

H.F. 2928

As amended by H2928A2

Subject Data Centers

Authors Acomb

Analyst Bob Eleff

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Overview

House File 2928, as amended by the H2928A2 amendment, establishes new regulatory requirements for the siting and operation of large-scale data centers in this state, including provisions governing water use, energy use and cost allocation, and environmental review. The bill also requires these data centers to pay an annual fee, to be used for weatherization and energy conservation programs in low-income households.

Summary

Section	Description
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| 1 | <p>[103.265] Water supply; management.</p> <p>Subd. 5. Preapplication evaluation of large water appropriation projects. Encourages large-scale water appropriation project proposers to meet with the Department of Natural Resources (DNR) early in the site selection process. Requires a city or county employee contacted by a large project proposer to notify DNR of the contact. Lists preapplication information the DNR may request from the project owner that is helpful in assessing water needs, and specifies that information exchanged under this subdivision is nonpublic until the project is abandoned or a formal application for a water use permit is made.</p> |
| 2 | <p>[103G.271] Appropriation and use of waters.</p> <p>Subd. 5b. Large water appropriation projects; permit conditions. Lists goals the DNR must ensure are met in its crafting of permit conditions for large water users.</p> |
| 3 | <p>[116D.04] Environmental impact statements.</p> <p>Subd. 18. Data centers; environmental review. States that the construction of a data center with an average hourly load of 100 megawatts or greater or an expansion of an existing facility by that amount requires preparation of an Environmental Impact Statement for which the Public Utilities Commission serves as the responsible governmental unit.</p> |

Section	Description
4	<p>[216B.2402] Definitions.</p> <p>Subd. 10. Gross annual retail energy sales. Removes a utility's retail electricity sales to a data center from the definition of gross annual energy sales, so the former do not affect a utility's annual energy savings goal, expressed as a percentage of the latter.</p>
5	<p>[216B.241] Public utilities; energy conservation and optimization.</p> <p>Subd. 1a. Large customer facility. Exempts a data center that pays the fee established in section 9 from contributing to conservation investments under an energy conservation and optimization plan or from petitioning the Department of Commerce for a waiver from those investments.</p>
6	<p>[216B.241] Public utilities; energy conservation and optimization.</p> <p>Subd. 2a. Energy and conservation account. Directs that revenue from the data center fee established in section 9 be deposited in the account and used only for weatherization, conservation, and associated activities directed to low-income households.</p>
7	<p>[216B.2421] Definition of large energy facility.</p> <p>Subd. 2. Large energy facility. Amends the definition to include backup generators for a data center with a combined capacity of 50 megawatts or greater, which means that these facilities are required to obtain a Certificate of Need from the Public Utilities Commission.</p>
8	<p>[216B.71] Data centers; energy requirements.</p> <p>Subd. 1. Definitions. Defines "data center" and "political subdivision."</p> <p>Subd. 2. Carbon-free energy. Requires a utility providing electric service to a data center to generate or procure electricity so that at least 65 percent of the data center's electricity consumption, measured on an hourly basis, is carbon-free, provided adequate means of tracking and verifying compliance are available.</p> <p>Subd. 3. State energy targets; modification. Allows a utility that has determined that its data center service endangers its ability to comply with the renewable and carbon-free energy standards to file a plan with the commission describing intended actions to bring the utility into compliance. The commission may order implementation of an approved plan.</p> <p>Subd. 4. Prevailing wage. Requires a contractor or subcontractor constructing any portion of a data center to pay employees at least the prevailing wage rate, and to be subject to other labor standards.</p>

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	<p>Subd. 5. Reporting. Requires a data center to report to the commissioner annually on several energy and water consumption indices.</p>
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	<p>Subd. 6. Noncompliance; ineligibility for financial assistance. Provides that failure to comply with all the requirements of this section makes a data center ineligible to receive any state financial incentives for which it is otherwise eligible.</p>
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9	<p>[216B.72] Data center fee.</p>
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	<p>Imposes an annual fee on data centers based on peak demand.</p>
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10	<p>[216B.73] Clean energy tariff.</p>
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	<p>Specifies requirements that a clean energy tariff and an energy supply agreement between a utility and a data center must meet, including that provisions must insure that all costs incurred to serve a data center are paid by the data center; that a data center meets all the benchmarks required of a utility subject to the state's renewable energy and carbon-free standards, and the carbon-free requirements of section 8; and that the tariff and energy supply agreement be in the public interest.</p>
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