



ARTIFICIAL INTELLIGENCE AND DATA CENTER COMMITTEE

Monday, August 31, 2026
Brynhild Haugland Room, State Capitol
Bismarck, North Dakota

Representative Jonathan Warrey, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Jonathan Warrey, Mike Nathe, Anna S. Novak, Todd Porter, Mary Schneider; Senators Janne Myrdal, Dean Rummel; Citizen Members Tony Clark, Mark R. Hagerott

Members absent: Senators Jose L. Castaneda, Kyle Davison, Mike Wobbema

Others present: Senators Brad Bekkedahl and Ryan Braunberger, members of the Legislative Management

Dana Brandenburg, Jud; Kevin Pranis, LiUNA Minnesota and North Dakota; Robert Mayo,* Sheila and Robert Challey Institute of Global Innovation and Growth; James Dickey,* JD Key Consulting; Anthony Pipa,* Brookings Institution; Nick Phillips, Applied Digital

Austin Gunderson, Legislative Council

See [Appendix A](#) for additional persons present.

**Attended remotely*

It was moved by Senator Myrdal, seconded by Representative Novak, and carried on a voice vote that the minutes of the August 13, 2026, meeting be approved as distributed.

DATA CENTER SITING AND DEVELOPMENT

Mr. Austin Gunderson, Counsel, Legislative Council, presented a memorandum entitled [Data Centers Study - Background Memorandum](#).

Dr. Robert Mayo, Research Specialist, Sheila and Robert Challey Institute for Global Innovation and Growth, North Dakota State University, presented information ([Appendix B](#)) regarding policy concerns involving data center siting and development. He noted:

- Grid-connected data centers draw power from the local utility, consuming dozens to hundreds of megawatts of electricity. Hyperscale, or behind-the-meter, facilities consume multiple gigawatts of electricity and build and operate power plants onsite, generally using natural gas or nuclear energy.
- A 2026 Electric Power Research Institute study found data center growth reduced residential electrical rates by roughly 6 percent between 2019 and 2024 due to the addition of a large, steady new customer spreading the grid's fixed costs across more kilowatt hours.
- Another study found Texas and Virginia, the two states with the fastest data center growth, have seen some of the smallest rate increases.
- Older data center facilities and facilities in hot climates use evaporative cooling and consume large amounts of water. A closed-loop cooling method uses less water. In Ellendale, Applied Digital's facility uses closed-loop cooling, and reports using less water than an average single-family home. A data center that uses an air cooling method consumes no water.

- Meta's project plan in Richland Parish, Louisiana, includes a \$50 billion capital investment, creating 7,500 construction jobs and 1,000 permanent jobs and providing over \$1 billion to build local infrastructure. Two large technology companies have considered projects in North Dakota, potentially investing up to \$125 billion for each project.

In response to questions from committee members, Dr. Mayo noted:

- Hardware technology is evolving at a rapid pace. The regulatory processes for other industrial infrastructure no longer in use also could be applied to data centers.
- Almost all new hyperscale facilities use natural gas or nuclear energy.
- X, formerly Twitter, announced the discovery and suspension of 200 fake accounts run by the government of China to encourage opposition to data center development in the United States.
- Repealing sales tax exemptions will dissuade data center development. Artificial intelligence (AI) technology likely will grow in capability, rather than shrink in size, continuing a need for large data centers.

Mr. James Dickey, Founder and Principal, JD Key Consulting, provided information ([Appendix C](#)) regarding current developments in data centers in the United States. He noted:

- Curtailment agreements can allow higher energy utilization without increasing demand on the power grid during peak periods of energy use. Ride-through agreements ensure data centers do not abruptly disconnect from the grid.
- Montana-Dakota Utilities Company reports \$32 million per year in rider credits from the Applied Digital Polaris Forge 1 data center load and estimates, when the facilities are complete, each residential customer will save approximately \$250 per year on their electric bill.
- Nationwide, 136,000 acres, or 213 square miles, are being used or proposed to be used for data centers. The total floor space for operating data centers as of August 2026 is 7,700 acres.
- Permanent operations on an automated hyperscale campus employ 20 to 30 full-time employees per 100 megawatts.

