LIGHTVIEW INSIGHT · AI INFRASTRUCTURE

# The Ballot Box Meets AI Infrastructure

The midterms turned opposition to data centers into votes.
The risk sits less in 2027 capacity already being built than in 2028 capacity that has not broken ground

By **LightView** **November 9, 2026** Information as of November 8

## Key points

1. **Forty of 41 local ballot measures went against data centers.** They were decided on November 3 in ten states including Ohio, and at least 32 of the 34 governors elected the same day back tighter rules, conditional approval or a pause.

2. **The backlash starts with the power bill.** PJM's capacity price (per MW-day) jumped about 9.3x in one year, from $28.92 to $269.92, and has stayed at the cap for three years; Maryland household rates are 49% above 2019.

3. **Most data center capacity due in 2027 is likely to hold.** About three-quarters is already under construction. The risk of delay is concentrated in 2028 capacity that has not started, which SemiAnalysis sizes at 5.7 to 30 GW.

4. **Texas is the biggest swing factor.** It accounts for about 30% of 2028 US additions, grid connections and permits were frozen before the vote, and a new governor and legislature rewrite the rules in January.

5. **The likely outcome looks closer to "build if you pay" than a ban.** Governors of both parties and even OpenAI agree that data centers should pay for the grid, so buildout is more likely to slow and get costlier than to stop. Companies already holding land and power gain the edge.

LIGHTVIEW · An analysis column based on official statistics and public reporting. It is not an assessment of any party or policy and not investment advice; investment decisions are the reader's own responsibility.

# 1 Forty of 41 measures went against data centers

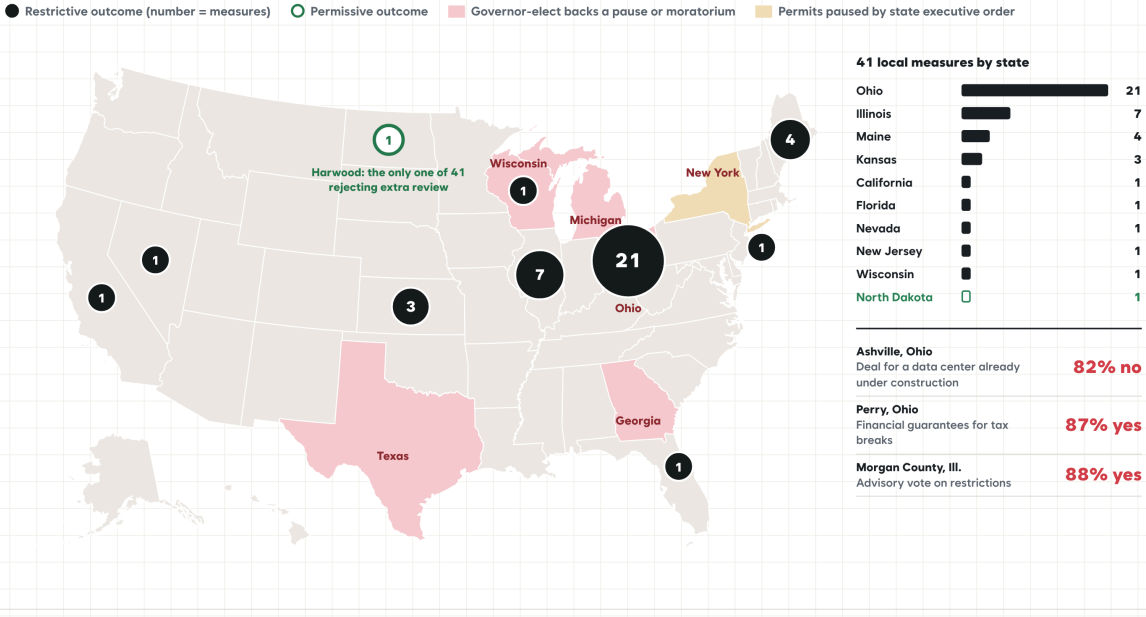
**Our previous column, on the blue wave, looked at the AI selloff two days after the election and compared valuations with 2000. This one examines the data center issue cited as one trigger of that selloff, because after chips and power, the new bottleneck for AI infrastructure has turned out to be votes.**

On November 3, voters in ten states decided 41 local ballot measures on data centers. Ballotpedia counts 27 approved and 14 defeated: all 27 approved measures limited or opposed data centers, and 13 of the 14 defeated ones would have favored them. In all, 40 of the 41 outcomes restricted development. The lone exception was Harwood, North Dakota, a small city that rejected extra review of industrial projects.

Figure 1 Ballot measures

## 40 of 41 measures went against data centers

Ohio held 21 of them, and only Harwood, North Dakota, went the other way. Candidates backing a pause won governor's races in Texas, Ohio, Georgia and elsewhere.




