

On April 17, 2026, the Center for Rural Pennsylvania Board of Directors hosted the first installment of its public hearing series on data centers at the Coolidge Theatre in Wellsboro, Tioga County. The hearing, titled *Data Centers: Mapping the Landscape Across State, Local, Industry, and Environmental Perspectives*, convened state agency officials, regional grid and utility representatives, county commissioners, local planners, and environmental and industry stakeholders to examine the rapid growth of data center development and its implications for rural Pennsylvania communities. Testifiers addressed electricity demand and grid reliability, water consumption, land use and zoning, tax and economic impacts, and the need for coordinated state-level guidance to support local planning. While witnesses generally agreed that data centers may present significant economic development opportunities, testimony also highlighted concerns regarding electricity demand, water consumption, infrastructure readiness, and local government capacity to manage large-scale development.

Key Takeaways

- **Local Capacity and Planning Readiness:** Multiple testifiers emphasized that rural communities often lack the staff capacity, technical expertise, and planning resources necessary to evaluate complex data center proposals. Witnesses called for state-level guidance, model ordinances, technical assistance, and support for regional planning efforts to help local governments make informed decisions.
- **Community Benefits Agreements:** Local officials highlighted Community Benefits Agreements (CBAs) as an important tool for ensuring that large-scale data center developments generate measurable local benefits, including investments in emergency services, infrastructure, workforce development, and community quality of life.
- **James R. Ladlee, State Program Leader for Emerging and Advanced Technology, Penn State Extension:** Ladlee testified that communities across Pennsylvania face a significant information gap between the pace of data center development and local capacity to evaluate complex proposals, and offered a question-based framework covering power, water, land use, infrastructure, and economics to guide informed, fact-based community review.
- **Stephen M. DeFrank, Chairman, Pennsylvania Public Utility Commission:** DeFrank testified that the PUC is developing a model large-load customer tariff with collateral requirements, exit fees, minimum demand charges, and Universal Service Fund contributions to protect existing ratepayers, and that Act 45 of 2025 now empowers the PUC to review and validate electric distribution company load forecasts submitted to PJM.
- **Andrew D. Dehoff, P.E., Executive Director, Susquehanna River Basin Commission:** Dehoff testified that hyperscale data centers can evaporate millions of gallons of water per day through evaporative cooling, potentially straining regional water resources, and urged developers to adopt dry or hybrid cooling technologies and engage SRBC early in site selection.
- **Stephen E. Bennett, Senior Manager, PJM Interconnection:** Bennett testified that increasing electricity demand, including demand associated with data center growth, has contributed to higher PJM capacity market prices and urged states to act on retail cost allocation, data center entry commitments through regulated utilities, and siting and permitting processes to protect existing ratepayers and ensure adequate supply.
- **Dan Diorio, Vice President, State Policy, Data Center Coalition:** Diorio testified that Pennsylvania's data center industry supported thousands of jobs and contributed billions in annual labor income in 2023, that the industry is committed to paying its full cost of service, and that data center-driven load growth may create downward pressure on electricity rates when large customers pay the full cost of service, and infrastructure investments are appropriately allocated.
- **Shane Nickerson, Commissioner, Tioga County:** Nickerson testified that Tioga County proactively engaged a prospective data center developer, adopted a protective ordinance with public input, used GIS analysis to identify appropriate sites away from farmland and residences, and is pursuing CBAs to ensure measurable local investment in emergency services, roads, and local hiring.
- **Sherene Hess, Commissioner, Indiana County:** Hess testified that Indiana County is evaluating a proposed \$10 billion hyperscale data center campus on the former Homer City coal plant site and emphasized that local governments must retain land use authority, that CBAs are essential to equitable development, and that data centers must pay their fair share of grid upgrade costs.
- **Rachel Courtney, Planning Director, Tioga County:** Courtney testified that Tioga County adopted a stand-alone

data center ordinance in December 2025 to establish baseline safeguards on noise, water use, on-site power generation, and decommissioning, and called for state-level training, model ordinances, and financial support to help rural municipalities manage high-impact development.

- **Joshua S. Zeyn, C.P.E., Chief Assessor and Tax Claim Director, Tioga County (Written Testimony):** Zeyn testified that a single conceptual hyperscale data center campus could add approximately \$2 billion to Tioga County's tax base, a potential 54 percent increase, generating an estimated \$33 million annually across county, municipal, and school district levies, though he emphasized these figures are preliminary.
- **Scott R. Zubek, G.I.S.P./M.G.I.S., GIS Department Director, Tioga County (Written Testimony):** Zubek testified that Tioga County's GIS team used multi-criteria decision analysis to evaluate potential data center sites based on utility proximity, terrain, land use history, and distance from residential areas, deliberately steering proposals toward previously disturbed or former industrial lands to minimize community impacts.

