

Data Centers Bi-Weekly Update

May 5, 2026



**FRESH
COAST**
Climate Solutions

Bold Solutions. Transformative Action.

Emerging Themes

Investments & Market Activity

Data center capital costs continue to rise faster than expected; financing dynamics continue to evolve

- Big Tech's AI spending forecasts increase to \$800B+ this year, and \$1T+ in 2027; 2025 AI revenue (*for some) beat forecasts
- Since 2023, cost to develop new natural gas plants has increased 66% and construction takes 23% longer
- Blackstone launches new data center real estate investment trust (REIT) fund, aiming to reduce risk and open investment to the public
- Saline, MI data center secured financing, but faces regulatory appeal citing consumer protection risks and lack of transparency

Research & Technology

Clean energy breaks records as electricity demand forecasts continue to rise

- In 2025, solar, battery storage, and wind constituted over 90% of new installation in the US
- MISO projects peak electricity demand to surge 35% by 2035 (from 2025) driven largely by data centers

Energy-tech startups aim to serve data center load growth

- Meta signs deals with two startups: Noon Energy for ultra-long duration energy storage; Overview Energy for space-based solar power
- Blue Energy offers a new model for large-scale nuclear construction using prefabrication methods in shipyards

Legislation & Policy

Policies across US states, federal agencies, utility commissions, and local authorities move quickly to address data centers

- There are more than five times as many state data center bills today vs. 2021
- Nuclear Regulatory Commission (NRC) proposes streamlined licensing framework for microreactors
- WI Public Service Commission approves new electric rate structure for data centers to protect ratepayers
- Local MI water authority enacts 1-year moratorium on providing water services to data centers
- Maine Governor vetoes landmark statewide moratorium bill and state legislators fail to override

Sustainability

Data center growth linked to increased greenhouse gas emissions and air quality concerns

- Analysis projects 11 planned data centers in the U.S. using on-site gas plants could emit more GHGs than some countries
- PA's largest coal plants, planned for closure in 2028, could remain online through 2032, in part to serve data center demand

Continued push for water consumption transparency and innovation

- IL lawmakers continue hearings with constituents and experts regarding POWER Act water requirements
- AWS partners with Veolia to develop techniques for utilizing reused wastewater in data center cooling

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

[Big Tech's AI Spending On Track to Surpass \\$1T in 2027](#)

[Data Center Demand Drives 66% Surge in Natural Gas Plant Costs](#)

[Blackstone Launches New Real Estate Fund for Public Investors](#)

[Oracle's \\$16B MI Data Center Financing & AG Nessel's Appeals](#)

Summary

4/30/2026 (National): First-quarter earnings reports showed Big Tech companies continuing to lean heavily into AI, with Alphabet and Microsoft delivering strong cloud growth that reflects early monetization of past investments, while Amazon reiterated confidence in long-term demand despite massive near-term spending. Meta stood out on the weaker end, as sharply higher infrastructure costs and declining free cash flow heightened investor concerns around returns. Across the board, companies and analysts continued to revise capital-expenditure projections upward, reinforcing that the AI buildout is accelerating faster and at a larger scale than previously expected. (See also Visual Capitalist's "[Big Tech AI Spending 2022-2025](#)".)

4/27/2026 (National): Surging electricity demand from AI-driven data centers has pushed the cost of building natural gas power plants up 66% over the past two years, according to a BloombergNEF [report](#) cited by TechCrunch. Construction timelines have also lengthened by more than 20% as shortages of gas turbines and other components strain supply chains. While tech companies and utilities increasingly turn to natural gas to secure reliable power, the trend is fueling public backlash, higher costs for customers, and renewed interest in renewable and long-duration energy storage alternatives.

5/4/2026 (National): Blackstone plans to raise up to \$1.75 billion by taking its new Blackstone Digital Infrastructure Trust (BXDC) public, creating one of the first real estate investment trusts (REITs) focused specifically on modern data centers built for AI workloads. Unlike traditional real estate funds, this REIT is designed to own newly built, massive facilities rented long-term to major tech companies that run cloud computing and artificial intelligence systems. The move gives the public a more direct, simplified way to invest in the physical infrastructure powering AI, which until now has largely been funded through private deals and institutional money.

4/20/2026 (MI): MI Attorney General Dana Nessel filed an appeal against the Michigan Public Service Commission's (MPSC) approval of energy contracts between DTE Energy and Oracle's data center in Saline. Nessel argues the deal structure unfairly shifts financial risk onto residential ratepayers. Nessel seeks stricter guarantees to ensure data center energy demands don't lead to high bills or decreased grid reliability MI families (Source: [CBS News](#)).

