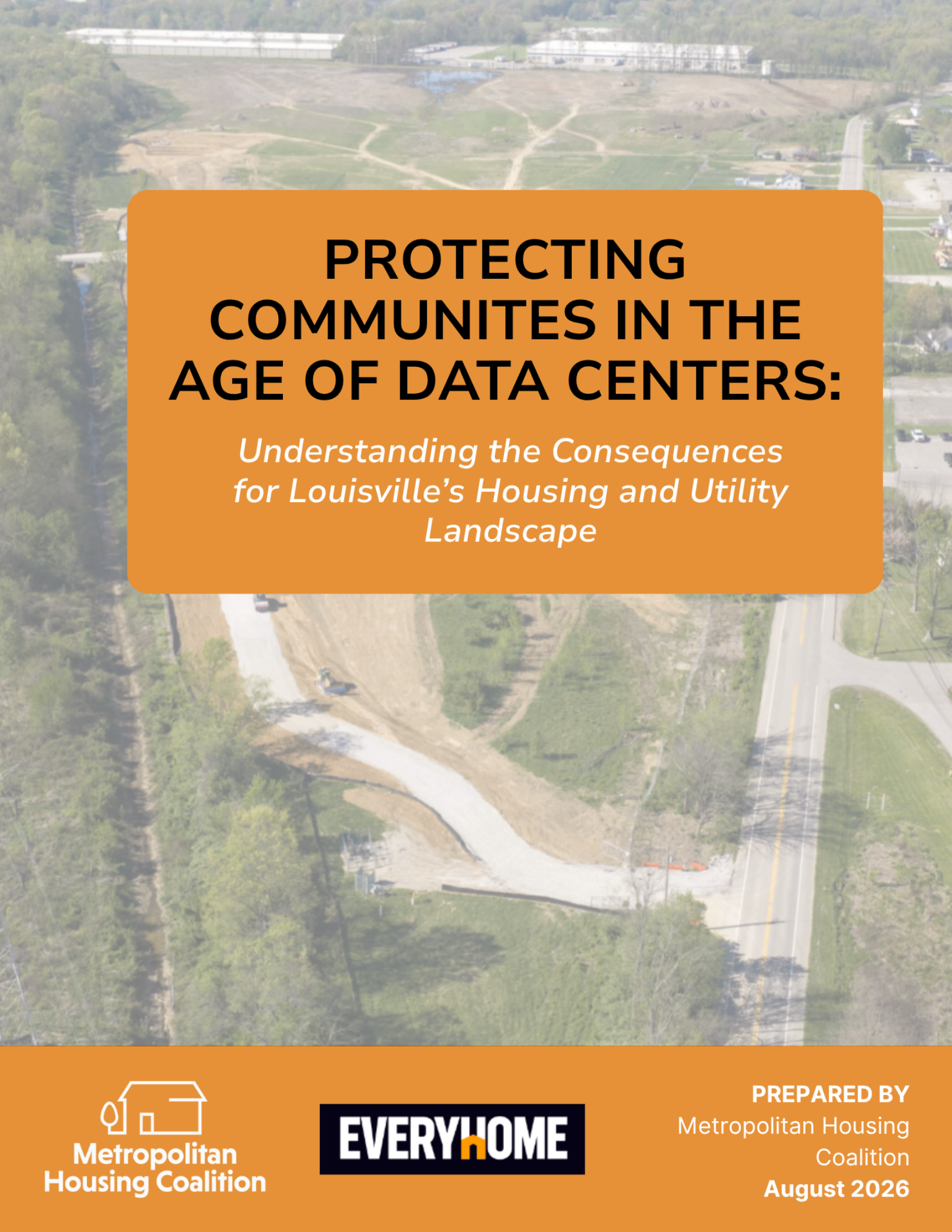




PROTECTING COMMUNITIES IN THE AGE OF DATA CENTERS:

*Understanding the Consequences
for Louisville's Housing and Utility
Landscape*

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Protecting Communities in the Age of Data Centers: Understanding the Consequences for Louisville's Housing and Utility Landscape

Prepared by Metropolitan Housing Coalition

Sarah Pierce, EveryHome Program Coordinator
Anthony P. Curtis, Executive Director

Introduction

Data center development has recently become a topic of growing concern, across Louisville and communities across the United States. As the demand for technological advancement increases with expansion into cloud computing, artificial intelligence (AI), remote work, and storage, many communities, like our own, are being asked to evaluate how “hyperscale” data centers fit into their housing, economic, environmental, and long-term planning goals. This is a pivotal moment for Louisville - while data centers claim to bring tax revenue and jobs to the city, they also raise important questions regarding land use, power and water consumption, public safety, and environmental impacts. The Metropolitan Housing Coalition (MHC) believes that data centers put a strain on housing and utility costs, strain water resources and the electrical grid, pose environmental health and safety risks, and inhabit space that could be used to combat the housing needs of the community. If they materialize, we need to ensure that regulations are in place to protect Louisvillians and the greater community. This policy paper seeks to provide a clear overview of the effect of data center development on affordability and health in our community, implications of increased cost and usage, and community priorities.

