WHO GETS TO DECIDE?

When it comes to Minnesota water and Minnesota electricity, Minnesotans should decide, not Big Tech. Large tech companies are proposing massive data facilities across Minnesota, but there is no opportunity for the public to weigh in on these proposals, and very little information about them is publicly available. Meanwhile, these new facilities would use tremendous amounts of resources in Minnesota, including water, energy, and metals.

Right now, tech companies are moving ahead quickly and quietly, accessing our natural resources and moving into neighborhoods without our consent or democratic processes. MCEA believes that we should have a conversation as a state about the benefits and costs of these facilities; whether we will consent to having them here, and if so, what guardrails we want in place. **These are decisions for Minnesotans to make**, not Big Tech. **Before we hand over our priceless resources, land, air, and water to Big Tech companies, Minnesotans deserve answers to these four questions:**

Energy – Where will the electricity come from?

Would the energy required for these facilities be renewable and carbon free? Would our electricity get more expensive for residents and businesses? Would it get less reliable?

Water – Would our ground and surface waters be protected?

How much water would be used each day for these data centers? Would that use affect our drinking water, other businesses, and our lakes and rivers?

Materials – How much copper, steel, concrete and other critical materials are needed?

Would the metals come from recycled sources, and be recycled rather than landfilled at the end of their useful life? Would increased demand for metals cause demand for mining in sensitive areas?

Neighborhood impacts – Would the facilities be loud, and lit at all hours?

How often would the hundreds of diesel generators run? Could large data centers operate without harming neighbors and burdening their daily life?

Minnesotans deserve answers to these four questions to help us assess these proposals before any large data center project moves forward. Join MCEA in calling for an open, fair, and democratic process for Minnesotans to decide how we move forward together.

Minnesota Center for Environmental Advocacy

Minnesota Center for Environmental Advocacy

MCEA Briefing on Data Centers in Minnesota

Hyperscale data centers, under the ownership and direction of the world's richest and most powerful corporations, seek to expand significantly into Minnesota. Whether to allow this is an important decision for the state. While data centers could provide potential benefits, their impacts would be significant as data centers use considerable water, energy, and materials.

The full range of impacts of data center expansion is unknown and will in part depend on our State's regulatory response. At this time, different government entities oversee aspects of these projects, but it is scattershot, and there is no comprehensive permitting or other process where Minnesotans can understand the issue and weigh in. Nor is there an adequate ability in place for our state agencies to say no to bad proposals. Some of the largest companies in the world are seeking to move quickly and quietly into our state without meaningful consideration from our residents or leaders. It is essential that data center expansion in Minnesota as a whole is considered thoroughly and on a timeline that allows us to make informed decisions. And it is essential that we elevate, not undermine, our state's place in this conversation and the importance of our informed consent.

Our concern is two-fold: First, we don't see any regulatory structure in place that can create the opportunity for agreement and guardrails. Local and state agencies may have some limited authority over various aspects of these proposals, but no regulatory entity holds the whole. And data centers are already exploiting loopholes to the limited authority government agencies hold. It is difficult to get even basic information about these facilities – how many are being proposed, how much water, energy, and materials they would use, what the impacts would be, even what company will own the facility – right now. We need an immediate regulatory response that allows for transparency and a conversation about what makes sense for Minnesota.

Second, the potential impacts are significant. We see other jurisdictions having problems managing the impacts. The potential draw on our resources is too large to ignore, and this issue is not going away.

MCEA's goal in creating this briefing booklet is to inform Minnesotans and our leaders about the potential risks and open up space for a statewide conversation.

1. What policies could help facilitate a statewide conversation on data centers?

Required environmental review. Right now, these facilities may only need to go through piecemeal environmental review on a few discrete issues. But environmental review is designed to study and help the public and decision-makers understand all impacts in one single place. It is also the best – and sometimes only – place for the public to weigh in, and it is a key moment for tribal consultation. Environmental review should be conducted such that all potential impacts, including energy, water, and metals demand, are known, and the company can identify potential improvements and strategies to lessen those impacts, before the facility is approved.

<u>Comprehensive permitting process for data centers</u>. Most large facilities need a permit to operate in Minnesota, but not data centers. Requiring a permit for data centers would allow agencies to gather information about the facility as a whole, and help residents understand the overall proposal and its costs and benefits. It would also allow state agencies to require permit conditions that are necessary to protect the public, and reject the proposal if that is in the state's best interest.

