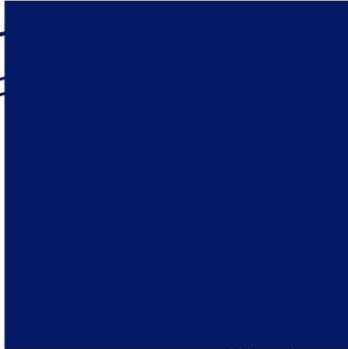


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DATA CENTERS IN ILLINOIS

Economic Impacts and Key Policy Considerations

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Executive Summary

Data centers—physical facilities that house computer servers, storage, and networking equipment—are experiencing a surge in growth driven by the expansion of artificial intelligence (AI). As data centers have spread across Illinois, public interest regarding their impacts on the economy, on energy costs, and on communities has intensified.

Illinois is a top state for data center development, with more than 200 operational or planned facilities.

- Illinois is a net exporter of energy, offers geographic advantages, and has a skilled and educated workforce.
- Illinois has 19 data centers per million residents, which ranks 9th in the United States.
- Data centers account for 7 percent of electricity usage in Illinois, the 10th largest statewide footprint.
- The data center industry directly contributes \$10 billion to Illinois' gross domestic product (GDP) each year.
- Illinois' sales tax exemption helped spur \$15.7 billion in data center investments from 2020 through 2024.

Illinois is expected to add \$57 billion in data center capacity from 2026 through 2035, which will create thousands of jobs, boost the economy, and contribute millions of dollars towards local tax revenues.

- Each \$1 billion investment creates 700 construction jobs, 50 permanent operations jobs, and hundreds of indirect and induced jobs, while adding \$5 million in annual property tax revenue.
- Data center investments over the next 10 years are projected to create 121,000 total jobs, including 39,000 skilled trades jobs paying \$116,500 per year and 2,800 permanent positions averaging \$186,700 annually.
- New data centers will boost the economy by almost \$5 billion annually during the ten-year buildout and by over \$2 billion each year thereafter once operational, while adding \$292 million in annual property tax revenue.
- While tax receipts can vary, a hyperscale data center can enable local governments to reduce residential property taxes by 3 to 10 percent in most Illinois counties, if no tax abatements have been granted.

Rapid growth of data centers can present challenges for taxpayers, ratepayers, energy systems, and the environment if not mitigated by public policy, project design, and industry practices and standards.

- Regional power grid operators did not adequately prepare and have not added enough new clean energy supply to accommodate demand from data centers and other emerging industries and technologies.
- Illinois is one of 38 states that offers a sales tax exemption for data center purchases of computing equipment, materials, and infrastructure at a cost to taxpayers of \$303 million in forgone revenue in 2024.
- Data centers can have consequences for land use, air quality, greenhouse gas emissions, and public health.
- Large data centers can use up to 5 million gallons of water per day, which is the same water demand as 4,000 to 20,000 households, if they do not use closed loop cooling or air-cooling systems.
- 6.5 gigawatts of new data center capacity—equivalent to powering 4.5 million homes—could raise electricity system costs and residential electric bills by \$12 per month unless data centers bring their own energy or enter into cost-sharing agreements with utilities to cover their energy, interconnection, and transmission needs.

In addition to federal and regional changes to improve planning processes and boost energy supply, Illinois can take steps to maximize the economic value of data centers while managing their risks. These include:

- Requiring cost-sharing agreements with utility companies that ensure data centers cover 100 percent of their energy, interconnection, and transmission costs, and capping utility bill rate hikes for residential customers.
- Requiring data centers to bring their own energy online and incentivizing those that install Illinois-based clean energy—including nuclear, solar, wind, and other renewables—by fast-tracking their connections to the grid.
- Standardizing closed loop recycled water- or air-cooling systems, which mitigate water usage.
- Reforming the Data Center Investment Program sales tax exemption with a shorter, tiered structure.
- Ensuring that new large data centers first use battery storage systems in emergencies.
- Using heat generated by data centers to heat neighboring homes, businesses, and taxpayer-funded buildings.
- Prohibiting local property tax abatements for data centers.
- Improving transparency by banning non-disclosure agreements (NDAs) between data center developers and public officials and by requiring annual disclosure of energy and water usage.

Data centers grow the economy, create good-paying jobs, and generate millions of dollars in property tax revenue but can raise energy costs and strain water supplies. Responsible development reforms can preserve Illinois' competitive position, mitigate impacts on electric bills, and protect the environment and health of local communities.

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Introduction

Data centers are physical buildings that house computer servers, storage, and networking equipment. These facilities store and process data necessary to maintain artificial intelligence (AI), software, websites, and technological services for businesses and consumers. Data centers are experiencing a surge in growth driven by the expansion of AI and cloud computing (Barth et al., 2025). In the United States, data center electricity demand rose 22 percent last year and is projected to more than double from 62 gigawatts (GW) today to 134 GW by 2030 (Hering & Dlin, 2025; Goldman Sachs, 2025).

For states and municipalities across the country, this buildout presents economic opportunities as well as potential risks. While data centers bring capital investments, construction activity, and new property tax revenue to communities, they also require significant energy resources, can consume large quantities of water, and may introduce land use and environmental concerns (Clouse, 2025; Copley, 2025; Zeitlin, 2025).

Prior to the AI boom, data centers were primarily designed as on-premise facilities for internal digital storage and information technology (IT) infrastructure (Synergy Research Group, 2025). With economic shifts toward cloud computing and generative AI, “colocation” and “hyperscale” data centers now constitute the majority of new developments. Colocation data centers are third-party facilities where businesses lease space to store their data. They allow multiple, separate organizations to house IT infrastructure, cloud computing services, and AI services in a single facility while sharing space, power, and cooling resources. On the other hand, hyperscale data centers—which can use as much electricity as 100,000 to 2 million homes—are usually owned by one entity for large-scale computing and AI services (Copley, 2025; Barringer, 2025; Srivathsan et al., 2024). Amazon, Microsoft, Google, Meta, Apple, Anthropic, xAI and other tech corporations are the leading operators of hyperscale data centers, and the total number of these massive facilities is expected to grow by at least 20 percent per year through 2030 (Barnett & Alvarez, 2025; Synergy Research Group, 2025).

Illinois is a top state for the data center industry, with more than 200 operational or planned data centers (Data Center Map, 2026; Boughedda, 2025). Illinois is currently a net exporter of energy, is positioned at the geographic center of the nation’s internet and physical infrastructure, offers proximity to the Great Lakes, has a colder climate that reduces energy-intensive cooling demands, and maintains a skilled construction workforce and highly educated information technology workforce. Data centers account for 7 percent of total statewide electricity consumption, which ranks 10th nationally—behind places like Virginia (39 percent) and Iowa (18 percent) but ahead of Texas (5 percent) (Saul et al., 2025). In particular, Chicago is the 3rd-largest data center market in the United States (CBRE, 2025; Starner, 2025). Some of the biggest planned data center developments nationwide are in or near the Chicago area (Lippert, 2026; States, 2025; Starner, 2025).

High demand for data centers has coincided with escalating concerns about their effects on communities and consumers. Data center projects have encountered growing and bipartisan opposition (Calma, 2025).¹ In 2025, a survey of over 3,700 U.S. voters found 44 percent of respondents supporting data centers being built in their communities versus 42 percent who opposed—lower approval than for solar projects, wind farms, and nuclear plants (Zeitlin, 2025). A year later, two different polls surveying a combined 5,118 Americans found that 71 percent opposed data center construction in their communities versus support of 27 percent or less (Jones, 2026; Meyer, 2026). A September 2026

¹ Among elected officials publicly opposing data center projects, 55 percent have been Republicans and 45 percent have been Democrats (Data Center Watch, 2026).

poll of 1,503 likely voters found 34 percent support for the construction of data centers in the United States, 34 percent opposing but wanting data centers if built “with limits and regulations,” and 23 percent opposing them and preferring a complete ban on construction (*The New York Times*, 2026). From 2023 through the first quarter of 2026, over \$300 billion in data center projects were cancelled or delayed due to opposition from local residents, including large projects across the Midwest (*Data Center Watch*, 2026; *Anderson*, 2025; *Bailey*, 2025; *Torres*, 2026). Grievances include higher electric bills, noise pollution, land use conflicts, environmental and air quality issues, and lack of transparency (*Zeitlin*, 2025; *Gramlich et al.*, 2026).

Illinois has experienced data center-related public backlash and project cancellations. Planned projects were voted down or withdrawn in places like Naperville, Lisle, Barrington Hills, and Rochelle—sometimes replaced with proposals for housing developments (*De Mar & Johnson*, 2026; *Lissau*, 2026; *Smith*, 2026b; *Holden*, 2026). A \$20 billion project for the largest campus in Illinois, the 795-acre Joliet Technology Center, faced a planning commission delay stretching from October 2025 through March 2026 before being approved (*Ferak*, 2025; *Okon*, 2026; *Kawash*, 2026). Aurora, which is home to five operating data centers and five more in the permitting pipeline, enacted regulations on data centers—including requiring public hearings, noise limits, water and energy consumption limits, and on-site battery storage—following a 180-day zoning moratorium (*City of Aurora*, 2026; *Smith*, 2025). Cities and counties have imposed moratoriums on data center applications and permits as well (*Mayer*, 2026).

Utility bills are influenced by supply and demand factors. While data centers are increasing the demand for energy, the supply of energy has been constrained by regional grid operators that did not adequately prepare and have not added enough new clean energy to either accommodate emerging technologies and industries or allow for fossil fuel plant retirements (*DeCoursey & Saraswat*, 2026; *Howland*, 2026a; *Nguyen & Green*, 2025; *Saul et al.*, 2025). As a result, data center growth is expected to increase the use of both in-state and out-of-state fossil fuel plants, a setback for Illinois’ goals for a carbon-free power sector and 100 percent renewable energy by 2050 established in 2021’s landmark Climate and Equitable Jobs Act (CEJA) (*Gignac et al.*, 2026). In 2026, Governor JB Pritzker paused the processing of new applications for the Data Center Investment Program—the State’s sales and use tax exemption for qualified data centers—due to these and other concerns (*Castilho*, 2026; *NBC5 Chicago*, 2026).

This report, authored jointly by researchers at the Illinois Economic Policy Institute (ILEPI) and the Project for Middle Class Renewal (PMCR) at the University of Illinois at Urbana-Champaign, responds to the debate surrounding data center investments and seeks to inform public policy discussions about responsible development of data centers guided by a comprehensive, ecumenical approach drawn from multiple economic, industry, scientific, environmental, academic, government, and media sources. The report first reviews economic and policy research on data centers before examining capital investments, regional and federal supply constraints, and the policy framework in Illinois. An assessment of the economic, fiscal, and environmental impacts of data centers in Illinois follows, including projected impacts on energy usage and residential electric bills. The report then offers ten policy options that could ensure Illinois continues to attract data center investments while protecting the interests of residents. A concluding section discusses data limitations and recaps key findings.

Research on Data Centers, the Economy, Energy, and the Environment

There is significant capital investment flowing into data centers. In 2025, data centers accounted for more than 70 percent of the increase in private nonresidential construction spending (*Obando*, 2025). Construction costs for U.S. data centers average \$1 billion for a facility that uses about 100 megawatts

(MW) of energy, which is equivalent to powering 40,000 to 90,000 homes (Turner Lee & West, 2025; U.S. NRC, 2012). Construction labor only represents 10 to 20 percent of the cost of data center projects, with servers, storage, and other computing materials and mechanical equipment comprising the bulk (66 to 68 percent) of total expenditures (Barth et al., 2025; Clouse, 2025; Tarczynska, 2025). Nevertheless, economic multipliers suggest that for every construction job building a data center, between one and three additional jobs are created through supply-chain purchases or from increased consumer demand (Clouse, 2025; O’Leary, 2025). Researchers estimate that the data center industry adds \$361 billion to gross domestic product (GDP) nationally, including \$10 billion in Illinois (PwC, 2026). When indirect supply-chain effects and induced consumer demand effects are factored in, the total contribution of the data center industry rises to \$927 billion nationally and \$33 billion in Illinois (PwC, 2026).

Jobs

Data centers offer substantial job opportunities for construction workers during one- to three-year construction phases (Sarte et al., 2024). In Illinois, 13 data center projects built in 2020 and 2021 created over 8,000 construction jobs, or between 600 and 700 construction jobs per project, while a \$1 billion Meta data center in DeKalb employed 1,200 tradespeople “at peak construction” (Zorn & Mangum, 2023; Meta, 2025). Many tradespeople have experienced 25 to 30 percent pay bumps by working on data center projects, earning \$100,000 to \$200,000 annually in full-time wages (Paoli, 2025; Chen, 2025). However, the scale of these projects can attract transitory workers from outside the local market. For example, in 2025, an \$832 million Google data center in Indiana employed out-of-town workers from Texas, Alabama, and Wisconsin despite receiving state and local tax incentives, which drew protests from residents and local workers (Beomsoo Kim, 2025; Wilkins, 2025; Pete, 2025).

Once operational, the employment picture for data centers is much more modest. A database of seven of the largest global data center operators revealed that 21,700 workers were employed at just over 800 facilities globally, or an average of 27 permanent jobs per facility (O’Leary, 2025). A typical 250,000 square foot data center in the United States has been found to employ about 50 full-time workers, half of whom are contracted and lack labor protections such as collective bargaining rights, overtime pay, workers’ compensation and unemployment insurance benefits, and health and safety standards (Sarte et al., 2024; Linh & Widman Neese, 2025). Permanent data center jobs include mechanical engineers, electrical engineers, campus management, information technology operations specialists, building maintenance workers, and security contractors (Casey, 2025).

Local Tax Revenue

Data centers can contribute millions of dollars to the local tax base (Walczak, 2025). Meta’s \$1 billion data center in DeKalb generates \$31 million in property taxes each year, including \$19 million for local public schools (Pletz, 2025). A \$20 billion data center campus in Joliet could contribute more than \$2 billion in local property taxes over 30 years (Lippert, 2026). The county with the most data centers in the United States—Loudoun County, Virginia—has about 250 operational facilities that contribute \$1.3 billion in property tax revenue, or just over \$5 million per data center (Kang, 2026). The surge in revenue has enabled local governments to reduce their residential property tax rates and lower bills for homeowners (Wong, 2026).