Background

Data centers are warehouses of computer systems used to store cloud and artificial intelligence (AI) data. They can range from a single room within a building to massive “hyperscale” facilities housing thousands of servers and requiring substantial amounts of water and energy to operate. Data centers may be owned and operated by a single business or organization, or function as a “collocation” facility in which one operator owns the data center and rents the space out to multiple smaller businesses ([Urban Land Institute, 2024](#)).

A data center development is approved for West Louisville located on Campground Road in the Rubbertown area. The proposed 153-acre data center is planned as a 400-megawatt (MW) hyperscale colocation facility developed by the Poe Companies and PowerHouse Data Center ([PowerHouse Data Centers, 2025](#)). This facility is proposed to be two stories, and will include multiple diesel generators, backup generators, and on-site fuel storage to power the facility. The proposed data center is surrounded by hazardous materials sites, a diesel and gas depot, and residential neighborhoods and churches. According to a document filed by Louisville Gas & Electric (LG&E) and Kentucky Utilities (KU) at the Kentucky Public Service Commission (PSC) in 2025, 22 data centers are expected to be built in Kentucky, with at least eight of those being located within Jefferson County (Figure 1¹). That number has now increased to 30 data centers, according to a filing by LG&E/KU in May 2026 ([Case No. 2025-00313](#)).

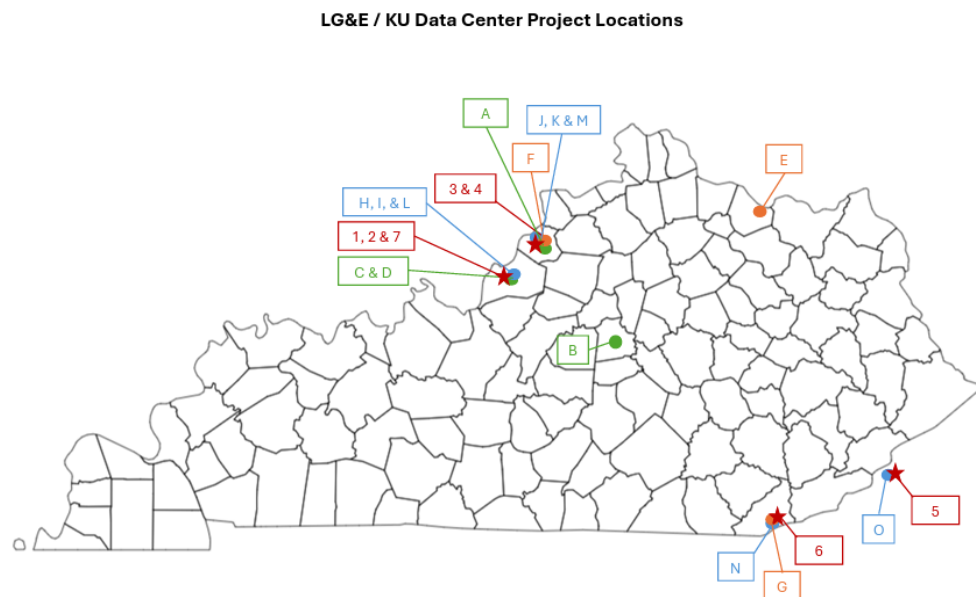


FIGURE 1

Impact on Housing and Utilities

Hyperscale data centers use hundreds of megawatts of energy to power the facilities and millions of gallons of water a day to cool the units. They require ten times the amount of energy required for a Google search ([International Energy Agency, 2024](#)). People living near data centers report low water pressure and water quality ([Brookings Institute, 2025](#)). The amount of

¹ Figure 1: KY PSC [Case No. 2024-0032](#)

power hyperscale data centers consume could power approximately 150,000 homes and provide water for over 1,000 homes per day ([Environmental and Energy Study Institute, 2025](#)). This, of course, can put a strain on the water supply and electric grid.

