DATA CENTERS

BI-WEEKLY UPDATE

October 6, 2025

FRESH COAST
Climate Solutions

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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

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Investments*

Article/Link	Summary	Potential Impact
OpenAI's Stargate Open in TX, Set for OH & NM	**9/23/2025 (OH, TX, NM):** OpenAI and Oracle have launched the first data center in the $500 billion Stargate program, (located in Abilene, Texas), with additional facilities planned for New Mexico, Ohio, and other U.S. regions. The campus is already partially operational and could exceed one GW of capacity (enough to power 750,000 homes). Stargate aims for nearly 7 GW of capacity and over $400 billion in development within the next three years, with additional sites in OH, NM, and other state(s). The project is backed by Oracle, Nvidia, and SoftBank.	**High** – Focus on speed of buildout and computing power; Risks prioritizing economic growth and industry competition over enviro/social impacts
Metroblocks Potential $500 IN Data Center	**10/1/2025 (IN):** Metrobloks is considering a $500 million data center development in Indianapolis on a 14 acre site. At a recent meeting with local residents, the company's CEO emphasized transparency and potential community benefits. The project lacks official city approval. It would be built in two phases, delivering a total of 75MW once completed.	**Medium** – Project plan for large capacity data center on small site; risks prioritizing econ benefits over enviro/social impacts
Nvidia Invests $100B in OpenAI	**9/23/2025 (U.S.):** Nvidia has committed to invest up to $100 billion in Open AI, giving Nvidia a financial stake in one of the country's largest AI companies and giving OpenAI the cash it needs to buy Nvidia chips and other infrastructure. The partnership intends to deploy up to 10 GW of Nvidia systems. The partnership raises antitrust and circular dependence concerns.	**High** – Major AI chipmaker invests directly in AI deployment; antitrust and circular dependence concerns
123Net Adds 4MW in Detroit	**9/26/2025 (MI):** 123Net has expanded its data center Southfield DC1 near Detroit by adding 4MW of power, more space for colocation, and infrastructure for liquid-cooled AI GPUs. The 80,000 sq ft facility now offers 20MW of utility power and can host 20+ carriers. Because it houses the Detroit Internet Exchange and provides clients with direct lower network costs, this upgrade positions DC1 as Michigan's only data center that combines large-scale GPU capacity with "free peering" reciprocal agreements.	**Low** – DC expansion enhances connectivity and lowers costs; risks prioritizing expansion over enviro/social impacts
CyrusOne's OH Data Center	**9/18/2025 (OH):** CyrusOne has begun construction on its new COL-1 data center in New Albany, Ohio. While specific capacity and timelines have not been disclosed, earlier reports suggested an investment of about $150 million (supported by a ten-year 75% sales tax exemption valued at $5.4 million).	**Low** – New OH DC brings econ benefits but also community concerns over energy demand and land use; Risks prioritizing expansion over social/environ impacts

Technology

Article/Link	Summary	Potential Impact
Rolls-Royce's Gas Generator for Data Centers	**10/2/2025 (National):** Rolls-Royce revealed its new 20V4000 mtu gas generator, designed specifically for data centers. It features a 2.8MW output and the ability to reach full power in 45 seconds. Set for release in 2026, the unit is targeted at the North American data center market as both a primary and backup solution for facilities facing grid constraints. The technology aims to help operators meet rising AI-driven power demands with faster deployment instead of waiting on utility upgrades. Comparison to speed of deployment with renewables is needed.	**Medium** – More rapidly deployed gas power strengthens ability to scale DCs quickly and provide backup power but deepens reliance on fossil fuels and delays transition to clean energy
EDB Postgres's Infrastructure Optimization	**9/22/2025 (National):** EDB Postgres AI demonstrated that optimizing infrastructure can drastically cut both data center costs and emissions, achieving a 77% reduction in expenses and a 60% smaller carbon footprint. By combining observability, AI-driven tuning, and hybrid deployment strategies, the platform was able to sustain high-performance workloads without requiring extra capacity. This shows that optimization, rather than constant expansion, is the key to balancing AI readiness with financing and ESG goals.	**Medium** – Optimization can lower costs, reduce environmental impact, and improve AI performance vs. exclusive focus on expansion. R&D is required
Submarine Fiber Cables in Puerto Rico	**10/1/2025 (Puerto Rico):** Puerto Rico has opened bidding for a new 600-kilometer submarine fiber optic cable connecting San Juan, Ponce, Mayagüez, and St. Croix. The project is part of their Resilience Program, which aims to boost data transmission capacity, provide redundancy, and safeguard connectivity against natural disasters. By strengthening digital transmission, the initiative is expected to enhance reliability for data centers.	**Medium** – New cable would improve connectivity and resilience, but raises questions on cost, enviro impact, and ensuring equitable access to the upgraded infrastructure
ChillMine & AAAS Energy's Solar Powered Data Center	**9/30/2025 (Botswana):** ChillMine U.S. cloud computing firm and Dutch energy developer AAAS Energy have signed an MoU to build a solar-powered data center campus in Palapye, Botswana. The project is located within the Leupane Energy Hub and will leverage up to 250 MW of solar power and large-scale battery storage. This power will support AI workloads, hyperscalers, and computing. It is positioned to serve both global technology companies and the Southern African Power Pool.	**Medium** – US and Euro investment in Africa brings potential econ benefits; project combines renewable solar resources with digital infrastructure

