League of Women Voters of Central New Mexico

DRAFT Summary report of Data Center Study, prepared Fall 2026

Introduction

Why is the League of Women Voters of Central New Mexico concerned about Hyperscale Data Centers and Microgrids?

LWVCNM is interested in and advocates for and against many issues, but data centers present an issue that is fundamentally changing life in the four counties that comprise the Central New Mexico chapter: Bernalillo, Sandoval, Torrance, and Valencia (hereafter referred to as "the four counties"). The need for data centers is driven by every person in the four counties with a smartphone needing charging, or a laptop that stores family photos in the cloud, or who has electronic banking and medical records. The "cloud" now has physical form in our four counties.

You can see it when you drive on I-25 south around Los Lunas in the acres of solar panels that power the Meta data centers and Facebook. You can see it in the wind turbines scattered all over central New Mexico and the huge power transmission lines that support the Sun Zia project, running from Torrance county to Belen, and then onto southwest NM.

It's not about whether we want data centers in the four counties. They are here – changing the landscape we view, using water rights retired from agriculture, altering the quality of the air we breathe, and bringing the cost of progress to every home. Our city councilors, village trustees, county commissioners and state representatives are now on the front lines, making decisions about how generations of New Mexicans will live.

The size and scale of data centers

There are around 16 data centers in New Mexico. The greatest concentration is in downtown Albuquerque where 5 centers are clustered across the street from city hall, on Central Avenue and surrounding streets. These data centers are small, all under six megawatts. There are other small data centers scattered across the city. Many of these small data centers are connected to the electrical grid and serviced by the Public Service Company of New Mexico. Data centers in the four counties are listed in Appendix B.

Hyperscale data centers are different. They are much, much larger. The Congressional Research Service[1] defines a hyperscale data center as one that:

- Occupies at least 10,000 sq ft of physical space
- Contains 5,000 or more servers
- Draws 100 megawatts or more of electricity

While not in the four counties, Project Jupiter in Southern New Mexico (around 2.5 GW) is a hyperscale data center which was a motivating case for us to understand. We note that there is significant interest in New Mexico as a potential site for data centers because of the availability of land and lower electrical

costs.[2] The proposed project in Lea County for New Era Energy (at 7 GW) would be a hyperscale data center. The Meta complex near Los Lunas can be considered a hyperscale data center, because it uses around 300 MW with leases and projected use around 1GW (primarily from solar power and battery storage)[3], it occupies 750 acres with eight buildings totaling 3.8M square feet, and each building houses 3,200 servers.[4]

Electricity Comparisons. To provide context:

- A kilowatt-hour (kWh) measures a 1,000 watt appliance running for one hour.[5]
- The average 2,000 sq. ft. single family home consumes 10,500 kilowatt-hours per year.[6]
- 1,000 kilowatts equals one megawatt (MW). 1,000 megawatts equals one gigawatt.
- One gigawatt (GW) can power 750,000 to 1,000,000 average homes at any one time.[7]
- The generation capacity of the Public Service Company of New Mexico, the largest public electric utility in the state, is 2.7 gigawatts which includes both New Mexico and Texas.[8]

Figure 1 shows a basic schematic of the elements of a data center.

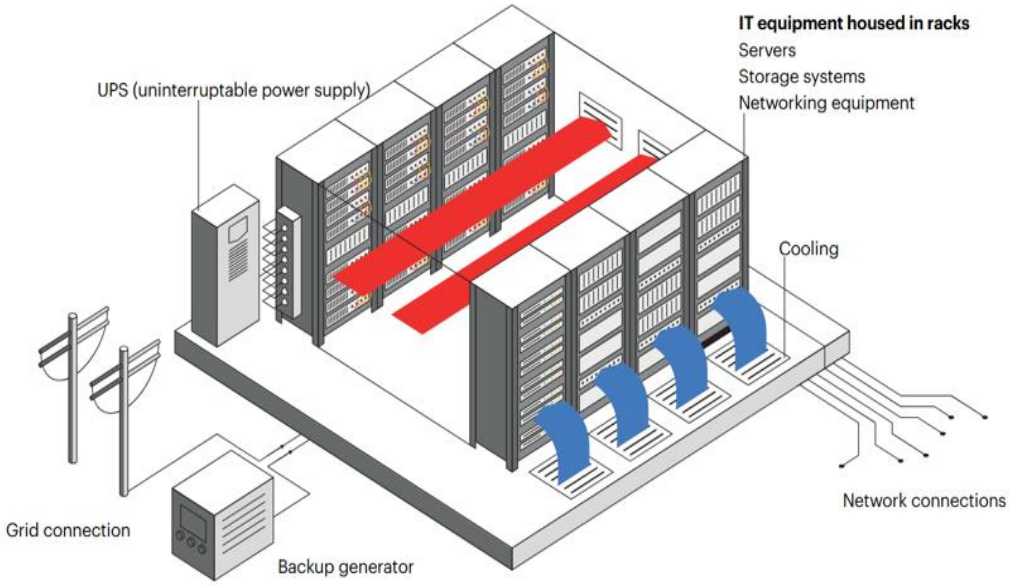


Figure 1. Example of a data center. Figure from the International Energy Association.[9]

