

April 11, 2025

Colorado General Assembly  
Colorado State Capitol  
200 E Colfax Ave  
Denver, CO 80203

RE: Strong Support for SB25-280 – Colorado Data Center Development and Grid Modernization Act

Dear Members of the General Assembly,

As representatives of Colorado's construction and skilled trades workforce, including general contractors, electricians, pipefitters, sheet metal workers, and other highly trained professionals; we write to express our strong support for Senate Bill 25-280.

This legislation presents a timely opportunity to grow Colorado's economy while modernizing our energy infrastructure and expanding clean energy development. SB25-280 will not only attract major private investment in data centers and grid infrastructure, but also create thousands of quality jobs in the skilled trades—jobs that offer strong wages, benefits, and long-term career pathways for Colorado workers.

By establishing a sales and use tax exemption for qualifying data center projects and aligning those projects with renewable energy goals, energy efficiency standards, and water stewardship, this bill sends a clear message: Colorado is ready to lead in 21st-century infrastructure, and we're bringing workers with us.

Importantly, SB25-280 includes provisions that:

- Fuel job creation across both union and non-union shops, including in underserved areas;
- Support local hiring, apprenticeship training, and safety standards that benefit our communities;
- Direct the PUC to evaluate rate payer impacts and cost allocation;
- Modernize Colorado's electric grid to handle new demand while expanding access to clean, reliable energy;
- Foster strong, long-term partnerships between the public and private sectors, ensuring workforce needs are met as new infrastructure is built.

We believe SB25-280 is a smart, strategic investment in Colorado's future. It creates real work for the men and women who build this state, while also securing a cleaner and more resilient energy system for the next generation.

We urge your support of SB25-280.

Respectfully,

Apollo Mechanical Contractors



TO: Senate Bill Sponsors: Nick Hinrichsen, Paul Lundeen  
House Bill Sponsors: Kyle Brown, Alex Valdez  
Members of the Senate Transportation and Energy:  
[Faith Winter](#), Chair, [Lisa Cutter](#). Vice Chair, [Marc Catlin](#), [Tony Exum](#), [Nick Hinrichsen](#), [Kyle Mullica](#), [Byron Pelton](#), [Cleave Simpson](#), [Tom Sullivan](#)

FROM: The Colorado Renewable Energy Society (CRES)

DATE: April 11, 2025

RE: **SB25-280 -Data Center Development and Grid Modernization Act** | Concerning benefits to facilitate data center development while supporting electric grid infrastructure.

**After reviewing the bill, CRES urges the committee to vote NO on SB25-280.**

CRES stands in strong opposition to this bill for the following reasons:

- For the legislature to approve a bill that reduces state sales and use taxes to reward Big Tech data centers in the context of a \$1.2 billion Colorado budget shortfall does not pass the accountability test.
- Ratepayer and environmental representatives were not included in the back-room legislative drafting that resulted in this bill.
- We urge the Committee to defeat SB25-280, to avoid an entirely predictable mistake whose misguided intention is to attract power and water-intensive data centers to locate in Colorado. Should the bill pass, it would only expand the already over-burdened exposure to taxpayers and captive electric ratepayers.

Here are just a few important facts that we ask the Committee to consider:

- Xcel serves 53% of Colorado's electric customers. Their system peaks at 7,200 megawatts - the power required to be delivered on the hottest day of the year.
- QTS-Aurora is a 177-megawatt facility, that runs 24/7/365. The company built a double-circuit 230kV transmission line connected to an Xcel substation to have the ability to expand their facility to 1,000 megawatts eventually.
- Assume a typical medium to large data centers needs 250 megawatts. **That one building equals the electric load of a city the size of Boulder.** Where is all of that energy and water to come from, and who will win, and who will lose, in the effort to obtain that energy and water?
- The PUC has largely been dealt out of the process. The bill has no provision for public input in to the decision-making process. By preventing the public from participating in this deal, who will pick up the tab for the very predictable cost and tax revenue shifts? Residential taxpayers and ratepayers.
- Xcel's Colorado's Power Pathway is a \$1.7 billion investment to improve the state's electric grid and enable future renewable energy development around the state. When the pathway was sized and approved in 2019, the project did not anticipate large data centers, and it cannot subsequently be retrofitted to match the arrival of large data center loads.

- SB25-280 contains no protections to ratepayers who may be at future risk to pay for stranded utility-built assets built for large data centers should they depart.

CRES respectfully asks the Senate Transportation & Energy Committee to reject SB25-280.

For your information, the **CRES Colorado Hyperscale Data Centers Policy Position Statement** is found on the page below.

Thank you for your consideration of these views and recommendations.

Sincerely,

Vincent P. Calvano  
CRES Policy Committee  
Colorado Renewable Energy Society

#### About CRES:

CRES is a Colorado nonprofit corporation established in 1996. CRES creates environmental, social, and economic benefits for Colorado by promoting energy efficiency and renewable energy of all types. CRES advocates for a carbon-neutral Colorado powered by 100% renewable energy, and is engaged in promoting energy efficiency, demand side management, beneficial electrification, and the full breadth of renewable energy development in Colorado's communities. CRES also advocates for ways to achieve Colorado's emissions reduction targets.

