jr.**

*Business Agent*

**Todd E. Eckley**

*Recruiter*

**TESTIMONY OF CHRIS ANDERSON, BUSINESS AGENT  
PLUMBERS AND STEAMFITTERS LOCAL 486**

**IN SUPPORT WITH AMENDMENTS**

**HOUSE BILL 940 / SENATE BILL 596 – LARGE LOAD CUSTOMERS – ELECTRIC  
SYSTEM INTERCONNECTION AND DEMAND RESPONSE PROGRAM**

**BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE  
AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE**

Dear Chair Feldman, Chair Korman, and Honorable Members of the Committees:

On behalf of UA Plumbers and Steamfitters Local 486, I respectfully submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

UA Local 486 represents union plumbers and steamfitters who perform complex mechanical and process piping work on large commercial and industrial projects throughout the Baltimore region and across Maryland. Large-load facilities—including data centers, advanced manufacturing sites, and industrial campuses—are critical sources of prevailing-wage construction work for our members and are central to continued economic growth in urban and industrial corridors.

We support responsible grid planning and recognize the State's interest in addressing increasing electric demand. However, as currently drafted, House Bill 940 risks chilling large-load industrial development in Maryland by introducing uncertainty at the earliest stages of project planning and interconnection. Developers evaluating Maryland sites must be able to rely on clear, predictable regulatory frameworks that align with regional market practices; when that certainty is lacking, projects are often delayed or redirected to competing jurisdictions.

When large-scale construction projects do not move forward, union construction jobs do not materialize—and the career pathways created through Maryland's high-caliber, state-registered apprenticeship programs, particularly for locally hired workers, fail to materialize as well.

From Local 486's perspective, the bill's mandatory capacity procurement requirements and undefined clean-energy obligations are especially problematic for industrial and process-driven facilities. These projects frequently rely on phased development, complex sequencing, and significant upfront capital commitments. Requiring customers to resolve energy procurement and compliance obligations as a precondition to interconnection can disrupt financing, delay construction start dates, and undermine project feasibility.

Local 486 is also concerned that the bill creates Maryland-specific demand response requirements that may duplicate or conflict with existing PJM programs already relied upon by large-load customers. Adding overlapping compliance regimes increases cost and operational complexity without necessarily improving grid reliability outcomes.

Accordingly, UA Plumbers and Steamfitters Local 486 urges amendments to House Bill 940 / Senate Bill 596 that:

- Remove mandatory capacity procurement and demand response participation as prerequisites to interconnection;
- Clearly define eligible compliance resources and allow flexibility through established PJM-qualified mechanisms;
- Avoid duplicative regulatory requirements that introduce uncertainty into project financing and construction schedules; and
- Preserve Maryland's competitiveness for large-scale industrial development that supports prevailing-wage construction and long-term workforce training.

With these amendments, the bill can advance grid reliability while continuing to attract the types of large-load projects that sustain union jobs, support apprenticeship programs, and strengthen Maryland's industrial economy.

For these reasons, UA Plumbers and Steamfitters Local 486 respectfully requests a favorable report with amendments.

Sincerely,



Chris Anderson  
Business Agent  
UA Plumbers and Steamfitters Local 486

# **M&A\_Armstrong Ironworkers 5\_HB940 SB596\_Testimony\_**

Uploaded by: Roger Manno

Position: FWA



TESTIMONY OF GARY ARMSTRONG  
BUSINESS MANAGER  
IRONWORKERS LOCAL 5  
ON BEHALF OF IRONWORKERS LOCAL 5  
HOUSE BILL 940 / SENATE BILL 596 – FAVORABLE WITH AMENDMENTS  
BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE  
AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

Dear Chair Feldman, Chair Korman, and Honorable Members of the Committees:

On behalf of Ironworkers Local 5, I respectfully submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

Ironworkers Local 5 represents union ironworkers who perform the structural steel, reinforcing steel, and critical structural systems that form the backbone of large-scale industrial and commercial construction across Maryland. Hyperscale data centers and other large-load industrial campuses represent some of the most significant construction opportunities for our members, often involving multi-building projects constructed on accelerated schedules and at a scale that supports hundreds of union jobs.

We support policies that promote electric grid reliability and responsible long-term planning. However, as currently drafted, House Bill 940 risks deterring large-load industrial development in Maryland by introducing regulatory and financial uncertainty at the earliest stages of project development. Large-load industrial projects are highly mobile, and developers routinely compare Maryland to neighboring states where interconnection processes are predictable and aligned with regional PJM standards. When uncertainty is introduced at the front end, projects are often redirected elsewhere before construction ever begins.

When those projects do not move forward, union construction jobs do not materialize—and the career pathways created through Maryland’s high-caliber, state-registered apprenticeship programs, particularly for locally hired workers, fail to materialize as well.

From the perspective of Ironworkers Local 5, early-stage delays have outsized impacts. Structural steel and reinforcing work occur at the front end of construction and establish the pace and sequencing for all subsequent trades. Mandatory capacity procurement requirements, undefined “carbon-free” procurement obligations, and new state-specific



demand response mandates can delay financing and site readiness, preventing projects from advancing to the construction phase where ironworkers are engaged.

