United States Senate

WASHINGTON, DC 20510

December 15, 2025

Andrew R. Jassy
Chief Executive Officer
Amazon.com, Inc.
410 Terry Avenue North
Seattle, WA 98109

Dear Mr. Jassy:

We write in light of alarming reports that tech companies are passing on the costs of building and operating their data centers to ordinary Americans as AI data centers' energy usage has caused residential electricity bills to skyrocket in nearby communities.[1] Utility companies have spent billions of dollars updating the electrical grid to accommodate the unprecedented energy demands of AI data centers and appear to recoup the costs by raising residential utility bills.[2] Through these utility price increases, American families bankroll the electricity costs of trillion-dollar tech companies. To add insult to injury for hard-pressed consumers, they are forced to pay higher prices while many data centers receive discounted rates as the utility companies are trying to attract their business.[3] The contracts between data centers and utility companies that underlie these arrangements are almost always confidential, leaving the public in the dark on why their electric bill keeps going up.[4] We write to seek answers regarding Amazon's current and future electricity consumption and what you intend to do to keep American families from shouldering the burden of your plans.

Data Centers' Energy Needs Are Raising Utility Costs

Data centers require staggering amounts of energy. Today, data centers account for over 4% of the nation's electricity use,[5] and a single data center uses enough electricity to power hundreds of thousands of homes.[6] The International Energy Agency (IEA) estimates that a typical AI data center uses the same amount of electricity as 100,000 households annually, and predicts that

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[1] Bloomberg, "AI Data Centers Are Sending Power Bills Soaring," Josh Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/.

[2] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[3] *Id.*

[4] *Id.*

[5] U.S. Department of Energy, "2024 United States Data Center Energy Usage Report," Arman Shehabi, Alex Newkirk, Sarah J. Smith, et al., December 20, 2024, https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers.

[6] International Energy Agency, "Energy and AI," April 10, 2025, https://www.iea.org/reports/energy-and-ai.

larger data centers currently under construction could use up to 20 times as much electricity.[7] Historically, most data centers' electricity demand has been less than 10 megawatts (MW), a minimal burden on regional electricity demand that could be handled using existing grid infrastructure.[8] Data centers currently under development to power AI systems, however, are projected to use between 100 and 400 MW annually, with some even projecting needs of up to 1,000 MW.[9] In Indiana, Amazon is building a data center complex that will use up the amount of electricity that could power a million homes.[10] In Ohio, the data centers the tech industry has proposed building would consume enough energy to power "the entire state of New York during a peak summer day."[11] Taken together, the U.S. Department of Energy projects that data centers could make up 12% of all U.S. power consumption by 2028.[12]

To accommodate the unprecedented energy needs of AI data centers, utility companies are building and maintaining expensive new grid infrastructure, including new transmission lines and power plants.[13] Data centers are the "main driver" behind recent infrastructure expansions by utility companies in the southeast; for instance, in Virginia, South Carolina, and Georgia, data centers account for 65 to 85% of projected future demand growth.[14] And these infrastructure buildouts cost billions of dollars: the utility Indiana Michigan Power estimates that building new power plants to meet data center demand will cost $17 billion over the next several years.[15]

Recent increases to consumers' utility bills are directly linked to the tech industry's data center buildout. When utilities expand their grid infrastructure, they incorporate the cost of expansion into their utility rates, passing the extra costs onto their customers.[16] As a result of the combined energy needs of AI data centers and cryptocurrency miners, electricity bills are estimated to rise 8% averaged nationwide by 2030 and up to 25% in states like Virginia with a high concentration of data centers.[17] In "areas located near significant data center activity," electricity prices have

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[7] International Energy Agency, "Energy and AI," April 10, 2025, https://www.iea.org/reports/energy-and-ai.

[8] Union of Concerned Scientists, "Connection Costs: Loophole Costs Customers Over $4 Billion to Connect Data Centers to Power Grid," September 2025, https://www.ucs.org/sites/default/files/2025-09/PJM%20Data%20Center%20Issue%20Brief%20-%20Sep%202025.pdf.

[9] *Id.*

[10] The New York Times, "At Amazon's Biggest Data Center, Everything Is Supersized for A.I.," Karen Weise and Cade Metz, June 24, 2025, https://www.nytimes.com/2025/06/24/technology/amazon-ai-data-centers.html.

[11] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[12] U.S. Department of Energy, "2024 United States Data Center Energy Usage Report," Arman Shehabi, Alex Newkirk, Sarah J. Smith, et al., December 20, 2024, https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers.

[13] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[14] *Id.*

[15] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[16] *Id.*

increased by as much as 267% in the past five years.[18] And these price increases are not necessarily limited to the immediate geographical area in which the data center is located: interconnected and interstate power grids can lead to a data center built in one state raising costs for residents of a neighboring state.[19] In 2024, in the seven states served by PJM Interconnection, the largest grid operator in the U.S., over 95% of utility infrastructure projects to connect private data centers to public transmission infrastructure passed *all* of their transmission costs onto consumers.[20] Utility customers covered the more than $4.3 billion of data centers' infrastructure needs through increases in their utility bills as these costs were shared by all consumers in the region.[21]

And the risks of these up-front investments are not shared equally. When determining what infrastructure changes are needed, utility companies rely on projected future energy demands provided by data centers.[22] This anticipated energy demand may fail to materialize for any number of reasons: enterprise demand for AI may fall short of industry expectations, a plateau in AI capabilities could lead to falling consumer and enterprise interest, AI companies may shift their development strategy away from scaling computing power (and therefore require less energy), or chip companies may find innovative ways to make AI more energy-efficient. Data center companies may also simply delay a proposed construction site or cancel it altogether, eliminating the anticipated revenue for the utility companies. We have already seen an example of this in Virginia, where the costs of grid upgrades for a data center project were shouldered by ordinary residents while the planned data center was delayed by four years, paying the utility company little to nothing during that time.[23] In another instance, in October 2024 Microsoft announced it would build three new data centers in Columbus, a planned $1 billion investment, but cancelled the project six months later without explanation.[24] If data centers end up providing less business to the utility companies than anticipated, consumers could be left with massive electricity bills as utility companies recoup billions in new infrastructure costs, with nothing to show for it.

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[17] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[18] Bloomberg, "AI Data Centers Are Sending Power Bills Soaring," Josh Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/.

[19] NBC News, "The sleeper issue that could play a huge role in Virginia and New Jersey – and the midterms," Allan Smith, October 15, 2025, https://www.nbcnews.com/politics/elections/data-centers-utility-costs-sleeper-issue-jersey-virginia-elections-rcna235401.

[20] Union of Concerned Scientists, "New UCS Analysis Reveals Billions of Dollars in Unreported Data Center Costs Passed onto PJM Customers," September 29, 2025, https://www.ucs.org/about/news/billions-dollars-unreported-data-center-costs-pjm.

[21] *Id.*

[22] Canary Media, "Utilities are flying blind on data center demand. That's a big problem," Jeff St. John, February 25, 2025, https://www.canarymedia.com/articles/utilities/utilities-are-flying-blind-on-data-center-demand-thats-a-big-problem.

[23] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[24] The Columbus Dispatch, "Microsoft pushes back $1 billion plan for data centers in central Ohio," Max Filby, April 7, 2025, https://www.dispatch.com/story/business/2025/04/07/microsoft-backs-out-of-plans-to-build-data-centers-in-licking-county/82973097007/.

Tech Companies Are Not Paying Their Fair Share of Electricity Costs

Contracts between data centers and utility companies that set electricity prices and other terms are typically confidential,[25] making it difficult to determine how much data centers pay for the electricity they use. Tech companies searching for a site for a new data center reportedly employ hard-nosed tactics to achieve lower rates, approaching multiple utilities simultaneously to obtain as low a rate as possible[26] and then pressuring utilities to give them favorable rates by suggesting they may build elsewhere instead.[27] These proposed "special contracts" frequently offer discounted rates and are rarely rejected by state utility regulators,[28] who fail to conduct adequate oversight of these deals and approve proposed contracts "without meaningfully engaging with the proposal."[29] State regulators further face political pressure to approve major economic development projects in their region, making it challenging for them to reject contracts.[30] The Union of Concerned Scientists concluded that state regulatory oversight of data center contracts is "practically nonexistent."[31]

To protect consumers, data centers must pay a greater share of the costs upfront for future energy usage and updates to the electrical grid provided specifically to accommodate data centers' energy needs. Utah, Oregon, and Ohio have passed laws creating a separate class of utility customer for data centers which includes basic financial safeguards such as upfront payments and longer contract lengths,[32] and several other state legislatures, including Virginia, are considering similar proposals.[33] While a number of data centers are commissioning their own

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[25] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, pp. 11-13, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[26] Vox, "A data center that doesn't even exist can raise your electricity bill," Umair Irfan, October 21, 2025, https://www.vox.com/climate/465032/data-center-electricity-power-bill-increasing-maryland-pjm.

[27] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, p. 2, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[28] *Id*., p. 22.

[29] *Id*., p. 12.

[30] *Id*., p. 8.

[31] Union of Concerned Scientists, "Connection Costs: Loophole Costs Customers Over $4 Billion to Connect Data Centers to Power Grid," September 2025, https://www.ucs.org/sites/default/files/2025-09/PJM%20Data%20Center%20Issue%20Brief%20-%20Sep%202025.pdf.

[32] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, pp. 2, 24, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[33] National Conference of State Legislatures, "Lawmakers Fear AI Data Centers Will Drive Up Residents' Power Bills," Alex Brown, April 22, 2025, https://www.ncsl.org/state-legislatures-news/details/lawmakers-fear-ai-data-centers-will-drive-up-residents-power-bills; Virginia Mercury, "Dominion proposes higher utility rates, new rate class for data centers," Shannon Heckt, September 3, 2025, https://virginiamercury.com/2025/09/03/dominion-proposes-higher-utility-rates-new-rate-class-for-data-centers/.

power plants to meet their forecasted demand, these energy sources will take years to come online.[34] In 2024, just one percent of data centers had their own on-site power sources.[35]

Tech companies have paid lip service in support of covering their data centers' energy costs, but their actions have shown the opposite. Companies have publicly insisted that they do not want the costs of building and operating their data centers to be passed on to taxpayers: Amazon, for instance, claimed in July that it "work[s] to make sure that we're covering [infrastructure] costs and that they aren't being passed on to other ratepayers."[36]

In policy debates over disputed rate prices and funding for infrastructure expansions, however, data center operators have repeatedly opposed state and local efforts to hold them accountable.[37] The Data Center Coalition (DCC), an industry lobbying organization of which your company is a member,[38] has opposed state regulatory decisions requiring data center companies to pay a higher percentage of costs upfront.[39] In one example, in July 2025 the DCC described itself as "very disappointed" in the Public Utilities Commission of Ohio's decision to require data center companies to pay at least 85% of projected energy usage[40] upfront and had instead advocated for paying a minimum of 75% of projected energy usage, leaving the remaining 25% to be covered by the utility companies and ultimately passed on to consumers' utility bills.[41]

The tech industry has particularly opposed regulatory proposals to create a separate rate class for data centers and other large industrial users.[42] The month before Google released public statements claiming that it does not want its energy usage to impact rates for existing

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[34] The Wall Street Journal, "AI Data Centers, Desperate for Electricity, Are Building Their Own Power Plants," Jennifer Hiller, October 15, 2025, https://www.wsj.com/business/energy-oil/ai-data-centers-desperate-for-electricity-are-building-their-own-power-plants-291f5c81?st=jNCu5i; CNBC, "Google, Kairos Power plan advanced nuclear plant for Tennessee Valley Authority grid by 2030," Spencer Kimball, August 18, 2025, https://www.cnbc.com/2025/08/18/google-kairos-nuclear-smr-tennessee-valley-authority-tva-data-center-ai.html.

[35] The Economist, "How big tech plans to feed AI's voracious appetite for power," July 28, 2025, https://www.economist.com/business/2025/07/28/how-big-tech-plans-to-feed-ais-voracious-appetite-for-power.

[36] Amazon, "How Amazon is preparing for the energy needs of the future," July 14, 2025, https://www.aboutamazon.com/news/sustainability/amazon-renewable-energy-updates.

[37] Tech Policy Press, "Amidst Boom, Data Center Lobby Expands Its Influence, Spending, and Tactics," Justin Hendrix, September 12, 2025, https://www.techpolicy.press/amidst-boom-data-center-lobby-expands-its-influence-spending-and-tactics/.

[38] Data Center Coalition, "DCC Members," https://www.datacentercoalition.org/members.

[39] Tech Policy Press, "Amidst Boom, Data Center Lobby Expands Its Influence, Spending, and Tactics," Justin Hendrix, September 12, 2025, https://www.techpolicy.press/amidst-boom-data-center-lobby-expands-its-influence-spending-and-tactics/; Cal Matters, "California lawmakers wanted to get tough on data centers. Here's what survived," Khari Johnson, September 25, 2025, https://calmatters.org/environment/2025/09/data-centers-california-electricity-rates/.

[40] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[41] The Columbus Dispatch, "AEP Ohio, Consumers' Counsel strike deal against tech giants over data centers," Mark Williams, October 24, 2024, https://www.dispatch.com/story/business/2024/10/24/aep-ohio-tech-companies-data-center-electricity-amazon-intel-google/75813904007/.

[42] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

customers,[43] a company executive described the creation of a new rate class for data centers specifically as "discriminatory."[44] Tech companies have repeatedly made disingenuous and self-serving arguments that data centers should not be singled out as ratepayers because the "electricity system was designed … to be open access"[45] and that requiring data centers to pay for energy usage upfront is a departure from "long-established, sound ratemaking principles."[46] The current, socialized model of electricity ratepaying, however, was not designed for an era where just one customer requires the same amount of electricity as some of the largest cities in America.

