



CLIMATE COALITION
Montgomery County, MD

Testimony on: HB1411 – Data Center Planning and Transparency Act
Committee: Environment & Transportation
Organization: Climate Coalition Montgomery County
Submitting: Karl Held
Position: Favorable
Hearing Date: March 10, 2026

Dear Chair Korman, Vice Chair Guyton and Committee Members:

We are providing our testimony today in **support** of HB1411 - Data Center Planning and Transparency Act. The Climate Coalition Montgomery County, a group of 20 local organizations whose mission is to lead action on climate change, advance a sustainable and just economy, and build resilience..We urge you to vote favorably on HB1411.

Across the Country, data center development is largely regulated at the local government level. This is the case in Maryland where hyperscale data center development is underway or proposed in at least eight local government jurisdictions, nearly all of which are ill-equipped to address the economic, energy, environmental, water, land and climate impacts of this rapidly growing sector. Local government planning staff that are pressed by a well-funded industry for quick regulatory approvals don't have the information, tools, or resources to effectively evaluate hyperscale data center projects, especially where there may be multiple developers, operators, and land development permits required for a single campus.

Moreover, State level oversight of the estimated 40 commercial data centers now in Maryland is not possible because, at present, no State agency is tracking or monitoring the growth of this industry in Maryland. The Maryland Department of Commerce reports that data centers received the benefit of more than \$22 million in State tax incentives during the preceding five years, yet information about energy use, water consumption, backup diesel generators, projected noise levels, job creation, and other essential information related to data center construction and operation is not readily available.

HB1411 establishes the following important public reporting and local government planning requirements needed to sustainably manage data center development in Maryland:

- As a condition of receiving the current state sales and use tax incentive, HB 1411 requires large-scale data center owners or operators to submit disclosure reports to the Maryland Department of the Environment (MDE), the Maryland Energy Administration (MEA), and local agencies and elected officials.
- The reports must include detailed data center information, such as: community benefits; a signed utility interconnection agreement; size in square footage; projected daily electric

use (MW) and sources of power; the need for transmission infrastructure; back-up generation; projected emissions; water use and sources; projected noise levels; construction plans and timeline; and the number of post-construction jobs.

- MDE is required to publish the reports on its website.
- By June 30, 2027, each local jurisdiction with at least 10,000 residents is required to adopt by local law and submit to the Maryland Department of Planning a detailed plan, informed by public input, to govern large scale data center development within its jurisdiction.

The data center industry is experiencing unprecedented growth throughout the United States, requiring deployment of new generation sources and transmission and distribution infrastructure that are sharply driving up consumer electricity rates. In the Mid-Atlantic region, data centers have been cited as a root cause of [an expected 20% increase in utility prices](#). [Data centers were responsible](#) for 40% of PJM (our grid operator) capacity costs in the last auction.

Currently, there are 12 newly proposed data centers in Maryland, which are projected to use 200 times the estimated power of the existing Maryland data centers, the equivalent of doubling the State's total household electricity consumption. Based on Virginia's experience, we know that new transmission and distribution infrastructure will likely be required to serve these data centers. We *don't know* how these new projects will impact electricity rates, water resources, renewable energy targets, or climate goals in Maryland. Without transparency, detailed information, and proper planning, sound management of data center growth is not possible at the State or local government levels.

HB1411 is a first step toward responsible management of data center projects, requiring local planning with community input and statewide reporting. By conditioning eligibility for exemption from the State sales and use tax, this bill will incentivize data center developers to provide the key information that Maryland agencies and local governments need to make informed regulatory decisions and sustainably manage data center projects.

For these reasons we request a FAVORABLE report on HB1411.