DATA CENTERS

BI-WEEKLY UPDATE

March 10, 2026

FRESH COAST
Climate Solutions

Bold Solutions. Transformative Action.

EMERGING THEMES

Investments & Market Activity

Major milestones in development of hyperscale projects

- $15B Carlisle, PA hyperscale campus moves forward with local approval for power substation plans
- Google continues clean energy + storage colocation strategy with Pine Island, MN data center

Growing awareness around uncertain long-term economic impacts of data centers

- AES Corporation's proposed acquisition by private investors sparks concern over AES' public utilities in Indiana and Ohio
- Wisconsin manufacturers see data center-related increase in business, but long-term economic benefits remain unclear

Research & Technology

Data center growth projections show soaring demand, but high variability due to power constraints

- EPRI releases updated forecast for electricity consumption, up 60% from previous 2024 forecast
- Sightline Climate forecasts grid bottlenecks could delay 30-50% of US data center pipeline in 2026

Technology trends & possible solutions for power demand

- 34+ states are considering making VPPs part of utility planning
- Regional transmission org reforms needed to spur storage market in Great Lakes region
- Large-scale urban geothermal pilot success in Brooklyn, NYC

Legislation

Continued trend of regulatory responses to concerns over affordability & moratoria

- White House & Big Tech sign a Ratepayer Protection Pledge
- PJM proposes "behind-the-meter" reforms to eliminate cost-saving loopholes
- OH legislature proposes extended tariff requiring data centers to cover their own costs
- MI legislature proposes statewide 1-year moratorium
- PA advances bills for energy & water reporting and model local ordinance language
- VA passes law requiring utilities to measure and report their unused grid capacity

Sustainability

Renewable energy, efficiency measures, and storage solutions

- Experts argue renewable energy, storage, and load flexibility offer greater speed and lower costs than fossil fuels
- Meta signs more power-purchase agreements (PPAs) for solar projects to cover data center load

Scrutiny over environmental impacts & permitting

- Ohio EPA reviews draft general permit for data center water discharge into rivers and streams
- Saline, MI data center issued air & water permits amid community concern

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
$15 Billion PA Hyperscaler Approved for Power Plans	**3/5/2026 (PA):** PA Data Center Partners and Powerhouse Data Centers' new hub "PAX-1," valued at approximately $15 billion, has gained approval of its dedicated power infrastructure. Middlesex Township supervisors unanimously approved construction of a major energy substation on a 700-acre site, allowing work on the planned campus to move forward. The approval marks a key infrastructure milestone for the long-running project, while officials simultaneously took steps to limit further expansion and respond to resident concerns about the data center's scale, impacts, and future development in the township.	**High** – The approval shows the project is moving ahead despite community concerns, with local officials now focused on limiting impacts while updating the township's comprehensive plan.
Google's Pine Island, MN Data Center Powered by Clean Energy + Community Benefits	**2/24/2026 (MN):** Form Energy and Xcel Energy announced a 30 gigawatt-hour iron-air battery project in Pine Island, Minnesota, to provide Google's new data center with 100 hours of continuous clean power. This storage system will be supported by 1.4 gigawatts of wind and 200 megawatts of solar capacity, ensuring 24/7 carbon-free operations. Google is covering all associated grid infrastructure costs to prevent local ratepayer price hikes. This partnership demonstrates a viable path for tech giants to scale AI infrastructure without relying on fossil fuel backups (Source: Canary Media). **2/25/2026 (MN):** Part of Google's Project Skyway, the 250,000 sq ft facility's construction is expected to begin before the end of 2026. Google and the developer are providing over $20 million for upgrades to the city's existing infrastructure. In a 20-year agreement, Google invest $25 million into the local school district for STEM education and modern classroom tech. While the city approved a $36 million tax abatement, officials estimate the project will contribute about $131 million in new property tax revenue over the life of the deal (Source: Construction Owners).	**High** – Google's Minnesota plans show another example of developing renewables and long-duration storage as part of its data center model, as well as highlights the strategy of local investments and absorbing long-term financial risk to sway community sentiment.
Indiana's AES Power Acquisition Concerns	**3/5/2026 (IN):** Indiana State Treasurer Daniel Elliot publicly opposes the proposed $33.4 billion private acquisition of AES Corporation by a consortium of large domestic and foreign investors led by BlackRock. AES Corporation's primary regulated utility subsidiaries are AES Indiana and AES Ohio. Elliot has no statutory authority to block the transaction but is actively speaking with leaders "at all levels" to push for greater transparency and a full federal review, citing worries about affordability and foreign involvement. The deal is expected to close late 2026.	**Medium** – The growing scrutiny from state officials underscores a broader political clash over how much influence private investors should have in owning and operating essential public utilities.
Impacts of $1 Billion in WI Data Center Econ Growth	**3/3/2026 (WI):** While no hyperscale data centers are yet operational in Wisconsin, the state's manufacturing sector has already secured over $1 billion by supplying nationwide AI infrastructure. Major manufacturers such as Regal Rexnord, Generac, Modine, Trane Technologies, Excellerate, and Maysteel are expanding production of motors, generators, cooling systems, and modular electrical buildings, while smaller firms like Modular Power & Data are rapidly scaling up as orders surge. Despite this short-term boom, analysts note that because data center construction jobs are temporary and long-term operational impacts remain uncertain, the broader economic upside for Wisconsin is still difficult to quantify.	**Medium** – While data centers are catalyzing near-term manufacturing and construction activity in Wisconsin, the long-term economic impact may be limited – and is uncertain.

