LOCAL // ENVIRONMENT

# How much water do AI data centers use? A new survey could help Texas regulators find out.

A report from the Public Utility Commission is due to the state legislature by the end of 2026

By **Rebekah F. Ward**, *Staff Writer*
Feb 6, 2026

An example of a supercomputer at the Texas Advanced Computing Center, University of Texas at Austin, maintained by systems administrator Sean Hempel.

Water consumption by data centers and cryptomining facilities will be the focus of a new data-collection effort launched Friday by the Texas Public Utility Commission.

Demand to build new data centers across Texas to power artificial intelligence tools has exploded in the last year, stirring excitement among business-minded Texans but raising practical and environmental concerns over their soaring use of electricity and water.

**RECENT:** AI data centers could make up nearly 3% of Texas water usage by 2030



State efforts to better understand this consumption will kick off this spring with a survey of Texas data centers and cryptomining facilities. The PUC's Luisa Venegoni, who explained the move at a public meeting Friday, said companies would have six weeks to respond to questions about their direct and indirect water use.

“Texas regulators and the legislature really need to have an understanding of data centers, really need to understand the water they're using so that we can plan and create the Texas we want,” PUC Commissioner Courtney Hjaltman said after the presentation.



Results from the new review, a policy directive built into Texas’ last budget bill, are due to the state legislature and Gov. Greg Abbott by the end of 2026.

## How much water will data centers need?

The announcement comes after groups like the Houston Advanced Research Center have raised concerns over whether Texas' water planning systems are prepared for a potentially dramatic influx of demand from data centers driving artificial intelligence. These industrial facilities often use large volumes of water onsite to cool servers and offsite to produce the massive amounts of electricity they require.



"Texas' water planning process has a structural blind spot," said Dr. Margaret Cook, the group's vice president of water and community resilience whose recent study suggests AI data centers could make up nearly 3% of Texas water usage by 2030.

She said new facilities are coming online with significant water needs, and the state coordination gaps have left utilities and city managers to negotiate with those firms directly.

But Texas water regulators say the state is developing new strategies to meet the demands for water and identify how much will be used.

"We are actively pursuing ways to track this information better," said Kaci Woodrome, spokesperson for the Texas Water Development Board. She added that existing projections are already being built into water planning processes.


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

## Closing gaps in water planning

The state's review that launched Friday, run by the Public Utility Commission, is part of that effort.

The PUC was directed by state leaders to work with the Texas Water Development Board and the Texas Commission on Environmental Quality and share the results of their research. Water regulators have also been involved in developing data collection strategies and survey questions.

The new data collection effort was described in a rider to the state budget that directs the PUC to "collect data to study the water use of industrial properties with a focus on industries whose energy demands have an inverse relationship with their water usage."

In Texas, this refers primarily to AI data centers and cryptomining facilities.

The PUC will fund the study using a portion of its “market competition” budget, a bucket of funding that totals over $28 million for the 2026 and 2027 fiscal years combined.

State Rep. Armando Walle, who authored the rider, called the project a “critical early step” in the state’s evolving approach to water management.

“More and more data centers open up across the state,” Walle said. “We must find ways to meet the existing data gaps in our state and regional water planning process to ensure local governments — and these businesses themselves — can make informed decisions.”

PUC commissioner Kathleen Jackson threw her support behind the effort during the Friday announcement. She said water is important to Texas, just like power, and since the two are interrelated the agency has been fielding many questions about water supply for this burgeoning industry.

“We're only as good as the data that we receive,” she said. “So I would just encourage the data centers and those who are being asked to participate in the survey to really sharpen your pencil.”

**Correction (Feb. 6, 4:25 p.m.)** *A previous version of this story used incorrect attribution in a quote from Commissioner Courtney Hjaltman, and incorrectly identified the title of Luisa Venegoni. The story has been updated.*



Feb 6, 2026


**Rebekah F. Ward**

REPORTER