

To: MN Senate Utilities, Environment Climate Committee. RE: Energy-20250122-Coalition for Responsible Data Center Development  
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I am Cathy Johnson, the president of the Coalition for Responsible Data Center Development, from Farmington, MN. Please allow me to be up front, our coalition is not opposed to data centers. We have great concern in Farmington, because lack of regulation of data centers and the tax incentives from the state, are encouraging out of state developers and end users to build hyper-scale data centers in Minnesota. Some of our experience in Farmington could be precedent, in the future. Hyper scale centers are very different from the traditional data centers which have been here since 2011, when incentives were legislated for the benefit of Minnesota companies. Electrical demand is just one of the several issues that need to be addressed by the legislature, to guide the parameters by which these out of state companies can come into our state and utilize our resources.

Minnesota is in the very early stages of hyper-scale data center development. The following excerpts and links from research indicate just some of the issues which are taking place in other states, where hyper-scale data centers have located. The realities of electrical supply in these mature market states, will be the reality of electrical distribution in Minnesota, if the state allows developers and end users to build with out regulations. Here are just a few examples:

**1. Georgia Welcomed Data Centers. Now it Needs More Power. 1/26/2024**

*The PU...states that 80% of demand for new load in Georgia is from data centers. GP executives have testified that serving data centers would put downward pressure on rates. In the last year, rates for GP customers have risen. Side bar: The tax subsidies have resulted in a net loss to Georgia in the millions, have produced far less jobs than originally promised and has resulted in Georgia shifting incentives to other industries....*

<https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=https://www.governing.com/infrastructure/georgia-welcomed-data-centers-now-it-needs-more-power&ved=2ahUKEwiD1leQ0IWLAXS4kEHShTApIQFnoECBQQAQ&usq=AOvVaw0uWgWkq4VDB79QWMrkFAVw>

**2. "AI NEEDS SO MUCH POWER, IT'S MAKING YOURS WORSE". BLOOMBERG TECHNOLOGY 12/27/2024**

*New evidence shows they may also be distorting the normal flow of electricity for millions of Americans. A recent study shows AI data centers are causing "distortions" in US power grid, showing a strong link between data center proximity and quality of power, increasing the vulnerability of household appliances to failure to the tune of billions of dollars. This map shows readings from about 770,000 home sensors, with red zones indicating areas with the most distorted power. Minneapolis/St.Paul is in a RED ZONE!*

<https://www.bloomberg.com/graphics/2024-ai-power-home-appliances/>

<https://www.whiskerlabs.com/analysis-of-total-harmonic-distortion-on-the-us-electric-grid/> (lab.report)

**3. Xcel upgrades will cost \$11B more than expected. Minnesota Star Tribune. 11/01/2024.** *Xcel said Thursday it expects electricity sales to grow at a compound annual rate of 5% between 2024 and 2029 and about half of that new demand is expected to come from data centers...Xcel will ask for a 9.5% increase in 2025 and 3.6% in 2026.*

**4. Soaring data center electricity demand could trigger Northwest blackouts, industry insiders say. 12/24.**

<https://www.oregonlive.com/silicon-forest/2024/12/soaring-data-center-electricity-demand-could-trigger-northwest-blackouts-industry-insiders-say.html>

**5. From Virginia to Ohio and South Carolina, companies are battling over the extent of their responsibility for increases, attempting to fend off anger from customers. In the Mid-Atlantic, the regional power grid's energy costs shot up dramatically, and data centers are cited as among root causes of rate increases of up to 20 percent expected in 2025... Power bills will increase as much as 20 percent for customers of a dozen utilities in Maryland, Ohio, Pennsylvania, New Jersey and West Virginia.**

<https://hardware.slashdot.org/story/24/11/02/0427238/as-data-centers-for-ai-strain-the-power-grid-bills-rise-for-everyday-customers>

This includes Northern Virginia, home to "data center alley" in the US.

The experience in these states, which are further along than Minnesota in hosting data centers, and has shown that rate-payers have been forced to cost-share in power company's infrastructure outlay in support incoming data centers. As Minnesota power companies build the infrastructure to support incoming hyper scale data centers, there needs to be a way to ensure existing rate-payers will not be burdened with rate increases to build these data center infrastructure. There is no reason to think that the reality in Minnesota will be any different from the reality which I have cited, in other states. Please, as a legislative body, be at the helm of data center development in Minnesota and do not leave decisions about data centers parameters in the hands of out of state hyper-scale data center end users, and even worse, developers. Now is the time for our

legislative leaders to wholistically examine all aspects of hyper scale data centers, demand transparency and accountability, and ensure that the promised financial benefits of these data center are balanced, and do not dimmish the quality of life and financial wellbeing of Minnesota citizens for generations to come.