

MINNESOTA

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Data Center Regulatory Coordination



Webinar Goals

- Encourage stakeholders from local governments and the data center industry to engage early with Minnesota Business First Stop
- Review the role of state government agencies in permitting data center projects
- Explain how our interagency coordination and planning will prepare data center projects to navigate state processes more effectively

Agenda

Topic	Time
Introduction	10:00 a.m.
Public Utilities Commission Update	10:05 a.m.
MBFS / Data Center Coordination Team	10:20 a.m.
Early-Stage Project Guidance	10:30 a.m.
Regulatory Planning & Coordination	11:00 a.m.
Question & Answer	11:15 a.m.



PUC Update on Data Centers and Large Electric Loads

Mike Bull, Deputy Exec. Secretary

Key Takeaways

- Existing state laws protect utility customers from having to pay for infrastructure or other costs a utility might incur to serve a data center
- Many state agencies are potentially involved in the review of data center projects, including DNR, Environmental Quality Board (EQB), MPCA, and PUC
- The PUC's interaction with data center projects is limited to ensuring that data centers cover the full costs of their service, and approving data center backup power generation proposals if above a certain size
- Several bills were proposed during the 2026 legislative session relating to data center regulation, but none were passed

Data Centers: What's the PUC's Role?

- 1. Review and approve framework tariffs for “Very Large Customers” to protect ratepayers from costs driven by service to data centers**
 - Three dockets to establish these “large load tariffs,” one for each investor-owned electric utility; must be approved by December 2026
- 2. Review and approve “Electric Service Agreements” that establish the specific terms and rates of service to hyperscale data centers**
- 3. Review and approve CONs and site permits for data center back up generation above a certain size proposed to serve a data center, and depending on technology.**

Very Large Customer Tariffs

- **Minn Stat section 216B.1622**, establishes protections for ratepayers regarding data centers (called “Very Large Customers” in this statute)
- Requires the Commission to ensure that:
 - **All costs attributable** to the utility's very large customers are assigned to the very large customer class and not charged to customers outside that class
 - Generation resources needed to serve a Very Large Customer must meet **each milestone of the Carbon Free Standard**
- Same legislation also required hyperscale data centers to pay into a low-income home weatherization fund managed by the Department of Commerce

Data Center Backup Generation – Certificate of Need

- Minn. Stat. 216B.243 requires that certain electric generation facilities over 50 MW **must first obtain a CON**
- **This includes a Proposal for Backup Generation at a Data Center**
- Energy Storage projects and Solar and Wind projects for CFS compliance are exempt from CON
- A key requirement of a CON is an **evaluation of alternative means** of meeting the specified energy demand
- This alternatives analysis covers both **costs and environmental impact**
- Also, a **CON may not be issued for a Non-Renewable Project** unless the applicant has thoroughly explored using renewable resources

Data Center Backup Generation – Environmental Review

- Minn. Stat. 216I.05 requires that electric generation facilities over 50 MW (in a single facility or in aggregation) **must first obtain a Site Permit** from the Commission
- **Again, this includes a Proposal for Backup Generation at a Data Center**
- To receive a site permit, a **project must undergo environmental review** by the Commission
- **Environmental Assessment:**
 - Generation between 50-80 MW
 - Natural Gas, Solar and Wind projects above 50 MW
 - Energy Storage above 10 MW
- **Mandatory EIS:** All Other Projects

Hypothetical Examples

- A Data Center with Backup Generation Over 50 MW:
 - **Fueled by Natural Gas** – CON and Site Permit with Environmental Assessment (concurrent)
 - **Fueled by Diesel and over 80MW of capacity** – CON and Site Permit with Mandatory EIS (concurrent)
 - **Fueled by Wind, Solar and Energy Storage** – Environmental Assessment (but no CON if used for CFS compliance)

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Minnesota Business First Stop



Minnesota Business First Stop was initiated by statute in 2012

- SF1567, Article 1, Section 8. 116J.035
- Signed into law on 4/2/2012 and effective 7/1/2012.

(a) The commissioner of employment and economic development shall, through the multiagency collaboration called "Minnesota Business First Stop," ensure the coordination, development, implementation, and administration of state permits...

Includes representation from nine state agencies:

- The Department of Agriculture
- The Department of Commerce, Division of Energy Resources
- The Department of Iron Range Resources and Rehabilitation
- The Department of Labor and Industry
- The Department of Natural Resources
- The Department of Revenue
- The Department of Transportation
- The Minnesota Pollution Control Agency

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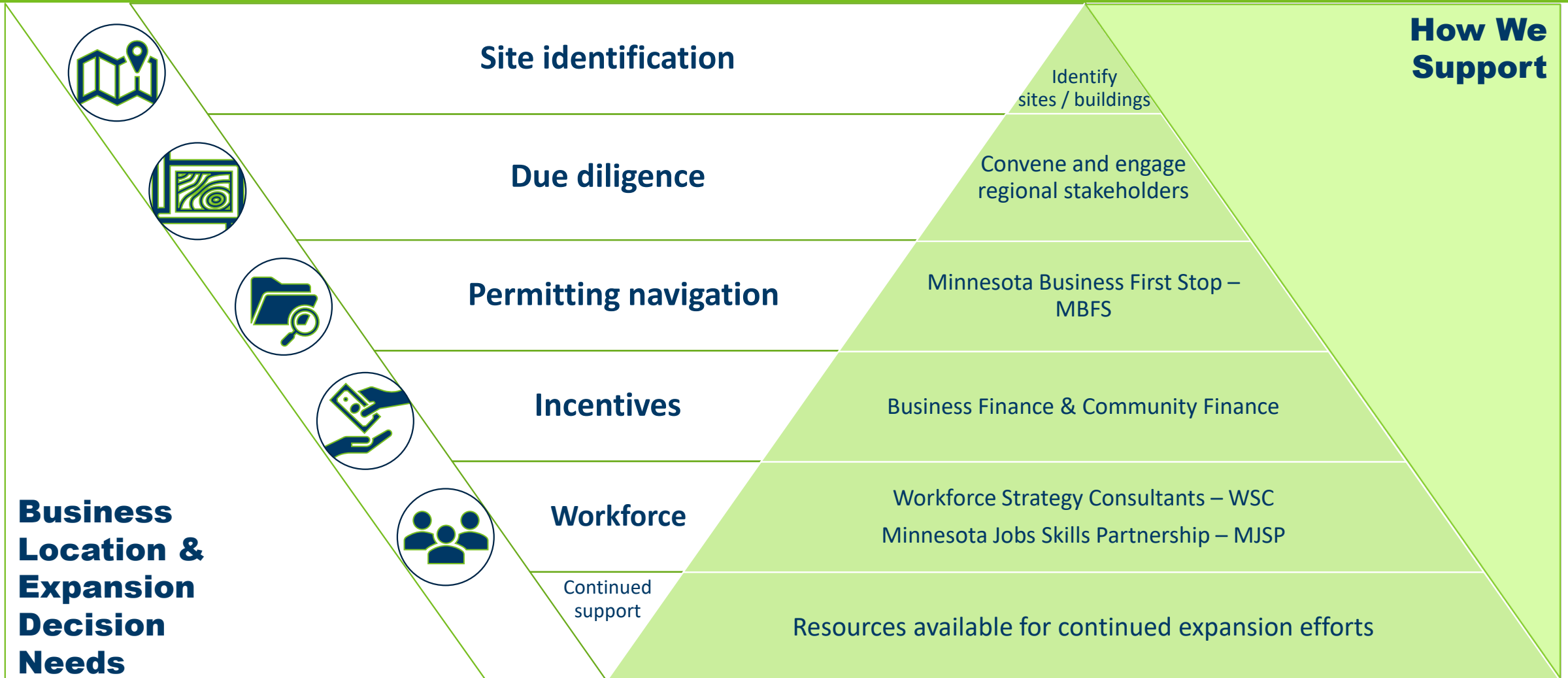
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DEED Business Development Team

