

THE PUBLIC GRID FRAMEWORK

A community playbook for public ownership of energy infrastructure.

Framework V0.2 — Public Grid Project — publicgridproject.org

Executive Summary

Most data centers are built discreetly via ‘by-right’ zoning, where proposals are automatically approved for meeting existing requirements. Communities often have no formal opportunity to weigh in before approval is finalized. This framework gives communities the leverage to attach conditions that return value to the public in proportion to what they give away. By requiring conditional use approval before a data center can operate, communities convert an automatic process into a negotiation. **As Chandler, Arizona’s ordinance states plainly: ‘Data centers are not permitted to operate unless explicitly approved.’**

The Conditional Use Permit becomes the legislative leverage for binding enforcement, while **the Public Benefit Agreement defines what communities ask for** once that leverage exists. This leverage only functions with transparency. In Virginia, 80% of jurisdictions with data center activity have signed NDAs restricting public disclosure of deal terms.

A canceled data center doesn’t disappear - it moves to a less organized community. Section 01 identifies what leverage every community holds.

Section 01 Covers five universal data center choke points. The Conditional Use Permit turns these into negotiation requirements.

- Zoning, Land Use, and the Conditional Use Permit
- Grid Interconnection
- Water Agreements
- Tax Incentives and Abatement
- Public Subsidy and Infrastructure Investment

Section 02 Covers three different ownership models, and how they apply to data center infrastructure.

- Municipal Utility
- Member-Owned Cooperative
- Public Power Authority

Section 03 Covers the core negotiation asks and enforcement architecture.

- Grid Reciprocity and Demand Response
- Net-Zero Construction and Renewable Generation with Community Ownership
- Waste Heat Capture and Community Benefit Routing
- What vital control data to record before construction begins

Section 04 Discusses how to communicate the message to audiences across the political spectrum, no matter their political starting point. Coalition building, messaging, and answering the hard questions.

Section 05 Is written for organized communities and municipalities ready to go further. It covers how to identify your starting leverage depending on when you enter the fight, precise contract language for closing definitional loopholes developers exploit, common liabilities to anticipate before signing, and a scaled vision of what the framework makes possible when deployed across multiple communities.

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SECTION 01: THE LEVERAGE MAP

What your community already controls.

Before any negotiation begins, take inventory.

Data centers cannot be built anywhere. They require specific things that only local governments and public utilities can provide, and every one of those requirements is a point of leverage. Most communities don't realize how much they already hold.

This section helps organizers, council members, and utility officials identify the approvals and assets their community controls before a developer comes to the table. Understanding your leverage before negotiations begin is the difference between a community that captures public benefit and one that hands over decades of subsidies for a tax base and a few construction jobs.

01.1 THE GREATEST LIABILITY AND GREATEST STRENGTH

If you take anything away from this framework, it should be this.

Zoning is the first and most consequential choke point because it determines whether a community has a seat at the table at all. Many municipalities classify data centers as a 'permitted use' (or by-right approval laws) under existing industrial or commercial zoning - **meaning a proposal that meets baseline requirements is approved automatically, with no public hearing and no negotiated conditions.**

Reclassifying data centers as a conditional use closes this gap. Once conditional use approval is required, every choke point below becomes a point of leverage rather than a formality. For every community that secures a positive benefit agreement, every future community has increasing negotiation leverage. Inversely, for every community that doesn't secure benefits, every future community faces decreasing leverage.

This isn't hypothetical. In Odense, Denmark, Meta's data center channels its surplus heat into the city's district heating network, **enough to warm more than 11,000 homes**. In Markham, Ontario, Equinix feeds recovered heat into the municipal energy system, **helping warm York University's campus, community pools and facilities, and thousands of nearby homes and businesses**. The technology already exists. The only question is who captures the benefit.

01.2 THE FIVE CHOKE POINTS

Any data center project must clear five gates, and communities hold the keys to all of them.

Point 1 — Zoning, Land Use, and the Conditional Use Permit

Zoning is central to any future development projects, as this decides what can be built where and under what conditions. Most municipal zoning codes were written long before data centers existed at hyperscale, which means many jurisdictions currently classify them as a permitted industrial or commercial use. *This gives developers the ability to be approved automatically if a proposal meets baseline dimensional and use requirements, with no public hearing and no negotiated terms attached.*

Why it matters: This is the ***single largest structural advantage available to communities***, because it operates before any other negotiation begins. A community that reclassifies data centers as a conditional use (rather than a permitted use) transforms every subsequent choke point (grid interconnection, water agreements, tax incentives, public subsidy) from a formality into a point of leverage. *As Chandler, Arizona's ordinance states directly: "Data centers are not permitted to operate unless explicitly approved."* That single sentence shifts the entire burden of proof from the community to the developer.

Point 2 — Grid Interconnection

A data center without reliable power is a warehouse. Grid interconnection, or the physical and contractual right to draw from the public electrical grid, must be approved by the local utility or public utility commission. This is perhaps the most concentrated leverage point of all, because it persists for the life of the facility. A developer who later violates their Public Benefit Agreement, and therefore their Conditional Use Permit, faces the prospect of interconnection review being reopened, creating genuine commercial risk while minimizing risk of litigation.

Point 3 — Water Agreements

Large data centers consume millions of gallons of water annually for cooling. Municipal water access requires a formal agreement with the local utility, and that agreement can include conditions on consumption limits, conservation requirements, and heat discharge standards. Communities in water-stressed regions hold particular leverage here.

It's worth noting that water-intensive evaporative cooling is a design choice rather than a technical requirement. Closed-loop liquid cooling, immersion cooling, and air-based free cooling systems can *dramatically reduce or eliminate water consumption* while often enabling waste heat capture for community benefit. Communities facing water stress should require water-efficient cooling as a condition of any water agreement, and can point to existing major facilities already operating on these systems as proof of feasibility.

Point 4 — Tax Incentives and Abatements

States and municipalities currently offer some of the *most generous* corporate subsidies in the American economy to attract data center development. Virginia offers 20-year sales tax exemptions. Texas limits property tax value by 50-80% for a decade or more. These are enormous transfers of public value. They are negotiated, not automatic. The framework proposed here doesn't ask communities to give less. It asks them to attach conditions that return value to the public in proportion to what they give away. Critically, incentives can be structured as phased releases tied to annual compliance verification - meaning a developer who fails to meet agreed performance targets simply doesn't receive the following year's benefit. This helps to minimize risk of litigation.

Point 5 — Public Subsidy and Infrastructure Investment

Beyond tax incentives, local governments frequently fund road upgrades, utility extensions, and workforce training programs to support data center projects. These are additional points of negotiation, serving as public investments that should come with public benefit bonuses attached.

