Data Centers in Michigan and Wisconsin: 2026 Update

To see RE-AMP's full report on data centers in the Midwest, visit reamp.org/research-and-services/. The data center landscape changes quickly; this report covers Michigan and Wisconsin as of June 30, 2026.

Wisconsin and Michigan are both seeing several very large data center proposals, including "Stargate" proposals from OpenAI and Oracle. In the past year, Michigan has especially faced growth in proposals. Communities in both states have organized in opposition – 17/25 of the past year's proposals in Michigan have been cancelled or put on hold due to opposition and moratoriums. But, many of the largest proposals are still advancing.

These proposals could have significant water usage and water impacts, ecological impacts from heated water discharge in "closed loop" systems, electricity rate impacts, noise, property value and land use impacts. They could create some number of jobs, particularly during construction, and generate tax revenue, particularly for local governments, although some tax revenue will be lost through tax incentives. But their most concrete impacts can already be felt in our energy system, especially in Wisconsin.

Data Centers and Power Generation

Data center proposals in the two states are leading to a number of plans for power plants that could be harmful to climate and health:

- We Energies' approved plans to convert the Oak Creek coal plant to gas (1,100 MW), and to build a new gas peaker plant in Paris, WI are both clearly linked to new data center proposals in Southeastern WI (see below). Invenergy also proposed two gas "peaker" plants in the area this past year, 1,424 MW together, that they are attempting to fast track. These plants could lead to an estimated **2,535,000 Metric Tonnes (MT) of CO2-equivalent (CO2e)** a year and **130 MT of NOx.**
- Data center growth is a contributing factor in Alliant Energy's two coal plant retirement delays and gas conversion plan in Wisconsin. The coal retirement delays – which in the past year, have announced further delays, and emitted significantly more pollution this past year than in the year before – could produce **6,475,000 MT of CO2e** and **2,460 MT of NOx** a year; the gas conversion could produce **337,000 MT of CO2e** and **17 MT of NOx** a year.
- In Michigan, behind-the-meter onsite gas plans have been most concerning. One data center in Dowagiac, MI is arranging for 40 megawatts (MW) of behind-the-meter gas generation. Another in Marshall, MI has plans for 1,000 MW of gas. 1,040 MW of behind-the-meter gas could produce **3,680,000 MT of CO2e** and **190 MT of NOx**.[1]
- The Department of Energy issued an emergency order to keep the JH Campbell coal plant in West Olive, MI open – not requested by the grid operator, utility, or state regulators. The Columbia Coal plant in Portage, WI will also be receiving a grant from DOE to modernize, putting its previously announced retirement entirely into question.[2]

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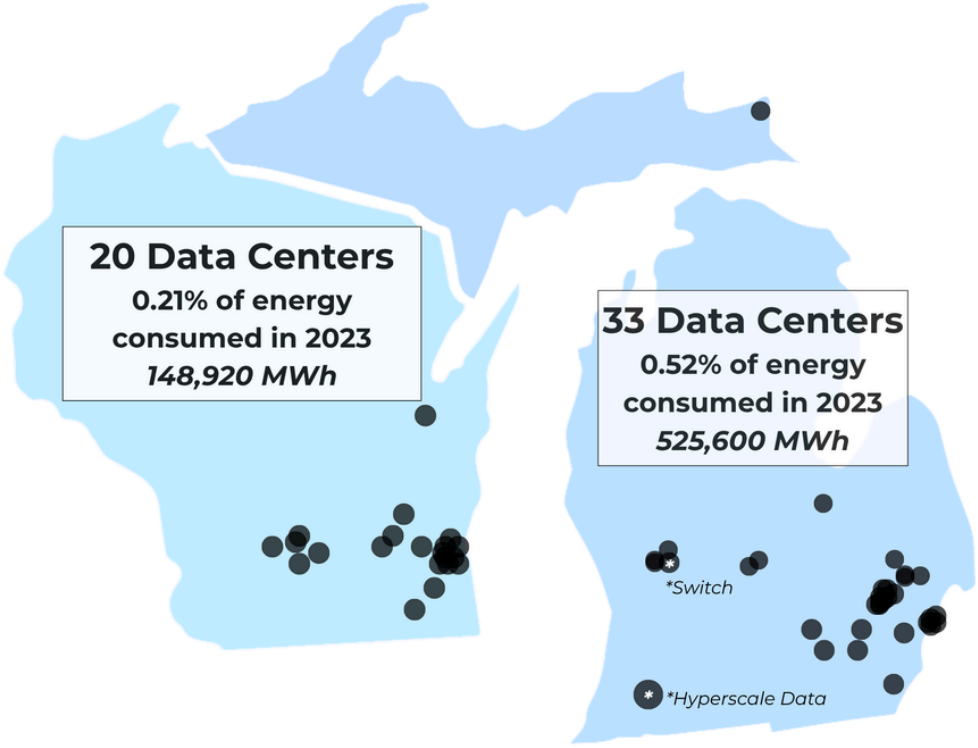
Existing Data Centers (2025)