Sources: Ballotpedia (Nov 3 and 6, 2026), State Capital Lobbyist (Nov 5, unofficial results), Data Center Watch (Nov 5), AP (Nov 6), New York governor's office (Executive Order 62, Jul 14) · only governors-elect with reported positions are shaded · December votes (Clarksville, Ark., Dec 1; Mandan, N.D., Dec 15) not included

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The margins were wide. In Ashville, Ohio, 82% voted against a deal for a data center already under construction, and 88% in Morgan County, Illinois, backed restrictions in an advisory vote. Governors' races moved the same way: in a preliminary count, Data Center Watch finds 12 of 34 winners backing a ban or moratorium and 20 backing regulation or conditional development. With winners in Texas, Ohio and Georgia all promising a pause, this suggests the issue has moved beyond local complaints into state policy.

The measures also went beyond protest votes. Of the 27 approved, five banned data centers outright, 12 imposed partial bans based on size, such as over 25 MW, and three in Maine set six-month moratoriums. Others required a public vote for large projects or financial guarantees for tax breaks. More votes are scheduled in Arkansas and North Dakota in December, which will show whether this is a one-off or a trend.

## 2 The power bill moved first

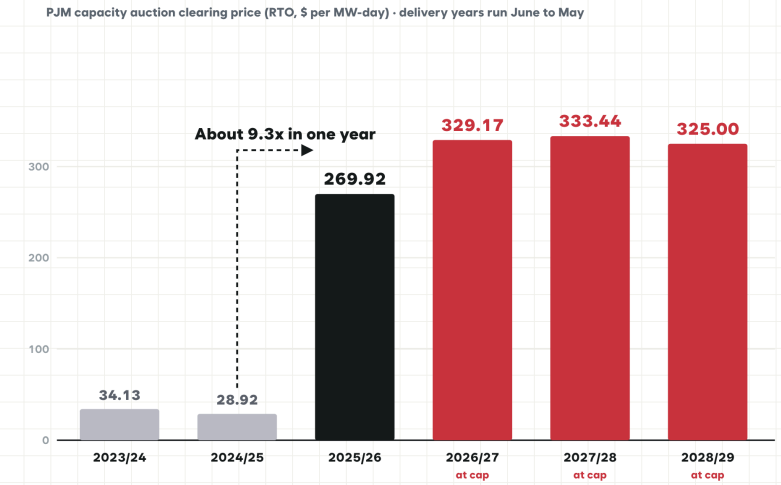
**The main reason voters turned is the electricity bill. In PJM, which runs the grid for 13 states and Washington, D.C., and where data center demand has concentrated, prices in the capacity market, where utilities buy future generating capacity in advance, have soared.**

The clearing price rose from $28.92 per MW-day for 2024/25 to $269.92 the next year, about 9.3x, and from 2026/27 it has hit the regulator-approved cap three years in a row. PJM said nearly 5,100 MW of the roughly 5,250 MW increase in forecast peak load for 2027/28 came from data centers. The cost lands on household bills: the 2025/26 increase added about $18 a month in western Maryland and $16 in Ohio, and PJM's market monitor attributed 63% of that increase to data centers.

Figure 2 PJM capacity market

### Up 9.3x in a year, three years at the cap

Nearly all new demand came from data centers, and the cost was spread across household bills.




**5,100 MW / 5,250 MW**
Of the forecast peak-load growth in the 2027/28 auction, nearly all came from data centers

**+$18 · +$16 a month**
Added to household bills by the 2025/26 price jump (western Maryland, Ohio). The market monitor tied 63% of the increase to data centers

**3 years at the cap**
Since 2026/27 the auction has cleared at the regulator-approved cap. The 2028/29 auction fell 6,831 MW short of the reliability target

