

DATA CENTERS IN KENTUCKY: WHAT YOU NEED TO KNOW

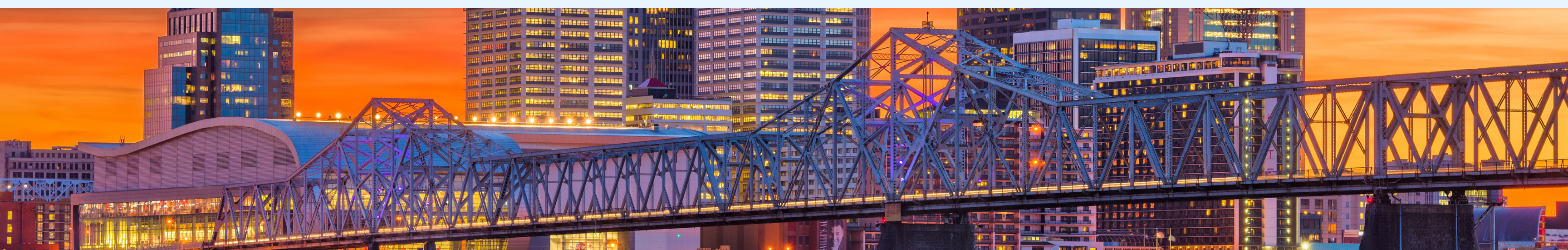
TAXPAYERS
PROTECTION
ALLIANCE



Recently, data center operations and proposed projects have received a significant amount of attention from Kentucky policymakers, pundits, and economic analysts. According to a [recently released report](#) by NetChoice in collaboration with Commonwealth Economics Partners, “a typical 400-megawatt data center in Kentucky would generate \$290 million to \$435 million in city and county tax revenue over 12 years, including up to \$222 million for local school districts. ... These are large-scale, capital-intensive projects that generate significant taxable value and utility demand while requiring relatively limited long-term staffing. Under the assumptions in this analysis, each proposed 400-megawatt campus represents approximately \$4 billion in capital investment.”

PROPOSED AND PASSED RESTRICTIONS ON DATA CENTERS

- * On June 9, 2026, the Lexington-Fayette Urban County Council unanimously [passed](#) a temporary moratorium on data center development, putting an immediate halt to permits, development plans, and zoning map changes aimed at establishing data centers. Fast-tracked after data center provider DartPoints announced its acquisition of a local facility, the measure went into effect on its June 9 adoption date and runs through October 31. The temporary pause was enacted to buy time for the Planning Commission to draft updated zoning ordinance regulations, gather public feedback, and establish strict new environmental rules, power grid restrictions, and land-use regulations.
- * Signed on August 6, Gov. Beshear’s (D) executive order [requires](#) data center developers to submit an “initial energy plan” demonstrating their facilities are not “imposing any additional [utility] costs on our families.” In addition, the order [instructs](#) the Kentucky Public Service Commission to reject utilities’ requests to increase rates “to recover costs caused by the development or operations of a data center.” Beshear stated that data center-related economic gains “can never come at the cost of the health and safety of our families or the communities we call home.”
- * On August 13, Louisville Metro Council [passed](#) a six-month moratorium on data center construction, halting projects in Kentucky’s largest city from moving forward during that timeframe—absent the adoption of new planning and zoning restrictions. Subsequently, the Louisville Planning Commission mulled several new restrictions to recommend to the Metro Council, including mandating that data centers use closed-loop cooling systems to limit water usage, forbidding developers from constructing new data centers within a quarter mile of existing data centers, and requiring virtually all new data centers to rezone. Some local activists are unsatisfied with these onerous restrictions and are calling for a complete ban on data centers.



