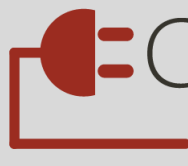


IMPACT AND POLICY

Data Centers in Indiana and Surrounding States

Ben Inskeep
Program Director

July 7, 2026

 **CITIZENS ACTION COALITION**
turning on citizen power

Citizens Action Coalition (CAC)

- CAC is a nonprofit **consumer** and **environmental** advocacy organization.
- Since our inception in 1974, we've helped to save Hoosiers billions in excess utility charges.
- We advocate for **affordable utility bills**, a **cleaner environment**, and a **stronger democracy** in Indiana.

*Research, public
education, & organizing*



Legislative advocacy



*Regulatory advocacy
& litigation*



What Are Data Centers?



Photo: A small portion of Amazon's sprawling data center campus in New Carlisle, IN, that will span at least 30 buildings once completed. **Credit:** *The New York Times*

■ What are data centers?

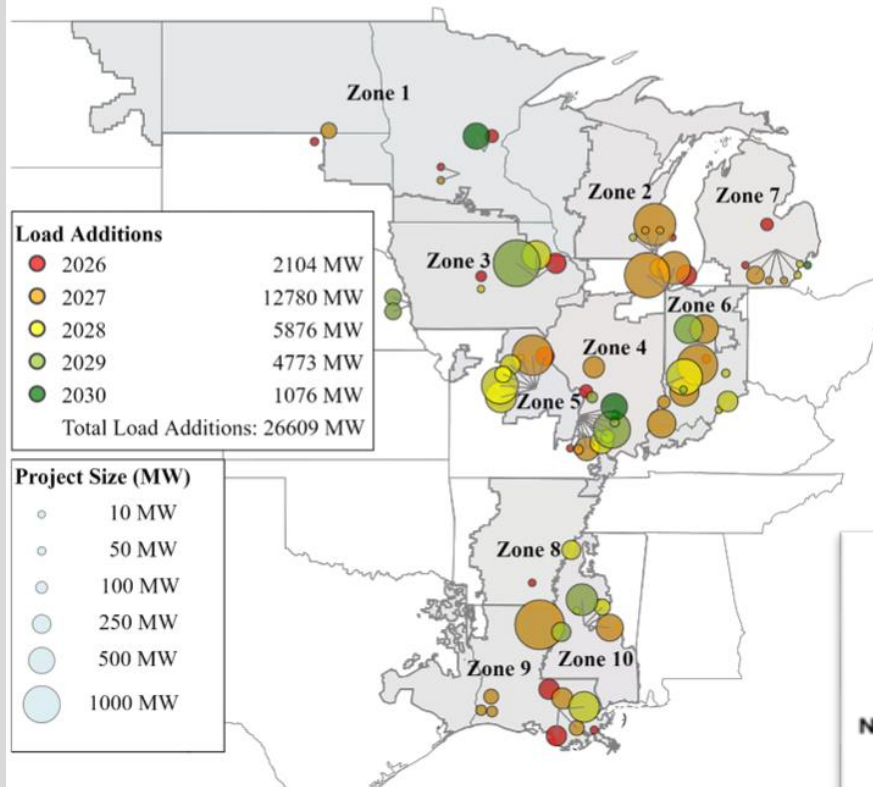
- Facilities that store, process, and manage data
- Use fiber optic cable network to transmit data

■ New Trend

- Very large, energy-intensive data centers
- Use for generative **Artificial Intelligence (AI)** model training and inference

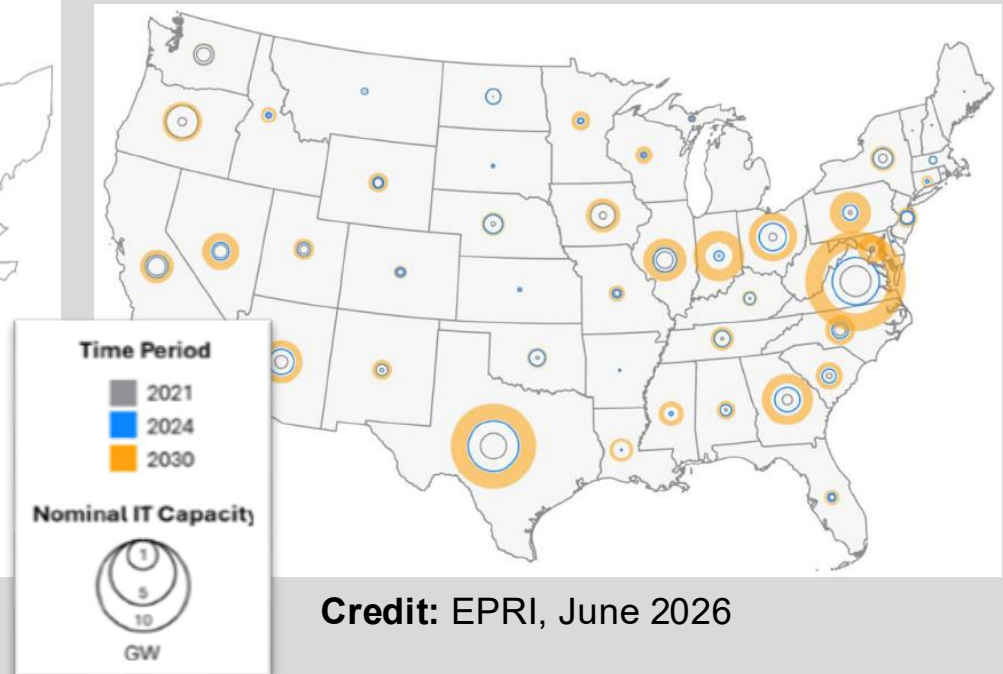
Regional & National Data Center Proliferation

