



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

The Honorable Senator Feldman, Chair
The Honorable Senator Kagan, Vice Chair
Education, Energy, and Environment Committee
Maryland Senate
Annapolis, MD

March 7th, 2024

Testimony in Support of SB0861: High Energy-Use Facilities

Chair Feldman, Vice Chair Kagan, and esteemed members of this committee,

SB861 establishes a proactive timetable for emissions reductions among high energy-using facilities. A high energy-use facility for the purposes of this bill is a facility that uses 10 or more megawatt-hours of electricity and has the primary purpose of data processing, producing cryptocurrency, or cultivating cannabis. These are fast-growing industries that require massive amounts of energy, water, and land to function¹. **High energy use facilities can require as much as 100 megawatts of energy capacity; enough to power 80,000 households².**

SB861 requires only that these facilities mitigate their environmental impact with a phased-in approach limiting the amount of greenhouse gas emissions released by the facility to a Baseline Emissions Level (0.428 metric tons of carbon dioxide equivalent per megawatt hour) and empowers the Public Service Commission with oversight authority.

As noted in Department of Legislative Services' 2024 Issues Paper, high energy-use facilities "could add more stress to the electric grid, increase

¹ 1 Bolthouse, Julie. "Mitigating Data Center Development's Impacts". Piedmont Environmental Council. <https://www.pecva.org/region/regional-state-national-region/general-assembly/mitigating-data-center-developments-impacts/>. August 18th, 2023.

² "How Much Energy Do Data Centers Really Use?" Energy Innovation. <https://energyinnovation.org/2020/03/17/how-much-energy-do-data-centers-really-use/>. March 17, 2020.

³ Department of Legislative Services. "Managing the Environmental and Energy Impacts of Data Centers". Issue Papers 2024 Legislative Session, Pg. 172.

greenhouse gas emissions if the energy used to power a data center is from carbon-intensive resources, and potentially increase electricity rates due to increased demand³.” Additionally, these facilities require power backups in case of shortages, often in the form of diesel generators. While each diesel generator is tested once a month, **there are numerous diesel generators per high energy-use facility — resulting in daily pollutant release.**

Climate-caused power shortages and additional high energy use facilities will put more stress on the grid, leading to the use of even more diesel back-up power emissions. Emissions would be a major setback for Maryland’s clean energy and air quality goals.

Right now, more and more taxpayer dollars are going to combat the impacts climate change is having on our infrastructure. We should at least be expending the same effort to prevent exacerbating the problems. Maryland’s Climate Solutions Now act requires us to achieve a 60% reduction in overall emissions by 2031 and 100% emissions reduction by 2045. SB861 will ensure that these facilities are built and operated with Maryland’s emissions goals in mind and do not undermine Maryland’s Climate Solutions Now Act. I urge a favorable report.

Sincerely,



Senator Karen Lewis Young