DATA CENTER DANGERS SIGNIFICANTLY OVERSTATED

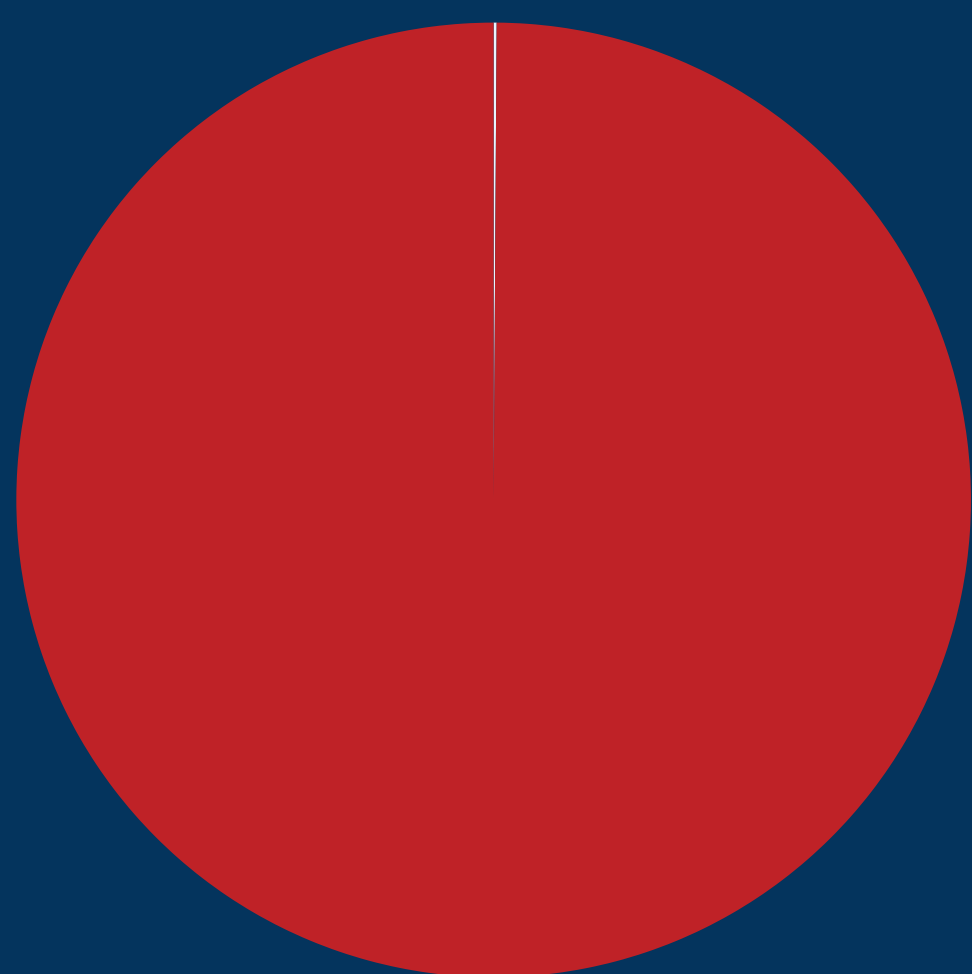
Advocates of bans or restrictions—including Gov. Beshear—often cite supposedly excessive water or electricity consumption by new data center operations. The truth is data centers account for a small proportion of water and electricity use in Kentucky.

DATA CENTER MYTH V. REALITY



KENTUCKY WATER USAGE, 2025

- Data Center Water Consumption
- All Other Consumption



MYTH:

Data centers are using up a significant percentage of water.

REALITY:

In Kentucky, 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.

KENTUCKY ELECTRICITY USAGE, 2025

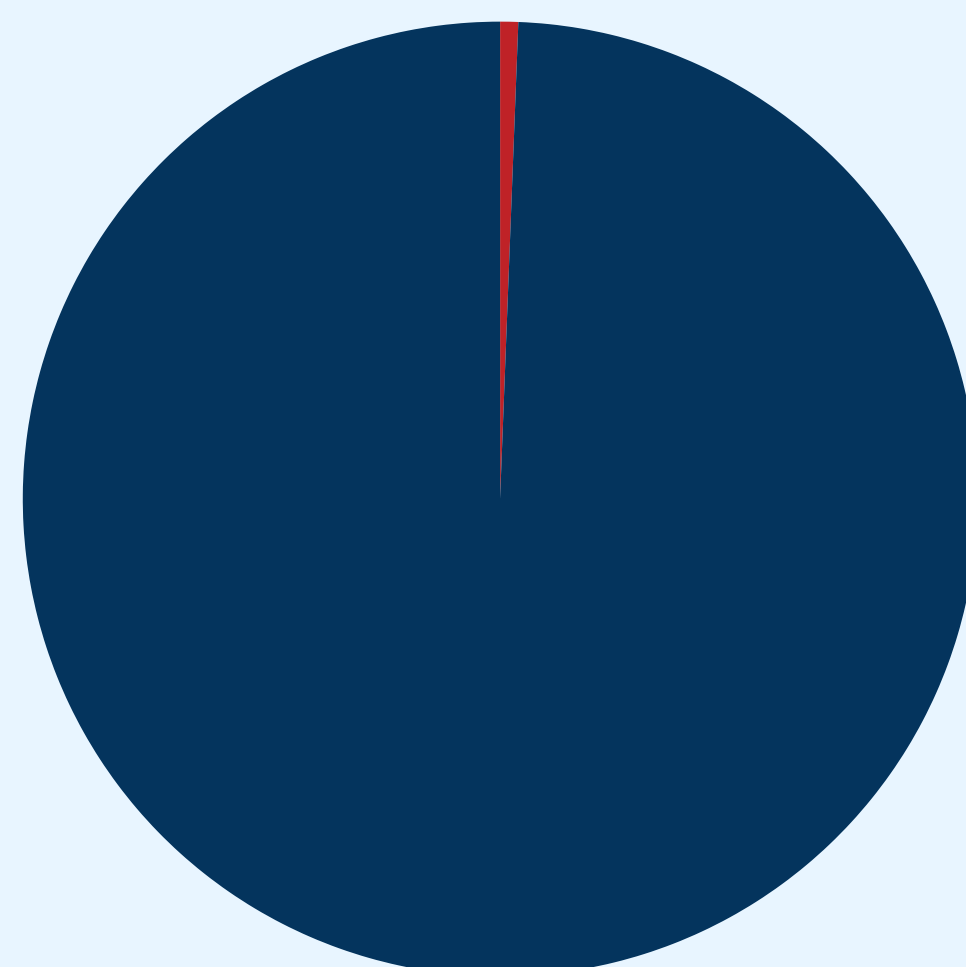
MYTH:

Data centers are using up a significant percentage of electricity.

REALITY:

In Kentucky, data centers accounted for **0.6 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