

October 2025 Environmental Quality Board meeting

Wednesday, October 15, 2025 | 1:00-4:00 p.m. | 520 Lafayette Road, St. Paul, MN 55155, lower level conference room south and online via Teams.

Minutes

1. Welcome and roll call

Chair Nancy Daubenberger called to order the regular meeting of the Environmental Quality Board.

Members present: Peter Bakken, Joseph Bauerkemper, Ed Brands, Nancy Daubenberger, Tamar Gronvall, Daniel Katzenberger, Nicholas Martin, Paul Nelson, Angie Smith, Sarah Strommen, Matt Varilek

Members excused: Grace Arnold, Deb Barber, Brooke Cunningham, Rylee Hince, Todd Holman, Katrina Kessler, Thom Petersen

Proxies present: Sydnie Lieb (for Arnold), Peter Lindstrom (for Barber), Myra Kunas (for Cunningham), Peter Tester (for Kessler), Stephan Roos (for Petersen)

EQB staff present: Catherine Neuschler, Rebeca Gutierrez-Moreno, Hazel Houle, Jesse Krzenski, Sarah Lerohl, Priscilla Villa-Watt, Kayla Walsh

Approval of consent agenda

- Meeting minutes from September 17, 2025, Environmental Quality Board meeting
- Proposed agenda for October 15, 2025, Environmental Quality Board meeting

Motion: Board Member Katzenberger moved to approve the consent agenda; Board Member Nelson seconded.

In favor: Bakken, Bauerkemper, Daubenberger, Gronvall, Katzenberger, Martin, Nelson, Smith, Strommen, Varilek

Opposed: none

Excused: Arnold, Brands, Cunningham, Hince, Holman, Kessler, Petersen

2. Executive Director's report

Catherine Neuschler – Executive Director, EQB

- Energy infrastructure rule: The notice of intent to adopt (also known as the proposed rule) related to environmental review and energy projects went out on October 6, 2025. Comments can be submitted (to the Court of Administrative Hearings) through November 14, 2025. All the information is available on our [rules and regulations webpage](#). Kayla Walsh is going to be taking this project over from Colleen Hetzel.
- Pollinator engagement: Rebeca and her collaborators kicked off a series of pollinator-related webinars on October 2, 2025 with the topic “Fall and Pollinators”. We had 254 people registered from around the state to learn why fall is critical for the survival of pollinators and what steps we can take during this season to help them overwinter successfully. Our guest speakers included experts from the Xerces Society for Invertebrate Conservation, the University of Minnesota Bee Lab, and Metro Blooms, who talked about the different ways pollinators face the winter, how we can create overwintering habitat, and the way climate change is altering this phenomenon. The webinar was recorded and is available to view on our YouTube channel and our [pollinator webpage](#).
- Climate Calculator: Steph Aho will be traveling and presenting a poster at the Midwest Climate Resilience conference in Wisconsin next week and she's also been accepted to present at the annual Conference on the Environment by the Air and Waste Management Association in early November to show how the calculator works, what it does, and how it can help people do their climate calculations for their environmental review.

3. Office of Enterprise Sustainability annual update

Presenter: Marcus Grubbs – Director, Office of Enterprise Sustainability, Department of Administration

Type of item: Informational

Summary: Executive Order 19-27 directs Minnesota's state government to “make efficient use of water and energy, reduce greenhouse gas emissions, and ensure that goods and services procured by the government are sustainable”. The Office of Enterprise Sustainability is required to publish an annual report that is shared with the public and presented to the EQB. Sustainability metrics can be found at <https://sustainability.mn.gov/>.

Outcome: The Board was informed and the requirements of the EO were met.

4. Foundational information on data centers, part 1

Presenters:

- EQB: Catherine Neuschler, Sarah Lerohl
- Department of Economic Development (DEED): Chet Bodin

- Public Utilities Commission (PUC): Mike Bull, Jenna Ness
- Department of Commerce (Commerce): Dr. Sydnie Lieb
- Pollution Control Agency (MPCA): Richard Cordes

Type of item: Informational

Summary: Data centers house IT infrastructure to run and deliver computing applications and services. As people and the economy increasingly rely on cloud-based data storage and computing, including AI, there is increasing demand for the services provided by data centers, and there are proposals being made to locate larger data centers in Minnesota. In siting and developing data centers, there is a particular need to look at the facilities' energy and water requirements.

Depending on any given facility's size and energy and water needs, data centers may be subject to multiple environmental review and regulatory requirements. This meeting focused, at a high level, on potential environmental review and energy regulatory considerations related to data centers.

- DEED staff provided an overview of the development of data centers in Minnesota
- EQB staff provided an overview of environmental review under Minn. R. 4410
- PUC and Commerce staff provided an overview of permitting and review under energy statutes (Minn. Stat. 216B and Minn. Stat. 216I)
- MPCA staff provided a brief overview of considerations for air permitting
- Commerce and DEED staff provided an update on 2025 legislation

At the November meeting EQB and agency staff will discuss environmental review and regulatory considerations related to water.

Discussion:

- What would the process look like for creation of a mandatory category and associated thresholds pertaining to data centers?
 - **Response:** The board does have the authority to create mandatory categories. The entire process would take about two years to complete.
- Does the mandatory category ensure that projects would have to do an EAW or an EIS depending on how the category works? Or is the Alternative Urban Areawide Review (AUAR) a potential alternative to those things even in the presence of a mandatory category?
 - **Response:** The AUAR could be used as a pathway for review for applicable project types. But if something falls under the excluded categories - there are 17 under the EAW and 12 under the EIS - if a project triggers one of those excluded categories they would not be able to use the AUAR.
- Where does all this intersect? What role, if any, does the EQB currently have in ensuring that RGUs are using AUARs appropriately?
 - **Response:** The RGUs make the decisions but the EQB can give guidance. If there's an appeal filed to an AUAR it goes through the district courts.