And on top of failing to pay their fair share of their electricity rates, tech companies regularly hide as much information as possible from the communities in which their data centers will be built. Companies ask public officials to sign non-disclosure agreements (NDAs) preventing them from sharing information with their constituents, operate through what appear to be shell companies to mask the real owner of the data center, and require that landowners sign NDAs as part of the land sale while telling them only that a "Fortune 100 company" is planning an "industrial development" seemingly in an attempt to hide the very existence of the data center.[47] One town was "six months into the planning process before residents even knew [the planned construction] was a data center."[48]

Conclusion and Questions

Data centers' energy use should not come at the expense of energy availability and affordability for American families – but billions of dollars of electricity infrastructure is being built for a handful of big tech companies, making existing utility rate-setting processes look "antiquated" and forcing middle-class families to pay exorbitant costs just to keep the lights on.[49] To better understand Amazon's current and projected electricity demands and your plans to meet these needs without burdening consumers, and to inform our legislative responsibilities regarding energy policy and economic development, we ask that you provide answers to the following questions no later than January 12, 2026:

1. Regarding data center electricity consumption:

[43] The Washington Post, "As data centers for AI strain the power grid, bills rise for everyday customers," Evan Halper and Caroline O'Donovan, November 1, 2024, https://www.washingtonpost.com/business/2024/11/01/ai-data-centers-electricity-bills-google-amazon/.

[44] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[45] *Id.*

[46] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[47] NBC News, "How NDAs keep AI data center details hidden from Americans," Natalie Kainz, October 28, 2025, https://www.nbcnews.com/tech/tech-news/data-center-ai-google-amazon-nda-non-disclosure-agreement-colossus-rcna236423.

[48] *Id.*

[49] Vox, "A data center that doesn't even exist can raise your electricity bill," Umair Irfan, October 21, 2025, https://www.vox.com/climate/465032/data-center-electricity-power-bill-increasing-maryland-pjm.

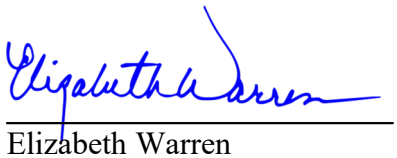
a. For each data center your company operates, please provide (1) the size and location of the data center; (2) the total energy usage in 2024 and (3) the projected energy usage from 2025 through 2030. For each data center, please also specify whether the data center is primarily used for AI processing.
b. For each data center, please provide information on your arrangement with your local utility provider, including the confidentiality of the contract and the terms and conditions with regard to electricity rates, load flexibility, and other relevant matters.
c. How does your company calculate the projected energy consumption, including the long-term load forecast, that you provide to utility companies when proposing construction of a new data center? What is the timeframe of these projections?
d. What is the average rate your company pays for the energy consumption of data centers used for AI processing specifically?
e. Does your company have internal projections of data center energy consumption justifying your company's opposition to the creation of a distinct data center rate class?
f. What demand response and load flexibility capabilities, if any, has your company implemented to reduce demand on local power grids during peak times?
g. How many of your data centers contain on-site power sources, such as an on-site generator? Does your company have plans to expand the number of data centers with on-site power?

2. Regarding consumer utility costs:
    a. Does your company have internal projections of the impact of your AI data centers on regional utility costs? If so, please provide them.
    b. What actions has your company taken to prevent your electricity costs from being passed on to consumer electricity bills?
    c. How does your company plan to offset the impact of your data centers' future energy usage on residential utility costs?
    d. Amazon has publicly stated that it does not want the costs of infrastructure needed for your data centers to be "passed on to other ratepayers."[50] How does your company determine whether your company's infrastructure needs increase costs for other customers?
3. Regarding planned expansions and future data centers:
    a. What factors does your company take into consideration when selecting a location for a future data center?
    b. Does your company conduct impact studies of a planned data center on the local and regional communities? If so, please provide them for any data centers for which you have conducted such studies.
    c. What tax deductions or other financial incentives, if any, has your company received from state and local governments in the process of building and operating your data centers?
    d. How much has your company spent in the past two years on advocacy for the construction of data centers, including payments to lobbyists and consultants?

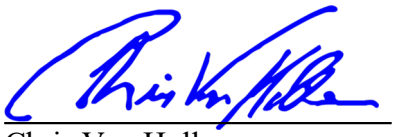
[50] Amazon, "How Amazon is preparing for the energy needs of the future," July 14, 2025, https://www.aboutamazon.com/news/sustainability/amazon-renewable-energy-updates.

We thank you for your attention to this matter.

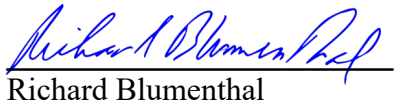
Sincerely,



Elizabeth Warren
United States Senator



Chris Van Hollen
United States Senator



Richard Blumenthal
United States Senator

United States Senate

WASHINGTON, DC 20510

December 15, 2025

Sundar Pichai
Chief Executive Officer
Google
1600 Amphitheatre Parkway
Mountain View, CA 94043

Dear Mr. Pichai:

We write in light of alarming reports that tech companies are passing on the costs of building and operating their data centers to ordinary Americans as AI data centers' energy usage has caused residential electricity bills to skyrocket in nearby communities.[1] Utility companies have spent billions of dollars updating the electrical grid to accommodate the unprecedented energy demands of AI data centers and appear to recoup the costs by raising residential utility bills.[2] Through these utility price increases, American families bankroll the electricity costs of trillion-dollar tech companies. To add insult to injury for hard-pressed consumers, they are forced to pay higher prices while many data centers receive discounted rates as the utility companies are trying to attract their business.[3] The contracts between data centers and utility companies that underlie these arrangements are almost always confidential, leaving the public in the dark on why their electric bill keeps going up.[4] We write to seek answers regarding Google's current and future electricity consumption and what you intend to do to keep American families from shouldering the burden of your plans.

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[3] *Id.*

[4] *Id.*

[5] U.S. Department of Energy, "2024 United States Data Center Energy Usage Report," Arman Shehabi, Alex Newkirk, Sarah J. Smith, et al., December 20, 2024, https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers.

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larger data centers currently under construction could use up to 20 times as much electricity.[7] Historically, most data centers' electricity demand has been less than 10 megawatts (MW), a minimal burden on regional electricity demand that could be handled using existing grid infrastructure.[8] Data centers currently under development to power AI systems, however, are projected to use between 100 and 400 MW annually, with some even projecting needs of up to 1,000 MW.[9] In Indiana, Amazon is building a data center complex that will use up the amount of electricity that could power a million homes.[10] In Ohio, the data centers the tech industry has proposed building would consume enough energy to power "the entire state of New York during a peak summer day."[11] Taken together, the U.S. Department of Energy projects that data centers could make up 12% of all U.S. power consumption by 2028.[12]

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[8] Union of Concerned Scientists, "Connection Costs: Loophole Costs Customers Over $4 Billion to Connect Data Centers to Power Grid," September 2025, https://www.ucs.org/sites/default/files/2025-09/PJM%20Data%20Center%20Issue%20Brief%20-%20Sep%202025.pdf.

[9] *Id.*

[10] The New York Times, "At Amazon's Biggest Data Center, Everything Is Supersized for A.I.," Karen Weise and Cade Metz, June 24, 2025, https://www.nytimes.com/2025/06/24/technology/amazon-ai-data-centers.html.

[11] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[12] U.S. Department of Energy, "2024 United States Data Center Energy Usage Report," Arman Shehabi, Alex Newkirk, Sarah J. Smith, et al., December 20, 2024, https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers.

[13] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[14] *Id.*

[15] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[16] *Id.*

increased by as much as 267% in the past five years.[18] And these price increases are not necessarily limited to the immediate geographical area in which the data center is located: interconnected and interstate power grids can lead to a data center built in one state raising costs for residents of a neighboring state.[19] In 2024, in the seven states served by PJM Interconnection, the largest grid operator in the U.S., over 95% of utility infrastructure projects to connect private data centers to public transmission infrastructure passed *all* of their transmission costs onto consumers.[20] Utility customers covered the more than $4.3 billion of data centers' infrastructure needs through increases in their utility bills as these costs were shared by all consumers in the region.[21]

And the risks of these up-front investments are not shared equally. When determining what infrastructure changes are needed, utility companies rely on projected future energy demands provided by data centers.[22] This anticipated energy demand may fail to materialize for any number of reasons: enterprise demand for AI may fall short of industry expectations, a plateau in AI capabilities could lead to falling consumer and enterprise interest, AI companies may shift their development strategy away from scaling computing power (and therefore require less energy), or chip companies may find innovative ways to make AI more energy-efficient. Data center companies may also simply delay a proposed construction site or cancel it altogether, eliminating the anticipated revenue for the utility companies. We have already seen an example of this in Virginia, where the costs of grid upgrades for a data center project were shouldered by ordinary residents while the planned data center was delayed by four years, paying the utility company little to nothing during that time.[23] In another instance, in October 2024 Microsoft announced it would build three new data centers in Columbus, a planned $1 billion investment, but cancelled the project six months later without explanation.[24] If data centers end up providing less business to the utility companies than anticipated, consumers could be left with massive electricity bills as utility companies recoup billions in new infrastructure costs, with nothing to show for it.

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[17] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[18] Bloomberg, "AI Data Centers Are Sending Power Bills Soaring," Josh Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/.

[19] NBC News, "The sleeper issue that could play a huge role in Virginia and New Jersey – and the midterms," Allan Smith, October 15, 2025, https://www.nbcnews.com/politics/elections/data-centers-utility-costs-sleeper-issue-jersey-virginia-elections-rcna235401.

[20] Union of Concerned Scientists, "New UCS Analysis Reveals Billions of Dollars in Unreported Data Center Costs Passed onto PJM Customers," September 29, 2025, https://www.ucs.org/about/news/billions-dollars-unreported-data-center-costs-pjm.

[21] *Id.*

[22] Canary Media, "Utilities are flying blind on data center demand. That's a big problem," Jeff St. John, February 25, 2025, https://www.canarymedia.com/articles/utilities/utilities-are-flying-blind-on-data-center-demand-thats-a-big-problem.

[23] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[24] The Columbus Dispatch, "Microsoft pushes back $1 billion plan for data centers in central Ohio," Max Filby, April 7, 2025, https://www.dispatch.com/story/business/2025/04/07/microsoft-backs-out-of-plans-to-build-data-centers-in-licking-county/82973097007/.

Tech Companies Are Not Paying Their Fair Share of Electricity Costs

Contracts between data centers and utility companies that set electricity prices and other terms are typically confidential,[25] making it difficult to determine how much data centers pay for the electricity they use. Tech companies searching for a site for a new data center reportedly employ hard-nosed tactics to achieve lower rates, approaching multiple utilities simultaneously to obtain as low a rate as possible[26] and then pressuring utilities to give them favorable rates by suggesting they may build elsewhere instead.[27] These proposed "special contracts" frequently offer discounted rates and are rarely rejected by state utility regulators,[28] who fail to conduct adequate oversight of these deals and approve proposed contracts "without meaningfully engaging with the proposal."[29] State regulators further face political pressure to approve major economic development projects in their region, making it challenging for them to reject contracts.[30] The Union of Concerned Scientists concluded that state regulatory oversight of data center contracts is "practically nonexistent."[31]

To protect consumers, data centers must pay a greater share of the costs upfront for future energy usage and updates to the electrical grid provided specifically to accommodate data centers' energy needs. Utah, Oregon, and Ohio have passed laws creating a separate class of utility customer for data centers which includes basic financial safeguards such as upfront payments and longer contract lengths,[32] and several other state legislatures, including Virginia, are considering similar proposals.[33] While a number of data centers are commissioning their own

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[25] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, pp. 11-13, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[26] Vox, "A data center that doesn't even exist can raise your electricity bill," Umair Irfan, October 21, 2025, https://www.vox.com/climate/465032/data-center-electricity-power-bill-increasing-maryland-pjm.

[27] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, p. 2, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[28] *Id*., p. 22.

[29] *Id*., p. 12.

[30] *Id*., p. 8.

[31] Union of Concerned Scientists, "Connection Costs: Loophole Costs Customers Over $4 Billion to Connect Data Centers to Power Grid," September 2025, https://www.ucs.org/sites/default/files/2025-09/PJM%20Data%20Center%20Issue%20Brief%20-%20Sep%202025.pdf.

[32] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, pp. 2, 24, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[33] National Conference of State Legislatures, "Lawmakers Fear AI Data Centers Will Drive Up Residents' Power Bills," Alex Brown, April 22, 2025, https://www.ncsl.org/state-legislatures-news/details/lawmakers-fear-ai-data-centers-will-drive-up-residents-power-bills; Virginia Mercury, "Dominion proposes higher utility rates, new rate class for data centers," Shannon Heckt, September 3, 2025, https://virginiamercury.com/2025/09/03/dominion-proposes-higher-utility-rates-new-rate-class-for-data-centers/.

power plants to meet their forecasted demand, these energy sources will take years to come online.[34] In 2024, just one percent of data centers had their own on-site power sources.[35]

Tech companies have paid lip service in support of covering their data centers' energy costs, but their actions have shown the opposite. Companies have publicly insisted that they do not want the costs of building and operating their data centers to be passed on to taxpayers: Google, for instance, stated in November 2024 that it wants to "ensure our growth does not impact existing ratepayers" and that its contracts with utility companies undergo "rigorous review … to ensure that Google covers the utility's cost to serve us."[36]

In policy debates over disputed rate prices and funding for infrastructure expansions, however, data center operators have repeatedly opposed state and local efforts to hold them accountable.[37] The Data Center Coalition (DCC), an industry lobbying organization of which your company is a member,[38] has opposed state regulatory decisions requiring data center companies to pay a higher percentage of costs upfront.[39] In one example, in July 2025 the DCC described itself as "very disappointed" in the Public Utilities Commission of Ohio's decision to require data center companies to pay at least 85% of projected energy usage[40] upfront and had instead advocated for paying a minimum of 75% of projected energy usage, leaving the remaining 25% to be covered by the utility companies and ultimately passed on to consumers' utility bills.[41]

The tech industry has particularly opposed regulatory proposals to create a separate rate class for data centers and other large industrial users.[42] The month before Google released public

[34] The Wall Street Journal, "AI Data Centers, Desperate for Electricity, Are Building Their Own Power Plants," Jennifer Hiller, October 15, 2025, https://www.wsj.com/business/energy-oil/ai-data-centers-desperate-for-electricity-are-building-their-own-power-plants-291f5c81?st=jNCu5i; CNBC, "Google, Kairos Power plan advanced nuclear plant for Tennessee Valley Authority grid by 2030," Spencer Kimball, August 18, 2025, https://www.cnbc.com/2025/08/18/google-kairos-nuclear-smr-tennessee-valley-authority-tva-data-center-ai.html.