2. What's the Problem, and What Can We Do About It?

Because data centers currently have minimal permitting and disclosure requirements, there's a lot we don't know about how they would operate or what their impacts would be. Here is some additional information that could be helpful to facilitate a public conversation, and some ideas to ensure that the process is transparent for the public.

> **A. Energy – Where would will the electricity come from?** Would the energy required for these facilities be renewable and carbon free? Would our electricity get more expensive for residents and businesses? Would it get less reliable?

A single hyperscale data center can draw an average load of 430 MW.[1] That's enough electricity to power the city of St. Cloud five times over. To service these loads, particularly at times of peak electric demand (hot summer afternoons and during cold snaps), Minnesota's electric utilities would need to build and procure additional electric generation resources. The Star Tribune reported recently that, "with at least 10 (hyperscale data centers planned), these Big Tech projects could consume as much electricity as every home in Minnesota."[2]

If new power plants built to serve data centers burn fossil fuels instead of using clean energy, they will emit greenhouse gas emissions at a time when we should be moving quickly to lower and ultimately eliminate those emissions.

Minnesota state law requires our utilities to reach a standard of 100% carbon free electricity by 2040.[3] Adding new gas plants to our system that burn fossil fuels will threaten our ability to achieve the 100% carbon-free electricity standard, which in turn will affect our ability to combat climate change. Moreover, many individuals, businesses, and industrial operations have made changes to how they operate to make a clean energy transition possible.[4] New gas plants driven by the demand from data centers have the real potential to erode the clean energy progress everyone has worked hard to make.

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[1] I. Riu, D. Smiley, S. Bessasparis & K. Patel, "Load Growth Is Here to Stay, but Are Data Centers?: Strategically Managing the Challenges and Opportunities of Load Growth," Energy and Environmental Economics, Inc. (July 2024), available at https://www.ethree.com/wp-content/uploads/2024/07/E3-White-Paper-2024-Load-Growth-Is-Here-to-Stay-but-Are-Data-Centers-2.pdf. This study estimates an 86% load factor for data centers, which we apply to the 500MW capacity reported for several data center proposals in Minnesota.
[2] https://www.startribune.com/mega-data-centers-are-coming-to-minnesota-their-power-needs-are-staggering/601204129
[3] Minn. Stat. § 216B.1691.
[4] D. Niepow, "Inside Minnesota's Clean Energy Revolution," MinnPost (Nov. 21, 2024), available at https://www.minnpost.com/twin-cities-business/2024/11/inside-minnesota-clean-energy-revolution/.

This concern is not speculative. We have seen examples in other jurisdictions where data center growth has prompted utilities to add new gas plants to the system, even when the tech companies building the data centers have corporate goals to be carbon-free.[5] While Big Tech companies have put resources into renewable energy in some places,[6] there is no requirement that they do the same in Minnesota, and any such investments would be voluntary.

Increased demand, especially at peak times, can drive up electricity rates, as higher peak demand prompts utilities to build out more energy sources to serve that peak demand, and all rate payers bear that cost.[7] Big Tech has claimed that their data centers could lower energy rates in Minnesota, but have yet to offer proof or independently verifiable evidence of this.

Policy ideas:

- **New data centers in MN should be prohibited unless there is a plan for meeting additional power demand through carbon free electric generation, including geothermal, solar, wind, and battery storage.**

- **Any backup power onsite should not increase the use of fossil fuels.**

- **There should be transparent information about data centers' impact to other utility ratepayers and what costs of serving the data center with electricity will be borne exclusively by the data center.** Data centers should be required to pay for new electric system costs they cause, as well as their fair share of costs of the existing infrastructure they rely on. Regulators can also minimize risks by having data centers pay for grid maintenance or fund early-stage clean energy technologies that would otherwise be too expensive for utilities to contract with.

- **Data centers should be required to utilize the most energy efficient technologies and systems available to reduce their energy consumption at the outset.**

- **Data centers should be required to implement demand concessions to minimize their impacts at peak load times.** Consumers and other businesses in Minnesota do this; fairness demands that data centers do the same.

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[5] E. Thomas, "Utilities Want to Power Big Tech's AI Ambitions with Natural Gas. These Are the Data Centers They're Betting On," Business Insider (Feb. 13, 2025), available at https://www.businessinsider.com/utilities-ai-natural-gas-power-microsoft-meta-amazon-2025-2.

