

Ohio Select Committee on Data Centers

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Chair Chavez, Chair Holmes, and members of the Select Committee on Data Centers:

Thank you for the opportunity to submit written testimony. My name is Bryce Chinault, and I am the Director of State Government Affairs at the Abundance Institute. The Abundance Institute is a mission-driven organization dedicated to creating the cultural, policy, and regulatory environment in which emerging technologies can develop and flourish so they can deliver broad-based prosperity. We work nationally on the policy frameworks governing artificial intelligence, energy, and the digital infrastructure that underpins it all. Ohio sits at the center of that story, and we submit this testimony as an interested party in the hope that it is useful as the Committee weighs how the state should respond to the rapid growth of data center investment.

OHIO AND STATE COMPETITION

Data centers are the physical foundation of the modern digital economy.¹ Every search, online transaction, telehealth visit, logistics route, and artificial-intelligence application runs on data centers. Over the past several years Ohio has become one of the most attractive places in the country to build these super computers, attracting tens of billions of dollars in committed investment from the world's largest technology firms.² This reflects Ohio's available land, improving grid, skilled workforce, and a policy environment that signaled the state was open for this kind of long-term investment.

It is worth being clear-eyed about what is at stake competitively. Ohio is not choosing between hosting these facilities and having them not exist; it is competing with Virginia, Texas, Louisiana, and dozens of other states actively courting the same investment. Capital this large and this mobile responds to predictability. State policies that single data centers out for punitive or uncertain tax and regulatory treatment do not stop the buildout — they relocate it, taking the construction jobs, the long-term operations employment, the property-tax base, and the associated supply-chain activity with it.

Data centers do take up space, require electricity, and use water for cooling. But they also generate property tax revenue for counties and municipalities and provide ample career opportunities. Each of the required resources is used less intensely as the technology improves, with new data centers using closed loop water cooling that uses minimal water inputs after the first charge up of the system. Some data centers are bringing their own electricity production, and state electrical grids and capacities are being updated and improved.³

LOCAL REVENUE

Loudoun County, Virginia is home to the largest concentration of data centers in the world. This area has been a hub for technology investments for decades, and has become one of the wealthiest areas in the country. The tax revenue from data centers now provides roughly half of the revenue the county collects annually, while only occupying about 3% of the county's land, which has helped keep property tax rates down for residents and funded public schools, roads, and emergency services. Loudoun County residents also pay below the national average on their per kWh utility bills.⁴

Conversely, Richland Parish, Louisiana is a historically rural, lower-income community that has struggled to attract large-scale private investment. That changed when Meta announced a data center campus there accompanied by a substantial new build-out of generation capacity to serve it. The construction

phase of this data center has already driven a significant expansion of local tax revenues and is projected to provide bonus checks to public school teachers worth tens of thousands of dollars each.⁵

These examples show that long-term tech investments can help drive incredible wealth generation and rural communities have a potential to reverse economic stagnation or decline. As the Committee weighs the tax structure around data centers, it should keep in mind the fiscal and economic upside of these facilities. Tax policy functions best when it treats industries and companies fairly without tipping the scales of the economy in one direction or the other, and the various forms of taxes data centers pay (property, sales and use, etc.) should follow that same principle.⁶

ENERGY SUPPLY AND DEMAND

A key concern surrounding data centers is electricity. Large facilities represent significant, fast-arriving load, and that has raised understandable questions about reliability and about whether residential and small-business ratepayers might bear costs they did not create.

The durable solution to growing demand is to increase supply.⁷ The history of American prosperity, and economies everywhere, is a history of energy abundance. Treating data center demand primarily as something to suppress — through moratoriums, caps, or interconnection roadblocks — would be treating a symptom instead of a core issue. The same demand that pressures the grid is also the strongest signal in decades to finally build the generation and transmission Ohio and the country needs.⁸ Large, creditworthy customers willing to sign long-term contracts are precisely the anchor tenants that make new power plants and grid upgrades financeable.

We encourage the Committee to orient its recommendations toward expanding capacity through a build what works strategy: streamlining the siting and permitting of new generation, including natural gas and advanced nuclear such as small modular reactors; accelerating transmission and interconnection so that approved projects are not stranded in multi-year queues; and welcoming behind-the-meter and co-located generation that lets large loads bring their own power rather than drawing solely on the shared system. Operators are already pairing facilities with dedicated generation, and Ohio can become a leader for the nation.

PROTECTING RATEPAYERS

Protecting existing ratepayers and welcoming new investment are not in conflict with one another. Those who drive the need for new infrastructure should pay for the infrastructure they drive. Ohio has already moved in a constructive direction on this front. The framework developed through the Public Utilities Commission of Ohio, requiring large data center loads to commit financially to a substantial share of the capacity they request regardless of how much they ultimately use, is a far better model than a moratorium.⁹ It shields other customers, it puts the risk of over-forecasting on the party best positioned to manage it, and it does so without telling investors that Ohio is closed for business.

