DATA CENTERS

BI-WEEKLY UPDATE

February 24, 2026

FRESH COAST
Climate Solutions

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EMERGING THEMES

Investments & Market Activity

Substantial increases in AI-related capital expenditures for 2026

- Alphabet, Amazon, Meta, and Microsoft are projecting a combined $630B in AI-related capital spending in 2026 alone
- Exelon forecasts $12-17B increase in transmission-related spending over 10 years, primarily to support data center pipeline
- Meta begins construction on $10B data center in Lebanon, IN

Community resistance affecting major project plans

- Brennan Investment Group withdrew its proposal for a $2B data center in Barrington Hills, IL following public backlash

Research & Technology

Data center industry continues to push the boundaries on solutions to power constraints

- Cleanview project tracker shows increase in behind-the-meter power, fueled primarily by natural gas
- Amazon's on-site fuel cell plans challenged by Hilliard, OH
- Clayco and Deep Atomic join forces to implement and scale small-modular reactor (SMR) nuclear data center design
- Microgrids and distributed energy resources in the conversation about how to satisfy energy demands on an aging centralized grid

Legislation

Significant activity in proposed policies and moratoria across federal, state, and local governments

- White House drafts "compact" with Big-Tech companies focused on affordability
- Bipartisan "GRID Act" enters the U.S. Senate
- NY lawmakers propose sweeping 3-year moratorium for data centers
- IN introduces controversial tax policy proposal
- IL introduces "POWER Act" and possible tax incentive suspension
- Ohio introduces a broad slate of legislation aimed at regulating data centers
- New local moratoria throughout the Great Lakes region

Sustainability

Water concerns in Ohio and Pennsylvania

- Middlesex Township, PA signed an agreement to allow a data center developer to tap into 40% of the town's excess water supply
- Ohio EPA draft general-purpose permit for water discharge faces continued scrutiny

Can data centers be good utility partners?

- Georgia Power receives $500,000 donation from Google to support energy efficiency efforts
- Wisconsin investor-owned utilities profit from build-out and prolonged life of fossil fuel assets

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
Big Tech's $630 Billion AI Spending in 2026	**2/6/26 (National):** Big Tech companies including Alphabet, Amazon, Meta, and Microsoft are collectively projecting more than $630 billion in capital spending, largely funneled into massive AI infrastructure such as data centers, servers, and power systems. This unprecedented investment scale, now comparable to the GDP of countries like Sweden and Israel, is stirring investor unease as firms pour nearly all available capital into AI despite uncertain short-term returns.	**High** – The unprecedented surge in spending heightens economic risk and tests investor patience in pursuit of long-term AI dominance.
Amazon's $200B AI Spending	**2/6/26 (National):** Amazon announced a plan to invest about $200 billion in capital expenditures this year, primarily targeting AI infrastructure. The plan represents a strategic shift toward capital-intensive and investments in more long-term trend cycles. The announcement triggered a 10% selloff in Amazon shares as investors are concerned over the high cost of capacity and the uncertain timeline for profitable returns on such a large scale.	**High** – The surge in spending sparked stock sell-offs, underscoring investor concerns about uncertain returns.
Exelon's Capital Spending Rises to $41.3B	**2/13/26 (IL):** Exelon, a transmission and distribution utility headquartered in Chicago, has increased its four-year capital investment plan to $41.3 billion, driven primarily by the need for widespread transmission upgrades to support data center demand. The utility's "high probability" data center pipeline has reached 18 GW, with a forecasted net load growth of 3.1% over four years. Despite these growth prospects, the company is still navigating concerns regarding customer affordability as rate increases and transmission costs continue to put pressure on residential electricity bills.	**Medium** – Increasing data center loads are forcing utilities like Exelon to accelerate and expand costly transmission planning.
Meta's $10B, 1GW Data Center Lebanon, IN	**2/11/26 (IN):** Meta officially began construction on a $10 billion, 1GW data center campus in Lebanon, Indiana, with first-phase operations expected by late 2027, marking one of the company's largest single infrastructure investments to date. Meta has pledged to offset its impact and support the local community by paying the full cost of its energy use, restoring 100% of its water consumption to local watersheds, investing $120 million in water and public infrastructure, and donating $1 million annually for 20 years to assist residents with energy costs. The company said that at peak construction, more than 4,000 construction workers will be on-site, and once operational, will employ about 300 people. See Meta's announcement here.	**Medium** – The project illustrates how major tech developments can be paired with robust sustainability commitments and community-focused benefit agreements to attempt to offset their local impact.
$2B Proposal Withdrawn After Public Opposition	**2/12/26 (IL):** Brennan Investment Group withdrew its $2 billion proposal for a massive data center campus in Barrington Hills. The decision to cancel the project came after a community petition in opposition gained traction. This reflects a growing trend of communities successfully pushing back against large-scale tech infrastructure that conflicts with local zoning and community needs.	**Low** – The withdrawal highlights that public backlash can swiftly derail even multibillion-dollar plans.