Legislation

Article/Link	Summary	Potential Impact
PJM Governors Push for Grid Control	**9/22/2025 (PJM Region):** Governors from PJM states are demanding greater authority over the grid operator as electricity costs surge, which is largely driven by rising demand from data centers. Payments for capacity in PJM have risen by 1,000% in recent auctions. State leaders argue that PJM's governance model, which excludes them from formal decision-making, has failed to forecast the demand accurately and cannot precisely manage infrastructure expansion.	**High** – Greater state control over PJM could reshape grid governance by prioritizing faster power connections, fairer cost management
Why Data Centers Choose PA	**9/24/2025 (PA):** Pennsylvania is emerging as a leading destination for data centers due to legislation and policies that accelerate development and reduce costs. Key features of the state's political landscape include "Keystone Opportunity Zones" that reduce or completely eliminate local taxes, sales and use tax exemptions for equipment, the PA Permit Fast Track Program for streamlined approvals, and planned reduction of the corporate net income tax to 4.99% by 2031.	**Medium** – PA policies provides attractive incentives to DCs; but risks enhancing negative econ/social impacts if not considered sufficiently
Denied Rezoning for Data Centers in MI	**9/23/2025 (MI):** Howell Township's Planning Commission voted against rezoning 1,000+ acres of farmland for what would have been Michigan's largest data center. The proposal (which was backed by an unnamed Fortune 100 company) drew hundreds of residents to a meeting where most voiced concerns about noise, pollution, and heavy water and power use. Supporters highlighted the potential for thousands of local jobs, but the commission sided with residents who argued the project was not a good fit for the community.	**Low** – Rezoning rejection by local township reflects community's environmental and social impact concerns
Google Withdraws Rezoning Proposal	**9/23/2025 (IN):** Google has withdrawn its rezoning request for a 468-acre data center in Franklin Township after strong opposition from residents and the city council. The proposed "Project Flo" faced criticism over environmental impacts and lack of transparency. Although the petition was pulled before a likely council rejection, Google retains the option to reapply within three months. (See also: Residents Shut Down Google Data Center Before it Can Be Built)	**Low** – Rezoning request withdrawal by large tech firm possibly due to community criticism
Niagra Falls is Avoiding a Data Center	**9/21/2025 (NY):** Niagara Falls Mayor Robert Restaino is rejecting a $1.5 billion proposal for a nine building AI data center campus. The proposed project, backed by developer Urbacon and Niagara Falls Redevelopment would have promised 550 permanent jobs and $20 million in annual tax contributions without subsidies. Instead, the city is pursuing eminent domain to seize land needed for the data center to be utilized for an arena that will be funded by $200 million from taxpayers, despite local concerns over its high costs and potential lack of long-term revenue.	**Low** – Proposed rejection of DC in favor of public use; reflects local tradeoff between tax revenues and taxpayer-funded projects