The bill also risks placing Maryland at a competitive disadvantage by layering state-specific obligations on large-load customers that are not required under PJM or in nearby jurisdictions. While we recognize the State's interest in ensuring grid reliability, those objectives can be achieved without imposing prescriptive requirements that undermine project feasibility and investment decisions.

Accordingly, Ironworkers Local 5 urges amendments to House Bill 940 / Senate Bill 596 that:

- Eliminate mandatory capacity procurement and demand response participation as prerequisites to interconnection.
- Align compliance pathways with existing PJM reliability and market structures.
- Provide clear and predictable standards that allow projects to secure financing and proceed to construction; and
- Avoid regulatory frameworks that discourage large-scale industrial development in Maryland.

With these amendments, the bill can strike the appropriate balance between grid reliability and economic competitiveness, ensuring Maryland continues to attract large-load projects that support prevailing-wage construction jobs and robust apprenticeship pipelines for Maryland workers.

For these reasons, Ironworkers Local 5 respectfully requests a favorable report with amendments.

Sincerely,

Gary R. Armstrong  
Business Manager / FST  
Ironworkers Local 5

**M&A\_Ascher MAPTA\_SB596 HB940\_Testimony\_FWA.pdf**

Uploaded by: Roger Manno

Position: FWA



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[www.midatlanticpipetrades.org](http://www.midatlanticpipetrades.org)**

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## Budget and Tax

**To:** Senator Guy Guzonne, Chair; Senator Jim Rosapepe, Vice Chair; Members of the Committee  
**From:** Jason Ascher, Political Director, Mid-Atlantic Pipe Trades Association

### **SB 673 – STATE PROCUREMENT – APPRENTICESHIP PROGRAM ACCOUNTABILITY AND COMPLETION**

On behalf of the Mid-Atlantic Pipe Trades Association and our five United Association of Plumbers and Steamfitters Locals, which represent over 10,500 Plumbers, Steamfitters, Welders, HVAC Techs, and Sprinkler Fitters across Maryland. I ask you to **SUPPORT SB 673**.

The Mid-Atlantic Pipe Trades have a long-standing commitment to apprenticeship training as the foundation of workforce development in the construction industry. Our registered apprenticeship programs are jointly administered, highly regulated, and designed to produce safe, productive, journey-level workers capable of meeting the demands of complex public projects.

Current State procurement law appropriately requires bidders and contractors either to participate in a certified apprenticeship training program or to make payments into the State Apprenticeship Training Fund. Senate Bill 673 builds on that existing framework by adding an important accountability measure: ensuring that apprenticeship programs utilized in State procurements are not only registered, but effective.

By requiring registered apprenticeship programs to demonstrate a minimum 25 percent completion rate, this legislation reinforces the principle that public dollars should support training programs that successfully graduate apprentices into the skilled workforce. This provision does not mandate the creation of new programs, nor does it eliminate existing compliance options. Instead, it establishes a reasonable performance standard that aligns State procurement with real workforce outcomes.

From the perspective of the pipe trades, apprenticeship completion is essential. Programs that consistently fail to graduate apprentices undermine workforce planning, jobsite safety, and the long-term availability of skilled labor. By contrast, programs with demonstrated completion outcomes strengthen the construction workforce and ensure that State procurement investments yield lasting public value.

**Senate Bill 673** promotes fairness by applying this accountability standard uniformly across covered procurements, while preserving flexibility for contractors through existing statutory pathways. In doing so, it strengthens the integrity of State procurement without disrupting established labor-management training systems that are already delivering results.

For these reasons, the Mid-Atlantic Pipe Trades Association (MAPTA) respectfully urges a favorable report on **Senate Bill 673**.

Sincerely,

Jason Ascher  
Political Director  
Mid-Atlantic Pipe Trades Association

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Plumbers and Gasfitters Local 5 – Lanham, MD  
Plumbers and Steamfitters Local 10 – Richmond, VA/Roanoke, VA  
Plumbers and Pipefitters Local 110 – Norfolk, VA  
Plumbers and Pipefitters Local 74 – Newark, DE

Plumbers and Steamfitters Local 486 – Baltimore, MD  
Steamfitters Local 602 – Capitol Heights, MD  
Road Sprinkler Fitters Local 669 – Columbia, MD

**M&A\_Bello MCAMW\_SB596 HB940\_Testimony\_FWA.pdf**

Uploaded by: Roger Manno

Position: FWA



TESTIMONY OF THOMAS BELLO, EXECUTIVE VICE PRESIDENT  
MECHANICAL CONTRACTORS ASSOCIATION OF METROPOLITAN WASHINGTON

ON BEHALF OF THE MECHANICAL CONTRACTORS ASSOCIATION OF METROPOLITAN WASHINGTON

HOUSE BILL 940 / SENATE BILL 596 – **FAVORABLE WITH AMENDMENTS**

BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE  
AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

Dear Chair Feldman, Chair Korman, and Honorable Members of the Committees:

On behalf of the Mechanical Contractors Association of Metropolitan Washington (MCAMW), I respectfully submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

MCAMW represents approximately 200 union mechanical contractors employing roughly 10,000 skilled workers and more than 1,500 apprentices across the region. Our member companies perform complex mechanical, piping, HVAC, and process work on large commercial and industrial projects, including hyperscale data centers and other large-load facilities that are among the most significant drivers of construction activity and private investment in Maryland.

