BENJAMIN L. CARDIN
MARYLAND

www.cardin.senate.gov

509 HART BUILDING
WASHINGTON, DC 20510–2004
(202) 224–4524

TOWER 1, SUITE 1710
100 S. CHARLES STREET
BALTIMORE, MD 21201
(410) 962–4436

United States Senate

COMMITTEES:
ENVIRONMENT AND PUBLIC WORKS
FINANCE
FOREIGN RELATIONS
SMALL BUSINESS

COMMISSION ON SECURITY
AND COOPERATION IN EUROPE

September 24, 2024

The Honorable Wes Moore
Governor
State of Maryland
100 State Circle
Annapolis, MD 21401

Dear Governor Moore:

I am writing to express my concerns regarding policies encouraging the development of data centers in Maryland. While I recognize their value to innovation and economic growth, I do not believe current policy balances the benefits of data centers to Marylanders against the substantial negative impacts that the unmitigated development of data centers would have on our already overburdened grid, ratepayers, and environment.

On January 8, 2024, PJM Interconnection LLC (PJM) published its annual load growth report, which forecasted that its summer and winter peaks will grow by 1.7% and 2.0% respectively through 2034.[1] This represents a nearly three-fold increase from the respective load growth rates of 0.4% and 0.7% forecasted last year. The report cites data center development in the region as a reason for the increase. The load growth forecasts inform PJM's Regional Transmission Expansion Plan, which identifies needs for additional transmission capacity in the region. In the 2023 plan, PJM cited an unprecedented data center load growth of about 7,500 MW in Northern Virginia and Western Maryland by 2027-2028 in 2023 as a core reason for additional transmission upgrades.[2] Despite the burden they place on the system, data centers do not bear the true cost of transmission expansion. The Maryland Office of People's Counsel, the State's ratepayer advocate, has for many years worked unsuccessfully in opposition to PJM and the Federal Energy Regulatory Commission's processes that shift the cost burden of data center development in the region onto Maryland ratepayers. It is imperative that, at the least, data centers, not ratepayers, shoulder the additional costs their outsized load demands.

In addition to their energy demands, the direct environmental impact of data centers on water resources and air quality will challenge our shared public health, clean energy, and

[1] https://www.pjm.com/-/media/library/reports-notices/load-forecast/2024-load-report.ashx
[2] https://www.pjm.com/-/media/library/reports-notices/2023-rtep/2023-rtep-report.ashx

environment goals.[3] In particular, fossil fuel powered back-up generators that are required to ensure 24/7 operations will contribute to poorer air quality in communities in which they are sited and increase greenhouse gas emissions. Policies that encourage energy efficiency, demand response, the procurement of clean energy can minimize emissions and mitigate impacts on the grid.[4]

Importantly, a transparent and rigorous review process that allows for public participation should serve as the foundation of the State's framework for a thoughtful and sustainable data center siting policy. This review process should include rigorous investigation into the true cost of the required transmission upgrades. Second, the process should address the short and long-term cumulative impacts of each additional data center on land use, energy and water consumption, and impact on Maryland's climate and energy efficiency goals.

In the past several years, the Bipartisan Infrastructure Law and Inflation Reduction Act brought substantial resources to Maryland to support the State's work to bring energy costs down and secure a healthy, livable future. With sensitivity to the above concerns, I am hopeful that the State can, working with federal, state, and local parties, construct a policy framework that allows for the responsible and sustainable development of data centers with the least impact on Marylanders.

Sincerely,

Benjamin L. Cardin
United States Senator

[3] https://www.nature.com/articles/s41545-021-00101-w
[4] https://www.iea.org/energy-system/buildings/data-centres-and-data-transmission-networks