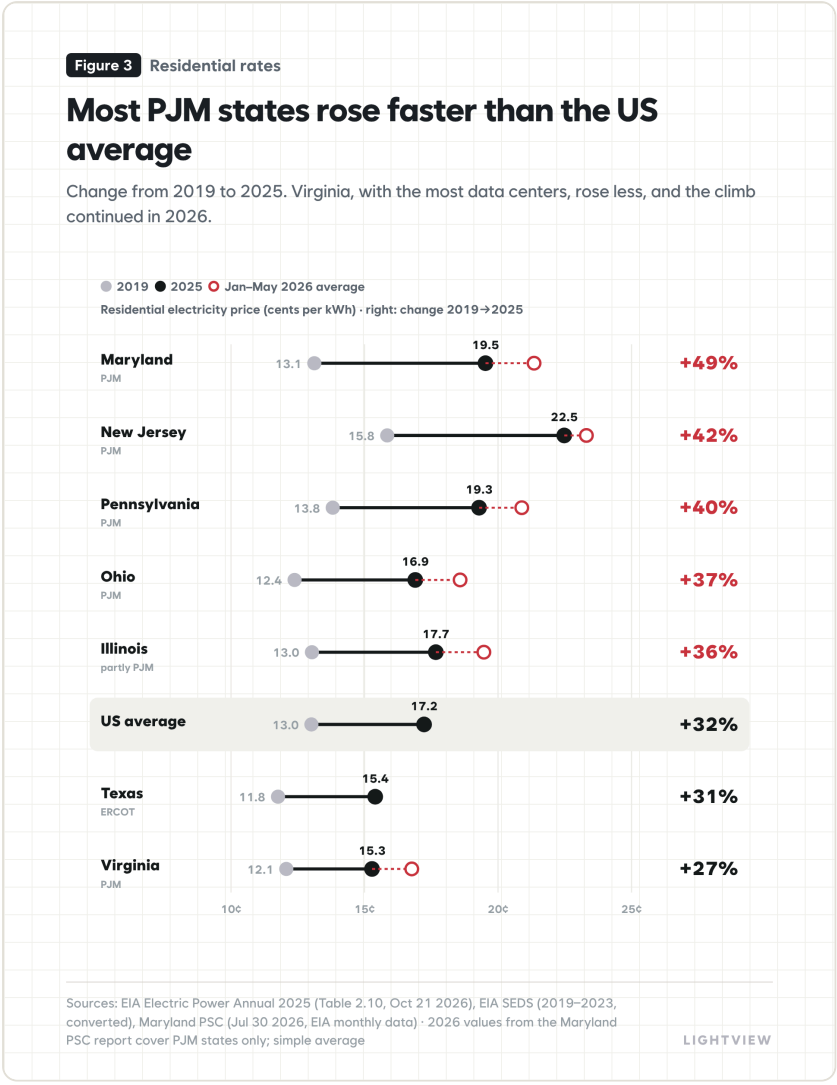
Sources: PJM 2027/28 BRA report (Table 2), PJM releases (Dec 17 2025, Jul 14 2026), IEEFA (Jul 30 2025, citing Monitoring Analytics), FactCheck.org (Oct 29 2026) · UCAP prices

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High capacity prices are also a sign of shortage. The 2028/29 auction in July fell 6,831 MW short of the reliability target, meaning new generation is not keeping pace with data center growth. In its January report the market monitor estimated data centers add $7.3 billion in capacity charges for that delivery year and $6.5 billion for the next (as cited by FactCheck.org). The sense that data centers use the power while the whole region shares the cost came back as votes against them.

**How capacity becomes a bill.** PJM runs auctions to secure enough generating capacity three years ahead to meet demand on the hottest day. The clearing price times the capacity procured is the total cost ($16.4 billion for 2027/28), which local utilities spread across household and business bills. The more data centers lift forecast demand, the more capacity is needed and the higher the price.

**Actual bills have risen faster in PJM states too. EIA data show residential rates rose 49% in Maryland, 42% in New Jersey and 40% in Pennsylvania from 2019 to 2025, well above the US average of 32%.**



