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Committee: Economic Matters  
Testimony on: HB270 “Data Center Impact Analysis and Report”  
Position: Support  
Hearing Date: January 23, 2025

Valleys Planning Council, a non-profit that conserves land and resources, preserves historic character and maintains the rural feel and land uses in northwestern Baltimore County, urges a favorable report on HB270, which would require an analysis of the environmental, energy, and economic impacts of data center development in the State.

Data centers require enormous amounts of electricity to run service, storage, and networking equipment. Much more energy generation and transmission will be required. One data center uses as much electricity as tens of thousands of homes. An analysis to determine how to meet the energy demands of data centers without unduly burdening rate payers, reducing our ability to reach our climate goals, or requiring the use of farmland, preserved land, and environmentally sensitive land for transmission lines, must take place before committing to data center development.

Data center cooling systems prevent equipment damage and require significant amounts of energy. They also require a great deal of water. Water is a limited resource. An analysis to determine just how much water can be used for data centers without leaving households and businesses short of water must be performed. The analysis should also determine how and where data center waste water can be discharged.

Data centers must run 24 hours a day, seven days a week, 365 days a year. Backup energy in the form of storage units will always be required. This backup energy, usually generators, presents issues and risks of its own. Any study of data center impacts should include the effects of onsite backup energy.

Once a data center is built, relatively few people will be employed to run it. Those who are employed must have specialized skills. The economic impacts of data centers, including tax incentives, tax revenues, sales tax exemptions, and long-term job creation, must be assessed.

Requiring an analysis of the impacts of data center development on Maryland will reveal the ramifications of these large-scale users of energy and resources **before** they are built. Valleys Planning Council urges a favorable report on HB270.

Respectfully,

Renée Hamidi, Executive Director

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