PRESS RELEASE

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Data centers drive even more price increases for Ohio ratepayers

PJM announcement underscores need for clean energy solutions to power data centers

The energy grid operator PJM has announced auction results projected to add $6.3 billion in costs to ratepayers in its service area, which includes Ohio. The company's announcement cites rapidly growing demand from data centers as the driving force behind the rate increases.

A new Policy Matters Ohio brief shows how data center-driven demand is also deepening the state's dependence on fossil fuels, arguing that lawmakers should require greater oversight of data center development and accountability for utilities, while requiring data center operators to fund renewable energy development for overall affordability and sustainability.

"Ohio legislators are making a choice about how to meet the enormous energy demands of data centers," said Molly Bryden, researcher at Policy Matters Ohio and author of the brief. "So far, too many leaders have chosen a path that locks Ohio into more natural gas generation and slows our transition to cleaner energy while increasing costs to families on their electric bills."

The brief finds that the rapid expansion of data centers is driving investments in new natural gas generation, encouraging additional fracking activity, and increasing interest in costly and potentially risky nuclear projects.

"The same companies driving this surge in electricity demand have extraordinary financial resources," Bryden said. "Lawmakers should require data center operators to help expand grid-connected renewable energy generation rather than incentivizing a fossil-fuel-heavy buildout. By taking options like renewables off the table, Ohio legislators are locking rate payers into higher costs and limited relief."

"Ohio's history of anti-renewable policy has effectively blocked more than 5.3 gigawatts of utility-scale solar and wind projects," Bryden said. "Had these projects moved forward, their addition to the grid could have played an important role in insulating Ohio rate payers from price increases."

The full brief is available here: https://policymattersohio.org/research/data-centers-slow-ohios-clean-energy-transition/

Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.