We have already seen the strain that hyperscale data centers have on utility bills. In 2025, LG&E/KU filed a Certificate of Public Convenience and Necessity (CPCN) with the Kentucky Public Service Commission (PSC). A CPCN is like a building permit for utilities. It is the way state regulators make sure a project is necessary, makes sense, and that the costs and benefits are useful to customers. In the Companies' most recent CPCN ([Case No. 2025-00045](#)), LG&E/KU projected a 30-45% increase in electricity usage due to the potential of data centers coming to Kentucky. To meet this increase in load, the Companies proposed to build new natural gas power plants, costing \$3.725 billion. LG&E/KU also requested to recover the cost of building these gas plants by increasing residential rates through a special monthly charge- obligating residential customers to a long-term commitment to pay for the build out of the approved gas plants. The PSC ruled that LG&E/KU can build Mill Creek 6, one of the new gas plants, but denied the Companies' ability to recover cost through raising rates. Since the new gas plant would not be complete until 2031, LG&E/KU are keeping an old, inefficient coal plant, Mill Creek 2, open past its retirement. Built in the 1970s, Mill Creek 2 lacks modern pollution controls and emits a significant source of harmful emissions when Louisville already faces serious air quality issues. LG&E/KU are also raising rates monthly to cover the cost of keeping Mill Creek 2 open through a "Pilot Generation Recovery Rider", which varies by percentage each month. Keeping outdated, increasingly unreliable coal plants online while building additional generation to serve speculative data centers that have not yet been constructed is likely to drive up electricity costs for Louisville customers.

Increases in electricity and water bills can significantly impact housing affordability. Rising utility costs can push housing expenses beyond what many families can reasonably afford. At the same time, older and less efficient housing stock (often the most accessible option for lower-income households) tends to require higher energy and water usage, further compounding costs and reinforcing a cycle of unaffordability ([Metropolitan Housing Coalition, 2025](#)). In Louisville, 14 percent of residents are already housing cost-burdened, and continued increases in utility prices can further strain household budgets. As a result, many residents must forgo other necessities such as food and medication to keep the lights on and their family warm ([Rocky Mountain Institute, 2025](#)). If bills are not met, disconnection of essential energy and

water services can lead to both tenant and landlord property loss, and increased difficulty finding future housing. This dynamic can trap residents in a persistent cycle of financial instability and poverty.

One of the most critical issues we must confront is who will bear the true cost of this development. That cost includes not only the financial burden, but also the health, safety, and environmental impacts on our communities for years to come. Residents in West Louisville living closest to the Campground Road data center will be the most impacted community members.

The West End is made up of predominantly low-income communities and communities of color who are already facing significant environmental and socioeconomic disparities. Residents in these neighborhoods are likely to face reduced water pressure due to the enormous water demands of data centers, along with increased air and noise pollution from facility operations. These environmental stressors directly affect quality of life and long-term health outcomes. Life expectancy

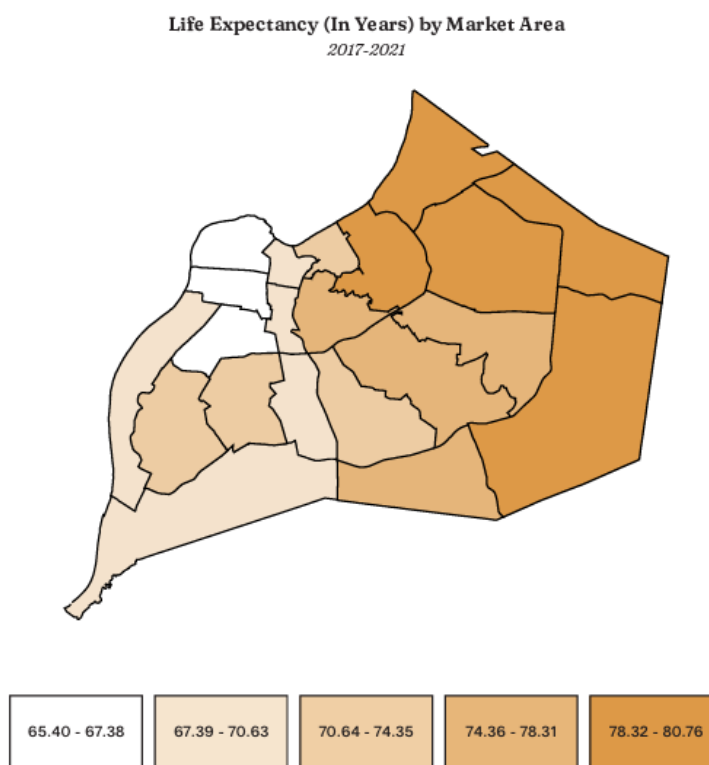


FIGURE 2

in the West End is already significantly lower, by as much as 15 years, than in the East End (Figure 2²). Adding new environmental and infrastructure burdens to these communities will only deepen that gap.

There are also serious safety concerns. The proposed site on Campground Road is adjacent to a hazardous materials facility on the left, a gas and diesel storage depot on the right, and

² Figure 2: [Louisville Metro Center For Health Equity. 2024](#)

residential neighborhoods to the north and south. Concentrating additional high-demand infrastructure in such an area increases the risk profile significantly.