We would urge two cautions as the Committee considers building on that foundation. First, tariff design should be tailored and evidence-based rather than punitive: terms calibrated to recover genuine cost-of-service keep the state competitive, while charges designed to extract value or discourage growth simply send projects elsewhere. Second, the Committee should resist proposals that discriminate against an entire industry by category. A facility's identity as a 'data center' is not what stresses the grid — its load profile is. Rules keyed to objective, technology-neutral characteristics such as size, ramp rate, and interconnection commitments are both fairer and more legally durable than rules that target a named industry.

LOCAL TRANSPARENCY

Concerns about water use, land, noise, and local infrastructure are real and are best handled with specificity rather than sweeping restriction. On water, the relevant question is net consumptive use, and the trajectory of the industry is toward closed-loop and air-based cooling systems that consume very little; permitting and reporting frameworks can encourage operators to that standard. Water resources are used for myriad industrial purposes across Ohio, and many other sectors use a lot more water than data centers.¹⁰

On local infrastructure, the cost-causation principle again applies: where a facility necessitates road, substation, or utility upgrades, the facility should provide funding for them, and many operators already do so through development agreements. State and local officials can lean on experiences from other locations to address any ongoing concerns residents have and work with industry to ensure data center developers are good neighbors today and into the future. Reasonable reporting and transparency, paired with good-faith engagement with host communities, will do more to sustain public confidence than measures that simply push development across state lines.

RECOMMENDATIONS

In summary, we respectfully offer the following recommendations for the Committee's consideration:

1. **Prioritize supply.** Make expanding generation and transmission — gas, advanced nuclear, and co-located and behind-the-meter power — the centerpiece of Ohio's response, and remove permitting and interconnection barriers that delay it.
2. **Allocate costs fairly.** Build on the PUCO large-load framework so that data centers pay for the capacity and infrastructure they require, protecting other ratepayers without resorting to moratoriums.
3. **Stay technology-neutral.** Govern using objective, broad-based principles rather than singling out data centers as a category, which is both fairer and more legally durable.
4. **Preserve predictability.** Provide regulatory certainty appropriate to multi-decade, multi-billion-dollar investments; avoid retroactive or one-off measures that raise Ohio's risk premium relative to competing states.
5. **Handle local impacts with specificity.** Use targeted, transparent requirements on water, land, noise, and local infrastructure rather than broad restrictions.

CONCLUSION

Ohio has a rare opportunity to anchor the infrastructure of the AI era while strengthening, rather than straining, its grid. The path to doing both runs through abundance — building more power, allocating its costs honestly, and keeping the rules fair and predictable — not through restriction. We commend the Committee for taking up these questions with care, and the Abundance Institute stands ready to serve as a resource.

Respectfully submitted,

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ENDNOTES

1. Digital Foundations: The Essential Guide to Data Centers and Their Growth: <https://jamesmadison.org/digital-foundations-the-essential-guide-to-data-centers-and-their-growth/>
2. Economic Impact Study of Data Centers in Ohio: <https://ohiochamberfoundation.com/wp-content/uploads/Final-Ohio-Data-Center-Economic-Impact-Report-2025-1.pdf>
3. See more at <https://www.datacenteratlas.org> and “Introducing DataCenterAtlas.org: The True Benefits and Costs of Data Centers in the US” by Evans, Lambert, and Chinault (Jun. 9, 2026).
4. The Surprising Heart of the Data-Center Boom: <https://www.city-journal.org/article/loudoun-county-virginia-data-centers-construction>
5. Richland Parish Teachers Could See Bigger End-of-Year Checks: <https://www.knoe.com/2026/05/13/richland-parish-teachers-could-see-bigger-end-of-year-checks/>
6. State Taxation of Data Centers: <https://taxfoundation.org/research/all/state/data-centers-taxation/>
7. Powering Prosperity: Five State-Level Reforms to Unleash Abundant, Affordable Electricity: <https://www.abundance.institute/our-work/powering-prosperity-five-state-level-reforms-to-unleash-abundant-affordable-electricity>
8. Plug More Generators in Faster for Energy Abundance: <https://abundance.institute/our-work/generators-for-energy-abundance>
9. Ohio Utility Commission Ruling Clears Path for Data Center Development: <https://dmainc.com/news-and-insights/ohio-data-center-ruling/>
10. State of Ohio Water Withdrawal Atlas: <https://ohiodnr.gov/discover-and-learn/safety-conservation/about-odnr/water-resources/water-inventory-planning/water-withdrawal-atlas>