

# SENATE BILL 992

C5, Q4

6lr2097

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By: **Senators Hester, Feldman, Lewis Young, Sydnor, Love, Hettleman, Ready, and Folden**

Introduced and read first time: February 19, 2026

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Large Load Customers – Registration and Demand Response**  
3 **Program**

4 FOR the purpose of requiring a certain large load customer to register with the Public  
5 Service Commission before interconnecting with the electric system; establishing the  
6 requirements for the registration of a large load customer; requiring that a certain  
7 data center be eligible for and considered a “qualified data center” for a certain tax  
8 exemption under certain circumstances; requiring the Commission to take certain  
9 curtailment actions; requiring the Commission to establish a Demand Response  
10 Program for large load customers; and generally relating to large load customers and  
11 demand response.

12 BY adding to

13 Article – Public Utilities  
14 Section 7–321 and 7–1008  
15 Annotated Code of Maryland  
16 (2025 Replacement Volume and 2025 Supplement)

17 BY repealing and reenacting, without amendments,

18 Article – Tax – General  
19 Section 11–239(a)(1), (2), and (6) and (b)  
20 Annotated Code of Maryland  
21 (2022 Replacement Volume and 2025 Supplement)

22 BY repealing and reenacting, with amendments,

23 Article – Tax – General  
24 Section 11–239(a)(5)  
25 Annotated Code of Maryland  
26 (2022 Replacement Volume and 2025 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
2 That the Laws of Maryland read as follows:

3 **Article – Public Utilities**

4 **7–321.**

5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
6 INDICATED.

7 (2) “DATA CENTER” HAS THE MEANING STATED IN § 11–239 OF THE  
8 TAX – GENERAL ARTICLE.

9 (3) (I) “LARGE LOAD CUSTOMER” MEANS A COMMERCIAL OR  
10 INDUSTRIAL CUSTOMER FOR RETAIL ELECTRIC SERVICE THAT:

11 1. HAS OR IS PROJECTED TO HAVE AN AGGREGATE  
12 MONTHLY DEMAND OF AT LEAST 25 MEGAWATTS; AND

13 2. HAS OR IS PROJECTED TO HAVE A LOAD FACTOR OF  
14 MORE THAN 80%.

15 (II) “LARGE LOAD CUSTOMER” DOES NOT INCLUDE A WATER  
16 COMPANY OR SEWAGE DISPOSAL COMPANY.

17 (4) “ON–SITE BACKUP GENERATING FACILITY” MEANS A  
18 GENERATING FACILITY THAT IS:

19 (I) NOT CONNECTED TO THE ELECTRIC SYSTEM; AND

20 (II) CAPABLE OF SERVING AT LEAST 50% OF THE LOAD  
21 REQUIRED BY A LARGE LOAD CUSTOMER.

22 (B) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AND IN  
23 ADDITION TO THE REQUIREMENTS UNDER § 4–212 OF THIS ARTICLE, A LARGE LOAD  
24 CUSTOMER SHALL REGISTER WITH THE COMMISSION IN ACCORDANCE WITH THIS  
25 SECTION BEFORE THE LARGE LOAD CUSTOMER INTERCONNECTS WITH THE  
26 ELECTRIC SYSTEM.

27 (2) THE COMMISSION MAY CHARGE A REASONABLE FEE FOR THE  
28 REGISTRATION UNDER THIS SECTION.

1           **(C) (1) ON OR BEFORE JANUARY 1, 2027, THE COMMISSION, BY ORDER**  
2 **OR REGULATION, SHALL ESTABLISH A PROCESS TO REGISTER LARGE LOAD**  
3 **CUSTOMERS.**

4           **(2) THE REGISTRATION PROCESS ESTABLISHED BY THE COMMISSION**  
5 **SHALL:**

6                   **(I) APPLY TO NEW OR EXPANDED INTERCONNECTION OF LARGE**  
7 **LOAD CUSTOMERS;**

8                   **(II) REQUIRE A LARGE LOAD CUSTOMER TO DISCLOSE TO THE**  
9 **COMMISSION:**

10                           **1. WHETHER THE CUSTOMER IS PURSUING A**  
11 **SUBSTANTIALLY SIMILAR INTERCONNECTION REQUEST WITH ANOTHER ELECTRIC**  
12 **COMPANY IN THE STATE, OR IN ANOTHER STATE IN THE PJM REGION, AND**  
13 **WHETHER THE APPROVAL OF THE SIMILAR INTERCONNECTION REQUEST WOULD**  
14 **CAUSE THE CUSTOMER TO MATERIALLY CHANGE, DELAY, OR WITHDRAW THE**  
15 **INTERCONNECTION REQUEST;**

