

The rapid national expansion of large-scale data centers is placing significant new demands on electrical grids and public water systems in the jurisdictions where these facilities are located. Nationally, data centers consumed an estimated 4.4% of total U.S. electricity in 2023, a share projected to reach 6.7–12 percent by 2028. Data center demand on grid power rose by 17 percent in 2025, and is expected to nearly triple by 2030. In California, Pacific Gas and Electric alone reported a data center project pipeline that had grown from 5.5 gigawatts (GW) in February 2025 to 10 GW in July 2025.

Data centers also carry substantial water demands, primarily for evaporative cooling. Large facilities can consume between 1 million and 5 million gallons of water per day—comparable to a town of around 30,000 residents. Peak-day demand from a single large facility using evaporative cooling can exceed 1 million gallons and, in some cases, reach as high as 8 million gallons in a single day.

In light of this rapid growth, the California State Legislature has already acted to study these impacts: Senate Bill 57 (Padilla), signed into law in 2025, directs the California Public Utilities Commission to examine the effect of data center development on ratepayers and grid demand statewide. Other jurisdictions have already moved to pause data center development while similar studies are completed, including the City of Monterey Park in Los Angeles County. Comparable temporary moratoria have also been adopted or advanced in Denver, Colorado; New Orleans, Louisiana; Athens-Clarke County, Georgia; and Apex, North Carolina, generally to allow local governments time to develop zoning, water, and energy standards before further approvals proceed.

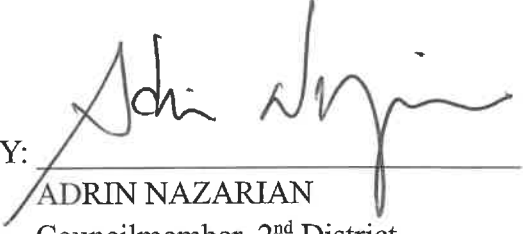
While LADWP's average data center inquiry is 40 MW, hyperscalers, or data center campuses with expansion rights above 100 MW, can require major generation, transmission and substation investments and present a large single-customer concentration risk. The City of Los Angeles has not yet created a comparable, City-specific assessment of how data center development, particularly as it relates to hyperscalers, would affect the Department of Water and Power's electric and water systems, ratepayer costs, drought resilience, and long-term infrastructure planning. Given DWP's existing obligations, it is prudent for the City to complete a comprehensive study of these impacts before further data center development is approved, so that any future policy is grounded in accurate, Los Angeles-specific data rather than national trends alone.

I THEREFORE MOVE that the City Council request the Department of Water and Power to report, in coordination with the Department of City Planning, Department of Building and Safety, and the Bureau of Engineering, on the feasibility of conducting a comprehensive

study of the potential impacts of data center development, specifically with a focus on hyperscalers, on the City's electrical grid capacity, water supply and drought resilience, ratepayer costs, and infrastructure investment needs, and with the possibility of establishing a moratorium on future development of data centers that require more than 100 MW, to Council within 90 days with findings and policy recommendations.

I FURTHER MOVE that the City Council request the Office of the City Attorney, with assistance from the Department of City Planning, to report on the required ordinance(s) establishing a temporary moratorium on the development of new data center facilities that require more than 100 MW within the City of Los Angeles pending completion of the study of data center development impacts.

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SECONDED BY:




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