

Diligence Questionnaire: Data Center Development



U.S. DEPARTMENT
of ENERGY

Office of Indian Energy
Policy and Programs

Initial Screenings

The following diligence questionnaire is intended to equip Tribes with questions to ask as they consider potential partnerships with data center developers.

This Questionnaire is intended for use during or before initial screening conversations with developers.

Tribal Engagement	
☐	What do you know about this Tribe, including its vision, values, and expectations for development on its land?
☐	How are you planning to engage with the Tribe throughout construction and operations? How does the developer plan to incorporate the Tribe into shared decision-making?
☐	Why are you pursuing Tribal land versus non-Tribal alternatives?
☐	What workforce opportunities and educational benefits are you considering? Do you plan to employ local Tribal labor?
☐	Will you offer opportunities related to training, certifications, or Operations and Maintenance (O&M) roles for Tribal businesses?
☐	What strategies do you have in place to proactively educate, inform, engage, seek feedback, and incorporate input from the Tribal community before and during the project?
☐	What is your plan for building a durable partnership with the Tribe?
☐	Is the Tribe required to sign a non-disclosure agreement (NDA)?

This checklist is a living tool and should be adapted to reflect each Tribe’s governance structure, land status, and community priorities.



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Project Timeline, Planning, and Budget

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| ☐ | What is your business model? Do you intend to develop the site and rent rack space, or use the site for your company's operations? Are you planning to lead full development, site preparation only, or phased development prior to hyperscaler engagement? |
| ☐ | What size and scale of project do you seek to develop on Tribal land? |
| ☐ | What is your expected timeline for development? |
| ☐ | Will there be a phased approach or is the full project going to be constructed at once? |
| ☐ | Will any part of this project be funded by federal programs? |

Natural Resource Impacts

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| ☐ | What is the anticipated land use requirements (total site area of development)? Are there plans for future expansion? |
| ☐ | What water volumes are required? Where do you plan to acquire water resources? Do you expect to need any water rights from the Tribe? |
| ☐ | What kind of environmental monitoring will you conduct during construction and operations? |
| ☐ | How will long-term resource risks be addressed? |
| ☐ | What type of cooling systems are under consideration (e.g., air cooling, liquid cooling, water-based systems), and how do these systems affect water usage? What kinds of water conservation techniques is the developer planning to employ? |
| ☐ | How will noise impacts from data center operations be assessed and mitigated? |
| ☐ | What steps are you planning to take to protect the Tribe's land, water, and air? |

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Developer Work History & Track Record

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| ☐ | What services does your company offer? |
| ☐ | What data center projects have you developed, owned, and/or operated? Who are the principals in the company, and what kind of record do they have in developing data centers or similar large-scale projects? |
| ☐ | Which entities have you partnered with, are in partnership with, and have closed transactions with? |
| ☐ | Have you worked with, or are you currently working with, any Tribes, Tribal entities, or utilities? If so, which ones? |
| ☐ | How much total capital (\$) and megawatts (MW)/gigawatts (GW) have you deployed into data center projects, and how much is planned? |
| ☐ | What is your experience with completing projects on time and within budget? |
| ☐ | Who are your equity partners? Have you transacted with these partners before? |
| ☐ | How have you managed community concerns in past or ongoing projects, and what have you learned from that? |
| ☐ | Have you had experience developing projects in this region? |

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Power Delivery and Energy Strategy

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| ☐ | What energy generation sources are under consideration (grid-connected power, renewables, backup generation systems, fuel cells)? |
| ☐ | What is the project's expected capacity (MW), load profile (load factor or utilization profile), and targeted uptime? |
| ☐ | What is your power delivery model or interconnection strategy for the proposed project? Behind-the-meter, grid connected, staged hybrid approach, off-grid, or bridge power? Have interconnection discussions started? |
| ☐ | If on-site generation is required, who do you propose or intend to own and operate those assets? |
| ☐ | How will this planned infrastructure impact electricity costs to the Tribe and the immediate local community? |
| ☐ | If you intend to build new infrastructure, will the infrastructure provide the Tribe with additional power-sector benefits (improved system capacity, upgraded infrastructure, expanded access to electricity)? |
| ☐ | If new electric power infrastructure is required, what environmental impacts could result? |
| ☐ | Have you conducted any engineering studies to determine project feasibility and cost? |
| ☐ | Has a high-impact load study or similar analysis been conducted to evaluate the effects of the project's load on the local or regional grid? |
| ☐ | How do you expect local, state, federal, and Tribal energy policy to impact the project? |

