

Data Centers Bi-Weekly Update

September 22, 2026



**FRESH
COAST**
Climate Solutions

Bold Solutions. Transformative Action.

Emerging Themes

Investments & Market Activity

Near-term power supply needs for the AI buildout are becoming clearer, but long-term uncertainties remain

- Power sector M&A hit record levels in H1 2026 as companies prioritized acquiring existing assets over developing new generation
- Moody's estimates meeting AI-driven electricity demand will require \$110 billion in new generation investment through 2030
- Holtec paused its IPO, highlighting investor uncertainty around the role of nuclear in AI growth
- Major technology and energy companies launched the AI Energy Management Alliance to advance data center demand flexibility policies

Research & Technology

Recent reports highlight the importance of transmission in grid reliability and affordability

- Grid Strategies finds congestion costs continue to rise as lack of transmission limits power flows
- FERC and NERC report fewer cold-weather outages despite growing electricity demand, citing interregional transmission as a key enabler

Data center energy demand prompts new power supply strategies

- Google pilots residential virtual power plant (VPP) participation with 21,000 homes in the Bay Area
- TX-based startup TAR introduces six-month-to-power offering for data centers based on solar + battery storage

Legislation & Policy

Federal regulators continue work on data center power issues

- House advances bipartisan Ratepayer Protection Act; many states are already adopting similar protections
- NRC says nuclear licensing reforms will continue into 2027 as it works to shorten approval timelines
- Appeals court overturns DOE order that delayed retirement of MI's J.H. Campbell coal plant

States and communities continue to increase data center oversight

- WI judge orders release of previously withheld data center electricity demand information
- More than 138 Ohio communities have active data center moratoriums

Sustainability

Data center growth is complicating corporate climate goals

- Microsoft, Oracle, and Google announce new investments in carbon credits, clean energy procurement, and environmental attributes as data center emissions rise
- Data centers face growing scrutiny from regulators, researchers, and communities**
- Former EPA officials warn that increased fossil fuel generation for data centers could carry significant public health costs
 - OH stakeholders debate major grid investments amid uncertain data center demand forecasts
 - Record-setting community benefits package tied to MD data center rejected amid local opposition

Investments & Market Activity

Article/Link

[Power Sector Merger & Acquisition Activity Hits Record High](#)

[US AI Power Boom to Cost \\$110B Through 2030](#)

[Nuclear Investment Outlook Shifts as AI Demand Expectations Evolve](#)

[Data Center Flexibility Gains Industry Backing](#)

Summary

9/14/2026 (National): A Deloitte report found power and utility companies completed a record \$205 billion of M&A activity in the first half of 2026 as they sought to quickly acquire energy assets and keep pace with rising electricity demand. Major deals included NextEra Energy's \$124 billion merger with Dominion Energy, AES's \$48 billion take-private transaction, Talen Energy's purchase of gas power plants in the PJM region, and Amazon's acquisition of large solar and storage projects in Oregon. The surge follows a record-breaking 2025 and reflects expectations for continued electricity demand growth driven by digital infrastructure expansion. Acquired generation assets were led by natural gas (43% of capacity), followed by solar (16%) and nuclear (12%), as buyers pursued both reliability and new supply.

9/14/2026 (National): A new report from Moody's Ratings estimates the U.S. will need roughly \$110 billion of new power generation and 45 GW of capacity by 2030 to support rapidly growing electricity demand from AI and data centers. More than 30 GW is expected to come from natural gas, with most of the remaining capacity supplied by solar, energy storage, and a small contribution from nuclear restarts. The forecast is based on expectations that data centers will consume 426 TWh of electricity by 2030, doubling their share of U.S. power demand from 2025 levels to roughly 10%. While data centers are expected to directly fund up to \$15 billion of the buildout, the expansion could still add \$25 billion to \$30 billion annually to electricity system costs, raising questions about who ultimately pays.

9/8/2026 (National): [Holtec](#) initially targeted a \$10.2 billion valuation in its IPO, riding strong investor enthusiasm for nuclear power as data center growth and electricity demand boosted interest in the sector. The company's story centered on the planned restart of the Palisades nuclear plant, which would be the first commercial reactor in the U.S. to restart after closure, as well as development of its SMR-300 small modular reactor technology. Read the full article [here](#).

9/16/2026 (National): Just days later, Holtec shelved the IPO as investors grew more cautious about AI-related investments and reassessed expectations for data center demand growth. The reversal highlights how closely nuclear companies and SMR developers have become tied to the AI investment narrative, with recently weakening sentiment toward AI quickly spilling over into nuclear stocks and fundraising prospects. Read the full article [here](#).