We support responsible electric system planning and the State's interest in ensuring grid reliability as large-load demand grows. However, from the perspective of contractors who must bid, bond, finance, and deliver these projects, House Bill 940, as currently drafted, introduces material uncertainty that risks chilling large-load industrial development in Maryland.

Large-scale industrial projects require predictable regulatory frameworks in order to secure financing, establish construction schedules, and assemble a qualified contractor workforce. Mandatory capacity procurement requirements, undefined clean-energy compliance obligations, and state-specific demand response mandates create uncertainty that directly affects project underwriting and the ability of contractors to responsibly price work, obtain bonding, and commit labor and capital.

When large-scale construction projects do not advance to execution, union construction jobs do not materialize—and the career pathways created through Maryland's high-caliber, state-registered apprenticeship programs, particularly for locally hired workers, fail to materialize as well.

MCAMW is particularly concerned that the bill front-loads costs and compliance obligations at the earliest stages of project development, before interconnection outcomes and timelines are known. For contractors, delays or uncertainty at this stage can result in cancelled procurements, deferred bid packages, or projects being redirected to neighboring states with more predictable interconnection and regulatory processes.



The association is also concerned that the bill may unintentionally place Maryland at a competitive disadvantage by imposing requirements on large-load customers that go beyond established PJM market structures and regional utility planning practices. Grid reliability objectives can be achieved without creating bespoke regulatory frameworks that complicate project delivery and increase risk for owners and contractors alike.

Accordingly, MCAMW urges the General Assembly to amend House Bill 940 / Senate Bill 596 to:

- Remove mandatory capacity procurement and demand response participation as conditions precedent to interconnection;
- Clearly define eligible compliance resources and allow flexibility through PJM-qualified mechanisms;
- Avoid duplicative or conflicting regulatory requirements that undermine financing and construction certainty; and
- Preserve predictable timelines that allow contractors to bid, bond, and staff projects responsibly.

With these amendments, House Bill 940 / Senate Bill 596 can support grid reliability while maintaining Maryland's competitiveness for large-load industrial projects that sustain union contractors, create thousands of skilled construction jobs, and support long-term apprenticeship training pipelines.

For these reasons, the Mechanical Contractors Association of Metropolitan Washington respectfully requests a favorable report with amendments.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Bello", is positioned above the typed name.

Thomas L. Bello  
Executive Vice President  
Mechanical Contractors Association of Metropolitan Washington

**M&A\_Cooper Local 669\_SB596 HB 940\_Testimony\_FWA.pdf**

Uploaded by: Roger Manno

Position: FWA



Robert J. Cooper, Jr.  
Business Manager

Kristopher D. Winget  
Financial Secretary-Treasurer

Carl J. Westby  
President-Organizer

TESTIMONY OF ROBERT COOPER, BUSINESS MANAGER  
UA SPRINKLER FITTERS LOCAL 669

ON BEHALF OF UA SPRINKLER FITTERS LOCAL 669

HOUSE BILL 940 / SENATE BILL 596 – FAVORABLE WITH AMENDMENTS

BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE  
AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

Dear Chair Feldman, Chair Korman, and Honorable Members of the Committees:

On behalf of UA Sprinkler Fitters Local 669, I respectfully submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

UA Sprinkler Fitters Local 669 is a national local representing approximately 16,000 highly trained sprinkler fitters nationwide, including members who live and work throughout Maryland and the broader Mid-Atlantic region. Our members install and maintain fire protection and life-safety systems in large commercial and industrial facilities, including hyperscale data centers and other large-load campuses where reliability, redundancy, and safety are mission-critical. These projects are an essential source of sustained, prevailing-wage work for our members and require predictable construction sequencing and regulatory certainty.

We support responsible electric system planning and policies that protect grid reliability. However, as drafted, House Bill 940 risks chilling large-load industrial development in Maryland, particularly data centers that are actively comparing Maryland to competing jurisdictions. Mandatory, front-loaded requirements tied to interconnection, undefined clean-energy procurement obligations, and duplicative demand-response structures introduce uncertainty at the earliest stages of project planning—uncertainty that can delay, downsize, or deter projects before construction begins.

When large-scale construction projects do not move forward, union construction jobs do not materialize—and the career pathways created through Maryland’s high-caliber, state-registered apprenticeship programs, particularly for locally hired workers, fail to materialize as well.

**Road Sprinkler Fitters Local Union No. 669**

7050 Oakland Mills Road • Suite 200 • Columbia, Maryland 21046  
(410) 381-4300 • fax: (301) 621-8045 • [www.sprinklerfitters669.org](http://www.sprinklerfitters669.org)



From the perspective of the fire protection and life-safety trades, early-stage delays have disproportionate impacts. Sprinkler systems are installed later in the construction sequence, after significant capital has already been committed. When projects stall or fail to advance past interconnection or financing hurdles, specialized trades like ours lose work opportunities despite strong demand and workforce readiness.

Local 669 is also concerned that the bill establishes Maryland-specific requirements that may duplicate or conflict with existing PJM and utility reliability programs already used by large-load customers. Grid reliability goals can be achieved through alignment with established regional frameworks without imposing prescriptive mandates that undermine project feasibility.