- Regional Business Development
- Minnesota Business First Stop
- Minnesota Job Skills Partnership
- Workforce Strategy Consultants
- MSP Foreign Trade Zone Administration

Help at Any Stage



DATA CENTER LAW – CHAPTER 12 – HF 16

- Requires inquiries related to the permitting of data centers to be referred to MBFS
 - Specifically requires MPCA, DNR, Department of Health (MDH) and the Board of Water and Soil Resources (BWSR) to refer permit inquiries to MBFS
- Authorizes DNR to conduct pre-application evaluation of water use by data centers requiring 100 MGY
- Defines qualified large-scale data center for tax purposes
- Extends the sunset for the sales tax exemption for qualified, qualified-refurbished, and qualified large-scale data centers to the later of 35 years from first qualifying purchase or June 30, 2042.
- Requires qualified large-scale data centers to certify to the Department of Commerce that the facility has attained certification under one or more named sustainable designed or green building certifications.
- Requires the Department of Commerce to collect an annual fee from a qualified large-scale data center based on peak demand

MBFS Data Center Coordination Team

Objectives

Provide Regulatory Clarity

Offer developers a single pre-application point of contact to facilitate inquiries related to data center regulation

Developer Education

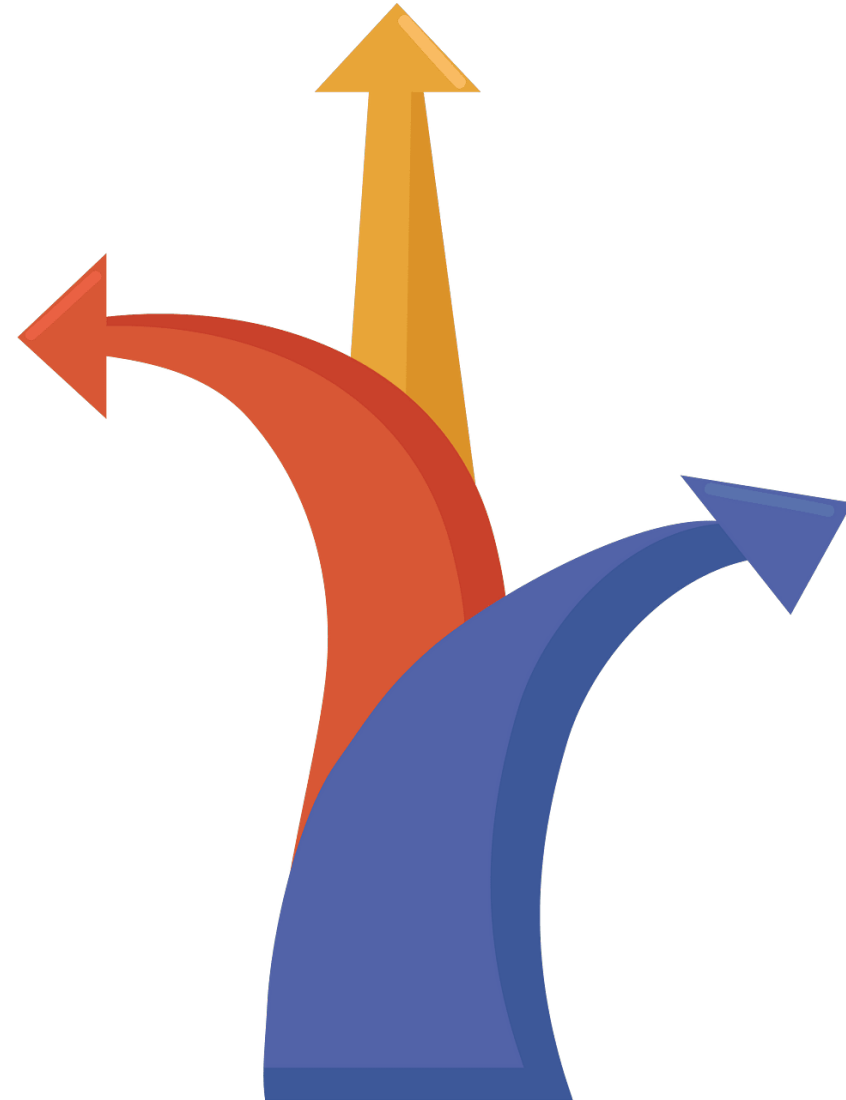
Inform developers on environmental review processes, resource management opportunities, and permitting requirements to assist with site evaluation

Coordinated Agency Guidance

Develop environmental review and permitting timelines across agencies with input from project stakeholders

Support Compliance

Enhance communication regarding prevailing wage, tax credit certification, and regulatory obligations



MBFS Data Center Regulatory Guide



Minnesota has seen an influx of data center proposals in recent years¹ which have raised many questions for business and community leaders to consider, not least of which is how the state's regulatory landscape lends itself to their development. In 2025, the state legislature identified [Minnesota Business First Stop](#) (MBFS) as an open door for developers and project proposers to turn to for answers. To start, agencies represented at Minnesota Business First Stop created this guide for stakeholders to better understand the state laws, policies, resources, and goals that often apply to data center projects, and how they would apply in the context of project development.