16                                   **2. WHETHER THE CUSTOMER INTENDS TO:**

17   **A. ACQUIRE OR BUILD ENERGY GENERATION SOLELY**  
18 **FOR THE CUSTOMER;**

19   **B. USE ENERGY SOLELY FROM THE ELECTRIC**  
20 **DISTRIBUTION SYSTEM; OR**

21   **C. BOTH;**

22                                   **3. INFORMATION ABOUT THE TYPE OF ON-SITE BACKUP**  
23 **GENERATING FACILITY THAT WOULD BE USED IN THE EVENT OF A SYSTEM OUTAGE;**  
24 **AND**

25   **4. INFORMATION ABOUT:**

26   **A. THE AMOUNT OF WATER THAT WOULD BE USED EACH**  
27 **MONTH;**

28   **B. THE SOURCE OF THE WATER THAT WOULD BE USED;**  
29 **AND**

1                   **C. THE STATUS OF APPLICATIONS FOR WATER**  
2 **APPROPRIATION OR USE PERMITS SUBMITTED TO THE MARYLAND DEPARTMENT OF**  
3 **THE ENVIRONMENT OR A WATER UTILITY OWNED BY THE STATE OR A LOCAL**  
4 **GOVERNMENT;**

5                   **(III) INCLUDE A METHOD FOR THE LARGE LOAD CUSTOMER TO**  
6 **DEMONSTRATE SITE CONTROL FOR THE PROPOSED LOCATION OF THE LARGE LOAD**  
7 **CUSTOMER'S PREMISES THROUGH OWNERSHIP, LEASE CONTROL, OR ANOTHER**  
8 **METHOD ESTABLISHED BY THE COMMISSION;**

9                   **(IV) INCLUDE A UNIFORM FINANCIAL COMMITMENT**  
10 **REQUIREMENT FOR THE LARGE LOAD CUSTOMER'S DEVELOPMENT OF**  
11 **TRANSMISSION INFRASTRUCTURE THAT IS NEEDED TO SERVE THE LARGE LOAD**  
12 **CUSTOMER, INCLUDING:**

13                   **1. SECURITY PROVIDED ON A DOLLAR PER MEGAWATT**  
14 **BASIS, AS SET BY THE COMMISSION;**

15                   **2. TRANSMISSION CONSTRUCTION FINANCING;**

16                   **3. SECURITY UNDER AN AGREEMENT REQUIRING A**  
17 **LARGE LOAD CUSTOMER TO PAY FOR EQUIPMENT OR SERVICES IN ADVANCE OF ANY**  
18 **ESTABLISHED ELECTRIC SERVICE; OR**

19                   **4. ANY OTHER FORM OF FINANCIAL COMMITMENT**  
20 **REQUIRED BY THE COMMISSION;**

21                   **(V) ESTABLISH A PROCEDURE TO ALLOW THE COMMISSION TO**  
22 **ACCESS, WHILE MAINTAINING CONFIDENTIALITY, ANY INFORMATION COLLECTED**  
23 **BY THE INTERCONNECTING ELECTRIC COMPANY FOR TRANSMISSION PLANNING**  
24 **ANALYSES; AND**

25                   **(VI) ESTABLISH ANY OTHER STANDARDS THAT THE**  
26 **COMMISSION CONSIDERS NECESSARY.**

27                   **(D) (1) THE COMMISSION SHALL CERTIFY WHETHER A REGISTRATION**  
28 **UNDER THIS SECTION IS COMPLETE WITHIN 30 DAYS AFTER RECEIVING THE**  
29 **INFORMATION REQUIRED UNDER SUBSECTION (C) OF THIS SECTION.**

