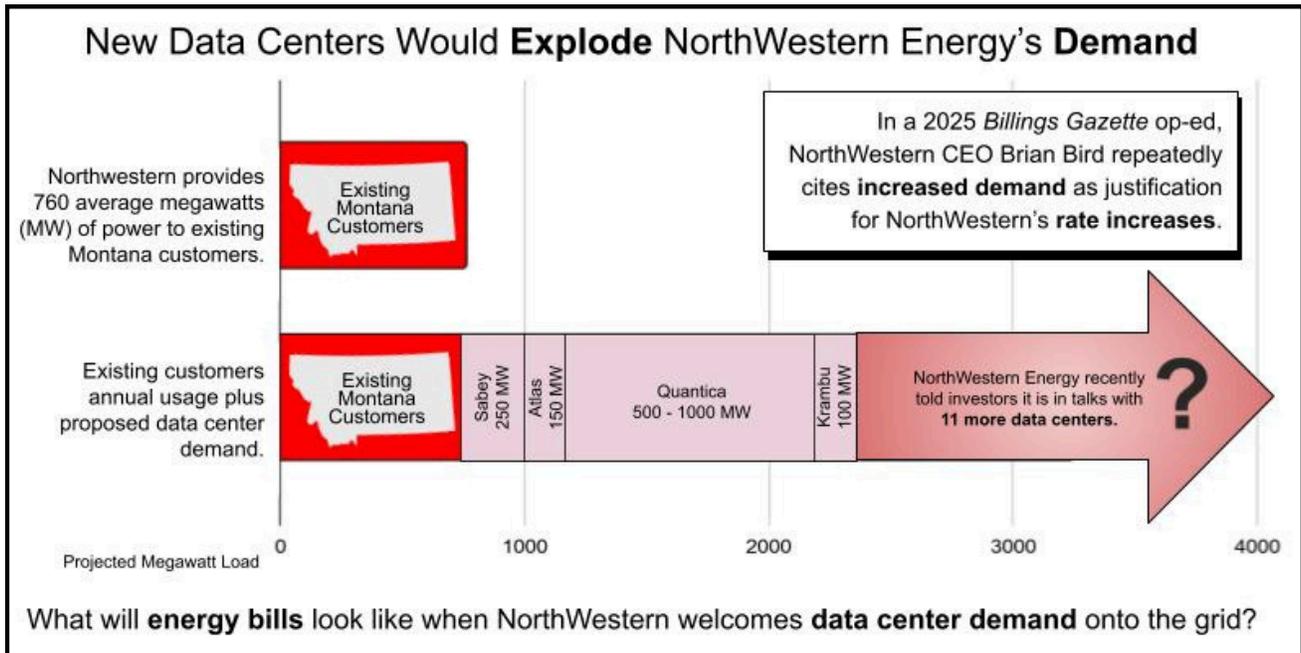


# How Data Centers Could Impact Montanans

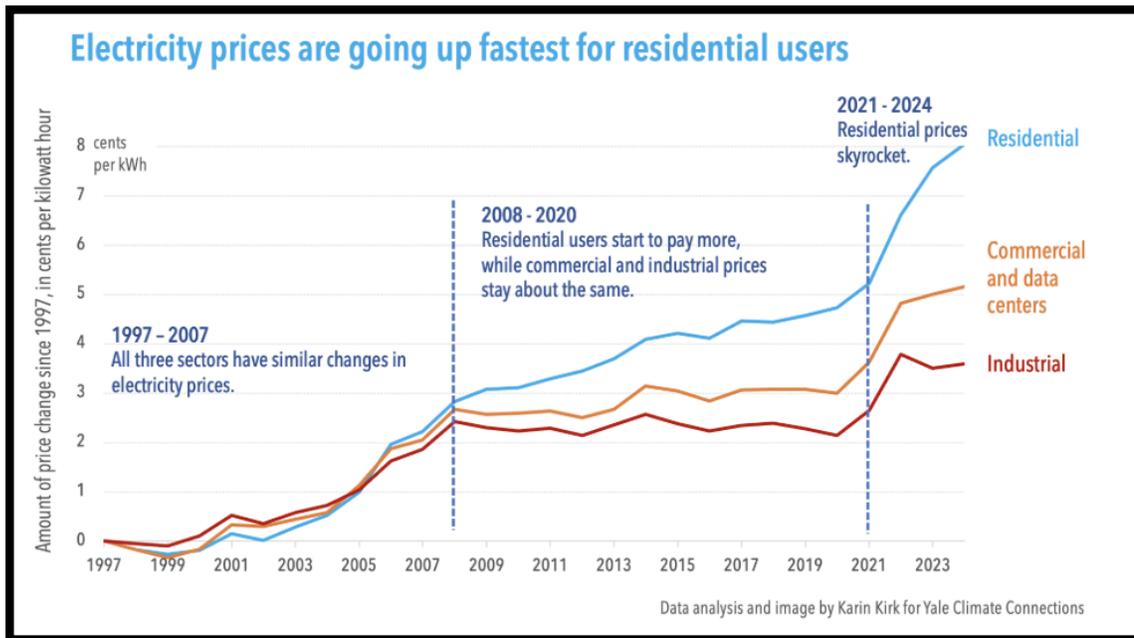


## Cost-shifting means the public pays for data center energy and infrastructure.

- **Backdoor deals** are a common tool used by utilities, like NorthWestern Energy, to avoid disclosing that they are using revenues from existing residential and small business customers to **subsidize electricity for data centers**.<sup>1</sup>
- Montana has **no protective regulatory framework**, such as a separate **rate class** for data centers or large load **tariffs**, to protect existing customers from **subsidizing data centers**.<sup>2</sup>
- NorthWestern Energy's negotiations with fourteen data centers are **hidden from public view**, three of which by a **Protective Order** granted by the Montana Public Service Commission.<sup>3</sup>
- In Montana, data centers and everything related to that operation enjoy one of the very **lowest property tax rates** of 0.9%.<sup>4</sup>
- In one recent instance, **litigation revealed** that an east coast utility was planning for existing customers to pick up an extra **\$325 million** for discounted energy costs to the data center.<sup>5</sup>
- People on the east coast who are served by the largest grid operator in the US "were hit with an extra \$9.4 billion in electricity bills as proposed data centers drove up prices."<sup>6</sup>

## Data centers strain water supplies and bring air and noise pollution.

- Just one data center can consume as much as **five million gallons of water** in a day.<sup>7</sup>
- The majority of water consumed on-site at data centers is **drinking water grade**.<sup>8</sup>
- Communities' **wells have gone dry** when large data centers move into their neighborhoods.<sup>9</sup>
- Data centers are **prone to fires**. In Ohio, two Amazon data centers called out a fire department **84 times in one year** (2021) and those two data centers **pay zero** in property taxes.<sup>10</sup>
- In Montana, a now defunct data center in Bonner was a years' long **noise nuisance** to neighbors.<sup>11</sup> For neighbors of data centers, noise can reach **90 decibels**.



