



Terra Lawson-Remer

Chair

Supervisor, Third District
San Diego County Board Of Supervisors

Agenda Item

Date: August 18, 2026

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To: Board of Supervisors

Protecting Communities from Big Tech Data Centers by Backing Statewide Ratepayer and Environmental Safeguards (Districts: All)

Overview

Hyperscale data centers—vast warehouses filled with servers for running compute-intensive artificial intelligence (AI) applications—are exploding in number and size. Meta recently announced one of the largest ever, a four million square foot data center in Louisiana that delivers five gigawatts of AI computing power. Next door in Imperial County, a one million square foot data center has been proposed in their unincorporated areas that would be the largest in the state. Analysts project upwards of \$1 trillion in North American data center projects by the end of the decade.ⁱ

Increasingly hyperscale data center developers and their Big Tech backers push the costs and consequences of the AI buildout onto ordinary ratepayers and local communities. The Board of Supervisor took action previously (January 14, 2026, Item #4) to explore concerns and impacts around AI data center development in San Diego County. Today's item takes the next step by calling on the Board to express support for establishing statewide standards that protect ratepayers, safeguard public health and the environment, and ensure local communities benefit from any future projects.

Data Centers and Ratepayer Risks

Hyperscale data centers consume enormous amounts of electricity to power their servers and cooling systems, which often require upgrades to generation and transmission capacity. Everyday ratepayers are at risk of footing the bill for infrastructure that primarily benefits Big Tech's bottom line. *Bloomberg* estimates that households near clusters of data center activity saw their electricity bills rise 267% over five years.ⁱⁱ Rapid growth in large data center loads can also destabilize the grid itself. The North American Electric Reliability Corporation identified data center growth as one of the most significant reliability challenges facing U.S. power grids, increasing the risk that everyday ratepayers will experience blackouts and brownouts.ⁱⁱⁱ We must

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ensure the costs of powering Big Tech's expansion don't fall on the communities least equipped to absorb them.

Data Center Local Impacts

Hyperscale data center developments have forced many communities to absorb pollution, carbon emissions, and strains on water resources, all as the cost of doing business. Utilities are turning back to fossil fuels to service data center loads—keeping aging coal plants online and building new gas-fired power plants—while data center developers install natural gas turbines and diesel generators onsite. These energy sources emit pollutants linked to asthma, cancer, and heart disease into adjacent neighborhoods and industry carbon emissions are on track to triple by 2035.^{iv} Data centers also consume enormous volumes of water through energy generation and cooling: A single hyperscale facility can consume up to 5 million gallons a day, comparable to a town of 50,000 people, intensifying strains on water-stressed regions. San Diego County deserves protections that ensure hyperscale developments do not endanger public health, worsen climate change, or exacerbate water scarcity in arid zones of the County with limited groundwater.

Mega-projects are being considered throughout the region, such as the aforementioned proposed Imperial Valley Data Center. San Diego County needs safeguards in place before one arrives here. State Senate Bills 886 and 887, authored by State Senator Steve Padilla and co-sponsored by State Senator Akilah Weber Pierson, take a critical step toward establishing statewide safeguards to protect ratepayers and local communities from bearing the costs of the AI buildout or sacrificing public health and the environment along the way.

- State Senate Bill 886 (SB 886)—The California Technology Innovation and Ratepayer Protection Act—directs the California Public Utilities Commission to establish a special rate structure for large data centers to protect everyday ratepayers from the costs of serving large data centers, while requiring hyperscale data center developments to support the state's clean energy and wildfire risk mitigation goals and invest in grid reliability.
- State Senate Bill 887 (SB 887)—Good Neighbor Data Centers Leadership Project—closes the loophole that lets mega-projects like hyperscale data centers skip environmental review altogether. It prohibits CEQA's categorical exemptions from being applied to hyperscale data centers and requires full discretionary land use review, regardless of zoning. Projects that meet strict standards on water, clean energy, grid reliability, labor, and community benefits—in effect, proving they're good neighbors—can qualify for faster review, but still must complete a full Environmental Impact Report and mitigate significant harm.

Today's action calls on the Board to express the County's support for SB 886 and 887. Together these bills establish essential safeguards to protect San Diego County's ratepayers and local communities from shouldering the costs of the AI buildout.

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Recommendation by Chair Terra Lawson-Remer

Direct the Chief Administrative Officer to express the County's support for State Senate Bill 886 and State Senate Bill 887, consistent with Board Policy M-2.

Equity Impact Statement

Today's action supports equity by establishing statewide safeguards that will protect energy-burdened rural and unincorporated communities from the negative health, environmental, and financial impacts of hyperscale data center development.

Sustainability Impact Statement

Hyperscale data center developments have been linked to air and water pollution, strained water resources, and carbon emissions. By advocating for statewide safeguards, today's action seeks to protect San Diego County's environmental and climate goals.

Fiscal Impact

There is no fiscal impact associated with this recommendation. There will be no change in the net General Fund cost and no additional staff years associated with today's action.

Business Impact Statement

If hyperscale data centers fully cover their own electricity costs while helping utilities utilize underused grid capacity, SB 886 could ease pressure on the electricity bills every other County household and business pays. SB 887's upfront standards address major community concerns at the outset and give developers a faster, more predictable CEQA pathway, reducing costly delays and litigation.

Advisory Board Statement

N/A

Background

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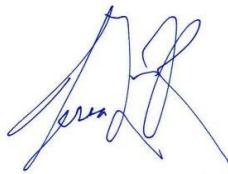
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Linkage To The County Of San Diego Strategic Plan

Today's proposed action supports the Sustainability (Climate & Environment), Equity (Health) and Community (Engagement & Quality of Life) initiatives in the County's 2026–2031 Strategic Plan.

Respectfully submitted,



Terra Lawson-Remer
Supervisor, Third District

Attachment(s)

N/A

ⁱ [Just How Big Is the Data-Center Boom?](#)

ⁱⁱ [How AI Data Centers Are Sending Your Power Bill Soaring](#)

ⁱⁱⁱ [2025 NERC State of Reliability - Overview](#)

^{iv} [Data Crunch: How the AI Boom Threatens to Entrench Fossil Fuels and Compromise Climate Goal](#)

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