

AI DATA CENTERS

*Impacts on Hoosier Electricity,
Sustainability, & Affordability*

Ben Inskeep

Program Director

binskeep@citact.org

February 8, 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*



AI 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?**
 - Warehouse containing computer systems, servers, storage devices, and networking equipment
 - Store, process, and manage data
- **New Trend**
 - Large, energy-intensive data centers used for Artificial Intelligence (AI)

Impacts of Data Centers

- Energy Consumption
- Utility Bill Affordability
- Climate / Emissions
- Backup Diesel Generators
- Grid Stability & Reliability
- Water
- Jobs
- Economic Development
- Tax Subsidies
- Transparency & Accountability
- Land Use
- Visual / Aesthetics / Property Value
- Noise



Amazon data center being constructed in New Carlisle, IN.
Photo: Michael Clubb / *South Bend Tribune*

Why They Are Locating In Indiana

- AI data centers are being proposed across the country – we are not alone
- Indiana is a big emerging market for AI data centers because:

✓ Subsidies:

- State sales tax exemption for up to 50 years
- Local real and personal property tax abatements
- Favorable laws & regulatory environment

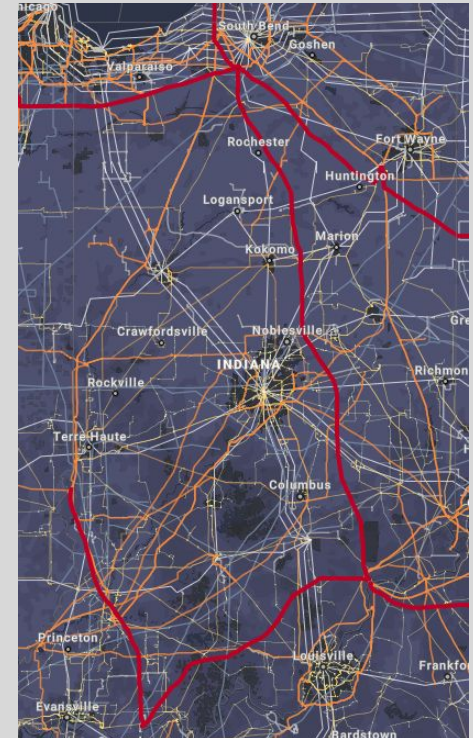
✓ Infrastructure:

- Electric generation and transmission
- Natural gas pipelines
- Fiber-optic networks
- Transportation (highways, railways)

✓ Lower Costs: Land, labor, taxes

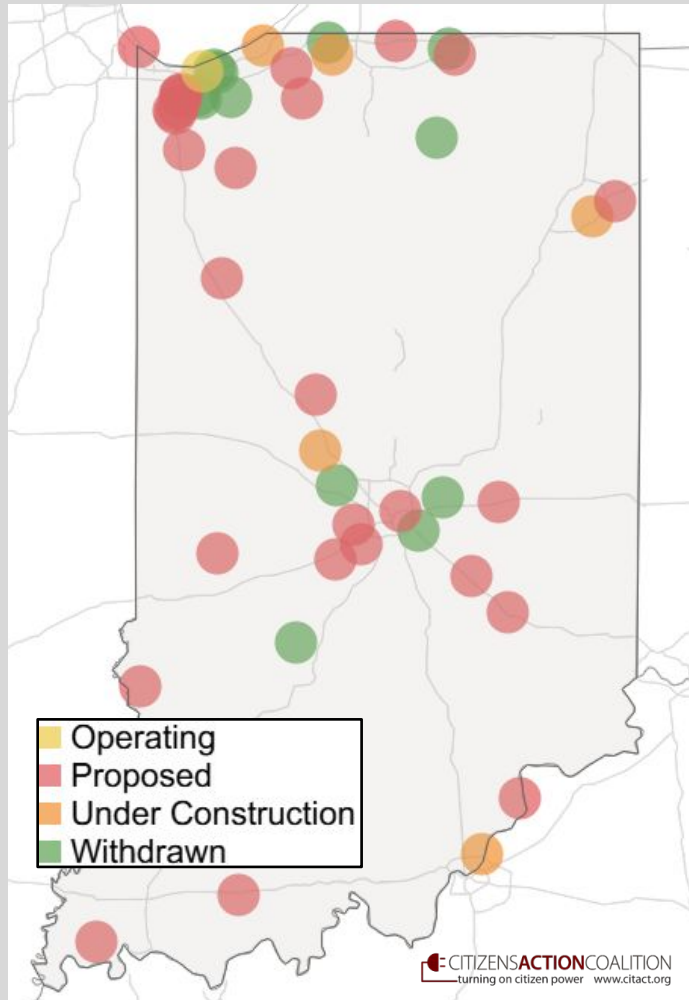
✓ Proximity: Close to population centers

✓ Natural Disaster Risk: Small for hurricanes, wildfires



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

AI Data Centers Proposals in Indiana



Source: CAC. Data collected through 1/13/2026.

