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1. Introduction

Across Texas and nationwide, local governments are actively regulating data centers, in particular hyperscale facilities. Cities and Counties are deploying a mix of policies and solutions, from zoning adjustments to temporary pauses and negotiated community agreements. Smaller data centers have been operating in the region for some time, but they have largely existed without debate or public scrutiny because their size and impact were not as significant as those of hyperscale data centers.

Smaller data centers have been operating in the region for some time, but they have largely existed without debate or public scrutiny because their size and impact were not as significant as those of hyperscale data centers. The growth of crypto mining, AI, and cloud computing has driven the demand for these larger and more resource-intensive facilities.

In coordination with concerns raised by constituents, on February 17, 2026, the City Council of the City of El Paso, TX, directed staff to develop a Data Center Policy Framework. The resolution emphasized the following considerations:

- Prioritize community engagement, utility providers, local, state, and regional governments.
- Evaluate long-term impacts on infrastructure and utilities.
- Conduct a legal analysis of 380 agreements with data centers to identify best practices, lessons learned, and opportunities to develop a new framework.

This direction demonstrates a shift from project-by-project decisions to a more structured regulatory framework. The framework aims to address a broader development pattern rather than individual projects, creating a predictable structure for decision-making.

This work is also part of the City's Climate Action Plan, which identifies the need to evaluate data center policy considering environmental, community, and economic development considerations.

The sections of this report are: Introduction; Executive Summary; Community Engagement; Case Studies/Research; and Policy Recommendations.

As data center technologies, best practices, and Federal, State, and Local regulations are continuously and rapidly evolving, this framework is a working document intended to be revised.

For this report, the term "data center" refers to hyperscale data centers unless noted otherwise.

2. Executive Summary

3. Policy Recommendations

This section outlines a list of tentative policies to help the City of El Paso deal with future hyperscale data centers.

These facilities aren't just technological infrastructure; data centers are resource-intensive installations that impact communities fully, from their energy and water systems to their air quality, land, overall infrastructure, and economic landscape.

As a City, and ideally as a region, the following policies can better align the approach for protecting our natural resources (water, air, land, wildlife), residents, workforce, and economic development. Based on the information outlined in the preceding sections, the recommended policies will act as the guiding and regulatory principles for the City of El Paso.

It is important to highlight that these recommendations will require additional development after approval and selection for implementation by the City Council. The governing body will determine what policies best address community asks, needs, and concerns. All policies and future regulations must abide by Texas and Federal laws and regulations.

The main goal of this framework is to have a much better approach and outcomes to the impact on the community by these data centers, including energy, water, land, infrastructure, economic impact, and community well-being and health.

As emphasized by the community throughout the engagement process, data centers are privately developed and owned, but have multiple externalities attached to their construction, such as environmental impacts, impacts on infrastructure, and increased utility costs. As a result of the framework, the City of El Paso wants to ensure that costs (social, environmental, and economic) are not shifted to the public.

Furthermore, the shift in federal priorities and regulations make essential for El Paso to ensure that this local Policy Framework protects the interests of the community. El Paso has to lead and take responsibility for the oversight of hyperscale data centers while following state and federal regulations. At the same time, the Framework protects our city from regulatory and political shifts at those administrative levels.

3.1. Zoning and Land Use

The community feedback provided strong concerns related to data centers and how these are permitted via land use regulations. As the City of El Paso has the authority to modify the zoning regulations within the boundaries established by the State of Texas, the following are recommended modifications to the zoning code:

A. Zoning code modifications

- Modify the definition of data processing center (hyperscale) to note either, or a combination of, size, energy capacity, Power and/or Water usage effectiveness (PUE; WUE) of energy uses. Create an additional definition for smaller facilities that are less impactful on the community.
- Modify the zoning code to remove the ability for the data processing center (hyperscale) from “by right” to a special permit in the C-4 (Commercial), M-1 (Manufacturing), and M-2 (Manufacturing) zoning districts. A special permit allows greater City Council oversight as the use is publicly disclosed throughout the process. City Council will have the ability to decide the merits of any potential future data processing centers (hyperscale) within the City limits. As part of the public process, the public would be able to provide public comment at the City Plan Commission and City Council, and direct mailouts would take place to the abutting property owners per State and Local notification requirements. The I-MU (Industrial Mixed Use) is recommended to remain the same as the zoning master plan already requires for the use to be approved by City Council. The prohibition of the data processing center (hyperscale) would continue in all other zoning districts.
- Include supplemental standards. As there are none currently codified, it is recommended to include provisions in the supplemental standards for added provisions. Some of these may include:
 - a. Requiring a distance from residential uses or natural reserves/environmentally sensitive areas.
 - b. Site design considerations, such as, but not limited to, requiring equipment to be enclosed or screened with a wall.
 - c. Requiring a comprehensive impact study at the time of submittal may be an option (accompanying the special permit request), evaluating impact on the environment, utilities, and other uses and infrastructure (see section 5.2).

3.2. Environmental

The Community meetings clearly showed that environmental concerns associated with data centers are at the top. Direct impacts on electrical and water infrastructure, wildlife, land, air, and water quality were recurrent comments during the engagement process. The

following recommendations can help ensure that hyperscale data centers within city limits operate as sustainably as possible.

- A. Require an operations plan and comprehensive study that includes energy, emissions, noise, water use, stormwater, and water treatment considerations. This plan should include compliance, monitoring, and timeline specifications.

Steps

- a. Identify the best enforcing mechanism for the adoption of the plans (code, land sale contract, etc.)
 - b. Develop specifications for all parameters/categories to be included in the plan
 - c. Annual or semi-annual enforcement
- B. Require minimum performance standards for energy, noise, energy back-up, and water. In compliance with State and Federal laws and regulations, incorporate performance standards

Steps

- a. Identify the best enforcing mechanism for the adoption (code, land sale contract, etc.)
 - b. Develop specifications for all parameters/categories to be included
 - c. Annual or semi-annual enforcement
- C. Collaboration with El Paso Electric and EP Water to promote the adoption of the most energy and water-efficient solutions for the facilities and to avoid the transfer of costs to other customers. Collaboration on state advocacy with El Paso Electric and EP Water (see section 5.5).

Steps

- a. Create a working group with utilities and regional governments
- b. Regular meetings
- c. Annual or semi-annual reporting to governing bodies

3.3. Economic

The community's input was clear regarding economic incentives and data centers: no economic incentives for hyperscale facilities, but rather to enter into Community Benefit Agreements (see 5.4).

- A. Land sale hold. Pause on any public land sale with an expected use for hyperscale data centers until the policies identified in this Framework have been developed, approved, and adopted by the City Council. Any public land sale contract should

include all commitments (environmental, economic) in writing by the parent company.

- B. No tax economic incentives for hyperscale data centers

3.4. Community Benefits Agreement

A Community Benefit Agreement (CBA) is a legally binding agreement negotiated between a data center developer and local government with meaningful representation and input from residents and community organizations. The goal of CBAs is to ensure that any tentative development aligns with local priorities. The company commits to specific, measurable community benefits¹. CBAs can include direct financial contributions for infrastructure, neighborhood programs, workforce development, or any other community priority.

There are limitations for El Paso to enforce CBAs, including: investor-owned electric utility (vs. municipally -owned); limitations on making these agreements required as part of the zoning approval. The best options for enforcement for the City would be to incorporate the CBA into the land sale contract or, if entering into a local tax abatement or some other publicly funded improvement agreement that will benefit the project (these options would be opposed to the public sentiment gathered during the engagement process).