#### More Information



Scan this QR code for more information on data centers and Montana.

### Data centers are stressing energy grids and threatening lives.

- In 2025, energy grids around the US blew past annual peak projections months before the hottest days even arrived. **AI is competing for power with home AC during heat waves.**<sup>12</sup>
- In early 2025, 1,500 MW of data center demand switched to onsite generation causing a **huge surge** in excess electricity. "What it tells us is that the behavior of data centers has the potential to cause **cascading power outages** for an **entire region**," said Alison Silverstein, a former senior adviser to the chairman of the U.S. Federal Energy Regulatory Commission.<sup>13</sup>

### Data center developers make optimistic predictions about job creation, but the reality is disappointing.

- The Switch Inc. data center in Michigan received **tax breaks** in 2015 after **promising** to create **1,000 jobs in 10 years.**<sup>14</sup> But by 2022, the company had only **hired 26 people**, and those 26 jobs' average wage was **below \$38,000** per year.<sup>15</sup>
- A Wall Street Journal article "The AI Data-Center Boom Is a **Job-Creation Bust**," the chief executive of data-center operator Patmos Hosting shares that, "Data centers have rightly earned a dismal reputation of creating the **lowest number of jobs per square foot** in their facilities."<sup>16</sup>

### AI and cryptocurrency ventures may be falling into the boom-and-bust cycle.

- In China, data center developers **overbuilt** leaving facilities **unused**, especially in rural areas.<sup>17</sup>
- Investors, CEOs, AI shareholders and the Wall Street Journal have raised questions about whether this current **AI craze** is a **bubble** that will **burst**, similar to the dot com bubble in the late 1990s and the 2008 housing crisis.<sup>18</sup>

### Community action works. Many data center projects are cancelled due to local pushback.

- In 2025, twenty five data center projects were cancelled, four times more than 2024.<sup>19</sup>
- Local opposition delayed or blocked \$64 billion of data center projects between May 2024 and March 2025.<sup>20</sup>

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