

Data Centers Bi-Weekly Update

September 8, 2026



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COAST**
Climate Solutions

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Emerging Themes

Investments & Market Activity

AI infrastructure investment and revenues continue rising despite implementation risks

- Nvidia revenue grows 106% year-over-year while expanding its investments across the AI value chain
- SB Energy files for IPO to fund growing pipeline of large-scale AI and energy infrastructure projects
- Fervo Energy signs record geothermal power agreement with Google, supporting emerging firm power solutions for data centers

Utilities and data center operators seek to address affordability concerns

- AEP Ohio secures \$18M in commitments from Meta, AWS, Google, QTS and SB Energy for income-qualified bill assistance program

Research & Technology

Data center demand is driving power sector transformation

- Data center-linked gas generation proposals doubled in H1 2026, but uncertainty remains about how much will materialize
- Battery storage installations reached a new quarterly high, supported by data center demand
- Palisades nuclear plant in MI reaches re-commissioning milestone

Transmission and load flexibility gain traction as data center power solutions

- The North Plains Connector could enable data center growth by connecting three major US grid regions
- Emerald AI secures \$150M to scale flexible computing solutions that reduce data center peak demand

Legislation & Policy

Federal policy shifts create new uncertainty for grid infrastructure

- DOE drops designation of three proposed National Interest Electric Transmission Corridors (NIETC)
- Executive order targeting foreign-made grid equipment may slow battery deployment

Data centers are driving a patchwork of regional, state, and local policy responses

- MISO proposes new requirements for data center interconnections
- Community benefit agreements gain traction across Great Lakes states
- MI proposes new data center oversight legislation
- Over 43% of Indiana counties have imposed restrictions, moratoria, or bans on data centers

Sustainability

Project economics may increasingly favor clean energy solutions for new generation

- Gas demand forecasts continue rising, but project speculation and supply chain risks create uncertainty
- Clean energy developers argue renewables and storage offer the fastest, lowest-cost path to serve data centers

Solutions to unlock grid capacity gain more attention

- AMD and NVIDIA highlight major chip efficiency gains, but impacts on total energy use remain uncertain
- Home electrification could unlock grid capacity needed to site more data center load
- Data center load flexibility gains attention as a possible grid resource

Investments & Market Activity

Article/Link

Summary

Potential Impact

Nvidia
Positions Itself
at the Center of
the AI Economy

9/4/2026 (National): Nvidia's equity investments reached \$99 billion as of July 2026, up from about \$7 billion a year earlier, reflecting an aggressive strategy to finance AI labs, cloud providers, infrastructure developers, and emerging technologies across the AI value chain. The company has invested heavily in firms such as [OpenAI](#), [CoreWeave](#), and [Nebius](#) while also providing financing support for AI infrastructure projects, positioning capital deployment as a key tool for expanding demand for its GPUs and strengthening its competitive moat. Read the full article [here](#).

High – As AI development scales, Nvidia is positioning itself to capture value across the entire ecosystem rather than solely through chip sales. Nvidia's expanding role as both supplier and financier gives it growing influence over where and how AI infrastructure is built.

SB Energy Files
for IPO

827/2026 (National): Nvidia reported quarterly revenue of \$96.2 billion, up 106% year-over-year, with data center revenue reaching \$89 billion as AI infrastructure spending continued to accelerate. Company executives forecast roughly 70% revenue growth next year and highlighted that Nvidia's growing presence across chips, networking, and supporting infrastructure is increasing the revenue generated from each new data center deployment. Read the full article [here](#).

Medium – SB Energy's IPO highlights the scale of data center investment is happening faster than many developers' operating track records.

Fervo Lands
Record
Geothermal
Deal with
Google

9/4/2026 (National): [SB Energy](#), the SoftBank-backed developer of data center and power infrastructure, filed for a U.S. IPO on September 1st as it seeks capital to support a rapidly growing pipeline of AI-related projects. Despite a 66.4% increase in first-half 2026 revenue, SB Energy posted larger net losses as it ramps up investment in data center development. The company disclosed 8.8 GW of contracted data center capacity, anchored by a major OpenAI project in Ohio. While the company has secured significant contracted capacity, its filing highlights key risks, including limited operating experience in large-scale data centers, reliance on external financing, and substantial revenue concentration tied to OpenAI and Nvidia-backed projects.

