



Climate Mayors Briefing: Governing in a Time of Data Center Growth

Data centers are reshaping local economies, infrastructure, and communities. Cities across the country are experiencing an exponential growth of data centers in their communities and regions, promising to bring economic benefits. While they may bring economic development, they also create immense strains on energy and water resources, driving up utility rates and, in some cases, sparking community pushback. Reasons for this include:

- A single data center can consume an average of [2 megawatt-hours \(MWh\) of electricity](#), comparable to the power usage of a small town.
- Most facilities use over [10 million gallons](#) of water per year, which is used to cool the heat produced by the centers.
- In 2024, approximately [8 GW of data centers were constructed. An additional 10 GW](#) are projected to come online in 2025, consuming enough energy to power 8 million homes.
- Growing demand on the electrical grid, fueled by data centers, can also [drive up electricity prices](#). Without intervention, consumers may bear the brunt of these utility rate increases and the initial infrastructure investments required to power new data centers.

As data centers are projected to [continue growing rapidly](#), mayors must understand how to ensure data centers are good neighbors in their communities, balancing development with climate and community well-being. With the right interventions, data centers can provide opportunities to stabilize the grid, foster economic growth, and even contribute to driving the clean energy transition. Mayors possess a unique opportunity to use policy, zoning, permitting, advocacy, and negotiating tactics to ensure data centers actively mitigate negative community impacts such as noise pollution, municipal infrastructure impacts, and land disruption. Some examples of this include:

- Designing new codes and regulatory frameworks that ensure data centers are designed and operated responsibly. Phoenix [recently updated a zoning ordinance](#) to specifically mandate that data center proposals address power grid reliability, fire risk, emergency response access, and noise impacts. Similarly, Atlanta requires [special-use permits](#) for data centers, requiring disclosure of water and energy usage, tree removal during construction, and new powerline development.
- Pushing for agreements that tie data center growth to clean energy procurement, investment in residential and utility-scale energy efficiency, renewable energy and water standards, storage, and affordability measures. This could include creating a [community benefits plan](#), which is a legally binding contract with deliverables that developers must meet.
- Requiring that data centers offset their impacts by investing in community buildings and infrastructure (schools, local fire departments, water treatment facilities, etc.), household



resilience (weatherization, heat pumps, smart thermostats, etc.), and investments in land, forest, and wetland restoration.

- Requiring that utility costs from data centers are not passed on to residents. Due to the immense amount of energy that data centers need, additional utility buildout is required.
- Advocate for well-paying jobs, with a focus on hiring locally. While touted as an economic driver, many data centers may only bring a handful of temporary jobs to a community. Mayors can create requirements around hiring local contractors for construction and making sure that the permanent jobs are well-paying.

Climate Mayors is actively building out resources for mayors. In the meantime, helpful resources include:

- Rewiring America Report: [Household upgrades could offset all new projected data center energy demand | Rewiring America](#)
- Sierra Club on energy: [Fools Gold: When 700 Gigawatts of Data Centers Come Knocking | Sierra Club](#)
- Business Insider on water usage: [How Data Centers Are Deepening the Water Crisis - Business Insider](#)
- University of Michigan research: [What Happens When Data Centers Come to Town?](#)
- Matt Rogers, Founder and CEO of Mill and Incite.org, Op-Eds: [AI companies have money and momentum. But look who's stuck with their utility bill](#); [AI companies have money and momentum. But look who's stuck with their utility bill](#)
- [State Policy Tracker](#)
- [Federal Policy Tracker](#)
- Sample Legislation:
 - [Harrisonburg, VA](#)
 - [Phoenix, AZ](#)
 - [Atlanta, GA](#)