



February 22, 2024

House Economic Matters Committee
Maryland General Assembly
Room 231
House Office Building
Annapolis, Maryland 21401

Re: HB0579: Critical Infrastructure Streamlining Act

Chair Wilson and Members of the House Economic Matters Committee:

Thank you for this opportunity to comment on HB0579, the Critical Infrastructure Streamlining Act of 2024. I write to you today on behalf of the National Parks Conservation Association (NPCA). NPCA is a nationwide nonprofit, nonpartisan organization dedicated to protecting and enhancing America's national parks for present and future generations. We are proud to have more than 1.6 million members and supporters nationwide, with more than 32,000 of those members in Maryland. We write today with grave concerns over HB0579, as well as with additional considerations for the committee, as it seeks to permit additional data center developments in Maryland.

As proposed, HB0579 would result in exempting data center diesel backup generator complexes and other potential impacts from being reviewed by the Maryland Public Service Commission for a Certificate of Public Convenience and Necessity (CPCN). The bill would also prevent the Public Service Commission from being able to review the comprehensive environmental impacts on air, water, environmental justice, and climate pollution that these generator complexes would have. The CPCN process is a nationally recognized model for reviewing and permitting projects with considerable energy and environmental impacts and should not be undermined for this emerging industry.

Data centers are large, warehouse-like buildings, often 250,000 or more square feet each, that essentially store and operate the world's internet. These buildings are filled with racks of computer systems that store data like pictures and videos, as well as provide the computational power for growing internet needs like Artificial Intelligence. There are many types of data centers, from small and innocuous facilities in the basements of colleges or hospitals that store only that locations' data, to facilities that operate solely for the purpose of mining cryptocurrency, to large facilities operated solely for the needs on one company like Amazon or Google, and finally for massive colocation data center facilities operated by companies like QTS and Compass Data Center, which essentially rent data storage space or computational power to other offsite entities.

Data centers require a tremendous amount of land, energy, and water to operate, which is why proper consideration and oversight is essential to ensuring Maryland continues to meet its various land and tree preservation, Chesapeake Bay restoration, and carbon reduction goals. In Virginia, data centers are currently consuming more than 3.5 gigawatts of electricity, more than 2.5 times the generation capacity of the Brandon Shores coal-fired power plant. There, the state's leading electric utility, Dominion Energy, is predicting demand to rise to approximately 13 gigawatts in 15 years¹, more than double the amount of energy consumed by New York City on an average day². This explosive energy demand is threatening state and regional climate goals as more natural gas is planned to be brought online to meet this energy demand.

Moreover, this rising energy demand is causing a strain in the regional grid managed by the Pennsylvania-New Jersey-Maryland Interconnection (PJM). In December, PJM unveiled a proposal to meet current data center energy demand in Northern Virginia. This proposal is set to cost more than \$5 billion, and the cost of these upgrades will be borne by ratepayers in Virginia, Maryland, and other nearby states that are planning to construct new electric generation and transmission systems to meet this need. Currently, no rate structure system exists to ensure that these costs are footed by the data center industry instead of average ratepayers across the region. These new massive transmission lines also pose threats to national parks, as they are currently planned to cross parks like the Chesapeake and Ohio Canal National Historical Park as they stretch towards their final destination in Northern Virginia. This transmission crunch has been brought on by a lack of foresight and planning from the data center industry and regulators in nearby states.

Data centers also use a tremendous amount of water. A large data center, according to the Washington Post, can consume between 1-5 million gallons of water a day. That water is either let off as steam into the atmosphere or put back into the wastewater treatment system contaminated with coolant chemicals. Some localities across the United States are actively struggling to meet rising water demands of both a growing population and the data center industry. In one Oregon town, only three operational data centers use more than ¼ of the total water of the entire town, with more than 355 million gallons being used annually. Localities in Arizona are grappling with climate change induced droughts and already-permitted water withdrawals for data centers, possibly threatening the supply of drinking water for the region.

Lastly of concern, data centers require extensive amounts of land to operate. One proposed data center mega-facility in Prince William County, Virginia has secured a rezoning permit for more than 2,000 acres of land. As the industry's footprint continues to grow, developers are increasingly seeking to site these developments out of existing industrial zones and on sites that are currently forest or farms and often near important sites like national or state parks. For instance, the Prince William proposal is directly adjacent to Manassas National Battlefield Park. In Maryland, data center complexes have currently been proposed near Monocacy National Battlefield Park and the Chesapeake and Ohio Canal National Historical Park. The significant air and water pollution from

¹ Virginia State Corporation Commission eFiling, Rebuttal Testimony of Virginia Electric and Power Company, Figure 2, Filed 9/5/23, <https://www.scc.virginia.gov/docketsearch/DOCS/7%25h501!.PDF>.

² New York City, Mayors Office of Climate and Environmental Justice, [https://climate.cityofnewyork.us/subtopics/systems/#:~:text=NYC%20uses%20about%20the%20same,of%20power%20\(NYISO%202022\)](https://climate.cityofnewyork.us/subtopics/systems/#:~:text=NYC%20uses%20about%20the%20same,of%20power%20(NYISO%202022)).

these data center developments could harm the visitor experience for both tourism and outdoor recreation at these park units, as well as damage sensitive habitat for wildlife.

Thus, as Maryland is considering growing the data center industry in the state, the legislature and other decision makers should consider the following recommendations:

1. The State of Maryland should pre-emptively study data center development and associated comprehensive impacts before determining what regulatory guardrails should be in place for to protect the environment while also allowing for the industry to bring jobs and tax revenue to the state. The findings should be available to the public for comment and input.
2. The state should seek to adopt a buffer of ½ mile to prevent data center development from impacting national parks and other significant environmental and historic resources.
3. The state should require disclosure of a proposed data center's expected energy and water use at full build-out, prior to the approval of a local rezoning application. Following that disclosure, decision makers should work to ensure that the energy needs are being met with on-the-ground clean energy projects, such as offshore wind, and do not threaten the state's climate goals. Water usage should be compatible with regional needs which prioritize human consumption, including modeling to plan for possible water shortages due to climate change-caused droughts.
4. The state should seek to establish a separate electric rate class for high demand users, such as data centers, to ensure that the end user of transmission system upgrades is borne by the end user, not by average ratepayers.
5. The state should actively work to protect the various environmental laws and regulatory structures that currently exist in the state to ensure that stakeholders and communities continue to have a voice in the process of siting and permitting of data centers and their related infrastructure needs.

The visitors to Maryland's national parks and the millions who live in surrounding communities deserve that every effort is made to address and mitigate the impacts that would result from scaling data center development. We look forward to working with you to ensure that Maryland leads the nation in sustainable data center development while protecting its national parks for current and future generations.

Thank you,

Edward Stierli

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