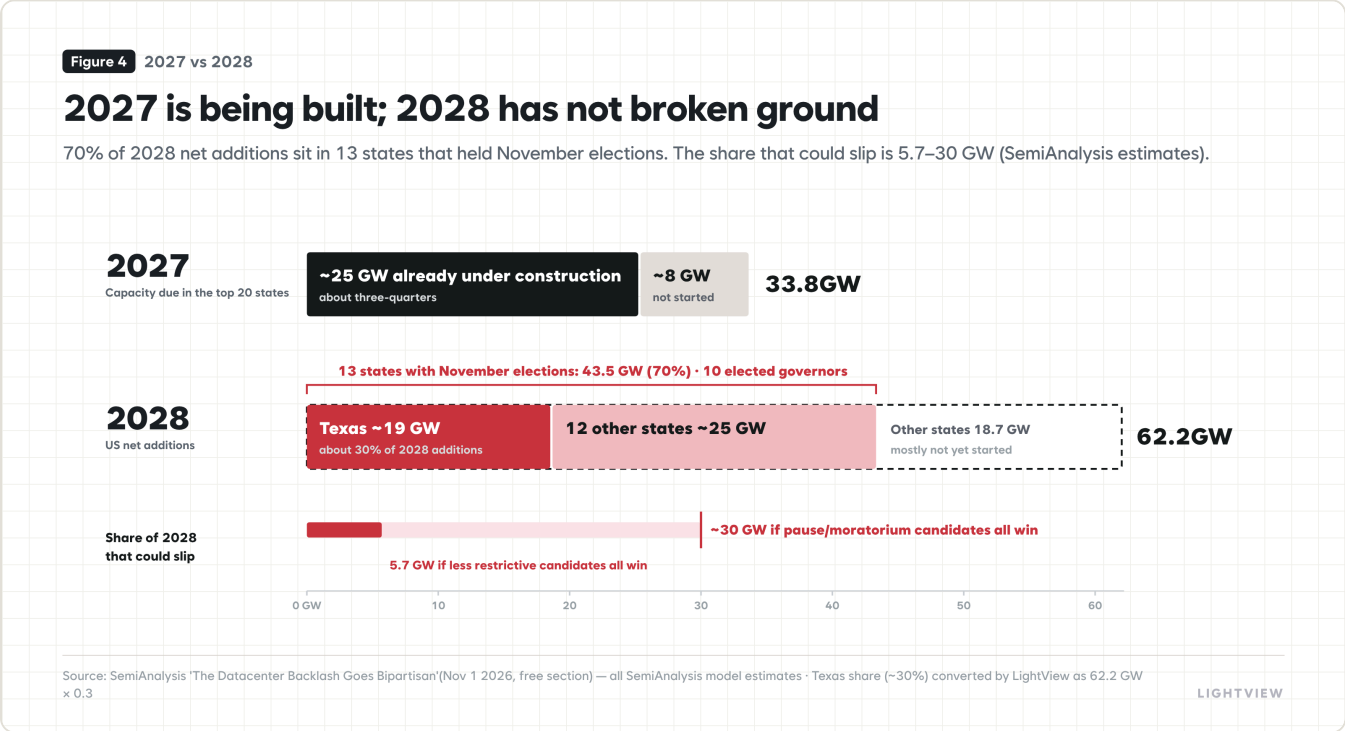

Rates kept rising this year: Maryland averaged more than 21 cents per kWh from January to May. Virginia, home to the most data centers, rose only 27%, which suggests data center counts alone do not set the pace. Studies disagree as well. MIT's energy policy center estimates data center entry raised retail rates 2.7% over 2010–2024, while an EPRI preprint, from a group largely funded by utilities, finds average US rates fell slightly over 2015–2024, and about 6% for customers in areas with average data center growth.

Water and taxes added fuel. In September Texas ordered large water users to report their use, with penalties, and in several states sales-tax breaks for data centers drew criticism as too generous for the jobs they bring. Texas governor-elect Gina Hinojosa promised to end the breaks and tax the electricity data centers use; local reporting puts the exemption at more than $1 billion a year. With governors of both parties offering similar responses, these grievances appear to reach beyond any one camp.

## 3 2027 is being built; 2028 has not broken ground

**Which part of the buildout does the vote touch? It depends on the stage. Projects under construction with grid agreements will mostly proceed, while unstarted ones must meet whatever conditions new governors and legislatures set.**

SemiAnalysis estimates about three-quarters of the 33.8 GW due in 2027 in the top 20 states is under construction. Most of the 62.2 GW of 2028 US net additions has not started, and 43.5 GW (70%) is in 13 states that held November elections. It put 2028 exposure at ~30 GW if pause candidates won everywhere, 5.7 GW if less restrictive ones did.




The result lies between those extremes: pause candidates won in Texas, Ohio and Georgia, but some would allow projects that meet conditions. Exposure means a project could slip, not that it is cancelled; in September SemiAnalysis saw only 1.5 GW of about 20 GW under local rules at risk of delay. Northern Virginia, a leading hub, held no state election this year and is outside this count, though that does not mean it is free of regulatory risk. How far schedules move matters more than the exposed total.

**What changes at each stage (LightView summary from SemiAnalysis estimates)**

| Capacity | Size | Effect of new rules |
|---|---|---|
| **2027, under construction** | ~25 GW (top 20 states) | Mostly proceeds; grid-cost conditions may be added |
| **2027, not started** | ~8 GW | Some delay possible |
| **2028, 13 states** | **43.5 GW (Texas ~19 GW)** | **Must meet conditions set by new governors and legislatures** |
| **2028, other states** | 18.7 GW | Existing rules; capacity may shift here |