- A. Require CBAs for any hyperscale data center

Steps

- a. Identify the best legal mechanism to enter into and enforce CBAs
- b. Define a transparency mechanism for the involvement of the community
- c. Coordinate with all other regional and local governments for alignment

3.5. Advocacy

Federal, state, and local policies shape data center impacts on water and energy, as well as the direct economic impacts on the community, including property and sales taxes and job creation. Advocacy is key because it turns a community's needs into actual decisions, funding, laws, and protections. For El Paso, leveraging advocacy efforts to promote regulatory changes related to data centers, as described in this framework, is essential to realize the community needs expressed during the engagement series. On April 28, 2026, City Council approved to amend the City of El Paso's 90th Session State Legislative

¹ [Data Center Planning Resources for EDDs & RDOs - NADO](#)

Agenda, as well as the 119th Congress Federal Legislative Agenda, to include advocacy support for policy proposals related to data center incentives and regulatory frameworks².

Steps

- a. Modify State and Federal Legislative agendas
- b. Identify and convey state and federal stakeholders
- c. Advocate

State topics

A. Data access and transparency requirements

With increasing data center presence and pressure in the region, the lack of transparency and access to energy and water prevents local governments from making data-driven decisions and keeping the public and officials informed. This lack of information impacts both the electric and water utilities (EPE and EP Water). The size of these projects requires communities to have adequate electricity and water demand data from data centers.

B. Collaboration on state advocacy with EP Water

- Advocate for the inclusion of large water-demand uses in water planning. In Texas, where, as of April 2025, over 80% of the state is experiencing drought and 17% is experiencing exceptional drought, this consumption makes an even more substantial difference for local communities with limited water supplies³.
- Reform groundwater regulations
- Incentivize or require water efficiency, reuse, or conservation for data centers; best available cooling technology; non-potable water use; and offset water use through other water-saving activities.

C. Collaboration on state advocacy with El Paso Electric

Utility coordination, efficient and transparent communication channels to ensure that the community is not impacted by increased electricity costs, and environmental impacts due to new generation linked to data centers.

- Avoid the generation, transmission, and distribution costs associated with the development of data centers, at any point in time during the life of such assets.

D. Parent Company Agreement

² <https://elpasotexas.legistar.com/LegislationDetail.aspx?ID=7990306&GUID=A20FC9A1-F08E-4F8E-BDC0-86D9BF37ADF5>

³ Thirsty Data and the Lone Star State: The Impact of Data Center Growth on Texas' Water Supply Margaret Cook, PhD, HARC January 2026

Require that any contract or agreement related to data centers be signed with the parent company, not the subsidiary. This type of agreement is a legally binding document and ensures that if a subsidiary fails to perform or goes bankrupt, the parent company covers the obligations.

3.6. Building site

As data center deployment accelerates across Texas, future growth must be guided by strategic siting frameworks that incorporate ecological screening and regional planning coordination. At the site level, adopting nature-positive design strategies—such as permeable pavement, green roofs, ecological buffer zones, and native landscaping—can reduce environmental disturbance and enhance climate resilience. But these solutions cannot stand alone. Land and water resource management must be coordinated across state, regional, and local agencies⁴. Although data centers themselves may have a lower direct emissions footprint compared to some industrial activities, their indirect ecological impact through land transformation and infrastructure sprawl is increasingly recognized as an important component of their environmental footprint⁵.

4. Community Engagement

4.1. Overview

The Climate, Sustainability & Energy Division of the Strategic & Legislative Affairs Department, in collaboration with City of El Paso's Planning and Inspections Department, conducted a six-part community engagement and feedback series to gather community input regarding the development of data centers in the City of El Paso.

Each meeting included participant sign-in, interactive welcome boards, an introduction about the open house purpose and structure, and three rounds of facilitated roundtable discussions. One of the interactive boards asked residents to note where they live using a voting sticker dot on a City of El Paso map and the surrounding region. A majority of attendees were found to be visiting from within the El Paso City limits (see appendices).

The overall goal of these engagements was to explore potential impacts and opportunities of data centers, understand community concerns, and their public opinion to inform future planning and policy recommendations.

⁴ Dr. Ning Lin, Data Center Growth in Texas: Energy, Infrastructure, and Policy Pathways, 2025

⁵ MIT Climate & Sustainability Consortium. Investigating the Ecological Impacts of Data Centers. Mar. 2025. URL: <https://impactclimate.mit.edu/2025/03/20/investigating-the-ecological-impacts-of-data-centers/>.

Public Meetings

- The first meeting was held on March 23, 2026, at the Don Haskins Recreation Center. A total of 121 community participants attended this event. (District 1)
- The second meeting was held on March 25, 2026, at Veterans Memorial Recreation Center. This event included 100 community participants. (District 4)
- The third meeting was held on March 26, 2026, at Pavo Real Recreation Center. This event included 54 community participants. (District 7)
- The fourth meeting was held on March 30, 2026, at The Beast Urban Recreation Center. This event included 81 community participants. (District 5)
- The fifth meeting was held on April 2, 2026, at the Chamizal Community Center. A total of 93 community participants attended this event. (District 8)
- The sixth meeting was held on April 8, 2026, at the Wayne Thornton Community Center. The event included 93 community participants. (District 2)

The total number of registered attendees was 542.

4.2. Approach

Feedback Sessions

Participants joined breakout table feedback sessions that focused on three main themes: Community Benefits Framework, Community Concerns and Mitigation Strategies, and Site Considerations and Building Design.

Feedback Session Approach

A facilitator from the Climate, Sustainability & Energy Team or the City Planning Department led each table and focused on one of three themes. Meetings were structured so that attendees spent 20 minutes at each breakout table session, then rotated to the next table topic, so that all were able to contribute to all discussions. Table topics included:

- **Community Opportunities:** This table discusses the potential opportunities and community benefits through policy development.
- **Common Concerns and Mitigation Strategies:** Participants shared their concerns and questions about human and environmental impacts, noise, water and energy use, and potential rate payer increases.
- **Site Considerations and Building Design:** Participants discussed and recorded elements that should inform a site selection. This includes location, the architectural design, screenings, buffers and strategies to potentially minimize environmental impact.

Meeting Approach Adjustment

The first two meetings were structured in this manner, which led to general attendee frustration. This was due to the large number of participants in the small quarters of the first two venues. The venue spacing made it difficult to hear the table facilitator's questions, and note takers could not hear community feedback well. This led to general confusion as to how to leave comments. At each 20-minute interval, many community members were unable to hear the prompt to move to the next topic, leading to participant confusion. Event organizers noted attendees were expecting a presentation or a question-and-answer type forum rather than a feedback gathering forum.

Feedback from the community led staff to revisit the format; rather than table rotations, the following four meetings were restructured to include an opening announcement that shared the open house format, goals, expectations, and an explanation of each table's facilitation. A 1-pager information sheet was provided to all attendees, which restated the information announced at the start of the open house (see appendices). Attendees were informed they did not have to stay or interact with the table facilitators, and were welcome to leave their comments directly on boards without sharing with facilitators. An additional adjustment moved public comment boards from table top to easels so that all visitors were able to see comments and improve ease of leaving feedback.

This second format led to increased engagement as participants were now able to provide feedback freely and move about the room. This format change allowed for comments to be redirected to appropriate boards as facilitator questions were asked.

