April 20, 2026

Attn: Reno City Council
Reno City Hall
1 E. 1st Street
Reno, NV 89501

Re: Response to Sierra Club Toiyabe Chapter's Proposed Data Center Ordinance Concepts (March 6, 2026) – *Recommendations for Balanced, Competitive Policy*

Dear Honorable Members of the Reno City Council,

On behalf of the Economic Development Authority of Western Nevada (EDAWN), I write regarding the Sierra Club Toiyabe Chapter's "Proposed Best Practices for Data Center Ordinances." While we appreciate the Sierra Club's environmental focus, several recommendations in the document rely on outdated or overly broad assumptions about data center impacts in Washoe County. Adopting them as local policy would impose unnecessary regulatory burdens, deter critical investment, and undermine Reno's and Northern Nevada's competitiveness in the advanced technology and digital infrastructure sectors.

EDAWN exists to drive high-quality job creation, economic diversification, and long-term prosperity for our region. Data centers represent a strategic opportunity—delivering substantial tax revenue, construction and permanent employment, and infrastructure upgrades—provided we pursue smart, evidence-based regulation rather than overly prescriptive local rules.

The regional employment impact also extends well beyond the facilities themselves. While direct on-site staffing is modest, every data center maintains substantial service contracts with local mechanical, plumbing, HVAC, electrical, and security firms, generating an ongoing layer of skilled-trade work throughout Washoe County.

There Is No "Rush" of Data Centers in Washoe County

The document warns of an unchecked influx straining municipal infrastructure. In reality, Washoe County and the broader region have seen only limited development due to severe electricity constraints and undersized transmission infrastructure. NV Energy's filings and the 2024 Integrated Resource Plan document Northern Nevada's current peak demand at approximately 2,100 MW, with queued data center proposals requesting up to 5,900 MW of *new* capacity—largely concentrated in the Tahoe-Reno Industrial Center in neighboring Storey County. The statewide queue exceeds 15,000 MW, yet actual builds remain stalled or delayed as developers are required to fully fund transmission and substation upgrades under PUCN Rule 9 agreements. Reno has approved only a small number of modest-scale facilities (such as the Webb Data Center at 28.5 MW), each following extensive review. There is no development "flood"—only queued interest limited by grid realities. Overly burdensome local ordinances will simply redirect viable projects to other jurisdictions.

Water Availability in the Truckee Meadows Is Not a Challenge

The document repeatedly highlights "degradation and diminution of water supply," advocating strict cooling mandates, mandatory impact studies, annual Water Use Effectiveness (WUE) reporting, and prohibitions on potable evaporative cooling. These concerns do not reflect current Truckee Meadows Water Authority (TMWA) requirements or project realities. TMWA mandates that data center developers purchase and dedicate water rights on the open market—plus an 11% drought reserve—prior to service. Approved Reno projects demonstrate average water consumption of just 0.45 acre-feet per MW, far below earlier projections.

The data center cooling industry has fundamentally changed in the past two decades. Where evaporative cooling once dominated and consumed substantial water, the majority of facilities now being built in the West use closed-loop, direct-to-chip, or immersion cooling with minimal or zero evaporative loss, often utilizing non-potable or treated effluent where feasible.

TMWA's 2025–2045 Water Resource Plan confirms that the region's supplies (Truckee River, groundwater, and conjunctive use) can sustainably accommodate projected growth when properly managed. Data centers consume far less water than comparable uses such as casinos or hospitals. The Sierra Club's additional prescriptive layers duplicate existing processes without addressing an actual shortage.

Concerns with Specific Recommendations

Many of the proposed "best practices" reach beyond market-driven solutions, utility standards, and rapid technological advancement:

- **Energy and Backup Requirements (pp. 2–3):** Mandating full-roof solar PV, PV-covered parking, specific battery storage thresholds, Clean Transition Tariff agreements, or lithium batteries "instead of" diesel overlooks practical scale. Hyperscale operators already achieve industry-leading Power Usage Effectiveness (PUE) of 1.1–1.2 through efficient design. NV Energy's renewable tariffs and power purchase agreements, along with on-site generation options, are accelerating the clean energy transition. Forcing lithium batteries ignores their fire risks, supply-chain issues, and cost premiums; Tier 4 diesel generators (with advanced emissions controls) are reserved for true emergencies and limited testing—standard industry practice aligned with reliability needs.
- **Water, Waste, Noise, and Location Rules (pp. 1–4):** Bans on potable evaporative cooling, detailed hydrogeologic studies, 500-foot buffers, and rigid 55/45 dB(A) noise limits (with repeated studies) add redundant costs and delays. These issues are already managed through site-specific acoustic modeling, TMWA coordination, and performance standards. Blanket buffers risk sterilizing viable industrial land without enhancing outcomes.
- **Fees, Payments, and Permitting (pp. 4–7):** Sliding-scale impact fees, mandatory resilience/community benefits funds, extensive third-party economic studies, employment statements, special districts, and "Green Tier" reviews tied to subjective metrics create uncertainty and slow project timelines. Developers already fully fund required infrastructure (roads, sewers, fire services) via impact fees and NV Energy agreements. Layering additional local mandates risks making Washoe County a regulatory outlier.

These proposals would increase capital costs and permitting delays while discouraging the very innovations (efficient cooling, on-site renewables) the document purports to support.

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Statewide or Regional Regulations Are Preferable to Local Showmanship

A patchwork of hyper-local ordinances invites forum-shopping and inconsistent standards. Projects delayed or denied in Reno can—and will—relocate to Storey, Lyon, or Clark Counties, or leave Nevada entirely. Recent state-level discussions recognize that data center infrastructure impacts cross municipal boundaries. Nevada ranks among the top states nationally for data center attraction; a consistent, performance-based regional or statewide framework—centered on measurable outcomes such as PUE/WUE thresholds, infrastructure contributions, and transparency—best protects residents while preserving competitiveness. Overly strict local rules risk pushing jobs, capital investment, and tax revenue to neighboring counties while producing little measurable environmental benefit. Balanced, coordinated standards ensure Nevada remains a destination for responsible operators without compromising quality of life.

EDAWN stands ready to partner with the City of Reno, Washoe County, NV Energy, TMWA, and other stakeholders to develop pragmatic, data-driven policies. We urge the Council to prioritize infrastructure coordination, performance metrics over rigid prescriptions, and collaboration on regional consistency. The communities that solve the energy and infrastructure piece together will lead this industry over the long term, and Northern Nevada is well positioned to be among them. Data centers can deliver meaningful benefits—jobs, revenue, and innovation—when guided by facts rather than alarm.

Thank you for your leadership and service. EDAWN is available to provide additional data, facilitate discussions with industry partners, or meet with Council members or staff at your convenience.

Sincerely,

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