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AI data centers could make up nearly 3% of Texas water usage by 2030, creating strain, report says

By **Rebekah F. Ward**, Staff Writer
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An overhead view of the Dallas TX1 electrical plant at the NTT Data center in Garland, Texas, June 23, 2025.
Tom Fox/TNS

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The race to build data centers across Texas to power an artificial intelligence boom will consume billions of gallons of water and could be responsible for up to 2.7 percent of the state's total water consumption by 2030, according to a new report.

The [analysis released Wednesday](#) by the Houston Advanced Research Center found that Texas' data centers already guzzled about 25 billion gallons of water in 2025, a year when swaths of the state and the Houston area [faced extreme drought](#).

RELATED: [Houston could see a surge of gas power plants to meet AI energy demands. Here's where.](#)

Data centers typically consume water onsite to cool down servers, and offsite to generate electricity. Report author and HARC water specialist Margaret Cook factored in Texas' data center growth projections as well as the potential use of water-efficient cooling and generating methods when she estimated the toll these centers would take on the state's water supply.

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Cook determined that demand for water from data centers could total anywhere from 29 billion to 161 billion gallons per year by 2030. That's up to 2.7% of the total annual water use in Texas, she wrote.



The Sabey Data Center in Round Rock, Texas on Monday, Aug. 11, 2025.
Aaron E. Martinez/Austin American-Statesman

In some cases, data centers could replace water cooling systems with alternatives like air. But Cook points out the swap would require more energy. Texas power operator ERCOT has already been sounding alarms over the potential strain on the state grid due to the expected influx of power demand from energy-intensive artificial intelligence servers.



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Bolstering water supplies also rose to the top of Texas' legislative and business priorities this past year, when Texas lawmakers reached a deal to allocate \$20 billion to water infrastructure in order to stave off shortages. The plan set up a gradual investment of \$1 billion each year starting in 2027, on top of an initial \$2.5 billion disbursement for the Texas Water Fund.

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Is Texas prepared for data centers' water demand?

"The data center surge presents a unique challenge that requires immediate attention," said HARC President John Hall.

According to data center intelligence firm Baxtel, the Texas data center market already has 575 facilities concentrated in Dallas Fort Worth, Austin, Houston, and San Antonio.



A protester holds a sign while waiting for the March for Water and a Sustainable Future to begin, Aug. 19, 2025. Activists marched from San Marcos City Park to City Hall to protest proposed data centers in the area.

Sara Diggins/Austin American-Statesman

The speed and scale of their expansion have left multiple state agencies scrambling. But while the state power operator kicked off plans to scale up supply according to projected data center growth months ago, water planning works differently.

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The Texas State Water Plan is renewed every five years by the state, using input from regional planning groups. The Texas Water Development Board released its last plan in 2022, with the next update scheduled for 2027.

Historically, the planning process has relied heavily on historical information to determine the state's water needs. With the pace of data centers' expansion, the process could miss steep growth projections, said Cook, the report's author.



Google CEO Sundar Pichai, second from right, speaks during a news conference to announce Google's \$40 billion investment in Texas on Nov. 14, 2025, in Midlothian. U.S. Rep. Jake Ellzey, from left, U.S. Deputy Secretary of Energy James Danly, Texas Gov. Greg Abbott, and Amanda Peterson Corio, global head of data center energy at Google, listen.
Chitose Suzuki/Staff Photographer

"Texas' water planning process has a structural blind spot," Cook said in a press statement. "ERCOT has begun developing processes to manage large load interconnections for energy, but no parallel process exists for water planning."

The Texas Water Development Board did not immediately respond to a request to comment.

The contribution to the upcoming water plan submitted last year for the region containing Houston frequently cited 2020 as a reference year and did not specifically mention data centers or AI. It did, however, note an attempt to incorporate manufacturing projections to 2030 and beyond, which it said was “a substantial change” from the last planning cycle.

If data centers end up consuming HARC’s steepest projected water use of 161 billion gallons annually by 2030, utilities and city managers – including in and near Houston – could be forced to adapt to statewide demands from data centers that require more than six times the overall water supply that they need today.

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Before coming to Texas, Rebekah was an investigative journalist at the Albany Times Union, where she started in 2021 as the newsroom's first Joseph T. Lyons fellow. She has worked for outlets including Reuters, France 24 and the OCCRP, reporting from the U.S., Colombia, Mexico and her native Canada.

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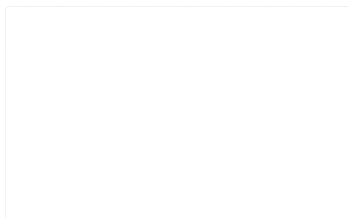
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