Research & Technology

Article/Link	Summary	Potential Impact
Data Centers Race to Build Their Own Power as Grid Delays Mount	**2/9/26 (National):** A new analysis by Cleanview analysis finds that data center developers are rapidly shifting to behind-the-meter power, with 46 planned sites totaling 56 GW—90% of which were announced in 2025 alone. Facing years-long grid interconnection delays, operators are increasingly turning to mobile gas generators, aeroderivative turbines, and other unconventional equipment to bring massive workloads online as fast as possible.	**High** – The report signals a broader shift toward self-powered, fast-tracked data center development that underscores developers' speed-to-operations incentives.
OH City Challenges Amazon's Data Center Fuel Cell Project	**2/10/26 (OH):** Hilliard, Ohio has challenged AWS's plan to install 228 natural gas fuel cells for 73 MW of capacity to power its data center campus. Concerns include environmental oversight and that the project bypasses local zoning authority. Amazon intends to use the fuel cells to generate onsite power due to grid capacity constraints, but city officials argue that the installation violates land use agreements and creates noise and emissions risks for neighboring residents.	**Medium** – The clash highlights rising risks of air pollution from on-site power as well as the local government's diminishing power to regulate it.
Clayco & Deep Atomic Partner for First U.S. Nuclear-Powered Data Center Campus	**2/19/26 (National):** Clayco has joined a multidisciplinary consortium led by Deep Atomic to support Department of Energy submissions for what could become the first fully integrated nuclear-powered AI data center campus in the U.S., proposed for the Idaho National Laboratory. Clayco aims to help ensure the project can be built safely and at scale, bridging advanced nuclear energy concepts with real world data center infrastructure demands.	**Medium** – The proposal underscores how nuclear energy is becoming a strategic cornerstone for data center operators seeking dependable, scalable power for AI infrastructure.
Microgrids Emerge as a Solution Amidst AI-Driven Power Demand	**2/19/26 (National):** As AI and autonomous-vehicle ecosystems push U.S. electricity demand toward a projected 25% increase by 2030, microgrids are gaining prominence as a faster, more resilient alternative to relying solely on an overburdened centralized grid. Tellus Power argues that localized, bidirectional, and rapidly deployable microgrid systems will be essential to meeting high-availability power needs at the grid edge, especially as data centers and electrification outpace traditional infrastructure upgrades	**Medium** – This article suggests there is potential for a broader grid transformation through development of microgrids, which could be a foundational strategy to meet soaring AI-driven energy demands.