Panel 1: An Overview of Data Centers

James R. Ladlee, State Program Leader for Emerging and Advanced Technology, Penn State Extension

Ladlee testified that Penn State Extension has expanded its data center educational programming through webinars, publications, and in-person programs in response to statewide demand. He offered a question-based framework organizing key community considerations into five areas: power and energy, water, land use and siting, infrastructure, and economics and community impact. Ladlee identified gaps in local capacity, including limited in-house expertise on energy systems and water use, difficulty accessing neutral technical support to evaluate project claims, and challenges managing high volumes of public interest and fast-moving project timelines. He recommended that communities start with questions rather than conclusions, encourage independent third-party analysis, develop model ordinances and planning tools, and build local capacity through shared regional support.

Panel 2: Government Oversight and Regulatory Readiness

Stephen M. DeFrank, Chairman, Pennsylvania Public Utility Commission

DeFrank testified that the PUC's focus is protecting existing ratepayers from the costs of data center grid integration. He described a proposed model tariff issued in November 2025 establishing parameters for large load customers, including minimum contract terms of five years, minimum demand charges of 80 percent regardless of usage, collateral requirements to cover network upgrade costs, exit fees for stranded costs, and annual Universal Service Fund contributions of \$250,000 to \$1 million based on facility size. He also highlighted

Act 45 of 2025, which empowers the Commission to review and validate electric distribution company load forecasts submitted to PJM and to screen for duplicate interconnection requests across utility territories. The Commission's first annual report under the Act is due June 2026.

Andrew D. Dehoff, P.E., Executive Director, Susquehanna River Basin Commission

Dehoff testified that hyperscale data centers are among the most water-intensive facilities entering the Pennsylvania market, with a single campus potentially evaporating millions of gallons per day through evaporative cooling. SRBC regulates water withdrawals over 100,000 gallons per day and consumptive use over 20,000 gallons per day. He noted that SRBC has issued only one hyperscale data center permit to date, for Amazon Data Services in Luzerne County, approved for 129,000 gallons per day using hybrid cooling, and urged developers to engage SRBC early, explore dry and hybrid cooling alternatives, and coordinate with the DEP's Permit Application Consultation Tool. He cited SRBC's success encouraging dry cooling at four natural gas power plants, avoiding more than 45 billion gallons of water use through 2024.

Panel 3: Industry and Energy Perspectives on Data Centers

Stephen E. Bennett, Senior Manager, PJM Interconnection

Bennett presented PJM's perspective on surging electricity demand driven by data center growth, noting that summer peak demand forecasts have risen substantially in successive annual projections. He described PJM's board decisions on large load additions, including requirements for data centers to bring their own new generation or face curtailment, and reliability backstop procurement measures. Bennett urged states to address retail cost allocation by directing infrastructure costs toward large load customers rather than residential consumers, strengthen data center entry commitments through regulated utilities to improve load forecast accuracy, modernize default service procurement for a higher-cost wholesale environment, promote demand response and energy efficiency programs, and streamline siting and permitting for new energy infrastructure.

Dan Diorio, Vice President, State Policy, Data Center Coalition

Diorio testified on behalf of the Data Center Coalition, presenting economic data showing that Pennsylvania's data center sector supported 99,150 total jobs and \$8.35 billion in annual labor income in 2023, contributing \$27.69 billion to GDP over 2022–2023 and generating \$2.62 billion in state and local tax revenues. He emphasized that data centers are committed to paying their full cost of service and presented examples from multiple states, including Virginia, California, Georgia, and Indiana, showing that large load customers can help

apply downward pressure on electricity rates. Diorio also described the industry’s investments in renewable energy, water efficiency technologies, and workforce development pipelines, and called for regulatory certainty, including clear zoning frameworks, to support continued investment in rural communities.

Panel 4: Local Elected Officials’ Perspectives on Data Centers

Shane Nickerson, Commissioner, Tioga County

Nickerson described Tioga County’s proactive response to a data center development proposal, including early engagement with a developer that led to the removal of a valuable farmland site from consideration. The county adopted a data center ordinance addressing water consumption, on-site power generation, noise, setbacks, and decommissioning, incorporating public feedback on community character. Using GIS analysis, the county identified former strip-mined lands and other disturbed sites as more appropriate development locations. Nickerson noted that preliminary estimates suggest a data center campus could carry an assessed value of approximately \$1 billion and generate roughly \$20 million annually for school districts, potentially shifting tax burdens away from landowners and homeowners on fixed incomes. He called for a state-level “playbook” providing guidance on ordinances, Community Benefits Agreements, and impact management.

