
SENATE 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

10
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

16
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
31 electricity consumers are protected from higher utility bills
32 associated with data center expansion; and



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2 WHEREAS, the rapid expansion of artificial intelligence
3 infrastructure has also raised concerns regarding grid
4 reliability and the potential for electricity shortages or
5 increased risk of outages if new large electricity loads are not
6 carefully planned and integrated into the electric system; and
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8 WHEREAS, in addition to electricity consumption, data
9 centers can require substantial water resources for cooling,
10 with medium-sized facilities using tens of millions of gallons
11 of water annually and the largest facilities potentially using
12 hundreds of millions to billions of gallons each year; and
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14 WHEREAS, the siting and operation of data centers may also
15 increase greenhouse gas emissions if new fossil fuel generation
16 is built or existing fossil fuel plants operate more frequently
17 to meet the facilities' electricity demand; and
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19 WHEREAS, article XI, section 7, of the Hawaii State
20 Constitution establishes the State's affirmative duty to
21 protect, control, and regulate the use of Hawaii's water
22 resources for the benefit of its people; and
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24 WHEREAS, Hawaii's isolated island electric grids are
25 uniquely sensitive to large new electricity loads and require
26 careful planning to ensure that new infrastructure investments
27 do not undermine the State's clean energy goals or place
28 additional financial burdens on residents; and
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30 WHEREAS, although Hawaii has not yet received proposals for
31 large hyperscale data centers, the rapid national growth of
32 artificial intelligence infrastructure suggests that such
33 proposals may arise in the future; and
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35 WHEREAS, it is prudent for the State to proactively
36 evaluate regulatory frameworks and safeguards to ensure that any
37 future data center development in Hawaii protects ratepayers,
38 safeguards environmental resources, and aligns with the State's
39 renewable energy and climate goals; now, therefore,
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41 BE IT RESOLVED by the Senate of the Thirty-third
42 Legislature of the State of Hawaii, Regular Session of 2026,
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1 that the Hawaii State Energy Office is requested to convene a
2 working group to study the potential impacts of large data
3 centers on Hawaii's electric utilities, ratepayers, natural
4 resources, and climate goals; and

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

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9 (1) The Chief Energy Officer of the Hawaii State Energy
10 Office, or the Chief Energy Officer's designee, who is
11 requested to serve as chair of the working group;
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13 (2) The Director of Business, Economic Development, and
14 Tourism, or the Director's designee;
15
16 (3) The Chairperson of the Board of Land and Natural
17 Resources, or the Chairperson's designee;
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19 (4) The Chairperson of the Public Utilities Commission, or
20 the Chairperson's designee;
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22 (5) Representatives from electric utilities in the State,
23 as invited by the chair;
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25 (6) Representatives from consumer advocacy and
26 environmental organizations, as invited by the chair;
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28 (7) Representatives from energy developers familiar with
29 data center needs, as invited by the chair; and
30
31 (8) Other stakeholders, as invited by the chair; and

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

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



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2 (12) Any other regulatory safeguards that may be necessary
3 to ensure that data center development, if it occurs
4 in Hawaii, provides net benefits to the State and its
5 residents; and
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7 BE IT FURTHER RESOLVED that the working group is requested
8 to submit a report of its findings and recommendations,
9 including any proposed legislation or regulatory actions, to the
10 Legislature no later than twenty days prior to the convening of
11 the Regular Session of 2027; and
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13 BE IT FURTHER RESOLVED that the working group is requested
14 to cease to exist on June 30, 2027; and
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16 BE IT FURTHER RESOLVED that certified copies of this
17 Resolution be transmitted to the Director of Business, Economic
18 Development, and Tourism; Chairperson of the Board of Land and
19 Natural Resources; Chairperson of the Public Utilities
20 Commission; Chief Energy Officer; President and Chief Executive
21 Officer of Hawaiian Electric; and President and Chief Executive
22 Officer of the Kaua'i Island Utility Cooperative.