CRES educates and assists the state's consumers, businesses and communities to advance renewable energy and energy efficiency in a manner that supports the economy and the environment.

CRES membership includes approximately 350 individual and business members interested in renewable energy and energy efficiency. The organization reaches more than 6,000 email subscribers and sponsors educational programs attended by hundreds.

CRES works on behalf of consumers, small businesses, and communities throughout the state to promote the expeditious transition from fossil fuels to renewable energy.

## **CRES Colorado Hyperscale Data Centers Policy Position Statement**

- Oppose existing, and any further, subsidies to hyperscale data centers (HDCs);
- Favor requirements that HDCs secure renewable energy sources and storage to match or exceed their energy use and load profile;
- Require HDCs to pay upfront for any additional renewable energy generation and related transmission on the power system caused by their energy use;
- Ensure that Colorado ratepayers are protected by requiring HDCs to make an up-front termination liability payment, and a decommissioning bond, should they experience a downturn.

Artificial intelligence is rapidly seeping into our everyday lives with a hidden, but enormous energy cost. For example, every time an internet search uses Chat GPT, about ten to fifteen times as much electricity is used as a standard Google search. CRES recognizes that large “hyperscale” data centers (HDCs) – not legally defined as such, but typically in a range requiring a minimum of 25 to 50 megawatts of power – will be built.

The growth in new electric loads could upend Colorado’s long-fought efforts to address our severe air pollution problems, and our efforts to rapidly reduce greenhouse gas emissions that are heating Earth to dangerous levels. We urge Colorado legislators to work with regulators to craft a policy framework that protects taxpayers and ratepayers from carrying any financial and environmental burdens from additional HDCs that wish to locate in the state.

CRES believes that Colorado’s HDC policy should be based on two primary principles:

1. Colorado should not continue to subsidize HDCs either through discounted power rates, or through rebates on state sales and use taxes, and
2. HDCs must pay upfront for their full impact on load through policies that require them to provide renewable energy and storage equal to, or in excess of, their use of energy and capacity, and to cover future liability in case of potential failure.

CRES is concerned that more energy-hungry data centers on Colorado’s grid may result in policymakers delaying implementation of the state’s plan to close our remaining polluting coal plants by the end of 2030. Another risk of increased loads is that the Colorado Public Utilities Commission (“the PUC”) may have no choice, for resource adequacy reasons, then to approve placing more climate-harming methane-fired power plants on the grid. In addition, HDCs require vast amounts of water used for cooling- either directly on site, or water required to cool if using thermal power plants that feed into the grid, and that would further stress this limited resource in Colorado.

Despite these issues, Colorado law currently encourages HDCs to be built in the state. That is because a misguided 2018 legislative requirement (HB18-1271) mandated that the PUC give a confidential special economic development rate (EDR) to HDCs and other large electricity users.

In a June 2024 decision, the PUC followed the 2018 law and approved a well-below-market confidential rate for an expandable HDC – the Blackstone-owned QTS data center in Aurora. With an initial load of 177 megawatts, the \$1 billion building will only employ 80 workers, but will be by far

the biggest single electricity user on Xcel’s Colorado system. It will initially consume an amount of power roughly equivalent to that used by about 32,000 residences, but can potentially expand to use hundreds of megawatts. This is the opposite of demand-side management, a key energy-conservation policy pursued by state leaders for years.

In addition, HDC backers proposed bills in the 2023 and 2024 legislative sessions that would have exempted the centers from paying state sales tax. Although those efforts died, they may return in 2025.

Investor-owned electric utilities have an economic incentive to favor adding large loads to their system. That is because serving large loads requires new investments in infrastructure on which the utilities receive a near-guaranteed annual rate of return. Xcel, for example, receives a near-guaranteed 9.3% rate of return on equity on such investments. Large financial returns come to HDCs, utilities, and developers of new generation and transmission, while consumers may experience new financial burdens if forced to pay higher utility bills, and to cover any government tax incentives that may be provided. This would be unfair, requiring new policies to protect captive customers from these burdens.

CRES urges state decision-makers to take early action to avoid the serious stress that a surge of HDCs (including crypto mining, which was banned in China in September 2021) may pose to our state’s efforts to achieve stabilization of rates, along with reductions in greenhouse gas emissions, air pollution, and water consumption. In addition, should HDC proponents suggest that nuclear should be considered to power their centers, CRES opposes the use of taxpayer or rate-payer funds to support new nuclear power plants in Colorado because they are unlikely to provide timely, cheap, reliable, carbon-free power.

