

Data Centers Bi-Weekly Update

August 11, 2026



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Climate Solutions

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Emerging Themes

Investments & Market Activity

Federal sites emerge as AI infrastructure hubs

- OH's PORTS Technology Campus could be anchored by OpenAI, supported by a \$250B debt-financing arrangement with Nvidia
- KY's Paducah Site announced for \$100B development plan led by Brookfield and NextEra Energy

AI monetization is improving, but the spending gap remains

- AI revenues are improving, but not outpacing capex growth; suppliers are positioned to benefit the most
- Big Tech companies have collectively committed \$1T+ to future data center leases, which are not currently recognized on balance sheets

Research & Technology

Data center demand continues to drive commercialization of novel energy technologies

- Long duration energy storage (LDES) technology deployments are accelerating, led by companies such as Form Energy and Energy Dome
- Eolian is building the largest battery east of the Mississippi to support Ohio's growing data center corridor
- Residential battery startup Base Power raises another \$1B to scale, aims to speed deployments and expand domestic supply chain
- Fuel cells are gaining traction as a fast-to-deploy, on-site power solution for data centers facing grid constraints
- Antora Energy raises \$550M to scale thermal batteries

Legislation & Policy

Federal policymakers continue weighing in on data center impacts

- Congress advances bills aiming to enforce the Ratepayer Protection Pledge
- EPA announces exemption to Acid Rain Program standards for off-grid data center power
- PJM submits dual-pronged proposal to FERC for managing grid reliability and cost allocation
- DOE continues enforcement of emergency powers to keep coal plants open while EPA reduces coal ash protections

Data centers emerge as key gubernatorial campaign issue

- OH governor leaves data center tax policy questions to the next administration
- WI governor candidates compete to define their approach to data centers

Sustainability

Data center environmental impacts draw growing scrutiny

- New tracker compares tech companies' AI infrastructure emissions footprints
- OH EPA withdraws its proposed blanket permit for data center water discharge largely due to public pressure
- Amazon linked to one of the nation's largest natural gas plants, but maintains commitment to climate goals

The nation's largest data center markets navigate evolving challenges

- TX governor pauses to audit all data center interconnection requests, which exceeds ERCOT's peak demand 5x; effectively pauses 20% of the nation's data center pipeline
- VA governor intervenes in landmark NextEra-Dominion merger

Investments & Market Activity

Article/Link

[Nvidia, OpenAI Explore \\$250B Debt Backstop for AI Campus on Former Federal Site](#)

[DOE's Paducah Site Becomes Latest Federal Property Repurposed for AI Campus](#)

[Big Tech's AI Buildout Carries \\$1T in Future Lease Commitments](#)

[AI Revenues Rise, but Spending is Growing Faster](#)

Summary

7/27/2026 (OH): OpenAI, which is in advanced negotiations to serve as the anchor tenant at the [PORTS Technology Campus](#) in Pike County, Ohio, is reportedly in discussions with Nvidia for a financing backstop of up to \$250 billion to support the planned 10-gigawatt AI data center campus on a former uranium enrichment facility. [SoftBank](#) and its subsidiary [SB Energy](#) are developing the campus in partnership with the U.S. Department of Energy. The financing arrangement would allow OpenAI to raise debt using Nvidia's credit strength, with the guarantee covering lease and construction financing rather than GPU purchases. The proposed campus could ultimately cost more than \$500 billion and become one of the largest AI infrastructure developments ever undertaken.

7/29/2026 (KY): The Department of Energy's [Paducah Site](#) in Western Kentucky has been selected for a \$100 billion AI data center campus led by [Brookfield](#) and [NextEra Energy](#), reflecting a growing federal strategy to redevelop legacy government-owned properties for energy-intensive technology investments. The project will transform a former uranium enrichment site into a major AI hub with more than 1.2 GW of compute capacity, supported by up to 4.6 GW of new dedicated power generation and battery storage built specifically for the campus. The Paducah campus was named in 2025 as one of [16 federal sites](#) the DOE identified where it planned to invite private sector partners to develop AI data centers and energy projects. Construction is expected to be complete in 2031.

