

Data Center Growth: Policy Choices Facing Utah and Other States

Definitions, economic impacts, electricity prices, and incentives

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Definition for policies varies across states and statutes

In Utah

Tax incentive: sales & use tax exemption applies to data centers of at least **150,000 sq ft**. (Utah Code § 59-12-102, exemption in Code § 59-12-104)

Utility law: large data centers addressed as “large load” customers for Rocky Mountain Power, **measured in megawatts** (SB 132, 2025; threshold **100 MW**).

Water regulation: **over 75 acre-feet/yr withdrawal, over 10,000 sq ft** (HB76, 2026).

Nationally

Florida: among the few measuring size explicitly by energy: critical IT load of 100 MW+ (Fla. Stat. § 212.08(5)(r))

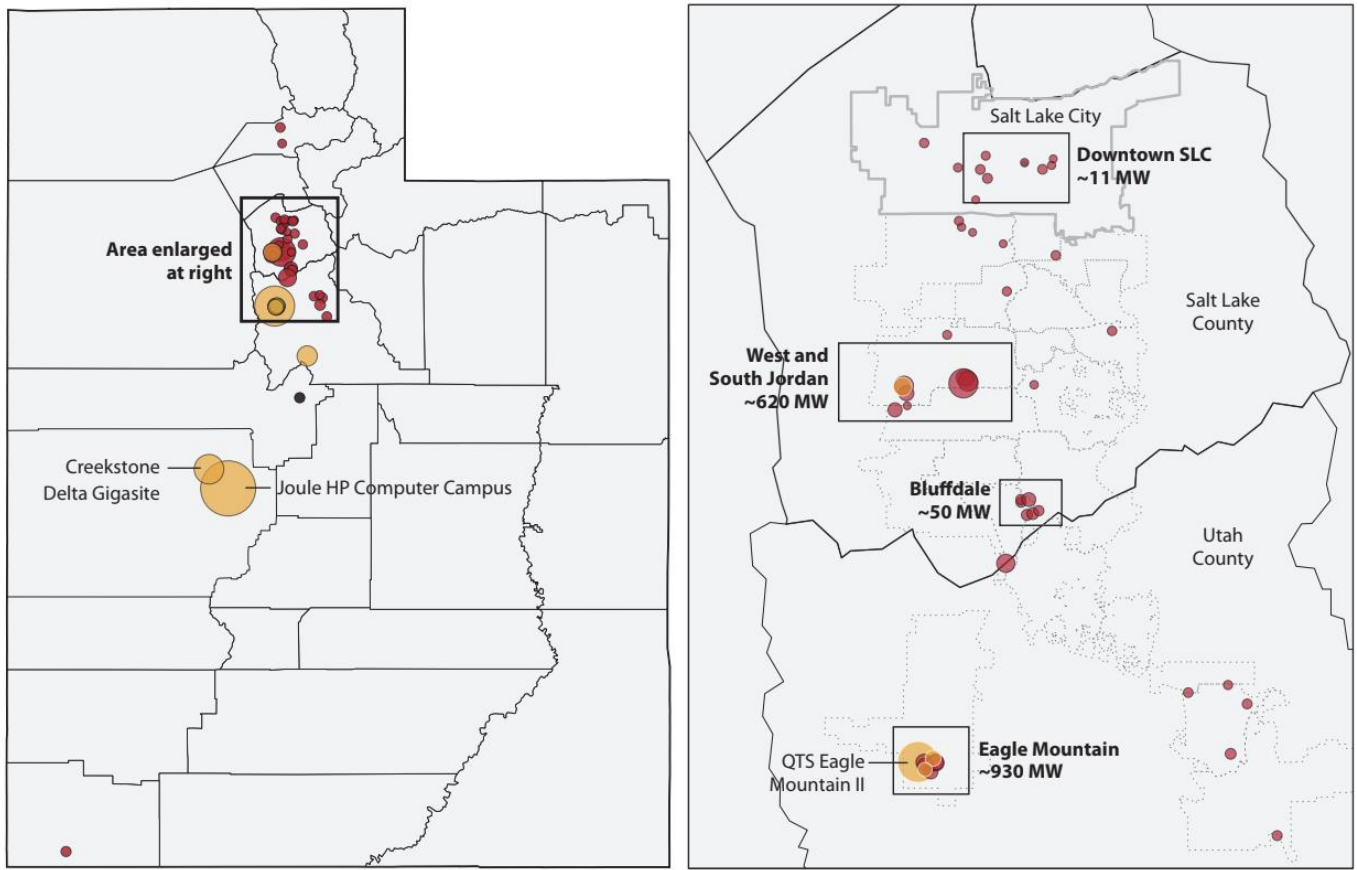
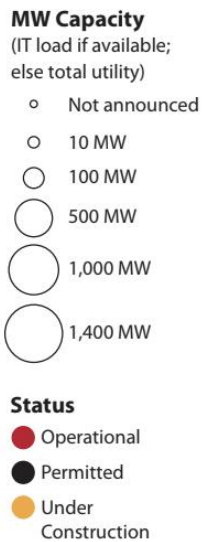
Illinois: defines by purpose; “storage, management, processing of digital data” (20 ILCS 605/605-1025)

Utility statutes: large-load definitions range from 20 MW (proposed in ME, IA) to 100 MW (enacted in UT, FL)

Sources: NCSL, *Subsidizing Servers* (Apr 1, 2026); NCSL, *Which States Are Banning Data Centers* (Jul 1, 2026); Multistate, *State Data Center Water Usage Legislation Gains Momentum* (Mar 3, 2026).