Zoning

In Kentucky, and across the United States, data centers have often received swift approval, partly because many jurisdictions lack robust zoning protections governing hyperscale facilities. However, a growing number of cities and counties are now adopting moratoriums as they reassess the impacts of rapid data center expansion on their communities. Because many zoning codes do not include a dedicated land-use category for data centers, these facilities are often classified as "telecommunication hotels," allowing them to be reviewed and permitted under a designation that predates modern data center development. The Poe Companies, the developer of the Campground Road Data Center, cites the area as having been "zoned industrial for 40 years" ([Louisville Metro Planning Commission Minutes, March 2026](#)). The Campground Road data center passed quickly, as the project did not need rezoning and only needed approval of the Development Review Committee in 2025. Once the developer changed their site plans in January 2026, they needed approval from the Planning Commission ([Louisville Metro Business Portal, 2026](#)).

Proposed regulations for data centers from the Louisville Planning Commission have been in the works since 2025, which was expected to be completed in Spring of 2026. While awaiting the recommendations, Louisvillians and council members alike have been pushing for a moratorium on data centers in Jefferson County, which was tabled in June of 2026. On June 9, 2026, the Commission published their recommendations for the Land Development Code ([Louisville Metro Office of Planning, 2026](#)), including a variety of recommendations:

- prohibiting hyperscale data centers (centers larger than 500,000 square feet) in the county;
- requiring environmentally low-impact design and construction practices;
- requiring evidence that new facilities will not shift any costs to ratepayers;
- requiring "substantial" separation from homes, schools, and daycare facilities;
- establishing noise standards and buffering requirements for generators and equipment; and,
- requiring the developer to bear the cost of construction and improvements to infrastructure upgrades.

After 3,600 public comments, the Louisville Metro Office of Planning [revised their recommendations](#) on July 26, 2026 to include:

- protect utility customers by requiring evidence that new facilities will not shift any costs to existing ratepayers;
- requiring larger-scale data centers (up to 500,000 sq. ft.) to be at least 500 feet away from sensitive uses, while requiring medium-scale data centers (50,000 – 250,000 sq. ft.) to be at least 200 feet away;
- require a public hearing and conditional use permit for data centers that do not meet outlined exceptions for existing business operations;
- require a public hearing and conditional use permit for data centers that do not meet outlined exceptions for existing business operations;
- adding limits for accessory data centers to help prevent larger data centers from being created through a loophole; and,
- require the entity making the proposal to be transparent and disclose the company that would own and be using the proposed development

The revised regulations provide a more detailed explanation of how these recommendations are to be met. In regards to the energy efficiency and utility cost portion of the proposed regulations, the Office of Planning would require a facility to “utilize alternative energy systems as much as possible”, “encourage systems that limit the use of finite natural resources”, and to “provide an energy storage system to monitor and regulate usage of alternative energy for usage during off-peak hours”. Although the regulations do not explicitly reference renewable energy, these provisions appear to encourage data centers to adopt clean energy sources and energy storage technologies, such as solar power and battery storage systems.

The data center zoning regulations proposed by the Louisville Metro Office of Planning are an important first step in ensuring that Louisvillians do not bear the brunt of increased utility costs, and the noise, air, and water pollution that hyperscale facilities bring with them. However, the proposed regulations could be strengthened by including more detailed and specific requirements to better protect nearby residential communities, the environment, affordable utility cost, and public health. While Louisville is not currently in the process of approving another data center in Jefferson County, emergence of hyperscale data centers within the LG&E/KU service area would still increase rates for ratepayers, as the Companies build out more generation to

support those potential facilities. The Kentucky Resources Council's data center zoning ordinance includes more in depth regulations, which recommended property boundaries, emission, light, and noise pollution limits, setback distances of up to 1,500 feet versus 500, cohesive construction and landscaping design, efficient water usage, and, most importantly, for data center developers to bring their own energy generation, as to not pass on cost to the ratepayers ([Kentucky Resources Council, January 2026](#)). The Metropolitan Housing Coalition's recommendations for updated zoning ordinances are included in the "Policy Recommendations" section of this report.

Only 40 out of Kentucky's 120 counties have Planning Commissions and zoning laws, which developers can utilize to bypass strict laws and build where they want. This is why it is important to not only have local zoning ordinances for Louisville, but a state zoning ordinance to protect these smaller communities, which are already struggling with housing and utility affordability. The Kentucky Resources Council has drafted a model data center home rule ordinance to address this issue ([Kentucky Resources Council, May 2026](#)).

