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# Data Centers: Water Use and Reporting

The rapid proliferation of data centers and other large tech facilities across the country has raised concerns about water consumption - especially in drought-prone areas. Data centers are not required to report how much water they actually use despite massive impacts.

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## Data Center Facts

- Texas currently hosts 335 - 400+ operational data centers, with 240+ more on the way.
- Texas data centers could consume up to 161 billion gallons of water annually by 2030, up from an estimated 25 billion gallons in 2025 (161 billion gallons can supply roughly 1.7 million Texas households).
- Data center water demand isn't explicitly accounted for in the Draft 2027 State Water Plan.
- Texas doesn't require data centers to disclose how much water these facilities use.
- Tax exemptions for data center equipment cost Texas nearly a billion dollars a year.
- Polling indicates that 69% of Texans do not support data centers being built in their communities.

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## Possible Solutions

- Require data centers and large industrial water users consuming over 5 million gallons per year to report annually to the Public Utility Commission of Texas (PUC) on cooling systems used, total and peak water consumption (both current and projected), and water sources (including the amount diverted) to enable a fair assessment of their impacts on local water.
- Require the PUC to maintain a publicly accessible website to provide information about all data center facilities in the state, including their water use.
- Make sections of non-disclosure agreements (NDAs) that limit public access to information about impacts to water resources unenforceable or void.
- Direct the PUC to conduct a statewide study for the development of regionally specific guidance on rates for data centers and other large industrial water users.
- Data centers and other large electric loads should be encouraged to use reclaimed water, including treated wastewater, or treated highly saline groundwater, or treated produced water (only if protective standards are established for treated produced water).
- Data centers should be required to meet strict wastewater discharge requirements to treat any toxic chemicals, and where appropriate, limit wastewater discharge through on-site recycling and reuse, landscape irrigation, and other efficient water use strategies.
- Require developers to mitigate their impact by either implementing a Community Benefit Agreement (CBA) with local or regional entities where data centers are located, or contributing to a mitigation fund for the same purpose.
- Encourage the use of low water energy sources such as wind, solar, and solar+storage to help reduce the data centers' impact on water resources.