Oregon Governor's Data Center Advisory Committee (DCAC)
Facilitator Summary

Session 1: Data Center Overview, Economic Development, Workforce Issues
February 27, 2026

The following Facilitator's Summary is intended to capture general discussion, reflections, concerns, and insights shared at the Data Center Advisory Committee's public session. This summary also indicates actions or issues that the Committee may need to discuss at upcoming sessions. This summary is not a transcript of the session. For more details on the Committee's work, and to view this session's agenda, presentation, and recording, please visit the ODOE's DCAC website.

Welcome and Introduction to the Process and People

Facilitator, **Donna Silverberg**, opened the session and explained the Advisory Committee Members' goal of approaching meetings as "learners." As such, the process has been set in the style of a 'Data Center University' where different ideas and information can be shared, questioned, and considered in an informal, public setting. Donna reviewed the meeting format, including the six scheduled meeting topics:

1. Economic Development and Workforce *(February 27)*
2. Water *(March 27)*
3. Land Use *(April 24)*
4. Energy and Affordability *(May 29)*
5. Other Committee-Identified Issues *(June 26)*
6. Public Listening Session and DCAC Recommendations Report *(July 31)*

The agenda committee designed Session 1 to focus on issues and ideas related to data centers that affect responsible economic development, increase long-term revenue that will strengthen Oregon's rural communities, and affect Oregon's workforce. They identified and invited panelists to address key issues to aid Committee Members as they develop recommendations for a policy framework that would create rewarding jobs and strengthen the workforce through data center development in Oregon.

DCAC Co-Chair, **Margaret Hoffmann,** reviewed the DCAC's purpose and expectations, thanked session participants, and emphasized the need for public engagement throughout the DCAC's scoping work and deliberative process to produce a set of actions and recommendations regarding the future of data centers in Oregon for the Governor's Office by October 2026. She emphasized that following the DCAC's work, there will be numerous opportunities for public process on policy recommendations pursued in the legislature. Co-chair **Michael Jung** noted that this is the first of a multi-phase process: once the Committee gives a recommendation to the Governor, she can decide when and how to engage stakeholders, agencies, and the Legislature.

Amy Schlusser, Governor's Natural Resources Climate Advisor, read Governor Kotek's Charge, the guiding document of the DCAC's work, which asks the Committee to develop actionable

recommendations that balance economic opportunity with protecting water, land, energy and affordability while preventing lasting negative environmental impacts. She noted that, since drafting the charge, the Governor has asked the DCAC to address tax policy as an additional item in the list of topics. Finally, she explained the Charge should not arbitrarily constrain the DCAC's examinations, and the Committee was encouraged to identify any matters requiring further consideration that they are not able to fully address due to time constraints.

Data Center Overview

Industry expert **Jeff Omelchuck** (former/retired ED of Infrastructure Masons), provided a brief overview on data centers to help the DCAC gain clarity surrounding the initial questions of:

- What is the current reality in Oregon? What do current data "centers" look like, how do they work, and how do they fit into their communities? How does this compare with potential future data centers?
- What are the prime conditions for siting data centers? When a company looks to develop a center, what do they look for? Who does a company work with to address economic development, affordability, workforce, water, land use, and other issues? How long does it take to develop a new center? What kind of investments and infrastructure may be required? How has market demand shifted in the last three years?

Jeff's presentation introduced the group to different data center classes and typical building layouts (colocation/multi-tenant, SaaS/cloud/hyperscale, hyperscale AI/gigawatt/GW), noting that hyperscale AI campuses are a newer, larger phenomenon that bring unique planning challenges for data centers and local jurisdictions. In the context of Oregon, the state's data center ecosystem (123 currently) includes internet exchange/telco sites in Portland/Hillsboro and cloud/hyperscale in Boardman/Umatilla. Oregon has a significant presence of major operators, as the state offers low-cost hydropower, fiber/APAC cable landings, and land. At the same time, Oregon does present development challenges, and there have been no GW-scale AI campuses so far. Jeff noted that the sheer scale of AI campuses is a cause of concern for some; their impact would affect the entire state, not just local communities.