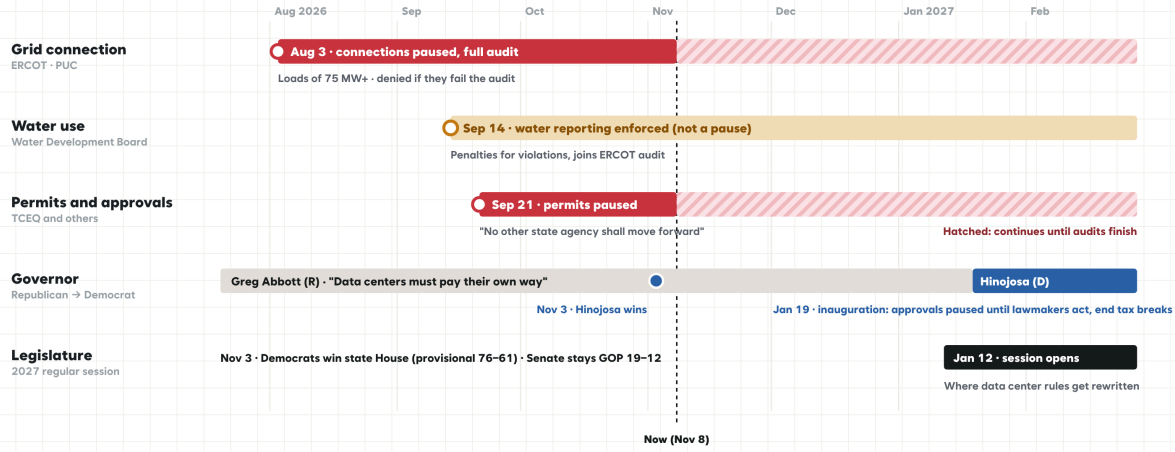
# 4 Texas is the swing factor

**Texas is the largest single variable. Wells Fargo estimates 27% of planned US data center capacity is in Texas, and SemiAnalysis puts the state at about 30% of 2028 US additions. Permitting there was frozen before the vote.**

Figure 5 Texas

## The Texas permit clock stopped before the vote

From August the Republican governor paused connections and permits and enforced water reporting; in January a Democratic governor and a new legislature rewrite the rules.



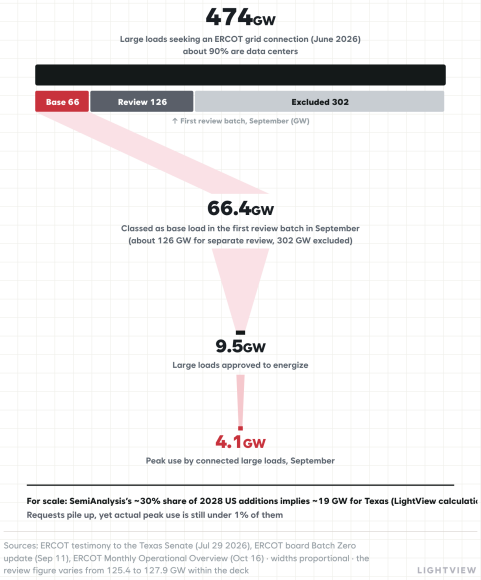

Sources: Abbott letter (Aug 3, via Akin Gump), DLA Piper (Sep 25), Troutman (Sep 22), TPR and Fox 7 (Sep 21), Reuters (Nov 4, via GV Wire), KXAN (Sep 20), Fox 4 (Nov 4), CBS Texas (Nov 4) · session date from Texas Policy Research calendar

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Figure 6 ERCOT

## 474 GW requested, 4.1 GW used

Large loads seeking a Texas grid connection, and the peak actually used by those connected




Sources: ERCOT testimony to the Texas Senate (Jul 29 2026), ERCOT board Batch Zero update (Sep 11), ERCOT Monthly Operational Overview (Oct 16) · widths proportional · the review figure varies from 125.4 to 127.9 GW within the deck

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On August 3, Governor Greg Abbott (R) ordered ERCOT to audit every data center in the connection queue and pause their progress until the audit is done. In September he enforced water reporting and told agencies to stop issuing data center permits, saying data centers "must pay their own way."

His successor, Gina Hinojosa (D), pledged to halt approvals until the Legislature passes protections. Democrats provisionally won the state House while Republicans keep the Senate 19 to 12, so Texas is likely to spend early next year in a "pause, then new rules" phase.

The audit has a lot to sort through. Large loads seeking connection total 474 GW, yet connected large loads peaked at 4.1 GW in September (Figure 6). New rules may slow buildout while separating real projects from requests that only hold a place in line.

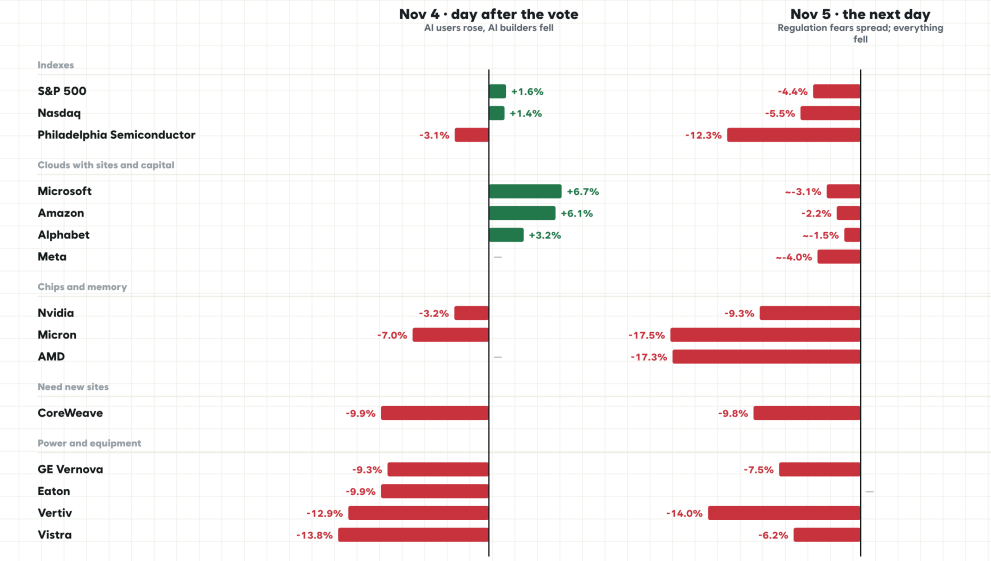
# 5 Those with sites, and those who must build

