

Energy and Technology Committee JOINT FAVORABLE REPORT

Bill No.: SB-1292

AN ACT CONCERNING ENERGY AND WATER EFFICIENCY REQUIREMENTS

Title: FOR ARTIFICIAL INTELLIGENCE DATA CENTERS.

Vote Date: 3/18/2025

Vote Action: Joint Favorable Substitute

PH Date: 2/18/2025

File No.:

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SPONSORS OF BILL:

The Energy and Technology Committee

CO-SPONSORS OF BILL:

Rep. Mushinsky, 85th Dist.

REASONS FOR BILL:

This bill will require an owner or operator of an artificial intelligence data center to submit quarterly reports to the Commissioner of the Department of Energy and Environmental Protection (DEEP). The Commissioner would adopt regulations concerning water and energy efficiency standards for such data centers. This bill is important because it will mandate requirements for energy and water efficiency, specifically AI centers which will reduce the mass use of water and energy, both valuable materials in Connecticut for residents, and reduce the amount of energy waste that data centers produce. The reduction of energy waste from data centers is important because it will contribute to lower greenhouse emissions and help Connecticut reach its climate goals. This will prioritize sustainability in energy and water and will create an efficient resource management program in the growing industry of AI data centers. This bill is also important because it will publicize the information provided by data centers about its energy and water usage to the public, increasing transparency for residents which is important with current rising utility rates.

SUBSTITUTE LANGUAGE:

The substitute language on this bill will require that the Commissioner of the Department of Energy and Environmental Protection (DEEP), in discussion with the Public Utilities Regulatory Authority (PURA) and the Commissioner of Economic and Community

Development (DECD) to conduct a study that concerns the energy efficiency performance standards for AI data centers. The study created in the substitute language will examine the best practices for energy efficiency in the data centers, the energy management systems that could be implemented by data centers, and the use of renewable energy resources to help offset the greenhouse gas production of data centers. It will also investigate the ability for data centers to participate in different demand response programs. Finally, the language places limitations on the use of diesel backup generations to prohibit peak shaving or load shedding by data centers. The commissioner will be required no later than February 1, 2026 to submit the report on data centers, in compliance with section 11-4a of the general statutes.

RESPONSE FROM ADMINISTRATION/AGENCY:

Claire E. Coleman, The Office of The Consumer Council (OCC):

OCC supports **SB-1292** because the data that would be provided in compliance with the language in the bill would be useful to help determine the most appropriate ratemaking treatment to accommodate the incremental demand from newly constructed data centers, while also appropriating costs to ensure that the consumers are protected from cross subsidization or undue rate shock. It is recommended that the provision for developing standards should be completed in consultation with OCC, the Public Utilities Regulatory Authority (PURA), and ISO-New England.

NATURE AND SOURCES OF SUPPORT:

Joy Bonitz:

Ms. Bonitz supports **SB-1292** because these regulations that will be adopted through this bill will stop AI data centers from consuming large amounts of electricity and water. This will ensure the most efficient use of energy and water by data centers. This will reduce energy consumption, lower operation costs, protect the state's water resources, and enhance grid reliability.

Lori Brown, Executive Director of the Connecticut League of Conservation Voters:

The Connecticut League of Conservation Voters supports **SB-1292** because it addresses the long overdue requirements for data centers built in Connecticut to function as efficiently as possible with water and energy use. As some of the most energy intensive type of building, it is necessary and appropriate for the Commissioner of the Department of Energy and Environmental Protection (DEEP) to adopt standards concerning water and energy efficiency, and strictly enforce them for data centers. Suggestions for the bill were to require the most energy efficient serves, to prohibit the use of diesel or fossil fuel back-up power, make a requirement that data centers conserve water by requiring air cooling or closing loop water systems, require that the buildings be heated with the wasted heat energy from the data center, allow the excess heat be used for thermal energy storage and/or community heating needs, and require that data centers meet sustainability goals of the municipality where they are located.

Alicea Charamut, Executive Director of the Rivers Alliance of Connecticut:

The Rivers Alliance of Connecticut supports **SB-1292** with modifications because the bill will protect water resources but doesn't go far enough. The recommendations on this bill were to prevent the exploitation of water resources, create a mandate for water efficiency standards up front, and to strengthen the oversight of drought response plans. Date series propose a

very serious risk to Connecticut's water, and data centers consumer large amounts of water from local utilities. Data centers are typically the last to be asked to conserve water and this poses a serious threat to drought response plans, which this bill would rectify.

Victoria Como:

Ms. Como supports **SB-1292** because there is an understanding in Niantic that data centers will have a negative effect on the small town and the environment. Data centers consume large amounts of water for cooling and water resources need to be protected. It is common sense that data centers should be required to submit usage reports to the Department of Energy and Environmental Protection (DEEP) and should act in compliance with DEEPS regulations.

Alexis Dekle:

Ms. Dekle supports **SB-1292** because it will address the unchecked and unexamined energy use and the environmental contamination of the AY systems. Technology corporations needs to be held accountable for their impact on the environment and acknowledge the costs that are pushed onto the public.

