



Setting the Record Straight:

The Economic & Strategic Case for AI Data Centers in New Jersey

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Summary & Methodology

Critiques of AI data center development in New Jersey often center on concerns related to energy costs, regulatory transparency, and environmental and community impacts.

While these concerns merit serious consideration, several widely cited claims in the public discourse rely on incomplete data, conflate correlation with causation, or omit the substantial documented economic and societal benefits of AI data center infrastructure.

This analysis examines these claims, provides relevant institutional and empirical context, and identifies key areas where important context is often overlooked. It highlights contributions of AI data centers to **economic growth, high-quality job creation, tax revenue generation, and the expansion of digital infrastructure.**

The analysis finds that concerns surrounding AI data center expansion should be considered alongside evidence suggesting that, when appropriately regulated and strategically developed, these investments can support New Jersey's long-term economic competitiveness and an innovation ecosystem.

METHODOLOGY

This analysis synthesizes and evaluates commonly cited arguments raised by critics of AI data center development, particularly those related to energy consumption, regulatory oversight, and local economic impact. Claims were first identified through public commentary, policy discussions, and frequently referenced talking points in the broader debate surrounding data center expansion.

Each claim was then assessed against verifiable data from institutional, academic, and industry sources, including government publications, peer-reviewed research, and publicly available economic and energy datasets. Where possible, claims were cross-referenced with multiple independent sources to ensure accuracy and context.

Rather than evaluating statements in isolation, this approach emphasizes the broader system-level effects of AI data

center infrastructure, including its role in job creation, tax revenue generation, grid demand dynamics, and long-term economic competitiveness. The goal is to provide a comprehensive and evidence-based account of the sector, ensuring that both risks and benefits are accurately represented within their full economic and policy context.

DATA CENTERS AS A STRATEGIC DRIVER OF NJ'S ECONOMIC GROWTH

Historically, New Jersey has served as the operational and infrastructure backbone for many of the region's key industries, particularly as a support hub for New York City's financial services sector through back-office operations, call centers, logistics, and telecommunications infrastructure. The state's strategic location, extensive transportation network, port access, and connectivity

\$31.09B

Total NJ data center industry contribution to NJ GDP in 2024¹

\$3.46B*

In local & state taxes with cross-state spillover effect in 2024 alone for New Jersey¹

172,020

Total NJ employment contribution in 2024 including direct, indirect, and induced effects¹

¹Tax revenue generated from data centers in New Jersey without cross-state spillover effect (\$2.73B) would fund over half of New Jersey's total state expenditures on construction, maintenance, and operation of highways, streets, and related structures, including toll highways, bridges, tunnels, ferries, street lighting and snow and ice removal, based on the latest available government spending data and capital investment to the New Jersey Turnpike Authority.¹

have long made it a critical economic asset to the broader Northeast region. Growth in data center infrastructure represents the next evolution of that role, allowing New Jersey to continue serving as a regional support and

5 megawatts or more.⁴ New Jersey also has a connectivity advantage: NJFX in Wall Township links companies to more than 35 network operators, making the state an attractive location for digital infrastructure investment.⁵

Key Finding: Data centers drove 80% of growth in US final private domestic demand in the first half of 2025. The industry's total contribution to US GDP grew from \$768B in 2023 to \$926.9B in 2024.^{1,2,3}

innovation hub while capturing direct economic benefits through investment, job creation, and infrastructure expansion. Absent continued investment in emerging digital infrastructure sectors, New Jersey risks losing long-term economic relevance and competitiveness as a driver of regional growth.

Data center growth can support New Jersey's economy by attracting private investment, expanding infrastructure, and strengthening sectors the state already relies on, including technology, logistics, and utilities. The opportunity is especially important because demand in the New York Tri-State market continues to exceed supply for large projects, particularly for users seeking

New Jersey tried to ensure that this growth produces clear in-state benefits. Under the former NJEDA Next NJ AI Program, **eligible projects were required to create at least 100 new full-time jobs, pay wages equal to at least 120% of the county median salary, invest at least \$100 million in New Jersey, and partner with a New Jersey-based university, startup, or incubator.** These requirements tied data center development to broader state goals such as workforce development, higher-value employment, and local innovation.

