PHOTO CREDIT: MARK MULVILLE

From left to right: David Flynn, Luke Marchiori, Ikram Massabini, and Sean Farrell, at Phillips Lytle LLP during the Buffalo Business First Data Centers Table of Experts.

TABLE OF EXPERTS

Data Centers: An engine for the region's economy

Ready or not, here come the data centers.

It is important for Western New York to embrace them, because ultimately this rapidly developing sector will be advantageous to the area's economy.

That was the message from experts invited by Buffalo Business First Publisher John Tebeau to discuss what makes data centers a good idea for the area.

Joining Tebeau were:

- Ikram Massabini, CEO, MVP Network Consulting,
- David Flynn, partner, Phillips Lytle LLP
- Sean Farrell, COO, TeraWulf Inc. and
- Luke Marchiori, executive vice president, EnergyMark LLC

ADVANTAGES

For a region to attract the talent and investment for the technology sector and be considered on the leading edge it needs to be an active participant, not just in the data center space, but more broadly, Flynn said.

The benefits to communities that support these companies include property taxes that support local projects and system benefit charges that help the state implement a number of its initiatives, he said.

"The number of dollars that operations can pay toward school districts and local communities is just game-changing for them," Flynn said.

Flynn heads Phillips Lytle's energy practice and is a member of its data center team. The increasing demands of data centers in terms of energy infrastructure, behind-the-meter generation and growth of clients in those areas has prompted the firm to create its Energy Consulting Services to help clients navigate the regulatory path in the energy industry.

He questions the reluctance of some communities to welcome these industries.

"This false narrative about driving up everyone's electric prices? If we do it correctly, it will not drive up the residential costs. It will help pay for some

THE EXPERTS:

SEAN FARRELL
COO
TeraWulf Inc.

Sean Farrell is the Chief Operating Officer for TeraWulf Inc., where he is responsible for coordinating and overseeing the company's data center operations and vertical integration strategy.

Mr. Farrell has over 12 years of energy experience in renewables, grid optimization, digitalization and storage cross-business solutions. Most recently, he served as North American Head of Onshore Sales and Marketing at Siemens Gamesa Renewable Energy Inc., leading the U.S. and Canada's onshore wind turbine product development and market strategy.

Mr. Farrell began his energy career at Siemens Energy and held positions of increasing responsibility within their Power System Sales organization in both generation and electric delivery across diverse verticals for over a decade.

DAVID FLYNN
partner
Phillips Lytle LLP

David P. Flynn is a partner at Phillips Lytle LLP, where is serves as co-leader of the firm's Energy and Renewables Industry Team and is a member of the Data Centers Practice Team. He is also leader of the firm's Environmental Law Practice and co-leader of the firm's Cryptocurrency and Blockchain Practice Team. His practice is concentrated in the areas of energy, environmental law and emerging technologies. David advises clients on business development issues and the regulation of energy before state and federal authorities. He also advises clients on the development and siting of renewable energy facilities, licensing of hydropower projects, hydrogen projects and energy storage facilities. David represents data center owners and operators and cryptocurrency firms on data center siting, regulatory and energy procurement-related matters. He regularly speaks on energy topics across New York State and has strong connections with major energy and energy-related organizations. He was recognized in *City & State New York's* Trailblazers in Clean Energy in 2024 and 2025, named to *City & State New York's* Energy & Environment Power 100 list for three consecutive years and has been named a Leading Lawyer in *Chambers USA* for the past 14 years.

LUKE MARCHIORI
executive vice president
EnergyMark LLC

Luke Marchiori is the Executive Vice President of EnergyMark, a Buffalo-based energy supplier and consultancy serving commercial and industrial customers across the U.S. Today, he oversees the company's electricity supply portfolio and day-to-day operations and advises large customers on energy procurement, market risk, infrastructure planning, and grid-related strategy.