Across the country, data center property tax revenues can be highly variable. That is because property tax abatements and other incentives to lure these projects can reduce or eliminate the total taxable value of data centers (Nitkin & Quig, 2026; Olsen, 2025; Tarczynska, 2025). Additionally, much of their taxable value is the machinery and computer equipment, taxed as “personal property” as opposed to

“real property” (land, buildings, and permanent infrastructure). Taxable value spikes upon installation of the machinery and equipment but then rapidly depreciates within three to five years, only to rise again when they are replaced. Residential homeowners pick up a larger share of the property tax burden when data centers’ taxable values go down. However, this does not apply in Illinois, which has not subjected tangible personal property to property taxes since the state constitution was passed in 1970.

One cost-benefit measure is the proportion of total local revenue attributed to data centers. According to a 2024 report from the Virginia Joint Legislative Audit and Review Commission, after accounting for tax credits that the report acknowledges reduced revenue collected from the industry, “data center [tax] revenue ranged from less than 1 percent to 31 percent of total local revenue” in the five localities with the most “mature data center markets” (Sarte et al., 2024). Similarly, five data center campuses account for more than 10 percent of the entire tax base of West Des Moines, Iowa (Casey, 2025).

State Tax Revenue

Most states have introduced tax exemptions to attract data centers. There are 38 states that offer full or partial sales tax exemptions for the purchase of building materials, mechanical machinery, and computing equipment (NCSL, 2026; Tortorelli, Stevens, & Tolockaite, 2025). The tax exemptions are intended as inducements to developers to locate data centers within a jurisdiction. In exchange for the tax benefit, hefty investments are made that may generate sizeable public revenue. Advocates for these subsidies contend that this economic development and other related tax revenue would not have accrued “but for” the incentives. Opponents counter that “cloud computing is a profitable, rapidly growing industry that does not need any public financial support” and that all or most of the economic development would have occurred even without the incentives (LeRoy & Tarczynska, 2025). Reducing the tax obligation of some of the nation’s most profitable firms for many years may leave communities with increased costs greater than the incremental revenue collected.

Because data centers are capital-intensive warehouses, their computing equipment requires replacement every two to five years—making these exemptions lucrative for companies and costly for public budgets (Tarczynska, 2025). At least 10 states are forgoing \$100 million or more each year from data center subsidies, including Illinois (LeRoy & Tarczynska, 2025). Georgia’s sales and use tax exemption annually costs its state government \$1.3 billion and its local governments \$1.1 billion in additional forgone revenue (Tarczynska, 2026). Virginia’s data center tax break reduces incremental state and local revenue by \$1.9 billion per year, including at least \$267 million annually that would otherwise go to schools (Elmo & Gizis, 2026). Ohio’s tax exemption costs \$1.6 billion (Millard, 2026). By 2029, Texas’ sales tax exemption is expected to reduce its two-year budget revenue by \$3.3 billion compared to an alternative in which it had not applied (Elmo, 2026).

In response to escalating subsidy costs, Minnesota lowered its sales tax exemption and Ohio temporarily paused its sales tax exemption while a legislative committee studies impacts (Fitzgerald, 2026; Millard, 2026). New York Governor Kathy Hochul issued an Executive Order for a temporary moratorium on permits for new hyperscale data centers for up to one year (NYS, 2026). During the freeze, New York is establishing new rules that require large data centers to pay for their own energy and grid improvements. Note that facilities used for manufacturing, education, university research, or medical care were exempt from New York’s pause (NYS, 2026). Texas Governor Greg Abbott issued a statewide freeze on connecting new data centers to its electric grid unless proposed projects pass comprehensive audits documenting their projected usages and whether they are bringing their own energy generation, using cooling methods that reuse water, mitigating noise pollution and traffic, and meeting other criteria

(Cobler, 2026). Other states ranging from Georgia to Arizona have considered legislation to scale back, pause, or eliminate their incentives as well (Bernard, 2025).

Energy Costs

Economic benefits must be considered against the tradeoffs associated with resource consumption. Data centers' demand for energy is straining electric grids (Nguyen & Green, 2025; Saul et al., 2025; Chase, 2025). The International Energy Agency (IEA) forecasts that data center electricity consumption will increase by 130 percent over six years (IEA, 2025). AI data centers will consume 6 percent of total U.S. electricity demand this year and climb in future years (GAO, 2025).

The buildout of data centers in Illinois and neighboring states has “add[ed] billions of dollars to household utility bills,” accounting for a portion of the increase in electricity prices in 2025 (Miller, 2025a; DeCoursey & Saraswat, 2026).² Last year, ComEd customers saw at least an 11 percent increase in utility bills and Ameren customers experienced increases of at least 18 percent due to rising demand (Chase, 2025; Roth, 2025). While data center demand factors into ratepayer costs, rising energy costs are also driven by policy interventions, supply-and-demand market forces, and other circumstances beyond the control of states and utilities (DeCoursey & Saraswat, 2026).

Transmission projects needed to deliver power to data centers cost \$239 million in Illinois in 2025, equivalent to \$4 per month per household (Copley, 2025). Most of these new costs could have been avoided if regional grid operators had adequately prepared for emerging industries and added new clean energy and power lines to the grid (DeCoursey & Saraswat, 2026; Howland, 2026a). Nevertheless, recent projections estimate that data center investments through 2040 could increase residential bills by \$10 to \$12 per month in Illinois and by \$14 to \$37 per month in Virginia (Zeng & Knight, 2025; Sarte et al., 2024).

Water Usage

Data centers have created water shortages in some communities (Tan, 2025; Nguyen & Green, 2025). Their servers produce heat that must be removed. Cooling towers circulate water and discharge to wastewater facilities—which are often not designed to handle the high volumes associated with hyperscale facilities (Yañez-Barnuevo, 2025). Many cooling towers can only recycle water three to ten times before discharge, requiring continuous freshwater replenishment. Large hyperscale data centers can use up to 5 million gallons of water per day, equivalent to the water demand of 4,000 to 20,000 households (Yañez-Barnuevo, 2025). While 5 million gallons may be an upper bound, midsized data centers can use up to 300,000 gallons of water per day, the same as 1,000 households (Yañez-Barnuevo, 2025). One proposed project in Morris, Illinois would use 1 million gallons per day—equal to 40 percent of the entire city's water consumption (Ritz, 2025). By 2028, U.S. data center water usage is expected to increase by at least 120 percent and billions of gallons annually (Shehabi et al., 2024).

Community concerns over water usage and its relation to energy consumption have led researchers to construct a metric known as “water usage effectiveness” (WUE). WUE is a ratio of the daily consumption of water measured in liters (L) and the consumption of energy in kilowatt-hours (kWh). The lower the ratio, the more efficient the water usage system is. Values approaching 9 L per kWh are considered inefficient while 0 L per kWh would mean that no water is consumed onsite (Hegde, 2025). Researchers

² A public utility in Pennsylvania reported that new electricity generating capacity would cost ratepayers \$2.2 billion in 2026, with two-thirds (\$1.4 billion) attributable to data centers (O’Leary, 2025).

at the Lawrence Berkeley National Laboratory have found that the average data center uses 1.8 L of water per kWh ([Energy Technologies Area, 2025](#)). While independent verification can be difficult, Amazon and Microsoft claim their WUEs are 0.12 and 0.30 respectively ([Amazon, 2026](#); [Solomon, 2024](#)).

Technological solutions exist to mitigate water usage and bring the water usage effectiveness ratio down to or near 0 L per kWh. “Closed-loop cooling systems” recycle water multiple times and can reduce freshwater use by up to 70 percent ([Yañez-Barnuevo, 2025](#)). “Air-cooled chillers” rely on outdoor air instead of water during colder months, which enables Illinois-based facilities to enjoy a water efficiency advantage over those in southern states ([Casey, 2025](#)). These technologies allow data centers to consume less water than commercial businesses or corporate headquarters that previously occupied their sites. For example, in Elk Grove Village, a 200,000 square foot data center using closed-loop and air-cooling systems uses less water than a 1,200 square foot laundromat or a 5,000 square foot car wash ([Elk Grove Villager, 2026](#)). Using recycled or reclaimed wastewater is another well-established practice to conserve potable water resources, with companies like Amazon, Meta, Google, and Apple shifting to this approach ([Smith, 2026a](#); [Yañez-Barnuevo, 2025](#); [Barringer, 2025](#)).³ A potential downside of these alternatives is that they tend to require more energy; air-cooled chillers can make up 40 percent of a data center’s total energy usage ([Zhou, Gu, & Ma, 2024](#)).

Environmental and Public Health Concerns

Data centers have consequences for land use, agriculture, and air quality. Hyperscale projects regularly have multi-building campuses on 500 acres or more, with land for stormwater detention and onsite power substations ([Walker & Goldsmith, 2025](#); [Morrow, 2025](#); [Schulz, 2025](#)). A 500-acre data center project on Illinois’ flat, well-drained farmland would reduce corn yields by 117,000 bushels annually or soybean yields by 36,000 bushels annually ([Castillo, 2026](#)). In addition, a comprehensive analysis of more than 2,100 U.S. data centers found that 56 percent of their electricity consumption was sourced from fossil fuels, contributing 105 million metric tons of carbon dioxide and accounting for 2 percent of all U.S. greenhouse gas emissions ([Guidi et al., 2024](#)). Onsite diesel generators that are used as backups during emergency situations can also emit dangerous pollutants at concentrations that cause asthma, cardiovascular diseases, and premature mortality ([Martinez, 2025](#); [Calma, 2025](#)).

Noise pollution is a frequently cited externality ([Zeitlin, 2025](#)). Data center servers, cooling systems, and fans run 24 hours a day, and their overnight hum can exceed safe residential noise levels ([Connell, 2022](#)). Chronic exposure to continuous low-frequency noise is associated with sleep disorders, higher stress levels, and hypertension ([Connell, 2022](#); [Alves, Silva, & Remoaldo, 2018](#)).

Data Center Investments, Supply-and-Demand Context, and Electric Grids

Illinois currently has more than 200 operational or planned data centers ([Boughedda, 2025](#); [Data Center Map, 2026](#)). The Chicago area now has 3 GW of data center capacity and 2 GW under construction, which together will be equivalent to powering 2 to 3 million homes ([Barringer, 2025](#); [State of Illinois, 2025b](#)). Across the state, major proposed or ongoing projects include the \$20 billion, 1.8-GW Joliet Technology Center; a \$12 billion, 1.2-GW proposal by T5 @ Chicago IV in Grayslake; CloudHQ’s \$2.5 billion, 1.5 million square foot data center at the former United Airlines corporate headquarters site in Mount Prospect; an Equinix proposal for a \$2 billion, 700-MW data center in Minooka; and a \$500 million

³ “Immersive cooling” is another innovation that submerges servers, chips, and other components in a specialized, non-conducting fluid that absorbs and transfers heat while using significantly less water.

proposal by CyrusOne for a 636-MW campus in Sangamon County (Lippert, 2026; States, 2025; Starner, 2025; Lippert, 2025; Grant, 2025). These five data centers alone would cumulatively bring \$37 billion in investment value and would require about 5 GW of new energy capacity.

Illinois' Data Center Investment Program

One of the main reasons that Illinois became a leader in data center infrastructure is its Data Center Investment Program. Passed in 2019 with bipartisan support, the Data Center Investment Program is a sales and use tax exemption on qualifying tangible personal property—including new equipment such as servers and hardware, construction materials, and building infrastructure—for up to 20 years (DCEO, 2025).⁴ Qualified data centers do not pay either state or local sales taxes on these purchases. Eligible companies must invest more than \$250 million within five years, create at least 20 new permanent jobs that pay at least 120 percent of the county median wage, and enter into project labor agreements (PLAs)—or pre-hire agreements that establish terms and conditions of employment and serve as de-risking mechanisms by banning strikes and lockouts, coordinating workflow, and delivering access to skilled labor—during construction. These facilities must also meet carbon neutral status or attain green building certification. They can receive an additional tax credit equivalent to 20 percent of the wages paid to tradespeople if construction occurs in an “underserved area” (DCEO, 2025).

From 2020 to 2025, 34 data centers in Illinois had applied for and were granted tax exemptions through the Data Center Investment Program (Figure 1). In their agreements with the Department of Commerce and Economic Opportunity (DCEO), these data centers committed to \$10.7 billion in capital investments but have actually spent at least \$15.7 billion—including \$4.9 billion in 2024 alone.⁵ The Department estimated that the total value of tax subsidies for these data centers amounted to \$983 million through 2024, which includes a \$303 million annual increase in that year (DCEO, 2025). This cost represents the taxes that the State did not collect due to the program. However, the Department of Commerce and Economic Opportunity contends that this tax benefit “reflects a discount on new, incremental tax revenue generated by capital investments” and that the tax exemption “operates as an income-generating incentive—stimulating economic activity and job creation upfront, while allowing a portion of the resulting new tax inflows to be temporarily exempted” (DCEO, 2025).

In 2026, Governor JB Pritzker announced a two-year pause on processing tax exemptions for new data centers starting in July, citing rising utility bills and interconnection backlogs preventing new renewable energy projects from adding to the power grid (Dougherty, 2026; Castilho, 2026; NBC5 Chicago, 2026). This change does not affect the projects that already receive tax subsidies but could cause future development to shift to other states. Major operators and developers have previously credited the Data Center Investment Program as a key factor in deciding to locate in Illinois (Adams, 2024; Starner, 2025).

⁴ Senate Bill 689 passed in June 2019 with 107 yea votes to 9 nay votes in the Illinois House and 49 yea votes to 8 nay votes in the Illinois Senate (LegiScan, 2019).

⁵ The Department of Commerce and Economic Opportunity previously disclosed actual to-date investments by data centers in its 2023 and 2024 reports, but did not do so in 2025, documenting investment commitments only (DCEO, 2026; DCEO, 2025; DCEO, 2024). Evaluating actual investment amounts is the reason 2024's estimated value of tax subsidies was \$983.1 million versus 2025's estimate of just \$666.6 million (DCEO, 2026; DCEO, 2025).

