

February 20, 2024



**VIA MyMGA**

Education, Energy & the Environment  
Committee  
Maryland Senate  
Miller Senate Office Building  
Annapolis, MD  
Attn: Senator Feldman, Chair

Economic Matters Committee  
Maryland House of Delegates  
House Office Building  
Annapolis, MD  
Attn: Delegate C.T. Wilson, Chair



**Re: Support of the Critical Infrastructure Streamlining Act of 2024 (House Bill 579 and Senate Bill 474)**

Dear Committee Members,

Aligned Data Centers strongly supports the passage of the Critical Infrastructure Streamlining Act of 2024 (House Bill 579 and Senate Bill 474). This legislation appropriately clarifies the proper role of the Maryland Public Service Commission (the “PSC”), excluding emergency generators that do not provide power to the grid from the PSC’s oversight.

The 1971 law requiring Certificates of Public Convenience and Necessity (CPCN) from the PSC was designed to *facilitate* the development of power plants needed to supply the increasing energy demands of Marylanders and grow Maryland’s economy – providing the PSC with extraordinary powers to override local NIMBY (Not In My Back Yard) objections. Now, however, the law is being interpreted to *prevent* development that the Governor, the Legislature, and local authorities desire. Worse yet, a law designed to regulate the supply of power **to** the grid is being interpreted by the PSC to apply to generators which are entirely **off** the grid.

It is important to note that the proposed legislation makes **no change** to any air permitting, environmental or land use rule or regulation. All environmental and air permitting rules and regulations will continue to be administered by the Maryland Department of the Environment. All environmental controls on emissions, including the minimal greenhouse gas emissions of the generators, will continue to be subject to the same requirements. Land use will continue to be governed by local authorities.

Backup generation to support a company’s onsite operations is **not** generating power for the general public (the purpose of a CPCN). And the reality is that such back-up generators will rarely, if ever, run for any extended period. But, without backup generation in place at hospitals, police departments, data centers, and fire stations, one can increasingly imagine a regional weather event or act of sabotage that could bring down the utility grid for an extended period of time, and all critical facilities and communications going dark without backup power.

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DATA CENTERS.



Data center providers and occupants are leaders of sustainable practices and among the largest purchasers of green power. It is the data center industry that is driving much of the innovation in sustainability. Aligned itself is one of the industry's most progressive data center colocation providers with firm commitments and delivery of sustainable data center capacity to its customers. Aligned also was the first North American data center provider to secure sustainability-linked financing, tying its multi-billion-dollar financing to sustainable business performance. The Critical Infrastructure Streamlining Act of 2024 is not about sustainability and climate change. It is about who determines when Maryland's environmental and land use laws, rules and regulations are satisfied.

With regard to data centers, the Legislature passed data center tax exemption legislation in 2020, announcing a desire to bring data center development to Maryland. Data centers are the heart of today's digital infrastructure – more than just online shopping, social media and entertainment, data centers provide mission critical infrastructure for medical care, communications, education, news, government services and everything used professionally and personally on a daily basis. Data centers power humanity, and with the advent of artificial intelligence and machine learning, their importance is only growing. Without data centers, Maryland will be left behind, and certainly cannot be the headquarters of 21<sup>st</sup> Century or a leader in artificial intelligence, high performance computing, and life sciences, as the Governor has announced. Additionally, Maryland stands to lose out on billions of dollars of investment – investment that can fund the Blueprint for Maryland and other initiatives – and the creation of thousands of jobs.

Building a data center involves many, many months of planning and involves hundreds of millions (perhaps billions) of dollars of investment. It does not happen overnight. To date, our understanding is that there is not yet a single data center that has been built utilizing the tax exemption program. It was not until 2023 that the 2020 legislation started to generate some tangible data center development activity. Aligned was the among the first to meaningfully advance a data center project. To proceed, there must be a stable and predictable market, governed by settled rules and regulations. Investment requires certainty. It cannot be subject to the whims of an unelected, unaccountable commission.

Aligned Data Centers respectfully requests the passage of the Critical Infrastructure Streamlining Act of 2024 (HB579 and SB474). With it becoming law, we can revisit our planned project in Frederick County that could generate more than \$35 million annually in local tax revenue upon full build-out and billions of dollars of total economic output.

Sincerely,

David W. Robinson, EVP