Following the Story of a Michigan Community and a Data Center Developer

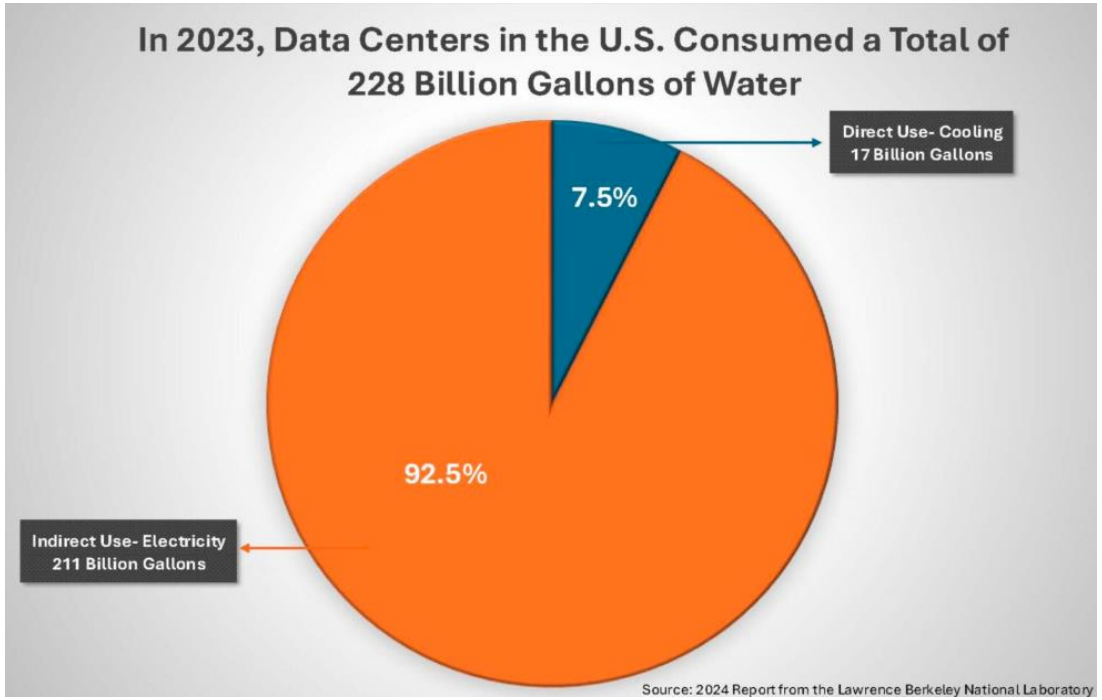
- Data center developer Related Digital and landowners are suing the town of Saline, Michigan, which recently rejected a rezoning request.
  - Saline Township denies data center rezoning – Planet Detroit
  - AI data center developer sues township near Ann Arbor over denial to rezone farm land - mlive.com
- The town recently approved a consent agreement, with various requirements including items like "no evaporative cooling systems."
  - Rural township near Saline changes course on AI, computing data center after lawsuit - mlive.com
  - Saline Township Board Approves Consent Agreement to Avoid Lawsuit, Awaits Response | The Saline Post
- Raises potential financial implications for the community and reputational consequences for the developer

