

Data Centers Bi-Weekly Update

June 30, 2026



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Climate Solutions

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Emerging Themes

Investments & Market Activity

Market signals indicate continued demand growth for power infrastructure and inference capacity

- The market value for data center power hardware is expected to grow ~16% annually through 2033
- Google was forced to ration use of its Gemini model for Meta and other customers due to limited capacity
- US and Canadian governments independently support their nuclear industries to enable AI growth

Concerns persist over ratepayer protections, long-term financial outlook of AI firms

- Oracle sues WI's PSC for imposing costly financial requirements due to its lower credit-rating

Research & Technology

Reports emphasize diverging data center energy use forecasts and need for case-by-case data center evaluation

- LBNL updated its 2024 data center energy usage report, adding variable ranges of future energy use
- Citizens Research Council of Michigan publishes comprehensive report addressing key policy concerns about hyperscale data centers

Battery storage market evolves to address growing demand

- American Battery Leadership Coalition launches to advance batteries as strategic national priority
- Base Power expands residential battery product in Chicago, PJM-territory (potential to aggregate for grid reliability improvement)

Legislation & Policy

Federal data center policies constrained by limits to authority and competing interests

- FERC pushes large load interconnection reform but stops short of blanket rules
- Rep. Ocasio-Cortez introduces data center moratorium bill in US House

State policies to regulate data centers face uncertain future

- OH abandons special June session to pass data center regulations, delays action by several months
- MI Senate introduces broad suite of strict data center regulations

Legal pushback to local moratoria

- Data center developers launch lawsuits at local governments in MN and OH after passing moratoria

Sustainability

AI firms continue to develop sustainability commitments

- Anthropic joins Frontier Climate carbon removal fund
- Amazon reports 2025 water usage data in data centers (2.5B gallons) for the first time
- Microsoft claims progress on its water-use-intensity goals, improving 25% since 2022

Local opposition grows amid transparency concerns

- OH first responders raise concerns citing limited access to data center fuel cell safety plans due to trade secrets
- Recall efforts progress against Lowell, MI officials

States continue to struggle to regulate data centers

- VA passes data center tax policy, omits climate rules
- TX utility regulators begin to rethink interconnection processes

Investments & Market Activity

Article/Link

[Data Center Power Infrastructure Set for Rapid Growth](#)

[AI Demand Outpacing Supply](#)

[US Backs \\$17.5B Plan to Build New Nuclear Reactors](#)

[Canada Releases Nuclear Energy Strategy](#)

[Oracle Sues WI Regulators Over Data Center Financial Requirements](#)

Summary

6/23/2026 (National): The global data center power market is projected to grow from about \$22.8 billion in 2025 to \$71.8 billion by 2033, driven by a 15.7% CAGR, according to a recent [analysis by Grand View Research](#). Hyperscale and edge data center expansion, along with rising energy efficiency needs, are further accelerating adoption of solutions like uninterruptible power supply (UPS) systems, power distribution units (PDUs), and intelligent monitoring technologies. Surging demand from AI, cloud computing, and high-performance workloads is forcing data center operators to invest heavily in advanced power infrastructure and reliability systems.

6/28/2026 (National): A recent [Financial Times report](#) revealed that in March, Google was unable to provide Meta and other unnamed customers with all the Gemini inference capacity it requested, disrupting some of Meta's internal AI projects and forcing it to prioritize usage. The shortfall was not just about total compute, but specifically about available inference capacity (running models in production at scale), which is being consumed rapidly as AI adoption accelerates. Despite investing billions in data center development, Google's deployed infrastructure is already becoming saturated by surging real-world AI workloads.

6/23/2026 (National): The Trump administration announced \$17.5 billion in loans to fund 10 new U.S. nuclear reactors to meet rising power demand from AI and data centers. Energy Secretary Chris Wright cited strong interest from utilities and developers, with projects expected to use Westinghouse AP1000 designs [despite past delays and cost overruns](#). Construction could begin by 2030 with reactors coming online in the mid-2030s, while also helping rebuild domestic nuclear supply chains. Officials argue that standardized, multi-site deployment will improve costs and timelines compared to prior builds.

