

Host Community Decision Toolkit

Stage Twelve | United States data-centre community impact research

START HERE: A practical guide for community representatives

Use these tools when a large data-centre proposal is announced, enters planning, seeks incentives or requests new electricity, water or road infrastructure. They are designed to help a community ask the right questions early, record what is known and prevent an approval decision from being built on unverified promises.

You do not need to be an economist, engineer or lawyer to begin. A community group can start the process, identify missing evidence and then bring in technical specialists where a hard gate requires independent review.

The two tools and what each one does

- PDF decision toolkit: the guidance manual. Use it to understand the seven hard gates, identify the documents the applicant should provide, test public claims and determine which protections should appear in enforceable agreements.
- Assessment workbook: the working project file. Use it to record evidence, classify each answer as FACT, ESTIMATE, CLAIM or UNKNOWN, calculate public costs and benefits, test downside scenarios and track commitments over time.

Who should be involved

- A community coordinator who keeps the workbook and evidence register current.
- Local government representatives covering planning, finance, economic development, roads and emergency services.
- Electricity and water representatives able to explain capacity, upgrades, cost recovery and long-term risk.
- Residents, local businesses and affected landowners who can identify local impacts and opportunity costs.
- Independent legal, engineering or financial reviewers where a material decision cannot be tested by the community alone.

Quick start: the first 60-minute meeting

1. Name the proposed project, location, applicant, technology tenant and current approval stage.
2. Open the Project Intake tab and record only information supported by a source. Mark everything else UNKNOWN.
3. Review the seven Hard Gates and identify which ones could stop or delay the decision.
4. Create a priority request list for the missing ownership, electricity, water, fiscal and contract documents.
5. Assign one person to obtain each document and record its source, date and evidence classification.

6. Set the next review date. Do not score or approve the project until material unknowns have been resolved or given an enforceable cure.

What the process should produce

The completed assessment should lead to one of four project-specific outcomes: actively seek, conditional approval, defer, or reject/discourage. The workbook is a decision aid, not a substitute for legal authority, utility regulation, engineering review or public consultation.

Stop rule

If ownership, public cost, electricity risk, water capacity, local benefit or lifecycle security remains materially unknown, stop and request evidence. Do not allow claimed investment or projected jobs to average away a failed or unknown hard gate.

Approval scorecard · disclosure schedule · 20-year model · infrastructure ledger · model clauses · annual dashboard

Purpose. Convert the research program's evidence into a repeatable government decision process for a proposed hyperscale, cloud or AI data centre. The toolkit asks whether the host receives a proportionate, enforceable share of value after public costs, subsidies and opportunity costs—not whether AI is valuable in the abstract.

Decision rule. A failed or unknown hard gate cannot be averaged away by claimed jobs, capital investment or economic output. Defer until material unknowns are resolved; reject when a gate fails and cannot be cured; approve only when the public bargain remains defensible under a credible downside.

Starting policy position. The completed research supports strict conditional acceptance as the typical US default. Active recruitment is reserved for the narrower case in which full cost recovery, resource headroom and durable local value capture are proved. This toolkit operationalises that judgement; it does not presume that any particular project passes.

What this toolkit contains

- A seven-gate approval test that treats missing evidence as a decision problem.
- A mandatory applicant disclosure schedule, including ownership and economic-beneficiary tracing.
- A 20-year public fiscal and infrastructure model that separates local, state, utility/ratepayer, contracted-community and non-fiscal local-economy accounts.
- An electricity, water and stranded-cost ledger identifying the first payer, repayment path, security and final risk holder.
- Model development-agreement and community-benefit terms, including clawbacks, guarantees, transfers, default and decommissioning.

- An annual compliance dashboard with target-versus-actual tests and evidence classifications.
- Worked 100 MW, 250 MW and 1 GW physical-scale sensitivities that do not invent jobs or tax receipts.

How to use the paired workbook

1. Open Project Intake and require every applicant disclosure before substantive approval negotiations.
2. Populate Cost Ledger before accepting a utility, developer or consultant statement that “the project pays for itself.”
3. Enter Year 0 and Year 1 fiscal inputs, growth assumptions, evidence class and source. Enter zero only when evidence supports none.
4. Complete the seven Hard Gates with independent reviewers. Record a specific cure for every Conditional result.
5. Negotiate the Contract Register and post all required security before final approval, construction release or energisation, as local law allows.
6. Set dashboard targets before occupancy and identify the evidence source and cure owner for every metric.
7. Approve only after the workbook reports READY FOR DECISION and the responsible public officials have reviewed the downside, opportunity cost and legal authority.

Outcome	Required finding	Government response
Actively seek	All gates pass; base and downside public cases are positive; no unsecured public exposure; resource headroom is substantial; local capture is unusually strong.	Consider expedited but still evidence-based processing. Avoid a bidding war that transfers the surplus back to the investor.
Conditional approval	Every material gate passes or has a legally effective cure; security and reporting are in place; the downside remains acceptable.	Approve only with executed, measurable and enforceable conditions.
Defer	A material fact, ownership link, resource constraint, cost allocation or legal instrument remains unknown.	Stop the approval clock where lawful; request evidence; do not convert an information gap into a favourable assumption.
Reject / discourage	A gate fails, public costs are shifted, the downside public case is negative, or conditions cannot be enforced.	Reject, reduce scale, relocate, or redesign. Record the failed gate.

Decision outcomes are project-specific. They are not industry ratings.

1. Evidence and decision standard

The host-community question has five accounts that must not be collapsed: (1) local public revenue and cost; (2) state public revenue and cost; (3) utility and ratepayer revenue, cost and risk; (4) contracted direct community benefits; and (5) local private economic value such as resident labor income and local value added. National AI productivity, company profit and construction expenditure may matter, but they are not automatically retained by the host.

Class	Use	Decision treatment
FACT	Independently supported by reliable evidence.	May support a gate if project-relevant and current.
ESTIMATE	Calculated or extrapolated with stated assumptions.	Stress-test; do not present as realised.
CLAIM	Assertion by an interested party.	Verify independently before reliance.
UNKNOWN	Insufficient reliable evidence.	Defer when material to a hard gate.