The Morongo Band of Mission Indians became the first tribal nation in the country approved as a participating transmission owner, securing majority ownership of Morongo Transmission LLC. Through a lease agreement tied to a major transmission upgrade carrying renewable energy across Southern California, *the tribe now holds an ongoing ownership stake in grid infrastructure that crosses their reservation* - a model for what public or tribal ownership of energy infrastructure can look like in practice.

01.3 WHAT TO DO WITH THIS INVENTORY

Before your community enters any conversation with a data center developer, map your leverage:

Which of the five choke points apply to this project? Which require municipal approval versus state or utility approval? Which are already subject to existing conditions or agreements? Which offers the strongest basis for a Public Benefit Agreement?

The answers will vary by municipality, state regulatory environment, and project size. The framework sections that follow provide model language for translating this leverage into binding agreements, regardless of which combination of choke points your community controls

01.4 A NOTE ON ENFORCEMENT

A Public Benefit Agreement is only as strong as its enforcement mechanisms. Section 03 of this framework covers model deal terms including clawback provisions, performance bonds, independent verification requirements, phased incentive release structures, and stronger remedies like permit revocation or utility disconnection for the most severe violations.

Communities should ensure any agreement includes at minimum a clawback mechanism, which is the ability to recover the value of public incentives already granted if a developer fails to meet their commitments. This is already standard practice in job creation agreements and applies equally here.

[End of Section 01, Section 02 Begins on Next Page]

SECTION 02: OWNERSHIP MODELS

Choosing the right structure for your community.

Turning Ownership Into Long-Term Gain Capture

Choosing the ownership model is the most consequential decision your community will make.

Negotiating public benefit into a data center deal is only the first step. What endures is the structure you create to hold that benefit; *who owns the asset, who governs it, and who captures the revenue it generates* for decades to come. Getting this decision right matters more than any individual deal term.

The good news is that communities don't need to invent anything. We've included three proven ownership structures which have operated across the United States for generations, each with different governance models, financing mechanisms, and ideal use cases. The right choice depends on your community's existing infrastructure, political environment, and the scale of the project you're negotiating.

This section explains each model in plain language and closes with a comparison table to help your community identify the best fit before negotiations begin.

02.1 OWNERSHIP MODEL OPTIONS

MODEL 1 — MUNICIPAL UTILITY

A municipal utility is *owned and operated directly by a city or county government*. Elected officials set policy, professional staff manage operations, and revenue flows back into the public budget or is reinvested in infrastructure.

Municipal utilities are the most familiar model for most communities. If your city already runs its own water or electric system, you have the institutional infrastructure to extend that model to publicly owned energy generation assets negotiated from data center deals.

1. **How it's governed:** City or county council sets policy. Day-to-day operations managed by a public utility department under elected oversight.
2. **How it's financed:** Municipal bonds, backed by the credit of the city or county. Generally the lowest borrowing cost of the three models.
3. **Best fit for:** Cities and counties that already operate municipal utilities, or larger municipalities with strong bond ratings and existing public works capacity.

4. **Real examples:** Los Angeles Department of Water and Power, Austin Energy, Seattle City Light. These are among the largest public power utilities in the country, operating at scale and returning value to their communities for generations.
5. **Watch out for:** Municipal utilities can be slower to adapt to changing conditions because decisions require political approval. Strong in stable environments, less agile in fast-moving ones.

MODEL 2 — MEMBER-OWNED COOPERATIVE

A cooperative is *owned by its members, governed by a member-elected board, and operated for the benefit of those members* rather than outside shareholders. Electric cooperatives have served rural America for nearly a century, originally built to bring power to communities that private utilities wouldn't serve profitably.

The cooperative model is particularly well-suited to communities where the data center negotiation involves multiple small municipalities, rural counties, or agricultural regions - any situation where a single municipal government doesn't have the scale or authority to act alone.

1. **How it's governed:** Member-elected board of directors. One member, one vote. Democratic accountability is built into the structure.
2. **How it's financed:** Member equity contributions plus revenue bonds. The Rural Utilities Service, a USDA program, provides financing support for rural electric cooperatives specifically.
3. **Best fit for:** Rural communities, agricultural regions, multi-municipality negotiations where no single government has clear authority to act alone.
4. **Real examples:** The United States has nearly 900 electric cooperatives serving 42 million people across 56% of the nation's landmass. The cooperative model is not experimental, it is the backbone of rural American energy infrastructure.
5. **Watch out for:** Cooperatives require member organizing to establish and can move slowly when member consensus is needed. The upfront work of building membership is real, but the resulting democratic accountability is a long-term asset.

MODEL 3 — PUBLIC POWER AUTHORITY

A public power authority is an *independent public entity created by state legislation*, operating outside the direct control of any single municipal government. It can span multiple jurisdictions, issue its own revenue bonds, and act with a degree of autonomy that municipal utilities and cooperatives typically can't match.

The public power authority model is best suited for large-scale or regional projects. These are situations where the data center development affects multiple communities, where the

negotiation requires a counterparty with significant financial capacity, or where state-level action is needed to establish the right framework.

1. **How it's governed:** An appointed or elected board, created by state statute. Governance varies significantly by state; some authorities have elected boards, others are appointed by governors or legislatures.
2. **How it's financed:** Revenue bonds backed by the authority's own income stream rather than municipal credit. This can help finance larger projects that most municipalities would struggle to manage independently.
3. **Best fit for:** Regional multi-jurisdiction projects, large-scale negotiations requiring significant financial capacity, and situations where state legislation creates the enabling framework.
4. **Real examples:** The Tennessee Valley Authority serves seven states and 10 million people. The New York Power Authority is the largest state public power organization in the country. The Bonneville Power Administration markets power across the Pacific Northwest. These are not small experiments. They are major public infrastructure institutions.
5. **Watch out for:** Public power authorities require state enabling legislation to establish, which takes time and political will. Best pursued as a longer-term goal while municipal utility or cooperative structures handle near-term negotiations.

02.2 WHAT TO DO WITH THIS INFORMATION

Before selecting a model, your community should ask three questions:

1. *Do we already have public utility infrastructure we can build on?* If yes, the municipal utility model is likely your fastest path.
2. *Are we working across multiple jurisdictions or in a rural region?* The cooperative model may offer the best combination of democratic accountability and multi-community reach.
3. *Is the scale of this project large enough to warrant state-level action?* If yes, begin building the political coalition for a public power authority while using existing structures for immediate negotiations.

In many cases the answer will be a hybrid approach - using a Conditional Use Permit and a Public Benefit Agreement in the near term *while* building the institutional infrastructure for a more permanent ownership structure over time. The framework is designed to support that sequencing.

