

Committee: Economic Matters
Testimony on: SB116 Data Center Impact Analysis and Report
Submitting: Deborah A. Cohn
Position: Favorable with Amendments
Hearing Date: March 25, 2025

Dear Chair Wilson, Vice-Chair Crosby and Committee Members:

Thank you for allowing my testimony today in support of SB116 with amendments. 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.

SB116 requires such an analysis, which is prudent and necessary. As initially drafted, the bill would have addressed many of the relevant questions about (i) natural resources, (ii) environmental quality, (iii) implications for ratepayers, (iv) fiscal pressures, and (v) energy demand and supply. **Unfortunately, the Senate deleted an analysis by the Maryland Energy Administration of the energy impacts of the data center industry**, including their energy requirements, impact on energy demand and supply, energy infrastructure needs, ratepayer costs and the state's ability to meet its greenhouse gas reduction requirements and clean energy goals.

This omitted analysis addresses critical questions relevant to other important energy bills before the General Assembly this year, including HB1035/SB937, the Next Generation Energy Act, HB1036/SB931 (Renewable Energy Certainty Act), and HB1037/SB909 the Energy Resource Adequacy and Planning Act.

I encourage the Committee Chair and Vice Chair, with the support of this Committee, to reinstate these energy provisions in SB116 or in HB1037/SB909, the Energy Resource Adequacy and Planning Act. These energy provisions raise questions that need to be answered as Maryland seeks to ensure energy reliability and reasonable costs while achieving its greenhouse gas reduction requirements.

Second, I urge this Committee to support adding the battery storage and SREC II provisions of HB398/SB316, the Abundant Affordable Clean Energy (AAE) Act to the Next Generation Energy Act or Renewable Energy Certainty Act, as appropriate as these could help address meeting the increased energy demand resulting from the growth of data centers.

Third, **none of the guardrails in SB116 would take effect until 2027. Nothing protects Maryland ratepayers in the interim.** Maryland does not currently collect and report data on data centers. This should be rectified starting July 1, 2025. I urge this Committee to amend **SB116 to require state agencies to collect and make available in one location information on existing and proposed data center locations, their energy requirements, sources of energy, water usage and disposal, noise levels, use of backup generators and development by or for Maryland data centers of incremental solar, wind, battery storage, geothermal and other energy generation resources within Maryland or nearby states. If SB116 is not itself amended, then HB1037 should be amended to require this data collection.**

Several states are *reactively* looking to impose guardrails; Maryland should learn from their experiences. **To that end, SB116 or HB1037 should impose a temporary moratorium on new data centers (i.e., until appropriate guardrails can be implemented) 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.

Subject to these recommendations either to amend SB116 or insert the suggested changes in HB1037, I support SB116 and urge a **FAVORABLE** report in Committee.

Thank you.