

Building Data Centers That Pay Their Way

The Utility-Stabilized Data Center Model — summary of the full proposal

The idea in one sentence. A high-intensity compute campus should cover the residential electric and water cost its presence creates, replace more water than it draws, steward the basin while it operates, and leave the county better than it found it — all through conditions the County already attaches to a permit, at no cost to the County and on legal ground built to hold.

The problem. Pinal has approved thousands of acres of compute and energy in months — La Osa alone is 3,385 acres and a reported \$33B / 3 GW. Opposition is about cost and consequence: a rigid new draw on a closed aquifer (ADWR projects an 8M acre-foot shortfall and has stopped new groundwater supply), pressure on residential bills, and stranded-asset risk to a small utility district. Traditional tools fail — abatements read as subsidy, voluntary pledges do not bind successors, and equity stakes or below-market leases are barred by Arizona's Gift Clause.

The fix — conditions of entry, not ratemaking. The County does not set rates or manage water rights, but it controls the permit. La Osa already carries 33 PAD stipulations; this adds resident, basin, and stewardship protection to that condition set.

While it operates — two pillars

- **Protections (sized to harm):** cover residential electric and water cost, sized to the campus's own load with a floor and a rate-stabilization lock; replace more water than consumed (net-negative, proven before permit); pre-fund interconnection and mitigation escrows.
- **Stewardship (the desert standard):** on-site solar whose arrays double as stormwater catchment; required, metered closed-loop cooling — no evaporative waste; reclaimed before potable.

When it leaves — three layers

- **Don't leave early:** a pre-funded penalty scaling inversely to time served.
- **Don't leave a mess:** durable infrastructure reverts to the public (shell and water to the County, grid to ED4); elect-to-take-or-remove, backed by a decommissioning escrow.
- **Leave it better:** work off the impact of having existed here through public improvements anywhere in the county — roads, parks, recharge — judged by an open test and secured by a restoration bond. Security posted up front converts into these improvements as the operator proves it is staying.

Two rules that close the loopholes

- **Load, not labels:** obligations track actual load and water use, aggregated across commonly-controlled facilities by any name or parcel — calling three campuses one, or one three, changes nothing.
- **It survives the Gift Clause:** private money to public benefit, no county spending, reversion vesting only in the future — value flows to the public.

Why everyone can say yes. Run on water and resident protection, or cut the ribbon on investment — the same framework supports both, because it protects residents without turning projects away. Developers can price it on day one; residents see the cost fear answered; every recharge basin and paved road is a real public good and a ribbon-cutting at once. That is what makes it durable across elections.

What the Board can do now: adopt a standardized condition set for high-intensity compute above a defined load threshold [Board to set] — no new state legislation required — with independent appraisal of all dedicated, reverting, and credited assets, and an annual public report. Full proposal and sources in the companion paper.

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