Utah's data centers: energy demand

Utah's Data Centers, 2026



48 data centers reported operating in Utah (as of Apr 2026), drawing about 920 MW combined

~2,600 MW reported under construction in Utah (as of Apr 2026)

Scale of energy demand. A typical AI data center may use about as much electricity as 100,000 homes

Sources: Gardner Policy Institute (Hiatt, 2026)

Utah Data Center Total Capacity (MW) by Status



Source: Zage Business of Energy Initiative, University of Southern California. Underlying data sourced from S&P Global (451 Research), third-party data center registries, interconnection filings, public permits, and verified news sources. Utah-specific figures supplement 451 Research with campus-level and non-hyperscale facilities not captured in the national dataset.

Utah's data centers: water demand

Liquid cooling adoption remains gradual (~22% of operators; <10% of racks)

Closed-loop / direct-to-chip systems significantly reduce water use

Deployment concentrated in high-density AI workloads (not facility-wide) and hyperscalers

- Adoption constrained by retrofit cost, complexity, and uneven need across sites

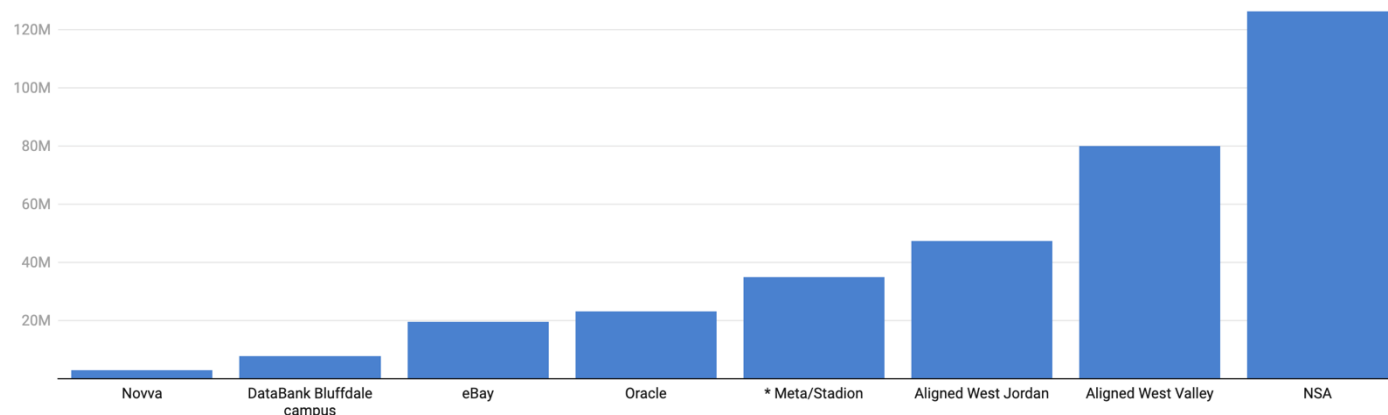
Water use varies significantly across Utah data centers

- **New Utah projects (e.g., Joule): minimal water consumption (recirculated, limited top-up)**

Source: Uptime Institute Cooling Systems Survey 2025, Trellis (2025)

Data center water use over 12 months

Gallons of water used at data centers on the Wasatch Front from October 2024 to September 2025 according to records requests sent to public utilities.



* Meta/Stadion does not make its water use publicly available, and instead provided information from its 2024 sustainability report.
Chart: Leila Larsen | The Salt Lake Tribune · [Get the data](#) · Created with [Datawrapper](#)

Source: Salt Lake Tribune

***Higher rack densities are driving a transition,
but adoption of low-water cooling remains limited***

How Utah compares to its neighbors in incentives/policy



National context: 31 states set capital minimums; smaller number of states require job creation, have clawbacks, or set sunset dates.

State	Sales tax	Electricity	Property tax	Notes
Utah	Yes	No	No	- Over 150,000 sq ft - HB 76 water reporting enacted; - HB 507: local incentives via zones only (from May 2027); county energy tax up to 6% authorized. - Gov. Cox EO 2026-03 (May 29) directs agencies to apply a "Data Center Framework"
Nevada	Yes (rate to 2%)	Yes	Up to 75% abated	50% of construction workers must be NV residents
Arizona	Yes	No	No	Exemption paused 3 yrs by statute (HB 4168)
Idaho	Yes (server equip.)	No	Partial	2026 law limits consumptive water cooling (press)
Wyoming	Yes	Exempt if >\$50M	No	Jobs “appropriate to size”
Colorado	No incentive	—	—	
New Mexico	No incentive	—	—	Regulators rejected pipeline serving 2.5 GW campus (Jul, press)

Sources: Based on NCSL, *Subsidizing Servers* (Apr. 1, 2026), Table 1; updated with press and Server Country (Jun.–Jul. 2026)

Employment: large construction, small operations

In Utah

QTS Eagle Mountain: 2,000+ construction jobs, 100+ permanent (*QTS*).

