Written Testimony of Gabriela von zur Muehlen
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House State Affairs Committee
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Committee Charge on Data Centers: *Study the development of data centers in Texas, including its importance to global competitiveness and national security. Evaluate the direct and indirect economic growth potential fostered by in-state data center development, including growth multiplier effects and economic diversification. Identify existing secondary and post-secondary education and training opportunities and recommend pathways to satisfy increasing labor demands. Review the existing regulatory framework governing data center development and recommend proposals to streamline regulations while enabling communities to plan and manage growth responsibly. Study the implementation of SB 6 and the Large Load Batch Study Process proposed by the Electric Reliability Council of Texas, as it relates to data centers, and identify how grid-connected data center facilities and co-located resources can support grid resilience and reliability.*

Chairman King and members of the Committee,

Thank you for the opportunity to testify today on behalf of the Texas business community. I also want to thank you for the thoughtful approach you have taken to this interim charge, including bringing a broad range of perspectives and voices into the hearing process. That kind of dialogue is important as Texas considers an issue that will help shape our economic future.

My name is Gabriela von zur Muehlen, and I serve as Senior Vice President and Chief Policy Officer at the Texas Association of Business, the state chamber of commerce. TAB represents employers of every size and industry across Texas, along with more than 200 local chambers of commerce.

I am here to offer the perspective of that broader business community. And from our perspective, the central message is simple: Texas has an extraordinary economic opportunity in front of us. The growth of data centers is part of a much larger transformation underway in artificial intelligence, advanced computing, manufacturing, energy, and virtually every sector of our economy.

The question for Texas is not simply how many data centers will be built here. It is whether Texas will capture the investment, jobs, innovation, manufacturing, and economic activity growing around them. We believe Texas can and should lead.

A Generational Economic Opportunity
Texas did not become the nation's leading economy by sitting out the major investments that shaped previous generations. We built roads, ports, pipelines, transmission, manufacturing capacity, and technology infrastructure. We welcomed businesses willing to invest here. We developed the workforce to support them. And we created a business climate that gave companies the confidence to put capital to work in Texas.

Digital infrastructure is increasingly part of that same economic foundation. Data centers provide the computing capacity behind artificial intelligence, cloud services, cybersecurity, financial services, health care, advanced manufacturing, aerospace and defense, energy, and countless other parts of the modern economy. They are also behind many of the everyday transactions Texans and Texas businesses now take for granted, from downloading an app or swiping a credit card to storing business records in the cloud and using AI tools to improve productivity.

As this investment accelerates nationally and globally, Texas is exceptionally well positioned to capture it. We have land, energy expertise, a deep workforce, world-class universities and technical colleges, a strong manufacturing and technology ecosystem, and a business climate known around the world.

We should want the investment coming into this sector. We should want the jobs that come with it. We should want the manufacturing and supply chain that grows around it. And we should want Texas businesses to have access to the infrastructure they will increasingly need to compete.

The Economic Impact Extends Far Beyond the Data Center

One of the most important points I can offer from the broader business community is that the economic impact of this investment does not stop at the fence line of a data center.

When we consider the economic impact of a major project, we must consider the full ecosystem around it: the electricians and construction workers who build it, the HVAC technicians and engineers who keep it running, the fiber and equipment installers who connect it, and the manufacturers producing the electrical equipment, cooling systems, power-management technology, and other infrastructure those facilities require. These are real Texas businesses and real Texas jobs throughout the supply chain.

TAB has partnered with the Texas Taxpayers and Research Association to better understand the full tax and economic effects of data center investment on local communities in Texas. That work is still being finalized, and we look forward to sharing it with this Committee. But the early analysis reinforces what we are already seeing on the ground: the economic activity associated with these projects reaches far beyond the facilities themselves.

I recently had the opportunity to see one example firsthand when I toured a major new manufacturing facility outside Fort Worth that represents more than $190 million in investment to expand production of critical electrical infrastructure. Among the products being manufactured there are switchboards serving the rapidly growing data center market. The facility opened with hundreds of new jobs and is expected to support roughly 800 roles as it continues to grow.

But what struck me most during my visit was not simply the number of jobs. It was who was getting the opportunity to fill them. The company developed its own training model designed to bring people into advanced manufacturing even without prior industrial experience. New employees receive structured classroom and hands-on training before moving onto the factory floor, creating a practical pathway into a skilled career.

That is a data center story too. These are stable, well-paying jobs with benefits. During my visit, I heard about employees who had previously been piecing together multiple part-time jobs to support their families and now had a pathway into a skilled career with greater stability and opportunity.

Demand for digital infrastructure is helping support a major manufacturing investment in Fort Worth, creating hundreds of jobs and opening new career pathways for Texans. And this is just one example of the broader economic activity we are seeing across industries and communities throughout the state.