Research & Technology

Article/Link	Summary	Potential Impact
Updating Projections for US Data Center Growth	**2/26/2026 (National):** The Electric Power Research Institute (EPRI) released an updated forecast on electricity consumption attributed to data centers; EPRI estimates data centers are projected to consume 9-17% of US electricity by 2030, a figure that is roughly 60% higher than EPRI anticipated two years ago. Access the report here. **2/24/2026 (National):** Sightline Climate released a report on the projected growth of data centers in 2026, suggesting that 30-50% of the US data center pipeline expected for 2026 is likely to be delayed, with grid bottlenecks and other power constraint listed as a key factors. Access the report here.	**High** – Together, the findings show that data center demand is still soaring, but it is difficult to make future projections with accuracy as the industry moves to address grid bottlenecks.
East Coast & Midwest Battery Energy Storage Lags	**3/4/2026 (East Coast & Midwest):** While battery storage is gaining popularity in states like Texas and California, deployment is lagging in the East and Midwest because RTO market rules prevent batteries from fully "revenue stacking," making it hard to finance projects even as rising data-center load intensifies the need for flexible grid resources. Combined with long interconnection backlogs, these limitations leave the regions less prepared for rapidly escalating electricity demand due to data centers.	**High** – Without adequate energy storage, reliance on high-emission fossil fuel plants increases, while decreasing energy resilience and placing a financial burden on ratepayers.
Virtual Power Plants	**2/25/2026 (National):** States across the U.S. are increasingly turning to virtual power plants (VPPs) to combat rising electricity bills and enhance grid reliability. As of late 2025, 34 states have already established programs that aggregate consumer-owned resources like smart thermostats, home batteries, and electric vehicles to balance energy demand. Additional states (including Michigan, Minnesota, Illinois, and Pennsylvania) are currently considering new legislation to launch or expand these programs. The Department of Energy estimates that scaling up VPP capacity to between 80-160 gigawatts by 2030 could save utility customers about $10 billion in annual grid costs. By compensating residents for allowing utilities to tap into their clean energy devices during peak times, these programs offer a faster and cheaper alternative to building traditional power plants.	**High** – By reducing the need for fossil fuel plants and new transmission lines, VPPs lower carbon emissions and support a more resilient and decentralized power grid.
Urban Geothermal Power Becomes More Feasible	**3/3/2026 (NY, National):** The Brooklyn geothermal project demonstrates that large-scale ground-source systems can be successfully installed even in dense urban environments, with incentives helping offset high upfront costs and long-term savings making the technology economically viable. As data centers increasingly seek low-carbon, space-constrained thermal solutions in load-heavy urban regions, the project offers a proof-of-concept for integrating geothermal as a resilient, emissions-reducing option that fits within tight city footprints.	**High** – The project shows that if geothermal systems can work in tight urban spaces, they could also help data centers add low-carbon, thermal solutions in places where grid constraints and land limits are major hurdles.

