Congress of the United States

Washington, DC 20515

October 28, 2025

Drew Maloney
Chief Executive Officer
Edison Electric Institute
701 Pennsylvania Avenue, N.W., Suite 400
Washington, DC 20004

Dear Mr. Maloney:

Data centers play a vital role in advancing U.S. innovation, competitiveness, and security. However, we are concerned that energy costs associated with data center development and power consumption are increasingly being passed on to everyday Americans and small businesses, undermining energy affordability for consumers nationwide.

The growth of data centers represents a long-term challenge for the grid, with electricity demand that could account for 12% of total U.S. electricity use by 2028.[1] Large, hyperscale data centers —the kind currently being planned to support AI workloads—can consume between 20 and 100 MW, with some of the very largest facilities approaching 500 MW, roughly the electricity use of 375,000 homes or a small city.[2] The expansion of data centers risks creating persistent affordability challenges for households and small businesses.

Costs associated with grid upgrades and energy generation needed to serve data centers are already being passed down to customers. A recent report found that, in 2024 alone, utilities in seven states whose grid operations are governed by PJM Interconnection passed more than $4.3 billion in transmission upgrade costs onto customers to bring data centers online.[3] At the same time, the additional electricity demand from data centers drove up PJM's generation costs by $7.3 billion, or 82%—costs that are ultimately passed on to consumers through their energy bills.[4] These staggering figures underscore the urgent need to protect ratepayers, both in the region served by PJM and nationwide.

Another concern is that consumers and regulators often lack visibility into how rate increases are calculated or who ultimately pays. A recent report analyzed nearly 50 regulatory proceedings nationwide and found that contracts between utilities and data center developers are frequently confidential, preventing the public from having a full picture of electricity usage and costs.[5] For example, in recent filings with state public utility commissions, crucial information around data

[1] Arman Shehabi, Sarah J. Smith, et al, "2024 United States Data Center Energy Usage Report," Lawrence Berkeley National Laboratory, December 2024.
[2] Sean Klimczak, "The Convergence of Data Centers and Power: A Generational Investment Opportunity," Blackstone, October 2024.
[3] Mike Jacobs, "Connection Costs," Union of Concerned Scientists, September 2025.
[4] Monitoring Analytics, "Analysis of the 2026/2027 RPM Base Residual Auction," October 2025.

center anticipated energy demand, projected local benefits, and associated payment terms have often been redacted. While some confidentiality is necessary to protect business interests and promote competition, arrangements can make it difficult for consumers, regulators, and policymakers to assess whether the costs—which could ultimately be paid for by all utility customers—are fair or reasonable, highlighting the need for transparent reporting and accountability.

These proposals to finance grid upgrades to support data center expansion come at a time when electricity costs are already straining American families. According to the U.S. Energy Information Administration, the average residential retail price of electricity is projected to increase 18% by 2026 compared to 2022.[6] Families are feeling the squeeze: two in three Americans say utility bills are a source of financial stress, and three in four are worried about further increases.[7] With budgets already stretched thin, any additional costs of powering new data centers would contribute to energy insecurity and financial hardship for millions of Americans.

As Congress considers how best to address this issue, we request your responses to the following questions:

1. How are you and your members working with utilities and tenants to ensure that the costs of new grid infrastructure associated with data centers are not passed through to households and small businesses?

2. What role could Congress play in ensuring fair cost allocation as data center development accelerates nationwide? Specifically, what approaches—such as minimum usage commitments, separate rate classes, or upfront cost recovery—could be considered to protect consumers?

3. What steps will you take to ensure transparency of contracts and tariffs involving large data centers, so that consumers can clearly understand the impacts on their electricity costs?

4. Do current data center load forecasts reflect realistic expectations for future demand? How are uncertainties in these forecasts being accounted for in grid and generation planning?

5. How can utilities, regulators, data centers and tenants better cooperate to incorporate demand flexibility and reduce or shift electricity use during peak times?

6. What technologies, tools, and/or research are you investing in to help utilities, grid operators, energy project developers, and the data center industry better plan and site both generation and demand-side load infrastructure?

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[5] Eliza Martin, Ari Peskoe, "Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power," Harvard Law School, March 2025.
[6] Owen Comstock, "U.S. electricity prices continue steady increase," U.S. Energy Information Administration, May 2025.
[7] Powerlines, "Utility Bills Are Rising" Q2 2025 Update," July 2025.

7. Long term, what reforms could Congress consider to ensure that the grid is both resilient and flexible enough to integrate new sources of energy generation and meet rising demand?

Our energy system is at a unique inflection point. With roughly half of the grid needing replacement[8] and demand expected to grow dramatically, the U.S. faces both a challenge and an opportunity to meet America's energy needs for the next century. The decisions made now will determine whether America can sustain the growth of critical infrastructure like data centers while keeping electricity reliable and affordable.

Building a resilient grid that enables innovation and serves consumers must be a national priority. We look forward to your responses and collaboration on this critical issue.

Sincerely,

Kevin Mullin
Member of Congress

Greg Landsman
Member of Congress

Kathy Castor
Member of Congress

Kim Schrier, M.D.
Member of Congress

Alexandria Ocasio-Cortez
Member of Congress

Lori Trahan
Member of Congress

Mike Quigley
Member of Congress

Adam Smith
Member of Congress

[8] Andrew Obin, David Ridley-Lane et al, "Power check: Watt's going on with the grid?" Bank of America Institute, July 2025.

Jan Schakowsky
Member of Congress

Nanette Diaz Barragán
Member of Congress

Seth Moulton
Member of Congress

Madeleine Dean
Member of Congress

Delia C. Ramirez
Member of Congress

Debbie Dingell
Member of Congress

Kelly Morrison
Member of Congress

Donald S. Beyer Jr.
Member of Congress

Andrea Salinas
Member of Congress

Robert J. Menendez
Member of Congress

André Carson
Member of Congress

Mike Levin
Member of Congress