[6] S. Wolfe, "Google to Power Nevada Data Center with 115 MW of Geothermal Energy," Power Engineering (June 13, 2024), available at https://www.power-eng.com/renewables/geothermal/google-to-power-nevada-data-center-with-115-mw-of-geothermal-energy/.

[7] E. Martin & A. Peskoe, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Harvard Law School Environmental and Energy Law Program (Mar. 2025), available at https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/?utm_source=eelpTrackerMarch25.

B. Water Impacts – **Would our ground and surface waters be protected?** How much water would be used each day for these data centers? Would that use affect our drinking water, other businesses, and our lakes and rivers?

Minnesota is generally perceived as a "water-rich state" that has attracted intensive water-consuming industries in the past, such as water bottling and irrigation-dependent crops.[8] However, our water resources are increasingly strained by competing residential, commercial, industrial, and agricultural uses, as well as climate change.[9] And in Minnesota, much of our water – lakes, rivers, streams, and groundwater – is connected. In both urban and rural areas of the state, groundwater resources are already strained, causing interference with drinking water wells and affecting streams, lakes, and rivers.[10]

Data centers demand enormous amounts of water to cool their servers and other computing hardware, and water is also indirectly used to cool the facilities that generate data centers' electricity.[11] In Minnesota, the water use that data centers demand may be at odds with the groundwater sustainability standard in state law, which requires groundwater use to be sustainable to supply current needs and the needs of future generations.[12] For example, the Farmington, Minnesota data center proposal would more than *double* the city's current water use. Farmington would need to drill a large new well for the city to accommodate this single user. Moreover, DNR has noted that this amount of groundwater use could negatively affect the Vermillion River, a nearby protected cold water trout stream.[13]

Unfortunately, right now, these data centers do not need to apply for their own water withdrawal permits. Instead, they are using a permit that the city already has, and asking the city to apply for larger withdrawals. From the outside, it may look as if the city needs more water for residents and businesses, but in fact, a single user has come in and doubled the demand. This also creates a perverse incentive for cities to compete against each other to market their water resources to attract these facilities, and disincentives cooperation among cities to plan for sustainable regional water use. With at least 10 data centers proposed on the outer edges of the Twin Cities, and no scrutiny of individual permits or analysis of the cumulative effects of these large increases, this is an unsustainable situation that will harm Minnesota's water resources.[14]

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[8] Department of Natural Resources, "Minnesota Water Conservation Report" (2020) at 6, available at https://files.dnr.state.mn.us/waters/watermgmt_section/water_conservation/statewide-report.pdf.

[9] *Id.*

[10] Department. of Natural Resources, "Well Interference Resolution Process," available at https://www.dnr.state.mn.us/waters/watermgmt_section/appropriations/interference.html.

[11] R. Ahmad, "Water Works: Engineers Often Need a Lot of Water to Keep Data Centers Cool," American Society of Civil Engineers (Mar. 4, 2024), available at https://www.asce.org/publications-and-news/civil-engineering-source/civil-engineering-magazine/issues/magazine-issue/article/2024/03/engineers-often-need-a-lot-of-water-to-keep-data-centers-cool.

[12] Minn. Stat. 103G.287, subd. 1(b).

[13] Letter from Melissa Collins, Regional Environmental Assessment Ecologist, Department of Natural Resources, to Tony Wippler, Planning Manager, City of Farmington (Oct. 22, 2024), on file at MCEA.

[14] K. Marohn, "Water-Guzzling Data Centers Spark Worries for Minnesota's Groundwater," MPR News (Feb. 11, 2025), available at https://www.mprnews.org/story/2025/02/11/water-guzzling-data-centers-spark-worries-for-minnesotas-groundwater.

Other state and local communities have begun to require hyperscale data centers to track and limit their water usage.[15] However, any disclosures or efforts to improve their practices would be voluntary in Minnesota right now.

Policy Ideas:

- **Require separate water withdrawal permits for data centers if their proposed water use is above 3 million gallons per month, or over 40% of the currently permitted municipal water use.** Minnesota could require these large data centers to apply directly to the DNR and receive their own water appropriation permit. This would mean that if any water supply assessments need to be done, or future well interference issues arise, the responsibility and cost falls on the industry and not on the city and its residents. It also means that an industrial water use could be suspended or decreased if it interferes with public or private drinking water wells.