In addition to his role at EnergyMark, Luke serves as Chief Sustainability Officer for Digi Power X, an energy infrastructure company supporting blockchain and AI computing operations. In that role, he advises on power sourcing, sustainability strategy, and grid integration for emerging, energy-intensive technologies.

Luke is a Williamsville, NY native and a graduate of St. Joseph's Collegiate Institute and St. Bonaventure University, where he earned degrees in Finance and Economics, as well as his MBA. He is active in regional clean energy and sustainability organizations.

IKRAM MASSABINI
CEO
MVP Network Consulting

Ikram Massabini is the CEO of MVP Network Consulting and a nationally recognized leader in managed IT services and cybersecurity. With more than 25 years of experience in information technology, he helps organizations build secure, reliable, and compliant IT environments.

A trusted expert in cybersecurity strategy and risk management, Ikram guides businesses through complex regulatory requirements, including HIPAA, CMMC, and SOC compliance. His strong technical foundation and multiple industry-recognized security certifications position him as a valued advisor for organizations strengthening their security posture.

Ikram's leadership has earned prestigious honors such as the IT Titans Award for Healthcare and the 40 Under 40 Award. He is also the author of *Computers Should Just Work!* and *Cybersecurity Essentials for Business Owners*. Most recently, he led the deployment of an AI-powered client interaction system, reinforcing his commitment to innovation and operational excellence.

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Phillips Lytle LLP

EnergyMark Electric • Gas • Renewables

MVP Network Consulting Technology That Works.

of the critical infrastructure needs and as well create more funding for some of the renewables that many people embrace," Flynn said.

Massabini agreed.

His company, MVP Network Consulting, designs, builds, manages and secures infrastructure networks for its clients, primarily in the healthcare, nonprofit and manufacturing industries. The company builds a network around clients' business processes and guides them through proper use of technology.

A current focus is the use of artificial intelligence (AI) and securing it against data leaks, Massabini said. MVP Network has locations in Buffalo and the Hudson Valley and manages networks for clients across the state.

The development of data centers for AI will require more power, more cooling, and more capabilities. He encouraged communities to embrace the possibilities of such development in this sector.

"Build them and they will come," he said. "Without a doubt."

Marchiori said "If structured correctly, large data centers do not strain the grid. They help fund the infrastructure upgrades the grid needs." The system benefit charges and tax revenues tied to these projects are substantial. In many cases, they represent one of the largest new funding sources for local infrastructure, he said. Taxes collected on these projects also are impressive. "A 500 megawatt AI campus can generate roughly $30 to $40 million per year in tax revenue from electricity consumption alone. That is real money flowing directly back into local communities and infrastructure," he said.

Workforce development is another strength. TeraWulf has 1,000 construction workers at its plant in Niagara County now. The software engineers and the array of professions needed to support the data centers once they are built is going to absolutely shift the job market, Farrell said.

LAUNCHING AI

The benefits of AI range across industries. In medicine, AI is advancing pharmaceuticals to treat cancer and driving delicate robotic surgeries. In data centers, it is predicting maintenance issues and system failures, both within the data center space but more broadly to many other critical industries, and that goes directly to the bottom line, Farrell said.

When you look at AI, you have to look at all the use cases as a whole. It is benefiting society beyond what people could possibly imagine," Farrell said. "People aren't looking at the broad picture in how AI is enabling and improving everyday life. It is a huge benefit as we look forward and the revolution is coming whether you like it or not."

Definitely embrace AI but start with governance and cyber security, Massabini said, especially for applications that go beyond the standard AI that answers a prompt.

"When you start tying it into different applications that allow it to take its own action through triggers where you're not in control, what is it going to do? You have to have governance around it and somebody that knows what they're talking about come help you."

Also, take a risk assessment that will identify holes in the system, Massabini said. Without a security scheme, weaknesses in the system will cause data leaks that will take whatever data is being fed into it and make it available to others outside your system.

