

1.1 moves to amend H.F. No. 2862 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2025 Supplement, section 216B.1622, subdivision 2, is
1.4 amended to read:

1.5 Subd. 2. **Tariff or energy supply agreement.** (a) The commission may approve, modify,
1.6 or reject a tariff or electric service agreement proposed between a public utility and a very
1.7 large customer establishing the terms and conditions under which the utility will provide
1.8 electric service to the customer. As it evaluates a tariff or agreement under this section to
1.9 determine if it is in the public interest, the commission must consider ~~how best to achieve~~
1.10 the extent to which the tariff or agreement achieves the following required outcomes:

1.11 (1) all costs attributable to the utility's very large customers not exempt under subdivision
1.12 3 are assigned to the very large customer class or subclass determined by the commission
1.13 under paragraph (a);

1.14 (2) the electricity to be provided by the utility to a very large customer achieves each
1.15 quantitative benchmark of the state's electricity standards under section 216B.1691, as
1.16 demonstrated by a plan submitted by the utility to serve the additional load without recourse
1.17 to requesting a delay or modification of these standards;

1.18 (3) the tariff or agreement contains protections necessary to ensure that other customers
1.19 of the public utility are not placed at risk for paying stranded costs associated with the utility
1.20 serving the very large customer; ~~and~~

1.21 (4) if the very large customer is a data center, the degree to which the data center's
1.22 equipment and operations enhance grid reliability and resiliency by making available
1.23 significant amounts of capacity through the reduction or brief curtailment of demand from

2.1 the data center when utility demand is very high, as assessed in the data center's flexibility
2.2 report filed under section 216B.1624; and

2.3 (4) (5) any other outcome deemed important by the commission to ensure the tariff or
2.4 agreement is in the public interest.

2.5 (b) The commission may not approve a tariff under this section for a very large customer
2.6 that the commission has determined is not in the public interest.

2.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.8 Sec. 2. **[216B.1624] DATA CENTERS; FLEXIBILITY REPORT.**

2.9 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
2.10 the meanings given.

2.11 (b) "Ancillary services" means the management of power elements such as frequency
2.12 and voltage as electricity supply and demand fluctuates that helps maintain grid safety,
2.13 stability, and reliability by managing fluctuations in power supply and demand.

2.14 (c) "Flexibility" means the ability of a data center to temporarily alter its operations in
2.15 response to grid and market signals by using sophisticated automatic control systems to
2.16 reduce or shift its energy consumption in order to avoid high market prices during periods
2.17 of peak demand, take advantage of lower-priced renewables when they are abundant, or
2.18 reduce greenhouse gas emissions from its supply sources.

2.19 (d) "Immersion cooling" means the submergence of servers and processors in a dielectric
2.20 nonconductive liquid to absorb heat from the equipment.

2.21 (e) "Virtual power plant program" means a program that aggregates electricity generated
2.22 by renewable technologies, stored in energy storage systems, obtained through the control
2.23 of smart thermometers, customer-owned appliances, or other technologies, and reductions
2.24 in energy demand and uses it as a supplemental resource during times of peak demand.

2.25 Subd. 2. **Flexibility report.** (a) At the same time a data center files a tariff or energy
2.26 supply agreement, it must also file a flexibility report with the commission for review and
2.27 approval. The report must describe the ways in which the data center's physical plant and
2.28 equipment, operations, energy assets, contracts, and customer service delivery are designed
2.29 not only to minimize the data center's energy consumption, but also, via sophisticated
2.30 automatic control systems, to make the data center a grid-connected asset that can stabilize
2.31 and enhance grid reliability and resilience by shifting and temporarily reducing its energy
2.32 use, particularly during times of peak demand.

