DATA CENTERS

BI-WEEKLY (EXPANDED) UPDATE

January 13, 2026

FRESH COAST
Climate Solutions

Bold Solutions. Transformative Action.

EMERGING THEMES

Investments & Market Activity

Deals, acquisitions, and project updates

- Construction begins at the "Lighthouse" project in Port Washington, Wisconsin.
- Google acquired Intersect for $4.75B to directly integrate energy generation + storage with its data center expansion strategy.
- Blue Owl Capital withdrew from the Saline, Michigan data center project due to "shifting market sentiment" and concerns over Oracle's debt.
- Oracle's stock has declined ~40% since September 2025.
- Developer Core Scientific expects major growth in 2026 after resisting an acquisition attempt in 2025.

Research & Technology

Efforts to bypass grid bottlenecks

- Increasing attention on the potential of Virtual Power Plants (VPPs).
- Project pipelines for planned capacity of on-site solar + storage sees significant growth.
- MISO + Microsoft partner to employ AI for more efficient large-scale grid planning.

Search for more energy sources & modularity

- Ford shifts business strategy to stationary BESS and smaller EVs to increase profitability and support the data center industry.
- Retired US Navy nuclear assets under consideration for data center power applications.

Legislation

AI affecting federal politics

- Proposed national moratorium rejected by Democrats, but sparks conversation.
- Growing concern over nuclear risk after regulatory oversight changes.

State & local reactions

- MI bill proposed to repeal data center tax incentives.
- MI SBs 761–763 proposed to limit water withdrawals, require reporting on energy and water usage.
- MI AG Nessel argues existing rules are insufficient to protect ratepayers and wants stricter contracts, renewable energy integration, oversight.
- OH township enacts 90-day data center moratorium.

Sustainability

Freshwater vulnerability and water infrastructure concerns

- Much of the US' water infrastructure was built 40-50 years ago, and research shows $33.4T investment over 30 years – not accounting for increased strain due to AI - is needed to sufficiently fix it.

Emerging climate solution insights

- New York's energy plan indicates nuclear power could lower costs to hit 2040 climate targets.
- CCS projects demand bolstered accountability + frameworks for reporting.
- Deep Green plan in Lansing, MI shows public benefit.

CATEGORIES OF NEWS UPDATES

Bi-weekly, Fresh Coast summarizes the latest data center industry news and assesses potential impacts across key categories for Joyce Foundation and stakeholders

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Investments & Market Activity

Article/Link	Summary	Potential Impact
Vantage's $15B Stargate Campus has Commenced Construction	**12/22/2025 (WI):** Vantage has begun construction on their $15 billion data center campus, called Lighthouse, in Port Washington, Wisconsin. This project is part of the Stargate initiative led by Oracle and OpenAI. The project includes 674 acres and four data centers with 902 MW of total IT capacity. Design considerations for sustainability include closed-loop cooling and "zero-emission energy capacity." The first phase costs $8 billion and is expected to be finished by 2028. Stargate aims to deploy 10 GW of global data center capacity over the next four years.	**High** – The Lighthouse campus will consume massive amounts of water and energy, but design prioritizes energy efficiency and closed-loop cooling to limit water use and the carbon footprint.
Google Acquired Intersect for $4.75B	**12/22/2025 (National):** Google is acquiring Intersect, a data center and energy developer, for $4.75 billion. The deal gives Google access to Intersect's data centers, employees, and multiple gigawatts of energy capacity. This will support faster deployment of new AI facilities and aligns with Google's strategy to integrate power generation alongside data center expansion.	**High** – Google can better align data center construction with efficient energy generation to reduce long-term carbon intensity.
Blue Owl Out of Oracle's MI Data Centers; Deal Still on Track	**12/17/2025 (MI):** Blue Owl Capital has decided not to invest in Oracle's $7-10 billion Michigan data center project in Saline Township. The 1.4 GW, 250-acre campus is tied to OpenAI's Stargate initiative. Reports suggest investor concern amid AI infrastructure spending concerns over Oracle's rising debt (which reached about $105 billion). Blackstone is rumored to step in as a financing partner, though no agreement has been finalized. (Read the article here). **12/22/2025 (MI):** After speculation that Oracle's planned project would be in limbo, the company claims it is moving forward without Blue Owl's investment. A different equity backer will keep the project on schedule. Fear that heavy spending on AI data centers could lead to overcapacity has weighed on Oracle's stock (down ~40% over the past three months). (Read the article here.)	**Medium** – The move shows continued momentum and reinforced demand for AI data centers despite investor concerns. It also highlights financial risk and market volatility tied to rapid AI expansion.
Developer Core Scientific Expects to Lease 400MW of Data Center Capacity in 2026	**1/6/2025 (National):** Core Scientific is projected to lease 400 MW of its data center capacity to new clients in 2026, according to a primary investor who withstood an attempted acquisition by CoreWeave. This expansion highlights Core Scientific's strategic shift toward high-demand digital infrastructure amid growing interest from enterprise and AI-focused operators. The move signals strong market confidence in the company's ability to repurpose its hosting power for new revenue streams.	**Medium** - Core Scientific shows confidence and independence after resisting CoreWeave's acquisition attempt, signaling that hyperscale and AI-driven demand is strong enough to justify a standalone strategy.