02.3 COMPARISON TABLE

	Municipal Utility	Member Co-op	Public Power Authority
Who owns it	City/county government	Member-owners	Independent public board
Who governs it	Elected officials	Member-elected board	Appointed/elected board
How it's financed	Municipal bonds	Member equity + bonds	Revenue bonds
Best used for	Cities with existing utility infrastructure	Rural and multi-jurisdiction communities	Large regional projects
U.S. examples	LADWP, Austin Energy	900 co-ops, 42M people served	TVA, NYPA, Bonneville
Complexity to establish	Moderate	Moderate	High
Speed to establish	Faster	Moderate	Slower - requires state legislation

[End of Section 02, Section 03 begins on Next Page]

SECTION 03: MODEL DEAL TERMS

Template language for negotiating equity in clean generation

A Conditional Use Permit is a contract, not a courtesy.

When a developer comes to your community seeking zoning approval, grid interconnection, water access, and tax incentives, they are asking for things your community controls. A **Conditional Use Permit**, or **CUP**, is the mechanism for attaching legally binding conditions to those approvals. It is not a wishlist or a letter of intent. It is a contract with enforcement teeth. Separately, a **Public Benefit Agreement**, or **PBA**, is submitted with this permit. This is where the asks and needs of the community reside, and the ongoing commitment to this agreement is conditional to maintaining the CUP.

This section provides plain-language model provisions for the three core asks of the Public Grid framework. These are starting points for negotiation, not final language. ***Your community's city attorney should review and formalize any agreement before signing.*** But the ideas here are sound, the precedents exist, and the asks are reasonable. Developers operating in competitive markets have accepted similar terms elsewhere.

Lead with what matters most to your community. Hold some asks in reserve. If your community secures a positive benefit agreement, every future community has increasing negotiation leverage. Inversely, for every community that doesn't secure benefits, every future community faces decreasing leverage. **And remember: your leverage is highest before the permit is granted. Use it.**

03.1 THE THREE CORE ASKS

ASK 1 — GRID RECIPROCITY AND DEMAND RESPONSE

What it means:

The data center agrees to participate in the local grid as a two-way asset rather than a pure consumer. During periods of peak public demand, the facility switches its servers to internal battery power, removing itself from the grid and protecting neighboring homes and businesses from brownouts. During periods of excess renewable generation, the facility can accept and store that energy, returning it to the grid when needed.

Why it matters:

Data centers maintain massive Uninterruptible Power Supply battery systems as standard infrastructure, and these exist whether or not the community captures their benefit. Grid reciprocity simply formalizes that these batteries serve a public purpose in addition to a private one.

Model provision language:

“As a condition of grid interconnection approval, [Developer Name] agrees to participate in the [Municipality/Utility Name] Demand Response Program. The facility shall maintain a minimum of [X] megawatt-hours of on-site battery storage capacity. During Demand Response events declared by [Utility Name], the facility shall reduce its net draw from the public grid to zero within [30] minutes of notification, operating on internal battery reserves for the duration of the event. The facility shall report monthly to [Municipality] on battery capacity, demand response activations, and grid export events. Failure to maintain participation in the Demand Response Program constitutes a material breach of this Agreement.”

Negotiating notes:

Start with the demand response requirement. It costs the developer relatively little - they already have the batteries - and the public benefit is immediate and tangible. *This is your easiest ask and your best opening position.*

ASK 2 — NET-ZERO CONSTRUCTION AND RENEWABLE GENERATION OWNERSHIP*What it means:*

The developer finances and builds renewable energy generation - solar arrays, wind installations, or both - sufficient to offset the facility's net energy consumption. Critically, that generation infrastructure is owned by a public utility, cooperative, or municipal authority rather than the developer. *The developer pays for it. The public owns it.* When the data center eventually closes or relocates, the renewable generation remains as a permanently owned community asset. **[Note: see negotiating notes below regarding ITC/PTC recapture periods before finalizing transfer timeline.]**

Why it matters:

This is the core asset transfer of the Public Grid framework. The developer needs energy. The community needs clean generation infrastructure. The negotiation trades one for the other - not as charity, but as a straightforward exchange of value. The precedent exists: *Illinois already requires data centers to achieve carbon neutrality as a condition of incentive eligibility.* This ask builds on that precedent and adds the ownership dimension.

Model provision language:

“As a condition of tax incentive eligibility under [applicable program], [Developer Name] agrees to finance the construction of renewable energy generation capacity equivalent to [100%] of the facility’s projected annual energy consumption, as verified by independent energy audit. Said generation capacity shall be constructed on [community-identified sites] and upon completion of construction shall be transferred to [Municipal Utility/Cooperative/Public Power Authority] at no cost. [Specify who bears transfer-related costs (legal fees, asset valuation, insurance during the gap)] [Developer Name] shall retain no ownership interest in said generation capacity following transfer. The transfer shall occur no later than [X] months following the facility’s commencement of operations. Until transfer, [Developer Name] shall maintain the generation assets in good working order and shall carry liability insurance naming [Municipality] as an additional insured.”

Negotiating notes:

This is your most ambitious Ask and the one developers will push back on hardest. Lead with the Illinois carbon neutrality precedent to establish that conditions on incentives are normal and accepted. Frame the ownership transfer as the community’s fair return on decades of tax abatements - not an imposition, but a reciprocal exchange. If a developer won’t accept full ownership transfer, a partial ownership stake or a long-term lease arrangement preserving community benefit is a reasonable fallback position.

One important financing reality to understand before negotiating: federal renewable energy tax credits - including the Investment Tax Credit (ITC) and Production Tax Credit (PTC) - generally require the developer to maintain ownership of the generation assets through a recapture period, typically five years. Immediate transfer of ownership to a public entity may cause the developer to forfeit those credits, which significantly affects project economics. In practice, the most workable structure is often a deferred transfer - the developer retains ownership through the credit recapture period, then transfers the assets to the public entity at no cost. A long-term Power Purchase Agreement (PPA) can protect community benefit during the interim period. Your city attorney and a renewable energy financing specialist should review this structure before finalizing any agreement.

ASK 3 — WASTE HEAT CAPTURE AND COMMUNITY BENEFIT ROUTING

What it means:

Data center servers generate enormous amounts of heat as a byproduct of operation. This requires closed-loop liquid cooling systems as a baseline condition. Evaporative cooling towers dissipate heat into the atmosphere rather than retaining it in a transferable medium, making community benefit routing impossible. Rather than expelling that heat into the atmosphere through water-intensive cooling towers, the facility installs industrial heat exchangers that capture the heat and route it into a community benefit system; providing free district heating for public schools, affordable housing, community facilities, or municipal buildings.