Jeff clarified terms as he noted that a collective understanding on the definitions of "data centers" and all related terms is critical: PUE (Power Usage Effectiveness), WUE (Water Usage Effectiveness), the role of cooling (air vs. evaporative towers vs. liquid cooling), and the power–water tradeoff (more water can reduce electricity for cooling, and vice versa, but power generation may itself consume water). He noted that key site-selection factors for new data centers include reliable low-cost power, fiber connectivity (including APAC cables), available land, permitting certainty, tax incentives, and an available local workforce. Hyperscalers prioritize speed of getting up and running and renewable energy commitments.

In reviewing local impacts and considerations, Jeff noted economic benefits such as jobs, tax revenue, and developing infrastructure. Potential negative impacts include water use, cultural

landscape changes, noise, and heat rejection. He also emphasized the difficulty of upgrading or reusing sites (if/when a data center closes) and the importance of community engagement and fair cost sharing throughout a data center's lifespan. Finally, Jeff introduced the concept of "data center gravity," where the occurrence of one data center often leads to more data centers being built in the same area, clumping them together.

Committee Discussion and Q&A
- Q: Why do rankings put Oregon in different positions (top 2 vs top 10)?
  - A: Rankings use different geographies and metrics — some treat the Northwest as one market, some split Portland vs. eastern Oregon; some count megawatt/MW in operation, some count number of sites, some include planned capacity. That explains the variation.
- Q: Will data centers continue to cluster? What does it look like when an area is "full"?
  - A: Data centers cluster (see "data center gravity" above) until communities or infrastructure constrain them. For example, Northern Virginia shows strong community pushback, but industry will keep seeking locations until they are stopped; power is usually the first tapped-out constraint — when grid capacity is exhausted, new projects face major hurdles or need to build their own generation.
- Q: Are rack power densities being discussed?
  - A: Yes — rack densities are rising drastically (very high kilowatt/kW per rack); that trend is driving new facility design and making older footprints obsolete.
- Q: Does the President's Executive Order to "bring-your-own-generation" apply to all data centers?
  - A: It is unclear from available details; political efforts seem aimed at very large AI players; logistics and economics differ by facility, so applicability will vary. *[Facilitator's note: Committee members learned after the meeting that the President's effort is voluntary and not every data center had signed up.]*

What are the Economic Development Possibilities and Concerns for Oregon's Rural Communities?

A panel of speakers representing Tribes, local governments and the private sector provided the DCAC with insights into opportunities and concerns throughout rural Oregon, addressing questions including:
- What is the current reality in Oregon? How are the economics affecting current rural communities?

- What could a future look like? What would be helpful for rural and other affected communities?
- What are the gaps and barriers to get from here to there, and how could state government assist?

J.D. Tovey, Executive Director of the Confederated Tribes of the Umatilla Indian Reservation (CTUIR), spoke to CTUIR' perspective on data centers, expressing strong concerns about water use and the long-term impacts to Tribal natural resources (salmon, fisheries, and groundwater), as well as cultural landscape and trust lands as targets for data center growth. He emphasized the Tribes' concerns related to private Non-Disclosure Agreements (NDAs) that delay or hide project details from Tribes and other locals, highlighting a critical need for transparency. J.D. offered the Tribes' recommended protections: Memorandums of Agreement (MOAs) for heat reuse, workforce residency commitments, workforce training education pipelines, and government-to-government consultation if small modular reactors (SMRs) or nuclear power are considered in the future. He noted that the Tribes currently have more questions than answers and looks forward to learning more through this process. They are especially eager to learn whether data centers are taking advantage of host communities.

Prineville City Manager **Steve Forrester** presented on Prineville's transformation due to data center presence. He described the city's shift from 20% unemployment when timber mills were lost to around 6% since data centers arrived; the resulting increase in wages has leapt from near worst in the state to now second only to Washington County. He emphasized major benefits to the local infrastructure, schools, police station, higher graduation rates, and recruitment of new businesses. Steve reported fiscal benefits including franchise fee revenues (around $8–10M recently) and property tax base growth (enterprise zone exemptions phasing in next year) and highlighted how data center dollars have funded roads/rail and other community improvements. The city implemented strategies to leverage data center investment to build an Aquifer Storage and Recharge (ASR) system and other vital infrastructure that have resulted in workforce multipliers and local supplier growth. Steve also emphasized data center constraints, warning that the area is nearing transmission/power limits and urged for strategic local power generation and planning. Prineville Mayor, **Jason Beebe,** added to Prineville's positive experience with data centers, emphasizing how they have transformed the local economy, delivered long-term community benefits, and created opportunities for current and future generations. He noted he was living proof of the positive impact data centers have had on his community: he transitioned from the tire industry to data-center-related work and credited local incentives with a favorable climate/PUE as key reasons data centers want to be and are located in the area.

