



April 3, 2025

Chair Josh Heintzeman
Environment and Natural Resources Policy and
Finance Committee
2nd Floor Centennial Office Building
Saint Paul, MN 55155

Chair Peter Fischer
Environment and Natural Resources Policy and
Finance Committee
5th Floor Centennial Office Building
Saint Paul, MN 5515

Re: Support for improved oversight of large water appropriation projects in HF 3007

Chair Swedzinski, Chair Acomb and committee members,

As a science-based organization with a focus on water sustainability, Freshwater urges you to support HF 3007, which would provide necessary improvements to the evaluation and permitting of large water appropriation projects.

Projects such as hyperscale data centers can use millions of gallons of water each day for cooling, and they are being proposed and sited in Minnesota communities at an alarmingly fast rate. A large water user today may limit water supply for future residents or businesses, underscoring the need for careful consideration of long-term regional impacts.

We have met with multiple state agencies, cities and legislators to hear their concerns around data centers and other large industrial water users. This has brought to light a variety of issues with the way these projects often develop, including:

- Municipalities are asked to approve water-intensive projects within short timelines, limiting their ability to fully consider sustainable design alternatives and long-term project risks.
- Businesses seek to use municipal water supply sources in order to expedite permitting.
- Water managers may not receive adequate information to evaluate project requirements and impacts early in the planning process.

We believe the provisions described in HF 3007 would provide a more formalized process to ensure large water appropriation projects are sited and designed responsibly. This would help to safeguard the future water supply for Minnesota communities.

Thank you for your consideration, and we appreciate your work for the State of Minnesota.

A handwritten signature in blue ink that reads "Michelle Stockness".

Michelle Stockness, PE
Executive Director, Freshwater



2025 scorecard

Streamlining Minnesota's environmental permitting

Tracking progress on efforts to reduce timelines, address backlogs and improve transparency in Minnesota's environmental permitting and review programs.

The Minnesota Chamber Foundation's 2024 report, *Streamlining Minnesota's environmental permitting process: Essential for economic growth*, examined the efficiency and transparency of Minnesota's environmental permitting system by outlining and then comparing timelines and processes to other states, and providing recommendations for streamlining and improvements.

In the year since that report's release, permitting activity has experienced partial improvement, but continues to experience significant challenges.

Improvements ↑

- ✓ While only one priority Tier 2 air permit was issued within the agency's 150-day goal, a plurality (17 of 35) of them were issued between 150 and 365 days of the initial application, meaning that the typical priority permit took more than 150 days but less than a year to issue.
- ✓ Federal individual air permits were issued in an average of 266 days in 2024. While this only reflects a small sample size (three permits), it signals progress in getting closer to the agency's 150-day goal. This matters because federal individual air permits often relate to larger economic development projects.
- ✓ Backlogs of non-priority air and water permits saw modest improvements in 2024.
- ✓ Several steps were taken to improve transparency and certainty for applicants, including enhancements to Minnesota's Business First Stop program, legislation passed to provide coordinated schedules to project proposers, new permitting dashboards from the MPCA, and proposed funds for a permitting ombudsman in the governor's budget proposal.

