

New York's Data Center Crisis

The rapid and unprecedented buildout of data centers is one of the top threats to affordability, the environment, quality of life, and health in New York. These facilities are seeking more than 9,000 megawatts (MW) of new electricity — about 1.5 times the power consumption of every household in the state in 2024. This gold rush for electricity comes after New York experienced a 44 percent increase in residential rates between 2020 and 2025, above the national rate increase of 32 percent. Greenlighting these data centers will further drive-up power bills, harm local communities, and undermine the state's legally mandated goals.

Data Centers Are a Fast Track to Unaffordable Electricity

All New Yorkers are part of the same, single market for wholesale power generation, managed by the New York Independent System Operator, or NYISO. High demand from data centers in one region will raise prices across the state. These increased costs are passed to ratepayers through a supply charge or purchase price adjustment.

According to NYISO's annual reliability plan, data center expansion poses a risk to reliability because additions far exceed the ability to build new electricity sources. As electricity demand begins to outstrip supply statewide, expensive emergency resources like dirty old power plants will be called into service more frequently, and blackouts may become more likely.

Off-grid data centers often build less efficient, dirtier gas plants. Increased natural gas consumption squeezes on-grid power plants by creating severe volatility in local gas markets, straining pipeline capacity. Because the price of electricity is often set by the most expensive gas generator in use, even off-grid gas consumption raises electricity prices.

Governor Kathy Hochul claims that New York can continue to build data centers without impacting electricity prices, so long as data centers cover the costs of utility expansion. This ignores a whole range of transmission costs that will arise from building additional power plants to meet demand — costs that would likely be passed onto ratepayers. Additionally, federal law limits the ability to charge data centers higher rates.

Data Centers Imperil New York's Climate Goals

Data centers disproportionately use dirty energy, and nationally their carbon footprint is 48 percent higher than electricity generated for other uses in the U.S. Research shows that even when data centers increase renewable electricity deployment, they still increase overall emissions. That's because much of this renewable energy would have otherwise been built and used to serve other consumers in lieu of fossil fuels.



Scan the QR code to urge Governor Hochul to sign the Responsible Data Center Development Act

Marginal Economic Benefits Come at Significant Public Cost

Stream Data Centers proposed an \$11.2 billion, 500 MW data center at the STAMP (Science, Technology & Advanced Manufacturing Park) economic development site in Genesee County. This project is promising a scant 125 permanent jobs paying an average of \$88,461 each per year — \$11 million in total.

At the STAMP location, the New York Power Authority (NYPA) frequently offers cheap power to encourage investment. Some data centers have attempted to access these deals, although it's unclear to what degree Stream will benefit from NYPA-subsidized power. Based on the tax information provided by the Genesee County Industrial Development Agency, Food & Water Watch estimates that the facility will pay \$225 million per year for electricity — 5.1 cents per kilowatt-hour (kWh). In contrast, residential customers in the same service area pay 17.22 cents per kWh. In addition to cheaper electricity, the Stream data center project is receiving tax breaks. Over 30 years, these tax exemptions are worth \$774 million. This far exceeds the 30-year cost of the salaries for the 125 permanent jobs (\$330 million).

Data Centers Are Bad Neighbors

Water is another resource under threat from the data center boom. The amount of water consumed by U.S. data centers more than tripled from 2014 to 2023. Water withdrawn to cool data centers can lower water levels from the source, impacting fish and other aquatic life. Additionally, the cocktail of chemicals added to minimize corrosion and other issues will eventually be released when water systems are flushed, consuming more water and posing water quality concerns.

Data centers also have noisy cooling systems that create headaches for nearby communities and disrupt their sleep. Residents in Loudon County, Virginia, a data center epicenter, liken the constant buzzing of data centers to a big fan or lawn mower running 24 hours a day, even with their windows closed.

Governor Hochul Must Sign the Responsible Data Center Development Act

In July, Governor Hochul took a good first step, issuing an executive order establishing a temporary moratorium on data centers. But there's a much stronger bill passed by the Legislature in June that Hochul must sign into law, the Responsible Data Center Development Act.

The bill contains a more expansive definition of "hyperscale data centers," ensuring no communities are left unprotected, while requiring robust studies of the full impacts of data centers and strong public participation standards, policies essential to protecting our health, communities, and environment.



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read the full fact sheet.*