Numerical evidence protocol

- Record the figure, year, jurisdiction and source.
- State whether it is facility-specific, portfolio-level, statewide, national, modelled or projected.
- Record the operating definition: MW can mean requested, contracted, energised, peak or average load; water can mean withdrawal, consumption, potable, reclaimed, direct or electricity-related.
- Show the denominator and timing: per job, per MW, per acre, annual, construction period or operating life.
- Deduct exemptions, abatements, grants, public infrastructure and incremental services from public revenue.
- Keep gross output, value added, payroll, tax revenue and retained public cash distinct.
- Show a lawful counterfactual and alternate land/resource use rather than assuming the project caused all observed activity.

US scale and policy benchmarks

Class	Finding	Year / jurisdiction	Level	Assumptions or limitation
ESTIMATE	176 TWh and 4.4% of US electricity consumption.	2023 / United States	National model	Bottom-up LBNL estimate using public, proprietary and industry-reviewed inputs; not metered national data.

Class	Finding	Year / jurisdiction	Level	Assumptions or limitation
ESTIMATE	325–580 TWh, or 6.7%–12.0% of forecast US electricity.	2028 / United States	Scenario range	Highly sensitive to GPU shipments, utilisation, operations and cooling.
ESTIMATE	About 0.36 L/kWh average site WUE and 66 billion L direct water.	2023 / United States	National model	Thermodynamic/site-mix model; not a project water forecast.
FACT	AEP Ohio tariff: ≥25 MW process, four-year ramp cap, 85% minimum-demand ceiling and risk security.	2025 / Ohio	Utility tariff	Design fact. Whether it prevents all cost shifting is not yet established.
FACT	Georgia PSC rule permits project-specific upstream generation/T&D costs, contracts up to 15 years and minimum billing for >100 MW customers.	2025 / Georgia	Regulatory rule	Design fact; outcomes require later rate and cost evidence.
FACT	Michigan approval used a 19-year term, 80% minimum billing and a termination payment up to ten years of minimum billing.	2025 / Michigan	Project contracts	Terms are factual; the reported \$300 million customer benefit was a utility estimate.
ESTIMATE	Georgia exemption model: 2026 net state revenue effect –\$574m and value-added impact \$1.643bn.	2026 / Georgia	State model	Uses a 30% but-for estimate and IMPLAN; value added is not state cash.

Figures are deliberately labelled by evidence type and level. They are not facility inputs. Sources: [LBNL/US DOE, 2024 United States Data Center Energy Usage Report](#); [AEP Ohio, approved Data Center Tariff](#); [Georgia Public Service Commission, large-load rule](#); [Michigan Public Service Commission, DTE data-centre contracts](#); [Georgia Department of Audits and Accounts, data-centre tax-exemption evaluation](#)

Bias-control questions

- What is the strongest evidence supporting the applicant's position—and the strongest contradicting it?
- Who produced and paid for the evidence? Was the method independently reviewable?
- Are costs and benefits measured for the same geography, period and counterfactual?
- Have subsidies, public infrastructure, service costs and opportunity cost been deducted?
- Are promised outcomes, applications and queue requests being treated as realised operations?
- Would the decision change if revenues were 25% lower and public costs 25% higher?

2. Seven hard gates

Gate	Indispensable question	Default when evidence is missing
1. Ownership	Who owns, operates, finances and captures value—and who can be sued or charged?	Defer.
2. Fiscal	Is the 20-year public result non-negative after subsidies, costs and opportunity cost?	Defer.

Gate	Indispensable question	Default when evidence is missing
3. Electricity	Are customer-caused cost and reliability risks assigned and secured?	Defer.
4. Water	Can the source and wastewater systems serve peak and drought conditions without impairment?	Defer.
5. Land/health	Is the site compatible and are local externalities enforceably mitigated?	Defer.
6. Local capture	Are local taxes, jobs, wages, procurement and direct benefits additional and durable?	Defer.
7. Lifecycle	Do obligations survive delay, transfer, default, closure and decommissioning?	Defer.

Gate 1 — Ownership and accountability

Approval question. Can the community identify every material owner, operator, tenant, equipment owner, lender, equity investor, beneficial owner and guarantor—and enforce against a creditworthy party?

- **Pass.** Current organization and ownership charts reconcile to legal documents; every operating and payment obligation has a named counterparty; a creditworthy parent or equivalent security backs performance; transfers do not release liability.
- **Conditional.** A non-material document is outstanding and a binding condition precedent prevents construction, occupancy or energisation until it is supplied and verified.
- **Fail or Unknown.** The project uses thinly capitalised special-purpose entities without sufficient security; the tenant or equipment owner is undisclosed; affiliate transfers can defeat obligations; beneficial ownership or control cannot be verified.
- **Evidence.** Formation records, deeds/site control, leases, operating agreements, equipment ownership, debt and equity commitments, audited guarantor accounts, beneficial-ownership certification and change-of-control terms.
- **Agreement hook.** Joint and several obligations among named parties; parent guarantee; successor liability; continuing liability after transfer; disclosure refresh; consent rights.

Gate 2 — Fiscal additionality and proportionality

Approval question. After all incentives, infrastructure, services and opportunity cost, is the 20-year public fiscal result non-negative in both the base case and the chosen combined downside?

- **Pass.** Local government, state government and utility/ratepayer accounts are separately non-negative or an explicit policy choice explains any cross-account transfer; the

combined public NPV remains non-negative under the adopted downside; the subsidy passes a but-for and alternate-use test.

- **Conditional.** A lawful minimum payment, clawback or applicant reimbursement converts a measured shortfall into a secured obligation before approval.
- **Fail or Unknown.** Capital investment or gross economic output substitutes for public cash analysis; forgone tax is omitted; one public entity benefits by shifting cost to another; tax projections lack asset classes/rates; the downside is negative; opportunity cost is ignored.
- **Evidence.** Year-by-year taxable base, rates, abatements, grants, public infrastructure, services, monitoring, alternate use, but-for analysis, scenario factors and independent fiscal review.
- **Agreement hook.** Minimum payment/PILOT where lawful; actual-versus-promised reconciliation; subsidy clawback; interest; audit access; no credit for statutory taxes or required mitigation.

Gate 3 — Electricity cost allocation and reliability

Approval question. Are all customer-caused generation, transmission, distribution, interconnection, reserve and stranded-asset risks assigned and secured without unjustified shifting to other customers?