FIGURE 1: DATA CENTER INVESTMENT PROGRAM QUALIFIED DATA CENTERS, CAPITAL INVESTMENTS, AND ESTIMATED TAX EXEMPTION VALUE THROUGH 2024

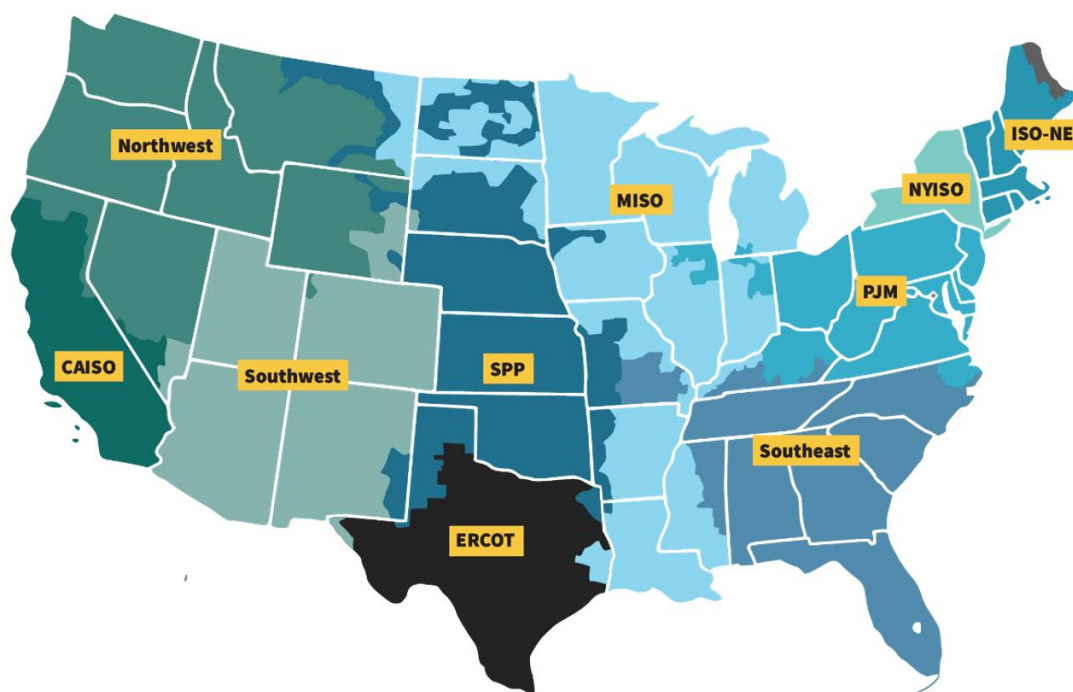
Data Center: Company Name	Start Year	Site Location	Capital Investments			Estimated Tax Subsidies	
			Commitment	2024*	2020-2024 Totals*	2024*	2020-2024 Totals*
Coresite, L.P.	2020	Chicago	\$250,000,000	\$102,202,443	\$255,217,559	\$6,387,652	\$15,951,097
Digital Realty Trust, LP	2020	Franklin Park	\$404,482,346	\$0	\$404,482,346	\$0	\$25,280,147
Microsoft Corporation	2020	Elk Grove Village	\$252,000,000	\$115,435,352	\$534,612,652	\$7,214,710	\$33,413,291
NTT Global Data Centers	2020	Itasca	\$276,000,000	\$166,638,677	\$1,389,621,097	\$10,414,918	\$86,851,319
STACK Infrastructure	2020	Elk Grove Village	\$250,000,000	\$0	\$458,047,167	\$0	\$28,627,948
T5@Chicago II, LLC	2020	Elk Grove Village	\$250,000,000	\$479,000,000	\$741,000,000	\$29,937,500	\$46,312,500
Aligned Data Centers	2021	Northlake	\$252,500,000	\$563,403,624	\$1,166,369,333	\$35,212,726	\$72,898,083
Digital Realty Trust, LP	2021	Elk Grove Village	\$280,608,349	\$0	\$280,680,349	\$0	\$17,542,522
Goldframe LLC	2021	DeKalb	\$800,000,000	\$1,038,200,800	\$4,588,054,562	\$64,887,550	\$286,753,410
Microsoft Corporation	2021	Hoffman Estates	\$275,000,000	\$221,713,172	\$470,499,976	\$13,857,074	\$29,406,249
Microsoft Corporation	2021	Northlake	\$388,134,927	\$0	\$338,134,927	\$0	\$21,133,433
Quality Tech. Serv. (QTS)	2021	Chicago	\$250,000,000	\$0	\$542,693,301	\$0	\$33,918,331
SDC CHI I, LLC	2021	Elk Grove Village	\$250,000,000	\$53,691,841	\$518,140,186	\$3,355,740	\$32,383,762
CyrusOne (C1 Chicago)	2022	Aurora	\$250,000,000	\$889,034,830	\$2,120,359,973	\$55,564,677	\$132,522,498
SDC CHI II Busse, LLC	2022	Elk Grove Village	\$250,000,000	\$235,703,710	\$636,558,570	\$14,731,482	\$39,784,911
Aligned Data Centers	2023	Elk Grove Village	\$285,000,000	\$128,745,381	\$183,952,264	\$8,046,587	\$11,497,017
Chirisa Volo LLC	2023	Volo	\$262,000,000	\$229,248,404	\$229,248,404	\$14,328,025	\$14,328,025
EdgeConneX	2023	Elk Grove Village	\$250,000,000	\$63,190,852	\$146,263,867	\$3,949,429	\$9,141,492
Elk Grove Vil. Prop. LLC	2023	Elk Grove Village	\$517,200,000	\$105,670,929	\$200,000,000	\$6,604,433	\$12,500,000
Metro Edge	2023	Chicago	\$257,123,954	\$0	\$0	\$0	\$0
Serverfarm LLC	2023	Chicago	\$285,000,000	\$56,516,240	\$124,602,110	\$3,532,265	\$7,787,632
C1 Chicago 1 and 2 LLCs	2024	Wood Dale	\$250,000,000	\$51,091,688	\$51,091,688	\$3,193,231	\$3,193,231
C1 Chicago Aurora III LLC	2024	Aurora	\$250,000,000	\$101,633,890	\$101,633,890	\$6,352,118	\$6,352,118
C1 Yorkville LLC	2024	Yorkville	\$250,000,000	\$81,193,273	\$81,193,273	\$5,074,580	\$5,074,580
Equinix LLC	2024	Elk Grove Village	\$250,000,000	\$67,689,230	\$67,689,230	\$4,230,577	\$4,230,577
Iron Mountain D.C., LLC	2024	Des Plaines	\$320,000,000	\$0	\$0	\$0	\$0
T5@Chicago III, LP	2024	Northlake	\$252,000,000	\$101,000,000	\$101,000,000	\$6,312,500	\$6,312,500
T5@Chicago IV, LP	2025	Grayslake	\$250,000,000	--	--	--	--
2425 Busse Road LLC	2025	Elk Grove Village	\$274,152,813	--	--	--	--
4513 Western Avenue LLC	2025	Lisle	\$258,374,703	--	--	--	--
Oracle America, Inc.	2025	Elk Grove Village	\$555,000,000	--	--	--	--
HydraVault LLC	2025	Chicago	\$270,000,000	--	--	--	--
EdgeConnex, Inc.	2025	Elk Grove Village	\$501,238,000	--	--	--	--
SDC CHI III, LLC	2025	Elk Grove Village	\$450,000,000	--	--	--	--
Totals	34 Projects (2020-2025)		\$10,665,815,092	\$4,851,004,336	\$15,731,146,724	\$303,187,771	\$983,196,670

Sources: Authors' analysis of *Data Center Investment Program: 2025 Annual Report*, *Data Center Investment Program: 2024 Annual Report*, and *Data Center Investment Program: 2023 Annual Report* (DCEO, 2026; DCEO, 2025; DCEO, 2024). *Note: While previous DCEO reports on the sales and use tax exemption program included information on data center commitments and actual to-date investments, the 2025 report only included information on investment commitments.

Regional Transmission Organizations, the Federal Government, and Supply Constraints

Illinois' power grid is divided between two Regional Transmission Organizations (RTOs), which oversee electricity generation and transmission, make decisions about energy capacity and interconnection queues, and ascertain wholesale prices through competitive auctions (Figure 2). On electric bills, “supply charges” reflect electricity costs set in these auctions while “distribution charges” are the utility company’s costs of getting electricity to homes and businesses. ComEd’s territory in northern Illinois is serviced by PJM Interconnection, LLC, the largest U.S. grid operator.⁶ Downstate, the Ameren territory is served by the Midcontinent Independent System Operator, Inc. (MISO).⁷

FIGURE 2: COVERAGE MAP OF REGIONAL TRANSMISSION ORGANIZATIONS AND INDEPENDENT SYSTEM OPERATORS, 2026



Source(s): Map pulled directly from “Electric Power Markets” by the Federal Energy Regulatory Commission (FERC, 2025a). Note that each color signifies the geographic area that a given Regional Transmission Organization (RTO) or state-operated Independent System Operator (ISO) covers.

As a net exporter of energy, Illinois sells its excess supply to other states through these RTOs (State of Illinois, 2025a). Participation in regional wholesale markets, however, means that utility prices in Illinois can be affected by decisions made in neighboring states or by the grid operator (Kimball & Cortés, 2025). If Indiana, Iowa, or any other state increases demand by adding data centers to the grid without supplying a commensurate amount of power, then wholesale prices will rise in the market at competitive auctions—swelling costs for Illinois’ consumers, businesses, and governments at no fault of their own (Freitag, 2026).

⁶ PJM Interconnection is named for its original member states—Pennsylvania, “Jersey,” and Maryland. It covers 67 million customers in northeastern Illinois and all or parts of Indiana, Kentucky, Michigan, Delaware, Maryland, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia (Ambrose, 2025). Virginia in the PJM market has both the highest number and highest concentration of data centers of any state in the country.

⁷ MISO covers 45 million people in downstate Illinois and all or parts of Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Wisconsin, Arkansas, Louisiana, Mississippi, Montana, North Dakota, South Dakota, and Texas (FERC, 2025a).

There is not enough energy to service data centers and other new facilities in part because regional grid operators kept supply artificially low and did not adequately plan for emerging technologies and industries. For example, PJM Interconnection, LLC shut its standard interconnection process to new generation projects in 2022 to study and clear previously backlogged projects and did not reopen it to new applicants until 2026 (Howland, 2026a). This four-year period without new energy being secured and coming online occurred simultaneously with the boom in data centers (St. John, 2025). When PJM reopened its applications for connection to the grid, more than 800 energy generation projects totaling 220 GW entered the queue, including 106 GW from natural gas projects and 114 GW from clean energy projects including nuclear, wind, solar, and storage (Howland, 2026a). The median time from interconnection request to commercial operation is now five years, including a one- to two-year review period, meaning that much of this new energy supply will not come online until 2031 or later (Rand et al., 2026; Howland, 2026a).

With constrained energy supply and high data center demand, utility bills have increased across the market (DeCoursey & Saraswat, 2026; Wiser et al., 2025). Prices in the PJM market have reached their legal ceiling—or “capacity auction” price cap—for three consecutive years, falling short of the energy needed for systemwide reliability (Howland, 2025). While an independent monitor found that data centers were responsible for \$6.5 billion of the \$16.4 billion in costs (40 percent), \$6.2 billion of the increase was for data centers that are not yet built (Howland, 2026b). This sudden rise in newly forecasted needs shows that the institution, which affects energy supply based on planning assumptions and connections to the grid, is at least partially responsible for rising energy prices and household utility bills (Howland, 2026b). Put simply, regional grid operators like PJM did not add enough new clean energy to the grid to either allow for fossil fuel plant retirements (due to excess supply) or accommodate the power needs of emerging industries (due to increasing demand).

Recent changes in federal policy are restricting the supply of new energy as well (Andreasen Cavanaugh et al., 2025). The budget reconciliation law passed in 2025, dubbed the “One Big Beautiful Bill Act,” began phasing out the Clean Electricity Production Tax Credit and the Investment Tax Credit for wind and solar projects and will phase them out entirely in 2027—five years earlier than originally planned—while introducing new sourcing restrictions that limit access to affordable materials (CJI, 2025). The law is projected to stifle clean energy development, resulting in 200 fewer gigawatts of wind power and 150 fewer gigawatts of solar power installed across the country by 2035 (Energy Innovation, 2025). At a time when power grids need new energy supply to come online, the federal government made clean energy sources slower and more expensive to build.

ComEd and PJM, Ameren Illinois and MISO, and Wholesale Electricity Prices

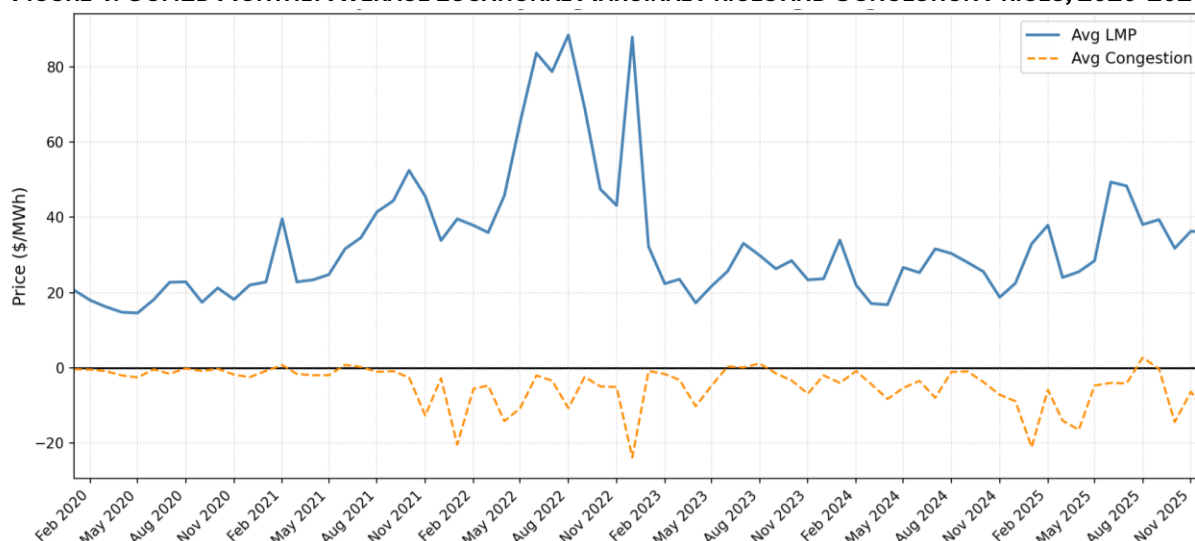
Regional Transmission Organizations have specific points across their grids to designate the price of wholesale electricity at given locations. These “locational marginal price” (LMP) nodes are usually found at generating plants and transmission substations (ISO-NE, 2026). At these nodes, locational marginal prices are calculated based on three components: the price of the electrical energy (“energy price”), supply constraints due to grid congestion (“congestion price”), and energy loss during transmission (“loss price”). Average wholesale prices in both of Illinois’ power grids experienced large increases at the start of the 2020s, caused by natural gas supply shocks due to the 2022 Russian invasion of Ukraine and by natural disasters (FRED Blog, 2023). Prices declined from their 2022 highs before steadily rising again in 2024 and 2025 (Grid Status, 2026). Between 2024 and 2025, average wholesale prices rose by 43 percent in the ComEd market and by 38 percent in the Ameren market (Figure 3). These increased wholesale prices were passed through to customers on electric bills in the form of “supply charges.”