4/27/2026 (MI): Related Digital and Blackstone secured \$16 billion in financing for a new gigawatt-scale data center campus in Saline, MI, for Oracle and OpenAI. \$14 billion in long-term fixed-rate debt is anchored by a \$10 billion commitment from PIMCO and \$2 billion comes in equity from Blackstone. While developers emphasize job creation, tax revenue, and grid protections, the project has sparked local opposition over energy strain, environmental impact, and the scale of AI infrastructure expansion. (Source: [Quartz](#)).

Potential Impact

High – The scale of investment shows Big Tech's continued confidence in long-term returns amid growing risks as investors demand clearer proof of sustainable profits.

High – Rising power infrastructure costs reveal how data center growth is reshaping the energy landscape and accelerating debates over long-term viability of fossil-fuel sources.

Medium – The IPO marks a shift in AI data centers financing, aiming to lower risk and stabilize funding by packaging carefully selected assets and bringing everyday investors into the mix.

Medium – The disputes over financing and regulatory approval reveal mounting tension over who absorbs the financial and other risks created by the rapid expansion of large-scale data centers.

Research & Technology

Article/Link

Summary

Potential Impact

[Clean Power Market Report 2025](#)

4/28/2026 (National): The American Clean Power Association's ([ACP](#)) 2025 Annual Market Report shows that the U.S. added more than 50 gigawatts of clean energy capacity last year, accounting for over 90% of all new power generation built nationwide. For the purposes of this report, clean power includes land-based and off-shore wind, utility-scale solar, and battery storage technology. Investment in wind, utility-scale solar, and battery storage reached a record \$79 billion, while these technologies generated nearly 17% of total U.S. electricity and supported roughly 1.4 million jobs across the economy. Battery storage stood out as the fastest-growing technology, helping regions with high renewable penetration better manage rising electricity demand and volatile energy prices. View the report summary [here](#) and interact with more data from the report [here](#).

High – The report shows that clean power is no longer a niche solution, but a pillar of U.S. energy infrastructure with growing importance as electricity demand accelerates partly due to data centers.

[MISO Expects Peak Load to Increase 35% by 2035](#)

4/20/2026 (National): The Midcontinent Independent System Operator (MISO) projects that peak electricity demand in its 15-state region could rise 35% by 2035, driven primarily by rapid expansion of data centers tied to AI and cloud computing. MISO estimates peak load could jump from 121 gigawatts in 2025 to roughly 163 gigawatts, marking a sharp break from more than a decade of relatively flat demand growth. At the same time, the grid operator cautioned that forecasting is difficult because many proposed data center projects lack firm commitments, creating uncertainty around how much demand will actually materialize. View MISO's presentation [here](#).

Medium – The forecast underscores how massive yet uncertain data center demand is forcing utilities to rethink how to plan for grid infrastructure.

[Meta's Solar Power and Energy Storage Deals](#)

4/23/2026 (National): Meta signed an agreement with [Noon Energy](#) to secure up to 1 gigawatt of ultra-long-duration energy storage to support reliable, continuous power for its data centers. The partnership starts with a 25-megawatt project targeted for completion by 2028 and will expand as Noon scales production of systems capable of storing energy for more than 100 hours. The deal reflects Meta's push to manage rising AI-driven electricity demand while maintaining 24/7 clean energy coverage (Source: [ESG Today](#)).

4/27/2026 (National): Meta also announced a deal with startup [Overview Energy](#) to access up to 1 gigawatt of space-based solar power, designed to supply electricity even at night by beaming energy from satellites to ground-based solar sites. The technology aims to increase solar output without using additional land, helping data centers operate continuously on renewable energy. An initial orbital demonstration is planned for 2028, with commercial power delivery expected around 2030. (Source: [ESG Today](#)).

Medium – Together, the deals highlight how hyperscalers like Meta are embracing advanced storage and emerging technologies to meet AI data center power and reliability demands.

[Blue Energy Raised \\$380M to Build Grid-Scale Nuclear Reactors in Shipyards](#)

4/21/2026 (National): Startup [Blue Energy](#) has announced a \$380 million funding round to build large, grid-scale nuclear reactors using prefabrication techniques in shipyards rather than traditional on-site construction. The company plans to assemble standardized light-water reactors in controlled shipyard environments and then transport them by barge, aiming to reduce the delays and cost overruns that have plagued recent U.S. nuclear projects. Blue Energy's first project is a 1.5-gigawatt nuclear plant in Texas, designed to help meet rising electricity demand from AI data centers and electrification.

Medium – If successful, the new methods could make nuclear energy faster to deploy, cheaper, and more viable as a carbon-free power source to support growing electricity demand.