"Before you start rolling out AI for everybody, understand how they are going to use it and how are you going to tie into different applications to actually get value out of using these licenses that you're buying," he said.

Take these steps and make AI advantageous.

"It is the company that embraces AI and uses it properly that is going to win, because they are going to be able to provide faster and better information and be able to give you a holistic approach versus having to wait for a human."

SITE SELECTION

There are impressive predictions about the demand for data centers across the country, some say triple, quadruple or more than today's numbers. New York is well-positioned to attract them with its weather, fresh water and available land.

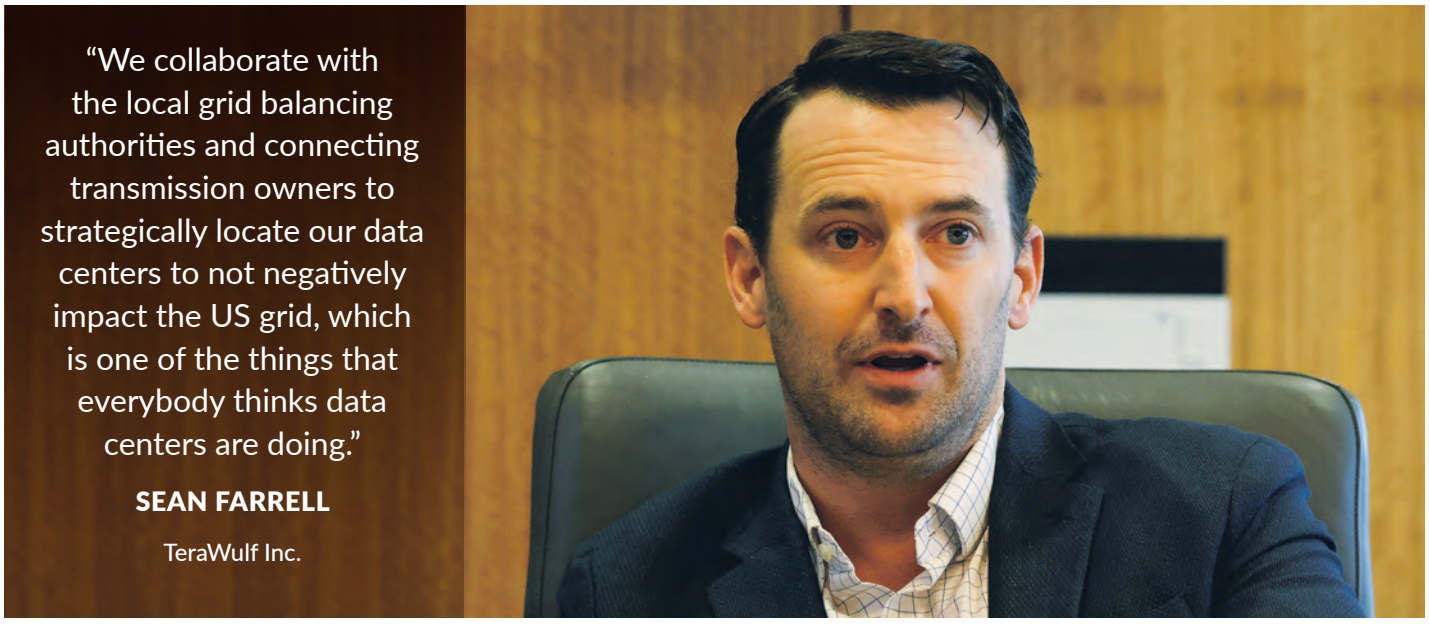
"It can make economic and operational sense," Flynn said. "Upstate New York has so many of the attributes that are necessary for a good spot for data centers, relatively inexpensive land and energy availability. Let's take those positives and turn upstate New York, not into a kind of a paved-over data center, but into an opportunity to use data

centers to really grow the region and be the kickstart to a lot of other related economic development."