Sherene Hess, Commissioner, Indiana County

Hess testified that Indiana County is navigating a proposal for a 4.5 GW natural gas-powered hyperscale data center campus on the 3,000-acre former Homer City coal plant site, backed by an initial investment exceeding \$10 billion and projected to create more than 10,000 construction jobs and approximately 1,000 permanent positions. She emphasized that local governments must retain land use authority and that Comprehensive Plans should guide data center siting and review. Hess advocated for CBAs that guarantee local hiring commitments, infrastructure investment, support for rising utility costs, quality-of-life protections including noise and visual controls, and efficient cooling and water recycling requirements. She stressed that data centers must pay their fair share of grid upgrade costs and that counties need state support to build planning capacity.

Rachel Courtney, Planning Director, Tioga County

Courtney detailed Tioga County’s regulatory response to data center development, noting that only 16 of 39 municipalities have adopted zoning ordinances, leaving much of the county with limited development controls. The Planning Commission drafted and the Board of Commissioners adopted a stand-alone data center ordinance in December 2025 covering noise, setbacks, height, on-site power generation, cooling systems, impact analysis, and decommissioning requirements. The ordinance included a 30-day public comment period. Courtney identified key rural challenges including limited

municipal zoning capacity, difficulty filling governance positions, and constrained access to specialized training. She called for state-level guidance outlining regulatory roles, model ordinances and Community Benefit Agreement templates, and support for multi-municipal planning through the DCED Municipal Assistance Program.

Written Testimony Submissions

Joshua S. Zeyn, C.P.E., Chief Assessor and Tax Claim Director, Tioga County

Zeyn presented preliminary tax impact modeling comparing Tioga County’s current tax base to the potential fiscal impact of a conceptual hyperscale data center campus of approximately 3.2 million square feet supported by 2 GW of on-site power generation. Drawing on data from Loudoun County and Prince William County, Virginia, which generate \$600 million and \$280 million annually from data center taxation respectively, he estimated the project could add approximately \$2.08 billion to Tioga County’s taxable base, a 54 percent increase, generating an estimated \$33.4 million annually across county, municipal, and school district levies. He emphasized these figures are illustrative and based on conceptual developer information, with final valuation requiring detailed construction plans and application of cost, income, and sales comparison approaches.

Scott R. Zubek, G.I.S.P./M.G.I.S., GIS Department Director, Tioga County

Zubek described the GIS-based multi-criteria decision analysis process used to evaluate potential data center sites in Tioga County. The analysis incorporated parcel data, infrastructure layers, 3D terrain models, soils analysis, zoning, flood constraints, land use, transportation access, and specialty datasets including energy atlas data, transmission line locations, and behind-the-meter gas gathering line records. Sites were evaluated through a weighted scoring system considering utility infrastructure readiness, fiber access, terrain suitability, parcel size and shape, zoning favorability, land disturbance history, and transportation access. Zubek emphasized that the process was designed not just to maximize development suitability, but to minimize impacts on residents, agriculture, and established community patterns by prioritizing previously disturbed lands such as former coal or strip-mined sites.

Issues for Further Examination

The hearing identified several issues that warrant additional examination:

- Allocation of electricity infrastructure costs among customers.
- Long-term impacts on electricity affordability.
- Water consumption and cooling technologies.
- Local government planning and zoning capacity.
- CBAs and local fiscal impacts.
- Workforce development needs.
- Housing, transportation, and public service impacts associated with large-scale development.

Thank You

Thank you to the hearing participants who presented testimony:

- James R. Ladlee, State Program Leader for Emerging and Advanced Technology, Penn State Extension
- Stephen M. DeFrank, Chairman, Pennsylvania Public Utility Commission
- Andrew D. Dehoff, P.E., Executive Director, Susquehanna River Basin Commission
- Stephen E. Bennett, Senior Manager, PJM Interconnection
- Dan Diorio, Vice President, State Policy, Data Center Coalition
- Shane Nickerson, Commissioner, Tioga County
- Sherene Hess, Commissioner, Indiana County
- Rachel Courtney, Planning Director, Tioga County

Written testimony submissions:

- Joshua S. Zeyn, C.P.E., Chief Assessor and Tax Claim Director, Tioga County
- Scott R. Zubek, G.I.S.P./M.G.I.S., GIS Department Director, Tioga County

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