- **Pass.** Final utility/system studies identify but-for costs; the applicable tariff or special contract recovers incremental cost through upfront contributions, minimum billing, term, exit/cancellation payments and credit support; emergency and flexibility obligations are testable.
- **Conditional.** Service is limited to a smaller or flexible tranche until new resources are financed, permitted and available; the customer bears the non-firm/curtailment consequence.
- **Fail or Unknown.** Queue MW are treated as firm load; infrastructure is built before financial readiness; average rates are assumed sufficient without cost-of-service analysis; the customer can cancel, delay or under-load without covering sunk cost.
- **Evidence.** Hourly profile, ramp, load factor, final service plan, regional studies, cost allocation, tariff/ESA, collateral, supply plan, reserve treatment, curtailment protocol and regulator findings.
- **Agreement hook.** Beneficiary-pays schedule; reimbursement of 100% incurred/committed but-for cost on pre-energisation cancellation; take-or-pay; exit fee; collateral replenishment; affiliate aggregation.

Gate 4 — Water, wastewater and drought resilience

Approval question. Is facility-specific annual and peak water use compatible with source capacity, drought conditions, wastewater limits and competing users?

- **Pass.** The water authority verifies firm and drought-year headroom; annual and peak potable/reclaimed use, seasonal cooling modes and fallback supply are modelled; wastewater quantity/quality is accepted; caps and drought triggers are enforceable.
- **Conditional.** A dry/reclaimed-water cooling mode, phase limit or dedicated upgrade removes the constraint before operation and the applicant funds it.
- **Fail or Unknown.** A national WUE or company-wide average substitutes for facility design; peak-day demand is absent; reclaimed water depends on an unexecuted project; drought curtailment is discretionary; existing users or alternative development are impaired without compensation/mitigation.
- **Evidence.** Source-specific capacity and drought study, cooling design, hourly/seasonal use, annual and peak demand, reclaimed supply agreement, wastewater letter/permit, metering and emergency plan.
- **Agreement hook.** Annual/peak caps; metering; public reporting; drought priorities; reuse milestones; exceedance remedies; applicant-funded upgrades.

Gate 5 — Land use, health and public-service compatibility

Approval question. Is the proposed site compatible with surrounding uses, and are noise, air, light, traffic, fire, hazardous-material and e-waste impacts fully mitigated?

- **Pass.** Site alternatives are considered; setbacks and design meet adopted standards; noise is controlled at sensitive receptors; backup generation and fuel are permitted; fire/EMS resources and costs are funded; closure and e-waste plans exist.
- **Conditional.** A design change, building orientation, enclosure, operational limit or additional public-service payment cures the identified impact before occupancy.
- **Fail or Unknown.** Residential/community exposure is materially incompatible; monitoring is developer-controlled and non-transparent; health/safety mitigation has no enforcement path; emergency services are under-resourced.
- **Evidence.** Land-use alternatives, environmental review, acoustic model and baseline, air permit, generator testing, fuel/hazardous-material plan, traffic, lighting, fire/EMS and property-value analysis where material.
- **Agreement hook.** Measurable operating limits; independent monitoring; complaint protocol; cure and permit/occupancy remedies; reimbursement of public-service cost.

Gate 6 — Durable local value capture

Approval question. Are the benefits retained locally, additional to legal obligations, measurable across the operating life and enforceable against the parties receiving value?

- **Pass.** Taxes/payments are net of subsidies; permanent FTE, employer, wage and local-resident definitions are precise; local procurement measures value added rather than pass-through spend; community payments are prefunded or secured; results are audited.

- **Conditional.** A payment floor or liquidated-damages schedule replaces an uncertain forecast with a measurable financial obligation.
- **Fail or Unknown.** Construction jobs are conflated with permanent jobs; campus-wide commitments are attributed to one facility; job promises do not bind tenants; gross vendor spend is called local benefit; voluntary philanthropy substitutes for enforceable value.
- **Evidence.** Annual tax and payment schedule, payroll and job ramp, employer list, wage/benefits, local geography, procurement methodology, fund governance, education/workforce additionality and audit protocol.
- **Agreement hook.** Minimum FTE/wage/local-hire/procurement commitments; per-unit remedies; community fund; no double counting; reporting and audit.

Gate 7 — Enforceability and lifecycle security

Approval question. Will all material obligations survive delay, technology and tenant change, affiliate restructuring, default, closure and decommissioning?

- **Pass.** Agreements are executed before reliance; credit support covers remaining exposure; security is reviewed and replenished; transfer requires consent/replacement security; closure triggers and current engineer-priced decommissioning are funded.
- **Conditional.** A permit or approval is expressly non-effective until the final agreement, guarantee and financial assurance are delivered.
- **Fail or Unknown.** Remedies are only aspirational; liquidated damages are the exclusive remedy for serious harm; security declines before exposure; a tenant change removes obligations; the site can remain vacant without closure action.
- **Evidence.** Executed agreements, legal-authority opinion, guarantee/LOC/bond terms, security schedule, insurance, recordation where lawful, default/cure, transfer and decommissioning documents.
- **Agreement hook.** Continuing liability; no assignment release; automatic draw and replenishment; step-in rights; specific performance; costs/fees; closure security.

3. Mandatory applicant disclosure schedule

The applicant should certify completeness and accuracy, identify the person responsible for each response and update material changes through the operating life. A confidentiality request should identify the legal basis and provide a public aggregate; it should not conceal the identity of the party that owes an obligation.

Ownership, financing and value capture

Required disclosure	Minimum evidence	Decision use
Applicant/developer legal entity	Formation, good standing and authorised signatory	Identify permitting and negotiation party.
Landowner and site control	Deed, lease or binding option; parcel map	Confirm authority and land-value beneficiary.
Property/data-centre owner	Current and post-completion ownership chart	Attach tax base and long-term obligations.
Operator	Executed operating agreement or binding commitment	Attach reporting, jobs, water and operating controls.
Technology tenant(s)	Executed lease/commitment or vacancy disclosure	Test revenue, load and tenant-turnover risk.
Server/equipment owner	Ownership and refresh/replacement plan	Trace tax base, depreciation and economic beneficiary.
Debt and equity providers	Commitments, control rights and security hierarchy	Test financial readiness and competing liens.
Ultimate beneficial owners	Signed beneficial-ownership certification	Prevent affiliate opacity.
Parent guarantor	Audited financials, ratings/liquidity and guarantee	Secure obligations.

