April 28, 2026

Petersburg Data Center
Frequently Asked Questions

1. **Where will the private sector data center be located?**
    a. The data center will be located at the former Ocean Beauty cannery property. The property owner has not determined the final location within his expansive property, but potential locations include within the cannery on the pier and on new fill at the start of the wooden trestle.

2. **How big will the building be?**
    a. The Borough has not received a building permit application or plans, but initial estimates are that they will need a 1500-2000 square foot single-story building.

3. **Other than electricity what else will the borough be providing the private sector data center?**
    a. The building may need normal sanitary amenities afforded to employees, such as a bathroom (water and sewer service) and garbage collection. All of these utilities will be provided per the rates in the municipal code and will be similar to a small retail shop in Petersburg. There is no need for constant water supply for cooling due to the closed loop water cooling systems employed (like the radiator in your car). Once the system is charged with water, there is no further draw on the water system.

4. **Will the community or tourists know a data center is in the building or is the building pretty non-descript?**
    a. PMPL is not aware of any business signs or plaques that Greensparc may want to place on their business. The building is anticipated to blend architecturally with the property and surrounding so that an outside observer would not know what was inside. The design will be in keeping with other industrial zoned properties in Petersburg.

5. **How loud will the private sector data center be?**
    a. The servers and their air-cooling fans will be inside of a building. Sound levels inside the building may be up to 80 dB, but outside the building the cooling fan sound will not be noticeable to surrounding areas. If the water-cooling system is needed, the radiators will be outside and the intermittent sound from the single radiator will be approximately 60 dB, when standing at the edge of the property. This unit may operate only on the warmest days of the year. Of note, this will be much less impactful than the row of freezer vans that were previously staged at the loading dock for Ocean Beauty seafoods. ***See the infographic at the bottom of this FAQ list for a comparison of sound levels.***

6. **How loud are the local processing plants downtown?**
    a. This is highly variable and dependent on what operations are ongoing and

where you are standing. Many mechanical operations at a processing plant are sited in open air, such as refrigeration compressors and condensers, dock cranes, forklift traffic, steam releases from retorts, freezer vans, etc. It is reasonable to believe that a small data center inside of an insulated structure will be much quieter than a cannery within the neighborhood.

7. **Are there health concerns with data centers and surrounding areas?**
    a. The most worrying health concerns in relation to a data center are tied to the hyperscale (extremely large) data centers that must generate their own power, or backup power, via diesel generators. Petersburg's proposed private sector data center does not rely on diesel generators at the site and only employs a battery system to manage controlled shutdowns of the servers in the event of a community power outage.
    b. Noise can have a detrimental effect on people and large data centers do have impacts to surrounding areas in this regard. However, the small size and acoustically contained data center being proposed will not be a noise hazard.
    c. Radio frequency hazards are not an issue at data centers that are connected to the internet via fiber optic cables, which is the plan for the proposed data center in Petersburg.
    d. No other potential health concerns exist for the proposed data center.

8. **Will the private sector data center be able to increase power consumption if they want to exceed their 2 MW capacity?**
    a. The customer will not be able to increase their electrical service without requesting an increase from the Borough's electric utility. At the present time, the utility is confident that no other customers will be negatively impacted by the project, but PMPL wants to verify that the proposed data center will not cause unforeseen issues with the local generation and distribution systems. While additional capacity requests will be considered, the utility must perform due diligence upon the receipt of service applications to ensure that additional loads for this purpose do not have a detrimental effect on other PMPL customers.

9. **Are there any other data centers in Alaska and how do they compare in size?**
    a. Yes, Alaska does have other data centers. Although the website "datacentermap.com" shows Alaskan locations, there is little information about the sizing of data centers in Anchorage and Fairbanks, owned and operated by companies such as Alasconnect and GCI. Greensparc has a data center in Cordova that is 170 kilowatts and has plans to expand with a new facility up to 1.5 megawatts. Anchorage recently passed a local data center ordinance that regulates data centers above 20 megawatts.

