

WHY ARE DATA CENTERS BEING USED TO JUSTIFY NEW PIPELINES?

THE SHORT ANSWER:

Generative artificial intelligence (AI) requires enormous amounts of electricity

As utility companies forecast higher demand from new data centers, new fracked-methane-gas power plants and pipeline infrastructure are being proposed. Across the Southeast, data center growth is increasingly being cited as a reason for expanding energy infrastructure.

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DATA CENTERS USE HUGE AMOUNTS OF ELECTRICITY

AI data centers operate around the clock and consume far more electricity than traditional computing facilities. Utilities across the country forecast major increases in demand.

HOW ARE UTILITIES RESPONDING?

As electricity demand grows, utilities are choosing between gas and renewable energy to meet future needs, and those decisions are shaping how communities will be powered in the years ahead.

HOW PIPELINES ENTER THE CONVERSATION

Utilities have now proposed new gas-fired power plants to meet demand from planned data centers. As a result, pipeline companies are increasingly pointing to data center growth as a reason they need to transport more gas to the region by expand existing pipelines or build entirely new infrastructure.

Many of the announced data center projects driving these forecasts remain speculative, meaning some may never be built, even as utilities move forward with plans for new infrastructure. That raises the possibility that customers could end up paying for infrastructure sized to serve demand that never materializes.

COMMUNITIES BEING ASKED TO PAY THE COST

Building new gas power plants and pipeline infrastructure is expensive. Consumer advocates have raised concerns that the costs of these infrastructure investments could ultimately fall on residential customers and small businesses. In North Carolina, for example, Duke Energy has proposed rate increases that critics say would shift the cost of new energy infrastructure onto customers.