Big-city sites already stress the power grid, so TeraWulf is putting data centers in areas that have ample generation capacity and/or brownfield areas that lost or retired a large industrial site, Farrell said.

TeraWulf, develops, owns and operates next-generation data center infrastructure that is designed for large-scale artificial intelligence and high-performance computing workloads. The Maryland-based company is building Lake Mariner Data, a campus of multiple data centers at the former Somerset Power Plant in Niagara County. Its customers include aCore42 and FluidStack.

"We collaborate with the local grid balancing authorities and connecting transmission owners to strategically locate our data centers to not negatively impact the US grid, which is one of the things that everybody thinks data centers are doing," Farrell said. "Many are worried about noise, water and stress on the grid. We are doing none of those. We use ultra-low noise fans. We design and construct



with closed loop cooling systems that do not consume water during standard operation which can be compared to a radiator in an automobile.

It can take three to seven years to study and prepare an undeveloped site for a data center, so to tap into the demand and build a data center quickly is to turn to existing brownfield sites, Farrell said.

Brownfield sites have the advantage because of their industrial past. A prime example is a rural Kentucky brownfield that TeraWulf identified that once was the site of an aluminum smelter that went idle a few years ago and now we are redeveloping the site while utilizing the existing grid connection to bring jobs and economic growth back to the local rural community.

"That is a site that has a substation," Farrell said. "Today we are going in, redeveloping that whole entire site, cleaning up the site, and utilizing that substation and we can get online quickly."

The project will fill the gaps left in that rural community when the previous industry closed.

"If you have a load on the grid and that load goes away, that big load was paying a lot of these transmission charges for that localized grid. When that load goes away, that is a huge gap in utilities base rate," he said. "So it is positive for the local rate payers when a large load becomes re-energized to support a large portion of the transmission charges which is spread to the rate payers based on load, but also there were a lot of jobs that got lost in that area, but also there were a lot of jobs that got lost in that area. There is huge job market that we can go into immediately and bring those guys back."

The array of full-time jobs to be had at the Somerset campus includes IT techs, maintenance, control room operators, accountants, controllers, management and those with industry experience with the cooling system of industrial plants.

All TeraWulf employees, regardless of previous experience, attend extensive training curriculum, taught by suppliers of the data center equipment and mission critical facilities which teaches employees how to support the facilities, such as the upkeep, mission critical mindsets, and maintenance. There also is some on-the-job training. TeraWulf's tenants also hire from the local talent pool, Farrell said.

NUCLEAR POWER

Interest in nuclear power is building in New York state following Gov. Hochul's recently announced target of reaching five gigawatts of nuclear capacity. Phillips Lytle's data center clients are among those in the early process of engaging with developers toward ultimately obtaining small modular nuclear reactors, Flynn said.

The New York Power Authority originally intended one nuclear plant to serve the state but has since veered away from that plan. It is now considering other possibilities for locating plants via a two-pronged RFI process.

"One is to look to developers and see who was interested in developing a nuclear facility or facilities in New York," Flynn said, "but they also polled communities asking if they are willing to host a nuclear facility. They heard positively from eight communities, which I think bodes well for a more distributed generation on the nuclear front from where New York currently is, which is concentrated in one spot, Oswego."

Massabini said companies will gravitate to where the power is but said data centers ultimately will host their own reactors.

"At the end of the day, a small nuclear reactor in a data center itself is going to be the future when all the power that we are creating is being consumed," he said.