Accordingly, UA Sprinkler Fitters Local 669 urges the General Assembly to amend House Bill 940 / Senate Bill 596 to:

Remove mandatory capacity procurement and demand-response participation as preconditions to interconnection;

Clearly define eligible compliance resources and allow flexibility through PJM-qualified mechanisms;

Avoid duplicative regulatory structures that create uncertainty in project timelines; and

Preserve Maryland's competitiveness for large-scale industrial projects that support prevailing-wage construction and life-safety work.

With these amendments, the bill can advance grid reliability while continuing to attract the large-load projects that sustain union jobs, support apprenticeship training, and ensure safe, resilient facilities for Maryland communities.

For these reasons, UA Sprinkler Fitters Local 669 respectfully requests a favorable report with amendments.

Sincerely,

Robert Cooper

Business Manager

UA Sprinkler Fitters Local 669

**M&A\_Smalls Local 5\_HB940 SB596\_Testimony\_FWA.pdf**

Uploaded by: Roger Manno

Position: FWA



# PLUMBERS LOCAL UNION NO. 5

UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA, AFL-CIO

4755 Walden Ln. Lanham, MD 20706 • 301-899-7861 (T) • 301-899-7868 (F)



TESTIMONY OF TERRIEA "T" SMALLS, BUSINESS MANAGER  
PLUMBERS LOCAL 5  
IN SUPPORT WITH AMENDMENTS

HOUSE BILL 940 / SENATE BILL 596 – LARGE LOAD CUSTOMERS – ELECTRIC SYSTEM  
INTERCONNECTION AND DEMAND RESPONSE PROGRAM

BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE  
AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

Dear Chair Feldman, Chair Korman, and Honorable Members of the Committees:

On behalf of Plumbers Local 5, I respectfully submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

Plumbers Local 5 represents union plumbers who perform critical mechanical and piping work on large commercial and industrial projects across Maryland. Hyperscale data centers and other large-load industrial facilities are among the most significant sources of prevailing-wage construction work for our members and a growing driver of long-term economic development in the State.

We support thoughtful electric grid planning and policies that ensure reliability, affordability, and responsible growth. However, as currently drafted, House Bill 940 risks chilling large-load industrial development in Maryland, particularly data centers that are actively comparing Maryland to competing jurisdictions. Mandatory preconditions to interconnection, project-specific capacity procurement requirements, and duplicative demand response obligations introduce cost, timing, and regulatory uncertainty that can undermine project financing and delay or deter construction altogether.

When large-scale construction projects do not move forward, union construction jobs do not materialize—and the career pathways created through Maryland's high-caliber, state-registered apprenticeship programs, particularly for locally hired workers, fail to materialize as well.

Specifically, Plumbers Local 5 is concerned that the bill:

Page 1 of 2

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**Terriea "T" L. Smalls**  
Business Mgr. / Financial Sec-Treas.

**Michael S. Canales, Jr.**  
Asst. Business Manager

**Anthony A. Solis**  
Business Rep. and Organizer

**Julius Wright**  
Business Rep. and Organizer

- Requires large-load customers to procure or self-supply a fixed percentage of capacity as a condition of interconnection, rather than relying on established PJM and Public Service Commission reliability frameworks;
- Imposes undefined and geographically constrained “carbon-free” procurement requirements that limit feasible compliance options and introduce unnecessary project risk;
- Creates a Maryland-specific demand response program that may duplicate or conflict with existing PJM participation; and
- Front-loads study fees and compliance obligations at the earliest stages of project development, before interconnection certainty exists.

These provisions, taken together, place Maryland at a competitive disadvantage for large-load industrial investment and risk discouraging precisely the types of projects that support union labor, apprenticeship training, and long-term workforce development.

Plumbers Local 5 therefore urges the General Assembly to amend House Bill 940 / Senate Bill 596 to:

- Make capacity procurement and demand response participation voluntary or incentive-based rather than mandatory preconditions to interconnection;
- Clearly define eligible resources and allow compliance through regional PJM-qualified assets;
- Avoid duplicative regulatory structures that conflict with existing grid reliability programs; and
- Preserve predictable timelines and financing certainty for large-scale construction projects.

With these amendments, House Bill 940 / Senate Bill 596 can advance grid reliability while maintaining Maryland’s competitiveness for large-load development that delivers prevailing-wage construction jobs and meaningful apprenticeship opportunities for Maryland workers.

For these reasons, Plumbers Local 5 respectfully requests a favorable report with amendments.

Sincerely,

Terriea “T” Smalls  
Business Manager / FST  
Plumbers Local 5

**2026-2-20\_DCC Comments\_MD HB 940 \_Unfavorable.pdf**

Uploaded by: Khara Boender

Position: UNF

February 20, 2026



Maryland General Assembly  
Attn: Trish Gagnon, Assistant to Chair Korman  
House Environment and Transportation Committee  
250 Taylor House Office Building  
Annapolis, MD 21401

**RE: HB 940 (Charkoudian) – “Large Load Customers - Electric System Interconnection and Demand Response Program” (Unfavorable)**

Dear Chair Korman and Members of the House Environment and Transportation Committee:

On behalf of the Data Center Coalition (DCC), I am writing to express concerns surrounding HB 940, as currently drafted. DCC is the national membership association for the data center industry, and our membership is comprised of leading data center owners and operators, as well as companies that lease large amounts of data center capacity.<sup>1</sup> Data centers provide the digital infrastructure that keeps us connected in our daily lives and supports many sectors of the 21<sup>st</sup> century innovation economy, including financial services, advanced manufacturing, cybersecurity, healthcare, artificial intelligence, and other key industries.