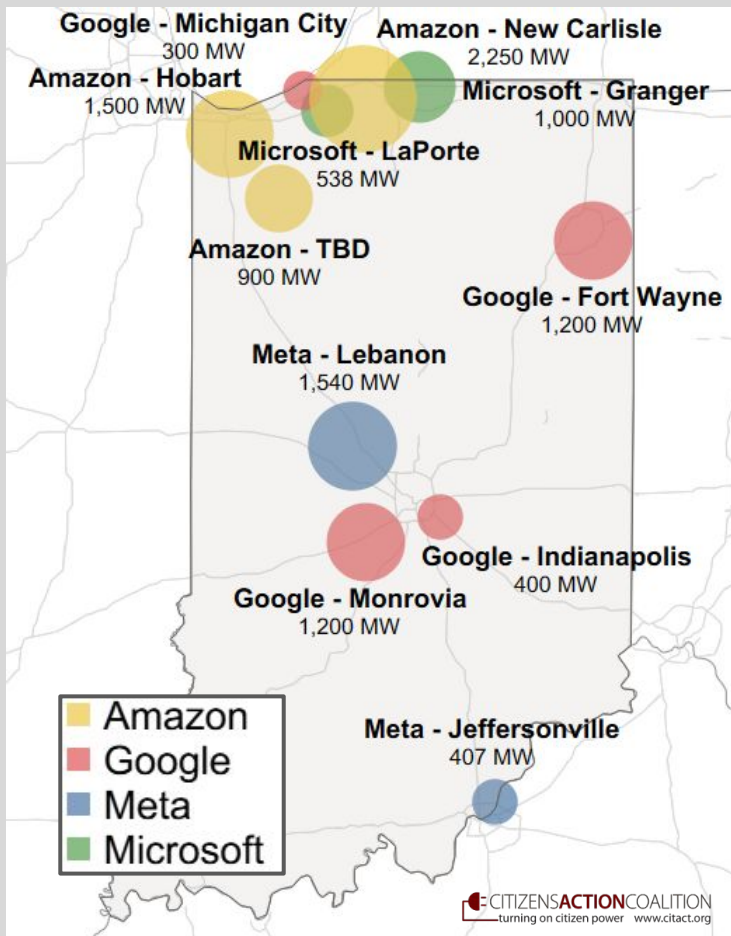
■ What types of entities are making proposals?

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

■ Status of proposals

- Proposed: **31**
- Under Construction / Operating: **5**
- Withdrawn / Defeated: **13**
- **Total: 49**

Big Tech's AI Data Center Ambitions



Source: CAC analysis. Notes: Power demand based on publicly available information; some sources conflict. Google – Indianapolis proposal was withdrawn.