[35] The Economist, "How big tech plans to feed AI's voracious appetite for power," July 28, 2025, https://www.economist.com/business/2025/07/28/how-big-tech-plans-to-feed-ais-voracious-appetite-for-power.

[36] The Washington Post, "As data centers for AI strain the power grid, bills rise for everyday customers," Evan Halper and Caroline O'Donovan, November 1, 2024, https://www.washingtonpost.com/business/2024/11/01/ai-data-centers-electricity-bills-google-amazon/.

[37] Tech Policy Press, "Amidst Boom, Data Center Lobby Expands Its Influence, Spending, and Tactics," Justin Hendrix, September 12, 2025, https://www.techpolicy.press/amidst-boom-data-center-lobby-expands-its-influence-spending-and-tactics/.

[38] Data Center Coalition, "DCC Members," https://www.datacentercoalition.org/members.

[39] Tech Policy Press, "Amidst Boom, Data Center Lobby Expands Its Influence, Spending, and Tactics," Justin Hendrix, September 12, 2025, https://www.techpolicy.press/amidst-boom-data-center-lobby-expands-its-influence-spending-and-tactics/; Cal Matters, "California lawmakers wanted to get tough on data centers. Here's what survived," Khari Johnson, September 25, 2025, https://calmatters.org/environment/2025/09/data-centers-california-electricity-rates/.

[40] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[41] The Columbus Dispatch, "AEP Ohio, Consumers' Counsel strike deal against tech giants over data centers," Mark Williams, October 24, 2024, https://www.dispatch.com/story/business/2024/10/24/aep-ohio-tech-companies-data-center-electricity-amazon-intel-google/75813904007/.

[42] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

statements claiming that it does not want its energy usage to impact rates for existing customers,[43] a company executive described the creation of a new rate class for data centers specifically as "discriminatory."[44] Tech companies have repeatedly made disingenuous and self-serving arguments that data centers should not be singled out as ratepayers because the "electricity system was designed … to be open access"[45] and that requiring data centers to pay for energy usage upfront is a departure from "long-established, sound ratemaking principles."[46] The current, socialized model of electricity ratepaying, however, was not designed for an era where just one customer requires the same amount of electricity as some of the largest cities in America.

And on top of failing to pay their fair share of their electricity rates, tech companies regularly hide as much information as possible from the communities in which their data centers will be built. Companies ask public officials to sign non-disclosure agreements (NDAs) preventing them from sharing information with their constituents, operate through what appear to be shell companies to mask the real owner of the data center, and require that landowners sign NDAs as part of the land sale while telling them only that a "Fortune 100 company" is planning an "industrial development" seemingly in an attempt to hide the very existence of the data center.[47] One town was "six months into the planning process before residents even knew [the planned construction] was a data center."[48]

Conclusion and Questions

Data centers' energy use should not come at the expense of energy availability and affordability for American families – but billions of dollars of electricity infrastructure is being built for a handful of big tech companies, making existing utility rate-setting processes look "antiquated" and forcing middle-class families to pay exorbitant costs just to keep the lights on.[49] To better understand Google's current and projected electricity demands and your plans to meet these needs without burdening consumers, and to inform our legislative responsibilities regarding energy policy and economic development, we ask that you provide answers to the following questions no later than January 12, 2026:

[43] The Washington Post, "As data centers for AI strain the power grid, bills rise for everyday customers," Evan Halper and Caroline O'Donovan, November 1, 2024, https://www.washingtonpost.com/business/2024/11/01/ai-data-centers-electricity-bills-google-amazon/.

[44] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[45] *Id.*

[46] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[47] NBC News, "How NDAs keep AI data center details hidden from Americans," Natalie Kainz, October 28, 2025, https://www.nbcnews.com/tech/tech-news/data-center-ai-google-amazon-nda-non-disclosure-agreement-colossus-rcna236423.

[48] *Id.*

[49] Vox, "A data center that doesn't even exist can raise your electricity bill," Umair Irfan, October 21, 2025, https://www.vox.com/climate/465032/data-center-electricity-power-bill-increasing-maryland-pjm.

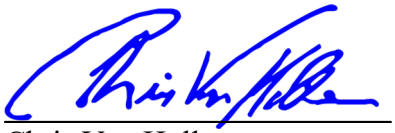
1. Regarding data center electricity consumption:
    a. For each data center your company operates, please provide (1) the size and location of the data center; (2) the total energy usage in 2024 and (3) the projected energy usage from 2025 through 2030. For each data center, please also specify whether the data center is primarily used for AI processing.
    b. For each data center, please provide information on your arrangement with your local utility provider, including the confidentiality of the contract and the terms and conditions with regard to electricity rates, load flexibility, and other relevant matters.
    c. How does your company calculate the projected energy consumption, including the long-term load forecast, that you provide to utility companies when proposing construction of a new data center? What is the timeframe of these projections?
    d. What is the average rate your company pays for the energy consumption of data centers used for AI processing specifically?
    e. Does your company have internal projections of data center energy consumption justifying your company's opposition to the creation of a distinct data center rate class?
    f. What demand response and load flexibility capabilities, if any, has your company implemented to reduce demand on local power grids during peak times?
    g. How many of your data centers contain on-site power sources, such as an on-site generator? Does your company have plans to expand the number of data centers with on-site power?
2. Regarding consumer utility costs:
    a. Does your company have internal projections of the impact of your AI data centers on regional utility costs? If so, please provide them.
    b. What actions has your company taken to prevent your electricity costs from being passed on to consumer electricity bills?
    c. How does your company plan to offset the impact of your data centers' future energy usage on residential utility costs?
    d. Google has publicly stated that it wants to "ensure [its] growth does not impact existing ratepayers."[50] How does your company determine whether your energy demands impact existing ratepayers?
3. Regarding planned expansions and future data centers:
    a. What factors does your company take into consideration when selecting a location for a future data center?
    b. Does your company conduct impact studies of a planned data center on the local and regional communities? If so, please provide them for any data centers for which you have conducted such studies.
    c. What tax deductions or other financial incentives, if any, has your company received from state and local governments in the process of building and operating your data centers?
    d. How much has your company spent in the past two years on advocacy for the construction of data centers, including payments to lobbyists and consultants?

[50] The Washington Post, "As data centers for AI strain the power grid, bills rise for everyday customers," Evan Halper and Caroline O'Donovan, November 1, 2024, https://www.washingtonpost.com/business/2024/11/01/ai-data-centers-electricity-bills-google-amazon/.

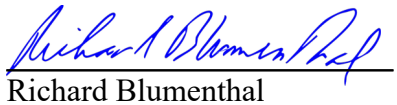
We thank you for your attention to this matter.

Sincerely,

Elizabeth Warren
United States Senator



Chris Van Hollen
United States Senator



Richard Blumenthal
United States Senator

United States Senate

WASHINGTON, DC 20510

December 15, 2025

Mark Zuckerberg
Chief Executive Officer
Meta Platforms, Inc.
1 Meta Way
Menlo Park, CA 94025

Dear Mr. Zuckerberg:

We write in light of alarming reports that tech companies are passing on the costs of building and operating their data centers to ordinary Americans as AI data centers' energy usage has caused residential electricity bills to skyrocket in nearby communities.[1] Utility companies have spent billions of dollars updating the electrical grid to accommodate the unprecedented energy demands of AI data centers and appear to recoup the costs by raising residential utility bills.[2] Through these utility price increases, American families bankroll the electricity costs of trillion-dollar tech companies. To add insult to injury for hard-pressed consumers, they are forced to pay higher prices while many data centers receive discounted rates as the utility companies are trying to attract their business.[3] The contracts between data centers and utility companies that underlie these arrangements are almost always confidential, leaving the public in the dark on why their electric bill keeps going up.[4] We write to seek answers regarding Meta's current and future electricity consumption and what you intend to do to keep American families from shouldering the burden of your plans.

Data Centers' Energy Needs Are Raising Utility Costs

Data centers require staggering amounts of energy. Today, data centers account for over 4% of the nation's electricity use,[5] and a single data center uses enough electricity to power hundreds of thousands of homes.[6] The International Energy Agency (IEA) estimates that a typical AI data center uses the same amount of electricity as 100,000 households annually, and predicts that

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[1] Bloomberg, "AI Data Centers Are Sending Power Bills Soaring," Josh Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/.

[2] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[3] *Id.*

[4] *Id.*

[5] U.S. Department of Energy, "2024 United States Data Center Energy Usage Report," Arman Shehabi, Alex Newkirk, Sarah J. Smith, et al., December 20, 2024, https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers.

[6] International Energy Agency, "Energy and AI," April 10, 2025, https://www.iea.org/reports/energy-and-ai.

larger data centers currently under construction could use up to 20 times as much electricity.[7] Historically, most data centers' electricity demand has been less than 10 megawatts (MW), a minimal burden on regional electricity demand that could be handled using existing grid infrastructure.[8] Data centers currently under development to power AI systems, however, are projected to use between 100 and 400 MW annually, with some even projecting needs of up to 1,000 MW.[9] In Indiana, Amazon is building a data center complex that will use up the amount of electricity that could power a million homes.[10] In Ohio, the data centers the tech industry has proposed building would consume enough energy to power "the entire state of New York during a peak summer day."[11] Taken together, the U.S. Department of Energy projects that data centers could make up 12% of all U.S. power consumption by 2028.[12]

To accommodate the unprecedented energy needs of AI data centers, utility companies are building and maintaining expensive new grid infrastructure, including new transmission lines and power plants.[13] Data centers are the "main driver" behind recent infrastructure expansions by utility companies in the southeast; for instance, in Virginia, South Carolina, and Georgia, data centers account for 65 to 85% of projected future demand growth.[14] And these infrastructure buildouts cost billions of dollars: the utility Indiana Michigan Power estimates that building new power plants to meet data center demand will cost $17 billion over the next several years.[15]

Recent increases to consumers' utility bills are directly linked to the tech industry's data center buildout. When utilities expand their grid infrastructure, they incorporate the cost of expansion into their utility rates, passing the extra costs onto their customers.[16] As a result of the combined energy needs of AI data centers and cryptocurrency miners, electricity bills are estimated to rise 8% averaged nationwide by 2030 and up to 25% in states like Virginia with a high concentration of data centers.[17] In "areas located near significant data center activity," electricity prices have

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[7] International Energy Agency, "Energy and AI," April 10, 2025, https://www.iea.org/reports/energy-and-ai.

[8] Union of Concerned Scientists, "Connection Costs: Loophole Costs Customers Over $4 Billion to Connect Data Centers to Power Grid," September 2025, https://www.ucs.org/sites/default/files/2025-09/PJM%20Data%20Center%20Issue%20Brief%20-%20Sep%202025.pdf.

[9] *Id.*

[10] The New York Times, "At Amazon's Biggest Data Center, Everything Is Supersized for A.I.," Karen Weise and Cade Metz, June 24, 2025, https://www.nytimes.com/2025/06/24/technology/amazon-ai-data-centers.html.

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[18] Bloomberg, "AI Data Centers Are Sending Power Bills Soaring," Josh Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/.

[19] NBC News, "The sleeper issue that could play a huge role in Virginia and New Jersey – and the midterms," Allan Smith, October 15, 2025, https://www.nbcnews.com/politics/elections/data-centers-utility-costs-sleeper-issue-jersey-virginia-elections-rcna235401.

[20] Union of Concerned Scientists, "New UCS Analysis Reveals Billions of Dollars in Unreported Data Center Costs Passed onto PJM Customers," September 29, 2025, https://www.ucs.org/about/news/billions-dollars-unreported-data-center-costs-pjm.

[21] *Id.*

[22] Canary Media, "Utilities are flying blind on data center demand. That's a big problem," Jeff St. John, February 25, 2025, https://www.canarymedia.com/articles/utilities/utilities-are-flying-blind-on-data-center-demand-thats-a-big-problem**.**

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[24] The Columbus Dispatch, "Microsoft pushes back $1 billion plan for data centers in central Ohio," Max Filby, April 7, 2025, https://www.dispatch.com/story/business/2025/04/07/microsoft-backs-out-of-plans-to-build-data-centers-in-licking-county/82973097007/.

Tech Companies Are Not Paying Their Fair Share of Electricity Costs

Contracts between data centers and utility companies that set electricity prices and other terms are typically confidential,[25] making it difficult to determine how much data centers pay for the electricity they use. Tech companies searching for a site for a new data center reportedly employ hard-nosed tactics to achieve lower rates, approaching multiple utilities simultaneously to obtain as low a rate as possible[26] and then pressuring utilities to give them favorable rates by suggesting they may build elsewhere instead.[27] These proposed "special contracts" frequently offer discounted rates and are rarely rejected by state utility regulators,[28] who fail to conduct adequate oversight of these deals and approve proposed contracts "without meaningfully engaging with the proposal."[29] State regulators further face political pressure to approve major economic development projects in their region, making it challenging for them to reject contracts.[30] The Union of Concerned Scientists concluded that state regulatory oversight of data center contracts is "practically nonexistent."[31]

To protect consumers, data centers must pay a greater share of the costs upfront for future energy usage and updates to the electrical grid provided specifically to accommodate data centers' energy needs. Utah, Oregon, and Ohio have passed laws creating a separate class of utility customer for data centers which includes basic financial safeguards such as upfront payments and longer contract lengths,[32] and several other state legislatures, including Virginia, are considering similar proposals.[33] While a number of data centers are commissioning their own

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[25] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, pp. 11-13, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

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[28] *Id*., p. 22.

[29] *Id*., p. 12.

[30] *Id*., p. 8.

