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.[1] 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;

[1] 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. 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
- Perrymen 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