Depending on design, there are several potential characteristics to a data center that may each require a variety of state permits, licenses or reviews. The guide below outlines regulatory considerations within each characteristic that project proposers will want to review for applicability when developing their regulatory pathway¹.



ENVIRONMENTAL REVIEW

Minnesota has a state-level Environmental Review process, which evaluates how a proposed project might impact the environment. It is an informational gathering process that helps guide permitting decisions without directly approving projects. While Environmental Review and permit applications can take place simultaneously, permits and other government decisions will not be issued until Environmental Review is finished.

The [Minnesota Environmental Quality Board](#) (EQB) has developed a [Data Center FAQs page](#) to clarify environmental review requirements for data centers in Minnesota.



SITE & BUILDING

- **Total Building Square Footage** – The size of your facility will factor into several regulatory considerations, from [Environmental Review](#) to [Sales Tax Exemptions](#).
- **Utility Right-of-Ways** – The [Minnesota Department of Transportation](#) (MnDOT) has developed [guidance](#) for Large Energy Facility projects that affect MnDOT-owned land, rights-of-way, and other areas of concern.
- **Stormwater Pollution Prevention Plans** – The [Minnesota Pollution Control Agency](#) (MPCA) has provided [guidance](#) to develop prevention plans for both Construction and Industrial stormwater permits.
- **Plumbing Plans** – For review and approval by the [Department of Labor and Industry](#) (DLI) or [authorized municipalities](#).
- **Prevailing Wage Compliance** – Qualified Large Scale Data Centers will need to certify that [prevailing wages requirements](#) will be met during the construction of their facility.
- **Climate Smart Building Designs** - Large-Scale or 'hyperscale' data centers filing for the [Qualified Data Center Tax Credit](#) are required to certify to the Commissioner of Commerce that the facility has attained certification under one or more named sustainable design or green building standards.

¹ Please note: MBFS does not provide legal advice or lobbying services. This guide, and any services provided by MBFS, may not address all regulatory requirements applicable to a particular project. Final permitting, licensing, reviews, and other determinations are made by the federal, state, and local entities with subject matter jurisdiction or other relevant authority over their particular field.

- Developed by the Data Center Coordination Team
- Released April 2026
- Organized by potential project characteristics
- Several links to other resources, including EQB Data Center FAQs page
- Available online:
<https://mn.gov/deed/dobusiness/doing-business-here/location-expansion-assistance/permitting/>

Early-Stage Project Guidance

MBFS Data Center Coordination Team is available to connect with project proposers at an early stage to review design options and related regulatory implications

- Environmental Review Questions (EQB)
- Pre-application Water Determination (DNR)
- Large Energy Infrastructure Coordination (MnDOT)
- Potential MPCA permits (MPCA)
- Prevailing Wage Questions (DLI)



Environmental Review

Catherine Neuschler | Executive Director

Environmental Quality Board

Who is the EQB?

- Seventeen-member board made up of agency leaders and public members
- Administers environmental review program
 - Oversee rules and administer processes
 - Staff provide technical assistance
 - Work closely with state agency members and other RGUs



Minnesota's Environmental Review Program



Minn. Stat. 116C

Creates EQB



Minn. Stat. 116D

Minnesota
Environmental
Policy Act



Minn. R. 4410

ER program
rules

- ***Informs*** permits and project decisions
NOT an approval process
- Provides information on multiple potential impacts during a project's design phase
 - To identify the potential for significant environmental effects
- Moratorium on construction and governmental decisions until complete

