

DATA CENTERS

Indiana Updates

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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*



Agenda

1. Indiana's data center policies
2. Indiana's data center landscape
3. Impacts of Indiana data centers on infrastructure, utilities, and the environment
4. Hoosiers' responses to data centers
5. Q&A



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



Indiana's Data Center Policies

Indiana Data Center Policy

■ HEA1405 (2019)

- Sales and use tax exemption, up to 50 years
 - All equipment/software and electricity used by the equipment
 - IEDC transaction award certificate and agreement required
- Authorizes local fiscal bodies to grant property tax exemptions
- Cumulative roll call votes - 301 yeas, 7 nays

■ HEA1601 (2025)

- Expanded HEA1405 to include quantum computing research, advanced computing, and defense infrastructure networks

■ SEA1 (2025)

- Raised business personal property tax exemption threshold
- Eliminated the “30% floor”, minimum assessment regardless of depreciation

Indiana Data Center Policy

■ HEA1007 (2025)

- Created fast-track approval processes for new resources necessary to serve “large-load” customers
 - Expedited Generation Resource Plan or “EGR plan”
 - Large load = the lesser of 150MWs or 5% of utilities peak load
 - Process specific to large-load customer
 - Voluntary, no utility has used it
 - Large-load customer required to pay 80%

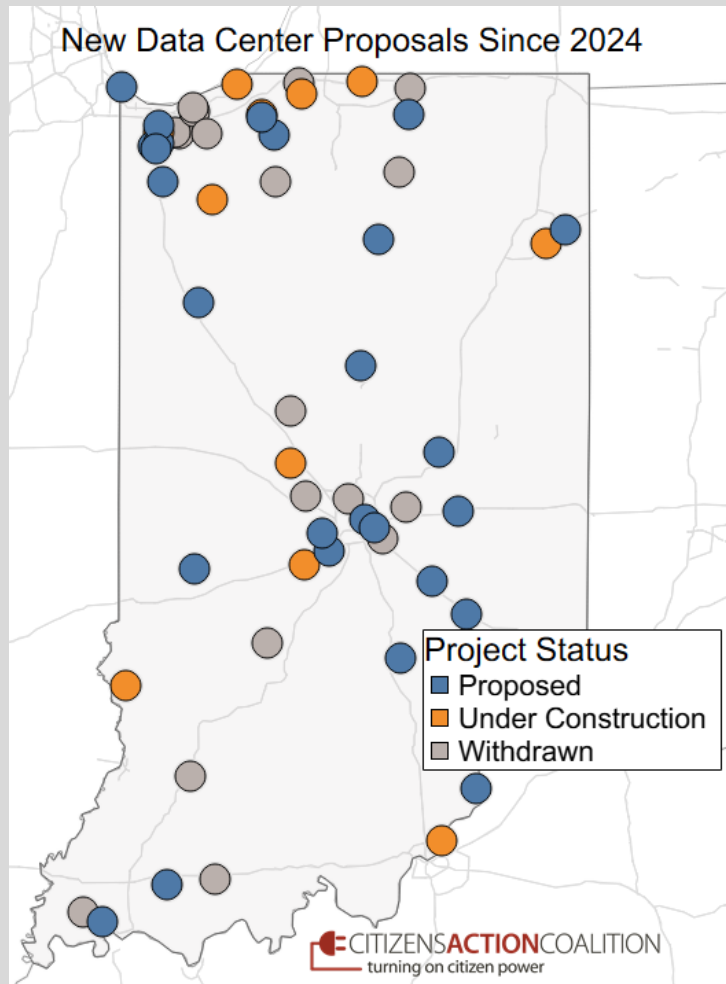
■ HEA1210 (2026)

- Requires data center to pay local fiscal body 1% of sales and use tax NOT paid on the electricity used
- Upon request from local fiscal body, the Department of Revenue will report the amount owed



Indiana's Data Center Landscape

Data Center Projects in Indiana



Source: CAC. Data collected through 8/28/2026.