Legislation & Policy

Article/Link	Summary	Potential Impact
White House Considers Pact to Protect Household Electricity Prices, Water, Grid Reliability	**2/9/26 (National):** The Trump administration is drafting a voluntary "compact" that would require major tech companies to publicly commit to principles ensuring that data centers would not raise household electricity prices, strain water resources, or destabilize the grid. The proposed agreement aims to make tech companies "pick up the tab" for their infrastructure needs, as political pressure mounts ahead of the 2026 midterm elections. Although still in flux, the compact would be one of the administration's most significant attempts to influence the AI industry without imposing regulation, instead relying on public commitments and a high-profile White House rollout.	**High** – The draft compact reflects a political assessment by the Trump administration to address voter concerns of affordability while continuing to support growth in the AI-driven data center industry.
First Bipartisan Senate Effort to Support Ratepayer Protection	**2/11/26 (National):** Senators Josh Hawley and Richard Blumenthal have introduced the first bipartisan bill designed to protect households from the collateral damage of AI data center growth. The bill mandates that utility companies guarantee that no data center-related infrastructure costs or capacity charges are passed on to residential consumers. During high-demand periods, this legislation also ensures that everyday ratepayers are given first priority for grid access over data centers. All new data center operators would eventually be required to power their facilities from off-grid, independent sources, with a 10-year transition window for existing facilities to disconnect from the public residential grid. Large energy users must also publicly disclose their projected impacts on local grid stability and water resources before receiving federal permitting approval.	**High** – The bill highlights how data center energy costs have become a politically potent issue, pushing lawmakers from both parties to respond to voter anxiety over rising utility bills.
NY's Proposed 3-Year Data Center Moratorium	**2/6/26 (NY):** New York lawmakers have proposed Senate Bill S9144, which would impose a three-year moratorium on new data centers above 20 MW in capacity to allow for a statewide review on their demands on power, water, and waste systems. This legislation aims to establish rigorous standards ensuring that future industrial growth does not undermine climate goals or force residential utility customers to pay for infrastructure. The bill also empowers regulators to restructure utility rates, with the costs of upgrading energy infrastructure being financed by the data center developers rather than the general public.	**Medium** – This bill reflects a rapidly-growing national political flashpoint involving government control over rapid data center development.
IN Bill to Limit Local Data Center Input but Share Tax Saving With Cities	**2/5/26 (IN):** Indiana House Bill 1333 proposes a new regulatory framework where data centers receiving state tax incentives must share at least 1% of those savings with local governments to help fund infrastructure and public services. While the bill aims to alleviate local costs, it also controversially streamlines development by allowing data centers to be built on lower-quality agricultural land without traditional rezoning or public hearings. The legislation passed on February 2.	**Medium** – Construction on agricultural land and permitting without public oversight risks environ health while prioritizing tech expansion over community needs.

Legislation & Policy (Continued)

Article/Link	Summary	Potential Impact
Ohio's Broad Package of Data Center Bills	**2/9/26 (OH):** Ohio Senate Democrats have unveiled a broad package of bills aimed at tightening oversight of data center development, arguing that the fast-growing industry is straining local resources, driving up energy and water costs, and overwhelming communities with large-scale land-use demands. Their push comes amid rising public backlash, stalled projects, and new regulatory scrutiny, reflecting a statewide shift toward questioning whether data centers are delivering enough public benefit to justify their substantial infrastructure, energy, and tax impacts. See a summary of all 7 bills here.	**Medium** – Ohio Democrats' push reflects a broader political turning point, as growing public backlash and grid-strain fears drive lawmakers to assert stronger oversight and demand that data centers more directly account for their impacts on local resources and ratepayers.
POWER Act: IL Water and Energy Protection Bill Introduced	**2/16/26 (IL):** Illinois lawmakers introduced the Protecting Our Water and Energy Resources (POWER) Act, designed to limit environmental and economic strains caused by the data center industry. The bill includes new strict reporting requirements for water and energy. The act seeks to ensure that expansion of AI infrastructure does not raise residential utility rates. Clean energy, transparency, labor, and equity and initiatives will be strengthened through this legislation.	**Medium** – If enacted, the POWER Act aims to balance water security and energy affordability with AI deployment.
2-Year Data Center Tax Incentive Suspension Proposed	**2/18/26 (IL):** Illinois Governor JB Pritzker proposed a two-year suspension of all new tax incentives for data centers. Pritzker mentioned the urgent need to protect utility affordability and grid stability for Illinois families. State agencies will be tasked with evaluating data center impacts on the energy grid as well as the local economy during this time.	**Medium** – If enacted, this reflects a transition to a likely slowdown in new data center development as the state assesses the impacts of growth.
MI Local Government Guide to Data Centers	**2/26 (MI):** The University of Michigan Graham Sustainability Institute's Center for EmPowering Communities published a comprehensive guide to assist Michigan's local government officials and planners navigate data center development. With technologies and policies quickly evolving, the guide serves as a working document to help municipalities evaluate complex trade-offs. It focuses on empowering local leaders to participate in siting to ensure that they can manage the infrastructure demands of AI data centers while still protecting community interests.	**Medium** – This framework helps prevent developers targeting small communities with limited regulatory experience and shifts the power dynamic from reactive to proactive.

