



Midwest Data Centers

UMRBA Quarterly Meeting
February 25, 2025



MIDWEST



GREAT LAKES
GLLC
ST. LAWRENCE
LEGISLATIVE CAUCUS

NATIONAL TRENDS: ENERGY

- Data center capacity to double in the next 5 years, along with power consumption
- AI to result in an 160% increase of data center power demand by 2030 (Goldman Sachs)
- The International Energy Association estimates 1000 terawatt hours in 2026 (1 terawatt hour powers 70,000 homes)

Bridges, Lauren (2024, December 10). "Hydropolitics of the Cloud"
Webinar Presentation for CSG Midwest

NATIONAL TRENDS: WATER

- Data centers are expected to use 450 million gallons of water a day by 2030 (Bloomberg)
- U.S. data centers are expected to use 75 billion gallons of water per year
- Substantial gaps in water use data and data centers persist

Bridges, Lauren (2024, December 10). “Hydropolitics of the Cloud”
Webinar Presentation for CSG Midwest

VIRGINIA REPORT: WATER USE

Legislature commissioned a study into data center impacts

- Expressed concern on longterm availability of groundwater sources
- Recommended the legislature require water use estimates for new developments
- Condition tax exemptions on environmental management standards

MIDWEST DATA CENTERS: GROWTH

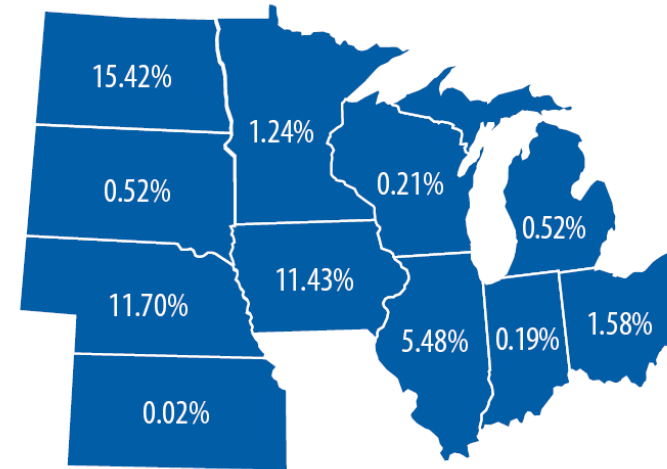
- In Chicago, an increase in the number of data centers from 66 to 122, and from 997 MW of capacity to 1,839 MW.
- In Columbus, Ohio, an increase in the number of data centers from 40 to 85, and from 914 MW of capacity to 1,627 MW.
- In Des Moines, Iowa, an increase in the number of data centers from 27 to 48, and from 712 MW of capacity to 1,286 MW.
- In Omaha, Neb., an increase in the number of data centers from 38 to 46, and from 1,233 MW of capacity to 1,798 MW.

Source: S&P Global

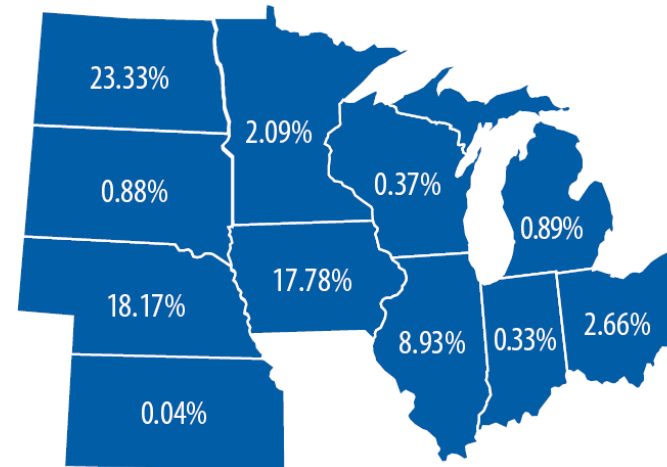
MIDWEST DATA CENTERS: ENERGY

DATA CENTERS AND ENERGY CONSUMPTION IN THE MIDWEST

% of total state electricity consumed in 2023



Projected % of total state electricity consumed in 2030



Electric Power Research Institute,
May 2024.

MIDWEST DATA CENTERS: INCENTIVES

Sales and use tax exemptions

- Illinois, Indiana, Iowa, Michigan, Ohio, Wisconsin

Sales and use tax refund

- Iowa

Criteria for environmental or social priorities

- Illinois

Personal property tax exemption

- Minnesota

MIDWEST DATA CENTERS: EARLY CONCERNS

- AEP Ohio (electrical utility) put a moratorium on new data center service agreements in 2023.
 - Currently have a proposed demand charge at 85 percent for data center companies.
- Indiana Michigan Power filed a data center tariff proposal in July 2024
 - Settlement agreement between Indiana Michigan Power, Amazon Data Services, Google, Microsoft, and the Citizens Action Coalition of Indiana

MIDWEST DATA CENTERS: 2025 LEGISLATION

- MN H.F.1109/S.F.608 (introduced): Prohibits data centers outside of industrial zones
- MN H.F. 1150 (introduced): Funds study of environmental impacts of AI
- IN S.B.0431 (passed first chamber): Restricts foreign-owned companies from constructing data centers in Indiana
- IN H.B.1601 (passed first chamber): Restricts eligibility for data center tax incentives
- IN H.C.0003 (enacted): Urges reforms to expedite approval of transmission projects to meet data center demand
- IN S.B.0135 (unlikely to proceed): Requires data centers reports of energy and water use, creates Commission
- MI H.B.4085 (introduced): Restrict data centers to industrial zones
- IL S.B.2181 (introduced): Requires data centers annually report energy and water usage to the Illinois Power Agency
- IL S.B.0094 (introduced): Prohibits foreign companies from constructing data centers in Illinois

NEXT STEPS

- Great Lakes-St. Lawrence Legislative Caucus Water Use Committee
 - Great Lakes Compact
- Contribute to regional studies on data centers impacts in the Great Lakes region
- Continuing to seek partners to better understand data center water use and align data collection