Nine Mile/Duchesne: 1,000 peak construction, 200 operating
(*Uintah Basin Data Center Project Information*).

22 of 27 subsidized data centers created exactly 20 jobs in Illinois; **precisely the statutory minimum for the incentive**
(*Illinois DCEO Data Center Investment Program annual report, 2024*).

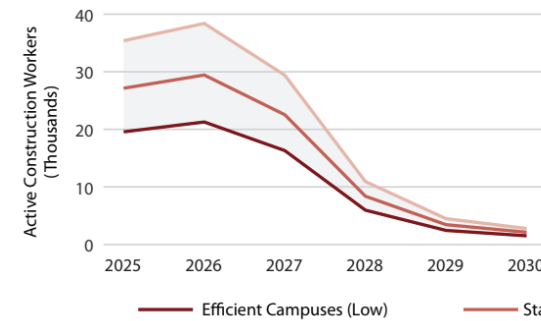
The U.S. data center pipeline expected to come online by 2030 will support an estimated 21,000-39,000 active construction jobs, transitioning to 42,000-67,000 permanent operations jobs.

- In Utah, construction employment peaks in 2025 and declines through 2030. Permanent operations jobs will range between 2,000-3,250 by 2030.

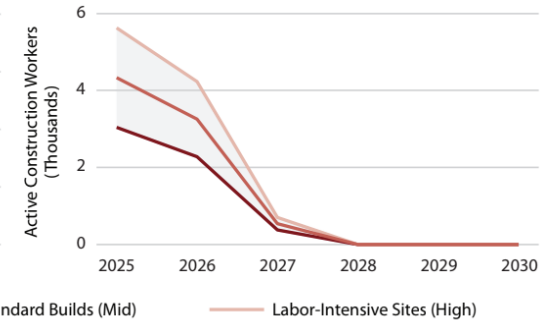
Note: This analysis only includes data centers with planned completion dates of 2030 or earlier.
Source: Ryu & Hiatt. (2025). Data Center Employment Forecast Analysis.

U.S. Data Center Construction and Operations Workforce, 2025-2030

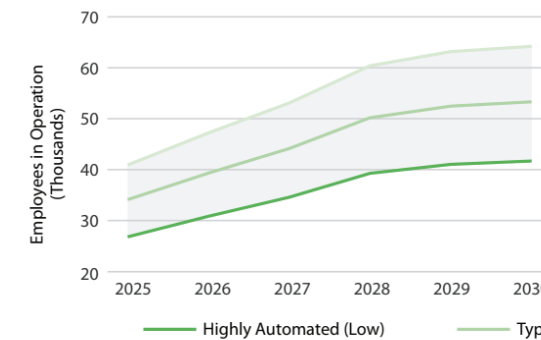
U.S. Data Center Construction Workforce



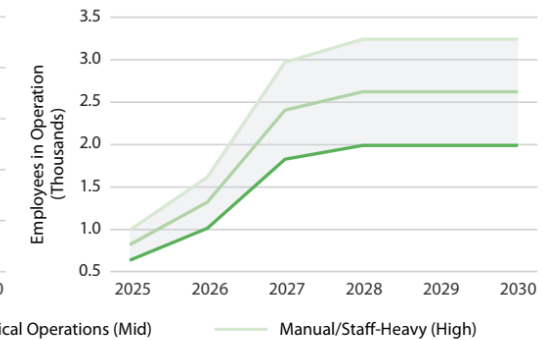
Utah Data Center Construction Workforce



U.S. Data Center Operations Workforce



Utah Data Center Operations Workforce



Wages: what statutes require, and what roles pay

Wage conditions written into state incentives

Utah has no jobs/wage conditions

23 states require job creation; from 5 jobs (MD) to 100 (MA)

At least 11 states require the jobs to pay well
e.g., MD: 150% of state minimum wage; TN:
150% of state average wage

Minnesota & New Jersey require “prevailing wage” for construction; Pennsylvania considering

National vs. Utah wage comparison

Median “data center technician”:

about \$54,031 (national) vs. **\$49,188 (UT)**

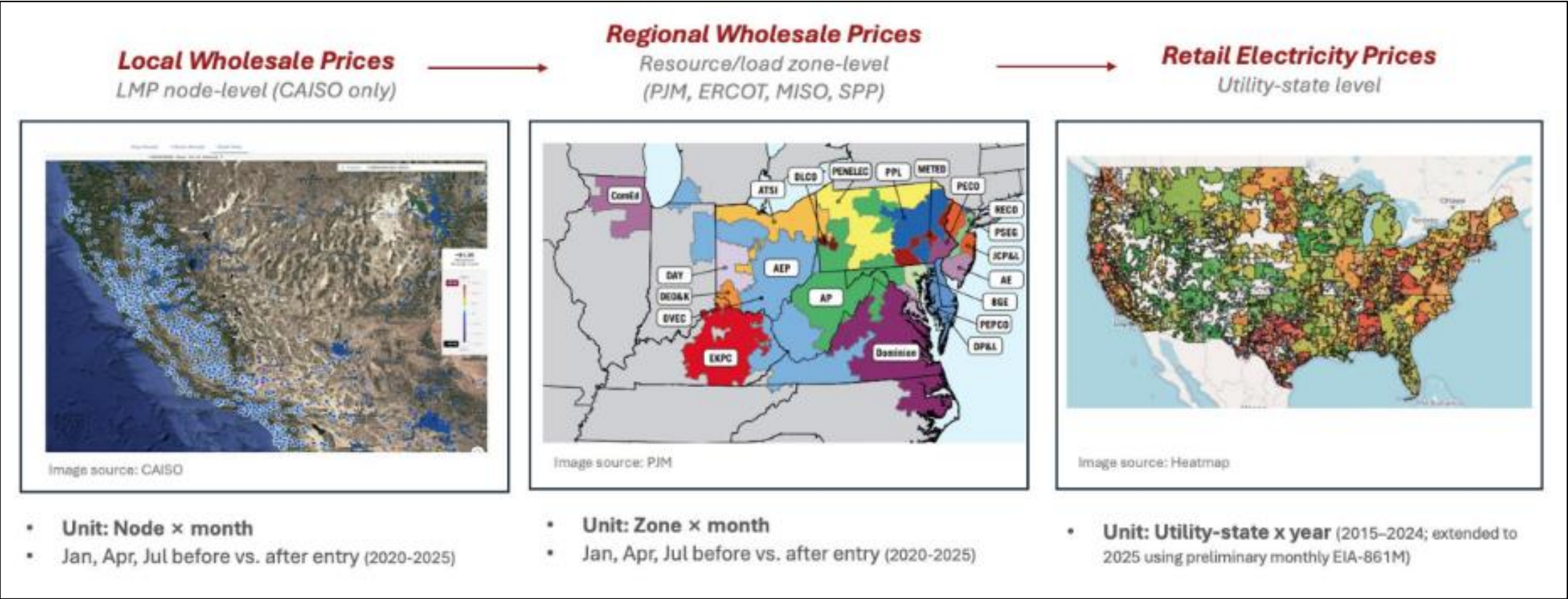
Median “data center electrical engineer”:

about \$147,461 (national) vs. **\$134,244 (UT)**

Sources: NCSL, *Subsidizing Servers* (Apr. 2026) for statutory conditions; Ziprecruiter (accessed Aug 2026) for national vs. Utah median salaries.

Are data centers driving up electricity prices?

Based on Ryu & Hiatt (2026) report



Local **congestion** costs increased by roughly \$1.45–\$2.30/MWh.

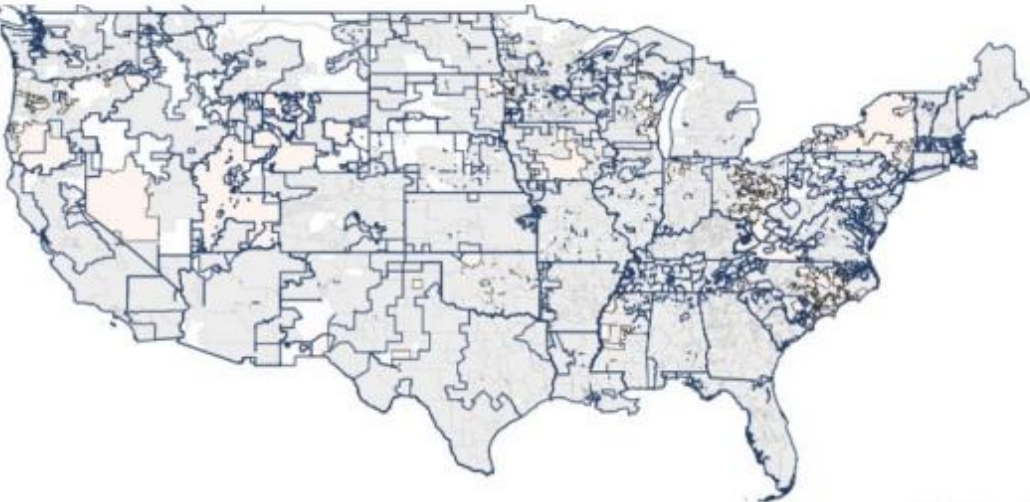
Prices in an affected zone rise about **\$3.44/MWh in the year after entry**, pattern consistent with higher-cost generation dispatched.

Doubling a utility’s data-center capacity is associated with only a **0.65% increase in residential prices (~\$0.001/kWh)**