- 3.1 (b) At a minimum, the report must describe:
- 3.2 (1) the system of integrated smart controls that enable the data center to automatically:
- 3.3 (i) reschedule delay-tolerant tasks to off-peak hours or when renewable energy is
- 3.4 available, without impacting customer service levels;
- 3.5 (ii) shift workloads to other data centers located in regions whose grid conditions are
- 3.6 less congested; and
- 3.7 (iii) activate underutilized physical assets, including but not limited to battery energy
- 3.8 storage systems, uninterruptible power supply batteries, cooling systems, and energy backup
- 3.9 facilities to stabilize the grid by managing short-term supply and demand imbalances,
- 3.10 including the provision of ancillary services;
- 3.11 (2) physical systems specifically designed to respond in real time to grid and market
- 3.12 signals, including:
- 3.13 (i) thermal storage of cooling capacity during off-peak hours; and
- 3.14 (ii) advanced cooling systems that automatically adjust to grid conditions, weather and
- 3.15 workloads;
- 3.16 (3) equipment and technologies selected for their energy efficient profiles, including but
- 3.17 not limited to servers that can operate at higher temperatures and the use of immersion
- 3.18 cooling;
- 3.19 (4) waste heat recovery systems the data center intends to deploy, what proportion of
- 3.20 waste heat is estimated to be recovered, and how recovered waste heat will be reused;
- 3.21 (5) arrangements the data center is pursuing to gain access to energy supplied through
- 3.22 a virtual power plant program funded by the data center and operated by the utility or by a
- 3.23 third party;
- 3.24 (6) efforts to colocate a data center next to an existing electric generating plant and to
- 3.25 arrange for the construction of new solar, wind, or battery energy storage systems nearby,
- 3.26 enabling the latter to use the existing facility's interconnection, while protecting utility
- 3.27 ratepayers from any costs imposed by the data center; and
- 3.28 (7) any other aspects of data center operations that reduce energy consumption while
- 3.29 directly providing utility-wide benefits by stabilizing and enhancing grid operations.
- 3.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.1 Sec. 3. 216B.70] DATA CENTER; ENVIRONMENTAL REVIEW DOCUMENT.

4.2 Subdivision 1. Environmental review; data centers. (a) Notwithstanding any other
4.3 law, environmental review for a proposed data center must comply with the requirements
4.4 of this section. No other state environmental documents are required with respect to issuance
4.5 of a data center permit, as defined in section 216B.71, subdivision 2.

4.6 (b) The commission shall serve as the responsible governmental unit for the purposes
4.7 of this section.

4.8 (c) An environmental review document that complies with the provisions of this section
4.9 must be prepared by the commission. The environmental review document must:

4.10 (1) respond to all of the items required in an environmental assessment worksheet and
4.11 under Minnesota Rules, part 4410.1200;

4.12 (2) contain an analysis of alternatives as required in Minnesota Rules, part 4410.2300,
4.13 item G;

4.14 (3) report the amount of electricity consumed by the data center on a monthly and annual
4.15 average and on a peak basis;

4.16 (4) describe any energy transmission and distribution infrastructure that must be
4.17 constructed in order to serve the data center;

4.18 (5) describe the type of cooling system the data center will deploy;

4.19 (6) analyze whether the data center will violate noise limits established in Minnesota
4.20 Rules;

4.21 (7) describe the data center's impact on light levels;

4.22 (8) describe where and how all electronic waste generated by the data center will be
4.23 recycled, reused, or disposed of; and

4.24 (9) describe how the data center will be decommissioned.

4.25 (d) Data and analyses must be commensurate with the importance of the impact and the
4.26 relevance of the information to a reasoned choice among alternatives and to the consideration
4.27 of the need for mitigation measures.

4.28 (e) The draft and final environmental review document required under this section is
4.29 subject to the procedural, notice, and public engagement provisions of this section and of
4.30 those in chapter 116D and the corresponding rules that pertain to, respectively, a draft and
4.31 final environmental impact statement.

5.1 (f) The commission shall assess the applicant for the reasonable costs that the commission
5.2 incurs in preparing, reviewing, and distributing the environmental review document required
5.3 under this section. The provisions of Minnesota Rules that govern costs for an environmental
5.4 impact statement shall apply to the environmental review document.

5.5 Subd. 2. **Notice.** In addition to existing notice requirements for a draft environmental
5.6 impact statement under chapter 116D and the corresponding rules, before the commission
5.7 begins to prepare the environmental review document required under subdivision 1, the
5.8 commission must mail written notice that states that the commission is preparing an
5.9 environmental review document for a data center and that provides information on the public
5.10 engagement opportunities available during the environmental review process to:

5.11 (1) all residences within five miles of the proposed data center site;

5.12 (2) all persons on the commission's notification list;

5.13 (3) all Minnesota Tribal governments, as defined in section 10.65, subdivision 2, whose
5.14 land is within ... miles of the site of the proposed data center; and

5.15 (4) local news media, including at least one newspaper of general circulation whose
5.16 coverage area includes the proposed data center site.

5.17 Subd. 3. **Public meeting.** Before beginning preparation of the environmental review
5.18 document required under subdivision 1, the commission must hold at least one public
5.19 meeting in a location near the proposed data center site to explain the environmental review
5.20 and permitting processes, present major issues regarding the project, and answer questions
5.21 from the public.