Minnesota's Environmental Review Program

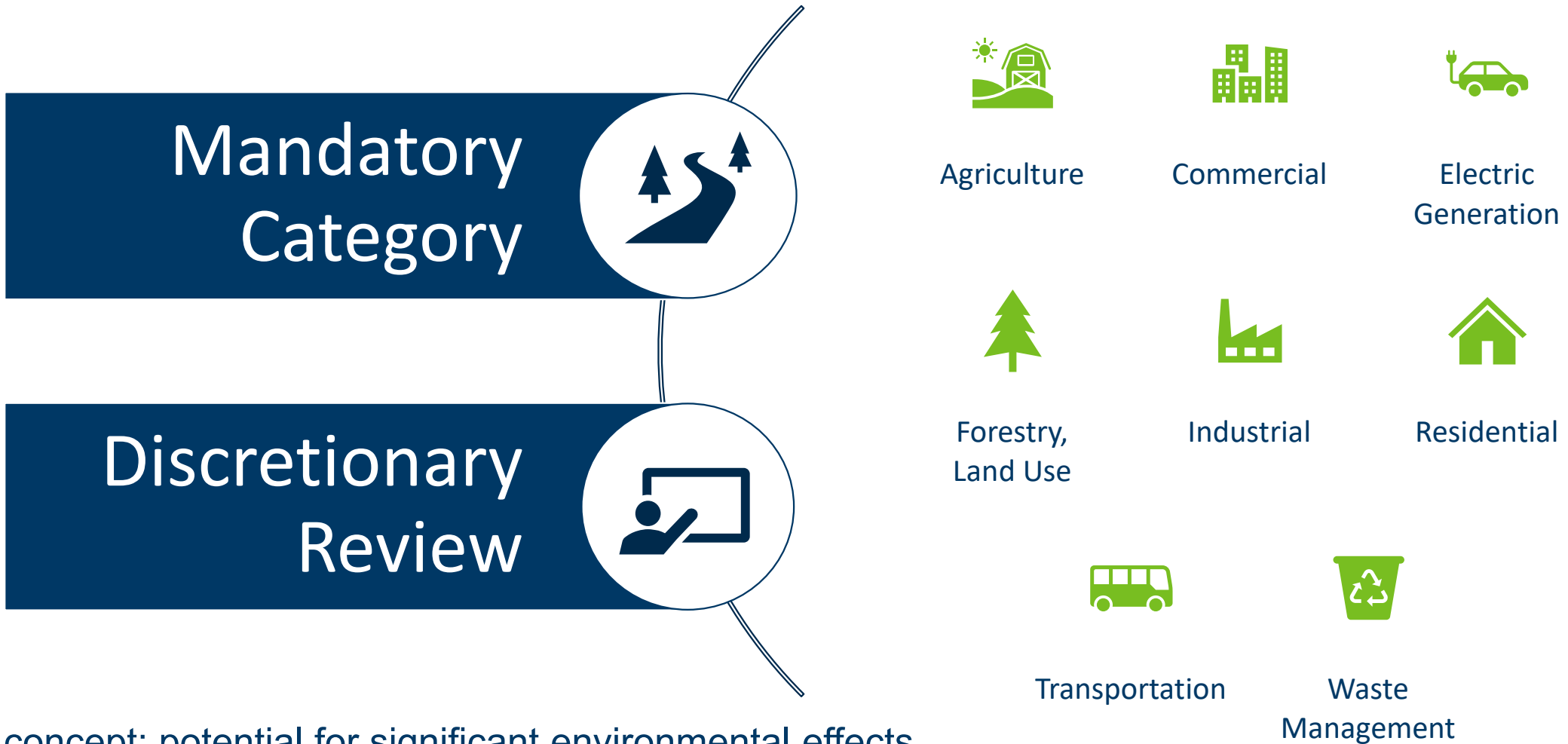
- **Objectives (Minn. R. 4410.0300)**

- Provide *usable information* to the project proposer, governmental decision makers, and the public on environmental effects of the project
- Provide the public with access to decision makers, which helps *maintain public awareness of environmental concerns and encourage accountability*
- *Delegate authority and responsibility for environmental review to the governmental unit most closely involved in the project*
- Reduce delay and uncertainty in the environmental review process
- Eliminate duplication

Minnesota's Environmental Review Program

- Most projects go through review under Minn. R. 4410
 - Required review and exemptions
 - Types of review
 - Procedures for review
 - Decision criteria (based on potential for significant environmental effects)
- Certain energy projects have a separate track – through PUC
 - HVTLs; large electric power generation (> 50 MW); battery storage and similar
 - Environmental report at certificate of need stage
 - Review during site and route permitting process (Minn. Stat. 216I)

When is review required?



Key concept: potential for significant environmental effects

Types of review under Minn. R. 4410

Environmental Assessment Worksheet (EAW)

- 80% of all reviews are EAWs
- Prescribed form provided by EQB – 22 items to answer
- Intended to be a brief document, setting out basic facts
- Determine if the project has the potential for significant environmental effects
- If yes, an EIS is ordered

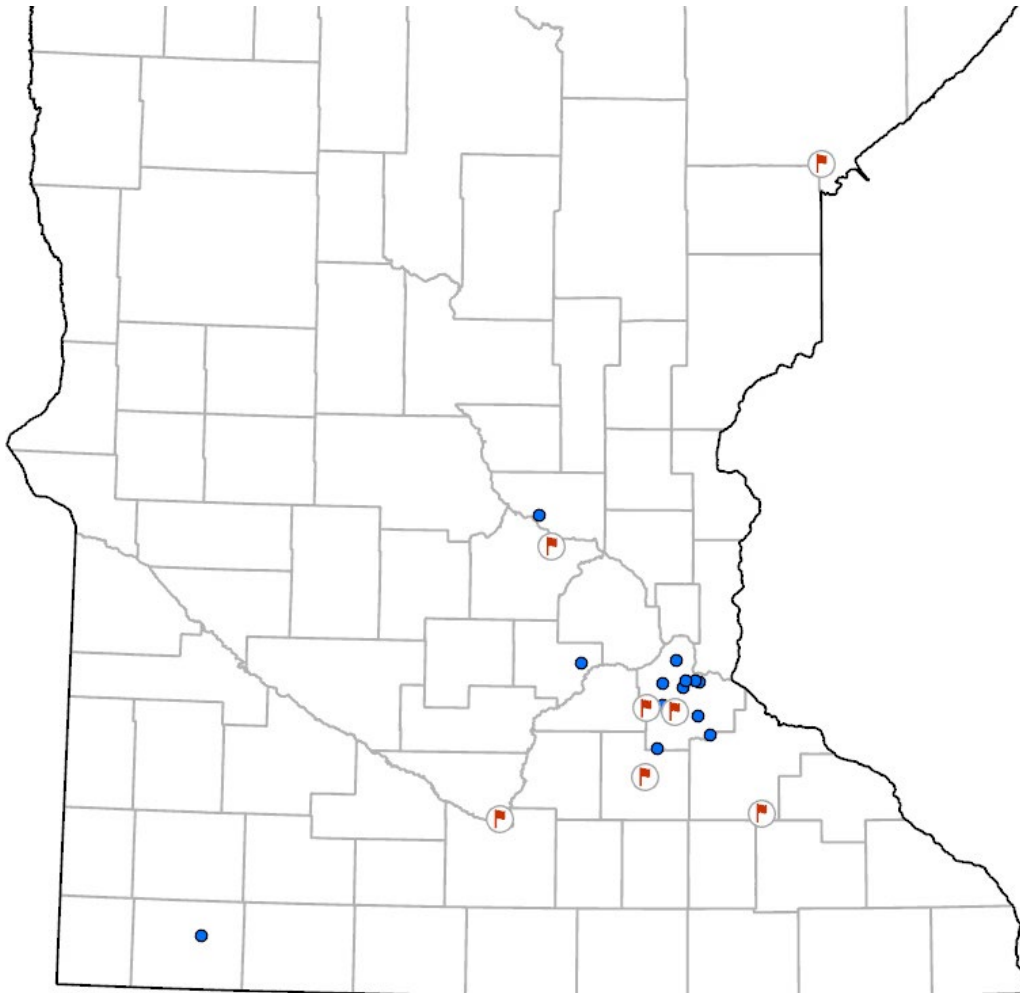
Environmental Impact Statement (EIS)

- For projects that have the potential for significant environmental effects
- More complex; requires scoping
- Must review reasonable alternatives; environmental, economic, employment, and sociological impacts; include mitigation
- Final decision is if the EIS is adequate

Alternative Urban Areawide Review (AUAR)

- Requires a comprehensive plan
- Reviews development scenarios
- Covers a defined geographic area
- Used in place of an individual project EAW or EIS
- *Limited* to residential, commercial, warehousing and light industrial
- Five-year expiration; can update

Potential data center activity



Data includes documents submitted to the EQB Monitor ~ Spring 2023 onward.

