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Senate Testimony
Utility Relief Act (HB 1532)
Unfavorable

On behalf of Food & Water Watch and our 40,000 members, we urge you to remove provisions in the Utility Relief Act (HB 1532) that promote the buildout of more methane gas and nuclear power plants in Maryland ultimately meant to favor new data centers in our state,

The Utility Relief Act is a massive energy package that was introduced by state officials very late in session, which has not allowed for a deep and thorough scrutiny of the legislation. Although there are some sections in the bill that would really help ratepayers, we believe major provisions in HB 1532 would hurt the pocketbooks of Maryland families while, simultaneously, leading to some potentially severe health and environment consequences in the state.

The legislation includes pro-nuclear provisions that would allow significant cost over runs if and when radioactive reactors are built in Maryland. Nuclear is the most expensive possible way of generating energy and that is why we believe all of the financial incentives in the nuclear section of the bill should be removed so as to not encourage new ones here in Maryland.

The legislation also has language that calls for studying 50 new locations for energy stations in the state. As written, these could be 50 new sites for nuclear reactors and gas plants, as well as renewable energy or battery storage. This study should only be limited to studying sites for new renewables/storage (not gas or nuclear plants).

We also believe the pro-data center regulations are generally weak and do not have a good point of reference or best practices guide given that Maryland's data center study is not yet complete. A major factor in the increase in electricity rates is the cost related to the rush to build out data centers and their infrastructure in the surrounding states. The language in this bill would promote the buildout of new data centers in Maryland itself. The Senate should instead add data center moratorium language in the bill while the data center impact study is actually completed.

In a similar vein, we believe that data centers should not be given special tax exemptions. It's estimated that data centers have gotten over \$20 million in exemptions over the past few years, revenue that the state needs at a time of budget shortfalls. This is a double whammy for ratepayers as they are not only paying for increased electricity bills because of new data centers coming online, they are (and will be) missing out on services that could be provided from the taxes data centers should be paying the state in the future. To that end, our team

would like to see a roll back of those tax exemptions in the Utility Relief Act. We believe the HB 560 has some good, easy language to use towards that end..

Our hope is that legislators continue supporting clean, renewable energy development in the state that will truly help Maryland families, not dirty energy projects and subsidies meant to help Big Tech executives. Please work to make sure the Utility Relief Act legislation will truly deliver on a sound energy policy that truly delivers clean, affordable energy long term. We urge you to reject any provisions in the Utility Relief Act that would promote more costly, dirty methane gas plants, nuclear reactors, and AI data centers in our state.

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