In response to questions from committee members, Mr. Dickey noted:

- The average life cycle of data center computer equipment is between 3 to 5 years.
- Texas Senate Bill 6 (2025) requires curtailment and large deposits as conditions for grid connection. Governor Greg Abbott ordered the Electric Reliability Council of Texas and the Public Utility Commission of Texas to audit and confirm a company's attestations before a company may continue connecting to the grid.
- North Dakota has advantages for data centers, including a cool climate, favorable electricity costs, the low cost and availability of land, and a growing employee base.

LOCAL REGULATION OF DATA CENTERS

Mr. Aaron Birst, Executive Director, North Dakota Association of Counties, provided information regarding county considerations for data center siting. He noted:

- The association opposes any attempts to limit political subdivision authority relating to zoning.
- Public hearings on data centers have become controversial and one county commissioner resigned following false allegations against him.

In response to questions from committee members, Mr. Birst noted:

- The association generally opposes signing broad nondisclosure agreements.
- North Dakota open records laws supersede a nondisclosure agreement for a public project.

COMMENTS BY INTERESTED PERSONS

The committee received information relating to the committee's study of AI and data centers from the following individuals:

- Ms. Sandra Larson, Sheyenne, provided testimony regarding data center water usage.
- Mr. Kevin Pranis, Marketing Manager, Great Lakes Regional Organizing Committee, LiUNA Minnesota and North Dakota, provided testimony regarding construction opportunities relating to data centers.
- Ms. Signe Snortland, Mandan, provided testimony regarding county ordinances and local regulation of data centers.
- Mr. Sam Wagner, Casselton, provided testimony ([Appendix D](#)) regarding data center moratoriums and nondisclosure agreements.
- Mr. Michael Berg, Stanton, provided testimony (Appendices [E](#), [F](#), [G](#), [H](#), [I](#), [J](#), and [K](#)) regarding data center land use, energy infrastructure, and developer and local transparency.
- Mr. Vern Thompson, Fargo, provided testimony (Appendices [L](#) and [M](#)) regarding a proposed framework relating to local control and developer transparency.
- Mr. Nick Phillips, Executive Vice President of External Affairs, Applied Digital, provided testimony (Appendices [N](#) and [O](#)) regarding Applied Digital's employment, tax impacts, and regulatory oversight.
- Mr. Dana Brandenburg, Jud, provided testimony regarding moratoriums on data center development and the signing of nondisclosure agreements.
- Mr. Wes Klein, Hazen, provided testimony ([Appendix P](#)) regarding decommissioning regulation.
- Ms. Holly Burch, Mandan, provided testimony ([Appendix Q](#)) regarding ratepayer costs, stranded generation assets, data center water usage, and noise pollution.
- Ms. Linette Irwin, Hazen, provided testimony ([Appendix R](#)) regarding data center ordinances, development, and conditional use permits in Mercer County.

The following individuals submitted written testimony relating to the committee's study of AI and data centers:

- Ms. Susan Beehler, Mandan, submitted testimony ([Appendix S](#)).
- Ms. Cindy Leingang, Mandan, submitted testimony ([Appendix T](#)).
- Ms. Virjean Cramer, Amenia, submitted testimony ([Appendix U](#)).
- Ms. Cindy Burkle, Jamestown, submitted testimony ([Appendix V](#)).
- Ms. Jessie O'Hara submitted testimony ([Appendix W](#)).
- Mr. Weston Berg, Hannover, submitted testimony ([Appendix X](#)).
- Mr. Tim Leppert, Edgeley, submitted testimony ([Appendix Y](#)).
- Mr. Darron Orr, Ypsilanti, submitted testimony (Appendices [Z](#) and [AA](#)).
- Ms. Michelle Harrison, Mandan, submitted testimony ([Appendix BB](#)).
- Ms. ReNae Mathison, Fargo, submitted testimony ([Appendix CC](#)).
- Ms. Kris Gruber, Fargo, submitted testimony ([Appendix DD](#)).
- Mr. Cody Rupp, Edgeley, submitted testimony ([Appendix EE](#)).
- Ms. Lynn Davenport, Minot, submitted testimony ([Appendix FF](#)).
- Ms. Michelle Maas, Hazen, submitted testimony ([Appendix GG](#)).

