Committee on Environmental Protection & Energy

S U B S T I T U T E R E S O L U T I O N

WHEREAS, Chicago currently has 39 data centers, which were originally built to process and store basic internet information and people's personal data; and

WHEREAS, ChatGPT entered the public domain in late November of 2022 with little fanfare, and has been updated with more versions after feedback throughout the years; and

WHEREAS, the advent of artificial intelligence has accelerated the demand for expanding data centers across the nation as private AI companies compete to advance their technology; and

WHEREAS, in 2022, the City of Chicago published its Climate Action Plan, which set goals to reduce Chicago's greenhouse gas emissions by 80% below 1990 levels by 2050, with a smaller goal of 25% by 2020, and plans to support these goals with eco-friendly buildings, energy, transportation, waste, and natural systems; and

WHEREAS, in September of 2024, Chicago City Council passed the Chicago Data Residency Ordinance in 2024, amending Municipal Code Chapter 2-68 to provide financial incentives to build data centers that store the City of Chicago's data, including earned credits on future data center contracts; and

WHEREAS, the Chicago Data Residency Ordinance established an interdepartmental working group to review and recommend policies and practices to address the environmental and energy impacts of data centers within the City of Chicago; and

WHEREAS, in July 2026, the interdepartmental working group published the Sustainable Data Center report; and

WHEREAS, the Sustainable Data Center report identified wide-ranging impacts associated with data centers, specifically significant demands on electricity and water infrastructure; and

WHEREAS, a typical data center uses 300,000 gallons of water per day, and hyperscale data centers use about 5 million gallons a day, which is equivalent to the resources used by a town with 50,000 residents; and

WHEREAS, data centers negatively affect quality of life for nearby communities by the noise generated from the data centers' excessive cooling systems; and

WHEREAS, data centers' electricity and water usage have resulted in everyday ratepayers seeing spikes in their bills, with an average bill increasing 70% from 2020 to 2026; and

WHEREAS, data centers affect local air quality through emissions from their "emergency" backup diesel generators, which both heighten the carbon footprint with hazardous pollutants and raise the risk for respiratory and cardiovascular illnesses for citizens in the area; and

WHEREAS, data center generators are big producers of soot and particulates, threatening Illinois' clean energy goals in the Climate and Equitable Jobs Act (CEJA); and

WHEREAS, PJM Interconnection, the business responsible for managing power plant interconnections across several states, including Illinois, has delayed retiring energy generators that have the largest carbon footprints, like coal power plants, to meet the electricity demands of data centers; and

WHEREAS, city officials might ultimately need to build infrastructure for processing and supplying the water to keep up with data center water and energy consumption, like new clarifiers, corrosion plants, pump stations or pipes, which could strain the city's budget and indirectly raise property taxes; and

WHEREAS, New York has been the only state to pass legislation that enforced a one-year moratorium on data centers over 20 megawatts, and certain cities in New Jersey, Massachusetts, Rhode Island, Maryland, Oklahoma, Florida, Missouri, Texas, Arizona, California, Virginia, and Ohio have passed permanent bans on new data centers; and

WHEREAS, other Illinois municipalities and counties, such as Bloomington, Normal, Effingham, Bourbonnais, Carbondale, McLean, Logan County, and Lake County, have implemented data center moratoriums, ranging from six to twelve months; and

WHEREAS, the Committee on Environmental Protection and Energy passed substitute ordinance SO2026-0027165 on September 1, 2026, mandating that data centers now must report their energy and water usage under the City of Chicago's benchmarking requirements; and

WHEREAS, on August 11, 2026, Mayor Johnson issued Executive Order 2026-5, establishing the Interdepartmental Data Center Environment and Community Protection Task Force, which directs departments to establish a regulatory framework for data centers and calls on Chicago City Council to pass a 12-month moratorium while the task force completes its recommendations; and

WHEREAS, Mayor Johnson and members of the Chicago City Council plan to introduce a 12-month moratorium to the September 23, 2026 City Council meeting; and

WHEREAS, SB4016, the POWER Act, before the Illinois General Assembly would establish policies that ensure data centers pay their fair share to protect consumers and our climate; and

WHEREAS, the POWER Act will establish critical protections to limit pollution and protect vulnerable communities by requiring that data centers provide their own renewable energy, establish sustainable water use, require transparent reporting, and other consumer protections; and

WHEREAS, absent any regulatory framework for data centers, Chicago and Illinois risk accelerating the impacts of climate change and not realizing established climate goals; now, therefore,

BE IT RESOLVED, that we, members of the City Council of the City of Chicago, do hereby call upon the Illinois General Assembly to pass the POWER Act, SB4016, to safeguard environmental protections and responsible development of data centers in Illinois in consideration of climate goals and citizens' well-being; and

BE IT FURTHER RESOLVED, that a suitable copy of this resolution be transmitted to the Governor of Illinois and members of the Illinois General Assembly.