Legislation & Policy

Article/Link

Summary

Potential Impact

[State Lawmakers Are Catching Up to the Data Center Boom](#)

4/22/2026 (National): State lawmakers across the U.S. are moving quickly to address the explosive growth of data centers, introducing more than five times as many bills related to data center development than just a few years ago. Early state legislation on data centers largely focused on tax incentives, sales-tax exemptions, and economic development tools aimed at attracting facilities and investment. As data center growth driven by AI workloads accelerated and power demands surged, lawmakers began introducing a much broader and more intervention-focused wave of bills. Recent legislation increasingly targets electricity rate impacts, grid reliability, water use, siting rules, and cost-allocation mechanisms to ensure data centers, rather than ratepayers, bear more of the infrastructure burden.

High – The shift from incentives to oversight signals that data centers are now seen less as purely economic wins and more as critical infrastructure requiring new regulatory approaches.

[Top U.S. Nuclear Regulator Rewriting Rules for Small Reactors](#)

4/22/2026 (National): The Nuclear Regulatory Commission (NRC) is overhauling its licensing framework to better accommodate microreactors and other advanced nuclear designs that differ significantly from traditional large power plants. The NRC has proposed a new rule, known as Part 57, and finalized another (Part 53) to streamline approvals, allow combined construction-and-operation licenses, and account for the simpler, lower-risk nature of smaller reactors. The changes are driven by rising interest in advanced nuclear as a source of reliable, carbon-free power for data centers, industrial sites, and remote applications, but they've also sparked concern among critics who worry safety could be compromised by faster timelines.

High – The regulatory shift could unlock faster microreactor deployment, but raises questions about long-term safety, environmental concerns, and adequate oversight.

[WI Electric Rate Approved for Data Centers](#)

4/24/2026 (WI): The Public Service Commission of Wisconsin approved We Energies' new special electric rate for large data centers, but only after making significant changes to protect existing customers. Regulators required hyperscale data centers — including projects tied to Microsoft, OpenAI, and Oracle — to cover 100% of the costs for new power generation and infrastructure, including natural gas plants built specifically to serve them. The decision comes as data centers could double We Energies' electricity demand by 2030, forcing billions of dollars in new generation, transmission, and grid investments.

Medium – The ruling may set an important precedent for utilities nationwide who are facing pressure to protect ratepayers from increasing energy costs.

[Water Concerns Halt Proposed U-M & Los Alamos Lab Data Center](#)

4/23/2026 (MI): The Ypsilanti Community Utilities Authority (YCUA) has enacted a yearlong moratorium on providing new water and sewer services to data centers, citing uncertainty over whether its system can handle the scale of proposed demand. An MLive report highlights concerns tied to major projects, including a University of Michigan–Los Alamos National Laboratory computing facility that could use hundreds of thousands of gallons of water per day, alongside other large data center proposals. Utility officials and local leaders say the pause is needed to study long-term water supply, wastewater capacity, environmental impacts, and potential risks to existing customers and future development.

Medium – The moratorium from the local water authority instead of municipal leadership appears to be a unique approach to pausing the planned developments.

[Maine Vetoes Landmark Moratorium](#)

4/24/2026 (ME): Maine's Legislature fell short of the two-thirds majority needed to override Gov. Janet Mills' veto of [LD 307](#), a bill that would have temporarily banned large data centers over 20 megawatts until 2027, making Maine the first state to enact such a moratorium. Instead, she has directed state agencies to collaborate on a regulatory framework that balances infrastructure growth with Maine's strict climate and energy goals. Mills suggested that targeted standards for energy efficiency and water use are preferable to a total ban.

Medium – The outcome of the proposal demonstrates the growing tension between economic development and environmental risk + oversight.

Sustainability

Article/Link

Summary

Potential Impact

[Gas-Powered Data Centers Could Exceed GHG Emissions of Some Nations](#)

4/22/2026 (National): Emissions estimates generated from air permits examined by WIRED, found that just 11 planned U.S. data center campuses powered by on-site natural gas plants could collectively emit more than 129 million tons of greenhouse gases each year—exceeding the annual emissions of some entire nations, such as Morocco. Many of these facilities, tied to companies such as OpenAI, Meta, Microsoft, and xAI, are turning to “behind-the-meter” gas power to bypass long grid connection delays and meet urgent AI computing demand. The approach accelerates deployment but risks locking in a new wave of fossil-fuel infrastructure at a moment when companies and governments are pledging to cut emissions.

High – The analysis shows how on-site gas generation can cause a significant spike in emissions compared to grid-connected renewable power.