FIGURE 3: 12-MONTH LOCATIONAL MARGINAL PRICE AVERAGES FOR COMED AND AMEREN ILLINOIS, 2024-2025

Electric Utility	2024	2025	Percent Increase
ComEd (PJM)	\$24.87/MWh	\$35.68/MWh	43.5%
Ameren Illinois (MISO)	\$27.79/MWh	\$38.41/MWh	38.2%

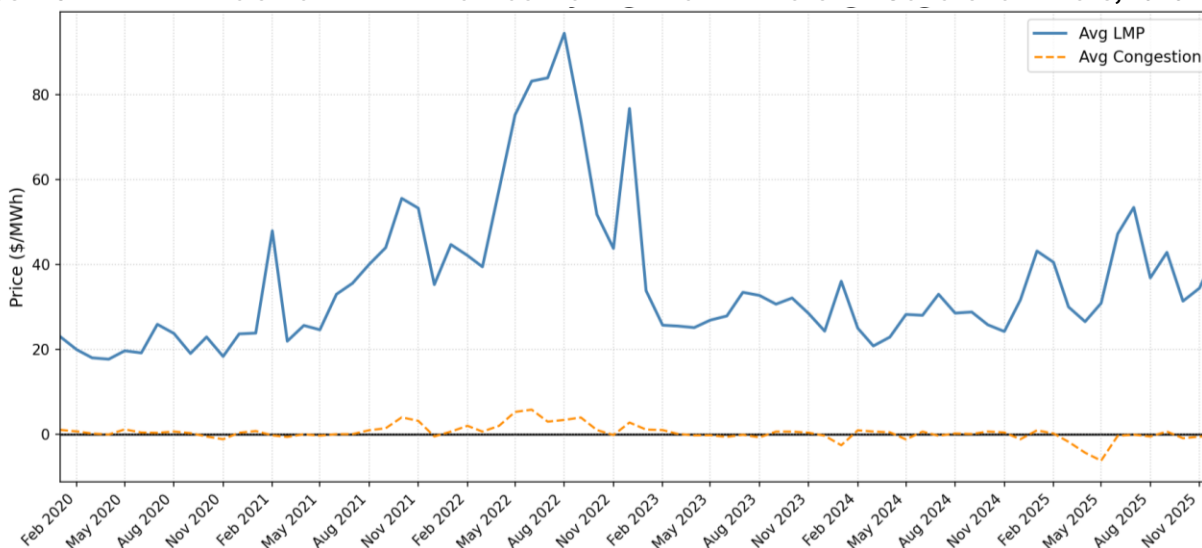
Source(s): Authors' analysis of PJM and MISO real-time hourly locational marginal pricing (LMP) nodes provided by Grid Status ([Grid Status, 2026](#)).

FIGURE 4: COMED MONTHLY AVERAGE LOCATIONAL MARGINAL PRICES AND CONGESTION PRICES, 2020-2025



Source(s): Authors' analysis of PJM real-time hourly locational marginal pricing (LMP) nodes provided by Grid Status ([Grid Status, 2026](#)). Unlike the price that ratepayers pay after electricity is distributed by utility companies, wholesale electricity prices fluctuate regularly, going from positive to negative based on energy generation and grid conditions at any given moment.

FIGURE 5: AMEREN ILLINOIS MONTHLY AVERAGE LOCATIONAL MARGINAL PRICES AND CONGESTION PRICES, 2020-2025



Source(s): Authors' analysis of MISO real-time hourly locational marginal pricing (LMP) nodes provided by Grid Status ([Grid Status, 2026](#)). Unlike the price that ratepayers pay after electricity is distributed by utility companies, wholesale electricity prices fluctuate regularly, going from positive to negative based on energy generation and grid conditions at any given moment.

The ability of electric grids to transport electricity efficiently is central to issues surrounding data centers. When a data center is built, the total electrical load on the grid increases, meaning that more energy and transmission infrastructure is needed to avoid higher costs for ratepayers. This is

complicated by the fact that 70 percent of all U.S. transmission lines and transformers are more than halfway through their intended lifecycles ([Kuuskvere & Dengler, 2024](#)). In fact, Illinois-specific data reveals that energy in the ComEd region is being inefficiently trapped due to poor infrastructure conditions ([Potter, 2025](#)). A negative congestion price can occur when localized bottlenecks force the system to pay generators to reduce their output, and congestion prices in the ComEd market have skewed negative and become more volatile since 2022 (Figure 4). Average congestion prices have been less volatile in the Ameren market (Figure 5). However, MISO has reported that infrastructure constraints exist in southern Illinois ([Milton, 2025](#)). This demonstrates that demand for new electricity—whether from data centers or otherwise—must also be accompanied by infrastructure improvements in transmission lines to more efficiently distribute power across the state.

Tech corporations, data center operators, and public utilities have taken some steps to meet infrastructure needs. Meta’s \$1 billion, 673-MW data center is offset by a 20-year “power purchase agreement” with Constellation Energy to buy zero emission credits (ZECs) and keep the Clinton nuclear plant active through 2047, preserving over 500 local jobs ([Constellation Energy, 2025](#); [Miller, 2025c](#)). Google entered into a contract to purchase most of the 400 MW generated at a new natural gas plant in Decatur that is being built with carbon capture and storage (CSS) technology that will sequester 90 percent of its carbon dioxide emissions ([Skidmore, 2025a](#)). Stream Data Centers is building a 260-MW substation in Elk Grove Village to serve its third Chicago-area campus ([Skidmore, 2025b](#)). Meanwhile, ComEd launched an 11-project, \$1 billion capital plan to enhance transmission infrastructure and has broken ground on a new \$155 million substation expansion in Elk Grove Village to add 2.1 GW of new energy capacity in support of a \$1 billion Prime Data Center project ([Business Wire, 2025](#); [Starner, 2025](#)).

Economic, Fiscal, and Consumer Impacts of Data Center Growth in Illinois

To estimate the economic, fiscal, and consumer impacts of data centers, the Illinois Economic Policy Institute and the Project for Middle Class Renewal at the University of Illinois at Urbana-Champaign collected 75 case studies of data center projects. The dataset comprises 69 actual and proposed data center projects and six reports on the impacts of data centers. Information on the energy usage, square footage, acreage, amount invested, number of construction jobs supported, number of permanent jobs created, property tax bills, and water usage of data centers is included. The figures were collected from news articles, policy reports, Department of Commerce and Economic Opportunity (DCEO) publications, county assessors, the Data Center Map webpage, and the websites of data center operators. The dataset focuses on Illinois, with 55 case studies and reports (73 percent) based on in-state data center projects.⁸ The analysis also utilizes an IMPLAN economic impact model, which accounts for interrelationships between industries and households and follows dollars as they cycle throughout the economy to estimate supply-chain and other induced effects ([IMPLAN, 2026](#)).

Impact of a \$1 Billion Data Center

An analysis of 75 case studies uncovers estimated impacts per \$1 billion invested by the data center industry (Figure 6). On average, a \$1 billion data center project takes up 82 acres of land, has a footprint of 343,000 square feet spread out over multiple facilities, and requires 115 megawatts (MW) of energy.⁹

⁸ For the full dataset of 75 projects and reports, see Table A in the Appendix.

⁹ A watt is the yardstick for measuring power, with a 100 watt lightbulb consuming one hundred watts of power when it is turned on. A megawatt (MW) represents 1 million watts of instantaneous electricity production or usage, while a gigawatt (GW)

The acreage is typical for a footprint of 150 new single-family homes while the energy usage is equivalent to about 80,000 Illinois homes ([State of Illinois, 2025b](#); [Emrath & Ford, 2016](#)).

FIGURE 6: ESTIMATED ECONOMIC, FISCAL, AND ENVIRONMENTAL IMPACTS OF A \$1 BILLION DATA CENTER IN ILLINOIS

Data Center Metric: \$1,000,000,000 Project	Value	Subsample
Sample of Projects and Studies	75	75
Megawatts (MW)	114.8	20
Land (Total Acres)	82.4	13
Building Size (Total Square Feet)	343,255	24
Skilled Construction Jobs	687.7	16
Permanent Operations Jobs	49.8	39
Annual Property Tax Revenue	\$5,151,720	20
Potential Water Usage (Gallons Per 365 Days)	55,659,916	4
State Sales and Use Tax Exemption Value (If Claimed)	\$62,500,000	27
Years for Property Tax Revenue to Exceed State Tax Exemption	12.1	27

Source(s): Authors' compilation and analysis of news articles, policy reports, Department of Commerce and Economic Opportunity (DCEO) publications, county assessors, the Data Center Map webpage, and the websites of data center operators listed in the Sources section as well as information from *Data Center Power Play in Illinois* by the Union of Concerned Scientists and "Electric Sales, Revenue, and Average Price" for 2024 from the Energy Information Administration ([Gignac et al., 2026](#); [EIA, 2024](#)). Note that water usage is calculated from a very limited subsample. The property tax estimate also aligns with the \$1.3 billion generated from about 250 data centers in Loudoun County, Virginia—or \$5.2 million per data center ([Kang, 2026](#)). For more, see Table A in the Appendix.

FIGURE 7: ESTIMATED BLUE-COLLAR CONSTRUCTION WORKER LABOR COSTS ON DATA CENTER PROJECTS IN ILLINOIS

Data Center Construction Labor Costs in Illinois		Math	Value
A	Example Investment Value	--	\$1,000,000,000
B	Labor Cost Share of Industrial and Commercial Building Construction	--	11.8%
C	Total Labor Costs	A x B	\$117,521,911
D	Skilled Construction Jobs	--	687.7
E	Total Compensation Per Skilled Construction Job	C ÷ D	\$170,890
F	Annual Base Wages Per Skilled Construction Job	E x 68.2%	\$116,547
G	Annual Benefits Per Skilled Construction Job	E x 31.8%	\$54,343

Source(s): Authors' compilation and analysis of news articles, policy reports, Department of Commerce and Economic Opportunity (DCEO) publications, county assessors, the Data Center Map webpage, and the websites of data center operators listed in the Sources section as well as information from the 2017 Economic Census by the U.S. Census Bureau on construction worker wages and their share of benefits divided by net value and *Employer Costs for Employee Compensation* (ECEC) for natural resources, construction, and maintenance occupations from the first quarter of 2025 by the Bureau of Labor Statistics at the U.S. Department of Labor ([Census, 2025](#); [BLS, 2026](#)).

A \$1 billion data center can consume 55 million gallons of water per year—on par with the water usage of 2,000 Illinois residents—unless closed loop or air-cooling systems are installed ([Blount, 2021](#)). Additionally, a typical data center has a construction phase of one to three years ([Sarte et al., 2024](#); [Dohrwardt, 2025](#)).¹⁰ Each \$1 billion investment creates 688 skilled construction jobs during this phase and 50 permanent, full-time equivalent jobs once operational. The investment returns over \$5 million in

represents 1 billion watts of power. 1 MW can power 400 to 900 homes, while 1 GW is estimated to power about 700,000 homes ([Nuclear Regulatory Commission, 2012](#); [State of Illinois, 2025b](#)).

¹⁰ The total data center development timeline can take many years, with a year for site selection, one to two years for permitting and approvals, another year for design, and extra time for energy installation, procurement, and interconnection ([Dohrwardt, 2025](#)). Many hyperscale campuses include multiple "phases," with one- to three-year construction timelines for each addition.

annual property tax collections, including more than \$3 million for local school districts. For projects receiving sales tax exemptions, local property tax revenue exceeds the value of the State subsidy after about 12 years (Figure 6).

Data center investments create good-paying construction jobs (Figure 7). According to data from the most recent *Economic Census*, labor costs for blue-collar construction workers account for 12 percent of total costs on industrial and commercial buildings in Illinois ([Census, 2025](#)).¹¹ A \$1 billion data center thus generates about \$118 million in labor income for 688 skilled construction workers—or \$170,900 in total compensation per tradesperson. On average, each skilled construction worker employed full-time on an Illinois data center project earns \$116,500 in annual income and \$54,300 in benefits per year (Figure 7).¹²

Impacts of Future Data Center Investments on Illinois' Economy and Taxpayers

The Union of Concerned Scientists expects total U.S. data center capacity to increase by as much as 73 GW over the seven-year period from 2024 through 2030 ([Clemmer et al., 2026](#)). This is equivalent to powering as many as 51 million homes, or one-third of the 149 million housing units across the country ([State of Illinois, 2025b](#); [FRED, 2026](#)). In Illinois, the increase is projected to range between 3.2 GW and 4.6 GW, or an average of 450 MW to 650 MW per year ([Gignac et al., 2026](#)). These estimates are incorporated into a ten-year projection of data center growth in Illinois (Figure 8).

From 2026 through 2035, Illinois is expected to add 6.5 gigawatts (GW) of data center capacity (Figure 8). This is equivalent to powering roughly 4.5 million homes ([State of Illinois, 2025b](#)).¹³ These new data centers are projected to use 19 million square feet of commercial space on almost 4,700 acres—representing 0.02 percent of existing farmland in Illinois—and could demand 3.2 billion more gallons of water annually, which is the same usage as 100,000 people or 40,000 households ([Illinois Department of Agriculture, 2026](#); [Blount, 2021](#)).

