

Written Testimony in Support of HB0270 Submitted to the House Economic Matters Committee

21 January 2025

Hearing Date: January 23, 2025

Dear Chair Wilson, Vice Chair Crosby and Members of the House Economic Matters Committee,

My name is Joanne Frederick, and I am writing on behalf of Stop MPRP, Inc. to express my strong support for House Bill 0270, "Data Center Impact Analysis and Report." This bill represents a crucial step toward ensuring Maryland's data center development is conducted responsibly, sustainably, and in alignment with the state's economic, environmental, and energy goals.

Data centers play an important role in the modern economy, supporting industries ranging from healthcare to finance to technology. However, the explosive growth of this industry brings unique challenges, particularly in terms of energy demand and infrastructure. Unlike traditional power consumers, data centers require massive and consistent energy inputs, straining the current energy grid and posing risks to public energy reliability.

Currently, the energy system's reliance on regional transmission organizations (RTOs) to transport electricity from where it is generated to where it is needed is ill-suited to meet the concentrated and localized demands of data centers. This model cannot sustainably support the rising energy needs of data centers without jeopardizing the reliability of power supply for the public. Nor can we ill afford to take current power generation off of the grid for dedicated to data center use (see Type B as described in the Maryland Public Service Commission Report on Co-Location¹). Without proactive measures, the load growth presented by data centers' power demands could lead to blackouts and brownouts, placing Maryland residents and businesses at significant risk.

Environmental Stewardship: The Department of the Environment's role in evaluating the effects of data centers on air and water quality, as well as their compatibility with Maryland's Chesapeake Bay restoration and broader environmental goals, is indispensable. Identifying feasible mitigation technologies is essential to safeguarding our natural resources while enabling technological progress.

Energy Sustainability: Data centers require significant energy resources, potentially straining existing infrastructure and affecting ratepayers. The Maryland Energy Administration's assessment of energy demand, infrastructure needs, and the alignment of data centers with clean energy goals will provide critical insights to guide future policy decisions. Importantly, HB0270 acknowledges that data centers cannot be treated like traditional power consumers. Maryland must develop tailored strategies to ensure

¹ [Maryland PSC Report on Co-Location](#)

the energy system can support this growing sector without compromising the public's access to reliable power.

Economic Opportunities: The economic potential of data centers should not be assumed. By analyzing the fiscal benefits and job creation opportunities associated with data center development, the University of Maryland School of Business, with an objective perspective, will provide valuable information to ensure that this growth equitably benefits Maryland's communities.

Why HB0270 Matters: HB0270 ensures that Maryland's decision-makers have access to data-driven insights and recommendations, enabling them to:

- Balance economic growth with environmental and energy sustainability.
- Prevent unintended consequences, such as increased emissions, undue energy costs.
- Maximize the economic benefits of data center development for local communities.
- Develop energy infrastructure strategies that can meet the unique demands of data centers without threatening public energy reliability.

The collaborative approach outlined in HB0270, involving multiple state agencies and academic expertise, guarantees a thorough and nuanced analysis. Moreover, the bill's timeline ensures that actionable recommendations will be delivered promptly, empowering Maryland to proactively shape its data center policies.

Conclusion: In a rapidly evolving technological landscape, Maryland must remain ahead of the curve. By passing HB0270, the General Assembly will position the state as a leader in responsible and sustainable data center development. I urge the committee to give HB0270 a favorable report and to advance this critical legislation.

Thank you for the opportunity to submit testimony in support of HB0270. I am happy to provide additional information or address any questions the committee may have.

Respectfully,
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