

How Data Center Projects Can Navigate Wyo. Siting Process

By **Jeffrey Pope** (September 22, 2026)

Electricity demand is rising at a pace regulators and utilities are struggling to manage, particularly as data centers, artificial intelligence infrastructure and other large industrial users reshape long-term planning assumptions.

Across the country, policymakers are adapting permitting, transmission planning and interconnection processes to accommodate historic levels of projected demand growth.

But not all industrial siting processes are created equal. States are taking vastly different approaches to permitting power generation facilities and manufacturing projects.



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From Indiana's locally driven zoning framework, to county-delegated authority, to multilayered state processes, the variation is striking.[1] In Virginia, rapid data center expansion has driven some of the fastest load growth in the country, forcing utilities and policymakers to reevaluate long-term infrastructure needs.[2]

In Texas, the scale is even more pronounced. In June, Texas regulators approved the Electricity Reliability Council of Texas' new "Batch Zero" process for evaluating large-load interconnections.

This followed ERCOT's report of more than 438 gigawatts of large-load requests, roughly 89% of which were associated with data centers. The reform represents one of the nation's most significant responses to the surge in electricity demand from hyperscale computing facilities.[3]

In what may seem surprising, Wyoming's siting process is among the more rigorous and comprehensive state-level industrial permitting frameworks in the country. While an outlier for a state that is usually "live and let live," it provides a potential model for states struggling to manage unprecedented energy and technology development.

On Aug. 25, the Wyoming Department of Environmental Quality's Industrial Siting Division held a public information forum focused on environmental review, permitting and industrial siting requirements for large industrial projects, including data centers.

The event underscores the central role the industrial siting process plays in Wyoming's ongoing development debates.[4]

Wyoming's Siting Process

The Wyoming Industrial Siting Act governs commercial wind and solar facilities, battery energy storage, nuclear power generation, data centers, carbon capture projects, transmission infrastructure, and certain mining activities. That may seem broad, but Wyoming is home to all these project types.

The act sets out a comprehensive application process, including studies on a project's environmental and socioeconomic impacts. It requires developers to prove their financial

capability to construct, operate and decommission projects.

And to ensure a project returns to its preconstruction condition, the process imposes strict bonding requirements to cover the full cost of decommissioning and reclamation.

And that's just the application. An applicant also faces a stringent review process. The Wyoming Industrial Siting Division evaluates the completeness of the application, and 19 state agencies provide comments and potential permit conditions in their respective areas of expertise.

The public also has the chance to review the application and submit comments either through letters or by becoming a party to the contested case hearing before Wyoming's Industrial Siting Council.

To emerge from this process with a permit, an applicant must show, among other things, that its project will not seriously injure the environment, socioeconomic conditions, or the health and welfare of inhabitants.

Development Managed by the State, Not Local Governments

Unlike most states, Wyoming uses state funds to offset unmitigated impacts from projects on local governments.

The state advances a percentage of the cost of the project at the start of construction to cover equipment or personnel to deal with the incoming workforce. In effect, these payments advance projected sales and property tax revenue.

Most states leave local governments to absorb these costs or negotiate with developers. Wyoming's approach reflects a deliberate policy choice: that the state, not the locality, bears responsibility for managing the consequences of development it has approved.

A Sea Change in Projects

For the last decade, wind and solar projects dominated Wyoming's siting process. But as political winds shifted, so has Wyoming's development landscape.

A new wave of energy and technology investment has pushed data centers, natural gas generation and advanced nuclear development to the forefront of the state's economy. Key mining sectors like uranium and rare earths have also reemerged as strategic industries.[5]

For example, in April, TerraPower broke ground on its advanced reactor project near Kemmerer, Wyoming.[6] Other companies have announced projects involving small modular reactors and nuclear fuel production, making Wyoming an increasingly attractive destination for next-generation nuclear energy development.[7]

The Industrial Siting Act has played a role in this development boom. The act exempts nonmineral processing facilities located in existing industrial parks. That means data centers and potentially colocated power facilities on land zoned as industrial do not need a permit.

Importantly, this exemption creates a meaningful distinction between Wyoming and many competing states.