Site, planning and lifecycle

Required disclosure	Minimum evidence	Decision use
Parcels, acreage and buildings	Survey, site plan, floor area and phasing	Define project and prevent campus double counting.
Existing and alternate land use	Current tax/service profile and lawful alternatives	Measure opportunity cost.
Schedule and milestones	Financing, construction, energisation and operation	Link approvals/security to readiness.
Noise, air, light and traffic	Baseline, models, permits and operating limits	Set measurable conditions.
Fire/EMS and hazardous materials	Response plan, staffing/equipment study and fuel plan	Allocate public-service cost and safety risk.
Operating life and technology refresh	Business plan and replacement assumptions	Test taxable asset and closure risk.
Decommissioning	Trigger, work plan, engineer cost and security	Fund closure without public recourse.

Electricity and reliability

Required disclosure	Minimum evidence	Decision use
Requested, contracted and peak MW	Utility applications, ESA and final service plan	Do not conflate queue and operational load.
Hourly load profile and load factor	Hourly/seasonal profile and sensitivity	Model capacity, energy and reserve costs.
Four-year ramp and delay case	Contractual minimums and schedule	Match infrastructure spend to realised load.
Generation/resource adequacy	But-for supply and cost plan	Assign energy/capacity and policy-compliance cost.
Transmission/distribution/interconnection	Studies, cost estimates, ownership and recovery	Identify first/final payer and shared benefit.
Minimum billing, term and exit	Tariff/special contract	Recover fixed costs and stranded risk.
Credit and collateral	Ratings, liquidity and security instruments	Test enforceability under default.
Flexibility/emergency response	Curtailable MW, response time, testing and priority	Protect reliability and other customers.
Metering and disclosure	Interval meter and public reporting protocol	Verify actual load and performance.

Water, wastewater and environment

Required disclosure	Minimum evidence	Decision use
Cooling design and modes	Design basis by temperature/season; PUE/WUE	Avoid national-average substitution.
Annual and peak potable use	Facility-specific engineering estimate	Test normal and peak capacity.
Reclaimed-water supply	Executed agreement, quality and fallback	Test real—not aspirational—substitution.
Drought-year use	Source study and curtailment plan	Protect existing and essential users.
Wastewater quantity/quality	Authority letter, pretreatment and permit	Allocate treatment capacity and cost.
Indirect electricity water/emissions	Location-specific supply assumptions	Avoid shifting impacts outside site accounting.
Meters and public data	Separate potable/reclaimed/discharge meters	Enable annual dashboard and enforcement.

Fiscal, incentives and public infrastructure

Required disclosure	Minimum evidence	Decision use
Tax base by asset class	Land/building/equipment values, depreciation and rates	Build annual local/state revenue.
All exemptions and abatements	Legal authority, value, term and beneficiaries	Deduct from public receipts.
Grants, financing and land support	Cash, bonds, loans, land and fee waivers	Capture total subsidy.
Public infrastructure	Asset, owner, amount, timing and repayment	Separate capex from retained benefit.
Incremental public services	Planning, fire/EMS, utilities, monitoring and admin	Include operating cost.
But-for analysis	Method, comparator sites and uncertainty	Estimate causal rather than gross activity.
Alternate-use analysis	Tax, jobs, services and resource use under alternatives	Measure opportunity cost.
Base/downside cash flows	Year 0–20 assumptions and sources	Test resilience and proportionality.

Jobs, procurement and direct community benefit

Required disclosure	Minimum evidence	Decision use
Construction workforce	Peak/average FTE, residence, wage and duration	Keep temporary effects separate.
Permanent operations FTE	Employer, titles, ramp, worksite and annual average	Verify durable employment.
Wages and benefits	Median/average payroll definitions and evidence	Test job quality.
Local-resident hiring	Geography, eligibility and denominator	Measure retained labor income.
Local procurement value added	Supplier location and value-added method	Exclude pass-through spend.
Community fund/investment	Amount, timing, governance and eligible uses	Create direct, additional local capture.
Workforce/education commitments	Provider, cohort, funding and outcomes	Avoid counting ordinary recruitment cost.
Annual verification	Payroll, vendor, tax and payment records	Support dashboard and remedies.

4. The 20-year fiscal and infrastructure model

The paired workbook uses nominal dollar cash flows and a user-selected discount rate. It models Year 0 plus twenty operating years. Every input has an account, direction, Year 0 amount, Year 1 amount, growth assumption, evidence class and source. Blank means missing. Zero means verified none.

Core equation. For account a, $NPV(a) = \sum \text{from } t=0 \text{ to } 20 \text{ of cash flow}(a,t) \div (1+r)^t$. Total public NPV equals local-government NPV plus state-government NPV plus utility/ratepayer NPV. Contracted community payments and locally retained private economic value are shown separately and are not used to conceal a negative public account.

Account	Inflows	Costs / foregone value
Local government	Taxes/fees; PILOT; applicant reimbursements	Grants; abatements; infrastructure; services/monitoring
State government	Taxes/fees	Grants; exemptions/credits; infrastructure/admin
Utility/ratepayer	Customer capital contribution; dedicated cost-recovery charges; exit payments	Generation; transmission; distribution/interconnection; O&M/admin/reserves
Contracted community	Community fund and direct committed benefits	Do not subtract public costs here; avoid duplicate counting
Local economy (non-fiscal)	Resident labor income; local procurement value added	Not public revenue; exclude gross pass-through spend

Required modelling sequence

8. Define the legal project and phase. Do not attribute a campus-wide benefit to one building while assigning only building-level cost.
9. Set the lawful baseline: no project, alternative project, or delayed project. Document land, utility and water uses displaced.
10. Enter gross statutory public receipts by tax type, asset class and year.
11. Enter every exemption, credit, abatement, grant, fee waiver, public loan and public infrastructure contribution as a cost or foregone receipt.
12. Enter incremental local/state services and utility costs, including administration, reserves and risk.
13. Enter applicant reimbursements and tariff payments only where legally enforceable and credit-supported.
14. Run the base case, revenue-downside, cost-overrun, combined-downside and a locality-selected severe case.
15. Reconcile public NPV to its three accounts and confirm the positive-inflow plus public-cost tie-out equals total public NPV.
16. Report non-fiscal local value separately; state whether it is gross spend, payroll, income or value added.

