evergy

Data Center Facts and FAQs

In the fall of 2025, the Missouri and Kansas utility commissions approved a special electric rate that establishes criteria that all large energy users over 75 MWs (including data centers) must meet before connecting to Evergy's electrical system. Here are some key points to remember about data centers, as Evergy prepares to welcome these new large users to its system.

Data Center Facts

- Data Centers must pay 100% of all direct costs for service to their facilities.
- Data centers must pay a premium rate, that is as much as 20% higher than existing large customer demand rates, to help pay for new investments in generation and transmission and protect existing customers from shouldering those costs.
- Data centers reduce future rate increases for existing customers by paying a significant portion of the ongoing costs to operate and maintain the electrical grid.
- Data centers must sign long-term contracts (up to 17 years) with significant early cancellation penalties to provide stability and protect existing customers.
- Data centers have a monthly MINIMUM BILL that ensures they pay regardless of whether or not they use the energy.
- Data centers SHARE in the cost of utility upgrades, which will happen with or without data centers.
- Data centers PROVIDE millions of dollars in local revenue for our cities, schools and services.
- Data centers ENABLE more investment in the digital economy.
- Data centers CREATE JOBS -- construction jobs, permanent jobs and ongoing maintenance jobs, which provide a continual economic boost to surrounding communities.
- Data centers will be valuable PARTNERS for community priorities and projects.
- Data centers are vital to NATIONAL SECURITY by ensuring the United States has enough computing power and storage to operate vital businesses with military and financial systems and not fall behind other countries in the development of artificial intelligence (AI) capabilities.

Frequently Asked Questions

Does Evergy have the power to serve these new large customers, and will it lead to brownouts?

Evergy is required to have enough power to meet its highest load plus a 15-38% reserve margin, depending on the season. In other words, Evergy cannot add new customers without already having the capacity to provide the energy they need AND keep a higher margin in reserve. That higher margin represents the amount of back-up power Evergy must have to guard against unplanned conditions or events on the regional power grid. If the grid was in danger of becoming overloaded, large customers and data centers would be called on to reduce their energy usage. Evergy's demand response programs help reduce power needs at time of high usage to protect the grid and to manage cost. Evergy averages fewer than 10 days per year where it is required to be in heightened alert status because of strains on the grid. Only once, during Winter Storm Uri in 2021, have we had temporary, controlled interruptions in service.

Will data centers increase MY power costs?

No, data centers reduce future rate increases for existing customers by paying a significant portion of the ongoing costs to operate and maintain the electrical grid.

Operating and maintaining the electrical grid is costly and increasing regardless of large loads. To ensure that data centers bring price and service benefits to our

existing customers, Evergy was proactive and established a new rate for large data centers. This new rate charges data centers a higher rate than other industrial customers. That premium is then applied to existing customer bills to help reduce future rate increases. Also, given the large volume of electricity used continuously by these types of large customers, they will pay MORE of the ongoing costs of operating, upgrading and maintaining the electrical grid. Adding new users or growing Evergy's base of large industrial customers is the best way to hold down costs for everyone.

What are the benefits of data centers for my community?

A data center can increase the amount of property and other tax revenues a community sees without a similar drain on services. Additionally, many communities have a franchise fee assessed on electric usage that can generate millions of additional dollars to fund city services. It also brings in valuable community partners to invest in job training and other community priorities.

Do data centers create jobs?

Yes. While the number of full-time, permanent jobs is smaller than a large manufacturing facility, there is a significant benefit. Thousands of construction jobs are created while the facility is being built. Additionally, many data centers refresh their equipment every three years, adding to the ongoing benefit in jobs and investment at these facilities. That's to say nothing of jobs created by restaurants, suppliers and others that count on the increased traffic.

Do data centers attract other businesses?

AI will be a significant catalyst for the future economy. More of everything that we do will depend on a direct data connection and two-way communication with the internet. Surgery, robotics, automated vehicles, and more, will increasingly depend on immediate interpretation of data and the translation of that data to action. Data centers are the infrastructure of the future that enable both AI and businesses that use it.

And, proximity matters. Having robust data center infrastructure here means the companies in our region will be first in line for the economic activity AI enables.

Do data centers threaten water supply?

Newer data centers are moving toward closed-loop cooling, which dramatically reduces water use by reusing water. In addition, cooling that does not use water, like free-cooling and air-cooling methods, is becoming more common. The impact our water systems are seeing from data centers will continue to shrink as technology is brought to bear on the problem. For example, Meta has said it will be water positive by 2030- meaning it restores more water than it uses.

How much land do data centers use?

Data centers require a footprint of about 10 to 250 acres. Each acre generates millions in economic activity, supports digital services and enables cloud computing. The value per square foot is extremely high. Many data centers are sited in industrial and commercial areas that are used for economic development projects. In addition, data centers frequently move into vacant commercial spaces that housed different industries- revitalizing parts of our community.

Don't data centers increase the need for large transmission lines?

All large projects a utility adds to its system require additional transmission capacity. Data centers usually locate near existing infrastructure, which minimizes local impacts. Data centers directly pay for lines constructed specifically to serve them.

What about the incentives data centers might get from local governments?

Data centers attract billions in investment and help create construction and permanent jobs. Missouri and Kansas both now have policies that require minimum investments and job creation standards for data center incentives. These incentives are similar to other types of economic development. Ultimately, it's up to state and local leaders to decide what types of incentives make sense and at what level.

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