Samantha Dynowski, State Director of Sierra Club Connecticut:

The Sierra Club of Connecticut supports **SB-1292** because it will help create an understanding of the impact of data center have on the water supply and address those problems head on. Data centers affect the electrical grid, water supply, and local air quality. The Sierra Club of Connecticut proposes amendments to **SB-1292** to require state centers to report on their back-up power, require them to transition to batters as a backup instead of diesel, gas or fuel cells that use gas. Require the reporting on load projections from existing and new data centers, require that DEEP conducts more frequent and rigorous system planning modeling of the clean and affordable road to meeting load growth, require that data center customers procure new and renewable resources so they can meet their load and shift load growth from residential customers, require center to pay a fair amount of transmission and other system costs and develop regulations to identify mechanisms to health data center development when the energy and water load threatens public interest.

Nathan Frohling, Director of External Affairs of The Nature Conservancy of Connecticut (TNC):

TNC supports **SB-1292** because the growth of the data centers has gone largely unchecked. This bill will require the owners/operators of data centers to submit quarterly reports and set standards for energy and water usage by data centers. The energy load is increasing exponentially due to the growth of data centers and AI, this bill will keep the growth in check. The data centers in Connecticut need to be incentivized to engage in energy and water efficiency. It is recommended that the bill include renewable energy requirements.

Kevin Gough:

Mr. Gough supports **SB-1292** weakly because he would rather see the complete ban of AI centers in Connecticut. The large data centers are only a new way of draining the dwindling energy resources. This technology shouldn't be permitted, life is better without them. It is recommended to amend the bill to ban AI data centers in the state. A complete ban of AI is unlikely so there is support for the bill since it is the best the state can do but additional understanding of the additional demand on Connecticut's electricity and water supply from data centers and have regulations.

Ashen harper, Fridays for Future Stamford – Youth Climate Justice Organization:

Fridays for Future Stamford – Youth Climate Justice Organization supports **SB-1292** because it will reduce the greenhouse gas emissions that data centers produce and reduce the expected rise in greenhouse emissions with AI. Data centers will be required to report on their energy efficiency, waste heat, and water usage and the commissioner would regulate their energy efficiency. Data center energy use must be regulated so emissions can be reduced, and the impact that AI produces can be accounted for.

Paula Jones:

Ms. Jones supports **SB-1292** because it would require that AI centers report on their water and energy usage and require the Commissioner of DEEP to adopt standards that concern the data efficiency at data centers. An understanding of the additional demand on Connecticut's electricity and water supply from data centers is critical. There is already strain on the grid and this may only increase it.

Andrew Lopez:

Mr. Lopez supports **SB-1292** because it will require that the owner or operator of an AI data center to submit a quarterly report to the Commissioner of the Department of Energy and Environmental Protection, and then require the commissioner to adopt regulation that concerns water and energy efficiency standards for data centers. This bill will provide sensible guidelines and guardrails, without these there will be trouble in the form of energy and water shortages.

Charles J. Rothenberger, Director of Government Relation for Save the Sound:

Save the Sound supports **SB-1292** because it will require reporting from AI data centers on their energy and water usage, and their performance and sustainability indicators. It will direct DEEP to adopt regulations that will establish energy and water performance standards for data centers. Data center load growth has tripled in the past decade, data centers consumed around 4.4% of total U.S. electricity. A recommendation is that the requirements on this bill will extend to all data centers instead of only AI data centers.

Others Provided Support:

Laura Lynch, Svetlanna Wasserman, Irene Skrybailo, Jack Potter.

NATURE AND SOURCES OF OPPOSITION:

Anonymous:

Anonymous opposes **SB-1292** because it is not a bill that would help the residents of Connecticut.

David Jarvis, Council Representative for North Atlantic State Regional Council of Carpenters:

The North Atlantic State Regional Council of Carpenters opposes **SB-1292** because data center is the digital infrastructure of Connecticut's AI future. AI building projects will create building opportunities for new apprentices so they can begin life-changing careers in the trade and other trades working projects. Neighboring states are positioning to encourage data center development and enjoy the benefits that come with them. The billions of dollars of

private investment would help Connecticut carpenters and other trades workers build futures and build Connecticut's future digital infrastructure, which is imperative.

Anonymous:

Anonymous opposes **SB-1292** because regulations are becoming too strict and stringent.

GENERAL COMMENTS:

Angel Baez, Energy Efficiency Solutions (EES):

Mr. Baez's general comments on **SB-1292** were as a worker of EES serving Hartford and witnessing the transformative impact on the people of Hartford, needs to continue to receive funding. EES enables people to heat their homes and create comfort. EES completes air sealing, insulation. And safety checks for various heating system. They uplift Connecticut ratepayers and combat energy waste in the state.

Alvin Colon, Energy Efficiency Solutions (EES):

Mr. Colon's general comments on **SB-1292** were as an insulation team lead at EES he helps Connecticut ratepayers save on heating, light, hot water, and air conditioning. EES air seals, insulates, and check for heating dangers and advocate for Connecticut Residents.

Najee Duncan, Agency:

Ms. Duncan's general comments on **SB-1292** on this bill were that CLM helps customers lower their light bills, and heating and hot water usage. These programs help people get insulation for their homes for little to no expense resulting in lower energy bills.

Robert Guerrere:

Mr. Guerrere's general comments on **SB-1292** were that SB-647 and SB-598 should be discussed more.

Other Submitted General Comments:

Michael Iverson Jr., Edgardo Mejias, Lloyd Munroe III, Nya Parkes, Isaiah Rosario, Marius Vasquez.

Reported by: Ciara Smith

Date: 03/25/2025