Legislation & Policy

Article/Link	Summary	Potential Impact
President Trump's Ratepayer Protection Pledge	**2/26/2026:** Following his State of the Union address, President Trump hosted a summit with major tech leaders to make a Ratepayer Protection Pledge to protect citizens from rising energy costs by which tech companies would build, bring, or buy new generation needed for their data centers. This agreement was signed by tech giants including Amazon, Google, Meta, Microsoft, xAI, and OpenAI. The deal is currently non-binding and lacks mechanisms for federal enforcement.	**Medium** – The voluntary pledge shows the administration aims to reassure voters about concerns over rising costs, but the lack of binding terms casts serious doubt on whether the pledge can protect ratepayers.
PJM's Proposed Behind-the-Meter Reforms	**2/24/2026 (PJM Region):** PJM is proposing major reforms to its behind-the-meter generation rules to comply with a December 2025 FERC order requiring clearer, standardized rules for data centers that want to co-locate their own power sources with large loads. The plan would create new transmission service options and eliminate the ability for new >50-MW behind-the-meter facilities to "net out" load, which previously reduced grid charges. Overall, the reforms are meant to speed data-center interconnections while ensuring they still pay fair transmission costs and don't shift grid expenses onto other customers.	**Medium** – PJM's quick response to create new rules for on-site data center power may add regulatory structure that protects ratepayers and improves speed-to-power for large loads but may encourage more fossil-fuel-based on-site solutions.
MI Seeks 1 Year Data Center Moratorium	**3/2/2026 (MI):** A bipartisan group of Michigan lawmakers has introduced House Bills 5594 through 5596, which would impose a statewide moratorium on new data center construction until April 1, 2027. This legislation seeks to allow the state and local municipalities time to study the long-term effects on land use, water consumption, and the power grid. The bill package would stop new data center permits and utility agreements, facing opposition from those who argue the pause could stifle economic growth and cause Michigan to lose out on tech investment.	**Medium** – If passed, Michigan would join a growing list of states and local governments in moving to pause data center growth in response to rising concerns about energy, water, land-use, and ratepayer impacts.
OH House Bill Potentially Extends Tariff	**3/2/2026 (OH):** Ohio lawmakers have introduced House Bill 706 to extend AEP's data-center tariff statewide, requiring new data centers to contract with utilities upfront, cover at least 85% of their projected energy use, and pay exit fees or provide collateral—while banning utilities from shifting data-center-related costs onto other customers. The bill is being framed as a way to filter out speculative projects, protect ratepayers, and ease local fears in communities that are increasingly turning to moratoriums as data-center development accelerates across the state.	**Medium** – Ohio's move signals a broader push to manage AI-driven load growth by forcing large developers to internalize their costs and reduce burdens on local ratepayers.

Legislation & Policy (Continued)

Article/Link	Summary	Potential Impact
PA House Energy Committee's Environmental Bills	**3/2/2026 (PA):** The Pennsylvania House Energy Committee has advanced two bills aimed at increasing oversight of the state's quickly expanding data center industry. House Bill 2150 requires data centers to submit annual public reports detailing their total energy consumption and water usage to the Department of Environmental Protection, with potential fines for non-compliance. House Bill 2151 directs the state to develop a model zoning ordinance that local municipalities can optionally adopt to manage the noise, size, and siting of these facilities. The legislation now moves to the full House for consideration.	**Medium** – By mandating transparency and providing a standardized regulatory framework, PA aims to protect ratepayers and prevent ecosystem degradation.
VA's HB 434 Requires Efficient Grid Usage	**3/3/2026 (VA):** Virginia lawmakers recently passed House Bill 434, a first-of-its-kind bill requiring utilities to measure and report how much of the existing power grid they actually use, with regulators then tasked to set timelines for optimizing that underused capacity. The goal is to rein in rising rates and ease data-center-driven grid strain by favoring non-wires alternatives like batteries and sensors before authorizing costly new infrastructure.	**Medium** – By requiring utilities to measure and optimize a grid that is built for peak demand, where much of it sits unused most of the time, Virginia could set precedent for power companies to leverage existing infrastructure before building more.

