

Subject Data centers

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## Overview

House File 4153 exempts certain data centers from specific regulations, fees, and sales taxes.

## Summary

Section	Description
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1	<b>[103G.265] Water supply; management.</b>
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**Subd. 5. Preapplication evaluation of certain water appropriation projects.**

Restricts the Department of Natural Resources from requesting information about certain data centers' proposed water appropriations before a formal water appropriation application is filed.

Requires certain known and anticipated water appropriation reductions from other customers to be subtracted from a qualified data center's estimated appropriation from the same water source in determining whether a data center's net increase in consumption from that source exceeds the 100 million gallons per year threshold for being subject to this subdivision.

Specifies that this section does not apply to a qualified large-scale data center that: (1) has filed a construction permit before January 1, 2025; or (2) is located in a county or city or on Tribal land in which a fossil-fueled or nuclear electric generating plant owned by a public utility: (i) is scheduled to cease operations or whose operating license expires before July 1, 2028; or (ii) ceased operations no more than five years before filing an application with the Department of Employment and Economic Development (DEED) for a community energy transition grant.

2	<b>[216B.02] Definitions.</b>
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**Subd. 12. Qualified large-scale data center.** Technical change.

Section	Description
3	<p><b>[216B.1623] Clean energy and capacity tariff.</b></p> <p><b>Subd. 2. Exemptions.</b> Specifies that a public utility is not required to offer a clean energy and capacity tariff to a qualified large-scale data center that: (1) has filed a construction permit before January 1, 2025; or (2) is located in a county or city or on Tribal land in which a fossil-fueled or nuclear electric generating plant owned by a public utility: (i) is scheduled to cease operations or whose operating license expires before July 1, 2028; or (ii) ceased operations no more than five years before filing an application with DEED for a community energy transition grant.</p>
4	<p><b>[216B.1691] Renewable energy objectives.</b></p> <p><b>Subd. 2f. Solar energy standard.</b> Specifies that the electricity sales to any qualified large-scale data center served by a utility with fewer than 200,000 retail electric customers is excluded from the utility's total electric retail sales in calculating the utility's solar standard, which requires 1.5 percent of total retail sales to be met by generated or procured solar energy.</p> <p>For larger utilities, sales to a qualified large-scale data center are excluded only if the qualified large-scale data center: (1) has filed a construction permit before January 1, 2025; or (2) is located in a county or city or on Tribal land in which a fossil-fueled or nuclear electric generating plant owned by a public utility: (i) is scheduled to cease operations or whose operating license expires before July 1, 2028; or (ii) ceased operations no more than five years before filing an application with DEED for a community energy transition grant.</p>
5	<p><b>[216B.72] Qualified large-scale data center fee.</b></p> <p>Exempts a qualified large-scale data center from paying the data center fee specified in this section if it: (1) has filed a construction permit before January 1, 2025; or (2) is located in a county or city or on Tribal land in which a fossil-fueled or nuclear electric generating plant owned by a public utility: (i) is scheduled to cease operations or whose operating license expires before July 1, 2028; or (ii) ceased operations no more than five years before filing an application with DEED for a community energy transition grant.</p>
6	<p><b>[297A.68] Business exemptions.</b></p> <p><b>Subd. 42. Data centers.</b> Exempts from sales tax the electricity consumed by a qualified large-scale data center that is located in a county or city or on Tribal land in which a fossil-fueled or nuclear electric generating plant owned by a public utility: (1) is scheduled to cease operations or whose operating license expires before July 1, 2028; or (2) ceased operations no more than five years before filing an application with DEED for a community energy transition grant.</p>



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