State Legislative Issues

During the 2025 Kentucky Legislative session, House Bill 775 was enacted, expanding tax exemptions for qualifying data centers establishing operations in the state ([Kentucky General Assembly, 2025](#)). The legislation aims to attract data center developers by tax incentives, which could extend up to 50 years if the qualified data center project makes a capital investment of at least \$450 million. As a result, a significant increase in data center construction is anticipated across Kentucky. During the 2026 Kentucky legislative session, House Bill 593 and 544, among other bills, were introduced to address ratepayer protections and public Health. [House Bill 593](#), sponsored by representative Josh Bray, would have required data centers to prepay for infrastructure cost and complete studies to determine the manner in which an electric service provider could serve the data center in a way that does not impact rates for residential customers. [House Bill 544](#), sponsored by representative Adam Moore, would have prohibited an electric service provider from providing service to a data center that would use more than 100 megawatts (MW) of energy unless the PSC approved a tariff that would require the data center to incur all capital and operating costs. If passed, this bill would have been the "Kentucky Ratepayer Protection Act". Neither of these bills, nor the legislation on noise pollution, passed during the session. According to Kentucky Senate President Robert Stivers, the bills did not

pass as the Kentucky PSC had already done work to approve data center tariffs and that non-profit and for-profit utilities have “different mechanisms for which they operate and fund themselves” ([Kentucky Lantern, April 2026](#)).

In recent news, Governor Andy Beshear made a statement on June 2nd, 2026 on potential data centers coming to Kentucky. Governor Beshear stated that “any data center that wants to locate here is going to have to pay for 100% of its own energy. Any data center is going to have to pass every single one of our environmental laws and permitting, and they need to be able to tell the community, and then prove to us, that they’re not going to have environmental harms” ([Lexington Herald Leader, 2026](#)). However, there is no current legislation that legally requires these protections, and the bills from the 2026 Kentucky Legislative session that would have enacted these protections did not pass. Legislation on hyperscale data centers is anticipated for the 2027 session.

The Kentucky AI Task Force, a legislative body headed by Senator Amanda Mays Bledsoe (R, Lexington), published recommendations for the Kentucky General Assembly in 2025 to consider as AI usage increases across Kentucky. The list of recommendations included consumer protections for data collection (including how AI can be harmful to minors), acknowledgement of how AI could impact job security, and enacting legislative policies for the energy and water consumption and location of data centers in Kentucky. In regards to energy usage, the Task Force recommended increasing baseload power to ensure grid stability, meaning expansion of gas generation facilities. Interestingly, the AI Task Force also recommended establishing an AI work group made up of healthcare providers, educational institutions, and local and state government officials to discuss how AI could foster competitiveness, solve problems, and promote AI literacy to Kentuckians ([Kentucky AI Task Force, 2025](#)). What the Kentucky AI Task Force does not include in their list of recommendations is ratepayer protections - especially when suggesting expansion of energy baseload power.

Community Involvement

Community opposition to data center development is sweeping the nation, with residents across the country turning out to public meetings to raise concerns about utility rate increases, noise, air and water pollution, and zoning impacts. A recent study found that an overwhelming majority of US states are opposed to data center development, including the entire Southeast United

States ([Data Center Watch, 2025](#)). The report also stated that data center projects were delayed or blocked in some states, including Kentucky. In many cases, communities have expressed that they do not want hyperscale data centers in their neighborhoods, or at minimum have emphasized that substantially more information is needed before proposals move forward. Yet, overwhelmingly, we see many proposals approved despite widespread community backlash.

In 2025, a \$6 billion hyperscale data center development named “Project Lincoln” was proposed in Oldham County, Kentucky, approximately 30 minutes northeast of Louisville. Significant pushback at local planning and zoning meetings and the formulation of an anti-data center group, “[We Are Oldham County](#),” eventually led the Oldham County Fiscal Court to enact a 150-day moratorium on new data center applications based on community pushback. Eventually, the developers of the proposed data center withdrew their proposal entirely, and has stated they are looking to build other Kentucky counties ([Oldham County Fiscal Court, 2025](#)). Several counties and cities, Boyd County, Daviess County, Fayette County, and Cave City, Kentucky, have all passed moratoriums on data center development and proposals in order to take time to understand the impacts these facilities have and address their outdated zoning laws. Louisville had a similar moratorium proposal, which was denied once in 2025 and tabled again in 2026, with one councilmember stating that moratoriums are a “last resort”. Community members across Kentucky have also raised concerns that these data center proposals are approved through backroom deals and non-disclosure agreements ([Kentucky Lantern, June 6 2026](#)).

One theme is clear - the majority of local decisionmakers on data centers acknowledge they are unfamiliar with the concept of hyperscale data centers and are still learning about their potential impacts. Nevertheless, approval of proposals often proceed because existing zoning ordinances were developed before the emergence of these facilities and fail to account for their resource demands and community impacts.