Medium – The deal highlights how growing data center power needs are accelerating investment in next-generation energy resources that have yet to be deployed at scale.

OH Data
Centers Fund
Ratepayer
Assistance
Program

9/2/2026 (National): Google signed a [396 MW power purchase agreement \(PPA\)](#) with [Fervo Energy](#), the largest enhanced geothermal deal to date, to support a potential Utah data center, with an option to expand the agreement to nearly 1 GW by 2030. Analysts said the deal highlights growing scarcity of reliable, around-the-clock baseload power as AI-driven electricity demand accelerates, while also boosting Fervo's contracted revenue outlook. Despite the momentum, Fervo still faces execution, interconnection, capital, and technology-scale risks as it develops its geothermal portfolio.

Low – The donations signal that utilities and data center developers are looking for ways to address public concerns over ratepayer impacts as electricity demand continues to grow.

8/24/2026 (OH): AEP Ohio secured more than \$18 million in commitments from Meta, Amazon, Google, QTS, and SoftBank Energy to support its [Neighbor to Neighbor program](#), which helps low-income households pay electric bills. The [Dollar Energy Fund](#), a nonprofit organization, will manage the fund. The effort comes as Ohio regulators and utilities face growing scrutiny over whether rapid data center growth could increase costs for residential customers, alongside broader measures requiring large data centers to bear more of the costs associated with grid expansion and power procurement.

Research & Technology

Article/Link

[Data Centers Drive Surge in Gas Power Plants](#)

[U.S. Battery Installations Hit Record High](#)

[Palisades Nuclear Plant Moves Closer to Restart](#)

[New Transmission Line Could Connect Three Grid Regions](#)

[Emerald AI Raises Capital for Flexible Data Center Technology](#)

Summary

8/25/2026 (National): A recent report by [Global Energy Monitor \(GEM\)](#) found that U.S. gas-fired generation proposals tied directly to data centers nearly doubled to 189 GW in the first half of 2026, reflecting growing efforts to meet AI-driven electricity demand. More broadly, total U.S. gas power capacity in development increased 50% to 378 GW, with Texas leading the pipeline and nearly 77 GW of its planned capacity intended to serve data centers. However, turbine shortages, project delays, financing challenges, and local opposition raise significant uncertainty over how much of the proposed capacity will ultimately be built.

9/1/2026 (National): The U.S. added a record 20.2 GWh of grid battery storage in Q2 of 2026, the largest quarterly deployment on record, according to a recent [report](#) from the [Solar Energy Industries Association \(SEIA\)](#) and [Benchmark Minerals Intelligence](#). The installations last quarter reflect a 108% quarter-over-quarter increase and represent roughly one-tenth of the nation's total installed storage capacity. Utility-scale storage drove growth with 18 GWh of deployments, largely supported by seven GW-scale projects, while data center demand helped push behind-the-meter commercial and industrial storage additions to 1.8 GWh.

8/31/2026 (MI): Private energy technology company [Holtec International](#) began loading fuel into the [Palisades Nuclear Plant](#) in Covert Township, Michigan, marking a major milestone in efforts to restart the plant after more than four years offline and over two years of refurbishment and testing. The reactor's 204-fuel-assembly core is being loaded ahead of additional inspections, testing, and startup activities required before commercial operations can resume. If successful, Palisades would become the first U.S. nuclear plant to restart after entering decommissioning.

9/3/2026 (National): Independent transmission company [Grid United](#) is developing the [North Plains Connector](#), a 420-mile transmission line that would connect three major U.S. power grids across multiple states and time zones. Supporters say the project would make it easier to move electricity between regions, improving grid reliability and access to power as demand continues to grow. The project has backing from the U.S. Department of Energy and several utilities but still requires additional approvals at the state level in Montana and North Dakota.

8/25/2026 (National): [Emerald AI](#) raised \$150 million in Series A funding, giving the company a \$1.05 billion valuation as investors increasingly back technologies aimed at addressing power constraints associated with AI-driven data center growth. The company develops software that enables data centers to reduce or shift electricity consumption in response to grid conditions, effectively turning data centers into more flexible grid assets. Emerald plans to use the funding to expand commercial deployments with AI companies, data center operators, and electric utilities. Read more about the company and its milestone [here](#).