Downside and but-for discipline

The workbook's default combined downside applies 75% to positive public inflows and 125% to public costs. These are editable sensitivities, not universal forecasts. The asymmetry is deliberate: a revenue disappointment does not automatically reduce a tax exemption already granted, a road already built or a utility commitment already made.

A subsidy case should also vary the but-for percentage—the share of activity caused by the incentive. Georgia's official evaluation illustrates why: its model estimated a 30% but-for effect, a negative direct state-revenue result and positive modelled value added. Those outputs answer different questions and should not be collapsed into one return figure. [Georgia Department of Audits and Accounts, data-centre tax-exemption evaluation](#)

Minimum model checks

- All required input cells and evidence classes are complete.
- No formula errors, sign errors, unit errors or unexplained plugs.
- Local, state and utility/ratepayer NPVs reconcile to total public NPV.
- The combined downside public NPV is non-negative.
- Utility/ratepayer NPV is non-negative and no cost-ledger item leaves a public or unknown final risk holder.
- Subsidies are not both deducted from public cash and counted again as a community contribution.
- Construction effects do not recur for twenty years unless there is a supported phased schedule.
- Permanent jobs, resident income and local value added are not assumed from capital expenditure.

5. Electricity, water and stranded-cost ledger

For every asset and obligation, record the asset owner, first payer, amount, repayment mechanism, final risk holder, security, recovery status and source. The first payer is not necessarily the final bearer. A utility may finance an asset initially while the customer repays it; a public body may own an upgrade but recover all cost through an applicant contribution. The decision turns on the final, secured allocation.

Ledger category	Required question
Studies/interconnection	Who pays if the applicant withdraws or the study must be repeated?
Distribution/substation	Is the asset dedicated, shared or reusable—and who bears under-utilisation?
Transmission	Which costs are direct-assigned, rolled in or regionally allocated?
Generation/resource adequacy	What would not be procured but for the load, and how is it recovered if the ramp fails?

Ledger category	Required question
Reserves/flexibility	Does rapid load loss or inflexibility create incremental operating cost?
Water/reclaimed/wastewater	Who funds capacity, treatment, backup supply and drought resilience?
Road/fire/EMS/monitoring	Are local capital and recurring services reimbursed?
Community commitments	Are payments prefunded or secured against default/transfer?
Cancellation/early closure	Who bears committed but unrecovered cost?
Decommissioning/e-waste	Is current gross closure cost funded before the owner becomes distressed?

US tariff and policy precedents

AEP Ohio's approved design applies from 25 MW, uses load-study fees, a 50%/65%/80%/90% four-year ramp, an initial term equal to the ramp plus eight years, minimum demand up to 85%, collateral for customers that do not meet stated credit/liquidity tests, and cancellation/delay reimbursement before energisation. These are FACTS about contract design; whether the tariff fully eliminates future cost shifting remains UNKNOWN. [AEP Ohio, approved Data Center Tariff: Public Utilities Commission of Ohio, tariff order announcement](#)

Georgia's PSC allows upstream generation, transmission and distribution costs, longer terms up to 15 years and minimum billing for new customers over 100 MW. Michigan's DTE approval used a 19-year term, 80% minimum billing, a termination payment and emergency load-shed priority. New York's Executive Order 62 directs development of beneficiary-pays, grid-security and community-investment mechanisms for facilities at or above 50 MW. Again, the mechanisms are evidence of policy design—not proof of outcomes. [Georgia Public Service Commission, large-load rule](#); [Michigan Public Service Commission, DTE data-centre contracts](#); [New York Executive Order 62](#)

LBNL's 2026 review finds that large-load tariffs commonly combine contract term, exit fees, minimum billing, ramp rules, collateral, upfront payment and interruptibility. Just over half of the reviewed tariffs had minimum billing, typically 75%–90%; several recent designs used 10–15-year terms. These are cross-tariff observations, not a recommendation to copy one number without cost-of-service and legal analysis. [LBNL, Speed to Power: Solutions for Accelerating Large Load Connections](#)

6. Model development-agreement and community-benefit clauses

The following language is a negotiating template, not legal advice. Double brackets identify fields that must be completed. Local counsel must confirm authority, constitutional limits, procurement, tax, utility, zoning, permit and remedies law. Utility service terms should be placed in the tariff or service agreement when the locality lacks jurisdiction.

Clause 1 — Defined project, parties and joint responsibility

Model language. “Project” means the facilities, parcels, phases, electrical capacity, water systems and related infrastructure described in Schedule 1. Each entity identified in Schedule 2 as an Obligated Party is jointly and severally responsible for the obligations assigned to it and for the acts of its controlled affiliates. No tenant, operator, asset or equipment transfer releases an Obligated Party unless [[LOCALITY]] expressly approves a creditworthy replacement and replacement security.

Negotiation note. Name the landowner, property owner, data-centre owner, operator, utility customer, technology tenant, equipment owner and guarantor. Do not impose tenant obligations on a party that has not signed.

Clause 2 — Conditions precedent

Model language. No final development approval, building release, occupancy approval, public-infrastructure notice to proceed or other reliance event identified in Schedule 3 shall occur until [[LOCALITY]] confirms in writing that ownership disclosures are complete, utility and water approvals are final, this Agreement and all guarantees are executed, and required financial security is effective and drawable.

Negotiation note. Align the condition with powers available to the locality; do not promise utility energisation that a locality cannot control.

Clause 3 — Ownership and change disclosure

Model language. The Owner shall provide a certified ownership and control schedule at execution, annually, and within [[NUMBER]] days after any material change. The schedule shall identify direct and ultimate beneficial ownership, operators, major tenants, computing-equipment owners, lenders, equity investors and guarantors, subject only to lawful confidentiality protections.

Negotiation note. Require a public aggregate when commercially sensitive detail can lawfully be withheld; preserve regulator and auditor access.