HB 940 outlines a series of requirements that “large load customers” can meet in exchange for a streamlined grid connection process. The bill also mandates that the Public Service Commission (PSC) develop a demand response program for large load customers. DCC shares the sponsor’s goal of ensuring a stable and equitable electric grid and appreciates that the bill includes a requirement for the PSC to provide a clear compensation structure and financial incentives for demand response program participation. However, HB 940 introduces mandatory operational constraints that will inadvertently stifle Maryland’s growing digital economy and undermine the very progress the state has made to become a competitive hub for data center investment.

A mandatory program raises concerns about operational compatibility. Data centers are designed for 99.999% uptime to support essential services throughout the economy. Mandating participation in load management effectively forces these facilities to operate backup generation or risk catastrophic service interruptions for the hospitals, government agencies, and financial institutions they host. Additional restrictions surrounding the type of backup generation authorized for use further complicate the ability for a data center to comply with a mandatory demand response program.

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<sup>1</sup> Public testimony and written comments submitted by DCC do not necessarily reflect the views of each individual DCC member. A list of current DCC members is accessible at <https://www.datacentercoalition.org/members>.

DCC is committed to continuing to work with Delegate Charkoudian's office on a voluntary demand response approach that recognizes the technical limitations of data centers and the many and varied products and services housed in these critical infrastructure facilities. Unfortunately, we cannot support the bill as currently drafted.

In recent years, Maryland has advanced legislation seeking to establish a competitive market that offers regulatory certainty and predictability essential for securing the long-term capital investment and high-tech employment associated with data center growth in the state. And last year, the General Assembly enacted "The Next Generation Energy Act," which includes several provisions targeted at regulating data center growth in the state. These include prohibiting shifting costs attributable to data center load growth to other ratepayers, while simultaneously championing the state's climate goals through incentives for zero-emission energy and advanced battery storage. The General Assembly also overrode Governor Wes Moore's veto of SB 116 (2025), which requires a comprehensive, multi-agency study of the data center industry's impact on the state, including evaluations of environmental, energy, economic, and fiscal impacts. With the final findings due by September 1, 2026, any further legislation prior to this date would be premature, as this study is specifically intended to serve as the analytical bedrock for Maryland's future energy and economic strategy.

We appreciate the Committee's consideration of these comments and stand ready to serve as a resource as the General Assembly considers legislation impacting the data center industry.

Respectfully,

Khara Boender  
Director, State Policy  
Data Center Coalition  
[khara@datacentercoalition.org](mailto:khara@datacentercoalition.org)

**FirstEnergy UNFAV ENT - HB940.pdf**

Uploaded by: Timothy Troxell

Position: UNF

**OPPOSE – House Bill 0940**

**HB0940 – Large Load Customers - Electric System Interconnection and Demand Response Program**

**Environment and Transportation Committee**

**Tuesday, February 24, 2026**

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 293,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Maryland, Ohio, Pennsylvania, New Jersey, New York, and West Virginia.

**Unfavorable**

**Potomac Edison / FirstEnergy respectfully requests an Unfavorable report on HB-940 - Large Load Customers - Electric System Interconnection and Demand Response.** As currently drafted, the bill imposes requirements that are technically infeasible, operationally inconsistent with industry standards, and financially risky for Maryland ratepayers.

HB-940 requires accelerated interconnection timelines, large-load self-supply requirements, and expanded non-wires alternatives that do not reflect practical grid engineering constraints, particularly for high-density large power users such as data centers. In many cases, the technologies identified in the bill - battery storage, distributed generation, and site-level demand response - cannot replace the major distribution or transmission upgrades required to serve rapidly growing loads.

This legislation also creates substantial new utility obligations without a clear cost-recovery framework. The bill imposes extensive administrative, engineering, metering, and program-management responsibilities on utilities - yet does not provide a comprehensive or explicit mechanism for recovering these new costs. New requirements for accelerated studies, demand-response program administration, measurement and verification, and customer support could create significant costs. Without statutory cost recovery, these mandates risk increasing utilities borrowing costs, which can affect future infrastructure investments, and shifting substantial costs onto existing Maryland customers.

HB-940's proposed demand-response requirements create additional challenges and may conflict with PJM market rules, FERC Order 2222 implementation, and ongoing distributed energy resource aggregation frameworks. Misaligned and uncoordinated state and regional demand response programs for large load customers could reduce grid reliability, introduce duplicative or conflicting curtailment signals, create opportunities for double compensation, and complicate load forecasting and emergency operations. Any new demand response program must integrate cleanly with PJM's established market structures to avoid these reliability and operational risks.

Several key definitions—including “large load customer,” the 80% load-factor requirement, and “surplus interconnection capacity” are imprecise and not technically grounded. As written, these definitions could potentially capture a broader set of customers than intended, introduce uncertainty into project planning and interconnection sequencing, and ultimately discourage data-center and industrial development in Maryland by creating unpredictable requirements.