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Financial Model and Risk Allocation

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| ☐ | How are you planning to incorporate the Tribe in decisions on the project? |
| ☐ | Who is providing the capital? What kind of agreements or memoranda of understanding (MOU) do you already have in place with regard to financing? |
| ☐ | Do you have a financing plan? |
| ☐ | How does the developer plan to share revenue with the Tribe from the project? |
| ☐ | Are you seeking a monetary contribution from the Tribe? |
| ☐ | What contributions is the Tribe expected to make beyond land? |
| ☐ | Do you have a MOU in place with any anchor tenants? |
| ☐ | Where are you planning to seek equity and debt to finance the project? |
| ☐ | How will you make decisions? Will there be an investment committee? Please provide details on any approvals required throughout the development and financing process. |
| ☐ | Have you secured, or are you pursuing, offtake agreements with potential customers (e.g., hyperscalers or other end users)? |
| ☐ | How do offtake agreements (or lack thereof) affect project financing, timing, and overall feasibility? |
| ☐ | Is the developer planning to remain the owner over the life of the project? What guarantees can you make in the contract to ensure this remains the ownership arrangement? |

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The next slides detail questions Tribes could ask in advanced conversations with data center developers after they have moved beyond initial screening.



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This Questionnaire is intended for use during or before advanced discussions with developers, during which the Tribe is seriously considering partnership.

Role of the Tribe, Tribal Engagement, and Other Benefits

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| ☐ | Tribal engagement should occur early and often to ensure the project runs smoothly and considers the Tribe's priorities. What are your plans for meaningful Tribal engagement with Tribal Council members, citizens, and businesses? How will you ensure these commitments are met? |
| ☐ | What are your expectations with regard to sovereign immunity and dispute resolution? |
| ☐ | What workforce opportunities and educational benefits exist during construction versus operations? Would you work with a consortium of labor groups, or procure each separately? |
| ☐ | Are there commitments related to training, certifications, O&M roles, or Tribal businesses? Are you familiar with Tribal Employment Rights Ordinances (TEROs)? |
| ☐ | Are co-benefits, such as broadband expansion, waste heat recovery, electricity access, or infrastructure upgrades included? |

Developer Work History & Track Record

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| ☐ | How many projects have you secured land rights, permits, interconnection, and financing sources for? |
| ☐ | What have been the biggest lessons learned? |
| ☐ | What references can you provide from other Tribes, communities, other hosts of past developments, off-takers, utilities, financiers, advisors, or consultants? |

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Project Timeline, Planning, and Budget

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| ☐ | What are the expected development phases (planning & feasibility, design, construction, commissioning, and operations)? How long is each phase anticipated to last? |
| ☐ | What assumptions are driving the schedule (interconnection timing, power availability, permitting)? |
| ☐ | How flexible is the project if infrastructure, power, or permitting timelines shift? |
| ☐ | Do you have detailed budgets for both the power and data center projects? |
| ☐ | Please detail your plans for equipment procurement. Do you have any preferred supplier agreements? Have you identified any supply chain constraints? |
| ☐ | Please explain your strategy for development of the facility. How do you plan to ensure the facility is designed and built by qualified firms with competitive pricing? |
| ☐ | What is the state of your off-take discussions? Do you have any letters of intent (LOIs) or memorandums of understanding (MOUs)? Can you detail the commitments? |
| ☐ | Is there any more information we can provide to help guide you to the offices at the Tribe the developer is responsible for coordinating with in respect to permits, cultural preservation, environmental impact, utility, telecommunications, and construction? |
| ☐ | Have you considered how time immemorial rights and resources may be affected? |

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Site Readiness and Permitting	
☐	What are your plans for site preparation before construction? Please provide a detailed permitting plan.
☐	Who will be responsible for various costs and risks associated with site readiness and entitlements?
☐	Have you undertaken any environmental impact studies or begun to adhere to cultural land protections for the project?
☐	Do you have any system impact or feasibility studies completed for the project?
☐	How are land use approvals and building permit requirements being addressed for this project? How will responsibilities for securing these approvals be coordinated between you and the Tribe?
☐	What steps are you taking to ensure your approach remains responsive to changing power market dynamics and policy developments?
☐	How do evolving public perceptions of data center energy use and grid impacts influence your project design and stakeholder engagement strategy?
☐	Does the developer have a plan for funding site remediation or returning the site to its original state?