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[33] National Conference of State Legislatures, "Lawmakers Fear AI Data Centers Will Drive Up Residents' Power Bills," Alex Brown, April 22, 2025, https://www.ncsl.org/state-legislatures-news/details/lawmakers-fear-ai-data-centers-will-drive-up-residents-power-bills; Virginia Mercury, "Dominion proposes higher utility rates, new rate class for data centers," Shannon Heckt, September 3, 2025, https://virginiamercury.com/2025/09/03/dominion-proposes-higher-utility-rates-new-rate-class-for-data-centers/.

power plants to meet their forecasted demand, these energy sources will take years to come online.[34] In 2024, just one percent of data centers had their own on-site power sources.[35]

Tech companies have paid lip service in support of covering their data centers' energy costs, but their actions have shown the opposite. Companies have publicly insisted that they do not want the costs of building and operating their data centers to be passed on to taxpayers: Meta, for instance, stated in October that "a core pillar of Meta's commercial supply agreements that we enter into with electricity providers is that Meta pays for the full cost that directly benefits our data centers."[36]

In policy debates over disputed rate prices and funding for infrastructure expansions, however, data center operators have repeatedly opposed state and local efforts to hold them accountable.[37] The Data Center Coalition (DCC), an industry lobbying organization of which your company is a member,[38] has opposed state regulatory decisions requiring data center companies to pay a higher percentage of costs upfront.[39] In one example, in July 2025 the DCC described itself as "very disappointed" in the Public Utilities Commission of Ohio's decision to require data center companies to pay at least 85% of projected energy usage[40] upfront and had instead advocated for paying a minimum of 75% of projected energy usage, leaving the remaining 25% to be covered by the utility companies and ultimately passed on to consumers' utility bills.[41]

The tech industry has particularly opposed regulatory proposals to create a separate rate class for data centers and other large industrial users.[42] The month before Google released public

[34] The Wall Street Journal, "AI Data Centers, Desperate for Electricity, Are Building Their Own Power Plants," Jennifer Hiller, October 15, 2025, https://www.wsj.com/business/energy-oil/ai-data-centers-desperate-for-electricity-are-building-their-own-power-plants-291f5c81?st=jNCu5i; CNBC, "Google, Kairos Power plan advanced nuclear plant for Tennessee Valley Authority grid by 2030," Spencer Kimball, August 18, 2025, https://www.cnbc.com/2025/08/18/google-kairos-nuclear-smr-tennessee-valley-authority-tva-data-center-ai.html.

[35] The Economist, "How big tech plans to feed AI's voracious appetite for power," July 28, 2025, https://www.economist.com/business/2025/07/28/how-big-tech-plans-to-feed-ais-voracious-appetite-for-power.

[36] Indiana Economic Digest, "Do data centers affect people? Meta, key players respond to concerns about plans for $800 million facility on 619-acre Clark County site," Christy Avery, October 12, 2025, https://indianaeconomicdigest.net/Content/Default/Top-Story/Article/Do-data-centers-affect-people-Meta-key-players-respond-to-concerns-about-plans-for-800-million-facility-on-619-acre-Clark-County-site/-3/5309/120166.

[37] Tech Policy Press, "Amidst Boom, Data Center Lobby Expands Its Influence, Spending, and Tactics," Justin Hendrix, September 12, 2025, https://www.techpolicy.press/amidst-boom-data-center-lobby-expands-its-influence-spending-and-tactics/.

[38] Data Center Coalition, "DCC Members," https://www.datacentercoalition.org/members.

[39] Tech Policy Press, "Amidst Boom, Data Center Lobby Expands Its Influence, Spending, and Tactics," Justin Hendrix, September 12, 2025, https://www.techpolicy.press/amidst-boom-data-center-lobby-expands-its-influence-spending-and-tactics/; Cal Matters, "California lawmakers wanted to get tough on data centers. Here's what survived," Khari Johnson, September 25, 2025, https://calmatters.org/environment/2025/09/data-centers-california-electricity-rates/.

[40] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[41] The Columbus Dispatch, "AEP Ohio, Consumers' Counsel strike deal against tech giants over data centers," Mark Williams, October 24, 2024, https://www.dispatch.com/story/business/2024/10/24/aep-ohio-tech-companies-data-center-electricity-amazon-intel-google/75813904007/.

[42] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-

statements claiming that it does not want its energy usage to impact rates for existing customers,[43] a company executive described the creation of a new rate class for data centers specifically as "discriminatory."[44] Tech companies have repeatedly made disingenuous and self-serving arguments that data centers should not be singled out as ratepayers because the "electricity system was designed … to be open access"[45] and that requiring data centers to pay for energy usage upfront is a departure from "long-established, sound ratemaking principles."[46] The current, socialized model of electricity ratepaying, however, was not designed for an era where just one customer requires the same amount of electricity as some of the largest cities in America.

And on top of failing to pay their fair share of their electricity rates, tech companies regularly hide as much information as possible from the communities in which their data centers will be built. Companies ask public officials to sign non-disclosure agreements (NDAs) preventing them from sharing information with their constituents, operate through what appear to be shell companies to mask the real owner of the data center, and require that landowners sign NDAs as part of the land sale while telling them only that a "Fortune 100 company" is planning an "industrial development" seemingly in an attempt to hide the very existence of the data center.[47] One town was "six months into the planning process before residents even knew [the planned construction] was a data center."[48]

Conclusion and Questions

Data centers' energy use should not come at the expense of energy availability and affordability for American families – but billions of dollars of electricity infrastructure is being built for a handful of big tech companies, making existing utility rate-setting processes look "antiquated" and forcing middle-class families to pay exorbitant costs just to keep the lights on.[49] To better understand Meta's current and projected electricity demands and your plans to meet these needs without burdening consumers, and to inform our legislative responsibilities regarding energy policy and economic development, we ask that you provide answers to the following questions no later than January 12, 2026:

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centers-electricity-costs.html.

[43] The Washington Post, "As data centers for AI strain the power grid, bills rise for everyday customers," Evan Halper and Caroline O'Donovan, November 1, 2024, https://www.washingtonpost.com/business/2024/11/01/ai-data-centers-electricity-bills-google-amazon/.

[44] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[45] *Id.*

[46] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[47] NBC News, "How NDAs keep AI data center details hidden from Americans," Natalie Kainz, October 28, 2025, https://www.nbcnews.com/tech/tech-news/data-center-ai-google-amazon-nda-non-disclosure-agreement-colossus-rcna236423.

[48] *Id.*

[49] Vox, "A data center that doesn't even exist can raise your electricity bill," Umair Irfan, October 21, 2025, https://www.vox.com/climate/465032/data-center-electricity-power-bill-increasing-maryland-pjm.

1. Regarding data center electricity consumption:
    a. For each data center your company operates, please provide (1) the size and location of the data center; (2) the total energy usage in 2024 and (3) the projected energy usage from 2025 through 2030. For each data center, please also specify whether the data center is primarily used for AI processing.
    b. For each data center, please provide information on your arrangement with your local utility provider, including the confidentiality of the contract and the terms and conditions with regard to electricity rates, load flexibility, and other relevant matters.
    c. How does your company calculate the projected energy consumption, including the long-term load forecast, that you provide to utility companies when proposing construction of a new data center? What is the timeframe of these projections?
    d. What is the average rate your company pays for the energy consumption of data centers used for AI processing specifically?
    e. Does your company have internal projections of data center energy consumption justifying your company's opposition to the creation of a distinct data center rate class?
    f. What demand response and load flexibility capabilities, if any, has your company implemented to reduce demand on local power grids during peak times?
    g. How many of your data centers contain on-site power sources, such as an on-site generator? Does your company have plans to expand the number of data centers with on-site power?
2. Regarding consumer utility costs:
    a. Does your company have internal projections of the impact of your AI data centers on regional utility costs? If so, please provide them.
    b. What actions has your company taken to prevent your electricity costs from being passed on to consumer electricity bills?
    c. How does your company plan to offset the impact of your data centers' future energy usage on residential utility costs?
    d. Meta has publicly stated that it "pays for the full cost [of infrastructure upgrades] that directly benefits our data centers."[50] How does your company determine whether the costs you are paying for all costs related to your data center's infrastructure needs?
3. Regarding planned expansions and future data centers:
    a. What factors does your company take into consideration when selecting a location for a future data center?
    b. Does your company conduct impact studies of a planned data center on the local and regional communities? If so, please provide them for any data centers for which you have conducted such studies.
    c. What tax deductions or other financial incentives, if any, has your company received from state and local governments in the process of building and operating your data centers?

[50] Indiana Economic Digest, "Do data centers affect people? Meta, key players respond to concerns about plans for $800 million facility on 619-acre Clark County site," Christy Avery, October 12, 2025, https://indianaeconomicdigest.net/Content/Default/Top-Story/Article/Do-data-centers-affect-people-Meta-key-players-respond-to-concerns-about-plans-for-800-million-facility-on-619-acre-Clark-County-site/-3/5309/120166.

d. How much has your company spent in the past two years on advocacy for the construction of data centers, including payments to lobbyists and consultants?

We thank you for your attention to this matter.

Sincerely,

Elizabeth Warren
United States Senator

Chris Van Hollen
United States Senator

Richard Blumenthal
United States Senator

United States Senate

WASHINGTON, DC 20510

December 15, 2025

Satya Nadella
Chief Executive Officer
Microsoft
1 Microsoft Way
Redmond, WA 98052

Dear Mr. Nadella:

We write in light of alarming reports that tech companies are passing on the costs of building and operating their data centers to ordinary Americans as AI data centers' energy usage has caused residential electricity bills to skyrocket in nearby communities.[1] Utility companies have spent billions of dollars updating the electrical grid to accommodate the unprecedented energy demands of AI data centers and appear to recoup the costs by raising residential utility bills.[2] Through these utility price increases, American families bankroll the electricity costs of trillion-dollar tech companies. To add insult to injury for hard-pressed consumers, they are forced to pay higher prices while many data centers receive discounted rates as the utility companies are trying to attract their business.[3] The contracts between data centers and utility companies that underlie these arrangements are almost always confidential, leaving the public in the dark on why their electric bill keeps going up.[4] We write to seek answers regarding Microsoft's current and future electricity consumption and what you intend to do to keep American families from shouldering the burden of your plans.

Data Centers' Energy Needs Are Raising Utility Costs

Data centers require staggering amounts of energy. Today, data centers account for over 4% of the nation's electricity use,[5] and a single data center uses enough electricity to power hundreds of thousands of homes.[6] The International Energy Agency (IEA) estimates that a typical AI data center uses the same amount of electricity as 100,000 households annually, and predicts that

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[1] Bloomberg, "AI Data Centers Are Sending Power Bills Soaring," Josh Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/.

[2] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[3] *Id.*

[4] *Id.*

[5] U.S. Department of Energy, "2024 United States Data Center Energy Usage Report," Arman Shehabi, Alex Newkirk, Sarah J. Smith, et al., December 20, 2024, https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers.

[6] International Energy Agency, "Energy and AI," April 10, 2025, https://www.iea.org/reports/energy-and-ai.

larger data centers currently under construction could use up to 20 times as much electricity.[7] Historically, most data centers' electricity demand has been less than 10 megawatts (MW), a minimal burden on regional electricity demand that could be handled using existing grid infrastructure.[8] Data centers currently under development to power AI systems, however, are projected to use between 100 and 400 MW annually, with some even projecting needs of up to 1,000 MW.[9] In Indiana, Amazon is building a data center complex that will use up the amount of electricity that could power a million homes.[10] In Ohio, the data centers the tech industry has proposed building would consume enough energy to power "the entire state of New York during a peak summer day."[11] Taken together, the U.S. Department of Energy projects that data centers could make up 12% of all U.S. power consumption by 2028.[12]

To accommodate the unprecedented energy needs of AI data centers, utility companies are building and maintaining expensive new grid infrastructure, including new transmission lines and power plants.[13] Data centers are the "main driver" behind recent infrastructure expansions by utility companies in the southeast; for instance, in Virginia, South Carolina, and Georgia, data centers account for 65 to 85% of projected future demand growth.[14] And these infrastructure buildouts cost billions of dollars: the utility Indiana Michigan Power estimates that building new power plants to meet data center demand will cost $17 billion over the next several years.[15]

Recent increases to consumers' utility bills are directly linked to the tech industry's data center buildout. When utilities expand their grid infrastructure, they incorporate the cost of expansion into their utility rates, passing the extra costs onto their customers.[16] As a result of the combined energy needs of AI data centers and cryptocurrency miners, electricity bills are estimated to rise 8% averaged nationwide by 2030 and up to 25% in states like Virginia with a high concentration of data centers.[17] In "areas located near significant data center activity," electricity prices have

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[7] International Energy Agency, "Energy and AI," April 10, 2025, https://www.iea.org/reports/energy-and-ai.

[8] Union of Concerned Scientists, "Connection Costs: Loophole Costs Customers Over $4 Billion to Connect Data Centers to Power Grid," September 2025, https://www.ucs.org/sites/default/files/2025-09/PJM%20Data%20Center%20Issue%20Brief%20-%20Sep%202025.pdf.

[9] *Id.*

[10] The New York Times, "At Amazon's Biggest Data Center, Everything Is Supersized for A.I.," Karen Weise and Cade Metz, June 24, 2025, https://www.nytimes.com/2025/06/24/technology/amazon-ai-data-centers.html.

[11] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

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[16] *Id.*

increased by as much as 267% in the past five years.[18] And these price increases are not necessarily limited to the immediate geographical area in which the data center is located: interconnected and interstate power grids can lead to a data center built in one state raising costs for residents of a neighboring state.[19] In 2024, in the seven states served by PJM Interconnection, the largest grid operator in the U.S., over 95% of utility infrastructure projects to connect private data centers to public transmission infrastructure passed *all* of their transmission costs onto consumers.[20] Utility customers covered the more than $4.3 billion of data centers' infrastructure needs through increases in their utility bills as these costs were shared by all consumers in the region.[21]

And the risks of these up-front investments are not shared equally. When determining what infrastructure changes are needed, utility companies rely on projected future energy demands provided by data centers.[22] This anticipated energy demand may fail to materialize for any number of reasons: enterprise demand for AI may fall short of industry expectations, a plateau in AI capabilities could lead to falling consumer and enterprise interest, AI companies may shift their development strategy away from scaling computing power (and therefore require less energy), or chip companies may find innovative ways to make AI more energy-efficient. Data center companies may also simply delay a proposed construction site or cancel it altogether, eliminating the anticipated revenue for the utility companies. We have already seen an example of this in Virginia, where the costs of grid upgrades for a data center project were shouldered by ordinary residents while the planned data center was delayed by four years, paying the utility company little to nothing during that time.[23] In another instance, in October 2024 Microsoft announced it would build three new data centers in Columbus, a planned $1 billion investment, but cancelled the project six months later without explanation.[24] If data centers end up providing less business to the utility companies than anticipated, consumers could be left with massive electricity bills as utility companies recoup billions in new infrastructure costs, with nothing to show for it.