SUSTAINABLE GROWTH

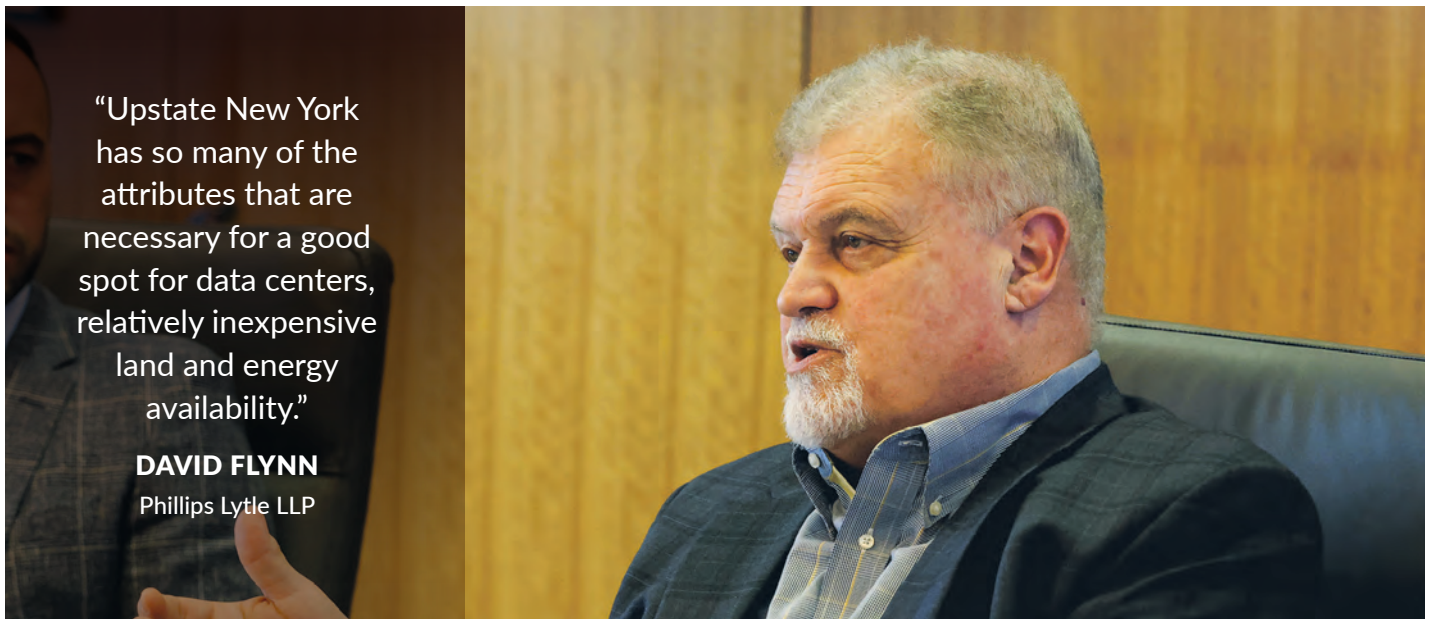
The demand for electricity will grow from the 25 gigawatts today to more than 100 gigawatts by 2030. The load growth is going to take a grid investment, a mix of all the generation resources, and a lot of new, more dynamic, cleaner assets, Farrell said.

Policy will be a big driver, Marchiori said. His company, EnergyMark, is a retail and wholesale natural gas and electricity supplier.

New Yorkers should eye the work being done by Dennis Elsenbeck and Donna DeCarolis who are members of the New York Climate Action Council challenging the timeline of the state's full shift to electricity and phase-out of natural gas, he said.

"During recent peak demand events, in the summer and the winter months, natural gas has generated as much as 60-70% of New York's electricity. This highlights how critical it still is for reliability."

"There is a big budget for the state coming up on April 1," Marchiori said. "Affordability and reliability have to move together. You cannot have one without the other."



Flynn agreed saying the state needs to deliver a cohesive message to the industry. State agencies, such as Empire State Development, the Department of Environmental Conservation, and the Public Service Commission are pulling in different directions. Local governments are in the middle of the mix.

The state is scattered in terms of what they want and how they want to manage data centers going forward, Flynn said.

"New York needs to take a step back, manage input from multiple different constituencies and then step forward with a kind of comprehensive strategy for data centers that supports reasonable development. You have got to have a process that allows projects to move forward in a time frame that you are not litigating for 16 years, in which case you know the project's dead."