TEXAS
POLICY RESEARCH

June 23rd, 2026

Chairman Harris and Members
House Committee on Natural Resources
Texas House of Representatives

RE: Written Testimony on Data Center Water Use & Conservation

Chairman Harris and Members of the Committee:

Thank you for the opportunity to provide written testimony regarding data center water use and conservation.

Texas is rapidly becoming a national leader in artificial intelligence, cloud computing, and advanced computing infrastructure. As investment accelerates, so too does discussion about electricity demand, water use, and infrastructure planning. These are important conversations, but they should be grounded in data rather than assumptions.

Water stewardship matters. Texas faces recurring droughts, regional water constraints, and significant long-term infrastructure needs. Policymakers have a legitimate interest in understanding how large industrial users, including data centers, affect local water resources.

However, the policy question is not whether data centers consume water. Every major industrial, commercial, agricultural, and residential activity does. The question is whether data center development represents a unique threat requiring new restrictions or whether existing planning, pricing, and infrastructure tools are sufficient to manage growth. Available data suggests caution before pursuing broad restrictions. Estimates indicate that data centers accounted for approximately 0.3 percent of statewide water consumption in 2025. While individual projects may create localized concerns, statewide consumption remains relatively small compared to overall water use. Where concerns do exist, they are often local rather than statewide. Communities, groundwater conservation districts, utilities, and developers should work together to ensure adequate supply, appropriate infrastructure investments, and transparent planning. A one-size-fits-all statewide approach risks creating unnecessary barriers to investment while failing to address the specific circumstances of individual regions.

Importantly, data center operators already have strong incentives to conserve water. Water is a direct operating cost. Advancements in cooling technologies, water recycling, and efficiency improvements continue to reduce water intensity and encourage more responsible resource management.

The Legislature should focus on policies that promote transparency, infrastructure expansion, and responsible cost allocation. New development should bear the costs associated with the infrastructure required to support that growth. At the same time, policymakers should avoid moratoriums, arbitrary restrictions, or regulatory uncertainty that could discourage investment and economic opportunity in Texas.

Texas has historically succeeded by meeting growth with innovation and infrastructure development rather than limiting growth itself. As lawmakers examine data center water use and conservation, the goal should be ensuring that water resources are managed responsibly while preserving the economic competitiveness that has made Texas a leader in attracting investment.

Texas does not need less growth. It needs the infrastructure and planning necessary to support it responsibly.

For Liberty, For Texas!

Jeramy D. Kitchen
President | Texas Policy Research Action (TPRA)