

TO: Santa Clara City Council, by email to clerk@santaclaraca.gov
FROM: Lenny Siegel, Center for Public Environmental Oversight <LSiegel@cpeo.org>
SUBJECT: Data Center Moratorium
DATE: October 5, 2026

I understand that you will be discussing the future of **data centers** in Santa Clara City at your October 6, 2026 meeting. I believe it important that local governments, not entrepreneurs and investors, guide the expansion of this unprecedentedly large industry. I support the establishment of a **moratorium** on new or expanded data centers in each city evaluating data center growth.

For more than five decades—as an activist, subject matter expert, and elected official in Mountain View—I have been researching the environmental impacts and advocating for improved regulation of tech industries here in Silicon Valley. We have had many successes, such as the enactment by our cities of Hazardous Materials Storage Ordinances and Toxic Gas Ordinances in the 1980s, but I am still overseeing the cleanup of decades-old chip-plant TCE groundwater plumes at multiple locations in Santa Clara County. I am working nationally to halt the release of PFAS “forever chemicals” and potent, persistent fluorinated greenhouse gases from semiconductor plants.

As a result, I have become aware of the potential environmental impacts of new, large data centers. In particular, I have been studying plans by many in the industry to address the challenges of water and energy use to cool processing units by using PFAS heat transfer fluids. You can view some of my talks and reports at <https://cpeo.org/chips.html#environment>.

I support a moratorium because it’s important for our communities and our elected officials to understand the full impacts of new data centers before approving them.

First and foremost, jurisdictions should conduct or sponsor independent cumulative impact studies of data centers, not only within their own boundaries, but in neighboring communities. While the impact of each individual project may be absorbable, together they may pose unacceptable threats to our personal finances and qualities of life. For one such approach, see <https://www.nytimes.com/2026/10/01/climate/data-center-pollution-study-pennsylvania.html>.

Once those impacts are estimated, cities are in a position to allocate approvals—by Megawatts, square footage, or other criteria. There are precedents for such competitions. For example, when I was on the Mountain View City Council, we held a “beauty contest” to allocate commercial development rights in our North Bayshore Area based upon

environmental impacts and community benefits. However, it is possible, as a consequence of such cumulative impact studies, that all approvals may be delayed.

As you may know, cooling data centers and their on-site electrical generators may cause significant water use, energy use, wastewater discharges, and related pollution. In recognition of these challenges, the huge chemical company, Chemours—known for its immense responsibility for PFAS releases—is now marketing a product called Opteon™ 2P50, a PFAS hydrofluoroolefin (HFO). This is designed for use in two-phase immersion cooling (2-pic), in which processing units are placed within tanks of Opteon™ fluid. When HFOs leak into the environment, they and their degradation products, such as trifluoroacetic acid, persist as mobile, toxic substances. 2-pic cooling is just in its infancy, so we have an opportunity to block Opteon's widespread use. This, too could be an outcome of an independent, cumulative study of the environmental impacts of new data centers.

In reviewing the impacts of data center expansion, it's important to recognize that Silicon Valley's remarkable history as the "Mecca" of high technology has been characterized by the boom-and-bust cycles inherent in capitalism. Data center development, perhaps the largest industrial investment in human history, is a "bubble." At some point, when supply greatly surpasses long-term demand, that bubble will burst. Unlike previous Silicon Valley bubbles, which left office buildings available for repurpose, some of the new data centers will become high-tech ruins, unusable except for the salvage value of their copper wires. One can expect data center owners to appeal for large property tax reductions.

That likely downturn should also be studied to guide Santa Clara's policies for approving data centers. The incredible growth of data centers and the amazing, national, public response—based upon real impacts—suggest the need for all of us to "look both ways" before proceeding.