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Testimony Supporting SB116
Senate Education, Energy, and the Environment Committee
January 13, 2025

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Position: SUPPORT

Dear Chair Fieldsman, Vice Chair Pagan and Members of the Committee,

As a long-time resident of District 43, a home owner, and a Maryland rate-payer, I express my strong support for SB116, Data Center Impact Analysis and Report.

This bill directs the Department of the Environment, the Maryland Energy Administration, and the University of Maryland School of Business, in coordination with the Department of Legislative services, to conduct an analysis of the environmental, energy, and economic impacts of data center development in the State, and to submit this analysis to The Governor and General Assembly by September 1, 2026.

We should learn from Virginia's experiences on how to maximize benefits and how to protect residents, communities and rate-payers from the many possible negative impacts.

As Maryland residents, we must know:

Financial Impact – How successful have the tax incentives been in other states versus the tax revenue and job creation? What is the cost to ratepayers to finance the What is the cost to ratepayers to finance the electric infrastructure to supply the power? What is the financial impact to ratepayers of increasing electrical demand by 5-7GW, more than double the electrical usage of all Maryland households. Each county will help underwrite the cost of water, sewage and storm water management and water treatment upgrades. What are the total tax revenue projections, both state and county? What are the projected costs of the sales tax exemptions? How many short and long term jobs are created and will they be staffed by people living in the state of Maryland? Basically, what is the ultimate cost/ benefit of huge data centers?

Water requirements - The Quantum Frederick data center site will receive 1.5 million gallons/day of potable water to supply only a small portion of the site's buildout.How many such sites can Maryland supply water to? Who gets priority when we have a drought? Households, farmers, other businesses or data centers?

Implications for land use – What is the effect of multiple transmission lines on Maryland's farmers and landowners? Each hyper data center site may require one or two 500 kV transmission lines. Is preserved land, which has been paid for by the state and counties sufficiently protected?

Power Requirements –How should data centers be supplied? Should data center pay for and locate near their power source? How can we supply all this power and still reach our climate goals? One hyper data center will add about 8 million new MTCO2e of GHG emissions. Can data centers be required to provide a certain percentage of new carbon free energy for their operation?

The impacts on air quality and noise – for current implementations, each data center will require emergency diesel generators to provide power equal to the power it gets from the electrical grid. A 1200 megawatt site would require 400 diesel generators that are tested monthly. The resulting air and noise pollution will negatively affect on the nearby population.

The impacts on our local governments – what resources do we need at rhe State and local level? This is an industry that uses things on a massive scale that Maryland has never experienced. We all need to understand the ramifications to know how to proceed properly. My family have relatives and friends in Oregon and Washington states. They all say their states did not know their full impact before approving huge data centers. Their cost to tax and rate payers has skyrocketed.