Accordingly, CRES urges the legislature to take these actions:

1. Colorado must prevent further HDC subsidies by:
  - a) Repealing the misguided 2018 law (HB18-1271) that offers HDCs economic development rates, and
  - b) Rejecting, as was done in 2023 and 2024, any further attempt to give lucrative equipment and property tax rebate incentives to HDCs.
2. Require, as a condition for doing business in Colorado, that HDCs work within an “additionality” legal framework that ensures that HDC loads do not negatively affect Colorado's decarbonization goals. This would be accomplished either by HDCs providing their own “behind the meter” renewable energy or paying for new additional renewable energy generation, transmission, and storage that at least matches their loads and load profile’s impact on the grid.

HDCs would meet the “additionality” requirement by either:

- a) Building new renewable energy and storage to power their operations directly. Given the HDCs’ need for 24/7/365 power, this may be unlikely.
  - b) Partnering with a utility to pay a specified rate up-front to ensure that HDCs will cover the full cost of additional new grid-connected renewable energy generation and storage driven by their load.
3. Protect Colorado ratepayers by requiring HDCs to make an up-front termination liability payment, and a decommissioning bond, should they experience a “dot-com”-type bust.

## MEMORANDUM

**TO:** Senate Transportation and Energy Committee Members  
**FROM:** Sandra Hagen Solin, Capitol Solutions  
**DATE:** April 16, 2025  
**RE:** SB25-280 Strike Below Amendment: Balanced Framework for Data Center Development

Colorado faces a critical competitive challenge in the rapidly growing digital infrastructure sector. Currently capturing only 2% of national data center investment despite our natural advantages in climate, workforce, and renewable resources, Colorado risks missing significant economic opportunities. Data centers represent transformative potential for our state's grid infrastructure, tax base, and technology ecosystem.

The original version of SB25-280 aimed to address this challenge through a two-tiered certification system with corresponding tax benefits alongside partnership framework with the utility sector factoring environmental considerations. In our ongoing effort to maintain the delicate balance between political viability and creating a policy that attracts rather than repels investment, we've drafted a strike below amendment that significantly streamlines the measure. This amendment makes the requirements and qualification process exceedingly clear while addressing concerns raised by various stakeholders, including the Governor's office and agencies, environmental groups, labor, utilities and the data center industry.

The proposed strike below amendment (L003) represents a carefully negotiated compromise that addresses diverse stakeholder concerns while maintaining the bill's central purpose. It creates a balanced framework that protects ratepayers, ensures environmental responsibility, strengthens labor standards, preserves local control, and establishes Colorado as a competitive location for data center development.

### Key Structural Changes

The amendment reorganizes the bill into three distinct sections:

- **Economic Development** (OEDIT-administered)
- **Resource Acquisition Framework** for utilities
- **PUC Oversight and Regulatory Components**

This reorganization creates clearer jurisdictional boundaries while allowing each section to be tailored to its specific policy domain. The restructuring addresses stakeholder concerns about regulatory clarity and implementation feasibility.

### Environmental Stakeholder Concerns

The amendment responds to environmental concerns through:

- Maintained water stewardship requirements with simplified implementation
- Added requirement to consult with Department of Natural Resources regarding wildlife, wildfire, and water
- Inclusion of Battery Energy Storage Systems (BESS) in renewable and clean energy definition
- Preservation of facility certification requirements (LEED, Energy Star, etc.)

These changes maintain strong environmental standards while creating a more flexible implementation approach aligned with Colorado's diverse regional contexts.

### Utility and Ratepayer Protection

Addressing concerns about grid impacts and ratepayer protection, the amendment:

- Removes the prescriptive \$10 million grid enhancement requirement
- Establishes verification that "the data center will not result in unreasonable cost impacts to other utility ratepayers"
- Provides four pathways to satisfy this requirement, accommodating different utility contexts
- Makes data center owners "responsible for all planning costs"
- Creates comprehensive PUC rulemaking requirements for large load integration

These changes protect existing ratepayers while enabling utilities to effectively plan for and integrate large loads.

### **Labor Standards Enhancement**

Responding to workforce quality concerns, the amendment adds substantial new labor requirements:

- Compliance with craft labor requirements for energy sector public works
- Compliance with apprenticeship utilization requirements
- Compliance with prevailing wage requirements

These additions ensure that data center development creates high-quality employment opportunities with appropriate training pathways.

### **Local Government Authority**

Addressing local control concerns, the amendment significantly strengthens local government provisions:

- Expands language to explicitly cover "regulation of data centers, including taxation, incentives, land use, permitting, and nuisance"
- Adds explicit reference to "environmental sustainability" as a local consideration
- Clarifies that local governments are not required to participate in the program

These changes preserve maximum local control while creating a supportive state framework.

### **Data Center Industry Perspectives**

Responding to industry need for streamlined processes and competitive incentives:

- Eliminates two-tier certification in favor of single certification process
- Extends qualification timelines to reflect development realities
- Maintains sales and use tax exemption for 20 years
- Creates reasonable pathways to demonstrate ratepayer protection
- Provides capacity acquisition alternatives if utilities cannot meet timelines

These modifications align Colorado's framework with regional competitors while maintaining responsible development requirements.

