

# SENATE BILL 861

M5, C5, M3

4lr0624  
CF 4lr1726

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By: **Senators Lewis Young and Watson**

Introduced and read first time: February 2, 2024

Assigned to: Education, Energy, and the Environment

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## A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – High–Energy–Use Facilities – Greenhouse Gas Emissions**  
3 **Reductions**

4 FOR the purpose of requiring a person that owns, operates, or controls a high–energy–use  
5 facility to ensure greenhouse gas emissions associated with the electricity used by  
6 the facility are reduced by certain amounts by certain years; prohibiting a person  
7 from using certain methods to meet the emissions reduction targets established  
8 under this Act; requiring the Public Service Commission to review and verify a  
9 certain report submitted by each person that owns, operates, or controls a  
10 high–energy–use facility and make a certain determination; and generally relating  
11 to greenhouse gas emissions from high–energy–use facilities.

12 BY adding to  
13 Article – Public Utilities  
14 Section 7–1001 through 7–1004 to be under the new subtitle “Subtitle 10.  
15 High–Energy–Use Facilities”  
16 Annotated Code of Maryland  
17 (2020 Replacement Volume and 2023 Supplement)

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

20 **Article – Public Utilities**

21 **SUBTITLE 10. HIGH–ENERGY–USE FACILITIES.**

22 **7–1001.**

23 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
24 **INDICATED.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(B) “BASELINE EMISSIONS LEVEL” MEANS 0.428 METRIC TONS OF CARBON DIOXIDE EQUIVALENT PER MEGAWATT-HOUR OF ELECTRICITY USED BY A HIGH-ENERGY-USE FACILITY.

(C) “FACILITY” MEANS THE COMBINATION OF ALL BUILDINGS, EQUIPMENT, STRUCTURES, AND OTHER STATIONARY ITEMS THAT ARE:

(1) LOCATED ON A SINGLE SITE OR ON CONTIGUOUS OR ADJACENT SITES; AND

(2) OWNED OR OPERATED BY THE SAME PERSON.

(D) “HIGH-ENERGY-USE FACILITY” MEANS A FACILITY THAT:

(1) USES A BASE LOAD OF 10 OR MORE MEGAWATT-HOURS; AND

(2) HAS A PRIMARY PURPOSE OF:

(I) PROVIDING ELECTRONIC DATA PROCESSING OR HOSTING SERVICES;

(II) PRODUCING OR PROCESSING CRYPTOCURRENCY OR CARRYING OUT OTHER OPERATIONS RELATED TO CRYPTOCURRENCY; OR

(III) CULTIVATING CANNABIS.

7-1002.

(A) A PERSON THAT OWNS, OPERATES, OR CONTROLS A HIGH-ENERGY-USE FACILITY SHALL ENSURE THE GREENHOUSE GAS EMISSIONS ASSOCIATED WITH THE ELECTRICITY USE OF THE HIGH-ENERGY-USE FACILITY ARE REDUCED BY THE FOLLOWING AMOUNTS:

(1) BY 2027, 60% BELOW THE BASELINE EMISSIONS LEVEL;

(2) BY 2030, 80% BELOW THE BASELINE EMISSIONS LEVEL;

(3) BY 2035, 90% BELOW THE BASELINE EMISSIONS LEVEL; AND

(4) BY 2040, 100% BELOW THE BASELINE EMISSIONS LEVEL.

(B) A PERSON MAY NOT USE CARBON OFFSETS OR RENEWABLE ENERGY

CREDITS TO MEET THE EMISSIONS REDUCTION TARGETS ESTABLISHED UNDER  
SUBSECTION (A) OF THIS SECTION.

**7-1003.**

(A) (1) ON OR BEFORE JANUARY 1 EACH YEAR, A PERSON THAT OWNS,  
OPERATES, OR CONTROLS A HIGH-ENERGY-USE FACILITY SHALL SUBMIT TO THE  
COMMISSION A REPORT DEMONSTRATING COMPLIANCE WITH THE EMISSIONS  
REDUCTIONS REQUIRED UNDER § 7-1002 OF THIS SUBTITLE.

(2) THE REPORT SHALL INCLUDE:

(I) AN ESTIMATE OF ANNUAL GREENHOUSE GAS EMISSIONS  
ASSOCIATED WITH THE ELECTRICITY USED BY THE HIGH-ENERGY-USE FACILITY;

(II) ANNUAL GOALS SET BY THE PERSON THAT OWNS,  
OPERATES, OR CONTROLS THE HIGH-ENERGY-USE FACILITY FOR REDUCING  
ANNUAL GREENHOUSE GAS EMISSIONS ASSOCIATED WITH THE ELECTRICITY USED  
BY THE HIGH-ENERGY-USE FACILITY THAT DEMONSTRATE CONTINUED PROGRESS  
TOWARD MEETING THE EMISSIONS REDUCTIONS REQUIRED UNDER § 7-1002 OF  
THIS SUBTITLE;

(III) A COPY OF ANY POWER PURCHASE AGREEMENT OR OTHER  
CONTRACT FOR SUPPLYING ELECTRICITY TO THE HIGH-ENERGY-USE FACILITY;  
AND

(IV) ANY OTHER INFORMATION THE COMMISSION CONSIDERS  
NECESSARY TO:

1. DETERMINE THE LEVEL OF GREENHOUSE GAS  
EMISSIONS ASSOCIATED WITH THE ELECTRICITY USED BY THE HIGH-ENERGY-USE  
FACILITY; AND

2. MEASURE CONTINUED PROGRESS TOWARD AND  
COMPLIANCE WITH THE EMISSIONS REDUCTIONS REQUIRED UNDER § 7-1002 OF  
THIS SUBTITLE.

(B) THE COMMISSION SHALL:

(1) REVIEW AND VERIFY THE INFORMATION IN EACH REPORT  
PROVIDED UNDER THIS SECTION; AND

(2) DETERMINE WHETHER THE PERSON THAT OWNS, OPERATES, OR

1 CONTROLS A HIGH-ENERGY-USE FACILITY HAS COMPLIED WITH THE  
2 REQUIREMENTS OF THIS SUBTITLE.

3 (C) A PERSON THAT VIOLATES THIS SUBTITLE IS SUBJECT TO THE  
4 PENALTIES UNDER TITLE 13 OF THIS ARTICLE.

5 7-1004.

6 THE COMMISSION MAY ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
8 October 1, 2024.