Clause 4 — Full public-infrastructure cost recovery

Model language. The Obligated Parties shall pay or reimburse 100% of the documented, reasonable but-for cost incurred or irrevocably committed by [[PUBLIC ENTITY]] for the Project, including study, design, land, construction, financing, operation, administration, environmental mitigation and closure costs listed in Schedule 4, less only credits expressly approved through the applicable public process for demonstrable non-Project benefits.

Negotiation note. Use a reconciliation and audit process; prohibit automatic credits for speculative future users.

Clause 5 — Delay and cancellation

Model language. If the Project is cancelled, withdrawn, reduced or delayed more than [[PERIOD]] beyond a contractual milestone before the applicable asset is fully recovered, the Obligated Parties shall pay all incurred and committed unrecovered Project cost within [[NUMBER]] days after demand. The responsible public entity may draw the applicable security without first exhausting remedies against another party, subject to the instrument's terms.

Negotiation note. Coordinate with the utility's tariff/ESA. AEP Ohio's pre-energisation letter-of-agreement concept is a precedent, not universal law.

Clause 6 — Minimum public fiscal payment and reconciliation

Model language. To the extent authorised by law, the Owner shall pay the greater of (a) statutory local taxes and fees actually due, or (b) the Minimum Public Fiscal Payment in Schedule 5. No later than [[NUMBER]] days after each reporting year, the parties shall reconcile actual retained public revenue, abatements, reimbursements and incremental public cost. Any shortfall shall be paid with interest at [[LAWFUL RATE]].

Negotiation note. Use only where lawful and avoid double counting statutory taxes. A tax forecast becomes reliable for the host only when its shortfall has a remedy.

Clause 7 — Incentive additionality and clawback

Model language. Each Incentive Recipient represents that Schedule 6 identifies every public subsidy, exemption, abatement, grant, loan, land contribution and fee waiver. If an eligibility, investment, operation, tax, job, wage, local-hire, procurement or reporting commitment is not achieved, the Recipient shall repay the amount determined under the Clawback Formula, with interest, subject to any cure expressly stated in Schedule 6.

Negotiation note. Use a but-for finding and proportional remedy; preserve full recovery for fraud, concealment, unauthorised transfer and closure.

Clause 8 — Jobs, wages and local hiring

Model language. Beginning in Operating Year [[YEAR]], the Obligated Parties shall maintain at least [[FTE]] annual-average permanent FTE at the Project, paid a median cash wage of at least [[AMOUNT]] plus the benefits defined in Schedule 7. “FTE,” “permanent,” “Project,” “employee,” “local resident” and the eligible geography shall have the meanings in Schedule 7. A verified shortfall shall trigger [[PER-FTE OR FORMULA]] damages or payment.

Negotiation note. Bind the employer, including a major tenant if its jobs are counted. Do not count construction FTE or remote employees unless expressly justified.

Clause 9 — Local procurement value

Model language. The Project shall achieve at least [[AMOUNT OR PERCENT]] of verified local procurement value added each reporting year. Value added excludes taxes, freight, pass-through equipment and services produced outside the defined local geography. The methodology and supplier evidence are in Schedule 8.

Negotiation note. Gross server/equipment spend can be enormous while little value remains locally; measure the retained component.

Clause 10 — Community investment fund

Model language. The Obligated Parties shall deposit [[AMOUNT]] into the [[FUND]] on each date or milestone in Schedule 9. Payments are additional to taxes, required mitigation, infrastructure reimbursement and ordinary business expenditure. The fund shall be governed, spent, audited and publicly reported under Schedule 9 for direct host-community purposes.

Negotiation note. Lancaster’s draft agreement uses staged payments and letters of credit; New York’s order directs a community-investment framework. Adapt governance and public-purpose rules.

Clause 11 — Electricity, flexibility and emergency performance

Model language. The utility customer and Operator shall comply with the service capacity, ramp, minimum billing, term, exit, collateral, power-quality, curtailment and emergency-response obligations in the applicable tariff and service agreement. The Operator shall maintain and test [[CURTAILABLE MW]] with a response time of [[TIME]] and report each test and event.

Negotiation note. The locality should not restate a tariff inaccurately. Cross-reference the controlling instrument and secure any local reporting or emergency obligation.

Clause 12 — Water, wastewater and drought

Model language. Annual potable-water use shall not exceed [[GAL/YEAR]], peak-day use shall not exceed [[GAL/DAY]], reclaimed-water share shall be at least [[PERCENT]], and wastewater discharge shall remain within Schedule 10. During a declared shortage or trigger in Schedule

10, the Operator shall implement the stated cooling mode, curtailment priority and reporting. Exceedance remedies do not create a purchased right to impair health, safety or supply.

Negotiation note. Linn County requires a water study and agreement; Lancaster's draft sets a project-specific municipal-water cap. Use facility engineering.

Clause 13 — Environmental and public-service performance

Model language. The Project shall comply with the receptor-specific noise, generator, air, lighting, traffic, stormwater, fire/EMS, hazardous-material and e-waste limits in Schedule 11. The Obligated Parties shall reimburse the documented incremental monitoring and response cost identified in Schedule 11.

Negotiation note. Use permits and conditions where appropriate. Do not make liquidated damages the exclusive remedy for ongoing health or safety violations.

Clause 14 — Reporting, records, audit and public disclosure

Model language. Within [[NUMBER]] days after each reporting year, the Owner and Operator shall deliver the dashboard, underlying records and an officer certification. Records shall be retained for [[PERIOD]]. [[LOCALITY]] may audit directly or through an independent professional, with reasonable Project-attributable audit cost paid by the Obligated Parties. A public report shall disclose non-confidential metrics and all compliance determinations.

Negotiation note. Specify meter, tax, payroll, vendor and payment evidence. Preserve lawful confidentiality without concealing compliance.

Clause 15 — Financial security and replenishment

Model language. Before the first reliance event, the Obligated Parties shall deliver the separate irrevocable letters of credit, cash escrows, guarantees or other approved instruments in Schedule 12. Each instrument shall remain effective until the beneficiary confirms the secured exposure is extinguished, and shall be replenished within [[NUMBER]] days after a draw, downgrade, cost increase or other adjustment event.

Negotiation note. Do not commingle utility, locality, community-fund and decommissioning security if doing so creates priority or double-counting ambiguity.

