

The house environment committee has reviewed H727 draft 1.3 and has the following comments:

The committee strongly supports the intent of the bill to proactively regulate the potential development of data centers in Vermont.

Water:

We have reviewed the sections related to water and land use. **We support the current drafts language about water, and just suggest some edits to the sections below**, as requested by ANR, to require that data centers obtain all applicable water quality permits. We are concerned about water resource impacts of data centers, but believe this combined with the water quality certificate give the state the opportunity to adequately address water resource issues.

~~(c) If a person applying to operate a data center proposes to use groundwater to cool the data center, the data center shall obtain a groundwater withdrawal permit under 10 V.S.A. § 1418 for any withdrawal of groundwater by the data center notwithstanding the permitting threshold of withdrawal of more than 57,600 gallons of groundwater a day. A closed-loop cooling system is not exempt from the groundwater withdrawal permit under 10 V.S.A. § 1418(b)(6).~~

~~(d) If a person applying to operate a data center proposes to use surface water to cool the facility, an applicant shall obtain a surface water withdrawal permit pursuant to 10 V.S.A. § 1043. The rules adopted by the Secretary to implement 10 V.S.A. § 1043 shall require that data centers cease withdrawals under drought conditions.~~

(c) A person applying to operate a data center shall obtain all applicable water quality **and water resource protection** permits from the Agency of Natural Resources, **which may include**ing stormwater, shoreland, stream alteration, direct discharge, **surface water withdrawal, groundwater withdrawal, wetland** and river corridor development permits.

We strongly support the use of a 401 certification process for review at the Agency of Natural Resources.

We concur with the Energy Committee's choice to codify the current EPA definition of PFAS chemicals for this purpose, and to require monitoring for them. **We suggest also adding a ban on intentional addition of PFAS**, as articulated below.

Add a subsection:

The intentional addition of PFAS to water discharged from a data center as defined in 30 V.S.A. § 283(1) shall be prohibited in Vermont. “Intentional addition” shall have the same meaning as the term “intentionally added PFAS” in 9 V.S.A. § 2494e(10)

Land Use:

In considering the land use sections, we support changing the definition of development under Act 250 to include data centers. We have questions about the definition of data center being limited to facilities greater than 20 megawatts. Due to environmental concerns, especially water use and potential pollution, we suggest considering a lower threshold for triggering Act 250 or a different criteria, like water use as a trigger for Act 250.

We understand that there is language in this draft that would require the PUC to use certain criteria from act 250 for siting a facility but that that language preceded the change to the definition of development to include data centers greater than 20 megawatts. We suggest removing the duplicative land use and environmental review under the PUC process and trusting the district Commission process under act 250 for that review.

Finally, we are concerned about the expansion of existing data centers in Vermont not being captured under this statute. We encourage the committee to be sure that expansion of existing facilities be added to the bill.

The committee regrets that we were not engaged in reviewing this bill earlier and strongly suggests that the Senate Natural Resources Committee take possession of the bill and review the concerns we have identified.