



DATA CENTER DEVELOPMENT: GOOD? BAD? UGLY?

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What is a Data Center?

A physical facility that houses computing infrastructure, including servers, storage devices, networking equipment, and other systems necessary for managing and storing data.



Data Center Uses



- Artificial Intelligence / Large Language Model training and use (ChatGPT, Copilot)
- Large-scale data processing
- Organizational storage and computing: shared drives, software programs, digital record storage
- Hosting cloud-based services like Google Cloud

Sizes and Types of Data Centers

- Enterprise: run by a single company for their needs
- Colocation: Different companies rent part of a data center
- Cloud: Hosts cloud services like Google Cloud or Amazon Web Services
- Edge: Smaller and located in specific places to be physically closer to something in order to reduce delays in information transmission
- Hyperscale: Massive, typically used by the largest companies like Facebook/Meta or Amazon

Data Centers are Rapidly Growing

State	Data Centers
Virginia	674
Texas	537
California	296
Georgia	276
Illinois	242
Ohio	240
Pennsylvania	174
Arizona	160
New York	135
Oregon	135

Ohio is **6th** in the Nation

in terms of total number of **Data Centers** (Planned/Operating) with **240***.

A Pew Study (released in April) noted that the Midwest has 419 planned data centers and 655 existing ones – a 64% increase. The numbers in that report are already out of date.

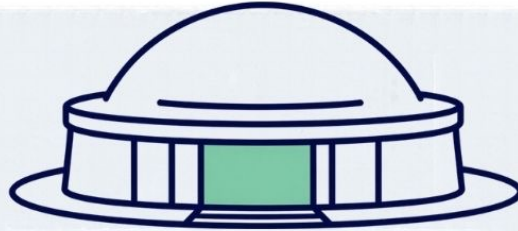
Market	Data Centers
Columbus	125
Cincinnati	26
Cleveland	23
Akron	21
Dayton	10
Canton	5
Van Wert	5
Toledo	4
Lima OH	3
Lebanon	3
Hannibal	2
Springfield	2
Warren	2
Akron Canton	2
Ironton	2
Woodsfield	1
Mansfield	1
Youngstown	1
Portsmouth	1
Total Data Centers:	240

(From [DATACENTERMAP.COM](https://datacentermap.com) Oct. 6, 2025).

Ohio Data Centers Are Getting Much Larger

Prior to 2026:

Average Ohio data center size was 50,000 sq. ft., nearly the same size as the Veterans Memorial Building in Columbus.



**50,000
sq. ft.**

By 2025:

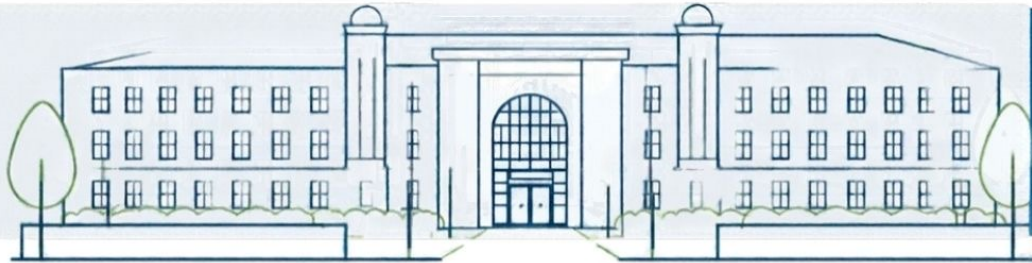
The average approached 200,000 sq. ft., roughly the size of Jungle Jim's in Cincinnati.