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[17] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

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[19] NBC News, "The sleeper issue that could play a huge role in Virginia and New Jersey – and the midterms," Allan Smith, October 15, 2025, https://www.nbcnews.com/politics/elections/data-centers-utility-costs-sleeper-issue-jersey-virginia-elections-rcna235401.

[20] Union of Concerned Scientists, "New UCS Analysis Reveals Billions of Dollars in Unreported Data Center Costs Passed onto PJM Customers," September 29, 2025, https://www.ucs.org/about/news/billions-dollars-unreported-data-center-costs-pjm.

[21] *Id.*

[22] Canary Media, "Utilities are flying blind on data center demand. That's a big problem," Jeff St. John, February 25, 2025, https://www.canarymedia.com/articles/utilities/utilities-are-flying-blind-on-data-center-demand-thats-a-big-problem.

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[33] National Conference of State Legislatures, "Lawmakers Fear AI Data Centers Will Drive Up Residents' Power Bills," Alex Brown, April 22, 2025, https://www.ncsl.org/state-legislatures-news/details/lawmakers-fear-ai-data-centers-will-drive-up-residents-power-bills; Virginia Mercury, "Dominion proposes higher utility rates, new rate class for data centers," Shannon Heckt, September 3, 2025, https://virginiamercury.com/2025/09/03/dominion-proposes-higher-utility-rates-new-rate-class-for-data-centers/.

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[34] The Wall Street Journal, "AI Data Centers, Desperate for Electricity, Are Building Their Own Power Plants," Jennifer Hiller, October 15, 2025, https://www.wsj.com/business/energy-oil/ai-data-centers-desperate-for-electricity-are-building-their-own-power-plants-291f5c81?st=jNCu5i; CNBC, "Google, Kairos Power plan advanced nuclear plant for Tennessee Valley Authority grid by 2030," Spencer Kimball, August 18, 2025, https://www.cnbc.com/2025/08/18/google-kairos-nuclear-smr-tennessee-valley-authority-tva-data-center-ai.html.

[35] The Economist, "How big tech plans to feed AI's voracious appetite for power," July 28, 2025, https://www.economist.com/business/2025/07/28/how-big-tech-plans-to-feed-ais-voracious-appetite-for-power.

[36] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[37] Tech Policy Press, "Amidst Boom, Data Center Lobby Expands Its Influence, Spending, and Tactics," Justin Hendrix, September 12, 2025, https://www.techpolicy.press/amidst-boom-data-center-lobby-expands-its-influence-spending-and-tactics/.

[38] Data Center Coalition, "DCC Members," https://www.datacentercoalition.org/members.

[39] Tech Policy Press, "Amidst Boom, Data Center Lobby Expands Its Influence, Spending, and Tactics," Justin Hendrix, September 12, 2025, https://www.techpolicy.press/amidst-boom-data-center-lobby-expands-its-influence-spending-and-tactics/; Cal Matters, "California lawmakers wanted to get tough on data centers. Here's what survived," Khari Johnson, September 25, 2025, https://calmatters.org/environment/2025/09/data-centers-california-electricity-rates/.

[40] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[41] The Columbus Dispatch, "AEP Ohio, Consumers' Counsel strike deal against tech giants over data centers," Mark Williams, October 24, 2024, https://www.dispatch.com/story/business/2024/10/24/aep-ohio-tech-companies-data-center-electricity-amazon-intel-google/75813904007/.

[42] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

statements claiming that it does not want its energy usage to impact rates for existing customers,[43] a company executive described the creation of a new rate class for data centers specifically as "discriminatory."[44] Tech companies have repeatedly made disingenuous and self-serving arguments that data centers should not be singled out as ratepayers because the "electricity system was designed … to be open access"[45] and that requiring data centers to pay for energy usage upfront is a departure from "long-established, sound ratemaking principles."[46] The current, socialized model of electricity ratepaying, however, was not designed for an era where just one customer requires the same amount of electricity as some of the largest cities in America.

And on top of failing to pay their fair share of their electricity rates, tech companies regularly hide as much information as possible from the communities in which their data centers will be built. Companies ask public officials to sign non-disclosure agreements (NDAs) preventing them from sharing information with their constituents, operate through what appear to be shell companies to mask the real owner of the data center, and require that landowners sign NDAs as part of the land sale while telling them only that a "Fortune 100 company" is planning an "industrial development" seemingly in an attempt to hide the very existence of the data center.[47] One town was "six months into the planning process before residents even knew [the planned construction] was a data center."[48]

Conclusion and Questions

Data centers' energy use should not come at the expense of energy availability and affordability for American families – but billions of dollars of electricity infrastructure is being built for a handful of big tech companies, making existing utility rate-setting processes look "antiquated" and forcing middle-class families to pay exorbitant costs just to keep the lights on.[49] To better understand Microsoft's current and projected electricity demands and your plans to meet these needs without burdening consumers, and to inform our legislative responsibilities regarding energy policy and economic development, we ask that you provide answers to the following questions no later than January 12, 2026:

[43] The Washington Post, "As data centers for AI strain the power grid, bills rise for everyday customers," Evan Halper and Caroline O'Donovan, November 1, 2024, https://www.washingtonpost.com/business/2024/11/01/ai-data-centers-electricity-bills-google-amazon/.

[44] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[45] *Id.*

[46] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[47] NBC News, "How NDAs keep AI data center details hidden from Americans," Natalie Kainz, October 28, 2025, https://www.nbcnews.com/tech/tech-news/data-center-ai-google-amazon-nda-non-disclosure-agreement-colossus-rcna236423.

[48] *Id.*

[49] Vox, "A data center that doesn't even exist can raise your electricity bill," Umair Irfan, October 21, 2025, https://www.vox.com/climate/465032/data-center-electricity-power-bill-increasing-maryland-pjm.

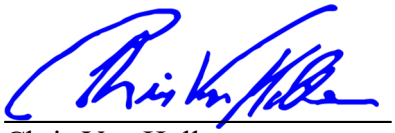
1. Regarding data center electricity consumption:
    a. For each data center your company operates, please provide (1) the size and location of the data center; (2) the total energy usage in 2024 and (3) the projected energy usage from 2025 through 2030. For each data center, please also specify whether the data center is primarily used for AI processing.
    b. For each data center, please provide information on your arrangement with your local utility provider, including the confidentiality of the contract and the terms and conditions with regard to electricity rates, load flexibility, and other relevant matters.
    c. How does your company calculate the projected energy consumption, including the long-term load forecast, that you provide to utility companies when proposing construction of a new data center? What is the timeframe of these projections?
    d. What is the average rate your company pays for the energy consumption of data centers used for AI processing specifically?
    e. Does your company have internal projections of data center energy consumption justifying your company's opposition to the creation of a distinct data center rate class?
    f. What demand response and load flexibility capabilities, if any, has your company implemented to reduce demand on local power grids during peak times?
    g. How many of your data centers contain on-site power sources, such as an on-site generator? Does your company have plans to expand the number of data centers with on-site power?
2. Regarding consumer utility costs:
    a. Does your company have internal projections of the impact of your AI data centers on regional utility costs? If so, please provide them.
    b. What actions has your company taken to prevent your electricity costs from being passed on to consumer electricity bills?
    c. How does your company plan to offset the impact of your data centers' future energy usage on residential utility costs?
    d. Microsoft has publicly stated that it does not "want to see other customers bearing the cost of us trying to grow."[50] How does your company determine whether your growth increases costs for other customers?
3. Regarding planned expansions and future data centers:
    a. What factors does your company take into consideration when selecting a location for a future data center?
    b. Does your company conduct impact studies of a planned data center on the local and regional communities? If so, please provide them for any data centers for which you have conducted such studies.
    c. What tax deductions or other financial incentives, if any, has your company received from state and local governments in the process of building and operating your data centers?
    d. How much has your company spent in the past two years on advocacy for the construction of data centers, including payments to lobbyists and consultants?

[50] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

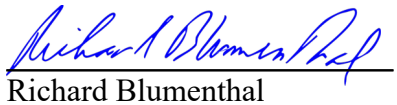
We thank you for your attention to this matter.

Sincerely,

Elizabeth Warren
United States Senator



Chris Van Hollen
United States Senator



Richard Blumenthal
United States Senator

United States Senate

WASHINGTON, DC 20510

December 15, 2025

Michael Intrator
Chief Executive Officer
CoreWeave, Inc.
290 W Mount Pleasant Ave
Suite 4100
Livingston, NJ 07039

Dear Mr. Intrator:

We write in light of alarming reports that tech companies are passing on the costs of building and operating their data centers to ordinary Americans as AI data centers' energy usage has caused residential electricity bills to skyrocket in nearby communities.[1] Utility companies have spent billions of dollars updating the electrical grid to accommodate the unprecedented energy demands of AI data centers and appear to recoup the costs by raising residential utility bills.[2] Through these utility price increases, American families bankroll the electricity costs of trillion-dollar tech companies. To add insult to injury for hard-pressed consumers, they are forced to pay higher prices while many data centers receive discounted rates as the utility companies are trying to attract their business.[3] The contracts between data centers and utility companies that underlie these arrangements are almost always confidential, leaving the public in the dark on why their electric bill keeps going up.[4] We write to seek answers regarding CoreWeave's current and future electricity consumption and what you intend to do to keep American families from shouldering the burden of your plans.

Data Centers' Energy Needs Are Raising Utility Costs

Data centers require staggering amounts of energy. Today, data centers account for over 4% of the nation's electricity use,[5] and a single data center uses enough electricity to power hundreds of thousands of homes.[6] The International Energy Agency (IEA) estimates that a typical AI data

[1] Bloomberg, "AI Data Centers Are Sending Power Bills Soaring," Josh Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/.

[2] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[3] *Id.*

[4] *Id.*

[5] U.S. Department of Energy, "2024 United States Data Center Energy Usage Report," Arman Shehabi, Alex Newkirk, Sarah J. Smith, et al., December 20, 2024, https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers.

[6] International Energy Agency, "Energy and AI," April 10, 2025, https://www.iea.org/reports/energy-and-ai.

center uses the same amount of electricity as 100,000 households annually, and predicts that larger data centers currently under construction could use up to 20 times as much electricity.[7] Historically, most data centers' electricity demand has been less than 10 megawatts (MW), a minimal burden on regional electricity demand that could be handled using existing grid infrastructure.[8] Data centers currently under development to power AI systems, however, are projected to use between 100 and 400 MW annually, with some even projecting needs of up to 1,000 MW.[9] In Indiana, Amazon is building a data center complex that will use up the amount of electricity that could power a million homes.[10] In Ohio, the data centers the tech industry has proposed building would consume enough energy to power "the entire state of New York during a peak summer day."[11] Taken together, the U.S. Department of Energy projects that data centers could make up 12% of all U.S. power consumption by 2028.[12]

To accommodate the unprecedented energy needs of AI data centers, utility companies are building and maintaining expensive new grid infrastructure, including new transmission lines and power plants.[13] Data centers are the "main driver" behind recent infrastructure expansions by utility companies in the southeast; for instance, in Virginia, South Carolina, and Georgia, data centers account for 65 to 85% of projected future demand growth.[14] And these infrastructure buildouts cost billions of dollars: the utility Indiana Michigan Power estimates that building new power plants to meet data center demand will cost $17 billion over the next several years.[15]

Recent increases to consumers' utility bills are directly linked to the tech industry's data center buildout. When utilities expand their grid infrastructure, they incorporate the cost of expansion into their utility rates, passing the extra costs onto their customers.[16] As a result of the combined energy needs of AI data centers and cryptocurrency miners, electricity bills are estimated to rise 8% averaged nationwide by 2030 and up to 25% in states like Virginia with a high concentration

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[7] International Energy Agency, "Energy and AI," April 10, 2025, https://www.iea.org/reports/energy-and-ai.

[8] Union of Concerned Scientists, "Connection Costs: Loophole Costs Customers Over $4 Billion to Connect Data Centers to Power Grid," September 2025, https://www.ucs.org/sites/default/files/2025-09/PJM%20Data%20Center%20Issue%20Brief%20-%20Sep%202025.pdf.

[9] *Id.*

[10] The New York Times, "At Amazon's Biggest Data Center, Everything Is Supersized for A.I.," Karen Weise and Cade Metz, June 24, 2025, https://www.nytimes.com/2025/06/24/technology/amazon-ai-data-centers.html.

[11] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[12] U.S. Department of Energy, "2024 United States Data Center Energy Usage Report," Arman Shehabi, Alex Newkirk, Sarah J. Smith, et al., December 20, 2024, https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers.

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[14] *Id.*

[15] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[16] *Id.*

of data centers.[17] In "areas located near significant data center activity," electricity prices have increased by as much as 267% in the past five years.[18] And these price increases are not necessarily limited to the immediate geographical area in which the data center is located: interconnected and interstate power grids can lead to a data center built in one state raising costs for residents of a neighboring state.[19] In 2024, in the seven states served by PJM Interconnection, the largest grid operator in the U.S., over 95% of utility infrastructure projects to connect private data centers to public transmission infrastructure passed *all* of their transmission costs onto consumers.[20] Utility customers covered the more than $4.3 billion of data centers' infrastructure needs through increases in their utility bills as these costs were shared by all consumers in the region.[21]

And the risks of these up-front investments are not shared equally. When determining what infrastructure changes are needed, utility companies rely on projected future energy demands provided by data centers.[22] This anticipated energy demand may fail to materialize for any number of reasons: enterprise demand for AI may fall short of industry expectations, a plateau in AI capabilities could lead to falling consumer and enterprise interest, AI companies may shift their development strategy away from scaling computing power (and therefore require less energy), or chip companies may find innovative ways to make AI more energy-efficient. Data center companies may also simply delay a proposed construction site or cancel it altogether, eliminating the anticipated revenue for the utility companies. We have already seen an example of this in Virginia, where the costs of grid upgrades for a data center project were shouldered by ordinary residents while the planned data center was delayed by four years, paying the utility company little to nothing during that time.[23] In another instance, in October 2024 Microsoft announced it would build three new data centers in Columbus, a planned $1 billion investment, but cancelled the project six months later without explanation.[24] If data centers end up providing less business to the utility companies than anticipated, consumers could be left with massive

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[17] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[18] Bloomberg, "AI Data Centers Are Sending Power Bills Soaring," Josh Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/.

