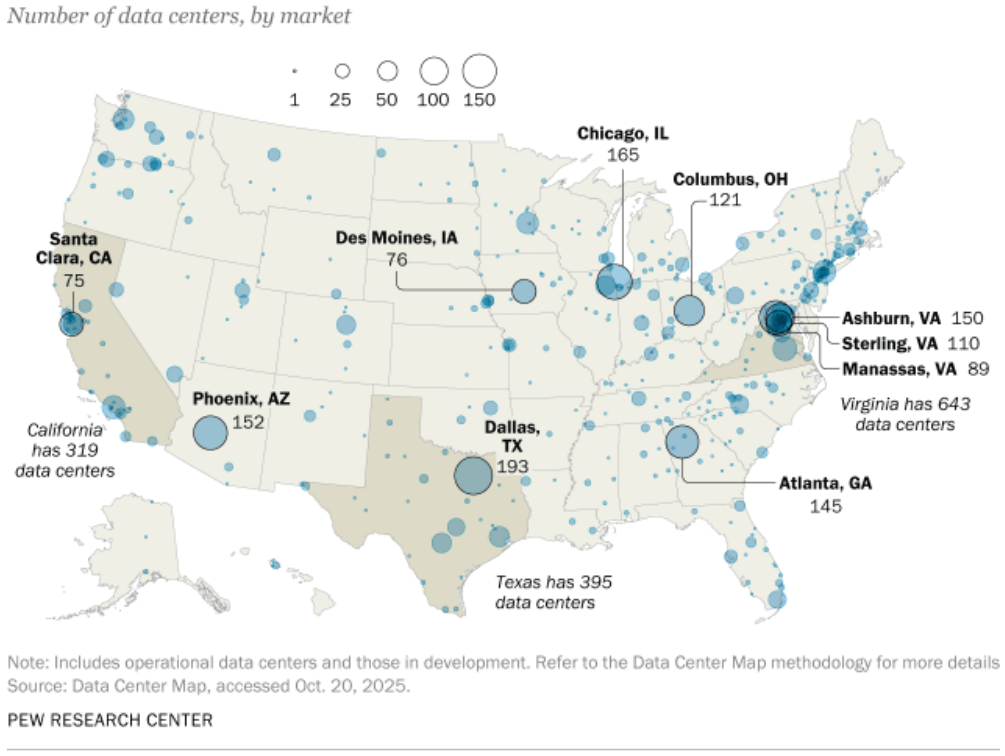
Fireside Chat: Data Centers and Energy Use in NC

Presentation for LNC Class 33

April 16, 2026

Background on Data Centers

- Data centers have been around since the 1960s
  - Initially were just computer rooms
  - Companies then began building dedicated facilities
- Cloud computing significantly increased the need for data centers
  - There are now nearly 100 data centers in NC
- Artificial Intelligence (AI) data centers are different:
  - Much larger scale
  - Require significantly greater resources (energy, water, land)



Data Centers: Economic Development Opportunities

- **Record Capital Investment:** In June 2025, Amazon announced a cloud computing and AI innovation campus in Richmond County.
- **Regional Economic Impact:** This $10 billion investment (the largest in NC history) significantly exceeds Richmond County's local tax base.
- **Creation of High-Skill Jobs:** Commitment to create 500 technology jobs over five years
- **Workforce Development and Education**

AWS Data Center, New Carlisle, IN

"At a time when artificial intelligence is changing the way we work and innovate, North Carolina will stay at the front of the innovation landscape by attracting top technology companies like Amazon that support hundreds of good-paying jobs. This investment will support thousands of jobs and provide a boost to Richmond County's economy."

- Governor Josh Stein

Data Centers: Environmental and Cost Impacts

- **Electricity Demand**: electric use may exceed that of a major city
- **Water Consumption:** comparable to that of a small town
- **Air Emissions:** use of backup diesel generators
- **Community Impacts:** Land use, noise, and visual concerns
- **Rate Impacts**: Are electricity bills going up due to data centers?

Data center in Loudoun County, VA

"...we cannot be blind to the impact these data centers are having on our state. They need to pay their way, so that our residential consumers don't have to bear the cost."

- Governor Josh Stein

Policy Responses

- Zoning changes and moratoria
- Reporting of energy and water use
- “Ratepayer Protection Pledge”
  - Data centers must pay their fair share
  - Bring your own generation
  - Load flexibility
- Re-examining tax incentives
  - North Carolina provides a sales and use tax exemption for qualifying data centers, for two categories of purchases: (1) electricity sold for use at a qualifying data center, and (2) purchases of qualifying “datacenter support equipment” located and used at a qualifying data center

“Given the trillions of dollars of capital that is flowing freely into data center construction, they simply do not need economic incentives to occur. We should spend taxpayer dollars, and forego revenue, only when there is a clear, direct value to the people of this state.”

- Governor Josh Stein