In total, corporations and developers are expected to invest \$56.6 billion toward Illinois-based data centers over the next decade, creating 39,000 positions for skilled tradespeople who earn an average of \$116,500 per year (Figure 8). The investments are expected to create a gross total of 32,000 supply-chain jobs for materials, equipment, parts, and services plus another 42,000 jobs at local businesses from the additional consumer spending of those workers who are directly and indirectly affected by data center construction—for a total of 113,000 jobs over 10 years from construction activity. In an average year, the \$5.7 billion invested will boost the economy by \$4.8 billion annually, support 11,300 total jobs, and add \$65 million in local government tax revenues, including nearly \$23 million in new property tax revenues for school districts.¹⁴ However, the State of Illinois would forgo an extra \$108 million each year in tax

¹¹ Previous research also shows that construction labor only represents 10 to 20 percent of data center project costs ([Barth et al., 2025](#); [Clouse, 2025](#); [Tarczynska, 2025](#)).

¹² The Bureau of Labor Statistics (BLS) reports that wages account for 68 percent of total compensation for full-time, private-sector workers in “natural resources, construction, and maintenance occupations.” Benefits make up 32 percent ([BLS, 2026](#)).

¹³ In Illinois, one gigawatt (GW) of power supports an estimated 700,000 homes but can range from 200,000 to 1,000,000 homes based on “capacity factor” differences, peak usage, and air conditioning demand. Solar power, for example, does not produce electricity at night or during cloudy or rainy days, so a 1 GW solar plant without battery storage often powers about 200,000 homes while a 1 GW nuclear plant can reliably serve 1,000,000 homes ([State of Illinois, 2025b](#)).

¹⁴ Note that gross domestic product (GDP) impacts are less than the total investment during the construction phase because many data center operators are located out-of-state (e.g., Apple, Microsoft, xAI, etc.) and because some supply-chain materials and equipment are purchased from facilities in other states or imported from other countries.

revenue, which includes losses from the sales and use tax exemption but gains from supply-chain and consumer demand effects.

FIGURE 8: PROJECTED ECONOMIC AND TAXPAYER IMPACTS OF DATA CENTER INVESTMENTS IN ILLINOIS OVER A DECADE

Data Center Metric: New Developments in Illinois Over the Next Decade	Value
<i><u>Scale of Investments</u></i>	
Megawatts (MW)	6,500
Total Investment (2026-2035)	\$56,613,146,586
Average Investment Per Year	\$5,661,314,659
Land (Total Acres)	4,666
Building Size (Total Square Feet)	19,432,742
Potential Water Usage (Gallons Per 365 Days)	3,151,082,962
<i><u>Impact of Construction (2026-2035)</u></i>	
Skilled Construction Jobs	38,933
Supply-Chain (Indirect) Jobs	32,266
Consumer Demand (Induced) Jobs	41,751
Total Jobs Created	112,950
Total Jobs Per Year	11,295
Cumulative Gross Domestic Product (GDP) Value Added	\$47,503,152,412
Average Annual Gross Domestic Product (GDP) Value Added	\$4,750,315,241
Annual Direct Property Tax Revenue	\$36,002,769
Annual Direct Property Taxes to School Districts	\$22,501,731
Other Annual Local Tax Revenue*	\$28,561,983
Annual State Tax Revenue*	-\$108,421,777
<i><u>Impact of Operations (2035 Annual)</u></i>	
Permanent Operations Jobs	2,819
Supply-Chain (Indirect) Jobs	2,318
Consumer Demand (Induced) Jobs	2,861
Total Jobs Created	7,998
Gross Domestic Product (GDP) Value Added	\$2,250,782,861
Direct Property Tax Revenue	\$291,655,087
Direct Property Taxes to School Districts	\$182,284,429
Other Annual Local Tax Revenue*	\$16,770,918
Annual State Tax Revenue*	\$750,793

Source(s): Authors' compilation and analysis of news articles, policy reports, Department of Commerce and Economic Opportunity (DCEO) publications, county assessors, the Data Center Map webpage, and the websites of data center operators listed in the Sources section of this report as well as information from *Data Center Power Play in Illinois* by the Union of Concerned Scientists and an economic impact analysis using IMPLAN modeling software (Gignac et al., 2026; IMPLAN, 2026). During the construction phase (2026-2035), employment estimates are technically cumulative "job-years," which is why the Total Jobs Per Year is one-tenth of Total Jobs Created. *Note that Annual State Tax Revenue and Other Annual Local Tax Revenue are affected by Illinois Data Center Investment Program sales and use tax exemptions and other local incentives.

Once built and online, these new data centers are expected to support \$2.3 billion in statewide economic activity per year and increase employment by another 8,000 jobs across Illinois (Figure 8). This includes 2,800 permanent jobs for operations workers who average salaries of \$186,700 per year, 2,300 indirect jobs from ongoing maintenance and computing upgrades, and 2,900 induced jobs from

consumer spending effects (Figure 8).¹⁵ The peak year in terms of total economic impact would occur in 2035, when both 11,300 jobs related to the construction phase and 8,000 jobs related to permanent operations would be supported. Overall, however, data center development would boost the economy by at least \$4.8 billion per year during the ten-year buildout and \$2.3 billion each year thereafter.

New data centers are also projected to add \$292 million in annual property tax revenue, which includes \$182 million for local school districts, once fully operational (Figure 8). After accounting for sales and use tax exemptions, local governments will collect another \$17 million in annual tax revenues and the State of Illinois would collect a net of just under \$1 million per year.¹⁶ All economic and fiscal impacts are in current 2026 dollars.

Data center developments can reduce homeowners' share of property tax burdens (Figure 9). For example, after Meta's 673 MW campus in DeKalb County came online in November 2023, the corporation's local property tax payments jumped by \$20 million, from \$11 million in 2023 to over \$31 million in 2024 (*State of Illinois, 2023; DeKalb County, 2026*). At the same time, total residential property tax collections rose by less than 2 percent over the year in DeKalb County but increased by almost 6 percent across the state (*IDOR, 2026*). Residential property taxes thus grew 4 percent slower in DeKalb County. The average tax rate on the equalized assessed value of all properties in DeKalb County fell from about 9 percent, which was above the statewide average, to 8 percent, which was nearly identical to the statewide average.

FIGURE 9: CHANGE IN PROPERTY TAX REVENUE AND RATES FROM 2023 TO 2024, DEKALB COUNTY AND STATEWIDE

Property Tax Metrics	2023	2024	Change
<i>DeKalb County</i>			
Residential Property Tax Revenue (in \$Millions)	\$156.5	\$159.1	+1.6%
Property Tax Revenue from Meta Data Center (in \$Millions)	\$11.1	\$31.5	+183.5%
Property Tax Revenue from All Other Properties* (in \$Millions)	\$106.7	\$110.3	+3.4%
Tax Rate on Equalized Assessed Value (EAV)	8.9%	8.0%	-10.3%
<i>Statewide Totals</i>			
Residential Property Tax Revenue (in \$Millions)	\$24,522.9	\$25,891.1	+5.6%
Property Tax Revenue from All Other Properties* in \$Millions)	\$13,961.9	\$14,481.4	+3.7%
Tax Rate on Equalized Assessed Value (EAV)	8.2%	7.9%	-3.3%

Source(s): Authors' analysis of DeKalb County property tax revenue from the Meta data center site in 2023 and 2024 and "Property Tax Statistics" from the Illinois Department of Revenue for 2023 and 2024 (*DeKalb County, 2026; IDOR, 2026*). *Note that the other properties are classified as either commercial, industrial, farm, railroad, or mineral properties.

Similarly, the \$292 million in projected annual property tax revenue can enable local governments to stem the growth of residential tax bills (Figure 10). Figure 10 displays examples with a typical \$1 billion data center and a hyperscale data center the size of Meta's DeKalb campus in three different-sized counties. Randolph County in southwestern Illinois represents a small county, Tazewell County in central Illinois' Peoria metropolitan area represents the average county by number of households, and McHenry County in the Chicago metro area represents a more populous jurisdiction. The results show that a \$1 billion development can reduce property taxes by 2 percent in the average Illinois county (\$65 per residential tax bill) but as much as 13 percent in rural counties (\$192 per residential tax bill) and about 1 percent in larger counties (\$36 per residential tax bill). A hyperscale data center, however, would

¹⁵ In 2024, about 16,000 workers were employed in Illinois' "computing infrastructure providers, data processing, web hosting, and related services" industry, which includes data centers, and their pay averaged \$186,700 per year (*BLS, 2026*).

¹⁶ Over the decade, the State would be expected to lose a net of \$1.1 billion in tax revenue while local governments would add \$2.0 billion in tax revenue.

generate an average of \$29 million in property tax revenue per year. This amount could allow Randolph County or other smaller counties to effectively eliminate their residential property tax rates (a 100 percent decrease, \$1,454 per residential tax bill), totaling \$18 million or less in 2024—while still generating at least \$11 million annually for schools, libraries, police and fire districts, counties, towns, and townships. A hyperscale data center can reduce residential property taxes by 10 percent in the average county (\$367 per residential tax bill) and 3 percent in more urbanized counties (\$203 per residential tax bill). This aligns with the 4 percent slower growth in residential property taxes that occurred in DeKalb from 2023 to 2024 (Figure 9). These cases show how the developments could deliver property tax relief for homeowners while adding millions of dollars for schools and local governments, as long as abatements or other local incentives are not granted (Figure 10).

FIGURE 10: POTENTIAL EFFECT OF A NEW DATA CENTER ON RESIDENTIAL PROPERTY TAXES ON THREE ILLINOIS COUNTIES

Potential Effect of Two Types of Data Centers in Three Different-Sized Illinois Counties	\$1 Billion Data Center (115 MW)	Hyperscale Data Center (650 MW)
Projects (Sites)	57	10
Average Property Tax Revenue	\$5,151,720	\$29,165,509
<i>Small: Randolph County (Southwest)</i>		
Households (2024)	11,945	11,945
Residential Property Taxes (2024)	\$17,365,411	\$17,365,411
Residential Property Taxes Per Household (2024)	\$1,454	\$1,454
Potential Residential Property Tax Change (\$)	-\$2,294,930	-\$17,365,411
Potential Property Tax Change Per Household	-\$192	-\$1,454
Potential Residential Property Tax Change (%)	-13.2%	-100.0%
New Property Tax Revenue After Changes in Residential Bills	+\$2,856,790	+\$11,800,098
<i>Average: Tazewell County (Central)</i>		
Households (2024)	54,051	54,051
Residential Property Taxes (2024)	\$195,364,016	\$195,364,016
Residential Property Taxes Per Household (2024)	\$3,614	\$3,614
Potential Residential Property Tax Change (\$)	-\$3,500,509	-\$19,817,482
Potential Property Tax Change Per Household	-\$65	-\$367
Potential Residential Property Tax Change (%)	-1.8%	-10.1%
New Property Tax Revenue After Changes in Residential Bills	+\$1,651,211	+\$9,348,027
<i>Large: McHenry County (Northeast)</i>		
Households (2024)	117,594	117,594
Residential Property Taxes (2024)	\$817,861,817	\$817,861,817
Residential Property Taxes Per Household (2024)	\$6,955	\$6,955
Potential Residential Property Tax Change (\$)	-\$4,207,355	-\$23,819,160
Potential Property Tax Change Per Household	-\$36	-\$203
Potential Residential Property Tax Change (%)	-0.5%	-2.9%
New Property Tax Revenue After Changes in Residential Bills	+\$944,365	+\$5,346,348

Source(s): Authors' compilation and analysis of news articles, policy reports, Department of Commerce and Economic Opportunity (DCEO) publications, county assessors, the Data Center Map webpage, and the websites of data center operators listed in the Sources section of this report as well as information from *Data Center Power Play in Illinois* by the Union of Concerned Scientists and an economic impact analysis using IMPLAN modeling software (Gignac et al., 2026; IMPLAN, 2026). The number of households is from the 2024 *American Community Survey* (five-year estimates) from the U.S. Census Bureau and property tax statistics come from the Illinois Department of Revenue (Census, 2025; IDOR, 2026).

Impacts of Future Data Center Investments on Electricity and Household Costs

In December 2025, the Illinois Power Agency (IPA), Illinois Commerce Commission (ICC), and Illinois Environmental Protection Agency (EPA) jointly released the *2025 Resource Adequacy Study* (State of Illinois, 2025a). The report warned that while Illinois is currently an energy exporter to other states, the

state is expected to produce too little energy over the coming decade unless new sources are developed and added to the grid—even while wind, solar, and storage projects are encountering long interconnection queues.¹⁷ The ComEd market is projected to face an energy shortfall starting in 2029, while the Ameren market’s deficit could begin in 2031. To cover the regional grid operator’s undersupply of new clean energy sources and meet a forecasted 24 percent increase in demand within the ComEd region, annual spending on power infrastructure is expected to nearly double from \$2.1 billion to \$3.9 billion by 2030 (Miller, 2025d). The report finds that Illinois can address the supply gap with an “all of the above” strategy for new in-state wind and solar generation, short-duration battery storage additions, and delays in the planned retirements of fossil-fuel facilities until PJM and MISO correct years of insufficient supply and clean energy sources and new storage can reliably meet demand (State of Illinois, 2025a). This approach would make it more difficult for the state to achieve a carbon-free power sector and 100 percent renewable energy by 2050, as established in the Climate and Equitable Jobs Act (CEJA) (Gignac et al., 2026).

Adding a projected 6.5 GW of data center capacity by 2035 would increase electricity system costs by almost 10 percent due to existing supply constraints (Figure 11). Assuming the cost increase is spread out over residential, commercial, and industrial customers based on current shares, the data center buildout would raise utility bills by about \$12 per month, or \$150 per year, in current dollars for the average household by 2035.¹⁸ This corroborates other projections that data center investments could increase Illinois residences’ utility bills by \$10 to \$12 per month (Zeng & Knight, 2025).