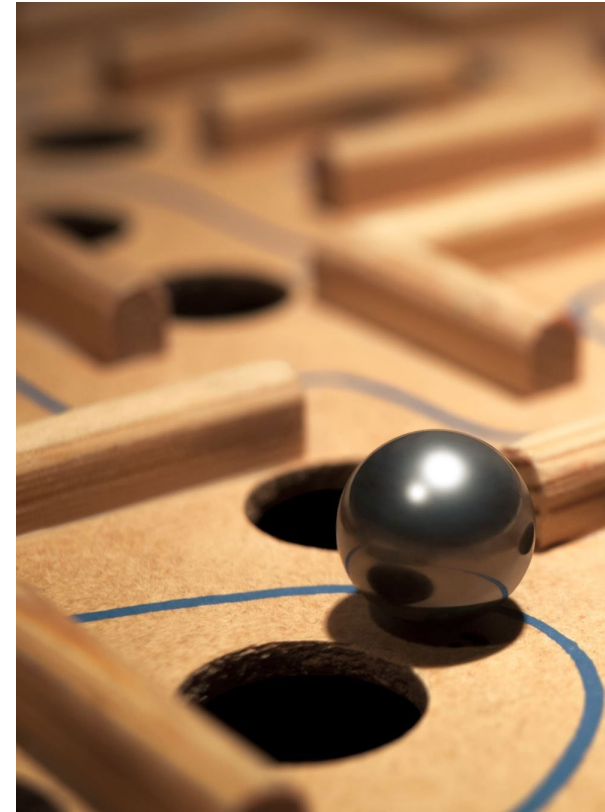
- **14** Large AUARs
- **2** AUARs
- **4** AUAR updates
- **1** EAW

Flagged locations are where the review has been legally challenged.

Map indicates coordinates as provided in the environmental review documents. It is not necessarily indicative of actual development.

Challenges around data centers

- Clarity of environmental review needs and expectations
 - AUAR process is being used, but it is less common/familiar
 - Interaction of AUAR with environmental review for excluded project types
- Data centers likely to have unique combinations of facilities
 - Falling under different “project” types within the rules
 - Both Minn. R. 4410 and energy projects
 - Pieces are coming together in new ways



Challenges around data centers

- Data center required review can be highly influenced by:
 - On-site energy generation/production
 - Water supply and discharge
 - Storage of hazardous materials
 - Building size
- Need to ensure we meet ALL program objectives
 - Good information, public process, AND reduce delay, uncertainty, and duplication

EQB – FAQs for data centers

- Reviews some key questions
 - Does a data center need to go through environmental review (ER)?
 - How is a “project” defined for the purpose of ER?
 - What if a data center has been included in an alternative urban areawide review (AUAR) process conducted by a local government?
 - What happens once an RGU has determined review is required?
 - How is nonpublic data handled during environmental review?
 - Best practices

Technical Assistance Resources

- ER technical assistance
651-757-2873
Env.Review@state.mn.us
 - Advice based on past practice, understanding of intent of provisions
 - NOT legal advice
 - Final decisions made by RGUs

About ER

<https://www.eqb.state.mn.us/environmental-review/about>

ER project database

<https://webapp.pca.state.mn.us/eqb-search/search>

EQB Monitor

<https://www.eqb.state.mn.us/eqb-monitor>

Data Center FAQs

<https://www.eqb.state.mn.us/environmental-review/data-centers-faq>



Large Energy Infrastructure Coordination

Stacy Kotch Egstad | OLM - Utility Routing & Siting Coordinator

A little background...

- Trunk Highway System
 - Interstates/State Highways
 - May include “Main Streets” in small towns
 - May include major streets in large cities (e.g., Snelling Avenue)
- Other MnDOT- owned lands, parcels, easements
- For utility projects, we are concerned with
 - Colocation within/adjacent to our ROW
 - Intersection/crossing of ROW
 - Access (sites = wind/solar/BESS/Data???)
 - Temporary work affecting TH ROW
- Utility Accommodation Policy/Manual adherence
- Safety (clearzone, access, existing MnDOT infrastructure, maintenance)
- Future construction/land acquisition (state and local)
- Environmental Stewardship (OES)
- Atypical Trunk Highway (TH) ROW features
 - ROW bump-outs/non-linear ROW
 - Easements (scenic, drainage, wooded wetlands, channel change, etc.)
- Bridge setbacks
- Existing utilities within TH ROW

More about MnDOT's OES...

- MnDOT's Environmental Stewardship Office provides environmental leadership to:
 - Protect and preserve the quality of our environment
 - Support healthy communities
 - Conserve natural resources
 - Encourage economic growth
- Support MnDOT District staff with environmental review/permitting
- Coordinate with OLM, Districts, and other MnDOT Offices on large-scale utility project reviews
- Compliance with MnDOT requirements and applicable laws
- [Environmental Requirements](#)
 - Reinforces other state, local, and federal permitting/requirements MnDOT applies to its own projects
 - Work within our ROW needs to meet MnDOT standards
- Biological and Vegetation Impacts
 - Tree/shrub clearing
 - Revegetation/restoration
 - Timing restrictions/windows
 - Noxious/invasive weeds
- Visual Impacts and Scenic Byways
- Water Resources and Drainage
- Contaminated Material and Regulated Waste

Utility Early Notification Memo (ENM) 101...

- ENM and Supplemental Checklist
- Standardized project review process
 - Populated by project proposers
 - Specifically identifies project areas impacting MnDOT resources
 - Wide range of impact information
 - Scope of work/project timeline
 - GIS/Non-GIS Mapping/Typicals
 - Other State/Federal Agency coordination documents to-date

- Reviewed by:

- OES Units / SMEs
- District Permit/Planning
- Design Support
- Safety and Operations
- Rail
- Aeronautics
- Safety Rest Area
- Historic Roadside Properties
- Snow Fences/Blowing Snow Control
- Statewide Radio Communications (Wind & HVTL)
- Transportation Management Systems

30-day
review
timeline

MnDOT Utility Project Guidance...