Data Collection

Participants were encouraged to write responses for each of the discussion topics on sticky notes. Facilitators assisted by capturing common themes heard during discussions by first confirming what was stated, then asking participants if the comment was correct, and adding the comment to the board.

The facilitation team photographed the boards at the end of the engagement to capture sticky notes as they were positioned on the boards. This was done before transport to preserve the input (see Appendices). Comment cards were available for anyone who wanted to provide additional notes. Those comments were integrated into the analysis.

Digitization and Analysis

Feedback was digitized and transcribed into an Excel spreadsheet. This included every Post-it note and comment card. This created an organized record for review and analysis. Comments were organized by subtopic, which helped the team to quantify areas of greatest community concern.

Online survey

Community members who were unable to attend any of the in-person open house events were invited to participate in an online survey. This survey was available on the City of El Paso's Data Center informational web page: <https://www.elpasotexas.gov/data-centers/>. The link was available from April 2nd, 2026, through April 17th, 2026. A total of 274 unique online survey responses were received.

The raw data from the online survey were downloaded to incorporate community feedback.

4.3. Key Community Feedback

The public sentiment is overwhelmingly critical of leadership, characterized by deep-seated distrust, fear of resource depletion, and frustration over the lack of transparency regarding Data Center development behind closed doors. Across the 6 meetings, participants consistently raised concerns over the following themes:

- **Water and Energy Use:** consensus that El Paso's water scarcity and desert ecosystem make hyperscale data centers a risk to future supply and water availability. Additional questions were raised about water monitoring efforts by large users.
- **Desire for Transparency and Lack of Public Trust:** reflected in comments related to how the negotiations with META were handled, as well as the inadequacy of conducting outreach more than two years after the agreements were signed.
- **Economic Incentives:** the 80% tax abatement to META is viewed as unnecessary at the expense of local infrastructure and taxpayers. Jobs attached to the development of the facility are deemed not enough, temporary, and unclear if they will be filled by El Pasoans. And questions about what the community receives in return (no community benefits agreement).
- **Utility rates impact:** fear that large load developments like data centers will lead to increased utility rates for both electricity and water.
- **Environmental Impacts:** air and water quality impacts, noise, wildlife, and health were of greatest concern. The META deal contradicts the goals and spirit of the Climate Action Plan.

META specific takeaways

Of the 1,694 comments, 86 explicitly named META (or Facebook). The sentiment regarding META is uniquely hostile compared to general data center inquiries:

The core of the anger stems from the 2023 land sale and tax incentive agreements under a subsidiary; residents feel this was an intentional act of bad faith.

Staff heard repeated calls for the City Council to cancel the 80% tax abatement agreement. Also, residents feel META is the perfect example of what the new Climate Action Plan should have prevented.

There is also skepticism regarding META's water neutrality claims, and demands for META staff to meet with community members and answer their questions.

Approximately 5% of all comments specifically name META, but the themes of those comments (Transparency, Water, Incentives) are present in a vast majority of the comments received. While only 86 mention the brand by name, the META project is clearly the catalyst for the broader community resistance.

4.4. Results

The six in-person sessions yielded 1,694 unique comments, including those from the focus discussions at the tables and the board comments. An additional 274 unique online surveys were received.

Comments were categorized by where on the boards they were placed, but not every comment reflects the category/section on the board where they were placed. For example, a comment expressing concern over water usage and air quality could have been placed within a section intending to collect feedback relating to a separate topic.

4.4.1. Community Opportunities

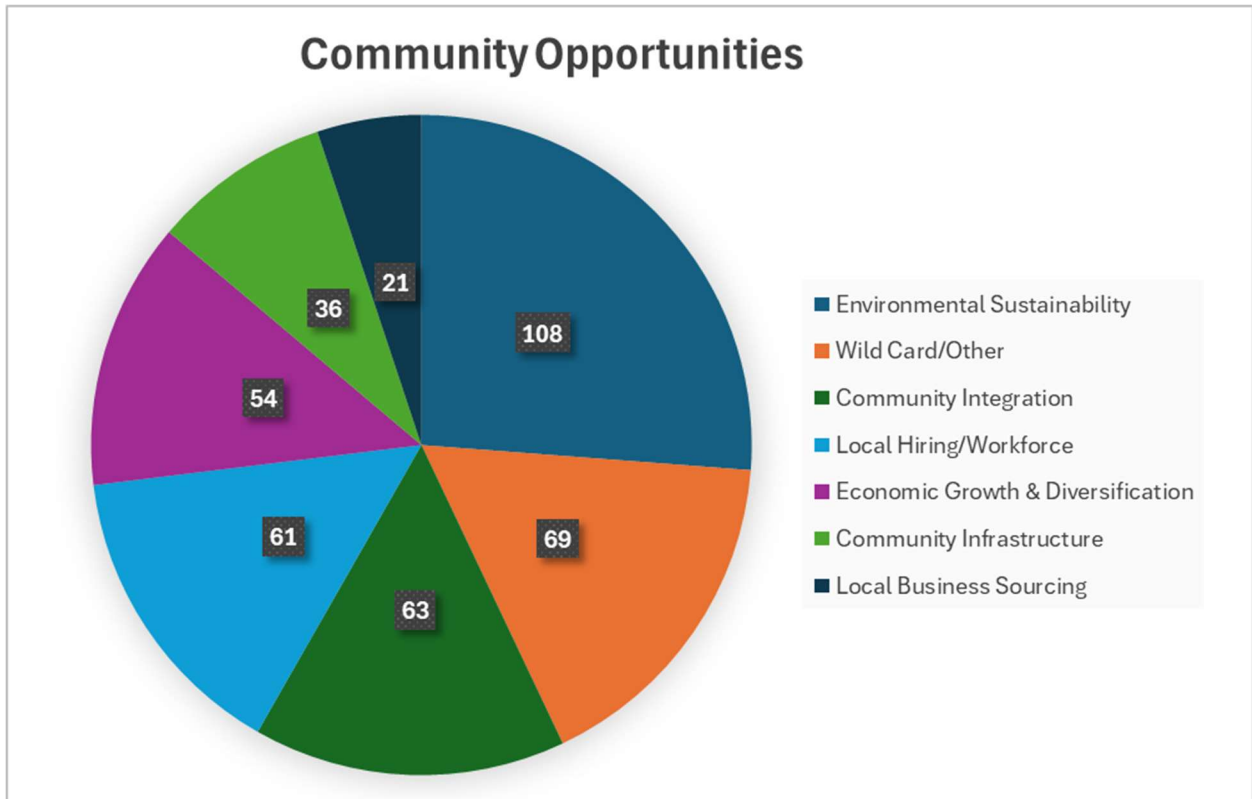


Fig 1, Community Opportunities. Comments from meetings 1-6 categorized by subtheme.

Figure 1 shows the number of comments per sub-category related to the Community Opportunities table. With a total of 412 comments and 108, 69, and 63 comments, respectively, for Environmental Sustainability, Wild Card/Other, and Community Integration were the top categories for the community. The above results can be summarized as follows:

- **Mandatory Renewables:** Demand for data centers to generate 100% of their own solar energy rather than pulling from the grid.
- **Education Investment:** Pushes for "benefit" funds to go directly to EPISD/YISD for STEM training, not just generic corporate branding.
- **Direct Economic Return:** Requests for data centers to pay for local road repairs and park developments as a "baseline" requirement.
- **Water Offsets:** Demands that companies pay for desalination plant expansions or purple water infrastructure for the city.

