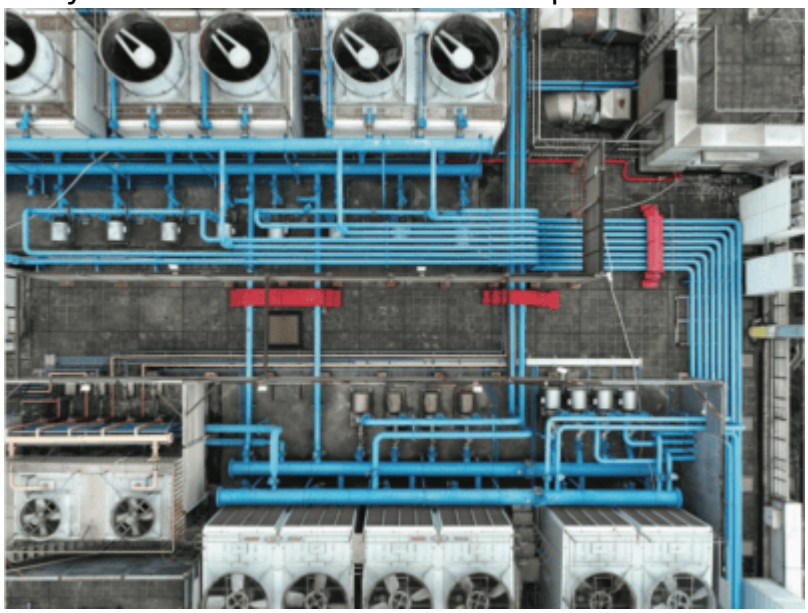
Governor Newsom recently signed AB 2619 (Papan) and AB 2469 (Papan), bills which will require data center developers to provide California with additional information about their potential and actual water usage. This is great progress, especially since the Governor vetoed similar legislation last year. And it's not too early to look forward to further improvements.



These bills are necessary, but not sufficient, for responding to the proliferation of data centers and their impacts on water.

They are necessary because they will start to address the current information vacuum, which leaves decision makers in the dark about crucial decisions such as whether and under what conditions to approve a new local data center facility.

They are insufficient, because data alone are just numbers. Data needs analysis to add meaning, embed it actionable context, and transform it into useable information to enable informed decisions.

If local and state decision makers are to anticipate and respond to data centers, the state can help by adding two types of analytical capacity on top of this new data provision.

First, the state would need to add additional staff capacity to give DWR, SWRCB and other agencies the ability to analyze this new data. This is necessary as a baseline to address some basic questions which the public desperately wants answers for going forward: How many data centers are there in California? How many new ones

are being proposed at any given time and where? How much water will each of them use? Are current regulations adequate and how can they be adapted to this new challenge? And so on.

Second, the state could develop a data center strike team, composed of an interdisciplinary group of analytical commandos. This team would be prepared to parachute into communities faced with a proposal for a new data center – many of them will need help understanding the implications. These implications reach beyond water. Communities face tradeoffs around locating, designing, and operating data centers. These tradeoffs include significant decisions about the future of issues that matter everywhere – water supply, water quality, energy use, air quality, land use, and economic impacts. Small communities who don't have the staff in house to routinely analyze new demands would be the primary beneficiaries of this strike team's efforts.

Notably, a clause in AB 2629 directed the Department of Water Resources to produce "guidelines and best practices" related to data centers and water use … but it was struck from an earlier version. Future legislation could revisit this notion, but strengthen it with specific capacity building that goes beyond general guidance.

So, progress towards transparency is good. I also hold hope for a future in which the data center industry can generate a robust social license to operate by systematically taking community concerns into account.

While I'm at it, I also want to give a shout out for great reporting on a complex subject, including by Ian James writing at the Los Angeles Times, Rachel Becker writing at CalMatters, Naomi Taxay writing at the Sacramento Bee, and Luis Melicio-Zambrano writing at The San Jose Mercury News. Their attention doubtless made a difference this year.

And finally, see our team's original report and op-ed on regulation of data center water use led by Marie Grimm and Nell Green Nylen, for more details.