More broadly, data centers fit New Jersey's existing economic profile. A January 2026 state report noted that warehouse space in the state grew by about 50% from 2014 to 2022,

underscoring New Jersey's role in logistics and distribution, while the state also has a relatively well-educated workforce.⁶

In that context, attracting data center investment can do more than generate growth alone: **it can help position New Jersey as a stronger location for businesses that depend on reliable digital and physical infrastructure.**

DATA CENTERS & ENERGY COST STABILITY IN NJ

Data centers can benefit New Jersey's electricity system when their power demand is properly priced and planned for. Because they are large and predictable users of electricity, they can help spread fixed grid costs across more sales, which may reduce pressure on other ratepayers rather than increase it.

This means the main policy issue is not simply whether data centers use a lot of power, but whether regulators and utilities design rates and infrastructure upgrades in a way that prevents cost-shifting and captures the benefits of large-load growth for the public.



CLAIM ONE

“Data Centers Are Responsible for the Spike in Electric Bills”

Opponents argue that data center demand is the primary cause of higher household and small-business electricity costs in NJ.

FACT: For every 10% increase in data center capacity, there was a 0.4% **drop in residential [electricity] rates.**

THE CONTEXT

This claim overlooks extensive empirical evidence demonstrating that data center growth can act as a deflationary force on residential electricity rates. Recent research from the Electric Power Research Initiative (EPRI) estimates that data centers actually pushed average U.S. residential electricity rates down between 2015 and 2024. Specifically, **for every 10% increase in data center capacity, there was a 0.4% drop in residential rates**. In states where data center capacity grew 160% between 2019 and 2024, the study's causal estimate suggests residential rates fell by approximately 6%.⁷

■ What the Studies Show

For example, in Louisiana the utility Entergy projected that electricity payments from a single Meta data center cluster would result in **\$650 million in savings** for other customers over a 15-year period. This aligns with a 2025 study by researchers with the Lawrence Berkeley National Laboratory, which found that load growth was not shown to be a primary driver of retail price increases between 2019 and 2024; on the contrary, **states with significant new large loads often experienced inflation-adjusted rate decreases because fixed grid costs were distributed across a larger volume of sales**.⁸ In PJM's 2024/25 and 2025/26 auctions, research found that load growth primarily from data centers accounted for approximately 50% of the recent capacity price increase. The remaining 50% was driven by non-load factors, including market design updates, changes in reliability targets, and significant power plant retirements in the state within the last decade.⁹

■ Data Centers as a Deflationary Force

Crucially important, data centers can act as a deflationary force on rates. Because they (along with hospitals, transit hubs, and manufacturing sites) are “high-load factor” customers with **steady, predictable demand**, they improve the utilization of existing grid infrastructure, allowing fixed costs to be spread across a larger volume of electricity sales. Additionally, because data centers anchor investments in new transmission and generation, they help replace aging

assets with newer equipment that runs more efficiently and at a lower cost, making the entire system more affordable.

■ NJ Laws

In New Jersey, the existing regulatory framework recognizes the economic value of large, high-volume energy users. The New Jersey Board of Public Utilities (BPU) currently authorizes programs and rate structures designed to attract and retain major commercial and industrial customers through discounted or specialized electric service arrangements because **these users can lower overall system costs** and improve grid efficiency. Data centers should not be singled out for fundamentally different treatment when they operate under the same economic and grid utilization principles as other large-load industries.