- Would it be possible to do an AUAR but also have an EAW as a part of that to address a mandatory category?
 - **Response:** Yes. The AUAR process historically has a couple of ways that can exclude projects at the beginning, so it was anticipated that there may be projects or developments that would use an AUAR and an EAW or an EIS.
- If there are any environmental positives involved in a data center, e.g. heat used to displace fossil fuel use currently being used in the area, that information can be added to the mitigation plan.
- How would a community go about determining whether they want to do a discretionary EAW or EIS on a data center project or deliberately use an AUAR? There's concern about the lack of transparency of AUARs.
 - **Response:** Decision making authority is delegated to the RGU. The rule has very specific instances where a review could be required. It would be up to the the RGU and any government that has a permitting authority could choose to order a discretionary review if a review is not completed.
- Why would a proposer use an AUAR if there's a potential that they might also have to do another type of environmental review if mandatory categories are triggered?
 - **Response:** The AUAR provides a level of flexibility in community planning so if a project proposer has not committed to a project or a site, the AUAR allows communities to prepare for that with associated infrastructure and some of the other environmental effects of development.
- There is one RGU for an AUAR but multiple permits from various agencies might be required.
- Minnesota has a robust regulatory environment and resource planning statute, so is better prepared than other states to handle data center regulations.

Public comment:

- Nick Rhinehart, Gretchen Kehoe, and Peter Taylor provided written comments and input on the Hermantown AUAR ([attached to the October packet](#)).
- Trish Sieh – Civil Engineer at Kimley-Horn: Has worked on small and large-scale data centers for about 13 years and, because of her experience is offering herself as a resource to the board.
- Ashlynn Kendzior – Staff Attorney for the Minnesota Center for Environmental Advocacy:
 - Data centers are uniquely positioned to have statewide impacts. Ten of the proposed data centers proposed in Minnesota use the same amount of energy as every single home. Individually demand hundreds of millions of gallons of water annually.
 - The RGU has to be able to address all of the statewide impacts when conducting its environmental review - the easiest way to do that would be to create a mandatory EIS category for data centers that designates a statewide agency as the RGU. This would ensure that the cumulative potential impacts of data centers are taken into consideration.

- Asks that EQB offer additional guidance on what RGU's must do to satisfy AUAR requirements for large specific projects under Subpart 5a.
- Minnesotans deserve a robust environmental review process so that residents can understand the potential environmental impacts of data centers on their lives, their communities, and the state.
- Clarissa Ek – Resident of Hermantown:
 - Ms. Ek just recently learned that the Hermantown AUAR is for a large-scale data center. She was aware of the AUAR completed in September 2025 and that it was noted that the development scenario would result in significant changes to property, including 2.3 million cubic yards of excavation over 184 yards. She and her neighbors' properties are within a quarter of a mile from the project site.
 - She and her neighbors were never notified about the data center plan, even though it seems it has been known at least since November 2024 when local council members signed non-disclosure agreements (NDAs) for the project. The City of Hermantown is trying to push this data center through even though the AUAR is not sufficient for a data center.
 - Would like guidance on what she and other locals can do to stop the AUAR from moving forward. She believes the data center project should require an EIS.
- Aubree Dirkin – Resident of Pine Island:
 - She wants to inform the board from a community perspective and small town what's happening with the data center. The second largest data center proposal in the state, 3,000,000 square feet, is planned in her rural farm town of less than 4000 people. The entire town, including schools, medicals clinics, and senior housing is less than a mile from the proposed site. She's concerned about the insufficient time residents have to be aware of the development and lack of transparency in these developments.
 - When residents speak up, they're ignored. When there are concerns that an AUAR is inadequate, they're also ignored, and it's resulting in lawsuit after lawsuit.
 - The timing of these data center plans is happening when the legislature is not in session, so the earliest that any additional guardrails at the state level could happen is February 2026, which would be too late for Pine Island residents.
 - Would like a moratorium placed on hyperscale data center developments until the needed guardrails are in place.
- Nick Rhinehart – Resident of Hermantown: The Hermantown AUAR was classified as light industrial which is confusing because residents don't know what the true project is by looking at the AUAR, and the the AUAR in this case was performed by the the company doing it, not the RGU. Use of AUARs need to be evaluated for data centers. It lacks transparency to the people of the towns; by the time locals can act, the AUAR has already been approved.

- Peg Furshong:
 - Projects like data centers that have complex levels of energy and water needs are often beyond the capacity of the local government making the decision for the AUAR. Their charge in their position is to fund their operations and these data centers have lots of money. Project proposers wave that money out in front of them and get them to sign the NDAs.
 - When you're looking at the the data center footprint for water, please also consider the water for the energy generation because in in many cases there's more water use to generate the energy needed than there is used for cooling the data centers.
- Katie Hawkins: What do we do if citizens, the broader public, are feeling that city administration or elected officials, especially under NDAs, are using AUARs inappropriately against the public will or without consent, without community support? It feels like the AUAR is being used by the city against the public to not give a choice. Guidance or recommendations for the public would be greatly appreciated.

Outcome: The staff provided foundational information about data centers, helping Board members increase their understanding of the issue. This information will support future discussion about potential work for the EQB, focused around two of EQB's key outcomes – to support program development on priority and emerging environmental issues and to maintain and improve Minnesota's environmental review program.

5. Closing and adjournment

Having reached the end of the agenda, the Chair asked if there was any further business.

Adjournment:

With no further business, the Chair adjourned the meeting.