

Comments on the Hermantown Industrial Draft Alternative Urban Areawide Review

September 4, 2025

INTRODUCTION

Minnesota Center for Environmental Advocacy (MCEA) and the W.J. McCabe Chapter of the Izaak Walton League jointly submit the following comments on their own behalf and on behalf of thousands of supporters across the state, including in the City of Hermantown (City).

MCEA is a nonprofit with expertise in environmental law, policy, and science. MCEA's mission includes working with communities to protect Minnesota's environment, its natural resources, and the health of its people. The W.J. McCabe Chapter of the Izaak Walton League of America (IWLA) is based in Duluth, Minnesota and represents approximately 140 members in Duluth and surrounding communities in northeastern Minnesota. The IWLA is a big picture organization, working to protect whole watersheds, including the air and water quality, fish and wildlife habitat, and to provide the opportunity for nature centered outdoor activities, especially for youth. The environmental quality of Lake Superior and the St. Louis River estuary and its watershed have been high priorities for our chapter throughout its 100-year history.

Multiple public reports suggest that the Hermantown Industrial AUAR is tied to a hyperscale data center.¹ Data centers store computing equipment used to power cloud

¹ Jana Hollingsworth & Walker Orenstein, *A massive development is proposed for a northeastern Minnesota city. Local officials aren't saying what it is.*, Star Trib. (May 21,

and artificial intelligence workloads, and they can pose unique environmental challenges related to water consumption, energy use, and local impacts.

During the AUAR scoping phase, MCEA submitted comments asking whether the “Hermantown Industrial” proposal is related to data center development.² The draft AUAR fails to answer that question. Instead of identifying the “large specific project” being studied, the City describes a generic, 1.8 million square foot “light industrial development.”³

Without addressing whether this development is a data center, the AUAR cannot adequately study a hyperscale data center’s potential environmental impacts. Among its gaps, the AUAR does not identify the number, size, and location of back-up generators needed for this project, even though back-up generators at data centers emit significant air pollution.⁴ The AUAR does not describe how much noise the facility will generate, even though data centers are known to create severe noise pollution.⁵ The AUAR fails to identify whether project construction would require dewatering, a process that has

2025).; Brielle Bredsten, *Potential large-scale industrial development signals growth in Hermantown*, Duluth News Trib. (June 17, 2025).

² See City of Hermantown, *Final Order for the City of Hermantown Industrial Development Alternative Urban Areawide Review* (July 8, 2025) at Attachment B.

³ City of Hermantown, *Draft Alternative Urban Areawide Review* 6 (July 2025) (“AUAR”); see City of Hermantown, *Draft Order for the City of Hermantown Industrial Development Alternative Urban Areawide Review* (July 8, 2025) (“Draft Order”) (acknowledging that the Hermantown Industrial AUAR must follow the AUAR rules for large specific projects); Minn. R. 4410.3610, subp. 5(a) (AUAR rules for large specific projects).

⁴ AUAR at 53.

⁵ AUAR at 67; Christopher Tozzi, *Why Data Centers Are Loud, and How to Quiet Them Down*, Data Ctr. Knowledge (June 2, 2023), <https://www.datacenterknowledge.com/sustainability/why-data-centers-are-loud-and-how-to-quiet-them-down>.

allegedly caused residents' wells to go dry near other hyperscale data center developments.⁶

The Minnesota Environmental Policy Act (MEPA) requires more. AUARs must study the "direct, indirect, and cumulative potential effects" a project will have on the environment.⁷ That review must "provide for a level of analysis comparable to that of an EIS," the highest tier of environmental review in Minnesota.⁸ Because the Hermantown project is so ill-defined, many of its potential impacts on noise pollution, the electricity grid, air quality, and more are not analyzed at all. The AUAR substitutes review of these impacts with many promises that more "evaluation will be completed as design progresses."⁹

But MEPA's mandate to analyze a project's "direct, indirect, and cumulative" impacts cannot be satisfied with non-binding commitments to do more, later.¹⁰ The City must amend its draft AUAR to include a thorough analysis of this project's potential environmental impacts, based on a clear description of the facility being proposed. Additionally, if the facility is a hyperscale data center, the project should likely be reviewed by a different Responsible Governmental Unit (RGU). Unlike most local

⁶ See AUAR at 76; Karen Weise & Cade Metz, *At Amazon's Biggest Data Center, Everything Is Supersized for A.I.*, N.Y. Times (June 24, 2025).