6/22/2026 (Canada): Canada's [Nuclear Energy Strategy](#) is structured around four pillars: enabling new reactor builds, expanding exports, strengthening uranium and fuel supply chains, and investing in next-generation nuclear innovation. It targets large-scale deployment - including up to 10 new reactors by 2040 - while streamlining regulation, prioritizing standardized designs, and doubling the nuclear workforce to support expansion. On investment, the strategy does not commit new direct funding but instead emphasizes mobilizing capital through financing tools such as loan guarantees, green bonds, and Canada Infrastructure Bank participation. Additional measures include boosting uranium exports, securing global market share, and supporting Indigenous equity participation in major projects.

6/24/2026 (WI): A \$15 billion data center campus in Port Washington developed by Vantage Data Centers, with Oracle as a major customer, prompted Wisconsin regulators to create a special utility rate structure for large energy users. In April, the state's Public Service Commission approved the rate but [tightened financial safeguards](#) to ensure data center developers fully cover the cost of the power infrastructure needed to support them. The ruling requires companies to meet high credit-rating thresholds (A- / A3) to ensure companies are at lower risk of default, or post substantial collateral to guarantee payment. Oracle, which falls below the threshold, is now suing the commission, arguing the requirements impose excessive costs and threaten project viability.

Potential Impact

High – A ~16% CAGR signals that power infrastructure is becoming one of the fastest-growing layers of the AI economy.

Medium – The news reflects a shift where ongoing inference demand, instead of model training, is becoming the primary driver of compute constraints.

Medium – The move signals government stepping in to advance nuclear deployment where the market alone may hesitate due to development risks.

Medium – Canada is using policy coordination and financial structuring rather than direct spending to crowd private investment and scale its nuclear industry.

Medium – The lawsuit highlights the complexity of imposing strict financial and credit requirements for data centers and how utility rate decisions could influence investment location.

Research & Technology

Article/Link

[Updated Data Center Energy Usage Report](#)

[Report Assesses Policy Controversies Regarding MI Hyperscalers](#)

[US Coalition Launches to Promote Sodium-Ion Batteries](#)

[Startup Brings Residential Batteries to Ease Grid Strain in PJM](#)

[Limits to Battery Storage Adoption for Data Centers](#)

Summary

6/18/2026 (National): Lawrence Berkeley National Laboratory released an update to its [2024 data center energy usage report](#), with newly revised estimates that U.S. data centers could account for 11.8% of total electricity use by 2030, with a potential range of 9.5% to 15.3% depending on various growth scenarios. The report highlights significant uncertainty, with estimates ranging from 521 to 843 TWh depending on factors like AI hardware adoption, equipment lifecycles, and efficiency improvements. Compared to prior forecasts, upper-limit projections have risen sharply, reflecting accelerating data center buildout and AI-driven demand growth.

6/16/2026 (MI): A new report by the [Citizens Research Council of Michigan](#) examines debates around hyperscale data center development in Michigan, finding that projects should be evaluated case by case given mixed economic and environmental impacts. While large facilities can strain local power, water, and create noise concerns, the report suggests these impacts are sometimes overstated and can be managed with proper oversight. Economically, the benefits are limited and concentrated in construction, though local communities may gain from property taxes and agreements. According to the report, overall, the state appears capable of supporting data center growth under current infrastructure conditions.

6/18/2026 (National): A new industry group, the [American Battery Leadership Coalition](#), has launched to push sodium-ion batteries as a key part of U.S. energy, manufacturing, and national security strategy. The coalition - comprising battery developers, manufacturers, and materials suppliers - aims to accelerate commercialization through federal policy support and position sodium-ion as the first scalable non-lithium alternative. The effort reflects rising concern over reliance on lithium-ion supply chains, particularly those concentrated in China, as demand surges from AI, electrification, and grid storage. With the technology still early in commercialization, proponents argue the U.S. has a window to build domestic leadership and diversify battery supply chains.