As part of the LWVCNM Data Study group, we formed three subcommittees, which examined three important aspects of data centers in the four counties: environmental impacts, energy, and economic development. These are outlined below. We emphasize an important point: a defining feature of data centers is the vast amount of energy required, on the order of hundreds of MW to GWs. This load typically cannot be served by existing generation sources, and so the utilities and data center developers need to determine how to increase power generation substantially.

Depending on the type of energy used to supply this demand, the impact of data centers in our four counties is likely to extend beyond our four counties. Similarly, data centers located in other parts of New

Mexico might have impacts in our four counties. Broader-scale impacts might include increased greenhouse gas (GHG) emissions throughout the state or region, water supply issues that involve the Rio Grande and other watersheds that are not contained within our four counties, vehicles going through one area to take supplies to a data center site in another area (potentially including fuel), etc. Thus, it is challenging to narrow the scope of a four-county data center study strictly to the four counties. Our study has attempted to limit the scope, but water pollution, air emissions, and other impacts can be broader than the four counties, as discussed in the sections below.

Environmental Impacts from Data Centers.

Data centers and associated microgrids can cause four types of environmental issues: water use, air pollution, and excessive noise and heat.

Announcements about new data centers and related microgrids raise immediate concerns about how much water these facilities would need during construction and for continuous 24/7 operations. New Mexico is an arid state that is experiencing drought, with a predicted 25% reduction in water availability over the next 50 years.[10] We have challenges meeting current water needs. How can significant new water demand for data centers be met?

Data centers use water primarily to cool servers that generate high levels of heat. An evaporative cooling system utilizes water to absorb the heat, and then the hot water is released into the air. This method uses the least amount of electricity and has the lowest cost but uses by far the most amount of water. About 85% of water is evaporated into the air and never returns to local supply.[11] In a closed-loop system, water is pumped through pipes or coils around the servers to keep them cool. More electricity is needed to keep the pipes cool, but less water is needed because it is recirculating.[12] In an arid environment, a closed-loop system uses much less water than an evaporative cooling system and is therefore more environmentally efficient.

It is important to put the issue of water availability into the context of New Mexico's declining amount of water from surface and groundwater sources. The state's temperature is predicted to rise 5-7% over the next 50 years, due to climate changes that result from declining snowpack, earlier snowmelt, greater evaporation, etc.[13] The state's official 50-year Water Action Plan projects 25% less water from rivers and aquifers within 50 years and calls for significant changes in how water demand is managed.[14] Currently, agriculture uses by far the highest amount of New Mexico's water – about 78%. Municipal and public water systems use about 10%. Commercial and industrial users account for about 6%.[15] These sectors will already have to reduce their water usage by significant amounts because of declining water supply. Any allocation of water to a new use would put increased pressure on a shrinking resource.

Meta consumed about 75 million gallons of water a day in 2023. It has a guaranteed water allocation from the Village of Los Lunas of 1.5 million gallons a day, expandable to 4.5 million gallons a day at full buildout. In return, Meta has promised to buy and retire local water rights, more than 200% of its usage. Meta has announced it will use closed loop cooling systems or no water-cooling systems in future buildings.[16]

Air Pollution

Bernalillo County issues permits for any entity that emits gases regulated by the federal Environmental Protection Agency standards. The state Environmental Regulatory Commission regulates air emissions in Sandoval, Torrance and Valencia counties.

Air pollution also poses significant concerns for data center development. Federal and state regulations apply to emissions from large industrial operations, including data centers. For example, the EPA has set standards for emissions of carbon monoxide, nitrogen dioxide, ozone (volatile organic compounds), sulfur dioxide, and particulates for many decades. All companies, including data centers and microgrids, are required to get permits, control emissions, and monitor compliance if they emit any of these pollutants.[17]

The most serious air pollution problem from data centers is the potential to emit greenhouse gases (GHG) into the atmosphere. Increasing GHG concentrations contribute to higher air and ocean temperatures, more volatile weather events, drought, sea level rise, and other climate-related changes.[18] Currently no federal regulations set standards for release of greenhouse gases.[19] Some states have established guidelines, including New Mexico, which set a timetable for limiting greenhouse gas emissions by public utilities through the Energy Transition Act.[20] This act does *not* apply to private-sector sources such as data center microgrids.

