



Committee: Economic Matters
Testimony on: HB0270 - Data Center Impact Analysis and Report
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Dave Arndt, Co-Chair
Position: Favorable
Hearing Date: January 23, 2025

Dear Mr. Chair and Committee Members:

Thank you for allowing our testimony today in support of HB0270. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations, urges you to vote favorably on HB0270.

Currently, Maryland may have around 26 commercial data centers; we used the word “around” because this business is not tracked or monitored currently. How many people are employed, how much tax revenue is generated, how many diesel generators do they have, how much power do they use? These are unknowns. This is why HB0270 is critically important because the bill requires an analysis of the likely environmental, energy, and economic impacts of Maryland data centers to be completed and submitted to the Governor and General Assembly.

We do know from the Department of Commerce, that four companies have received benefits from the Data Center Maryland Sales and Use Tax Exemption Incentive Program from 2021-2023 for a total of \$2.465M. Is this good or bad for the State of Maryland, again, we don’t know. We believe it is imperative to find answers to these and other questions before proceeding along a path that has severe implications for the Maryland economy, customer electric rates, and climate plans.

Currently, there are 12 newly proposed data centers, which on paper will use 200 times the estimated power of the existing data centers. Again, for the State of Maryland is this good or bad? From looking at Virginia, we know these data centers will require new transmission distribution lines and substations. What is this going to do to the electrical rates of Marylanders? In Virginia, they expect rates to perhaps double in four years. We have people struggling to pay their electric bills now, how many more are going to suffer and struggle if planned data centers are built?

Adding planned data centers will be equivalent to doubling all the household electricity consumption in Maryland. What is this going to do to greenhouse emissions and our Climate Solution Now goals? Estimates put emissions at an additional ~8 million new MTCO_{2e} per year. How are we going to make up this deficit?

What tax revenue will new data centers bring in at the state level and at the county level? Do the counties even have the ability to get any significant revenue with their current tax structures?

For jobs, what are the short-term job numbers? Will the builders and electricians be state residents or will they, as in the case in other states, move from job to job and state to state? They could be Virginia residents since that is where the main workforce resides now. For long term jobs, how many are there really? Can most of the work be done remotely? Again, will they be Maryland residents?

If they use water cooling as expected, where do they get the water and what do they do with it after they are done with it? How or will the water use be in conflict with drinking water or farm use?

What is the best location for the centers, and what resources do we need at a local and state level to manage them? This is an industry that uses things on a massive scale that we have never seen before.

We are not against data centers; we just need to understand the ramifications to know how to proceed properly and wisely. Other states, like Virginia, Georgia, Minnesota, Oregon, Washington, Ohio are reactively looking to put up some guardrails. Let's get ahead of this process and understand our decisions to ensure we know what we are doing and can proactively manage the implementation and impacts.

We strongly support the bill but think it does not go far enough. The study should look at the role and impact that incentives can play for the addition of new wind and solar power production and batteries for emergency backup, which can support sustainability goals. Also, since the state does not collect or report any data on data centers, we also recommend that a reporting requirement be added so that State agencies be mandated to track, plan and report data center locations, energy requirements, backup generators, new wind and solar additions and water usage.

For all of these reasons, we strongly support HB0270 and urge a **FAVORABLE** report in Committee.

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Adat Shalom Climate Action
Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
Chesapeake Earth Holders
Chesapeake Physicians for Social Responsibility
Climate Parents of Prince George's
Climate Reality Project
ClimateXChange – Rebuild Maryland Coalition
Coming Clean Network, Union of Concerned Scientists
DoTheMostGood Montgomery County
Echotopia
Elders Climate Action
Fix Maryland Rail
Glen Echo Heights Mobilization
Greenbelt Climate Action Network
HoCoClimateAction
IndivisibleHoCoMD
Maryland Legislative Coalition
Mobilize Frederick

Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Mountain Maryland Movement
Nuclear Information & Resource Service
Progressive Maryland
Safe & Healthy Playing Fields
Takoma Park Mobilization Environment Committee
The Climate Mobilization MoCo Chapter
Unitarian Universalist Legislative Ministry of Maryland
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