Why it matters:

This ask converts what is currently an environmental liability into a community asset. The technology is proven and has been deployed at scale. Meta's facility in Odense, Denmark currently heats more than 11,000 homes through the city's district heating network. Equinix's facility in Markham, Ontario provides recovered heat to York University, community swimming pools, and thousands of nearby homes. The question is not whether the technology works. The question is whether your community captures the benefit.

Model provision language:

"[Developer Name] shall install closed-loop liquid cooling systems as the primary cooling mechanism for the facility. Water-intensive evaporative cooling shall not be used as the primary cooling mechanism without written approval from [Municipality] and demonstration that closed-loop alternatives are technically infeasible.

As a condition of water agreement approval, [Developer Name] agrees to install industrial heat exchange infrastructure capable of capturing no less than [X]% of the facility's server waste heat output. Said heat exchange infrastructure shall connect to [Municipality's district heating system / designated community facilities] no later than [12] months following the facility's commencement of operations. [Developer Name] shall provide recovered heat to [designated recipients] at no cost for a period of [20] years following connection. The facility shall submit quarterly reports to [Municipality] documenting heat output, capture rates, and delivery volumes. Water-intensive evaporative cooling shall not be used as the primary cooling mechanism without written approval from [Municipality]."

Negotiating notes:

Lead with the Odense and Markham examples - they are your most powerful proof of concept because they involve companies your audience will recognize. If a developer raises cost concerns, note that closed-loop liquid cooling systems that enable heat capture often reduce long-term water and energy costs compared to evaporative cooling - this is an ask that can pencil out for the developer as well as the community. Frame waste heat capture as the community receiving value that currently goes to waste.

03.2 THE ENFORCEMENT ARCHITECTURE

The Conditional Use Permit creates the leverage.

The Public Benefit Agreement defines the content.

The enforcement architecture protects the agreement's legitimacy.

A Public Benefit Agreement without enforcement mechanisms is a press release. This list includes a range of mechanisms, from minimizing litigation risk to stronger remedies like permit revocation or utility disconnection for the most severe violations. Incorporating multiple of these mechanisms into an agreement is a necessity.

Clawback Provisions

Any tax incentive, abatement, or public subsidy granted under the agreement shall be subject to clawback if the developer fails to meet performance requirements. Clawback amounts should be calculated as the full value of incentives received to date, plus interest at the applicable municipal bond rate. This is already standard practice in job creation agreements across the United States, and the same logic applies here.

Performance Bonds

Prior to breaking ground, the developer shall post a performance bond equal to [2-5%] of total project value, held by the municipality. The bond is forfeited in whole or in part upon material breach of the Public Benefit Agreement, as determined by independent arbitration. Performance bonds are standard in construction contracts and signal that the developer's commitments are genuine rather than aspirational.

Independent Verification

All performance metrics [*energy consumption, battery capacity, heat capture rates, renewable generation output*] shall be verified annually by an independent third-party auditor selected by the municipality. Developer self-reporting alone is not sufficient. The cost of independent verification shall be borne by the developer as a condition of incentive eligibility.

Phased Incentive Release

Tax incentives and abatements shall be released in annual tranches contingent on verified compliance with the prior year's performance requirements. A developer who fails to meet agreed targets in year three does not receive year four's incentive allocation. This minimizes litigation exposure - the incentive simply does not release until compliance is verified.

Permit Revocation or Utility Disconnection

This is the most effective method for ensuring compliance, and that's why it also comes with a higher risk of litigation. When a municipality controls the utilities a data center relies on, turning these systems off immediately threatens facility operation which carries economic consequences. This mechanism should be reserved for the most severe violations.

03.3 A NOTE ON NEGOTIATION SEQUENCING

Experienced negotiators know that not every ask lands in the first conversation. Here is a suggested sequencing for communities entering their first data center negotiation:

Lead with demand response. It's the easiest ask for the developer to accept, it produces immediate public benefit, and it establishes the principle that the facility will operate as a community asset rather than a pure consumer. Getting the developer to say **yes** to something builds momentum.

Follow with waste heat capture. The Odense and Markham examples make this ask feel reasonable and precedented. Frame it as converting waste into value - a win for both parties.

Hold renewable generation ownership for the third conversation. This is your most ambitious ask and the one that will require the most negotiation. Arriving at it **after** the developer has already agreed to two provisions puts you in a stronger position than leading with it.

Never negotiate enforcement mechanisms in isolation. Clawback, performance bonds, and phased incentive release should be presented as a package - standard practice in Public Benefit Agreements, not punitive additions. The mechanisms are not optional add-ons, they're what makes the PBA *enforceable as a condition of the CUP* rather than just a handshake agreement. If a developer pushes back on enforcement, ask which of their commitments they don't intend to keep.

03.4 BEFORE THEY BUILD: WHAT TO DOCUMENT FIRST

Pre-construction baseline documentation

Before you negotiate, this section outlines some of the information your community should document first. Communities need to know this has to happen before permits are approved, not before construction starts, because permits are where the leverage lives.

Having a baseline control of existing conditions will make enforcement easier by having a citable reference for how the construction tangibly impacts the local environment. Knowing what to expect also allows communities to require protective design standards before construction begins, rather than negotiating remedies after the fact.

Infrasound and seismic recording

Prioritize infrasound and seismic recording before groundbreaking, establishing a control dataset. This data is nearly impossible to reconstruct retroactively. Without a pre-construction baseline, communities have no legal standing to prove the facility caused new noise pollution in court. University acoustics departments are often willing partners for this kind of community science, and can help provide barometers and relevant software. Using traditional microphones for this process can be challenging. For specific decibel standards and model ordinance language, see *Section 05.2*.

Groundwater and soil contamination baseline testing

Pay particular attention to proximity to any existing water sources, wetlands, or municipal water infrastructure. This data is also nearly impossible to reconstruct retroactively. Without a pre-construction baseline, communities have no legal standing to prove the facility caused new soil and water pollution in court. For water consumption thresholds and sourcing disclosure requirements, see *Section 05.2*.

Air quality baseline recording

Without a pre-construction baseline, communities have limited recourse if air quality deteriorates following facility operation, as well as given diesel generator testing requirements during outages. Facilities typically test backup generators regularly, producing localized emissions spikes that baseline data can help distinguish from ongoing operational impact.

Light pollution

For facilities operating 24/7 in residential adjacent zones. Document existing conditions with timestamped photography and third-party metering.

Electromagnetic interference

For communities near sensitive equipment or medical facilities. Document existing conditions with timestamped photography and third-party metering.

Ongoing monitoring requirements

The community can also require the developer to fund independent acoustic and air monitoring post-construction, with results reported to the municipality quarterly. Third party verification should be written into the agreement as a non-negotiable condition, with costs borne by the developer.

