

## Hicksfield Industrial

10390 Hicksfield Rd in Fort Worth, TX 76179 is a highly valuable site for data centers due to its proximity to essential infrastructure and competitive advantages. This site could be considered a **prime location for a large-scale data center** development, with room for expansion and easy access to power and network resources.

### Why Fort Worth's Incentives Are Better Than Other Areas:

- **Affordable Land and Tax Incentives:** Compared to places like **Dallas** or **Austin**, Fort Worth offers **more affordable land prices** and **more generous** property tax abatements, making it a more **cost-effective** option for large data center developments.
- **Comprehensive Incentive Package:** Fort Worth's combination of **property tax abatements, sales tax exemptions, job creation incentives, and infrastructure support** creates a **synergistic** package that is attractive to data center developers looking for long-term savings and scalability.
- **Business-Friendly Environment:** Fort Worth has a strong **pro-business stance** and is actively encouraging the development of data centers to boost its local economy. The city provides **flexible agreements** and can offer tailored incentives to fit the needs of specific data center projects.

### Key Criteria for Selection:

1. **Power Capacity and Scalability:** 345 kV substations with proven capacity for large-scale loads.
2. **Grid Reliability:** Proximity to substations that are critical for regional power stability.
3. **Fiber Connectivity:** Existing fiber routes for high-bandwidth and low-latency services.
4. **Renewable Energy Access:** Substations near wind and solar corridors.
5. **Cost of Energy:** Low-cost electricity regions

### Top Recommendations for Data Center Sites in Texas

1. **Hicks Switching Station (North Texas)** – High capacity, existing infrastructure, and proximity to DFW fiber hubs.
2. **Ranger Creek Substation (West Texas)** – Renewable energy access and scalability.
3. **Long Draw Substation (West Texas)** – Renewable focus and abundant power.
4. **Houston North Substation (Houston)** – Urban power hub with strong connectivity.
5. **Techridge Substation (Austin Area)** – Central Texas growth and tech ecosystem.

### Access to reliable and scalable power from the Oncor Hicks Switching Station, with its 345 kV power lines.

- **Strategic location in the Dallas-Fort Worth metroplex**, which offers both market demand and connectivity.
- **Plenty of land** for expansion, future scalability, and cooling infrastructure.
- **Fiber optic networks and telecommunications** connectivity in the broader DFW region.
- **Security and low risk** from natural disasters, which ensures operational reliability.

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## 1. Substations with 345 kV Infrastructure

### • Why 345 kV?

Substations operating at 345 kV offer the highest voltage levels in Texas, providing the capacity needed for hyperscale and large enterprise data centers. They reduce transmission losses, improve efficiency, and allow for scalability.

### Notable 345 kV Substations :

- **ONCOR Hicks Switching Station (North Texas):**
  - Located in the Fort Worth area near Hicksfield Road, this substation connects to critical **ERCOT** infrastructure and offers proximity to existing fiber routes.
  - Its proven reliability and existing data center activity (like CyrusOne) make it a leading candidate.
- **Ranger Creek 345 kV Substation (West Texas):**
  - A critical substation for energy delivery and renewable power integration.
  - Proximity to West Texas wind farms gives access to green energy options, aligning with sustainability goals.

## 2. Locations Near Urban Hubs

Data centers often require proximity to urban areas for latency-sensitive services, workforce availability, and robust connectivity.

- **ONCOR Hicks Switching Station (North Texas):**
  - Ideal for data centers serving Dallas-Fort Worth.
  - Supports low-latency needs with existing fiber and infrastructure.
- **Houston North 345 kV Substation (Houston Area):**

- A major node for power distribution in Houston.
- Supports dense network connectivity and enterprise data center growth.
- **Austin Energy Substations (Central Texas):**
  - Austin's robust infrastructure supports edge data centers and cloud providers.
  - Substations like **Techridge** and **Sand Hill** provide reliable and scalable power.

#### 4. Substations Near Existing Data Center Corridors

Existing data center hubs provide infrastructure advantages such as fiber connectivity, redundant power, and established ecosystems.

- **Dallas–Fort Worth Area:**
  - Substations like ONCOR Hicks Switching station and those along the 345 kV corridors have already attracted major players like **CyrusOne**, **Digital Realty**, and **Equinix**.
- **San Antonio:**
  - Substations near CPS Energy's 345 kV network are well-suited for data center growth
  - Affordable power rates and renewable energy options add value.