⁷ Minn. R. 4410.3610, subp. 4.

⁸ Minn. R. 4410.3610, subp. 4.

⁹ See, e.g., AUAR at 66.

¹⁰ Minn. R. 4410.3610, subp. 4; *cf. Greater Yellowstone Coal. v. Lewis*, 628 F.3d 1143, 1158 (9th Cir. 2010), as amended (Jan. 25, 2011) (environmental review is a "look before you leap" process, designed to ensure that agencies "consider every significant aspect of the environmental impact of a proposed action" before that action is approved").

projects, hyperscale data centers can directly threaten the electricity grid and groundwater aquifers. These are inherently regional challenges, which a state body like the Department of Natural Resources, or the Environmental Quality Board itself, could be best equipped to study.

I. The AUAR fails to adequately describe the Project, precluding meaningful environmental review

The applicable rules and guidance require the City to provide a thorough description of the project this AUAR is reviewing. The City has elected to proceed with the AUAR for “a specific large project.”¹¹ Per MEPA regulations, any AUAR reviewing a large specific project must undergo a scoping process that requires the City to describe the project at a level “comparable to that of a scoping EAW.”¹²

The Minnesota Environmental Quality Board (“EQB”) instructs that this description should provide a “brief summary” of the project, followed by a “complete description” focused on all “aspects of the project that may directly or indirectly manipulate, alter or impact the physical or natural environment.”¹³ The description should contemplate a project’s “construction and operational activities,” “project components and structures,” the “location and relationships of project components,” and

¹¹ Draft Order at 1.

¹² Minn. R. 4410.2610, subp. 5a(B) (the AUAR for any “large specific project” must undergo a scoping process that describes the large project to an extent “comparable to that of a scoping EAW”); Minn R. 4410.1200(C) (a “major category” of an EAW is a “description of the project.”).

¹³ Minn. Env'tl. Quality Bd., *EAW Guidelines: Preparing Environmental Assessment Worksheets* 11 (2013) (“EAW Guidance”).

“associated infrastructure” required to serve the facility.¹⁴ The EQB stresses that project descriptions are the “most important item” of environmental review.¹⁵ The key principle is that “clear, complete and detailed project descriptions are essential to understanding the potential for environmental effects.”¹⁶

The AUAR’s project description falls far short of this bar. The City identifies “1.8 million square feet of proposed light industrial development,” and it recognizes that this development “would include new infrastructure, including water service, sewer, stormwater, streets, and utilities.”¹⁷ These generic terms fail to convey any sense of what the project is, let alone provide a “clear, complete and detailed” understanding of all aspects of the project that might alter the natural environment.¹⁸ The City’s failure to provide any description of the facility it purports to study violates the letter and the spirit of Minnesota law on environmental review. For this reason alone, the AUAR is inadequate.

The City’s ambiguity about this facility is carried throughout the remainder of the draft AUAR. Repeatedly, missing details about the Hermantown project prevent the AUAR from studying that project’s impacts on water supplies, air quality, noise and light pollution, and other cumulative stressors on the surrounding environment.

II. The AUAR fails to adequately describe the Project’s impact on air quality

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ AUAR at 6.

¹⁸ EAW Guidance at 11.