Independent contractors, university partners, or municipal environmental staff are potential partners for independent investigation.

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SECTION 04: THE ORGANIZER'S TOOLKIT

Coalition building, messaging, and answering the hard questions.

The framework is only as powerful as the people behind it.

Sections 01 through 03 gave you the leverage map, the ownership models, and the deal terms. This section gives you something harder to codify but equally important: the human infrastructure to make it work.

Data center negotiations are won or lost before anyone sits down at a table. ***They are won by communities that have already built coalitions broad enough to make a developer believe that opposition to their terms will be costly, sustained, and organized.*** They are lost by communities that arrive at a zoning meeting with good ideas and no preparation.

This section won't tell you everything about organizing, as that knowledge lives in your community, your relationships, and your experience. *What it will do* is give you a starting framework for building the coalition, carrying the message, handling the objections, and sustaining the effort long enough to win something real.

04.1 PART ONE: BUILDING THE COALITION

The Public Grid framework is not a left issue or a right issue. It is an *infrastructure* issue - and infrastructure has natural allies across the political spectrum that a purely ideological framing would never reach.

Before approaching a developer or a council member, map your coalition. Here are the groups most likely to respond to the framework's core argument and the entry point that works for each.

Environmental and climate organizations

Entry point: Net-zero construction requirements and renewable generation ownership. These groups are already organized around data center opposition in many communities. There is a liability - a canceled data center doesn't disappear, it moves to a less organized community. The framework gives them a path from "cancel it" to "build it on our terms," which is a more durable and achievable goal if the infrastructure is getting built regardless.

Ratepayer and consumer advocacy groups

Entry point: Lower energy bills. The demand response and grid reciprocity provisions have a direct, measurable impact on residential energy costs. This is your most accessible argument for audiences with no interest in ownership theory. Counties outside the US offer tangible reference for what's possible: In Markham, Ontario, Equinix feeds recovered heat into the municipal energy system, helping warm York University's campus, community pools and facilities, and thousands of nearby homes and businesses.

Local unions and labor organizations

Entry point: Construction jobs are often temporary in data center construction, but community benefit agreements with strings attached speak to the principle that public investment should produce public return. Labor has fought this battle before in infrastructure, housing, and public transit. As the coalition grows, the larger public is able to gain increasing ownership leverage over renewable infrastructure.

Housing and community development advocates

Entry point: Waste heat capture routing to affordable housing and public facilities. Free or low-cost heating for public housing residents is a tangible, immediate benefit that connects the framework to existing housing justice work. In Markham, Ontario, Equinix feeds recovered heat into the municipal energy system, helping warm York University's campus, community pools and facilities, and thousands of nearby homes and businesses.

Small business associations

Entry point: Grid stability and lower commercial energy costs. Small businesses are disproportionately affected by brownouts and rate spikes. Demand response provisions that stabilize the local grid protect them directly.

Faith communities

Entry point: Stewardship and the common good. Many faith traditions have strong frameworks for thinking about shared resources and intergenerational responsibility. The public utility argument maps naturally onto stewardship language without requiring any political framing.

Local elected officials and candidates

Entry point: A concrete, deliverable policy win that is neither anti-growth nor anti-community. The framework gives an elected official something to point to, a real negotiation with real public benefit rather than a symbolic opposition that produces nothing. Lead with the common zoning loophole (by-right construction) and reference the Conditional Use Permit and Clawback Provisions as the tangibility of the agreement.

Building the coalition in practice:

Don't try to unite everyone around a single message before you start. Bring each group in through their own entry point and let the shared goal of public benefit become visible as the coalition grows. A union rep and an environmental organizer don't need to agree on everything to agree that the grid should belong to the public.

Hold a coalition meeting before any public action. Get each group's concerns on the table, identify the overlapping interests, and agree on the external message everyone can carry. Then show up to the zoning meeting together.

04.2 PART TWO: THE TWO-MESSAGE FRAMEWORK

Different audiences need different entry points into the same argument. Trying to carry the full framework into every conversation is the fastest way to lose people before they hear the part that would have moved them.

The Public Grid Project uses two distinct messages for two distinct contexts.

The internal message, for your organizing base:

"If capital can deploy AI as a tool that never needs to rest, never organizes, and never withholds its work, it becomes a permanent structural advantage over labor. The floor we need isn't just labor protections for humans - it's ensuring that the infrastructure AI runs on is publicly owned, so that the gains it generates return to the public rather than concentrating at the top. Maintaining that ownership floor is what keeps future tools possible."

This message is for people who already have the vocabulary; labor organizers, policy advocates, people who understand the ownership question and its implications. It asks them to extend their existing framework to include AI infrastructure as a labor issue.

The external message, for everyone else:

“The grid belongs to everyone who powers it.”

That sentence travels. It doesn't require anyone to have an opinion on AI. It doesn't ask anyone to accept public ownership as an ideology. It asks them to believe that *public infrastructure should serve the public* - a position that almost no one disagrees with once it's stated that plainly.

When carrying the external message in conversation, lead with the infrastructure reality: communities are already getting the costs of data center development - strained grids, depleted water tables, diesel backup generators running at 3am. The framework is about making sure they also get the benefits.

Reaching defensive audiences:

You will encounter two defensive audiences in this work. Some will be skeptical because they distrust AI and see any engagement with data center development as capitulation. Others will be skeptical because they see public ownership as anti-business or radical.

The external message is ***designed to reach both***. It doesn't ask anyone to change their position on AI, and it doesn't ask anyone to accept public ownership as an ideology. It asks them to believe that public infrastructure should serve the public.

For the anti-AI audience specifically:

You don't have to support AI to support public infrastructure. If this technology gets built regardless of how anyone feels about it, *and the evidence suggests it will*, the only question is whether the grid it runs on belongs to the public or to private capital. Opposing data centers without securing public terms just means they get built somewhere else, under worse conditions, with no community benefit.

For the skeptical-of-government audience:

This isn't about government running a tech company. It's about communities negotiating fair terms for something they're already being asked to provide. The Rural Electrification Administration, the Tennessee Valley Authority, and the Interstate Highway System were all built

this way, public investment producing public return. We're not asking them to build for free - we're asking them to earn the public subsidies they're already receiving.

Addressing the jobs argument: The most common pro-development argument you'll encounter is economic: jobs and tax base. This argument is thinner than it sounds. Data centers are not significant job creators, and many of the promised positions are temporary construction roles or low-paid, subcontracted operations jobs rather than permanent, well-compensated employment. This doesn't mean dismissing the concern, it means redirecting it. If the honest goal is durable community benefit, ownership of renewable infrastructure delivers more lasting value than a modest, temporary jobs program ever could. This reframe works well with audiences who are skeptical of the framework on economic-development grounds: agree that economic benefit matters, then make the case that ownership delivers more of it than employment promises do.

