DATA CENTERS IN WEST VIRGINIA: WHAT YOU NEED TO KNOW

TAXPAYERS PROTECTION ALLIANCE

Recently, data center operations and proposed projects have received a significant amount of attention from West Virginia policymakers and pundits. In March, the state government announced, "A major private-sector technology investment is coming to West Virginia. Real estate development firm Penzance Management has announced plans to develop a $4 billion data center campus in Berkeley County, marking one of the largest digital infrastructure investments ever announced in the state. The planned Bedington Campus will be located on 548 acres in the Falling Waters District of the Eastern Panhandle. At full build-out, the project is expected to span approximately 1.9 million square feet and deliver up to 600 megawatts of critical IT capacity, supporting growing demand for artificial intelligence [AI], cloud computing and advanced digital infrastructure."

PROPOSED AND PASSED RESTRICTIONS ON DATA CENTERS

- Signed into law by Governor Patrick Morrisey (R), House Bill 2014 is designed to aggressively position West Virginia as a competitive hub for high-impact AI and cloud computing data centers by cutting through regulatory red tape, preempting local barriers, and allowing energy-intensive facilities to build and operate on independent behind-the-meter microgrids. The landmark legislation directs half of the property tax revenue from certified data centers and microgrid developments to a state-managed income tax reduction fund, paving the way for broad-based tax relief. Further, unlike earlier pilot programs that strictly required renewables, H.B. 2014 explicitly embraces an "all-of-the-above" energy approach, allowing microgrids to be powered by coal, natural gas, and renewables.

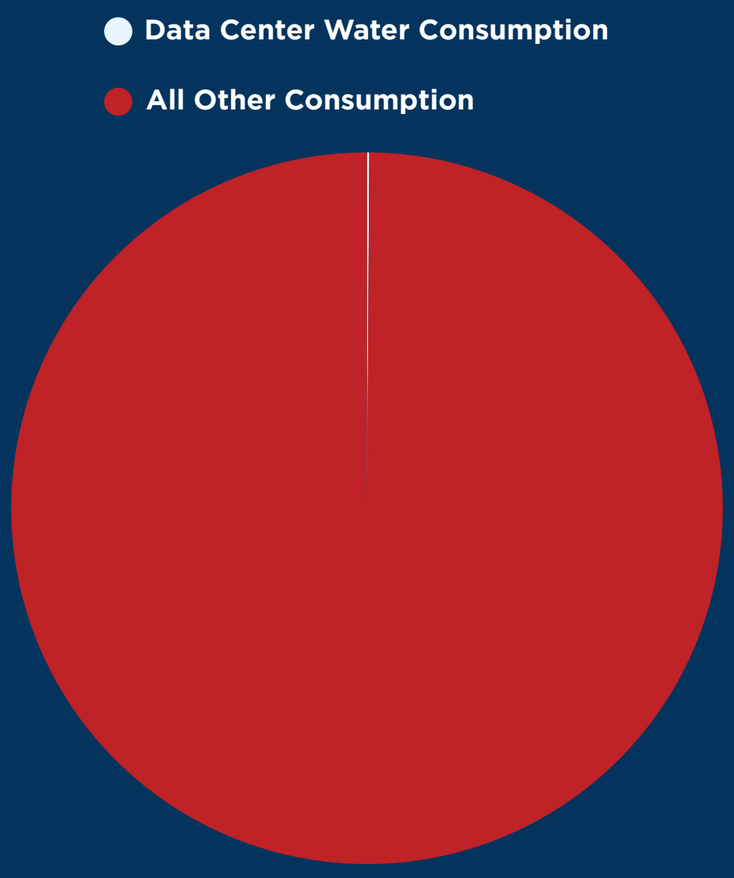
- Amid some local politicians' opposition to data centers, state lawmakers have remained largely open-minded about the projects' benefits. According to a June report in *The Charleston Gazette-Mail*, "West Virginia lawmakers who reported on their Data Center World experience at last month's House panel meetings [stated] West Virginia needs to get up to speed to capitalize on that growth because developers are interested in the state — and because, they asserted, the risks are lower than many of their constituents fear."

DATA CENTER DANGERS SIGNIFICANTLY OVERSTATED

Despite the assurances of state lawmakers, advocates of bans or restrictions often cite supposedly excessive water or electricity consumption by new data center operations. The West Virginia chapter of the Sierra Club claims, "Hyperscale data centers use as much electricity as a small city and up to 5 million gallons of water a day to cool their servers—and then return this water to streams at high temperatures, impacting aquatic life." The truth is data centers account for a small proportion of water and electricity use in West Virginia.

DATA CENTER MYTH V. REALITY

WV WATER USAGE, 2025



MYTH:

Data centers are using up a significant percentage of water.

REALITY:

In West Virginia, 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.

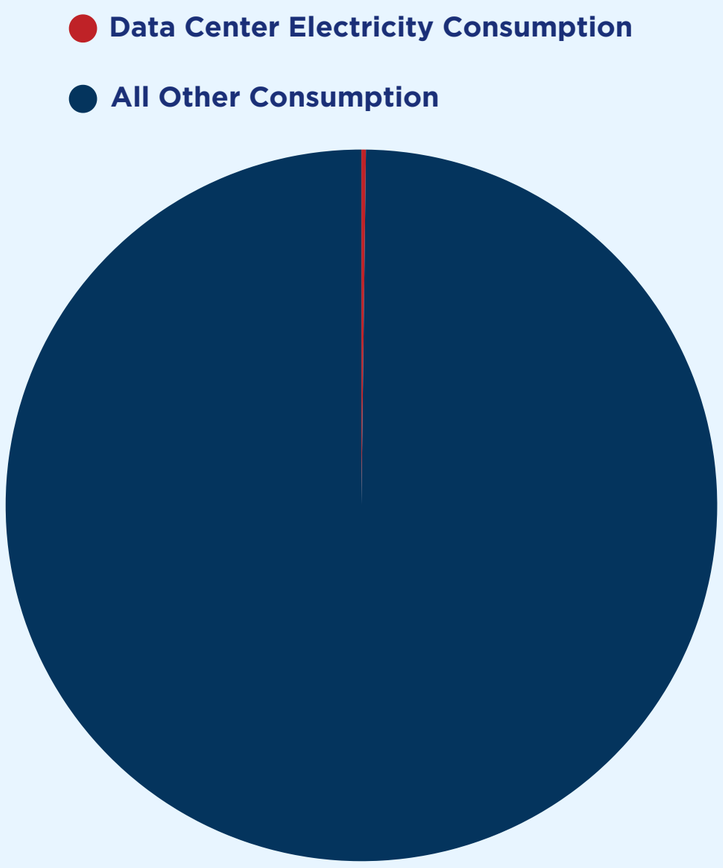
WV ELECTRICITY USAGE, 2025

MYTH:

Data centers are using up a significant percentage of electricity.

REALITY:

In West Virginia, data centers accounted for **0.2 percent** of all electricity consumption in 2025.



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

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