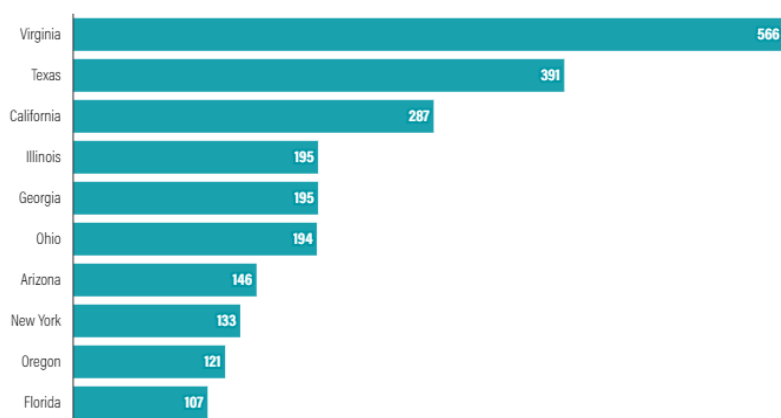
Other States and Cities

As of June 2025, the United States has the most data centers in the world, with around 5,500 ([Brookings Institute, 2025](#)). Estimates of the number of hyperscale size data centers in the US vary widely, ranging from roughly 2,000 to 4,542 facilities ([Georgia Tech, 2026](#)). This variation is due to not having a universally accepted definition of what qualifies a data center as hyperscale

size. Depending on the source, hyperscale facilities may be defined by one or more characteristics, including a footprint exceeding 500,000 square feet, an electrical demand greater than 25 megawatts (MW), or the deployment of more than 5,000 servers ([Brookings Institute, 2025](#)). The [World Resources Institute](#) estimates that data centers will total 12% of the US's energy consumption. Sixty percent of all data centers in the world are located within ten states in the US: Virginia, Texas, California, Illinois, Georgia, Ohio, Arizona, New York, Oregon, and Florida (Figure 3³).

60% of U.S. data centers are found in 10 states

Top 10 states with the most data centers



Note: Data as of 1/22/2026.
Source: [datacentermap.com](#)
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There are a few states and cities that are leading the charge on ratepayer and zoning protections.

According to the Edison Electric Institute, 23 states have an approved large load tariff for data centers, and 7 states have pending large load tariffs ([Edison Electric Institute, 2026](#)).

FIGURE 3

New York State passed the Nation's first moratorium on hyperscale data centers. During the one-year moratorium period, policy makers will create a regulatory framework to protect ratepayers, the environment, energy grid, and communities across the state. Governor Kathy Hochul states that this regulatory framework will be the blueprint for other states to enact their own moratoriums while integrating protective policies ([New York State, 2026](#)).

Virginia is considered "ground zero" for data centers, hosting 566 data centers. Like Kentucky, they have a tax break for developers who develop in the state. Approximately 25% of Virginia residents are energy burdened, meaning they spend more than 6% of their household income on energy costs ([Housing Forward Virginia, 2022](#)). Comparatively, approximately 33% of Kentucky residents are energy burdened, highlighting a significantly greater share of households facing high energy cost burdens in Kentucky ([Metropolitan Housing Coalition,](#)

³ Figure 3: [World Resources Institute, 2026](#)

[2025](#)). While Virginia is “ground zero” for data centers, Virginia has also taken steps to regulate current and future data centers. During the 2026 Virginia legislative session, over 61 bills related to data centers were filed, with more than half a dozen being passed into law. The Virginia State Corporation Commission recently approved a new large-load tariff that would require data centers that use more than 25MW of energy to enter into a 14-year minimum contract with a collateral of \$1.5 million per megawatt of capacity. If this tariff were to translate to the Campground Road project, that would total \$600 million ([Columbia Law, 2026](#)).

Maine introduced [LD 307](#), a bill to ban all new data center construction until November of 2027, so that the state can assess the impacts of developments on community members and the environment. The bill passed on April 14th, 2026, but it was later vetoed by Governor Janet Mills a mere 10 days later, citing that it would affect a project already underway in Jay, MA. Maine would have been the first state in the US to ban data centers. However, the fight is not over - the moratorium may return later in the year after primary elections ([Thompson Hine, 2026](#)).

Ohio, number six in the nation for data center developments, recently approved a large load tariff proposed by the utility company themselves - American Electric Power Company (AEP). The tariff would require data centers using more than 25 MW to be billed 90% of their expected capacity or peak usage, whichever is higher ([Public Utilities Commission of Ohio, 2024](#)). As of June 2026, the Ohio House and Senate passed Substitute House Bill 646, a bill with 48 sponsors. This bill would create a data center study commission, cut the tax break for data centers from 100% to 50%, create an electric rate class for data centers, and recommend best practices for water conservation ([Ohio General Assembly, 2026](#)).

Georgia, number five in the nation for data center development, has seen an increase in grassroots organizations and backlash in response to data center development. Some organizations, like the Georgia Conservation Voters, have targeted the Public Service Commission to solve the data center boom, advocating for electoral turnover of PSC commissioners. Like Kentucky, local utility Georgia Power is applying for energy load expansion to serve data centers and requesting rate increases to cover the cost of load expansion ([Georgia Conservation Voters, 2025](#)). After significant pushback, the Georgia PSC approved a plan to freeze Georgia Power base rates for the next three years ([Georgia Power, 2025](#)).

