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HIGHER EDUCATION

UT Austin Researching Energy Options for Growing Data Centers

A workshop for energy and data center developers, state agencies and community leaders to discuss affected industries, power providers and policy and regulatory agencies is planned for Sept. 18.

May 28, 2025 • Mella Mcewen, Midland Reporter-Telegram, Texas





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(TNS) — Data centers are offering the promise of economic development and job creation. But they also bring with them demand for power and water.

Texas is seeing an influx of the centers. Now, researchers at the University of Texas at Austin are launching a new research initiative to seek ways to help the state capitalize on this influx without overloading the Texas power grid.

The Electric Reliability Council of Texas (ERCOT) projects demand from data centers, along with that from other large-load customers like large-scale industrial sites and cryptocurrency, could exceed available energy supply by 6.2 percent next year. By 2029, demand could exceed supply by as much as 32.4 percent, according to ERCOT.

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A workshop to discuss affected industries, power providers and policy and regulatory agencies is planned for Sept. 18. Further information on the workshop is available at dcws@beg.utexas.edu.

The workshop will benefit energy and data center developers, state agencies and community leaders, all of whom have a role in shaping how digital infrastructure grows across Texas, according to Ning Lin, chief economist at the Bureau of Economic Geology and lead author of a white paper on sustainable data center growth. It also marks the launch of a broader research initiative led by the Bureau of

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nd industry leaders align data center expan rena Moscardelli, the state geologist of Texas

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and director of the Bureau of Economic Geology at the UT Jackson School of Geosciences, in a statement. "I really believe we have an opportunity to create a model for responsible, innovative and high-value data infrastructure development."

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Those challenges are particularly acute in West Texas, according to Lin.

"Limited grid access in parts of West Texas poses challenges for data centers and oil and gas operators reliant on reliable electricity," she told the Reporter-Telegram.

"While transmission expansion is in progress, it takes time. This constraint opens

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off-grid solutions, such as localized generation, ing local generating and storage options.

velopers and energy producers with similar and in these local solutions. However, these

solutions still require coordination with ERCOT and local utilities for long-term integration."

The impact of data centers on the grid could be reduced if strategically planned, Lin said. For instance, while the crypto industry powers down when energy is expensive and powers back up when the costs drop, both data centers and oil and gas producers do not have the luxury of varying their load. Instead, both require steady, uninterrupted electricity to function effectively. This shared need for reliable power creates a unique opportunity for synergy between the sectors, especially in regions like West Texas. Lin suggested that this synergy could take the form of off-grid power stations.

Another solution could be the repurposing of decommissioned industrial sites. Lin called this a promising strategy, but there are practical barriers such as permitting complexity, utility interconnection upgrades or outdated site conditions.

"It's not yet clear whether these challenges require new legislative action, but greater coordination among local and state agencies could help streamline reuse efforts. Establishing clearer guidance or incentives will accelerate and support these activities," she said.

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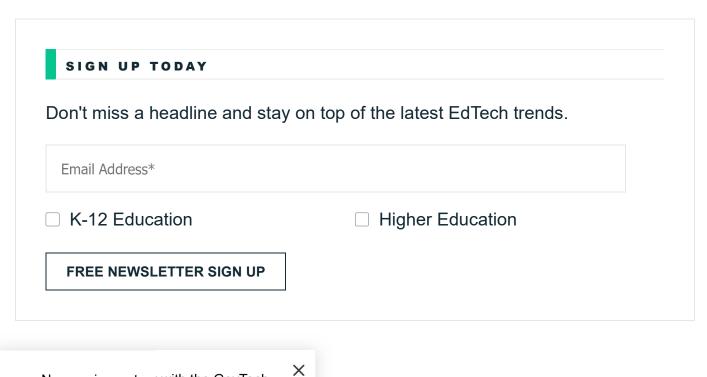
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