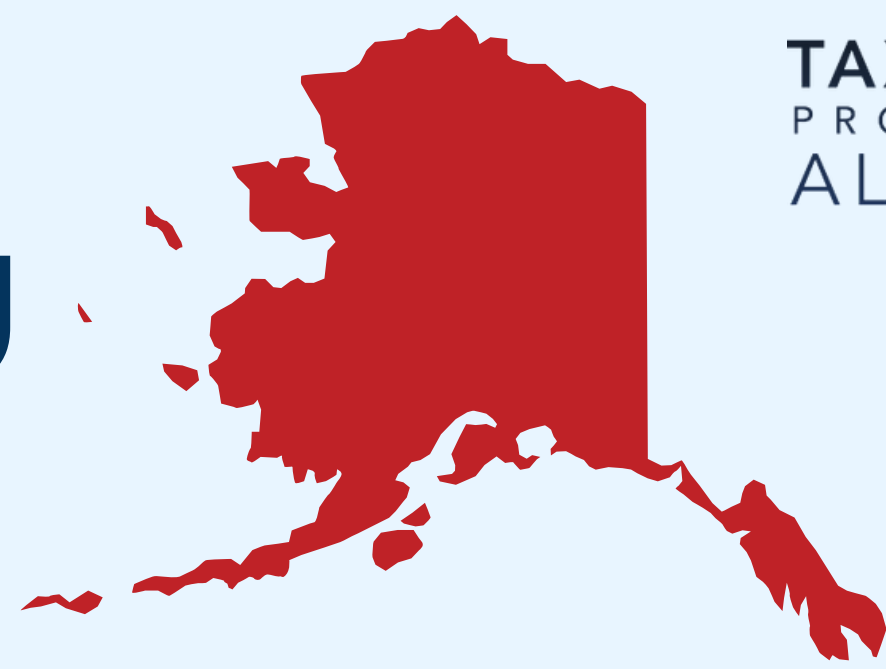


DATA CENTERS IN ALASKA: WHAT YOU NEED TO KNOW



TAXPAYERS
PROTECTION
ALLIANCE



Recently, data center operations and proposed projects have received a significant amount of attention from Alaska policymakers, pundits, and economic analysts. As Gov. Mike Dunleavy (R) noted in April, Alaska is a strong location for data center development because of its cool climate, significant planned infrastructure investments, and low energy costs. Stak Energy has proposed a \$500 million, one-square-mile artificial intelligence and cloud computing data center on Alaska's North Slope, and the company has gained preliminary approval from the state to lease land for the endeavor.

PROPOSED AND PASSED RESTRICTIONS ON DATA CENTERS

- * Anchorage Municipal Ordinance (AO 2026-27): Passed in March, this local ordinance created a new zoning and land-use category restricting data centers exclusively to commercial and industrial districts while barring them from residential zones. The regulations establish threshold distinctions between "small" and "large" operations at 2,000 servers, while setting an overall implementation threshold at facilities requiring 20 megawatts (MW) or more of peak electrical demand. To secure a conditional use permit, developers must prove utility capacity and adhere to performance standards, including 200-foot buffers from noise-sensitive areas.
- * Alaska Senate Bill 250: Introduced during the 2026 legislative session, SB 250 proposed strict financial and operational regulations ostensibly to shield local utility ratepayers from grid upgrades required by energy-heavy developments. The bill stipulated that, when serving a data center would require an electric or gas utility to incur more than \$1 million in capital investment, the contract must require financial security sufficient to ensure recovery of the utility's costs. Although the proposal did not pass before the legislative session ended in May 2026, it established a statewide framework for future utility-related data center legislation.
- * Proposed Statewide Moratorium Campaign: In July 2026, Jonathan Kreiss-Tomkins (Democratic candidate for governor of Alaska), introduced a proposal placing a statewide moratorium on all new data center development across Alaska. The policy platform proposes a full freeze on new facility approvals, effective immediately upon potential enactment until the state legislature establishes comprehensive regulations.