Clause 16 — Decommissioning and site restoration

Model language. An Inactivity Event occurs when the Project or a material phase ceases its approved primary operation for [[PERIOD]], excluding an approved temporary outage. Within [[NUMBER]] days after an Inactivity Event, the Owner shall implement the current Decommissioning Plan, remove and lawfully manage equipment and e-waste, remediate contamination and restore the site to the standard in Schedule 13. Security shall equal the

current independent gross cost plus the locality-approved contingency, without net salvage credit unless the locality determines the credit is reliable and realisable.

Negotiation note. Update the engineer estimate periodically and on design/ownership change. St. Louis required a plan after extended vacancy; that is a precedent, not a universal trigger.

Clause 17 — Transfer, default and remedies

Model language. No sale, lease, assignment, change of control, operator change or material tenant change releases an obligation or security without prior written approval and a replacement agreement. After notice and any lawful cure period, remedies are cumulative and may include security draw, payment, specific performance, injunctive relief, cost/fee recovery and permit or occupancy remedies available under law. Fraud, concealment, unauthorised transfer and imminent health/safety risk are not subject to a soft exclusive remedy.

Negotiation note. Distinguish monetary shortfalls from ongoing violations. Draft cure periods around the harm, not developer convenience.

7. Clawback, guarantee and decommissioning architecture

Security sizing

Use separate beneficiaries and avoid double counting. At each review date, security for a beneficiary should cover the greatest reasonably foreseeable unperformed exposure owed to that beneficiary, including committed public infrastructure, remaining guaranteed payments, unpaid community obligations or the current gross decommissioning cost plus an approved contingency. Utility tariff security should remain governed by the utility/regulator.

- Post before the public entity commits cost or releases a condition precedent.
- Require an issuer, form, jurisdiction, draw procedure and expiry acceptable to the beneficiary.
- Use automatic extension or early replacement; do not permit security to expire while exposure remains.
- Recalculate after design, scale, schedule, cost, credit, ownership or tenant change.
- Reduce security only after verified performance and after the relevant exposure has actually declined.
- Prohibit a salvage-value offset unless the beneficiary accepts the market, timing and removal risk.

Clawback logic

Proportional shortfall. Clawback = incentive received × verified shortfall percentage × remaining unperformed period, with the exact denominator and caps defined in advance.

Event-based full repayment. Consider full repayment for fraud, material concealment, unauthorised transfer, failure to maintain qualifying operations, abandonment or a breach that defeats the incentive's central purpose, subject to law.

Interest and costs. Apply the lawful rate from the date the amount should have been paid and recover reasonable audit/enforcement cost where authorised.

Failure event	Primary remedy	Security / evidence
Pre-energisation cancellation or material delay	100% unrecovered incurred/committed but-for public cost	Infrastructure/utility security; milestone records
Tax-base or payment shortfall	Annual reconciliation and shortfall payment	Tax records; minimum-payment guarantee
Job/wage/local-hire shortfall	Defined per-unit or proportional payment plus cure plan	Payroll audit; tenant/employer obligation
Community payment missed	Immediate payment, interest and security draw	Prefunded account/LOC
Water/noise/air operating breach	Operational cure, restriction or permit remedy; damages not exclusive	Meter/monitor data; emergency authority
Unauthorised transfer	Continuing liability, default and replacement security	Ownership certification; consent records
Closure/inactivity	Decommission and restore; public step-in if default	Current engineer estimate and dedicated security

8. Annual compliance dashboard

Targets must be set before occupancy. Each metric records unit, test (at least/at most), contractual target, actual, variance, status, evidence class, source and cure owner. NOT REPORTED is a compliance result, not a blank.

Domain	Core metrics	Preferred evidence
Electricity	Peak MW; annual GWh; minimum billed MW; curtailable MW; failed events	Utility meter/bills; tariff and dispatch records
Water/wastewater	Annual/peak potable; reclaimed share; discharge; site WUE	Separate meters; authority data; engineering certification
Efficiency/environment	PUE; boundary noise; generator hours; complaints/violations	Metering; independent monitor; permits
Public fiscal	Local/state taxes and fees; reimbursements; incentives/clawbacks	Tax authority and public finance records

Domain	Core metrics	Preferred evidence
Community capture	Fund payments; permanent FTE; median wage; local hires; procurement value added	Bank, payroll and vendor audit
Governance	Ownership changes; reports late; audits; security sufficiency; open defaults	Officer certification; legal/security records

Dashboard status rules

- **COMPLIANT:** actual meets the at-least or at-most contractual test and evidence is FACT.
- **NOT REPORTED:** target or actual is absent, evidence is insufficient or the report is late.
- **BREACH:** actual misses the test, required evidence contradicts the report or a required payment/action is overdue.
- **REVIEW:** metric direction is not a simple threshold or a regulator/locality must determine compliance.
- Overall status is BREACH if any material metric is in breach; otherwise INCOMPLETE if any required metric is not reported.

Annual governance cycle

17. Operator and obligated parties submit the certified dashboard and records.
18. Tax, utility, water, planning, labor/procurement and legal reviewers validate assigned metrics.
19. An independent professional audits the highest-risk or disputed metrics.
20. The locality publishes non-confidential targets, actuals, evidence class, breaches and remedies.
21. Security, clawbacks and cure deadlines are updated; unresolved material breach returns the project to the relevant hard gate.

9. Worked 100 MW, 250 MW and 1 GW examples

The worked examples expose physical order of magnitude without manufacturing jobs, tax revenue or community benefit. Inputs are an illustrative 85% load factor, LBNL's modelled 2023 US-average direct site WUE of 0.36 L/kWh, an 85% minimum-billing benchmark and AEP Ohio's 50%/65%/80%/90% four-year ramp. All are sensitivities, not facility forecasts. [LBNL/US DOE, 2024 United States Data Center Energy Usage Report](#); [AEP Ohio, approved Data Center Tariff](#)

Contract capacity	Average demand	Annual electricity	Min billed demand	Direct water / year	Direct water / day
100 MW	85 MW	744.6 GWh	85 MW	70.8m gal	194,000 gal/day

Contract capacity	Average demand	Annual electricity	Min billed demand	Direct water / year	Direct water / day
250 MW	212.5 MW	1,861.5 GWh	212.5 MW	177.0m gal	485,000 gal/day
1 GW	850 MW	7,446 GWh	850 MW	708.1m gal	1.94m gal/day