Environmental Sustainability

Community participants expressed concerns about how the benefits of any environmental sustainability projects implemented in the community would be offset by data center operations such as fossil fuel emissions from energy generation plants.

Feedback left by participants suggested having any future developments pay for large-scale technologies that can help improve air quality in the local airshed, as well as the installation of solar panels and wind turbines to generate clean energy. Participants suggested planting native trees as a way to both provide shade/alleviate the effects of extreme heat and combat CO2 emissions from a data center. Participants suggested requiring significant investment from data centers in city programs that help residents address environmental health hazards, and donations for purchasing of air filters, fans, insulation, water purification devices to offset potential environmental impacts that data centers could bring.

Community participants also suggested that data centers should issue money towards the weatherization of homes in El Paso.

Wild Card/Other

Community participants emphasized little to no benefits to bringing data centers to El Paso. Participants also expressed disapproval of any 380 agreement for data centers, rather than every company that wants to develop in El Paso should pay their fair share of taxes.

Community Integration

Community participants suggested that data center companies should invest in El Paso's local education systems (K-12 and higher education). Suggestions for school system investment included supplying equipment for extracurricular programs, scholarships, internships, and technology donations. Community members also suggested data centers to fund grants that provide improved broadband service to the community.

Local Hiring/Workforce

Community participants left comments asking that data centers hire more full time workers. Participants expressed concerns about the low number of full-time jobs that data centers provide compared to such a large-scale facility. Participants emphasized hiring local.

Others left concerns that data center tax breaks will affect tax income and hurt small businesses.

Economic Growth & Diversification

Many community participants left comments expressing that they did not feel that data centers could bring economic growth and diversification to El Paso. Other comments suggested that data centers should be required to pay for/invest in public/utility improvements to roads, water, electricity and other essential infrastructure in El Paso.

Community Infrastructure

Community members suggested that data centers should invest in or fund school repairs and infrastructure upgrades, as well as fund scholarships and programs in schools.

Local Business Sourcing

Community participants expressed that if a data center were to be built in El Paso, there should be a requirement for the preference of hiring local businesses and contractors.

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4.4.2. Concerns and mitigation strategies

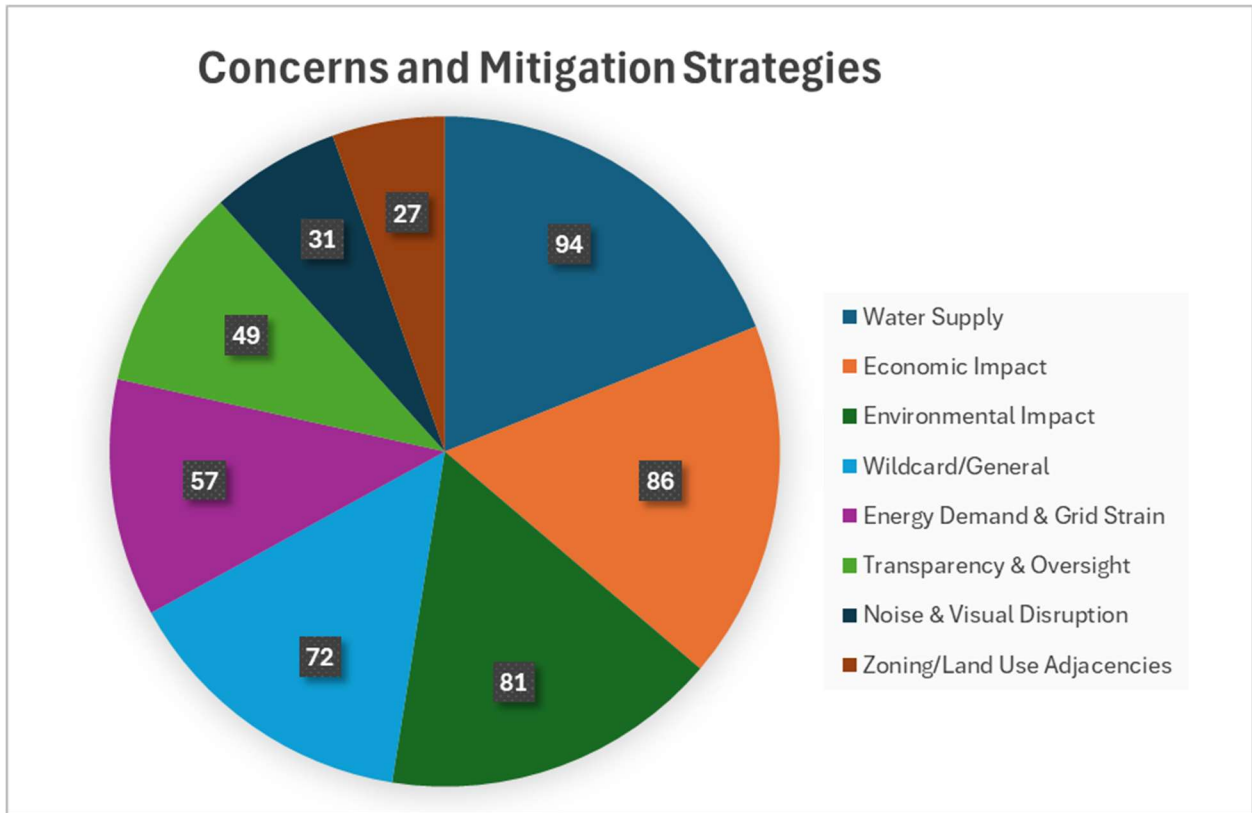


Fig 2, Concerns and Mitigation Strategies. Comments from meetings 1-6 categorized by subtheme.

Figure 2 shows the number of comments per sub-category related to the Concerns and Mitigation Strategies table. With a total of 520 comments and 94, 86, and 81 comments, respectively, Water Supply, Economic Impact, and Environmental Impact were the top categories for the community. The above results can be summarized as follows:

- Water and electricity usage: Residents want to know why renewable energy systems are not going to be used to power the META center. Deep concern about water impact (volume and quality).
- Incentive cancellation: ask to rescind economic incentives.
- Noise pollution: High concern regarding the "constant hum" of cooling fans and its impact on nearby residential property values.
- Utility rate concerns: deep concern and skepticism that data center energy infrastructure costs will not be passed on to residents.
- Transparency: lack of trust in the Framework process. Why did the City not do this back in 2023?

Environmental impact

Community participants consistently expressed concerns about air pollution and quality, groundwater depletion, high emissions, and the disruption of natural ecosystems. Many asked about environmental permits and regulations, and demanded renewable energy sources as generation systems for data centers. Impact on health, wildlife, and land were also concerns for the attendees.

Noise & Visual Disruption

Residents living near proposed sites expressed worry over the "constant hum" of industrial cooling fans and the impact of light pollution on their quality of life. Suggestions focused on strict noise ordinances, the use of "dark skies" compliant lighting, and significant setbacks to prevent industrial operations from encroaching on residential areas.

Water Supply & Quality

This topic saw some of the most intense feedback, with residents emphasizing that El Paso is a desert region. The consensus was a demand for "zero potable water" usage, with participants calling for closed-loop air cooling or the exclusive use of reclaimed (purple) water. Concerns also included wastewater impact and the potential for long-term depletion of local aquifers and other water sources.