There are a select few states who require new clean and renewable energy requirements for incoming data centers. Michigan requires data centers to ensure 90% of their energy usage is from clean, renewable energy sources to claim the sales and use tax exemption ([Citizens Utility Board, 2025](#)). Illinois would require data centers to also secure at least 90% of their predicted power usage to come from new renewable sources through the POWER Act ([Illinois General Assembly, 2026](#)). Other states, like Connecticut, have proposed legislation that would require data centers to bring new clean energy, however, many of these bills did not pass in the 2026 legislative sessions.

Policy Recommendations

To ensure that housing and utilities remain affordable for Louisvillians, MHC recommends the following policies and best practices. These measures will help protect communities and ratepayers from bearing the financial burdens and unintended consequences associated with rapid data center development.

Ratepayer Protections: Energy

Across Kentucky and the nation, we have seen utility providers apply for energy load expansion with the intent of passing on the cost of construction to ratepayers, driving up rates and destabilizing household budgets. Though proposed ratepayer protection bills in the 2026 Kentucky legislative session did not pass, it is imperative to enact either through future legislation or Public Service Commission (PSC) regulatory oversight protections for ratepayers from bearing the burden of large load customers. Kentucky should enact legislation that reflects Governor Beshear's call for data centers to pay their own way or bring their own energy. Going further, the Kentucky Resources Council and Earthjustice recommend that data centers should be required to bring their own new clean energy, or "BYONCE" ([Earthjustice, 2026](#)). Additionally, the Kentucky PSC should ensure that ratepayers are protected through large load tariffs, or denial of cost recovery when utility providers apply for Certificates of Public Convenience and Necessity (CPCNs) and rate cases.

Ratepayer Protections: Water

In addition to energy ratepayer protections, water usage and water rates need added protections. Google's 2024 environmental study reported using 6.4 billion gallons of water across their data center footprint in 2023 alone, with 31% of its water coming from watersheds

with medium or high water scarcity ([Google, 2024](#)). Development plans should include less water intensive systems, like close looped systems or immersive cooling, to mitigate the strain of massive amounts of water consumption ([Lincoln Institute of Land Policy, 2025](#))⁴. Louisville MSD ratepayers will soon see a 3.9% rate increase if approved in September of 2026 - just one year after a 3.9% increase in 2025 ([Louisville Water Company, 2026](#)). These annual increases, before a data center has even become operational, show the financial strain Louisvillians already face in affording their water and energy bills. For some households, the rising costs of essential utilities may force impossible choices between other essentials like food and medications. Given these affordability issues, Louisville Water and MSD and local officials should work with stakeholders across the city to adopt best practices for water usage, safety, and quality before the Campground Road data center is operational. The city and utility providers should assess projected water demand and create a plan to ensure that communities will not pay the price of a data center's massive consumption of water, through either their bills or access to clean, safe water.

Robust Zoning Laws

Data centers are being passed through planning commissions at a rapid rate due to outdated zoning ordinances. In many jurisdictions, data center approvals are “by right”, meaning that if the project meets the current zoning requirements, they are automatically approved by the Office of Planning without additional review. To mitigate these issues, local governments should state that data center development is not permitted unless through a conditional use permit process with full public transparency and input. The data center zoning regulations proposed by the Louisville Metro Office of Planning are an important first step in ensuring that Louisvillians do not bear the brunt of increased utility costs, and the noise, air, and water pollution that hyperscaler facilities bring with them.

The Metropolitan Housing Coalition (MHC) recommends adding additional ordinances to ensure the safety of residential houses and the environment. Hyperscale data centers should not be located near any residential areas, schools, daycares, or areas in which community members would be impacted by noise, air, and light pollution. One way to do this is through implementing

⁴ An open loop cooling system is when warm water from servers is cooled by direct contact with air, which causes evaporation and requires constant water consumption. Closed loop systems use pipes or coils to cool the units, and use less water. However, closed loop systems use more energy as heat must pass through an exchanger. Immersive cooling is when servers are submerged in a bath of liquid, like synthetic oil, that conducts heat but not electricity. Immersive cooling systems tend to be more expensive. ([Louisiana Department of Conservation and Energy, 2026](#)).

a Conditional Use Permit (CUP), which poses additional restrictions for specific types of development like data centers. Conditional Use Permits should designate areas in which data centers, if development were to occur, meet certain conditions to minimize community impact. CUPs could include, for example, requirements for energy efficiency to reduce the need for new electric generation buildout ([Georgetown Climate Center, 2025](#)). Hyperscalers should have large setback distances (1,500+ feet) regardless of zoning classification of the adjacent property. Design should be carefully considered to minimize environmental and community impact, including not building on farmland, wetlands, or near residential areas. Buildings should be designed to maximize energy and water efficiency, minimizing excessive consumption of both resources. It is paramount that energy and water resources used by the hyperscale data centers do not affect the affordability and accessibility of utilities for residential ratepayers.