Legislation & Policy (Continued)

Article/Link	Summary	Potential Impact
Data Center Moratoriums on the Rise Throughout Great Lakes	**Michigan:** Caledonia Township enacted a six-month moratorium on new data center developments. During this time, planners will update industrial standards that were not originally intended for the scale of modern AI infrastructure (Source: Fox17). Solon Township approved a six-month moratorium on new data center proposals. Solon planners will study long-term impacts of these facilities on noise levels, electrical grid stability, and local water to ensure that any future developments are subject to strict standards (Source: Fox17). Sterling Heights enacted a six-month moratorium on development of new data centers to give officials time to research and establish stricter zoning regulations. City leaders want to ensure that industrial growth does not compromise the community's quality of life or character (Source: Macomb Daily). Richmond Township in MI's Upper Peninsula drafted a permanent ban on high-density cryptocurrency mining and data centers to proactively protect the unique electrical grid and water resources from being exploited (Source: MLive). **Wisconsin:** The City of Two Rivers, the City of Manitowoc, and Manitowoc County have all passed 12-month moratoriums on new data center developments following news that EnergySolutions plans to explore nearby nuclear generation at the Kewaunee Power Station. Leaders expressed concern that a rush of high-density AI data centers would deplete water and energy resources before a long-term sustainability plan could be drafted (Source: NBC26). State Representative Darrin Madison, Senator Jodi Habush Sinykin, and Representative Angela Stroud introduced the "Pause to Protect Act" (LRB-6377). The bill proposes a statewide moratorium on development of hyperscale data centers until strict safeguards are established. 100% of power for data centers would have to come from newly built renewable energy. Shifting energy or water infrastructure costs onto residential customers would be prohibited. Non-disclosure agreements (NDAs) between developers and local officials would not be allowed, and mandatory public reporting of water and electricity usage would ensure transparency (Source: Wisconsin Examiner). **Ohio:** Muhlenberg enacted a 12-month moratorium on new data center applications. This follows a controversial proposal from Pacifico Energy to rezone land for a data center and an onsite natural gas power plant. Local residents submitted a petition with 700+ signatures in opposition. The pause allows time for alignment of local zoning laws with statewide regulations, specifically HB 646 which proposes a state-level Data Center Study Commission (Source: DCD). **Indiana:** Fulton County Planning Commission has approved a 12-month moratorium on all new data center developments. This follows public opposition to a proposed 500 MW hyperscale data center. Residents expressed concerns that the project would strain local energy and water resources, and demanded a study committee with at least 50% citizen membership (Source: DCD).	**High** – Moratoriums across Michigan, Wisconsin, Ohio, and Indiana reflect a broader movement by local governments against rapid and unregulated expansion of AI data center infrastructure. Local communities are showing an increased passion for prioritizing regional sustainability and preservation of character over competing in the global tech race.

