



The Maryland Department of the Environment
Secretary Serena McIlwain

House Bill 270 - Data Center Impact Analysis and Report

Position: Support
Committee: Economic Matters Committee
Date: January 23, 2025
From: Jeremy D. Baker, Director of Government Relations

The Maryland Department of the Environment (MDE) **SUPPORTS** HB 270.

Bill Summary

House Bill 270 would require MDE, alongside the Maryland Energy Administration (MEA) and the University of Maryland School of Business, and in coordination with the Department of Legislative Services (DLS), to conduct a comprehensive analysis of the environmental, energy, and economic impacts of data center development in Maryland. Specifically, MDE would be required to conduct an assessment of the potential impacts of the data center industry on the State's natural resources, including: (1) the potential impacts on air and water quality, including the State's ability to meet its bay restoration goals and other environmental objectives; and (2) the availability and feasibility of implementing technologies that could mitigate the environmental impacts of data centers in the State. Following each agency's assessment, DLS would be responsible for coordinating a final report for the Governor and the Maryland General Assembly, on or before September 1, 2026.

Position Rationale

Overall, MDE supports a collaborative effort to ascertain the environmental, energy, and economic impacts of data centers. To begin the process, the Department could rely on existing research on the environmental impacts of data centers, including already released research and reports on the industry in Virginia. However, because Maryland does not currently have an existing data center industry, MDE would likely need to hire a consultant to fully understand the sector's potential impacts on natural resources in the State. Based on past studies, the estimated cost of this study that would consider air and water policy would be potentially \$250,000. Ultimately, HB 270 proposes a deliberative approach to exploring the potential of a robust data center industry in Maryland, and the Department would welcome the opportunity to work in partnership to learn more about the sector and its impacts.

Accordingly, MDE asks for a **FAVORABLE** report for HB 270.

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