The energy source for a datacenter has a large impact on the amount of GHG emissions the facility will produce. Such emissions are sometimes collapsed into "greenhouse gas equivalent carbon dioxide" (CO_2e) for ease of comparison. CO_2e is an expression of the anticipated impact on global warming of different greenhouse gases calculated based on various emission properties.[21] For example, energy derived from coal has about 55% higher CO_2e than natural gas. Natural gas emits about eight times more CO_2e than solar power, and wind and nuclear energy would emit less CO_2e than solar power. Meta uses a mix of renewable energy sources, primarily solar panels.[22]

Figure 2 presents common types of power and the associated greenhouse gases each generates per gigawatt hour of electricity.[23] Each energy source comes with trade-offs in the forms of different required infrastructure, such as pipelines for natural gas, space and transmission lines needed for solar photovoltaics, or waste streams generated with nuclear power.

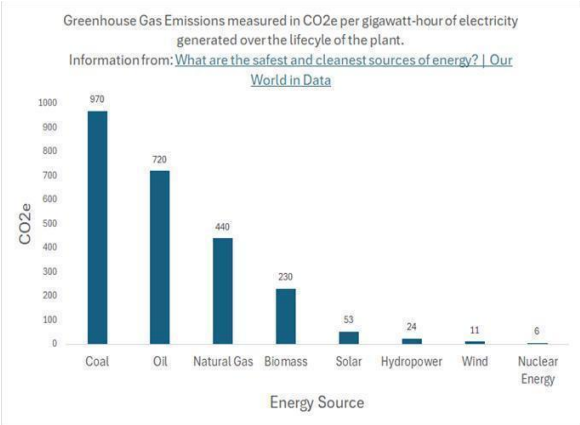


Figure 2: Greenhouse gas emissions per energy source.[27]

Noise Pollution

Before the unique risk of data centers entered the national conversation, noise regulations addressed nighttime noise or noise from a specific source: loud Airbnb parties, leaf blowers, power mowers, heavy trucks, and the like. Data center noise presents differently. Its constant, low-frequency hum can reach unhealthy decibel (dBa) levels (as high as 93 dBa, measured in Loudoun, Virginia) and prove especially disturbing at night. Prolonged exposure to excessive noise causes stress, anxiety and sleep disturbances, worsens chronic health conditions, and contributes to cardiovascular inflammation, hypertension and heart disease, among other negative health risks.[24]

Mitigation by soundproofing, retrofitting and site planning away from residential areas can help, but nationally, noise regulation of any kind has been patchy, restricted mostly to a municipal or county level. New Mexico has at present no statewide limits, while local county and in-city limits vary. For comparison, the U.S. EPA recommended a 24-hour average of 55 dBa (and 45 dBa indoors) years ago[25] but never mandated or enforced such limits. In New Mexico, regulation might address these oversights on a state level, setting site guidelines and decibel standards, as well as regular measurement and enforcement.

Heat Pollution

According to the World Health Organization and its Global Heat Health Information Network,[26] heat stress is already considered a public health emergency, as well as a leading cause of weather-related deaths. The number of human beings exposed to extreme heat is already growing exponentially due to climate change all over the world. Negative health effects compound for older people and in poor and underserved communities. Heat stress can exacerbate chronic illnesses such as cardiovascular disease, diabetes, mental health, and asthma. A rise in ambient heat of from 1 to 4°F degrees - as has been measured near data centers in our neighboring state of Arizona - may raise the risk for heat-related injury or fatalities during heat waves in New Mexico, threatening elderly and sensitive populations.

Depending on energy generation type, heat pollution may additionally raise utility bills for lower income groups. Energy used to cool data centers converts that energy into waste heat, thus creating a feedback loop: more energy is needed to cool heated air and more risk for those who cannot afford air conditioning. All of this makes a strong argument for renewable sourcing of energy, and for siting data centers well away from residential areas.

Energy Choices and Tradeoffs for Data Centers

Where does Central New Mexico Get Electrical Power?

The electric grid in Central New Mexico is extremely fragmented, with the utilities serving the four counties listed below:

- Bernalillo County – Public Service Company of New Mexico, Continental Divide Electric Co-op, Central New Mexico Electric Co-op.
- Sandoval County – Continental Divide Electric Co-op, Kit Carson Electric Co-op, Laguna Pueblo Utility Authority, PNM
- Torrance County – Central New Mexico Electric Co-op, Socorro Electric Co-op
- Valencia County – PNM, Central New Mexico Electric Co-op

Specific energy sources to supply data center needs

Data Centers usually seek two sources of power, a primary source and an emergency backup. New Mexico electric utilities don't have much excess capacity for large customers, so seeking to connect to the grid may be a complex job. While the energy demand of proposed data centers may be served by existing public utilities, this tends to require a longer-lead time for utility-scale interconnection and transmission equipment to be approved and deployed.

