

DATA CENTERS IN COLORADO: WHAT YOU NEED TO KNOW



Recently, data center operations have received a significant amount of attention from Colorado policymakers and pundits. As Zachary Esquibel, business manager for the Denver chapter of the International Brotherhood of Electrical Workers union, notes, “Colorado is at a moment of real opportunity when it comes to jobs and economic growth. As demand for digital infrastructure accelerates, data centers are emerging as one of the most significant job creators tied to the modern economy, particularly for skilled trades and technical professionals.”

PROPOSED RESTRICTIONS ON DATA CENTERS

- * Sarah Montalbano, energy policy analyst at the Colorado-based think tank Independence Institute, noted, “The 2026 legislative session produced two competing [data center] bills, neither of which became law. HB26-1030 offered a 100 percent sales tax exemption but would have required 100 percent clean energy by 2040, a 3-to-1 clean-to-thermal nameplate ratio before 2039 and a new 9-member bureaucracy. SB26-102 requires 100 percent new renewable energy by 2031 and prohibits economic development rates for large data centers.”
- * In May, the Denver City Council unanimously approved a one-year moratorium on data centers. The ban does not restrict data centers that are currently operating or permitted for construction.
- * In May, the Jefferson County Board of Commissioners “voted to issue a 10-month moratorium on data centers within the county. This moratorium applies to any new applications for development of, or rezoning to allow data centers, but excludes land that is already specifically zoned to allow data centers through a Planned Development, provided such data center is at least 1,500 feet from any dwelling.”