Potential Impact

High – Data center growth is driving a wave of gas generation, but supply, cost, and permitting hurdles may constrain deployment.

High – The combination of data center demand, falling battery costs, faster deployment timelines, and continued federal support is accelerating storage deployment across the U.S.

Medium – The Palisades restart highlights growing interest in existing nuclear assets as a source of reliable, carbon-free power for expanding load growth.

Medium – As electricity demand grows, interregional transmission could help move power to emerging data center hubs and reduce regional power constraints.

Medium – As AI electricity demand rises, the ability to dynamically shift computing workloads could become a valuable grid service.

Legislation & Policy

Article/Link

[Executive Order Threatens to Slow Battery Storage Deployment](#)

8/27/2026 (IN): President Trump's August 26 [executive order](#) seeks to prevent certain foreign-made bulk power system equipment, including batteries, inverters, transformers, and related digital products, from connecting to the U.S. grid over national security concerns. BloombergNEF analysts say the order poses risks for the energy storage sector, as developers may need to await additional guidance, source alternative equipment, or redesign projects to comply with the new requirements. Because many U.S. battery storage projects depend on supply chains with significant Chinese involvement, the policy could lead to deployment delays and project cancellations.

Potential Impact

High – The order could slow deployment of battery storage projects at a time when grid operators are increasingly relying on storage to support reliability and meet growing electricity demand.

[DOE NIETC Pullback Raises Questions on Transmission Planning](#)

8/17/2026 (National): The Department of Energy declined to designate three proposed National Interest Electric Transmission Corridors (NIETCs), despite its [draft 2026 National Transmission Needs Study](#) identifying data center growth and other large loads as major drivers of future transmission demand. The DOE cancelled the Lake Erie-Canada, Southwestern Grid Connector, and Tribal Energy Access transmission corridors, arguing the existing NIETC framework was ineffective and created concerns for local communities. The corridor designations could have unlocked federal financing and siting authorities for transmission projects intended to address reliability, interregional power transfer, and transmission constraints. Read the full article [here](#).

High – The cancellation of the proposed corridors underscores growing tension between rapidly rising electricity demand, particularly from data centers, and the challenge of planning and permitting transmission infrastructure far enough in advance to avoid future grid constraints.

[MISO Proposes New Reliability Rules for Large Loads](#)

9/1/2026 (MISO): The Midcontinent Independent System Operator (MISO) proposed new interconnection reliability requirements for large electricity users, including data centers, before they can connect to the grid. The proposal is a part of MISO's response to [FERC's mid-June "show cause" orders](#) requiring major grid operators to set rules that meet certain criteria for adding data centers and other large loads to the grid and follows similar actions at the Electric Reliability Council of Texas (ERCOT) and the PJM Interconnection. The proposal would require qualifying loads to meet standards such as ramping and ride-through capabilities and provide additional operational data, with the goal of improving grid visibility and reliability as electricity demand growth accelerates. MISO defines "large loads" as those above 50 MW and "computational loads" as large loads with at least 25 MW of IT equipment demand, allowing certain requirements to be tailored specifically to data centers. MISO said it plans to make additional proposals by a November 16 deadline.

Medium – Data center growth is forcing grid operators to rethink interconnection standards as sudden load changes increasingly become a reliability concern.

Legislation & Policy (Continued)

Article/Link

[Community Benefit Agreements Gain Traction for Data Centers](#)

[Michigan Proposes New Data Center Rules](#)

[Indiana Counties Turn to Local Data Center Regulations](#)

Summary

9/1/2026 (National): As opposition to data center development grows, several governors are increasingly promoting community benefit agreements (CBAs) to secure local support while addressing concerns over energy use, water consumption, pollution, and community impacts. Pennsylvania, Illinois, and Michigan officials have backed measures that would encourage or require developers to negotiate legally binding commitments on issues such as local hiring, environmental safeguards, and community investments. For some, CBAs represent a middle-ground approach that allows data center development to continue while giving communities a greater role in shaping project outcomes.