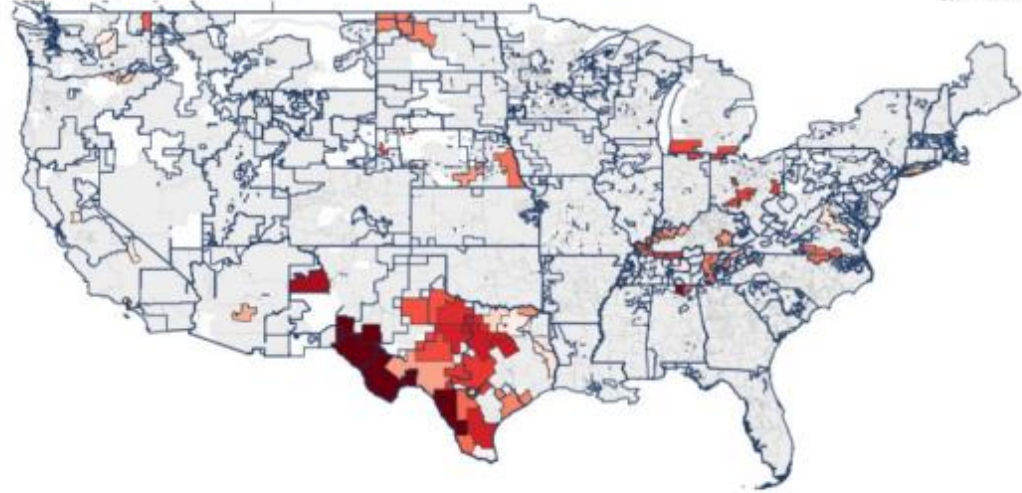
Are data centers driving up electricity prices?

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Investor-owned (IOU)



Cooperatives + Municipals



Model-implied
bill increase
(\$/month)



Not in analysis sample Little or no model-implied bill increase Model-implied bill increase from DC growth

Retail effect concentrated in electric cooperatives and municipal utilities; for investor-owned utilities (68% of the U.S. population), we find no statistically significant relationship.

Note: Model-implied historical monthly residential bill impact of observed 2015–2025 data-center growth, by utility ownership. Each polygon shows the implied increase on a typical monthly residential bill associated with each utility’s observed 2015–2025 growth in operating data-center capacity. The calculation applies the 2025 ownership-specific coefficient to the utility’s change in operating data-center capacity, 2024 residential rate, and typical monthly household consumption: $\beta \times \Delta \ln(\text{DC_MW} + 1) \times 2024 \text{ residential rate} \times 0.9 \text{ MWh/month}$. The 2024 residential rate is used because it is the most recent year with full annual EIA-861 coverage, and 0.9 MWh/month approximates typical household consumption (EIA, 2024). Ownership-specific coefficients are: cooperative +0.0060 ($p < 0.05$), municipal +0.0091 ($p < 0.05$), and investor-owned +0.0001 (not significant). The IOU coefficient is included only for visual consistency across ownership categories and should not be interpreted as evidence of a detectable impact on IOU bills. Because each panel is ownership-specific, gray areas include both out-of-panel ownership types and territories with little or no model-implied bill increase; white areas are outside the analysis sample (mostly small municipal and rural cooperative utilities with limited EIA reporting). The figure is intended as an illustrative translation of the regression estimates, not a complete accounting of all data-center-related bill impacts.

Incentives: the national landscape and what they cost

38 states offer dedicated data center tax incentives; 14 extend the exemption to electricity; 11 offer a statewide property tax incentive.

Incentives w/ conditions attached; 31 states require minimum capital investment; a smaller number of states require job creation, have clawbacks/sunsets, or attach an energy requirement.

Cost of incentives: At least 10 states forgo over \$100M annually; several states (e.g., VA, TX, OH, GA) forgo over \$1B/yr; PA governor estimates ~\$2B by 2030 (Good Jobs First 2025; MultiState 2026; NCSL 2026)

Other subsidies: locally funded infrastructure, payments-in-lieu-of-taxes, and how grid costs are allocated between the data center and other ratepayers

Sources: Based on NCSL, Subsidizing Servers (Apr. 1, 2026), Table 1; updated with press reports (Jun.–Jul. 2026)

What's changed: unwinding incentives, and cancellations

States reconsidering incentives

13 states are considering substantially unwinding their data center tax incentives

Three states paused their incentives in 2026 (AZ, IL, OH) and Minnesota trimmed its exemption and added an energy-based fee.

Repeal also considered in CT, GA, MD, MI, PA, TX, WA.

In Texas, now one of the most expensive tax breaks (\$3.3 billion annually)

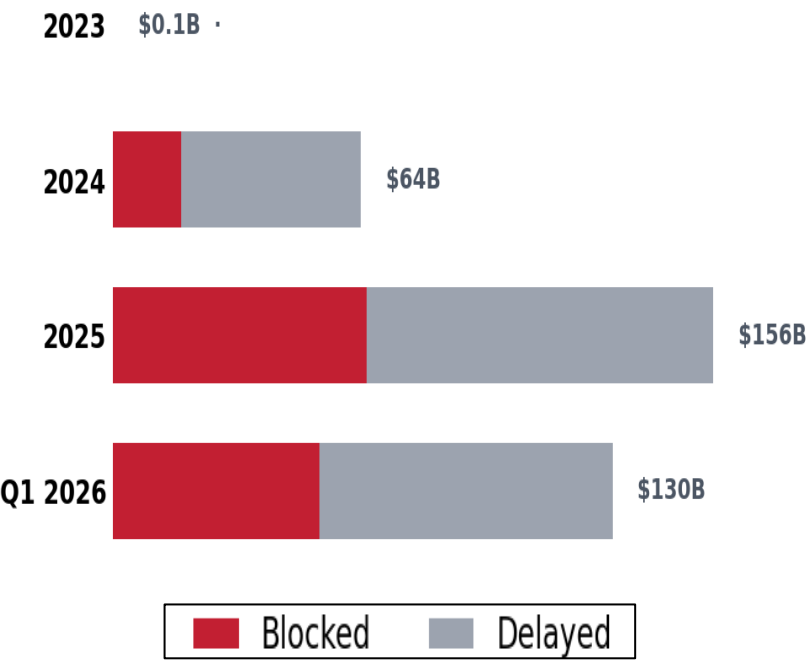
Sources: Based on NCSL, Subsidizing Servers (Apr 1, 2026), NCSL, New York Hits Pause on Data Centers. Will Other States Follow? (Jul 15, 2026).