04.3 PART THREE: ANSWERING THE HARD QUESTIONS IN PERSON

The FAQ on the *Public Grid Project* website covers the most common objections in detail. This section gives you shorter, conversational versions for face-to-face exchanges where you have thirty seconds rather than three paragraphs.

“I’m opposed to AI entirely. Why should I engage with this?”

You don't have to support AI to support public infrastructure. If this technology gets built regardless, and the evidence suggests it will, the question is whether the grid it runs on belongs to the public. Opposing data centers without securing public terms just means they get built somewhere else with a less organized community, under worse conditions, and no community benefit. This framework is for people who want something real to show for the fight.

“Won’t this scare investment away?”

Demand for compute is intense and suitable sites are limited. Companies need these deals to happen. We're not asking them to build for free - we're asking them to earn the public subsidies they're already receiving. The framework deliberately includes elements such as cure periods in section 05 to ensure developers and communities can engage in real conversation. Many developers already partner on renewable generation. We're formalizing a public stake.

“Isn’t this just the government seizing private property?”

Nothing here is taken by force. Communities are negotiating the terms of approvals and incentives they already grant voluntarily. A company that wants public land, permits, and tax breaks can be asked to share ownership of what those public goods make possible. That’s a normal exchange.

“Isn’t this radical?”

Municipal energy ownership is standard across Northern Europe. The United States built the TVA and the REA on exactly this model. Meta’s data center in Odense currently heats 11,000 homes. This isn’t a new idea, rather, it’s catching up to democratic norms that have worked for generations.

“This sounds good in theory. Has it actually worked anywhere?”

Yes. Meta’s Odense facility heats more than 11,000 homes. Equinix’s Markham facility warms York University, community swimming pools, and thousands of nearby homes. Illinois ties data center incentives to carbon neutrality requirements. Virginia, Texas, and Kansas all attach job creation and wage conditions to their incentive packages. The mechanism exists and is being used. We’re proposing to use it more ambitiously.

And remember, if a developer pushes back on enforcement provisions:

Ask which of their commitments they don’t intend to keep.

04.4 PART FOUR: THE URGENCY AND THE LONG GAME

The window for this work is real but not permanent.

Corporate urgency (the desperate need for land, power, and permits) is highest exactly when a project needs local approval. **Once the concrete is poured, that urgency fades.** A developer who needed your community's grid interconnection yesterday has far less reason to return to the table once the facility is operational.

This means the time to negotiate is **before** approval, not after. Communities that wait to see how a facility operates before making demands will find that the leverage they held during permitting has expired.

At the same time, this is a long game. Not every negotiation will produce a full Public Benefit Agreement on the first try. Here is what partial wins look like, and why they matter:

A demand response commitment without ownership transfer is still a win. It establishes the principle that the facility operates as a community asset, creates a contractual relationship with enforcement mechanisms, and sets a precedent for future negotiations.

A net-zero construction requirement without community ownership of generation is still a win. It reduces the facility's environmental impact, demonstrates that conditions on incentives are accepted practice, and builds the case for ownership transfer in future negotiations.

A coalition that didn't close a deal is still a win if it's intact and organized for the next opportunity. Data center development pipelines move slowly. The community that lost this negotiation and stayed together will be better positioned for the next one.

Measure progress in relationships built, precedents set, and organizing capacity developed - not just in agreements signed. The communities that will capture the most public benefit from the AI infrastructure buildout are not necessarily the ones that negotiated hardest in 2026. They are the ones that built the most durable coalitions, established the clearest precedents, and showed up ready when the next developer came to the table.

[End of Section 04, Section 05 Begins on Next Page]

SECTION 05: TECHNICAL DETAILS

Further information for organized communities and municipalities looking to take the fight further, touching on different leverage starting points if a project is already accepted, key loopholes, liabilities, and more specific negotiation asks.

05.1 STARTING LEVERAGE

Most communities don't engage with this fight proactively. They engage when a specific data center is already proposed, sometimes already filed, sometimes already under construction. This section is for meeting that reality honestly; your leverage is real in every scenario, but it changes shape depending on when you're entering.

Three starting positions, ordered from strongest to weakest:

Position 1 — No project filed yet. Your community has the cleanest leverage available: reclassify data centers as conditional use before any specific developer shows up. This is the proactive case the rest of the framework assumes. Fastest path, least legal exposure, hardest to organize around because there's no urgent threat to rally against.

The Conditional Use Permit is the most accessible lever for everyday residents and organizers. It can be pursued through existing zoning processes without needing to pass new legislation. Municipalities with the political coalition for it can go further: a standalone ordinance (like Chandler, Arizona's) makes the requirement permanent and harder to reverse, rather than relying on case-by-case CUP enforcement. Most communities should start with the CUP. Section 05.2 covers ordinance language for those ready to pursue it.

Position 2 — A project is proposed but not yet approved. This is the *Inver Grove Heights, Minnesota* situation. Your leverage still exists, but moving to require conditional use review or pass a moratorium after an application is filed creates real legal exposure: developers can credibly argue the new rule specifically targets their project, which is the heart of the \$150 million litigation threat the city is currently facing. This doesn't mean don't act. It means the safest version of the action is one framed around studying impact broadly (a moratorium for assessment, not a denial) rather than a rule that obviously singles out the pending application. Document everything now! This is also exactly the moment for pre-construction baseline recording, regardless of how the zoning fight resolves.

Position 3 — A project is already approved or under construction. Your zoning leverage is largely spent. This is where the other choke points matter most: grid interconnection agreements, water agreements, and future expansion approvals remain genuine points of re-entry. A facility that wants to expand, renew a tax incentive, or modify its water agreement down the line has to come back to the table. That's your next opportunity. This is also where baseline documentation becomes urgent rather than optional, since it's your only path to enforceable accountability without a CUP already in place.

Entering late doesn't mean entering powerless. It means knowing which tools are still on the board and which require patience until the next decision point arrives.

05.2 SPECIFIC NEGOTIATION LANGUAGE

Section 03 covers what to ask for. This section covers how to write it so it holds up. The asks themselves don't change, these are the contractual mechanics underneath them.

Defining water consumption. Many existing ordinances fail because they don't specify that "water use" includes cooling, which is the dominant use case for most facilities. Illinois SB 2181 closes this gap directly: water consumption means "the total amount of water consumed by a data center, including water used for cooling, measured in gallons." Use this language as a baseline. Also require water sourcing disclosure broken down by category: blue sources (surface and groundwater, specified separately), piped municipal sources, and gray sources (reclaimed water) so the agreement can't be satisfied on paper by counting only the easiest-to-report category.