30                   **(2) IF THE COMMISSION DETERMINES THE REGISTRATION**  
31 **INFORMATION IS INCOMPLETE, THE COMMISSION MAY EXTEND ANY TIME FRAME**  
32 **PROVIDED IN AN ORDER OR REGULATION ESTABLISHING THE REGISTRATION**  
33 **PROCESS UNDER THIS SECTION.**

1 (E) A DATA CENTER THAT IS A LARGE LOAD CUSTOMER SHALL BE  
2 CONSIDERED A QUALIFIED DATA CENTER FOR THE SALES AND USE TAX EXEMPTION  
3 UNDER § 11-239 OF THE TAX – GENERAL ARTICLE IF THE LARGE LOAD CUSTOMER:

4 (1) REGISTERS UNDER THIS SECTION;

5 (2) AGREES TO PARTICIPATE IN THE DEMAND RESPONSE PROGRAM  
6 UNDER § 7-1008 OF THIS TITLE; AND

7 (3) (I) PROVIDES ENOUGH BEHIND-THE-METER ENERGY  
8 GENERATION TO FULLY OPERATE THE DATA CENTER; OR

9 (II) AGREES TO PURCHASE 100% RENEWABLE ENERGY  
10 LOCATED IN THE PJM SERVICE TERRITORY TO FULLY OPERATE THE DATA CENTER.

11 (F) (1) IN ADDITION TO THE REQUIREMENTS UNDER THIS SECTION AND  
12 ANY OTHER AUTHORITY OF THE COMMISSION TO CURTAIL OR RESTRICT LOAD TO A  
13 CUSTOMER, THE COMMISSION SHALL REQUIRE THAT:

14 (I) ANY CURTAILMENT ORDER FROM PJM ASSIGNED TO AN  
15 ELECTRIC COMPANY SERVING ONE OR MORE LARGE LOAD CUSTOMERS BE PASSED  
16 THROUGH TO THE LARGE LOAD CUSTOMERS ONLY AND NOT ASSIGNED OR PASSED  
17 THROUGH TO ANY OTHER CUSTOMER;

18 (II) ANY FINANCIAL OBLIGATION ASSIGNED TO AN ELECTRIC  
19 COMPANY AS A RESULT OF AN ORDER FROM PJM FOR PROCUREMENT OF NEW  
20 ENERGY CAPACITY AS A RESULT OF THE INTERCONNECTION OF A LARGE LOAD  
21 CUSTOMER BE PASSED THROUGH TO THE LARGE LOAD CUSTOMER;

22 (III) ANY LARGE LOAD CUSTOMER WHOSE INTERCONNECTION TO  
23 THE ELECTRIC SYSTEM REQUIRES AN ORDER FROM PJM FOR THE PROCUREMENT  
24 OF NEW ENERGY CAPACITY TO PROVIDE FINANCIAL SECURITY TO THE STATE TO  
25 ENSURE THAT RESIDENTIAL CUSTOMERS ARE HELD HARMLESS FOR COSTS  
26 ASSOCIATED WITH THE NEW ENERGY CAPACITY PROCUREMENT; AND

27 (IV) ANY LARGE LOAD CUSTOMER APPLYING FOR NEW SERVICE  
28 PROVIDE TO PJM:

29 1. EXPECTED LOAD USAGE;

30 2. EXPECTED PEAK LOAD USAGE;

1                   **3. ANY PREEXISTING REQUIREMENTS OR CONTRACTS**  
2 **THAT ARE CONDITIONS PRECEDENT TO COMPLETION OF CONSTRUCTION OR**  
3 **INTERCONNECTION; AND**

4                   **4. ANY OTHER INFORMATION REQUIRED BY THE**  
5 **COMMISSION OR PJM.**

6                   **(2) NOTHING IN PARAGRAPH (1)(I) OF THIS SUBSECTION IS**  
7 **INTENDED TO PROHIBIT:**

8                   **(I) AN ELECTRIC COMPANY FROM TAKING ANY ACTIONS TO**  
9 **MAINTAIN SYSTEM RELIABILITY; OR**

10                   **(II) A LARGE LOAD CUSTOMER FROM PARTICIPATING IN THE**  
11 **DEMAND RESPONSE PROGRAM UNDER § 7-1008 OF THIS TITLE.**