FIGURE 11: POTENTIAL ELECTRICITY AND RATEPAYER IMPACTS OF A DECADE OF DATA CENTER INVESTMENTS IN ILLINOIS

Data Center Metric: New Developments in Illinois Over the Next Decade	Value
<i>Electricity and Consumer Effects (in Current Dollars)</i>	
Change in Statewide Electricity System Costs by 2035	9.6%
Increase in Annual Statewide Electricity System Costs by 2035	\$1,633,020,000
Residential Share of Statewide Electricity System Costs (As of 2024)	43.9%
Impact on Average Residential Monthly Electric Bill by 2035	\$12.47

Source(s): Authors’ compilation and analysis of news articles, policy reports, Department of Commerce and Economic Opportunity (DCEO) publications, county assessors, the Data Center Map webpage, and the websites of data center operators listed in the Sources section of this report as well as information from *Data Center Power Play in Illinois* by the Union of Concerned Scientists and “Electric Sales, Revenue, and Average Price” for 2024 from the Energy Information Administration (Gignac et al., 2026; EIA, 2024). The Union of Concerned Scientists also estimated a \$1.5 billion increase in Illinois’ electricity system expansion costs from adding 650 MW per year in demand (Gignac et al., 2026). The EIA reports that the average monthly electric bill was \$109.99 in Illinois in 2024 (EIA, 2024). After accounting for a weighted 12.7 percent expected increase in 2025 due to ComEd’s 11 percent hike for 3.8 million customers and Ameren’s 18 percent hike for 1.2 million customers as well as another weighted \$3.10 per month average increase in ComEd’s region and Ameren’s temporary (four-month) increase of about \$45 per month (which is a \$15 per month average increase over the year), the average monthly bill is expected to come out to around \$129.92 in 2026 (Thor, 2026; Zimmerman & Holesha, 2026; Chase, 2025; Roth, 2025). The \$12.47 increase from data center growth is 9.6% of that \$129.92 value.

The \$12 per month in expected utility bill costs due to data center growth does *not* necessarily have to transpire. Residential utility bills are shaped by both policy interventions and market forces, mostly tracking inflation over the past five years (DeCoursey & Saraswat, 2026). A Lawrence Berkeley National Laboratory study found that wildfires, storms, natural gas exposure, and certain renewable energy projects contributed more to residential utility price hikes in the United States than data centers (Wiser

¹⁷ PJM, for example, is seeking 15 GW of new generation to power data centers and prevent potential electricity shortages, while ComEd had 75 applications for new data center projects (Malik & Chediak, 2026; Pletz, 2025; Chase & Gearino, 2024).

¹⁸ U.S. Energy Information Administration (EIA) data disclose that residential customers accounted for 44 percent of total electricity bill payments.

et al., 2025). Fuel cost volatility, utility investments in grid modernization, and supply dynamics have also factored in (Beer et al., 2026). In markets like PJM where data center demand is concentrated and new energy supply is constrained, utility bills have gone up, disproportionately burdening households while benefiting large commercial and industrial customers (Wiser et al., 2025).

Figure 12 utilizes data from the U.S. Energy Information Administration (EIA) on monthly electricity consumption and average monthly utility bills for residential, commercial, and industrial customers in 2019 and 2024. States are aggregated into five groups by data center concentration. For example, Illinois ranks 9th in the United States with 19 data centers per million residents, while Virginia leads with 75 data centers per million residents.¹⁹ The breakdown in Figure 12 includes states with fewer than 6 data centers per million residents, states with 6 to 10 data centers per million residents, states with 10 to 20 data centers per million residents, and states with 20 or more data centers per million residents. The fifth group is California, which has 8 data centers per million residents but which is separated out because its recent spike in utility bills was predominantly caused by wildfires (DeCoursey & Saraswat, 2026; Wiser et al., 2025).

FIGURE 12: ELECTRICITY USAGE AND MONTHLY COSTS BY STATE DATA CENTER CONCENTRATION, 2019 VS. 2024

States by Data Center Concentration Per Million Residents*	Data Centers Per Million	Total Customers	Change in Total Electricity Costs (3 Classes)**	Change in Residential Electric Bills	Change in Commercial Electric Bills
13 States with 0 to 6	5.1	32,615,679	+14.7%	+17.5%	+14.0%
16 States with 6 to 10	8.0	52,343,356	+17.5%	+21.7%	+14.3%
14 States with 10 to 20	15.0	49,658,519	+18.1%	+20.3%	+19.1%
7 States with 20+	42.8	12,982,679	+23.6%	+16.8%	+40.1%
California***	8.2	16,140,812	+51.6%	+57.8%	+49.2%
United States Total	12.3	163,741,045	+21.1%	+23.2%	+22.2%

Source(s): Authors' analysis "Electric Sales, Revenue, and Average Price" for 2019 and 2024 from the Energy Information Administration as well as information from "Mapped: U.S. States With the Most Data Centers in 2025" by *Visual Capitalist* and "State Population Totals and Components of Change: 2020-2025" by the U.S. Census Bureau (EIA, 2024; Lu, 2025; Census, 2026). *Note: The District of Columbia is included and had 10.1 data centers per million residents. Illinois had 19.2 data centers per million residents. Virginia had the most with 74.9 data centers per million residents. **Note: The three customer classes are residential, commercial, and industrial. ***Note: California is in a separate group because its recent spike in utility bills has mainly been caused by wildfires (DeCoursey & Saraswat, 2026; Wiser et al., 2025). For more, see Table B in the Appendix.

From 2019 to 2024, states with 20 or more data centers per million residents experienced a 24 percent increase in total *systemwide* electricity costs (Figure 12). System costs rose 18 percent in the next tier of states, 17 percent in the following tier, and 15 percent in states with the fewest data centers. States with the highest concentration of data centers thus experienced 5 to 9 percent higher total electricity costs than other states over the five-year period.

Notably, *residential* bills increased by a smaller amount in states with the highest concentration of data centers (Figure 12). Average residential utility bills increased by 17 percent in these states, which was 1 to 5 percent below the average in the other three groups (between 18 and 22 percent). This is because utility bills for commercial customers went up much more in states with the highest data center concentration (40 percent) than in the three other groups (between 14 and 19 percent).

The numbers are clear that total systemwide electricity costs rise as more data centers come to a state, but that the burden does not necessarily have to fall on residential customers. Regional grid operators

¹⁹ For the full U.S. Energy Information Administration (EIA) dataset, see Table B in the Appendix.

that meet energy demand with a supply of new energy generation and states that hold data centers and other large commercial enterprises accountable for paying for their electricity and transmission needs have mitigated costs for other ratepayers. Other states, like Illinois, have generally socialized costs onto residential customers and existing businesses.

When data centers bring their own energy or otherwise cover 100 percent of new power needs, they can mitigate their impact on electric bills for other ratepayers. Many data center operators have made pledges to build their own new generation capacity, including commitments from Google, Microsoft, Meta, and Amazon to be carbon-free (Kelley, 2026; Sunbird, 2025). “Behind-the-meter” production enables data centers to generate power onsite or nearby via solar, wind, small modular nuclear reactors, or natural gas substations with carbon capture technology and to directly service the facility without connecting to the grid (Good, 2025).

Ten Potential Policy Options

Data centers produce significant economic value, create economic opportunities for skilled construction workers, spur additional supply-chain and consumer demand, and generate meaningful property tax revenue that can reduce burdens on local homeowners. However, they use substantial amounts of power and water and can be linked with negative health outcomes when sourced by fossil fuels. There is also a lack of transparency, as most U.S. data centers are not required to report energy consumption or carbon emissions (Stewart, Tanner, & Turner Lee, 2025; GAO, 2025). Over the near term, however, data center development will most likely require extending the state’s reliance on coal-fired and natural gas plants to meet energy demand.

Recent actions have sought to address some of these concerns. In January 2026, ComEd began entering into Transmission Service Agreements (TSAs) with nonrefundable deposits of \$200 to \$300 million each from tech companies and developers with 50-MW data centers or larger to protect ratepayers from utility bill hikes attributable to data center transmission and grid interconnection costs (Pletz, 2026). These agreements require data center operators to pay projected transmission costs regardless of whether their projects actually materialize and can be cancelled if projects are unable to adequately protect costs from being passed onto ratepayers or to weed out speculative projects. In March 2026, the Illinois Commerce Commission (ICC) started requiring refundable security deposits of at least \$1 million for data center projects to cover ComEd’s expenses for feasibility studies (Channick, 2026).

At the regional level, PJM’s Board of Managers proposed a series of reforms in January 2026, including encouraging voluntary “bring your own new generation” (BYONG) with an “expedited interconnection track” (PJM Interconnection, 2026; FERC, 2025b). Self-sufficient campuses would qualify for a new fast-tracked interconnection process, but this incentive will be limited to ten projects per year that add at least 250 MW of energy capacity through new or upgraded sources (Howland, 2026c). In August 2026, PJM proposed the creation of a registry of all large facilities using at least 50 MW of energy, but asked states to require data centers to secure their own energy under a “bring your own new capacity” (BYONC) approach or risk having their power cut off during grid emergencies (St. John, 2026).

In February 2026, Illinois lawmakers introduced the Protecting Our Water, Energy, and Ratepayers (POWER) Act in Senate Bill 4016 and House Bill 5513 (ILGA, 2026). The POWER Act’s core provisions would have prohibited cost-shifting to ratepayers and required data centers to submit “bring your own new clean capacity and energy” (BYONCCE) plans that demonstrate how they will power operations

with new clean energy generation rather than drawing on existing grid capacity (ICJC, 2026). The POWER Act also would have required water use permits from the Illinois EPA. Furthermore, the bill would have banned non-disclosure agreements (NDAs) with local governments, among other items (ICJC, 2026).

A March 2026 poll of 800 likely voters in Illinois found that 68 percent would favor legislation to minimize the impacts of data centers on utility bills, water usage, and the environment—including 71 percent of Democrats and 61 percent of Republicans (Miller, 2026). At least nine-in-ten respondents agreed that data centers should use cooling systems that reduce water usage (93 percent), provide their own clean energy and storage (91 percent), and be prohibited from passing energy costs onto residential utility bills (91 percent) (Miller, 2026).

Illinois lawmakers can respond to the concerns of voters, take steps to preserve the state’s competitive position, and ensure that new data centers are built and operated responsibly—without driving up residential utility bills. These include reforming Data Center Investment Program sales and use tax exemptions, incorporating elements that have been proposed in the POWER Act, and other reforms.

1. Require utilities to enter into long-term cost-sharing agreements with large data centers.

In April 2026, Wisconsin’s Public Service Commission (PSC)—which regulates electric, gas, and water utilities in the state—created a new “very large customer” tariff (or surcharge) on companies using 100 MW of energy, extended the required customer agreement length from 10 years to 15 years, and required that they cover 100 percent of the costs of new generation tied to their demand (Herken, 2026).²⁰ Additionally, Indiana Michigan Power requires companies that are expected to use more than 70 MW of energy capacity to enter into agreements of at least 12 years and pay minimum demand charges of at least 80 percent each month (Brooks & Stevens, 2025). This year, Indiana Michigan Power is lowering electric rates for customers due to increased revenue from those large entities, including a Google data center (Newlin, 2026). Building upon these models, the Illinois Commerce Commission (ICC) could require both ComEd and Ameren to have “very large customer” rate classes for companies using or expected to use at least 50 MW of energy and enter into 15-year agreements with data centers requiring them to pay monthly charges equivalent to 100 percent of their contracted capacity—even if actual usage is lower—and 100 percent of the upfront transmission costs (Pletz, 2026; Brooks & Stevens, 2025).²¹ These special rates and fees would not force data centers to add clean energy to the grid, but would ensure that data center operators cover 100 percent of their costs to the system. The ICC would require that the cost of providing the needed energy is made public, so ratepayers can be certain that they are not subsidizing the added infrastructure to service data centers. ComEd and Ameren could also limit data centers to using an amount of power proportional to the new energy capacity that they bring to the grid.²²

²⁰ This change occurred after a February 2026 Marquette Law School survey of 818 registered Wisconsin voters found that 70 percent said the costs of large data centers outweighed the benefits, up from 55 percent in October 2025, with strained local water resources and higher electricity bills cited as top concerns (Franklin, 2026).

²¹ Note that ComEd currently has a “Large Demand Project Applicants or Customers” (LDPAC) class. ComEd also has new Transmission Service Agreements (TSAs) that require high upfront financial commitments for grid upgrades, but TSAs do not cover 100 percent of all transmission needs and do not cover energy needs (Channick, 2026).

²² In April 2026, Illinois Governor JB Pritzker joined a bipartisan group of governors calling for PJM to directly assign “backstop capacity costs to new data centers” and reduce power to data centers that do not pay these costs or bring their own new energy generation when system reliability is compromised (State of Illinois, 2026). Illinois could seek additional multistate compacts and other inter-grid agreements to ensure that demand is met with adequate, responsible supply. Alternatively, Illinois could consider withdrawing from either PJM or MISO. The Clean and Reliable Grid Affordability (CRGA) Act directs the ICC and IPA to

2. **Incentivize or require data centers to bring their own new clean energy to Illinois.** Data centers could be subject to “bring your own new clean capacity and energy” (BYONCCE) provisions that require them to first add new nuclear, wind, solar, or other renewable energy to the grid that covers their expected usage before development of their facilities begins. This proposed change, included in the POWER Act framework, could incentivize Illinois-based clean energy projects. However, companies like Amazon, Microsoft, Google, Meta, and Apple are multitrillion-dollar corporations that may bring a data center to Illinois but fulfill their “pledge” to develop their own new power generation by building a solar farm in California or a new natural gas plant in Indiana. Illinois could introduce a new “bring enough new Illinois clean energy” (BE-NICE) standard for data centers that either build solar, wind, nuclear, or other renewable projects onsite or otherwise procure electricity from clean energy facilities within Illinois before construction is underway. Those with approved BE-NICE plans would receive fast-tracked connections to the electric grid. Eligibility to receive State tax exemptions could also be limited to these data centers that source Illinois-based clean energy. This change would enable developers to get their projects online before competitors, increase work for skilled local tradespeople, and help the State meet its clean energy goals.
3. **Make closed loop recycled water- or air-cooling systems the default for new data centers.** To conserve freshwater resources, Illinois could require new data center projects to install either air-cooling systems or closed-loop cooling systems that use reclaimed wastewater, which is treated sewage that is repurposed for industrial cooling or irrigation. Amazon, Meta, Google, Apple, and xAI have previously used these closed-loop systems (Yañez-Barnuevo, 2025; Barringer, 2025; Smith, 2026a). Alternatively, for companies opting for air cooling systems, clean power sources could be required to address their higher energy needs. Data centers that do not use closed loop recycled water- or air-cooling systems could be barred from claiming State tax exemptions and be subject to permitting surcharges to support water infrastructure projects.
4. **Reform the Data Center Investment Program with a shorter, tiered structure.** By law, data centers that invest more than \$250 million, create just 20 new permanent high-paying jobs, and achieve carbon-neutral status are eligible for sales and use tax exemptions for up to 20 years. This tax exemption has spurred at least \$15.7 billion in new investments, “stimulating economic activity and job creation... conditioned on strict statutory compliance, verified investments, and employment thresholds” (DCEO, 2025). Illinois could end its temporary pause and reform this economic development tool with a shorter, tiered structure. Full state and local sales tax exemptions on equipment and materials for up to 15 years could be reserved for data centers that invest more than \$500 million, create at least 100 permanent jobs, bring their own clean energy to Illinois, and use closed loop recycled water- or air-cooling systems. Data centers that invest more than \$250 million, create at least 50 permanent jobs, and bring their own new energy generation—regardless of source—could receive a state sales tax exemption for up to 10 years. In the lower tier, data centers receive State subsidies over fewer years and would now pay local sales taxes on materials and equipment. Lawmakers could also eliminate the higher tax credit value for projects in “underserved areas,” which are already disproportionately affected by pollution and other environmental hazards. All projects receiving either incentive tier would continue to include project labor agreements (PLAs) and would include labor peace agreements (LPAs) to maximize worker productivity and ensure workforce stability during both their construction and operational phases.

study whether maintaining a bifurcated grid structure, consolidating membership into just one of PJM or MISO, or establishing a state-operated Independent System Operator (ISO) would be in the best interest of the State (ILGA, 2025).