Amazon: 3+ locations / 4,550 MW

Google: 3 locations / 2,700 MW

Meta: 2 locations / 1,947 MW

Microsoft: 2 locations / 1,538 MW

Total: 10+ locations / 10,735 MW

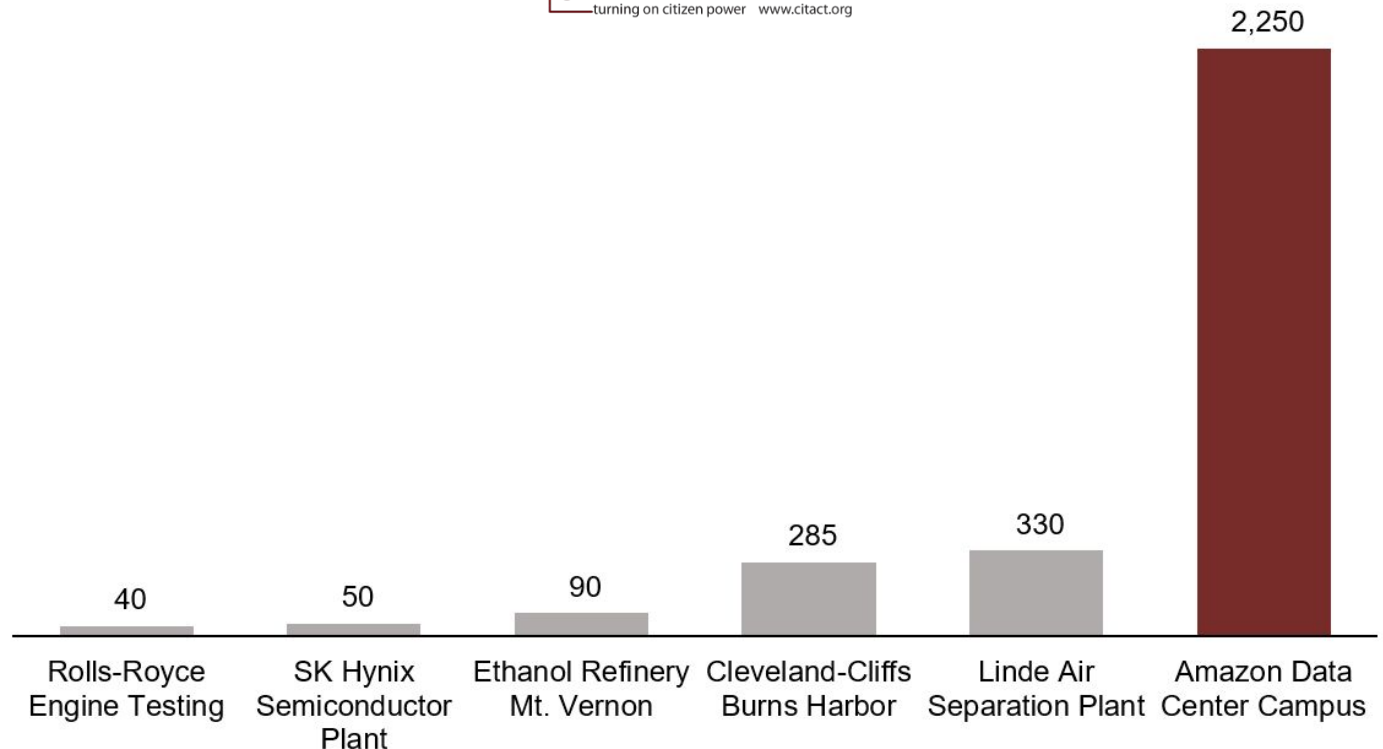
Comparison: Indianapolis = 2,800 MW

Power Demand

A large AI data center can use **~10 times** more power than a large industrial user

Selected Large Load Customer Power Demand (MW) in Indiana

 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.

Electricity Use

1 Large AI Data Center = ~730,000 Hoosier Households

■ Comparison:

- 1,000 MW AI Data Center uses about **7.9 million MWh per year**
- 1 Hoosier household uses about **10.8 MWh per year**

■ Notes and Assumptions:

- 1,000 kWh = 1 MWh
- Data center load factor of 90%.
- Household uses ~900 kWh per month.



Photo: Amazon data center being constructed in New Carlisle, IN.
Credit: Michael Clubb / *South Bend Tribune*

Backup Diesel Generators

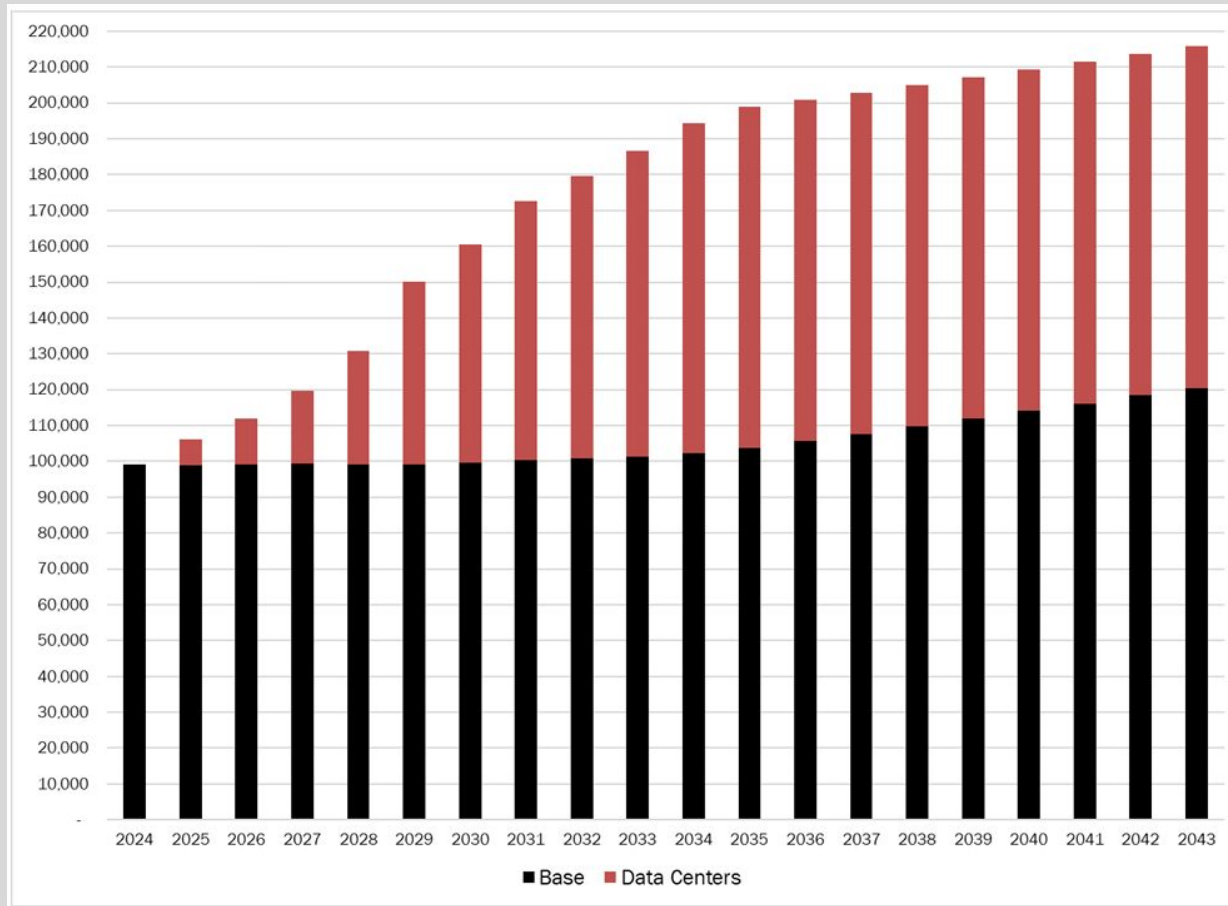
- Data centers want reliable and redundant sources of power
- Each AI data center has:
 - Dozens to hundreds of backup diesel generators onsite
 - Up to millions of gallons of diesel stored onsite
- Generator nuisances:
 - Emergency operations may exceed noise limits
 - Local pollution impacts public health & environment
 - Weekly or monthly testing