Sustainability & Community Benefits

Article/Link	Summary	Potential Impact
Google's $500k for Georgia Power Weatherization Programs	**4/3/25 (GA):** Google has contributed $500,000 to Georgia Power to expand energy efficiency initiatives for residential customers who face financial barriers to home improvements. The partners believe that citizens should have real benefits from industrial and data center development. This funding targets repairs for health and safety to help low-income households qualify for standard energy saving programs. The partnership prioritizes the most vulnerable populations to ensure they can live in more comfortable, affordable, and energy-efficient homes.	**High** – This initiative reduces the overall energy demand and environmental footprint of residential housing while providing economic relief and safety for families in need.
Ohio EPA Considers Permitting Lower Data Center Water Quality Requirements	**2/17/26 (OH):** The Ohio Environmental Protection Agency is evaluating a permit that would allow the state's 195 active and 77 projected data centers to discharge untreated wastewater directly into local waterways. This proposal utilizes a federal "antidegradation" provision to support their stance that some decline in water quality will be a necessary trade-off for the economic development driven by AI. Critics highlight that the plan lacks mandatory monitoring for hazardous pollutants like PFAS. Public opposition against disregarding pre-treatment requirements for industrial-scale facilities has been substantial.	**Medium** – If passed, releasing wastewater into public streams can contaminate watersheds and expose communities to public health risks.
Utilities Trade Sustainability to Support AI	**2/9/26 (WI):** Wisconsin utility companies are increasingly prioritizing the power demands of AI by extending the life of fossil fuel plants and investing in natural gas. Critics argue that these actions disregard state sustainability goals. This build-out relies on a "business as usual" energy model that sacrifices the transition away from fossil fuels towards renewable energy and reaching sustainable climate goals. Paying for this energy also places a disproportionate financial burden on vulnerable communities.	**Medium** – Prioritizing immediate grid expansion reinforces fossil fuel reliance and heightens local inequities.
Data Center Pays $14M for 40% of Town's Excess Water	**2/16/26 (PA):** Carlisle Development Partners, a joint venture between PowerHouse Data Centers and Pennsylvania Data Center Partners, has secured a $14.1 million agreement to access over 40% of the excess water supply in Middlesex Township, Pennsylvania. The deal allows the large data center complex to consume up to 400,000 gallons of water per day (equivalent to the water usage of more than 2,300 homes). Residents have raised concerns regarding the project's long-term impact on local utility rates, water security, and the regional power grid. Without that excess water, if a new community development (like housing or hospital) wants to move in, the town may no longer have the water capacity to support them. Using 40% of the surplus puts pressure on infrastructure not designed to handle this. Long-term maintenance costs could add up and fall on ratepayers.	**Medium** – By claiming a significant portion of a small town's water resources, this industrial expansion risks depleting local aquifers while shifting the burden of long-term ecological degradation and rising utility costs on to community members.

Other Industry News

Article/Link	Summary	Potential Impact
Anthropic Will Cover Electricity Rate Hikes	**2/11/26 (National):** Anthropic announced a new policy to compensate residential utility customers for any electricity price increases directly caused by the construction and operation of its AI data centers. This initiative seeks to address growing public concern that the power demands of the AI industry will force households to subsidize grid upgrades and rising energy costs. The company aims to create a more equitable model for tech expansion that acknowledges the burdens placed on regional power systems.	**High** – This move sets a potential replicable industry standard for corporate responsibility as big tech firms face increasing scrutiny over their impact on public infrastructure.
Updates on Los Alamos and University of Michigan Data Center Project	**2/10/26 (MI):** Ypsilanti Township residents were frustrated by a University of Michigan open house regarding the proposed $1.25 billion data center project developed in partnership with Los Alamos National Laboratory. Community members criticized the event's format for lacking transparency and preventing public input. Many attendees raised concerns that the facility would increase local electricity rates, threaten air and water quality, and disrupt natural areas along the Huron River. Residents and local officials continue to push for the project to be relocated to a more suitable industrial site (Source: Michigan Daily). **2/11/26 (MI):** A growing coalition of University of Michigan faculty, staff, and students has launched a formal petition to stop the Los Alamos data center. Opposition centers on the facility's connection to nuclear weapons research. Proponents argue the center is essential for advancing scientific research in medicine and climate science, while critics say the partnership compromises the institution's ethical standards. Local residents feel excluded from the university's decision-making process (Source: MLive).	**Medium** – The massive energy and water requirements of the proposed facility threaten to strain the local grid and degrade nearby river ecosystems. The project's tax-exempt status offers few economic benefits to the community.
FERC Rejects AEP Request to Sell Capacity	**2/11/26 (AEP Region):** American Electric Power (AEP) has requested from federal regulators to avoid financial penalties after failing to secure enough power supplies for its Ohio customers during a recent regional auction. The utility argues that an unexpected increase in reliability requirements driven largely by demand from data centers made it impossible to procure the necessary electricity capacity in time. This situation highlights the growing strain on the power grid as utilities struggle to balance fast industrial growth with maintaining a reliable energy supply.	**Medium** – Failure to secure adequate power capacity forces a continued reliance on older, less efficient energy sources.
WI NDAs Hearing	**2/19/26 (WI):** Wisconsin's state legislators are debating regulatory measures to eliminate hidden deals from residents. Non-disclosure agreements (NDAs) between local governments and tech firms have been used to fast-track massive projects without public oversight.	**Medium** – Transparency and rate-protection laws would force tech giants to internalize the financial and environ costs of their facilities.

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THANK YOU

Let’s make bold changes together

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