5.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.23 Sec. 4. **[216B.71] DATA CENTER PERMIT.**

5.24 Subdivision 1. **Policy.** The legislature hereby declares it is the policy of the state to
5.25 locate data centers in an orderly manner that is compatible with environmental preservation
5.26 and the efficient use of resources. The commission must choose locations that minimize
5.27 adverse human and environmental impacts while ensuring continuing electric power system
5.28 reliability and integrity. The legislature also requires the commission to deny a permit for
5.29 a data center whose construction or operation it determines will not benefit the public interest.

5.30 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
5.31 meanings given.

5.32 (b) "Data center permit" means a site and operations permit issued under this section.

6.1 (c) "Operator" means a person applying for or who has been issued a data center permit.

6.2 (d) "Person" means an individual, partnership, or association; private or public
6.3 corporation; or county, municipality, or other political subdivision of this state.

6.4 Subd. 3. **Permit required.** A person may not operate a data center, or construct, renovate,
6.5 or upgrade any facility for the operation of a data center, without a data center permit issued
6.6 by the commission under this section.

6.7 Subd. 4. **Duration of permit.** A data center permit is effective for no longer than ten
6.8 years.

6.9 Subd. 5. **Permit application; content.** (a) A person that seeks to construct a data center
6.10 must file an application for a site and operations permit with the commission.

6.11 (b) The application must be on a form prescribed by the commission and must contain,
6.12 at a minimum:

6.13 (1) a statement of proposed ownership of the facility at the time of filing the application
6.14 and after commercial operation;

6.15 (2) the name of any person or organization initially named as operator and the name of
6.16 any other person to whom the permit may be transferred;

6.17 (3) a description of the proposed data center and all associated facilities;

6.18 (4) a description of the services the data center will be capable of delivering based on
6.19 the enterprise information technology equipment and computer software proposed to be
6.20 deployed;

6.21 (5) United States Geological Survey topographical maps or other maps acceptable to
6.22 the commission that show the proposed data center and associated facilities;

6.23 (6) a discussion of any other sites that were considered and rejected by the applicant;

6.24 (7) the engineering and operational design at each proposed data center site and any
6.25 transportation, pipeline, water, and electrical transmission systems that are required to
6.26 operate the facility;

6.27 (8) an analysis of the costs to construct, operate, and maintain the proposed data center;

6.28 (9) a description of possible design options to accommodate the data center's future
6.29 expansion;

6.30 (10) evidence that all other permits necessary for the operation, construction, renovation,
6.31 or upgrade of the data center have been obtained by the operator;

7.1 (11) a management plan explaining how all electronic waste generated by the data center
7.2 will be managed and disposed of;

7.3 (12) an estimate of the data center's monthly average and peak energy and water usage
7.4 and a discussion of steps that have been taken to minimize the use of both resources; and

7.5 (13) any additional information requested by the commission.

7.6 Subd. 6. **Permit content.** A data center permit must include at a minimum the following
7.7 provisions:

7.8 (1) water and energy use limits that are prudent, as low as feasible, and are consistent
7.9 with the reasonable requirements of public health, safety, and welfare and the state's
7.10 paramount concern for the protection of its air, water, land, and other natural resources from
7.11 pollution, impairment, or destruction;

7.12 (2) a requirement that the operator annually update the electronic waste management
7.13 plan submitted under subdivision 5, paragraph (b), clause (11);

7.14 (3) a requirement that the operator submit statistics on the data center's actual energy
7.15 and water use to the commission quarterly, including peak energy demand; and

7.16 (4) a requirement that the operator submit any other information requested by the
7.17 commission.

7.18 Subd. 7. **Permit application; notice.** (a) Within 15 days of receiving an application for
7.19 a data center permit, the commission must:

7.20 (1) publish notice of the application's filing in the EQB Monitor; and

7.21 (2) issue a press release to at least one newspaper of general circulation in the area
7.22 surrounding the proposed data center site.

7.23 (b) Nothing in this subdivision shall be construed to require the commission to make
7.24 public any information that the commission determines to constitute a trade secret.

7.25 Subd. 8. **Permit review; issuance; bond.** (a) Within 120 days after receiving an
7.26 application the commission determines to be complete, the commission must grant the
7.27 permit, with or without modifications or conditions, or deny the application. The time limit
7.28 may be extended by the commission for good cause or with the consent of the applicant.
7.29 The commission's decision under this subdivision constitutes a final decision of an agency
7.30 in a contested case for purposes of judicial review under sections 14.63 to 14.69.

