

DATA CENTERS IN RHODE ISLAND: WHAT YOU NEED TO KNOW



TAXPAYERS
PROTECTION
ALLIANCE



Recently, data center operations and proposed projects have received a significant amount of attention from Rhode Island policymakers, pundits, and economic analysts. According to a [May report](#) in *Ocean State Media*, one developer—Hanton City Investments LLC—is “seeking to build a business complex in Smithfield that would include a data center.” It “filed [its application](#) with the town on May 4—one day before the town council voted 4-1 on its ordinance [banning data centers].” This timing “muddies the waters” about the project’s prospects and highlights a wider struggle across the state between data center developers and elected officials.

PROPOSED AND PASSED RESTRICTIONS ON DATA CENTERS

- * Introduced in March by state Sens. Louis DiPalma (D), Frank Ciccone (D), John Burke (D), and Lori Urso (D), [Senate Bill 2776](#) targets data centers with an electric demand of 50 megawatts or greater, establishing strict rules for their utility impacts. It requires these facilities to pay the full cost of the electric generation, transmission, and distribution infrastructure built to serve them, explicitly forbidding these expenses from being shifted to residential or non-data center commercial customers. Additionally, facilities must submit annual water usage reports to the Department of Environmental Management, which can mandate water efficiency plans as part of the permitting process. Finally, the Department may require financial assurances to cover potential site restoration if a facility is abandoned or ceases operations. The Senate Commerce Committee voted to recommend that S. 2776 be held for further study.
- * The Westerly Town Council [passed](#) a one-year moratorium on data centers at its July 27 meeting. The unanimous vote blocks new data center proposals while the town writes permanent zoning laws. Stephen Moffitt, a Democrat running for state representative in District 38, claims, “This moratorium gives Westerly time to carefully examine its zoning regulations, comprehensive plan, environmental protections, water resources, electrical demands, emergency response needs, and the effect data centers could have on surrounding neighborhoods.”
- * On August 11, the Charlestown Town Council [voted](#) 5-0 to approve an ordinance completely banning both data centers and utility-scale battery energy storage systems within town limits. Councilor Bonnie Van Slyke, who sponsored the proposal, stated that both bans “relate to the fact that Charlestown is entirely dependent on well water and septic systems. The battery storage has the issue of potentially causing fires and also leaking fluids, with the possibility of groundwater contamination. Data centers gobble up the land and they use a lot of electricity and water. They’re something that we should be looking at very carefully.”



DATA CENTER DANGERS SIGNIFICANTLY OVERSTATED

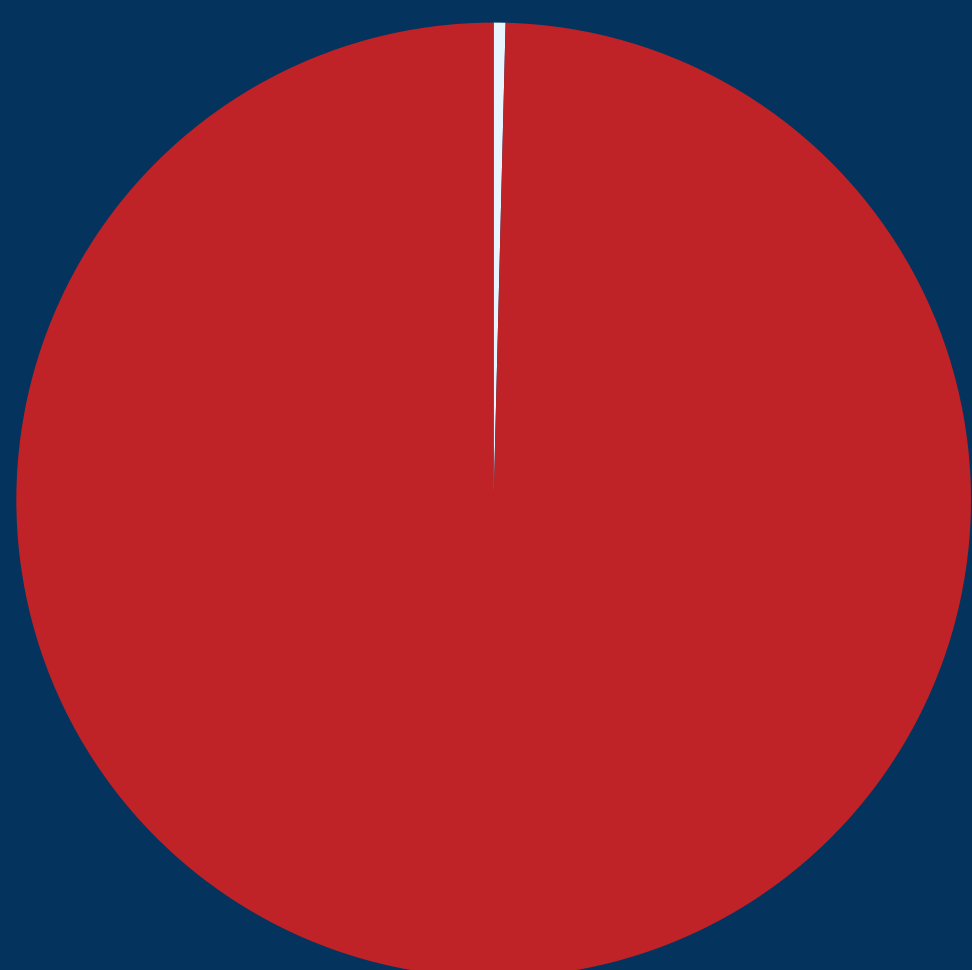
Advocates of bans or restrictions often cite supposedly excessive water or electricity consumption by new data center operations. Westerly Town Manager Shawn Lacey [claims](#), “This is an ongoing issue nationwide; it isn’t just Westerly. We know data centers consume an awful lot of electricity, resources, and water.” The truth is data centers account for a small proportion of water and electricity use in Rhode Island.