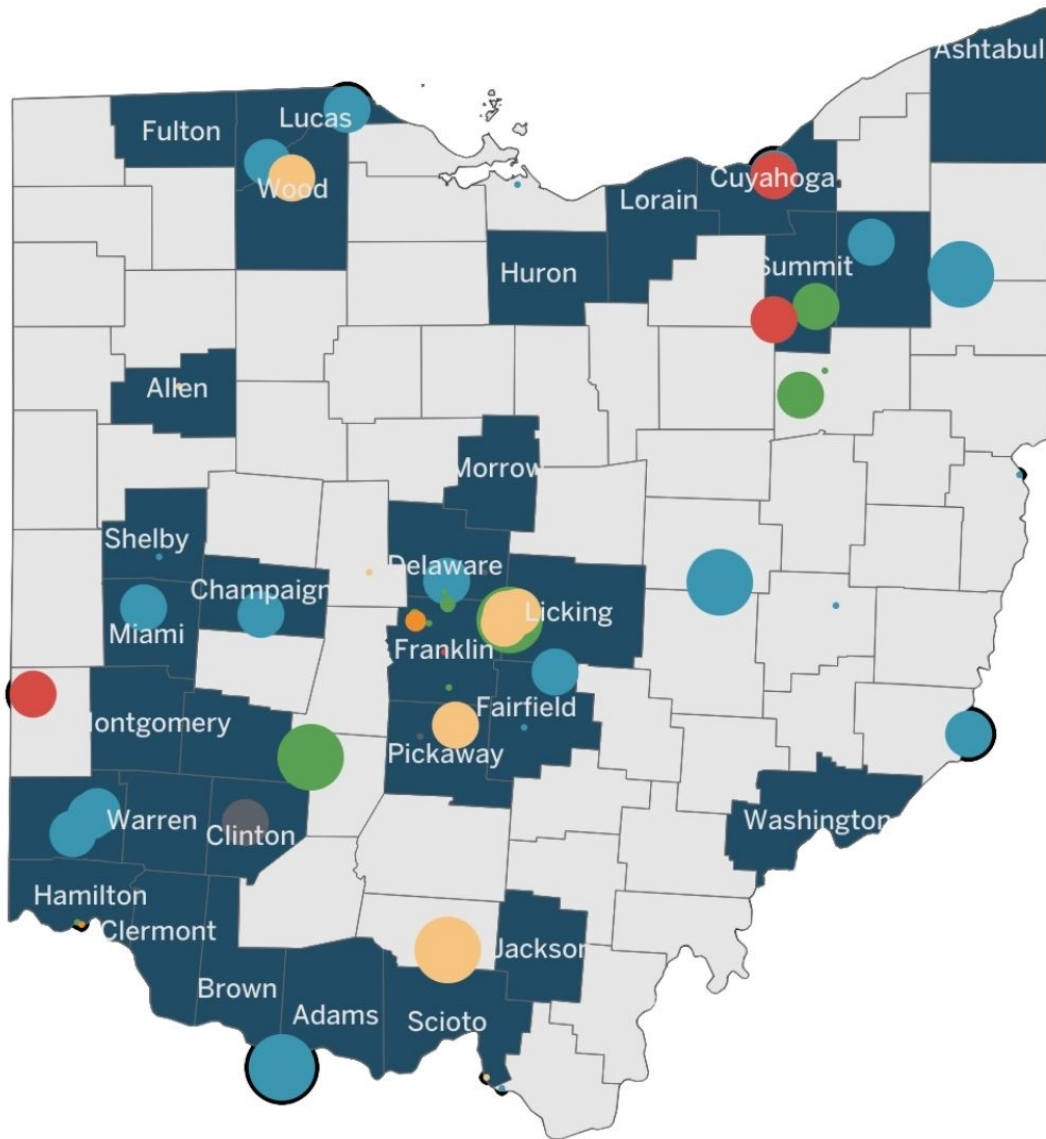
**200,000
sq. ft.**

Through 2030:

Planned facilities will average roughly 300,000 sq. ft., about the size of the Ohio State Student Union building.



