



One East Pratt Street  
Suite 700  
Baltimore, MD 21202  
Tel +1 410 752 4285  
Fax +1 410 576 9031  
cushmanwakefield.com

February 15, 2024

Senator Brian J. Feldman, Chairman  
Senate Education, Energy and the Environment Committee  
2 West, Miller Senate Office Building  
Annapolis, Maryland 21401

**RE: Senate Bill 474 - SUPPORT**

Dear Chairman Feldman:

I am writing to express my support for **Senate Bill 474 (Certificate and Necessity and Related Approvals- Definition of Generating Station (Critical Infrastructure Streamlining Act of 2024))**. The fact that SB 474 is sponsored by Governor Moore and includes a long list of co-sponsor (many of whom serve on this Committee) speaks to the importance of this legislation. By way of background, I am the Managing Director of Cushman & Wakefield's Strategic Advisory Services Group, based in Baltimore, as well as an active member of the firm's national Data Center Advisory Group. I currently represent a number of owners, investors and operators in Maryland and the region who have data center projects in various stages of development.

As you are well aware, the growth of the information technology business over the past two decades has only been possible through the creation of a robust backbone of data centers and information distribution infrastructure, all of which are dependent on reliable primary and back-up power. Power generators and T&D (transmission and distribution) utilities alike are racing to provide increased and varied sources of power to meet not only current needs, but the next wave of growth driven by artificial intelligence technology. Primary power is important, but ONLY if it is backstopped by reliable onsite emergency backup systems. This is particularly true in the case of congested urban markets, where demand for baseline power is high and the local grid is often stressed.

Maryland took an important step to enter this market 2 years ago, with the enactment of the Data Center Personal Property Tax Exemption legislation (Chapter 640 of the Laws of 2020). Until then, our State was not considered seriously by users and developers, despite being on the doorstep of the largest data center market in the world- Northern Virginia. Your thoughtful and energetic work on that legislation literally put our State in the game overnight, and project inquiries and active developments have dramatically increased since. The Aligned/Quantum Loophole project in Buckeystown is just such a project that will validate Maryland as a legitimate player in this industry. In our business, if the "anchor tenant" succeeds, many others will soon follow. We believe Maryland is on the cusp of going from also-ran to a serious contender in the next phase of information technology growth.

This industry relies on criticality and reliability of power. Nothing less than full redundancy is acceptable, and to achieve that, fail-safe backup systems are a must. While new technologies are emerging that will reduce the carbon footprint of backup systems, for now, diesel and natural gas are the preferred fuels. Restricting their use- and proscribing the architecture of the systems themselves will send a strong message to the industry that Maryland is, in fact, **not** "open for business".

Conversely, **SB474**, enhances Maryland's competitive position in the data center market by recognizing the critical nature of backup power and establishing prudent guidelines for its operation, with an eye on environmental impact. This legislation sends a powerful message to the industry at a most pivotal time.

We are at the cusp of a transformational age of development in information technology, that some have dubbed the "...dawning of the internet 2.0...", and Maryland is poised to capture a significant share of that growth provided we give the industry the confidence and the tools necessary to locate and invest here.

For those reasons, I strongly urge you to support the above referenced legislation.

Respectfully,



David Baird, CRE, FRICS  
Managing Director  
Strategic Advisory Services

cc: Members, Senate Education, Energy and the Environment Committee