Finally, a related March 2026 white paper, *The Terms of Power: Inside the New Utility Rates for Data Centers*,[37] finds that emerging data center-specific utility tariffs are increasingly focused on protecting non-data-center customers through mechanisms such as long contract terms, minimum demand and collateral requirements, and explicit cost ring-fencing. At the same time, the paper notes that many tariffs still do little to capture two potentially important sources of value: load flexibility, which could reduce system costs by shifting or curtailing demand during a relatively small number of peak grid-stress hours, and clean energy procurement, which remains absent from many tariffs and therefore leaves natural gas as the default supply option in many jurisdictions. The paper suggests that while recent tariff design shows meaningful progress on ratepayer protection, there appears to be less consistent integration of features that could further align data center growth with grid flexibility and a cleaner resource buildout.

Taken together, the backward-looking studies provide a nuanced historical record. The current quantitative evidence suggests no indication that ratepayers have subsidized data centers, and more broadly, the relationship between load growth and rising electricity rates is unclear. This underscores both the inherent geographic variation, driven by differences in market dynamics and cost allocation frameworks, as well as the need for further research.

Review of Forward-Looking Studies

Recent forward-looking studies have examined how rapid data center growth could affect future electricity costs, when rising demand might increase costs for other customers, and how regulators and utilities could reduce those risks.

One study from the Federal Reserve Bank of Dallas looks at how the data center boom could affect wholesale electricity prices and, in turn, inflation.[38] The study finds that rapid demand growth, absent stronger customer protections or load flexibility, could increase reliance on more expensive gas- and oil-fired plants during peak periods, raising wholesale power costs until new generation comes online.[39] The study estimates that annual inflation could increase by about 0.04 to 0.13 percentage points by 2030.[40]

These results rely on several simplifying assumptions including that wholesale electricity costs make up about half of customer bills, which can vary widely in practice, and that higher costs are passed through immediately – rather than with typical regulatory lag. It also assumes that there is no new regulatory action to assign these costs to large loads and to shield other customers from rapid load growth, which appears unlikely. The study also does not examine transmission, distribution, or interconnection costs, nor did it consider how these costs are passed through and allocated to different customer groups. Overall, the Dallas Fed study helps illustrate conditions that could increase wholesale electricity prices and highlights the importance of the regulatory framework to effectively allocate costs and protect customers.

The Electric Power Research Institute's recent Powering Intelligence report highlights a broader set of ways data center growth could reshape the U.S. electricity system.[41] The report emphasizes that future load growth is highly uncertain: much depends on how many announced projects are actually built, how quickly new facilities ramp up, and how energy-intensive future AI applications prove to be. EPRI estimates that data centers could account for 9% to 17% of total U.S. electricity demand by 2030, up from about 4% to 5% today. This growth is and will likely continue to be geographically uneven; while today, 20% of Virginia's electricity is consumed by data centers, this share could rise to 39-57% by 2030, and seven additional states could exceed a 20% share by that time in a medium scenario.[42]

Unlike the Dallas Fed study, the EPRI report does not estimate direct effects on retail rates or customer bills. Instead, it focuses on what kinds of generation may be added to serve various levels of growth under different policy and procurement choices to identify least-cost pathways. Under current federal and state policies, EPRI finds that the least-cost pathway is likely to rely heavily on new natural gas generation.[43] In contrast, if

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[37] Latitude Intelligence. (2026, March). *The terms of power: Inside the new utility rates for data centers* (White paper). Latitude Intelligence. The Terms of Power: Inside the New Utility Rates For Data Centers | Latitude Media

[38] The Dallas Fed focuses specifically on changes in Personal Consumption Expenditures (PCE) Inflation, which is the US Federal Reserve's preferred inflation metric used to assess consumer price inflation.

[39] Kay, O., Kilian, L., & Taylor, R. (2026, March 5). *Data center boom expected to raise electricity component of PCE inflation*. Federal Reserve Bank of Dallas. https://www.dallasfed.org/research/economics/2026/0305-kay-datacenters

[40] Assumes continued renewable energy development and delayed retirement of some existing power plants as suggested by recent project data from the US Energy Information Administration (EIA). If renewable build-out slows sharply—for example, with little or no additional onshore wind and only 25% of expected solar additions—the inflation effect could be roughly twice as large, reaching 0.13 to 0.23 percentage points by 2030.

[41] Blanford, G., Wilson, T., Bistline, J., & Johnson, N. (2026). *Powering Intelligence 2026: Updated scenarios of U.S. data center electricity use and power strategies* (White paper). Electric Power Research Institute. https://www.epri.com/research/products/000000003002034696

[42] EPRI's Medium Scenario assumes 100% of Data Centers under construction are completed by 2030, as well as 75% of announced projects in advanced stages, and 10% of projects announced that are in early stages.

[43] Build-rates rise from 3.3 GW annually in scenarios without DC demand to 6.6-13.7 GW, a 2x to 4x increase in 2025-2030 depending on the scenario. Natural gas build exceeds past five-year average of 5.7 GW in all least-cost scenarios.