Energy Demand & Grid Strain

Participants described the data center load as "too big for the grid," fearing that massive energy consumption would lead to utility rate increases. Many proposed that data centers be required to generate electricity using their own renewable energy, such as through large-scale solar installations, rather than drawing from the existing grid or using fossil fuel generation.

Transparency & Oversight

A significant portion of the feedback focused on the lack of transparency surrounding past agreements (META). Residents demanded an end to Non-Disclosure Agreements (NDAs) and called for proactive public notification before contracts/agreements are signed.

Economic Impact (Jobs, Taxes, & Infrastructure)

Community feedback indicates significant skepticism regarding the long-term economic benefits of data center development compared to the potential fiscal burdens on residents. Participants frequently voiced opposition to tax abatements and incentives, arguing that large-scale tech entities must pay their "fair share" to support municipal infrastructure rather than receiving subsidies. A primary concern is the potential for utility

rate increases, with residents fearing that the high energy and water demands of these facilities will shift the cost of grid and system upgrades onto local taxpayers. Furthermore, while some acknowledge the potential for temporary construction roles, there is a strong demand for local hiring mandates and a general doubt regarding the quantity and quality of permanent, high-paying jobs created. Residents also expressed anxiety over declining property values in neighborhoods adjacent to proposed sites, viewing the industry as a potential threat to local community wealth.

4.4.3. Site Considerations and Building Design

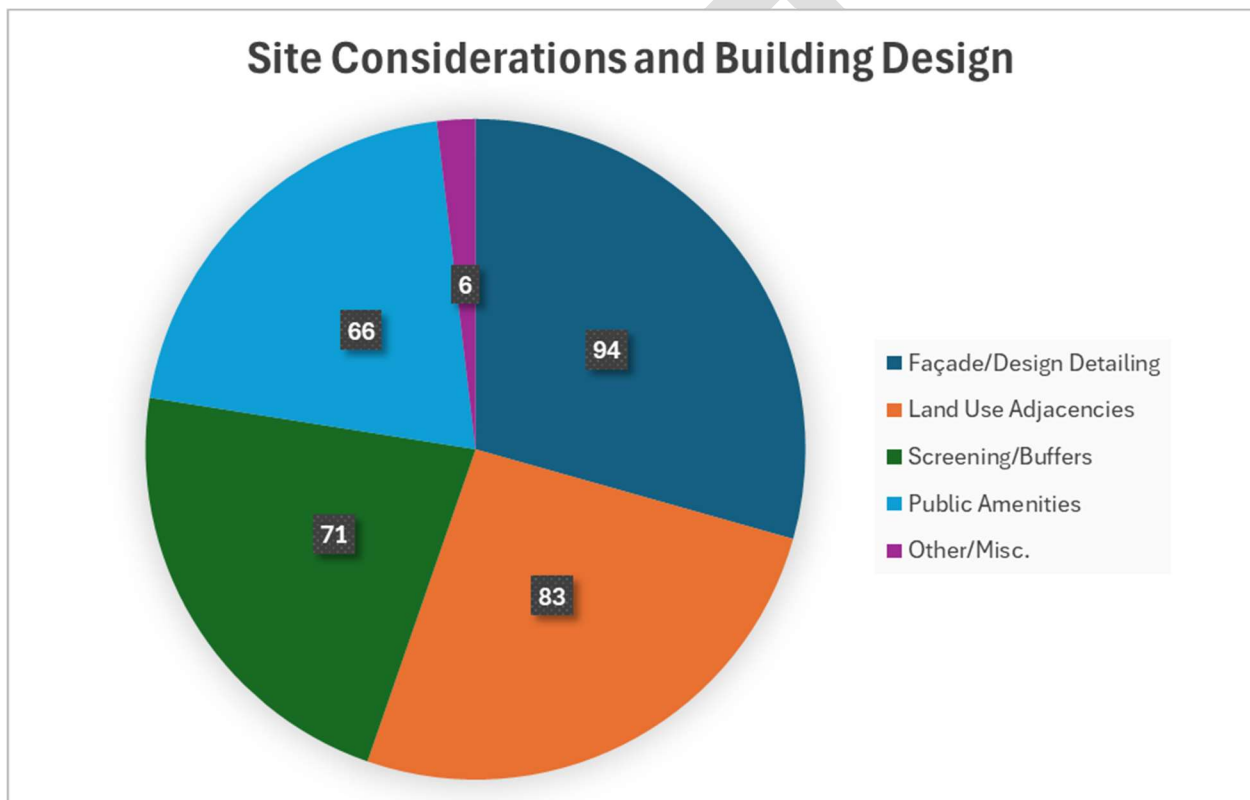


Fig 3, Site Considerations and Building Design. Comments from meetings 1-6 categorized by subtheme.

Figure 3 shows the number of comments per sub-category related to Site Considerations and Building Design. A total of 320 comments were received, with 94 related to Façade/Design Detailing, containing the greatest number of comments. The above results can be summarized as follows:

- **Aesthetic Integration:** Rejection of concrete "windowless gray boxes"; residents expressed, "If Data Centers are forced upon us," the architecture should reflect El Paso's desert aesthetic, murals, and use of building materials that minimize heat

absorption, adding to the urban heat island effect. Residents expressed that data center builds should have a small footprint, rejecting hyperscale builds, and new potential sites should be built underground.

- **Visual & Noise Screening:** Requirement for natural berms and desert-appropriate landscaping to hide industrial equipment from public view and to attenuate or absorb sound.
- **Lighting Control:** Strict "Dark Skies" compliance to prevent light pollution in quiet neighborhoods.
- **Buffer Zones:** Demand for at least 1,000-foot buffers between data centers and any schools, parks, residential areas, while leaving room for local wildlife to move freely.

Façade/Design Detailing

Residents expressed the prevention of "Industrial Blight" through the adoption of site perimeters at the cost of the data center. Many requested that site construction and blight prevention tactics be locally sourced, including building materials and labor.

Adaptive Reuse - At every meeting, this subtopic received comments expressing that new builds should be required to be designed for adaptive reuse to reduce the size of a build as technology advances.

Land Use Adjacencies

A great majority of participants expressed that new data centers should not be built within the El Paso City limits. These include extended residential areas, businesses, schools, or locations where people congregate.

Screening/Buffers

Community feedback indicates anxiety over noise and light pollution, and suggests that regulations on both be strict and enforced for data centers. Participants asked that the City fully understand the impacts on residents created by data center noise.

Public Amenities

The majority of residents expressed that they did not see any potential for public amenities and felt more harm would come from future data center builds, thus having an overall greater negative impact than any potential public amenity required or requested.

4.4.4. Online Community Survey

A secondary method to provide community feedback was offered through a community-wide survey for residents who were not able to attend any of the open house events. A news release with a survey link was issued on April 2nd and closed on April 17th. In total, 274

unique online survey responses were received. This online survey asked the same questions as those provided on feedback boards to residents during the Open House live engagement sessions.

Data Centers in Our Community

Results of the online survey correlate with what was heard during the live community feedback sessions of general opposition to the construction of data centers in the City of El Paso and the region.

Based on what you know about data centers, how much do you oppose or support data centers in our community?