It is one reason microgrids, which generate their own power and do not have to be connected to the electrical grid, are attractive to data centers. Many data centers are going "behind the meter" building their own on-site power generating capacity with microgrids. Note that the name "microgrid" may be misleading. A microgrid is a standalone energy system that operates independently of a wider electric system.[27] A microgrid can be a huge power plant, generating 1GW or more. It refers to a grid entity which is self-contained and does not have to be connected to public utility interconnections.

Meta is the only hyperscale data center in Central New Mexico. It solved the problem of connecting to the grid by starting as a small data center, working with PNM over a period of several years to build and supply an electrical substation in Los Lunas for its exclusive use.[16] There are no known microgrids operating in Central New Mexico, but Sandia National Laboratories has done extensive research on microgrids.

Table 1 lists some options to power data centers. As Table 1 shows, energy options bring many complex trade-offs about GHG emissions, availability of land for infrastructure, and lead times.

Energy Option	Operating Greenhouse Gases	Waste Streams/Other Impacts	Land and Infrastructure Needed	Capital Cost and Lead Time
Natural gas turbines	High	NOx, SO2, methane leakage, fuel price volatility	Tens of acres, plus gas pipelines	Moderate, 2-4 years
Natural gas solid-oxide fuel cells	High (CO2 levels similar to natural gas turbines but much lower NOx and SOx)	Hazardous waste disposal concerns, fuel pipeline or trucking	Tens of acres, plus gas pipelines	High, 1-2 years, supply is constrained
Solar photovoltaics plus batteries	Near zero	Panel and battery end-of-life, batteries	Thousands of acres, 24/7 service, needs land for panels and storage	Moderate, 1-3 years
Wind	Near zero	Visual and noise concerns, variable output	Tens of thousands of acres, may be far from transmission	Moderate, 2-4 years
Geothermal	Low	Refrigerant issues, could use no operating water	Hundreds of acres, site may be far from transmission	High, 3-7 years
Nuclear	Near zero during operation	Radioactive waste disposal, safety	Hundreds of acres, specific siting conditions	Very High, 10-15 years
Diesel generators (backup only)	High per hour run, small if only for emergency use	Fuel storage, NOx and PM during testing	Portions of an Acre	Low, under 1 year

Table 1: Potential energy generation sources for data centers[28]

Power must be transmitted from the generating source (such as those sources shown in Table 1) to the demand location (e.g. data center), which requires transmission lines. The design, siting, permitting, and regulatory approvals for transmission lines can take years to decades. The AI companies such as Meta, Microsoft, Amazon, Google, and Open AI are working on various power generation methods including nuclear and geothermal. The energy generation methods most immediately available for NM to support a significant hyperscale data center demand (hundreds of MW or more) are solar and natural gas turbines.

Cost of Electricity

Data Centers use electricity to operate. They obtain that electricity by connecting to a local electric utility or generating their own electricity. At some point most data centers seek to connect to a local electrical grid either as a primary or backup power source.

For the hyperscale data center Meta in Los Lunas, NM the journey to electrical power was complex. Meta began on a small scale in 2016 with one building and a limited number of servers, expanding slowly over the past decade to a hyperscale center. The slow rate of expansion gave the Public Service Company of New Mexico the time to get permission from the New Mexico Public Regulatory Commission to establish a substation to serve Meta, and to build the infrastructure needed. Meta paid for the cost of the expansion, and at the end of its current buildout will draw around 479 megawatts.[1616]

Currently, there is no New Mexico or federal law that explicitly says data centers must pay the cost of the electrical grid components needed to serve them. Senator Heinrich (U.S. Senator from N.M.) introduced the GRID Savings Act on Aug. 3, 2026. This legislation "aims to ensure that the biggest new electricity users play by the same basic rules that have applied to new power plants for two decades, while increasing transparency, protecting grid reliability, and making sure that families and businesses aren't left paying for infrastructure that only serves new, high-demand customers."[29] The proposed legislation requires FERC (the Federal Energy Regulatory Commission) to establish clear rules about what grid upgrades the large power users will be responsible for paying. The legislation also allows for these large-use companies to voluntarily fund certain transmission facilities and receive transmission service in exchange for funding backbone transmission upgrades.

New Mexico's electrical grid is extremely fragmented and no one entity controls the cost for electricity for all ratepayers. There are three investor-owned electric utilities operating in the state, the Public Service Company of New Mexico, El Paso Electric and Southwestern Public Service or Xcel Energy. There are 15 rural electric co-ops where rates are set by a board of ratepayers, and four community owned electric utilities where rates are set by village trustees or city councilors.

