

Consumer Choice Center Comments on the Government of New Brunswick Policy Framework for Data Centre Development

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**New Brunswick Growth Office
Department of Post-Secondary Education, Training and Labour
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The **Consumer Choice Center** is an independent, non-partisan consumer advocacy group championing the benefits of freedom of choice, innovation, and abundance in everyday life. We champion smart policies that promote growth, lifestyle choice, and defend technological innovation.

We would like to offer our comments on the [Government of New Brunswick Policy Framework for Data Centre Development](#) (“the Framework”), albeit from a consumer-focused perspective of Canadian consumers.

General Views on the Consultation

The purpose of the consultation is to create a framework for data centre development that, in the government’s own words, “contributes positively to the province while minimizing impacts on public infrastructure, natural resources, and communities”. The Consumer Choice Center shares that view, and while those goals align, where the CCC would like to provide consultation is encouraging the province to embrace the positives of having data centres in the province, by lessening the regulatory burden that the framework currently requires. The end goal should be to make New Brunswick a more desirable place for data centre infrastructure.

Why Data Centre Development Should be Welcomed by the Province of New Brunswick

Before outlining the specific issues with the Framework, it is important to discuss why data centre development would be a boon to the people of New Brunswick, and why this type of development should not be overburdened to a point where it is easier to simply build in another province or even in another country.

The economic benefit to salaries is one important example of how data centres are a net positive for the regions that embrace them. Electricians and tradesmen in the United States are finding they can now earn [six-figure salaries](#) in places like Texas and West Virginia, which is a life-changing sum even if they were to have that work for just a few years. Comparably, New Brunswick's occupational profiles show that electricians make an average of [\\$56,900](#) a year, and plumbers make an average of [\\$49,400](#) a year currently. Data centres are creating well-paying skilled trade jobs, with [Fortune reporting](#) that in the United States "demand for robotics technicians has jumped 107%, HVAC engineers increased 67%, and construction roles grew by 30% since late 2022...roles like welders and electricians are also on the rise, up 25% and 18% over the past three years, respectively."

Data centre development will also generate additional tax revenue for New Brunswick. Examples from the United States show that this can be possible. Loudoun County, Virginia, took in [\\$1.1 billion](#) in tax revenues last year alone, and ended up using that money to invest in schools, infrastructure, and emergency services. In Northern Virginia, one [study](#) shows that data centres created \$40 billion in economic activity for that state last year, created 112,000 jobs, and allowed the state to collect over \$1.5 billion in tax revenue. As a direct result of the taxes paid by data centres, the citizens of Loudoun County are saving around [\\$5,800](#) on their annual property tax, which is not a small amount for a working family.

In terms of electricity rates, research shows that since utilities have fixed costs, adding a large ratepayer like a data centre to the payer base helps cover those fixed costs, and can actually lower rates for citizens. This is exactly what a [report](#) by the Lawrence Berkeley National Lab has shown: data centres have actually been lowering electricity rates by spreading them across the customer base.

Like many [rural places](#) in the United States, New Brunswick has been experiencing [population decline](#) and [youth out-migration](#) for many years, and as a result, the province has accumulated a [record deficit](#) of \$1.3 billion in the past fiscal year. Data centres could be part of a generational turning point that can help New Brunswick get back on track economically. If New Brunswick does not take advantage of data centre developers wanting to build in the province, they will simply build elsewhere and cost New Brunswick millions and potentially even billions of dollars in additional tax revenues, ratepayer assistance, increased salaries for New Brunswickers, and much more. That would be an irreversible loss for the province, and overregulating and making New Brunswick less attractive to data centre developers will make sure that the province loses out on a generational opportunity.