■ Existing Community Protections

To further protect local communities, data center operators increasingly utilize the Capacity Commitment Framework (CCF). Under this binding contract model, **large energy customers sign agreements upfront to fund 100% of the required infrastructure**, including breakers, transformers, and entire substations directly attributable to their growth. This approach is specifically designed to shield residential families from bearing capital costs and **ensures the grid is modernized and strengthened at the industry's expense, rather than the ratepayers'.**

■ Risk Mitigation

Beyond CCF, the regulatory landscape has rapidly adapted to include a robust “menu” of risk mitigation tools already in use across the country. These existing frameworks often utilize Contribution in Aid of Construction (CIAC), requiring large-load customers to pay upfront for dedicated facilities like substations and transformers. These payments act as private grid investments that **modernize the system for the broader community at no cost to residential users**. Additionally, contractual safeguards like exit fees and long-term service agreements (often 10 to 20 years) are standard tools used to shield residential ratepayers from the risk of “stranded assets” should a facility depart early.¹⁰

CLAIM TWO

“Data Centers Create Relatively Few Permanent Jobs”

Opponents argue that New Jersey is subsidizing projects whose long-term public value is too limited to justify the fiscal cost.

THE CONTEXT

The assertion that data centers deliver minimal long-term employment relies on a narrow and outdated view of industrial headcounts. In reality, the industry is a primary driver of high-wage, high-skill job growth that does not always require a four-year degree. Nationally, **labor income earned directly from the data center industry grew by 144%** between 2017 and 2023, with income growth outpacing job growth, indicating a shift toward higher-earning roles.

■ The True Headcount

Furthermore, the “permanent headcount” often cited by critics frequently undercounts the dozens of badged tenant employees working on site daily who are not captured in facility-owner payrolls. When looking at the broader economy, the data center industry acts as a massive

employment engine: at the national level, **every direct job supports 4.5 to 6.0 additional jobs in the wider economy**. These “ripple effect” jobs are not limited to technology, but span across services, finance, insurance, real estate, and construction.

■ Scaling Impact

In New Jersey, specifically, the industry's impact has scaled rapidly. By 2024, the data center sector supported a total of 172,020 jobs across the state (including direct, indirect, and induced effects), a significant increase that demonstrates the industry's role as a cornerstone of New Jersey's modern workforce. Focusing only on on-site security or technicians ignores the billions in labor income and the hundreds of thousands of jobs sustained throughout the New Jersey supply chain.¹¹

FACT: Every direct data center industry job supports **4.5 to 6.0 additional jobs** in the wider economy.



CLAIM THREE

“Data Centers Drive Fossil Fuel Dependence & Environmental Harm”

Opponents argue that data center growth is pushing New Jersey toward more carbon-intensive power and greater environmental harm rather than a cleaner energy transition.

THE CONTEXT

New Jersey’s own AI Task Force does not treat data center growth as inherently incompatible with clean energy. The state is also actively building the grid tools needed to absorb new load more cleanly.

■ Building the Tools We Need

In March 2026, NJBPU awarded 355 megawatts of battery storage and launched another 645-megawatt solicitation, and the Board stated that storage supports grid stability, decarbonization, lower electricity costs, and reduced environmental impacts.^{12,13}

■ Bloom Energy

In Vineland, New Jersey, Bloom Energy is providing solid oxide fuel cell technology to power the DataOne data center. Bloom’s Energy Servers generate electricity onsite through an electrochemical process rather than combustion and can operate continuously using natural gas, biogas, or hydrogen. According to Bloom, the technology can provide reliable, onsite power while significantly reducing

conventional air pollutants and water consumption, with a pathway toward lower-carbon and eventually zero-carbon operations as cleaner fuels become available.

Bloom also describes its systems as **capable of operating independently of the grid, enabling data centers to generate electricity onsite and substantially reduce their reliance on the regional grid**. The better conclusion is that data centers can raise electricity demand, but in New Jersey the environmental outcome is not predetermined; it depends on whether policymakers require clean supply, storage, and proper grid management alongside new load.¹⁴

Important Nuance: Absolute emissions have risen for some major tech firms as AI demand has scaled, but that does not prove that data center growth inevitably delays the clean energy transition. The more accurate conclusion is that emissions outcomes depend on how new load is matched with clean energy supply, storage, and grid policy.

