

**CITY OF EL PASO, TEXAS
AGENDA ITEM
AGENDA SUMMARY FORM**



DEPARTMENT:

AGENDA DATE:

CONTACT PERSON NAME

2nd CONTACT PERSON

3rd CONTACT PERSON

PHONE NUMBER:

PHONE NUMBER:

PHONE NUMBER:

DISTRICT(S) AFFECTED:

STRATEGIC GOAL:

SUBGOAL:

SUBJECT:

COMMUNITY AND STAKEHOLDER OUTREACH:

BACKGROUND / DISCUSSION:

PRIOR COUNCIL ACTION:

AMOUNT AND SOURCE OF FUNDING:

The Honorable Greg Abbott
Office of the Governor
P.O. Box 12428
Austin, TX 78711-2428

Dear Governor Abbott:

The purpose of this letter is to seek greater clarification on your recent directives regarding data center development throughout the State of Texas. On June 10, 2026, you issued a directive to the Public Utilities Commission of Texas (PUCT) and the Electric Reliability Council of Texas (ERCOT) to audit proposed data centers that wish to join the state's electric grid. On August 10, 2026, you issued a press release that called on data centers to:

- Pay for their electric infrastructure instead of shifting costs onto Texas families and small businesses.
- Reuse their own water.
- Reduce the cost of electricity for Texans.
- Do not disrupt residential neighborhoods to preserve Texas' quality of life.
- Pay their own way and eliminate reliance on outdated taxpayer-funded incentives.

As a municipality that is not part of the electric grid managed by ERCOT, we are seeking clarification and a more detailed explanation for our community. We respectfully ask the following:

- The City of El Paso and its electric utility are part of the Western Interconnection rather than the ERCOT grid. Your August 10 release states that the PUCT and ERCOT will review and audit data center projects before they move forward. Does this directive apply to Meta's El Paso data center? If so, which state agency or regulatory body will be responsible for conducting and enforcing that review in El Paso?
- Your August 10 release states that Meta has committed to comply with your data center standards and guidelines. Which of those standards specifically apply to Meta's El Paso project, and what actions must Meta take to demonstrate compliance?
- Your release states that data centers should "pay their own way" and "eliminate reliance on outdated taxpayer-funded incentives." Does that policy apply to the existing Chapter 380 Economic Development Program Agreement, tax abatements, infrastructure reimbursements, or other public financial assistance associated with Meta's El Paso project? If not, why not?
- Meta's public commitment appears to address several of the standards identified in your announcement, but it is unclear whether Meta has agreed to your stated goal of eliminating reliance on taxpayer-funded incentives. Has Meta committed to forgo, return, renegotiate, or otherwise reduce any public incentives associated with its El Paso project? If so, please identify those commitments.
- Please provide copies of any letters, agreements, emails, memoranda, or other written communications in which Meta committed to comply with the standards referenced in your August 10 announcement, including any documents identifying how those standards will apply to the El Paso project.

- Your standards state that data centers should pay for their electric infrastructure rather than shift costs to Texas families and small businesses. What specific safeguards will ensure that the cost of new generation, transmission, substations, or other infrastructure required for Meta’s El Paso facility is borne by Meta rather than residential and small-business ratepayers?
- Your standards require data centers to identify their water sources, projected water use, water reuse procedures, and cooling technologies. Will the state also require disclosure and accounting of indirect water consumption associated with electricity generation used to serve a data center, including water consumed by natural-gas generation built or operated to meet the facility’s demand? If so, how will that consumption be measured and monitored?
- Meta has committed to paying for a gas-powered plant in El Paso and has expressed a desire to be connected to the state electric grid in five years. Residents are concerned they will subsidize this. How does your directive ensure residents will not subsidize this in five years?
- Your announcement states that data centers must “reuse their own water.” What standard or percentage of water reuse will be required? Does this mean closed-loop cooling, reclaimed water, replenishment of local water supplies, or another measurable requirement? How will compliance be verified?
- Who will independently verify Meta’s compliance with these standards in El Paso, how frequently will compliance be reviewed, and what enforcement action will be available if Meta fails to meet its commitments?
- How will Meta outline measures to reduce impacts on water usage, gas emissions, rising heat and surface temperatures, noise pollution, light pollution, utility costs, and emergency responses?
- Will Meta’s submissions regarding electricity demand, water use, public incentives, ownership, and community impacts—and the state’s findings regarding compliance—be made available to the public?

Finally, Meta is asking the El Paso Electric Company to build the McCloud gas-powered facility less than one mile from residents’ homes. This facility will be made up of 813 generators that will run 24/7 hours per day. What protections has Meta discussed in protecting these property owners?

We look forward to hearing from you and towards a collaborative partnership that both enhances our community and protects its health.

Respectfully,

City of El Paso