This grid fragmentation means New Mexicans pay different rates for basic electrical services. A 2025 study conducted by the New Mexico Energy, Minerals and Natural Resources Department shows how the cost of electricity varies for residential ratepayers.[30] Figure 3 shows the NM average annual energy cost per census tract.

Even in Bernalillo County, the yearly cost of electricity varies from about $1,000 a year to about $4,000, depending on where the ratepayer lives and which electric utility is serving them. Ratepayers in Albuquerque pay the least. Ratepayers in the East mountains pay the most. Ratepayers in Sandoval, Torrance and Valencia Counties all pay higher rates than residents of Albuquerque.

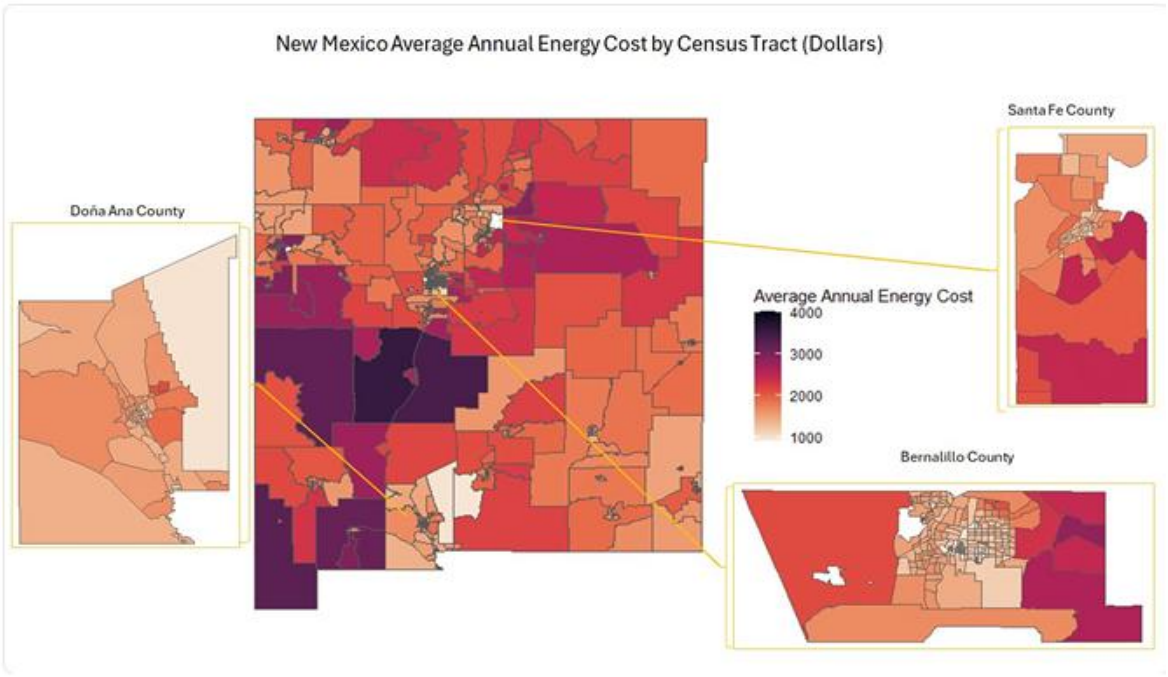


Figure 3. NM Average Annual Energy Cost by Census Tract, Fig. 20 in Reference 30

Choose Energy[31], a non-profit that allows state-by-state comparison of electrical energy costs, ranks New Mexico near the middle of U.S. electrical energy costs. A recent study by the Edison Electric Institute[32], an industry-financed research institute, rates New Mexico electric costs lower than most states. Nationwide, electrical costs rose about 6% in 2025. Goldman Sachs expects them to rise another 6% for 2026.[33] The White House Council of Economic Advisors is optimistic about the federal government's ability to keep a lid on rising electrical costs.[34]

It is hard to predict the future cost of electrical energy. Factors like the New Mexico Energy Transition Act, which requires utilities to have at least 50% of the energy they produce be from renewable sources by 2030 and 100% by 2045, will add to the costs in this state. Additionally, we face the need to modernize the grid. Grid modernization refers to updating the electric power infrastructure. Grid modernization is more than adding capacity to the grid to support data centers. Grid modernization is necessary to accommodate the large amount of distributed energy resources such as residential solar or microgrids and two-way flow of power on the grid compared to the one-way flow of power from central generation facilities (e.g. coal-fired power plants) that was planned decades ago. In addition, the "spikiness" of the supply and demands coming onto the grid requires more modern technology such as solid-state transformers, smart inverters, smart meters, and improved power electronics to develop a more reliable and resilient grid. This adds to the cost of electricity.