Figure 15: Expected Load Additions in MISO



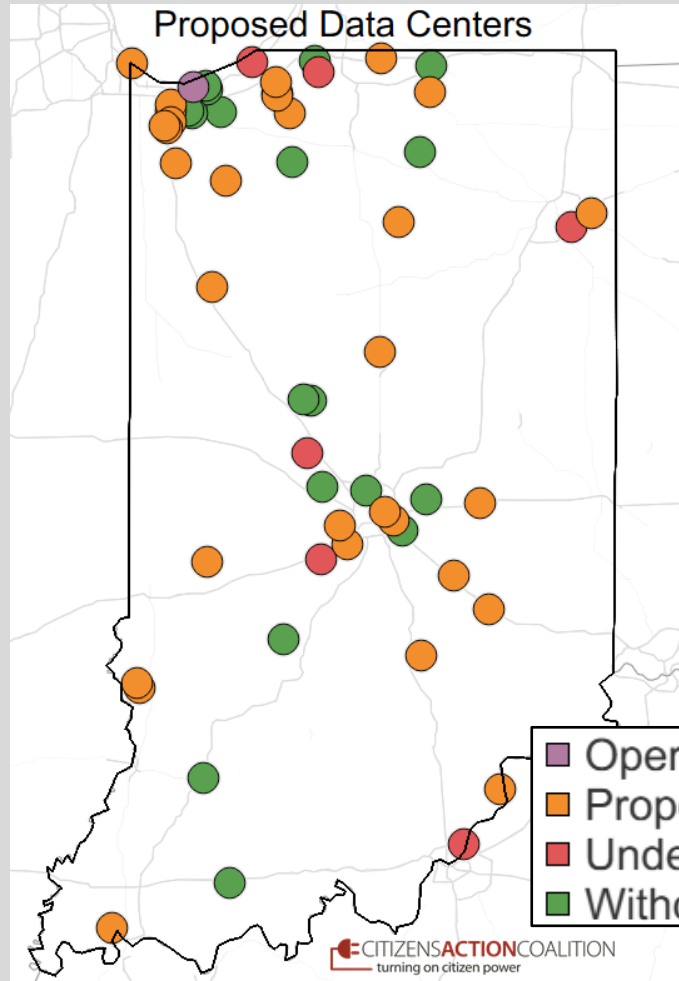
Credit: Potomac Economics, June 2026

- MISO is expecting dozens of large data centers over next 5 years
- 20 GW by 2030
- Top Midwest Markets: OH, IN, IL



Credit: EPRI, June 2026

How Many Data Center Proposals?



Source: CAC. Data collected through 6/26/2026.

■ What types of entities are making proposals?

- Big Tech companies
- Developers
- Data center operators that lease space to other companies (“co-location”)

■ Status of proposals

- Proposed: **31**
- Under Construction / Operating: **7**
- Withdrawn / Defeated: **18**
- **Total: 57**

Why They Are Locating in Indiana?

■ Key Factors

✓ Subsidies:

- State & local incentives
- Legislative & regulatory capture

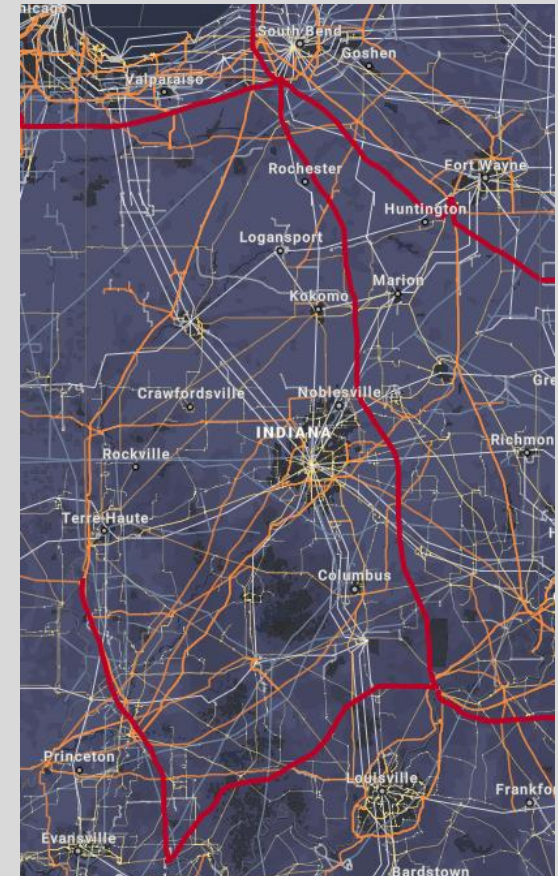
✓ Infrastructure:

- Electric
- Natural gas
- Fiber optic
- Transportation

✓ Lower Costs: Land, labor, taxes

✓ Proximity: Population centers

✓ Natural Disaster Risk: Small for hurricanes, wildfires



Map: transmission, pipelines, & fiber optic cables in Indiana **Credit:** NREL

Impacts of Data Centers

- Energy & Water Consumption
- Air Pollution
- Noise Pollution
- Loss of Farmland & Wetlands
- Price Increases
- Grid Instability / Reliability Issues
- Loss of Jobs from AI
- Heavily Subsidized
- Not Transparent
- Visual / Aesthetics / Property Value
- Heat



“What if I told you there was a product that would make all of your lives much worse, but me much richer?”

