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San Jose Silicon Valley Chamber Convenes City, PG&E, Labor and Industry to Shape the Future of Data Centers in Silicon Valley

Forum comes as San Jose releases its first uniform data center standards – a framework that will help decide whether the region advances the jobs, revenue and infrastructure of the digital economy

SAN JOSE, Calif. – October 13, 2026 – The San Jose Silicon Valley Chamber of Commerce today brought together leaders from the City of San Jose, PG&E, the South Bay AFL-CIO Labor Council and the Data Center Coalition for *Building the Backbone: A Framework for San Jose's Digital Infrastructure*. The forum will focus on how Silicon Valley can build the data centers its economy depends on responsibly, reliably and in ways that deliver lasting value to the community.

San Jose released its draft Data Center and Large-Load Energy Projects Uniform Standards on October 9, and the City Council is scheduled to consider them this December. The local work follows a package of seven data center bills Governor Newsom signed on September 21, which set new statewide rules on grid costs, energy and water disclosure, and environmental review.

"Data centers are the backbone of the digital economy, and the digital economy is Silicon Valley's economy," said Leah Toeniskoetter, President and CEO of the San Jose Silicon Valley Chamber of Commerce. "The question isn't whether this infrastructure gets built — demand will be met somewhere. The question is whether it gets built here, to our standards, with benefits that reach our neighborhoods. The decisions San Jose makes in the next 60 days will shape that answer for a generation."

Powering the regional economy

Data centers support the services residents and businesses use every day, from telehealth and online banking to remote work, cloud computing and streaming. For San Jose, they also represent a significant new source of stable revenue. According to the City, a single new data center can generate up to \$3 million a year in General Fund revenue for police, fire, parks, libraries and roads.

The investment extends beyond city coffers. Through its agreement with the City, PG&E has committed \$2.6 billion to South Bay energy infrastructure between 2026 and 2035, and the utility estimates that new large-load customers can help lower average electric bills over time by spreading fixed grid costs across more usage. Construction of these facilities also creates multi-year, skilled union jobs for electricians, pipefitters and other building trades.

What the panelists said:

“By working closely with our residents, businesses, and local partners, we are committed to establishing standards for data centers that truly protect and serve our city’s shared interests while delivering balanced responsible growth. Listening to our community is fundamental to getting this right,” said Manuel Pineda, Deputy City Manager, City of San Jose.

“PG&E is making a \$2.6 Billion investment in the South Bay, which provides significant investments to modernize and add resilience to the grid in the region. We represent both valued customers and contributors to the effort that help reduce price pressure to rate payers,” said Karen Ornelas, Senior Director of Data Center and Technology Growth, PG&E.

“San Jose’s future depends on skilled construction careers, and incorporating local hire and apprenticeships in these standards not only benefits the investments being made in the digital economy, but also helps us develop and maintain a skilled local workforce with apprenticeship opportunities,” said Jean Cohen, Executive Officer of the South Bay Labor Council.

“Data centers take compliance and accountability seriously, building and operating only where authorized and aligned with local, state, and federal rules and regulations. This effort builds on an extensive state regulatory framework already in place, made more significant and restrictive by recent state legislation. We look forward to working with San Jose to promote the responsible development of the critical infrastructure that supports the modern economy,” said Khara Boender, Director of State Government Affairs - West for the Data Center Coalition.

San Jose leading with a clear framework

The Chamber credits Mayor Matt Mahan and the City Council for choosing to lead rather than wait. Under Mayor Mahan's leadership, the City secured a first-of-its-kind agreement with PG&E to guarantee power for new projects. In May, the Mayor and Councilmembers David Cohen, Peter Ortiz and Domingo Candelas directed City staff to develop uniform standards covering energy, water use and cooling, air quality and backup generators, noise, labor standards, community notification and community benefits. Residents then helped shape those standards through listening sessions held across the city in August and September.

"We could bury our heads in the sand, say 'no' and push the jobs and industries of the future to states with fewer environmental safeguards, or we can do what California does best: lead the nation forward with a blueprint for responsible development," Mayor Mahan said in August when announcing the City's community engagement process.

"Mayor Mahan and the City Council are positioning San Jose to lead, developing a clear framework that could become a blueprint for how other cities approach data center growth," Toeniskoetter said. "Clear, strong, predictable rules are what enable good projects to be built and give residents real protection and economic benefit. When it's done right, we all succeed — our city, our region and our economy."

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