DATA CENTER MYTH V. REALITY



RHODE ISLAND WATER USAGE, 2025

- Data Center Water Consumption
- All Other Consumption



MYTH:

Data centers are using up a significant percentage of water.

REALITY:

In Rhode Island, data centers accounted for **0.4 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.

RHODE ISLAND ELECTRICITY USAGE, 2025

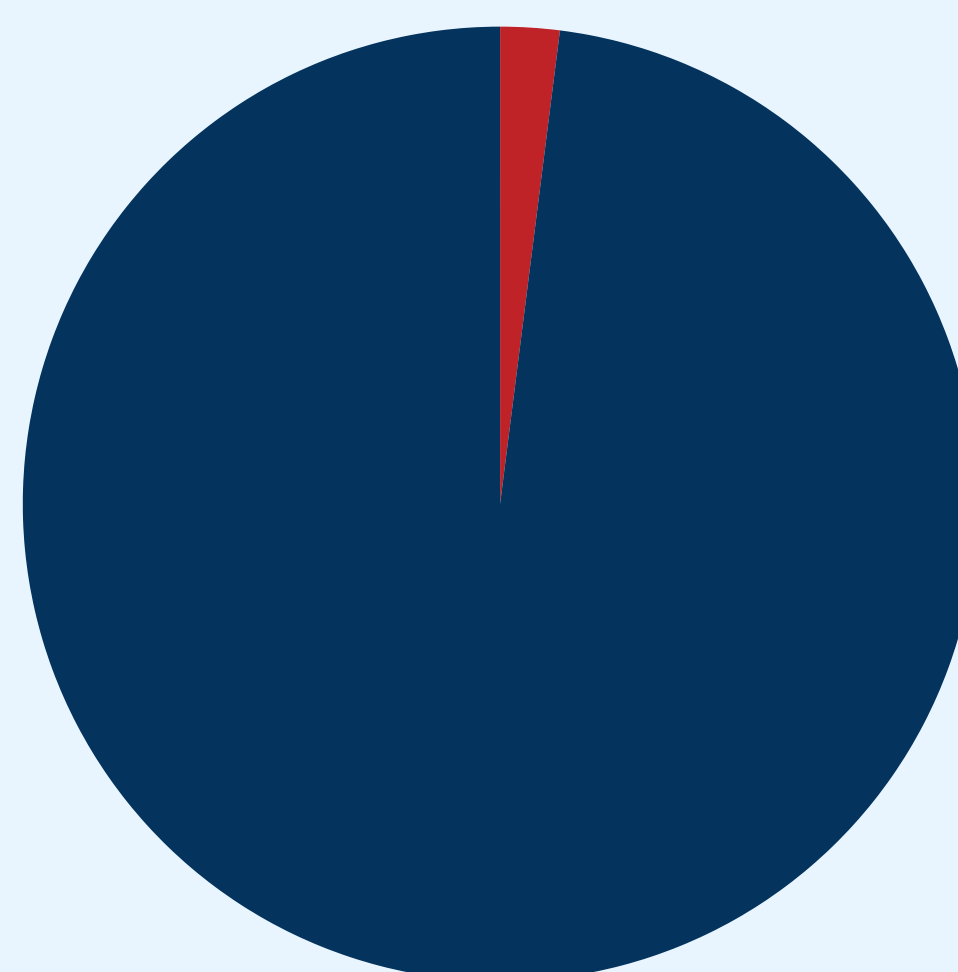
MYTH:

Data centers are using up a significant percentage of electricity.

REALITY:

In Rhode Island, data centers accounted for **2.0 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