

Arizona Corporation Commission Utilities Complaint Form

Investigator: Cynthia Campbell **Phone:** <<< REDACTED >>>**Opinion Date:** 7/16/2025**Opinion Number:** 2025 - 208815**Opinion Codes:** Rate Case Items - Other**Closed Date:** 7/16/2025 11:03 AM**First Name:** Shelly**Last Name:** Gordon**Account Name:** Shelly Gordon**Address:** <<< REDACTED >>>**City:** Mesa**State:** AZ**Zip Code:** 85201**Cell:** <<< REDACTED >>>**Email:** <<< REDACTED >>>**Company:** Arizona Corporation Commission

Nature Of Opinion

Docket Number: E-00000A-25-0069**Docket Position:** Neutral

As the State Director of Arizonans for Community Choice, I lead a coalition advocating for energy choice and market competition in Arizona. We advocate retail ratepayers, businesses and local governments—cities and counties alike—to have the option to choose competitive electricity plans for powering their homes and buildings. We commend Chairman Thompson for opening a docket to explore the opportunities and challenges associated with data center development in Arizona. This is a timely and critical issue as our state becomes a growing hub for these energy- and water-intensive facilities. Local governments are drawn to the economic incentives associated with data center projects—construction jobs, long-term employment, and significant revenue. However, many critical questions remain unanswered, often due to non-disclosure agreements between data center developers, city and county officials, and electric and water utilities. These opaque processes leave the public in the dark and limit the ability of decision-makers to fully assess the long-term impacts. We strongly urge Chairman Thompson and the Commissioners to convene a public workshop, modeled after the workshop on nuclear energy, to allow for open dialogue and expert input. These forums should explore not only the potential benefits of data center development but also the resource and infrastructure demands and hidden costs that may fall on ratepayers and local communities. We recommend the inclusion of diverse stakeholders, such as, but not limited to: 1. Data center facility managers to discuss sustainability measures for conserving energy and water. 2. Independent power producers to explain how they might provide direct generation to data centers and coordinate with investor-owned utilities. 3. Water treatment experts to detail the processes and energy requirements for converting wastewater into reclaimed water for data center server cooling. 1. For instance, Project Blue in Pima County cites the use of reclaimed water for cooling servers, yet the electricity required for this multi-stage process is not accounted for in the project's energy use disclosures. 4. Utility representatives to clarify how much power will be required and how it will be delivered by the investor-owned utility. 5. Experts on building data center infrastructure, to assess whether it is feasible for data centers to not only cover the cost of their own power but also the water treatment costs, including energy costs. 6. Nuclear energy specialists to evaluate the implications of small nuclear reactors (SNRs) being proposed as a primary or backup energy source for data centers. What happens to the SNR if the data center ceases operations after a decade? Who assumes responsibility? Arizona communities deserve full transparency. City and county governments—especially those facing budget shortfalls—may feel pressure to approve hyperscale projects like Project Blue because of the financial incentives promised, but without fully understanding the long-term consequences. These decisions should not be made in a vacuum. The Arizona Corporation Commission has a unique opportunity to lead on this issue. A well-structured public forum, inclusive of third-party infrastructure and utility experts, will help ensure that data center development in Arizona does not ignore the serious impacts of energy capacity, water resources, water treatment, small nuclear reactors, increase in need for gas, including carbon capture, etc.

CUSTOMER IS NEUTRAL:

Investigation			
Date:	Analyst:	Submitted By:	Type:
7/16/2025	Cynthia Campbell	Web Submission	Investigation

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