Our Response to the Framework's Concern Over Ratepayer and Electricity System Impact

The Framework puts its first emphasis on data centres not increasing electricity rates. It is important to note right off the top that data centres should use as little energy as possible in order to reduce cost for themselves. As the Consumer Choice Center's Head of Emerging Technology Policy James Czerniawski points out:

"Because electricity is often one of data centers' biggest operational expenses, operators have strong incentives to minimize waste. Some of the innovations they rely on to achieve that minimization include:

- *Advanced cooling systems: Leveraging both outside air cooling and liquid cooling dramatically cuts the energy overhead for temperature control.*

- *Power-management and workload-shifting software dynamically adjusts server loads to minimize electricity waste.*
- *Highly tailored hardware and chips specialized for high-density computing tasks improve the performance.*

Modern data centers at leading companies like [Google](#) utilize many of these tactics. Because they pay for every kilowatt-hour they use, they have a strong incentive to be a disciplined actor in this space.

Managing that cost allows them to be more efficient and profitable, delivering results to shareholders. This is an underreported and underappreciated incentive.”

Canadian reporting on this topic that asked five electricity experts about this issue [said the following](#):

“If structured properly, data centres could make Canada’s electricity systems more efficient, spur investment in new generation, and spread the enormous fixed costs of the grid across more users, thereby lowering utility bills.”

As we previously mentioned, given utilities have fixed costs, adding a large ratepayer like a data centre to the payer base helps cover those fixed costs, and can actually lower rates for New Brunswickers.

Our Response to the Framework’s Concerns about Water, Environmental, and Municipal Impact

When examining the Framework's extensive list of requirements for data centre developers, ranging from their use of water to their broader potential impacts on the environment and municipalities, , many of the requirements will ultimately hinder or entirely halt data centre construction projects if implemented as is.

For example, requiring developers to demonstrate that projects won’t harm infrastructure, groundwater, surface-water resources, and local biodiversity is a standard that’s well beyond any developer’s ability to comply. It’s simply

unreasonable to put that sort of requirement on these developers, and it will result in New Brunswick losing out on these projects and watching developers choose other regions to build in.

Finally, requiring a data centre developer to “incorporate water efficiency and conservation measures (such as closed-loop cooling systems) into facility design” is too restrictive. In New Brunswick, a closed-loop cooling system might not be the best option for efficiency or the climate, and there is an incentive for developers to choose the best technology since being more efficient with water makes a data centre more profitable to them. The ability to innovate and use their expertise is important, rather than dictating what sorts of processes should be used and unintentionally creating lock-in effects for certain technologies or processes.

Our Response to the Framework’s Concern about Economic Value

We share the goal of the government of New Brunswick to create economic value for its people. As we’ve outlined, we believe that data centres would bring prosperity to those living in New Brunswick. It’s unreasonable for the Department to require that data centre developers take this long list of economic value deliverables into account, but also say that they “may include targets related to” this list. This is unreasonably vague language that amounts to setting up conditions where the government can “move the goalposts”, and will almost certainly scare away any new development of data centres to New Brunswick.

Our Response to the Framework’s Concern about Project Viability, Alignment, Community Benefits, and Participation

We have grouped these sections because they all contain highly discretionary criteria that will be mostly impossible for developers to interpret and follow. We are also unsure if New Brunswick has the economic capacity or willingness to actually enforce these requirements, and whether the vagueness of these requirements will result in possible uneven enforcement and deep uncertainty amongst applicants.

If New Brunswick wishes to be a serious contender for data centres versus other provinces, it must work better with developers to make the regulations less burdened by red tape, and less rigid and indecipherable. Anything less will make New Brunswick perhaps one of the most undesirable places to build, thereby losing out on a massive opportunity for economic and population growth that the province badly needs.

Conclusion

Overall, the Consumer Choice Center supports the development of data centres in New Brunswick because of its obvious economic value to the province. However, the Framework presented here by the Department is rife with inconsistencies, vagueness, and confusion. This must be rectified in order for New Brunswick to become a viable partner for development in a way that could revive its economy for generations to come. Overregulation and uncertainty will only have developers pick other provinces or other countries over New Brunswick. The Framework should streamline the process of data centre development and make it attractive to build in New Brunswick. The prosperity of New Brunswickers now and in future generations may depend on it.

Respectfully,

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