8/4/2026 (National): Reuters reports that Microsoft, Meta, Oracle, Amazon, and Alphabet have collectively committed roughly \$1.09 trillion in future lease payments, primarily tied to AI data center capacity that has not yet come online. Because accounting rules generally do not recognize these obligations as liabilities until facilities are operational, much of this exposure is not yet reflected on company balance sheets. The commitments, many of which run for 15-19 years, underscore how much AI infrastructure spending has already been locked in, creating significant long-term obligations tied to continued growth in demand for AI. Oracle stands out as having particularly large exposure, with \$260 billion in uncommenced lease commitments tied largely to data centers.

8/4/2026 (National): An analysis by [I/O Fund](#) argues that while Big Tech is finally showing meaningful AI monetization, the biggest beneficiaries of the AI boom remain the suppliers enabling the buildout. Microsoft Azure, Google Cloud, and AWS all reported accelerating growth and rising AI-related revenue in recent earnings, helping validate the business case for massive AI investments. However, hyperscalers continue to spend heavily, with AI capex-to-revenue ratios remaining elevated and some companies seeing free cash flow deteriorate as infrastructure spending outpaces cash generation. The analysis contends that stronger AI economics may actually drive even more spending, extending the demand tailwind for semiconductor, networking, power infrastructure, and other kinds of suppliers.

Potential Impact

High – The proposed deal highlights the massive scale of ongoing investment in data center infrastructure alongside growing investor concerns of circular debt-financing structures.

High – The project follows the growing trend where private-sector developers and utilities partner with the federal government to repurpose federally owned sites for large-scale AI and energy infrastructure.

High – The article highlights that AI infrastructure financial risk is accumulating not just through debt and capex, but through off-balance-sheet lease commitments, adding to investor concerns.

High – The article argues that while AI revenues are rising, spending remains ahead of monetization, leaving infrastructure suppliers as the clearest beneficiaries of the AI buildout.

Research & Technology

Article/Link

[LDES Market Gains Momentum Beyond Lithium-Ion](#)

[Ohio AI Hub to Host Largest Battery in PJM](#)

[Base Power Raises \\$1B to Scale Home Battery Networks](#)

[Fuel Cells Gain Traction as Data Center Power Solution](#)

[Antora Raises \\$550M for Thermal Storage](#)

Summary

8/5/2026 (National): Latitude Media reports that long-duration energy storage (LDES) deployment is accelerating, with hundreds of megawatts expected to come online globally in 2026 compared with just 33 MW in 2025, which was already a break-out year for the sector. While lithium-ion technologies continue to win many utility procurements due to their cost and maturity, non-lithium solutions are increasingly attracting interest from utilities, hyperscalers, and large-load customers seeking scalable, diversified storage options. Companies such as [Energy Dome](#) and [Form Energy](#) are emerging as leading contenders, supported by high-profile partnerships and growing confidence in their ability to deliver projects at scale, such as [Form's Pine Island, MN deal with Xcel and Google](#).

7/29/2026 (OH): Renewable energy and battery storage company [Eolian](#) has begun construction on the 1 GWh [Flint Grid](#) battery project near Columbus, Ohio, which will become the largest battery in the PJM market and the largest east of the Mississippi. Located in the rapidly growing New Albany data center corridor, the project is designed to help serve rising power demand from AI data centers and other large industrial loads. The battery will store low-cost electricity and discharge during peak demand periods, helping reduce grid strain, improve reliability, and moderate power price volatility. The project is scheduled to be operational in spring 2027 and reflects growing interest in utility-scale storage as a faster and more flexible way to support load growth than waiting for new generation and transmission infrastructure to come online.