As of 2025, there were at least 33 data centers in Michigan, and 20 in Wisconsin. This was likely an undercount, particularly of small "enterprise" data centers, which are owned by a single company for their own use. But the existing data centers were almost all very small. Baxtel (a data center research company) labeled **all but two** operating facilities in the two states "small" or "extra small." They estimate that cumulatively, Michigan data centers had 78 MW of capacity.[3] Since these data centers are small, they don't have a major impact on the energy system. The Electric Power Research Institute (EPRI) estimated that in 2023, data centers accounted for 0.21% of the energy consumed in Wisconsin, and 0.52% of the energy consumed in Michigan.[4]



Switch and Hyperscale Data (formerly Sentitum) were the only large data centers currently operating in the two states – Hyperscale Data claims that their Michigan data center receives 85% green energy, likely through some form of green purchasing program.[5] Switch Power promises 100% green energy.[6] There is no available information on their water use. Hyperscale is located in a former manufacturing site, while Switch is in the former Steelcase pyramid-shaped office building. It is unclear how much power either data center currently draws, but both are undergoing drastic expansions (see below). Switch, which seems now to be permanently under construction – claiming that it will have 237 MW of power on completion, up from their claim of 110 MW last year – would individually be as large as all data centers operating in Michigan in 2025 combined.

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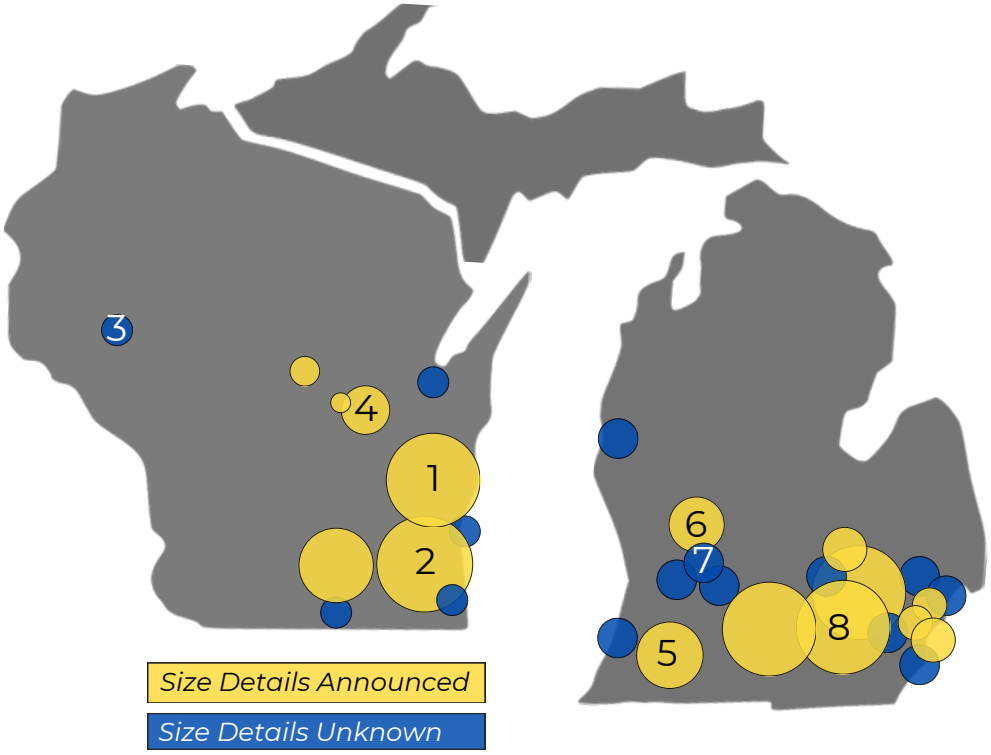
Data Center Active Proposals (2026)