- Mr. Marv Abraham, Bismarck, submitted testimony ([Appendix HH](#)).
- Ms. Stacy Aune, Mandan, submitted testimony ([Appendix II](#)).
- Ms. Karen Babbitt-Stamp, Williston, submitted testimony ([Appendix JJ](#)).
- Ms. Samariya Bakko, Williston, submitted testimony ([Appendix KK](#)).
- Ms. Brenda D'Angelo, Williston, submitted testimony ([Appendix LL](#)).
- Ms. Carin Engler, Fargo, submitted testimony ([Appendix MM](#)).
- Ms. Lydia Gessele, Chaseley, submitted testimony ([Appendix NN](#)).
- Ms. Cynthia Goulet, Bismarck, submitted testimony ([Appendix OO](#)).
- Mr. David Heinrich, Adrian, submitted testimony ([Appendix PP](#)).
- Ms. Laura Hermanson, Mandan, submitted testimony ([Appendix QQ](#)).
- Ms. Caitlin Hesby, Nome, submitted testimony ([Appendix RR](#)).
- Ms. Julie Hess, Jud, submitted testimony ([Appendix SS](#)).
- Ms. Amy Howard, Bismarck, submitted testimony ([Appendix TT](#)).
- Ms. Cheryl Jehlicka, Minot, submitted testimony ([Appendix UU](#)).
- Mr. Kris Karlgaard, Litchville, submitted testimony ([Appendix VV](#)).
- Ms. Shannon Krueger, Minot, submitted testimony ([Appendix WW](#)).
- Ms. Verna Lindvall, McVile, submitted testimony ([Appendix XX](#)).
- Mr. Jason Linnerud, Gackle, submitted testimony ([Appendix YY](#)).
- Mr. Richard Long, Berlin, submitted testimony ([Appendix ZZ](#)).
- Ms. Samantha Paczkowski, Mandan, submitted testimony ([Appendix AAA](#)).
- Ms. Leah Peterson, Fargo, submitted testimony ([Appendix BBB](#)).
- Ms. Wanda Peterson, Fargo, submitted testimony (Appendices [CCC](#) and [DDD](#)).
- Ms. Sandra Rupp, Edgeley, submitted testimony ([Appendix EEE](#)).
- Mr. Steve Rupp, Edgeley, submitted testimony ([Appendix FFF](#)).
- Ms. Karen Sanderson, Minot, submitted testimony ([Appendix GGG](#)).
- Mr. Rick Schlecht, Kulm, submitted testimony ([Appendix HHH](#)).
- Ms. Marianne Sears, Maddock, submitted testimony ([Appendix III](#)).
- Ms. Connie Serhienko, Mandan, submitted testimony (Appendices [JJJ](#) and [KKK](#)).
- Ms. Elizabeth Sherod, Harwood, submitted testimony ([Appendix LLL](#)).
- Mr. Kal Skadberg, Mandan, submitted testimony (Appendices [MMM](#) and [NNN](#)).
- Mr. Jon Starkey, Napoleon, submitted testimony ([Appendix OOO](#)).
- Mr. Dawson T., Bismarck, submitted testimony ([Appendix PPP](#)).
- Ms. Heather Thuesen, Tioga, submitted testimony ([Appendix QQQ](#)).
- Mr. Sam Wagner, Casselton, submitted testimony (Appendices [RRR](#) and [SSS](#)).
- Ms. Debra Wald-Leppert, Edgeley, submitted testimony ([Appendix TTT](#)).
- Ms. Kim Wooster, Donnybrook, submitted testimony ([Appendix UUU](#)).

- Ms. Diane Zander, Minot, submitted testimony ([Appendix VVV](#)).
- Ms. Jolene Bruce, Horace, submitted testimony ([Appendix WWW](#)).
- Ms. Brittany Fleck, Edgeley, submitted testimony ([Appendix XXX](#)).
- Mr. Steven Stevenson, Devils Lake, submitted testimony ([Appendix YYY](#)).

DATA CENTER RECLAMATION

Mr. Randy Christmann, Public Service Commissioner, presented information (Appendices [ZZZ](#), [AAAA](#), [BBBB](#), [CCCC](#), [DDDD](#), and [EEEE](#)) regarding the siting requirements and reclamation required for industries operating in the state. He noted:

- The reclamation programs for wind and solar have similar requirements but are vastly different from the Coal Mine Reclamation Program requirements.
- The Public Service Commission requires guidance on how extensive a reclamation program for data centers should be from the Legislative Assembly.
- The majority of the concrete used in a wind farm operation remains in the ground after operations cease. Coal mine reclamation is extensive. Data center reclamation is likely to cost hundreds of millions of dollars and funding will be required to develop useful reclamation guidance.