- **Require data center companies to disclose water and power usage to localities before development as part of the environmental review process.** Full disclosure of anticipated water usage – and how the proposed water use is compatible with other uses – is a critical component of environmental review. However, in its response to a recent environmental review for a proposed hyperscale data center in Farmington, Minnesota, the DNR noted "significant concerns and questions" about the "lack of detail included in the water appropriation section," which they alleged "does not include enough information to evaluate the future sustainability of the City of Farmington's municipal water supply."[16]

- **Require consideration of alternative strategies to decrease water use. When it comes to data centers, one existing alternative to high capacity water use is a closed loop systems that still provide the water needs of the facility through water reuse.**[17] Some data centers have used a closed loop system, which uses 15K gallons per day or the equivalent of 37 homes. Compare this to the Tract data center in Farmington which proposes using 2.35M gallons per day or the equivalent of 7,325 homes.[18]

- **Require aquifer pump tests and public comment periods on water appropriation permits. Permits must be denied if the proposed water usage does not align with the groundwater sustainability standard**. Unlike many other state permits, the water

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[15] N. Yadav, "Phoenix, Arizona, to Clamp Down on Data Centers," Data Center Dynamics (Dec. 19, 2024), available at https://www.datacenterdynamics.com/en/news/phoenix-arizona-to-clamp-down-on-data-centers/; D. Swinhoe, "Virginia Lawmakers Propose New Bills Limiting Data Center Development," Data Center Dynamics (Jan. 15, 2024), available at https://www.datacenterdynamics.com/en/news/virginia-lawmakers-propose-new-bills-limiting-data-center-development.

[16] Letter from Melissa Collins, Regional Environmental Assessment Ecologist, Department of Natural Resources, to Tony Wippler, Planning Manager, City of Farmington (Oct. 22, 2024), on file at MCEA.

[17] C. Tozzi, "What Is Closed-Loop Cooling, and When Should Data Centers Use It?" Data Center Knowledge (Oct. 21, 2024), available at https://www.datacenterknowledge.com/cooling/what-is-closed-loop-cooling-and-when-should-data-centers-use-it-.

[18] J. Darley, "Microsoft's Zero-Water Solution for Data Centre Cooling," Sustainability Magazine (Dec. 11, 2024), available at https://www.sustainabilitymag.com/articles/microsoft-unveils-zero-water-cooling-for-ai-data-centres; Letter from Melissa Collins, Regional Environmental Assessment Ecologist, Department of Natural Resources, to Tony Wippler, Planning Manager, City of Farmington (Oct. 22, 2024), on file at MCEA.

appropriation permit process has no required public comment period.[19] This means that the public is denied the opportunity to share their concerns, even if a facility would affect their drinking water supply. Aquifer pump tests simulate the drawdown effects of high-volume water usage to see what impact, if any, it may have on public and private domestic wells and on ecosystems. Aquifer pump tests are required under Minn. Stat. § 103G.287, however this requirement is frequently waived by the DNR.[20] When it comes to data centers, a pump test should be required for each water appropriation permit requested by a data center.

C. Materials – How much copper, steel, concrete and other critical materials are needed?
Would the metals come from recycled sources, and be recycled rather than landfilled at the end of their useful life? Would increased demand for metals cause demand for mining in sensitive areas?

Sulfide or copper-nickel mining (i.e. the process of mining of minerals including copper and nickel) has an unbroken record of pollution, and mining companies are among the world's top polluters.[21] Mining operations cause massive water pollution and habitat degradation and mining companies have done little over time to address this.[22] Moreover, many existing or potential mining sites are near reservations or inside Treaty territory, affecting Indigenous rights.[23]

Sulfide mining operations seek to operate in Minnesota and often rely on projected metals demand as an argument why they should be allowed to expand. While no sulfide mine has opened in Minnesota yet, multi-national companies are proposing to operate across the state in places that affect Lake Superior, the Mississippi River, and the Boundary Waters.

Data centers are extremely materials intensive, and with the growth of AI, increasingly so. As Bloomberg reported in June, "North American copper demand from the build-out of data centers could increase by 1.1-2.4 million tons as of 2030, according to our calculations that use data-center copper intensity of 27-33 tons per megawatt (MW) of applied power."[24] And, "as AI demands mount, so too will server-rack power density and cooling needs, potentially pushing up copper intensity

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[19] Minn. Stat.§ 103G.301.