Craig Reeder, CFO of Madison Ranches, spoke from a rural economic perspective, describing the loss of timber jobs and local economic distress that existed pre-data centers and the dramatic benefits data centers have brought including jobs, tax/in-lieu payments, and infrastructure

investments. He noted that Amazon has invested heavily in the region, specifically $54M in 2024 property taxes and $700M in local water infrastructure investment for the region. Craig also emphasized the importance of farmland/forest stewardship, urging co-investment (such as biomass, local generation, and forest health initiatives) and cautioned about over-reliance on any single industry. He advocated for strong leadership in local planning and mitigation funds to support outside expertise and assistance negotiating large and more sophisticated agreements with big tech companies who have more experience than most municipalities and can support collaborative approaches to dispute resolution.

Mark Morgan, Assistant City Manager, Hermiston, reported that by using geofencing, an analysis of six operational hyperscale sites found around 350–700 distinct individuals frequented each operational site over a year (around 400 onsite personnel, averaging 7 hours/day per visit); about 62% of those workers lived in Umatilla/Morrow counties and around 33% came from Benton/Franklin counties (Tri-Cities, WA), indicating a strong local/regional workforce draw. Geofenced active construction site analyses estimate between 500–1,200 on-site construction workers at peak; about 1/3 local, and 25% from nearby WA counties. Mark emphasized that operational headcounts are far lower than construction headcounts and much construction hiring is contractor-based. The data support local economic benefits, but he noted that transparency and exact counts do vary.

Committee Discussion and Q&A
- Q: Do you see Oregon attracting hyperscale AI campuses or more of the smaller/medium builds? Is Oregon a prime location for hyperscale?
    - Jeff: There are no clear hyperscale AI campuses in the Northwest today; Oregon has assets such as fiber and low-carbon power, but scale and community implications are significant — it's a policy/community choice whether to court that scale.
- Q: Could tribal trust lands be used for data centers or renewable energy development?
    - J.D.: Off-reservation trust lands have Tribal jurisdiction, and some industrial lands exist, but Tribes are cautious about hosting data centers — renewables and geothermal exploration are of more interest. He noted that government-to-government consultation is essential.
- Q: How did the community handle water constraints and electricity capacity — what allowed further growth?
    - Steve: Prineville, in collaboration with data centers, built an aquifer storage and recharge (ASR) system, partnered on infrastructure projects (water and roads), and pursued local generation options. They also coordinated with utilities and BPA studies that favored local generation as a path to more capacity.
- Q: What happens if data centers become obsolete? Will sites be orphaned?
    - Jeff / J.D.: Some risks exist. Hardware refresh cycles and changing technology can make older facilities obsolete, but hyperscalers typically refresh themselves.

Communities should require decommissioning plans and financial surety upfront. Reuse/repurposing is difficult and requires planning.

What Workforce Benefits and/or Concerns Do Data Centers Present for Oregon?

Another panel of speakers provided insight and perspectives on workforce issues and opportunities data centers create in the state. They addressed questions including:

- What effect do data centers have on Oregon's workforce?
- What could a future look like that improves benefits to Oregon's workforce?
- What are the gaps and barriers to get from here to there and how could state government assist?

Mark Browning, Blue Mountain Community College (BMCC) President, highlighted popular training programs they have developed and offer, specifically a 9-month data center technician certificate and an infrastructure-focused program. BMCC serves a vast geography that, while sparsely populated, is home to many of the state's largest data center facilities and employment opportunities. In addition, they offer apprenticeships in electrical and plumbing fields that have waiting lists. He noted the issue of completion vs immediate hire by which cohorts can lose students mid-program because students will take jobs as soon as they are offered. Mark recommended stackable credentials, a high school dual-credit, and scholarship to support reducing debt barriers and improving completion rates. The college serves a large six-county region and partners with Amazon Web Services (AWS) and local employers on scholarships and equipment.