10. **Wrangell was trying to put it in a data center. What became of that project? How does Wrangell's effort compare with the private sector data center here in Petersburg?**
    a. PMPL is not aware of the final outcome of the Wrangell data center project. However, the main differences between the two projects include the following points:
        i. Petersburg's project is 100% private in nature; Wrangell's project is part of the greater deepwater port development which was to be partially funded by the City and Borough of Wrangell and federal grants and is part of an improvement plan focused on supporting several tenants and businesses.
        ii. PMPL has no expenses involved in providing service to the data center; Wrangell's project would require an investment in establishing adequate power to the project site, building renovations and electrical service metering.
        iii. Mazzella Alaska, a private company, owns the 2 MW transformer at the Ocean Beauty site and bought the property expecting to be able to utilize the full capacity of the electrical service for his future business; Wrangell's project has no properly sized transformers at the project site and not enough local power to serve the data center without adding significant infrastructure, which includes adding capacity to the Wrangell substation, providing a service transformer at the site and potentially building new distribution line to the site.

11. **Can a borough ordinance be written to limit the private sector data center's future growth?**
    a. An ordinance can be drafted to control growth on any data centers that may be considered in the future. While the obvious limiting factor in such an endeavor is the availability of regional and local power generation, there could be agreements made with data center companies that would assist the Borough or our regional power provider to develop new generation resources. The Utility, Assembly and Planning Commission need to carefully consider what provisions are included in such an ordinance so as to maintain control over local power distribution but allow consideration of larger, beneficial projects that could be proposed in the future.

12. **Storage batteries will be used in this private sector project. Who regulates the batteries being used and who ensures any battery issues relate to fire prevention?**
    a. The owner of the facility will be responsible for securing a permit from the State Fire Marshal and ensuring safety of the battery energy storage

system. Greensparc will carry insurance to cover any related fire risks. It is important to note that the batteries to be used are Lithium Iron Phosphate (LiFePO4), which are magnitudes safer than Lithium Ion batteries which is the type most commonly associated with thermal runaway events.

13. **Does the Petersburg Borough have fire protection equipment to fight such a fire?**
    a. Unlike Lithium Ion batteries, LiFePO4 batteries do not create their own oxygen if they do catch fire, therefore traditional firefighting practices, with copious amounts of water to cool the battery cells, can defeat a fire related to these batteries. The important part of using such a battery system is to plan for comprehensive monitoring of the state of charge and temperatures so that a fire is primarily prevented through engineering controls. In addition, each of the self-contained battery components includes a state-of-the-art (best available control technology – with federal certifications) fire suppression system.

14. **Why would a data center come to Petersburg? Don't we have high electric rates that make this type of business less attractive here?**
    a. At a residential energy rate of 12.2 cents per kWh, Petersburg's residential rates are among the lowest in the State of Alaska. Petersburg's large commercial rate is 11.9 cents per kWh. The average residential rate in the US in 2026 is 17.45 cents per kWh and the average Alaskan rate is close to 30 cents per kWh, making Petersburg very attractive and affordable when comparing electricity costs.

15. **Can the Borough guarantee that local electric rates won't go up because of the data center?**
    a. The Borough can state that electric rates won't go up because of the data center, but electric rates are still expected to increase in the future. The high inflation impacts that all Petersburg residents are experiencing also applies to the electric utility. This means that costs for fuel, equipment, supplies and materials are all increasing. The data center will help to suppress those costs for our customers but it doesn't completely eliminate the need for rate increases as long as inflation remains high. The utility can confidently state that the addition of a local data center will lessen planned rate increases over the next several years and that any rate increases that are needed are not tied to the data center operation itself. Lastly, if rates do go up, they will obviously affect the energy costs of the data center just like all other customers.

16. **How can one customer make a difference to everyone else's rates?**
    a. Petersburg utilities operate as enterprise funds, meaning that they must operate by charging rates to cover each utility's expenses and capital project plans (NO taxes are funneled to utilities). The revenue requirements of the utility are shared by a finite amount of customers, which has been fairly stagnant since the local population decline in the 1990's. The amount of power that the data center will utilize through an existing service and privately owned transformer has the effect of adding several hundred residential customers, but without all of the other strains to local infrastructure or housing shortfalls. This quantity of power sales is what helps to spread out the utility's costs and lower the burden for all customers. And since for the vast majority of the year Petersburg has ample power to serve this customer with hydro power, the benefit translates to our wholesale power provider as well, helping to keep the wholesale rate for Petersburg, Wrangell and Ketchikan stable over time.