9/16/2026 (National): Google, Nvidia, and Emerald AI have launched the [AI Energy Management Alliance \(AEMA\)](#), a coalition focused on making data centers more flexible in how and when they consume electricity. The group plans to advocate for regulatory changes that reward load flexibility as a way to address interconnection delays, grid constraints, and growing opposition to new data center development. Supporters argue that flexible data centers can reduce infrastructure costs, improve grid reliability, and accelerate the deployment of AI infrastructure by shifting power demand when the grid is stressed. The coalition includes major technology, utility, and energy companies such as Anthropic, AES, Constellation, National Grid, NRG, and RWE. Read Nvidia's official announcement [here](#).

Potential Impact

High – Rising electricity demand is driving companies to buy existing energy assets and portfolios as a faster path to growth than developing new projects from scratch.

High – The new generation mix being built to meet AI demand is coming more into focus, but how costs of the new infrastructure will be allocated remains unclear.

High – The Palisades restart and SMR projects continue to strengthen the long-term case for nuclear power, but recent AI slowdown concerns show that investor confidence remains dependent on future data center electricity demand.

High – Data center flexibility is gaining support as a strategy to accommodate AI-driven load growth while reducing pressure on grid infrastructure, reliability, and customer electricity costs.

Research & Technology

Article/Link

[Grid Congestion Costs Reached \\$17B in 2025](#)

[Last Winter's Grid Reliability Showed Improvement](#)

[Google Backs Utility-Led Virtual Power Plant](#)

[Startup Targets Rapid Off-Grid Data Center Power](#)

Summary

9/17/2026 (National): A report from [Grid Strategies](#) found that U.S. grid congestion costs exceeded \$17 billion in 2025, up from \$12 billion in 2024, as transmission expansion failed to keep pace with load growth, extreme weather, and regional power market constraints. In several regions, grid operators were forced to rely on more expensive local generation when transmission lines could not deliver cheaper power where it was needed. PJM recorded the highest congestion costs at \$3.2 billion, followed by ERCOT at \$2.5 billion, with bottlenecks limiting the movement of low-cost electricity to demand centers. The report highlights how transmission constraints, rising demand from data centers and industrial activity, weather-related outages, and high natural gas prices are increasingly driving higher electricity costs. Read the full report [here](#).

9/11/2026 (National): A new report from Federal Energy Regulatory Commission (FERC) and North American Electric Reliability Corporation (NERC) found that unplanned power plant outages during the 2025/26 winter storm season fell sharply compared to major cold-weather events in 2021 and 2022. Peak outages in the Eastern Interconnection dropped to 49.7 GW from 90.5 GW during Winter Storm Elliott, while ERCOT outages fell to 19.4 GW from 35.3 GW during Winter Storm Uri. The report attributes the improvement to enhanced winterization, stronger fuel preparedness, and better coordination among grid operators and generators. Interregional power transfers also helped maintain reliability by moving electricity to where it was needed during extreme cold, avoiding planned outages. Read the full report [here](#).

9/11/2026 (CA): Google, PG&E, and Rewiring America have launched the SHARE virtual power plant pilot in Northern California, aiming to enroll tens of thousands of distributed energy resources such as home batteries, smart thermostats, and battery-enabled heat pumps. The program seeks to add grid capacity, improve reliability, and lower customer costs by leveraging existing household energy assets rather than building new generation. The pilot will initially integrate nearly 21,000 existing devices through partners including Tesla, Sunrun, and Renew Home, while Google fully funds program costs. The effort serves as a real-world test of the idea that technology companies can help support rising electricity demand by investing in distributed energy resources and demand flexibility rather than relying solely on new power plants.

9/14/2026 (TX): An Austin, Texas-based startup, [TAR](#), has raised \$120 million in Series A funding to build off-grid power systems for data centers in as little as six months, bypassing lengthy grid interconnection delays. The company uses modular solar, battery storage, and limited gas backup systems, handling everything from site selection and construction to long-term operations. Unlike many competing off-grid data center projects that rely heavily on natural gas, TAR plans to primarily use solar and storage resources, overbuilding capacity and using gas mainly for emergencies. The company is already developing a utility-scale project with an unnamed major cloud provider in West Texas and is building a manufacturing facility to accelerate deployment timelines.

Potential Impact

High – Rising congestion costs underscore the growing economic consequences of an underbuilt transmission system and the challenge of connecting new generation and large loads quickly enough to meet demand.

High – The report offers evidence that grid reliability can improve even as electricity demand rises, though continued demand growth will test whether those improvements can be sustained.

Medium – If successful, the program could create a model for reducing residential energy costs while turning homes into valuable grid resources.

Medium – The startup reflects growing interest in off-grid, clean energy solutions that could help data centers secure power faster while reducing reliance on utility interconnection queues and gas generation.

