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# SENATE 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.

1           WHEREAS, rapid advances in artificial intelligence and  
2 cloud computing have led to a dramatic increase in the  
3 construction of large-scale data centers, including "hyperscale"  
4 facilities that house thousands of servers and require massive  
5 amounts of electricity to operate; and  
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7           WHEREAS, these facilities are essential components of the  
8 digital economy but are also among the most energy-intensive  
9 types of commercial infrastructure; and  
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11           WHEREAS, data centers consumed approximately 4.4 percent of  
12 total electricity in the United States in 2023 and could consume  
13 between 6.7 percent and twelve percent of total electricity by  
14 2028 as demand for artificial intelligence computing continues  
15 to expand; and  
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17           WHEREAS, the rapid growth in electricity demand from data  
18 centers has raised concerns among policymakers across the United  
19 States that large new power loads may require costly investments  
20 in new generation, transmission, and grid infrastructure; and  
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22           WHEREAS, without appropriate regulatory safeguards, the  
23 costs of such infrastructure investments may be borne by  
24 existing residential and small-business ratepayers rather than  
25 by the data center developers whose projects create the demand  
26 for those upgrades; and  
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28           WHEREAS, policymakers in multiple states and in Congress  
29 have begun exploring measures to ensure that data center  
30 developers pay their fair share of grid upgrade costs and that



1 electricity consumers are protected from higher utility bills  
2 associated with data center expansion; and

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

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

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

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

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

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

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

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1 BE IT RESOLVED by the Senate of the Thirty-third  
2 Legislature of the State of Hawaii, Regular Session of 2026, the  
3 House of Representatives concurring, that the Hawaii State  
4 Energy Office is requested to convene a working group to study  
5 the potential impacts of large data centers on Hawaii's electric  
6 utilities, ratepayers, natural resources, and climate goals; and  
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8 BE IT FURTHER RESOLVED that the working group is requested  
9 to consist of the following members:

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- 11 (1) The Chief Energy Officer of the Hawaii State Energy  
12 Office, or the Chief Energy Officer's designee, who is  
13 requested to serve as chair of the working group;  
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  - 15 (2) The Director of Business, Economic Development, and  
16 Tourism, or the Director's designee;  
17
  - 18 (3) The Chairperson of the Board of Land and Natural  
19 Resources, or the Chairperson's designee;  
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  - 21 (4) The Chairperson of the Public Utilities Commission, or  
22 the Chairperson's designee;  
23
  - 24 (5) Representatives from electric utilities in the State,  
25 as invited by the chair;  
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  - 27 (6) Representatives from consumer advocacy and  
28 environmental organizations, as invited by the chair;  
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  - 30 (7) Representatives from energy developers familiar with  
31 data center needs, as invited by the chair; and  
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  - 33 (8) Other stakeholders, as invited by the chair; and  
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35 BE IT FURTHER RESOLVED that the working group is requested  
36 to examine potential regulatory safeguards and policy options,  
37 including but not limited to:

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



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- 2 (2) Measures to protect residential and small-business
- 3 ratepayers from increased electricity costs associated
- 4 with large new electricity loads;
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- 6 (3) Requirements for transparency and reporting regarding
- 7 electricity consumption, water usage, and greenhouse
- 8 gas emissions associated with data center operations;
- 9
- 10 (4) Strategies to ensure that data centers operating in
- 11 Hawaii are powered by renewable energy and do not
- 12 undermine the State's statutory clean energy goals;
- 13
- 14 (5) Consideration of water use and other environmental
- 15 impacts associated with data center cooling systems;
- 16
- 17 (6) Grid reliability considerations related to large
- 18 electricity loads on Hawaii's island grids;
- 19
- 20 (7) Establishing a clear megawatt threshold definition of
- 21 "large" data center;
- 22
- 23 (8) Requirements for data centers to maintain sufficient
- 24 on-site backup power and energy storage systems to
- 25 reduce grid dependency and enable automatic load
- 26 curtailment during grid emergencies, protecting the
- 27 stability of the State's electric system;
- 28
- 29 (9) Annual public reporting requirements for centers
- 30 documenting actual electricity consumption, water
- 31 usage, and greenhouse gas emissions, verified by an
- 32 independent third-party, to ensure transparency and
- 33 accountability for regulators and the public;
- 34
- 35 (10) Independent water resource impact assessment
- 36 requirements before permit issuance, including a
- 37 detailed water conservation plan to protect the
- 38 State's water resources;
- 39
- 40 (11) Direct integration of the findings of the Working
- 41 Group with the utility integrated grid planning



1 processes under the Public Utilities Commission's  
2 oversight; and

3  
4 (12) Any other regulatory safeguards that may be necessary  
5 to ensure that data center development, if it occurs  
6 in Hawaii, provides net benefits to the State and its  
7 residents; and

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

14  
15 BE IT FURTHER RESOLVED that the working group is requested  
16 to cease to exist on June 30, 2027; and

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