FACT: Emissions outcomes depend on how new load is matched with **clean energy supply, storage, and grid policy**.



CLAIM FOUR

“Tax Subsidies for Data Centers Are Wasteful”

Opponents use Virginia and other states to suggest that data center subsidies can produce major fiscal losses for states, including New Jersey.

FACT:

Misleading comparison - Virginia's experience reflects the cost of a broad data-center tax exemption. New Jersey's former program was more limited and conditional, so Virginia's fiscal impact should not be assumed to apply to New Jersey.

THE CONTEXT

New Jersey's Next New Jersey AI program, which concluded in August 2026, should not be equated with Virginia's data center incentive structure. New Jersey's program capped, application-based incentive with concrete performance requirements: eligible projects must involve at least \$100 million in capital investment, create at least 100 new full-time New Jersey jobs, and pay wages of at least 120% of the county median salary. Although, as of August 2026, the Next New Jersey AI program has concluded, other programs these facilities can take advantage of still exist such as the Innovation Evergreen and Angel Investor Tax Credit.¹⁵

ultimately be passed on to consumers through higher prices or to workers through lower wages and employment. In Virginia, **much of the reported "incentive" therefore reflects the state's decision not to apply sales tax to major business inputs such as data center equipment, rather than a conventional credit layered on top of an otherwise neutral tax system.** That makes the Virginia comparison misleading: it points to the fiscal consequences of an expansive exemption in the nation's most concentrated data-center hub, not to the likely impact of New Jersey's more limited and conditional credit program.¹⁶



Local fiscal benefits are an important part of the equation that is often absent from comparisons focused narrowly on the headline value of Virginia's sales-tax exemption.

■ The Real Cost

Virginia is home to the country's best-known "Data Center Alley," and its headline subsidy figure comes from a much broader sales-and-use-tax exemption attached to a far larger and more mature data-center market. Virginia's own Joint Legislative Audit and Review Commission (JLARC) review found that the exemption accounted for 53% of all incentive spending over the decade, totaling \$2.7 billion, with the FY24 estimate alone exceeding \$1 billion. However, **treating the full value of this exemption as a traditional economic development subsidy misses an important tax policy distinction.**

Business inputs, including equipment used in production, generally should not be subject to sales tax because doing so can create "tax pyramiding," whereby the same economic activity is taxed at multiple stages, raising production costs and putting businesses at a competitive disadvantage. The Council On State Taxation (COST) specifically identifies the taxation of business inputs as economically distortive and argues that such taxes can

■ Expanding Local Property Tax Bases

Moreover, the fiscal impact of data centers cannot be evaluated solely by measuring foregone state tax revenue. Data centers can substantially expand local property tax bases while generating relatively limited demand for many local government services. In northern Virginia, data centers **paid an estimated \$1.3 billion in direct property taxes to local governments in 2024, while their broader activity supported more than \$2 billion in local government revenue.**

The resulting expansion of the commercial tax base has helped reduce the share of local revenue borne by residential property owners; in Loudoun County, for example, the residential property tax rate would have needed to be approximately 91% higher in 2024 to maintain current service levels without data centers. These local fiscal benefits are an important part of the equation that is often absent from comparisons focused narrowly on the headline value of Virginia's sales-tax exemption.^{17,18}



Environmental Impact Analysis

In 2024, Virginia's Joint Legislative Audit and Review Commission published a study assessing the impacts of data center development in Virginia, finding that their construction generates environmental effects comparable to those associated with other large-scale developments. Regulatory oversight by the Virginia Department of Environmental Quality (DEQ) plays a central role in limiting pollutants emitted by backup generators, and the agency retains the authority to intervene and strengthen protections, when necessary.