Robert Camarillo, Oregon State Building and Construction Trades Council Executive Secretary, spoke to the scale and value of construction work at new data centers, highlighting that data centers are multi-craft construction projects (20+ crafts), that can employ many union members at peak construction, and provide well-paid jobs with benefits. He noted that these jobs support families and local economies and, as such, opposed any moratoria on data center projects: they offer more than just one-time construction opportunities, as "data center gravity" and regular upgrades and rebuilds can mean steady work in data center cluster locations. Robert also noted that building trades run multi-year, self-funded apprenticeships and graduates typically finish without debt and have strong job prospects. LiUNA L.U. No. 737 Business Manager and Oregon Building Trades Vice President, **Zach Culver**, added background on the scope of craft work, noting that laborers manage site prep, utilities, concrete, stormwater, traffic control, final cleanup, and other support work. He emphasized that union trainings are funded via employer contributions.

OPEIU Labor Union No. 11 Business Manager, **Howard Bell**, offered an energy supply perspective, highlighting the importance of coordination between gas and electric utilities. He emphasized on-site generation options and low-carbon fuels (hydrogen) for reliability, while

flagging carbon pricing (CPP) as a cost pressure—he advocated for revisiting policy and designs to protect competitiveness and ensure workable decarbonization strategies.

Electrical professionals from chapters of Oregon's IBEW Labor Union, **Chris Carpenter**, **Bill Jepson**, and **Derek Thill**, provided perspective on an apprenticeship and workforce scale: IBEW runs five-year inside/line apprenticeship programs, and trains large numbers of electricians and linemen. Data center construction has driven local workforce expansion in some regions; one local union in central Oregon grew from around 40 to just under 500 electricians. They highlighted the skill transferability that these jobs offer: across data centers, utility, and renewable projects where safety and standards are held in high regard. Local training centers and dispatch systems support the workforce deployment. From a Linemen perspective, coordinated planning for permits and project timing is key to mitigate transmission and permitting constraints and avoid waiting on interconnection bottlenecks.

Committee Discussion and Q&A
- Q: Why do many students drop out of the 9-month technician program? Is that a pipeline problem?
    - A: Dropouts are often hired by employers mid-program; that reduces completion rates even as students gain employment. Solutions discussed included micro-credentials, stackable certificates, scholarships, and dual-credit high school pilots to stabilize completion.
- Q: How are skills transferable between data centers and other infrastructure (such as renewables and transmission lines)? What is the apprentice age profile / recruitment challenge?
    - A: Skills are transferable across data centers, renewable energy, and transmission work. Apprenticeships are multi-year and funded; there are recruitment gaps in some regions and constraints related to job availability and site timing. Average member age was between 48–50 for one union; programs are training thousands of apprentices statewide.

Continued General Committee Discussion and Q&A
- Q: What cooling options exist and how do they trade off power vs. water? How should the committee view those tradeoffs?
    - Jeff: For cooling types: evaporative (cooling towers) uses substantial water but lower electricity; free-air cooling uses little water; liquid cooling is rising and changes water use dynamics. Reducing data center water can increase power needs at the plant level. As such, it is important to consider lifecycle tradeoffs and local resource availability.
- Q: Where is the grid/transmission the binding constraint? What's the solution to the lack of interconnection/transmission?

- o Steve, Others: Power is binding in many regions. Solutions include local generation, strategic transmission upgrades (e.g., Project Blue Bird line), and pre-planned transmission "highways." Coordination with BPA and utilities is required. Project timelines and permitting are also constraints.
- Q: Are there technologies to lower water use in cooling towers?
  - o A: Yes, presented research and field data showing treatments/controls that reduce scaling, improve tower efficiency, lower blowdown and water use, and extend equipment life. Speakers recommended pilots and verification, also noting that direct-to-chip cooling would alleviate water usage.
- Q: How should the state engage Tribes and address cultural/resource impacts?
  - o Tribal Representatives: Engage in government-to-government consultation for projects affecting tribal territories; insist on consideration of salmon, groundwater, and cultural resources; and seek MOAs and co-management where appropriate.