274 responses

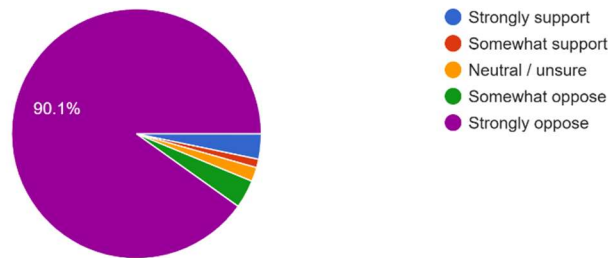


Figure X. Support/Oppose Data Centers. Feedback from online survey

Community residents overwhelmingly responded with, *Strongly Oppose (247)*, when asked how much they opposed or supported data centers in the community. This response reflected over 90% of the total responses collected. *Somewhat Oppose (10)*, *Somewhat Support (3)*, *Neutral/Unsure (5)*, and *Strongly Support (9)* were the remaining responses.

For the following sections, please refer to the appendices for the accompanying Figures and raw data.

Opportunities from Data Centers

The survey feedback revealed Environmental Sustainability to be of the greatest importance among potential opportunities that data centers may bring to our community. Over 200 responses listed Environmental Sustainability as the number one priority. Categories that followed included: *Community Infrastructure*, *Community Integration*, *Local Hiring & Workforce Development*.

Concerns Related to Data Centers

When asked what concerned residents the most about data center development, over 250 respondents listed Extreme Concern regarding the following: *Water Consumption (258)*,

High Energy Use (254), Environmental Effects (255), and Transparency (253). Public Cost (245) followed closely in the responses.

Location of Data Centers

When asked where data centers should be located, *Outside the City Limits (149)* received the greatest response. A related question asked survey respondents to select the top 3 most important considerations when choosing a data center location. Responses received listed Impact on *the Environment (206)*, *Distance from Homes (153)*, and *Access to Power & Water (108)*.

All responses were consistent with public feedback gathered during in-person engagements.

5. Research

To understand the context of this section and why the Framework is necessary, it helps to look at what we are experiencing in the region. El Paso has not historically been a primary market for large-scale private investment such as hyperscale data centers.

The META data center in Northeast El Paso, represents an investment valued at approximately \$10 billion. For our community, that scale can be challenging and transformative. The region is experiencing now what feels like a pipeline, with Project Jupiter, a multi-billion-dollar, campus-scale development just outside city limits in Dona Ana County, NM. That proximity matters because while it may sit outside our jurisdiction, it operates within our regional system—our power grid, our water supply, our workforce, and our infrastructure.

The region is also expecting a new commercial hyperscale data center on Fort Bliss land, adding a federal dimension to this development. This facility is expected to be larger than the META center on the eastern side of the military base.

Access to a reliable grid, low energy and water costs, and land availability are key considerations when private companies choose locations to develop hyperscale data centers. These key considerations for the development of data centers, which may become limiting factors, fully apply to El Paso:

- Power: hyperscale data centers require massive amounts of electricity on a 24/7 basis, often pushing grid capacity to its limits and driving co-located generation, as is the case for the META, and most likely, the Ft. Bliss projects.

- Water: direct water consumption at the facility for cooling purposes and indirect water use for generation result in significant daily usage of water. In desert regions like El Paso, this is becoming a key concern for the community.

- Land, infrastructure, and policies: regions with reliable grids, available land, and non-restrictive policies are attractive to a sector whose current most critical incentive is ease and speed of deployment.

- Community's position: local concern and opposition were reflected clearly during the community engagement process in El Paso, specifically around energy use, water consumption, and impacts on utility costs, among others.

5.1. Current local regulations

The State of Texas provides home-rule municipalities, such as El Paso, the authority to regulate zoning. Very simply, zoning authority is one of the greatest policy levers that a municipality has. Found in Texas Local Government Code Chapter 211, the zoning framework provides the boundaries for the municipalities to work within. The zoning regulations that are enacted apply to the respective city and do not extend beyond the city limits. Land outside of a city and located solely within a county is not subject to zoning regulations, and a city has no purview to influence the land use outside of its jurisdiction.

The City of El Paso currently has a zoning definition for data centers as found in El Paso City Code 20.02.288.1 and is as follows:

20.02.288.1 - Data processing center (hyperscale).

"Data processing center (hyperscale)" or "data center (hyperscale)" means one or more data centers and/or other facilities used to house, and in which are operated, maintained and replaced from time to time, computer systems and associated components, such as telecommunications and storage systems, cooling systems, power supplies and systems for managing property performance (including generators and mechanical and electrical yards), and equipment used for the transformation, transmission, distribution and management of electricity (including private substations), internet-related equipment, data communications connections, private communication towers, environmental controls and security devices, structures and site features, as well as certain accessory uses or buildings located on the land and other related or associated uses, buildings or structures such as utility buildings; private utility facilities; office; buildings for support staff; warehousing for logistics, storage and/or other similar uses; cafeteria; guardhouse; diesel

storage tanks; fuel storage for emergency generators; water storage tanks; security fencing; and other structures, improvements and appurtenants.

Currently, these uses are allowed by right in the C-4 (Commercial), M-1 (Manufacturing), and M-2 (Manufacturing) zoning districts. “By right” means that a given use is permitted in that zoning district and simply needs to comply with the municipal regulations for development. The data processing center (hyperscale) is also allowed in the I-MU (Industrial Mixed Use) zoning district as part of a master zoning plan. This use is prohibited in all other zoning districts.

Typical with other uses in the aforementioned zoning districts, a data processing center (hyperscale) is subject to dimensional requirements, including general setbacks and height requirements as follows, as per the El Paso City Code:

C-4 (Commercial)

- Front Setback – 0 feet
- Rear Setback – 10 feet
- Side Setback – 10 feet when abutting a residential or apartment district
- Max Height – 60 feet; may exceed 60' when an additional setback of one foot is provided from all adjacent yardlines for each foot of height in excess of 60.

M-1/M-2 (Manufacturing)

- Front Setback – 15 feet
- Rear setback – 10 feet
- Side Setback – 10 feet when abutting a residential or apartment district
- Maximum Height – 60 feet; may exceed 60' when an additional setback of one foot is provided

Per the El Paso City Code, parking is required for these types of facilities as follows:

- Minimum: 1/150,000 sf GFA⁶ Warehouse, plus 1/1,000 sf GFA Office*
- Maximum: 1/75,000 sf GFA Warehouse, plus 1/500 sf GFA Office*

* = For accessory buildings, the minimum required spaces for warehouse use shall be 1/7,200 sf GFA and the maximum shall be 1/5,000 sf GFA; the minimum required spaces for office use shall be 1/250 sf GFA and the maximum shall be 1/125 sf GFA

Please note that there are no other supplemental requirements for the data processing center (hyperscale) found in the current zoning regulations for El Paso.

⁶ Gross Floor Area

5.2. Federal and State regulations

Federal – The federal regulatory landscape for data centers is undergoing a significant transition since the beginning of 2025 and focuses on deregulation and speed of deployment of all Artificial Intelligence (AI) related technology, including hyperscale data centers. In March 2026, the National Policy Framework for Artificial Intelligence was released⁷. Although not focused on data centers, this framework calls for the following:

- “...streamline federal permitting for AI infrastructure construction and operation so AI developers can develop or procure on-site and behind-the-meter power generation to accelerate AI infrastructure buildout and enhance grid reliability.”
- “Congress should not create any new federal rulemaking body to regulate AI shifting...”