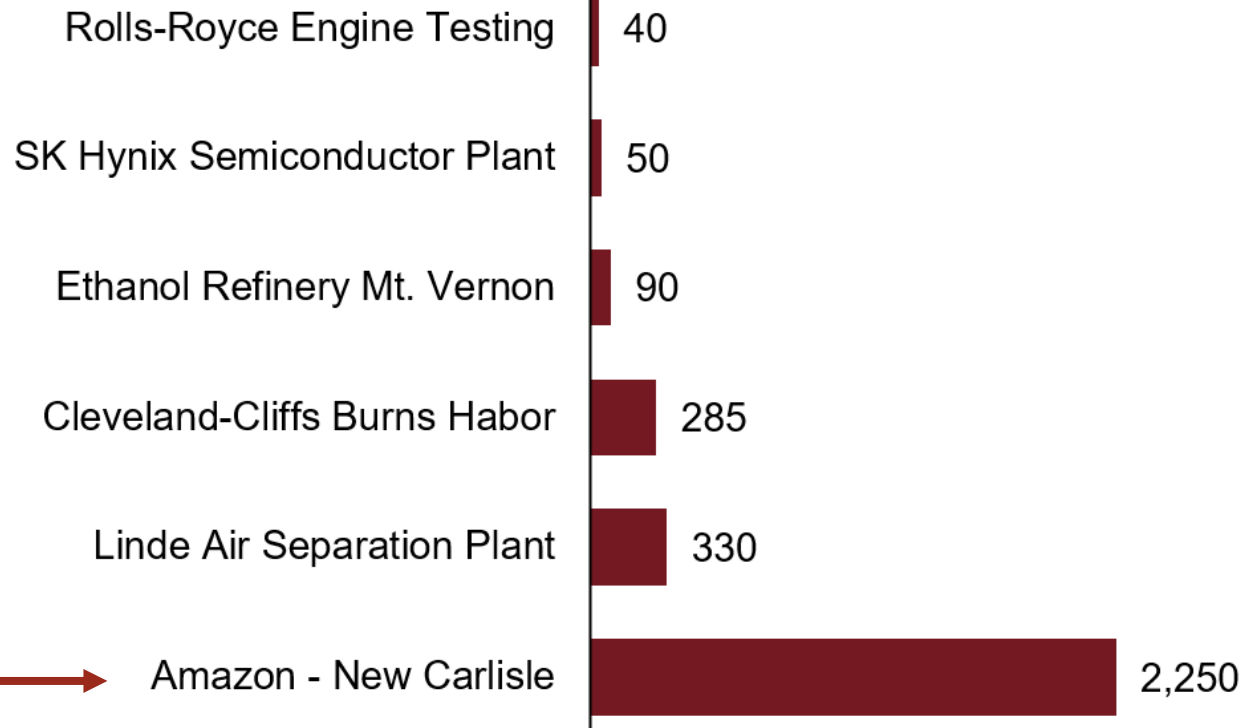
Credit: Erika Sjöle

Power Demand

- A very large AI data center can use **~10 times** more power than a large industrial user
- Equal to the electricity use of **1.6 million** Hoosier households

Selected Large Loads in Indiana (MW)

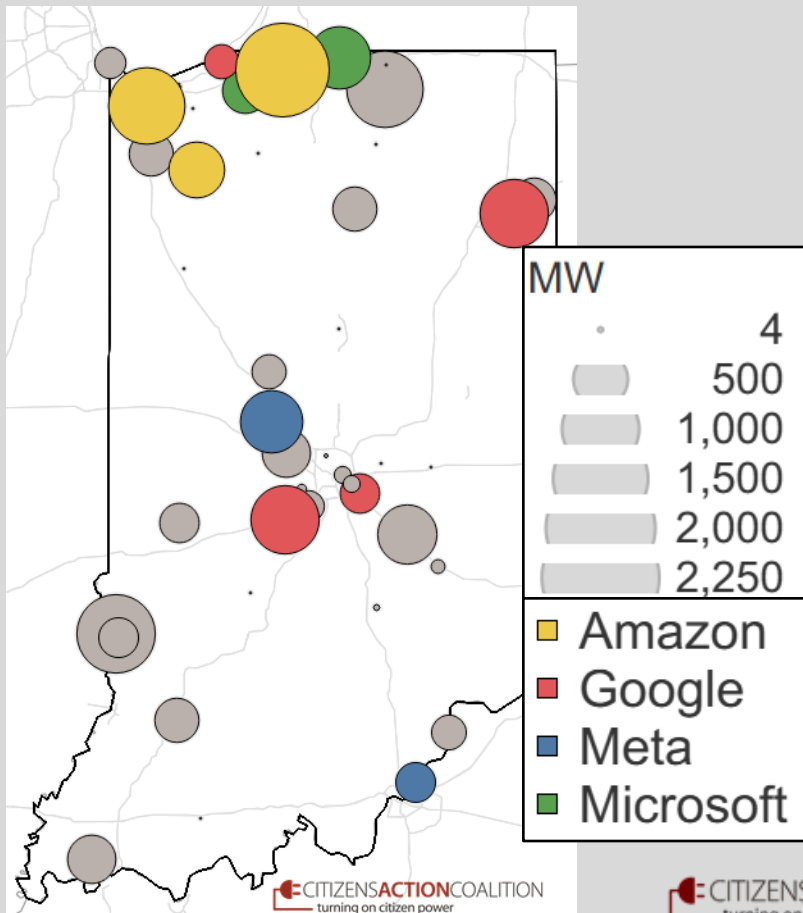
 CITIZENS ACTION COALITION
turning on citizen power www.citact.org



