



October 7, 2025

Data Center Workgroup Members:

Renewable Northwest (RNW) is a participant of the Data Center Workgroup, and we wanted to provide more detailed and nuanced comments on the Energy & Resource Impacts Subgroup draft recommendations in which RNW has expertise. RNW is a nonprofit organization that advocates for the rapid and responsible decarbonization of the electricity grid across Washington, Oregon, Idaho, and Montana. Our unique organization draws knowledge from our diverse membership, which includes clean energy developers, manufacturers, consulting firms, environmental advocates, and clean energy buyers (including data center companies).

This Workgroup has been charged with considering policy recommendations that “balance industry growth, tax revenue needs, energy constraints, and sustainability.” We urge other workgroup members to keep this balance in mind when developing our recommendations, as there are synergies to be found between data center development and our clean energy needs. Data centers can be sited in any number of locations, and states with more workable policies in place will see those investments in their economy and electricity grid. Data centers are energy-intensive; Washington has ambitious clean energy laws in place, while many other Western states are still focused on new fossil fuel generation. If data centers are sited in Washington, we can work *with* technology companies to help achieve our clean energy targets, improve our electrical grid, and create new jobs.

Recently, Oregon’s POWER Act (HB 3546), which was passed in the 2025 legislative session, has been pointed to as a potential example for Washington to follow. It creates a new customer class for data centers and cryptocurrency shops, requires contracts to be signed for at least 10 years, and for data centers to pay for adding new transmission. To be clear, data centers *should* pay their fair share for the power they use and the grid upgrades they require, and ratepayers should be protected. However, while well-intended, we are concerned that the overly targeted approach of the bill (calling out specific NAICS categories) may be creating unintended consequences. For example, this legislation *only* applies to data centers in investor-owned utility service areas. This creates unnecessary pressure for data centers to pursue projects in consumer-owned utility service areas, which are not subject to Oregon’s HB 2021 clean energy targets nor regulated by the state. We encourage robust deliberation before recommending similar legislation in Washington, focusing on collaborative approaches focused on solving the issue at hand: meeting the demand of data centers while protecting Washington residential customers from undue rate pressures. There are ways to accomplish this that ensure momentum for achieving Washington’s clean energy mandates while maintaining a reliable and affordable electricity system that will encourage continued cooperation and partnership with data centers.

In general, we recommend characterizing this as an issue of how we treat new “large loads” rather than data centers specifically. Other new large loads are coming, including cryptocurrency operations, EV charging centers, and new industrial loads. Rather than applying new data center-specific policies, we may consider taking a step back and consider how new large loads generally ought to be treated and integrated reliably and affordably into the electricity system.

With proximity to technology companies in Seattle, a temperate climate, and our existing hydropower resource, Washington is well-situated to host data center development. Overall, we suggest a collaborative approach to data centers (as well as other large loads) that protects existing customers. Below are more detailed thoughts from RNW on each specific recommendation that the Subgroup voted to advance. Our comments are in blue italics.

Draft Recommendation E1. Assess Washington’s clean energy and climate policies

- Ensure Washington’s Climate Commitment Act and Clean Energy Transformation Act operate as envisioned to cover any fossil or unspecified power sources used by large data centers. *RNW supports this recommendation.*
- Maintain flexibility in state policy implementation and adopt a forward-looking strategy that supports both near-term reliability and long-term innovation. Adjust policies to reflect data: While remaining committed to a clean energy future, the state should remain open to reassessing carbon reduction timelines when new data or reliability analyses suggest potential grid risks. *RNW supports this recommendation; we fully support adhering to our CCA and CETA commitments to the greatest extent practical. However, there are serious reliability and affordability concerns emerging that may require further examination.*

Draft Recommendation E2. Improve resource forecasting

- Direct agencies to identify consistent methodologies for data center expansions. Be reasonable, consistent, transparent, and mitigate peak load expansions. If additional authority is needed, recommendations for legislation. *RNW supports this recommendation.*
- Require large load applicants to disclose duplicative interconnection requests across balancing authorities. Modeled on Texas law. *RNW supports this recommendation.*
- Statewide data base of anonymized data to help utilities, balancing authorities, and large load applications align loads with available power supply, transmission infrastructure, and optimal land siting. *RNW supports this recommendation.*
- Improve Load Forecasting through new transparency requirements, commercial readiness criteria for loads greater than 50MW, and standardization across utilities. *RNW supports this recommendation.*