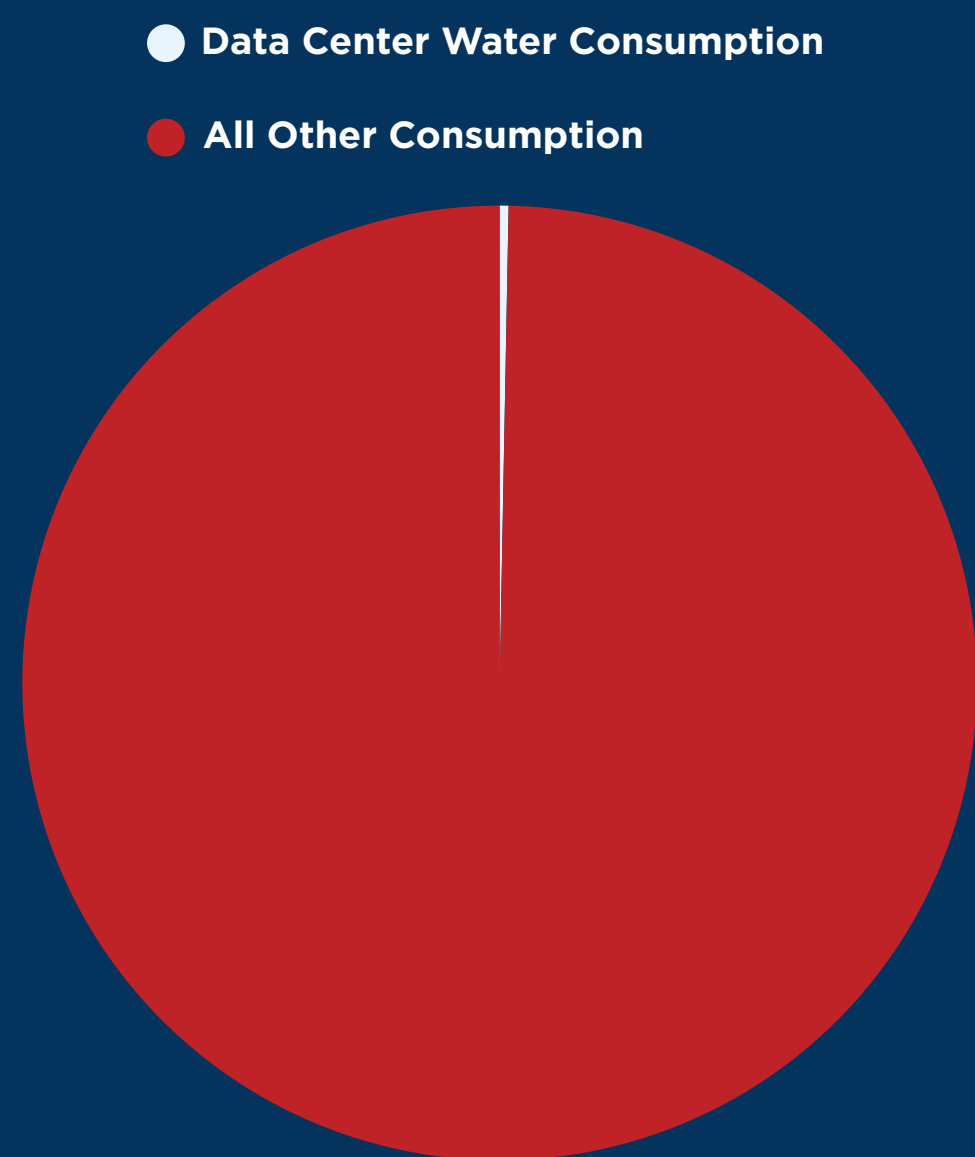
DATA CENTER DANGERS SIGNIFICANTLY OVERSTATED

Advocates of bans or restrictions often cite supposedly excessive water or electricity consumption by new data center operations. For example, Northern Alaska Environmental Center activist Roger Kaye claims, "The main problem with data centers is their high to huge energy demands... While Alaska's cold climate is an environmental advantage, reducing the need for energy-intensive mechanical cooling systems, cooling still requires a lot of water." The truth is data centers account for a small proportion of water and electricity use in Alaska.