An Opportunity for Texas Workers and Communities
That broader impact is particularly important when we think about workforce. The jobs connected to this growth include electricians, HVAC technicians, industrial maintenance technicians, welders, equipment operators, engineers, construction professionals, networking specialists, and advanced manufacturing workers. Those are not skills that serve one industry. They are the same skills Texas needs for semiconductor fabs, advanced manufacturing, energy projects, and other major employers we are working every day to attract. That means the workforce we build alongside this investment can strengthen the competitiveness of the entire Texas economy.

And industry is increasingly investing directly in that workforce. Across the sector, companies are partnering with local colleges to help students build skills for data center careers and developing employer-driven training models that connect people more directly to jobs. Some programs pay participants while they train, cover the cost of training, provide industry-recognized credentials, and connect successful graduates directly with employment opportunities. Texas is already home to pilot programs built around this approach. The models vary, but the principle is the same: employers are putting their own resources behind building clearer, faster pathways from training into genuinely good jobs.

We are also hearing an important perspective from our local chamber partners. Earlier this year, TAB surveyed chamber executives across our statewide network about data center development. One of the clearest takeaways was that some of the strongest support came from communities that already have operating data centers. Communities that have already worked through the questions surrounding these projects are also seeing the investment, jobs, tax base, supplier activity, and community partnerships that come with them.

There is understandably a great deal of discussion today about what this growth could mean for Texas communities. We also need to listen to the communities already experiencing it. Places like Abilene and Red Oak are seeing firsthand how major investment can translate into construction activity, supplier opportunities, workforce partnerships, infrastructure development, and new economic opportunities.

In rural and smaller communities, that opportunity can be especially meaningful. Too often, young Texans feel they have to leave home for a major metropolitan area to find a well-paying career. Investments like these can help create another option: the ability to build a career, raise a family, and contribute to the community where they grew up. That is economic development in its most tangible form.

Responsible Growth and Regulatory Certainty Can Go Hand in Hand
Texas is already navigating in real time how to responsibly manage growth at this scale. Last week, TAB sent a letter to PUCT Chairman Thomas Gleeson and ERCOT President and CEO Pablo Vegas

supporting Governor Abbott's directive to verify and audit data center projects moving through the ERCOT interconnection process.

We believe the Governor has taken the right approach. At a time of unprecedented growth in electricity demand, it is prudent to make sure projects seeking to connect to the Texas grid are legitimate, sufficiently capitalized, and prepared to meet the requirements established by our state. A rigorous verification process, rather than a blanket moratorium on new development, allows Texas to protect the reliability of the grid while preserving a path forward for serious projects prepared to invest here.

We have also been encouraged to see major data center operators and developers publicly commit to meeting the Governor's standards. That cooperation matters, and it demonstrates that responsible growth and continued investment do not have to be competing objectives.

From the broader business community's perspective, there is another important part of that equation: regulatory certainty. Major investments do not happen in isolation. Utilities, construction firms, engineering companies, manufacturers, suppliers, skilled trades, communities, and economic development organizations are all making decisions based on anticipated projects.

That is why TAB has encouraged PUCT and ERCOT to pair a rigorous review with a transparent and timely process. Businesses can meet high standards when the standards are clear. They can plan around timelines when those timelines are predictable. And communities can prepare for growth when they have reliable information about what comes next.

This is not a choice between responsible growth and economic growth. Texas can and should have both. That has long been one of the strengths of the Texas model: responsible regulation paired with predictability, speed to market, and confidence that businesses willing to play by the rules can get to work.

As Texas adapts to unprecedented demand and a rapidly changing economy, we should preserve those fundamentals. And we should continue sending a clear message to companies around the world: if you are prepared to invest, build, create jobs, and meet Texas' standards, Texas is open for business.

Conclusion
Chairman King and members, Texas has an extraordinary opportunity in front of us. Texas has become the nation's economic leader because we have consistently been willing to build, innovate, welcome investment, and prepare our people for what comes next.

We should bring that same confidence to this moment. This is bigger than data centers. It is about whether Texas will be the place where the infrastructure powering the next generation of the American economy is built, supplied, and put to work. From what TAB is seeing across our membership and our local chamber network, that opportunity is already taking shape.

We can approach this growth responsibly. We can protect the reliability and affordability that Texas families and businesses depend on. We can create opportunities for Texas workers. We can

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strengthen communities and businesses across the state. And we can continue doing what Texas has always done best: compete, build, and lead.

TAB looks forward to working with this Committee, the full Legislature, Governor Abbott, local communities, and the broader business community to make sure Texas captures this opportunity.

Thank you for the opportunity to testify and for your service to Texas.

Respectfully submitted,

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