Both of the large existing data centers in Michigan are expanding. Microsoft's new data center in Mt. Pleasant, WI, which was under construction, has gone live but is still expanding. There are at least 16 other new proposals active – up from 9 in 2025 – planned or under construction in the two states (7 in Wisconsin, 9 in Michigan), some of which are truly huge. There are an additional 11 on hold, that may still move forward. 10 were cancelled (9 in the past year). We will discuss a sampling of active proposals below:



1. **Oracle, OpenAI, and Vantage** have taken over the Cloverleaf site in Port Washington, WI. Cloverleaf had said they planned for up to 3,500 MW by 2030, which made it among the biggest proposals in the world. Under Vantage, they have announced **902 MW** of IT load. They are also funding the buildout of 1,949 MW nameplate capacity of solar, wind, and battery storage, saying that 70% will go to the data center, and that any non-renewable energy usage at the data center will be matched annually with renewables. Vantage also claims that their cooling technology will use up to 22,000 gallons on a peak day.[7] Located in the same region as Microsoft's Port Washington site, however, this added load is part of the impetus for new WeEnergies and Invenergy gas plants in Southeastern Wisconsin, as detailed below. Oracle is suing the Wisconsin PSC because of its order that they provide collateral for new power plants in accordance with their credit rating requirements.[8] The plan commission recommended annexation and approved a new technology district on April 17, 2025, despite local opposition.[9] Construction on the data center began in December 2025.

Data Center Proposals (cont.)

2. **Microsoft** in Mt. Pleasant, WI. The project, on 1900 acres at three different sites, is located on land that had been set aside for the Foxconn development. It is meant to be built in three phases, up to **1,480 MW**. With a stated 10,000 construction workers, Microsoft completed construction on the first phase ahead of schedule, and the data center is now online.[10] Construction of the second building is expected to be completed in 2028 – Microsoft had previously, briefly, said it was paused.[11] Microsoft has said that they are piloting a "zero-water" cooling system in Mt. Pleasant, which will employ a closed loop system that returns heated water directly to the lake. Their estimates show the technology is not truly zero water – they say they will use water for cooling between May and September, with a peak daily use of 350,000 gallons per day on the hottest days of the year.[12] The company has promised at least $3.3B dollars of investment and 2,300 union construction jobs in the first phase, with some additional technology training and workforce development initiatives (there has been no estimate of full-time jobs after construction). Microsoft announced that they were partnering with National Grid Renewables to build a new 250 MW solar project in Wisconsin which would be in operation by 2027.[13] However, Dan Krueger, a VP at We Energies, has said that the decision to convert the Oak Creek plant to gas is in part due to Microsoft's planned investments in Southeastern Wisconsin.[14] Plans for the Oak Creek conversion, alongside a new gas peaker plant planned for Paris, WI, were approved by the state Public Service Commission (PSC) on May 22, 2025 with commissioners citing reliability and "significant data center development."[15] Invenergy has also now proposed about 1,400 MW of new gas plants in the area to serve increased data center load in WeEnergies territory.[16]
3. **Balloonist LLC,** likely one of the major hyperscale companies, is moving forward with their plans in Menomonie, WI. After the proposal went public, the community organized opposition and the mayor decided to put the project on hold by notifying the developer that the city would not move forward with Tax Increment District negotiations. The town is drafting a zoning ordinance that would account for noise and light pollution, water usage, etc. and then the data center would have the opportunity to reapply under new zoning.[17]
4. **Meta** is officially the company behind a data center in Beaver Dam, WI, after several NDAs. Meta plans to spend $1B, the data center site has been approved for a state tax incentive and the city has approved a Tax Increment Financing District.[18] It's partnering with Ducks Unlimited in a promise to restore all the water they consume to local watersheds.[19] It would be served by Alliant Energy on a special electric rate contract approved by the PSC, with organizations like Clean Wisconsin and CUB WI intervening.[20] Meta is working to match the energy they consume with clean energy, but on the same hand, Alliant delayed the retirement of the Columbia coal plant in Portage from 2025 to 2029, and is now receiving a modernization grant, putting the plant's retirement into question. They've also announced plans to convert the Edgewater coal plant to gas, along with retirement delays from 2025 to 2029. The first press release pointed vaguely to "reliability" and "changing market conditions,"[21] while the Edgewater announcement also specifically pointed to "load growth availability that creates economic benefits in the communities we serve."[22] Construction is underway, and Beaver Dam has another data center proposal from a different company.[23]