Data center policies are emerging in Great Lakes states, highlighting increased awareness and concern about impacts

Michigan

House legislation proposed to enact 1-year moratorium on data center construction (Source); 3 Senate bills proposed to require water withdrawal limits, disclosure, and infrastructure cost protection (Source); proposed repeal of existing tax exemptions (Source)

Illinois

Illinois General Assembly introduced the POWER Act, which aims to set nation-leading guardrails on data center development, including annual water monitoring & reporting requirements for data centers *(Source)*

Minnesota

HF 16 - established new customer class of "qualified data centers" and introduced new environmental, energy, and permitting requirements for large data centers, and compels public utilities to ensure data centers pay the full cost of their added energy requirement (Source)

Indiana

Multiple bills introduced & under consideration to regulate water use, NDAs, labor requirements, etc. (Source); Multiple bill proposals failed in most-recent legislative session (Source)

Ohio

Ohio Senators introduced 7 bill proposals that would address the reliability, affordability, water use, and local control concerns associated with data centers (Source)

Wisconsin

State legislators introduced the Data Center Accountability Act (SB 729/AB 722) – would require data centers to recycle water for cooling, publicly report water & energy usage, and create a specific class of regulation for large data centers (Source)

New York

(S9144/A10141) would impose a three-year moratorium on new data center permits above 20MW capacity to study their environmental, energy, and water impacts (Source)

Pennsylvania

HB 2150 would require annual reporting of water & energy usage to the state Department of Environmental Protection (Source)

Enacted **Pending**

Sustainability

Article/Link	Summary	Potential Impact
Renewable Energy Makes Sense for AI	**3/2/2026 (National):** While utilities are using AI demand to justify funding new gas-fired power plants, renewables and energy efficiency measures can actually be faster and cheaper to deploy. In 2025 alone, planned gas capacity in U.S. development specifically for data centers rose from 4 GW to over 100 GW. If the AI boom slows, ratepayers could be left stuck paying for billions in stranded fossil fuel assets that are no longer needed. Ultimately, the tech firms would be better served by focusing on power load flexibility and onsite generation of clean energy rather than costly investments in volatile and high-emission natural gas generation.	**Medium** – Building new gas and nuclear plants to meet potentially inflated AI demand risks unnecessary carbon emissions and financial liabilities if predicted energy needs fail.
Ohio EPA Reviews Data Center Water Discharge Permit	**3/5/2026 (OH):** The Ohio Environmental Protection Agency is currently reviewing a draft permit that would authorize data centers to discharge wastewater and stormwater directly into the state's rivers and streams. This permitting process aims to fast-track the expansion of Ohio's nearly 200 existing and 80 planned data centers by streamlining administrative hurdles. The draft states that "lowering of water quality… is necessary to accommodate the state's social and economic development." While the permit requires monitoring for pollutants like chlorine, phosphorus, and oil, it allows for the release of heated non-contact cooling water which can disrupt local aquatic ecosystems. In response to concerns over water usage and environmental degradation, the Ohio General Assembly has introduced legislation to form a study commission to evaluate the long-term impacts of data centers.	**Medium** – If the generalized water discharge permit is passed, the state could risk contamination of public waterways, prioritizing industrial growth over the protection of aquatic health.
Michigan Issues Air & Water Permits for Saline Data Center	**2/24/2026 (MI):** The Michigan Department of Environment, Great Lakes, and Energy (EGLE) issued air and water permits in January to Oracle and OpenAI's $7B Saline Township data center, despite consternation from some local residents over wetland destruction, diesel generator emissions, and the fast-tracked process. The air quality permit allows for installation of 14 diesel backup generators and the wetlands permit allows developers to temporarily disturb a stream and install a culvert, and construct stormwater structures that would discharge into the Saline River.	**Medium** – The approvals ultimately follow established rules and permitting criteria but underscore the tension between community concerns and the regulatory system.
Meta's 80MW Solar PPA	**2/27/2026 (PA):** Meta signed an 80 megawatt solar power purchase agreement (PPA) with a renewable energy developer, MN8 Energy, to support operations in Pennsylvania. The electricity will be generated by the Highfield Solar project located in Juniata County, part of the PJM interconnection grid. Commercial operations are set to begin by the end of 2026. This deal is part of Meta's broader strategy to reach net-zero emissions across its global operations and 100% renewable energy for its data centers. By securing a dedicated source of clean energy, Meta aims to mitigate its impact on the local PJM grid.	**Medium** – By financing new large solar capacity, Meta reduces its carbon footprint and sets a precedent for other large tech companies that clean energy can reliably meet AI's power demands.