### **Implementation Adjustments**

The amendment makes several implementation adjustments to enhance feasibility:

- Extends application processing to 180 days (vs. 90 days)
- Lengthens completeness determination to 30 days (vs. 15 days)
- Expands full review period to 90 days (vs. 60 days)
- Extends PUC rulemaking deadline to June 30, 2027
- Provides reasonable timeframes for capital investment and job creation

These extensions reflect a more realistic approach to program implementation, acknowledging the complexity of data center development and regulatory processes.

### **Conclusion and Recommendation**

The strike below amendment represents a thoughtfully balanced framework for data center development in Colorado. It maintains the core objective of facilitating growth in this sector while addressing stakeholder concerns through enhanced environmental requirements, labor standards, ratepayer protections, and local control provisions.

The amendment demonstrates how thoughtful policy can transform potential conflicts into cooperative frameworks that advance multiple state objectives simultaneously. By repositioning data centers from passive infrastructure consumers to active partners in grid modernization, the bill creates alignment across traditionally divergent interests.

We recommend the committee's favorable consideration of this amendment as a balanced approach that responds to stakeholder concerns while positioning Colorado to capture a greater share of this rapidly growing sector and its associated benefits.

Dear Representatives,

Please ensure Coloradan security by not supporting SB25 - 280 to protect local government's ability to investigate public health risks and communicating risks through understanding cultural differences.

This letter is a cry for help, and I appreciate your time to hear my community's story. I am writing to you as a Fenceline Community (FC) member. SB25-280 should not be supported due to public health concerns. The Environmental Protection Agency (EPA) defines FCs as those who live close to highly polluting and industrial activities (2024). My journey identifying as an FC member began when my community began being diagnosed with cancers at an alarming rate. I began my undergraduate research by understanding how environmental exposures could have caused our ailments. Within the United States (US) society, there is a strong cultural significance of climate denial. Political communication expert Dr. Núria Almiron defines climate denial as “a well-organized public communication campaign that denies the existence of climate change as a phenomenon, downplays its consequences for the US and the world, and dismisses the ability or need for human beings to do anything about it” (2019, p. 218). These precedents have made it difficult for FC community members to understand the different needs of their communities and communicate those needs to governments.

Climate denial has created or reinforced barriers for governments when investigating possible risks and their effects on cultural differences. Cultural differences matter when investigating public health because dominant and nondominant groups must bridge co-cultural barriers to develop mutual understanding (Allen, 2024, p. 9 & 212). One way these barriers manifest between the co-cultural groups of the American public and governments is how they communicate risk knowledge. “Risk knowledge” is the detection and response to possible hazards (Burger, 2022). Recent Supreme Court rulings such as *Loper Bright Enterprises v.*

Raimondo, have limited federal agencies' authority to regulate and enact environmental law. Without federal investigation into environmental hazards, many of which are not bound by state borders, an unequal distribution occurs amongst different city, county, and state jurisdictions. When communities observe adverse health effects, it is hard for them to collect and understand the risk knowledge they may face from various government entities. One government collection of risk monitoring could help bridge risk communication barriers.

The role of our government is to be risk communicators of environmental hazards. Risk communicators are collectors of risk knowledge who then distribute it within communities (Burger, 2022). One approach to collecting both risk knowledge and allowing risk communication is through community-based participatory research (CBPR). CBPR acknowledges the imbalance of power, focuses research on important community issues, and accepts multiple world views during research design and implementation (Koster et al., 2012). Doing so fosters empowerment by developing community capacity by approaching research as education (2012).

Colorado security is under threat with SB25- 280, as Data Centers are notorious for being environmentally harmful and disempowering local communities. Empowerment refers to “an individual or group or community increasing their capacity and contextual power to meet their own goals, leading to their transformative action” (Molder et al., 2024). I appreciate how this bill requires qualifications before certification is granted. The listed requirements for SB25 - 280 is not enough. Ensuring 50% of resources used to create certifications are sourced from renewable sources does not invest in the environmental future of Colorado. Data centers take billions of gallons of water to source building materials and maintain machinery once in operation. Colorado does not have enough water to only have 50% renewable efficiency for this precious

resource that is already under threat due to climate change. Additionally, within certification allowances, the bill lists no mechanisms investing in resources and decision-making power for vulnerable stakeholders like FCs. SP25 - 280 does not ensure that when certificates are granted, there is any investment in community access to the Data center and power grid infrastructure. Data accessibility is important for vulnerable communities like mine, which could help government and nongovernment actors track environmental hazards. Please help FCs like mine foster agency, identity, representation, and voices when co-culturally building understanding between governments' environmental hazards. Do not support SP25 - 280 because it doesn't invest in local decision-making for vulnerable communities who are already faced with many environmental and social burdens.

