



September 2, 2026

The Honorable Gary Palmer
Chairman
House Energy and Commerce Subcommittee on Environment
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Dan Crenshaw
Vice Chairman
House Energy and Commerce Subcommittee on Environment
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Paul Tonko
Ranking Member
House Energy and Commerce Subcommittee on Environment
2323 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Palmer, Vice Chairman Crenshaw, and Ranking Member Tonko:

On behalf of millions of taxpayers and consumers, the Taxpayers Protection Alliance (TPA) appreciates the opportunity to comment on the Subcommittee's upcoming hearing titled, "Reliable Water in the Digital Age: Examining Legislation to Strengthen Drinking Water Systems and Protect Ratepayers." While it is critical to ensure that all water users—including data center projects, industrial operations, and households—pay appropriately for their consumption, heavy-handed mandates singling out data centers will do nothing to safeguard water supplies. TPA urges the Subcommittee to embrace a light-touch regulatory approach that genuinely protects ratepayers while allowing data centers to continue providing jobs, tax revenue, and economic opportunities across the country.

During the hearing, Subcommittee members will consider the Water Cost Accountability Act of 2026, which requires states receiving Safe Drinking Water Act revolving loan funds to prohibit public water systems from recovering from non-data-center consumers "the incremental costs of connecting the data center to the public water system or of expanding the capacity of the public water system to provide service to the data center."¹

Enforcing this policy would present significant regulatory hurdles; isolating "incremental" system capacity for any single user is a complex undertaking. In municipal water planning, expansions to treatment facilities, storage tanks, and distribution mains are often executed to

¹ https://d1dth6e84htgma.cloudfront.net/DATACENTERS_02_xml_5_99cba13f95.pdf.

serve broad regional growth rather than one-off commercial connections. Water providers would face a great deal of difficulty decoupling standard system-wide capital improvements from each data center's specific consumption, leading to protracted legal and accounting disputes over what constitutes direct connection costs. Taxpayers would inevitably foot the bill for these disputes along with any new certification measures states would have to undergo.

Furthermore, enforcing this rule through revolving loan fund conditions places an administrative oversight burden (and unfunded mandate) on state drinking water administrators, who lack uniform standard cost-allocation frameworks to audit local rate cases, creating a risk that compliant entities could face administrative delays over ambiguous billing disputes.

Even more fundamentally, the legislation is premised on the flawed notion that data centers are consuming disproportionately large quantities of water and exacerbating shortages. As TPA has noted in its state-by-state analyses of data center water and electricity consumption, data center water use figures are typically a fraction of one percent of total water consumption.² As artificial intelligence (AI) researcher and policy analyst Andy Masley notes, "On the national, local, and personal level, AI is barely using any water, and unless it grows 50 times faster than forecasts predict, this won't change. ... All U.S. data centers (which mostly support the internet, not AI) used 200–250 million gallons of freshwater daily in 2023. The U.S. consumes approximately 132 billion gallons of freshwater daily."³ While data centers use water—and use it more efficiently by the day—they are not depriving residents of this vital resource.

TPA urges lawmakers to examine the real causes of water access issues, such as outdated permitting processes under the Clean Water Act, and avoid misguided proposals that would increase costs on taxpayers and consumers. Thank you for your time and consideration of this pressing matter.

Sincerely,



David Williams
President

² <https://www.protectingtaxpayers.org/datacenters/>.

³ <https://blog.andymasley.com/p/the-ai-water-issue-is-fake>.