



GOVERNOR GREG ABBOTT

August 3, 2026

Mr. Thomas Gleeson
Chairman
Public Utility Commission of Texas
P.O. Box 13326
Austin, Texas 78711-3326

Mr. Pablo Vegas
President and Chief Executive Officer
Electric Reliability Council of Texas
8000 Metropolis Drive, Building E, Suite 100
Austin, Texas 78744

Dear Chairman Gleeson and Chief Executive Officer Vegas:

Our top priority is to protect Texans' safety and quality of life. That includes providing affordable energy, maintaining a reliable electric grid, preserving water for our communities, and championing Texas values. Those priorities can, and must, be achieved while also creating the jobs and providing the economic opportunity that comes with our national leadership in technological innovation and investment.

The Electric Reliability Council of Texas (ERCOT) is currently considering approximately 474 gigawatts of requests to connect to the Texas grid. That is more than five times Texas' record peak electricity demand for ERCOT. Approximately 90 percent of the new power requests are data centers. That unprecedented load growth could endanger the reliability and stability of the Texas electric grid.

To keep the grid stable and reliable, I am issuing the following directive:

The Public Utility Commission of Texas (PUC) and ERCOT must conduct a comprehensive verification and audit of all data centers advancing through ERCOT's interconnection process before any additional data centers are approved to move forward. Any project that fails to comply with the requirements set forth by the PUC and ERCOT, and by state law, must be denied connection to the Texas grid.

The failure of some data centers to comply with the PUC's survey measuring water and power usage under the General Appropriations Act makes this necessary. Failure to fully comply with that law hinders your ability to make fully informed decisions.

Additionally, recent legislative hearings and public meetings raised important questions regarding the impact of data centers on the grid and on the local communities in which they operate or seek to operate.

Along those lines, in my June 10th letter I noted I would work with the legislature to address Texans' concerns about data centers. To inform these efforts, the PUC and ERCOT must also obtain the following information from each data center project:

- Information detailing the extent to which data centers are paying their own way or depending on the state for financial assistance. That would include all state and local tax incentives, grants, abatements, or other public financial assistance received or expected to be received; and
- The extent to which data centers are providing their own power or depending on the ERCOT grid for that power. Details should include projected annual and peak electricity consumption; and any effort and progress to construct or procure on-site electric generation, including generation type, or other measures to reduce demand on the ERCOT grid; and
- The extent to which data centers are bringing their own water and reusing their own water as opposed to using water needed by local communities. The details should include projected annual and peak water consumption and anticipated sources of water supply. You must also obtain information about the cooling technology that will be utilized, including whether the facility will employ air-cooled, closed-loop, or another water-efficient cooling system; and
- The extent to which data centers are using measures to reduce impacts on neighboring property owners and communities, including noise mitigation, light controls, setbacks, traffic improvements, emergency response coordination, and other community protection measures, understanding that each community is unique; and
- Information detailing the ownership and controlling interests in the project.

Any data center project that fails to comply with the verification and audit process to protect the reliability and resilience of the Texas electric grid must be denied. Simply put, Texans must come first.

Thank you for your continued efforts to protect the Texas electric grid and the interests of the people of our state.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Abbott", with a stylized, cursive script.

Greg Abbott
Governor