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

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
- Based on utility-provided data center load forecasts (*high uncertainty*)

Source: SUFG, "2025 Forecast: Indiana Electricity Projections," Figure 1-6

Data Centers Are Keeping Coal 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”
FB Culley <i>Unit 3</i>	1973	270 MW	CenterPoint suspended plans to convert the unit to gas via its 2025 IRP
Merom	1983	1,080 MW	Hoosier Energy sold it to Hallador; Hallador is in negotiations with data centers for power off-take
Clifty Creek	1956	1,300 MW	Indiana Michigan Power shifting ~20 MW from Michigan to Indiana to serve data center load growth
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.

Data Centers Threaten Climate Progress

- **I&M and NIPSCO are planning huge natural gas power plant expansions to meet data center demand**

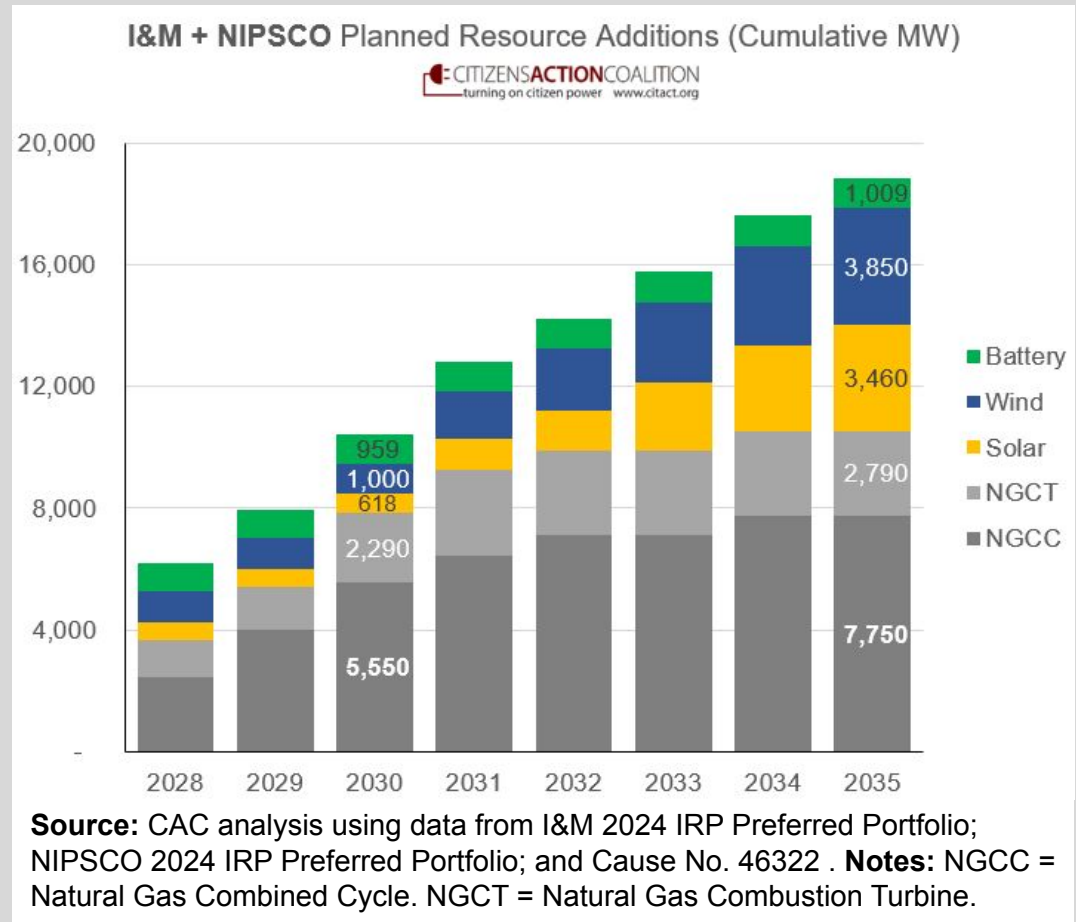
- ~ 5.6 GW NGCC by 2030
- ~ 7.8 GW NGCC by 2035

- **I&M and NIPSCO emissions will increase even if they retire remaining coal fleet by 2028**

- **I&M: +48% by 2035**
- **NIPSCO: +30% by 2035**

- **Example:**

- **NIPSCO's 2,600 MW Schahfer natural gas combined cycle power plants to serve Amazon data centers**