[20] Department of Natural Resources, "Water Appropriations Permit Program," available at https://www.dnr.state.mn.us/waters/watermgmt_section/appropriations/permits.html#:~:text=Aquifer%20Pumping%20Tests&text=287%20opens%20in%20a%20new,for%20at%20least%2072%20hours. See "Aquifer Pumping Tests" call out box for supporting details.

[21] Mining companies claim that they have environmental benefit when their metals are used for clean energy. MCEA has written about these dynamics and policy -- for example through recycling and reuse, technological improvements and input substitutions in products, and reduction in nonessential uses of these metals generally -- at mining-the-climate-crisis and our-water-is-our-strength.

[22] B. Gestring, "U.S. Copper Porphyry Mines: The Track Record of Water Quality Impacts Resulting from Pipeline Spills, Tailings Failures and Water Collection and Treatment Failures," Earthworks (July 2012), available at https://www.friends-bwca.org/wp-content/uploads/History-of-copper-mining-and-water.pdf.

[23] J. Simon, "Demand for Minerals Sparks Fear of Mining Abuses on Indigenous Peoples' Lands," NPR (Jan. 29, 2024), available at https://www.npr.org/2024/01/25/1226958312/demand-for-minerals-sparks-fear-of-mining-abuses-on-indigenous-peoples-lands.

[24] G. Sporre & R. Barnett, "Copper Demand Is Set for Data-Center Boost," Bloomberg (June 17, 2024), available at https://www.bloomberg.com/professional/insights/commodities/copper-demand-is-set-for-data-center-boost/.

too."[25] Additional data center construction outside the US could result in "an additional 800,000 to 1.3 million metric tons of copper demand by 2030. That's equivalent to the output of 4-5 midsized copper mines."[26] This is just regarding copper.

In other words, Minnesotans are already faced with challenging rhetoric from the sulfide mining industry about the need for metals like copper and nickel in renewable energy technology. Massive increases in metals demand by Big Tech stands to make that conversation even more difficult.

Upstream pollution from mining may not always be analyzed in the environmental review process for operations that use mining products, but those impacts are considerable. And an expansion of data centers would use a lot of metals, apparently with no established upper limit. Indeed, the US Supreme Court is currently reviewing a challenge to federal environmental review process and whether upstream impacts may be considered at all,[27] so it is up to Minnesota to ensure that these impacts are considered.

Policy Ideas:

- **Commit to 90/90/90**: To maintain outage-free operations, data centers currently discard servers after as few as 2-3 years of use. These servers may be landfilled, and may not be designed for recyclability.[28] Data center companies should be required to commit to using 90% recycled metals used in construction, 90% recycled content for products used in operation, and use products that are themselves 90% recyclable.

- **Require Permittees to Certify Metals Usage and Identify Strategies to Reduce Demand.** Given the pollution that accompanies sulfide mining for virgin metals, Data Center permittees should be required to provide a full description of the amount and type of metals that would be used in construction and ongoing operation of the facility, including available information about the metals' country of origin, and the percentage of metals used that were recycled. Environmental review should include consideration of alternatives to reduce metals demand.

- **Disallow Sourcing from Bad Actors:** Mining host communities everywhere are challenged by corruption and poor labor and environmental practices by the world's largest mining companies. Here in Minnesota, Glencore Xstrata seeks to mine for low-grade copper and nickel despite being found criminally liable in the US, the UK, Switzerland, the DRC, Venezuela, and Brazil for corruption.[29] Minnesota should pass "Bad Actor" legislation empowering state agencies to decline to do business with international Bad Actors, and data

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[25] *Id.*

[26] *Id.*

[27] *Seven Cty. Infrastructure Coal. v. Eagle Cty.*, No. 22-1019 (U.S. argued Dec. 10, 2024).

[28] J. Roundy, "Chip Recycling: Addressing E-Waste in the AI Hardware Industry," Waste Advantage Magazine (Dec. 24, 2024), available at https://wasteadvantagemag.com/chip-recycling-addressing-e-waste-in-the-ai-hardware-industry/.

[29] U.S. Department of Justice, "Glencore Entered Guilty Pleas to Foreign Bribery and Market Manipulation Schemes," (May 24, 2022), available at https://www.justice.gov/archives/opa/pr/glencore-entered-guilty-pleas-foreign-bribery-and-market-manipulation-schemes.

centers seeking permission to operate in Minnesota should be required to source products that avoid metals from companies who are banned from operating in Minnesota.