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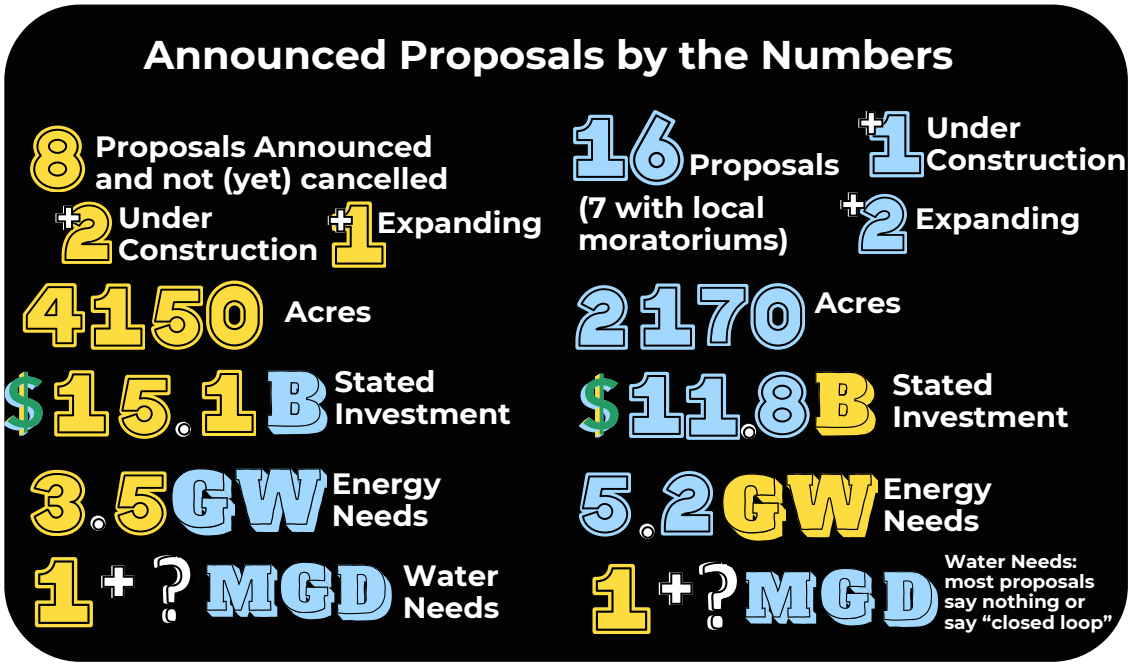
Data Center Proposals (cont.)

5. **Hyperscale Data** in Dowagiac, MI is adding an additional **300+ MW** to their site. While the utility is at work on a power upgrade, Hyperscale has also reached a behind-the-meter agreement for 40MW of capacity from a gas provider. They are making a full pivot to AI from bitcoin.[24] In March 2026, they acquired more land around the site. They are also being sued for noise in a class action lawsuit.[25]
6. **Switch** in Gaines Township, MI now says they are building **237 MW** at the former Steelcase pyramid site, with potential to expand up to 320 MW, and is adding an electrical substation onsite. The site received "Renaissance Zone" tax status that exempted them from most state and local taxes, saving them an estimated $1.1 million dollars a year. They entered into a payment in lieu of taxes (PILOT) agreement with the township, county and school districts, where it pays real property taxes (but not personal property taxes).[26] They say 1,000 people currently work at the site, likely mostly construction workers.[27]
7. **Microsoft** bought 316 acres from Steelcase in Oct. 2024 in Gaines Township, MI. They were early in the process and looking to buy more land and start the rezone process, but with community opposition, the planning commission tabled the issue in order to get more information and decide on terms of the zoning before agreeing.[28]
8. **Oracle, OpenAI and Related Digital** have already broken ground on a **1,383 MW** data center in Benton, MI, announced October 2025, that they call "The Barn". They have announced that it will cost $7 billion, part of a $16 billion financing deal with bonds owned by PIMCO, an investment firm, and equity from Related Digital and Blackstone. They have announced that the data center will use closed-loop cooling, but no other details on water. They have announced that they will be pursuing 1,332 MW of new battery storage. The Michigan Attorney General is challenging the conditional approval of their contract terms with DTE.[29] The town had decided on a smaller tax abatement, capping the valuation at $5 billion, but reversed the cap due to legal concerns, despite some community opposition.[30]



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Data Center Tax Incentives

Both states have tax incentives on the books specifically for data centers:

- **Wisconsin's** passed in 2023, and provides a sales and use tax exemption for qualified data centers.[31] The Wisconsin Department of Revenue estimated that for a typical data center, this could result in $8.5M dollars of lost state tax revenue, plus $1.6M annually when equipment replacement begins, and a proportionate reduction in county sales tax.[32] To qualify, a data center must create a minimum investment in the state within 5 years:
  - $150M if located in a county having a population greater than 100,000
  - $100M if located in a county having a population greater than 50,000
  - $50M if located in a county having a population of less than 50,000

- **Michigan's** originally passed in 2015, but was extended in 2024 over opposition from the Sierra Club and others. Currently, it provides a sales and use tax exemption for qualified data centers. To qualify, data centers are required to invest at least $250M and create 30 new jobs with an annual wage equal to 150% of the regional median. They are also required to certify as following green building standards within 3 years of service, to use municipal water "from a municipal water system that has available capacity to serve the facility," to certify that they will procure clean energy equivalent to 90% of forecasted load, and to not take electricity at rates that cause residential customers to subsidize costs. The exemptions go through 2050, or 2065 for brownfield sites.[33] The Senate Fiscal Analysis estimated this incentive would likely reduce state and local tax revenue by at least $52.5M and likely more than $90M by 2065.[34]

As indicated in the descriptions of Switch (Renaissance Zone + PILOT) and Meta Beaver Dam (Tax Increment Financing), certain local tax incentives may also impact how much tax data centers are on the hook to pay for and when they must pay.

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(A Few) Venues for Engagement

While neither state has specific regulations around data center growth yet, existing regulatory processes may provide venues to weigh in on how data centers grow and what energy is built to serve them:

- **Local permitting:** data centers often have to go through different layers of local permitting, whether that's rezoning, annexing the parcel, conditional use permits, etc. Communities have been very actively engaged locally, with some success (especially in MI).

- **Utility rate proposals:** new rate proposals from utilities are meant to simultaneously enable data center growth and protect the utility and its ratepayers from risk. Consumers Energy was approved by regulators to establish a special tariff/rate for large load customers, including data centers. It contained provisions that would help protect customers, like a 15-year minimum contract term, but consumer advocates are intervening because the tariff does not do enough to shield customers from the risks. We Energies proposed a special rate for *>500MW* customers, lowered to >100MW by the PSC.[35]

- **Utility regulation and planning:** Michigan's Certificate of Necessity (CON) process and Wisconsin's Certificate of Public Convenience and Need (CPCN) provide a chance for regulators to weigh in before large new generation facilities are built. On its own, the certificate of need may not be the most powerful tool, but it does provide some venue for the public to engage before new generation is built. Clean energy advocates in WI have also specifically pointed out that with an integrated resource plan (IRP) process (which WI doesn't have yet, but MI does), regulators would have more visibility into utility construction plans and it would be harder for utilities to delay coal retirements and walk back clean energy goals.[35]

- **Michigan clean energy plans:** environmental advocates in Michigan were pushing back against the data center tax incentives on the basis that they "blew a hole" in the clean energy standard.[36] Like any law, it's subject to politics.[37] A bill that passed the MI House in 2026 would roll back the standard. But for now, the standard seems to still be discouraging utilities from building new fossil fuel plants. The law contains an exemption that the utility commission *may* provide 2-year extensions on renewable energy and clean energy portfolios if the electric providers demonstrate that compliance is excessively costly, would result in a deficiency in resource adequacy, a local grid reliability issue, and/or there are issues in zoning, siting, permitting, supply chains, transmission interconnection, labor shortages, delays in project deliverability from developers, or unanticipated load growth.[38] If utilities decide to meet load growth with fossil fuel retirement delays, they could likely demonstrate that the data centers had caused one of the above (most likely: unanticipated load growth or deficiency in resource adequacy). But the commission doesn't seem to have to grant the extension, and if you argue that load growth can reasonably be met by renewables & efficiency, then the clean energy standard *could* still push Michigan utilities towards those solutions.

Endnotes

1 Emissions from facilities with delayed retirements are based on 2023 emissions by plant from EIA Form-861, (https://www.eia.gov/electricity/data/emissions/), and gas emissions are based on calculations from the Union of Concerned Scientists Gas Plant Alternatives Tool (https://dataverse.harvard.edu/citation?persistentId=doi:10.7910/DVN/UN27KB) at an estimated 50% capacity factor for combined cycle, 15% capacity for internal combustion and 80% for colocated generation. See notes 11, 12, 16, 17, and 18 below for news sources.

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