Public Comment & Committee Listening

The DCAC offered elected Officials from state and Tribal governments, environmental advocates and interested members of the public an opportunity to provide public comment in 2-minute timeframes. The DCAC heard public comments from: Oregon State Senator Khanh Pham, Klamath Tribes Chairman William Ray, Jr., Elayna Trucker, Jody Wiser, Robert Freeman, David Brown, Kelsey Shaw Nakama, Kelly Campbell, Lynn Handlin, Dirk Knudsen, Pete Lee, Nellie McAdams, Jacob Roloff, and Michael Eschete. *[Facilitator's Note: DCAC staff will compile public comments and include them as an appendix in the final Report to the Governor.]*

Next Steps and Action Items

The next DCAC meeting will be on March 27, 2026, focusing on **WATER** (data center water use, cooling options, water rights and aquifer impacts, Tribal water rights, etc.). Moving forward, the DCAC committed to adding online listening sessions and other public engagement opportunities so more voices can be heard.

- Multiple session attendees requested public reporting on water and energy consumption by data centers and clearer financial transparency for tax abatements and incentives.
- Tribal Representatives requested formal government-to-government consultation for all future session topics that impact Tribes.
- DCAC support staff will post meeting materials and open a public comment channel on the ODOE DCAC website, as well as information on listening sessions and future meeting schedule/topics and respective subject-matter experts.

- ➤ **ACTION: Oregon Dept. of Energy / Committee Staff**: Post slides, meeting materials, and session calendar to the ODOE website; provide the public contact email and instructions for written comments — *due asap / ongoing.*

➢ **ACTION: Committee Chairs & Staff**: Schedule and announce dedicated online public listening sessions (target between March-July DCAC sessions) — *due asap.*

➢ **ACTION: Committee / Staff**: Add tax policy as an explicit agenda item for a near-future meeting (likely at the June meeting) and coordinate subject-matter experts (tax analysts, state revenue) — *due by June session prep*.

➢ **ACTION: Blue Mountain Community College & Workforce Partners**: Continue to refine training-to-placement pathways (micro-credentials/stackable certificates, HS dual-credit pilots) and share proposals with the Committee for funding/partnership — *ongoing; propose pilot(s) before May Session*.

➢ **ACTION: Local Governments & Tribal Officials**: Identify models the committee can review regarding community benefit agreements (local hiring percentages, heat re-use MOUs, in-lieu payments, workforce development commitments) and provide MOA examples to Committee staff — *due by May Session*.

➢ **ACTION: Committee Staff and Chairs**: Compile list of outstanding data needs (water use metrics, energy procurement/PPA commitments, local tax impact analyses) and request data from utilities, operators, and state agencies — *send initial data request within 2–3 weeks*?

Adjourn Public Meeting

Donna thanked everyone for their thoughtful, respectful, and engaged discussion on this important topic and adjourned the session.

This summary has been prepared by the Facilitation Team to help the DCAC track issues discussed and follow-up actions between sessions. All committee members reviewed the summary and offered refinements, that the facilitation team integrated into this final version. Questions or comments may be sent to colby@dsconsult.co.

Participants Present for All or Part of Session 1:

<u>DCAC Members</u>: **Dan Dorran**, **Greg Dotson**, **Bill Edmonds**, **Margaret Hoffmann**, **Michael Jung**, **Tim Miller**, and **Jean Wilson**.

<u>Speakers</u>: **Howard Bell** (Business Manager, OPEIU L.U. No. 11), **Mark Browning** (President, Blue Mountain Community College), **Robert Camarillo** (Executive Secretary, Oregon State Building and Construction Trades Council), **Chris Carpenter** (IBEW 48), **Zach Culver** (Business Manager, LiUNA L.U. No.737 & Vice President, Oregon Building Trades), **Steve Forrester** (Prineville City Manager), **Bill Jepson** (IBEW 125), **Mark Morgan** (Assistant City Manager, Hermiston), **Jeff Omelchuck** (Retired ED, Infrastructure Masons), **Craig Reeder** (CFO, Madison Ranches), **Amy Schlusser** (Governor's Natural Resources Climate Advisor), **Derek Thill** (IBEW 125), **J.D. Tovey** (ED, Confederated Tribes of the Umatilla Indian Reservation).

<u>Technical Support</u>: **Chelsea Dobbin** (UofO), **Lexi Hernandez** (UofO), **Maeve Hogan (**Committee Staff, environmental planner**)**, **Michael Kluz (**Committee Staff**)**, **Anca Matica** (Communications and Policy Advisor for Natural Resources, Governor's Office), **Nate Redinbo (**PSU**)**, **Brenton Riddle** (UofO), and **Douglas Quirke** (UofO).

<u>Facilitation Team</u>: **Donna Silverberg** and **Colby Mills**, DS Consulting.