

Subject Data center environmental review and permitting

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## Overview

HF 2862, as amended by the H2862DE1 amendment, contains provisions that govern the environmental review and permitting processes for proposed data centers.

## Summary

Section Description

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- 1 **[216B.1622] Service to very large customers.**

**Subd. 2. Tariff or energy supply agreement.** Requires the commission, in determining whether to approve a tariff or energy supply agreement for a data center as in the public interest, to consider the extent to which the data center enhances grid reliability and resilience by making significant amounts of capacity on the utility grid available through deploying equipment and modifying operations to enable brief curtailments of data center demand.
- 2 **[216B.1624] Data centers; flexibility report.**

**Subd. 1. Definitions.** Defines terms.

**Subd. 2. Flexibility report.** Requires a data center to file with the commission, along with its tariff or energy supply agreement, a report that describes how the data center's physical and operational systems are designed to minimize energy usage and, using automated control systems, to stabilize and enhance grid reliability by shifting its demand during times of utility peak demand. Energy flexibility may be achieved through methods that include rescheduling delay-tolerant tasks; utilizing underused physical assets; recovering waste heat; and obtaining energy supplies through a virtual power plant program.
- 3 **[216B.70] Data center; environmental review document.**

**Subd. 1. Environmental review; data centers.** Requires the Public Utilities Commission to serve as the responsible governmental unit charged with preparing an environmental review document for a data center. The document

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must contain responses to all the items required on an environmental assessment worksheet, an analysis of alternatives as is currently required for an environmental impact statement (EIS), and other elements.

**Subd. 2. Notice.** Requires conformance with existing notice provisions pertaining to a draft EIS, and additional notice that the commission is preparing an environmental review document for a data center.

**Subd. 3. Public meeting.** Requires at least one public meeting to be held before preparation of the environmental review document is begun.

4	<b>[216B.71] Data center permit.</b>
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**Subd. 1. Policy.** Declares state policy with respect to data centers, requiring minimized environmental impacts, unimpaired reliability of the electric grid, and rejection of projects determined not to be in the public interest.

**Subd. 2. Definitions.** Defines terms.

**Subd. 3. Permit required.** Requires a permit from the commission in order to construct, upgrade, or operate a data center.

**Subd. 4. Duration of permit.** Specifies that the term of a data center permit is no longer than ten years.

**Subd. 5. Permit application; content.** Specifies elements that must be included in a data center permit application.

**Subd. 6. Permit content.** Specifies elements that must be included in a data center permit.

**Subd. 7. Permit application; notice.** Specifies that notice of the filing of a data center permit application must be published in the Environmental Quality Board (EQB) Monitor.

**Subd. 8. Permit review; issuance; bond.** Requires the commission to find that the data center project is in the public interest in order to issue a permit, and specifies factors the commission must consider in making that determination, including environmental impacts, financial impacts on utility ratepayers, and the degree of energy flexibility revealed in the report filed under section 216B.1624.

Requires posting of a bond or other financial assurance in an amount deemed sufficient by the commission.

**Section** **Description**

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**Subd. 9. Public disclosure.** Lists information regarding a data center permit application the commission must post on its website.

**Subd. 10. Notice; public meeting; draft.** Requires publication of availability of a draft permit in the EQB Monitor and the convening of a public meeting to be held within 30 days of publication.

**Subd. 11. Amendment of permit.** Specifies procedures for amending a permit.

**Subd. 12. Transfer of permit.** Requires commission approval of a permit transfer.

**Subd. 13. Revocation or suspension of permit.** Provides procedures for permit revocation and suspension.



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