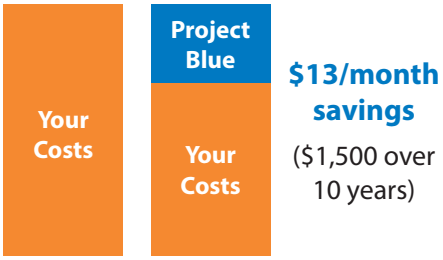
How a Data Center Helps Energy Affordability

Tucson Electric Power's agreement to serve the initial phase of a data center project known as Project Blue is expected to save other customers more than $1 billion over 10 years. Here's how:

More from Blue = Less From You

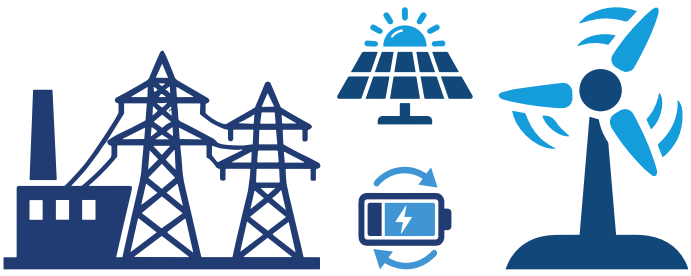
The operator of Project Blue's initial phase is expected to pay more than $1 billion for power under its 10-year energy supply agreement. That revenue will reduce the amount TEP is allowed to collect from other customers in future rates to cover its costs.

TEP projects that typical residential customers will save **$13 per month**, or $1,500 over 10 years, thanks to this additional revenue.



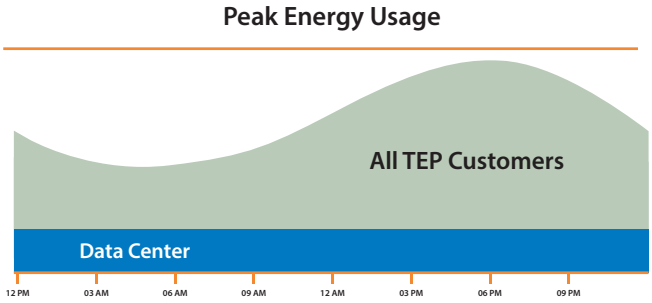
Minimal Upgrades Required

TEP has enough energy resources to serve Project Blue's initial phase, and the data center will pay for new facilities dedicated to its use. So even though the project will use plenty of power, it won't add to the fixed system costs that are shared by other customers.



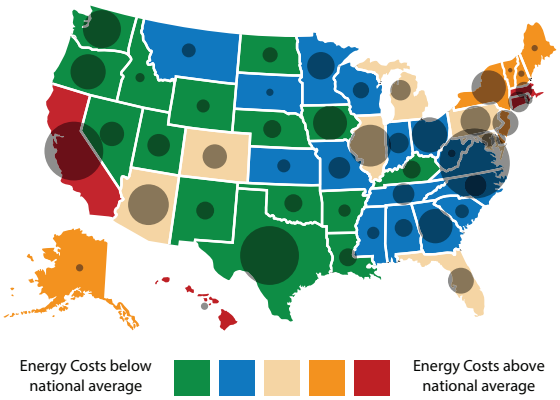
Efficient Energy Use

Because TEP's local energy grid must be built to handle peak energy needs in the hottest hours of the hottest summer days, it has extra capacity most of the time. Data centers capitalize on that capacity with consistent, around-the-clock, year-round energy use, providing revenue that can help cover the cost of the grid.



Data Centers = Lower Rates in Most States

States with the most data centers usually have average or below average electricity prices. While energy constraints in a few, highly populated regions have driven average U.S. electric rates higher, studies show that data centers have helped keep energy more affordable in other areas.



The size of the circle indicates the number of data centers.

Smart Planning Protects Customers

TEP plans ahead to make sure new large customers

- Pay their share
- Support grid upgrades
- Don't shift costs to existing customers

Sources:
- U.S. Energy Information Administration
- Lawrence Berkeley National Laboratory
- Institute for Energy Research

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