Everyone wants the grid to be smarter, more reliable, able to withstand outages and disruptions easily (more resilient), with flexibility to accommodate varying and increasing loads. However, people also want power to be affordable. These objectives often conflict; grid modernization is expensive. Adding more

capacity to the grid is also expensive. Utilities have to recoup their infrastructure cost. One possibility is to use data centers both to spread the costs (e.g. require tariffs and other cost structure that will help lower the cost of grid modernization for residential customers) and as a power generation source (e.g. requiring them to "give back" power to the grid during periods of peak demand or outages). The cost of both grid modernization and adding capacity is borne by the ratepayers and is happening already. Data centers offer the possibility to spread the cost burden and the capacity growth with the data centers, but this has to be carefully managed and incorporated into the development process.

A complicating factor in determining who pays what for electricity is the New Mexico Energy Transition Act. It requires public utilities to use 50% renewable energy by 2030, 80% renewable energy by 2040. In order to meet those goals, utilities have to invest in renewable generating power. Since solar energy and wind energy require acres of land on which to build, they are generally located at some distance from highly populated areas such as Albuquerque. Utilities that use the renewable power sources must build transmission lines to get the electricity to the end users, and the cost of those transmission lines will continually force the cost of electricity to ratepayers up for at least the next 10 years.

Economic Development from Data Centers

Introduction

There are over sixteen (16) data centers currently in the Central New Mexico four county area – Bernalillo, Sandoval, Valencia and Torrance, as shown in Appendix B. These data centers are of varying size ranging from regional focused 1 MW size data centers to a hyperscale data center of 400 MW at the Meta Data Center in Los Lunas, Valencia County.

As data centers grow in size and number in the Central New Mexico area, governmental leaders must weigh societal and economic impacts as well as environmental concerns in their economic development mandate, especially when granting large subsidies via tax incentives that may last for 30 years. Tax incentives offered to data centers may cancel out local revenues that could be utilized toward infrastructure, road improvements, education and other important community services now or in the future. Thus, our elected representatives are guardians of the public interest and the concerns of taxpayers. They are in the position of negotiating effective and strategic agreements that impact local government budgeting and have important implications for the environment for many years into the future. Transparency with the public as to the risks, cost, and benefits of any proposed data center facility is of utmost importance.

As an illustration of the economic impact of a hyperscale facility, in 2016 the Village of Los Lunas' authorized up to $30 billion in IRBs for a 30-year property tax exemption for Meta's Los Lunas hyperscale AI infrastructure. The Village has collected more than $145 million in gross receipts tax attributable to the campus since 2016, compared to approximately $11 million a year before Meta arrived, and its population has grown by approximately 15 percent since 2020. This success has led to the approval by the Village of Phase 3 at the Meta Los Lunas campus in December 2024 to authorize an additional series of IRBs to support continued investment in the facility.

Another approach to data center negotiations is illustrated by *Administrative Resolution (AR) 2026-22*[35], passed in February, 2026, by the Bernalillo County Board of Commissioners, that provides guardrails and minimum negotiation criteria for data center community benefits agreements or any industrial revenue bond contracts. The AR states that economic development incentives shall be considered for projects that meet or exceed all the following criteria:

1. Enter into a project labor agreement for construction workforce hiring.
2. Construction hiring incorporates a registered apprenticeship program.
3. Prioritize in-state permanent workforce hiring, including a workforce development investment plan to achieve 80% in-state permanent workforce within 5 years.
4. All permanent positions meet or exceed 120% of area median salary.
5. Electricity needs of the site are supplied by a private microgrid or via connection to a public grid regulated by the Energy Transition Act
6. Water needs of the project are to be fully offset and should include a water reclamation and water reuse plan

7. Projects that meet all criteria items 1 – 6, shall also pay a minimum PILOT (payment in lieu of taxes) of 30% of the county mill rate in addition to the full mill rates for all the local taxing authorities – schools, hospitals, conservancy district, etc.

Although (AR) 2026-22, sets a high bar of accountability and transparency for future data center agreements in Bernalillo County, the LWVCNM remains concerned about the other three counties' capability to negotiate agreements that are in the best interest of their citizens and taxpayers.

Administration of New Mexico's Economic Development Incentives

The New Mexico Economic Development Department is the State's designated department to increase economic opportunities by recruiting and incentivizing businesses that will improve the lives of New Mexico citizens. Any agreements covering large data center projects should be designed to achieve the goals of the *2025 New Mexico State Plan Update, Empower and Collaborate: New Mexico's Economic Path Forward*[36], e.g. to promote economic diversification, reduce revenue volatility, improve the legal and regulatory environment, and create a top-tier innovation economy. This can be achieved through a variety of mechanisms including pre-application agreements, Industrial Revenue Bonds (IRBs), tax exemptions and credits, Memorandums of Understanding (MOUs), Community Benefit Agreements (CBAs) with clear benefits raise the living standards for the surrounding communities.

