



February 29, 2024

House Ways and Means Committee
Maryland General Assembly
Room 131
House Office Building
Annapolis, Maryland 21401

Re: HB0905: Sales and Use Tax Exemption – Qualified Data Center Personal Property – Eligibility

Chair Atterbeary and Members of the Ways and Means Committee:

Thank you for this opportunity to comment on HB0905, Sales and Use Tax Exemption-Qualified Data Center Personal Property - Eligibility. I write to you today to share our support on behalf of the National Parks Conservation Association (NPCA). NPCA is a nationwide nonprofit, nonpartisan organization dedicated to protecting and enhancing America's national parks for present and future generations. We are proud to have more than 1.6 million members and supporters nationwide, with more than 32,000 of those members in Maryland.

As proposed, HB0905 is an important step in the right direction towards reducing the impacts of data center backup diesel generators and ensure data centers are prioritizing clean energy sources. Data centers require a tremendous amount of land, energy, and water to operate, which is why proper consideration and oversight is essential to ensuring Maryland continues to meet its various land and tree preservation, Chesapeake Bay restoration, and carbon reduction goals.

In Virginia, data centers are currently consuming more than 3.5 gigawatts of electricity, more than 2.5 times the generation capacity of the Brandon Shores coal-fired power plant. There, the state's leading electric utility, Dominion Energy, is predicting demand to rise to approximately 13 gigawatts in 15 years¹, more than double the amount of energy consumed by New York City on an average day². This explosive energy demand is threatening state and regional climate goals as more natural gas is planned to be brought online to meet this energy demand.

In Maryland, data center complexes have currently been proposed near Monocacy National Battlefield Park and the Chesapeake and Ohio Canal National Historical Park. The significant air and water pollution from these data center developments could harm the visitor experience for

¹ Virginia State Corporation Commission eFiling, Rebuttal Testimony of Virginia Electric and Power Company, Figure 2, Filed 9/5/23, <https://www.scc.virginia.gov/docketsearch/DOCS/7%25h501!.PDF>.

² New York City, Mayors Office of Climate and Environmental Justice, [https://climate.cityofnewyork.us/subtopics/systems/#:~:text=NYC%20uses%20about%20the%20same,of%20power%20\(NYISO%202022\)](https://climate.cityofnewyork.us/subtopics/systems/#:~:text=NYC%20uses%20about%20the%20same,of%20power%20(NYISO%202022)).

both tourism and outdoor recreation at these park units, as well as damage sensitive habitat for wildlife.

HB0905 would take an important step towards reducing diesel emissions, supporting grid stability, as well as Maryland's renewable energy goals. Simultaneously, the General Assembly is considering legislation that would result in exempting data center diesel backup generator complexes and other potential impacts from being reviewed by the Maryland Public Service Commission for a Certificate of Public Convenience and Necessity (CPCN), which we are opposed to. HB0905 would put the state of Maryland on a path towards leading the nation in sustainable data center development, and we applaud Delegate Charkoudian for her leadership.

The visitors to Maryland's national parks and the millions who live in surrounding communities deserve that every effort is made to address and mitigate the impacts that would result from scaling data center development. We look forward to working with you to enhance Maryland's economy while protecting its national parks for current and future generations.

Thank you,

Edward Stierli

Senior Regional Director, Mid-Atlantic
National Parks Conservation Association