



LOUISIANA DATA CENTERS

FREQUENTLY ASKED QUESTIONS



What is a data center and why would companies want to build one in Louisiana?

- Data centers are facilities that store and process digital information – with a significant physical footprint to support hardware.
- Louisiana is attractive because of LED-certified sites, competitive electricity costs, access to major fiber routes, a strong industrial workforce and capability to scale power generation up.



Do data centers create jobs for local communities?

Data centers create a mix of construction jobs during build-out, and permanent high-skill jobs such as IT, electrical, and security and maintenance, among others.



Can Louisiana's power grid support large data centers?

- Louisiana has a robust industrial-scale power system and experience serving energy-intensive facilities like petrochemical plants.
- Utilities are increasingly planning for large loads while maintaining grid reliability.
- Major changes to utility systems and investments in the grid must be approved by the Public Service Commission, which also deals with rate-setting.



Why do data centers use so much water, and how many gallons are required to operate?

- Data centers use water for cooling. The hardware generates a lot of heat and keeping it within a particular temperature range is essential for viability.
- Water usage can range from hundreds of thousands to several million gallons per day for very large facilities during peak demand (example - during hot summers in Louisiana). Though those withdrawals may sound very high, Louisiana as a state uses nearly 9 billion gallons of water per day.

Where does the water come from?

- Municipal water systems, industrial water supplies, groundwater wells, and surface water.
- Data center developers must register new groundwater wells with the state, providing data on potential impacts to aquifers and nearby existing groundwater wells for review.



Are there tax incentives for data centers in Louisiana?

- Yes. The state has introduced sales tax rebates and exemptions on equipment and infrastructure purchases for certified data center projects that meet investment and job creation thresholds.
- Projects generally must have a minimum of 50 new direct, permanent jobs in Louisiana and must involve at least \$200 million in new capital investment to qualify for long-term tax benefits.