■ 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: **27**
- Under Construction / Operating: **11**
- Withdrawn / Defeated: **19**
- **Total: 57**

11 Data Centers Under Construction

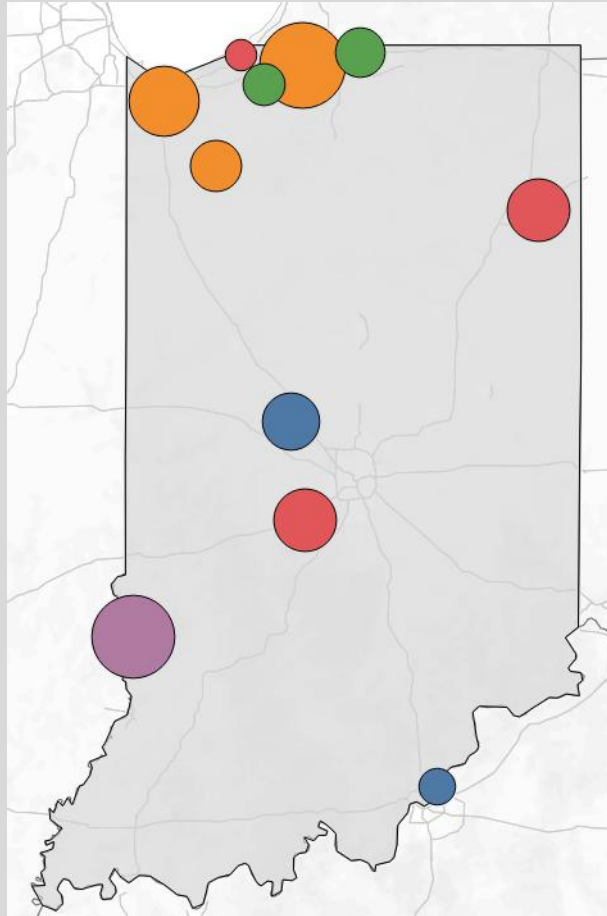
Amazon

Microsoft

Google

Meta

Fluidstack



Utility/Data Center Company	Contract Demand (MW)
I&M	
Amazon	2,250
Google	1,200
Microsoft	750
NIPSCO	
Amazon	2,800
Google	300
AES Indiana	
Google	390
Duke Energy Indiana	
Meta	407
Hoosier Energy	
Fluidstack	430
WVPA	
Meta	1,000
Total	9,527

CAC data and estimates based on public information as of 8/28/2026. Actual contract demand may vary.

Impacts of Indiana Data Centers



Data Center Construction Impacts

- Dust & heavy machinery
- Noise & light pollution
- Well water
- Congestion & road safety
- Destruction of wetlands
- Land use change