Projects delayed or cancelled in Utah

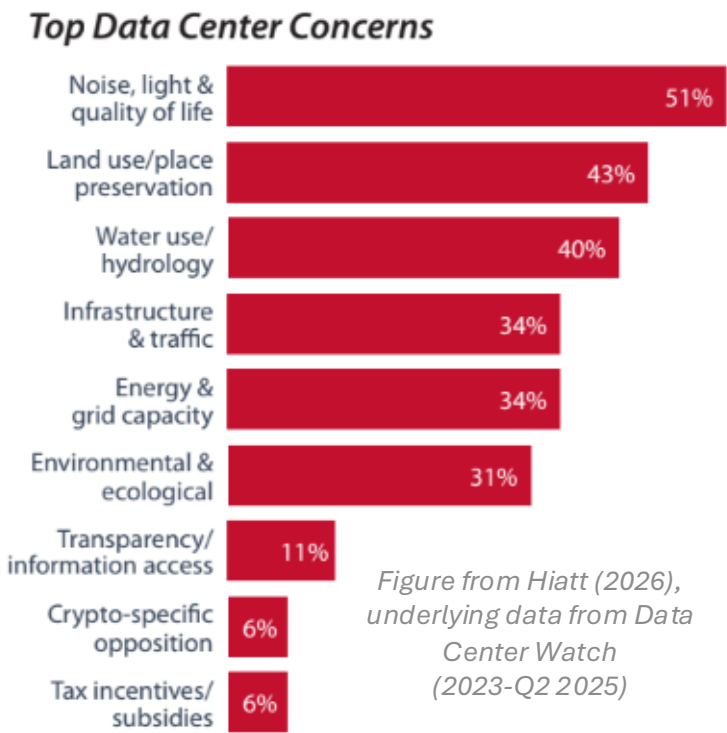
- **Stratos delayed** (two water applications withdrawn, 3,700+ protests, litigation pending)
- **BrightNight's 1.5 GW on hold** under Iron County's moratorium;
- **Provo denied a project (rezoning)** 7–0.
- **But a few projects still got approved:** Nine Mile (Duchesne county), Antelope (Iron County)

Growing data center opposition and cancellations

\$130B cancelled or delayed due to local community pushback in Q1 2026; \$156B from entire 2025

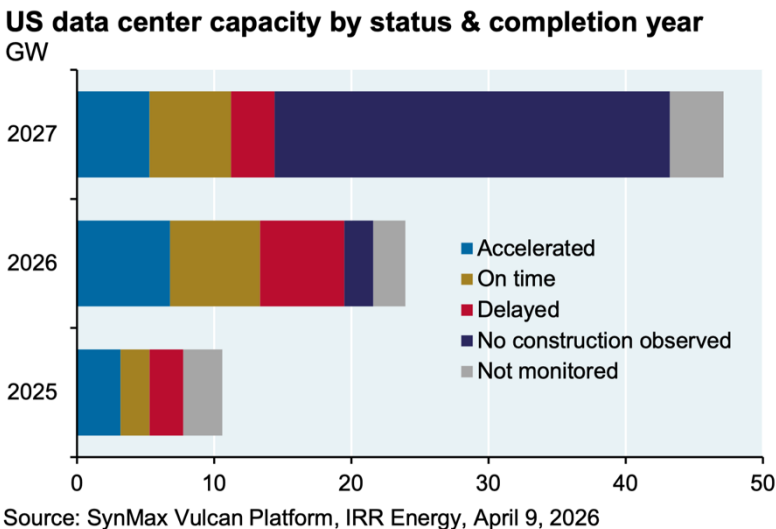


Top concerns in 2026 remain electricity price, water, and local community impact



*Figure from Hiatt (2026),
underlying data from Data
Center Watch
(2023-Q2 2025)*

60% of 2027-planned capacity hasn't broken ground (7% delayed; as of Apr 2026)



Source: SynMax Vulcan Platform, IRR Energy, April 9, 2026

Sources: Data Center Watch (cancelled/delayed investments, 2023–Q2 2026); Hiatt 2026, Garner Policy Institute, University of Utah (top concerns); JPMorgan (May 2025, 2027 capacity pipeline)

The moratorium tracker (as of Jul 2026)

