



CHESAPEAKE BAY FOUNDATION

*Environmental Protection and Restoration
Environmental Education*

Senate Bill 116 Data Center Impact Analysis and Report

Date: February 13, 2025
To: Education, Energy, and the Environment Committee

Position: **FAVORABLE**
From: Matt Stegman,
MD Staff Attorney

Chesapeake Bay Foundation (CBF) **SUPPORTS** SB 116, which will direct the creation of an accurate, unbiased, and comprehensive report that will provide information legislators need to develop a thoughtful policy on the development of hyperscale data centers in Maryland. The bill directs the Department of the Environment (MDE), Maryland Energy Administration (MEA), and the University of Maryland School of Business to conduct a thorough analysis of the foreseeable environmental, energy use, and economic impacts of data center development in the State and to submit their findings to the Governor and General Assembly by September 1, 2026.

Maryland can learn from the experiences of our neighbor, Virginia, and position ourselves to maximize the benefits of potential data center development to our economy, utility ratepayers, communities, and the environment and to better recognize potential negative trade-offs. The immense physical footprints and resource needs of hyperscale data centers mean they cannot help but have a significant impact on the communities where they are placed.

While the charge of the study group is broad, we would hope that they would investigate and report on at least the following potential environmental impacts of data center development:

- Impacts of data centers on local waterways, including the impact of facility discharge on water temperature, water consumption, and the need for appropriately-scaled stormwater remediation measures;
- The production of e-waste associated with data center operations; and
- The need for and feasibility of establishing a regional planning body to monitor electric grid reliability and power consumption attributable to data centers.

Data centers have the potential to be an economic boost for our state, but policymakers should be thoughtful on how, when, and under what circumstances to allow their development. A comprehensive study is an appropriate vehicle to ensure legislators and other stakeholders have the information they need to pursue, or elect not to pursue, these opportunities moving forward.

CBF urges the Committee's FAVORABLE report on SB 116.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at mstegman@cbf.org.

Maryland Office • Philip Merrill Environmental Center • 6 Herndon Avenue • Annapolis • Maryland • 21403