In response to questions from committee members, Mr. Christmann noted:

- Midcontinent Independent System Operator and Southwest Power Pool have operational control over the transmission system.
- Data centers in North Dakota have raised and lowered electricity costs for consumers. Larger, consistent loads cover a large share of a power grid's operating costs.
- Data centers that supply their generation sources avoid connecting to utility services and do not impact the electric bills of other electricity users. Hyperscale facilities connect to the grid and may impact utility prices.

Mr. Phillips provided information on reclamation of data center infrastructure. He noted:

- Reclamation for a single building on Applied Digital's campus, with a 907,000 square-foot footprint, would consist of removing the main data center building; the facility's electrical, telecom, duct bank, and plumbing infrastructure; the fuel oil storage system; and the foundation.
- The estimated reclamation cost is approximately \$90 million, which includes \$60 million for the main building, \$16 million for the electrical, telecom, duct bank, and plumbing infrastructure, and \$14 million for the fuel oil system.

IMPACT ON THE COAL INDUSTRY

Mr. Jonathan Fortner, President and Chief Executive Officer, Lignite Energy Council, presented information ([Appendix FFFF](#)) regarding how the growth of AI, data centers, and other large electrical loads impact the state's coal industry.

In response to questions from committee members, Mr. Fortner noted:

- There are no plans to retire any coal facility. Members are fully invested in the future and looking to build as much coal-fired electrical generation as possible.
- Each data center increases statewide energy consumption and allows homegrown energy to stay in North Dakota. Other states are passing 100 percent carbon-free mandates, indicating a reduction in the amount of electricity other states will import from North Dakota.
- Investors view coal as a high-risk investment, particularly with many federal rules awaiting resolution in the courts.

ENVIRONMENTAL REGULATION OF DATA CENTERS

Mr. James L. Semerad, Director, Division of Air Quality, and Mr. Marty Haroldson, Director, Division of Water Quality, Department of Environmental Quality, presented information ([Appendix GGGG](#)) regarding the state's role in regulation of data centers. Mr. Semerad noted North Dakota is one of four states consistently in compliance with all federal clean air standards.

In response to questions from committee members, Mr. Semerad and Mr. Haroldson noted:

- The federal Clean Air Act does not include noise regulation requirements and other states have not implemented statewide noise regulations. A data center must obtain a permit from the Department of Environmental Quality if the data center creates power causing air emissions. If no emissions are created, a permit is not required. The permitting process takes approximately 6 to 9 months. There are no data centers in the 6- to 9-month permitting process.
- If a data center's cooling system discharges into state waters, the developer must obtain a permit through the North Dakota Pollutant Discharge Elimination System Program. Obtaining a permit requires the submission of an application, a public comment period, and hearings, which can take up to 180 days to complete.
- The closed-loop cooling systems use a mixture of 25 percent glycol solution and 75 percent water. Data center facilities attempt to replace a portion of the mixture every 3 to 5 years.

COMMUNITY IMPACTS OF DATA CENTERS

Mr. Anthony F. Pipa, Senior Fellow, Center for Sustainable Development, Brookings Institution, presented information ([Appendix HHHH](#)) regarding how communities can influence data center impacts on citizens. He noted:

- Third-party econometric labor market analyses show potential increases in the local labor market related to data center development, depending on the size and type of facility. Hyperscale facilities create data and telecom technology jobs over the long term.
- Community benefits agreements can require commitments from developers, including local hiring requirements for short- and long-term jobs related to data center development.
- Many communities lack the ability to pay for or access independent studies of expected energy and water use, infrastructure needs, or public service costs of proposed data centers. Limited staffing also hinders a county's ability to complete these economic development tasks.

In response to questions from committee members, Mr. Pipa noted:

- A community benefits agreement outlining a data center developer's commitments is completed in advance of approving a proposed data center project. These agreements are specific to a project and presuppose community resident involvement in conversations relating to the benefits a community is seeking.
- Localities underestimate the public safety impacts and services required as a result of data center development, both during construction and on a long-term basis.

Chairman Warrey noted the committee will hold its fourth meeting on October 6, 2026.

No further business appearing, Chairman Warrey adjourned the meeting at 4:02 p.m.

Erin K. Dohm
Counsel

Kim Yang
Policy Analyst

ATTACH:86