



CALVERT COUNTY BOARD OF COUNTY COMMISSIONERS

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Board of Commissioners
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March 27, 2025

VIA ELECTRONIC MAIL

The Honorable Brian J. Feldman, Chair
Education, Energy and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: Electricity & Data Centers

Dear Chairman Feldman and Members of the Education, Energy and the Environment Committee:

We respectfully submit this letter in response to a number of recent proposals to amend certain provisions of HB900 into the Next Generation Energy Act, and other initiatives comprising the energy policy proposals of this Session of the Maryland General Assembly. While we recognize and appreciate the intent to establish a framework for large-scale data centers in Maryland, we believe several provisions may inadvertently impede data center investment in the state and restrict the flexibility that electric utilities and developers require to successfully deliver these projects.

The proposal that the load ramp period not exceed four (4) years does not reflect current market or infrastructure realities. Given the global supply chain challenges and the lengthy lead times for critical equipment such as 230kV switchgear, which can range from four to six years or more, it is unreasonable to expect a data center to reach 90% of its load within four years. This provision may disqualify otherwise viable projects that are constrained solely by utility procurement timelines. We urge the General Assembly to allow Maryland's electric utilities to define reasonable, project-specific load ramp schedules based on infrastructure availability and system capacity.

Additionally, the bill's requirement for a 20-year contract term, plus the load ramp period (effectively 24+ years), is overly long and out of step with the rapid advancements in technology and power delivery models. Such extended fixed contracts would reduce market flexibility, increase risk, and diminish Maryland's competitiveness relative to other states. A minimum contract term of ten (10) years, in addition to the load ramp period, would allow for a more balanced approach that enables developers and utilities to negotiate fair, market-driven terms that reflect regional needs and technological evolution.

The collateral requirement, which mandates 50% of the minimum charges for the entire contract term, represents a significant financial burden. In many cases, the initial contract for electric service is signed by the developer rather than the end user to expedite project timelines. For a 300MW campus, this provision could result in over \$1.8 billion in required collateral, which could effectively halt development altogether.

We are concerned that Maryland risks losing its competitive edge in attracting capital-intensive, job-generating data center projects. We strongly encourage amendments that provide greater flexibility in the load ramp schedule, contract duration, and collateral requirements while still ensuring appropriate safeguards for utilities.

We appreciate your attention to this matter and would welcome the opportunity to discuss these concerns further. Please feel free to contact County Administrator Julian M. Willis at 410-535-1600, extension 2202, or Economic Development Director Julie Oberg at 410-535-1600, extension 2485, should you require additional information or wish to discuss this in greater detail.

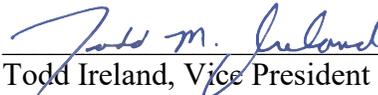
Thank you for your leadership and consideration.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
CALVERT COUNTY, MARYLAND



Earl F. Hance, President



Todd Ireland, Vice President



Mark C. Cox Sr.



Catherine Grasso

Mike Hart

cc: Calvert County Senators and Calvert County Delegation