Continued challenges ↓

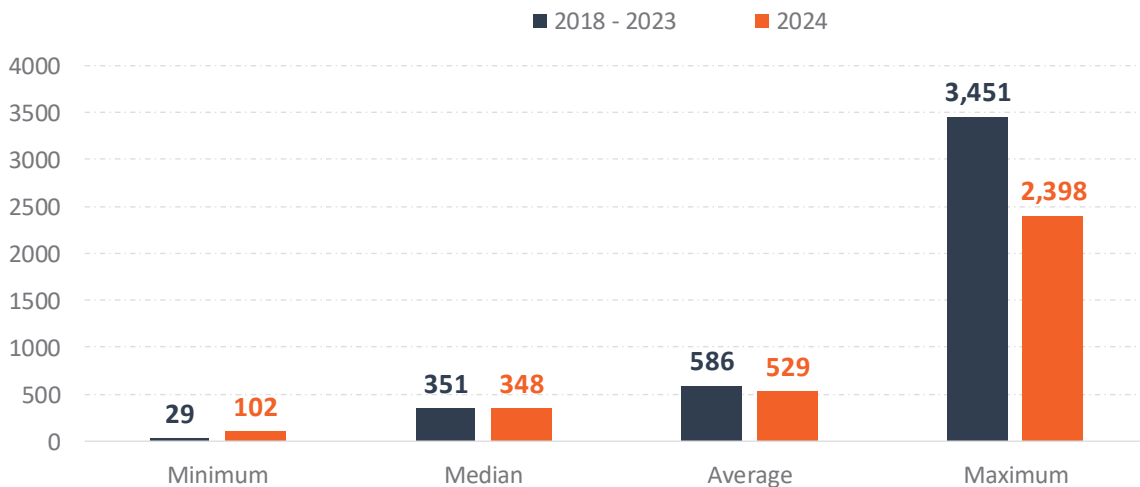
- ⌋ The median timeline to issue priority Tier 2 air permits remained nearly unchanged at 348 days in 2024. Only one of 35 priority Tier 2 air permits were issued within 150 days.
- ⌋ Only two priority individual industrial NPDES water permit applications were received in fiscal year 2024. These two, along with two others received in previous years, have yet to be issued and have been pending for an average of 829 days.
- ⌋ Despite modest improvements, non-priority Tier 2 air and water permits continue to face substantial backlogs. For example, there are 441 air permits currently in process or awaiting assignment to agency staff (as of February 2025). These permits have been in the queue for a median of 1,270 days. Among these 441 permits, 326 (74%) remain unassigned, with over half (54%) having been awaiting assignment for over three years.
- ⌋ There continues to be a lack of accessible data on environmental review projects, limiting the ability for stakeholders to monitor efficiency and identify opportunities in the process for improvement.
- ⌋ New initiatives imposed last year, such as mandatory use of standardized emissions spreadsheets and air modeling requirements, add complexity and uncertainty to Minnesota's already-robust permitting requirements.



348 median number of days to issue priority Tier 2 air permits
1 of 35 priority Tier 2 air permits issued within 150-day goal
18 of 35 priority Tier 2 air permits issued within 1 year
2 new priority individual industrial NPDES water permits received; both remain pending
63% of individual industrial NPDES water permits are administratively continued
441 air permits awaiting assignment or in process, with a median of 1,270 days since applications were received by the MPCA

Median timeline to issue priority Tier 2 air permits in 2024 nearly matched the median from the previous 5-year period

Number of days to issue priority Tier 2 air permits



Air permit status:
permit applications
that have been
received but not
yet issued
(as of February 2025)

441 total air permit applications in process or awaiting assignment

- **326** applications still awaiting assignment
- **115** applications in process

1,270 median number of days since applications were received by the MPCA

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380 St. Peter St., Suite 1050, St. Paul, MN 55102



Representative Peter Fischer
Centennial Office Building, Fifth Floor
House Environment and Natural Resources Committee
658 Cedar Street
Saint Paul, MN 55155

Representative Josh Heintzeman
Centennial Office Building, Second Floor
House Environment and Natural Resources Committee
658 Cedar Street
Saint Paul, MN 55155

April 2, 2025

RE: HF3007, Evaluation and permitting of projects requiring large water appropriations provided.

Dear Co-Chairs Fischer and Heintzeman, and Committee members,

The Nature Conservancy appreciates the opportunity to provide support for HF3007, which would require pre-applications for large volume water users seeking water allocation permits. TNC is a nonprofit organization working to conserve the lands and waters on which all life depends toward our vision where people and nature thrive.

As data center projects and other developments requiring large volumes of water seek to establish and expand operations in Minnesota, approaches to water withdrawals on such a significant scale will undoubtedly impact water resources --both quantity and quality. There should be additional measures in place to ensure projects seeking to utilize water resources at such a large scale do so in a way that is sustainable for future generations and does not threaten access to or safety of drinking water, water for agricultural use, outdoor recreation, and for wildlife.

We also appreciate that the bill prioritizes water reuse and efficiency measures, makes more information available for decision makers and strengthens environmental review for large volume water projects. HF3007 is a thoughtful approach to ensure there is careful consideration for large water appropriation projects, which will have outsized impacts on water resources.

Thank you for your consideration,



Stephanie Pinkalla
Government Relations Director
The Nature Conservancy



Association of Minnesota Counties

125 Charles Avenue, Saint Paul, MN 55103-2108 | www.mncounties.org

April 2, 2025

Re: H.F. 3007 – providing for evaluation and permitting of projects requiring large water appropriations

Chair Fischer, Chair Heintzman, and members of the House Environment and Natural Resources Finance and Policy Committee:

On behalf of the Association of Minnesota Counties (AMC), representing all 87 counties, we appreciate the opportunity to comment on HF 3007.