5. **Cap utility bill rate increases for residential customers.** The Illinois Commerce Commission (ICC) could prohibit ComEd, Ameren, and natural gas companies from raising residential utility rates by more than 5 percent annually—regardless of the results of wholesale price changes at regional auctions. If supply costs rise substantially, public utility companies could only make up differences by imposing higher rates for “very large customers” and other commercial and industrial enterprises. Over time, this policy change would shift the energy cost burden from residences to data centers and other businesses. It would function similar to Illinois’ Property Tax Extension Limitation Law (PTELL), which limits property tax increases in the most populous areas of the state to 5 percent or the rate of inflation, whichever is lower ([IDOR, 2025](#)).
6. **Ensure new large data centers use battery storage systems first in emergencies.** The Clean and Reliable Grid Affordability (CRGA) Act required stricter emissions standards for backup generators ([Rutledge, 2025](#)). However, Illinois could go a step further, requiring new large data centers to have adequate onsite battery storage systems that must be relied on first during emergencies. Only if backup energy from storage systems is exhausted could they then resort to using diesel generators. This change would mitigate pollutants that harm the health of local residents ([Martinez, 2025](#); [Calma, 2025](#)).
7. **Encourage data centers to recover “heat waste” and send it to neighboring homes and buildings.** Heat emitted from data centers can be captured and transferred through connecting infrastructure, including to government buildings to save money for taxpayers. For example, Amazon’s headquarters in Seattle, Washington is heated entirely with heat generated by a nearby facility with numerous data centers ([Spencer, 2026](#)). Replacing fossil fuels with recovered heat waste can lower heating costs for residents, businesses, and government buildings while reducing carbon emissions.
8. **Prohibit local property tax abatements for data centers.** Property tax abatements directly reduce revenue to school districts and other local governments in affected communities, diminishing one of the positive aspects of data centers. In the northwest suburbs of Chicago, 11 data centers had incentives that reduced their property tax burdens by nearly \$100 million over a dozen years ([Nitkin & Quig, 2026](#)). Illinois lawmakers could prohibit communities from offering these local abatements while preserving state-level Data Center Investment Program tax incentives. For average-sized and large counties with new hyperscale data centers, this could enable local governments to reduce residential property tax bills by between 3 and 10 percent.
9. **Ban non-disclosure agreements (NDAs) between data center developers and public officials.** NDAs between tech companies and local officials have kept residents unaware of projects, with shell companies often obscuring the identities of project backers until construction is imminent ([Bernard, 2025](#); [Tarczynska, 2025](#)). These NDAs reduce transparency and cause community members to be suspicious of deals made behind closed doors ([Tarczynska, 2025](#)). Terminating this practice would ensure that state and local officials can have candid discussions about proposed projects with input from their constituents. This change was included in the proposed POWER Act.
10. **Standardize annual disclosure of energy and water usage.** Illinois could require data centers that either use at least 50 MW of energy or claim State tax exemptions to report their annual energy and water usage to the IPA and Illinois EPA by March 31 of each year. The agencies would subsequently be required to issue a joint report with full data and notable findings by December 31 of that year. This potential change would improve public accountability and transparency.

Outside of Illinois, the Federal Energy Regulatory Commission (FERC) could change existing rules to ensure that regional grid interconnection costs to service large data centers are not socialized onto all ratepayers, PJM and MISO can improve their planning and interconnection processes, and the federal government could restore clean energy tax credits to spur more wind, solar, and storage capacity. These actions would boost the supply of new clean energy and reduce the pressure on household utility bills.

Limitations and Discussion

Accurate assessments of the impacts of data centers on the economy, workers, consumers, taxpayers, and communities require greater transparency by developers and data center operators as well as improved data collection, reporting, and performance evaluations by governments and public utilities. This report has relied primarily on case studies to estimate these outcomes because data centers have generally not been required to provide information on their energy and water usage or payroll records detailing construction, temporary, and contractual employment. Non-disclosure agreements with local officials often contribute to this lack of transparency. More research is needed in the future as governments and utility companies respond to public pressure and improve transparency protections.

Based on the best information available, data centers are found to have positive economic impacts, creating jobs for skilled construction workers, IT professionals, and manufacturing and supply-chain workers while generating millions of dollars in local property tax revenue. However, they can pose risks for consumers and the environment. Research shows that policymakers and industry stakeholders can take steps to reduce their negative consequences.

With more than 200 operational or planned data centers, Illinois remains a top state for the data center industry due to its central location, cooler climate, energy production, educated and skilled workforce, and sales and use tax exemption program. Over the next 10 years, Illinois is expected to add 6.5 gigawatts of data center capacity—enough to power 4.5 million homes—which would translate into \$57 billion in infrastructure investments, 39,000 construction jobs, 3,000 permanent positions, tens of thousands of indirect and induced employment opportunities, and nearly \$300 million in property tax revenue per year to reduce the tax burden on homeowners while funding schools, libraries, police and fire districts, counties, towns, and townships. This buildout could raise residential electric bills unless Illinois alters rate structures to require that data centers pay more or ensures that data centers add new energy infrastructure to power their facilities.

Illinois can preserve its competitive advantages, deliver tax relief for thousands of homeowners, mitigate the increase in electric bills, and protect both natural resources and public health. Potential options for reform include requiring long-term cost-sharing agreements between public utility companies and large data centers, incentivizing data centers to bring their own Illinois-based clean energy, reinforcing closed loop recycled water- and air-cooling systems as the industry standard, reforming but continuing its sales and use tax exemption, capping utility bill rate increases for residential customers, ensuring new large data centers first use battery storage systems in emergencies, encouraging heat waste recovery, prohibiting property tax abatements for new developments, and improving transparency by banning non-disclosure agreements and standardizing annual disclosure of energy and water usage. Federal and regional changes—from improved planning and interconnection processes to the restoration of clean energy tax credits—would also increase energy supply and lower household utility bills. These changes would maximize economic value, minimize costs to residents, and ensure that data center projects are built and operated responsibly across Illinois.

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Appendix

Additional Considerations

The Clean and Reliable Grid Affordability (CRGA) Act: Enacted in 2025 and effective June 2026, the CRGA Act requires the Illinois Power Agency (IPA) to procure 3 GW of battery storage by 2030—enough to power 1 million homes during times of need—and to match demand with supply while identifying risks in both the PJM and MISO power grids ([State of Illinois, 2025b](#); [Canchola Sánchez, 2025](#)). Adding battery storage will cost \$9.7 billion over 20 years, but storage companies will be required to return a portion of their revenues, reducing ratepayers’ net upfront costs to \$1 billion ([Lydersen, 2025](#)). The law’s provisions are expected to generate \$13.4 billion in ratepayer savings over 20 years by suppressing wholesale market prices ([Novogradac, 2025](#)). The law also lifts the moratorium on new nuclear reactors and requires backup generators at data centers to adhere to stricter emissions standards ([State of Illinois, 2025b](#); [Rutledge, 2025](#)).

The Biometric Information Privacy Act (BIPA): Some industry analysts claim that Illinois’ competitive edge in attracting data centers is waning, citing BIPA as one cause for concern ([Castilho, 2026](#); [Pletz, 2025](#)). Enacted in 2008, BIPA is a state-level data privacy law. Others exist in states like New York, Texas, Vermont, and Washington. BIPA protects Illinois residents against companies using their facial recognition data, fingerprints, and other biometric information *without consent*. Data centers do not directly collect biometric data that is stored in their servers, but technology companies have still lobbied for a reform that would only hold them liable if they “intentionally” misuse individuals’ biometric information, modeled off a similar law in Texas ([Pletz, 2025](#)). Despite these concerns, at least \$37 billion in investments from just five data centers is still planned for Illinois.

Data centers, AI, and productivity: In 2025, capital expenditures on AI infrastructure and related equipment constituted a larger share of GDP growth than consumer spending ([Patterson & Thakker, 2025](#)). Research finds that AI often improves productivity for specific tasks—including for professional writing, notetaking, coding, customer acquisition, call-center duties, and entry-level consulting tasks—but can reduce net productivity for other tasks ([BPC, 2024](#)). The Federal Reserve Bank of St. Louis found that a 10 percent increase in weekly hours spent using AI is associated with a 2 percent reduction in total hours worked across industries and occupations, indicating that AI may make workers more efficient ([Bick, Blandin, & Deming, 2025](#)). However, evidence suggests that productivity gains induced by data center-powered AI will take years to fully materialize ([Sløk, 2025](#)). An output “J-curve” is observed during adoption periods, with productivity growth remaining low or even negative while workers and managers learn to use and implement new technologies before returns are realized later on ([Brynjolfsson et al., 2020](#)). AI technologies have been shown to follow this “J-shaped” pattern ([McElheran et al., 2025](#)). As a result, broader productivity returns on data center investments may continue at a muted but steady pace in the coming years.

Illinois versus Virginia (Appendix Table B): In 2024, Illinois’ residences, commercial properties, and industrial sites used 11.1 billion kilowatt-hours (kWh) of electricity per month, which was similar to the 11.5 billion kWh consumed in Virginia despite almost 4 million more people living in Illinois. The biggest difference is that commercial properties accounted for 34 percent of monthly electricity consumption in Illinois (3.8 billion kWh) versus 57 percent in Virginia (5.7 billion kWh), in part due to data centers. Over the five-year period from 2019 to 2024, *total* electricity costs from these three property classes grew by 21 percent in Illinois and 24 percent in Virginia. However, despite having a higher concentration of data centers, *residential* utility bills increased less in Virginia (\$13 per month, or 10 percent) than in Illinois (\$18 per month, or 19 percent). That is because commercial customers experienced a 51 percent increase in monthly utility bills in Virginia compared to just a 16 percent increase in Illinois. Even though Virginia is in the same PJM regional market, it has held data centers accountable for paying for most of their own electricity needs, reducing pressure on residential utility bills.

TABLE A: CASE STUDY OF 75 DATA CENTER PROJECTS AND STUDY ESTIMATES, WITH AT LEAST SOME INFO ON SIZE, INVESTMENT, JOBS, TAXES, AND WATER USAGE

#	Data Center	Illinois	Size (MW)	Footprint (Sq Ft)	Land (Acres)	Investment (Cost)	Construction Jobs	Permanent Jobs	Property Taxes	Water Usage (Gallons/Day)
1	Joliet Technology Center	Yes	1,800	4,000,000	795	\$20,000,000,000	10,000	700	\$46,000,000	150,685
2	T5 @ Chicago IV	Yes	1,200		450	\$12,000,000,000		1500		
3	CloudHQ data center	Yes		1,500,000		\$2,500,000,000				
4	Equinix Minooka data center	Yes	700		340	\$2,000,000,000		150		
5	NTT Chicago CH1 and CH2 data centers	Yes	72	252,000		\$1,389,621,097		20	\$1,496,185	
6	Meta DeKalb Data Center	Yes	673	1,500,000		\$1,000,000,000	1,200	200	\$32,045,966	
7	Prime ORD	Yes	175	750,000		\$1,000,000,000				
8	CyrusOne in Sangamon County	Yes	648	1,392,000	280	\$500,000,000	500		\$4,900,000	
9	Edged Aurora	Yes	96	630,000	65	\$500,000,000				
10	STACK Elk Grove Village data center	Yes	37	423,000		\$458,047,167		20	\$2,532,621	
11	Karis Critical Naperville data center	Yes	36	211,000	40	\$250,000,000				
12	Morris data center	Yes		2,600,000				150		1,000,000
13	Rochelle data center	Yes	50	300,000	75		500	25		100,000
14	Yorkville data center	Yes			1,000		750			170,000
15	Edged DeKalb data center	Yes		2,970,000	560					
16	Chicago Campus ORD01	Yes	270	985,000	30					
17	13 projects in 2020-2021 (Zorn & Mangum)	Yes, state estimate				\$4,200,000,000	8,000			
18	\$1 billion data center (Brookings)	National estimate	105			\$1,000,000,000				
19	\$1 billion data center (IMPLAN)	National estimate				\$1,000,000,000	1,638	50		
20	\$1 billion data center (Area Development)	National estimate				\$1,000,000,000			\$20,000,000	
21	Typical hyperscale DC (McKinsey & Co.)	National estimate		250,000			1,500	50		1,000,000
22	100 MW data center (BCG)	National estimate	100				500	50		
23	Amazon data center in Indiana	No	2,400			\$15,000,000,000	2,000	1100		
24	Vantage (Lighthouse) in Wisconsin	No	1,300	2,500,000	1,900	\$15,000,000,000	4,000	1000		
25	QTS data center in Wisconsin	No	750		1,600	\$12,000,000,000	5,000			
26	Viridian Partners data center in Wisconsin	No	800		250	\$8,000,000,000	1,200	600		
27	Microsoft data center in Wisconsin	No			630	\$7,000,000,000	3,000	500		
28	5 Microsoft data centers in Iowa	No			600	\$6,000,000,000		600		187,671
29	CoreWeave data center in Pennsylvania	No	300			\$6,000,000,000	600	175		
30	Digital Realty Fort Gillum	No				\$3,000,000,000	3,000	100		
31	Data center in Menominee, WI	No			320	\$1,600,000,000	1,000			
32	\$1 billion Meta data center	No				\$1,000,000,000	1,500	100		
33	Meta data center in Wisconsin	No		700,000	830	\$1,000,000,000	1,000	100		
34	Vantage data center in Ohio	No			500	\$1,000,000,000				
35	Data center in Ohio	No		320,000		\$1,000,000,000		100		
36	Indiana data center 1	No		400,000		\$832,000,000	500	30		
37	Indiana data center 2	No	40		20			20		
38	Aligned Data Centers	Yes		520,000		\$183,952,264		21	\$593,066	
39	Aligned Data Centers	Yes	36	220,000		\$1,166,369,333		20	\$11,462,313	
40	C1 Chicago 1 LLC - C1 Chicago 2 LLC	Yes				\$51,091,688		20		
41	C1 Chicago Aurora III LLC	Yes				\$101,633,890		20		