Sincerely,  
Gabriella Lam

## References

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Dear Chair Winter and Members of the Senate Transportation & Energy Committee,

My name is Sara Kuntzler and I am the Colorado State Director for [Mountain Mamas](#), a nonprofit that protects our air, water, climate and public lands for future generations. We are urging you to oppose [SB25-280 Data Center Development & Grid Modernization Act](#).

As mothers, we are deeply alarmed by SB 25-280—legislation that risks trading away our children’s future to give handouts to the richest corporations on Earth. We urge you to stand with Colorado families—not billion-dollar tech giants.

As you are well aware, Colorado is facing a serious budget shortfall. Our schools are underfunded. Healthcare costs are rising. Public transit systems like RTD are stretched thin. Yet this bill proposes handing out massive sales tax breaks to tech mega-corporations, draining state revenue that should be going toward our kids’ classrooms, safe neighborhoods, and healthy communities. Why should our families sacrifice so that Big Tech can pad their bottom lines?

We are also disappointed that SB 25-280 was introduced with no meaningful input from community advocates, consumer protection groups or environmental experts. It feels like this bill was written behind closed doors with only tech lobbyists at the table. Moms across the state know better—public policy should serve people, not powerful corporations.

Coloradans already feel the pinch of rising utility costs. Yet this bill would let energy-guzzling data centers drive up demand while sticking families with the bill. Everyday families will end up subsidizing sweetheart energy deals for companies that are already among the world’s wealthiest. That’s not just unfair—it’s unacceptable.

Worst of all, it sabotages Colorado’s climate goals. Our state has worked hard to move toward a clean, sustainable energy future. SB 25-280 threatens to roll that back by allowing data centers to power their operations with dirty, out-of-state energy. As mothers, we want our children to grow up breathing clean air, drinking safe water, and living in a world that’s fighting climate change—not fueling it.

This bill is a bad deal for Colorado families. Please vote no on SB25-280.

Thank you,

Sara Kuntzler  
Colorado State Director  
Mountain Mamas



## CONTACT

Lauren Swain  
coordinator@psrcolorado.org

**April 14th, 2025 | Senate Transportation & Energy Committee**

**Re: Oppose SB25-280 | Data Center Development & Grid Modernization Act  
(Sen. N. Hinrichsen, Sen. P. Lundeen, Rep. K. Brown, Rep. A. Valdez)**

**Dear members of the Senate Transportation and Energy Committee,**

As health professionals serving on the board of Physicians for Social Responsibility's Colorado chapter, PSR Colorado, we ask that you oppose the "Data Center Development & Grid Modernization Act," [SB 25-280](#), because it provides outsized regulatory leeway and tax breaks to technology companies without assuring Coloradans are protected from the well-documented climate, health, water, and energy cost burdens that accompany data center development. Please save Coloradans from consequences facing other states across the nation where utilities have failed to contain data center growth, with consequences known to include: heightened electricity costs; the threat of energy insecurity due to increased energy demands; water insecurity; and health risks from air pollution emitted by fossil-fuel based electric power generation.

We are especially concerned that SB25-280:

- Lacks clear and meaningful standards for siting data centers;
- Lacks clear and meaningful environmental standards for water usage, ozone production, noise pollution, and potential heat island impacts;
- Fails to address cumulative impacts of environmental stressors on surrounding communities;
- Lacks a clear and meaningful impact assessment for disproportionately impacted communities;
- Threatens the ability of the state to meet its [GHG reduction targets](#), including the Clean Energy Plans that utilities have spent significant time and money implementing; and
- Diverts critical funding from public infrastructure by granting data centers a 100% sales and use tax exemption for up to 30 years.

Data centers require an abundance of energy and water to run efficiently. Welcoming them into the state would introduce new competition for scarce water resources, and derail progress already made toward state greenhouse gas reduction goals. Colorado cannot afford to supply data centers' water-intensive cooling systems, which the [US Department of Energy](#) estimated to require 165 billion gallons of water across the country in 2016. Data centers [drain resources in water stressed communities](#) because their 24/7 cooling systems consume millions of gallons of potable (drinking) water annually. [A single data center can consume up to 5 million gallons of drinking water per day](#), enough to supply thousands of households or farms.



## CONTACT

Lauren Swain  
coordinator@psrcolorado.org

SB25-280 lacks clear guidance for how data centers in Colorado might use water, demanding only “water stewardship strategies that optimize operational water management”. These concerns are amplified by the fact that few companies are compelled to release proprietary details of their operations, reducing transparency and leaving states and communities with little recourse against indiscretions regarding energy or water use. In a state constantly faced with drought, where 12 out of our 64 counties have USDA Drought Disaster designations, the best water stewardship strategy is to vote “no” on this bill.