In northern Virginia, diesel generators associated with data centers account for less than 4% of regional nitrogen oxide emissions and 0.1% or less of carbon monoxide and particulate matter

emissions, indicating **a relatively limited contribution to overall air pollution.**

While individual state-level assessments like those in Virginia provide useful benchmarks, the environmental trajectory of the data center industry is increasingly defined by global technological advancements and rapid efficiency gains. National studies find that data center construction generates environmental effects comparable to other large-scale developments, with air quality impacts strictly limited by highly regulated backup systems. Across the industry, backup diesel generators are typically used for a maximum of 30 minutes in an average month for brief maintenance, indicating a limited contribution to overall air pollution. In New Jersey, regulatory bodies, including the New Jersey Department of Environmental

Protection (NJDEP), retain the authority to intervene and strengthen protections to safeguard local air quality.

Industry-wide research finds that data center noise, typically characterized as a low, continuous drone or hum, is generally quieter than common ambient sounds and becomes a concern primarily when facilities are sited without proper buffers. New Jersey also maintains stringent noise standards, meaning data centers must comply with applicable state noise requirements in addition to any local noise ordinances adopted by municipalities. As a result, leading operators have adopted voluntary noise limits and actively conduct advanced sound-modeling analyses prior to project authorization to identify and mitigate potential impacts. Effective mitigation tools currently

deployed include barrier walls, equipment enclosures, and earthwork landscaping, which strengthen facilities' ability to remain compatible with residential environments. The importance of these tools underscores the need for a proactive local government, as it is ultimately responsible for its zoning.

With respect to water use, the industry is rapidly transitioning toward closed-loop and liquid cooling architectures that significantly reduce or eliminate the need for continuous freshwater withdrawals. While a majority of data centers in established markets use no more water than a typical large office building, **modern “ultra-efficient” facilities achieve a Power Usage Effectiveness (PUE) as low as 1.09, meaning they require 84% less overhead energy and associated cooling than the industry average.** Recent first-party

data reveals that a median AI prompt now consumes the equivalent of five drops of water (0.26 mL). Furthermore, major providers have demonstrated a decoupling of growth and environmental impact: for instance, Google reduced its data center energy emissions by 12% in 2024, even as its electricity consumption grew by 27%.¹⁹

The majority of water usage associated with AI stems from continuous program operation, but this footprint is shrinking rapidly. Between May 2024 and May 2025, model improvements and software efficiencies led to a 44x reduction in total emissions generated per median AI prompt. The industry's overall environmental impact varies depending on data center efficiency and cooling technology, but is increasingly mitigated by the aggressive procurement of 24/7 carbon-free energy and AI-optimized grid stability.

Case Study

A 2025 analysis by Energy and Environmental Economics (E3) helps show how data centers can benefit local communities in practice. Looking at four utility regions, the study found that the large data center facilities examined brought in enough revenue to cover the cost of serving them, rather than forcing customers to subsidize them.

In every case studied, the utilities collected enough money from these large users to avoid negative revenue impacts. E3 estimated about \$33,500 per megawatt in surplus utility revenue in 2025, or about \$3.4 million for a 100 MW facility, and projected that this could rise to \$6.1 million per 100 MW by 2030. The study also pointed to utility evidence suggesting that this kind of large, steady demand can help lower average system costs or reduce pressure on monthly bills.²⁷

Overall, the case study suggests that large data centers do not automatically raise costs for everyone else; when pricing and planning are handled well, they can instead help support the electric system.