[Proposal Could Allow PA's Largest Coal Plants to Stay Until 2032](#)

4/22/2026 (PA): Under a proposed agreement with the Pennsylvania Department of Environmental Protection, the Keystone and Conemaugh coal-fired power plants, which were slated to close in 2028, would continue operating through 2032. In exchange, the plant owners would install upgrades to reduce toxic wastewater discharges, with court oversight and enforced construction deadlines. State officials, including Gov. Josh Shapiro, argued the deal is needed to maintain reliable and affordable electricity as power demand grows, particularly from new data centers, while environmental advocates criticized it for prolonging pollution and greenhouse gas emissions.

Medium – While the deal includes stricter emission controls, prolonged coal combustion contributes to ongoing air quality degradation.

[IL Lawmakers Consider Water Use Transparency Requirements](#)

4/23/2026 (IL): Illinois legislators are considering measures that would require data centers to disclose detailed information about their water use, driven by concerns that large AI-focused facilities can consume as much water as small cities. At recent House committee hearings, lawmakers and environmental groups emphasized that current state policy lacks consistent reporting or analysis of whether local watersheds can sustain large new industrial demands. Proposals such as the POWER Act would require data centers to file water-use and sustainability plans, use more efficient cooling technologies, and publicly report water consumption on a regular basis.

Medium – Greater transparency on water use would allow regulators, utilities, and developers to collaboratively assess impacts and plan infrastructure before resource limits are strained.

[Veolia & AWS Partner to Reuse Wastewater for Cooling Data Centers](#)

4/27/2026 (National): [Veolia](#) is working with Amazon to deploy reclaimed water systems that will supply cooling water for Amazon data centers in Mississippi, reducing reliance on groundwater and drinking water supplies. The project, expected to begin operating in 2027, will treat wastewater from nearby facilities and could reuse more than 83 million gallons of potable water annually—roughly equivalent to the yearly water use of hundreds of homes. The collaboration supports Amazon’s goal to be water-positive by 2030 while showcasing scalable, modular water-reuse solutions that could be replicated at data centers worldwide.

Medium – This partnership promotes use of recycled water. However, filtration required for wastewater treatment is energy intensive.

Other Industry News

Article/Link

[Space Data Center Backed in China with \\$8.4 Billion](#)

[Utility Load Planning Unprepared for AI Data Centers](#)

[Communities Unite to Push Back Against Data Centers](#)

[Data Center Expansion Received \\$77M Tax Breaks, Creates 1 Job](#)

Summary

4/22/2026 (China): Orbital Chenguang, a Beijing-based startup, has secured \$8.4 billion in credit from major Chinese financial institutions to build a gigawatt-scale orbital data center. The company plans to deploy thousands of satellites into orbit (700–800 km altitude) to leverage continuous solar power and passive space cooling. This initiative aims to bypass constraints like land scarcity and high energy costs, with a goal of achieving full operational capacity by 2035.

4/24/2026 (National): Utility regulators and grid planners are dealing with significant uncertainty as the rapid expansion of AI data centers is disrupting traditional utility load-planning models that were built around steady, predictable industrial growth. Unlike conventional large customers, AI data centers can introduce massive, highly concentrated loads with short-term demand swings of 40% to 50%, making future electricity needs much harder to forecast. Utilities now face the challenge of committing to billions in new generation and transmission infrastructure while demand timelines and actual usage profiles remain uncertain.

4/20/2026 (WI): In Menomonie, Wisconsin, residents successfully blocked a proposed \$1.6 billion hyperscale data center after learning about the project with little public notice, using rapid grassroots organizing to push city officials to change zoning rules. The effort unfolded amid a statewide surge in data center proposals fueled by AI growth and tax incentives, raising concerns about land use, water and energy consumption, transparency, and local control. After winning their fight, organizers helped develop a coalition-backed [toolkit](#) to help other communities proactively respond to similar data center proposals.

4/20/2026 (NJ): A JPMorgan Chase data center expansion in New Jersey secured approximately \$77 million in state and local tax incentives despite committing to create only one new permanent job. The project follows earlier subsidies totaling about \$35 million for the same site, which currently employs roughly 25 workers, highlighting the capital-intensive but low-employment nature of modern data centers. Critics argue the deal reflects outdated economic-development policies, while local officials defend it by citing temporary construction jobs and broader economic benefits.

Potential Impact

High – Data centers in orbit could reduce the terrestrial footprint of AI infrastructure, however, a high carbon footprint could be associated with the number of rocket launches required to maintain such a fleet.

High – Data centers are pushing utilities toward more flexible, adaptive forecasting frameworks and tighter coordination with developers to manage reliability risks and avoid costly over- or under-investment.

Medium – The example of Menomonie shows how local communities are a growing counterweight to the rapid, resource-intensive expansion of hyperscale data centers.

Low – The controversy underscores growing pressure on governments to reevaluate tax-incentive programs for data centers as they deliver limited permanent job growth.

Thank You

Let's make bold changes together

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