

Committee: Education Energy and the Environment
Testimony on: SB0116 – Data Center Impact Analysis and Report Act
Submitting: Rhonda Kranz
Position: Favorable
Hearing Date: February 13, 2025

Dear Mr. Chairman and Committee Members:

Thank you for accepting my written testimony in support of SB0116 - The Data Center Impact Analysis and Report Act. I have been a resident of Montgomery County for over thirty years and with that long term perspective in mind I will share why I support this bill. I have been closely following data center issues over the last year and the plans for increasing numbers of new and larger centers in Montgomery and other counties in the state. I believe the growth in data centers is one of the most momentous issues Maryland is facing. It has the potential to benefit the state but also has the potential to do incredible harm. The world is increasingly dependent on information technology and places to house the machines that drive it. I am not opposed to development of the technology nor of data centers themselves. What is essential is how we plan for and regulate them in Maryland. At this juncture we do not have the information needed to proactively plan for these facilities. The Data Center Impact Analysis and Report Act will provide much of this essential information.

At present, data centers are exploding across the state. There is no state-wide oversight on key issues such as where they are located; how much electricity will be needed and where it will come from; what technology is being used or the type of energy sources; where transmission grids will be placed or if they can be placed in ways to incorporate other needs for our lacking electrical grid; how it will impact the communities nearby; climate and other environmental impacts; the amount of water used for cooling and where it comes from; and numerous others. Most of the decisions on data centers are made at the county level with little thought to how these decisions impact the rest of the state. MD is a modest sized state, nothing that happens in one part of state is isolated from the rest of the state.

We need information that will allow for good decision making. Maryland has seen how data center development can be done wrong by looking south at our neighbors in Virginia. We need to think before we leap.

The Data Center Study Bill will provide accurate and unbiased information that legislators need to determine how to blend hyper scale data centers into our economy. 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 likely environmental, energy, and economic impacts of data center development in the State and to submit to the Governor and the General Assembly by September 1, 2026,

We want to bring revenue to our state, but what are the actual economics of the data center venture. At this point data centers are seen as an economic miracle for the state. But without a good economic study we have no bases for that belief. This bill will provide information that will help us understand how to best design data centers so that everyone benefits, including rate payers, farmers, community members, and the state. We also need to minimize what can be lost.

Things are moving very fast in our state and the country. To benefit we need to plan proactively. For the reasons above and many more I urge you to vote favorable for SB0116 the Data Center Impact Analysis and Report Act. We need a Data Center Study for Maryland.