Water Consumed Using ChatGPT vs Other Activities

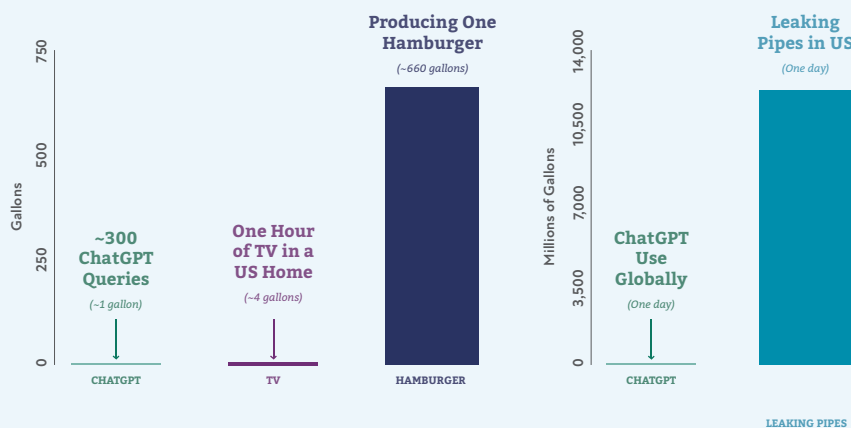


Figure 1: A graphic comparing estimated water consumption associated with ChatGPT usage to other common activities and sources of water loss. The graphic illustrates that approximately 300 ChatGPT queries consume about one gallon of water, compared to roughly four gallons for one hour of television use in a US home and approximately 660 gallons for the production of a single hamburger. It also contrasts estimated global daily ChatGPT water usage with water lost each day from leaking pipes in the US, highlighting the broader context of national water consumption and infrastructure inefficiencies. SOURCE: LEFT: Li, Ren et al., 2023; U.S. Census Bureau; UNEP, RIGHT: Liemberger & Wyatt, 2019; Liemberger & Wyatt, 2020



Policy Observations

A Balanced Path Forward

Data center development presents both opportunities and challenges for New Jersey. Effective policy should ensure that the state captures the economic, technological, and infrastructure benefits associated with this investment while addressing legitimate concerns related to communities, energy demand, and the environment.

The following policy observations offer a balanced framework for supporting responsible data center development without unnecessarily limiting investment, innovation, or economic growth.

OBSERVATIONS

1

Community Engagement & Transparency

Data center development often involves significant infrastructure investment and can have a visible impact on surrounding communities. Early engagement between developers, local officials, and community stakeholders can provide an opportunity to identify concerns related to infrastructure, noise, land use, and other community impacts before projects advance through the development process.

The nature and scale of these concerns may vary considerably by project and community. Community benefit agreements and other engagement mechanisms may therefore take different forms depending on local circumstances. Existing industry practices demonstrate that **developers can play an important role** in establishing **ongoing communication with communities** while maintaining flexibility in how those relationships are structured.

2

Economic Development & The Digital Economy

Data centers increasingly function as foundational infrastructure for artificial intelligence, cloud computing, data processing, and other technology-intensive industries. Their **economic impact can therefore extend beyond the facilities themselves** through **construction activity, capital investment, employment, tax revenues**, and the **businesses and technologies** that rely on digital infrastructure.

This relationship also creates questions regarding how traditional economic development programs apply to an increasingly capital-intensive technology ecosystem. New Jersey's existing Angel Investor Tax Credit, for example, is structured around specific eligibility requirements for emerging technology businesses. The expansion of artificial intelligence and data-intensive technologies

raises the broader question of whether existing incentive structures fully reflect the infrastructure and investment needs of the modern innovation economy.

3

Grid Capacity & Energy Demand

The growth of data centers is occurring alongside broader increases in electricity demand from electrification, advanced manufacturing, transportation, and other energy-intensive industries. As a result, questions surrounding data center electricity consumption are also closely connected to the condition and capacity of the broader electric grid.

Transmission constraints, interconnection queues, generation capacity, and substation infrastructure can affect the timing and feasibility of large-load projects. At the same time, infrastructure investments associated with new demand can create broader benefits for grid reliability, resilience, and capacity. The emergence of **advanced generation technologies**, including small modular reactors and other carbon-free energy resources, further expands the range of potential approaches to meeting future electricity demand. Similarly, models in which large energy users pair new electricity demand with dedicated generation resources represent an evolving area of energy policy.