Source: CAC analysis using public data from MISO, "AC/BOD Discussion Additional Information," July 30, 2024; Media reports; Cause Nos. 46038 and 46097.

Big Tech's AI Data Centers in Indiana

- By ~2032, Big Tech data centers in Indiana could use **twice as much electricity as all Hoosier households** as of 2025



Indiana Utility Electric Service
Agreements with New Data Centers*

Utility	Company	Total MW at Full Build Out**
I&M	Amazon	2,250
I&M	Google	1,200
I&M	Microsoft	750
NIPSCO	Amazon	2,800
NIPSCO	Google	300
AES Indiana	Google	390
WVPA	Meta	1,000
Duke Energy	Meta	407

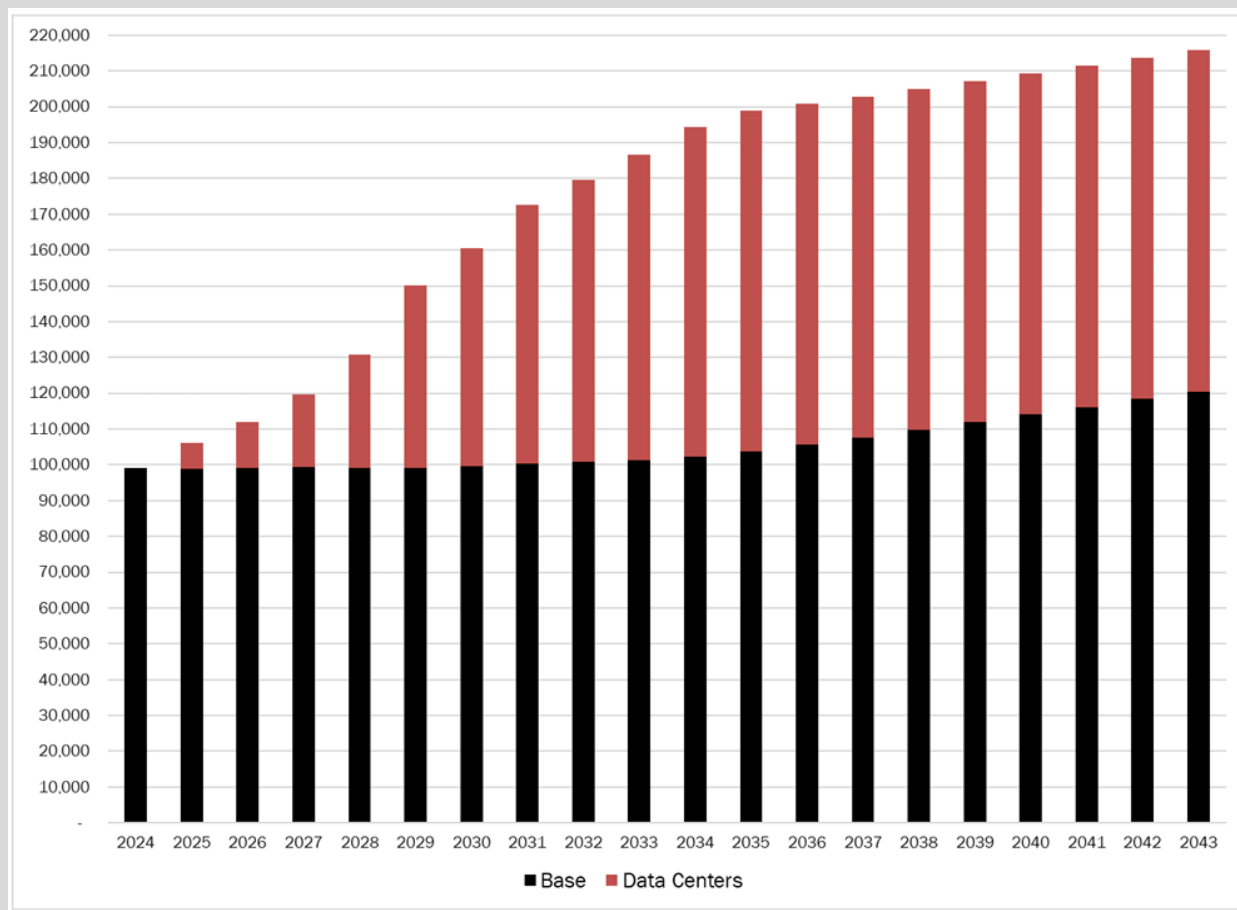
Total **9,097**

Notes: * Very likely or confirmed based on public information;