12                   **(G) ON OR BEFORE JANUARY 1, 2028, AND EACH JANUARY 1 THEREAFTER,**  
13 **THE COMMISSION SHALL REPORT TO THE SENATE COMMITTEE ON EDUCATION,**  
14 **ENERGY, AND THE ENVIRONMENT AND THE HOUSE ENVIRONMENT AND**  
15 **TRANSPORTATION COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE**  
16 **GOVERNMENT ARTICLE, ON THE REGISTRATION PROGRAM UNDER THIS SECTION.**

17 **7-1008.**

18                   **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
19 **INDICATED.**

20                   **(2) “LARGE LOAD CUSTOMER” HAS THE MEANING STATED IN § 7-321**  
21 **OF THIS TITLE.**

22                   **(3) “PROGRAM” MEANS THE DEMAND RESPONSE PROGRAM.**

23                   **(B) THE COMMISSION SHALL ESTABLISH A DEMAND RESPONSE PROGRAM**  
24 **FOR LARGE LOAD CUSTOMERS.**

25                   **(C) THE COMMISSION SHALL OFFER EACH LARGE LOAD CUSTOMER THAT**  
26 **PARTICIPATES IN THE PROGRAM THE OPTION OF CONTRACTING FOR:**

27                   **(1) 6 NONCONSECUTIVE 4-HOUR PERIODS OF LOAD MANAGEMENT OR**  
28 **DEMAND-SIDE MANAGEMENT TIME SLOTS PER CALENDAR YEAR; OR**

29                   **(2) 10 NONCONSECUTIVE 10-HOUR PERIODS OF LOAD MANAGEMENT**  
30 **OR DEMAND-SIDE MANAGEMENT TIME SLOTS PER CALENDAR YEAR.**

1           **(D) THE COMMISSION SHALL:**

2                   **(1) DEVELOP A CLEAR COMPENSATION STRUCTURE OR FINANCIAL**  
3 **INCENTIVES FOR PROGRAM PARTICIPATION;**

4                   **(2) ESTABLISH A CLEARLY DEFINED PENALTY SYSTEM FOR**  
5 **NONPERFORMANCE DURING ANY FORCE MAJEURE EVENTS BY A PARTICIPATING**  
6 **LARGE LOAD CUSTOMER;**

7                   **(3) ESTABLISH A DISPUTE RESOLUTION PROCESS; AND**

8                   **(4) ESTABLISH MULTIPLE NOTIFICATION AND COMMUNICATION**  
9 **CHANNELS FOR PARTICIPATING LARGE LOAD CUSTOMERS.**

10           **(E) EACH ELECTRIC COMPANY SHALL PROVIDE PARTICIPATING LARGE**  
11 **LOAD CUSTOMERS:**

12                   **(1) 24 HOURS OF ADVANCE NOTICE OF POTENTIAL DEMAND**  
13 **RESPONSE PERIODS; AND**

14                   **(2) 30 MINUTES OF NOTICE BEFORE EACH DEMAND RESPONSE**  
15 **PERIOD.**

16           **(F) THE COMMISSION SHALL ADOPT REGULATIONS THAT:**

17                   **(1) PROHIBIT BEHIND-THE-METER ENERGY STORAGE FACILITIES**  
18 **FROM BEING INCLUDED IN A PARTICIPATING LARGE LOAD CUSTOMER'S LOAD;**

19                   **(2) DEVELOP GUIDELINES AND LIMITATIONS FOR CHARGING**  
20 **BEHIND-THE-METER ENERGY STORAGE FACILITIES DURING CERTAIN PEAK**  
21 **DEMAND, AS DETERMINED BY THE COMMISSION; AND**

22                   **(3) ESTABLISH A METHOD FOR MEASURING A PARTICIPATING LARGE**  
23 **LOAD CUSTOMER'S DEMAND RESPONSE PERFORMANCE IN ACCORDANCE WITH**  
24 **SUBSECTION (G) OF THIS SECTION.**

25           **(G) IN MEASURING A PARTICIPATING LARGE LOAD CUSTOMER'S DEMAND**  
26 **RESPONSE PERFORMANCE, THE COMMISSION SHALL FACTOR IN:**

27                   **(1) NEW VIRTUAL POWER PLANT AGGREGATION OPTIONS**  
28 **DEVELOPED BY ELECTRIC COMPANIES;**



