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Fitch: US Public Power Planning Key to Absorbing Data Center Load Growth

Fitch Ratings-New York-16 March 2026: U.S. public power and cooperative utilities face accelerating data center and AI-related load growth that is reshaping demand profiles and introducing concentration risk, Fitch Ratings says. The trend is not inherently negative for credit quality, but strategic, careful power supply planning, liquidity management and credit risk protection will be key to mitigating customer concentration risk and preserving ratings.

Data centers consumed roughly 4% of the U.S.'s total electricity in 2025 and demand could double by 2030, according to the Energy Information Administration. However, data center demand can account for a much greater share of individual utility revenue and is particularly challenging for smaller utilities due to the large, sustained power needs of each facility and growth in hyperscaler campuses. These loads have doubled revenue for a few smaller Fitch-rated systems, and account for more than 30% of total revenue at others. To date, these utilities have successfully limited concentration risks by isolating power supply costs, maintaining adequate liquidity and funding necessary capex through customer contributions.

A clear, achievable power supply plan is critical for systems serving, or planning to serve, large loads. Strategies that involve the construction of new resources pose the highest risk to credit quality, given sizable debt issuance to fund capex and the potential for stranded assets if loads don't materialize. A reduction in planned data center growth or technological advancements that improve semiconductor efficiency may materially reduce data center power needs.

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