Finally, the accelerated timelines in HB-940 are incompatible with real-world utility operations. The bill shortens timelines for system studies, billing, crediting, and interconnection processing in ways that conflict with utility operational requirements, PJM sequencing, and national supply-chain constraints. Complex projects involving hybrid solar-storage systems or on-site generators require more detailed engineering analysis, not expedited timelines. In practice, onsite generation or storage increases study complexity - lengthening, not shortening, engineering review timelines. In addition, these types of projects still rely on the grid for emergency support, reliability, and coordination, and therefore require thorough system studies. We are concerned the bills proposed time requirements would undermine reliability and increase the risk of errors in planning and interconnection.

Potomac Edison / FirstEnergy supports Maryland’s clean-energy, electrification, and economic-development goals and are committed to collaborating with policymakers to enable large-load customer growth while maintaining affordability and reliability. However, HB-940 as drafted, presents significant operational, technical, and cost-recovery challenges that make compliance difficult and, in some cases, unattainable - ultimately increasing risk and costs for all Maryland ratepayers.

**For these reasons, Potomac Edison / FirstEnergy respectfully requests an Unfavorable report on HB-940.**

**P3 Testimony MD HB 940.pdf**

Uploaded by: Barry Glassman

Position: INFO

**Testimony of the PJM Power Providers Group  
Before the House Environment and Transportation Committee  
Maryland House Bill 940 - Letter of Information**

The PJM Power Providers Group (P3) appreciates the opportunity to provide testimony on House Bill 940. P3 represents companies that own, operate, and invest in electric generation resources within the PJM Interconnection region, including facilities that serve Maryland customers.<sup>1</sup> Our members are committed to maintaining electric reliability, supporting competitive markets, and enabling the responsible integration of new and emerging sources of electricity demand.

P3 believes that House Bill 940 raises important and timely issues regarding the rapid growth of large data center loads and their implications for electric system planning, cost allocation, and reliability. The scale and pace of anticipated data center development present legitimate policy questions for Maryland and for the broader PJM region. For that reason, the subject matter of the bill is worthy of continued discussion and legislative attention.

However, P3 respectfully submits that the legislation is premature at this time due to the extensive and ongoing work currently underway within PJM and among state and federal stakeholders to address precisely the challenges identified in the bill. Maryland would be well served by allowing some of these discussions to yield a clearer policy framework before committing the state to a specific structure.

**Ongoing PJM Activities Addressing Large Load Integration**

PJM Interconnection, the regional transmission organization responsible for grid reliability and wholesale market administration across 13 states and the District of Columbia, is actively engaged in multiple initiatives focused on integrating large, concentrated electric loads such as hyperscale data centers. These initiatives include:

- Evaluation of interconnection procedures for large load customers and co-located generation resources - including the acceleration of interconnection facilities that meet certain requirements (some of which could be defined by states);
- Development of enhanced transmission planning methodologies to account for high-density load growth and changing load profiles;

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<sup>1</sup> The views expressed in this testimony represent the views of P3 as an organization and not necessarily the views of any P3 members. For more information on P3: [www.p3powergroup.com](http://www.p3powergroup.com). A list of the assets P3 members own in Maryland is attached.

- Discussion of cost allocation frameworks to ensure that infrastructure upgrades and generation facilities required to serve new loads are assigned in a manner consistent with cost-causation principles – which will likely include significant input from states;
- The filing of a capacity market collar that could cap capacity market prices at their current level until May 31, 2030; and
- Evaluation and modification of load forecast methodologies to better predict future demand.

These efforts are occurring through PJM’s formal stakeholder process and are subject to Federal Energy Regulatory Commission oversight. Importantly, many of these initiatives are expected to produce concrete proposals, tariff revisions, and planning reforms within the near term.

Because Maryland is part of an integrated regional grid, state policy decisions affecting large load integration are most effective when aligned with regional market rules and transmission planning processes. Acting before these PJM processes mature risks creating misalignment between state requirements and regional operational frameworks, potentially leading to inefficiencies, duplicative regulation, or unintended cost or reliability consequences. Allowing these processes to conclude will provide policymakers with better data, tested policy options, and a clearer understanding of cost and reliability impacts. Moreover, Maryland legislators can evaluate real-world proposals rather than hypothetical scenarios, enabling more targeted and durable policymaking.

### **Recommendation**

For these reasons, P3 respectfully recommends that the Committee view House Bill 940 as an important starting point for policy discussions rather than legislation ready for enactment during the current session. Continued monitoring of PJM’s ongoing work, combined with stakeholder engagement over the coming year, will better position the General Assembly to consider comprehensive and well-informed legislation.

Accordingly, P3 suggests that the issues raised in House Bill 940 would be more appropriately considered during the next legislative session, when the results of PJM’s current initiatives and related regulatory proceedings can be fully evaluated.

P3 appreciates the Committee’s leadership in examining the implications of large data center growth and stands ready to work collaboratively with committee members as these discussions continue.