Amazon - Hobart

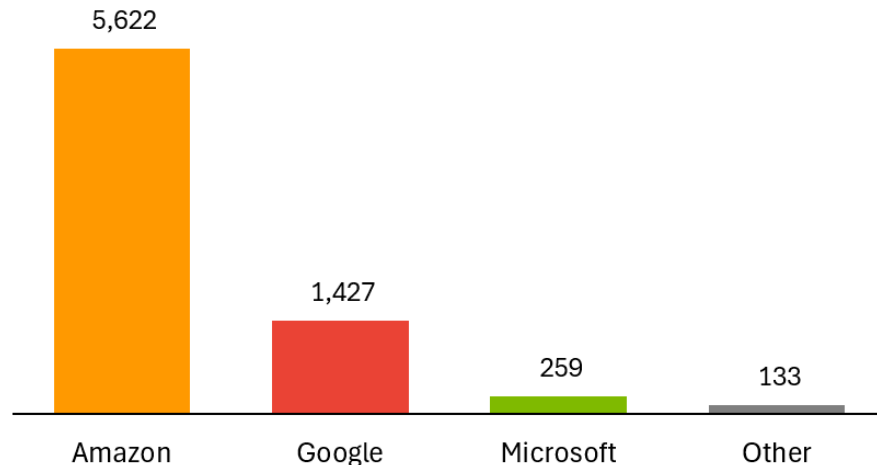


Meta - Lebanon

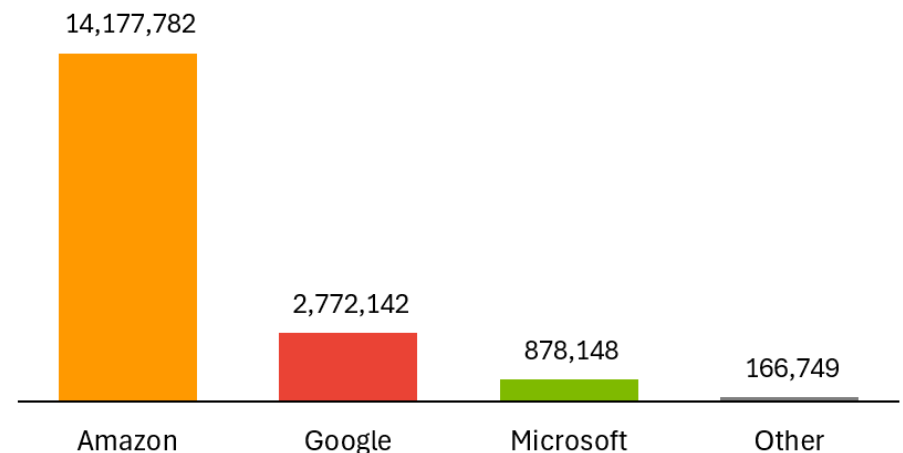
Backup Diesel Generators

- **11** large data center sites
- **2,735** backup diesel generators