AMC has concerns about the new mandatory reporting requirements for local government employees outlined in HF 3007, lines 1.21-2.2 (subd. 5(c)). The language lacks clear guidance on when and how counties must comply. Proposals may come to the attention of various county staff at different offices and authority levels, making it difficult to ensure compliance with the reporting requirements.

We believe project proposers who meet the identified criteria should be responsible for notifying the Department of Natural Resources, rather than placing this burden on local governments at potentially informal points of contact with staff unfamiliar with reporting obligations.

AMC would welcome further discussions about alternatives to address this issue. Please feel free to contact me with any questions about our position on this legislation.

Sincerely,



Brian Martinson, Policy Analyst
Association of Minnesota Counties
Office: 651-789-4322 | Cell: 651-246-4156
bmartinson@mncounties.org



April 2, 2025

Re: H.F. 3007 – Data Centers

Chair Fischer, Chair Heintzman, and members of the House Environment and Natural Resources Finance and Policy Committee:

The League of Minnesota Cities appreciates the opportunity to comment on HF 3007. We have concerns with the language related to new mandatory reporting requirements on all local government employees found in lines 1.21-2.2, which is subd. 5(c) of the new language.

The requirement is far too vague, as economic development discussions, formal and informal, happen all the time with a wide range of city staff without any proposal coming forward for local consideration and long before a location is being discussed. It also requires all city staff to have enough expertise to know that a conversation or general inquiry they had could possibly meet the trigger of this statute, whether that's a stormwater worker at a vendor booth at a conference, an ED person at a national conference, or a city clerk on a phone call.

Notification to the Department of Natural Resources of a project should be a responsibility of a potential proposer, who actually knows where and when they are thinking of building and whether their project meets the proposed thresholds for needing to be reported. Our recommendation would be to change the notification requirement to fall on project proposers and developers.

The League is happy to work with the bill author and the committee if this proposal moves forward to help see this issue addressed.

Thank you for your time and attention to this important issue.

Sincerely,

A handwritten signature in black ink that reads "Craig A. Johnson". The signature is fluid and cursive, with the first name "Craig" and last name "Johnson" clearly legible.

Craig A. Johnson
Sr. Intergovernmental Relations Representative
League of Minnesota Cities



117 South First Street • Montevideo, MN 56265

April 3, 2025

Chair Fischer & Chair Heintzeman
House Environment and Natural Resources Finance & Policy
Re: H.F. 3007

Chair Fischer, Chair Heintzeman, and Committee Members,

CURE is a rurally based, non-profit organization dedicated to protecting and restoring resilient towns and landscapes by harnessing the power of the people who care about them. We appreciate the opportunity to testify in support of H.F. 3007.

The advancement of artificial intelligence, cryptocurrency mining, data storage, and related technologies are surging forward, and Minnesota finds itself facing sudden and intense interest from companies seeking to build hyperscale data centers throughout the state. But our understanding of the cumulative and long-term impacts of the development of this industry on our land, water, and communities lags far behind.

We know that this sector has staggering energy needs—one new hyperscale data center can consume as much electricity as an entire city. Cavalier development of hyperscale data centers threatens the stability of our grid and could fuel the buildout of new polluting energy generation or extend the life of existing fossil fuel resources. This in turn could have serious impacts for ratepayers, who may be left to foot the bill for grid upgrades or new power plants that generate electricity they will never use. Hyperscale data centers can also use immense amounts of water, for both electricity production and cooling, often drawing from municipal water systems, surface water supplies, and aquifers, potentially straining regional water resources. There are countless other impacts—noise and land use to name just two—that are even less understood. Importantly, the impacts of these facilities are unequally distributed, as most of the proposed projects are currently being sited in communities in Greater Minnesota.

It's clear that Minnesota needs to address if and how we want data centers to be built and operated in our state, and that we need to do so now. H.F. 3007 provides a starting point from which Minnesota can have these essential conversations. The bill includes several necessary provisions to analyze the social, environmental, and economic impacts of hyperscale data center development and to protect our energy systems, water resources, and communities, without placing arbitrary or excessive burdens on those seeking to do business in our state.

This committee has already considered and passed a bill written by Amazon Data Services for an exemption from the Certificate of Need process, before our state has had the chance to understand just what it is we're being asked to give away. Supporting H.F. 3007 provides an opportunity to allow Minnesotans to drive the conversation about data centers, not the most powerful and wealthy companies in the world.

Sincerely,

/s/ Sarah Mooradian

Government Relations & Policy Director

CURE

117 S 1st Street

Montevideo, MN 56265

(320) 269-2984

sarah@curemn.org