



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 2025.¹ 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,² going so far as freezing new applications for studies in 2022, and while PJM indicates they are making

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

² <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.³ 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.⁴ 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.⁵

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

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

⁴ <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>

⁵ <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