**300,000
sq. ft.**



Ohio's data center landscape

3,346 MW operating DC capacity

12,375 MW approved/under construction

6,300 MW proposed DC capacity

- Operating
- Expanding
- Approved/under construction
- Proposed
- Suspended
- Cancelled
- Communities that have reached out to Policy Matters Ohio

Data provided by [FracTracker Alliance](#) (September 2026)



WATER

Data centers' water impacts

Direct use for cooling

- Usage varies by cooling methods (evaporative, closed-loop, etc.)
- *Hyperscale data centers using evaporative cooling systems can use 1-2 million gallons of water per day*

Harmful chemical refrigerants used in cooling systems – PFAS, or forever chemicals

Wastewater discharge management, water quality concerns

Indirect use for power generation

- Power generation represents 70% of Great Lakes overall water use



Columbus Water and Power reported Data
Centers in the service region used:



1.2 billion gallons of water

≈ 3%

of the Columbus water district's
capacity

≈ City of Bexley





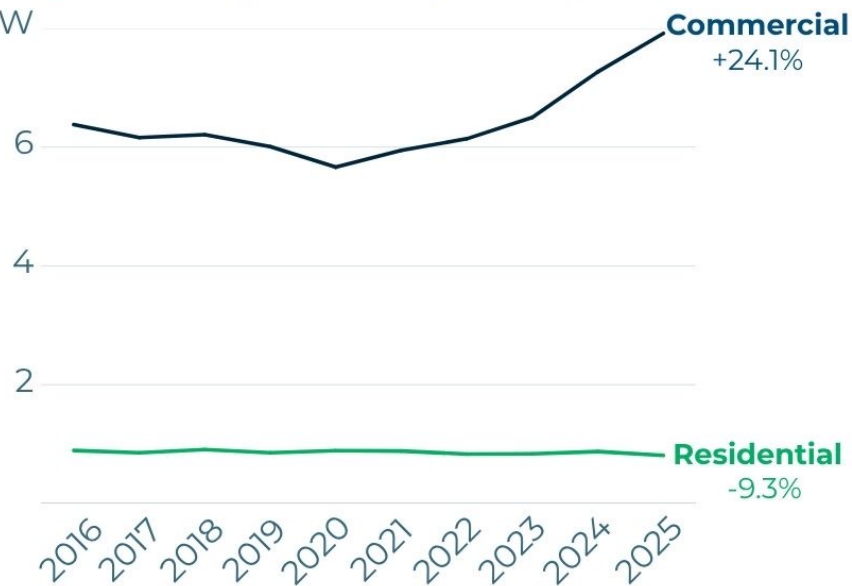
Energy and the Environment

Data centers & energy affordability

Average monthly electricity consumption by customer, 2016-2024

Average monthly electricity sales (MW)

8 MW



Average monthly electricity bill for residential customers, 2016-2024

Based on monthly retail sales and average price/kWh



Despite flat demand over time, average monthly residential electricity costs have **increased by 34.9%** between 2016 and 2025.

Electric Power Monthly, Electricity sales to ultimate customer by state and sector (number of customers, average price, revenue, and megawatt hours of sales), Energy Information Administration.



Drivers of electricity costs

In the PJM generation region, auction prices for power generating capacity experienced their largest spike in history — from **\$28.92** per megawatt-day in 2024 to **\$329.17** in 2026.

\$28.92
per megawatt-day

2024

\$329.17
per megawatt-day

2026



Table 7 Scenario summary for 2025/2026 RPM Base Residual Auction: Data Center Load

Scenario	Scenario Description	Scenario Impact			
		RPM Revenue (\$ per Delivery Year)	RPM Revenue Change (\$ per Delivery Year)	Percent Change Scenario to Actual	Actual to Scenario
0	Actual results	\$14,687,047,358	NA	NA	NA
87	Without Above Embedded Forecast for Data Center Load	\$6,944,087,201	\$7,742,960,157	111.5%	(52.7%)
88	Without Embedded and Above Embedded Forecast for Data Center Load	\$5,354,943,499	\$9,332,103,858	174.3%	(63.5%)

PJM's Own Monitor Report:

https://www.monitoringanalytics.com/reports/reports/2025/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_G_20250603_Revised.pdf?ref=blog.gridstatus.io