8.1 (b) The commission may not issue a permit under this section unless it determines that
8.2 issuance is in the public interest. In determining whether issuance of the permit is in the
8.3 public interest, the commission must consider:

8.4 (1) the environmental review document and comments, and environmental mitigation
8.5 measures that have been incorporated into the permit;

8.6 (2) the financial impact of the project on utility ratepayers, including the risk of stranded
8.7 energy infrastructure assets for which ratepayers may be liable if the data center reduces its
8.8 level of or ceases operations;

8.9 (3) energy reduction efforts the applicant has incorporated into the project and the degree
8.10 of flexibility with respect to the data center's energy demand, as revealed in the report
8.11 submitted under section 216B.1624; and

8.12 (4) the extent to which the data center's energy and water consumption may restrict
8.13 future development or efforts at electrification in the surrounding area.

8.14 (c) The commission may not issue a data center permit until it has received from the
8.15 operator a bond or other security or other financial assurance that the commission has
8.16 determined to be in an amount sufficient to:

8.17 (1) pay all costs necessary to make affected parties whole in the event of unforeseen
8.18 contingencies; and

8.19 (2) pay the cost of decommissioning the data center and restoring or reclaiming the land.

8.20 Subd. 9. **Public disclosure.** (a) The commission must post on a separate page on its
8.21 website:

8.22 (1) a data center's application to the commission for a site and operations permit, within
8.23 15 days of receipt;

8.24 (2) the following information regarding a data center's operations:

8.25 (i) identification of the data center's operators and owners;

8.26 (ii) the information submitted by the data center quarterly under subdivision 6, clause

8.27 (3);

8.28 (iii) a description of the type and capacity of the data center's backup energy resources;

8.29 and

8.30 (iv) the number of full-time employees working at the data center site; and

8.31 (3) a copy of the draft and final permit, within 15 days of their completion.

9.1 (b) Nothing in this subdivision shall be construed to require the commission to make
9.2 public any information that the commission determines to constitute a trade secret.

9.3 Subd. 10. **Notice; public meeting; draft permit.** No later than 30 days after completion
9.4 of the draft permit, the commission must publish notice of its availability in the EQB Monitor,
9.5 and the date, time, and place of a public meeting to be held within 30 days of publication
9.6 near the proposed data center site.

9.7 Subd. 11. **Amendment of permit.** (a) A data center permit may be amended upon written
9.8 application to the commission, accompanied by a fee equal to ten percent of the fee required
9.9 under subdivision 4, clause (2). The commission may approve, modify, or deny the proposed
9.10 amendment.

9.11 (b) The commission may amend an existing permit or add additional terms if it determines
9.12 that doing so is necessary to protect public health, safety, and welfare or the state's paramount
9.13 concern for the protection of its air, water, land, and other natural resources from pollution,
9.14 impairment, or destruction.

9.15 Subd. 12. **Transfer of permit.** A data center permit may not be transferred to a new
9.16 operator without commission approval. As a condition of approving a transfer, the
9.17 commission may modify the existing permit terms or add additional terms if it determines
9.18 that doing so is necessary to protect public health, safety, and welfare or the state's paramount
9.19 concern for the protection of its air, water, land, and other natural resources from pollution,
9.20 impairment, or destruction.

9.21 Subd. 13. **Revocation or suspension of permit.** (a) The commission may revoke a data
9.22 center permit if it determines that:

9.23 (1) the data center has breached the terms or conditions of the permit;

9.24 (2) the data center or its agents have violated a law relating to the permit; or

9.25 (3) revocation is necessary in order to:

9.26 (i) protect public health or safety; or

9.27 (ii) protect the public interest in the state's air, water, land, and other natural resources
9.28 against injury resulting from any action of the data center not expressly authorized by the
9.29 permit, or prevent injury to persons or property resulting from such actions.

9.30 (b) The commission must provide at least 30 days' written notice of revocation to a
9.31 permittee, stating the grounds for the proposed revocation and providing the permittee an
9.32 opportunity to reply. The commission may, at its discretion, allow a permittee a reasonable

10.1 period of no less than 15 days to take corrective action specified by the commission in order
10.2 to forestall the revocation.

10.3 (c) By written order to the permittee, the commission may suspend operations under a
10.4 permit if the commission finds it necessary in an emergency to protect the public health or
10.5 safety or to protect the public interest in air, water, land, or other natural resources against
10.6 imminent danger of substantial injury resulting from an action of the data center not expressly
10.7 authorized by the permit, or to protect persons or property against danger resulting from
10.8 such an action. The commission may require the permittee to take specific actions the
10.9 commission determines are necessary to prevent or remedy such injury. No suspension
10.10 order issued under this paragraph may be in effect for more than 30 days."

10.11 Amend the title accordingly