Rather than layering new approval requirements onto industrial development, Wyoming has

historically concentrated environmental and socioeconomic review within its existing siting framework, while allowing certain development in predesignated industrial locations to proceed more quickly.

When speed to market is critical, eliminating a one- or two-year permitting process can offer substantial advantages. Combined with relatively low electricity costs, abundant land and favorable tax policies, this regulatory certainty has helped position Wyoming as an increasingly attractive destination for large-scale data center investment.[8]

Pressure to Change the Rules

But with this growth has come increased scrutiny of land use, water consumption, impacts on ratepayers, grid reliability and population growth in a small state.

The debate is no longer theoretical. In May, the Cheyenne City Council rejected a proposed 12-month moratorium on new data center development by an 8-1 vote, after hours of public testimony concerning water consumption, grid impacts, rapid population growth and long-term community character.

Supporters argued that local governments needed more time to evaluate the industry's effects, while opponents warned that a pause would undermine Wyoming's competitiveness and discourage investment. The outcome reflected Wyoming's broader tendency to address growth through existing regulatory rules rather than outright prohibitions.[9]

Wyoming's response thus far has largely been to debate targeted modifications to an already robust permitting framework rather than abandon it altogether. Legislators have considered additional mitigation obligations, revised impact-assistance mechanisms and new bonding requirements intended to address risks associated with large-scale industrial development.

One of the most consequential potential changes to the process would be the removal of the exemption for data centers. While not yet officially proposed, the state took a similar approach when solar projects arrived in Wyoming, and required them to go through the standard industrial siting process.

A National Shift Toward Restrictions

Over the past year, opposition to data centers has accelerated. What began as localized disputes over individual projects has evolved into a broader national debate over the costs and benefits of large-scale data center development.

Policymakers across the political spectrum are increasingly scrutinizing data center impacts on electricity prices, water resources and local communities. Increasingly, policymakers have responded to uncertainty not by creating more predictable permitting systems, but by slowing or temporarily suspending development while regulators study its effects.

National reporting in August described growing industry concern that opposition to data centers has become a significant political issue, rather than a temporary reaction to rapid growth.[10]

In Maine, lawmakers approved legislation that would have established the nation's first statewide moratorium on large data centers before Gov. Janet Mills **vetoed** the measure in April. At the same time, the governor endorsed additional study of data center impacts and

announced plans to create a council examining the issue.[11]

Earlier this year in Michigan, lawmakers introduced bills that would temporarily halt approvals and operations for certain data centers through April 2027, while the state evaluates their broader impacts.[12]

At the local level, in February, Chatham County, North Carolina, adopted a temporary moratorium on new data center development while officials study energy demand, water use, environmental impacts and potential zoning standards for future projects.

County officials have stated that the pause is intended to allow development of a more comprehensive regulatory framework before additional projects move forward.[13]

Even traditionally pro-growth states are beginning to revisit regulatory assumptions. In Arizona, policymakers, regulators and local governments have begun reevaluating data center development standards amid growing concerns regarding electricity demand, ratepayer impacts and resource consumption.[14]

That reassessment is occurring at the local level as well. Arizona's Pima County voted in August to pursue a temporary moratorium on new data centers while it develops updated zoning and environmental review standards for future projects.[15]

And those concerns do not stop with data centers. Nuclear power development continues to encounter opposition in many regions, while natural gas generation projects face scrutiny over continued fossil fuel use and emissions.

Conclusion

Wyoming's experience offers a counterintuitive lesson: More process, not less, may be the answer to managing the energy and technology boom.

Where other jurisdictions have increasingly relied on temporary moratoria, project-specific restrictions or ad hoc political battles, Wyoming has developed a system that is both demanding and predictable.

The Industrial Siting Act requires extensive review, significant financial assurances, public participation and mitigation of project impacts. At the same time, it provides developers with a clear path forward — and communities with confidence that projects will receive meaningful scrutiny.

As states across the country grapple with data centers, advanced manufacturing, transmission infrastructure and next-generation energy projects, Wyoming's model offers an alternative to the increasingly common choice between unchecked growth and outright prohibition.

The question is not whether the state's framework is rigorous enough to handle future development. The question is whether Wyoming will continue to trust the framework it has spent decades building.

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