



Data Centers & Electric Service FAQ

Q. Why are data centers interested in locating in our area?

A. Electric demand is growing across the country, and large businesses are looking for places with reliable power and strong communities. Our area is being considered because of available infrastructure and economic opportunities.

Q. Does Victory Electric decide if a data center comes here?

A. No. Those decisions are made by **local communities and leaders**. Victory Electric does not choose which businesses locate here—we provide information and electric service when projects move forward.

Q. What is Victory Electric's role?

A. Victory Electric's role is to:

- Provide safe, reliable electric service
- Work with businesses to determine if service is available
- Build or upgrade infrastructure if needed

We also support economic development by helping communities explore opportunities.

Q. Are you required to serve data centers?

A. Yes. Just like homes, farms, and small businesses, **Victory Electric is obligated to provide service** to any member located within our certified service territory.

Q. Who pays for infrastructure upgrades for data centers?

A. If a large business requires new or upgraded infrastructure (like transmission or distribution facilities), **that business pays 100% of those costs.**

Q. Will data centers increase my electric bill?

A. Not necessarily. In fact, large businesses can help:

- Spread out fixed system costs
- Bring in additional revenue
- Reduce cost pressure on existing members

When managed responsibly, this can help **stabilize electric rates over time.**

Q. Why are electric costs rising across the country?

A. Electric costs are increasing due to factors like:

- Growing demand for electricity
- Aging infrastructure
- Supply chain challenges and inflation
- Increased need for generation and transmission

Many of these factors are outside local control.

Q. How do data centers affect the broader electric grid?

A. The electric grid is regional. Large projects—no matter where they locate—can impact costs and infrastructure needs across multiple states.

If those businesses locate in our service area, they can help **offset some of those shared costs** through added revenue.

Q. Why can't Victory Electric share details about specific projects?

A. Early discussions with potential businesses are **confidential**, which is standard across the industry.

Businesses—not the utility—are responsible for announcing their projects and engaging with the community.

Q. How do data centers benefit our community?

A. Data centers can:

- Support local economic growth
- Create jobs
- Bring new revenue into the area

They can also help keep electricity more affordable by contributing to system costs.

Q. What is Victory Electric's priority in all of this?

A. Our focus remains the same:

- Reliable service
- Affordable rates
- Serving the best interests of all our members

We are committed to transparency, responsible planning, and supporting our communities.

Q: Do data centers pay the same rate for electricity as homes or businesses?

A: Victory works with many industrial members, and each has a unique agreement based on their operations. Just like we don't share details about individual residential accounts, we don't disclose the specifics of these contracts. Data centers have special rates tied directly to market prices, which are set independently of our regular member rates.

Q: What about concerns with noise, especially near homes and schools?

A: While Victory doesn't control how these facilities operate and we can't stop service because of noise concerns, we absolutely understand and take your concerns seriously. We're talking with local officials and other groups to support efforts that address these impacts.

Q: Where does the money from data centers go?

A: As a not-for-profit, member-owned electric cooperative, Victory doesn't make profits for shareholders. Instead, all revenue – including what we get from data center operations – is reinvested back into the cooperative to benefit you, our members. Any leftover funds are returned to our members as capital credits. Data centers would contribute significantly to our electricity sales. This extra revenue helps cover the fixed costs of maintaining and upgrading our electric grid, which in turn helps keep rates more stable for everyone.

Q: How much electricity do the data centers use compared to a typical member?

A: Data centers are considered large industrial customers. Their energy use is much higher than a typical home or small business, which is why they're billed under different rate structures designed for high-consumption accounts.

Q: Will data centers cause higher rates for other members?

A: Not necessarily. Because these operations bring in extra revenue, they can help cover system costs, which supports rate stability for all members.

Q: Do data centers use a lot of water? *

A: A data center's water usage depends on the cooling system design, size, location, and other factors. Many facilities use closed-loop cooling technology that minimizes water consumption. In these systems, water usage is comparable to a standard office building – primarily for restrooms and basic facility operations, not for cooling equipment.

*This information will vary depending on each data center.