

TO: City of San José, California
FROM: Lenny Siegel, Executive Director, Center for Public Environmental Oversight
(LSiegel@cpeo.org)
SUBJECT: Data Center and Large Energy Project Uniform Standard
DATE: October 21, 2026

Thank you for the opportunity to comment on San Jose's draft Uniform Standards for Data Centers & Large Energy Projects.

I appreciate that San Jose has done more than many other jurisdictions to establish environmental guidelines for the approval of data centers and similar high-tech developments. Some of those standards make sense, such as the proposed prohibition of the use of potable water for evaporative cooling. I also agree with the 20 MW regulatory threshold.

But for a city with a large number of applications pending and more under construction, it's not enough. **There needs to be a study of the cumulative environmental and economic impacts of all these new data centers.** To address applications one by one, the city misses the big picture.

For example, while any one data center might be able to find enough renewable energy to operate its facility, I doubt that there is enough to power the entire set of proposals. In fact, as currently worded, the proposed clean energy mandate will simply force other energy consumer to rely on fossil fuels. **The clean energy standard should require data centers and other large projects to invest in and activate new sources of renewable energy.**

I suggest that the city pause additional approvals until such a study is conducted, and that future approvals be subject to cumulative thresholds. This could lead to 1) a halt in new approvals; 2) acceptance of some proposals based upon competitive criteria; or 3) acceptance of all applications, depending upon the results of the cumulative study.

There is a nearby precedent for this. When I was on the Mountain View City Council, we allocated proposed office space in our North Bayshore Area among tech corporations with competing proposals. Companies called it a "beauty contest."

The proposed standards for cooling are incomplete. I've been studying data center cooling practices, and it's pretty clear that there is an inverse relationship between water use and energy use. One or the other has to be high, and demand is increasing as more powerful—thus hotter—microchips are installed in the latest generation of data centers. Facing supply limits, increased cooling costs, and growing regulation, operators are looking for new cooling technologies.

One such technology, two-phase immersion cooling (2-pic), is being marketed by Chemours, which manufactures and pollutes PFAS "forever chemicals" in North Carolina and the "Dark Waters" plant in West Virginia. Chemours claims that its Opteon™ 2P50 coolant and Faizeon™ family of coolants reduce water and energy use at data centers, but it

doesn't mention that it's a PFAS that breaks down into other, toxic, persistent PFAS. **San Jose's standards should prohibit PFAS coolants.**

There are plenty of other environmental impacts, but I'll move on.

The proponents of large data centers and other large projects argue that we need them to provide jobs and pay substantial local taxes. These economic claims should also be tested against alternative scenarios. As with other tech booms, the data center boom is a bubble that at some point will burst. Some of these projects may become high tech ruins, seeking tax refunds. If all of the proposed projects are built at once, not only will local construction workers find work, but workers may be brought in from other areas. Where will they live?

Let me be clear. I support "prevailing wage and skilled and trained workforce requirements" for whatever projects are found to be environmentally suitable. I had the fortune to help create a union-based training program in San Francisco, and I learned how such programs not only teach practical building skills, but also provide valuable environmental, safety and health training.

It's hard to believe that our country really needs all the data centers that are being rushed onto our landscape. There is no need to hurry to build them, and we must ensure that they benefit, not harm our communities. Let's take the time to consider the local data center boom responsibly.