



Data centers do not just “plug in” to the grid. They force communities to build more power, more wires, more substations, and more backup capacity. And without binding protections, those costs can land on everyone’s utility bills.

KEY FACTS

1. **The data center boom is arriving at a time when much of the U.S. electric grid is already under increasing pressure.** A 2021 report from the [American Society of Civil Engineers](#) found that **70% of U.S. transmission and distribution lines** are nearing the end of their expected 50-year lifespans.
2. **Data centers are being built faster than the grid can be upgraded.** The [International Energy Agency](#) reports that new data centers can often be built in about **1 to 3 years**, while major grid infrastructure can take **5 to 15 years** to plan, permit, and complete.
3. **The grid is already backed up.** [Lawrence Berkeley National Laboratory](#) found that, at the end of 2024, about **10,300 energy projects** were waiting to connect to the U.S. grid, representing **1,400 gigawatts of generation** and **890 gigawatts** of storage.
4. **This is not only a Virginia issue.** A 2026 [PJM-related filing](#) says **80% of large-load adjustments** are concentrated in four PJM zones: **Virginia, Ohio, Illinois, and Pennsylvania.** PJM

also projects **32 gigawatts of peak load growth by 2030**, with about **30 gigawatts attributed to data centers.**

5. **Data center growth is already forcing expensive grid fixes.** [NERC](#) has identified **8,520 thermal and voltage violations** across the grid, driven by major load growth from data centers and electrification. To address these reliability problems, PJM approved **\$5.9 billion** in regional and local grid projects.



QUESTIONS FOR LOCAL OFFICIALS

- What tax breaks, abatements, exemptions, grants, discounted utility rates, or other public benefits is this data center requesting?
- Has an independent cost-benefit analysis been completed showing that the public will receive more than it gives up?
- How much public revenue will be waived over the full life of the deal, and which budgets could lose money, including schools, emergency services, roads, or local government services?
- How many permanent local jobs are guaranteed, what will they pay, and what is the public subsidy cost per job?
- Will the company be required to publicly report its energy use, water use, tax savings, job creation, and compliance with the agreement every year?
- Are there clawbacks, caps, expiration dates, or penalties if the company fails to deliver the promised jobs, investment, or community benefits?

Cautionary Example

Ohio projected its data center sales tax exemption would cost about **\$136 million** in 2025, but **reporting** tied to Ohio Department of Taxation data found the actual cost was nearly **\$1.6 billion**. After the cost ballooned, **Gov. Mike DeWine directed the Ohio Tax Credit Authority to pause consideration of new data center tax exemption requests** in May 2026, while lawmakers review the industry's growing impacts.



Community Win

Maine put a limit on data center giveaways. In **April of 2026**, Maine passed **LD 713**, excluding new data centers from major business tax exemption programs and requiring a study of what public incentives data centers receive before offering more.

Call to Action

No blank checks for Big Tech! Local officials should not approve any data center tax break until residents know exactly how much public revenue is being waived, who benefits, what the community gets in return, and what happens if the company fails to deliver.