Protecting Minnesotans from Hyperscale Data Center Risks

Tech billionaires are trying to build giant data centers across Minnesota. Their plans—if not well regulated—could pollute our water, drain aquifers, increase climate emissions, raise electric bills, subject neighbors to air, noise and light pollution, strain the state budget and force cuts to services people rely on.

To build these energy hog facilities with taxpayer subsidies, Big Tech seeks to avoid public scrutiny by negotiating sweetheart deals with elected officials in secret, directly undermining our democracy. This factsheet describes risks of hyperscale data centers and the legislative responses we need.

Don't Believe The Hype!

MYTH: Big Tech claims that hyperscale data centers will bring lots of high-paying jobs and sustained economic growth.

REALITY: Almost all of the jobs are short-term construction jobs. Unlike manufacturing plants, hyperscale data centers employ very few people on site after construction. Sustained economic growth doesn't happen without ongoing employment.

MYTH: Big Tech claims to help cities by providing local property tax revenue.

REALITY: Big Tech fails to mention that they get huge subsidies from state taxpayers. This drains our state budget and could force cuts to the services people rely on.

MYTH: Big Tech claims they will speed up the clean energy transition by building new clean energy like solar, wind and batteries.

REALITY: Big Tech is slowing down the shift to clean energy. Even the Wall Street Journal acknowledges that "An explosion of so-called hyperscale data centers... has upended plans by electric utilities to cut the use of fossil fuels. In some areas, that means burning coal for longer than planned."

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Legislative Responses Needed to Address Hyperscale Data Center Risks

Higher Electric Bills	**RISK:** Big Tech is very effective at passing off their costs onto the rest of us. Without needed regulations, hyperscale data centers could increase our electricity bills.	**RESPONSE:** Impose a **two year moratorium** on hyperscale data centers ("hyperscalers") in Minnesota to give the public sector time to develop rules that will protect Minnesotans.
More Climate & Air Pollution	**RISK:** Hyperscalers require huge amounts of electricity. Big Tech claims their data centers will be powered by **new** clean electricity, but they lobby against requirements. Big Tech also wants diesel generators as "back up." Hyperscalers in other states have siphoned off **existing** renewable energy. Any new emissions will further fuel climate change and air pollution.	**RESPONSE:** Require clean energy from the start. Hyperscalers must meet 100% of their energy needs with new solar, wind or battery resources—BEYONCE or "Build Your Own New Clean Energy (and Efficiency)". At least 50% of the investment must fund community-based solutions, including rooftop solar, community asset solar, battery storage, and home electrification & efficiency.
Secret Deals	**RISK:** Big Tech is pushing cities to sign Non-Disclosure Agreements (NDAs), blocking citizens from knowing project impacts.	**RESPONSE:** Ban new Non-Disclosure Agreements (NDAs) and prevent those who have signed NDAs from being the lead agency for permitting decisions.
Water Depletion & Pollution	**RISK:** Hyperscalers produce heat, and many of them use large volumes of water for cooling. This water may be treated with chemicals that can cause pollution when discharged.	**RESPONSE:** Require Big Tech to pay for drinking water and wastewater treatment upgrades and the best efficiency systems, such as "closed loop" systems that reuse water many times.
Local Impacts	**RISK:** Hyperscalers can cause major negative health and economic impacts, from noise and light pollution to new transmission lines and land use changes.	**RESPONSE:** Require a full Environmental Impact Statement (EIS). We can only ensure that hyperscalers are good neighbors if they are sited properly and go through robust environmental review.
Tribal Sovereignty	**RISK:** Tribal Sovereignty must be respected both on and near Minnesota Tribal treaty territory.	**RESPONSE:** Require hyperscalers to obtain free, prior & informed consent from Tribal Governments.
Our State's Budget	**RISK:** Services that people rely on could be cut further to perpetuate corporate subsidies for Big Tech owners of hyperscalers.	**RESPONSE:** Repeal the uncapped sales tax exemption for hyperscalers, which has cost the state $134 million before a single hyperscaler has even opened.