If the development is a data center, environmental review must account for how the facility plans to generate on-site power. Industrial facilities construct generators to provide electricity when the facilities are disconnected from the grid. Frequently, these generators are fracked gas or diesel-powered turbines which emit nitrogen oxides, particulate matter, carbon monoxide, and other pollutants that are hazardous to human health.¹⁹

Data center generators can pose a unique threat to air quality due to these computing facilities' enormous demand for power. A single hyperscale data center can easily require more electricity than the entire City of St. Cloud.²⁰ Powering a facility like that can require dozens of combustion turbines.²¹ Data centers can be tempted to rely on on-site turbines, instead of the grid, when "the data processing center's voracious appetite for energy has outpaced electric utilities' ability to serve it."²² In Memphis, thirty-five gas turbines have been used as the main source of power for a new hyperscale data center.²³ These turbines are reportedly emitting more nitrogen oxides than the power plant and oil refinery located next door.²⁴

¹⁹ See U.S. Env't Prot. Agency, *Learn About Impacts of Diesel Exhaust and the Diesel Emissions Reduction Act (DERA)*, <https://www.epa.gov/dera/learn-about-impacts-diesel-exhaust-and-diesel-emissions-reduction-act-dera>.

²⁰ The annual community energy report for St. Cloud reported an average power draw of around 82 megawatts to serve the municipality. Data centers proposed in Minnesota are demanding up to 500 megawatts of power. See Walker Orenstein, *Mega Data Centers Are Coming to Minnesota. Their Power Needs Are Staggering.*, Star Trib. (Jan. 10, 2025).

²¹ See Ariel Wittenberg, *'How Come I Can't Breathe?': Musk's Data Company Draws a Backlash in Memphis*, Politico (May 6, 2025).

²² *Id.*

²³ *Id.*

²⁴ *Id.*

The AUAR acknowledges that the technology park could require back-up generators.²⁵ But it does not analyze those generators' air pollution. The reason given is that "any stationary air emissions source large enough to merit environmental review requires individual review" outside the AUAR.²⁶ However, this explanation ignores the very real possibility that back-up generators could emit enough air pollution to require individual environmental review, meaning that an AUAR would be inappropriate and barred by law. Recent reporting suggests that a data center in Memphis is emitting nitrogen oxides at a rate of "1,200 to 2,000 tons a year."²⁷ That is five to eight times higher than the rate that would trigger a mandatory Environmental Assessment Worksheet in Minnesota.²⁸

Here, the AUAR contains no information about the number, size, and location of the generators. This creates a catch-22 scenario: The AUAR claims that air emissions from generators are "not applicable to an AUAR," because emissions are small, then omits information about air emissions to verify whether this is true. This circular reasoning precludes the AUAR from evaluating the "direct, indirect, and cumulative potential effects" of the proposed project.²⁹

²⁵ AUAR at 53.

²⁶ AUAR at 61.

²⁷ See Ariel Wittenberg, 'How Come I Can't Breathe?': Musk's Data Company Draws a Backlash in Memphis, Politico (May 6, 2025), <https://www.politico.com/news/2025/05/06/elon-musk-xai-memphis-gas-turbines-air-pollution-permits-00317582>.

²⁸ See Minn. R. 4410.4300, subp. 15(A).

²⁹ Minn. R. 4410.3610, subps. 4, 5(B); see also Minn. R. 4410.2500 (when an RGU has incomplete or unavailable information, it should include a "brief explanation" of why and the "relevance of the lacking information to evaluation of potentially significant

III. The AUAR fails to adequately describe the Project's noise and light pollution

If the light industrial project is a data center, environmental review must account for potential noise and light impacts associated with these enormous facilities. Hyperscale data centers have servers and cooling facilities that create a constant “hum” or “screech.”³⁰ That noise persists day and night. It can travel for miles. Long-term exposure to this noise pollution can result in hearing loss, stress, insomnia, and a significantly decreased quality of life.³¹

To evaluate noise pollution, EQB guidance states that an AUAR should ask if the project “will include or adjoin major noise sources.”³² If so, a “noise analysis is needed to determine if any noise levels in excess of standards would occur, and if so, to identify appropriate mitigation measures.”³³

The project proposal is surrounded by residential development.³⁴ Yet, the City provides no modeling of how much noise will come from a data center's graphics chips, cooling systems, or generators. There is no review of whether noise from computers and ventilation is a “major” noise source that would impact nearby students and residents. In

environmental impacts,” among other requirements); Minn. Stat. § 116D.04, Subd. 4a (alternative forms of environmental review, like AUARs, must “address the same issues and utilize similar procedures as an environmental impact statement.”).