- **7,442 MW** of capacity
- **18 million** gallons of diesel storage

Backup Diesel Generator Capacity (MW)



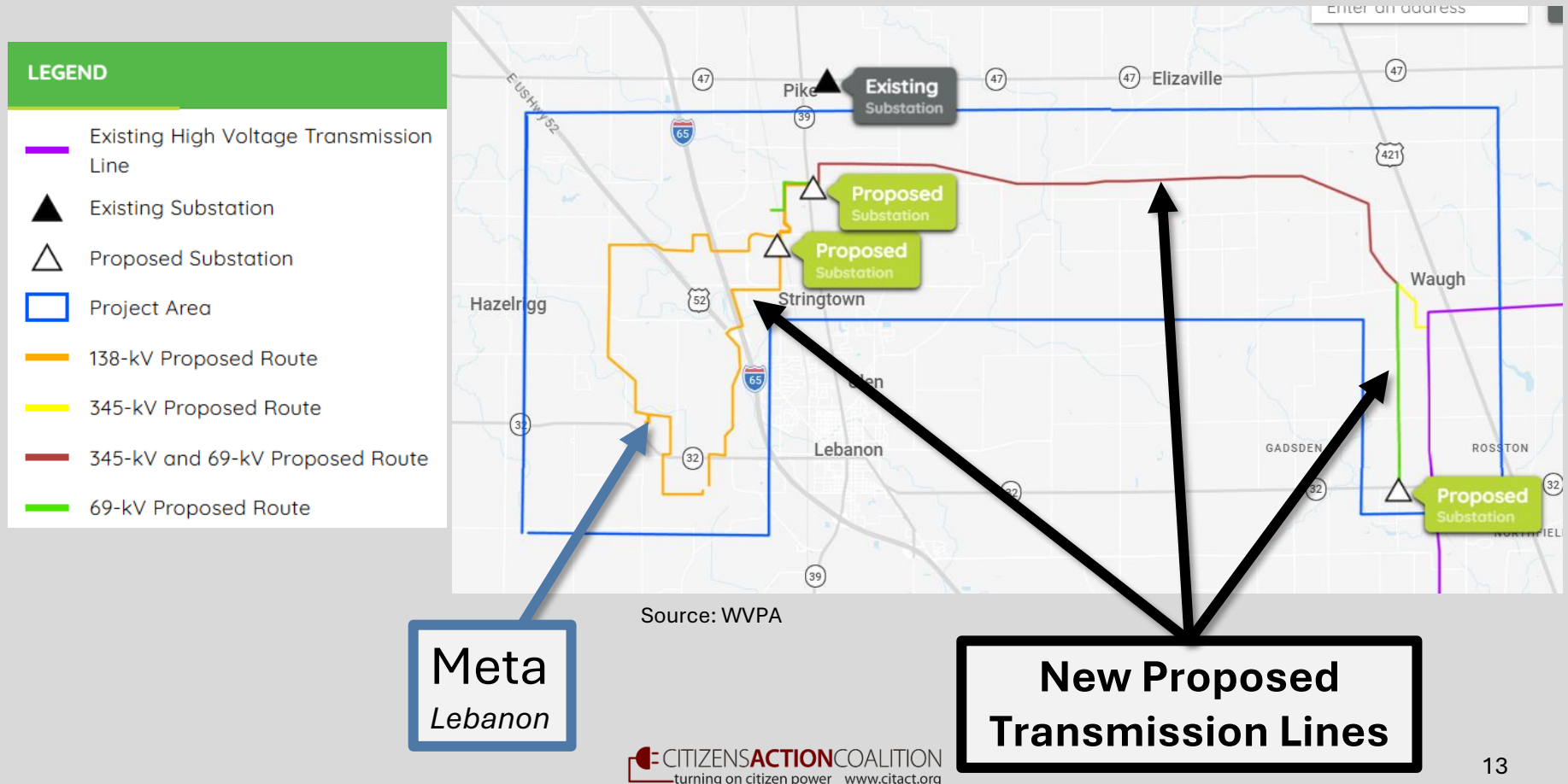
Diesel Fuel Storage (gallons)