Draft Recommendation E3. Enhance transmission capacity

- Create a state transmission authority. *RNW strongly supports this recommendation. A state transmission authority would provide Washington with another much-needed builder of transmission, and, if using state bonds, would provide access to low-cost,*

low-risk financing that is beneficial to ratepayers. It could also serve as a coordinator within the state for anticipating local load growth and transmission needs. We encourage the Workgroup to explore how a state transmission authority could operate in partnership with data center companies (in addition to transmission developers) to finance and construct transmission lines that would benefit the grid as a whole. By partnering with a state transmission authority in this way, data centers with access to capital could help improve their speed to market, while benefiting Washington's electricity grid.

- Enhance capacity on existing transmission lines. *RNW **strongly** supports this recommendation. Reconductoring and using Grid Enhancing Technologies (GETS) can vastly improve the capacity of our existing grid, while not needing to break new ground or secure new rights-of-way. New transmission corridors are still needed, but in the immediate-term future, this is one of the most impactful ways we can help increase transmission capacity to help serve increasing loads.*

Draft Recommendation E4. Streamline siting and permitting of transmission resources

- Coordinate planning and engagement at the regional, state, and local level to identify opportunities and risks which can help in project site selection and permitting. *RNW supports this recommendation, as well as coordination with the federal Bonneville Power Administration where relevant/possible.*
- Direct agencies and local governments to streamline processes for development of transmission resources and reliably serve new loads for data centers and infrastructure for clean energy consistent with sustainability commitments of companies and state requirements. *RNW supports this recommendation, and encourages particular exploration of the Growth Management Act. RNW is exploring how the Growth Management Act can be improved and/or implemented differently to facilitate more expeditious and practical siting of clean energy resources.*
- Engage Lower River Treaty Tribes as experts on data center impacts to natural resources and how impacts could be avoided. *RNW supports this recommendation.*
- Develop a timely comprehensive plan for siting renewable resources and transmission lines that builds on efforts currently being developed in the West. *RNW supports this recommendation; we urge the state to not duplicate efforts where they are already taking place in avenues such as WestTEC.*
- Establish clean energy acceleration areas in WA, modeled on, but more expansive than the EU's Renewable Energy Acceleration Areas, to drive permitting benefits specific geographic areas. *Permitting incentives would be beneficial, but we caution designating specific geographic areas as other, potentially more practical areas may be seen as less desirable in contrast. Renewable energy technology rapidly evolves, and identifying specific geographic areas today might create hindrances for future technologies and resource types. This is a complex conversation that expands beyond the scope of this workgroup; we encourage the Governor to lead on innovative permitting reform broadly.*

Draft Recommendation E5. Load flexibility and energy efficiency requirements

- Direct agencies to find ways to identify and incentivize load flexibility and bring those benefits to the state. *RNW supports this recommendation, but it needs clarity. Load from data centers is likely mostly inflexible; however, data centers could be helpful in emergency events via use of their backup generation, providing the ability to shed load. To the extent that data centers can engage in demand response, it should be examined. Although, consultation with data centers on the technical feasibility is required to understand the potential of these actions.*
- Require the Energy Policy Office to conduct a study at least every two years on the potential for on-site energy generation or storage, load management, and demand response by data centers, including any program or policy changes that may be needed to achieve the potential. *RNW is fine with this recommendation, if Commerce deems this an appropriate use of state resources. We would also recommend reframing this recommendation to apply to “large loads” rather than data centers specifically.*
- Require data centers conduct annual energy audits to identify opportunities for reducing energy consumption, improving efficiency, and minimizing peak loads. *RNW finds this requirement potentially unnecessary as data centers are incentivized to reduce their energy consumption as it is their highest business expense. We encourage consultation with data centers to identify opportunities to minimize peak loads.*