8/4/2026 (TX, IL): After raising \$1 billion in October 2025, residential battery startup [Base Power](#) has raised an additional \$1 billion to expand its network of residential batteries, a model gaining attention as electricity demand rises sharply from AI data centers and other large loads. Rather than relying solely on new centralized generation and transmission projects, the company aggregates thousands of home batteries into a flexible resource that can provide grid support, peak capacity, and backup power. Base's fleet already spans roughly 17,000 homes and more than 500 MWh of storage, offering capacity that can be deployed much faster than many traditional utility-scale projects. The investment reflects growing interest in distributed energy resources as a tool for improving grid reliability and adding power capacity on accelerated timelines.

8/3/2026 (National): Data centers are increasingly turning to on-site fuel cells to address grid constraints and rising AI-driven power demand, with companies like [Bloom Energy](#) and [FuelCell Energy](#) emerging as key providers. For example, Oracle has contracted for up to 2.8 GW of Bloom fuel cell capacity for its AI and cloud infrastructure, while Equinix plans to use fuel cells as the primary power source at one Silicon Valley facility. Fuel cells can generate electricity from chemical reactions commonly using natural gas or hydrogen, offering faster deployment, higher efficiency, and lower emissions than traditional, combustion-based backup generation. Their growing adoption is largely driven by speed-to-power, as they can be installed in months rather than the years often required for grid upgrades or new generation projects.

7/30/2026 (National): [Antora Energy](#) raised \$550 million to scale its thermal battery technology, which stores electricity as heat and can later provide power or industrial steam. The company is targeting growing demand from data centers and industry, positioning thermal storage as a faster-to-deploy alternative to traditional grid expansion.

Potential Impact

High – Data center demand is helping accelerate commercialization of long-duration energy storage and creating new opportunities for non-traditional, non-lithium battery technologies.

Medium – Battery storage is emerging as a key tool for supporting data center growth by unlocking grid capacity and improving reliability faster than building traditional infrastructure.

Medium – As data center-driven electricity demand accelerates, distributed battery networks are emerging as a faster-to-deploy complement to traditional grid infrastructure.

Medium – Growing adoption of fuel cells underscores how data center operators are increasingly turning to on-site generation to overcome grid bottlenecks and accelerate access to power.

Medium – Thermal storage is another alternative to traditional energy technology gaining traction.

Legislation & Policy

Article/Link

Congress Attempts to Codify the Ratepayer Protection Pledge

7/21/2026 (National): The House Energy & Commerce Committee revised the bipartisan Ratepayer Protection Act ([H.R. 9340](#)) to focus specifically on data centers rather than all large electricity users. The bill would require states to consider policies ensuring data centers pay the full cost of new generation and transmission infrastructure needed to serve them, reflecting growing concern that AI-driven load growth could increase customer electricity bills. Read the full article [here](#).

8/5/2026 (National): Sen. Martin Heinrich's proposed GRID Savings Act ([S. 5199](#)) would direct FERC to establish rules requiring very large new loads (150 MW+) to pay for certain grid upgrades needed to connect to the transmission system. Unlike the voluntary "Ratepayer Protection Pledge," the legislation would create an enforceable federal framework and potentially expand FERC's role in overseeing large-load interconnections. Read the full article [here](#).

7/27/2026 (National): The EPA released an [announcement](#) that "islanded" power plants serving data centers exclusively, without connecting to the broader electric grid, are not subject to the Clean Air Act's [Acid Rain Program](#), which limits sulfur dioxide and nitrogen oxide emissions. The agency reasoned that because these facilities don't sell electricity or report as generating units to the Department of Energy, they don't meet the legal definition of a regulated utility. The EPA framed the move as supporting both AI infrastructure growth and protection of ratepayers from rising utility costs.

8/5/2026 (PJM Region): PJM has proposed a two-pronged approach to manage the rapid growth of data center electricity demand. First, its new [Interim Resource Adequacy Service \(IRAS\)](#) would require states and utilities to ensure large new data centers secure or pay for sufficient power resources, with facilities potentially facing curtailment during grid emergencies if they do not. Second, PJM proposes an emergency backstop capacity auction to procure additional resources if normal market mechanisms fail to maintain reliability as demand grows. Together, the measures aim to protect grid reliability and reduce the risk that data center growth drives higher costs for other customers.

