



**Committee:** Education, Energy and the Environment  
**Testimony on:** SB116 - Data Center Impact Analysis and Report  
**Organization:** Maryland Legislative Coalition Climate Justice Wing  
**Submitting:** Dave Arndt, Co-Chair  
**Position:** Favorable  
**Hearing Date:** February 13, 2025

Dear Mr. Chair and Committee Members:

Thank you for allowing our testimony today in support of SB116. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations, urges you to vote favorably on SB116.

Currently, Maryland may have around 26 commercial data centers; we used the word “around” because this business is not tracked or monitored currently. How many people are employed, how much tax revenue is generated, how many diesel generators do they have, how much power do they use? These are unknowns. This is why SB116 is critically important because the bill requires an analysis of the likely environmental, energy, and economic impacts of Maryland data centers to be completed and submitted to the Governor and General Assembly.

We do know from the Department of Commerce, that four companies have received benefits from the Data Center Maryland Sales and Use Tax Exemption Incentive Program from 2021-2023 for a total of \$2.465M. Is this good or bad for the State of Maryland, again, we don’t know. We believe it is imperative to find answers to these and other questions before proceeding along a path that has severe implications for the Maryland economy, customer electric rates, and climate plans.

Currently, there are 12 newly proposed data centers, which on paper will use 200 times the estimated power of the existing data centers. Again, for the State of Maryland is this good or bad? From looking at Virginia, we know these data centers will require new transmission distribution lines and substations. What is this going to do to the electrical rates of Marylanders? In Virginia, they expect rates to perhaps double in four years. We have people struggling to pay their electric bills now, how many more are going to suffer and struggle if planned data centers are built?

Adding planned data centers will be equivalent to doubling all the household electricity consumption in Maryland. What is this going to do to greenhouse emissions and our Climate Solution Now goals? Estimates put emissions at an additional ~8 million new MTCO<sub>2e</sub> per year. How are we going to make up this deficit?

What tax revenue will new data centers bring in at the state level and at the county level? Do the counties even have the ability to get any significant revenue with their current tax structures?

For jobs, what are the short-term job numbers? Will the builders and electricians be state residents or will they, as in the case in other states, move from job to job and state to state? They could be Virginia residents since that is where the main workforce resides now. For long term jobs, how many are there really? Can most of the work be done remotely? Again, will they be Maryland residents?

If they use water cooling as expected, where do they get the water and what do they do with it after they are done with it? How or will the water use be in conflict with drinking water or farm use?

What is the best location for the centers, and what resources do we need at a local and state level to manage them? This is an industry that uses things on a massive scale that we have never seen before.

We are not against data centers; we just need to understand the ramifications to know how to proceed properly and wisely. Other states, like Virginia, Georgia, Minnesota, Oregon, Washington, Ohio are reactively looking to put up some guardrails. Let's get ahead of this process and understand our decisions to ensure we know what we are doing and can proactively manage the implementation and impacts.

We strongly support the bill but think it does not go far enough. The study should look at the role and impact that incentives can play for the addition of new wind and solar power production and batteries for emergency backup, which can support sustainability goals. Also, since the state does not collect or report any data on data centers, we also recommend that a reporting requirement be added so that State agencies be mandated to track, plan and report data center locations, energy requirements, backup generators, new wind and solar additions and water usage.

For all of these reasons, we strongly support SB116 and urge a **FAVORABLE** report in Committee.

350MoCo

Adat Shalom Climate Action

Cedar Lane Unitarian Universalist Church Environmental Justice Ministry

Chesapeake Earth Holders

Chesapeake Physicians for Social Responsibility

Climate Parents of Prince George's

Climate Reality Project

ClimateXChange – Rebuild Maryland Coalition

Coming Clean Network, Union of Concerned Scientists

DoTheMostGood Montgomery County

Echotopia

Elders Climate Action

Fix Maryland Rail

Glen Echo Heights Mobilization

Greenbelt Climate Action Network

HoCoClimateAction IndivisibleHoCoMD

Maryland Legislative Coalition

Mobilize Frederick

Montgomery County Faith Alliance for Climate Solutions  
Montgomery Countryside Alliance  
Mountain Maryland Movement  
Nuclear Information & Resource Service  
Progressive Maryland  
Safe & Healthy Playing Fields  
Takoma Park Mobilization Environment Committee  
The Climate Mobilization MoCo Chapter  
Unitarian Universalist Legislative Ministry of Maryland  
WISE