Draft Recommendation E6. Strengthen ratepayer protections

- Direct agencies with ratemaking authority to ensure data centers are paying their fair share, potential focus on stranded costs and all other costs associated with the state. Identify if additional legislation is needed. *This recommendation needs refinement; “fair share” is unclear and open to interpretation. If adopted, RNW suggests that this recommendation adds “according to ratemaking principles of cost causation” after “fair share.” Cost allocation in the utility regulation space is a highly technical and often contested area of rate making. Alternatively, we suggest making this more open to recommendations from the expert agencies on this, such as by changing to “Direct agencies with ratemaking authority to examine financial risks to the state, such as the potential for stranded costs and other costs associated with the state, and make recommendations, if needed.”*
- Increase frequency of cost-of-service studies to ensure rates are designed to only recover the costs caused by each customer class. *RNW supports this recommendation. Frequent, transparent data analysis is much needed in today’s increasingly complex rate-making and regulatory space.*
- Require data centers to enter into long-term, binding contracts to cover generation, transmission, and distribution costs, with provisions for exit fees and insurance bonds to mitigate the financial risks if they cease operations or underutilize investments that were made to serve them. *RNW supports this recommendation, and encourages collaboration with data center companies to ensure any requirements are workable.*
- Require large load applicants to demonstrate commitment by providing proof of intent to proceed and/or paying a portion of projected grid upgrade costs upfront (as implemented in Texas and Ohio). *RNW supports this recommendation. This helps reduce speculative load.*

- Regulators should use existing regulatory tools to accommodate large loads and protect residential ratepayers. *RNW supports this recommendation.*
- State utility commissions and public utilities should ensure that the cost causer pays the cost of services provided and load growth due to data center development should be attributed to data centers when making rates to ensure equity and fairness to existing consumers. *RNW supports this recommendation.*

As a general comment on this section of recommendations, we support empowering the UTC to lead a sound, data-driven process that considers all potential solutions and gives clear and transparent analysis on the realities of large loads in Washington.

Draft Recommendation E7. Data center tax exemptions

- Washington should preserve the successful tax exemption program that has resulted in significant capital investment, thousands of jobs created, millions of dollars of state and local tax revenue and contributed to Washington's economic growth, while keeping the state competitive with the 36 other states that have similar programs. *RNW suggests that this topic be explored in the Tax Revenue and Economic Development subgroup. While we lack expertise in this specific tax area, we overall suggest collaborative solutions rather than a punitive approach.*

Draft Recommendation E8. Accelerate the deployment of existing and emerging technologies

- Create a direct access program in WA with a high cap to allow customers to source their own power. *RNW supports this recommendation. We generally support alternative procurement methods that both support meeting data center load and provide more separation from residential rates.*
- Remove caps and redesign green tariffs to take advantage of the ability of large data center companies to invest in innovative higher-cost clean energy resources, such as long-duration battery storage. *RNW supports this recommendation.*
- Support and plan for development of firm resources, such as geothermal energy, green hydrogen, biofuels, carbon capture, nuclear fission and fusion, and other emerging technologies to address potential impacts and risks early. *RNW supports this recommendation. We would also add offshore wind to the list (it is firmer than onshore wind and can deliver economies of scale).*
- Support the development of distributed generation resources, including fuel cells, net-metered small renewable resources, and small wind farms. *RNW supports this recommendation.*
- Encourage the development of renewable resources next to existing transmission. *RNW supports this recommendation, to the extent possible, while noting that new transmission will also need to be developed.*
- Direct the UTC to evaluate utility plans to serve data centers to ensure they fully comply with state climate and energy goals and policies. *RNW supports this recommendation.*
- EFSEC permitting processes should facilitate faster grid buildout and deployment of clean firm generating resources. Permit application processing should take no longer

than 18 months. *RNW supports this recommendation, perhaps with the deletion of the last sentence or an edit to say "Permit application processing should offer clear checklists and standards for project approval, as well as clear and workable time limits."*

Lacking expertise in water resources, fish and tribal resources, and air resources, RNW is not commenting on E9 - E11. Similarly, we are not commenting on E12 on data center permit timelines.

Draft Recommendation E13. Regular Review and Backcasting Analysis

- The UTC and public utilities should conduct annual assessments comparing past forecasts to actual outcomes (backcasting) to identify sources of error and improve future performance. These assessments should be shared with stakeholders and posted for public review. *RNW supports this recommendation.*

Thank you for your consideration of RNW's views. We appreciate the opportunity for discussion at the intersection of clean energy and new large loads. With a collaborative approach and careful policy consideration, we believe we can service large load growth while improving our electrical grid and meeting clean energy targets, while maintaining affordability and reliability.

Sincerely,

Casey MacLean
Washington Policy Manager
Renewable Northwest