

Submitter: Craig Lacy
On Behalf Of: The Vocal Seniority
Committee: House Committee On Climate, Energy, and Environment
Measure, Appointment or Topic: HB3546

To: Chairman John Lively, Vice-Chair Mark Gamba and members of the House Committee on Climate, Energy and Environment

From: Craig Lacy

I am submitting this on behalf of The Vocal Seniority, an Indivisible group in Bend Oregon, to express our support of HB 3546. We are part of the COIN network of 50 plus groups in Oregon.

We need to make sure that residential customers aren't bearing the burden of data center growth by having increased utility costs. The other concern is that developers are showing little concern for climate challenges.

Hunger for compute power has no end in sight. The new demand will be relentless. Many of the new data centers are hoping to develop projects in Oregon and if this growth is left unchecked it will leave the current ratepayers footing the bill for infrastructure costs, facing escalating energy costs and undoing our clean energy legislation targets (HB 2021). HB 3546 addresses some of our concerns.

One nice feature of HB 3546 is that it requires large energy users* to sign contracts for at least ten years to insure investments in the grid are paid by them. If utilities build new power plants to serve data centers that never materialize, other utility customers such as small businesses and residential users, will be left paying for that new infrastructure. One concern is that the bill does not specify what they will pay. We recommend they pay a minimum of 50% of the projected energy usage for the term of the contract,

Many data centers and developers are indifferent to clean energy ; they simply seek whatever energy resource they can get to get their facility online first. There are potential solutions other than fossil fuel or nuclear production of energy such as wind and solar combined with battery storage. Recent studies are showing that renewable energy is cheaper to produce than natural gas.

<https://www.latitudemedia.com/news/engies-pulled-project-highlights-the-worsening-economics-of-gas/>. There should be inducements to use clean, renewable energy and penalties for using fossil fuels such as natural gas. This would reduce the cost of the energy and help us meet our climate goals.

One aspect of data center development that is not considered in this legislation is their need for water. The exact amount of water data centers need is difficult to determine because there is very little data available publicly for research and analysis. In The Dalles, Oregon, after a lengthy legal battle it was revealed that the Google data center consumed more than 355 million gallons of water in 2021. Three times what they used there in 2016. This was equal to ¼ of the towns annual consumption and there are two more data centers to come.

Locating data centers in warm areas like Eastern Oregon will require more cooling hence more water than those located in cooler environments. Many areas of Oregon already have serious surface water and groundwater problems and they are getting worse as the climate changes take effect.

This Power Act (HD 3546) intends to hold large energy users accountable for paying their own energy needs. We encourage it to do so in a manner that doesn't increase greenhouse emissions and harm our water resources.

*There needs to be a solid definition of what a large energy facility is. Suggested is that all large energy users, that are part of the same company, and exist within a 1 mile radius, that use a total amount of energy exceeding 20MW.