[19] NBC News, "The sleeper issue that could play a huge role in Virginia and New Jersey – and the midterms," Allan Smith, October 15, 2025, https://www.nbcnews.com/politics/elections/data-centers-utility-costs-sleeper-issue-jersey-virginia-elections-rcna235401.

[20] Union of Concerned Scientists, "New UCS Analysis Reveals Billions of Dollars in Unreported Data Center Costs Passed onto PJM Customers," September 29, 2025, https://www.ucs.org/about/news/billions-dollars-unreported-data-center-costs-pjm.

[21] *Id.*

[22] Canary Media, "Utilities are flying blind on data center demand. That's a big problem," Jeff St. John, February 25, 2025, https://www.canarymedia.com/articles/utilities/utilities-are-flying-blind-on-data-center-demand-thats-a-big-problem**.**

[23] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[24] The Columbus Dispatch, "Microsoft pushes back $1 billion plan for data centers in central Ohio," Max Filby, April 7, 2025, https://www.dispatch.com/story/business/2025/04/07/microsoft-backs-out-of-plans-to-build-data-centers-in-licking-county/82973097007/.

electricity bills as utility companies recoup billions in new infrastructure costs, with nothing to show for it.

Tech Companies Are Not Paying Their Fair Share of Electricity Costs

Contracts between data centers and utility companies that set electricity prices and other terms are typically confidential,[25] making it difficult to determine how much data centers pay for the electricity they use. Tech companies searching for a site for a new data center reportedly employ hard-nosed tactics to achieve lower rates, approaching multiple utilities simultaneously to obtain as low a rate as possible[26] and then pressuring utilities to give them favorable rates by suggesting they may build elsewhere instead.[27] These proposed "special contracts" frequently offer discounted rates and are rarely rejected by state utility regulators,[28] who fail to conduct adequate oversight of these deals and approve proposed contracts "without meaningfully engaging with the proposal."[29] State regulators further face political pressure to approve major economic development projects in their region, making it challenging for them to reject contracts.[30] The Union of Concerned Scientists concluded that state regulatory oversight of data center contracts is "practically nonexistent."[31]

To protect consumers, data centers must pay a greater share of the costs upfront for future energy usage and updates to the electrical grid provided specifically to accommodate data centers' energy needs. Utah, Oregon, and Ohio have passed laws creating a separate class of utility customer for data centers which includes basic financial safeguards such as upfront payments and longer contract lengths,[32] and several other state legislatures, including Virginia, are considering similar proposals.[33] While a number of data centers are commissioning their own

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[25] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, pp. 11-13, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[26] Vox, "A data center that doesn't even exist can raise your electricity bill," Umair Irfan, October 21, 2025, https://www.vox.com/climate/465032/data-center-electricity-power-bill-increasing-maryland-pjm.

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[28] *Id*., p. 22.

[29] *Id*., p. 12.

[30] *Id*., p. 8.

[31] Union of Concerned Scientists, "Connection Costs: Loophole Costs Customers Over $4 Billion to Connect Data Centers to Power Grid," September 2025, https://www.ucs.org/sites/default/files/2025-09/PJM%20Data%20Center%20Issue%20Brief%20-%20Sep%202025.pdf.

[32] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, pp. 2, 24, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[33] National Conference of State Legislatures, "Lawmakers Fear AI Data Centers Will Drive Up Residents' Power Bills," Alex Brown, April 22, 2025, https://www.ncsl.org/state-legislatures-news/details/lawmakers-fear-ai-data-centers-will-drive-up-residents-power-bills; Virginia Mercury, "Dominion proposes higher utility rates, new rate class for data centers," Shannon Heckt, September 3, 2025, https://virginiamercury.com/2025/09/03/dominion-proposes-higher-utility-rates-new-rate-class-for-data-centers/.

power plants to meet their forecasted demand, these energy sources will take years to come online.[34] In 2024, just one percent of data centers had their own on-site power sources.[35]

Tech companies have paid lip service in support of covering their data centers' energy costs, publicly insisting that they do not want the costs of building and operating their data centers to be passed on to taxpayers, but their actions have shown the opposite.[36] In policy debates over disputed rate prices and funding for infrastructure expansions, however, data center operators have repeatedly opposed state and local efforts to hold them accountable.[37] The Data Center Coalition (DCC), an industry lobbying organization of which your company is a member,[38] has opposed state regulatory decisions requiring data center companies to pay a higher percentage of costs upfront.[39] In one example, in July 2025 the DCC described itself as "very disappointed" in the Public Utilities Commission of Ohio's decision to require data center companies to pay at least 85% of projected energy usage[40] upfront and had instead advocated for paying a minimum of 75% of projected energy usage, leaving the remaining 25% to be covered by the utility companies and ultimately passed on to consumers' utility bills.[41]

The tech industry has particularly opposed regulatory proposals to create a separate rate class for data centers and other large industrial users.[42] The month before Google released public statements claiming that it does not want its energy usage to impact rates for existing customers,[43] a company executive described the creation of a new rate class for data centers

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[34] The Wall Street Journal, "AI Data Centers, Desperate for Electricity, Are Building Their Own Power Plants," Jennifer Hiller, October 15, 2025, https://www.wsj.com/business/energy-oil/ai-data-centers-desperate-for-electricity-are-building-their-own-power-plants-291f5c81?st=jNCu5i; CNBC, "Google, Kairos Power plan advanced nuclear plant for Tennessee Valley Authority grid by 2030," Spencer Kimball, August 18, 2025, https://www.cnbc.com/2025/08/18/google-kairos-nuclear-smr-tennessee-valley-authority-tva-data-center-ai.html.

[35] The Economist, "How big tech plans to feed AI's voracious appetite for power," July 28, 2025, https://www.economist.com/business/2025/07/28/how-big-tech-plans-to-feed-ais-voracious-appetite-for-power.

[36] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

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[40] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[41] The Columbus Dispatch, "AEP Ohio, Consumers' Counsel strike deal against tech giants over data centers," Mark Williams, October 24, 2024, https://www.dispatch.com/story/business/2024/10/24/aep-ohio-tech-companies-data-center-electricity-amazon-intel-google/75813904007/.

[42] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[43] The Washington Post, "As data centers for AI strain the power grid, bills rise for everyday customers," Evan Halper and Caroline O'Donovan, November 1, 2024, https://www.washingtonpost.com/business/2024/11/01/ai-

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Conclusion and Questions

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[44] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[45] *Id.*

[46] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[47] NBC News, "How NDAs keep AI data center details hidden from Americans," Natalie Kainz, October 28, 2025, https://www.nbcnews.com/tech/tech-news/data-center-ai-google-amazon-nda-non-disclosure-agreement-colossus-rcna236423.

[48] *Id.*

[49] Vox, "A data center that doesn't even exist can raise your electricity bill," Umair Irfan, October 21, 2025, https://www.vox.com/climate/465032/data-center-electricity-power-bill-increasing-maryland-pjm.

energy usage from 2025 through 2030. For each data center, please also specify whether the data center is primarily used for AI processing.

   b. For each data center, please provide information on your arrangement with your local utility provider, including the confidentiality of the contract and the terms and conditions with regard to electricity rates, load flexibility, and other relevant matters.
   c. How does your company calculate the projected energy consumption, including the long-term load forecast, that you provide to utility companies when proposing construction of a new data center? What is the timeframe of these projections?
   d. What is the average rate your company pays for the energy consumption of data centers used for AI processing specifically?
   e. Does your company have internal projections of data center energy consumption justifying your company's opposition to the creation of a distinct data center rate class?
   f. What demand response and load flexibility capabilities, if any, has your company implemented to reduce demand on local power grids during peak times?
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3. Regarding planned expansions and future data centers:
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   c. What tax deductions or other financial incentives, if any, has your company received from state and local governments in the process of building and operating your data centers?
   d. How much has your company spent in the past two years on advocacy for the construction of data centers, including payments to lobbyists and consultants?

We thank you for your attention to this matter.

Sincerely,

Elizabeth Warren
United States Senator

Chris Van Hollen
United States Senator

Richard Blumenthal
United States Senator

United States Senate

WASHINGTON, DC 20510

December 15, 2025

Andrew Power
Chief Executive Officer
Digital Realty
5707 Southwest Parkway
Building 1, Suite 275
Austin, TX 78735

Dear Mr. Power:

We write in light of alarming reports that tech companies are passing on the costs of building and operating their data centers to ordinary Americans as AI data centers' energy usage has caused residential electricity bills to skyrocket in nearby communities.[1] Utility companies have spent billions of dollars updating the electrical grid to accommodate the unprecedented energy demands of AI data centers and appear to recoup the costs by raising residential utility bills.[2] Through these utility price increases, American families bankroll the electricity costs of trillion-dollar tech companies. To add insult to injury for hard-pressed consumers, they are forced to pay higher prices while many data centers receive discounted rates as the utility companies are trying to attract their business.[3] The contracts between data centers and utility companies that underlie these arrangements are almost always confidential, leaving the public in the dark on why their electric bill keeps going up.[4] We write to seek answers regarding Digital Realty's current and future electricity consumption and what you intend to do to keep American families from shouldering the burden of your plans.

Data Centers' Energy Needs Are Raising Utility Costs

Data centers require staggering amounts of energy. Today, data centers account for over 4% of the nation's electricity use,[5] and a single data center uses enough electricity to power hundreds of thousands of homes.[6] The International Energy Agency (IEA) estimates that a typical AI data

[1] Bloomberg, "AI Data Centers Are Sending Power Bills Soaring," Josh Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/.

[2] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[3] *Id.*

[4] *Id.*

[5] U.S. Department of Energy, "2024 United States Data Center Energy Usage Report," Arman Shehabi, Alex Newkirk, Sarah J. Smith, et al., December 20, 2024, https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers.

[6] International Energy Agency, "Energy and AI," April 10, 2025, https://www.iea.org/reports/energy-and-ai.

center uses the same amount of electricity as 100,000 households annually, and predicts that larger data centers currently under construction could use up to 20 times as much electricity.[7] Historically, most data centers' electricity demand has been less than 10 megawatts (MW), a minimal burden on regional electricity demand that could be handled using existing grid infrastructure.[8] Data centers currently under development to power AI systems, however, are projected to use between 100 and 400 MW annually, with some even projecting needs of up to 1,000 MW.[9] In Indiana, Amazon is building a data center complex that will use up the amount of electricity that could power a million homes.[10] In Ohio, the data centers the tech industry has proposed building would consume enough energy to power "the entire state of New York during a peak summer day."[11] Taken together, the U.S. Department of Energy projects that data centers could make up 12% of all U.S. power consumption by 2028.[12]

To accommodate the unprecedented energy needs of AI data centers, utility companies are building and maintaining expensive new grid infrastructure, including new transmission lines and power plants.[13] Data centers are the "main driver" behind recent infrastructure expansions by utility companies in the southeast; for instance, in Virginia, South Carolina, and Georgia, data centers account for 65 to 85% of projected future demand growth.[14] And these infrastructure buildouts cost billions of dollars: the utility Indiana Michigan Power estimates that building new power plants to meet data center demand will cost $17 billion over the next several years.[15]

Recent increases to consumers' utility bills are directly linked to the tech industry's data center buildout. When utilities expand their grid infrastructure, they incorporate the cost of expansion into their utility rates, passing the extra costs onto their customers.[16] As a result of the combined energy needs of AI data centers and cryptocurrency miners, electricity bills are estimated to rise 8% averaged nationwide by 2030 and up to 25% in states like Virginia with a high concentration

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[7] International Energy Agency, "Energy and AI," April 10, 2025, https://www.iea.org/reports/energy-and-ai.

[8] Union of Concerned Scientists, "Connection Costs: Loophole Costs Customers Over $4 Billion to Connect Data Centers to Power Grid," September 2025, https://www.ucs.org/sites/default/files/2025-09/PJM%20Data%20Center%20Issue%20Brief%20-%20Sep%202025.pdf.

[9] *Id.*

[10] The New York Times, "At Amazon's Biggest Data Center, Everything Is Supersized for A.I.," Karen Weise and Cade Metz, June 24, 2025, https://www.nytimes.com/2025/06/24/technology/amazon-ai-data-centers.html.

[11] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[12] U.S. Department of Energy, "2024 United States Data Center Energy Usage Report," Arman Shehabi, Alex Newkirk, Sarah J. Smith, et al., December 20, 2024, https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers.

[13] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[14] *Id.*

[15] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[16] *Id.*

of data centers.[17] In "areas located near significant data center activity," electricity prices have increased by as much as 267% in the past five years.[18] And these price increases are not necessarily limited to the immediate geographical area in which the data center is located: interconnected and interstate power grids can lead to a data center built in one state raising costs for residents of a neighboring state.[19] In 2024, in the seven states served by PJM Interconnection, the largest grid operator in the U.S., over 95% of utility infrastructure projects to connect private data centers to public transmission infrastructure passed *all* of their transmission costs onto consumers.[20] Utility customers covered the more than $4.3 billion of data centers' infrastructure needs through increases in their utility bills as these costs were shared by all consumers in the region.[21]

And the risks of these up-front investments are not shared equally. When determining what infrastructure changes are needed, utility companies rely on projected future energy demands provided by data centers.[22] This anticipated energy demand may fail to materialize for any number of reasons: enterprise demand for AI may fall short of industry expectations, a plateau in AI capabilities could lead to falling consumer and enterprise interest, AI companies may shift their development strategy away from scaling computing power (and therefore require less energy), or chip companies may find innovative ways to make AI more energy-efficient. Data center companies may also simply delay a proposed construction site or cancel it altogether, eliminating the anticipated revenue for the utility companies. We have already seen an example of this in Virginia, where the costs of grid upgrades for a data center project were shouldered by ordinary residents while the planned data center was delayed by four years, paying the utility company little to nothing during that time.[23] In another instance, in October 2024 Microsoft announced it would build three new data centers in Columbus, a planned $1 billion investment, but cancelled the project six months later without explanation.[24] If data centers end up providing less business to the utility companies than anticipated, consumers could be left with massive

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[17] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[18] Bloomberg, "AI Data Centers Are Sending Power Bills Soaring," Josh Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/.