**When permits become scarce, those already holding land, power and capital gain the edge. The market's first reaction after the vote showed exactly that split.**

Figure 7 Two days after the vote

## AI users and AI builders split

On Nov 4 the three clouds rose while power, equipment and neoclouds fell. On Nov 5 the worry spread and everything fell (closing prices).




Sources: AP (via Yahoo Finance), CappNotes, TradingKey, Fox Business, StockTitan closing recaps (Nov 4–5 2026) · closing changes · ~ marks values that differ by outlet or lack a stated close · — not confirmed

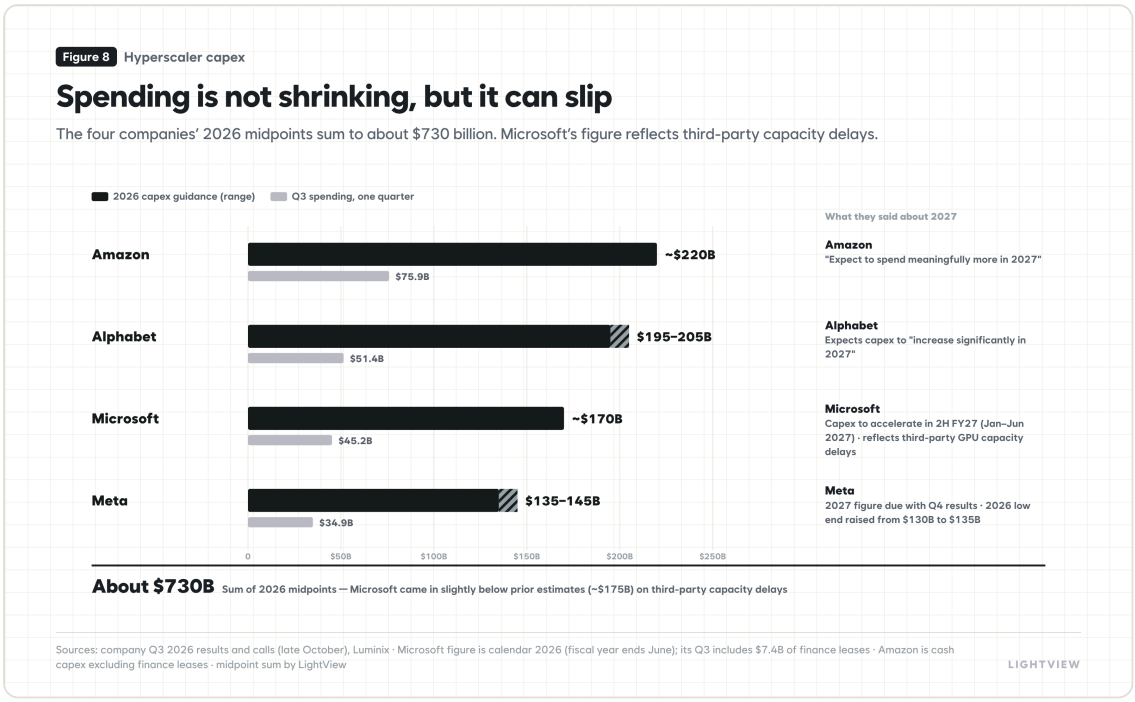
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On November 4, Microsoft (+6.7%), Amazon (+6.1%) and Alphabet (+3.2%) rose, while power producer Vistra (−13.8%), cooling and power-equipment maker Vertiv (−12.9%) and GPU-rental neocloud CoreWeave (−9.9%) fell sharply. Secured sites became scarce assets; growth needing new sites and power looked riskier. The next day the worry spread across AI: the Philadelphia Semiconductor Index fell 12.3%, Micron and AMD more than 17%, and the three clouds also declined.