** Some values estimated due to redactions

Soaring Indiana Data Center Electricity Usage

Indiana Energy Required (GWh) Base Scenario vs. Data Center Scenario



The State Utility Forecasting Group's 2025 Forecast

- Data center scenario shows a **~90% increase** in statewide electricity consumption by 2035
- AI data centers could exceed all residential electricity use by 2029
- High uncertainty in outlook

Backup Diesel Generators

- **Each large AI data center can have:**
 - **Hundreds** of backup diesel generators onsite
 - **Millions of gallons** of diesel stored onsite
- **Generator nuisances:**
 - Very noisy
 - Air pollution
- **Impact to Crops:**
 - NOx pollution creates ground-level ozone, which harms plant growth



Photo: Backup diesel generators at a data center (foreground) adjacent to a retirement community (background). **Credit:** Ben Inskeep | CAC

Data Centers Are Keeping Old, Costly Coal Plants Open

Coal Plant	Year Built	Capacity	Connection to Data Centers
RM Schahfer <i>Units 17 & 18</i>	1986	847 MW	DOE 202(c) ordered NIPSCO to keep both units open, citing “unprecedented surge in electricity demand driven by...expansion of [AI] data centers”
FB Culley <i>Unit 2</i>	1966	90 MW	DOE 202(c) ordered CenterPoint to keep it open, citing “unprecedented surge in electricity demand driven by...expansion of [AI] data centers”
Merom	1983	1,080 MW	NIPSCO GenCo signed a contract for most of this capacity to serve Google & Amazon data centers
Clifty Creek	1956	1,300 MW	Indiana Michigan Power shifting ~20 MW from Michigan to Indiana to serve Google, Amazon, & Microsoft data centers
Cayuga	1972	1,040 MW	Duke Energy is conducting study & potentially issuing an RFP to sell the plant (e.g., to a third-party buyer that can sell output to a data center)

Source: CAC analysis using data from DOE orders, IRPs, press releases, quarterly earnings calls, and Cause Nos. 46193 and 45164 RA 5.

Example: New Gas Plants for Amazon

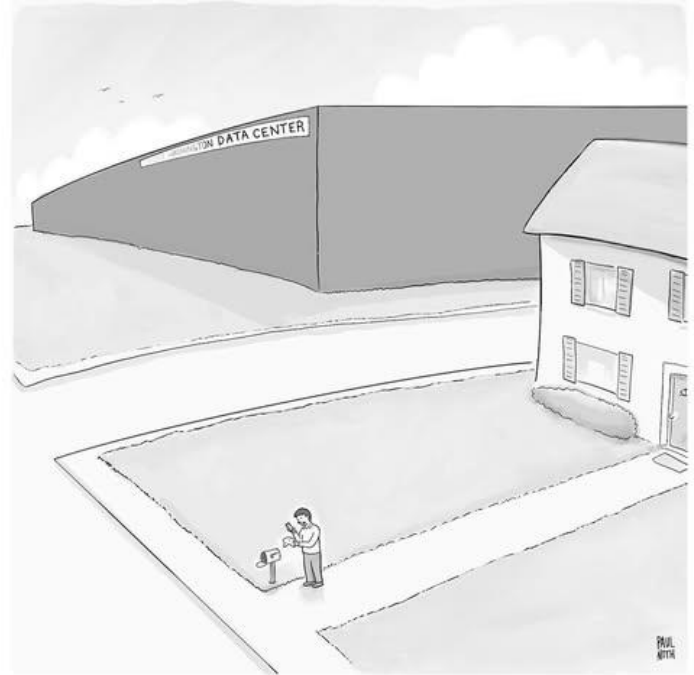
- **NIPSCO is building 2,600 MW of natural gas power plants for Amazon**
 - Located at Wheatfield, IN at the Schahfer Generating site
 - Gas plant will serve multiple Amazon data centers (e.g., Hobart) in northwest Indiana
 - Up to 7 million tons of CO₂ emissions per year

Potential Air Pollution from Schahfer Natural Gas Power Plants

Pollutant	Description	Project Emission Increases (tons per year)
PM	Particulate Matter (i.e., soot)	147.5
PM ₁₀	Particulate Matter (coarse particles)	253.1
PM _{2.5}	Particulate Matter (fine particles)	237.1
SO ₂	Sulfur Dioxide	80.7
NO _x	Nitrogen Oxides	3,205.7
VOC	Volatile Organic Compounds	259.2
CO	Carbon Monoxide	614.1
SAM	Sulfuric Acid Mist	58.8
CO ₂ e	Carbon Dioxide Equivalent (i.e., greenhouse gas emissions)	7,071,597

Data Centers Can Increase Your Utility Bill

- **Indiana utilities will spend billions on new infrastructure to serve data centers**
 - Utilities & tech companies argue that data centers will help pay for fixed costs, lowering rates for all ratepayers
- **Why data centers *could* raise your bill:**
 - High demand and constraints on new power supply are causing **prices paid by all** consumers to soar
 - Risk of enormous **stranded assets** if data center closes early / reduces usage
 - **Costs shifting** because large power users don't pay their fair share
 - Big Tech **sweetheart deals** and **lack of transparency**



"ChatGPT, why is my electric bill so high?"