[19] NBC News, "The sleeper issue that could play a huge role in Virginia and New Jersey – and the midterms," Allan Smith, October 15, 2025, https://www.nbcnews.com/politics/elections/data-centers-utility-costs-sleeper-issue-jersey-virginia-elections-rcna235401.

[20] Union of Concerned Scientists, "New UCS Analysis Reveals Billions of Dollars in Unreported Data Center Costs Passed onto PJM Customers," September 29, 2025, https://www.ucs.org/about/news/billions-dollars-unreported-data-center-costs-pjm.

[21] *Id.*

[22] Canary Media, "Utilities are flying blind on data center demand. That's a big problem," Jeff St. John, February 25, 2025, https://www.canarymedia.com/articles/utilities/utilities-are-flying-blind-on-data-center-demand-thats-a-big-problem**.**

[23] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[24] The Columbus Dispatch, "Microsoft pushes back $1 billion plan for data centers in central Ohio," Max Filby, April 7, 2025, https://www.dispatch.com/story/business/2025/04/07/microsoft-backs-out-of-plans-to-build-data-centers-in-licking-county/82973097007/.

electricity bills as utility companies recoup billions in new infrastructure costs, with nothing to show for it.

Tech Companies Are Not Paying Their Fair Share of Electricity Costs

Contracts between data centers and utility companies that set electricity prices and other terms are typically confidential,[25] making it difficult to determine how much data centers pay for the electricity they use. Tech companies searching for a site for a new data center reportedly employ hard-nosed tactics to achieve lower rates, approaching multiple utilities simultaneously to obtain as low a rate as possible[26] and then pressuring utilities to give them favorable rates by suggesting they may build elsewhere instead.[27] These proposed "special contracts" frequently offer discounted rates and are rarely rejected by state utility regulators,[28] who fail to conduct adequate oversight of these deals and approve proposed contracts "without meaningfully engaging with the proposal."[29] State regulators further face political pressure to approve major economic development projects in their region, making it challenging for them to reject contracts.[30] The Union of Concerned Scientists concluded that state regulatory oversight of data center contracts is "practically nonexistent."[31]

To protect consumers, data centers must pay a greater share of the costs upfront for future energy usage and updates to the electrical grid provided specifically to accommodate data centers' energy needs. Utah, Oregon, and Ohio have passed laws creating a separate class of utility customer for data centers which includes basic financial safeguards such as upfront payments and longer contract lengths,[32] and several other state legislatures, including Virginia, are considering similar proposals.[33] While a number of data centers are commissioning their own

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[25] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, pp. 11-13, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[26] Vox, "A data center that doesn't even exist can raise your electricity bill," Umair Irfan, October 21, 2025, https://www.vox.com/climate/465032/data-center-electricity-power-bill-increasing-maryland-pjm.

[27] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, p. 2, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[28] *Id*., p. 22.

[29] *Id*., p. 12.

[30] *Id*., p. 8.

[31] Union of Concerned Scientists, "Connection Costs: Loophole Costs Customers Over $4 Billion to Connect Data Centers to Power Grid," September 2025, https://www.ucs.org/sites/default/files/2025-09/PJM%20Data%20Center%20Issue%20Brief%20-%20Sep%202025.pdf.

[32] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, pp. 2, 24, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[33] National Conference of State Legislatures, "Lawmakers Fear AI Data Centers Will Drive Up Residents' Power Bills," Alex Brown, April 22, 2025, https://www.ncsl.org/state-legislatures-news/details/lawmakers-fear-ai-data-centers-will-drive-up-residents-power-bills; Virginia Mercury, "Dominion proposes higher utility rates, new rate class for data centers," Shannon Heckt, September 3, 2025, https://virginiamercury.com/2025/09/03/dominion-proposes-higher-utility-rates-new-rate-class-for-data-centers/.

power plants to meet their forecasted demand, these energy sources will take years to come online.[34] In 2024, just one percent of data centers had their own on-site power sources.[35]

Tech companies have paid lip service in support of covering their data centers' energy costs, publicly insisting that they do not want the costs of building and operating their data centers to be passed on to taxpayers, but their actions have shown the opposite.[36] In policy debates over disputed rate prices and funding for infrastructure expansions, however, data center operators have repeatedly opposed state and local efforts to hold them accountable.[37] The Data Center Coalition (DCC), an industry lobbying organization of which your company is a member,[38] has opposed state regulatory decisions requiring data center companies to pay a higher percentage of costs upfront.[39] In one example, in July 2025 the DCC described itself as "very disappointed" in the Public Utilities Commission of Ohio's decision to require data center companies to pay at least 85% of projected energy usage[40] upfront and had instead advocated for paying a minimum of 75% of projected energy usage, leaving the remaining 25% to be covered by the utility companies and ultimately passed on to consumers' utility bills.[41]

The tech industry has particularly opposed regulatory proposals to create a separate rate class for data centers and other large industrial users.[42] The month before Google released public statements claiming that it does not want its energy usage to impact rates for existing customers,[43] a company executive described the creation of a new rate class for data centers

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[34] The Wall Street Journal, "AI Data Centers, Desperate for Electricity, Are Building Their Own Power Plants," Jennifer Hiller, October 15, 2025, https://www.wsj.com/business/energy-oil/ai-data-centers-desperate-for-electricity-are-building-their-own-power-plants-291f5c81?st=jNCu5i; CNBC, "Google, Kairos Power plan advanced nuclear plant for Tennessee Valley Authority grid by 2030," Spencer Kimball, August 18, 2025, https://www.cnbc.com/2025/08/18/google-kairos-nuclear-smr-tennessee-valley-authority-tva-data-center-ai.html.

[35] The Economist, "How big tech plans to feed AI's voracious appetite for power," July 28, 2025, https://www.economist.com/business/2025/07/28/how-big-tech-plans-to-feed-ais-voracious-appetite-for-power.

[36] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[37] Tech Policy Press, "Amidst Boom, Data Center Lobby Expands Its Influence, Spending, and Tactics," Justin Hendrix, September 12, 2025, https://www.techpolicy.press/amidst-boom-data-center-lobby-expands-its-influence-spending-and-tactics/.

[38] Data Center Coalition, "DCC Members," https://www.datacentercoalition.org/members.

[39] Tech Policy Press, "Amidst Boom, Data Center Lobby Expands Its Influence, Spending, and Tactics," Justin Hendrix, September 12, 2025, https://www.techpolicy.press/amidst-boom-data-center-lobby-expands-its-influence-spending-and-tactics/; Cal Matters, "California lawmakers wanted to get tough on data centers. Here's what survived," Khari Johnson, September 25, 2025, https://calmatters.org/environment/2025/09/data-centers-california-electricity-rates/.

[40] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[41] The Columbus Dispatch, "AEP Ohio, Consumers' Counsel strike deal against tech giants over data centers," Mark Williams, October 24, 2024, https://www.dispatch.com/story/business/2024/10/24/aep-ohio-tech-companies-data-center-electricity-amazon-intel-google/75813904007/.

[42] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[43] The Washington Post, "As data centers for AI strain the power grid, bills rise for everyday customers," Evan Halper and Caroline O'Donovan, November 1, 2024, https://www.washingtonpost.com/business/2024/11/01/ai-

specifically as "discriminatory."[44] Tech companies have repeatedly made disingenuous and self-serving arguments that data centers should not be singled out as ratepayers because the "electricity system was designed … to be open access"[45] and that requiring data centers to pay for energy usage upfront is a departure from "long-established, sound ratemaking principles."[46] The current, socialized model of electricity ratepaying, however, was not designed for an era where just one customer requires the same amount of electricity as some of the largest cities in America.

And on top of failing to pay their fair share of their electricity rates, tech companies regularly hide as much information as possible from the communities in which their data centers will be built. Companies ask public officials to sign non-disclosure agreements (NDAs) preventing them from sharing information with their constituents, operate through what appear to be shell companies to mask the real owner of the data center, and require that landowners sign NDAs as part of the land sale while telling them only that a "Fortune 100 company" is planning an "industrial development" seemingly in an attempt to hide the very existence of the data center.[47] One town was "six months into the planning process before residents even knew [the planned construction] was a data center."[48]

Conclusion and Questions

Data centers' energy use should not come at the expense of energy availability and affordability for American families – but billions of dollars of electricity infrastructure is being built for a handful of big tech companies, making existing utility rate-setting processes look "antiquated" and forcing middle-class families to pay exorbitant costs just to keep the lights on.[49] To better understand Digital Realty's current and projected electricity demands and your plans to meet these needs without burdening consumers, and to inform our legislative responsibilities regarding energy policy and economic development, we ask that you provide answers to the following questions no later than January 12, 2026:

1. Regarding data center electricity consumption:
    a. For each data center your company operates, please provide (1) the size and location of the data center; (2) the total energy usage in 2024 and (3) the projected

data-centers-electricity-bills-google-amazon/.

[44] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[45] *Id.*

[46] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[47] NBC News, "How NDAs keep AI data center details hidden from Americans," Natalie Kainz, October 28, 2025, https://www.nbcnews.com/tech/tech-news/data-center-ai-google-amazon-nda-non-disclosure-agreement-colossus-rcna236423.

[48] *Id.*

[49] Vox, "A data center that doesn't even exist can raise your electricity bill," Umair Irfan, October 21, 2025, https://www.vox.com/climate/465032/data-center-electricity-power-bill-increasing-maryland-pjm.

energy usage from 2025 through 2030. For each data center, please also specify whether the data center is primarily used for AI processing.

   b. For each data center, please provide information on your arrangement with your local utility provider, including the confidentiality of the contract and the terms and conditions with regard to electricity rates, load flexibility, and other relevant matters.
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   d. What is the average rate your company pays for the energy consumption of data centers used for AI processing specifically?
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   f. What demand response and load flexibility capabilities, if any, has your company implemented to reduce demand on local power grids during peak times?
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   a. What factors does your company take into consideration when selecting a location for a future data center?
   b. Does your company conduct impact studies of a planned data center on the local and regional communities? If so, please provide them for any data centers for which you have conducted such studies.
   c. What tax deductions or other financial incentives, if any, has your company received from state and local governments in the process of building and operating your data centers?
   d. How much has your company spent in the past two years on advocacy for the construction of data centers, including payments to lobbyists and consultants?

We thank you for your attention to this matter.

Sincerely,

Elizabeth Warren
United States Senator

Chris Van Hollen
United States Senator

Richard Blumenthal
United States Senator

United States Senate

WASHINGTON, DC 20510

December 15, 2025

Adaire Fox-Martin
Chief Executive Officer and President
Equinix
1 Lagoon Drive
Redwood City, CA 94065

Dear Ms. Fox-Martin:

We write in light of alarming reports that tech companies are passing on the costs of building and operating their data centers to ordinary Americans as AI data centers' energy usage has caused residential electricity bills to skyrocket in nearby communities.[1] Utility companies have spent billions of dollars updating the electrical grid to accommodate the unprecedented energy demands of AI data centers and appear to recoup the costs by raising residential utility bills.[2] Through these utility price increases, American families bankroll the electricity costs of trillion-dollar tech companies. To add insult to injury for hard-pressed consumers, they are forced to pay higher prices while many data centers receive discounted rates as the utility companies are trying to attract their business.[3] The contracts between data centers and utility companies that underlie these arrangements are almost always confidential, leaving the public in the dark on why their electric bill keeps going up.[4] We write to seek answers regarding Equinix's current and future electricity consumption and what you intend to do to keep American families from shouldering the burden of your plans.

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[3] *Id.*

[4] *Id.*

[5] U.S. Department of Energy, "2024 United States Data Center Energy Usage Report," Arman Shehabi, Alex Newkirk, Sarah J. Smith, et al., December 20, 2024, https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers.

[6] International Energy Agency, "Energy and AI," April 10, 2025, https://www.iea.org/reports/energy-and-ai.

larger data centers currently under construction could use up to 20 times as much electricity.[7] Historically, most data centers' electricity demand has been less than 10 megawatts (MW), a minimal burden on regional electricity demand that could be handled using existing grid infrastructure.[8] Data centers currently under development to power AI systems, however, are projected to use between 100 and 400 MW annually, with some even projecting needs of up to 1,000 MW.[9] In Indiana, Amazon is building a data center complex that will use up the amount of electricity that could power a million homes.[10] In Ohio, the data centers the tech industry has proposed building would consume enough energy to power "the entire state of New York during a peak summer day."[11] Taken together, the U.S. Department of Energy projects that data centers could make up 12% of all U.S. power consumption by 2028.[12]

To accommodate the unprecedented energy needs of AI data centers, utility companies are building and maintaining expensive new grid infrastructure, including new transmission lines and power plants.[13] Data centers are the "main driver" behind recent infrastructure expansions by utility companies in the southeast; for instance, in Virginia, South Carolina, and Georgia, data centers account for 65 to 85% of projected future demand growth.[14] And these infrastructure buildouts cost billions of dollars: the utility Indiana Michigan Power estimates that building new power plants to meet data center demand will cost $17 billion over the next several years.[15]

Recent increases to consumers' utility bills are directly linked to the tech industry's data center buildout. When utilities expand their grid infrastructure, they incorporate the cost of expansion into their utility rates, passing the extra costs onto their customers.[16] As a result of the combined energy needs of AI data centers and cryptocurrency miners, electricity bills are estimated to rise 8% averaged nationwide by 2030 and up to 25% in states like Virginia with a high concentration of data centers.[17] In "areas located near significant data center activity," electricity prices have

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[7] International Energy Agency, "Energy and AI," April 10, 2025, https://www.iea.org/reports/energy-and-ai.