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Natural Resource Impacts

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| ☐ | What are the anticipated impacts on land use? What is the data center footprint (total site area of development, total square feet of data center)? What are your plans for expansion and decommissioning? |
| ☐ | What are the impacts to air quality? What generators (diesel, gas) will be installed and how many? Will the site include on-site power generation beyond emergency backup? Have you begun plans for air quality monitoring and risk assessment? |
| ☐ | What cooling mechanisms will be used and what kind of water resources are expected to be needed for cooling? |
| ☐ | What are the anticipated impacts on noise pollution? Will mechanical equipment be outdoor or enclosed? What are the predicted operational noise levels, has a noise assessment or modeling study been completed? |
| ☐ | What are the anticipated impacts on light pollution? |
| ☐ | What mitigation measures (for impacts to land, air, water resources, wildlife, and communities) are proposed, and how are long-term resources risks addressed? |
| ☐ | What remediation measures are proposed? |

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Advanced Discussions

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Financial Structure, Risk Allocation, and Contracts

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| ☐ | Would you consider Tribal ownership models beyond land leases or land leases and royalties? Are you supportive of the Tribe becoming an equity partner with a minority or majority stake in the project? |
| ☐ | Who bears construction, interconnection, and operating risk? |
| ☐ | Which party is liable if the full build out is not realized, costs escalate, hyperscaler appetite dries up, etc.? Are there any performance guarantees, and what are the contractual consequences if those guarantees are not met? |
| ☐ | What exit, termination, or step-in rights protect the Tribe if circumstances change? |
| ☐ | Do you have committed equity partners? Are they contracted, or in early-stage discussions? |
| ☐ | What revenue and contract structure is proposed (lease payments, service agreements, hybrid, power purchase agreements (PPAs), revenue share, equity)? How would these structures impact revenue or other benefits to the Tribe? |
| ☐ | What third-party standards or benchmarks does the project need to meet? |
| ☐ | What decision rights (approval, consent) will the Tribe retain? |
| ☐ | What investment committee approval(s) will you or your partners require to fully commit funds and when do you expect to reach those decision points? |
| ☐ | If you have a comprehensive financial model, what can you share that would show how the Tribe's revenue and other goals are met, and mitigate concerns regarding financial viability? |
| ☐ | What consent rights exist for sale of the assets? |
| ☐ | What kind of tax incentives or benefits are you expecting to rely upon? |
| ☐ | What is the contract duration you are considering for the land lease agreement? |

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Power Delivery and Energy Strategy

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|--------------------------|---|
| ☐ | What is the projected load (MW) at each phase, and what resource adequacy guarantees are offered? Will future developments be required? |
| ☐ | Do you have any queue positions for this project or other projects and if so, with what utilities? Are you aware of transmission constraints or other issues? |
| ☐ | At what stage of discussion are you with local utilities? |
| ☐ | If applicable, please describe your approach to fuel supply. |
| ☐ | Have you presented any power pricing terms to off-takers? |
| ☐ | What are your plans for partnership agreements for power delivery or PPAs, or are you in the early stages of discussion? |
| ☐ | What is your perspective on procuring assets given current and future supply chain issues? |

Data Sovereignty and Security

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| ☐ | Are you offering to host Tribal data onsite? |
| ☐ | How are ownership, access, and control of Tribal data defined in agreements? |
| ☐ | What cybersecurity standards apply, and how is transparency maintained? |
| ☐ | How will Tribal data sovereignty principles be addressed? Can certain data be excluded from use in applications? |
| ☐ | What kind of commitments or covenants will you expect from the Tribe with regard to control of data and the application of present or future Tribal laws? |

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