SB25-280 also lacks clear guidance for how data centers in Colorado will help the state meet its GHG reduction targets which include reductions in greenhouse gas pollution in Colorado 26% by 2025, 50% by 2030, and 100% by 2050 compared to 2005 levels. While the full text of the [bill](#) acknowledges Colorado’s challenges in achieving “clean energy and greenhouse gas reduction goals while maintaining grid system reliability”, it remains unclear how data centers’ investments in grid infrastructure will help alleviate such challenges, especially when data centers are [known to](#) consume 10 to 50 times the energy per floor space of a typical commercial office building. The current bill requires “at least 50% of the data center project’s energy consumption [be sourced] from renewable and clean sources”. Relative to the centers’ massive energy demands, these lax certificate requirements would lead to an exponential shortfall in state GHG goals, by even simple math.

Another major concern with SB25-280 is its lack of environmental and health protections for disproportionately impacted communities, which are sure sites for future proposals, should the state create tax breaks for data centers.

Due to competitive demands on data centers, hardware is typically upgraded every 3-5 years, leading to the high-scale creation of electronic waste. E-waste contains numerous chemicals and compounds. Both the EPA and the CDPHE consider E-waste a hazardous material that must be disposed of as such. A 2021 study, [Health consequences of exposure to e-waste: an updated systematic review](#) list the many E-waste toxic contaminants harmful to human and ecological health, including metals such as lead, cadmium, mercury, and organic compounds such as PFAS, (now illegal to sell or use in Colorado), chlorofluorocarbons, polycyclic aromatic hydrocarbons (PAHs), polybrominated diphenyl ethers (PBDEs), and polychlorinated dibenzo-p-dioxins. Should taxpayers welcome data centers into Colorado, frequent e-waste disposal would require additional regulatory oversight to ensure it follows proper environmental and health guidelines.

SB25-280’s 100% sales and use tax exemption—potentially lasting 20 to 30 years—is fiscally irresponsible and undermines the very infrastructure that data centers will rely on. Sales tax revenues are a cornerstone of funding for Colorado’s schools, roads, and public services. Granting long-term blanket exemptions for data centers—corporate actors that already operate



## CONTACT

Lauren Swain  
coordinator@psrcolorado.org

on enormous profit margins—diverts public dollars away from essential services that benefit all Coloradans. Infrastructure such as transportation networks, emergency response systems, and water delivery systems will see added strain from data center development, yet this bill does not require data centers to pay their fair share to support those systems. In effect, this bill subsidizes corporate expansion at the expense of public infrastructure—placing a greater financial burden on everyday residents and local governments.

Other states and utilities have engaged in meaningful dialogue with a broad set of stakeholders to develop thoughtful approaches to balancing the potential costs and benefits of data centers. Unfortunately, the proponents of this bill have not followed that path. The legislature should reject this last-minute bill, which was introduced without sufficient input, would increase costs for consumers, and would provide generous tax breaks when the state is struggling to balance its budget.

As healthcare professionals, PSR Colorado board members respectfully urge members of the committee to reject this short-sighted bill. Any benefits delivered through new jobs and investments in Colorado's electrical grid will be lost without a clear plan to counter real threats to the environment and to human health.

On behalf of PSR Colorado (Physicians for Social Responsibility),

Beth Gillespie, MD MPH, PSR Colorado Co-Chair  
Ken Lichtenstein, MD, PSR Colorado Co-Chair  
David Mintzer, MD, PSR Colorado Board Member  
Velma Campbell, MD, PSR Colorado Board Member  
Kristen Autret, BS, PSR Colorado Board Member  
Barbara Donachy, MPH, PSR Colorado Advisory Council  
Bridget Foy, MD Candidate, PSR Colorado Board Member

**Senate Transportation & Energy**

**04/16/2025 01:30 PM**

**SB25-280 Data Center Development & Grid Modernization Act**

**Typed Text of Testimony Submitted**

<b>Name, Position, Representing</b>	<b>Typed Text of Testimony</b>
Kimberly Miller Against themselves	Data Centers are highly energy and water intensive and create a large amount of green house gases. Coloradoans are already facing increased costs for electricity and water, and building data centers will likely increase costs even more. In addition, this bill only requires that 50% of the energy needs of Data centers must come from renewables. This means Colorado will not meet it's green house gas goals. Data centers should pay taxes to help subsidize their needs not get a 20 year tax break. They need our space, water and electricity. They will not create enough jobs to make the cost to Coloradoans worth it. We should not make wealthy tech companies wealthier at the expense of our residents!
Elizabeth Hudetz Against themselves	SB25-280  I, and organizations representing ratepayers, consumer advocates, climate action and environmental justice oppose SB 25-280: Data Center Development & Grid Modernization Act. In a year when Colorado faces a massive budget shortfall and is forced to make painful cuts, and while our communities face an affordability crisis, now is not the time to provide generous tax breaks to some of the world's wealthiest and most profitable tech companies – especially without making sure Coloradans benefit from the policy.  Across the country, state legislatures and utilities are developing thoughtful policies to balance the potential benefits of data center development with their potential serious harms. Many of our groups have been involved in crafting and supporting those efforts. However, many utilities that have not properly managed data center growth are reckoning with increased electricity prices, the threat of insufficient generation resources to meet demand, and increased air pollution and water use. SB25-280 fails to learn from the lessons of other states, and instead provides substantial benefits to tech companies that lack safeguards to protect ratepayers and communities from new development, and threaten our science-based climate goals.  We are concerned about the lack of outreach our groups received prior to the bill's introduction. As a result, this legislation poses a serious threat to affordability, transparency, and clean energy. Specifically, the bill: <ul style="list-style-type: none"><li>• Lacks protections for customers against rising electricity rates resulting from data center growth, which is a significant risk, given the enormous demand for electricity that data centers have, which can force utilities to make expensive upgrades to serve data centers;</li><li>• Allows data centers to receive a discounted electricity rate on top of the extensive tax benefits proposed, compounding the utility costs from serving data centers that are passed onto other customers;</li></ul>