[8] Union of Concerned Scientists, "Connection Costs: Loophole Costs Customers Over $4 Billion to Connect Data Centers to Power Grid," September 2025, https://www.ucs.org/sites/default/files/2025-09/PJM%20Data%20Center%20Issue%20Brief%20-%20Sep%202025.pdf.

[9] *Id.*

[10] The New York Times, "At Amazon's Biggest Data Center, Everything Is Supersized for A.I.," Karen Weise and Cade Metz, June 24, 2025, https://www.nytimes.com/2025/06/24/technology/amazon-ai-data-centers.html.

[11] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[12] U.S. Department of Energy, "2024 United States Data Center Energy Usage Report," Arman Shehabi, Alex Newkirk, Sarah J. Smith, et al., December 20, 2024, https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers.

[13] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[14] *Id.*

[15] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[16] *Id.*

increased by as much as 267% in the past five years.[18] And these price increases are not necessarily limited to the immediate geographical area in which the data center is located: interconnected and interstate power grids can lead to a data center built in one state raising costs for residents of a neighboring state.[19] In 2024, in the seven states served by PJM Interconnection, the largest grid operator in the U.S., over 95% of utility infrastructure projects to connect private data centers to public transmission infrastructure passed *all* of their transmission costs onto consumers.[20] Utility customers covered the more than $4.3 billion of data centers' infrastructure needs through increases in their utility bills as these costs were shared by all consumers in the region.[21]

And the risks of these up-front investments are not shared equally. When determining what infrastructure changes are needed, utility companies rely on projected future energy demands provided by data centers.[22] This anticipated energy demand may fail to materialize for any number of reasons: enterprise demand for AI may fall short of industry expectations, a plateau in AI capabilities could lead to falling consumer and enterprise interest, AI companies may shift their development strategy away from scaling computing power (and therefore require less energy), or chip companies may find innovative ways to make AI more energy-efficient. Data center companies may also simply delay a proposed construction site or cancel it altogether, eliminating the anticipated revenue for the utility companies. We have already seen an example of this in Virginia, where the costs of grid upgrades for a data center project were shouldered by ordinary residents while the planned data center was delayed by four years, paying the utility company little to nothing during that time.[23] In another instance, in October 2024 Microsoft announced it would build three new data centers in Columbus, a planned $1 billion investment, but cancelled the project six months later without explanation.[24] If data centers end up providing less business to the utility companies than anticipated, consumers could be left with massive electricity bills as utility companies recoup billions in new infrastructure costs, with nothing to show for it.

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[17] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[18] Bloomberg, "AI Data Centers Are Sending Power Bills Soaring," Josh Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/.

[19] NBC News, "The sleeper issue that could play a huge role in Virginia and New Jersey – and the midterms," Allan Smith, October 15, 2025, https://www.nbcnews.com/politics/elections/data-centers-utility-costs-sleeper-issue-jersey-virginia-elections-rcna235401.

[20] Union of Concerned Scientists, "New UCS Analysis Reveals Billions of Dollars in Unreported Data Center Costs Passed onto PJM Customers," September 29, 2025, https://www.ucs.org/about/news/billions-dollars-unreported-data-center-costs-pjm.

[21] *Id.*

[22] Canary Media, "Utilities are flying blind on data center demand. That's a big problem," Jeff St. John, February 25, 2025, https://www.canarymedia.com/articles/utilities/utilities-are-flying-blind-on-data-center-demand-thats-a-big-problem**.**

[23] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[24] The Columbus Dispatch, "Microsoft pushes back $1 billion plan for data centers in central Ohio," Max Filby, April 7, 2025, https://www.dispatch.com/story/business/2025/04/07/microsoft-backs-out-of-plans-to-build-data-centers-in-licking-county/82973097007/.

Tech Companies Are Not Paying Their Fair Share of Electricity Costs

Contracts between data centers and utility companies that set electricity prices and other terms are typically confidential,[25] making it difficult to determine how much data centers pay for the electricity they use. Tech companies searching for a site for a new data center reportedly employ hard-nosed tactics to achieve lower rates, approaching multiple utilities simultaneously to obtain as low a rate as possible[26] and then pressuring utilities to give them favorable rates by suggesting they may build elsewhere instead.[27] These proposed "special contracts" frequently offer discounted rates and are rarely rejected by state utility regulators,[28] who fail to conduct adequate oversight of these deals and approve proposed contracts "without meaningfully engaging with the proposal."[29] State regulators further face political pressure to approve major economic development projects in their region, making it challenging for them to reject contracts.[30] The Union of Concerned Scientists concluded that state regulatory oversight of data center contracts is "practically nonexistent."[31]

To protect consumers, data centers must pay a greater share of the costs upfront for future energy usage and updates to the electrical grid provided specifically to accommodate data centers' energy needs. Utah, Oregon, and Ohio have passed laws creating a separate class of utility customer for data centers which includes basic financial safeguards such as upfront payments and longer contract lengths,[32] and several other state legislatures, including Virginia, are considering similar proposals.[33] While a number of data centers are commissioning their own

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[25] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, pp. 11-13, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[26] Vox, "A data center that doesn't even exist can raise your electricity bill," Umair Irfan, October 21, 2025, https://www.vox.com/climate/465032/data-center-electricity-power-bill-increasing-maryland-pjm.

[27] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, p. 2, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[28] *Id*., p. 22.

[29] *Id*., p. 12.

[30] *Id*., p. 8.

[31] Union of Concerned Scientists, "Connection Costs: Loophole Costs Customers Over $4 Billion to Connect Data Centers to Power Grid," September 2025, https://www.ucs.org/sites/default/files/2025-09/PJM%20Data%20Center%20Issue%20Brief%20-%20Sep%202025.pdf.

[32] Harvard Law School, Environmental & Energy Law Program, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Eliza Martin and Ari Peskoe, March 5, 2025, pp. 2, 24, https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/.

[33] National Conference of State Legislatures, "Lawmakers Fear AI Data Centers Will Drive Up Residents' Power Bills," Alex Brown, April 22, 2025, https://www.ncsl.org/state-legislatures-news/details/lawmakers-fear-ai-data-centers-will-drive-up-residents-power-bills; Virginia Mercury, "Dominion proposes higher utility rates, new rate class for data centers," Shannon Heckt, September 3, 2025, https://virginiamercury.com/2025/09/03/dominion-proposes-higher-utility-rates-new-rate-class-for-data-centers/.

power plants to meet their forecasted demand, these energy sources will take years to come online.[34] In 2024, just one percent of data centers had their own on-site power sources.[35]

Tech companies have paid lip service in support of covering their data centers' energy costs, publicly insisting that they do not want the costs of building and operating their data centers to be passed on to taxpayers, but their actions have shown the opposite.[36] In policy debates over disputed rate prices and funding for infrastructure expansions, however, data center operators have repeatedly opposed state and local efforts to hold them accountable.[37] The Data Center Coalition (DCC), an industry lobbying organization of which your company is a member,[38] has opposed state regulatory decisions requiring data center companies to pay a higher percentage of costs upfront.[39] In one example, in July 2025 the DCC described itself as "very disappointed" in the Public Utilities Commission of Ohio's decision to require data center companies to pay at least 85% of projected energy usage[40] upfront and had instead advocated for paying a minimum of 75% of projected energy usage, leaving the remaining 25% to be covered by the utility companies and ultimately passed on to consumers' utility bills.[41]

The tech industry has particularly opposed regulatory proposals to create a separate rate class for data centers and other large industrial users.[42] The month before Google released public statements claiming that it does not want its energy usage to impact rates for existing customers,[43] a company executive described the creation of a new rate class for data centers

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[34] The Wall Street Journal, "AI Data Centers, Desperate for Electricity, Are Building Their Own Power Plants," Jennifer Hiller, October 15, 2025, https://www.wsj.com/business/energy-oil/ai-data-centers-desperate-for-electricity-are-building-their-own-power-plants-291f5c81?st=jNCu5i; CNBC, "Google, Kairos Power plan advanced nuclear plant for Tennessee Valley Authority grid by 2030," Spencer Kimball, August 18, 2025, https://www.cnbc.com/2025/08/18/google-kairos-nuclear-smr-tennessee-valley-authority-tva-data-center-ai.html.

[35] The Economist, "How big tech plans to feed AI's voracious appetite for power," July 28, 2025, https://www.economist.com/business/2025/07/28/how-big-tech-plans-to-feed-ais-voracious-appetite-for-power.

[36] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[37] Tech Policy Press, "Amidst Boom, Data Center Lobby Expands Its Influence, Spending, and Tactics," Justin Hendrix, September 12, 2025, https://www.techpolicy.press/amidst-boom-data-center-lobby-expands-its-influence-spending-and-tactics/.

[38] Data Center Coalition, "DCC Members," https://www.datacentercoalition.org/members.

[39] Tech Policy Press, "Amidst Boom, Data Center Lobby Expands Its Influence, Spending, and Tactics," Justin Hendrix, September 12, 2025, https://www.techpolicy.press/amidst-boom-data-center-lobby-expands-its-influence-spending-and-tactics/; Cal Matters, "California lawmakers wanted to get tough on data centers. Here's what survived," Khari Johnson, September 25, 2025, https://calmatters.org/environment/2025/09/data-centers-california-electricity-rates/.

[40] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[41] The Columbus Dispatch, "AEP Ohio, Consumers' Counsel strike deal against tech giants over data centers," Mark Williams, October 24, 2024, https://www.dispatch.com/story/business/2024/10/24/aep-ohio-tech-companies-data-center-electricity-amazon-intel-google/75813904007/.

[42] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[43] The Washington Post, "As data centers for AI strain the power grid, bills rise for everyday customers," Evan Halper and Caroline O'Donovan, November 1, 2024, https://www.washingtonpost.com/business/2024/11/01/ai-

specifically as "discriminatory."[44] Tech companies have repeatedly made disingenuous and self-serving arguments that data centers should not be singled out as ratepayers because the "electricity system was designed … to be open access"[45] and that requiring data centers to pay for energy usage upfront is a departure from "long-established, sound ratemaking principles."[46] The current, socialized model of electricity ratepaying, however, was not designed for an era where just one customer requires the same amount of electricity as some of the largest cities in America.

And on top of failing to pay their fair share of their electricity rates, tech companies regularly hide as much information as possible from the communities in which their data centers will be built. Companies ask public officials to sign non-disclosure agreements (NDAs) preventing them from sharing information with their constituents, operate through what appear to be shell companies to mask the real owner of the data center, and require that landowners sign NDAs as part of the land sale while telling them only that a "Fortune 100 company" is planning an "industrial development" seemingly in an attempt to hide the very existence of the data center.[47] One town was "six months into the planning process before residents even knew [the planned construction] was a data center."[48]

Conclusion and Questions

Data centers' energy use should not come at the expense of energy availability and affordability for American families – but billions of dollars of electricity infrastructure is being built for a handful of big tech companies, making existing utility rate-setting processes look "antiquated" and forcing middle-class families to pay exorbitant costs just to keep the lights on.[49] To better understand Equinix's current and projected electricity demands and your plans to meet these needs without burdening consumers, and to inform our legislative responsibilities regarding energy policy and economic development, we ask that you provide answers to the following questions no later than January 12, 2026:

1. Regarding data center electricity consumption:
    a. For each data center your company operates, please provide (1) the size and location of the data center; (2) the total energy usage in 2024 and (3) the projected

data-centers-electricity-bills-google-amazon/.

[44] The New York Times, "Big Tech's A.I. Data Centers Are Driving Up Electricity Bills for Everyone," Ivan Penn and Karen Weise, August 14, 2025, https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html.

[45] *Id.*

[46] WYSU, "Coalition 'disappointed' in new regulations for data centers within AEP Ohio's territory," Renee Fox, July 11, 2025, https://wysu.org/ohio-news/2025-07-11/data-center-coalition-disappointed-in-new-regulations-for-data-centers.

[47] NBC News, "How NDAs keep AI data center details hidden from Americans," Natalie Kainz, October 28, 2025, https://www.nbcnews.com/tech/tech-news/data-center-ai-google-amazon-nda-non-disclosure-agreement-colossus-rcna236423.

[48] *Id.*

[49] Vox, "A data center that doesn't even exist can raise your electricity bill," Umair Irfan, October 21, 2025, https://www.vox.com/climate/465032/data-center-electricity-power-bill-increasing-maryland-pjm.

energy usage from 2025 through 2030. For each data center, please also specify whether the data center is primarily used for AI processing.

   b. For each data center, please provide information on your arrangement with your local utility provider, including the confidentiality of the contract and the terms and conditions with regard to electricity rates, load flexibility, and other relevant matters.
   c. How does your company calculate the projected energy consumption, including the long-term load forecast, that you provide to utility companies when proposing construction of a new data center? What is the timeframe of these projections?
   d. What is the average rate your company pays for the energy consumption of data centers used for AI processing specifically?
   e. Does your company have internal projections of data center energy consumption justifying your company's opposition to the creation of a distinct data center rate class?
   f. What demand response and load flexibility capabilities, if any, has your company implemented to reduce demand on local power grids during peak times?
   g. How many of your data centers contain on-site power sources, such as an on-site generator? Does your company have plans to expand the number of data centers with on-site power?

2. Regarding consumer utility costs:
   a. Does your company have internal projections of the impact of your AI data centers on regional utility costs? If so, please provide them.
   b. What actions has your company taken to prevent your electricity costs from being passed on to consumer electricity bills?
   c. How does your company plan to offset the impact of your data centers' future energy usage on residential utility costs?
3. Regarding planned expansions and future data centers:
   a. What factors does your company take into consideration when selecting a location for a future data center?
   b. Does your company conduct impact studies of a planned data center on the local and regional communities? If so, please provide them for any data centers for which you have conducted such studies.
   c. What tax deductions or other financial incentives, if any, has your company received from state and local governments in the process of building and operating your data centers?
   d. How much has your company spent in the past two years on advocacy for the construction of data centers, including payments to lobbyists and consultants?

We thank you for your attention to this matter.

Sincerely,

Elizabeth Warren
United States Senator

Chris Van Hollen
United States Senator

Richard Blumenthal
United States Senator