

Tackling Challenges for Data Center Growth in Texas

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... launching a new initiative to help Texas promote sustainable data center development. Photo: Christopher Bowns

Data centers are growing in Texas, and could potentially help revitalize the economy in parts of the state. However, the industry’s growth, along with that of other large-load customers — namely

large-scale industrial sites and cryptocurrency — could push peak electricity above what the grid can supply.

A new [research initiative \(https://compass.beg.utexas.edu/\)](https://compass.beg.utexas.edu/) at the Bureau of Economic Geology is looking to get ahead of the energy challenges associated with data center growth by promoting policies that can help that growth happen in a sustainable way.


Researchers at the bureau outlined some of the most pressing data center issues in a white paper titled “Sustainable Data Center Growth in Texas: Energy, Infrastructure, and Policy Pathways.” The paper examines the energy, water and land-use challenges associated with data center growth, along with potential policy opportunities.


The researchers also brought together affected industries, power providers and policy and regulatory agencies in a workshop in September 2025.


This data center initiative is led by Ning Lin, the chief economist at the bureau and lead author of the white paper.

“We’re really just trying to get the conversation started and bring all the players to the table,” Lin said. “Texas is really well-positioned for the data center industry. The question is, how do we align to enhance energy efficiency, repurpose existing infrastructure, and help drive economic development in communities across the state?”

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