D. Local community impacts – Would the facilities be loud, and lit at all hours? How often would the hundreds of diesel generators run? Could large data centers operate without harming neighbors and burdening their daily life?

Data centers create noise and light pollution. With campuses up to hundreds of thousands of feet large, the facilities require all-night lighting that can frustrate neighboring residences and contribute to "skyglow" that obscures the night sky.[30] Servers and cooling facilities create a constant "hum" that can be audible to neighboring residents.[31] If diesel generators are used for backup power, the generators will cause additional spikes in noise , contributing to long term effects like hearing loss, stress, insomnia, and decreased quality of life, as well as localized air pollution spikes.

Community resistance to these effects is hindered when local officials agree to sign non-disclosure agreements (NDAs) with data center developers. In Farmington, city officials signed NDAs that allowed a data center proposal to advance through six months of planning before being revealed to local residents.[32] Developers often use NDAs to shield data center proposals from the public eye in the earlier stages of development.[33]

Policy Ideas:

- **Ensure robust public engagement.** State law or local ordinances should limit government officials from signing NDAs that keep data center proposals out of the public eye. Lawmakers should also incentivize community benefit agreements between data center companies and local governments, perhaps subjecting those agreements to resident input and approval.

- **Prevent noise and light pollution.** State legislation should adopt minimum setback requirements between data centers and residential properties, which would mitigate residential impacts of noise and light pollution. Minnesota can also require data centers developers to incorporate sound mitigation methods that ensure ambient noise near data centers does not exceed set thresholds.

- **Scrutinize any backup energy sources that require fossil fuel use.** Using diesel generators, even if it is intermittent, can decrease the quality of life for nearby residents and create problems with air pollution and noxious smells. Diesel generators or similar strategies for backup should be subject to environmental review and public comment.

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[30] National Geographic Society, "Light Pollution," available at https://education.nationalgeographic.org/resource/light-pollution/.

[31] S.G. Monserrate, "The Staggering Ecological Impacts of Computation and the Cloud," The MIT Press Reader (Feb. 14, 2022), available at https://thereader.mitpress.mit.edu/the-staggering-ecological-impacts-of-computation-and-the-cloud/.

[32] E. Herscowitz, "Farmington Residents Couldn't Get Answers About a Proposed Data Center. Then They Saw the NDA," Star Tribune (Jan. 9, 2025), available at https://www.startribune.com/farmington-tract-nda-data-center/601203732.

[33] *Id*.

Frequently Asked Questions

Isn't it better for data centers to locate here since we have cleaner electricity and better environmental laws than neighboring states?

Minnesota's environmental laws are not equipped to deal with this influx of massive facilities, and most other states aren't, either. While Minnesota does have robust environmental laws, including environmental review requirements and strong clean energy requirements, these facilities are not undergoing any type of comprehensive permitting process and will continue to find and exploit loopholes in our laws without some additional reform.

Minnesotans are entitled to decide how the fate of our natural resources and environment, not Big Tech. With robust regulatory requirements, Minnesota can be the model for other states also grappling with this problem.

Won't the data centers just locate elsewhere if Minnesota creates a new onerous legislative and regulatory framework?

Companies have a long history of pitting states against each other in order to force a regulatory "race to the bottom." By suggesting that they will move their businesses elsewhere if states take steps to protect their natural resources, their tax base, and their workers, big companies hope to convince all states not to impose any requirements at all. They hope that states will accept that they are better off giving massive tax breaks and easy access to precious natural resources rather than risk some jobs going to another state.

This is no different. If anything, the stakes are higher because the resource demands are so significant, risking our ability to transition to clean energy, protect our water resources, and avoid polluting sulfide mining, for uncertain benefits that Big Tech has, thus far, declined to prove.

Minnesota can be a leader. We don't have to participate in this "race to the bottom" that may well leave us all worse off in the end. Many states are grappling with this new problem. With leadership, other states may well find that they, too, can have a transparent and robust process that allows residents and state agencies to evaluate the costs and benefits, and decide for themselves.

Don't we need data centers for many aspects of daily life as well as for hospitals, government, and other critical uses?

Certainly, data centers provide needed services for businesses and government. Minnesota already has many data centers on a smaller scale that serve our economy every day.