Water & Data Centers

■ Direct Water Consumption

- Primarily used for cooling
- As much as **1-10 million of gallons per day**

■ Indirect Water Consumption

- Power plants used by data centers use **~10x more water** than data centers use onsite
- E.g., NIPSCO's gas plants planned for Wheatfield, IN to serve Amazon will use **23 million gallons per day**

■ Water Pollution

- Chemical, thermal, diesel fuel

■ Destruction of Wetlands

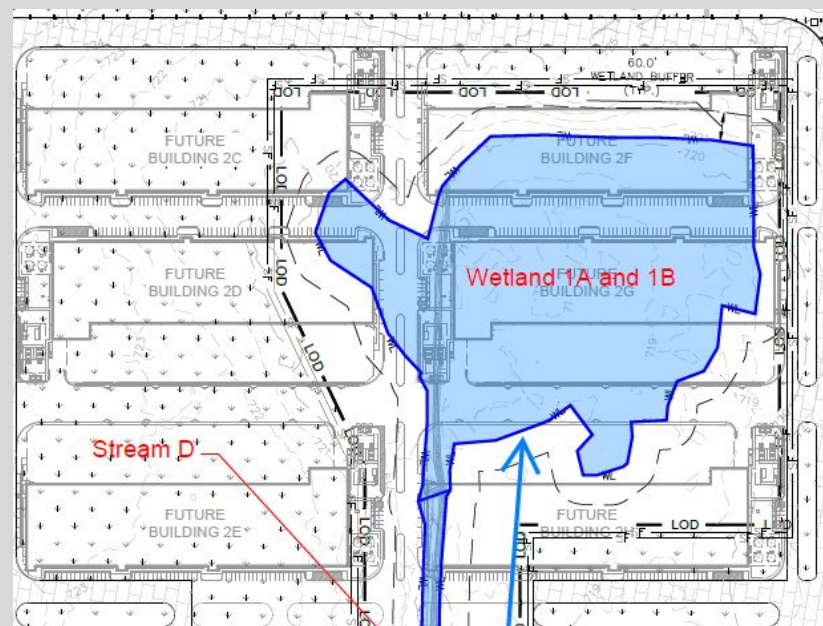
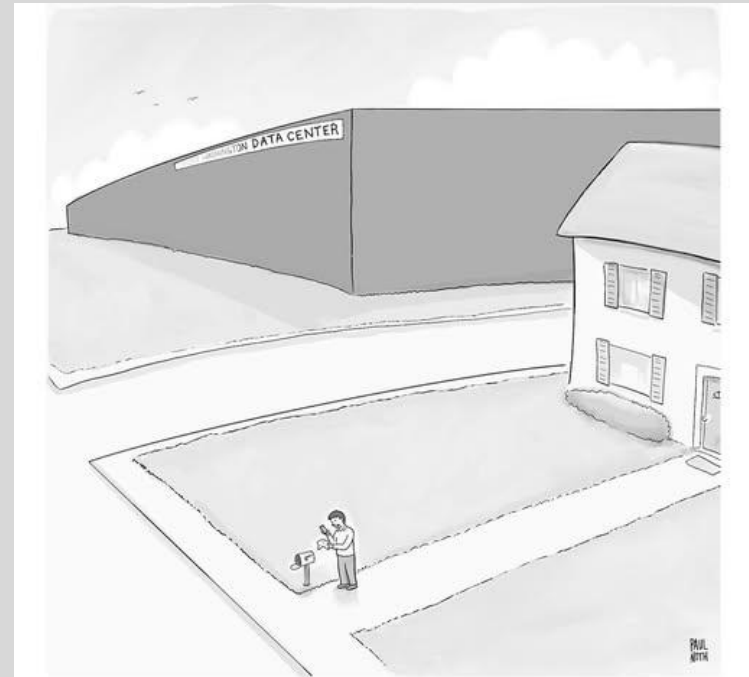


Figure: Amazon is siting several data center buildings on wetlands in New Carlisle, IN.

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 influence peddling with local officials, lawmakers, and regulators to get **sweetheart, backroom deals** and keep data **confidential**



“ChatGPT, why is my electric bill so high?”

Credit: Paul North / *The New Yorker*

Examples of Data Centers Increasing Utility Bills

■ Old Power Plants: *DOE 202(c) Orders*

- Cost of **Schahfer 17/18, Culley 2, and other coal plants** directed to stay open under unlawful federal orders

■ New Power Plants: *Cost to Build*

- Cost to build new power plants has **~doubled** in past few years due to high demand

■ Capacity: *Wholesale Market Auctions*

- Data centers increased PJM capacity market costs by **\$9.3 billion** in 2025-26, **\$7.3 billion** in 2026-27, and **\$6.5 billion** for 2027-28

■ Transmission: *Cost to Connect*

- Meta (Jeffersonville): **\$216 million** in transmission upgrades are being shifted onto Duke Energy ratepayers
- Google (Fort Wayne) and Amazon (New Carlisle) data centers are shifting **>\$400 million** in transmission upgrade costs onto I&M ratepayers