Defining renewable generation ownership. "Net-zero" and "renewable offset" can be satisfied through accounting mechanisms like renewable energy certificates (RECs) that don't require any physical infrastructure ownership transfer. If the intent is the ownership transfer described in Ask 02, the agreement needs to say so explicitly: generation capacity must be physically constructed, verified by independent audit, and the title transferred to the named public entity - not merely offset through credit purchases.

The classification decision. Before any of the above can be written into code, your city attorney faces a foundational choice: *define data centers as their own zoning use class*, or *fold them into a broader category like "large-load customer."* The former is precise and easier to target but invites "discrimination" claims from developers arguing they're being singled out. It's influenced some jurisdictions' choices, but it hasn't been heavily tested in court. The latter is harder to challenge on those grounds but risks pulling other industrial users into the same regulatory net, potentially creating unintended allies against the ordinance. There's no universally correct answer, **this is a strategic decision your community's legal counsel needs to make deliberately, not by default.**

Material breach, defined precisely. Vague language ("commercially reasonable efforts," "substantial compliance") gives a developer's legal team room to argue compliance even when a community would say otherwise. Define breach with specific, measurable thresholds tied to the verification mechanisms in **03.2** - a missed quarterly report, a verified shortfall against the audited baseline, or a failure to meet a phased milestone by its deadline.

Independent verification mechanics. Specify who selects the auditor (recommend municipal selection, not joint selection with the developer, to avoid a captured process), what happens

when a developer disputes a finding (binding arbitration, with arbitrator selection method specified in advance), and who bears the cost of a disputed re-audit (developer, regardless of outcome, to avoid incentivizing disputes as a delay tactic).

Phased release with cure provisions. A clawback shouldn't trigger on the first missed metric without warning. Specify a cure period (*commonly 60-90 days, depending on jurisdiction and materiality*) during which a developer can remedy a deficiency before incentive withholding or clawbacks activate. This protects the agreement's legitimacy - developers and courts are both more comfortable with enforcement mechanisms that include a fair opportunity to correct course, and it removes a common legal argument against enforceability. This is conventional contract design rather than a sourced data-center-specific standard.

Noise threshold standards. Sound ordinances vary widely in strength, and the specific decibel limits you negotiate matter more than the existence of a limit alone. Divide County, North Dakota's standard (*maximum 50 dBA during the day, 45 dBA at night*) is among the strongest currently in use and a reasonable target for residential-adjacent facilities. Marana, Arizona's 55 dBA standard for residential and mixed-use zones, applied both day and night, is more permissive but still defensible if Divide County's standard proves unachievable in negotiation. For context when presenting these numbers to officials unfamiliar with decibel scales: the *National Institute for Occupational Safety and Health* sets 85 dBA as the threshold requiring hearing protection in occupational settings, and data center noise at the property line can reach 92 dBA - meaning unmitigated facilities can produce noise levels exceeding workplace hearing-protection thresholds in residential neighborhoods. Avoid ambient-relative standards (setting limits as "X dBA above ambient noise"), which can become permissive if the baseline survey happens during an unusually loud period - this is a known weakness in some existing ordinances and should be replaced with a fixed numeric ceiling wherever possible.

Water threshold standards. Define "*large-quantity water user*" using a specific, sourceable threshold: 10,000 ccf (centum cubic feet), equivalent to 7,480,000 gallons per month. This threshold is calibrated to capture hyperscale facilities. A representative large data center project might use roughly 23 million gallons monthly, while excluding smaller industrial water users from unintended regulatory burden. Water consumption definitions must explicitly include cooling, which is the dominant use case and the most commonly omitted category in weaker ordinances.

Illinois SB 2181 offers verbatim language worth adopting directly: water consumption means "the total amount of water consumed by a data center, including water used for cooling, measured in gallons." Require water sourcing transparency broken into blue sources (surface and groundwater, specified separately), piped municipal sources, and gray sources (reclaimed water). This granularity prevents a developer from satisfying disclosure requirements by reporting only the most favorable category. For recycled water offsets, Phoenix's standard of 30% for users exceeding 500,000 gallons per day represents a minimum viable floor; a stronger position, drawing on AI Now's recommendation, sets the threshold at 50% for users exceeding 100,000 gallons per day.

Setback requirements. Require a minimum distance between data center facilities and residential property lines. The *AI Now Institute* identifies 2,640 feet (*half a mile*) as a meaningful standard; Tempe, Arizona's 500-foot rule is flagged as the strongest currently-passed ordinance but insufficient to meaningfully reduce noise and air quality impact on nearby residents. A related but distinct siting principle: Atlanta and Phoenix prohibit data center construction within 2,640 feet of high-capacity transit stops, recognizing that transit-adjacent land serves the public more effectively through other use. Communities should treat the half-mile standard as the target and Tempe's 500 feet as a floor below which negotiation should not go.

Model provision language: *'No data center facility shall be constructed or operated within [2,640] feet of any residential property line, school, childcare facility, or parkland. Where a developer demonstrates that the half-mile standard is technically infeasible given site constraints, a minimum setback of [500] feet from residential property lines shall apply, with mandatory sound barrier and landscaping requirements specified in the attached exhibit. Setback distances shall be measured from the nearest point of the facility's physical footprint, including any accessory structures, cooling equipment, or generator installations.'*

Infrastructure cost recovery. Require that data centers cover 100% of estimated public infrastructure costs tied to their water usage, particularly upgrades needed to support the facility's demand. Structure this as an *annual Infrastructure Impact Fee*, paid by the developer and deposited into a restricted municipal fund dedicated to water infrastructure, conservation programs, and drought resilience. This mechanism ensures that growth in capacity needed to serve the facility doesn't become a cost quietly absorbed by existing ratepayers.

05.3 LOOPHOLE PREVENTION

Developers and their legal teams are sophisticated, and they will look for the path of least resistance through any regulation your community passes. This section catalogs some of the most common loopholes and the precedent language that closes each one, and should not replace your city's own legal analysis.

Variance applications. Developers who don't qualify under existing zoning can apply for a variance, arguing financial hardship to sidestep restrictions like height limits.

Recommend prohibiting variance applications for data centers entirely, or setting the threshold for approval exceedingly high.

Cite Springdale, Pennsylvania, where a developer used exactly this route to bypass building height restrictions.

NDA & 'secrecy agreements.' As covered in the executive summary, the majority of Virginia jurisdictions with data center activity have signed NDAs restricting public disclosure of deal terms.

Recommend prohibiting public officials from signing NDAs on public-interest infrastructure matters, citing Big Rapids Township, Michigan's policy. For communities not ready to prohibit NDAs outright, recommend Pima County, Arizona's model: a 90-day sunshine period during which NDA terms expire and disclosure becomes mandatory before any vote.