## **P3 Member Maryland Assets**

### **AlphaGen**

- Keys Energy Center in Brandywine, MD, Prince George's County, Natural Gas, 766 MW

### **Cogentrix**

- Rock Springs, Rising Sun, Cecil County, Maryland, 744 MW, Natural Gas

### **Constellation**

- Calvert Cliffs Clean Energy Station, Lusby, MD, Nuclear, 1,790 MW
- Conowingo Hydroelectric Generation Station, Darlington, MD, Hydro, 572 MW
- Criterion Wind Project, Oakland MD, Wind, 70 MW
- Fair Wind Project, Oakland MD, Garrett County, Wind, 30 MW
- Fourmile Wind Project, Frostburg MD, Garrett County, Wind, 40 MW
- Perryman Generation Station, Aberdeen MD, Natural Gas and Oil, 404 MW
- Philadelphia Road Generating Station, Baltimore MD, Oil, 61 MW

### **CPV**

- CPV St. Charles Energy Center, Charles County, MD, Natural Gas, 745 MW
- CPV Backbone Solar – Garrett County, MD, Solar, 160 MW

### **Rockland Capital**

- Dickerson Power, Dickerson, Montgomery County, Dual fuel units (natural gas and fuel oil), 294 MW
- Chalk Point Power Aquasco, Prince George's County, Natural gas-only units and dual fuel units (natural gas and fuel oil), 1,612 MW

### **Talen Energy**

- Brandon Shores Power Plant - 1,289 MW (coal)\*
- H.A. Wagner Generating Station - 702 MW (oil)\*

\* Scheduled to retire in 2029

# **HB 940 Information PSC.pdf**

Uploaded by: Barve Barve

Position: INFO

KUMAR P. BARVE  
CHAIR

FREDERICK H. HOOVER, JR.  
BONNIE A. SUCHMAN  
ODOGWU OBI LINTON  
RYAN C. MCLEAN



## PUBLIC SERVICE COMMISSION

Chair Marc Korman  
Environment and Transportation Committee  
250 Taylor House Office Building  
Annapolis, MD 21401

### **RE: HB 940 - Information - Large Load Customers Electric System Interconnection and Demand Response Program Act of 2026**

Dear Chair Korman and Committee Members:

The Public Service Commission (the “Commission”) appreciates the opportunity to provide this informational testimony for HB 940. This bill defines which electric customers are considered large load customers based upon their aggregate monthly demand and specifies terms and conditions for large load customers to receive service and obtain capacity for their loads. The bill also requires the Commission to establish and administer large load customer interconnection processes, and a large load customer demand response program that provides compensation for curtailment.

The Commission understands the intent of this bill is to minimize potential negative effects on the grid caused by the capacity needs of large-load customers like data centers, and agrees that addressing issues around data center capacity planning is an important part of ensuring that Maryland ratepayers have access to reliable and affordable energy. Operationally, however, there may be elements of this proposed legislation that would impede the Commission’s ability to implement it in a way that effectively addresses the most salient issues associated with data center load.

The Commission would recommend that the Committee incorporate the considerations summarized below in its review of HB 940. Additional information can be provided if requested.

1. Certain terms that are defined or used in the bill are ambiguous or conflict with existing definitions in statute. Aligning the definition of “large load customer” with existing statutory definitions and clarifying “surplus interconnection” and “interconnection capacity” in various provisions of the bill would avoid potential legal challenges, prevent possible circumvention of the intended requirements of this bill, and avoid errors in capacity planning studies that may underestimate the capacity needs of large load customers and thereby cause risks to reliability. The Commission also notes that the term “interconnection” in general typically refers to generation interconnection to the grid, and not load. To prevent confusion, the bill could be amended to reference “large load interconnection” or “large load integration.”

2. The bill introduces CPCN exemptions for large load customers in several instances, including when they interconnect at points in the grid with surplus potential, or when they participate in demand response. Currently, however, CPCN requirements apply to generation and transmission, not load, and the CPCN exemptions for load in this bill would have no effect. The exemption provisions would need to be removed or reworked to prevent superfluity or ambiguity that could lead to legal challenges.
3. To the extent that the Commission-established large load customer interconnection process called for in the bill has not already been implemented in other proceedings, it may be hindered by questions of jurisdictional authority. Interconnection processes for electric distribution customers are fully administered by electric distribution utilities pursuant to Commission-approved regulations, tariffs, and engineering practices. If the large load customers will be interconnecting at transmission voltages, which is likely because of their size, those processes are established and overseen by PJM.
4. The bill's requirement that interconnection must be expedited for large load customers that provide capacity for 100% of their load would present implementation challenges. Project prioritization could conflict with clustered study approaches used by utilities and PJM to model interacting projects and the sequencing needed to identify required upgrades. The Commission would recommend amending the bill to clarify that the Commission's role is to oversee and approve the processes administered by utilities rather than operate an interconnection queue, and to make any timelines contingent upon completion of required utility and PJM studies (as applicable), outage availability, equipment lead times, and construction windows necessary to maintain safe and reliable service.
5. The Commission notes that there are alternatives to HB 940's requirements related to demand response programs that may effectively manage large load demand in a way that is more administratively efficient. For example, establishing large load curtailment requirements through utility tariffs in lieu of a Commission-administered demand response program could achieve load reduction during force majeure events at a lower fiscal and operational cost. Additionally, where the bill directs the Commission to establish regulations governing demand response energy storage facilities for large load customers, clearer definitions of key terms and addressing how such resources interact with existing Commission and FERC regulations would prevent duplication or circumvention of efforts that already exist.

Please contact Niki Wiggins, Director of Legislative Affairs, at [irene.wiggins3@maryland.gov](mailto:irene.wiggins3@maryland.gov) if you have any questions related to this informational testimony.