³⁰ Steven Gonzalez Monserrate, *The Staggering Ecological Impacts of Computation and the Cloud*, The MIT Press Reader (Feb. 14, 2022), <https://thereader.mitpress.mit.edu/the-staggering-ecological-impacts-of-computation-and-the-cloud/>.

³¹ *Id.*

³² Minn. Env't Quality Bd., *Recommended Content and Format Alternative Urban Area-wide Review Documents* 5 (Sept. 2008) (“AUAR Guidance”).

³³ *Id.*

³⁴ AUAR at 66.

place of this analysis, the review simply assures that “further noise evaluation will be completed as design progresses.”³⁵ Under MEPA, that analysis needs to happen during environmental review, not later.

Light pollution presents a similar story. Night lighting at large industrial facilities can frustrate neighboring residences and contribute to “skyglow” that obscures the night sky.³⁶ Data center lighting can be “easily seen for miles,” glowing “at night like a giant city of lights.”³⁷

EQB guidance states that AUARs should analyze “any impacts” on scenic views and vistas in the study area, including “both direct physical impacts and impacts on visual quality or integrity.”³⁸ If “any non-routine visual impacts would occur” they should be discussed “along with appropriate mitigation.”³⁹

Again, the AUAR plainly fails to meet this requirement. While the proposed development scenario is over one million square-feet in size, the draft review contains no information about how this enormous campus will be lit. The City hedges, noting in a plainly self-evident way that “any development of these lands will have an impact on the visual look of a property.”⁴⁰ It distracts, saying that regardless of environmental review,

³⁵ *Id.*

³⁶ See National Geographic Society, *Light Pollution*, <https://education.nationalgeographic.org/resource/light-pollution/>.

³⁷ Grace Mamon, *Data Centers Are Changing the Landscape. Here's How They May Affect Rural Virginia.*, Cardinal News (Mar. 12, 2025).

³⁸ AUAR Guidance at 5.

³⁹ *Id.*

⁴⁰ AUAR at 60.

“[f]uture development would conform with city ordinances.”⁴¹ And it offers good intentions, providing that “guidance from the USFWS to minimize blue light, uplight, and backlight will be adhered to the extent practicable.”⁴² These sections of the AUAR essentially say nothing that would allow the public or governmental officials to understand the lighting impacts of the development. Thus, the AUAR fails to identify the project’s “impact on visual quality” along with “appropriate mitigation.”⁴³ As with noise pollution, the draft AUAR plainly omits information required for adequate environmental review of this project.

IV. The AUAR fails to adequately describe the Project’s water impacts

Thorough environmental review of a hyperscale data center must account for the facility’s water impacts. Data centers can demand enormous amounts of water to cool their servers and other computing hardware.⁴⁴ In Farmington, a proposed data center would more than double the city’s current water use.⁴⁵ This intensive water demand may be at odds with the groundwater sustainability standard in state law, which requires

⁴¹ *Id.*

⁴² *Id.*

⁴³ AUAR Guidance at 5.

⁴⁴ Rasheed Ahmad, *Water Works: Engineers Often Need a Lot of Water to Keep Data Centers Cool*, American Society of Civil Engineers (Mar. 4, 2024).