6/24/2026 (PJM, IL): Battery startup [Base Power](#) is expanding into Illinois, offering heavily discounted home batteries alongside cheaper retail electricity to customers in the PJM grid. The company installs large residential batteries at low upfront cost, then aggregates and operates them as a distributed energy resource to support grid reliability and capture market value. By deploying capacity behind the meter, Base Power avoids long interconnection delays that are slowing traditional power projects, offering a faster way to add supply amid rising demand from AI and data centers. The model leverages state policies that allow batteries to sell power back to the grid, while potentially opening new revenue streams tied to data center energy demand.

6/18/2026 (National): Data center operators are expanding the use of battery storage beyond backup power to manage peak demand, improve grid flexibility, and support AI-driven workloads. However, high costs, system complexity, space constraints, and uncertain economics continue to slow widespread adoption, leaving storage as a targeted rather than standard solution.

Potential Impact

High - Rising uncertainty highlights how rapidly evolving AI demand is forcing continual forecast revisions, making long-term data center power planning increasingly complex.

Medium – Amid polarized debate over data centers, the report offers a more measured view, challenging both optimistic economic claims and concerns about resource strain.

Medium - The coalition underscores concern that AI-driven demand will strain battery supply chains, pushing the U.S. toward alternatives like sodium-ion to reduce geopolitical risk.

Medium - Distributed battery networks are emerging as a faster, more flexible alternative to traditional generation, helping relieve grid constraints as AI-driven electricity demand surges.

Medium – Battery storage is gaining strategic importance for data centers, but scaling will depend on overcoming cost and integration barriers.

Legislation & Policy

Article/Link

[Federal Data Center Moratorium Bill in US House](#)

[FERC Pushes Faster Data Center Grid Connections](#)

[Strict Data Center Regulations Proposed in MI Senate](#)

[OH Delays State-wide Regulation of Data Centers](#)

[Developers Sue Local Governments Over Data Center Moratoria](#)

Summary

6/25/2026 (National): Rep. Alexandria Ocasio-Cortez and Sen. Bernie Sanders introduced a House bill to halt new large-scale AI data center construction until stricter federal regulations are in place. The proposal follows a [companion bill](#) introduced earlier in the Senate, reflecting a broader push to regulate AI infrastructure growth and address concerns around energy use, economic impact, and oversight. See the new House version of the bill [here](#).

6/18/2026 (National): The Federal Energy Regulatory Commission (FERC) unanimously directed regional grid operators to accelerate how large electricity loads, such as data centers, connect to the transmission system. Rather than imposing federal rules, FERC issued “show-cause” orders requiring grid operators to justify or revise their interconnection processes, focusing on study timelines, cost transparency, and flexibility for large loads. The agency also emphasized that data center developers should bear the cost of necessary grid upgrades, aiming to prevent those expenses from being passed on to ratepayers. The move reflects mounting pressure to adapt grid policies to surging demand from AI infrastructure while avoiding regulatory overreach.

6/18/2026 (MI): Michigan Senate Democrats introduced an eight-bill package aimed at regulating hyperscale data centers, focusing on energy use, water consumption, labor standards, and community impacts. Key provisions include caps and reporting requirements on water usage, mandates for large facilities to secure 20-year power contracts with 90% renewable energy, and requirements that developers hire apprentices and pay prevailing wages. Additional bills would require community benefit agreements, increase transparency, and prevent companies from shifting infrastructure costs, including water system upgrades, onto residential ratepayers.

6/18/2026 (OH): Ohio lawmakers have shelved efforts to fast-track new regulations on the state’s rapidly growing data center industry until after the November election. The stalled legislation would have reduced generous tax incentives, introduced water-use standards, and required data centers to cover more of their own electricity infrastructure costs. Disagreements, particularly over scaling back tax breaks, prevented a deal, pushing any further action to the late-year “lame duck” legislative session at the earliest.