Research & Technology

Article/Link	Summary	Potential Impact
How Virtual Power Plants Can Help Data Centers Connect to the Grid Faster	**1/8/2026 (National):** Virtual power plants (VPPs)—aggregations of distributed energy resources like batteries and EVs—can be deployed in months to meet the surging electricity demand from data centers, bypassing lengthy interconnection queues tied to large power projects. The article outlines several commercial models where data centers can finance VPPs to gain faster grid access, with utilities or market operators providing capacity credits or flexible interconnection agreements in return. For these solutions to scale, regulators must harmonize planning, fast-track interconnections, and implement policies that prevent cost-shifting to other ratepayers.	**High** – VPPs offer data centers a faster, more sustainable way to secure capacity by turning distributed energy resources into flexible, grid-ready power, while reducing reliance on new fossil generation.
Big Tech Turns to Solar + Storage to Bypass Grid Bottlenecks	**1/7/2026 (National):** Big Tech companies are increasingly co-locating utility-scale solar and battery storage with their data centers—forming modular "energy parks" that bypass long interconnection queues and grid bottlenecks driven by skyrocketing AI-powered load demands. As of Q3 2025, developers added 45 GW of data center capacity to U.S. pipelines while nearly 245 GW of solar and storage projects awaited deployment, driven largely by hyperscalers in Texas and California.	**High** – This trend signals a strategic pivot toward on-site generation and storage, enabling faster build-outs with low-carbon power while reducing reliance on traditional grid infrastructure.
Microsoft Partners with MISO to Use AI to Modernize the Grid	**1/7/2026 (National):** Microsoft and MISO have launched a grid modernization collaboration that leverages AI and cloud technologies—including Microsoft Azure and Foundry AI—to build a unified data platform for improved forecasting, congestion prediction, and long-range transmission planning. This initiative aims to efficiently handle rising electricity demand driven by data center expansion, electrification, and a more diverse energy mix across 15 Midwest and Southern states. By accelerating decision-making from weeks to minutes and enhancing grid resilience, the partnership supports both reliability and the transition toward a more sustainable, future-ready power system.	**Medium** - The partnership underscores how tech companies and grid operators are beginning to use AI-driven solutions to enable faster, smarter planning to meet surging electricity demand from AI.

