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Committee: Economic Matters
Testimony on: SB 116, Data Center Impact Analysis and Report (Crossover Version)
Position: Favorable with Amendments
Hearing Date: March 25, 2025

The Maryland Chapter of the Sierra Club supports SB 116 but urges the Committee to amend the bill to ensure the important energy analysis contained in the House version of the bill (HB 270) – and the original version of SB 116 – is provided to policy makers, energy planners, and public.

HB 270 and the original version of SB 116 would require a study of the “likely environmental, energy, and economic impacts of data center development” in Maryland. The amended version of SB 116, however, excludes the energy impacts and reduces the responsibilities of the Maryland Energy Administration (MEA) for contributing to the analysis and report.

The Sierra Club recognizes the importance of efficiency in our state government and supports alternative distributions of responsibilities across agencies if warranted. In particular, if there are resource or capability issues that argue for moving the energy components of this bill from MEA to the Public Service Commission, we would fully support that decision.

As the Committee knows, data centers use vast amounts of electricity, among other impacts, and their potential proliferation in Maryland has the potential to negatively affect ratepayers and the environment. Despite the potential scale of impacts, the current data and transparency on plans for both the near and longer term are surprisingly lacking. As we discussed in testifying on HB 270 and the original version of SB 116, a dozen new data centers have been proposed that, if all constructed, would use on the order of 5 to 7 gigawatts (GW) of power. If this growth occurs, it would require twenty to thirty times as much power as is currently used by data centers in our state. The 5 to 7 GW of power is also more than double all the electrical use by the 2.3 million households in Maryland. In addition, the transmission and distribution implications of adding these large users to our state’s grid can be substantial, as demonstrated by the current environmental concerns surrounding the Piedmont Reliability Project.

HB 270 – and SB 116 in its original form – offers a common-sense approach to improving the information available on these major energy users. We urge the Committee to ensure the energy analysis required by those bills is provided to policy makers, energy planners, and the general public.

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Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.