17. **How will the large commercial sales agreement be structured to eliminate/reduce rate increases and diesel surcharge fees for Petersburg community members?**
    a. Diesel Generation Adjustments: The goals of a large commercial sales agreement with Greensparc, as allowed by our current municipal code, would be to negotiate with the customer and either have the company pay for all diesel fuel surcharges that are experienced while they are operating, or simply curtail their service to remove the additional load from the local grid.
    b. Electrical rate suppression: It is the quantity of electric sales to Greensparc that will provide the rate stabilization and suppression for other PMPL customers. A revenue stream of over $2,000,000 per year covers more fixed costs of the utility so that existing rates, or modest rate increases to counteract inflation, can cover the utilities expenses. This revenue is achieved simply by charging Greensparc what is required of any large commercial customer, insofar as energy charges, service charges and demand charges.

18. **Why isn't the Borough moving this to an area that is closer to the SEAPA transmission line and not in the middle of the downtown waterfront?**
    a. This project is not a Borough project. Information has been shared by the municipal electric utility to transparently inform the community about the local opportunity, but the Borough is not involved in the actual project other than providing power as it would for any other commercial or industrial customer that has a desire to start a business in Petersburg. Decisions on location and proximity to high voltage power

are not the Borough's to make.

19. **Why isn't the subject property being used for seafood processing like it used to be?**
    a. For many years, the property was for sale and available for a processor to buy and utilize it for that service to Petersburg and the region. The current owner is reportedly exploring many different uses of the property, which may include seafood processing within the constraints of a legally binding, 10 year non-compete clause in the property sales agreement, but it is up to the owner to make those decisions and move forward with their business plan as they desire. These are not Borough or community decisions to make.

20. **When the processing plant was operational what was their electrical consumption during the year compared to what the private sector data center will use? 2016 was the last year OBI operated the 64,000 sq. ft. facility.**
    a. Ocean Beauty used 1,060,800 kwh when in full operation in 2014; 1,064,400 kWh in 2015; and 739,200 kWh in 2016. In comparison, Greensparc plans a 1MW initial build out that will use 8,500,000 kWh in 12 months. After completing full build out to a 2MW facility, the use will be 17,000,000 kWh per year. Although the cannery used a maximum of 381,000 kWh in July 2015, this load was not used all year long.

21. **Doesn't the Borough have an ordinance that requires waterfront property to be marine services related?**
    a. Yes, there is a marine overlay on zoning for all **Borough-owned** waterfront property. This overlay does not apply to private property, like the Mazzella Alaska property. The property owner does desire to develop marine/ship based businesses at the property, which is highly likely since the data center footprint would only consume 2-3% of the available property.

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HOW LOUD IS 60 dB?

COMMON SOUNDS COMPARED

Decibel (dB) is a logarithmic scale used to measure sound intensity.
Every 10 dB increase is perceived as about twice as loud.

DECIBEL LEVEL (dB)	COMPARABLE SOUND SOURCES		
120		Jet takeoff (100 ft. away)	Extremely loud Pain threshold
110		Rock concert (near speakers)	Very loud
100		Jackhammer (30 ft. away)	Very loud
80		Busy city street (at the curb)	Loud
70		Vacuum cleaner (10 ft. away)	Moderately loud
60		**EDGE DATA CENTER** (typical at 5 ft. away)	Moderate (typical operating level)
50		Normal conversation (3 ft. away)	Moderate to soft
40		Refrigerator (at kitchen)	Quiet
30		Library (quiet room)	Very quiet
20		Rustling leaves	Very, very quiet
10		Breathing	Barely audible
0		Hearing threshold	Threshold of human hearing

WHERE DOES AN EDGE DATA CENTER AT 60 dB FIT IN?

60 dB

An edge data center at 60 dB is comparable to everyday sounds like a normal conversation.

WHAT THIS MEANS

- Similar to the noise level in many homes and offices.
- Manageable in commercial and industrial settings.
- Properly designed data centers help minimize noise impact.

SOUND PERCEPTION IS SUBJECTIVE.
Factors like distance, surroundings, and individual sensitivity can affect how loud a sound seems.

Note: Levels are approximate and can vary based on equipment, enclosure design, and site conditions.