ESTIMATES calculated from the stated sensitivities. Water uses 3.78541 litres per US gallon. Sources: [LBNL/US DOE, 2024 United States Data Center Energy Usage Report](#); [AEP Ohio, approved Data Center Tariff](#)

Contract capacity	Ramp Y1	Ramp Y2	Ramp Y3	Ramp Y4
100 MW	50 MW	65 MW	80 MW	90 MW
250 MW	125 MW	162.5 MW	200 MW	225 MW
1 GW	500 MW	650 MW	800 MW	900 MW

AEP Ohio design benchmark. Full contract capacity may follow after the four-year ramp. Sources: [AEP Ohio, approved Data Center Tariff](#)

Interpretation

- The 100 MW example is already larger than AEP Ohio's 25 MW tariff threshold and meets New York's 50 MW executive-order definition; those triggers apply only in their jurisdictions.
- The 250 MW and 1 GW examples amplify the consequences of a slow ramp, cancellation or under-utilisation. A percentage error at 1 GW is a large absolute infrastructure commitment.
- The water figures are especially unsuitable as site forecasts because cooling design, climate, workload, reuse and seasonality materially change WUE and potable demand.
- A project's physical scale reveals the potential bill; it does not reveal who pays, whether the bill is secured or how much economic value remains locally.
- No job or tax estimate is included because capacity alone does not establish staffing, taxable property, incentives, depreciation, tenant identity or local tax rates.

10. Approval-meeting checklist

Staff recommendation must attach

- Completed Project Intake with certification and document index.
- Hard Gates signed by responsible reviewers, with every Conditional cure stated.
- 20-year base, downside and alternate-use model, including public-account reconciliation.
- Completed cost ledger identifying every unknown or public final risk holder.
- Utility/regulator and water/wastewater determinations.
- Executed or execution-ready agreements, guarantees and security instruments.

- Annual dashboard targets, evidence owners, reporting timetable and public-disclosure plan.
- Counsel opinion on authority and remedies.
- A plain-language statement of who pays, who owns, who earns revenue/profit, who receives public benefits and what remains locally.

No-go conditions

- A material owner, tenant, guarantor, subsidy or public-infrastructure commitment is undisclosed.
- A national average or portfolio claim substitutes for site engineering or tax evidence.
- The base or combined-downside public NPV is negative without an explicit, lawful and secured policy justification.
- A customer-caused grid, water, public-service or decommissioning cost has an unknown or public residual bearer.
- Benefits bind a developer but depend on an unsigned tenant/operator.
- Security is posted after rather than before the public reliance event.
- The agreement cannot survive transfer, default or closure.
- The decision memo treats capital invested as community benefit retained.

Approval resolution

The resolution should identify the exact project and parties; incorporate the final agreements and schedules; state the gate findings and evidence date; list conditions precedent; identify security; allocate monitoring and enforcement authority; require annual public reporting; reserve lawful remedies; and state that material scale, ownership, tenant, utility, water, subsidy or schedule changes require renewed review.

11. Precedents, limitations and source register

Current US policy is moving toward explicit beneficiary-pays, minimum-billing, security, water-review and community-investment mechanisms. The direction is relevant; the realised outcomes are still incomplete. A tariff or community agreement is a design control, not proof that ratepayers or residents ultimately benefit. The annual dashboard is what converts design into evidence.

Local community-benefit tools also face legal-authority and enforceability constraints. Lancaster's published document is a draft. St. Louis reports quantified conditions, liquidated damages and decommissioning obligations, but its projected jobs and tax revenues remain projections. Linn County's ordinance summary requires water and economic-development agreements. These examples are precedents to analyse, not clauses to copy without counsel.

[City of Lancaster, Pennsylvania, draft Community Benefits Agreement](#); [City of St. Louis, conditional-use and community-benefit framework](#); [Linn County, Iowa, data-centre ordinance summary](#)

Source	Use in toolkit	Limitation
LBNL/US DOE, 2024 United States Data Center Energy Usage Report	National energy/water estimates and worked-scenario WUE	Modelled; not facility-specific.
LBNL, Speed to Power: Solutions for Accelerating Large Load Connections	Cost allocation, tariff design, collateral and flexibility	Compendium; no universal best term.
LBNL, Large Loads Literature Review	Cross-check of large-load policy literature	Sources have varied methods and sponsors.
AEP Ohio, approved Data Center Tariff	Ohio tariff benchmark	Design fact; long-run outcome unknown.
Public Utilities Commission of Ohio, tariff order announcement	Regulatory rationale for tariff	Commission summary; full order controls.
Georgia Public Service Commission, large-load rule	Georgia >100 MW rule	Design fact; outcomes require future evidence.
Michigan Public Service Commission, DTE data-centre contracts	Michigan project-contract terms	Benefit figure is an estimate.
New York Executive Order 62	New York beneficiary-pays/community/water framework	Several mechanisms remain under development.
Georgia Department of Audits and Accounts, data-centre tax-exemption evaluation	Subsidy but-for and fiscal/value-added separation	Econometric/IMPLAN model and projections.
City of Lancaster, Pennsylvania, draft Community Benefits Agreement	Draft CBA security, water, funds and reporting	Draft and project-specific.
City of St. Louis, conditional-use and community-benefit framework	Conditions, shortfall damages and decommissioning	City account; promised outcomes not yet realised.
Linn County, Iowa, data-centre ordinance summary	Water and economic-development agreements	Local summary; signed text controls.
Virginia JLARC, Data Centers in Virginia	Virginia fiscal, electricity, water and siting evidence	Some workforce figures originated with industry.

Final limitations

- The toolkit does not determine a project result until project inputs and executed instruments are supplied.
- It is not legal, engineering, tax, water, utility-rate, environmental or accounting advice.
- Public agencies should retain independent expertise and disclose who paid for material studies.
- Unknown numbers have not been manufactured. A material unknown remains a reason to defer.

- The worked physical examples are estimates from transparent sensitivities and must not be cited as typical facility outcomes.
- The final national or state policy judgement should continue to be revisited as realised tariff, fiscal, water and community-benefit outcomes become public.

Central discipline: identify who pays, who owns, who receives revenue and profit, where that profit goes, which public resources and alternatives are used, and what enforceable value remains with the host community.