



HB579: Critical Infrastructure Streamlining Act

Position: Unfavorable

Date: February 20, 2024

To Chair Wilson and members of the Committee:

Waterkeepers Chesapeake requests an UNFAVORABLE report of HB579: Critical Infrastructure Streamlining Act, from the Economic Matters Committee.

As proposed, HB579 would result in exempting data center diesel backup generators and the potential impacts from being reviewed by the Maryland Public Service Commission for a Certificate of Public Convenience and Necessity (CPCN). As Maryland shifts to clean energy to achieve its urgent climate goals, it would be a major step in the wrong direction to exempt large numbers of diesel generators that can produce amounts of electricity and pollution equivalent to many regional power plants.

Maryland has an opportunity now to develop a comprehensive and common-sense approach to the development of data centers in this state. Maryland should not be regulating data centers in a piecemeal fashion as demonstrated by this bill. We call on this administration to create best practices and guardrails before there is an explosion of data centers in Maryland. Maryland should work with the PSC to create a plan that takes into account these issues, among many others:

- Energy consumption
- Water consumption
- Backup generators
- Environmental justice review
- Siting and land use considerations
- Noise mitigation
- Impacts on climate goals
- Increased energy costs
- Grid capacity
- Public notice and participation

When the Maryland Public Service Commission denied an exemption to a data center development last year, they did so based on its climate implications and air pollution from over 160 3-megawatt diesel generators required to run continuously should there be loss of power due to weather or other events. A significant number of these generators would also run a large number of days for non-emergency maintenance and other reasons.

We are concerned by the bill's sweeping exemptions. As written, all backup diesel generators, of any size, in any quantity, anywhere in Maryland would be exempt from the CPCN process. The technical expertise and judicial role of the Public Service Commission would have no influence in these potentially massive generator projects.

Exempting from the CPCN process power plant-sized complexes of diesel generators without opportunity for substantive public involvement would set a bad precedent. This is a significant concern, as for example, just at the Quantum Loophole site in Adamstown, over 1000 generators are expected to provide a total of 2.4 gigawatts of energy. That is enough energy to power 600,000 new homes, roughly two times the number of housing units in Baltimore. In addition, this data center complex would consume massive amounts of water.

The Public Service Commission, through the CPCN process, is tasked with addressing Environmental Justice and Energy Equity issues. Under the terms of HB579 the PSC would no longer use its regulatory authority to ensure that siting decisions do not disproportionately impact the environment of certain communities in light of the community's race, color, national origin, or income status.

Until a comprehensive plan for data center developments is created, the CPCN process should not be side stepped and ignored, as proposed in this bill. The CPCN process is a well-established and clear process that allows for appropriate public involvement in projects of the size proposed by the data centers and should be retained for this new industry. We respectfully request an UNFAVORABLE report from this Committee on HB579.

Respectfully submitted,

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