

DATA CENTERS IN TENNESSEE: WHAT YOU NEED TO KNOW



Recently, data center operations and proposed projects have received a significant amount of attention from Tennessee policymakers and pundits. A report from WPLN News notes that Nashville alone “has 13 facilities operational or under construction within metro limits. Many of these data centers, which are physical buildings that manage massive amounts of digital data, are located in or near downtown and the Cumberland River. ... Franklin, Brentwood, Berry Hill and Murfreesboro also collectively hold a handful, and Gallatin, a town just 30 miles northeast of Nashville, has seven data centers, primarily run by Meta.”

PROPOSED AND PASSED RESTRICTIONS ON DATA CENTERS

- * Introduced by state Rep. Michele Reneau (R), House Bill 2392 would mandate that data center operators obtain a permit from the water and wastewater operator board of certification before operation. Additionally, water utilities servicing data centers would be required to report water usage every billing period, and the Department of Environment and Conservation would publish this data publicly. Projects could potentially be denied if they are “reasonably likely to ... degrade water quality [or] impose additional treatment or infrastructure burdens,” a vague and broad standard.
- * On June 3, the city of McMinnville in Warren County enacted an 18-month temporary moratorium on data center developments. The ban was enacted following announced “plans to build a 96,000-square-foot data center in the rural town. The 25-megawatt data center would be designed to support the Nvidia GB200 NVL72, an artificial intelligence supercomputing platform.”
- * On June 25, Nashville’s Metro Planning Commission recommended passage of two data center bills advancing through the Metro Council. One piece of legislation would establish strict zoning rules for data centers, setting up five data center acceptable use/operation types. The second bill would institute a moratorium on the “acceptance, processing, approval, and issuance of zoning, building, or grading permits” until Metro can implement regulations.