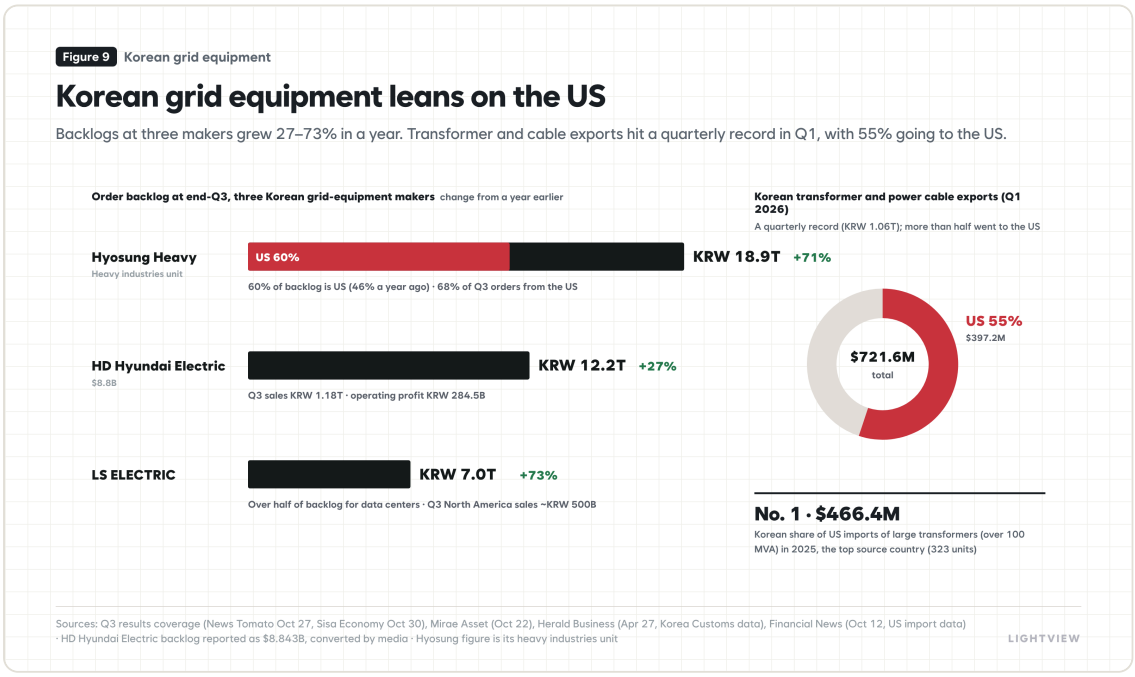
**Direction of impact by group (LightView view, not a buy or sell call)**

| Group | Why it is affected | Direction |
|---|---|---|
| **Hyperscalers** | Secured sites become scarce assets; capital to meet cost conditions, though spending may slip | **Relatively favored** |
| **Neoclouds** | Rely more on developing or leasing new sites, so they feel permit delays first | **Unfavorable** |
| **Power and equipment** | New load may arrive more slowly; a longer power shortage would support prices | Mixed |
| **Chips and memory** | Data center build speed sets chip deployment | **Pressure from 2028** |
| **Data center REITs** | Operating sites gain value; new builds face the same rules | Mixed |
| **Korean grid equipment** | Solid backlogs, but US delays could slow new orders | A 2028+ variable |

**The hyperscalers did not make deep cuts in the results just before the vote. Their 2026 capex plans sum to about $730 billion at the midpoints, and Amazon and Alphabet signaled big increases for 2027.**




Whether the money can be spent on time is another matter. Microsoft said some third-party GPU capacity slipped into the second half of its fiscal year; that was a supply-timing issue, not permits, but it shows outside delays move the timing of spending before the total. Korean grid-equipment makers are exposed too: on November 5, as the KOSPI fell 5.3%, LS ELECTRIC dropped 13.9% and HD Hyundai Electric 8.4%.




With one to three years of orders in backlog, though, any US delay is more likely to show first in the pace of new orders from 2028 than in existing ones.

# 6 A ban, or build if you pay?

**The likeliest outcome looks closer to "build if you pay" than an outright ban, because the demands overlap strikingly across camps.**

Figure 10 Who asks for what

## The common ground: data centers pay for the grid

Demands overlap across parties and industry. Only reported positions are shown.

| Who | Pause or moratorium | Pay grid costs directly | Cut or end tax breaks | Water rules or disclosure | Limit NDAs |
|---|---|---|---|---|---|
| **Greg Abbott**<br>Texas governor (R) · leaves in January | ● Until audits finish | ● "Pay their own way" | ● Planned repeal (reported) | ● Reporting enforced | ○ — |
| **Gina Hinojosa**<br>Texas governor-elect (D) | ● Until lawmakers act | ○ — | ● End breaks · sales tax on power | ○ — | ● Campaign plank (Sep) |
| **Amy Acton**<br>Ohio governor-elect (D) | ◐ No entry unless conditions met | ● All utility costs | ○ — | ○ — | ● No NDAs |
| **Kathy Hochul**<br>New York governor (D) · EO 62 | ● Permits paused since Jul 14 | ○ — | ○ — | ○ — | ○ — |
| **OpenAI**<br>Industry · Nov 5 community compact | ○ — (asks for clear rules) | ● Full power and grid costs | ○ — | ● Site-level water and power data | ● None required of officials |
| **Of 20 key governor candidates**<br>SemiAnalysis tally (pre-election) | **9** | **15** | **12** | **11** | Not tallied |