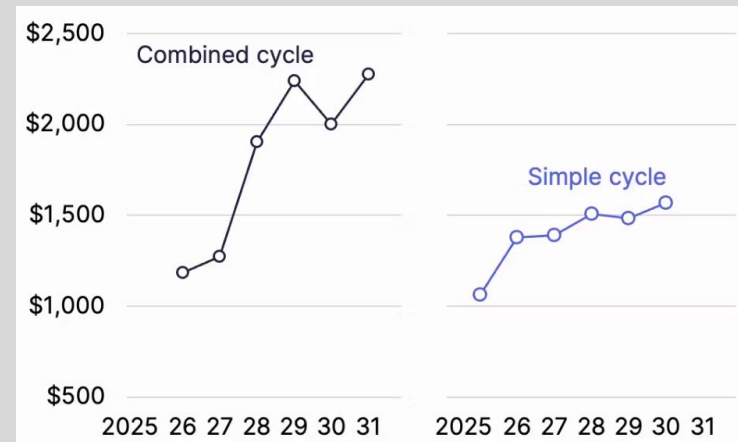


Figure: Rapidly increasing costs of building new gas plants. **Credit:** Nat Bullard.

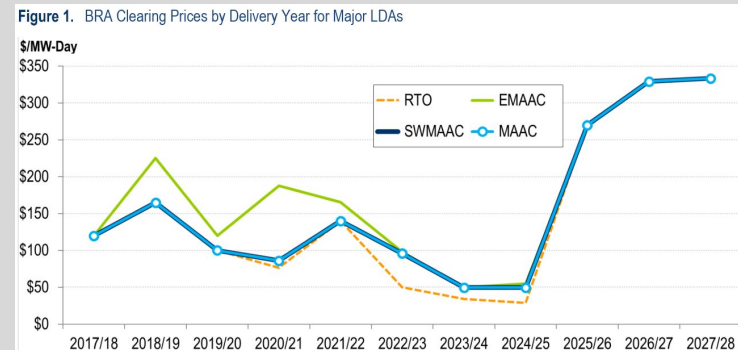
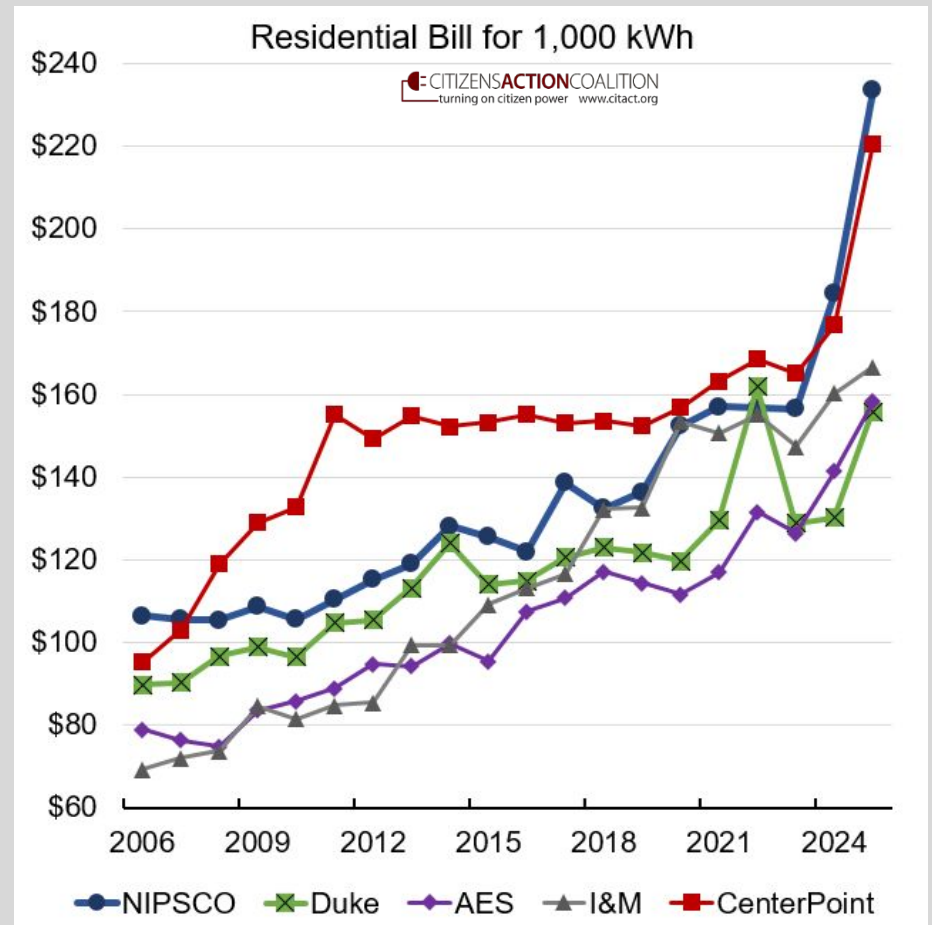


Figure: Soaring PJM capacity auction clearing prices due to data centers. **Credit:** PJM.