**The Eagle Mountain Power Plant, operated by Luminant Energy, has a generation capacity of approximately 665 megawatts (MW). It is a natural gas-fired power plant located near 9851 Boat Club Rd, Fort Worth, TX 76179.**

#### Key Details:

1. **Generation Type:** Natural gas-fired combined cycle.
  - Combined cycle plants are known for their high efficiency and ability to quickly respond to changes in electricity demand.
2. **Power Capacity:**
  - The 665 MW capacity is significant, providing enough electricity to supply power to a large number of homes and businesses in the Fort Worth area.
3. **ERCOT Grid Contribution:**
  - The plant contributes to the **ERCOT (Electric Reliability Council of Texas)** grid, which manages about 90% of Texas's electric load. It supports both peak demand and baseline electricity needs.
4. **Strategic Role:**
  - Located near **growing residential and commercial areas** like Eagle Mountain Lake and northwest Fort Worth, the plant plays a critical role in ensuring grid reliability and meeting local power demand.

This facility is especially important as the Fort Worth area continues to experience rapid growth, with increasing energy needs driven by residential expansion, commercial developments, and potential **data center operations** nearby.

Fort Worth, Texas, offers a variety of **tax incentives** to attract data center developers, making it an appealing location for companies looking to build or expand data center facilities. These incentives are structured to reduce operating costs, improve the financial feasibility of large-scale infrastructure projects, and encourage long-term investment. Here's an overview of the primary **tax incentives** offered by Fort Worth, and why these might be more attractive than incentives offered by other areas in Texas:

#### 1. Property Tax Abatement

- **Fort Worth Property Tax Abatement Program:** The city of Fort Worth has a **property tax abatement** program that can reduce or eliminate property taxes for data centers. These abatements can range from **50% to 100%** depending on the scale of the development, the number of jobs created, and the investment in infrastructure.
  - **Why It's Attractive:** Property taxes are one of the largest ongoing operational expenses for data centers. By offering tax abatements, Fort Worth helps companies save substantial amounts on land and facility-related taxes, making the initial investment more affordable.
  - **Competitive Advantage:** In comparison to other regions, Fort Worth's property tax abatements are **comparable or more generous** than those in places like **Dallas** or **Austin**, where land prices and property taxes are typically higher.

#### 2. Sales Tax Exemptions

- **Sales and Use Tax Exemption for Data Centers:** Fort Worth offers **sales tax exemptions** on certain equipment and materials used in the construction and operation of data centers. This includes **exemptions on electricity used for cooling and operations** and **exemptions on machinery** used for IT infrastructure (servers, racks, power supplies, etc.).
  - **Why It's Attractive:** Sales tax exemptions reduce the upfront costs of building the facility, which is a significant savings for data center developers. This lowers the total cost of ownership over the

long term and improves the financial return on investment.

- **Competitive Advantage:** This type of exemption is not always as readily available in other parts of Texas, particularly in more densely populated areas where incentives may be more limited due to local competition or infrastructure constraints.

### 3. Chapter 313 School District Property Tax Incentives

- **Texas Chapter 313:** This program allows data centers to apply for a **property tax limitation** with respect to **local school district taxes**. The limitation can reduce the assessed value of the property, resulting in a significantly lower tax liability for up to **10 years**.
  - **Why It's Attractive:** Data centers can potentially save millions of dollars on property taxes owed to local school districts, a large portion of total property tax bills in Texas. This makes Fort Worth an even more attractive location for large-scale data center projects, particularly if the development is capital-intensive.
  - **Competitive Advantage:** **Chapter 313** is available statewide, but Fort Worth's **access to school districts** offering this program is particularly beneficial for large facilities that would otherwise face higher property tax bills.

### 4. Incentives for Job Creation

- **Job Creation Tax Incentives:** Fort Worth offers incentives based on the number of **jobs created** during the construction and operational phases of data center development. These could include **property tax abatements** or **grants** provided by the **Fort Worth Economic Development Program**.
- **Why It's Attractive:** Data center developers who invest in local job creation, especially for high-skilled workers, can benefit from additional **financial incentives** that help offset payroll and labor costs.
- **Competitive Advantage:** In comparison to other areas, Fort Worth's incentives are competitive in terms of offering support for both **construction** and **ongoing operations**, allowing data center developers to grow their local workforce efficiently.

### 5. Infrastructure Development Incentives

- **Infrastructure Support:** The city is known for its **collaborative approach** with developers to help improve or extend essential **infrastructure** needed for data center operations (e.g., electricity, water, waste management, and fiber-optic connections). Fort Worth is willing to invest in **upgrading infrastructure** and providing **direct connections** to utilities for data center projects.
  - **Why It's Attractive:** Access to reliable, scalable utilities and infrastructure is one of the most critical requirements for data centers. The fact that Fort Worth is willing to share some of the costs of developing and upgrading infrastructure makes the city a more affordable and lower-risk option for data center developers.
  - **Competitive Advantage:** Compared to other cities in Texas, Fort Worth's approach to infrastructure development, especially in emerging industrial zones, can be more flexible and collaborative, ensuring smoother project timelines.