● Clearly demanded or in force ◐ Conditional or partial ○ No confirmed position

Sources: TPR (Sep 21, Abbott release), Reuters (Nov 4), KXAN (Sep 20), KSAT (Nov 5), WYSU (Jul 27, Acton and running mate Pepper), Jones Day (July, NY EO 62), NYT (Nov 5, via GV Wire), AP (Nov 6), SemiAnalysis (Nov 1) · only reported positions shown

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Republican Abbott said data centers must pay their own way; Democrat Acton's campaign set conditions including paying all utility costs and no NDAs, and told developers that do not meet them to stay out of Ohio. In industry, OpenAI responded right after the vote with a community compact to pay full power and grid costs and publish water and power use by site. That points to buildout that slows and gets costlier rather than stops, and, as Morgan Stanley warned, a country split into areas open and closed to data centers.

### What to watch next

| When | What | Watch for |
|---|---|---|
| **Dec 1 · Dec 15** | Bond votes in Clarksville, Ark.; Mandan, N.D., ban on 25 MW+ projects | Whether the restrictive trend continues |
| **Jan 12 · Jan 19, 2027** | Texas Legislature opens; Hinojosa takes office | Scope and length of the pause, tax breaks, cost rules |
| **Jan–Feb 2027** | Hyperscaler Q4 results | 2027 capex figures, comments on delays |
| **Jul 2027** | One year of New York's executive order | Extension or conditional lifting (no end date set) |

There is a counterview: with so much already under construction, the post-election drop may have overshot, and regulation could favor large players and their pricing power. In the end, how much later and costlier 2028 capacity becomes is likely to decide the next one to two years of AI infrastructure investment.

# + Terms and sources

## Terms

**PJM** — Operator of the grid serving 13 eastern and midwestern states and Washington, D.C.

**ERCOT** — Operator of most of the Texas grid.

**Neocloud** — A newer cloud company focused on renting GPU servers (e.g., CoreWeave).

**GW (gigawatt)** — A unit of power; 1 GW is roughly one nuclear reactor's output.

**Capacity market** — An auction that secures generating capacity years ahead; the cost flows into bills.

**Moratorium** — A halt on permits or approvals for a set time or until conditions are met.

**Hyperscaler** — A cloud giant that runs its own very large data centers.

**NDA** — Non-disclosure agreement, criticized for hiding project details from residents.

### Elections and ballot measures

Ballotpedia News (Nov 3 and 6, 2026) · State Capital Lobbyist (Nov 5, unofficial results) · Fast Company (Nov 4) · Renewable Energy World (Nov 6) · AP (Nov 6, via OPB and ABC) · Data Center Watch (Nov 5) · CBS Texas (Nov 4) · Fox 4 (Nov 4)

### State actions and pledges

Abbott letter (Aug 3, via Akin Gump) · DLA Piper (Sep 25) · Troutman (Sep 22) · TPR and Fox 7 (Sep 21) · Reuters (Nov 4, via GV Wire) · KXAN (Sep 20) · KSAT (Nov 5) · WYSU (Jul 27) · Atlanta Journal-Constitution (Sep) · Jones Day (July, NY Executive Order 62) · NYT (Nov 5, via GV Wire, OpenAI)

### Power prices and grids

PJM 2027/28 BRA report and releases (Dec 17 2025, Jul 14 2026) · IEEFA (Jul 30 2025) · FactCheck.org (Oct 29 2026, citing MIT CEEPR, EPRI, LBNL and Brattle) · EIA Electric Power Annual 2025 (Oct 21 2026) and SEDS · Maryland PSC (Jul 30 2026) · ERCOT (Jul 29 Senate testimony, Sep 11 board, Oct 16 operational overview)

### Buildout and markets

SemiAnalysis, "The Datacenter Backlash Goes Bipartisan" (Nov 1, free section) · Wells Fargo estimate (cited by Fortune, Nov 5) · company Q3 results (late Oct) and Luminix · AP, CappNotes, TradingKey, Fox Business (Nov 4–5 closes) · Etoday (Nov 5, KOSPI) · News Tomato (Oct 27), Sisa Economy (Oct 30), Mirae Asset (Oct 22) · Herald Business (Apr 27, customs data) · Financial News (Oct 12)

The flow of this column drew on public market commentary (Stratechery, SemiAnalysis); every figure was checked against the sources above; market monitor, Wells Fargo, Morgan Stanley and LBNL figures via secondary citations. SemiAnalysis and Wells Fargo figures are company estimates. Information is as of November 8, 2026.

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The operator chooses the topic and analytical direction and reviews and edits this column before publication. AI tools were used for research, drafting and infographics, and all figures were checked against their sources.