NMEDD offers a variety of programs and tax incentives that hyperscale data center developers may access including:

- Local Economic Development Act (LEDA); grants to local governments to help infrastructure improvements, land acquisition, etc.
- Special Gross Receipts Tax (GRT) Share Distributions; sharing a state tax on businesses for the privilege of doing business in New Mexico with local governments
- Job Training Incentive Program (JTIP);
- High Wage Jobs Tax Credit (HWJTC);
- Technology Jobs and Research & Development Tax Credit.

The Economic Development section's full research report discusses the range of economic development incentives offered NMEDD for existing and future Data Centers.

It should be noted that any data center agreements that utilize State tax abatements, incentives, or job training funding must adhere to the New Mexico Economic Development Department's (NMEDD) *General Expectations for Data Centers*[37] regarding water usage, energy generation and ultimately the NM Energy Transition Act. These include the following:

- Closed-loop or equivalent low-water-use cooling systems
- Prevailing wages for Industrial Revenue Bond -supported projects
- Data center energy needs that do not place additional costs on existing ratepayers.
- Potential grid support by Data Center microgrids that enhance grid reliability
- Microgrid-connected data centers must meet New Mexico's statutory net-zero standard by 2045.

Data Centers as Local Economic Development Multipliers

In today's demand for hyperscale data centers, the balance of power is shifting, giving communities new leverage to transform isolated data center projects into an economic force multiplier for local transformation and shared economic prosperity.

In February 2026 study from the Brookings Institute, *Turning the Data Center Boom into Long-Term Local Prosperity*[38], local communities are advised to treat data center negotiations as 'ecosystem-shaping' moments that trade infrastructure access for commitments to advance local innovation, workforce development, and industry strengths. This new economic development paradigm can create economic innovation hubs as well as develop new energy procurement models and grid stabilization policies, including:

a) jointly sharing the cost and risk of new energy development projects to invest in new technologies that develop grid stabilization platforms without harnessing ratepayers with the future bill;

b) ensuring that data centers act as an anchor to develop regional tech ecosystems that engage universities, scientific laboratories and local businesses in creating new business opportunities, e.g. battery production, semiconductors, electrified industrial processes, robotics in heavy manufacturing, etc.

Ensuring Transparency and Accountability

The complexity of structuring effective economic incentives and collaborating in the development of hyperscale data centers means that more transparency and accountability is critical for state, local government and the hyperscale development partners and financiers.

According to a Climate XChange, *Transparency and Accountability Toolkit*[39]*,* published May, 2026, these minimum data center agreement negotiation points are recommended:

- Establish MOUs and Pre-Agreements with data centers that include minimum transparency requirements identifying all companies involved in a data center project, types of jobs created, commitments to employ local building trade union workers and annual reports on labor demographic data
- Prohibit NDAs (Non-Disclosure Agreements) between local governments and data center developers
- Require transparent disclosures that clearly specify information collected during the pre-application phase of MOUs and subsequent agreements
- Require public notification and participation in the pre-construction process
- Institute early termination penalties and exit fees
- Require the data centers to conduct and fund independent cost - benefit studies and require subsequent reporting on an ongoing basis
- Require State and Local governments to disclose incentives given to data centers
- Enforce NM utilities' use of separate rate classes for large commercial and industrial users.
- Create a Statewide Clearinghouse to provide information, via a website, about all data centers in the state

In summary, it is our view that communities can support economic development with clear standards providing guidance for new projects and protect the interest of its citizens, especially as innovations are evolving at such a rapid pace.

Report Summary

This report summarizes the results of the LWVCNM Data Center study group thus far. The purpose of this report is to provide awareness of the various aspects of data centers to our League members in the four counties. We have covered environmental impacts including water pollution and air emissions as well as noise and heat generation; energy sources and complex tradeoffs involving GHG emissions, waste streams, land use, cost and lead time across energy sources; and economic development benefits and costs. Appendix A presents some best practices that might be considered for data center development. Appendix B shows the list of data centers in the four counties.

We plan on issuing a larger, more detailed and comprehensive report on our data center study in a few months. This will be available to all LWVCNM members.