State	Bill	Details	Status
New York	A10141 / S9144 + EO	One-year pause; EO 62 (Jul 14) threshold 50 MW	Exec Order in Effect; bill awaits governor (12/31 deadline)
Virginia	HB 1515	No final approvals until interconnection requests filled, or Jul. 2028	Continued
Delaware	SB 353	Permits paused for 100 MW+ until Jan. 2027	Introduced
Georgia	HB 1059	No local permitting until Dec. 2028	Introduced
Michigan	HB 5594/5595	No new approvals until Apr. 2027	Introduced
Pennsylvania	SB 1359 / HB 2533	3-year moratorium + studies; or municipal bans	Introduced
South Carolina	H 5526	No local approval until statewide oversight framework	Introduced
Vermont	S 205	Moratorium until 2030 + impact study	Introduced
Maine	LD 307	20 MW+ paused until Nov. 2027	Vetoed
Maryland	HB 120	No construction or permitting	Failed
Minnesota	HB 4888 / SB 4298	No new permits until PUC report (≥Jul. 2027)	Failed
New Hampshire	HB 1265	One-year construction moratorium	Failed
Oklahoma	SB 1488	Construction paused until Nov. 2029	Failed
South Dakota	SB 232	One-year construction/expansion moratorium	Failed
Wisconsin	SB 1061 / AB 1099	No operation until 14 conditions satisfied	Failed

Sources: NCSL moratorium tracker (Jul. 1, 2026); N.Y. status updated per EO 62 (Jul 14)

Within Utah: counties are acting ahead of the state

Six local pauses in ten weeks and Salt Lake City's water cap

County	Adoption Date	Detail
SLC	Mar 26	Ords. 008/009: 200,000 gal/day water cap; 180-day rule blocks noncompliant applications. Not data-center-specific but binding on any high-water facility.
Iron	May 26	Ord. 2026-13: no new applications on data centers, DC power plants, and solar Project Antelope’s complete application proceeded under the old ordinance (approved Jun. 4). BrightNight’s proposed 1.5 GW is on hold.
Box Elder	Jun 10	Ord. 654; unanimous; no new applications on unincorporated land.
Cache	Jun 23	Ord. 2026-32, unanimous. no new applications on unincorporated land. code “does not contain clear definitions or regulations.”
Logan City	Jun 30	Ord. 26-12: temporary prohibition on data centers and power plants while permanent rules are studied.
Grand	Jul 7	Precautionary; no application pending
Wayne	Jul 21	Res. 2026-04, unanimous, immediate: data centers, DC power plants (incl. nuclear), supporting digital infrastructure. Ordinance “does not in any way address data centers.”

Sources: county/city ordinances (Iron 2026-13; Box Elder 654; Cache 2026-32; Logan 26-12; Wayne Res. 2026-04; SLC 008/009) via Server County (Jul 17, 2026) + SL Trib, UPR, KSL, Iron County Today. Statuses verified Aug. 16, 2026.

Recent developments (as of Aug 2026)

Federal:

H.R. 9340 Ratepayer Protection Act pre-floor vote; narrowed at markup to data centers specifically.

Google & Microsoft supportive; industry trade group objected the narrowed-down version.

White House pledge expanded Jul. 23: 187 utilities, co-ops and developers + 23 governors (voluntary; ~80% of delivered power per WH)

Pennsylvania

New state budget requires data centers over 10 MW to disclose energy and water use.

Michigan:

Gov. Whitmer plan: full-cost payment, upfront financial assurances, community benefits; calls a broad moratorium “a non-starter” (Jul 15).

Idaho:

New data centers barred from consumptive water cooling unless municipally/district sourced (Jul 1 ~).

Local (national):

Brookhaven, NY: 18-month moratorium; Monterey Park, CA. first voter-enacted municipal ban (86%).

Sources: House E&C release (7/22); E&E News/POLITICO (7/21); POWER (7/24); The Hill (7/23); press reports (Jul. 2026).

Low-frequency noise standards

Preview: three states proposed noise provisions in 2026 data-center legislation; all rely on conventional acoustic study; none specifically requires measurement below 20 Hz (infrasound).

Michigan HB 6139 (pending): requires acoustic engineering reports analyzing baseline ambient noise and projected construction and operational noise; filed with the PSC and the local permitting government.

Virginia HB 153 (enacted; eff. Jul 1, 2026): requires a site assessment including a sound profile where facilities sit within 500 feet of homes or schools.

Maryland HB 1534 (failed to pass): operation and siting standards for data centers that include sound and vibration.

Sources: VA HB 153, Ch. 567 (2026), LegiScan; MD HB 1534, LegiScan (failed, 2026 session); MI HB 6139, LegiScan; Statuses verified Aug 16, 2026.

Water-use legislation

Enacted

- **Utah HB 76:** large data centers must pre-notify water needs 90–360 days before construction; annual report of withdrawals and reduction efforts
- **Oklahoma HB 784:** monthly/annual water-use reporting and a ban on water NDAs with local governments
- **Idaho HB 895:** no consumptive water cooling unless municipally/district sourced
- **Florida SB 484:** aquifer permitting
- **Virginia HB 496/SB 553:** consumption reporting
- **Pennsylvania budget:** 10 MW+ must disclose energy and water use.

Closed-loop mandates

- **Kansas SB 400:** closed loop, with injunction authority for cities, DAs, and the AG
- **Virginia HB 30:** closed-loop provisions (passed both chambers per tracker)
- **Michigan HB 6138:** closed loop or municipal-only water.
- **South Carolina HB 4583 (failed):** zero net withdrawal and discharge; bans groundwater or municipal water for cooling

Permits and caps

- **Michigan SB 1046:** water-use permit at 550,000 gallons/day, cap of 2 million gallons/day, and at least three public hearings
- **Illinois SB 4016:** “Water Impact Permits”
- **Iowa HF 2690:** separate water-utility customer class for 20 MW+ facilities
- **California AB 93 (vetoed):** report expected water use before a business license.

