

# The Power Bill and People Power

**Why the AI race will be decided by both.**



America has just told the world where the AI race will be won, and it is not where the strategists have been looking. On Thursday in Washington, a president who has staked national prestige on machine intelligence assembled 23 governors and at least 187 companies to promise voters that the artificial intelligence build-out will not touch their power bills. Read past the theatre. The pledge is voluntary and carries no enforceable protections, yet its expansion four months before midterm elections records a strategic fact of the first order. When the most AI-committed administration on earth must publicly bargain with its own citizens to keep building, the centre of gravity in the contest for artificial intelligence has moved. It now sits at the household electricity meter.

The strategic debate has framed AI competition as a sequence of material constraints. First, semiconductors, answered with export controls and fabrication subsidies. Then capital, answered with trillion-dollar commitments. Now electricity, with every serious analysis treating raw generation capacity as the binding limit on machine intelligence.



Each constraint is real. All three share an assumption that turns out to be wrong: that the race is governed by what nations can physically supply. Beneath the electron constraint, a fourth is forming, and it is political.

The evidence is accumulating quickly. A Gallup poll in May found seven in ten Americans oppose an AI data centre in their own area, nearly half strongly. The consultancy ICF estimates that data centre demand could lift American household bills by 15 to 40 per cent by 2030. Electricity affordability was already a decisive factor in Democratic election victories in Georgia, Virginia and New Jersey last November. The AI build-out has entered the ledger of household politics, and household politics is where democratic governments live or die.

Call this force the civic veto: the power of citizens, exercised through the politics of the power bill, to ration a nation's computational capacity. The veto is exercised quietly, through elections, planning objections, connection queues and ministerial caution, yet it operates with the force of physical law. A democracy can subsidise chips, marshal capital and approve transmission lines, but it cannot compel its citizens to underwrite an infrastructure program they experience as a tax on their living standards. Once the build-out becomes synonymous with rising bills, the political system begins rationing compute on behalf of the voter. A nation that rations compute now rations power in the oldest sense, because machine intelligence converts directly into military capability, from targeting to autonomy to cyber offence.

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The pattern is international. In Britain, energy minister Michael Shanks warned this month that public support for AI infrastructure could collapse unless data centres help bring bills down rather than push them up. In Australia, the Australian Energy Market Operator's 2026 Integrated System Plan treats data centres as a defining driver of the grid for the first time, with consumption forecast to triple to around 12 terawatt hours by 2030. Network operators have received 44 gigawatts of connection requests, of which Oxford Economics estimates six of every seven megawatts is phantom demand that will never materialise. The Climate Council warns that meeting real demand with gas rather than renewables could lift New South Wales wholesale prices by 26 per cent by 2035.

New York has now gone further still, becoming the first American state to impose a one-year moratorium on new hyperscale data centres while it develops a regulatory framework designed to protect households from rising electricity costs and grid



pressures. Every advanced democracy now faces the same question: will its citizens consent to power the machines? Adversaries have noticed. A hostile state need not strike a substation when it can inflame the politics of the bill; grievance spreads faster than sabotage and carries no attribution. The meter is now an attack surface.

History has run this experiment before. Nuclear power was the most strategically significant energy technology of the twentieth century, and in most democracies it was halted by neither physics nor economics but by the collapse of public consent. After Three Mile Island, the United States did not ban reactors; it simply stopped being able to build them, as litigation and local opposition converted distrust into a four-decade moratorium. France took the opposite path, constructing consent as deliberately as it constructed reactors, through a nationally backed energy enterprise, visible price benefits and a narrative of energy independence, and ended the century with the most decarbonised large power system in Europe. The lesson generalises. Strategic energy technologies advance at the speed of consent, and consent is a capability that must be engineered, not assumed.

The autocratic contrast sharpens the point. Nvidia's Jensen Huang argued last November that China will win the AI race because subsidised energy lets it build without asking anyone. The claim carries genuine force and deserves a serious answer. China added more generation capacity in 2024 than most nations possess in total, and no Chinese citizen will veto a data centre. Yet the Oxford Institute for Energy Studies finds that Chinese industrial electricity costs roughly what American power does, while Reuters reports that many Chinese data centres run at 20 to 30 per cent of capacity, so far below viability that Semiconductor Manufacturing International Corporation's (SMIC's) chairman has publicly warned rushed capacity will sit idle. Command can allocate electrons without consent, but it cannot guarantee disciplined investment or productive outcomes. The civic veto undoubtedly constrains democracies, yet it also imposes a discipline that authoritarian systems often lack. Democracies that earn public consent are ultimately more likely to build AI infrastructure that is economically efficient, politically legitimate and strategically enduring than infrastructure imposed by decree.

Nor can the veto be engineered away by corporate self-supply. Hyperscalers are buying nuclear plants, gas turbines and behind-the-meter generation precisely to route around the household bill, and it will blunt the sharpest edge of the politics. It will not remove it. Data centres still claim land, water, transmission corridors and skilled labour, all of which pass through democratic institutions, and a president expanding a pledge to shield household bills confirms that even the most AI-committed administration must answer to the meter.

An emerging law of the intelligent age follows: consent is becoming the binding constraint on compute. For governments, the implication is to treat social licence as strategic infrastructure and fund it with the seriousness reserved for missile defence,



through tariff structures that visibly quarantine households from build-out costs, benefit-sharing that makes data centres net contributors to local grids, and honest accounting that separates AI demand from other pressures on bills. For industry, social licence now belongs on the balance sheet beside chips and capital, an asset that compounds when cultivated and evaporates when presumed. For the democratic alliance, allied compute should be sited where consent capacity matches energy capacity.

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The deeper transformation extends beyond electricity. Every previous industrial race went to the nations that mobilised the most material force, and legitimacy followed power. The intelligence age inverts that sequence, because its decisive resource must be drawn continuously from systems that citizens own, pay for and vote upon. Beijing is wagering the century on the proposition that consent is a weakness to be bypassed.

Democracies must now prove it is an arsenal to be mobilised, and the proof will be measured in gigawatts. The nations that command the intelligent century will be those that asked their people for the power to build it, and were answered yes.