6/23/2026 (OH): [Thor Equities](#) filed a lawsuit against Urbana, Ohio, after the city imposed a 12-month emergency moratorium and rezoned land following the developer’s \$1 billion data center proposal. The company claims it had already invested nearly \$20 million and complied with existing rules before the city reversed course, arguing the moratorium was based on exaggerated concerns about environmental and community impacts. Read the full article [here](#).

6/29/2026 (MN): In Minnesota, Eagan Capital is challenging a one-year moratorium in the city of Eagan that blocks large new data center developments and expansions. The developer argues the ban is unlawful and exceeds the city’s authority, as part of a broader trend of local governments imposing temporary restrictions on data centers while assessing their impacts. Read the full article [here](#).

Potential Impact

High – Coordinated House and Senate efforts signal rising scrutiny of AI, though the likelihood of near-term passage remains low.

High – The ruling signals that interconnection reform must accelerate, but responsibility will remain largely decentralized across regional operators.

Medium – Michigan’s approach follows a growing trend toward regulating data centers through stricter rules rather than bans on development.

Medium – Regulatory uncertainty in Ohio highlights how political and economic tradeoffs are slowing efforts to rein in incentives and costs tied to data center expansion.

Medium – A growing wave of local data center moratoriums is triggering legal challenges, highlighting tensions between rapid infrastructure expansion and community-level control over development.

Sustainability

Article/Link

[Anthropic Joins Frontier Fund to Scale Carbon Removal](#)

[Microsoft and Amazon Spotlight Rising Focus on Water Efficiency](#)

[OH Bill Could Further Hinder Wind and Solar Development](#)

[MN Power Line Project Expands Wind Capacity](#)

Summary

6/17/2026 (National): [Frontier Climate](#) is an advanced market commitment coalition - launched by companies including Google, Stripe, Shopify, and others - that guarantees future purchases of carbon removal to help scale early-stage technologies. Anthropic has now joined the group, which has collectively committed roughly \$915 million in its latest funding round and signed about \$700 million in contracts across 50+ projects. The initiative targets carbon removal approaches such as mineralization (using rocks to absorb CO₂), ocean alkalinity enhancement, and bioenergy with carbon capture, many of which could remove gigatons of emissions annually but still require commercialization support. This new “growth” phase will focus funding on a smaller number of projects with clearer paths to scale and eventual government backing.

6/11/2026 (National): Amazon Web Services disclosed for the first time that its data centers withdrew 2.5 billion gallons of water in 2025, while achieving industry-leading efficiency with a water usage effectiveness (WUE) of 0.12 l/kWh. The company has reduced water use in key regions and is prioritizing recycled water, higher operating temperatures, and alternative cooling approaches to limit freshwater demand. AWS is about 75% of the way toward its “water positive” goal, supported by investments in water infrastructure and replenishment projects. Read the full article [here](#).

6/24/2026 (National): Microsoft reported significant progress toward its goal of reducing data center water-use intensity by 40% by 2030, achieving a 25% reduction since 2022. The company is investing heavily in recycled and non-potable water, advanced cooling technologies like closed-loop systems, and on-site water reuse infrastructure to reduce freshwater dependence. These efforts are part of its broader goal to become “water positive” by 2030 amid increasing scrutiny of data center water consumption. Read the full article [here](#).

6/23/2026 (OH): Ohio’s Republican-led Senate passed a bill ([SB 294](#)) that would prioritize natural gas and nuclear power while imposing stricter requirements on wind and solar projects. The legislation introduces a “reliability” standard - requiring a 50% capacity factor - that most renewable projects cannot meet without costly battery storage, potentially limiting large-scale development. Critics argue the measure contradicts the state’s need for more electricity generation amid rising demand, while supporters frame it as ensuring grid reliability. The bill moved to the Ohio House, where its ultimate impact on future energy investments remains uncertain.

6/23/2026 (MN): Minnesota Power has begun a \$900 million project to upgrade a 465-mile transmission line carrying wind energy from North Dakota to northern Minnesota. The upgrade will nearly double the line’s capacity using new converter stations, improving efficiency and enabling bidirectional electricity flow. The project is central to Minnesota’s push toward 100% carbon-free electricity by 2040 and could also support future large energy users, including proposed data centers in the region. While the core upgrade avoids new transmission lines, related projects face local opposition tied in part to concerns over energy-intensive industrial and data center development

Potential Impact

Medium – AI companies are beginning to engage more directly in offsetting their growing energy footprint, signaling rising pressure to address the environmental costs of compute expansion.