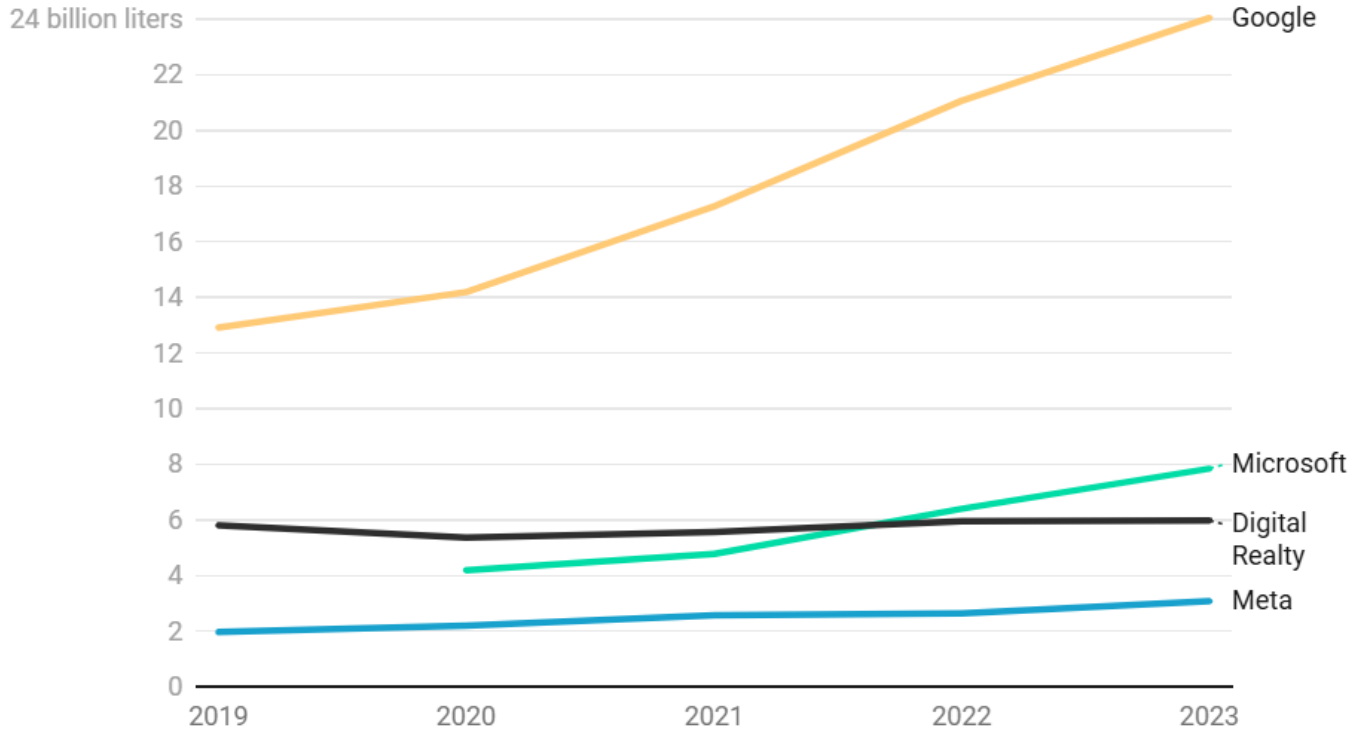
Research

Article/Link	Summary	Potential Impact
Data Centers Could Lead to Great Lakes Water Shortages	**9/10/2025 (Great Lakes Region)**: A recent report by Alliance for the Great Lakes emphasizes that data centers in the Great Lakes region could create major water stress. Cooling servers requires vast amounts of water, but most data centers are not required to disclose their consumption. Illinois is facing particular strain as facilities move into towns already struggling with decreasing groundwater. Agriculture, which heavily relies on irrigation during increasingly hot and dry summers, is important to the region and compounds the challenge. Experts argue that state-level planning, reporting requirements, and incentives tied to sustainable practices are urgently needed to prevent shortages. While advocates emphasize innovations like closed-loop systems and reclaimed wastewater, critics note that policy to implement these lags behind the scale of growth. (Full report here.)	**High** – Unchecked DC expansion threatens to deplete aquifers and strain resources already stressed by climate change; stronger state-level mgmt. and transparency suggested to balance industrial growth with water security
PJM States Paid $4.4B for Data Center Transmission in 2024	**10/1/2025 (PJM Region):** A new report by the Union of Concerned Scientists found that utility customers in seven PJM states paid $4.4 billion in 2024 for transmission projects serving data centers. Because these costs fall into a gap in regulation, expenses are spread across all ratepayers (including residential and small business customers) rather than assigned directly to the companies driving demand. The report urges stronger oversight from FERC and states to ensure that transmission costs are covered by data center operators. (Read the full report here.)	**High** – Risks prioritizing transmission speed over social/environ impacts. Without regulatory reforms, costs fall on communities.
AEP Ohio Halves Data Center Pipeline	**10/1/2025 (OH):** AEP Ohio has reduced its projected data center demand from 30GW+ to only 13GW after implementing a new tariff that requires data center operators to pay for at least 85% of their requested electricity capacity upfront. Approved by regulators in July, the tariff is designed to ensure utilities can recover their infrastructure costs without shifting the burden to other local customers.	**High** – Evidence that Ohio's requirement of prepayment of electricity capacity shifts DC demand
Utilities Are Backtracking Their Climate Commitments	**9/22/2025 (National):** A report by the Sierra Club report found that about 20% of U.S. utilities are reversing their climate commitments. Entergy, Duke, Evergy, Cleco, AEP, and APS were named examples. While utilities are planning expansion of renewables, progress has slowed and proposed gas expansion has doubled (expected to reach 118 GW by 2035). The Sierra Club argues that efficiency, storage, and renewables could meet needs without increasing reliance on fossil fuels. (Read the full report here.)	**Medium** – Gas expansion undermines utility decarbonization goals; enviro NGO argues for stronger regulation and clean energy incentives
DOE Funds Fusion Energy Research	**9/26/2025 (National):** The DOE is investing $134 million in fusion energy research, with Lawrence Livermore National Laboratory leading several projects aimed at moving fusion towards commercial viability. These efforts include developing infrastructure, advancing protective materials, and building a centralized data ecosystem for fusion research. For data centers, fusion represents a potential long-term solution to rising electricity needs by offering nearly limitless carbon-free power.	**Medium** – Federal investment in new forms of energy production; years/decades of R&D required