Similarly, on March 4th, 2026 the Ratepayer Protection Pledge Proclamation⁸ was signed by the President of the USA and seven AI companies⁹, committing to “leading United States hyperscalers and AI companies guarantee that data centers’ energy needs will not increase household electricity costs for American citizens. Instead, these companies will build, bring, or buy the new generation resources and electricity needed to satisfy their energy demands, and pay for all new power delivery infrastructure upgrades to service their data centers”.

These two recent examples show the current federal priority for the rapid adoption of AI technology. Recent policy shifts have deprioritized mandatory environmental reporting in favor of streamlining the permitting process and reducing regulatory hurdles¹⁰. The National Energy Protection Act (NEPA) and the Clean Air Act are under scrutiny, and some of their provisions have been rescinded¹¹. Furthermore, the previously cited examples do not outline a timeline or specific agencies in charge of implementation or compliance. In the case of the pledge, that is a non-binding document that raises questions about applicability due to state regulations related to electricity generation.

Ultimately, the shift from a focus on climate and sustainability to the current relaxation of federal guardrails has placed the primary responsibility for oversight on local and state

⁷ [White House National Policy Framework for AI - Legislative Recommendations](#)

⁸ [Ratepayer Protection Pledge Proclamation – The White House](#)

⁹ Amazon, Google, Meta, Microsoft, Oracle, OpenAI, and xAI

¹⁰ Previous directives, such as Executive Orders 14110 and 14057, federal policy emphasized rigorous reporting on energy and water consumption, particularly for facilities supporting AI

¹¹ [Trump Administration Delivers Historic NEPA Reform, Unleashing Resources on America’s Public Lands | U.S. Department of the Interior](#) ; [President Trump and Administrator Zeldin Deliver Single Largest Deregulatory Action in U.S. History | US EPA](#)

governments. This highlights the importance of municipal leaders codifying policies and protections at the local level to proactively ensure the well-being of their communities by developing protections within local ordinances.

State – Texas ranks second in the nation for data-center installations, largely owing to political support, its efficient permitting processes, and strategic proximity to demand, which have been pivotal in driving this expansion¹². Availability of land is another major consideration.

Below, the different types of regulations that apply to data centers in Texas are summarized.

Tax incentives: Texas has established state tax incentives to attract data centers, primarily governed by the Texas Tax Code. Section 151.359 from the Texas Tax Code provides the eligibility parameters to qualify for a 100% exemption on state sales and use tax for 10 to 15 years¹³. Qualifying data centers are exempted from paying the state’s 6.25% sales taxes on purchases related to building and maintaining the facility — including servers and other data storage hardware, software, office equipment, the cooling system, emergency generators and plumbing¹⁴.

Local jurisdictions can also offer tax abatements via Chapter 312 and 380 agreements.

CBA: In Texas, there are no statutory requirements for Community Benefit Agreements (CBA) or specialized environmental mandates specifically for data centers. Local governments can explore/mandate CBAs for local tax breaks or land sale contracts.

Permitting: The permitting process provides safeguards. Land-use regulations often can restrict development near environmentally sensitive areas, including habitats of endangered species and protected lands. Air and water permits impose limits on emissions and regulate water withdrawal and discharge. Ideally, these permitting processes ideally include opportunities for public comment, enabling communities to express their views and influence project conditions formally¹⁵. There are four types of permits that data centers need to obtain to operate. Those include:

- Zoning and Land Use and Site Development (City Planning and Inspections Department)

¹² Yashvi, Shipra et al. Permitting procedures for setting up data centers in Texas, COMPASS Research Consortium, 2026

¹³ <https://statutes.capitol.texas.gov/?tab=1&code=TX&chapter=TX.151&artSec=>

¹⁴ The Texas Tribune, Cobler, Paul, <https://www.texastribune.org/2026/04/08/texas-data-centers-sales-tax-break-billion-dollars/> April 8, 2025

¹⁵ See 12

- Interconnection (EPE/PUC)
- Environmental permits – air and water- (Texas Commission on Environmental Quality)
- Building Permits, Certificate of occupancy, Fire and Safety Inspections (City Planning and Inspections Department)

In 2025, Texas adopted SB6 at the 89th Legislature. This bill adds new regulations for loads exceeding 75 MW that require projects to demonstrate financial security and, in some cases, provide on-site generation or demand response capabilities to prevent grid strain during peak periods. SB6 only applies to ERCOT territory, and therefore, the El Paso region is excluded. Advocating for similar regulations for our vertically integrated market should be a priority.

5.3. Data centers and the Climate Action Plan

The Climate Action Plan (CAP) identifies the need to develop a data center policy (under Measure 1: Enhance or create a community-wide building energy efficiency and electrification rebate program). The CAP calls for a policy that incorporates environmental (e.g., energy and water usage), community, and economic development considerations.

As detailed in the Community Engagement section, hyperscale data centers pose major environmental, economic, and social concerns for the community, with environmental impacts at the top of the list.

The CAP region-wide GHG inventory includes major emissions sources within El Paso and Hudspeth Counties for the calendar year 2019. In calendar year 2019, the El Paso region's gross emissions were 7,572,602 MTCO₂e. Emissions from hyperscale data centers will be included under the Commercial Energy category that currently represents 21% of the total (1,595,866 MTCO₂e).

Hyperscale data centers like the one META is constructing in the Northeast, and the one recently announced at Ft. Bliss, will have a significant negative impact on GHG emissions, co-pollutants, and overall air quality.

The META site, as communicated by the company and El Paso Electric (EPE), is expected to need 1 GW of capacity¹⁶, with 475 MW required for the first phase of operations by 2027;

¹⁶ Ft. Bliss, while still unclear at this time, is expected to need a larger capacity from unknown generation sources.

250 MW will be served by current EPE resources, and 225 MW will be provided by the McCloud natural gas facility¹⁷.

The current EPE's owned generation capacity is 2,95 GW and its associated emissions 3,091,383 MTCO₂e¹⁸. Adding 366 MW of natural gas generation (of which 225 MW will run 24/7) represents 8.6% and 17% increases in the total EPE's generation and EPE's natural gas generation, respectively.

With 525 MW still to be defined in terms of generation technology for the META project, and the uncertainty related to the Ft. Bliss project generation, the outcome for the regional GHG emissions and co-pollutants can be devastating, directly impacting the goals set in the CAP and moving the baseline for 2019 significantly upwards, jeopardizing the 2030 and 2050 goals.

The correlation between health outcomes and air quality has been long established, with pollutants such as particulate matter (PM), carbon monoxide (CO), ozone (O₃), nitrogen dioxide (NO₂), and sulphur dioxide (SO₂) having adverse impacts on health¹⁹. Health impacts were a clear concern to the community during the engagement process, particularly to residents of Northeast El Paso, where the META data center is under construction.

5.4. Impact on utilities

Two key metrics are used when describing the resource intensity of data center facility infrastructure. Power Usage Effectiveness (PUE) is defined as the total electricity demand of the data center divided by the electricity demand of the IT equipment. Water Usage Effectiveness is defined as the total water consumption of the data center divided by the IT equipment's electricity demand. PUE is technically dimensionless (kWh/kWh), while WUE is reported in terms of liters per kWh. Various factors, including cooling systems, operational practices, and climatic conditions, influence the PUE and WUE metrics of data centers²⁰. Lower PUE and WUE values indicate higher energy and water efficiency.