8/28/2026 (MI): Michigan lawmakers introduced [HB 6251](#) and [HB 6252](#), which would require developers of new, expanded, or significantly modified large-scale data centers to submit impact assessments to the Michigan Public Service Commission (MPSC) at least 120 days before construction begins. HB 6251 would require an energy infrastructure and thermal management evaluation covering projected electricity demand, water use, cooling systems, and grid impacts, while HB 6252 would require a thermal impact assessment evaluating potential effects on local temperatures, land conditions, natural resources, and surrounding communities. Under both bills, developers would need to obtain an MPSC certificate of completeness before proceeding, adding a new state review process for major data center projects. The bills were introduced by state Rep. Reggie Miller, a Democrat from District 31, and sponsored by four other Democrats.

8/27/2026 (IN): Local governments across Indiana are increasingly adopting restrictions on data center development as communities weigh potential economic benefits against concerns over electricity demand, water use, noise, pollution, and land impacts. As of August, Indiana University's Environmental Resilience Institute (ERI) found that 13 counties had adopted data center-specific ordinances, 24 had enacted temporary moratoria, and three had banned new data centers altogether. The push comes as Indiana's data center industry expands rapidly, with the institute estimating 38 operational facilities and 37 more planned or under construction, while electricity consumption from the sector could grow from roughly 1% of statewide electricity demand in 2025 to more than 6% by 2030. Read ERI's data center fact sheet [here](#).

Potential Impact

Medium – Community benefit agreements are emerging as a policy tool for communities to manage the impacts of data center development.

Medium – Michigan's proposals reflect a broader trend of states requiring greater planning and oversight of data center impacts on local communities.

Medium – Indiana illustrates how the data center boom is prompting a patchwork of local responses, from welcoming development to restricting or halting projects altogether.

Sustainability

Article/Link

[AI Boom Drives Gas Buildout Despite Mounting Uncertainty](#)

8/28/2026 (National): Developers have announced or are advancing nearly 380 GW of new gas-fired generation capacity in the U.S., driven largely by expectations for data center and AI-related power demand. However, much of the pipeline remains highly speculative, with many projects lacking permits, customers, interconnection approvals, or secured turbine supply, making it difficult to determine how much capacity will ultimately be built. Even so, the proposed pipeline has grown roughly 50% in the past six months, with 52 GW already under construction, underscoring the scale of interest in new gas generation. Competition for scarce gas turbines is also pushing some developers toward faster-to-deploy combustion engines instead of more efficient combined-cycle plants, potentially increasing emissions from the next wave of gas generation.

Potential Impact

High – Data center demand is accelerating gas development, but turbine shortages and execution risks could both limit buildout and drive adoption of higher-emitting generation technologies.

[Clean Power Developers Make Their Case to Data Centers](#)

9/4/2026 (National): While gas-fired generation has become the default answer to data center power demand, renewable energy developers argue that clean energy projects can often be deployed more quickly and at lower cost than large gas plants, particularly as gas projects face turbine shortages, construction delays, and rising capital costs. Some companies contend that pairing data centers with new clean energy resources can reduce reliance on lengthy grid interconnection processes while delivering power faster than many headline-grabbing gas mega-projects. The developers acknowledge that hyperscalers are currently prioritizing firm power and speed but argue that economics ultimately favor cleaner alternatives.

High – As power demand surges, renewables are making a case not just on sustainability, but on economics and speed, potentially giving clean energy an advantage.

[AMD, Nvidia Push AI Efficiency Higher](#)

8/21/2026 (National): Semiconductor companies [AMD](#) and [NVIDIA](#) are highlighting major improvements in AI computing efficiency as concerns grow over the energy demands of data centers. AMD says it aims to improve rack-scale AI training and inference efficiency 20x by 2030 compared to a 2024 baseline, while NVIDIA reports its latest AI infrastructure is 10x more energy efficient than the prior generation. Both companies argue that more powerful and efficient chips can reduce the number of server racks, energy consumption, and physical infrastructure required to support growing AI workloads. However, efficiency gains only translate into lower overall energy use and emissions if they outpace growth in AI workloads and deployment. Transparent reporting of efficiency and emissions metrics is critical for evaluating the industry's real progress. Access AMD's most recent sustainability report [here](#), and NVIDIA's most recent report [here](#).

