



GUEST VIEW

Texas is funding thirsty data centers in a drought-ridden state

Your cloud storage is full. Click here to upgrade. When you hear that data are in the cloud, actually, they are in a data center right here on dry land.

With the explosion of artificial intelligence (AI), more data centers are needed to store our data and run ChatGPT, Claude AI, and other AI services that people increasingly use to write an email, design a flyer, check facts, and more.

AI is a thirsty industry. The Times (UK) reports that using ChatGPT to write a 100-word email uses about 2 cups of water.

Forbes Magazine likened the explosion of AI to a second industrial revolution. It will automate and eliminate some jobs and drastically change how others are performed. AI has hit the technology industry, making it harder for junior and entry-level programmers to find jobs.

The more AI we use in our daily lives, the more data centers will be needed to handle it all. Data centers consume vast amounts of water and electricity.

Texas is funding these centers and has granted the industry a \$3.2 billion sales tax exemption. The data centers are exempt from paying sales tax on the cost



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of electricity and purchases for building and maintaining the facility.

The tax break was approved over 10 years ago, according to the Texas Tribune. The cost has exploded from about \$5.4 million in lost revenue to a projected \$1.3 billion loss in 2026 alone.

Data centers are coming to Central and South Texas, whether we like it or not. The Seguin Gazette reported that Guadalupe County Commissioners approved a data center on the county line with Hays, consisting of 10 buildings, that will require about 20,000 gallons of water a day. The company, Cloudburst, said it will use behind-the-meter natural gas to run the turbines.

Cloudburst is receiving a 10-year tax abatement from Guadalupe County, on top of what they would receive from the state sales tax abatement.

With the whirring of the fans and generators, some data centers emit noise levels exceeding 96 decibels, according to the Environmental and Energy Study Institute. This noise level can cause permanent hearing loss with prolonged exposure.

In essence, we are paying them to use our water and electricity in a state that is experiencing a lingering drought, rising summer temperatures, and an electric grid that failed us during Winter Storm Uri.

Corpus Christi may be the first city in the United States to run out of water. While the issues surrounding this potential calamity are complicated, they are mostly due to the prolonged drought and new industries in the city that consume vast amounts of water. A desalination plant was planned, but the city never began construction due to rising costs.

Similar scenarios could be prevalent across Texas if data centers are built in areas with water shortages, rising temperatures, and

ongoing drought.

Clayton Tucker, a farmer and rancher from Lampasas and the Democratic candidate for Agriculture Commissioner, is running on a platform to slow the growth of AI Data Centers in Texas. He stated on the Voices from the Hill Country podcast that the Agriculture Commissioner has the authority to pause construction of data centers that would affect water in rural communities.

Other governmental agencies also have the authority to halt or slow construction. According to the Texas Tribune, cities such as New Braunfels can limit what happens within their city limits and require developers to bring their own water if the city's supply is at risk. Counties have less authority, but they can refuse to give tax breaks or abatements.

These are bipartisan issues. We all need clean water, affordable electricity, and an environment free of excessive noise. With AI, more data centers will be built. Companies should be held responsible for the water and electricity they use, and the noise they emit.

What can you do? Let

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your city council and county commissioners know of your opposition to any new data centers. Demand that any potential data centers use gray water, reduce their noise pollution, and generate their own electricity.

Vote for representatives who will put people first before data centers. Call your state representative and state senator and tell them to quit giving away the store and eliminate the sales tax abatement for data centers.

The billions of dollars saved could be used to fund better water infrastructure, support public schools, and reduce property taxes. Why should our taxes and electricity rates remain high while we give technology billionaires even more money in tax abatements?