Land Management

[Land Management Home](#) [Right of Way Acquisition](#) [Surveying & Mapping](#) [Utility Agreements & Permits](#)

[Workshops & Training](#) [Contacts](#)

What we do

We provide resources to support successful utility accommodation and coordination on MnDOT right of way throughout all project stages, from planning to final construction.

Utility Accommodation

[Permit process flow chart](#)

Utility agreements and permits

Resources

- [Utility accommodation policy and guidance](#)
- [Permit information, special provisions and forms](#)
- [Online right of way permit applications](#)
- [Large energy facility project guidance](#)
- [Utility coordination and project delivery](#)
 - [Project managers](#)
 - [Consultants](#)
 - [Construction](#)
 - [Buy America](#)
- [Utility owners](#)
- [Local agencies](#)
- [Utility agreement and permit contacts](#)

Large Energy Facility Project Guidance

Overview

The Minnesota Department of Transportation (MnDOT) has developed several guidance documents to assist Large Energy Project proposers in providing adequate information, specific to MnDOT needs, during various stages of project development. This guidance applies to projects affecting MnDOT-owned land, rights-of-way, and other areas of interest requiring a Certificate of Need, Route Permit, Site Permit, or Minor Alteration (CN, RP, SP, MA) from the Minnesota Public Utilities Commission (MPUC).

Contact MnDOT's [Routing and Siting Coordinator](#) for assistance with MPUC project review coordination.

Guidance Documents

[MnDOT Utility Project Guidance for Large Energy Facility Project Proposals](#)
[Transmission Line Guidelines](#)
[MnDOT Environmental Requirements](#)
[PUC and MnDOT Permitting Process Flowchart](#)

Other Resources

[Home / Public Utilities Commission \(mn.gov\)](#)
[Energy Environmental Review and Analysis Home \(state.mn.us\)](#)
[MN DOC Efiling \(state.mn.us\)](#)

To view full case records for MPUC projects:

1. Visit [eDockets / Public Utilities Commission \(mn.gov\)](#)
2. Select "Go to eDockets" Project Database.
3. Enter the year (XX) and the docket number (XXX) in the Basic Search area.
4. Select Search.

MnDOT Utility Permitting Resources...

[Utility Agreements and Permits – MnDOT](#)

[Contacts - Utility Agreements & Permits - MnDOT](#)

[Large Energy Facility Project Guidance – MnDOT](#)

[MnDOT Large Energy Facility Guidance](#)

[MnDOT Transmission Line Guidelines](#)

[MnDOT Environmental Requirements](#)

[*stacy.kotch@state.mn.us*](mailto:stacy.kotch@state.mn.us)



Meeting our Water Supply needs in the Land of 10,000 Lakes

Jason B. Moeckel | Assistant Division Director

Ecological and Water Resources Division

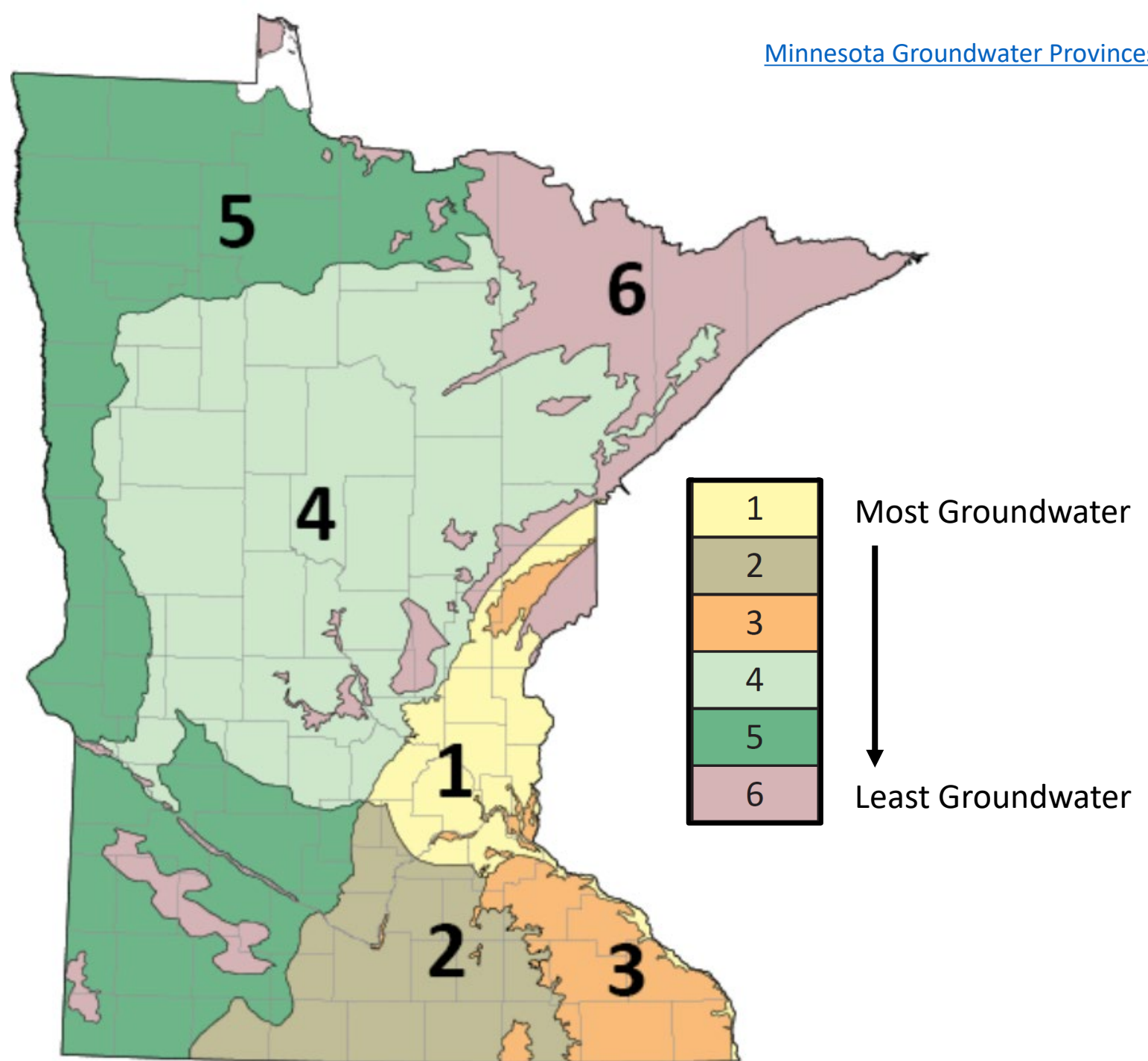
The amount of water we can use is in fact limited!