DATA CENTER MYTH V. REALITY



ALASKA WATER USAGE, 2025



MYTH:

Data centers are using up a significant percentage of water.

REALITY:

In Alaska, data centers accounted for **0.3 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.

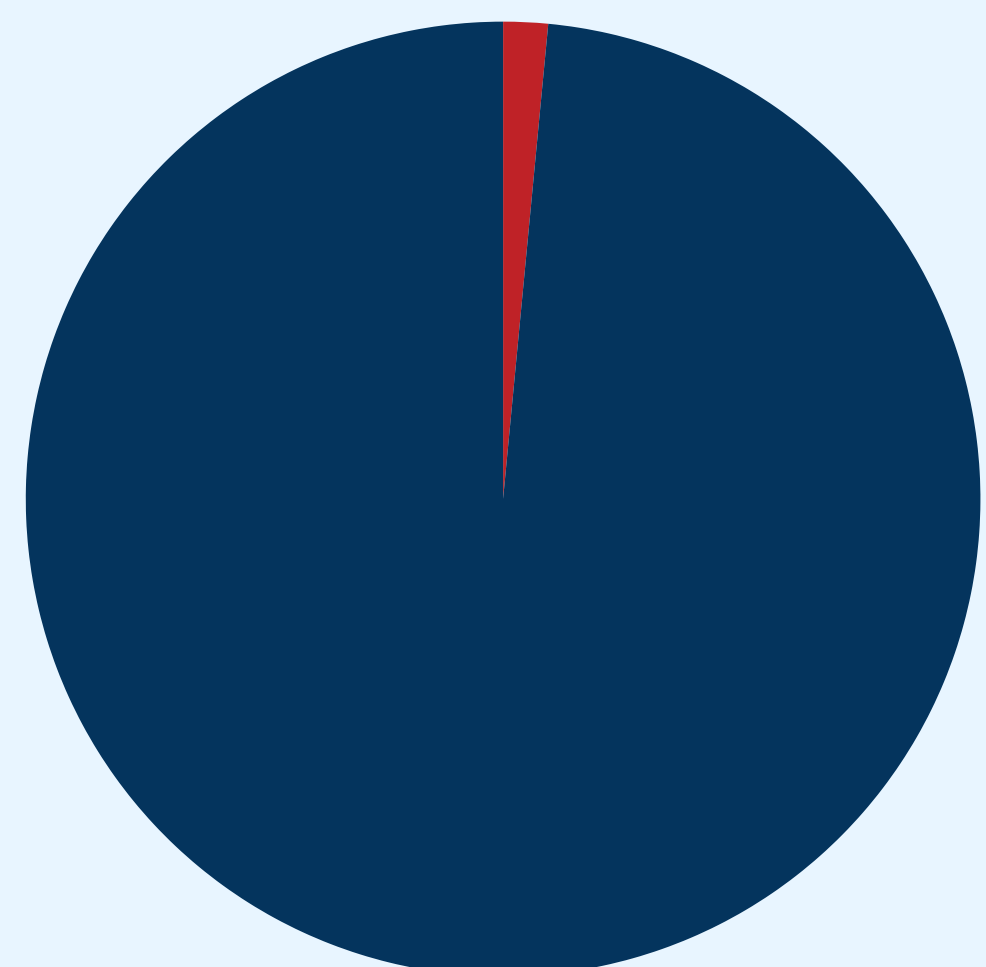
ALASKA ELECTRICITY USAGE, 2025

MYTH:

Data centers are using up a significant percentage of electricity.

REALITY:

In Alaska, data centers accounted for **1.5 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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