4

Measuring Costs & Benefits

The economic and infrastructure impacts of data center development are multifaceted, making the measurement of costs and benefits particularly important. Potential benefits include **capital investment, state and local tax revenues, construction and permanent employment, downstream economic activity, and infrastructure improvements**. At the same time, projects can raise questions regarding electricity demand,

OBSERVATIONS

grid costs, water use, land use, and community impacts.

The Rutgers State Policy Lab pilot study collecting actual household utility bills represents one approach to developing empirical evidence regarding potential effects on residential customers.²⁸ A **comprehensive assessment** of data center development should also account for indirect and induced economic activity, including the businesses and small and medium-sized enterprises that depend on digital infrastructure.

Capacity auction prices provide information about wholesale electricity markets, but they do not necessarily capture the full range of factors that determine individual residential electricity bills. Distinguishing between these measures is therefore important when evaluating claims regarding the effect of data center development on household costs.

5

Noise & Facility Design

Noise is one of the most visible community considerations associated with data center development, particularly because facilities can operate continuously. New Jersey's existing noise regulations establish sound-level standards of 50 decibels during nighttime hours, from 10:00 p.m. to 7:00 a.m., and 65 decibels during daytime hours.

The actual noise profile of a data center can vary based on facility design, equipment, site characteristics, and the mitigation measures incorporated into the project. Independent sound studies can provide additional information regarding expected impacts, while technologies such as **barrier walls and parapets, equipment enclosures, vibration isolation, rooftop acoustic screening, earthwork, and landscaping buffers** can affect the resulting sound profile.

These factors illustrate the distinction between the potential impacts of data center development and the impacts of any particular facility. Project design, site characteristics, and compliance with applicable standards can materially influence the experience of surrounding communities.

6

An Ever-Changing Landscape

Data centers are part of a broader technological shift toward artificial intelligence, cloud computing, advanced data processing, and increasingly digital business operations. The scale and energy intensity of facilities can vary substantially, ranging from relatively small installations supporting individual businesses to hyperscale facilities serving large technology platforms.

This variation makes the policy implications of data center development **highly dependent on the type, scale, location, and function of a particular facility**. Policies developed around the largest hyperscale projects may have different implications when applied to smaller facilities or to businesses that operate digital infrastructure as one component of a larger enterprise.

As New Jersey considers the continued expansion of the sector, the distinction between different types of facilities, their infrastructure requirements, and their respective economic and community impacts will remain an important consideration.



Conclusion

AI data center development presents challenging policy questions that increasingly need regulatory solutions. But evidence supports managed expansion over restriction. New Jersey can lead, versus abdicate, in shaping the proper framework for this generational infrastructure build-out.

This analysis recognizes the ongoing public scrutiny regarding the energy and regulatory implications of rapid data center growth. Concerns related to transparency, cost allocation, and accountability are valid and, in many cases, already being addressed through evolving internal policy frameworks and/or government action.

However, when viewed alongside the broader body of economic and environmental evidence, the current

narrative that AI data centers represent a net liability for New Jersey is not supported.

Investment in information processing equipment & software accounted for approximately 92% of US GDP growth in the first half of 2025, generated an employment multiplier effect of 4x to 6x, and contributed over 170,000 jobs to New Jersey in 2024 alone, while also driving significant investment in energy infrastructure, including grid modernization

and clean energy expansion.²⁹ For New Jersey, participation in this sector presents substantial long-term opportunities for fiscal growth, high-quality job creation, and technological leadership.

The central takeaway is that the appropriate response to the challenges associated with data center development is not withdrawal or a moratorium, but **the implementation of smart, balanced, transparent, and forward-looking governance.**

The Bottom Line

AI data center development presents opportunities for complex policy questions to be answered through public-private partnerships which shape policies that balance public interests with the need to innovate as a society. Evidence supports managed expansion, in balance with responsible management of local impacts. New Jersey should lead, not abdicate, in shaping the policy framework for this generational infrastructure build-out.

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