¹⁷ [26-0405 - CC 33 - Enchanted Rock CCN \(EP City Council\)](#)

¹⁸ [2025 Corporate Sustainability Report](#)

¹⁹ [https://www.who.int/teams/environment-climate-change-and-health/air-quality-energy-and-health/health-](https://www.who.int/teams/environment-climate-change-and-health/air-quality-energy-and-health/health-impacts#:~:text=What%20is%20air%20pollution%20and,(household%20air%20pollution%20only).)

[impacts#:~:text=What%20is%20air%20pollution%20and,\(household%20air%20pollution%20only\).](https://www.who.int/teams/environment-climate-change-and-health/air-quality-energy-and-health/health-impacts#:~:text=What%20is%20air%20pollution%20and,(household%20air%20pollution%20only).)

²⁰ Shehabi et al. 2024. United States Data Center Energy Usage Report. Lawrence Berkeley National Laboratory, Berkeley, California. LBNL-2001637

From 2014 to 2023, the annual average across U.S. data centers for PUE and WUE has decreased and increased, respectively²¹. PUE and WUE values vary depending on individual choices for cooling and electricity generation specific to each data center; this framework looks into promoting lower PUE and WUE for data centers looking to establish themselves within City limits (see section 5).

Both energy (electricity) and water are inextricably linked in all systems, but particularly when discussing large-scale data centers. This technical reality showed as one of the key community concerns (see section 3). There is a tradeoff between water and electricity intensity, with, for example, air-cooled facilities requiring significantly less water while increasing electric usage.

Energy –

The construction and deployment of data centers require significant power infrastructure. How much of that infrastructure is behind-the-meter vs. grid-tied is highly uncertain for most projects, with negotiations between developers and utilities in many cases not public until filings occur at the state level.

While behind-the-meter systems can protect the rest of the ratepayers from rate increases. In hybrid or fully grid-dependent facilities, if investments are made on the grid (generation, transmission, distribution) and the load (data center, in this case) fails to materialize, the ratepayers can end up paying for the cost recovery. More and more data centers are seeking approval for behind-the-meter generation systems to overcome regulatory delays and to speed up deployment.

Research from energy economists, data center modelers, grid modelers, as well as others, is needed to identify key risks for existing customers, data centers, and utilities, explore existing contractual arrangements, and propose novel methods for risk-sharing and cost recovery²². Two of the main risks from the developers' perspective are grid reliability and speed of deployment. From the community's side, environmental risks and increased utility costs are at the top of the list.

Roughly one-half or greater of the electric power demand of data centers stems directly from the operation of electronic IT equipment²³. Computation generates large amounts of

²¹ Shehabi et al. 2024. United States Data Center Energy Usage Report. Lawrence Berkeley National Laboratory, Berkeley, California. LBNL-2001637. Page 48.

²² Shehabi et al. 2024. United States Data Center Energy Usage Report. Lawrence Berkeley National Laboratory, Berkeley, California. LBNL-2001637.

²³ Shehabi et al. 2024. United States Data Center Energy Usage Report. Lawrence Berkeley National Laboratory, Berkeley, California. LBNL-2001637.

heat, with the cooling needed as a result amounting to much of the rest of the electric demand.

As of September 2025, data centers require 9,567 MW of power capacity, with Transmission System Providers in ERCOT estimating an almost tenfold increase by 2030 for a total of 77,965 MW²⁴.

There are multiple ways of powering data centers with electricity (or a combination of them): i) Use current grid power; ii) Updated grid power; iii) Onsite gas generation; and iv) Onsite renewable generation. While the power needs don't vary for any of those four options, water consumption, emissions (and therefore air quality and health outcomes), and noise levels are very different based on how the electricity generation needs are met.

As described in section 4, META's facility will require 1 GW of generation capacity, with 250 MW provided by the current grid and 225 MW for the McCloud Natural Gas plant. The remaining 525 MW generation option needed is still to be made public. Those 225 MW provided by McCloud, with a total capacity installed of 366 MW, will be paid for by META to protect current customers²⁵. There is a significant risk that after 5 years (timeline referred to by both EPE and META), EPE may require the interconnection of such a system, with unpaid costs, at that point, shared by all EPE customers. While the utility refers to extensive regulatory approval for that to happen, the 5-year depreciation of the assets would make them the most cost-effective technology presented to the Public Utility Commission of Texas (PUCT) at that point. In such a case, residents and businesses will bear the remaining costs of McCloud.

Water – Water use in data centers results from both direct and indirect consumption. Direct water use refers to the on-site need for operations, specifically for the cooling of servers. Indirect consumption is associated with the water demand for electricity generation to power the data center.

The total expected water demand varies based on the type and size of the data center, the cooling technology at the data center, and the power supply and its cooling needs²⁶.

Nationally, water use for cooling is expected to increase by 2-3x by 2028. If data growth projections hold, this demand could increase to 29-161 Bgal by 2030, or 0.5-2.7% of total annual water use in Texas²⁷.

²⁴ Thirsty Data and the Lone Star State: The Impact of Data Center Growth on Texas' Water Supply Margaret Cook, PhD, HARC January 2026

²⁵ [26-0405 - CC 33 - Enchanted Rock CCN \(EP City Council\)](#)

²⁶ See 24

²⁷ See 24

Texas' State Water Plan does not include projected demand growth for data centers. Because there are already unmet needs, including the current 4.8-million-acre-foot shortage as determined by the Texas Water Development Board, data centers' unknown unmet needs are poised to place unprecedented stress on local water supplies across the state. Water stress in particular parts of the state will impact communities and other industries, including agriculture, differently²⁸.

Options to reduce water consumption by hyperscale data centers include:

- i) Use of air-cooled systems: Air-cooled systems decrease direct water use at data center facilities; there is a direct trade-off in the increase of electricity used by the facility.
- ii) Promote non-water-intensive electric generation plants (i.e. solar PV, solar+storage, and wind): this option eliminates, at least partially, depending on the whole generation portfolio for the facility, data centers' indirect water demand.
- iii) Use of closed-loop systems.

For the city of El Paso, and the larger region, the construction of hyperscale data centers presents two main challenges (which were raised by the community during the engagement series):

1. Potable water availability and aquifer impact: hyperscale data centers consume millions of gallons of water per day²⁹. For the El Paso region, the impact of three very large facilities like Jupiter, META, and the one at Ft. Bliss, could be significant, in particular for the Hueco and Mesilla bolsons.
2. Wastewater and impact on infrastructure costs and utility rate upgrades: the discharge from data centers often has a higher concentration of solids. EP Water has the mandate to monitor that the discharge meets State limits and regulations. EPWater does evaluate the need for infrastructure upgrades. Resident feedback specifically cited concerns regarding "utility rate increases" and "impact on the quality of the discharged water".

The recent rate increases for water service have been driven by EP Water's Capital Improvement Plan (and in particular, the upgrades to the wastewater treatment system), and supplying water to META would not result in rate increases. In case new data centers

²⁸ See 24

²⁹ For Meta, the total maximum allocation for Tier III, or full implementation phase, is 2.5 million gallons per day (GPD), with an average GPD of 1.5 million.

(as the Ft. Bliss one) require new infrastructure, and EP Water moves forward with such infrastructure, that could tentatively impact rates.

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6. Appendices

Appendix A. Community Meeting Materials

Appendix B. Community Meeting Documentation

Appendix C. Digitized Community Input

Appendix D. Online Community Engagement

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