CURE

Data Centers in Minnesota: What You Need to Know

Proposals for 'hyperscale' data centers are popping up across Minnesota to power AI, cryptocurrency, and cloud computing. These projects may seem invisible (and have been when kept secret by proposers and local governments), but they have very real impacts on our water, energy, air, land, and local communities.

What are Hyperscale Data Centers?

Hyperscale data centers are massive facilities built to store and process huge amounts of digital data. They're used by Big Tech companies to power AI, social media, cloud storage, cryptocurrency mining, and more. 'Hyperscalers' can exceed a million sq. feet in size — more than 17 football fields — and they run 24/7.

What's happening in Minnesota?

At least a dozen hyperscale data centers are being proposed across the state, and Minnesota is behind when it comes to understanding and analyzing the potential impacts of such development. We know from experiences in other states that hyperscale facilities can place significant stress on local resources, including water, land, and electricity. They often get substantial tax breaks from states and local governments, negating the benefits that development usually brings. Currently, Minnesota communities are being asked to host this new, major infrastructure with limited transparency or public input, few protections for our water resources or environment, potentially significant impacts on electricity rates, and no guaranteed benefits for locals.

How much energy do they use?

A LOT. A single hyperscale data center can use 100 MW or more of electricity, equivalent to the power needs of tens of thousands of homes. One proposed Amazon facility in Becker, Minnesota would have used six times that amount. This could mean added stress on Minnesota's energy grid or increased energy bills for ratepayers and member-owners. Hyperscalers also demand backup generator systems, in the event of a power outage and mostly rely on polluting on-site fossil fuel generators to meet this need.

What about water?

Data centers can consume **millions of gallons of water a day** for cooling their servers. But few data centers are reporting their projected or actual water usage. Water used for cooling may also be treated with anti-corrosive chemicals or contain PFAS that are toxic to human and aquatic life. Although MN has enjoyed abundant water historically, it is not an infinite resource, and some parts of the state do not have ample access to clean water — especially in drought years.

Are there other impacts? Yes! →

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Other Impacts

Our understanding of data centers continues to evolve, but some other potential impacts of their construction and operation include:

- **Noise pollution** from large sets of industrial cooling fans.
- **Air pollution**, locally due to backup generators, and regionally from increased energy demand.
- **Light pollution** from outdoor lighting. This can disturb nearby residences, harm wildlife active at night, and blot out the night sky.
- **Electronic waste** from equipment replaced every 2-5 years.
- **Strained public resources** from projects offering few tax benefits for local communities or host states.

This raises the question...

Are Hyperscale data centers a good deal for communities?

Not as proposed today. Despite the potentially significant impacts on water, electricity, and communities, Minnesota offers major sales tax exemptions for software and equipment purchased by hyperscalers, in an effort to attract more development to the state. Project proposers will also likely seek property tax abatements at the local level. These sales tax breaks alone are worth hundreds of millions of dollars, and because data centers replace their equipment frequently, they are recurring exemptions (making the tax losses even more significant). And despite claims that hyperscalers create significant new job opportunities, any construction jobs created from these projects are short-term, and each facility typically only creates 50 — or fewer — permanent positions during operations.

Without clear, enforceable protections, our communities will be asked to give up millions of gallons of water for data center cooling systems, potentially incur higher electricity bills, and face bright, noisy operations 24/7, all for the benefit of some of the wealthiest companies and individuals in the world.

What can I do?

Ask your local officials, elected leaders, and utility providers:

1. Who benefits when data centers come to our town?
2. What protections are in place for our air, water, electricity rates, and tax base?
3. Why aren't data centers paying their fair share for the public resources (roads, utilities, water) they use?
4. Are hyperscale proposals going through a full and objective assessment of potential environmental and health impacts and mitigation measures?

Want to learn more or take action?

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