Data centers’ energy demand threatens Trump’s “Made in America” plan



PJM has also forecast that electricity demand in its territory will surpass available supply by 6.6 gigawatts starting in 2027, which the Wall Street Journal describes as equivalent to more than six nuclear power plants.

No easy fixes

Some US manufacturers have raised the prices paid by customers to partially offset their own rising electricity bills, or are even considering relocation of their businesses, Reuters reported. The Wall Street Journal highlighted warnings from steel industry executives that production outages could become more likely if local power grids are overwhelmed by demand. Such results would likely undercut the competitiveness and viability of US manufacturing, which the Trump administration claims to have prioritized despite the loss of 83,000

manufacturing jobs in Trump’s first year back in office.

The White House has touted getting Big Tech companies to pay for new power generation and transmission infrastructure by signing a Ratepayer Protection Pledge, which happens to lack any meaningful enforcement mechanism. The Trump administration also joined state governors in pushing PJM to hold a one-time backstop auction for purchasing new power supply capacity.

But the United States still faces huge challenges in building enough new power generation and transmission lines to support the energy needs of AI data center demand and US manufacturers, not to mention other businesses and residential customers. The Trump administration’s efforts to stop renewable energy projects involving wind and solar power have also not helped.

In 2025 alone, the United States saw the cancellation of power projects totaling 266 gigawatts of generation capacity—equivalent to 25 percent of America’s current electricity generation capacity and more than the total electricity generation of Texas, according to Michael Thomas, CEO of the Cleanview data platform that tracks renewable energy and data center projects. Clean energy projects accounted for 93 percent of those project cancellations.

The Trump administration’s cancellations of various wind power projects certainly represented one contributing factor. But other significant patterns included local opposition to renewable energy projects in states such as Ohio and Indiana that were also courting new data center development, along with a lack of new transmission lines leading to high interconnection costs for new clean energy projects, Thomas said. If US states and the federal government are hoping to support local manufacturing, they may need to start making different choices in addressing the rising energy costs of the data center boom.

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