Appendix A: Best Practices

The following are a list of best practices, guidelines, and conditions that the LWVCNM might consider supporting in the development of hyperscale data centers.

a. Develop and/or use predominantly renewable energy at the facility in accordance with the New Mexico Energy Transition Act (which requires industrial users to reach a goal of 50% renewable energy use by 2030 for New Mexico investor-owned utilities and rural co-ops, and 80% renewable energy use by 2040.).
b. Use a water-efficient cooling process. Publish initial water consumption for facility construction, purging, and initial cooling system fill as well as necessary flushing and cooling system changeover needs.
c. Ensure that hyperscale data centers pay the full cost of electricity and grid development to support their connection (e.g. such as the rate of large commercial and industrial users.)
d. Prohibit the execution of Non-Disclosure Agreements /Do not sign/(NDAs) between the local government and the data center developer, once a site is selected by the data center developer. Purchase or option of land or water rights triggers a public process.
e. Be transparent with the public at all stages of the process, including the initial plans (size, scope, energy sources, land and water and energy footprint), permitting, design and development, construction, operations, and post-operation closure/transfer to another entity. (NOTE: we could go into more detail here, requiring release of all criteria pollutants and GHG annually, for example).
f. Institute early termination penalties and exit fees (particularly as related to a utility's investment in distribution and transmission infrastructure, or new power capacity) due to potential short-term life spans of data centers.
g. Require that independent cost studies, funded by the data center/hyperscaler applicant, be conducted by mutually agreed upon 3rd parties.
h. Disclosure of all publicly funded incentives, e.g. tax abatements, tax credits, sales tax exemptions, infrastructure grants or preferential utility rates, etc. that are given to data centers as to how much money is foregone annually and the duration thereof.
i. Require public notification and participation in the pre-construction process that specify public notice timelines and 'X' number of town hall meetings to incorporate public comments in the agreement negotiation processes.
j. Jointly develop a CBA with the local community outlining mutually agreed upon deliverables, which could include financial contributions to development of local water/wastewater infrastructure, educational benefits and workforce education, community contributions to housing, road infrastructure or other community needs, with legally enforceable stipulations.

Appendix B: Data Centers in Bernalillo, Valencia, Sandoval, and Torrance counties

Information obtained from: New Mexico Data Center Map: 30 Sites, 16.1 GW and https://www.datacenters.com/

1. **Meta -** Los Lunas, Valencia County
   This is an operational data center with an estimated 400 MW. They are in the process of expanding to an estimated 250-470 MW. They are primarily powered via a solar-powered microgrid with battery backup. We don't know if any part of the several buildings are connected to the PNM electrical grid.
2. **Connect Albuquerque** – Albuquerque, Bernalillo County
   Planned data center at 8361 Datona Rd. NW. They are reporting they plan to use 10 MW.
3. **Centersquare Albuquerque -ABQ1** – Albuquerque, Bernalillo County
   100 Tijeras Ave. NW. They are using 1.35 MW.
4. **Csquare: ABQ1-B**, Albuquerque, Bernalillo County
   Same company as above. 420 square feet. 1 MW, backup UPS systems and diesel generators. In total, Csquare has access to 6-8.7 MW.
5. **Oso Grande Albuquerque ABQ1** – Albuquerque, Bernalillo County
   725 6th St NW, 1 MW reported, backup generator.
6. **500 Marquette** - H5 Data Centers – Albuquerque, Bernalillo County
   500 Marquette, 225,000 square feet. Access to 20 MW of electricity provided by PNM.
7. **Pacific Office Automation** – Albuquerque, Bernalillo County
   3830 Singer Blvd. NE, unknown amount of power.
8. **Big Byte CC Corporation** – Albuquerque, Bernalillo County
   123 Central NW, 6,200 square feet. 3.0 MW
9. **H5 Data Centers Albuquerque –** Albuquerque, Bernalillo County
   505 Marquette Ave. NW, Pure Voltage Hosting Inc. 225,000 Sq. Ft. ,unknown amout of power draw.
10. **Molina Healthcare –** Albuquerque, Bernalillo County
    5610 Turing Drive SE, 15 MW.
11. **Prism Technologies, Prime Data Centers** – Albuquerque, Bernalillo County
    219 Central Ave. NW, unknown amount of power.
12. **Sandia National Laboratories** – Albuquerque, Kirkland Air Force Base, Bernalillo County
    725-E HPC Data Center, unknown amount of power
13. **Southwest Cyberport** – Albuquerque, Bernalillo County
    5021 Indian School Road, NE, UPS packed power, generator backup
14. **Centerserv** – Albuquerque, Bernalillo County
    6565 America's Parkway, unknown power, on-site generators, extended fuel reserves
15. **ATI Solutions Inc: ATI DC-1 Data Center**, Albuquerque, Bernalillo County
    2309 Renard Place SE STE 400, Main facility located in Chantilly, Virginia.
16. **Century Link -** Albuquerque, Bernalillo County
    3830 Singer NE, 4,000 square feet, dual AC/DC power feeds, diesel generator with on-site fuel

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