Federal (introduced): S. 4213 would require data-center operators to report energy and water use to states and the EPA.

Sources: Utah HB 76, Utah Legislature (enrolled, 2026); OK HB 784, Okla. Legislature; VA HB 496/SB 553, Ch. 623, LegiScan; PA 2026-27 budget/fiscal code (Spotlight PA, Jul 2026); ID: press (Jul 2026); MI HB 6138 and SB 1046, Mich. Legislature/MultiState; IA HF 2690, LegiScan; SC, KS, IL, CA, S. 4213: MultiState and LegiScan tracking. Statuses verified Aug 16, 2026.

Transparency and public-process legislation

Requiring public hearings and banning secrecy

The underlying problem. A Harvard review of 40 PUC proceedings found utility “special contracts” with data centers are routinely shielded from public view

Public process

- **Minnesota HF 4512 (introduced):** public hearings and disclosures required before data-center approval
- **Michigan SB 1046 (introduced):** at least three public hearings before a water-permit application.

NDA bans

- **Utah:** SB 318 (NDA ban) and HB 585 (energy-use reporting to the PSC) both **failed** to pass on Mar 6.
- **Oklahoma** HB 784 (**ENACTED**): bans water NDAs with political subdivisions.
- **Michigan** HB 6140/SB 1049: no NDAs between elected officials and operators where a tax incentive is involved (IP carve-out)
- **Wisconsin** AB 1036, **South Dakota** HB 1246

Disclosure regimes

- **Maryland** HB 1411 (Data Center Planning and Transparency Act; **failed**)
- **Pennsylvania** HB 2150 (**failed**) + the new budget provision
- **Illinois** SB 2181 (**failed**; Energy and Water Reporting Act)
- **New York Sustainable Data Centers Act** (signed 2025).

Sources: OK HB 784, Okla. Legislature (enacted); Utah SB 318 and HB 585, Utah Legislature (failed Mar 6, 2026); MI HB 6140/SB 1049, Mich. Legislature; MD HB 1411, Md. Gen. Assembly (failed); PA HB 2150 and WI AB 1036: failed, sessions closed, Legi; SD, MN, IL, NY: MultiState and LegiScan; Harvard Electricity Law Initiative. Statuses verified Aug 16, 2026.

Community benefit agreement (CBA) legislation

Six states considered CBA bills in 2026; Alaska's passed first chamber vote

Michigan HB 6136-6137 / SB 1050 (introduced)

A legally binding CBA with local government required before construction; must address at least half of the list including local hiring, water use, infrastructure cost allocation, community investment, and home efficiency; **local permits and PSC interconnection blocked until the agreement is approved.**

States considering CBA

NJ, CO, IL, and PA introduced CBA legislation; AK is the only state whose bill proceeded to the first chamber vote.

Federal

HR 9262, 'Local Control Protection Act' (Jun. 11): CBAs must be publicly filed and legally enforceable as a condition of federal tax incentives; plus, a litigation shield for localities that deny projects

Executive actions

NY order requires a community-investment framework (investments, labor standards, local hiring, workforce development) within 60 days; Gov. Whitmer's Michigan plan (Jul 15) includes community-benefit commitments.

Incentivizing instead of requiring CBA

CT allows a "Community Host Agreement" in lieu of property tax.

Sources: MI HB 6136-6137/SB 1050, Mich. Legislature and MultiState (Jul 15, 2026); H.R. 9262, LegiScan/Congress.gov (introduced Jun 11, 2026); NY Executive Order 62 (Jul 14, 2026); MI pledge, Gov. Whitmer (Jul 15, 2026); CT: per MultiState. Statuses verified Aug 16, 2026.

The other venue: utility commissions and grid operators

Increasingly state-directed rather than utility-proposed

- **Utah:** Utah PSC directed to investigate a flexible large-load tariff for RMP's territory (SB 132); investigation currently in progress.
- **Texas / ERCOT:** 75 MW+ loads pay interconnection costs, post financial assurance, accept curtailment in grid emergencies.
- **Arizona:** Corporation Commission empowered to set minimum bills, contract terms, collateral, and infrastructure cost-payment for "extra high load factor customers." (HB 2756)
- **PJM:** its independent market monitor urged regulators to indefinitely block new data centers on the grid to protect existing customers.
- **Pennsylvania PUC:** cost-causation, load-reduction provisions, hardship-fund contributions.
- **Ohio:** PUCO approved AEP's data-center tariff via settlement; new-incentive approvals now paused while a Joint Data Center Committee studies impacts.

Sources: NCSL Energy Program (Jul 2026); Texas SB 6 (2025, enacted); Arizona HB 2756 (signed Jun 2026); Washington Post (Dec 2025); PA PUC model tariff (Nov 2025); Ohio PUCO settlement and MultiState (2025-26). Verified Aug 16, 2026.

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Appendix: Example of Industry Self-Regulation



KIKKOMAN®



Noda City, Japan

Top figure: Sound

Lower figure: Vibration