	<ul style="list-style-type: none"> <li>• Lacks clear and meaningful standards for siting and environmental concerns, including water usage, noise pollution, potential for heat island impacts, and proximity and anticipated impacts to disproportionately impacted communities;</li> <li>• Radically changes the way utilities like Black Hills and Xcel procure resources, eviscerating the Public Utilities Commission’s role in overseeing resource procurement to protect ratepayers; and</li> <li>• Threatens the ability of the state to meet its GHG reduction requirements, including the Clean Energy Plans that utilities have spent significant time and money implementing.</li> </ul> <p>Other states and utilities have engaged in meaningful dialogue with a broad set of stakeholders to develop thoughtful approaches to balancing the potential costs and benefits of data centers. Unfortunately, the proponents of this bill have not followed that path. The legislature should reject this last-minute bill, which was introduced without sufficient input, would drive up costs for consumers, and provide generous tax breaks when the State is struggling to balance its budget.</p>
<p>Elizabeth Hudetz</p> <p>Against themselves</p>	<p>SB25-280</p> <p>I, and organizations representing ratepayers, consumer advocates, climate action and environmental justice oppose SB 25-280: Data Center Development &amp; Grid Modernization Act. In a year when Colorado faces a massive budget shortfall and is forced to make painful cuts, and while our communities face an affordability crisis, now is not the time to provide generous tax breaks to some of the world’s wealthiest and most profitable tech companies – especially without making sure Coloradans benefit from the policy.</p> <p>Across the country, state legislatures and utilities are developing thoughtful policies to balance the potential benefits of data center development with their potential serious harms. Many of our groups have been involved in crafting and supporting those efforts. However, many utilities that have not properly managed data center growth are reckoning with increased electricity prices, the threat of insufficient generation resources to meet demand, and increased air pollution and water use. SB25-280 fails to learn from the lessons of other states, and instead provides substantial benefits to tech companies that lack safeguards to protect ratepayers and communities from new development, and threaten our science-based climate goals.</p> <p>We are concerned about the lack of outreach our groups received prior to the bill’s introduction. As a result, this legislation poses a serious threat to affordability, transparency, and clean energy. Specifically, the bill:</p> <ul style="list-style-type: none"> <li>• Lacks protections for customers against rising electricity rates resulting from data center growth, which is a significant risk, given the enormous demand for electricity that data centers have, which can force utilities to make expensive upgrades to serve data centers;</li> <li>• Allows data centers to receive a discounted electricity rate on top of the extensive tax benefits proposed, compounding the utility costs from serving data centers that are passed onto other customers;</li> </ul>

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<p>Leslie Glustrom Against Clean Energy Action</p>	<p>Dear Members of Senate Transportation and Energy</p> <p>I hope you will NOT support SB 25-280, the "Data Center Development &amp; Grid Modernization Act", at least in its current form. Please VOTE NO!</p> <p>Just for starters, the requirements for renewable energy power and conservation of water for cooling are COMPLETELY INADEQUATE.</p> <p>Here are a few reasons and needed changes:</p> <p>The renewable requirement is only 50%, with no energy storage requirements, but e.g. Xcel will exceed that shortly, meaning that the data center could be WORSE than the rest of the grid. How crazy is that? This could force the rest of the customers to bear the cost of supplying it with more renewables.</p> <p>The bill should require data centers to be 100% renewably powered and with their own on-site storage adequate for 100% of hours where renewables are not available. That way they cannot pass off their needs on to the rest of the grid. (If you want to back off that, go to 95%!) </p> <p>Any additional transmission system costs imposed on the system, or any existing transmission capacity used up by the data center should be 100% paid for or compensated for by the data center, so 0% is passed on to the other customers.</p>