Rezoning agricultural or historic land. Developers target farmland or land near historic sites for rezoning into industrial use, since it's often cheaper and less contested than industrial-zoned alternatives.

Recommend prohibiting this rezoning outright.

Cite Saline County, Michigan, where the community voted against rezoning 575 farmland acres. The developer sued, and the eventual settlement preserved 325 acres while securing \$14 million for farmland preservation and community investment. Useful precedent: even a lawsuit doesn't mean the community loses ground.

Building conversion loopholes. Developers convert existing commercial buildings into data centers, sometimes specifically to avoid new-construction review standards.

Recommend a building-age threshold, citing Atlanta's restriction limiting conversions to buildings more than 50 years old. This is old enough to encourage adaptive reuse, new enough to prevent newer commercial stock from being converted to avoid oversight.

Shell company and entity obscuring. Applications filed through LLCs that hide the true developer, operator, or end-user.

Recommend mandatory disclosure of all entities involved [parent companies, shell companies, ultimate operators] as a condition of application completeness.

Cumulative impact evaluation. A facility's emissions and environmental impact should never be assessed in isolation from what a community already carries. Colorado's Energy and Carbon Management Commission requires oil and gas operators to consider cumulative impacts when applying for permits - recognizing that a new source of pollution lands differently in a community already bearing significant environmental burden than in one that isn't.

Applying this principle to data center siting means requiring impact assessments that explicitly account for existing air quality, industrial density, and public health data in the surrounding area, not just the facility's standalone emissions profile. This is especially relevant for environmental justice considerations, where new industrial development is disproportionately sited in communities already carrying the heaviest burden.

Definitional gaps. How a jurisdiction legally defines "data center" determines what regulations apply.

Recommend adopting the precise definition language the *AI Now Institute* offers: *"A facility, or portion of a facility, used or planned for use for the housing, operation, and/or co-location of computer and communication equipment and/or other associated components related to digital data operations for the purpose of storage, management, processing, and/or transmission of digital information."*

Disclaimer as communities face a strategic choice: defining data centers as their own use class (precise, but vulnerable to "discrimination" claims from developers) versus folding them into a broader "large-load customer" category (harder to challenge as singling out one industry, but creates loophole risk by pulling in other industrial users).

By-right approval itself. The root loophole underlying most others. Recommend adopting the Chandler, Arizona ordinance language: *"Data centers are not permitted to operate unless explicitly approved."*

05.4 LIABILITIES

Some risks aren't about developers outmaneuvering you, they're about agreements that look strong on paper but contain structural weaknesses. This section covers the liabilities most likely to undermine an otherwise well-negotiated agreement.

NDAs as a community-side liability. Already covered as a loophole, but worth restating here from a different angle: communities sometimes sign NDAs not because a developer demands secrecy maliciously, but because officials don't realize what they're giving up until it's already standard practice locally. The liability isn't just the developer's tactic, rather, it's the precedent each NDA sets for the next negotiation.

Tax credit recapture periods. As detailed in Ask 02, immediate ownership transfer of renewable generation assets can cause a developer to forfeit federal ITC/PTC credits, which are typically tied to a five-year or similar recapture period. A community that demands immediate transfer without understanding this may either lose the negotiation entirely or unknowingly cost the developer money that gets passed back as resistance to other Asks. Deferred transfer structures, protected by interim PPAs, are usually the workable path.

Retroactive application risk. Covered in 05.1 - any new requirement passed after a specific application is filed creates litigation exposure, as *Inver Grove Heights, MN* is currently experiencing. The liability is structural: urgency to act can lead communities to pass protections reactively, which is exactly when those protections are most legally vulnerable.

Enforcement mechanisms without teeth. An agreement with no clawback provisions, no independent verification, and only nominal fines is not a safety net, it's a press release. The specific liability: a \$1,000 or \$5,000 penalty cap, as seen in some existing ordinances, is sometimes worse than no penalty at all, because it sets a price tag low enough that violation becomes a rational business decision.

Definitional looseness. An agreement that doesn't precisely define terms like "water consumption" (does it include cooling?) or "renewable generation" (does it specify ownership, or just offset accounting?) can be technically honored by a developer while substantively failing the community's intent.

None of the liabilities above are reasons to avoid negotiating. **They're reasons to negotiate carefully, with legal counsel involved from the start rather than brought in to clean up an agreement after the fact.** A framework this comprehensive can guide the conversation, it can't replace the judgment of the people in the room.

05.5 THE FRAMEWORK DEPLOYED AT SCALE

This is what becomes possible, not a promise of what comes next.

As the framework is adopted by more communities, the effect scales. If one community captures public ownership over renewable energy, the negotiation is even easier for the next community. The effect this could have on climate change is enormous.

Our current grid is largely powered by un-renewable sources, such as coal and oil, because this is the short-term solution from private companies attempting to turn profit. This leverage, applied at scale, means we can have **a renewable infrastructure build out that would be previously impossible to capture with traditional profit motivations.**

Additionally, **this will strengthen the grid as a whole.** Currently, our grid must essentially 'predict' demand ahead of time, and run the risk of brownouts when those predictions inevitably fall short. As electric vehicles, electric appliances, and data centers continue to increase demand, our current grid requires intervention to keep up. That's where data centers can play a unique role.

The benefit from having multiple data centers embedded directly into the grid means they can store excess energy, and direct that stored energy to underserved / excessively high demand parts of the grid. This is the **'Virtual Battery'** concept as described by Ayşe Coskun in her

TEDTalk, “The Story You’re Not Hearing About AI Data Centers | Ayşe Coskun | TED” on Youtube. Data centers, already equipped with massive battery infrastructure for their own operations, **function as distributed energy storage for the public grid. This is a unique flexibility our grid currently lacks**, but can offer renewable infrastructure built faster and at greater scale than utilities or governments could finance alone, all paid for by the same companies currently building data centers anyway.

Public ownership ensures that as this infrastructure generates value, the gains return to the communities and ratepayers who make it possible, not just to the companies building it. This framework aims to make sure ***the grid belongs to everyone who powers it.***

A final note:

The grid that gets built in the next decade ***will shape energy infrastructure for the next several decades***. What gets owned publicly now ***stays*** owned publicly. What gets captured by private capital now will require generations of political effort to reclaim.

You are not just negotiating a data center deal. ***You are deciding who controls the foundational infrastructure of the AI era***. That is worth the effort. That is worth the long game.

The grid belongs to everyone who powers it.

This concludes the Public Grid Framework V0.2.

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The framework is a living document. Send feedback, case studies, and model ordinance language to help us improve it.