HB 15 impacts

The push for behind the meter generation

Fast-tracking behind the meter (BTM) – onsite generation – projects

- Expedited permitting timelines for major utility facilities on land owned/operated by the developer
- Automatic approval for behind the meter project permits after 60 days, unless the Ohio Power Siting Board (OPSB) acts
- OPSB has sole authority to approve these projects, bypassing local control

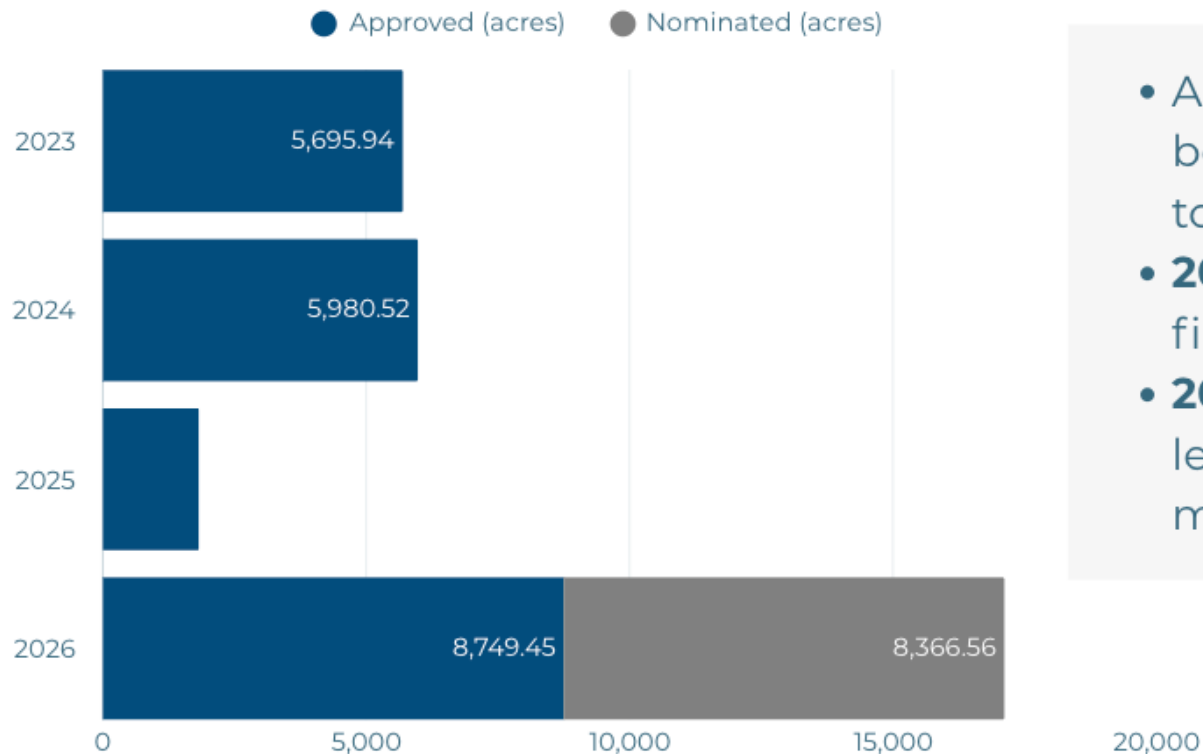
Since HB 15 passed in 2025, the OPSB has approved over 2,000 MW of natural gas-powered BTM generation – enough to power 1.4 million homes

*With an additional **3,080 MW of planned BTM generation capacity** associated with data center projects as of July 2026*

Consequences of BTM Policy

Surge in fracking activity

Increase in public land approved for fracking corresponding with data center growth