Utility Affordability Crisis

- **From July 1, 2024 to July 1, 2025, Hoosiers experienced the largest year-over-year bill increase in at least 20 years**
 - **\$28/month (17.5%)** average increase at 5 investor-owned utilities
 - **\$49/month** bill increase for NIPSCO residential customers (*highest*)
- **Residential utility affordability has enormous societal implications**
 - Unsafe coping mechanisms (e.g., forgoing food / medicine)
 - Disconnections lead to unsafe conditions, eviction, family separation, and housing instability



Data Centers Are Heavily Subsidized

■ Subsidies:

- **Federal:** Executive Order threatening states on AI regulation, DOE 202(c) orders, reducing oversight on nuclear plants, rolling back environmental regulation
- **State:** House Enrolled Act 1405 (2019) created a 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 35 years, 100% abatement on personal property

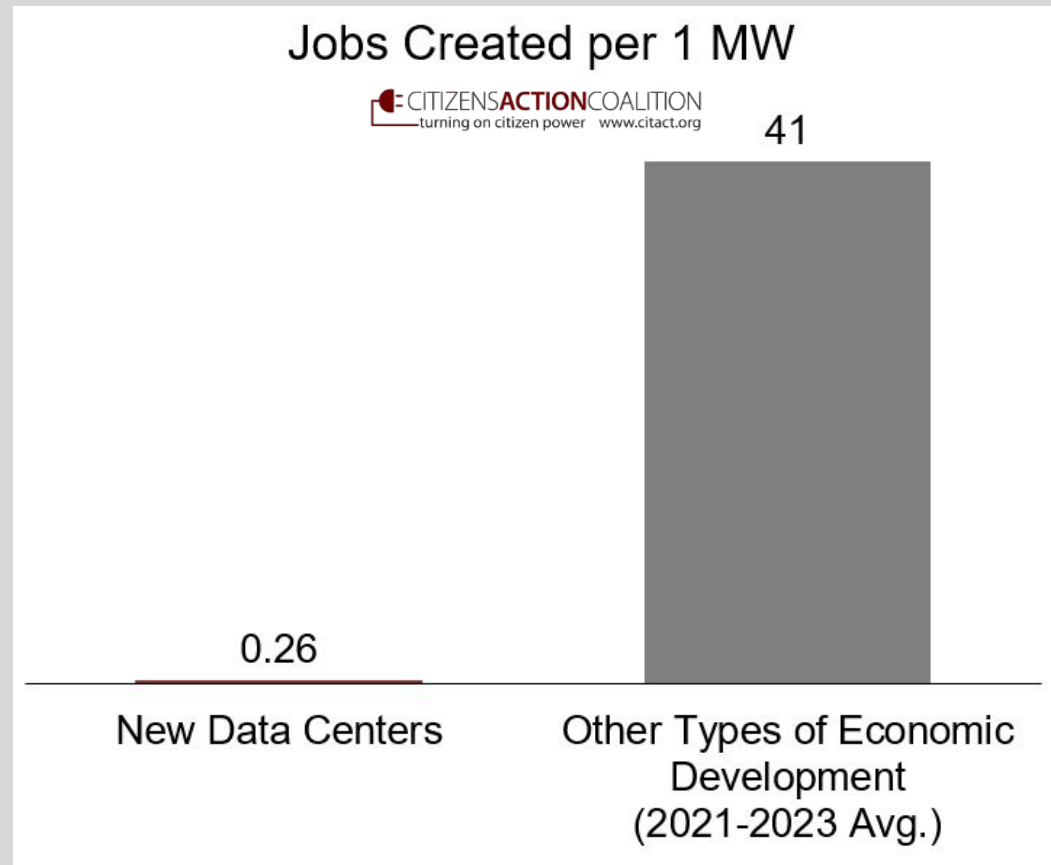
■ Example: 1,000-MW data center's state subsidy on its electric bill only:

- **Annual electric bill:** \$492.6 million
 - **Foregone sales tax revenue:** \$34.5 million per year / \$1.7 billion over 50 years assuming *no increase* in electric rates
- **HB 1333 (2026)** would make data centers a permitted use on lower quality agricultural land but require data centers pay 1% of sales tax exemption benefit to local government

Data Centers Create Very Few Permanent Jobs

- Other economic development creates **>100x more jobs** per MW of power usage compared to data centers
- Data provided by I&M
- For Google, sales tax exemption on electric bill could be worth **>\$200,000 per permanent job per year*** (\$10.3 million per job over 50 years)

*Assumptions: Based on ~\$492M I&M bill estimate for 1,000 MW data center in Cause No. 46097, scaled by 1.2 to adjust to 1,200 MW Google data center size, resulting in \$41.4 million per year benefit for 7% tax exemption. Google reported 200 permanent jobs created. \$41.4 million / 200 jobs = 207,000 per job per year



Source: CAC, using data provided by I&M in IURC Cause No. 46097, Amazon Data Request 1-28(a)

Lack of Transparency & Accountability

- Use **Non-Disclosure Agreements (NDAs)** to prevent elected officials from discussing details
- Use **shell companies and project code names** to hide identity in public documents and permits
- Do not provide **advanced notice** to community and neighbors about planned development
- Lack of effective **accountability mechanisms** for violations
- **No / limited disclosure** about:
 - Planned energy or water consumption
 - State sales tax subsidies received
 - Utility spending on infrastructure to serve them



Photos: Ben Inskeep | CAC

There Is No Such Thing as a Sustainable AI Data Center!

