Data Centers and Your Electric Bills

FACT SHEET October 2026

Power bills are going up across the country, and the surge in data center development is a big reason. These facilities, which house computer systems used for storing, processing, and distributing digital information, use a tremendous amount of electricity–the largest data centers can consume as much energy as a mid-sized city. Across the United States, data center electricity use has more than doubled in the past 4 years, and it could more than double again by 2030.

This surge in energy demand is driving up residential electricity bills in Illinois, but understanding just how it is doing so is key to designing the right solutions.

Here's what's driving those higher bills, why building data centers has become such an issue for Illinois, and what we can do at the state, regional, and federal level to make data centers pay their fair share.

The Problem: We're Paying Higher Bills Because of Data Centers

Data Centers Raise Both Sides of Your Bill

Your electric bill has two main parts: supply (the cost of the electricity itself) and delivery (the cost of getting it to your home). Data centers are driving up both.

On the delivery side, too often we pay for data center-related upgrades to the power grid that the facilities should be paying themselves.

On the supply side, the culprit is something called the capacity market. Grid operators like PJM Interconnection (which serves ComEd territory) and the Midcontinent Independent System Operator, or MISO (which serves Ameren Illinois), hold auctions to lock in reserve power for the future. Soaring demand projected from new and proposed data centers has sent capacity prices through the roof at these auctions, and PJM's own Independent Market Monitor has said data center demand is the primary reason. Since capacity costs make up roughly 20 percent of the supply section of the bill, that spike is felt strongly by consumers.,

In 2026, Commonwealth Edison and Ameren Illinois customers are paying supply prices that are about 29 percent to 50 percent higher than just two years ago. Both increases trace back largely to record-breaking capacity auction results.

And this isn't an isolated price spike: PJM's capacity price has set records, jumping from $28.92 per megawatt-day for 2024-2025 to $329.17 per megawatt-day for 2026-2027, and it's expected to stay elevated for years. MISO's story is similar: its capacity price for Ameren spiked to roughly 14 times what it was just two years earlier.

Stopping a Data Center in Your Neighborhood Won't Protect Your Bill

Residents across Illinois have packed meeting rooms to express legitimate concerns about the impact of data centers on noise pollution, the environment, and water depletion in their local communities. CUB supports transparency and local autonomy in determining where these facilities are built. However, even if your community successfully blocks a data center from being built nearby, that alone won't shield you from increases in your electric bills. Utility delivery costs are shared by customers across the utility's entire footprint. Capacity auctions cover vast, multi-state regions. This is a grid-wide problem that requires grid-wide, regional, and statewide solutions.

Without Decisive Action, This Will Get Worse

These costs are locked in ahead of time–often years ahead of time– based on forecasts of future data center demand. But data center development is notoriously speculative and plenty of forecasted projects never actually get built.

The Natural Resources Defense Council (NRDC) has estimated that without decisive action, consumers across the PJM grid could see bill increases of up to $70 per month in the years ahead, and the region could even face reliability problems like rolling blackouts.

Why now? Data Centers Have Been Around for Decades, AI is making it a crisis enters

The Role AI Has Played

The single biggest driver of data center growth is artificial intelligence. Training and running AI models requires enormous, constant computing power, far more than the cloud storage and web-hosting workloads that used to dominate data centers. A single AI data center can now demand as much electricity as tens of thousands of homes. That's why what used to be a slow-growing, predictable part of the grid has suddenly become the biggest source of new electricity demand in the country.

Illinois' Data Center Boom

The Pew Research Center ranked Illinois fourth in the nation, behind only Virginia, Texas, and California, with 262 operating or planned data centers. That's a high concentration of computing infrastructure, and it comes with a high concentration of costs.

What Illinoisans Think About Data Centers

A statewide poll found data centers carry a net favorability of -21 percent among voters, in sharp contrast to clean energy, which polls at 75 percent favorability. When it comes to worries about data centers, more than 50 percent of voters name rising utility costs as a top concern.

While data centers spark widespread concerns, there is strong support for reform legislation, such as Illinois's proposed POWER Act (Protect Our Water, Energy, and Ratepayers). Once voters hear the specifics of the POWER Act, support for the legislation rises above 75 percent. This isn't a partisan issue: the POWER Act draws strong majorities from Democrats, Republicans, and independents alike. (Get details about the POWER Act below.)

Solutions: Making Data Centers Pay Their Fair Share

Fixing this problem requires action at multiple levels of government.

State Solutions: Most Important Now

Illinois has already taken one major step forward. In late 2025, the General Assembly passed the Clean and Reliable Grid Affordability (CRGA) Act (Public Act 104-0458). CRGA adds 3 gigawatts of battery storage to the grid, creates a "Storage for All" program to bring storage benefits to income-eligible households, and launches Illinois's first virtual power plant (VPP) program, which lets consumers aggregate batteries and solar panels to earn money providing grid services. It also mandates time-of-use (TOU) rate options at ComEd and Ameren, funds pilot programs for geothermal energy networks, and strengthens energy efficiency standards. All of these tools help balance supply and demand and reduce the kind of market volatility that drives up supply prices.

But CRGA was designed to address the supply-and-demand imbalance broadly; it doesn't specifically focus on regulating data centers. That's the job of the POWER Act (SB 4016/HB 5513). The bill would require data centers to pay their own interconnection costs, bring their own new capacity (or reduce usage during peak demand), and either bring their own new clean energy or pay the real cost for the state to provide it. It would also protect water resources and public health, and increase transparency by cracking down on backroom deals between data centers and local governments.

And although the POWER Act is an Illinois bill, it's written to ensure that any steps the regional grid operators take to protect reliability and shield ordinary customers from the costs of large data centers will work at the state level too.

The General Assembly has yet to pass the POWER Act. But the Governor has paused new tax incentives for data centers and outlined a framework for consumer safeguards that was similar to provisions in the POWER Act.

Regional Solutions

After consumer advocates, including CUB, lobbied for reforms, PJM this year proposed a "bring your own new capacity," requirement for big energy users, including data centers, or face being cut off during grid emergencies. The plan relied heavily on states to enforce the PJM rules–making it important for individual states to take steps, such as passing the POWER Act, to protect customers from devastating future price spikes. That role has become even more critical after the Federal Energy Regulatory Commission (FERC) rejected most of PJM's plan.

Federal Solutions

CUB supports the Power for the People Act (S. 3682), introduced by Sen. Chris Van Hollen of Maryland. It would direct FERC to create a data center-specific interconnection queue and push states to adopt data center-specific rate classes so that Big Tech–and not the consumer—gets billed for its own costs

What you can do

This fight is far from over, and consumer voices make a real difference. Here's how to get involved:

- Join the email list for CUB's Consumers for a Better Grid campaign to get updates on how to hold data centers accountable for their costs at the PJM level. Visit ForABetterGrid.org for more information on CUB's work for pro-consumer policy at PJM.

- Urge your Illinois legislators to pass the POWER Act.

- Urge your Congressional representatives to support the Power for the People Act.

- Attend a CUB event to learn more about data centers and what's at stake for your electric bill. Check CUB's event calendar, at CitizensUtilityBoard.org, for upcoming opportunities.