

Kim Coble Executive Director January 23, 2025

2025 Board of Directors SUPPORT: HB270 - Data Center Impact Analysis and Report

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The Hon. Steve Lafferty
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Chairman Wilson and Members of the Committee:

Maryland LCV supports 270: Data Center Impact Analysis and Report, and we thank Vice Chair Crosby for his leadership on this issue. We believe that this bill is essential for ensuring our state's economic and climate future by providing the groundwork necessary for informed and responsible decision making around this emerging, and challenging, industry.

The rapid expansion of the data center industry in Virginia has given a boost to their local economies, however it has also provided a strain on their energy sector (and the energy capacity of the region, including Maryland), and raised significant concerns about pollution and threats to their water supply. In response, the Joint Legislative Audit & Review Commission of the Virginia General Assembly commissioned a report to help guide future policies, even as they struggle to contain the impacts of the industry that has already been established. Maryland has the opportunity to learn from Virginia's example to build healthier and more sustainable infrastructure here.

Maryland LCV understands the importance of industries that support public health and safety, including the jobs they create and the expansion of technology hubs which provide safe and reliable storage of data. We also remain committed to goals of climate emissions reduction, community engagement, and environmental justice.

As Maryland seeks to attract this emerging industry to our state, we have the opportunity to take a more responsible approach by conducting a similar report to help create a more sustainable path of development. HB270 takes a forward thinking approach to identifying the potential impacts of data centers on greenhouse gas emissions, job opportunities, as well as energy. In the face of anticipated elevated energy costs – in large part due to the expansion of AI technology and data centers in the region – the study's examination on energy demands and ratepayer impact is essential information for future legislative and regulatory actions on the industry.

Maryland LCV urges a favorable report on this important bill.