

SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATEMENT TO

SENATE, No. 4400

STATE OF NEW JERSEY

DATED: OCTOBER 8, 2026

The Senate Environment and Energy Committee reports favorably Senate Bill No. 4400.

This bill requires the Department of Environmental Protection (DEP) to conduct an evaluation of the short and long term effects of water use by large-scale data centers.

Under the provisions of this bill, the study is to consider the short-term effects of water use by large-scale data centers, measured over the preceding three years; the long-term effects of water use by large-scale data centers, measured over the preceding seven years; the anticipated effects of water use by large-scale data centers which may be constructed in the future, as distinct from existing large-scale data centers; any efforts undertaken by the DEP or by large-scale data center operators to reduce the use of water by large-scale data centers; how the use of water by large-scale data centers has impacted overall State water use and costs; how the use of water by large-scale data centers has affected the operational efficiency, cooling requirements, or uptime of the large-scale data center due to water constraints; the direct or indirect costs associated with the use of water by large-scale data centers, including impacts on public water systems, ratepayers, or infrastructure upgrades required to meet demand; an analysis of any feasible water use reduction strategies which could be implemented by any large-scale data centers operated in the State; and any other information which the DEP determines to be necessary to produce a comprehensive study.

The bill provides that, in conducting the evaluation required under the bill, the DEP may: (1) require the owner or operator of a large-scale data center, public water system, wastewater utility, sewerage authority, or other relevant entity to submit any information that the DEP deems necessary; (2) rely on permit records, utility records, estimates, and any other reasonably available information, if historical data is unavailable, incomplete, or inconsistent; and (3) consult with the Board of Public Utilities (BPU) and utilize any relevant data reported to the BPU pursuant to State law.

Within fifteen months of the bill's effective date, the DEP would be required to submit a report on the findings of the study to the Governor and the Legislature. The Commissioner of Environmental Protection is authorized to submit recommendations for legislation to improve State laws regarding the use of water by large-scale data centers.