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42	C1 Yorkville LLC	Yes				\$81,193,273		20		
43	Chirisa Volo LLC	Yes				\$229,248,404		20		
44	Coresite, L.P.	Yes				\$255,217,559		20		
45	CyrusOne (C1 Chicago)	Yes				\$2,120,359,973		20		
46	Digital Realty Trust, LP	Yes				\$280,680,349		29		
47	Digital Realty Trust, LP	Yes				\$404,482,346		20		
48	EdgeConneX	Yes	26			\$146,263,867		20	\$2,390,654	
49	Elk Grove Village Property LLC	Yes				\$200,000,000		20		
50	Equinix LLC	Yes		196,151		\$67,689,230		20	\$7,979,195	
51	Goldframe LLC	Yes				\$4,588,054,562		50		
52	Microsoft Corporation	Yes				\$534,612,652		20		
53	Microsoft Corporation	Yes				\$470,499,976		20		
54	Microsoft Corporation	Yes				\$338,134,927		20		
55	Quality Technology Service (QTS)	Yes				\$542,693,301		20		
56	SDC CHI I, LLC	Yes				\$518,140,186		20		
57	SDC CHI II Busse, LLC	Yes				\$636,558,570		20		
58	Serverfarm LLC	Yes	20	443,000		\$124,602,110		29	\$3,401,501	
59	T5@Chicago II, LLC	Yes				\$741,000,000		20		
60	T5@Chicago III, LP	Yes	36			\$101,000,000		20	\$779,123	
61	365 Data Centers - Chicago 1	Yes		10,000					\$14,196,411	
62	Apotech Data Center	Yes	1						\$1,345,230	
63	Centersquare - Chicago ORD2-A	Yes	52	405,000					\$2,125,399	
64	Csquare Chicago ORD4-A	Yes	15	194,057					\$1,683,091	
65	DataBank ORD3 - Mount Prospect	Yes	2.7	65,000					\$734,418	
66	DataBank ORD4 - Chicago Tri-State	Yes	12	86,000					\$226,720	
67	Digital Fortress Chicago	Yes	8	110,000					\$330,540	
68	Element Critical Chicago One	Yes	7	150,000					\$205,684	
69	Element Critical Chicago Two	Yes	5	44,520					\$216,931	
70	GigeNET Chicago	Yes		17,000					\$117,397	
71	Lumen Broadview 1	Yes		60,000					\$335,422	
72	SB Edge Chicago	Yes	10	80,000					\$215,739	
73	Skybox Chicago I	Yes	30	190,000					\$3,885,607	
74	Stream DC Chicago II	Yes	32	226,000					\$411,052	
75	Summit / Colocation America CHIDC1	Yes	76.75	1,177,241					\$174,832	
Impact Per \$1 Billion			114.8	343,255	82.4	\$1,000,000,000	687.7	49.8	\$5,151,720	152,493
Impact Per 100 MW			--	298,965	71.8	--	--	--	\$4,487,001	132,817
Subsample with <i>Both</i> Datapoints (Column and Either Cost or MW)			20	24	13	--	16	39	20	4
Conversion from Per 100 MW to \$1 Billion			No	Yes	Yes	No	No	No	Yes	Yes

Source(s): Authors' compilation and analysis of 48 total news articles, policy reports, Department of Commerce and Economic Opportunity (DCEO) publications, county assessors' websites, and other webpages listed in the Sources section under "Citations for 75 Case Studies."

TABLE B: DATA CENTER CONCENTRATION, ELECTRICITY USAGE, AND ELECTRICITY COSTS BY STATE, 2019 VS. 2024

#	State	2025 Concentration		Total for All 3 Classes (Residential, Commercial, and Industrial)						Residential		Commercial	
		DCs	Per 1M	2024			Change (2019-2024)			2024	Since '19	2024	Since '19
				Customers	Monthly kWh	Total Monthly Costs	Customers	Monthly kWh	Total Costs	Average Bill	Average Bill	Average Bill	Average Bill
1	Virginia	665	74.89	4,104,031	11,479,918,057	\$1,219,010,291	5.2%	16.5%	30.0%	\$148.77	9.8%	\$1,283.42	51.4%
2	Iowa	105	32.42	1,710,011	4,577,535,175	\$427,516,181	4.1%	7.6%	10.7%	\$111.54	3.2%	\$433.65	2.2%
3	Oregon	137	32.06	2,142,040	4,971,544,900	\$552,143,784	5.5%	18.4%	49.4%	\$129.62	29.2%	\$840.09	66.8%
4	North Dakota	22	27.52	485,894	2,480,808,181	\$196,652,575	3.3%	38.1%	23.6%	\$118.38	3.6%	\$877.47	26.8%
5	Wyoming	15	25.48	357,453	1,434,741,748	\$131,098,826	3.8%	2.7%	15.8%	\$107.65	11.5%	\$690.95	40.3%
6	Montana	27	23.59	692,539	1,297,251,083	\$140,489,827	8.8%	1.6%	21.9%	\$107.91	13.1%	\$403.21	2.7%
7	Arizona	164	21.51	3,490,711	7,569,413,803	\$964,357,473	9.5%	16.6%	41.2%	\$160.24	27.1%	\$1,055.97	37.2%
8	Nebraska	39	19.33	1,131,588	2,932,587,075	\$266,050,522	5.6%	15.8%	15.7%	\$110.28	2.0%	\$558.02	23.1%
9	Illinois	244	19.18	6,036,673	11,065,405,407	\$1,352,522,601	1.6%	-3.6%	23.1%	\$109.99	19.1%	\$697.58	16.5%
10	Nevada	62	18.89	1,494,281	3,388,083,430	\$388,617,119	8.6%	10.0%	43.6%	\$139.39	30.5%	\$681.34	46.0%
11	Delaware	19	17.93	535,330	947,826,328	\$128,530,599	8.0%	-0.8%	27.8%	\$150.87	26.6%	\$717.68	14.0%
12	Ohio	203	17.06	5,787,738	12,806,310,776	\$1,446,276,734	2.7%	3.5%	22.0%	\$135.16	25.0%	\$719.67	22.3%
13	Washington	134	16.75	3,800,676	7,490,652,685	\$758,618,024	7.3%	-1.2%	24.4%	\$113.68	20.3%	\$680.00	24.0%
14	Connecticut	61	16.54	1,713,428	2,263,351,264	\$552,619,429	2.8%	-2.0%	28.0%	\$199.66	32.5%	\$1,314.49	17.8%
15	Georgia	163	14.42	5,459,008	12,487,691,196	\$1,423,923,109	8.7%	7.7%	24.5%	\$151.25	14.7%	\$806.85	19.3%
16	Minnesota	81	13.89	2,899,050	5,378,898,035	\$664,122,193	5.2%	-3.6%	15.3%	\$110.06	11.1%	\$737.35	12.0%
17	Texas	413	13.02	14,481,048	42,118,315,989	\$4,123,382,918	10.2%	17.8%	34.1%	\$163.72	22.1%	\$751.73	21.2%
18	Utah	44	12.43	1,429,520	2,886,251,663	\$287,736,275	13.6%	11.4%	34.9%	\$94.57	25.0%	\$757.88	22.6%
19	Indiana	79	11.33	3,450,419	8,266,810,943	\$940,432,388	5.7%	-2.8%	11.6%	\$133.06	10.2%	\$654.49	8.6%
20	New Mexico	22	10.35	1,093,458	2,524,696,153	\$231,644,658	4.2%	21.8%	24.3%	\$92.88	16.0%	\$568.93	11.9%
21	District of Col.	7	10.09	346,302	818,880,593	\$140,088,784	12.2%	-8.0%	27.3%	\$113.23	16.0%	\$3,717.37	21.1%
22	Colorado	60	9.98	2,978,175	4,729,767,994	\$570,872,834	7.7%	0.6%	19.3%	\$100.57	21.1%	\$509.34	5.6%
23	North Carolina	110	9.82	5,827,719	11,407,678,067	\$1,328,870,241	9.2%	0.3%	23.7%	\$143.50	16.4%	\$580.28	13.4%
24	Oklahoma	37	8.97	2,197,296	6,006,981,102	\$545,819,705	5.5%	11.2%	28.6%	\$132.05	15.9%	\$633.11	35.3%
25	Missouri	55	8.77	3,347,314	6,479,217,556	\$716,844,078	4.4%	-1.4%	12.7%	\$129.18	9.6%	\$625.96	5.7%
26	New Jersey	82	8.59	4,287,110	6,094,220,501	\$994,404,422	3.7%	-0.7%	20.6%	\$128.13	21.9%	\$837.82	13.2%
27	Tennessee	60	8.20	3,710,074	8,580,202,983	\$935,025,739	8.7%	3.1%	15.9%	\$143.32	8.3%	\$665.86	3.2%
28	California	321	8.16	16,140,812	20,416,837,120	\$5,526,785,866	3.6%	-1.8%	57.1%	\$160.86	57.8%	\$1,378.49	49.2%
29	Kentucky	37	8.03	2,409,509	6,200,489,172	\$624,194,175	4.4%	-1.2%	15.5%	\$133.81	11.4%	\$594.28	11.0%
30	Wisconsin	47	7.87	3,219,046	5,690,843,091	\$724,054,334	4.4%	-1.3%	17.9%	\$110.87	16.1%	\$663.92	12.5%
31	Pennsylvania	101	7.73	6,288,238	11,804,309,539	\$1,477,854,340	2.3%	-2.3%	24.6%	\$145.17	25.7%	\$478.38	17.7%
32	New York	142	7.10	8,600,588	11,476,274,114	\$2,267,622,857	2.8%	-3.5%	32.5%	\$139.53	34.7%	\$955.02	21.7%
33	New Hampshire	10	7.07	768,001	909,496,752	\$187,401,542	4.0%	1.9%	22.4%	\$144.87	20.7%	\$591.06	12.6%
34	Maryland	44	7.02	2,722,508	4,883,559,829	\$735,928,790	4.0%	-2.6%	30.2%	\$165.87	29.7%	\$1,147.54	22.5%
35	Massachusetts	49	6.85	3,372,902	4,093,943,356	\$983,567,884	4.6%	-3.7%	25.2%	\$167.20	32.8%	\$933.78	8.2%
36	Kansas	19	6.38	1,586,227	3,438,184,182	\$385,373,303	3.4%	0.2%	9.5%	\$123.90	9.4%	\$600.69	3.5%
37	Hawaii	9	6.28	506,988	746,011,163	\$283,466,846	1.6%	-5.3%	25.3%	\$212.12	26.1%	\$1,509.54	21.4%
38	Rhode Island	7	6.28	521,661	616,027,747	\$148,814,853	3.0%	0.9%	31.9%	\$162.40	33.5%	\$1,029.00	25.5%
39	Michigan	58	5.73	5,086,703	8,248,794,760	\$1,167,689,602	3.1%	-2.2%	19.8%	\$119.31	19.0%	\$769.01	16.5%

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40	Maine	8	5.65	855,558	945,132,569	\$185,836,514	5.2%	-3.3%	35.4%	\$133.60	32.9%	\$562.78	26.6%
41	Alaska	4	5.43	356,597	503,875,251	\$111,711,084	3.2%	3.9%	14.0%	\$143.54	12.8%	\$820.87	3.9%
42	South Carolina	30	5.39	2,998,873	6,996,785,643	\$762,349,102	10.3%	4.7%	13.8%	\$149.51	3.3%	\$563.99	11.2%
43	Florida	126	5.37	11,779,010	21,252,128,669	\$2,662,320,802	8.8%	6.1%	27.3%	\$156.09	20.4%	\$694.10	15.5%
44	South Dakota	5	5.35	516,156	1,136,433,663	\$123,498,259	7.2%	6.0%	15.7%	\$127.81	6.0%	\$573.99	8.1%
45	Alabama	26	5.01	2,795,343	7,293,577,701	\$867,931,127	6.4%	-0.6%	20.3%	\$173.50	15.3%	\$666.41	11.3%
46	Louisiana	23	4.98	2,467,236	7,945,566,889	\$699,364,004	2.4%	2.4%	16.9%	\$140.96	16.8%	\$684.04	12.0%
47	Idaho	10	4.93	1,021,781	2,197,462,909	\$208,977,636	13.0%	9.9%	32.5%	\$108.73	15.9%	\$429.18	16.9%
48	Vermont	3	4.65	388,511	454,912,252	\$83,755,184	3.7%	0.6%	20.5%	\$125.66	29.3%	\$477.86	8.2%
49	West Virginia	7	3.96	1,029,473	2,749,214,194	\$303,658,884	1.5%	-0.8%	29.1%	\$154.76	27.0%	\$488.28	22.7%
50	Mississippi	10	3.39	1,599,687	4,057,051,062	\$443,439,742	3.8%	-0.5%	17.1%	\$154.83	14.0%	\$589.57	12.2%
51	Arkansas	6	1.93	1,720,751	4,157,962,336	\$398,852,486	5.5%	3.7%	21.1%	\$129.13	18.0%	\$485.74	10.4%

Source(s): Authors' analysis "Electric Sales, Revenue, and Average Price" for 2019 and 2024 from the Energy Information Administration as well as information from "Mapped: U.S. States With the Most Data Centers in 2025" by *Visual Capitalist* and "State Population Totals and Components of Change: 2020-2025" by the U.S. Census Bureau ([EIA, 2024](#); [Lu, 2025](#); [Census, 2026](#)).