

Committee: Economic Matters
Testimony on: HB0270 Data Center Impact Analysis and Report
Submitting: Deborah A. Cohn
Position: Favorable with Amendments
Hearing Date: January 23, 2025

Dear Chair Wilson and Committee Members:

Thank you for allowing my testimony today in support of HB0270. I have resided in Maryland since 1986, and most of my descendants reside in Maryland. I write to you with them in mind.

Many Marylanders benefit from and depend on the services that data centers provide. Data centers bring short-term construction and a limited number of longer-term higher paying jobs; they also bring certain costs.

A Department of Energy [Report](#) indicates that data centers consume 10-50 times the energy per floor space of a typical commercial office building. But an Environmental Protection Agency *Energy Star* report identifies [several steps](#) that can be taken during design, construction and operation of data centers to curtail this demand. The [JLARC study](#) indicates that without guardrails on data centers, power demand in Virginia could nearly double within the next 10 years. Maryland can anticipate similar significant, rapid increases in energy demand as more Maryland data centers are built.

Maryland needs to determine whether increased electricity supply can keep pace with increased demand and if so, at what long-term dynamically modeled fiscal impacts, what costs to ratepayers and taxpayers, burdens on natural resources, public health costs, pressure on state decarbonization goals, and benefits to economic activity, productivity and growth.

HB0270 requires such an analysis. It would address many of the relevant questions about (i) natural resources, (ii) environmental quality, (iii) energy demand and supply, (iv) implications for ratepayers, and (v) fiscal pressures. This analysis is prudent and necessary; hence my support for HB0270.

But the bill does not go far enough. HB0270 should also require that the study analyze the impact that incentives could play in encouraging new wind and solar power generation and battery storage that could supplant or curtail the use of diesel generators for emergency backup.

Moreover, with the analysis due by September 1, 2026, any legislative response imposing guardrails likely would not take effect until sometime in 2027. What happens in the interim?

First, since Maryland does not collect and report data on data centers, HB0270 should require state agencies to collect and make available in one location information on existing and proposed data center locations, energy requirements, sources of energy, water usage and disposal, noise levels, use of backup generators, use of on-site geothermal, and development by or for Maryland data centers of incremental solar, wind, battery storage and other energy generation sources within Maryland or nearby states.

Second, several states are *reactively* looking to impose guardrails; Maryland should learn from their experiences. To that end, HB0270 should impose a temporary moratorium on new data centers to give

Maryland the time to appreciate the ramifications of data center growth in this state. Then we can proceed wisely, with confidence and appropriate guardrails, to welcome data center development.

For these reasons and with these amendments I support HB0270 and urge a FAVORABLE report in Committee.

Thank you.