Research & Technology

Article/Link	Summary	Potential Impact
Ford Shifts from EV Plans to Stationary Energy Storage & BESS	**12/16/2025 (MI & KY, National):** Ford Motor Company has announced a new battery energy storage business aimed at supplying the data center sector with repurposed electric vehicle batteries. The company plans to invest about $2 billion to convert plant facilities in Kentucky and Michigan to produce large-scale BESS units and battery cells. Shipments are expected to begin in 2027 and reach 20 GWh of total annual capacity. (Read the article here.) **12/17/025:** Ford's new diversified electrification strategy emphasizes hybrids, smaller low-cost EVs, and stationary energy storage systems. The plants in Kentucky and Michigan will manufacture lithium iron phosphate (LFP) batteries and large containerized storage systems for use by data centers, utilities, and industrial customers. Ford is redirecting capital toward areas it sees as more profitable amid slower than expected EV demand. (Read the article here.)	**Medium** – Repurposing EV batteries reduces lifecycle emissions by extending battery use and delaying disposal, but slows transition away from combustion engines. BESS enables data center renewable energy integration, reduces reliance on diesel backup generators, and improves grid stability.
Repurposing Retired US Navy Nuclear Reactors for AI Data Center Power	**12/25/2025 (TN, National):** HGP Intelligent Energy LLC is exploring the use of retired U.S. Navy submarine and aircraft carrier nuclear reactors to power AI data centers. The project is currently taking place in Oak Ridge, Tennessee. This plan could generate 450–520 MW of continuous electricity (enough for about 360,000 homes). This offers a potential low-carbon alternative to conventional grid power. Refurbishment of reactors will involve federal coordination and private investment.	**Medium** – Repurposing reactors for carbon-free power reduces reliance on fossil fuels. However, environmental and safety risks from highly enriched fuel, reactor modification, and regulatory oversight must be carefully managed to ensure responsible deployment.
Containerized Data Centers For Real-Time Drone Analytics	**12/16/2025 (AK)**: Alaska's Department of Transportation & Public Facilities has deployed Armada's containerized Edge data centers to for real-time drone analytics in a region with limited data center infrastructure. With Armada's Galleon modular data centers in Anchorage and Fairbanks, drone data can be processed locally instead of being transported to distant facilities through the cloud. This reduces data analysis delays from more than a day to just minutes. The Edge data centers run Armada's computing platform on-site. Rapid decision-making and emergency response during events such as severe storms and flooding are enabled with this development. This can serve as a model for utilization in other remote areas.	**Medium** – Localized processing lowers energy demand and quickens response time. Modular data centers allow efficient deployment only where capacity is needed.

Legislation & Policy

Article/Link	Summary	Potential Impact
Democrats Reject Data Center Pause	**1/7/2026 (National):** Senator Bernie Sanders proposed a moratorium on new data center construction to address AI's strain on utilities and resources, but his stance received little support from Democratic colleagues who acknowledged the issues but stopped short of endorsing a full pause. Instead, Democrats favored targeted oversight measures like enforceable public standards, clean-energy requirements, and transparency mandates.	**High** – The fight over data center regulation is emerging as a key political issue, with both parties split between promoting AI-driven economic growth and addressing voter concerns over resource strain.
The Rush to Build Nuclear Reactors Across the U.S. Raise Safety Worries	**12/17/2025 (National):** President Trump's executive order accelerates construction of three advanced nuclear test reactors by July 4, 2026, moving oversight from the Nuclear Regulatory Commission to the Department of Energy. Proponents say this will spur innovation and meet rising energy demands, while critics warn that bypassing NRC safeguards could compromise safety. The move marks a major regulatory shift that could shape the future of small modular reactors and U.S. nuclear policy.	**High** - The regulatory authority change signals a fundamental shift in U.S. nuclear policy, prioritizing speed and energy innovation over traditional regulatory safeguards.
Regulators Approve DTE's Request to Power Saline Data Center; Michigan AG Issues Challenge	**12/18/2025 (MI):** Michigan regulators granted a fast-track, ex parte approval for electricity contracts powering the proposed Saline Township data center backed by Oracle and OpenAI, citing built-in consumer protections like cost guarantees and long-term commitments to shield ratepayers. The decision met fierce public backlash—including heckling during the hearing—and drew criticism for bypassing a full contested-case review and limiting transparency. (Read the article here.) **1/9/2026 (MI):** Michigan Attorney General Dana Nessel has challenged the Michigan Public Service Commission's (MPSC) expedited, non-contested approval of special electricity contracts between DTE Energy and developers — including Oracle and OpenAI — for a hyperscale data center in Saline Township, arguing that the process cut corners and excluded the public. The MPSC and DTE counter that staff reviewed full contract documents, asserted existing customers are protected, and established strong consumer protections specifically tailored to this data center deal. (Read the article here.)	**Medium –** MPSC's approval signals a potential shift toward accommodating hyperscale data center growth and raises questions about long-term grid impacts, regulatory oversight, and community protections.