High – AI efficiency gains could help curb the sector's energy footprint, but transparency and actual deployment trends will determine whether total power demand ultimately falls or continues rising.

[Google Funds Heat Pumps to Unlock Grid Capacity](#)

9/4/2026 (National): Google is partnering with [PG&E](#) and [Rewiring America](#) to help Bay Area homeowners install battery-enabled heat pumps as part of a new virtual power plant program designed to support grid reliability and growing electricity demand. The initiative will subsidize heat pump installations and enroll thousands of existing home energy devices, allowing utilities to tap distributed resources during periods of grid stress rather than relying solely on new generation or transmission infrastructure. Google and its partners view customer-owned energy assets as a way to add capacity faster while lowering costs and improving reliability. Read more about the initiative from Rewiring America's press release [here](#).

Medium – The program reflects growing interest in using distributed energy resources and virtual power plants as a faster, lower-cost alternative to traditional grid expansion.

Other Industry News

Article/Link

[Could Home Upgrades Could Meet Data Center Power Growth?](#)

[Illinois Schools See Data Center Tax Windfall](#)

[Amazon Outbids Utility for Massive Solar Project](#)

[Flexible Data Centers Gain Attention as Grid Resource](#)

Summary

9/18/2025 (National): A [Rewiring America](#) report from fall 2025 has been updated with more recent data and argues that investments in residential heat pumps, rooftop solar, and battery storage could offset the entirety of projected U.S. data center electricity demand growth through 2029. The report estimates that AI data centers will add 93 GW of demand over the next five years, but contends that hyperscalers could unlock comparable grid capacity by funding household electrification and distributed energy upgrades at costs similar to building new gas generation. Beyond adding capacity, the approach could lower household energy bills, reduce emissions, and strengthen grid reliability.

8/28/2026 (IL): A Northern Public Radio report examines how data center development is reshaping school funding in northern Illinois, where districts stand to gain significant property tax revenue from large facilities. In DeKalb, Meta's data center contributed nearly \$19 million in annual property tax revenue by 2026, accounting for more than 20% of the school district's property tax base and helping fund a new elementary school and STEM programs. The economic benefits come as many communities continue to debate the tradeoffs of data centers, including concerns over noise, water use, energy consumption, and limited long-term job creation. Some observers also question whether these tax benefits will remain durable over the long term, particularly if assessment values, tax policies, or future technology needs change.

8/26/2026 (OR): Amazon acquired a 1.2 GW solar-plus-storage project in Oregon after outbidding the local utility, underscoring how aggressively large power consumers are competing for scarce energy resources. According to [Cleanview](#), the company pursued the project after exhausting other viable near-term power options, reflecting the growing challenge of securing electricity for data center expansion. Amazon faced limited transmission capacity and dwindling availability of utility-served power, while Oregon's regulatory environment made it difficult to pursue the type of large behind-the-meter gas generation projects that some hyperscalers are developing in states such as Texas. The deal illustrates how hyperscalers are increasingly bypassing traditional procurement channels and competing directly with utilities to lock in generation capacity.

8/26/2026 (National): This episode of the Volts podcast features Varun Sivaram of [Emerald AI](#) and explores how data centers could become flexible grid assets by shifting, delaying, or relocating computing workloads in response to grid conditions, potentially reducing congestion, speeding interconnections, lowering costs, and supporting renewable energy integration. Proponents argue this flexibility could improve reliability and affordability by treating data centers as controllable loads rather than fixed demand, reducing the need for costly transmission and generation investments. Skeptics, however, question whether flexibility can be enforced, whether operators will accept performance tradeoffs, and whether the approach can scale enough to offset the reliability and infrastructure challenges of rapidly growing AI-driven electricity demand.

Potential Impact

High – Household electrification may be an underutilized tool for meeting AI-driven load growth without major new generation investments.

Medium – Data centers may create relatively few permanent jobs, but their tax contributions can have an outsized impact on local schools and public services.

Medium – Amazon's move illustrates how power constraints are reshaping energy procurement, with hyperscalers increasingly acting like infrastructure developers.

Medium – Data center flexibility could transform them from a grid challenge into a potential reliability and balancing resource, but its value depends on whether computing loads can reliably respond to grid needs at scale.

Thank You

Let's make bold changes together

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