MCAT
Mobilizing Climate Action Together

Data Center Issues and Actions

Join us to require corporate accountability to protect our water, farmland, climate and economic needs statewide.

www.MCAT-Climate.org

MCAT is partnered with 40+ organizations to call for action around data center development.

Oregon has the second largest concentration of data centers in the U.S. There are 138 data centers concentrated in Hillsboro, Umatilla, Morrow and Deschutes counties with others scattered in The Dalles, Portland and more. More are scheduled in OR., nearly doubling their electricity use in the next year and additional doubling by 2030 causing an outcry for transparency, protection of water, air and land, and avoiding threats to our electricity grid and climate goals.

Why is Oregon attractive?

- **Property Tax Exemptions and No Sales Tax -** Oregon offers property tax incentives to entice businesses to open in special districts, but data centers use over two thirds of this benefit, costing $450 million in the current tax year. Most states offer only partial sales tax breaks, but we don't have a sales tax on servers changed out every 3-7 years.
- **Electricity Use and Climate Change –** Electricity rates are cheaper in Oregon. Data centers have increased electricity demand in Oregon by over 11% (2024) while commercial and individual demand was stable due to investment in efficiency measures.
- **Location, Climate and Natural Resources -** Oregon has many international fiber optic lines helping data centers connect. We are cooler for ease of cooling the racks of electronics.

New policies are being developed – here are 5 core pillars adopted

1. **Transparency** around tax exemptions, community benefits, jobs, water use, wastewater disposal, electricity use, air quality and more.
2. **Tribal Sovereignty:** No encroachment on Native stewardship of their land, balancing hydropower with river flows in the face of climate change, and impact on First Foods.
3. **Accountability** to pay their costs for energy and water upgrades, mitigation for future stranded assets, and ongoing information about activities.
4. **Resource sustainability** for water quality/quantity, land, air quality and renewable electricity and efficiencies, industrial land base and more.
5. **Prioritize communities** to build a shared vision for economic prosperity.

OUR MISSION: MCAT works to mitigate the climate crisis by actively pursuing effective legislative and executive branch actions in Oregon.

Data Centers in OREGON

Impacts on Oregonians

Energy demand & grid stress: According to OR Dept of Energy (ODOE), 2024 data center electricity consumption was 26% of Oregon's total provided by investor-owned utilities (PGE & Pacific Power), while residents and other commercial customers use remained steady. Their electricity use is expected to nearly double by 2030. Oregon already has constrained grid access for new renewable energy and stress at peak times. This new demand is increasing the amount of electricity drawn from plants outside Oregon with high carbon emissions (mostly fossil gas plants).

The POWER Act (2025) is reducing the impact on rates for residential ratepayers but only for Investor-Owned Utilities, e.g. PGE and Pacific Power. It will also require renewable energy sources and payments for improving energy efficiency in residential areas. The rules are only just in place for PGE so far.

Water Consumption and Air Pollution: Large data centers (>100 MW) can use 3-5 million gallons of water per day, similar to a city of 40,000. In eastern Oregon, the sources of city water are limited. In some areas, the data centers have paid for infrastructure to increase the water used to keep the equipment cool in summer but there are no current regulations to even call for public input or transparency. The Dalles had to be sued for water data, which ultimately pushed Google to release information about consumption. There is also air pollution from diesel back up generation when electricity from the grid is inadequate.

Land Use and Economic Impact: In a few areas, (e.g. Prineville) data centers have provided increased permanent employment and a rise in average wages. Other areas are harder to evaluate due to lack of transparency of job types and wages. Land use siting is not automatically open to public input. Oregon expects about 9,100 acres of new data centers by the end of 2026, quadrupling the existing footprint. Data center development is eating up industrial land across the state, forcing cities to permanently convert prime farmland through urban growth boundary expansions. Property tax exemptions put counties, fire districts, & community colleges at risk with no say in exemptions. K-12 funding has to be backfilled by the state.

MCAT helped defeat SB 1586 which tried to pull 1700 acres of prime farmland into Hillsboro. The coalition passed a one-year moratorium on new property tax exemptions for data centers in Enterprise zones.

You can join us!

- **Sign up:** Receive timely actions and updates from MCAT.
- **Get informed:** Link to MCAT-Climate.org to find materials on Data centers including our webinars/slide decks and this handout. www.mcat-climate.org

Sign up for a rally/Lobby Day for a Moratorium 9/8 in Salem. RSVP here: https://tally.so/r/ODqdXR

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