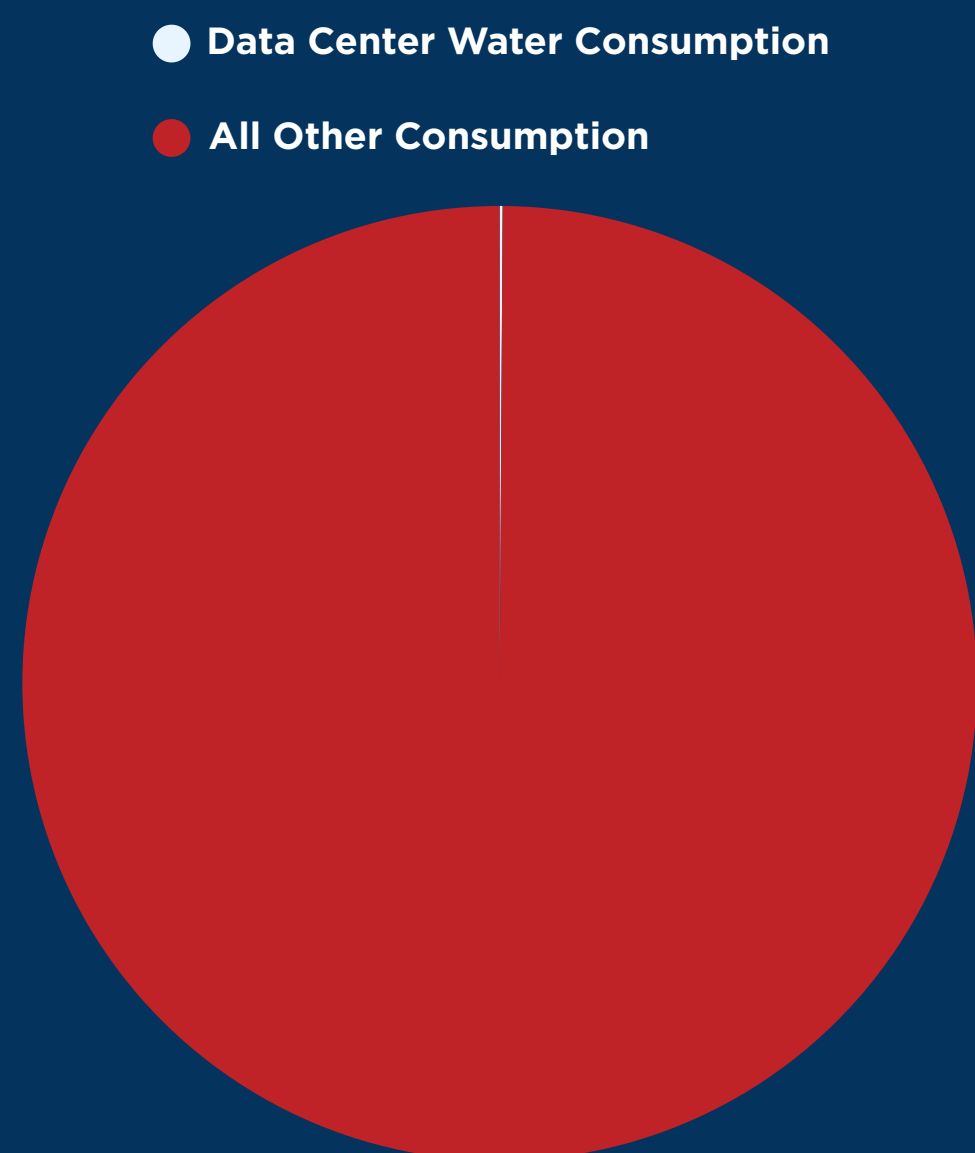
DATA CENTERS AREN'T DRAINING COLORADO'S WATER OR POWER SUPPLY

Advocates of bans or restrictions often cite supposedly excessive water or electricity consumption by new data center operations. For example, the Colorado chapter of the Sierra Club recently stated, “Colorado is already suffering water stress and the AI data centers popping up across the country are incredibly thirsty. Before we jump into building them in Colorado, we need to plan for what that actually means.” According to state Sen. Cathy Kipp (D-Fort Collins), “Colorado communities are deeply worried about what this unrestrained development means for their water, their air quality, their electricity bills, their farmland and their neighborhoods.” However, the evidence does not support the idea that data centers are burdening Coloradans’ water or electricity.

DATA CENTER MYTH V. REALITY



COLORADO WATER USAGE, 2025



MYTH:

Data centers are using up a significant percentage of water.

REALITY:

In Colorado, data centers accounted for **0.1 percent** of all water consumption in 2025.

Brookings Institution data center water use estimates; Baxtel data center count; U.S. Geological Survey state-level aggregate water consumption figures.

COLORADO ELECTRICITY USAGE, 2025

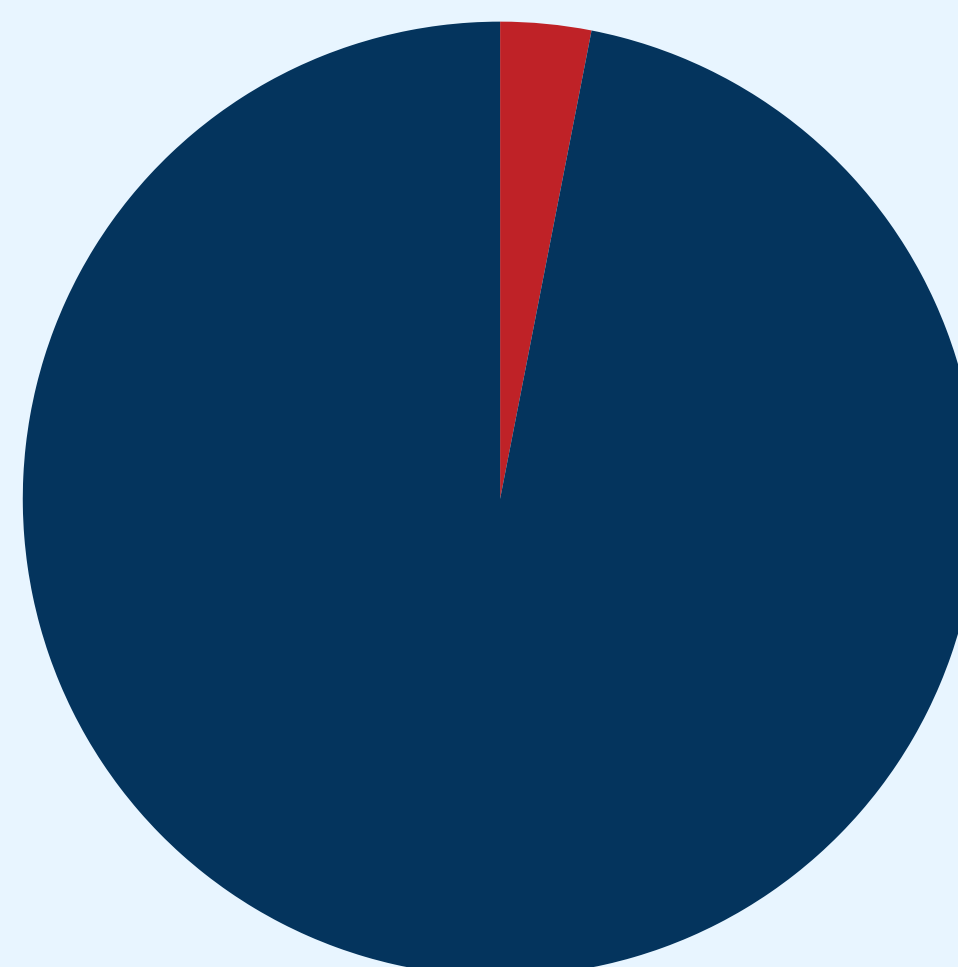
MYTH:

Data centers are using up a significant percentage of electricity.

REALITY:

In Colorado, data centers accounted for **3.1 percent** of all electricity consumption in 2025.

- Data Center Electricity Consumption
● All Other Consumption



Electric Choice data center power consumption figures; U.S. Energy Information Administration state-level net generation figures.

Policymakers in Colorado should embrace data center growth instead of giving in to misinformation.

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