



June 19, 2026

The Honorable Greg Abbott
Governor of Texas
P.O. Box 12428
Austin, TX 78711

Dear Governor Abbott,

Thank you for your letter of June 10, 2026, to Public Utility Commission of Texas (PUCT) Chairman Gleeson and Electric Reliability Council of Texas President and Chief Executive Officer Vegas outlining your expectations for data center development in Texas. We welcome this conversation and share your commitment to ensuring that growth by Amazon strengthens Texas communities.

We take our role seriously not just as an economic contributor, but as a neighbor in the communities where we operate.

We are proud to employ more than 86,000 Texans at Amazon, and support an additional 90,000 indirect jobs in industries such as construction, logistics and professional services - suppliers and partners we rely on in Texas every day. Since 2010, Amazon has invested more than \$100 billion in Texas, in infrastructure and compensation to our employees.

We appreciate the principles at the heart of your directives: protecting residential ratepayers, ensuring sustainable resource management, and maximizing benefits for local communities. These are the right goals, and we want to be part of the solution to achieve those goals.

We are proud to share that Amazon has been actively working on many of the priorities you have outlined.

Protecting Residential Ratepayers

We agree that data centers should fully pay for their own energy infrastructure costs. Earlier this year, Amazon signed the White House Ratepayer Protection Pledge, committing to strengthen the grid and protect ratepayers from cost increases associated with data center growth.

Our long-term energy agreements with utilities help make that possible. These agreements include mechanisms such as minimum charges, financial guarantees, contributions in aid of construction, collateral requirements, stringent exit fees, and multi-year commitments. These agreements help

derisk investments being made by our utility partners to support our growth, protecting ratepayers from being burdened by any infrastructure that is built to serve a specific large energy user. These terms also provide the financial security needed to cover the cost to serve our data centers. From the costs for generation and transmission, to substations and distribution infrastructure, Amazon strives to bear these costs, not shift them to households or small businesses.

Our track record throughout the U.S. demonstrates this commitment:

- Indiana: An agreement between Northern Indiana Public Service Company (NIPSCO) and Amazon will deliver [approximately \\$1 billion in cost savings to NIPSCO customers over 15 years](#). Additionally, [Indiana Michigan Power announced rate reductions because added revenue from data center growth](#) is helping lower costs for all customers.
- Louisiana: Amazon [worked with Southwestern Electric Power Company \(SWEPCO\) to ensure we cover 100 percent of the costs associated with our new data center campus](#), including fully funding new energy infrastructure and grid upgrades that also strengthen reliability for all SWEPCO customers.
- Mississippi: [Entergy launched a \\$300 million grid transformation initiative](#) targeting a 50 percent reduction in outages at no additional cost to residential customers by using investments from Amazon and other large customers using investments from Amazon and other large customers.
- Pennsylvania: Our agreements ensure [contributions to the transmission system that, according to PPL Electric Utilities, help reduce costs](#) and pay for local grid infrastructure updates benefiting all energy users. and pay for local grid infrastructure updates benefiting all energy users.

We have also participated in utility rate proceedings in Indiana, Missouri, Ohio, Oregon, and Virginia to increase upfront payments to utilities to allow them to build the necessary infrastructure to serve growing energy demand. This not only supports our ability to grow but also ensures we are protecting other ratepayers. We support and will engage similarly with the PUCT and ERCOT to develop tariff structures and service agreements that protect Texas ratepayers.

Ensuring Sustainable Resource Management

Amazon is committed to responsible stewardship of both energy and water resources. We design our facilities to minimize consumption and have invested heavily in efficiency innovations.

We share the goal of protecting Texas water resources.

On water efficiency, we lead the industry. [Amazon data centers are over 7x more water-efficient than the industry average](#). Our cooling systems run on outside air alone about 90 percent of the time. Water is only used during the hottest hours of the year. Since 2021, through innovation and optimization, we've cut our water use per IT load in half.

We run more facilities on reclaimed water than any other cloud provider. Today, 26 of our facilities globally use reclaimed water for cooling, with contracts in place to expand that to 130 facilities and over \$1 billion in public infrastructure investment to get there. That's water from wastewater treatment plants, not from the tap. We invest in local utilities to build that infrastructure, and we're actively pursuing reclaimed water and other alternative source partnerships with Texas water authorities to bring the same model here.

As we grow in Texas, we will expand alternative sources of cooling water as part of locally developed water stewardship programs, removing demand from local freshwater supplies. We will work with local authorities to evaluate brackish and produced water as viable cooling alternatives, positioning Texas as a leader in beneficial reuse of these sources. Using a small amount of water for a fraction of the year lets us balance water and energy as a system rather than trading one for the other. Highly efficient cooling approaches, such as direct evaporative cooling used by Amazon, reduce electricity demand throughout the year and especially during peak summer hours when the grid is under the most strain. The ability to optimize across both resources is what keeps total water use low while protecting grid reliability.

We also recognize that where local watershed conditions warrant it, or alternative water sources are not available, non-evaporative cooling is the right approach. Our Phoenix, Arizona sites run entirely on air cooling for exactly this reason.

Amazon has committed to being water positive by 2030, and we're 75 percent of the way there. Over 50 projects are on track to return 5.8 billion gallons a year to communities. In 2025, we returned 3 gallons for every 4 we used in our data centers. This work creates jobs, funds local water infrastructure, and directly benefits the communities where we operate.

We support reporting water data, and not just total volume but the dimensions that actually matter: how much comes from non-potable or alternative sources, how efficiently it is used per unit of compute (i.e. WUE), and what percentage of operating hours require cooling water. We are ready to work with you, the legislature, PUC, Texas Water Development Board and the Texas Commission on Environmental Quality to build a Texas reporting standard that would benefit the state in understanding water use.

Maximizing Benefits for Local Communities

Amazon data centers create thousands of high-skilled jobs, drive new opportunities for local businesses, generate hundreds of millions of dollars in tax revenue for local schools and services, and support workforce development programs all of which will help Texans pursue good careers.

Amazon is committed to environmental responsibility in building and operating our data centers. We comply with all environmental regulations, including those related to water quality, air emissions, stormwater management, sound levels, and waste disposal. At Amazon, we take pride in being a good neighbor and strengthening communities where our employees live and work.

We support frameworks that ensure data center growth delivers value to host communities through:

- Jobs and workforce development: Construction jobs during buildout and permanent high-skilled positions in operations, plus training programs that prepare local workers for careers in technology and data center management.
- Tax revenue: Significant tax revenue that funds local schools, emergency services, and public infrastructure.
- Infrastructure investment: Grid upgrades, road improvements, and utility enhancements funded by Amazon that benefit the broader community.

We believe that collaborative engagement between policymakers, community stakeholders, and industry will produce durable solutions that address the concerns from Texans while keeping Texas competitive.

To that end, we commit to working closely with your office, the Legislature, PUCT, ERCOT, local government entities and our neighbors as these recommendations are developed and addressed during the upcoming legislative session.

We stand ready to provide technical expertise, share best practices from our operations across the country, and engage constructively at every stage of the process. We look forward to being a trusted partner in building a stronger Texas.

Respectfully,



Shannon Kellogg
Vice President of AWS Public Policy - Americas
Amazon

cc: The Honorable Dan Patrick, Lt. Governor of Texas
The Honorable Dustin Burrows, Speaker of the Texas House
Mr. Thomas Gleeson, Chairman, PUCT and PUCT Commissioners
Mr. Pablo Vegas, President and CEO, ERCOT