Testimony of Associated Builders and Contractors of Ohio
Ohio Select Committee on Data Centers
June 11, 2026

Introduction

Chairman Holmes, Chairman Chavez, and members of the Ohio Select Committee on Data Centers, thank you for the opportunity to provide testimony on behalf of Associated Builders and Contractors of Ohio (ABC of Ohio).

ABC of Ohio represents Merit Shop construction contractors across the state who believe in free and open competition, quality craftsmanship, and workforce development through registered apprenticeship programs. Our members build Ohio — from schools and hospitals to warehouses, infrastructure, and now the critical digital infrastructure powering today's economy.

We appreciate the Committee's focus on understanding the impacts of data center development. Our members are actively engaged in this sector, particularly in Central Ohio, constructing not only data center facilities but also the behind-the-meter power generation infrastructure that supports them. For example, ABC of Ohio is now partnering with Meta — along with the National Urban League, CBRE, and the Ohio Chamber of Commerce — on America's Workforce Academy, a new initiative that provides free, accelerated training and guaranteed job opportunities for Ohioans entering skilled trades like electrical, mechanical, and plumbing work critical to data center construction.

We offer a balanced perspective. We recognize that communities have legitimate concerns, but we also believe these projects represent a significant economic opportunity for Ohio workers, businesses, and local communities — an opportunity that is already generating tangible benefits and building long-term workforce capacity.

The Economic Opportunity for Ohio

Data centers are a major driver of economic growth. According to the Data Center Coalition, in 2024 the U.S. data center industry supported more than 1 million direct jobs and 5.5 million total jobs when indirect and induced impacts are included. The industry also generated $525 billion in labor income, contributed $1.7 trillion to GDP from 2023–2024, and produced $369 billion in federal, state, and local tax revenue.

Ohio is capturing a meaningful share of that growth. The Data Center Coalition reports that in 2024, Ohio's data center industry contributed:

- **24,120 direct jobs** in the Ohio data center market

- **106,000 total jobs**, including direct, indirect, and induced employment — a 19% increase from 2023
- **$8.2 billion** in labor income contribution — a 24% increase from 2023
- **$14.1 billion** contributed to Ohio GDP — a 22% increase from 2023
- **$1.1 billion** in state and local tax revenue

These are not just temporary construction jobs. They represent long-term economic activity through supply chains, local spending by workers, and the broader technology ecosystem these facilities help support. ABC members report that a significant portion of project spending — including materials, lodging, fuel, restaurants, and other services — stays in local communities. Some campuses alone generated an estimated $500 million in local economic activity during development.

Beyond the headline employment and GDP figures, these projects are creating meaningful, long-term career pathways in the skilled trades. The construction surge is giving high school students and young Ohioans opportunities to gain valuable experience and build careers in mechanical, electrical, and construction fields — opportunities that were previously more limited. The tax revenue generated by both the projects and the individual workers performing the work delivers tangible, recurring benefits to local communities and supports ongoing workforce development.

Why Data Centers Matter

Data centers power the modern economy. They support cloud computing, streaming services, e-commerce, telemedicine, online education, financial services, and increasingly, artificial intelligence and machine learning.

Demand for data infrastructure continues to grow rapidly. According to the Data Center Coalition, more than 5.4 billion people worldwide are now online, and the average household has approximately 21 connected devices. U.S. data center power demand is projected to grow from 25 GW in 2024 to 80 GW by 2030.

These facilities also support national security, emergency services, critical infrastructure, and secure government operations. They are foundational to Ohio's and America's competitiveness in the 21st century economy. Central Ohio contractors are playing a leading role in domestic data center construction, developing specialized expertise that positions Ohio to contribute to national infrastructure and technology needs.

Addressing Community Concerns

We recognize that rapid development has created real concerns in some communities, particularly in Central Ohio. Common concerns include traffic, noise, changes to the landscape, water usage, and questions surrounding tax incentives and permanent job creation. Social media has also amplified isolated incidents involving contractor behavior, such as speeding, littering, or road damage, which understandably frustrate local residents.

Energy and Electricity Rates

Concerns about rising electricity costs are valid and deserve serious discussion. However, available research suggests the issue is more complex than simply attributing rising rates to data centers alone.

Data from the Data Center Coalition and independent analyses indicate that data centers have become increasingly energy efficient over time. One 2020 study found that while global data center computing output increased 550% from 2010 to 2018, energy consumption increased only 6%.

Recent analysis by Energy + Environmental Economics (E3) also found no direct state-level correlation between data center growth and rising retail electricity prices. In many cases, data centers pay the full cost of their infrastructure improvements, plus additional system benefits. Other major drivers of rising electricity costs include inflation, natural gas prices, grid modernization investments, extreme weather events, and broader market design challenges. In PJM, data center-related load growth accounted for roughly half of recent capacity cost increases, while other factors accounted for the remainder.

Importantly, ABC members are actively constructing dedicated behind-the-meter power generation facilities in Central Ohio that are fully funded by hyperscalers under long-term agreements. These projects help address grid concerns by adding generation capacity without relying entirely on the public grid. This demonstrates that the industry is actively responding to energy challenges rather than ignoring them. There is also a broader industry push toward supplemental and standalone energy sources to reduce reliance on the primary grid, particularly as AI-driven servers increase cooling and power demands.

Water Usage

Data centers are estimated to use approximately 39 billion gallons of water annually nationwide. However, technology and practices have evolved significantly, and many common criticisms are based on older designs.