Credit: Paul North / The New Yorker

Water & Data Centers

■ Water Consumption

- **On-site:** As much as 8 million gallons per day
- **Off-site:** Coal, gas, and nuclear power plants use tens of million gallons per day

■ Water Pollution

- Chemical, thermal, diesel fuel
- E.g., **Meta data center released harmful bacterium into wastewater** in Wyoming, leading to months where water reuse system (used for irrigation) was not operable

■ Dewatering land

- E.g., Amazon's New Carlisle data center will pump-and-dump up to 19 billion gallons during construction

■ Destruction of Wetlands

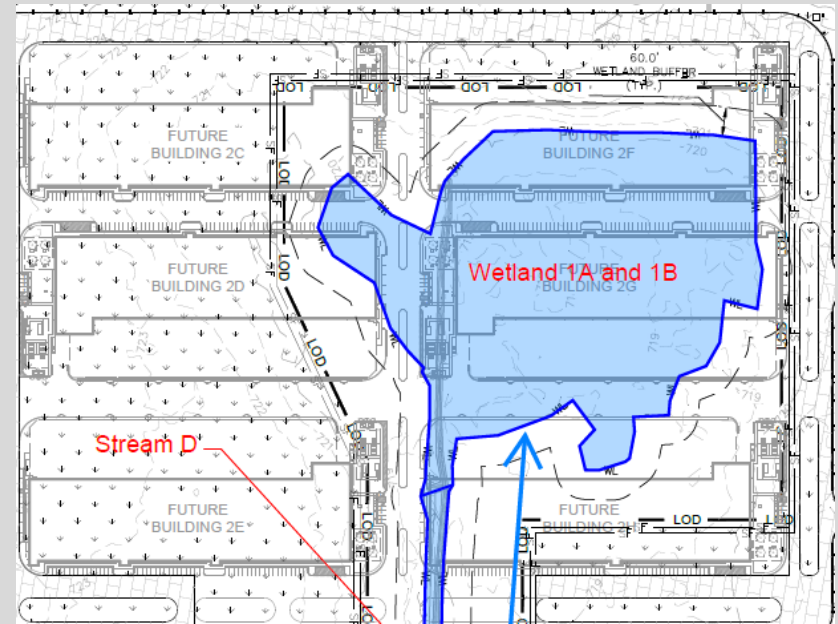


Figure: Amazon is siting several data center buildings on wetlands in New Carlisle, IN.

Land Use Impacts

- Several hundred to more than 1,000 acres
 - Meta (Lebanon): **1,500 acres**
 - Amazon (New Carlisle): **2,000 acres**
- Transmission lines, power generation, roads, etc.



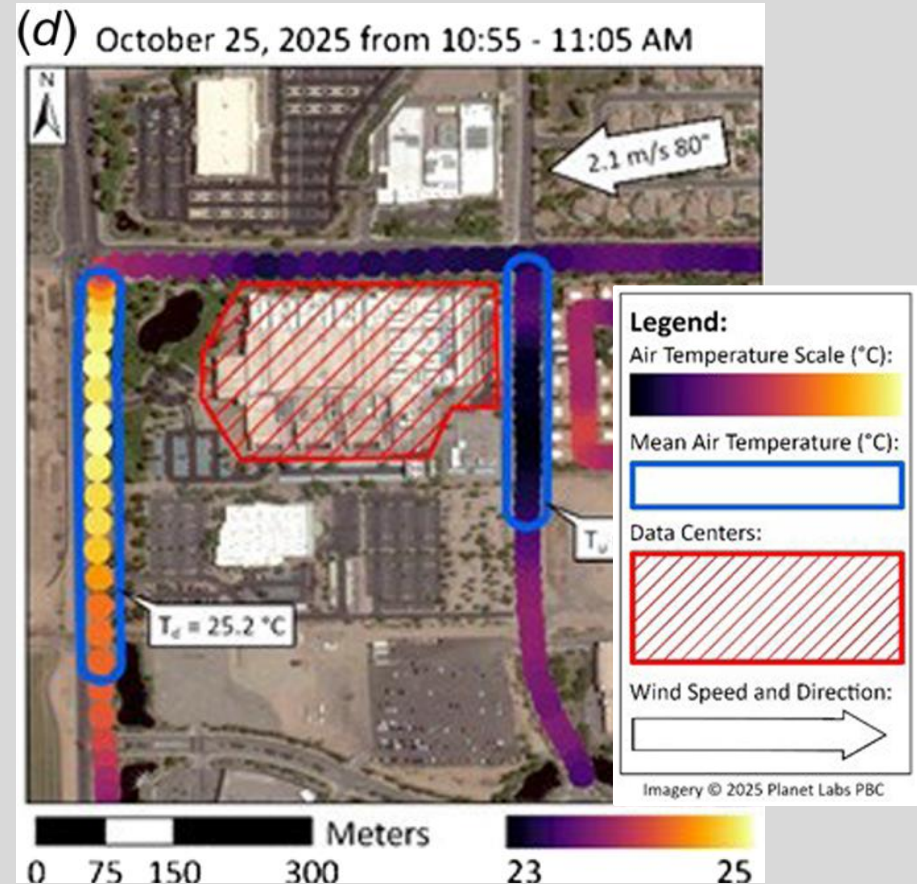
Meta's southern border of its Lebanon data center site is more than 2 miles long