Medium – As AI-driven data center growth intensifies scrutiny, major cloud providers are racing each other to differentiate themselves on water efficiency and transparency, making resource management a key dimension of scaling infrastructure.

Medium – Policy design around “reliability” could materially shape generation mix by favoring dispatchable resources and raising barriers for renewable deployment.

Medium – Grid upgrades to move renewable power are accelerating, but increasingly intersect with local resistance driven by large-load demands like data centers.

Other Industry News

Article/Link

[VA Imposes New Tax on Data Centers but Stops Short of Climate Rules](#)

[TX Rethinks Grid Process as Data Center Demand Overwhelms Forecasts](#)

[Recall Efforts Advance Against Local Officials Over Data Center Dispute](#)

[Trade Secret Claims Limit First Responder Access to Amazon Data Center Power Plans](#)

Summary

6/23/2026 (VA): Virginia lawmakers approved a new \$600 million electricity-use tax on data centers as part of a broader budget, aiming to ensure the fast-growing industry contributes more to state costs. However, the final deal dropped more aggressive proposals, including limits on air pollution, requirements to build clean energy, and stricter controls on diesel backup generators. The compromise reflects political divisions, with policymakers prioritizing revenue generation while deferring tougher environmental regulations to future legislative efforts. As data center growth accelerates in Virginia, concerns over energy demand, emissions, and community impacts remain largely unresolved.

6/17/2026 (TX): Texas grid operator ERCOT is confronting massive uncertainty as a surge of data center interconnection requests has inflated demand forecasts far beyond realistic levels, with projections showing peak load reaching nearly 368 GW by 2032 - more than four times current demand. Much of this demand stems from speculative or premature applications, leaving regulators unable to determine which projects will actually be built or how much power will ultimately be needed. To address the issue, ERCOT is overhauling its process by evaluating projects in batches ("Batch Zero"), prioritizing more advanced proposals, and requiring stronger vetting to bring greater discipline to the interconnection queue. These reforms aim to produce more accurate forecasts and better infrastructure planning in the face of rapidly evolving AI-driven load growth.

6/16/2026 (MI): Michigan's Kent County Election Commission approved recall petition language for three Lowell Township officials amid ongoing controversy over a proposed Microsoft data center. The petitions cite decisions including a vote against a temporary data center moratorium, a vote related to withholding information tied to rezoning, and a nondisclosure agreement connected to the project. With the language approved, petitioners can begin collecting signatures to trigger a recall election, reflecting mounting community opposition and concerns over transparency and local governance.

6/18/2026 (OH): Ohio first responders say they lack access to critical emergency planning details for a new fuel-cell power plant being built next to an Amazon data center, as developers cite trade secrets to restrict information sharing. Local officials argue that a 2025 state law shifting approval authority to the Ohio Power Siting Board has reduced local oversight and excluded fire departments from safety planning processes. Although developers have held meetings, responders report limited transparency, including only brief, controlled access to facility plans without the ability to retain or review them in detail. Officials are now calling for legislative changes to require greater information sharing to ensure emergency preparedness as behind-the-meter power projects for data centers expand.

Potential Impact

Medium – Virginia's approach highlights how policymakers are capturing economic value from data centers before fully addressing their environmental and infrastructure impacts.

Medium – High levels of uncertainty around speculative data center demand is forcing fundamental changes to grid interconnection processes to ensure planning aligns with projects that are truly likely to be built.

Low – Local resistance to data center development is increasingly translating into political action, with community concerns directly affecting elected officials' positions.

Low – Efforts to fast-track energy infrastructure for data centers are creating new tensions between development speed and local safety oversight, exposing gaps in emergency preparedness.

Thank You

Let's make bold changes together

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