(signature to follow)  
Sincerely,

A handwritten signature in blue ink, appearing to read 'Kumar', with a stylized flourish extending to the right.

Kumar P. Barve  
Chair, Maryland Public Service Commission

# **BGE\_ENT\_LOI\_House Bill 940 - Large Load Customers**

Uploaded by: Dytonia Reed

Position: INFO



## Position Statement

**Letter of Information**  
Environment & Transportation  
2/24/2026

### **House Bill 940 - Large Load Customers - Electric System Interconnection and Demand Response Program**

Baltimore Gas and Electric Company (BGE) submits this letter of information on ***House Bill 940 - Large Load Customers - Electric System Interconnection and Demand Response Program***. The bill creates a new regulatory framework governing how large load customers, defined as commercial or industrial users with 25 megawatts (MW) or more of monthly demand and load factors above 80%, interconnection to the electric system, including a process for an expedited interconnection for large load customers. *House Bill 940* also requires the Public Service Commission (PSC) to develop a voluntary demand response program for large load customers.

BGE support reasonable and well-designed policies that help Maryland manage the growth of large load customers while maintaining a reliable, affordable energy system and continuing to foster economic development and. We recognize the importance of aligning data center growth with sound energy planning, and we support efforts that improve transparency, ensure grid reliability, and establish appropriate processes for large load customers.

As currently written, *House Bill 940* presents several challenges that we believe must be addressed to ensure the legislation is both workable and aligned with Maryland's broader energy and economic objectives.

#### **Definition of Large Load Customer**

The bill creates a new definition for "large load customer," which is defined as a user with a 25MW or more monthly demand and a load factor above 80%. This threshold is significantly lower than other existing Maryland frameworks, such as the **2025 Next Generation Energy Act**, which is 100 MW at an 80% load factor. Establishing a maximum threshold of 100 MW, more accurately reflects the point at which customer load begins to materially affect system planning, transmission constraints, and resource adequacy. Additionally, a 100 MW definition better aligns with industry practice and acknowledges the scale at which data center growth meaningfully impacts utility operations, while also giving utilities the flexibility to identify customers appropriately based on their system needs. By contrast, a 25 MW threshold is too low and could unnecessarily sweep a broad range of commercial customers into a regulatory structure designed

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

John Haysbert | Brittany Jones | Guy Andes | Dytonia Reed | 410.269.5281



## Position Statement

for only the most energy intense users. A 25 MW threshold is too low and risks pulling a much wider range of commercial customers into an unnecessarily burdensome regulatory structure.

### **New Interconnection Process**

The bill directs the Commission to establish a new interconnection process for large loads, with both standard and expedited timelines. BGE recommends creating a pathway for large loads that cannot meet the 25% requirement, instead of creating a fixed minimum threshold. We support protections ensuring that a new large-load interconnection process does **not** negatively impact the timing or ability of **non-large-load customers** to interconnect. Utilities must retain the authority to set their own study requirements and schedules in order to manage the growing volume and complexity of large-load study requests. These requirements may need to change based on system needs, available resources, and reliability considerations.

Additionally, the requirement that large-load customers provide 25% of interconnection capacity using specific technologies is too narrow. To maintain reliability and affordability, all technologies should be considered rather than limiting options to a prescribed subset. Given the State's resource adequacy and affordability challenges, all technologies should be considered as part of meeting interconnection capacity, not a limited or restrictive subset. Overly narrow requirements risk increasing project costs, limiting technological flexibility, and creating compliance burdens without measurable reliability benefits.

### **PJM Planning and Affordability Implications & Demand Response Integration**

The bill circumvents PJM's established resource adequacy and transmission planning processes by removing the requirement for interconnection studies. Without these studies, Maryland would forgo key opportunities to evaluate affordability, system impacts, and cost-effective solutions through PJM's proven regional planning mechanisms. In addition, any Maryland PSC- or utility-led demand response initiative should be aligned with PJM's interconnection, planning, and market structures to ensure reliability, avoid duplicative efforts, and maximize value for all customers. Maintaining proper cost causation is essential; however, the bill does not clearly define incentive structures, funding mechanisms, or which entities would ultimately bear the costs associated with encouraging large-load participation.

### **Load Study Fee Structure**

Finally, the bill's load-study fee structure must recognize that utilities already conduct these studies and maintain their own deposit and fee requirements. The bill requires large-load customers to request a load study and pay Commission fees of at least \$1,000 per MW. The bill should reflect those existing practices to avoid confusion and ensure cost recovery. Utilities already perform these studies and have established large-load study deposits and fee structures that reflect the complexity and cost of performing technical analyses. We recommend

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## Position Statement

preserving existing requirements to avoid ambiguity and ensure adequate cost recovery for the utilities performing the work.

We respectfully recommend adjustments to the bill to align the large-load definition with regional standards, ensure utilities can manage interconnection studies responsibly, allow flexibility in meeting interconnection capacity, and clarify the role of utility study fees and processes.

We look forward to working with the bill sponsor to refine *House Bill 940* in a way that balances the needs of large-load customers, Maryland communities, and the electric grid.

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**John Haysbert | Brittany Jones | Guy Andes | Dytonia Reed | 410.269.5281**