- Distribution – natural limits
- Quality – both natural and contamination limits
- Existing or future uses – competition limits
 - #1 - Domestic use
 - #2 - Small scale <10,000 gallons per day
 - #3 - Agriculture
 - #4 - Energy
 - #5 – Industry (includes data centers)
 - #6 - Non-essential

Location matters!

- Pay attention to groundwater provinces.
- Avoid clustered uses.
- Some places are already pressing up against or exceeding limits.

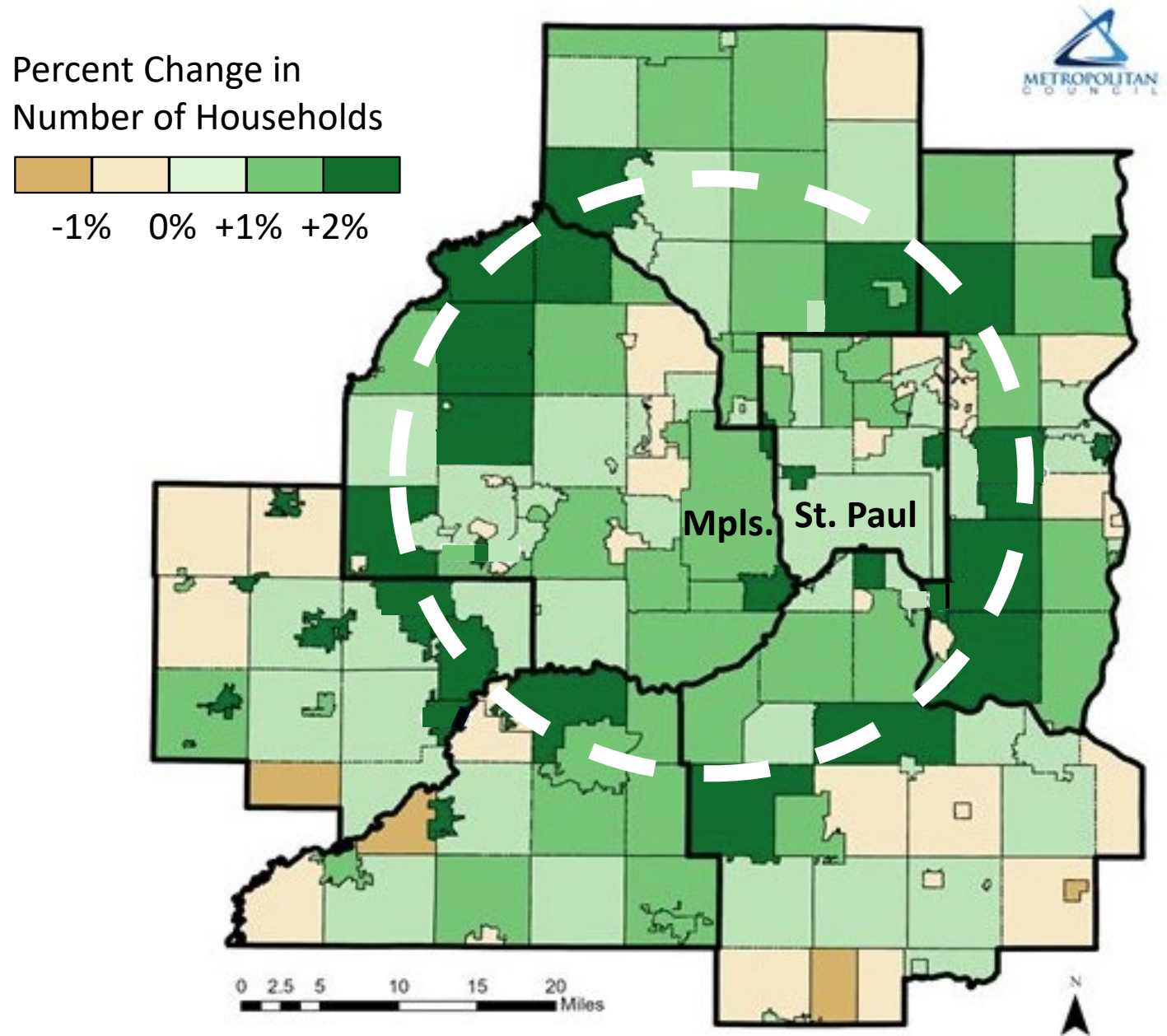
Minnesota Groundwater Provinces



Neighbors

If you are working in the 7 – County metro:

- Urban fringe has many domestic wells.
- Groundwater is not unlimited.



Modified after: Metropolitan Council. (2024, July). *Metro population growth slows, construction strong*. Retrieved November 4, 2024, from <https://metrocouncil.org/News-Events/Council-News/Newsletters/Metro-population-growth-2024.aspx>

Data Center Early Coordination (103G.265 Subd 5)

- Proposed large Data Centers coordinate with Minnesota Business First Stop
- Allows DNR to request necessary information to assess site suitability and potential constraints
- All communication and information is considered non-public data until there is an application submitted
- Does not exempt any testing or analysis required as part of a permit application/modification



Please describe your construction plans and timeframe for the facility

Please provide information on how many buildings will be constructed, when construction is planned to begin, and when construction is anticipated to be completed.

Data Center Water Source Information

1. What is the proposed source of water?
a. If purchasing water, what city or entity you are purchasing water from?
2. What is the projected annual volume (Million gallons per year [MGY]):
a. What is the average daily volume (in MGY):
b. What is the maximum daily volume (in MGY):
3. Are you proposing to have onsite water storage?
a. What is the volume of onsite water storage (in MGY)?
b. Will there be significant differences in seasonal water use? For example, summer use compared to winter use. If yes, please describe below.
4. Will the facility have multiple water sources?
a. If yes, what is and who is providing the secondary source of water?
5. Will additional water treatment be necessary at the data center?
6. What is your incoming water temperature need?
7. Please identify any water quality needs/concerns:
8. Have you submitted the project to the Minnesota Conservation Explorer to identify any rare resources within the vicinity of the project?