	<p>As to water, remember that Colorado is in a water crisis that most people don't even see, because of the shortages in supplies from the Colorado River and other sources. So data centers should not be allowed to use up supplies unless those supplies are created by efficiency measures, e.g. done by farmers, and paid for by the data centers, so that the rest of us don't suffer.</p> <p>As to GIGANTIC tax breaks, it's totally idiotic to keep encouraging more population growth, given the alleged "housing crisis". And besides, who will pay for the services that these data centers and their work force generate? It will be the rest of us! Please eliminate ALL the tax breaks entirely!</p>
<p>Holly Sullivan For themselves</p>	<p>My name is Holly Sullivan, and I am a resident of Colorado. I am writing to you today to strongly urge your YES vote on House Bill 25-1277. This is a crucial piece of legislation that will empower all Coloradans with vital information about the fuels they purchase and use.</p> <p>HB25-1277 proposes a simple yet powerful change: requiring clear labels on retail fuel products, whether dispensed at a pump or sold in a container. These labels will inform consumers that burning these fuels releases air pollutants and greenhouse gases. Importantly, the label will state that these emissions are known within our own state of Colorado to be linked to negative health outcomes and the warming of our planet.</p> <p>As a Coloradan, and the mom of a child with asthma, I am deeply concerned about the air we breathe and the future of our environment. Our state already faces a significant ground-level ozone crisis, putting the health of half of our population at risk, and unfortunately, this problem is escalating. A major contributor to this dangerous ozone is pollution from the combustion of fuels in cars and other vehicles. It is a matter of basic fairness that individuals have the right to understand the direct consequences of the products they consume on their health and the air quality of our communities.</p> <p>Providing clear warnings is not just about transparency; it is about fostering positive change. History has shown that warning labels can be an effective tool in raising awareness and influencing behavior, ultimately leading to a reduction in harmful practices.</p> <p>In a time when federal progress on climate and pollution seems uncertain, it is more critical than ever for Colorado to stand firm on truth and empower its citizens with the knowledge they need to make responsible choices. I sincerely hope that you will recognize the importance of this bill in protecting the health of Coloradans and our environment, and that I can count on your YES vote for HB25-1277. Thank you for your consideration.</p>

Erik Johnson Against themselves	<p>SB25-280 provides unacceptable financial rewards to data center developments. A recent report from the Southwest Energy Efficiency Project recommends the following to state legislators and regulators.</p> <ol style="list-style-type: none"><li>1. Data centers must utilize 100% renewable zero-carbon sources for their large electrical needs.</li><li>2. Data centers should not receive "economic development" tax credits or other such incentives.</li><li>3. Data centers need to pay their full share of costs for additional generation or transmission infrastructure.</li><li>4. Data centers must not received discounted electrical rates.</li><li>5. Data centers must utilize energy efficiency measures including demand response and efficient cooling.</li></ol> <p>Please vote against the current version of this bill SB25-280.</p>
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TESTIMONY OF BILL LEVIS OPPOSING SB25-280  
BEFORE THE SENATE TRANSPORTATION & ENERGY COMMITTEE  
APRIL 16, 2025, SCR 352

Madam chair and members of the committee, I am Bill Levis, former Consumer Counsel before the Public Utilities Commission (PUC) and voluntary legislative advocate for AARP Colorado. On behalf of AARP, we oppose SB 280 because there already are ways to encourage data centers and provide for grid modernization. In addition, because of the length and complexity of the bill, and late introduction in the session (without significant stakeholder input), the committee should defer consideration to an interim or study committee to determine whether such a bill is needed and its impact on residential consumers.

Colorado law, §40-3-104.3, already allows the Public Utilities Commission (PUC) to consider an economic development rate (EDR) for up to 10 years, which would include data centers. The 47-page SB 280 would limit the amount of time that the PUC would have to consider a regulated utility application for the grid connection for a data center and the need for transmission or distribution upgrades.

AARP Colorado is concerned that passage of this bill without a detailed analysis of its impact on other electric utility ratepayers could end up in increasing the rates of captive residential customers. This is of special concern in Pueblo where residential consumers already pay the highest regulated electric rates in Colorado and the PUC just approved a \$7.40 average monthly increase.<sup>1</sup> Many Pueblo customers, 800 of whom filed comments in Black Hills' last rate case, already cannot afford the utility's electric rates. Without explicit protections, SB 280 could increase their costs. In addition, Xcel Energy recently testified that it no longer offers EDR discounted rates in part because other customers, the vast majority of whom are residential, must make up the difference in higher rates.<sup>2</sup>

While AARP understands and appreciates the intent to bring new jobs to the state through the expansion of data centers, the bottom line is that late bill SB 280, if adopted, would lessen the oversight responsibility of the PUC and could mean higher rates for residential customers, many of whom already have difficulty paying their electric bills. For these reasons, AARP Colorado opposes SB 280.

Thank you.

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<sup>1</sup> <https://puc.colorado.gov/press-release/colorado-public-utilities-commission-announces-new-black-hills-electric-rates>

<sup>2</sup> Supplemental direct testimony of Jack W. Ihle, regional vice president, regulatory planning and policy, Public Service Company of Colorado (an Xcel Energy subsidiary), beginning on p. 11 and dated February 21, 2025 in PUC proceeding no. 24A-0442E.