



September 1st, 2026

Chairman Perry and Members
Senate Committee on Water, Agriculture & Rural Affairs
Texas Senate

RE: Written Testimony on Assessing the Water Demands of Energy-Intensive technologies

Chairman Perry and Members of the Committee,

Thank you for the opportunity to provide comments regarding the water demands of energy-intensive technologies.

Texas continues to experience rapid population growth alongside unprecedented investment in data centers, advanced manufacturing, and other large industrial facilities. These industries create jobs, expand the tax base, and strengthen Texas's economic competitiveness. Their growth, however, also places additional demands on water infrastructure that policymakers should address through sound planning and transparent governance rather than by discouraging investment.

The Legislature should begin from a simple principle: no class of water user should be insulated from the true costs of its consumption, nor should existing residential customers, agricultural producers, or small businesses be required to subsidize new industrial demand. Growth should pay for growth.

Transparency should therefore be improved throughout the water planning process. Local governments, groundwater conservation districts, river authorities, and retail water providers should have access to timely information regarding projected industrial demand, anticipated infrastructure needs, and long-term supply planning. Likewise, Texans deserve confidence that major industrial projects are evaluated using consistent, publicly available standards before significant public investments or commitments are made.

As the committee evaluates data center water use, it should also distinguish between water withdrawals and water consumption. Many modern cooling technologies recycle substantial portions of the water they use, while emerging cooling systems continue to reduce overall consumption. Policymakers should rely upon objective data rather than assumptions and avoid regulations that favor or penalize particular technologies before the evidence warrants doing so.

Texas should also encourage innovation that reduces water intensity. Water recycling, reclaimed water, closed-loop cooling systems, desalination where economically justified, and other market-driven technologies can help meet future demand while preserving existing supplies. Rather than prescribing specific technologies, the Legislature should remove unnecessary regulatory barriers that discourage private investment in innovative water solutions.

Finally, Texas should avoid adopting policies that single out one industry for disparate treatment. Whether the user is a data center, manufacturing facility, chemical plant, or any other large industrial customer, the same principles should apply. Markets function best when participants bear the costs of the resources they consume and compete under transparent, predictable rules.

Texas has long demonstrated that economic growth and responsible resource stewardship are compatible. By improving transparency, ensuring infrastructure costs are borne by those creating new demand, protecting private property rights, and allowing innovation to improve water efficiency, the Legislature can safeguard affordable water for Texans while preserving the state's reputation as the nation's premier destination for investment and innovation.

Thank you for your consideration. I respectfully ask the committee to advance recommendations that promote transparency, accountability, and market-based management of Texas' water resources while protecting both taxpayers and existing ratepayers.

For Liberty, For Texas!

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