Data center water consumption estimates vary widely, requiring site-by-site disclosure and verification + regional analysis of data center clusters

Data Center Type	Est. Daily Water Use	*Benchmark	Sources / Notes
Hyperscale 100-150MW capacity	Up to 1-5 million gallons per day (MGD)	Equivalent to a town of 10,000 – 50,000 people	Alliance for the Great Lakes, A Finite Resource; EESI, Data Centers and Water Consumption
Colocation / Retail 10-60+ MW capacity	Up to 200,000 – 500,000 gallons per day	Equivalent to a town of 2,000 – 5,000 people	Estimated with WUE trends (0.45 – 0.48 L/kWh) – LBNL study
Enterprise (On-Premises) 1-10 MW capacity	Up to 10,000- 150,000 gallons per day	Equivalent to a town of 100 – 1,500 people	Estimated with WUE trends (0.45 – 0.48 L/kWh) – LBNL study

*Based on the average American using 80-100 gallons of water per day

Considerations

Figures are not uniformly tracked / reported by data center developers, corporations, or regulatory bodies

- ***Direct*** vs. ***indirect*** water use not always differentiated
- Water ***consumption*** vs. water ***use*** not always differentiated
- Individual site-level estimates may fall outside estimated parameters due to different technology, operational practices, etc.

Other Industry News

Article/Link	Summary	Potential Impact
Pressure in UK to Disclose Net Emissions From Data Centers	**3/1/2026 (Global):** Data center developers in the UK are facing pressure from campaign groups and regulators to disclose whether their projects will derail the nation's net-zero greenhouse gas targets. Activist groups have petitioned for the government to mandate that new facilities must demonstrate that they will not increase overall carbon dioxide emissions or worsen local water scarcity. This push comes as Ofgem, the energy regulator, warned that approximately 140 proposed data center schemes could require up to 50 gigawatts of electricity. Hyperscale data center projects in Lincolnshire and Northumberland are each expected to consume as much power as a full-scale nuclear power station (1GW). This has led to calls for developers to directly fund and build out renewable energy infrastructure needed to power their sites.	**High** – If set in legislation, requiring data centers to invest in new clean energy can prevent the AI boom from taking over existing green power supply intended for households or traditional industries while decreasing their carbon footprint.
First Data Center Construction Decline Since 2020	**2/28/2026 (National):** For the first time since 2020, the amount of data center capacity under construction in primary U.S. markets has declined, dropping from 6.35 GW at the end of 2024 to 5.99 GW at the end of 2025. This decline occurred despite high planned capital expenditure by hyperscale data centers. The decline is not due to a lack of demand, as vacancy rates have hit a historic low of 1.4%. Projects are being stalled by long wait times for power infrastructure, a labor shortage, and a rise in local moratoriums.	**Medium** – Slower data center construction decreases immediate emissions from their operations and can buy time to evaluate their long-term impacts.
PJM's Fast-Track Interconnection Plan	**2/2/2026 (PJM Region):** PJM Interconnection has submitted a proposal to federal regulators aimed at accelerating power grid expansions. The plan introduces a specialized fast-track lane for projects exceeding 250 megawatts as long as they receive state-level endorsement to begin operations within three years. PJM is also seeking to implement a temporary price cap on upcoming capacity auctions to prevent rising electricity costs for residential consumers. These measures are designed to streamline the interconnection process while stabilizing the volatile energy market. Ultimately, PJM hopes to balance the infrastructure demands of data centers with the necessity of maintaining affordable utility rates for the public.	**Medium** – Fast-tracking energy infrastructure for the tech industry risks prioritizing speed to power over environmental protections from data center growth.
Data Centers Expanding to Arctic Circle	**2/2/2026 (Global):** Major AI labs and cloud providers are expanding data centers into the Arctic Circle to bypass energy shortages and high costs associated with traditional tech hubs. AI training is not sensitive to slight delays or latency caused by moving to remote locations, making this move more plausible for developers. Companies like Microsoft, OpenAI, and Mistral are moving to countries like Norway, Sweden, and Finland to take advantage of low electricity prices fueled by abundant hydroelectric and wind power. Additionally, the Arctic climate provides natural cooling which cuts operational costs.	**Medium** – Moving AI training to the Arctic can increase opportunities for clean energy to power operations, but can also increase deforestation and wilderness habitat loss.

FRESH COAST
Climate Solutions

THANK YOU

Let’s make bold changes together

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