Legislation & Policy

Article/Link	Summary	Potential Impact
MI Lawmakers Propose Bill Repealing Tax Incentives for Data Centers	**12/16/2025 (MI):** Bipartisan lawmakers in Michigan have introduced legislation to repeal data center tax incentives which were approved in late 2024. The lawmakers argue that the tax breaks have led to controversial projects and have shifted costs and risks onto local communities. Since the incentives passed and numerous development proposals have been made, concerns have risen over electricity and water costs, farmland loss, limited job creation, and climate impacts. Critics also warn that the intense power demand (~7 GW from proposed centers versus DTE's ~11 GW grid capacity) could allow loopholes in Michigan's clean energy law and justify new fossil fuel plants.	**Medium** – Repealing the tax incentives could ease pressure on environmental resources and give communities greater leverage over development decisions.
Data Center Water Usage Regulation Bills Proposed for MI	**12/22/2025 (MI):** Michigan Senate Democrats Rosemary Bayer, Sue Shink, and Erika Geiss have introduced legislation to regulate data center water and energy use. SB 761 would limit large water withdrawals and consumption, SB 762 would require annual reporting of water and energy usage, and SB 763 would prevent utilities from passing infrastructure costs onto residents. The bills come in response to growing concerns over data centers (including the massive Stargate project in Michigan) and aim to protect community resources. These bills could also serve as a template for data center regulation elsewhere.	**Medium** – If enacted, SBs 761–763 could reduce pressure on local water supplies, promote energy efficiency, and safeguard water access. Enhanced transparency and restrictions help data centers operate more sustainably.
Regulation Debate Between MI Attorney General and Consumer's Energy	**12/12/2025 (MI):** A dispute in Michigan has emerged over regulations amid rapid AI data center growth in the state between Attorney General Dana Nessel and Consumers Energy. Nessel argues that the Michigan Public Service Commission's rules are insufficient to protect ratepayers and wants stricter contracts, higher renewable energy integration requirements, and more controlled oversight on these projects. Consumers Energy claims that the current regulations do safeguard customers while allowing these major investments in data centers through growing emphasis on closed-loop cooling designs and stronger environmental protections. (Read the report here.)	**Medium** – The debate highlights tension between attracting tech investments and protecting natural resources and communities. Stronger regulations can balance expansion with MI's sustainability goals.
Another OH Data Center Moratorium	**12/17/2025 (OH):** Washington Township in Ohio has enacted a 90-day moratorium on new data center development. This follows similar pauses on data centers (such as recently in Jerome Township). Rapid data center expansion in the region (28 Amazon facilities and 1,800% growth from 2020–2025) has raised community concerns over high electricity demands, water usage, noise and air pollution, and potential health risks. Local leaders are debating whether the moratorium should become permanent.	**Low** – Restrictions may help communities mitigate ecological and public health impacts while reassessing sustainable development strategies for digital infrastructure in high demand.

Sustainability

Article/Link	Summary	Potential Impact
Concern Over Water Infrastructure Readiness for AI Demand	**1/11/2026 (National):** America's AI-driven data center boom is colliding with water scarcity, exposing how existing regulatory and permitting frameworks were never designed to manage such resource-intensive growth. Local governments and utilities lack clear standards for balancing economic incentives with environmental constraints, leaving communities vulnerable to overuse and conflict. (Read the article here.) **1/2/2026 (MI):** Much of Michigan's water infrastructure dates back 40–50 years and is already showing significant wear and tear as the state braces for a surge in water-intensive data center development. A regional report warns that states like Michigan are "simply not prepared" for the added strain on aquifers and public water systems if new data facilities move in at scale. (Read the article here.)	**High** - As municipalities and utilities weigh the economic upside of data centers, they're also confronting major upgrades and regulatory decisions needed to ensure long-term water reliability.
Nuclear Power in New York's Energy Plan	**12/17/2025 (NY):** New York's updated energy plan says that building new nuclear power plants could make it cheaper and easier to reach a fully carbon-free electric system by 2040. Just ~2.2 GW of nuclear could save about $26 billion by 2040 by providing reliable clean power that helps balance wind and solar with lower long-term infrastructure costs. Advocates from the Clean Air Task Force also note that New York has already cut emissions from the power sector by ~43% since 1990, but it is still likely to miss 2030 climate targets so cost-effective options may be more important.	**High** – Nuclear power reduces emissions while keeping electricity reliable, but requires major upfront investment and further R&D.
Emissions Trackability for New CCS Power Generation	**12/12/2025 (National):** A report by the NorthBridge Group highlights the need for a standardized system to track and claim emissions from carbon capture and storage (CCS) power plants. CCS projects (rising in Illinois, Texas, and Wyoming) can expand low-carbon electricity with large-scale adoption if clean energy buyers can claim emission reductions associated with CCS. NorthBridge proposes energy attribute certificates (EACs) for CCS, which includes methodologies for calculating emissions, reporting, verification, and leakage management to ensure credible claims.	**High** – A consistent tracking and claiming framework for CCS can accelerate deployment of low-carbon power.
Report by AGL Calls for Data Center Water Regulations	**12/16/2025 (MI):** A new report from the Alliance for the Great Lakes warns that the rapid growth of hyperscale AI data centers in Michigan is intensifying pressure on local water resources. The report finds that large facilities require millions of gallons of water daily for cooling and power generation, so companies often provide limited transparency about their total water footprint. Michigan's existing groundwater withdrawal screening process can block projects that would harm lakes and streams, and the report argues this safeguard should be expanded to cover large tech users drawing from municipal systems. Community benefits agreements are a way to require data centers to support water infrastructure, conservation measures, and make enforceable sustainability commitments.	**High** – Regulations can stop data center expansion from straining freshwater and local infrastructure. Deeper environmental reviews and community agreements could help align development with long-term sustainability.