Source: CAC analysis of IDEM air permit applications & permits as of 8/12/2026

WVPA's Phase 1 Grid Expansion Project

Eminent domain concerns: “A substantial portion of the transmission facilities to be constructed...will necessarily be located on private property.”



Coal Plant Retirements Delays

COAL PLANT		MW	YEAR BUILT
	RETIREMENT DELAYED		
	Merom	1,080	1982; 1983
	RM Schahfer Units 17 & 18	847	1983; 1986
	FB Culley Unit 2	90	1966
	SUBTOTAL	2,017	
	RETIREMENT AT RISK		
	Cayuga	1,040	1970; 1972
	Rockport	2,600	1984; 1989
	Michigan City Unit 12	469	1974
	Gibson Unit 5	625	1982
	SUBTOTAL	4,734	
TOTAL		6,751	

- U.S. DOE “emergency” 202(c) orders
- Gov Braun’s executive orders & AG Rokita’s attempt to intervene in Consent Decree
- IURC now has authority over retirements
- Utilities are selling old plants or considering delays

Source: CAC analysis of U.S. DOE 202(c) orders; E.O 25-50 Report, CN 46193; Hallador SEC filings

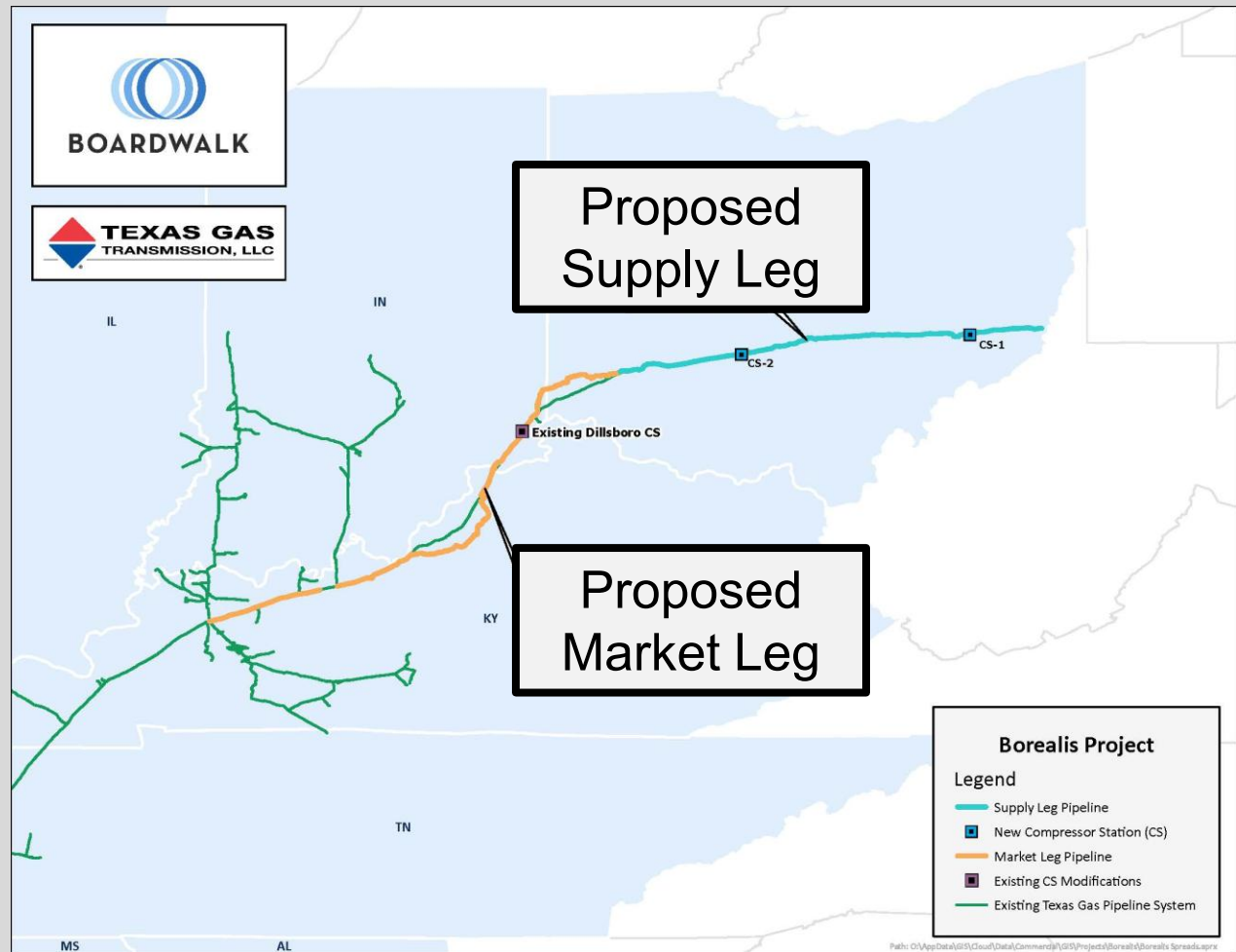
Natural Gas Power Plant Expansion

	NATURAL GAS POWER PLANT	MW	TYPE	START DATE	UTILITY
	NEW GAS PLANTS BEING CONSTRUCTED				
	Schahfer	2,600	NGCC	2030	NIPSCO
	Rockport	1,520	NGCC	2030	I&M
	Cayuga	1,476	NGCC	2030	Duke
	Sycamore Riverside	918	NGCT	2029	I&M
	SUBTOTAL	6,514			
	EXISTING GAS PLANTS BEING PURCHASED				
	Oregon	870	NGCC	2026	I&M
	Big Sandy	318	NGCT	2028	I&M
	SUBTOTAL	1,188			
	CAPACITY-ONLY CONTRACTS WITH GAS PLANTS				
	Lawrenceburg	840	NGCC	2028	I&M
	Montpelier	210	NGCT	2027	I&M
	SUBTOTAL	1,050			
	GRAND TOTAL	8,752			

Source: CAC analysis of IURC filings by Duke, I&M, and NIPSCO/GenCo. NGCC = Natural Gas Combined Cycle; NGCT = Natural Gas Combustion Turbine