⁴⁵ Letter from Melissa Collins, Regional Environmental Assessment Ecologist, Department of Natural Resources, to Tony Wippler, Planning Manager, City of Farmington (Oct. 22, 2024), on file at MCEA.

groundwater use to be sustainable to supply current needs and the needs of future generations.⁴⁶

Evaluating those water demands is a key part of environmental review. Among other obligations, an AUAR must describe “quantity, duration, use, and purpose of the water use.”⁴⁷ The EQB stresses that where “it is uncertain whether water resources will be impacted depending on the exact design of future development, the AUAR should cover the possible impacts through a ‘worst case scenario’ or else prevent impacts through the provisions of the mitigation plan.”⁴⁸ Crucially, the AUAR must “describe environmental effects from water appropriation, including an assessment of the water resources available for appropriation.”⁴⁹

For Hermantown, the City reports an estimated water use of 50,000 gallons per day “for light industrial purposes (i.e. process, sanitation, cooling, landscaping, fire protection).”⁵⁰ This is significantly less water than other Minnesota data centers proposals have asked for.⁵¹ There could be multiple explanations for that gap. A Hermantown data

⁴⁶ Minn. Stat. § 103G.287, subd. 1(b); see also Kirsti Marohn, *Water-Guzzling Data Centers Spark Worries for Minnesota's Groundwater*, MPR News (Feb. 11, 2025), <https://www.mprnews.org/story/2025/02/11/water-guzzling-data-centers-spark-worries-for-minnesotas-groundwater>.

⁴⁷ AUAR at 47; see Minn. Env't Quality Bd., *Environmental Assessment Worksheet Form* (Dec. 2022), https://www.eqb.state.mn.us/sites/eqb/files/December%202022%20EAW%20form_1.docx; see also Minn. R. 4410.3610, subp. 4 (AUAR); Minn. R. 4410.2300(H) (EIS).

⁴⁸ AUAR Guidance at 3.

⁴⁹ *Id.*

⁵⁰ AUAR at 49.

⁵¹ See Letter from Melissa Collins, Regional Environmental Assessment Ecologist, Department of Natural Resources, to Tony Wippler, Planning Manager, City of Farmington (Oct. 22, 2024), on file at MCEA.

center could be planning to use cooling techniques, like liquid immersion cooling and dry heat rejection, that significantly reduce water consumption. Alternatively, the low water use estimate could be based on flawed information, or it could reflect that the facility is not, in fact, a hyperscale data center.

This question is unanswered because the City fails to adequately describe the “duration, use, and purpose of the water use” at this project.⁵² If the Hermantown development is an anticipated data center, then the AUAR can analyze different cooling methods and “cover the possible impacts through a ‘worst case scenario’ or else prevent impacts through the provisions of the mitigation plan.”⁵³ Alternatively, if the cooling method is known, then the AUAR can explain how that method enables a data center to use only 50,000 gallons per day. In either case, the AUAR must adequately describe *how* the facility uses its water. This context is required by MEPA.⁵⁴ Without it, the AUAR’s water appropriations estimate is unsubstantiated, and it fails to explain the project’s “direct, indirect, and cumulative potential effects.”⁵⁵

V. The AUAR does not adequately account for the Project’s cumulative potential effects

⁵² See Minn. Env’t Quality Bd., *Environmental Assessment Worksheet Form* (Dec. 2022), https://www.eqb.state.mn.us/sites/eqb/files/December%202022%20EAW%20form_1.docx; see also Minn. R. 4410.3610, subp. 4 (AUAR); Minn. R. 4410.2300(H) (EIS).

⁵³ AUAR Guidance at 3.

⁵⁴ *Id.*

⁵⁵ Minn. R. 4410.3610, subp. 4.

MEPA requires project proposers to assess a project's cumulative potential effects.⁵⁶ "Cumulative potential effects" is defined in the Minnesota Rules to mean "the effect on the environment that results from the incremental effects of a project in addition to other projects in the environmentally relevant area that might reasonably be expected to affect the same environmental resources."⁵⁷ These "other projects" include existing facilities that are continuing to impact the environment and people's health. This analysis is vital to ensuring an adequate AUAR.