Legislation & Policy

Article/Link

[US House Advances Bill to Limit Data Center Cost Sharing](#)

[Nuclear Regulatory Reforms to Extend into 2027](#)

[Federal Appeals Court Blocks Campbell Coal Plant Extension](#)

[Wisconsin Judge Orders Data Center Energy Disclosure](#)

[Ohio Data Center Moratoriums Grow](#)

Summary

9/17/2026 (National): The U.S. House passed the [Ratepayer Protection Act](#) in a 417-3 vote, aiming to prevent data centers and other power users larger than 100 MW from shifting the costs of grid upgrades and new generation onto existing utility customers. The bill would require states to “consider” standards ensuring large-load customers cover the full incremental costs of the infrastructure needed to serve them, while providing financial assurances if projects are scaled back or canceled. Analysts note the proposal largely aligns with regulatory measures many states are already adopting, and the bill is unlikely to pass the Senate before the midterms this November. See a database of emerging large-load tariffs [here](#).

9/15/2026 (National): The U.S. Nuclear Regulatory Commission (NRC) said its ongoing overhaul of nuclear licensing rules will likely continue well into 2027 as part of an effort to reduce approval timelines for new reactors from several years to 18 months. The reforms are intended to support expanded nuclear deployment amid rising power demand from data centers, electric vehicles, and other emerging loads, and include changes to environmental reviews, radiation regulations, and new frameworks for microreactors. NRC Chairman Ho Nieh emphasized that the agency will pursue faster permitting without compromising safety standards.

9/15/2026 (National): A federal appeals court struck down a U.S. Department of Energy [emergency order](#) delaying the retirement of Consumers Energy's 1,420-MW J.H. Campbell coal plant in Michigan, [ruling that the agency exceeded its authority](#) under the [Federal Power Act](#). The court found DOE's justification failed to meet the law's emergency standard and emphasized that states, grid operators, and utilities are primarily responsible for long-term resource planning. DOE maintained the plant was needed to support reliability during extreme winter demand. Consumers Energy estimated the orders generated roughly \$259 million in net costs through June 2026, and while the ruling could influence similar cases, it applies only to the J.H. Campbell plant.

9/10/2026 (WI): A Dane County judge ruled that the Wisconsin Public Service Commission unlawfully withheld projected electricity demand data for [Meta's Beaver Dam data center](#), rejecting claims that it was a trade secret. The case arose from an October 2025 records request by [Midwest Environmental Advocates](#), when project officials were operating under NDAs and Meta had not yet confirmed its involvement. After the PSC denied the request in November 2025, the judge overturned that decision in August 2026 and ordered the information's release.

9/18/2026 (OH): At least 138 Ohio municipalities and townships have active moratoriums on new data center development, while 23 communities have effectively banned data centers and dozens more are considering similar restrictions. Local officials say the pauses are intended to provide time to better understand the impacts of data centers on electricity demand, water use, infrastructure, and local communities before permitting additional projects. Meanwhile, the industry has increased outreach efforts as data centers become a more prominent political issue in the state, with polling showing strong public support for moratoriums and greater scrutiny of future development.

Potential Impact

High – The bill highlights bipartisan agreement, but its impact may be modest as most states are already moving forward on their own.

High – Federal pressure to streamline licensing is increasing scrutiny of how quickly approvals can be accelerated without compromising safety.

Medium – The ruling may constrain DOE's ability to use emergency powers to keep retiring power plants online, reinforcing state authority over resource planning and retirement decisions.

Medium – The decision reflects increasing expectations that the public have access to information about projects with significant grid impacts.

Medium – Community concerns are increasingly influencing data center development timelines.

Sustainability

Article/Link

Summary

Potential Impact

Tech Firms
Lean on
Carbon
Removal and
Clean Energy
Credits to
Support
Climate Targets
as Emissions
Rise Due to
Data Center
Buildout

8/31/2026 (Global): Microsoft has purchased more carbon removal credits than any other corporate buyer, including recent contracts for more than 6 million credits across reforestation, regenerative agriculture, and bioenergy carbon capture projects in Brazil, Denmark, and elsewhere. The company highlighted the use of dynamic baselines, third-party verification, soil sampling, satellite monitoring, and carbon capture technologies to improve credit quality and permanence, while noting that carbon removals remain a key tool for achieving its 2030 carbon-negative target despite emissions rising alongside AI and data center growth. Read the full article [here](#).

9/18/2026 (TX): Oracle announced investments in ten wind projects in Texas totaling more than 1.7 GW of generation capacity, with power delivered into the ERCOT grid serving the company's AI data center operations in Abilene. Rather than directly powering a specific facility, the renewable generation produces clean energy attributes and avoided emissions that Oracle can apply toward its goal of matching 100% of electricity consumption at its AI data centers with carbon-free energy by 2035. Read the full article [here](#).