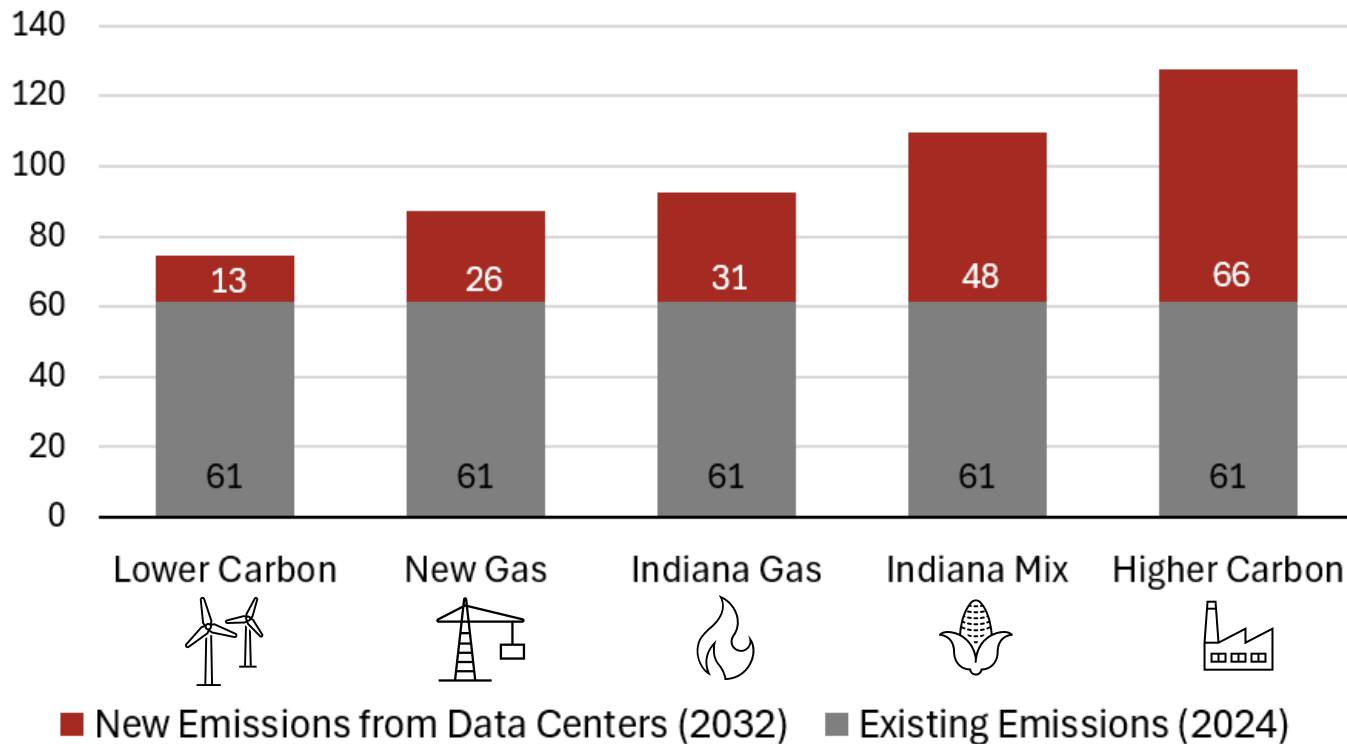
Borealis Natural Gas Pipeline

- Currently in early planning & public engagement
- Construction beginning 2028
- 2029 in-service
- 265 miles
- 1.75 Bcf/d natural gas capacity
- Indiana is the “Market Leg”



Data Centers Are Increasing Carbon Pollution

CO₂ Emissions from Indiana Electricity Generation (MMt/year)



- 73% increase in statewide electricity consumption by 2032
- 21-107% increase in CO₂ emissions from electricity generation by 2032

Ratepayer Protection Pledge



- White House initiative that has been signed by Big Tech companies, Indiana utilities, & Governor Braun
- **Issues:**
 - Not enforceable
 - Not being implemented
- **Indiana's experience:**
 - General Assembly hasn't codified it
 - Utilities aren't proposing it and are not being transparent about costs
 - Big Tech companies wield secrecy and oppose fair treatment it in cases
 - IURC has approved sweetheart deals with secret rates

Data Center Impact on Electric Rates

Pros

- Pay a contribution towards existing and new utility costs
- I&M has proposed a rate decrease thanks in part to CAC's successful regulatory advocacy
- NIPSCO & AES bill credit mechanisms

Cons

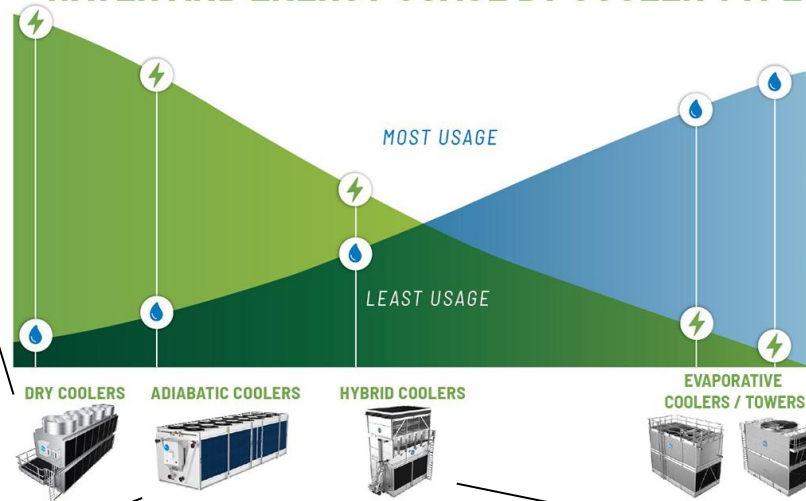
- Data centers aren't paying their full & fair share
- Stranded assets if data centers reduce load or close early
- Data center demand shock is driving power plant, equipment, and market costs higher
- Unclear impacts to utility operations

