HOUSE OF REPRESENTATIVES
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

# H.C.R. NO. 206

# HOUSE CONCURRENT RESOLUTION

REQUESTING THE HAWAII STATE ENERGY OFFICE TO CONVENE A WORKING GROUP TO STUDY THE POTENTIAL IMPACTS OF LARGE DATA CENTERS ON HAWAII'S ELECTRIC UTILITIES, RATEPAYERS, NATURAL RESOURCES, AND CLIMATE GOALS.

WHEREAS, rapid advances in artificial intelligence and cloud computing have led to a dramatic increase in the construction of large-scale data centers, including "hyperscale" facilities that house thousands of servers and require massive amounts of electricity to operate; and

WHEREAS, these facilities are essential components of the digital economy but are also among the most energy-intensive types of commercial infrastructure; and

WHEREAS, data centers consumed approximately 4.4 percent of total electricity in the United States in 2023 and could consume between 6.7 percent and twelve percent of total electricity by 2028 as demand for artificial intelligence computing continues to expand; and

WHEREAS, the rapid growth in electricity demand from data centers has raised concerns among policymakers across the United States that large new power loads may require costly investments in new generation, transmission, and grid infrastructure; and

WHEREAS, without appropriate regulatory safeguards, the costs of such infrastructure investments may be borne by existing residential and small-business ratepayers rather than by the data center developers whose projects create the demand for those upgrades; and

WHEREAS, policymakers in multiple states and in Congress have begun exploring measures to ensure that data center

developers pay their fair share of grid upgrade costs and that electricity consumers are protected from higher utility bills associated with data center expansion; and

WHEREAS, the rapid expansion of artificial intelligence infrastructure has also raised concerns regarding grid reliability and the potential for electricity shortages or increased risk of outages if new large electricity loads are not carefully planned and integrated into the electric system; and

WHEREAS, in addition to electricity consumption, data centers can require substantial water resources for cooling, with medium-sized facilities using tens of millions of gallons of water annually and the largest facilities potentially using hundreds of millions to billions of gallons each year; and

WHEREAS, the siting and operation of data centers may also increase greenhouse gas emissions if new fossil fuel generation is built or existing fossil fuel plants operate more frequently to meet the facilities' electricity demand; and

WHEREAS, article XI, section 7, of the Hawaii State Constitution establishes the State's affirmative duty to protect, control, and regulate the use of Hawaii's water resources for the benefit of its people; and

WHEREAS, Hawaii's isolated island electric grids are uniquely sensitive to large new electricity loads and require careful planning to ensure that new infrastructure investments do not undermine the State's clean energy goals or place additional financial burdens on residents; and

WHEREAS, although Hawaii has not yet received proposals for large hyperscale data centers, the rapid national growth of artificial intelligence infrastructure suggests that such proposals may arise in the future; and

WHEREAS, it is prudent for the State to proactively evaluate regulatory frameworks and safeguards to ensure that any future data center development in Hawaii protects ratepayers, safeguards environmental resources, and aligns with the State's renewable energy and climate goals; now, therefore,

BE IT RESOLVED by the House of Representatives of the Thirty-third Legislature of the State of Hawaii, Regular Session of 2026, the Senate concurring, that the Hawaii State Energy Office is requested to convene a working group to study the potential impacts of large data centers on Hawaii's electric utilities, ratepayers, natural resources, and climate goals; and

BE IT FURTHER RESOLVED that the working group is requested to consist of the following members:

(1) The Chief Energy Officer of the Hawaii State Energy Office, or the Chief Energy Officer's designee, who shall serve as chair of the working group;

(2) The Director of Business, Economic Development, and Tourism, or the Director's designee;

(3) The Chairperson of the Board of Land and Natural Resources, or the Chairperson's designee;

(4) The Chairperson of the Public Utilities Commission, or the Chairperson's designee;

(5) Representatives from electric utilities in the State, as invited by the chair;

(6) Representatives from consumer advocacy and environmental organizations, as invited by the chair; and

(7) Other stakeholders, as invited by the chair; and

BE IT FURTHER RESOLVED that the working group is requested to examine potential regulatory safeguards and policy options, including but not limited to:

(1) Mechanisms to ensure that data center developers bear the full cost of any new electricity generation, transmission, distribution, or grid infrastructure required to serve their facilities;

(2) Measures to protect residential and small-business ratepayers from increased electricity costs associated with large new electricity loads;

(3) Requirements for transparency and reporting regarding electricity consumption, water usage, and greenhouse gas emissions associated with data center operations;

(4) Strategies to ensure that data centers operating in Hawaii are powered by renewable energy and do not undermine the State's statutory clean energy goals;

(5) Consideration of water use and other environmental impacts associated with data center cooling systems;

(6) Grid reliability considerations related to large electricity loads on Hawaii's island grids; and

(7) Any other regulatory safeguards that may be necessary to ensure that data center development, if it occurs in Hawaii, provides net benefits to the State and its residents; and

BE IT FURTHER RESOLVED that the working group is requested to submit a report of its findings and recommendations, including any proposed legislation or regulatory actions, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2027; and

BE IT FURTHER RESOLVED that the working group shall cease to exist on June 30, 2027; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Director of Business, Economic Development, and Tourism; Chairperson of the Board of Land and Natural Resources; Chairperson of the Public Utilities Commission; Chief Energy Officer of the Hawaii State Energy Office; President and Chief Executive Officer of Hawaiian Electric; and President and Chief Executive Officer of the Kaua'i Island Utility Cooperative.

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OFFERED BY: _____

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