

HB 445 – Bring Your Own Generation for Large Energy Use Facilities

DPA Position: Support

DPA supports HB 445, which establishes requirements for new large energy use facilities like data centers to bring new power generation from in-state, clean electricity generation sources.

Overview

Large energy use facilities like data centers are being built far more quickly than new power generation can be built. This risks upending the supply and demand balance for electricity, and pushing up energy costs for all consumers. For example, the PJM Interconnection Independent Market Monitor has concluded that data center load growth has already caused more than \$23 billion in extra costs in the capacity market. If those trends follow in the electric wholesale market, consumers will suffer.

Governor Meyer, along with all governors in the PJM region and the White House Council on Energy Dominance have issued a set of principles on data center costs and a Ratepayer Protection Pledge has been signed by hyperscale data center developers. Together these (1) emphasize the obligation of data center developers to bear fully new distribution, transmission, generation, and capacity costs they cause, and to not shift those costs to existing customers, particularly residential customers and (2) require the states to ensure those principles are realized.

HB 445 would address one of the most significant aspects of that risk by requiring new large energy use facilities, like hyperscale data centers, to build new, in-state, clean generation before they can interconnect in Delaware.

Requires New, Clean, In-State Generation for Any New Large Energy Use Facility

- Requires any large energy use facility over 30 megawatts to bring new, clean, in-state electric generation to match its demand.
- Expands the jurisdiction of the Public Service Commission to include reliability and affordability implications of large energy use facilities.
- Large energy use facilities can only operate in Delaware if:
 - They generate sufficient power to meet their operations.
 - Or have a plan submitted to the Commission to increase power generation to meet 100% of power needs within 10 years of commencing operations and an agreement with the Commission to guarantee that power is brought online.
- Power must be generated from generation sources that meet Delaware's renewable portfolio standards (ex. wind, solar, geothermal, etc.) or from nuclear power.
- Facilities cannot connect until at least 25% of generation is online.

- Provides authority for penalties to be issued by the Commission for any facility that fails to bring power generation online.
- Requires large energy use facilities to pay for upgrades to transmission, energy delivery, and energy generation.