Amazon data center being constructed in New Carlisle, IN will have 30+ large buildings. Photo: Michael Clubb / *South Bend Tribune*

Heat Island Effect

- Mechanisms for higher temps:
 - Land use change (replace plants with impervious surfaces)
 - Electricity converted into heat
- Air temps measured 100-500 m downwind of medium-sized data center were up to 4 °F hotter (avg.: 1.3–1.6 °F)
- Heat is a **major risk to agricultural productivity**
- Impacts of climate change:
 - More days +90 °F
 - More frequent / longer drought
 - Hotter nighttime temps



Credit: Sailor, Abolhassani, & Martin (2026),
<https://doi.org/10.1115/1.4071922>

Data Centers Are Heavily Subsidized

■ Subsidies:

- **Federal:** DOE & FERC forcing existing ratepayers to pay to keep retiring coal plants operating, allegedly needed for AI data centers
- **State:** 100% sales tax exemption for data center equipment, *including electricity*, lasting up to 50 years
- **Local:** Up to 10 years, 100% *abatement* on real property and 100% *exemption* on data center IT equipment

- **Example:** 1,000-MW data center's state sales tax exemption subsidy on its electric bill only could total **\$1.7 billion over 50 years** assuming *no increase* in electric rates



**\$655
million
and
counting!**

Lack of Transparency & Accountability

- Use **Non-Disclosure Agreements (NDAs)**, **shell companies**, and **project code names** to hide identity and disguise project type
- Lack of effective **accountability & enforcement** for violations
- **Limited public disclosure** about:
 - Planned energy or water consumption
 - State sales tax subsidies received
 - Utility spending on infrastructure to serve them
 - Future expansion potential at site
 - Energy sources