Here, the City has not conducted a cumulative potential effects analysis. In response to the AUAR form's prompt, "[d]iscuss the nature of the cumulative potential effects and summarize any other available information relevant to determining whether there is potential for significant environmental effects due to these cumulative effects," the City claims that impacts from future projects may result in impacts to the environment, but that these impacts will be addressed and mitigated to "ensure minimal cumulative impacts occur."⁵⁸

But MEPA requires more. To fully discharge its duty to assess cumulative potential effects, the City must, at a minimum, conduct an analysis that includes an understanding of environmental impacts not just from this project but also from other

⁵⁶ Minn. Env't Quality Bd., *Environmental Assessment Worksheet Form* (Dec. 2022), https://www.eqb.state.mn.us/sites/eqb/files/December%202022%20EAW%20form_1.docx; see also Minn. R. 4410.3610, subp. 4 (AUAR); Minn. R. 4410.2300(H) (EIS); AUAR at 72.

⁵⁷ Minn. R. 4410.0200, subp. 11a.

⁵⁸ AUAR at 74.

existing sources and activities.⁵⁹ As the Minnesota Supreme Court has explained, the purpose of this inquiry is to “determine whether the project, which may not individually have the potential to cause significant environmental effects, could have a significant effect when other local projects **already in existence** or planned for the future are considered.”⁶⁰

Unless the City revises the AUAR to include the required cumulative potential effects analysis, the City cannot make a legally sound decision on the adequacy of the AUAR and on the Project itself.

VI. The AUAR provides no evidence nor methodology for the Project’s stated energy demand

Modern hyperscale data centers can draw on hundreds of megawatts of power, an amount of energy that could power millions of households.⁶¹ To service these loads, particularly at times of peak electric demand (hot summer afternoons and during cold snaps), Minnesota’s electric utilities would need to build and procure additional electric generation resources. The Star Tribune reported recently that, “with at least 10 (hyperscale data centers planned), these Big Tech projects could consume as much electricity as every home in Minnesota.”⁶² That enormous demand can strain energy grids, shift costs to consumers, and necessitate dirty sources of power that increase a

⁵⁹ *Citizens Advocating Responsible Dev. v. Kandiyohi Cty. Bd. of Comm'rs*, 713 N.W.2d 817, 829 (Minn. 2006).

⁶⁰ *Id.* (emphasis added).

⁶¹ See Walker Orenstein, *Mega Data Centers Are Coming to Minnesota. Their Power Needs Are Staggering.*, Star Trib. (Jan. 10, 2025).

⁶² *Id.*

project's greenhouse gas emissions while threatening progress on Minnesota's statutory commitment to clean energy.⁶³

Adequate environmental review of these facilities must assess whether a project will result in new energy infrastructure on the grid.⁶⁴ If an AUAR project requires changes to the grid, either locally or regionally, then the new "associated infrastructure" is an indirect effect of the project, and it must be evaluated as part of the environmental review.⁶⁵

Here, the AUAR omits critical context about how it is estimating this project's energy demands.⁶⁶ Appendix D, which should evaluate greenhouse gas emissions associated with the project's electricity purchase, is missing from the AUAR. And what the AUAR includes is worrying: The City reports that estimated energy use is based on the "occupancy load for a typical light industrial use."⁶⁷ Evaluating typical light industrial uses makes little sense if the AUAR is connected to an atypical project, like a

⁶³ See Ellen Thomas, *Utilities Want to Power Big Tech's AI Ambitions with Natural Gas. These Are the Data Centers They're Betting On*, Business Insider (Feb. 13, 2025), <https://www.businessinsider.com/utilities-ai-natural-gas-power-microsoft-meta-amazon-2025-2>; Eliza Martin & Ari Peskoe, *Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power*, Harvard Law School Environmental and Energy Law Program (Mar. 2025).

⁶⁴ See *Minn. Ctr. for Envtl. Advocacy v. Holsten*, No. A08-2171, 2009 Minn. App. Unpub. LEXIS 1078 (Sep. 22, 2009) (affirming adequacy of environmental review where RGU demonstrated that a proposed taconite mine "will not cause an increase in power production" necessitating new energy infrastructure).

⁶⁵ Minn. R. 4410.3610, subp. 4 (the AUAR must "provide for a level of analysis comparable to that of an EIS for direct, *indirect*, and cumulative potential effects typical of . . . associated infrastructure.") (emphasis added); see also Minn. R. 4410.0200, subp. 65.