These new data centers are different – they are much larger, and they are being proposed based on projected demand for increased services, including AI. These demand projections are uncertain, and as multiple Big Tech companies strive for "AI dominance," each is assuming in their projections that they will "win" the race.

Thus, it makes sense to move cautiously in the face of these predictions.[34] Our current internet isn't broken, and government agencies, businesses, and hospitals are not struggling for lack of data centers. It is incumbent upon the Big Tech companies proposing these projects to prove the benefits for Minnesota, the necessity for these services, and the value of data centers to Minnesota.

Don't data centers provide critical jobs for local Minnesota labor? Isn't this an opportunity for Minnesota to be a hub of high-tech jobs?

The primary jobs will be construction jobs. Each of these facilities may host between 50 and 100 permanent jobs. These are largely data center maintenance and technician jobs. It should be noted that these Big Tech companies are not planning on moving offices with technology jobs or headquarters to Minnesota, at least not as part of the data center projects.

It is difficult to compare these small numbers to the disruption in the coming years that could come from climate change and increased greenhouse gases; disputes over dwindling water resources; and impacts of sulfide mining on our state. That is why we need a comprehensive permitting process – so that we can evaluate potential benefits and costs and decide for ourselves whether these projects are right for Minnesota.

Why are you concerned about data centers being powered with fossil fuels? Most big tech companies have their own sustainable and clean energy commitments.

Some Big Tech companies do have sustainability goals; however, the greenhouse gas emissions of those companies have continued to rise in the face of those goals, and many are abandoning them entirely.[35] Moreover, it is not clear what these corporate goals mean in the case of any individual data center proposal. These facilities are regularly powered by new fossil fuel infrastructure, and in some places, even coal plants are coming back online to support the energy demand.[36] Part of the issue is that the companies proposing the data centers may not have any control, and frankly may not wish to control, how the energy is generated to power their facilities. Part of the issue is that drive for rapid growth may be overcoming those sustainability goals, which are aspirational rather than mandatory.

The bottom line is that Minnesota should have its own regulatory structure around data centers, and not rely on the voluntary commitments of Big Tech.

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[34] T. Snitchler, "Load Forecasts from Data Centers Risk Falling into Irrational Exuberance Territory," Utility Dive, (Jan. 15, 2025), available at https://www.utilitydive.com/news/load-forecasts-data-centers-risks-consumers-cost-epsa/737280/.

[35] J. Green, "Why Big Corporations Are Quietly Abandoning Their Climate Commitments?," Forbes, Aug. 29, 2024, (Aug. 29, 2024), available at https://www.forbes.com/sites/jemmagreen/2024/08/29/why-big-corporations-are-quietly-abandoning-their-climate-commitments/ ("Alphabet Inc., Google's parent company, had claimed carbon neutrality since 2007, by purchasing offsets to counterbalance emissions from its operations. But in 2024 it ended its programme, citing the rapid expansion of AI data centers, which caused Google's greenhouse gas emissions to rise by 13% in 2023 alone.")

[36] https://www.datacenterknowledge.com/energy-power-supply/data-centers-are-fueling-drive-to-old-power-source-coal

Aren't data centers creating an important tax benefit for small Minnesota communities?

Data centers in Minnesota are exempt from sales tax.[37] Like most businesses, data centers are also exempt under Minnesota law from paying any personal property tax on equipment and machinery they use.[38] These tax exemptions already costs Minnesotans over 100 million dollars per year.[39] If the industry grows forty times large, as some utilities predict,[40] the cost to taxpayers would be many billions of dollars per year.

Data centers have stated that they will pay significant taxes, but these claims cannot be independently verified at this point. These are some of the largest corporations in history, run by some of the richest men. Meanwhile, Minnesota is facing a deficit in the coming years. It is hard to justify these unlimited tax breaks under the circumstances. Until we have far more information about these proposals, it is not possible to determine potential tax to the state or local communities.

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[37] Minn. Stat. § 297A.68, subd. 42.

[38] Minn. Stat. § 272.02, subd. 9.

[39] W. Orenstein, "Big Tech Will Use Minnesota Tax Breaks for an Influx of Data Centers. Nobody Knows How Much It Will Cost," Star Tribune, Feb. 7, 2025, (Feb. 7, 2025), available at https://www.startribune.com/big-tech-will-use-minnesota-tax-breaks-for-an-influx-of-data-centers-nobody-knows-how-much-it-will-cost/601218607.

[40] *Id.*