Data Centers, Water, and Houston

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Texas has **more than 460 data centers**, including 50+ in the Houston area. These facilities power AI tools, cloud storage, and other digital service, and their demand for water and electricity is growing rapidly.

New projects are also getting much bigger. While many Houston-area facilities use between 5 and 60 megawatts (MW) of power, new "hyperscale" facilities may use 100 MW or more.

1 mega-watt

can power roughly 200 Texas homes.

A growing demand for water

Texas data centers currently use an estimated 25 billion gallons of water each year. By 2030, that could rise to as much as **161 billion gallons**.

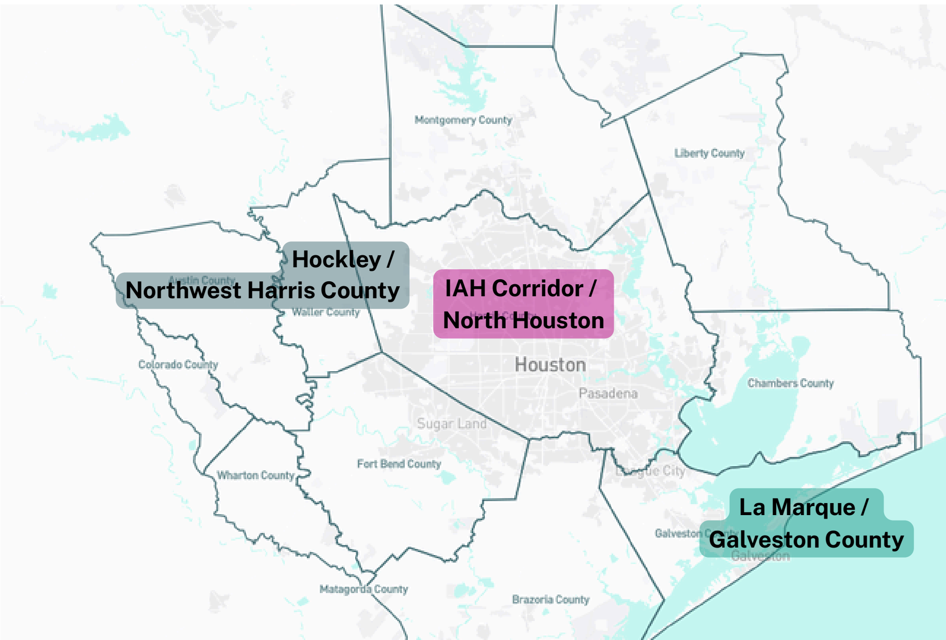
We do not know the true total because Texas has no reliable public system for tracking data-center water use.

The water we see

Many data centers cool their servers by evaporating water. A large facility can use up to 5 million gallons per day. Lower-water technologies exist, but Texas does not require companies to use them.

The water we don't see

Because more than 42% of Texas electricity comes from natural gas, even a facility advertised as "water-free" may use substantial water through the cooling required for their power sources.



Data centers are clustering near communities and ecosystems already facing flooding, industrial pollution, extreme heat, and infrastructure strain. Texas does not require decision-makers to consider these cumulative burdens when facilities are approved.

Hidden demand. Public costs. Few protections.

No reliable data

Companies are **not required to publicly disclose their water use** or cooling systems. NDAs can keep this information secret, and fewer than 20% of facilities responded to a required state water survey. The penalty for failing to respond? Just $500.

Who's paying for all this?

You are. The cost of new water lines, power infrastructure, and grid upgrades can be spread across everyone's utility bill, not charged directly to the companies driving the demand. Meanwhile, data centers receive state tax exemptions on equipment and electricity.

No rules for water

Texas has started regulating data centers' electricity demand while largely ignoring their water use. There are currently **no requirements** to:

- Publicly report water use
- Meet water-efficiency standards
- Conserve during droughts
- Include demand in regional water plans

Local governments also have **little authority** over where facilities are built, especially in unincorporated areas.

BCWK's recommendations to regulate data centers

The public should not subsidize an industry or bear the costs it had no say in creating.

Texas must:

1. **Make water use public.** Require facilities to disclose their water use, sources, and cooling systems, with meaningful penalties for noncompliance.
2. **Set water-efficiency and drought rules.** Require less water-intensive cooling and conservation during droughts and emergencies.
3. **Give communities a voice.** Expand local authority over siting and require community benefit agreements before major facilities are approved.
4. **Make data centers pay their share.** Charge companies for the water, power, and infrastructure their facilities require.
5. **Plan for their demand.** Include data centers in regional water planning before new facilities come online.

Texas has started planning for the electricity data centers consume. It must now confront their water use.

For questions about our policy work, please contact **Guadalupe Fernandez** at guadalupe@bayoucitywaterkeeper.org or **Usman Mahmood** usman@bayoucitywaterkeeper.org.

BCWK