9/14/2026 (NM): Oracle plans to launch a public dashboard for its 1,400-acre [Project Jupiter](#) hyperscale data center campus in New Mexico, providing operational data on emissions, water consumption, heat, noise, and light impacts. The initiative follows local concerns over the project's environmental footprint and complements Oracle's shift from gas turbines to lower-emission fuel cells and its procurement efforts to match facility electricity use with new renewable energy resources. Read the full article [here](#).

9/10/2026 (India): Google signed its largest superpollutant credit agreement to date, purchasing 1 million carbon credits from [Mitti Labs](#) tied to methane reduction projects across more than 100,000 hectares of rice farms in India. The credits are generated by helping farmers adopt alternate wetting and drying practices that reduce methane emissions by roughly 50%, with project impacts verified through satellite monitoring, field data collection, and third-party methodologies; Google counts the resulting emissions reductions toward its broader climate strategy because methane has a much greater near-term warming impact than CO₂. Read the full article [here](#).

9/17/2026 (Sweden): Google agreed to purchase environmental attribute certificates (EACs) linked to up to 91,000 tons of near-zero-emissions steel produced by [Stegra's](#) new steel plant in Sweden. Similar to renewable energy certificates, the EACs allow Google to claim the emissions benefits associated with low-carbon steel production and apply those reductions to embodied emissions from data center construction, while simultaneously helping finance the scale-up of emerging green industrial technologies. Read the full article [here](#).

High – As data center growth pushes emissions higher, corporate climate strategies are increasingly focused on compensating for impacts that remain difficult to eliminate directly. Technology companies are deploying increasingly sophisticated sustainability tools to counterbalance AI-driven emissions growth, raising questions about what constitutes meaningful environmental progress.

Other Industry News

Article/Link

[Data Center Growth Raises Health Concerns](#)

[Ohio Data Center Load Forecasts Face Scrutiny](#)

[Maryland Data Center Community Benefits Deal Falls Short](#)

Summary

9/11/2026 (National): A new report from the [Environmental Protection Network](#), a group of former EPA officials, argues that rapid data center growth could increase air pollution and associated health risks as rising electricity demand drives additional fossil fuel generation. The report criticizes recent federal actions that extend the life of coal and gas plants, relax environmental requirements, and accelerate data center development, warning that these policies could increase rates of asthma, heart disease, and other pollution-related health impacts. Researchers cited in the report estimate that under a high-growth scenario, data center-related air pollution could contribute to roughly 1,300 premature deaths and more than \$20 billion in public health costs by 2028. Read the full report [here](#).

9/9/2026 (OH): Ohio utilities are forecasting significant electricity demand growth, driven largely by proposed data center development, and are using those projections to justify significant investments in grid infrastructure. Critics, including energy researchers and the Ohio Manufacturers' Association Energy Group, argue the forecasts may overstate future demand given uncertainties around AI adoption, data center energy efficiency improvements, and whether announced projects will ultimately be built. Meanwhile, PJM Interconnection and utilities in the state maintain that substantial load growth is likely and should be reflected in planning decisions to ensure reliability.

9/14/2026 (MD): Developer [Catellus Real Estate Development](#), through its proposed [Frederick Digital Campus](#) near Adamstown, Maryland, offered a \$110 million community benefits package that included \$30 million for elementary school renovations, \$40 million for recreation facilities, \$14.5 million for workforce training, \$10.5 million for farmland preservation, a \$5 million community solar project, and other local investments. The proposal also included reducing the campus footprint by nearly 20%, cutting potable water consumption by 80%, preserving more than 430 acres as a nature reserve, with up to \$100 million also proposed for a water reclamation system, while generating an estimated \$215 million annually in property tax revenue. Read the full article [here](#).

9/15/2026 (MD): Frederick County Executive Jessica Fitzwater rejected the proposed Development Rights and Responsibilities Agreement after receiving hundreds of public comments objecting to provisions that would have protected the project from zoning and regulatory changes for at least eight years. Residents argued that the concessions required the county to surrender too much future authority over a rapidly evolving industry, prompting the county to extend its data center development moratorium until July 2027 pending further study and local review. Read the full article [here](#); see the County Executive's Special Announcement regarding the decision [here](#).

Potential Impact

High – The debate over AI-driven load growth is broadening to include the local air quality impacts of new generation resources.

Medium – The debate highlights a key challenge for regulators and utilities: investments made today could raise customer bills if the anticipated load growth does not fully materialize.

Medium – As data center projects face greater scrutiny over land use, power consumption, environmental impacts, transparency concerns, and local control, developers are increasingly using community benefit agreements as a tool to build local support and reduce project opposition, though recent cases suggest even substantial concessions may not be enough to secure community acceptance.

Thank You

Let's make bold changes together

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