Data Center Cooling Technologies

DRY COOLERS

- Air blown across coils
- Glycol/water mix cycles (**closed loop**)
- No water use, but doesn't work on very hot days

OUTDOOR COOLING UNITS: WATER AND ENERGY USAGE BY COOLER TYPE



Credit: Baltimore Aircoil Company

EVAPORATIVE COOLER

- Water sprayed continuously while air pulled through (**open loop**)
- High water use

Google
Fort Wayne

ADIABATIC COOLERS

- Same dry-cooler design
- Added component: water sprayed to pre-cool incoming air (**open-loop**) – coils don't get wet

Meta

Jeffersonville

Amazon

New Carlisle

HYBRID COOLERS

- Dry mode most of year (**closed loop**)
- Wet/adiabatic mode when hot (**open-loop**)
- Coils can get wet in some designs

Data Centers Subsidies Are Adding Up

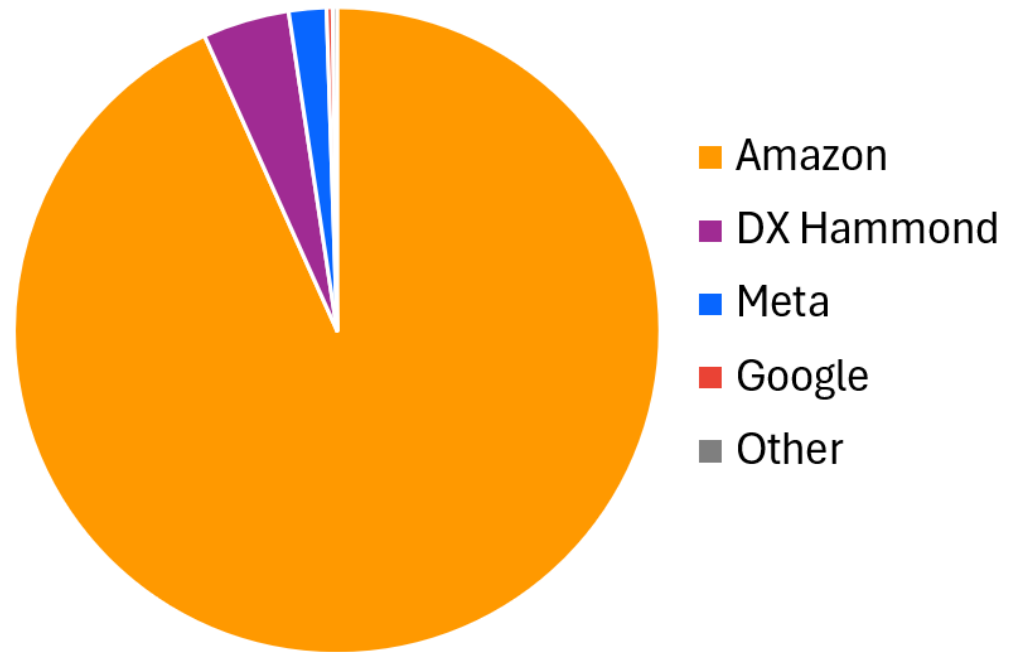
■ Sales Tax Exemption:

- **\$655 million** paid to date
 - \$611 million to Amazon
- **50-year exemptions** for hyperscale data centers have locked in **tens of billions in foregone sales tax**

■ Local Property Tax Abatements & Exemptions

- No public total of current or forecasted
- E.g., \$395M for Metrobloks, \$188M for Sabey, etc.