Years ago, open-cell cooling towers (“swamp coolers”) were more common in some facilities and involved substantial ongoing water evaporation into the atmosphere. Modern data center projects in Central Ohio, including those our members are actively constructing, have largely shifted to closed-loop, air-cooled chiller systems. These typically require only a one-time initial water fill (often in the range of 10,000–100,000 gallons), after which water circulates in a closed loop with minimal additional consumption. Many systems also incorporate glycol for freeze protection and improved heat transfer. This technological shift directly addresses earlier environmental critiques regarding ongoing water use and potential atmospheric or geoclimate effects.

A Virginia JLARC study found that 83% of data centers in the world’s largest data center market use the same amount of water or less than a large commercial office building, and that overall usage levels were sustainable. Ohio projects should continue prioritizing efficient cooling technologies — including air, liquid, and hybrid systems — that are appropriate for local conditions. The industry is clearly responding to past critiques with better technology.

Community Impact and Contractor Conduct

This is an area where the industry must improve. ABC members engaged in data center work report that some contractors maintain excellent standards — zero tolerance for disruptive behavior off-site, clean sites, respectful driving, and laying low in the community. Others do not, and those incidents dominate local Facebook groups and fuel opposition. There is no widespread, coordinated effort yet to standardize best practices across all contractors and subcontractors. We believe hyperscale clients should lead a proactive public education and community relations effort, with contractors and associations supporting it.

At this point, there is not yet a coordinated industry-wide effort to standardize community-focused best practices across all contractors and subcontractors. We believe hyperscale clients should take a leading role in proactive public engagement and community relations efforts, with contractors and trade associations supporting those initiatives. Facilitating the sharing of successful models already being used by responsible contractors would help raise standards across the board.

Tax Incentives and Permanent Jobs

Tax incentives are a standard economic development tool used by communities across the country to attract major capital investment. Public discussion often focuses on the number of permanent on-site jobs or the value of the tax abatement itself. However, the construction phase alone injects hundreds of millions of dollars into local economies through labor spending,

materials, hotels, restaurants, and other services. The broader multiplier effect — including supply chain activity, induced spending, and long-term economic development — is substantial, even if it is less visible in the immediate public debate.

Regulatory Environment and Ohio's Competitiveness

Ohio's current permitting framework, including oversight by the Ohio Power Siting Board, has been a competitive advantage and has helped attract significant investment to Central Ohio.

ABC members consistently report that capital is highly mobile. Even relatively short delays or shifts toward more restrictive or unpredictable regulations can cause developers to move billion-dollar projects to other states. If Ohio becomes less competitive, these projects — along with the construction jobs, supply chain activity, and tax revenue they generate — will simply go elsewhere.

Industry observers also note that construction booms of this scale are often cyclical. While the current surge is significant, demand may peak and moderate in the coming years. Nurturing these opportunities now is essential to building and retaining specialized workforce capacity and expertise in Ohio. Extreme measures, such as broad moratoriums or policies that make Ohio markedly less competitive, risk forfeiting this edge and could lead skilled workers to relocate as projects shift elsewhere.

We support the Committee's efforts to better understand the impacts of data center development and identify smart policy solutions. At the same time, we urge the Committee to preserve Ohio's ability to compete for this investment while addressing legitimate concerns through targeted, practical measures rather than broad restrictions or moratoriums. There is strong consensus among stakeholders we have spoken with that Ohio should leverage these opportunities rather than risk losing business and workforce development to other states.

Recommendations

ABC of Ohio respectfully offers the following recommendations for the Committee's consideration:

1. **Promote Industry Best Practices:** Encourage hyperscalers and general contractors to adopt and enforce community-sensitive construction standards, including traffic management, site cleanliness, respectful conduct, and minimizing off-site disruption. The state should help facilitate industry discussions that highlight successful models already being implemented by responsible contractors.
2. **Support Balanced Public Education:** Public discussion surrounding data centers is currently driven heavily by opposition and, in some cases, misinformation. We

encourage support for a coordinated, fact-based public education effort — led by industry but open to stakeholder input — that explains the role data centers play in powering modern life and the economic and workforce benefits they bring to Ohio communities.

3. **Maintain a Competitive Regulatory Climate:** Ohio should preserve predictable and timely permitting processes. Policies that make Ohio less competitive than peer states will ultimately push investment, jobs, and economic activity elsewhere. Avoid extreme measures that could undermine existing progress and workforce specialization.
4. **Recognize Innovative Energy Solutions:** Behind-the-meter and dedicated generation projects currently being built in Ohio — along with emerging supplemental and standalone systems — represent proactive responses to energy concerns. Public policy should facilitate, not discourage, innovative solutions where they make practical sense.

Conclusion

Data center development represents one of the most significant economic development opportunities Ohio has seen in decades. Done responsibly — with strong construction practices, thoughtful regulation, open competition, and honest communication with communities — these projects can deliver long-term benefits for Ohio workers, contractors, small businesses, and taxpayers while strengthening Ohio's role in the modern digital economy.

ABC of Ohio and our members are committed to being part of the solution. We are willing to continue participating in discussions, share best practices, and facilitate site visits so Committee members can see these projects firsthand.

We urge the Committee to craft recommendations that position Ohio for long-term success rather than unintentionally driving investment elsewhere.

Thank you for your time and consideration. We would be happy to answer any questions that members of the Committee may have.

Respectfully submitted,

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