### 6. Energy Efficiency Incentives

- **Renewable Energy Access and Tax Incentives:** Texas offers tax credits and other incentives for companies that incorporate **renewable energy** solutions into their data center projects. As part of the push toward **green energy**, Fort Worth has seen increasing numbers of **data centers** utilize **wind and solar energy** sources in their operations, particularly in West Texas.
  - **Why It's Attractive:** Data centers that commit to **sustainability** can qualify for various green energy incentives, such as tax credits or additional abatements for utilizing renewable power sources.
  - **Competitive Advantage:** Fort Worth's **energy mix** allows for easy integration of renewable sources into data center infrastructure, offering an additional layer of incentive for companies looking to meet **sustainability** goals.

### 7. Strategic Location

- **Proximity to Dallas/Fort Worth Metroplex:** Fort Worth is part of the **DFW metroplex**, which provides **proximity to major cloud providers, network hubs, and enterprise customers**. It's a **prime location** for data center developers seeking to expand into one of the largest tech hubs in the country.
  - **Why It's Attractive:** The DFW metroplex offers robust infrastructure, access to **skilled labor**, and a **large client base** for data centers serving industries like finance, healthcare, and e-commerce.

### 8. Other Local and State-Level Benefits

- **Opportunity Zone Benefits:** Some areas of Fort Worth may qualify for **Opportunity Zone** designation, providing additional federal tax incentives for development. These benefits can include deferrals on capital gains taxes, or even **exclusion of gains** from the development of certain properties.
- **Economic Development Funds:** Fort Worth, through local government initiatives, may offer **grants** or **loans** to incentivize development, especially in areas where additional infrastructure is needed or local investment is required to kick-start projects.

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## Data Center Expansion and Approvals

- **Southwest Fort Worth Data Center Approval:** In September 2024, the Fort Worth City Council approved a zoning change for a five-building data center campus at 10375 Old Granbury Road, near Chisholm Trail Parkway and McPherson Boulevard. This decision followed extensive discussions with local residents concerned about potential noise and light pollution.

[NBC 5 Dallas-Fort Worth](#)

- **CyrusOne's \$200 Million Data Center:** CyrusOne announced plans to construct a \$200 million data center in north Fort Worth, situated just west of the US 287 and Interstate 35W merge. This facility aims to meet the growing demand for data storage and processing in the region.

[Community Impact](#)

### Power Grid Developments

- **ERCOT's Winter Outlook:** The Electric Reliability Council of Texas (ERCOT) has issued a winter outlook indicating a slightly higher grid reliability risk compared to the previous year. Officials anticipate an overall warm winter in 2025, with potential for extreme cold events.

[NBC 5 Dallas-Fort Worth](#)

- **Battery Storage Expansion:** Texas has significantly increased its battery energy storage capacity, with systems now holding about 8 gigawatts of electricity—a 35% increase from earlier in the year. This expansion aims to enhance grid stability and support renewable energy integration.

[WFAA](#)

### Regional Growth and Challenges

- **Dallas-Fort Worth Data Center Growth:** The Dallas-Fort Worth area ranks as the fifth fastest-growing data center region in the U.S., with capacity projected to grow by 355%. This surge is driven by the increasing demand for cloud services and artificial intelligence applications.

[CW33](#)

- **Texas Power Grid Expansion:** In response to rising electricity demand, the state of Texas has doubled its funding to expand the power grid. ERCOT predicts that the main grid will need to provide nearly double the amount of power by 2030.

[CBS News](#)

These developments highlight Fort Worth's strategic role in the intersection of data center growth and power infrastructure enhancement, positioning the city as a key player in the region's technological and energy sectors.

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The \$50 billion partnership between Energy Capital Partners (ECP) and KKR, aimed at supporting the energy needs of large tech companies, will likely target a mix of cities and states with significant data center and AI infrastructure expansion. Here are some key cities and states where the investment is expected to focus:

### 1. Texas

- **Dallas-Fort Worth:** As one of the fastest-growing data center markets in the U.S., the Dallas-Fort Worth area is a prime target for investment. The region's competitive energy pricing, available land, and access to fiber-optic infrastructure make it attractive for data center developers.
- **Austin:** Austin is another hot spot for tech and data centers, driven by the growing tech sector and its proximity to renewable energy sources like wind and solar. The city is becoming increasingly popular with large tech companies and startups.
- **Houston:** Houston is a major energy hub, with its energy infrastructure being well-suited for data centers that require significant power. The city is known for its proximity to natural gas, which could play a role in meeting the energy demands of data centers.

[Wall Street Journal - Wall Street Giants invest \\$50Billion](#)  
[Energy Capital Partners Eyes Power Contracts With Large Tech Companies](#)