8/6/2026 (OH): Ohio Gov. Mike DeWine confirmed that the state's pause on new data center sales-tax exemptions will remain in place until he leaves office, effectively pushing decisions on the controversial incentive program to the next administration. Meanwhile, both gubernatorial candidates are proposing stronger requirements for data centers, including covering their own energy costs, limiting tax incentives, and providing greater benefits or protections for local communities. Read the full article [here](#).

8/4/2026 (WI): Data centers have emerged as a major campaign issue in Wisconsin, where candidates from both parties are responding to concerns about rising electricity demand, utility bills, pollution, land use, and tax incentives. While candidates differ on solutions, there is broad agreement that stronger guardrails are needed to ensure data center growth does not come at the expense of local communities and ratepayers. Read the full article [here](#).

Potential Impact

High – Momentum is building in Congress across party lines that data centers should bear the infrastructure costs they create, but policymakers now debate the best approach to protect ratepayers and grid reliability.

High – The exemption raises environmental justice concerns by enabling power generation that may increase pollution in host communities without equivalent regulatory safeguards.

High – PJM's proposed actions will largely be left to individual states and utilities to implement, who will bear responsibility for cost-allocation and grid reliability.

High – Data centers are now a mainstream political issue, with gubernatorial candidates competing to show voters how they will protect ratepayers, communities, and local resources from the impacts of AI-driven infrastructure growth.

[EPA Exempts Off-Grid Data Center Power from Acid Rain Restrictions](#)

[PJM Unveils New Data Center Plan](#)

Data Centers Are a Key Issue in OH and WI Politics

Sustainability

Article/Link

[New Tracker Ranks AI Data Center Emissions](#)

[Data Center Demand Drives Federal Support for Coal Plants](#)

[OH EPA Withdraws Data Center Water Permit Plan](#)

[Amazon Backs Massive Gas Plant for TX Data Center](#)

Summary

7/27/2026 (National): Nonprofit [Climate Power](#) has launched a new [Data Center Air Pollution Tracker](#) that ranks major AI and cloud companies based on the emissions impacts of their data center portfolios. The tracker pulls data from market intelligence platform [Cleanivew](#) and is updated daily. The scoring evaluates both reliance on behind-the-meter natural gas generation and the carbon intensity of the local grids powering facilities, with Amazon ranking highest among the companies assessed and xAI ranking last due largely to its gas-powered Memphis data center.

8/7/2026 (National): The Department of Energy has used emergency authorities to keep seven fossil-fuel plants, including facilities in Michigan, Pennsylvania, and Indiana, operating beyond their planned retirement dates as policymakers respond to concerns about rising electricity demand and grid reliability. Many of the orders have faced legal challenges from states and environmental groups, but the plants have generally remained online while those cases proceed, with costs associated with the extensions ultimately flowing through to customers and ratepayers. Read the full article [here](#).

7/29/2026 (IN): The EPA has proposed rolling back coal ash and wastewater regulations, reducing compliance requirements for coal plant operators and lowering the costs of continued operation. In Indiana, where coal generation could play a role in serving growing data center demand, critics argue the changes could increase risks to groundwater, rivers, and drinking water supplies. Read the full article [here](#).

7/21/2026 (OH): The Ohio EPA has abandoned a [proposed statewide permit](#), first introduced in October 2025, that would have streamlined approvals for data centers to discharge wastewater into lakes, rivers, and streams. After receiving thousands of public comments opposing the plan, the agency opted to continue reviewing projects on a case-by-case basis. While most Ohio data centers currently send wastewater to municipal treatment systems, any facility seeking to discharge directly into surface waters will continue to require an individual National Pollutant Discharge Elimination System (NPDES) permit that evaluates its specific wastewater characteristics and potential environmental impacts.