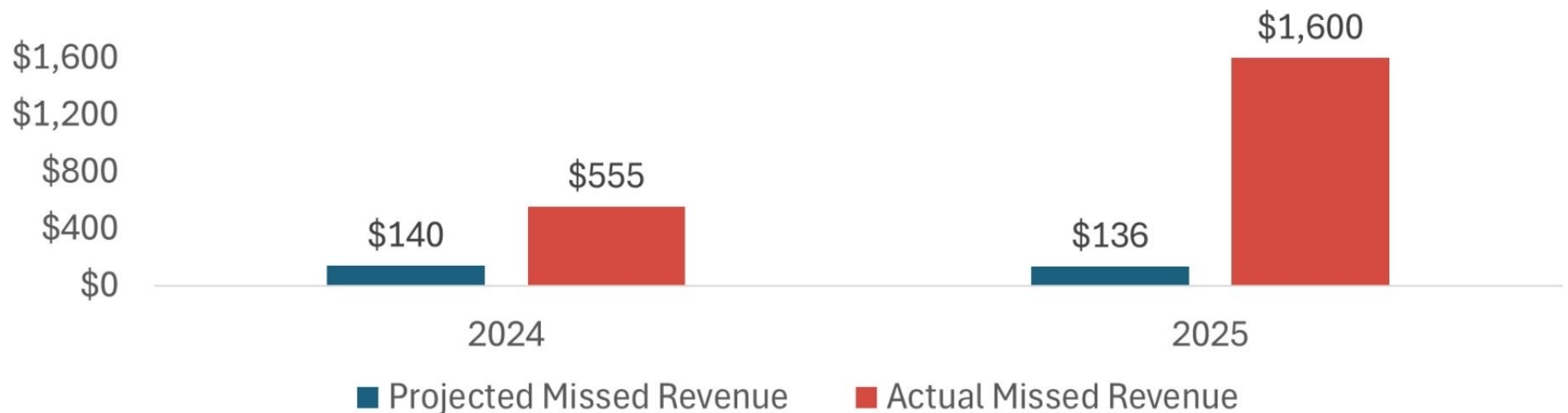


- Accelerated review timelines for behind the meter generation used to power data centers
- **2025:** 2,000 MW of natural gas-fired generating capacity
- **2026:** Plans are underway for at least 3,080 MW of behind the meter natural gas projects



Fair Share Taxation and Democracy

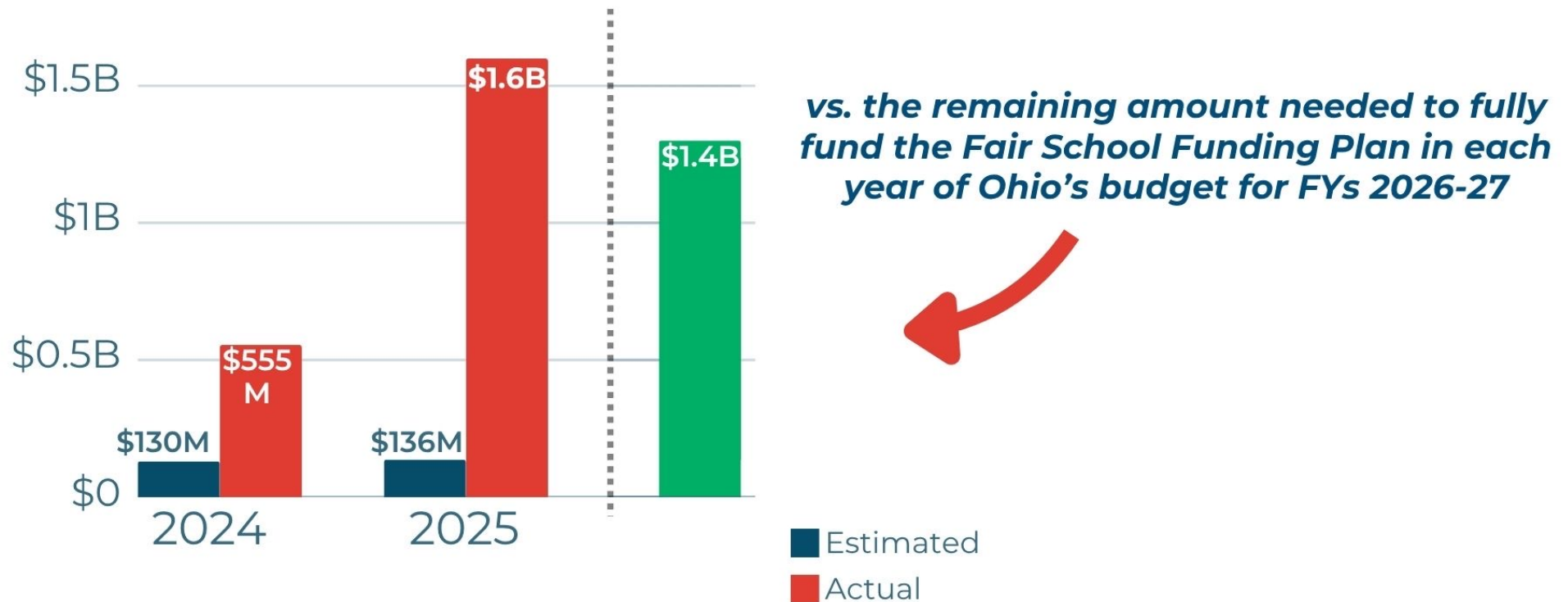
Projected and Actual Missed Revenues due to the Data Center Sales & Use Tax Exemption