- **Speed and Scale:** AI data center electricity demand is growing too fast to be met sustainably.
- **Fossil Fuel Expansion:** AI data centers cause coal plants to stay open, more natural gas plants to be built, and use backup diesel generators.
- **Opportunity Cost:** We need accelerated renewable energy growth to serve existing customers and for electrification—not wasted on AI slop!



Photo: Amazon data center being constructed in New Carlisle, IN. **Credit:** Michael Clubb / *South Bend Tribune*

AI data centers are the **#1 threat** to a clean, affordable, and reliable electric grid in Indiana—and **slowing their proliferation** must be a **top priority**

CAC's Advocacy on Data Centers

- **Public Education:** Webinars, town halls, website, mapping / tracking proposals, social media, video
- **Organizing:** Supporting and assisting local communities that request help regarding a data center proposal
- **Regulatory:**
 - 10+ IURC cases
 - 5 utility Integrated Resource Plans
- **Legislative:**
 - Eliminate subsidies, protect utility consumers & communities, expand renewables and energy efficiency
 - CAC called for a moratorium on large data centers in Indiana in October 2024



Photos: Anti-data center signs in Indiana.
Credit: Bryce Gustafson | CAC

Local Organizing Can Stop Data Centers

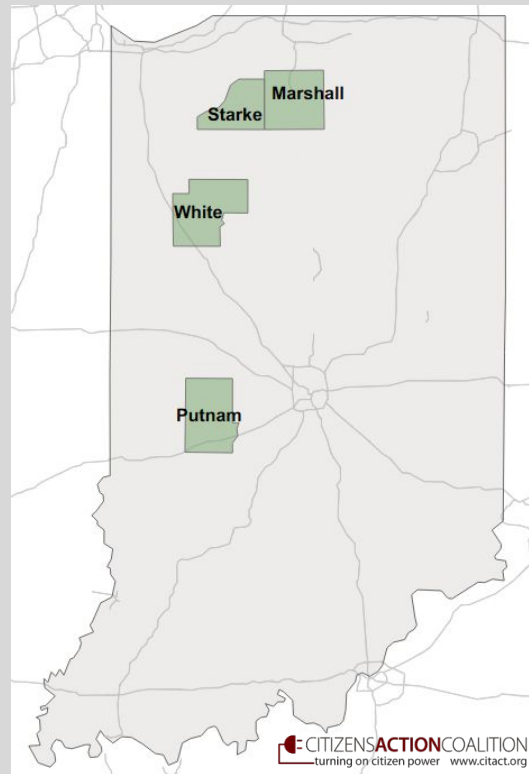
■ Widespread and growing local opposition to data centers in Indiana

- >13 defeated proposals
- 4 county moratoriums
- Numerous counties considering new regulations

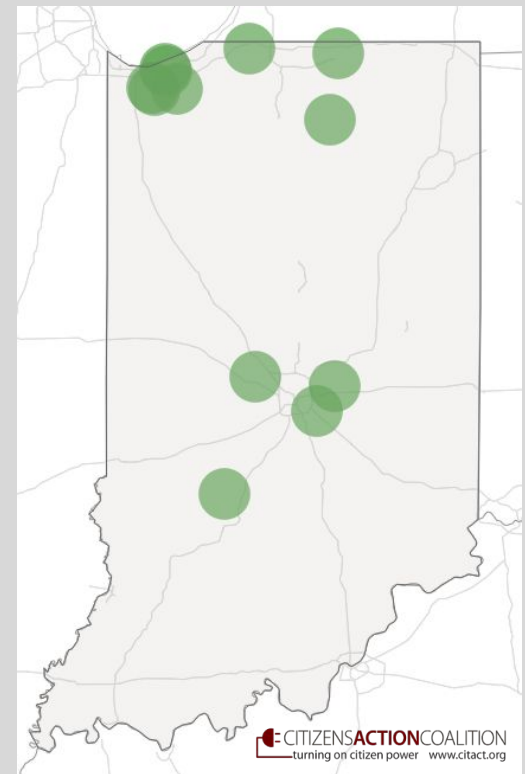
■ 400-MW Google data center proposal in Indianapolis was defeated in September 2025

- CAC assisted residents organizing against the proposal for 6+ months

Moratoriums



Defeated Proposals



Examples of CAC Regulatory Advocacy

■ Transparency

- Advocating to make more information public in Google-I&M Special Contract

■ Clean energy

- Succeeded in ~doubling renewables, adding a VPP program, and reducing natural gas expansion in I&M's expedited generation resource plan

■ Affordability

- Ensured I&M and NIPSCO contract terms with data centers mitigate risk of stranded assets
- Advocating for fair cost allocation and data centers paying their full costs



Photo: An Amazon data center (background) next door to a playground (foreground).
Credit: Ben Inskeep | CAC

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

Contact Us

Ben Inskeep
Program Director
binskeep@citact.org

Bryce Gustafson
Organizer
bgustafson@citact.org

Kerwin Olson
Executive Director
kolson@citact.org