Most importantly, data centers should be required to bring their own energy generation, so the cost of their massive energy load is not passed on to struggling Louisville residents. Hyperscale data centers should be required to “Bring Your Own New Clean Energy” ([BYONCE](#)), ensuring that a percentage of their energy usage is required to be renewable energy. Many states, like Illinois, Oregon, Minnesota, New Jersey, New York, and Virginia are considering legislation to require 100% of a data centers' energy load to be derived from new clean energy sources ([National Caucus of Environmental Legislators, 2025](#)). Louisville, and the greater Kentucky state, should require any data centers or cryptocurrency mining facilities to derive all of their energy usage from new, clean energy sources.

[More than 17%](#) of Louisville residents struggle to pay their utility bills, forcing many families to make difficult choices between paying for electricity and meeting other essential needs, such as housing, food, and healthcare. Many developers target areas in which land is cheaper, often resulting in the continued concentration of industrial facilities in low-income and marginalized communities. This pattern ultimately leads to continuation of environmental injustice by adding to already increased environmental and socioeconomic impacts. Local officials should conduct studies that examine the societal impacts of data centers in these areas when reviewing proposals to ensure that environmental justice concerns are incorporated into zoning practices.

Enable Community Input and Engagement

As stated, an overwhelming majority of the nation has objected to data centers in their own communities and have turned out in droves to oppose them. In some statements at the

Louisville planning meetings, community members state they were unaware of a data center being proposed in the city until late in the approval process, leaving little room for community consideration. It is imperative that community members have an opportunity for public engagement and comment periods in the process of approving these data centers - as these are the very people who would be negatively impacted. Adequate public notification should be required for all proposed facilities, and key information about the facilities, like the company owners, operator, or tenants, should be transparent and publicly available. Many of these big tech companies will use non-disclosure agreements (NDAs) to hide information about the project from the public, which undermines the importance of public participation. Local governments should ensure that public participation is available and accessible to all communities so that residents have an opportunity to shape land use decisions that ultimately affect them, their communities, their health, and their household budgets.

Issue Moratorias

A recurring theme when it comes to discussing data centers is the lack of information on how they will affect communities from a public health, socioeconomic, and environmental perspective. While new proposals continue to pop up around the state and country, it is clear that more time is needed to understand the ripple effects of these developments to determine how zoning and regulatory frameworks can be updated to ensure community protection before more data centers are built. Without the safeguard of a moratorium, cities who approve projects without adequate information and public input risk prioritizing economic development at the expense of the affordability, health, and wellbeing of the communities that they serve. This is also happening at the federal level: Representative Alexandria Ocasio-Cortez and Senator Bernie Sanders (co-sponsored by Representatives James McGovern, Rashia Tlaib, Bonnie Watson Colman, Adelita Grijalva, Terri Sewell, Jesús García, Steve Cohen, André Carson, LaMonica McIver, Maxine Waters, Mark DeSaulnier, and Shomari Figures) introduced the “AI Data Center Moratorium Act” in the House and Senate this year, which would create a temporary moratorium on the construction of new data centers and the expansion of existing data centers until Congress passes legislation that addresses the economic, environmental, and safety impacts of AI ([H.R.9442](#); [S.4214](#), 2026). Louisville and the greater Commonwealth should enact a moratorium and assemble a hyperscale data center impact study commission to understand the full impact these facilities will have on Kentuckians.

Conclusion

Artificial intelligence has permeated nearly every aspect of our modern society. We see AI in the media we consume, in a simple Google search, in writing our emails, the algorithms that screen our job applications, and more. The emergence of data centers in the country, especially Kentucky, have blindsided our local governments to adequately prepare for their impacts. Data centers sneak through the cracks in zoning ordinances (where they exist), and leave us ill equipped to address the burden they place on our bills, land, and health. While increasing community opposition has begun to shape decisions on these applications, community perspectives remain essential to assessing the societal impacts of data center development. Placing more strain on an already overburdened grid will lead to a cycle of poverty: increases in utility bills will strain household budgets, increase utility disconnections, and threaten the ability of a resident to stay in their home. We, as community members, local and state officials, and utility providers, should take a more deliberate approach and develop policies to prioritize affordability and community and environmental protection. The bill for Big Tech's actions should not be paid by our families, our communities, or our future generations. We must act today to ensure that the financial, economic, public safety, and health burdens that they create are borne by those responsible - not the public.

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