All figures in millions. Data from the Ohio Department of Taxation.

Forfeited state revenue under data center sales tax exemption

Actual lost revenue in FYs 2024-25



Moreover, there may be other loopholes and deals:

- Amazon will receive local property abatement under CRAs not for 30 years, but for much longer, by staging its construction over time and setting the initial date for part of the abatement later.
- Meta used a shell company for its abatement in Wood County. That company claimed in the CRA agreement that it had no other Ohio employees though Meta operates a data center in New Albany.

Democracy & transparency

 marionettetimes.com

Disputes over data centers and NDA during Washington County Commission meeting

The Washington County Commission approved a letter of intent and NDA (non-disclosure agreement) Thursday to enter into conversations with...



 Portsmouth Daily Times

Documents reveal more information on Scioto County data center deal

After recently announcing Google as the company behind the new Scioto County data center, more information is coming to light about the contracts and...



 WKRC

Questions remain on Brown County officials' handling of proposed mega-site data center

MOUNT ORAB, Ohio (WKRC) - A proposed data center at the Mount Orab Mega Site has sparked backlash from residents in Brown County,...



 WOUB Public Media -

An incoming Lawrence County data center divides the community and alarms some residents

Hamilton Township in Lawrence County is one of many across the region grappling with the data center industry's rapid growth in Ohio.





Jobs and the Economy

Data Center Job Growth

Construction and Site Update/Maintenance job creation

Data center construction projects generate substantial work for skilled tradespeople, including construction & electrical workers, which opens pathways to good union jobs & training opportunities.

Permenant Jobs - Operations

Relatively small number of “permenant,” operational or full time equivalent (FTE), jobs. However, there are also long-term, non-FTE jobs for custodial & security personnel – often contracted out.

PERMANENT JOBS

Ohio Sales Tax Exemptions, September 2024

Company	Term (years)	Rate (Percent)	Committed Jobs Created	Committed Annual Payroll	Present Investment - Total	Estimated value of state break only
The Kroger Co.	15	75%	15	\$1.5M	\$104.85M	\$4.52M
Sidecat LLC (Meta)	15	100%	50	\$4M	\$750M	\$43.13M
Quality Technology Services, LLC	15	100%	10	\$1.5M	\$1.55B	\$89.36M
Progressive Casualty Insurance Company	15	100%	15	\$1.5M	\$100M	\$5.75M
Ohio River Partners Shareholder LLC	10	75%	25	\$1.5M	\$120M	\$5.18M
Montauk Innovations LLC (Google)	15	100%	30	\$2.5M	\$600M	\$34.5M
Involta, LLC	15	75%	11	\$1.15M	\$30M	\$1.29M

Data Center Jobs

Construction and Site Update/Maintenance job creation

From August 2025 to August 2026, nonagricultural wage and salary employment increased **9,900**. Employment in goods - producing industries increased 30,500, **led by construction, which added 17,800 jobs**. Manufacturing added 12,500 jobs.