Sustainability

Article/Link	Summary	Potential Impact
Lansing Leading the Way for Better Data Centers	**1/7/2026 (MI):** Lansing, Michigan is partnering with UK-based Deep Green to build a 24MW, $120 million data center in downtown Lansing on underutilized parking lots. The proposed data center would use a closed-loop cooling system and repurpose excess heat for carbon-neutral hot water downtown. The project is expected to cut natural gas demand by 310 million cubic feet annually, generate significant tax and utility revenue, and fund programs for low-income residents. Public forums in January 2026 will allow community input before the city council vote.	**Medium** – Deep Green's proposal highlights how cities can leverage data center development to drive sustainability, economic growth, and community equity.

Other Industry News

Article/Link	Summary	Potential Impact
PJM Prices High While Missing Targets for Reliability	**12/18/2025 (PJM Region):** PJM's latest capacity auction hit a record of $333.44/MW-day, and 145,777 MW was procured (which falls about 6.6 GW short of its 20% reliability target). Gas plants made up the largest share of this capacity. The shortfall is driven by high demand from data centers, ongoing project delays, and power supply and infrastructure constraints. PJM may hold incremental auctions or acquire safety "backstop" energy procurements to ensure reliability. Consumer groups are urging for reforms to prevent overpaying the same "legacy" power generators and instead support bringing new power generation online.	**Medium** – The shortfall highlights grid reliability risks and could increase costs if backstop procurement is needed. Regulators are being pressured to modernize energy capacity and pricing structures to protect communities.
Data Center NDAs for Minnesota Cities	**12/18/2025 (MN):** Several Minnesota cities (including Hermantown, Apple Valley, and Pine Island) have signed non-disclosure agreements (NDAs) with data center developers. These agreements aim to protect sensitive project details from the public during planning and negotiations. The NDAs reflecting a growing state interest in hosting large-scale data centers. However, a common theme arising is that community members argue the secrecy keeps those most impacted by these developments in the dark and limits their negotiation power.	**Medium** – Greater transparency is needed to ensure communities can assess and mitigate the ecological effects of new data center projects.
Lightpath's Former PA Prison Data Center Redevelop-ment	**12/15/2025 (PA):** Lightpath taking over a project originally planned by United Fiber and Data to redevelop a former prison in York, Pennsylvania into a networking facility and in-line amplifier (ILA) site. The project will include a 7,700 square foot utility building to enhance fiber optic signals along the network between New York City, New York and Ashburn, Virginia. This redevelopment is part of Lightpath's strategy to expand the capabilities of their data centers along routes with the most fiber optics.	**Medium** – Strategic redevelopment reduces need for new land, minimizing habitat disruption. The project lowers it's carbon footprint by leveraging existing infrastructure for fiber network expansion.
How to Use Data Centers in the Case of a Bubble	**12/24/2025 (National):** Concerns about overbuilding and overinvestment are rising, and thinking about alternative infrastructure uses now can ease some tensions. In a potential future scenario in which the AI infrastructure boom may collapse, many data centers could be left unused. Entrepreneurs specialized in redeveloping data centers for alternative customized uses could repurpose vacant data center space. Alternative commercial uses such as sports and recreational facilities can turn stranded technology assets and large infrastructure into profitable real estate ventures.	**Low** – Repurposing idle data centers could reduce waste and minimize new construction. However, retrofitting facilities may still require significant resources.

FRESH COAST
Climate Solutions

THANK YOU

Let’s make bold changes together

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