8/7/2026 (TX): Amazon confirmed it is behind a new AI data center campus in Pecos County, Texas, that will be powered by a dedicated 7.65 GW natural gas plant, making it one of the largest gas-fired power projects ever proposed in the U.S. The project is designed to operate behind the meter, allowing Amazon to secure power without relying on grid interconnection timelines, and the company says the arrangement will avoid shifting infrastructure costs onto other ratepayers. Permits for the facility allow emissions of up to 33 million tons of CO₂ annually, which could make it one of the country's largest single sources of greenhouse gas emissions if operated at permitted levels. The project reflects a broader trend of hyperscale data center developers building dedicated power generation to meet rapidly growing AI-related electricity demand.

Potential Impact

High – The tracker shines light on the emissions footprint of AI infrastructure and exposes meaningful differences in how companies are powering data center expansion.

High – Federal actions are increasingly focused on keeping existing coal generation available, potentially extending the role of coal in meeting AI-driven load growth while raising questions about long-term environmental impacts.

High – The decision is a win for environmental advocates, preserving site-specific reviews of potential water quality impacts from data center projects.

High – The project highlights a tradeoff of pursuing dedicated power supplies to avoid grid constraints and ratepayer impacts by relying on large-scale fossil fuel generation, working against climate goals.

Other Industry News

Article/Link

[How Financing Decisions Are Shaping AI Infrastructure](#)

[Texas Hits the Brakes on Data Center Growth](#)

[Virginia Governor Intervenes in Dominion-NextEra Merger](#)

Summary

7/27/2026 (National): The article argues that the environmental impacts of AI data centers are increasingly being determined by financing structures rather than operational decisions. While hyperscalers like Amazon, Microsoft, Alphabet, and Meta are projecting hundreds of billions in AI-related capital expenditures, a growing share of development is being financed through project finance, private credit firms, institutional investors, and joint ventures that keep assets and debt off corporate balance sheets. As investors prioritize rapid deployment, financing terms often favor projects that can secure power quickly, including behind-the-meter gas generation. The result is that key decisions about a data center's energy source and emissions profile may be locked in by financial agreements years before the facility begins operating.

8/5/2026 (TX): Texas Gov. Greg Abbott ordered a comprehensive audit of all data center projects seeking interconnection to the ERCOT grid, citing concerns that the state's 474 GW interconnection queue exceeds five times ERCOT's peak demand and that roughly 90% of new power requests are tied to data centers. The audit will evaluate whether projects are bringing their own power and water resources, relying on public incentives, and accurately reflecting viable development plans, prompting ERCOT to pause parts of its new large-load interconnection review process while the assessment is underway. Read the full article [here](#).

8/6/2026 (TX): BloombergNEF estimates the Texas pause could delay nearly 50 GW of data center development, representing about 20% of the U.S. data center pipeline. Because many projects remain in early stages, prolonged delays could put billions of dollars in projected revenue at risk and reshape development timelines for one of the country's largest data center markets. Read the full article [here](#).

8/6/2026 (VA): Virginia Gov. Abigail Spanberger announced she will formally intervene in the State Corporation Commission's review of NextEra Energy's proposed \$67 billion acquisition of Dominion Energy, becoming the first Virginia governor to take such a step in an SCC case. Intervention status will allow her administration to review documents, question both companies, and advocate for conditions related to electric rates, jobs, and the state's energy future, though the SCC retains sole authority to approve or reject the deal. Spanberger said her decision was driven by concerns about the implications of transferring Virginia's largest regulated utility to an out-of-state owner and the potential effects on customers and energy policy. The merger would create the world's largest regulated electric utility and comes as Virginia faces rapidly growing electricity demand, including from data centers.

Potential Impact

High – The future environmental footprint of AI may depend as much on decisions made by lenders, investors, and financing partners as by the companies building the data centers.

High – The Texas review could serve as a market filter, helping distinguish viable projects from speculative interconnection requests and potentially reducing the size of the data center pipeline that ultimately moves forward.

Medium – The merger review is becoming a focal point for broader debates over ratepayer protections, utility oversight, and how Virginia will meet future electricity demand.

Thank You

Let's make bold changes together

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