"Data Centers Consume Massive Amounts of Water – Companies Rarely Tell the Public Exactly How Much"

Source: The Conversation, 8/19/2025





LBNL estimates total water usage attributed to data centers; however, individual company disclosures of water use vary widely.

Sustainability

Article/Link	Summary	Potential Impact
SOO Green's 21 GW Green Transmis-sion Project	**9/25/2025 (National):** The 2.1 GW SOO Green High-Voltage Direct Current transmission project is moving closer to construction after its final municipal agreement in Iowa. The line could carry wind and solar power from Iowa into Illinois and the PJM grid using underground transmission along railroads. Developers say the project could lower electric bills in the Chicago area, strengthen reliability, and give PJM more flexibility to import or export power during extreme conditions. For data centers especially in the Chicago region, SOO Green could provide access to cleaner, lower-cost electricity and facilitate direct power purchase agreements with renewables from the Midwest.	**High** – Major transmission project could lower costs, improve grid resilience, and decarbonize the grid; enviro/energy efficiency impact study needed
Assessing CA Data Center Water Use	**9/23/2025 (CA):** California lawmakers have approved Assembly Bill 93, which requires data centers to disclose annual water use. This action comes at a time of growing concerns about AI-driven water demand in arid regions. If signed by Governor Newsom, the law would make California one of the first states with mandatory data center water reporting.	**High** – Mandatory reporting increases transparency and helps balance econ growth with water/energy security
Impact of Data Centers on MN Waters	**9/29/2025 (MN):** Minnesota communities are raising concern over heavy water demands from hyperscale data centers. Projects are advancing across several MN cities under nondisclosure agreements that limit public input. Critics warn that loopholes in state permitting could allow developers to prioritize industrial use over community needs, risk aquifer depletion, and result in water contamination alongside long-term infrastructure costs for residents. Locals and advocacy groups are pushing for stronger governance, mandatory reporting, public comment periods, and protective legislation to ensure data centers disclose and manage their water footprints.	**Medium** – MN communities are advocating for transparency and rules on disclosure of DC project info and water use
Water Efficient Data Center Model Expansion	**9/22/2025:** Prometheus Hyperscale is expanding its highly water efficient data center model (located in Evanston, Wyoming) to Texas through a partnership with global energy producer ENGIE. Using geothermal liquid cooling, the company's facilities operate without consuming water. Texas sites could offer faster timelines due to existing grid connections. The project aims to be both environmentally sustainable and economically beneficial.	**Medium** – Geothermal liquid cooling could reduce water impact and generate local econ opportunities; RD&D needed
Approval of IN Data Center on Protected Wetlands	**9/22/2025 (IN):** Indiana regulators have approved Google's plan to expand its $2 billion Project Zodiac data center campus in Fort Wayne. This plan includes filling in more than two acres of protected wetlands, despite strong local opposition and calls for a public hearing. Google claims to purchase credits from a wetland mitigation bank to offset the loss. However, residents argue that this action inherently threatens ecosystems, clean water resources, and community well-being while prioritizing corporate development over environmental protections.	**Low** – Wetland destruction in favor of data center expansion risks long-term ecological harm; unclear if offsetting other wetland protection is beneficial