Indiana Sales Tax Exemption Paid/Certified



Source: CAC analysis of IEDC Transparency Portal data as of 8/28/2026

Hoosiers' Responses to Data Centers



Cross-Partisan Support for Curtailing Data Center Impacts in Other States

- **New York** and **Texas** have implemented moratoriums
- **Illinois** and **Ohio** have paused state sales tax exemptions
- **Oregon** and **Virginia** adopted policies to protect ratepayers

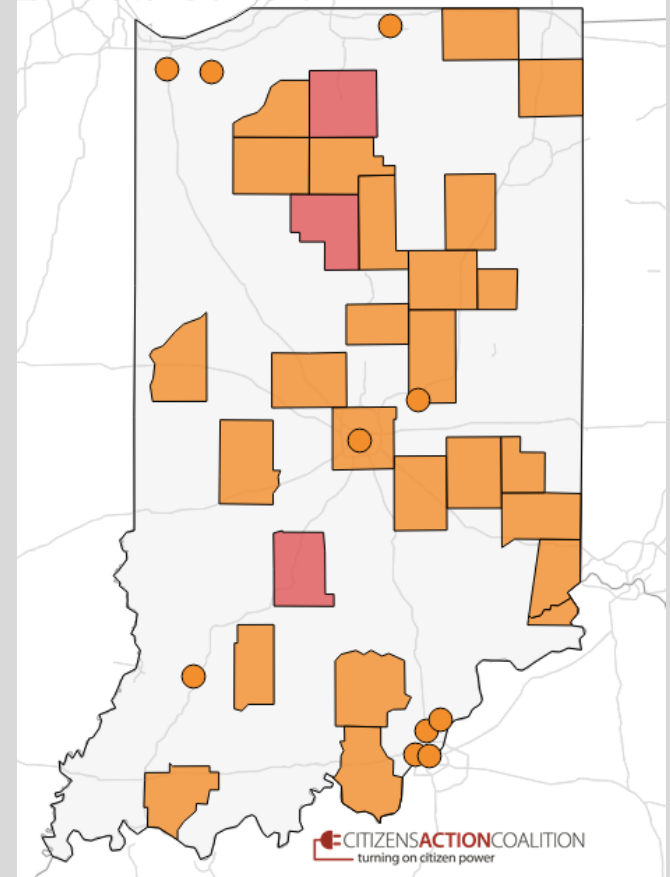
Yet, in **Indiana, new laws and executive actions:**

- Prioritize and subsidize expensive coal and nuclear
- Accelerate approval of polluting power plants for data centers
- Allow data centers to shift costs onto other customers
- Reduce or exempt data center taxes

Hoosiers Are Uniting Against Data Centers at the Local Level

- **Outpouring of organic opposition to data centers across Indiana**
 - **>50 communities** have contacted CAC for help
 - **19 projects** have been withdrawn or defeated at the local level
 - **25 counties** and **10 municipalities** currently have a data center moratorium
 - **3 counties** do not permit data centers
- **75% of Americans** are opposed to a data center being built near where they live

City & County **Bans** and **Moratoria** on Data Centers



Indianapolis Case Study

- In August, **Indianapolis** enacted a data center moratorium through December 2027 – a huge shift from earlier this year!



- Success followed sustained **community organizing**
- ...but 3 previously proposed Indy data centers are **exempt** from the moratorium

Zoning Ordinance Considerations

1. **Pass a moratorium** on data centers while zoning requirements are developed
 - *Otherwise, new zoning requirements will not apply to data center proposals received now*
2. Establish a **citizens advisory committee** to provide input
 - *E.g., Hancock County created a Citizens' Advisory Committee on Data Center Siting*
3. Create **multiple opportunities for public comment**
 - *Early in the process to get broad input*
 - *After draft ordinance is proposed to get specific input*



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

Key Resource on Local Interventions

“North Star Data Center Policy Toolkit” by AI Now Institute

<https://datacenters.ainowinstitute.org/local/>

**North Star
Data Center
Policy Toolkit**

Local

State & Regional

Federal

Issue Areas +



Local Interventions

Urge state legislators to pass a statewide data center moratorium!

Scan the QR code to email state legislators. Tell them to pass a statewide data center moratorium to allow adequate time for reasonable policies and regulations to be enacted that protect Hoosiers from the harmful impacts of these massive, resource-guzzling facilities.

**Urge Indiana Legislators to
Protect Hoosiers**



Scan to visit
citact.org/act.datacenters
to email state legislators

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 and **follow us** on social media

Contact Us

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