Please provide any additional information on the proposed water source

What are we looking for?

- Water use Info
 - Source and amount (day and annual)
 - Storage
- Cooling system design
- Municipal information
 - New Wells?
- Coordination with Minnesota Department of Health
- Rare Resources

Permit Requirements (103G.271 Subd 5b)



Project Skyway Site, 9/23/2025 – Pine Island MN

- Amend permit to add conservation requirements – if the Data Center will use more than 100 MGY
- At the time a permit is issued, we must verify conservation measures that will be implemented
 - Cooling System efficiency (e.g. closed loop)
 - Water Reuse
- Address water use conflict as part of the permit application/review process
- Require an aquifer test if the commissioner determines one is necessary



MPCA Permitting Requirements

Kari Palmer, Assistant Division Director

Industrial Division

MPCA's Role in Data Centers

- The Minnesota Pollution Control Agency (MPCA) focuses on preventing and reducing the pollution of air, land and water
- The MPCA will work with developers to identify needed permits and meet state and federal environmental regulatory requirements
- We are committed to continuous improvement, transparency and customer service

Air Emissions Permitting

- An air permit may be needed depending on what the facility has the potential to emit and its actual air emissions
- The type and amount of emissions will also determine what type of air permit is needed
- The MPCA's goal is to issue permits authorizing construction in 150 days
- **You can request an applicability determination for guidance on the type of permit you may need.**

MPCA's typical air permitting process



Construction Stormwater

- The MPCA regulates stormwater from construction sites to limit stormwater runoff and reduce pollution to waters of the state
- When stormwater drains off a construction site, it can carry dirt and other pollutants
- A permit is needed if construction will disturb one acre or more of soil or smaller activity that is tied to a larger common plan of development
- You can apply for a permit on our on-line portal. Permit coverage begins one business day after submittal
- For more information check: [Construction stormwater | Minnesota Pollution Control Agency](#)

Municipal disposal of wastewater

- If all discharges are going through a permitted wastewater treatment facility (WWTF), no permit is needed from the MPCA for a data center
- The WWTF receiving the wastewater:
 - Must meet all requirements in its MPCA wastewater discharge permit
 - Approves/denies any new dischargers to the system
 - Regulates discharges to the treatment system, including setting limits and determining if pre-treatment is needed
- Coordinate with the local government or municipal wastewater treatment facility early in your design process

For more information

- MPCA's website: <https://www.pca.state.mn.us>
 - Look under Business With Us
 - Permitting Initiatives: [Improving our permitting processes | Minnesota Pollution Control Agency](#)
 - Data Centers: [Data centers | Minnesota Pollution Control Agency](#)
- Contact Kari Palmer at kari.palmer@state.mn.us





Prevailing Wage

Madolyn Martini | Project Implementation Manager

Prevailing Wage Certification

- Construction or refurbishment of qualified large-scale data centers is subject to prevailing wage requirements.
- Qualified large-scale data centers may not be certified without certification of compliance with Minnesota Statutes sections 177.27, 177.30, 177.32, and 177.41-177.45.

Proposals and contracts must contain:

- All applicable wage rates for the project. Wage rates are locked in at the time of the bid, based on the current available prevailing-wage rates. These rates typically last the entirety of the project, unless the contract is not fully executed and DLI has certified or issued a correction.
- The contract must also provide that the contracting agency shall demand, and the contractor and subcontractor shall furnish to the contracting agency, copies of any or all payrolls not more than 14 days after the end of each pay period.

Prevailing Wage Rates and Revisions

- Current Prevailing Wage Determinations are available at: <https://www.dli.mn.gov/business/employment-practices/prevailing-wage-commercial-rates> and <https://www.dli.mn.gov/business/employment-practices/prevailing-wage-highway-and-heavy-rates>
- *REVISED* wage rates: When there is an error to published wage rates, DLI will issue a correction
- Notification of the correction: Published in the *State Register*
- Revised rates published on DLI website: Revision date becomes the effective date for that particular revision

Current revisions: Found published on the [“Notifications” page](#)

Prevailing Wage Contact and Additional Info

- Department of Labor and Industry
Labor Standards Division, prevailing-wage section
443 Lafayette Road N.
St. Paul, MN 55155
 - Email: dli.prevwage@state.mn.us
Phone: 651-284-5091
- Further information regarding prevailing wage requirements and compliance is available at <https://www.dli.mn.gov/prevailing-wage>
- Video of a prevailing wage webinar put on by DLI is available at [Prevailing wage on public projects: What contractors and employers need to know \(webinar\) – YouTube](#)

Qualifying Data Center Tax Exemption



Large-Scale Data Centers

Large-scale data centers qualify for the exemption if they meet all the following:

- At least 25,000 square feet
- One or more buildings connected to each other by fiber and associated equipment
- Invested at least \$250,000,000 by the facility and its tenants within 60 months beginning after June 30, 2025

Qualifying Data Center Tax Exemption

Projects can receive sales tax exemption on:

- Computers and Servers
- Cooling and Energy Equipment
- Software

Sales tax exemption on electricity was rescinded in 2025.

Additional Project Requirements:

- Receives Sustainable Building Certification within three years of Certificate of Occupancy
- Prevailing Wage Certification
- Sophisticated Fire Suppression System
- Data Center Fee for projects that require over 100 MW

Regulatory Planning & Coordination

- Interagency Planning Tools
- MBFS Services and Statutory Role
- Question & Answer



Interagency Planning Tools

- Interagency coordination
- Integrated timeline
- Coordinated project plan

2025 Chapter 116J.035

Subd. 8b

A person proposing a project may apply to Minnesota Business First Stop for assistance in obtaining necessary state permits, reviews, and other approvals. Upon request, the commissioner shall to the extent possible:

- Provide a list of all federal, state, and local permits and other required reviews and approvals for the project
- Provide a plan that will coordinate federal, state, and local administrative decision-making practices, including monitoring, analysis and reporting, public comments and hearings, and issuances of permits and approvals;
- Provide a timeline for the issuance of all federal, state and local permits and other reviews and approvals required for the project;
- Provide other assistance requested to facilitate final approval and issuance of all federal, state, and local permits and other approvals required for the projects.

Question & Answer

MINNESOTA



Thank You!

How to connect:

firststop@state.mn.us

1-855-893-2099