NW Energy Coalition
for a clean and affordable energy future

NW Energy Coalition Resolution on Data Centers

WHEREAS billions of dollars of investment are driving the rapid development of artificial intelligence (A.I.) technology and associated data centers in the Northwest, the pace and scale of which is challenging for regulators, policymakers and communities.

WHEREAS the newest generation of A.I. data centers have unique load characteristics compared to traditional large loads (or even earlier generations of data centers) requiring significantly more energy and increasingly dynamic grid management, which has implications for reliability and resiliency, energy availability, fish and the hydrologic system, customer electric rates, and greenhouse gas pollution and regional decarbonization efforts.

WHEREAS hyperscale A.I. data centers provide unique challenges and opportunities for NWEC's mission and our members' shared goals of advancing clean, equitable, and affordable energy, while conserving fish and wildlife.

WHEREAS some data centers use large quantities of surface or ground water for cooling servers, which can impact water resources otherwise available to communities, fish, and agriculture.

WHEREAS data centers can potentially boost economic development, create jobs, generate tax revenue and spur investment in critical grid infrastructure and emerging technologies.

WHEREAS for frontline communities that are already disproportionately burdened by environmental harms, a hyperscale data center can further exacerbate cumulative impacts. Indeed, research indicates that large data centers are more likely to be sited in low-income, communities of color, rural, less-resourced, or areas where high-pollution infrastructure is historically sited.

WHEREAS regulators, policymakers and the public need transparency about planned large data center development in order to weigh impacts and make informed decisions.

NOW THEREFORE BE IT RESOLVED that the NW Energy Coalition adopts the following principles and recommendations regarding A.I. data centers:

Guiding Principle: NWEC believes that data centers should pay the full cost of their energy use, provide a net benefit to communities, and help expand grid capacity, clean energy, fish and wildlife conservation, while making a positive contribution to regional decarbonization efforts.

- All of the costs associated with powering data centers—including (but not limited to) energy supply, transmission, interconnection costs—should be paid by the data center customer (or appropriately allocated across their respective rate class) and not shifted to other utility customers.

- New, hyperscale data centers should be powered by renewable energy resources and also invest in additional transmission capacity, energy efficiency, conservation and other grid enhancements—including emerging clean energy technologies—that can benefit and be shared with other utility customers.

- Data centers should be flexible and directly participate in demand response programs. During periods of peak demand and grid-stressing events, large data centers should be required to curtail or to support the grid, if necessary, to ensure grid stability and to prevent wide electric service disruptions, and those terms of operation should be established clearly in advance of approvals.

- Data centers should pay a per-kilowatt-hour (or alternatively structured) fee to assist in the acquisition of energy conservation and energy efficiency upgrades for low-and-moderate-income customers.

- Data centers should provide upfront financial assurances (such as a bond) to ensure that other utility customers will not bear additional costs for any stranded assets built, procured or upgraded by a utility to serve data centers.

- Regulators, policymakers and local communities should develop strong water use and wastewater discharge standards for data centers. NWEC will work with water conservation experts when advocating for water-related sideboards, to ensure data center development protects the long-term availability and quality of water for communities, fish and wildlife, Tribal resources, and other existing uses.

- Large data centers should engage proactively with affected communities and Tribes to develop enforceable benefits agreements (CBAs, TBA's or similar enforceable contracts) to ensure that any prosperity derived from data center development is shared with the communities that are host to data centers, especially disadvantaged or marginalized communities, and that they are not negatively impacted.

- Data centers and all associated infrastructure should be built, operated and maintained by a skilled and trained workforce. Data center companies should pay prevailing wages and benefits, prioritize local hiring, honor the right of workers to bargain collectively and invest in the workforce through registered apprenticeship programs.

- Data centers should contribute their fair share of state and local taxes and they should not be granted tax breaks or subsidies that shift infrastructure and public services costs to other taxpayers and communities.

- The public has a right to know the details of data center development proposals, including the specific usage and potential impacts to energy, water, land and wastewater systems. Local governments and regulators should treat data center development-related information as "public by default," while allowing narrowly

tailored protection for legitimate cybersecurity, security, and trade-secret information. Regulators should have access to all information necessary to ensure proper oversight.

- Local communities and the public have a right to meaningfully participate in data center siting, permitting and regulatory decisions.