Employment in the **private service-providing sector decreased 10,700**

Government employment decreased 9,900 over the year, in federal (-4,600); state (-4,300); and local (-1,000) government.

Prineville, Oregon

Success Story?



Policy Matters Ohio's platform for responsible data center development

**State &
local taxpayer
subsidies**

**Community
benefits &
guardrails**

**Good jobs
& labor
standards**

**Democracy &
transparency**

**Energy
affordability &
environment**

State & local taxpayer subsidies

Protect state and local revenue by eliminating or limiting taxpayer subsidies for data center operators.

“I can’t think of a site selection or placement decision that was decided on a set of tax incentives.”

- Bo Williams, Microsoft executive responsible for data centers in North America, in The New York Times, Dec. 29, 2024.

Energy affordability & environment

Strengthen protections for Ohio's ratepayers, communities, & natural resources & mitigate economic & environmental harm generated by the rapid expansion of resource-intensive data centers.

Require data center operators to pay their fair share of grid upgrades and generation investments needed to connect them to the grid, along with public water and wastewater infrastructure.

Strengthen & advance state & local policy mechanisms to mitigate environmental harms.

Democracy & transparency

Enhance democracy and transparency around proposed data centers and establish community oversight mechanisms for existing data centers.

Prohibit nondisclosure agreements (NDAs) between local governments & data center companies, and increase public engagement in important development decisions.

Hold data centers accountable by strengthening requirements for energy & water use disclosures and community oversight.

Good jobs & labor standards

**Establish strong labor standards for data center construction jobs.
Enable communities to negotiate agreements with commitments
for high-road operations & maintenance jobs.**

Construction job creation

Data center construction projects generate substantial work for skilled tradespeople, including construction & electrical workers, which opens pathways to good union jobs & training opportunities.

Operations & maintenance job creation

Relatively small number of “permanent,” operational or full time equivalent (FTE), jobs. However, there are also long-term, **non-FTE jobs** for maintenance & security personnel – often contracted out.

Ohio's current policy & regulatory landscape for data center development

Pending legislation

HB 646: Create the Data Center Study Commission

HB 695: Prohibit nondisclosure agreements for certain local officials

HB 706: Impose certain minimum requirements on data center customers

HB 710: Prohibit public support, limit construction of, new data centers

SB 367: Allow a sales & use tax exemption for certain projects

With potential veto override to eliminate new data center sales tax exemptions & more to come...

Ohio's current policy & regulatory landscape for data center development

Proposed policy interventions under substitute HB 646

- Requires data center operators to implement water conservation measures, like closed-loop systems, requiring OEPA to adopt rules around water quality & efficiency standards, regular reporting on/methodology for tracking water use
- Requires utilities to file data center tariffs with the PUCO, creating a separate rate class for data centers while preventing cost-shifting onto other customers.
- Reduces sales tax exemption for most new projects from 100% to 50%, though we've been calling for a full repeal and this will not stop the exemption for those with existing agreements like Amazon, Google and Meta.

Despite progress, a lot more must be done to create comprehensive regulatory guardrails around data center development, and the effectiveness of many of these provisions hinges on OEPA & ODNR rule making authority, without specific stipulations amended into the bill.



AI AT WORK

- Artificial intelligence use in workplaces has seen incredible expansion over the past few years.
- Workers should have the power to shape how new technologies are used, but to do that we need to understand the issue.
- In collaboration with North Shore AFL-CIO, CWRU, and Brown University, PMO is conducting a survey to understand what is happening in Ohio's workplaces around AI



tinyurl.com/WorkersFirstAI



THANK YOU!

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RESOURCE PAGE**



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