Other Industry News

Article/Link	Summary	Potential Impact
Wall Street's Perspective on Data Center Boom	**9/20/2025 (National):** Wall Street views the rise in AI data center construction as both an economic driver and a financial risk, with trillions in investment resting on uncertain long-term demand. Tech giants like OpenAI, Oracle, Meta, and Alphabet are pouring billions into facilities. However, concerns are rising regarding overbuilding, debt, lease renewal risks, and depreciation of infrastructure. States are offering massive tax incentives, which strain public budgets, while local communities face growing pressure on energy and water supplies.	**High** – Data center boom raises questions of long-term economic viability if demand does not meet expectations
DOE's $625M for U.S. Coal Industry	**9/29/2025 (National):** The Department of Energy (DOE) announced a $625 million program to keep coal plants running through restarts, upgrades, and pollution control projects. Officials claim coal is necessary to provide low-cost, reliable power for energy intense data centers. Clean energy advocates argue that subsidizing coal extends dependence on an unsustainable power source at a time when wind, solar, and storage are becoming cheaper and expanding rapidly.	**High** – Policy risks tethering data centers to coal infrastructure, raising carbon footprint and delaying renewables integration
Data Center Elites Rising	**9/22/2025 (National):** A small group of U.S. tech giants (Amazon, Microsoft, Google, Nvidia, and OpenAI) are rapidly consolidating control over the global data center market. Government support has accelerated their expansion into the U.K., UAE, and beyond. Massive data center campuses facilitate AI development, but critics warn this concentration of power creates an oligopoly that could threaten competition, national security, and resilience.	**High** – Risks locking data centers into an oligopoly, raising concerns over competition, security, and equitable access
Campaigns Against 4.5GW Gas Powered PA Data Center	**10/2/2025 (PA):** Environmental groups are urging Pennsylvania regulators to block the planned 4.5GW gas-powered AI data center in Homer City. They argue that it would become the state's largest carbon emitter with severe health and climate impacts while offering limited economic benefits. The $10 billion redevelopment project aims to convert a former coal plant into a natural gas-powered AI campus.	**Low** – New NG plant build out raises enviro/public health concerns
$37B 'Stargate of China' Project	**9/22/2025 (China):** China is investing $37 billion to transform farmland in Wuhu into a "data island" which would host major data centers for Huawei, China Mobile, China Telecom, and China Unicom. This effort is part of a broader strategy to consolidate dispersed facilities into a unified national AI compute network, a style similar to the U.S. Stargate project. By placing clusters near major urban hubs and linking underutilized data centers, the aim is to maximize efficiency and scale AI infrastructure despite U.S. export restrictions on chips.	**Low** – China's centralized data center buildout strengthens AI competitiveness, but risks prioritizing industry growth over social/enviro impacts

EMERGING THEMES

Investments

Circular Investments

- AI titan OpenAI secures $100B investment from Nvidia, raising concerns of antitrust and circular dependence

Oligopoly emerging?

- Concerns being raised over big tech's (Amazon, Microsoft, Google, Nvidia, OpenAI) control over AI/datacenter market, carrying potential competitive and market risk

AI space race

- News on investments focuses on size and speed over enviro/social impacts

Technology

Power Generation

- Rolls-Royce's fast install and start-up natural gas generator possible competitor to fast renewables + battery deployments

International push for AI connectivity

- US/Euro investment in ChillMine renewables-powered facility in Botswana combines solar, battery storage, and potential natural gas hybrid support
- Submarine fiber optic cable between Caribbean islands provides redundancy and bandwidth improvements; potential econ and enviro impacts

Legislation & Market Development

More local say (and risk)

- Developer sues Saline MI town over rejection of rezoning proposal

More state governance

- Governors in PJM states advocate for more governance over grid operator
- Evidence that OH requirement of DC prepayment of electricity lowered energy demand forecast
- CA bill advocates for mandatory water disclosure rules

Federal incentives for fossil

- DOE funds coal plant restarts, upgrades, and

Enviro/Social/Economic Impacts

Awareness and pushback

- Increasing community awareness and pushback is causing large tech firms to cancel or postpone hyperscale projects

Costs & Enviro Impacts

- Major enviro NGOs release analysis that DC costs are passed onto ratepayers, utilities are scaling back climate commitments, and DCs will cause water shortages in the Great Lakes
- IN lawmakers allow Google to build on wetland

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THANK YOU

Let's make bold changes together

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