Photos: Ben Inskeep | CAC

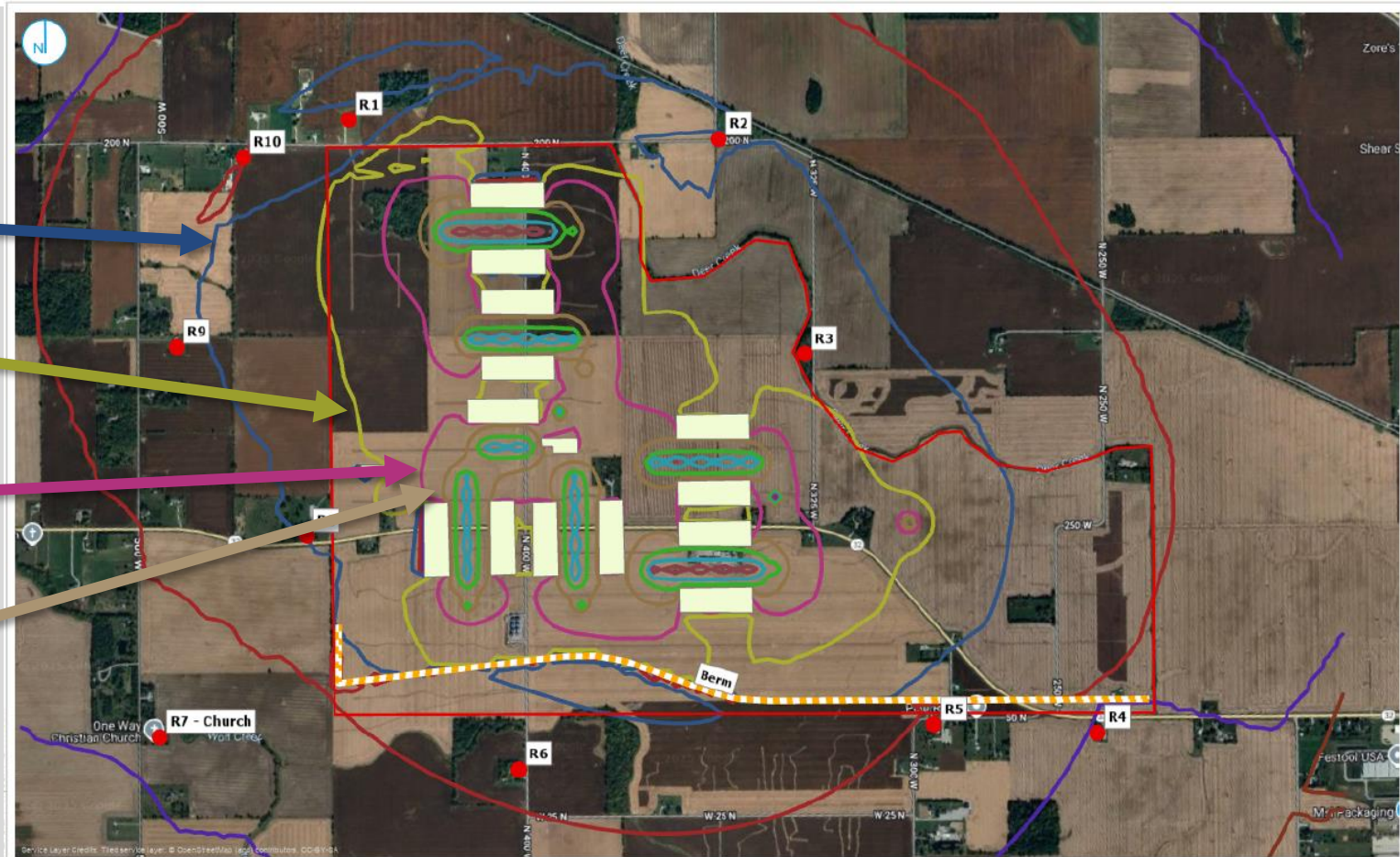
Noise Pollution at Meta's Data Center

50 dbA

55 dbA

60 dbA

65 dbA



Legend

- Site Boundary
- Buildings
- Receivers

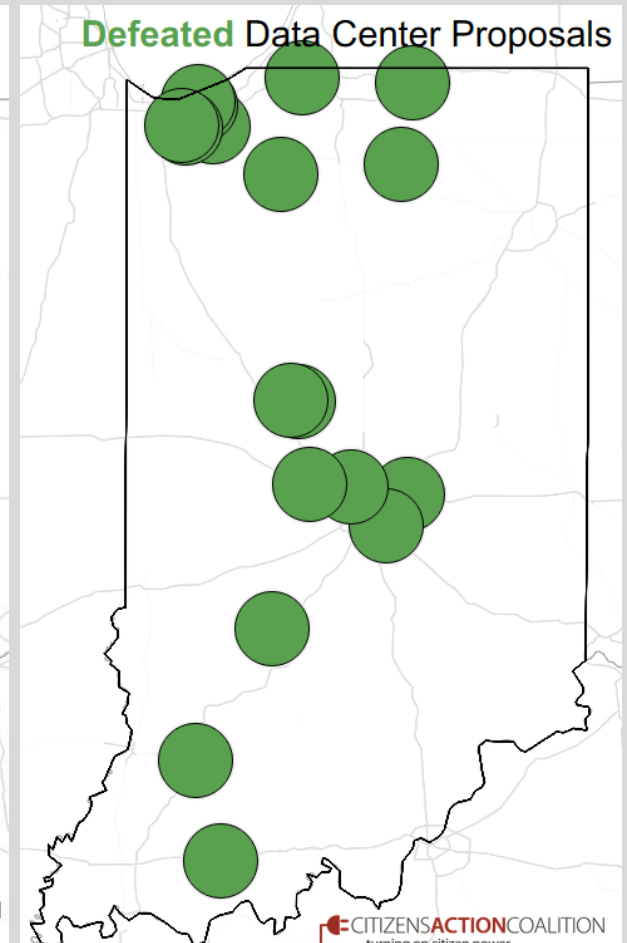
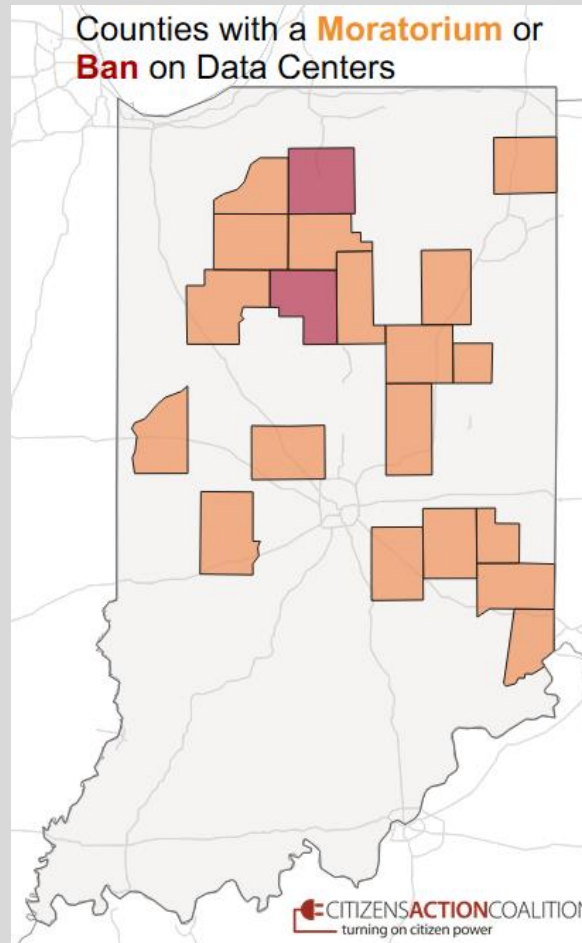
Sound Pressure Level Contours

- 35 dbA
- 40 dbA
- 45 dbA
- 50 dbA
- 55 dbA
- 60 dbA
- 65 dbA
- 70 dbA
- 75 dbA
- 80 dbA
- 85 dbA

Sound Level Contours
Constant Mechanical

Policy Response

- Indiana accelerated & limited local control over power plant approvals
- 20 counties passed moratoria or bans
- 18 project proposals defeated
- Cratering public acceptance of AI & data centers
- States increasingly pausing subsidies, considering moratoria, developing regulation



Discussion / Q&A

CAC's Website & Resources

Visit CAC's website www.citact.org to learn more and stay connected

- **Contribute** to support our organizing and policy work on data centers
- **Access resources** on data centers, including presentations
- **Sign up** to receive email and texts updates

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