

Data Centers and Energy Affordability

The Problem for Consumers

The rapid buildout of data centers for artificial intelligence (AI) and cloud computing is driving a surge in electricity demand across the United States. Utilities are proposing billions of dollars in new investments in power plants, transmission lines, and local grid infrastructure to serve this anticipated growth. Without strong safeguards, the costs and risks of these investments could be shifted onto households and small businesses through higher utility bills.

Consumers are already struggling with rising energy costs. Residential electricity prices have increased significantly in recent years, outpacing inflation in many parts of the country. Nearly one in four U.S. households report difficulty paying their utility bills, and millions face impossible choices between paying for energy and other essentials such as food, medicine, and housing.

Public concern about data center-driven energy costs is widespread. In a November 2025 nationally representative Consumer Reports survey, **78 percent of Americans said they were at least somewhat concerned** that new data centers could increase their household energy bills.¹

As noted by a Consumer Reports member, *“Our electric bill has increased by over 30% in the last year, and our electricity provider AEP Ohio is asking for further rate increases. The state legislature gave billions in tax incentives for data centers and multiple companies are building them here. AEP Ohio is building more energy plants and the cost of those is passed to every day Ohioans instead of the data centers. This is impacting our wallet...”* — Jonathan, Ohio

The Policy Opportunity

Data centers are becoming one of the largest new sources of electricity demand in the country.² The United States currently hosts more than 3,000 operational data centers, with more than 1,500 additional projects proposed or under development.³ A single hyperscale data center can consume as much electricity as tens of thousands of homes.⁴

This growth presents both a challenge and an opportunity:

If states allow utilities to socialize the costs of serving data centers, households could face higher bills, increased financial risk, and long-term responsibility for infrastructure that primarily benefits large corporate customers.

¹ Consumer Reports: [November 2025 American Experiences Survey](#)- nationally representative survey of 2,146 US adults

² Goldman Sachs: [US Data Center Power Demand Projected to Double by 2027](#), May 2026

³ Pew Research Center: [Most new data centers in the U.S. are coming to rural areas](#), April 2026

⁴ IEA: [Understanding the energy-AI nexus](#)

But if policymakers establish clear rules that require large new energy users to pay the full cost of new infrastructure needed to serve them, data center growth can help support investments that modernize the grid, improve reliability, expand access to lower-cost clean energy resources, and reduce costs for all customers over time.

State policymakers and utility regulators have a critical role to play in ensuring that data center development strengthens—not undermines—energy affordability.

Consumer Reports' Positions

Consumer Reports supports policies that ensure large new energy users, including data centers, bear the costs and risks they create and contribute to a more affordable, reliable, and efficient energy system. CR urges state leaders and utility regulators to:

- **Increase Transparency and Public Accountability:** Require public disclosure of data center utility agreements, projected costs, ratepayer impacts, and infrastructure plans so that regulators and consumers can understand who pays and who benefits.
- **Require Data Centers to Pay Their Fair Share:** Prevent utilities from transferring data center-related costs and risks onto residential and small-business customers. Ensure that large new energy users cover the full costs of the generation, transmission, distribution, and reliability investments required to serve them.
- **Prioritize Lower-Cost Solutions First:** Require utilities to fully evaluate energy efficiency, demand response, virtual power plants, grid-enhancing technologies, and other lower-cost alternatives before investing in expensive new infrastructure.
- **Protect Consumers from Stranded Asset Costs:** Ensure that utilities and large customers—not households—bear the financial risks if data center projects are delayed, downsized, or abandoned.
- **Align Data Center Growth with Public Benefits:** Encourage data center developers to support investments that strengthen grid reliability, reduce energy costs, and expand access to clean energy resources.

Contact

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About Consumer Reports

Founded in 1936, CR is on a mission to create a fair and just marketplace for all. Widely known for our rigorous research and testing of products and services, we also survey millions of consumers each year, report extensively on marketplace issues, and advocate for consumer rights and protections around safety, digital rights, financial fairness, and sustainability. CR is independent and nonprofit.