

Submitter: Katie Lukins

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure, Appointment or Topic: SB1586

The measure before you today, while framed under the guise of semiconductor research and economic advancement, creates a dangerous "backdoor" for the expansion of data centers that will inevitably drain Oregon's most precious resources. By modifying tax credits, expanding enterprise zones, and bypassing established land-use protections in Washington County, this Act prioritizes "ghost warehouses" over the long-term stability of our state's power grid, water supply, and agricultural heritage.

The primary concern is the staggering energy demand of these facilities. Data centers operate as "always-on" industrial giants that require massive amounts of electricity to keep servers running and cool. In several regions of Oregon, these facilities already account for more than 10% of total energy consumption. As this Act accelerates permitting and expands industrial sites, it forces our utilities to prioritize high-density industrial loads over the needs of residential ratepayers. The cost of upgrading substations and high-voltage lines to accommodate these private entities often ends up reflected in the monthly bills of everyday Oregonians. During extreme weather events, the strain these centers place on the grid threatens the reliability of power for homes and small businesses.

Beyond energy, the water consumption required by data center cooling systems is unsustainable. A single large-scale facility can consume up to 5 million gallons of water per day. At a time when Oregon is facing increasingly frequent and severe droughts, we cannot afford to divert millions of gallons of water away from our multi-billion dollar agricultural industry and municipal drinking water supplies just to cool server racks. This Act's provision to bypass traditional land-use reviews and rezone Rural Reserves in Washington County is particularly alarming. These lands were protected to ensure our state's water and soil remain productive for generations. Once this world-class farmland is paved over for a data center, it is functionally dead to Oregon's agricultural economy.

Furthermore, the "economic growth" promised by this Act is an illusion when applied to data centers. Unlike semiconductor manufacturing plants, which employ thousands of skilled workers, data centers are largely automated. They occupy massive footprints of land while providing only a handful of permanent jobs. This represents a poor return on investment for the taxpayers who are effectively subsidizing these facilities through the expanded tax breaks and enterprise zone credits proposed in this bill. We are essentially trading our land, our water, and our energy for a industry that offers very little back to the local community in terms of high-volume

employment.

In conclusion, Oregon should not be in the business of subsidizing the depletion of its own resources. The lack of specific guardrails in this Act allows for an unchecked expansion of data centers that will leave Oregonians with higher utility bills, lower water tables, and less protected farmland. I urge everyone to vote "No" on this measure to ensure that Oregon's resources are preserved for the people who live and work here, rather than being drained by out-of-state tech interests.