

February 8, 2024

Dear members of the Frederick County Data Centers Workgroup,

I've watched all of your public meetings, and want to thank you for all the time and thought you've invested in wrestling with this very important issue for our County.

[I'll insert here a quick note that I wish your subcommittee meetings had also been broadcast, for the sake of transparency and the ability for all residents to see and follow what all of you were learning in those meetings. It was very instructive to be able to view or attend the full meetings of the workgroup, so I assume the subcommittee meetings could also have yielded lots of useful information.]

I think your January 25 meeting, in particular, revealed the importance of having such a diverse mix of backgrounds on the workgroup. The discussion of recommendations was lengthy, but very worthwhile for residents to get a deeper understanding of the work behind the recommendations and the issues you delved into as the recommendations were formulated.

There are three specific items I'd like to comment on, regarding data centers.

1. Renewable Energy Credits / A false "solution"

As has been observed multiple times in your meetings and elsewhere, the tremendous quantity of energy required for data center operation is one of the very difficult problems within the industry. It will be difficult to deal with, on many levels.

But more specifically, the effect that the industry's growing energy production and use will have on the climate and the climate goals Maryland — and indeed, Frederick — have set for themselves is daunting. Using renewable energy to mitigate these effects will be an important route toward protecting the climate from increased carbon and other emissions. It won't be an immediate solution, but should be a goal.

However, please beware of letting data centers use Renewable Energy Credits (RECs) to stay on course with our climate goals. Maryland's Renewable Energy Portfolio is flawed, because its Tier One RECs include power generation sources beyond the sources one might expect would be included — solar, wind, hydroelectric, and geothermal power.

Be mindful that Tier One RECs also include power generated by trash incinerators, biofuel from poultry litter, and wood burning operations.

There has been legislation in the Maryland General Assembly for at least 10 years attempting to remove these sources from Tier One, but so far the efforts have not been successful. Perhaps 2024 will be the year... but until that happens, please beware of allowing the industry to pretend it's using renewable energy to operate, when in fact, it's quite possible they are not.

[Please use this link for an audio look at problems with RECs on NPR's *Reveal* program.]

<https://revealnews.org/podcast/its-not-easy-going-green/>

2. The Tech Center/Sage Policy Group report

I appreciate that the Maryland Tech Center solicited a report on the possible economic and fiscal impacts of data centers in Frederick County.

But in the discussions of these impacts, I haven't heard robust discussion of the potential drawbacks of data centers, economically and fiscally.

I urge the County to solicit a report similar to the Sage Policy report, but from a different vendor, on potential negatives of data centers from a financial standpoint.

It would be useful for residents and decision makers to understand the overall net pluses and negatives before any further growth of the industry is permitted in Frederick.

3. Keep a broad, comprehensive view, rather than an incremental approach to data centers

While I feel great sympathy for Loudon residents, I believe we're fortunate to have Loudon County's experience with data centers as a guide — or perhaps a cautionary tale.

I think one of the big takeaways for me has been that the data center industry gained a foothold in Loudon before residents and electeds and staff had a chance to understand the “big picture” of what was happening. Now they're in a reactive mode, with many residents unhappy with the current state of the industry in their county.

I'm glad our County seems to be taking a different approach; the Data Center Workgroup is a sign of a desire to take a more comprehensive view of data center development.

But the Workgroup is coming to a close. At the Climate Summit at Hood College, Renee Knapp told the audience that “the work isn't over” — I hope the Workgroup will recommend that a public process similar to the Workgroup will continue, in order to maintain a broad overview of what is happening in Frederick County.

I'm not opposed to data centers on a limited scale. But I do hope there will be a robust ongoing effort — by staff, by electeds, and through public processes that involve resident and business stakeholders — to monitor all factors carefully, as the industry grows here.

Many thanks, Workgroup members, for your consideration of my comments. And thank you again for your public service to our County.

Patrice Gallagher
City of Frederick