⁶⁶ AUAR at 305 (estimating annual energy demand 11,550,000 kilowatt hours of energy per year).

⁶⁷ AUAR at 63, footnote 21.

hyperscale data center, that requires vastly more electricity than an ordinary end user. Just as critically, the AUAR omits any analysis of how this project would impact the grid, despite acknowledging that new “substation/transmission lines” might be required to serve it.⁶⁸

Given the high stakes and challenges of serving hyperscale data centers, the revised AUAR should provide critical context for how the City is estimating electricity consumption. Additionally, the revised AUAR must confirm whether this project would necessitate new power generating facilities or other grid infrastructure.

VII. The AUAR’s mitigation plan is inadequate

The AUAR rules require that each AUAR include a mitigation plan that details how any potential impacts to the environment will be avoided, minimized, or mitigated. When “an RGU considers mitigation measures as offsetting the potential for significant environmental effects under Minn. R. 4410.1700, it may reasonably do so only if those measures are specific, targeted, and are certain to be able to mitigate the environmental effects.”⁶⁹ Mitigation measures must go beyond “vague statements of good intentions.”⁷⁰

The mitigation plan in the draft AUAR is inadequate for two key reasons. First, as described above, the design of the proposed project has not yet been established, so there is no way to know how well the mitigation measures listed in the draft AUAR accomplish their stated purpose. And second, the mitigation measures included in the plan are not

⁶⁸ *Id.* at 6.

⁶⁹ *Citizens Advocating Responsible Development*, 713 N.W.2d at 835.

⁷⁰ *Id.* at 834.

described or analyzed sufficiently to give the public or government officials grounds to understand and comment on this section of the AUAR.

For example, rather than identifying the actual noise levels associated with operation of the proposed hyperscale data center, and how that noise will impact the people of Hermantown, and then including a specific, targeted and certain plan to mitigate those impacts, the City's plan merely highlights that the "City of Hermantown regulates the hours of operation for construction equipment through development agreements."⁷¹ This is not a mitigation plan.

Further, some likely environmental impacts are not even mentioned in the mitigation plan. There is no mitigation present for the impacts to air quality from back-up combustion generators. And the mitigation plan does not mention any methods to limit the environmental effects of the massive increase in power demand that a new data center would require.

VIII. Environmental review of hyperscale data centers should be conducted by a regional or statewide governmental entity

If the proposed project is a hyperscale data center, it would join a rapid statewide rollout of these facilities. This wave of new, intensive developments will likely strain the regional electricity grid, threatening service reliability, ratepayer costs, and utilities' ability to achieve state climate energy targets.⁷² The rollout will also introduce enormous

⁷¹ AUAR at 78.

⁷² See Eliza Martin & Ari Peskoe, *Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power*, Harvard Law School Environmental and Energy Law Program (Mar. 2025).

competition for limited water supplies, at a time when increasing competition for water is posing problems for drinking wells and Minnesota's streams, lakes, and rivers.⁷³

These are inherently regional challenges. At the local level, it may be impossible to ask a city to conduct environmental review of a project so large it could require new energy infrastructure, drive up electricity rates, strain city water appropriations, cause significant drawdown to regionally significant aquifers, or have other regional impacts. Going forward, MCEA strongly recommends that the environmental review of hyperscale data centers be conducted by regional or state RGUs that are best equipped to review data centers' cross-jurisdictional effects.

CONCLUSION

For the above reasons, the draft AUAR must be revised to contain significant additional review of this project's potential environmental impacts, based on a "clear, complete and detailed" description of what the project is.⁷⁴

Sincerely,

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⁷³ See, e.g., Minn. Dep't. of Nat. Res., *Minnesota Water Conservation Report 6* (2020), https://files.dnr.state.mn.us/waters/watermgmt_section/water_conservation/statewide-report.pdf; Minn. Dep't. of Nat. Res., *Well Interference Resolution Process*, https://www.dnr.state.mn.us/waters/watermgmt_section/appropriations/interference.html.

⁷⁴ EAW Guidance at 11.

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