



Energy Demand & Utility Rates

Data centers may look like ordinary warehouses, but their electric demand is anything but ordinary. Before approval, residents should demand proof that the grid can handle the project, that the public will not be stuck with the bill, and that the developer will pay the full cost of the power it requires.

KEY FACTS

- 1. Data center electricity demand is growing at an extraordinary pace.** The **U.S. Department of Energy** says data center load has already **tripled over the past decade** and could **triple again by 2028**. This is not ordinary commercial growth.
- 2. Residential electricity costs are already rising.** The U.S. **Energy Information Administration** shows the average resident has been paying **37% more** for electricity since **2020**.
- 3. In the nation's largest grid region, capacity prices jumped ninefold.** **Carnegie Mellon's Open Energy Outlook** reported that capacity prices in PJM jumped from **\$30 to \$270 per megawatt-day**, a ninefold increase affecting **67 million customers across 13 states**. The same analysis links the pressure to data center and crypto mining growth.
- 4. In Texas, faster-than-expected electricity demand could drive wholesale power prices up 79%.** The **U.S. Energy Information Administration** modeled a high-demand scenario tied to data center growth and found ERCOT's 2027 wholesale price could be **\$37/MWh higher** than its baseline forecast.
- 5. Grid equipment is getting more expensive at the same time demand is exploding.** The **International Energy Agency** says prices for key grid components like new substations, transformers, and transmission lines have **nearly doubled over the past five years**.
- 6. Data centers raise electricity demand and trigger billions in added infrastructure upgrade costs.** A **FERC complaint** against PJM shows that data center growth in Virginia has already been tied to **88 transmission projects** and **\$2.44 billion to \$5.77 billion** in added transmission costs.



QUESTIONS FOR LOCAL OFFICIALS

- How many megawatts will this project require at full buildout?
- Will it require a new substation, transmission line, transformer bank, feeder upgrade, or power plant? Who pays for those upgrades?
- Can any of those costs be passed on to residents or small businesses through utility rates?
- Is the developer receiving a special electric rate, tax break, subsidy, or discounted energy agreement?
- Has the utility completed an independent large-load study?
- Will energy use, grid impacts, emergency events, and cost allocation be publicly reported?

Cautionary Example

xAI Colossus shows what can happen when a data center is allowed to move faster than the power infrastructure needed to support it. The site reportedly began with only **8 MW** available, while xAI later sought up to **300 MW** and turned to gas turbines to fill the gap. Lawsuits and advocates allege the project used dozens of unpermitted turbines, eventually reported at **59 turbines**, with estimated annual emissions of **5,300+ tons of nitrogen oxides, 433 tons of fine particulate matter, and 47 tons of formaldehyde** into nearby communities. When the

NAACP sued under the Clean Air Act, the U.S. Department of Justice intervened in support of xAI, arguing that the facility supports national security functions and that shutting down its turbine power supply could impair the Department of Defense's operations.



Community Win

Florida passed a data center ratepayer protection law in May 2026. **The law**, Florida Chapter 2026-65, Laws of Florida, requires very large electricity users, including major data centers, to pay their own full cost of electric service instead of shifting those costs onto ordinary ratepayers.

Recommended Call to Action

Demand a local pause or moratorium on data center approvals until enforceable large-load protections require developers to disclose power demand, pay for grid upgrades, and prove residents will not subsidize the project through higher utility bills.