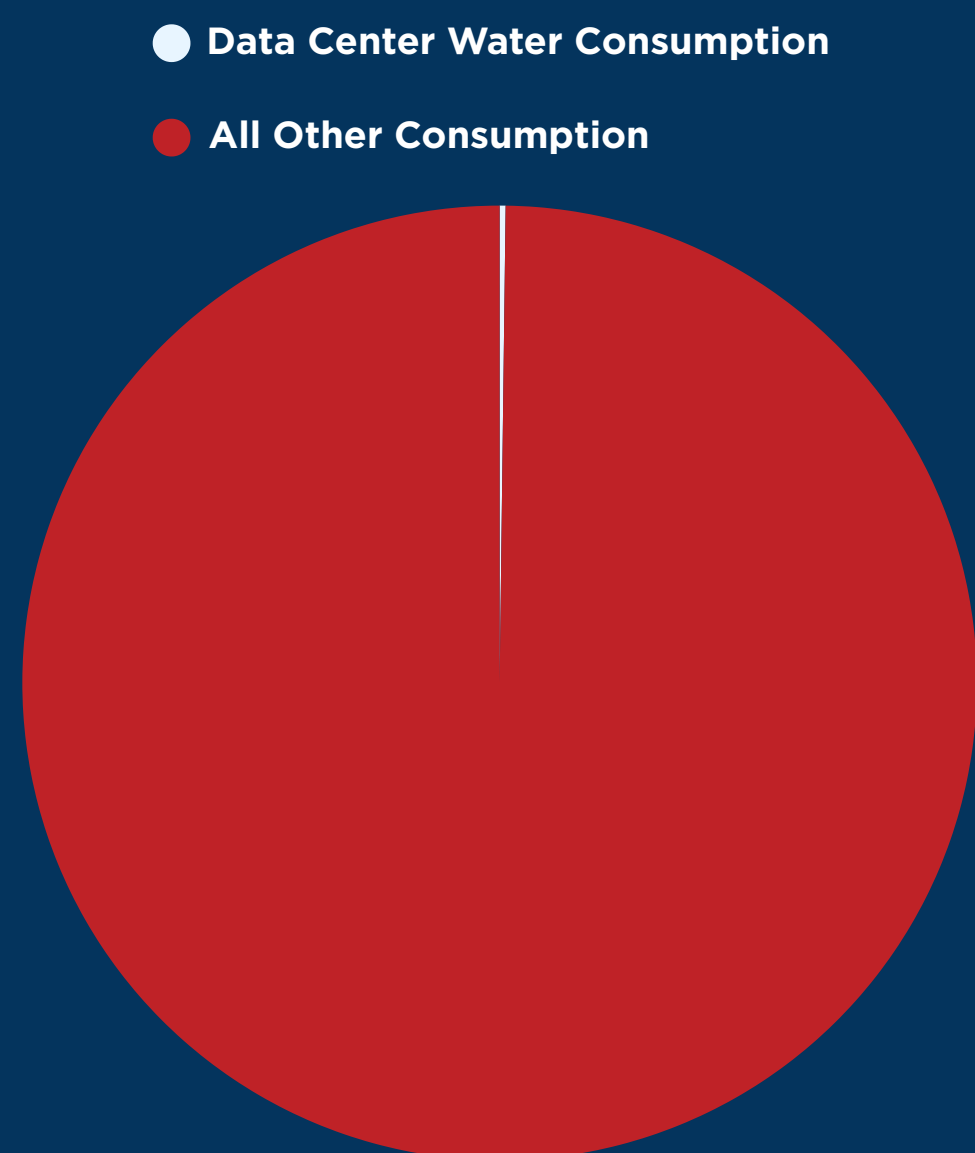
DATA CENTER DANGERS SIGNIFICANTLY OVERSTATED

Advocates of bans or restrictions often cite supposedly excessive water or electricity consumption by new data center operations. For example, Nashville Mayor Freddie O’Connell highlighted “potential negative impacts of large-scale data centers in our neighborhoods” in his push for a temporary moratorium and has advocated for greater scrutiny of utility and environmental impacts. The truth is data centers account for a small proportion of water and electricity use in Tennessee.

DATA CENTER MYTH V. REALITY



TENNESSEE WATER USAGE, 2025



MYTH:

Data centers are using up a significant percentage of water.

REALITY:

In Tennessee, data centers accounted for **0.2 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.

TENNESSEE ELECTRICITY USAGE, 2025

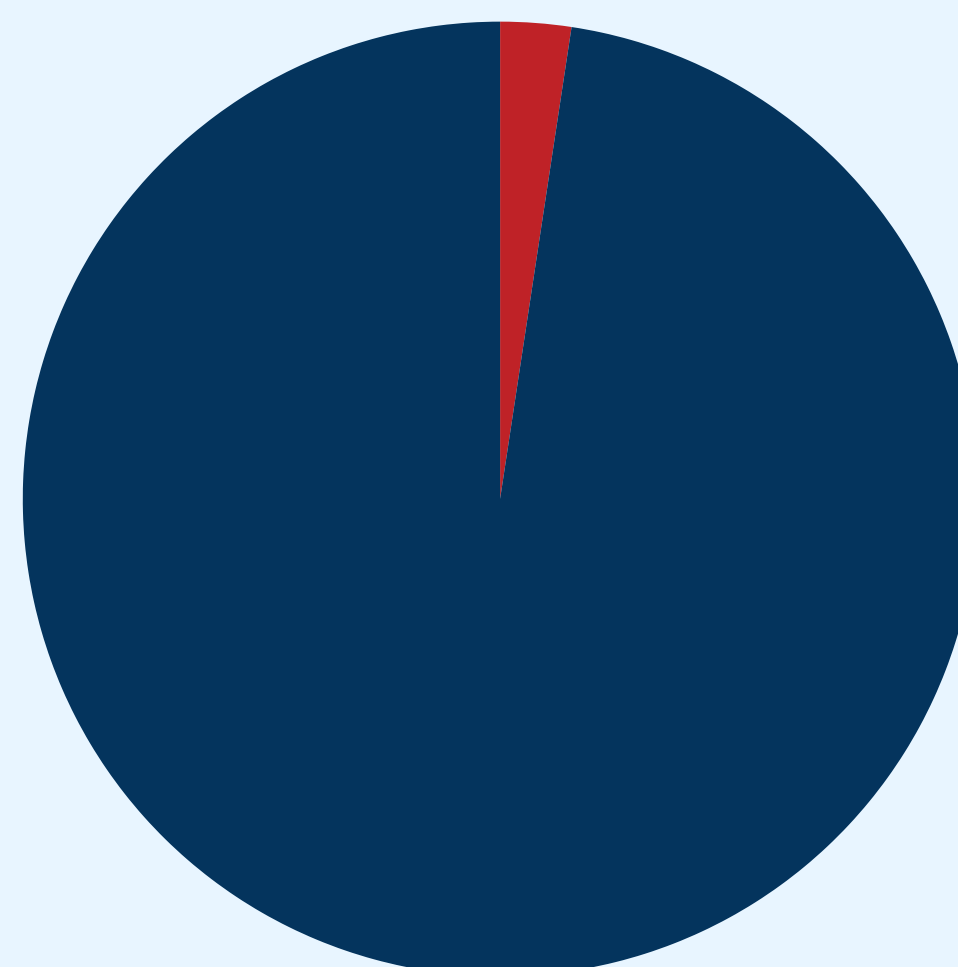
MYTH:

Data centers are using up a significant percentage of electricity.

REALITY:

In Tennessee, data centers accounted for **2.4 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.

To learn more about the long-term projected water and electricity demands of data centers, visit the Q&A section at protectingtaxpayers.org/datacenters

Taxpayers Protection Alliance
1101 14th St NW, Ste 500,
Washington, DC 20005
protectingtaxpayers.org

TAXPAYERS
PROTECTION
ALLIANCE