HYPERSCALE DATA CENTERS:

A Basic Fact Sheet for Midwest Tribes in 2026

What are Hyper Scale Data Centers (HSDCs)?

In order to provide online support for our ever-increasing digital lives, more and more data centers are needed to house large computer servers that maintain a reliable source of electricity needed for data storage, crypto mining, AI model training and use, and internet servers doing additional storage and calculations. Some have plausibly argued that much of this growth is a "bubble" fueled by investor speculation in AI, but undoubtedly some data centers will be built, and some future internet expansions could serve the public and Tribe's interests. Data centers can be owned and operated by Tribes, local governments, or large tech companies for their own use. Corporations may have data centers for their own web storage, or data center operators may act as landlords for IT tenants who rent computing capacity and storage to house their servers and data management tools. For example, a bank or broker may process transactions through a HSDC.

The datacenter industry commonly refers to 3 sizes based on amount of continuous electricity that is used to operate:

A. **Small** – 500 kilowatts up to 2 megawatts (MW), often operated by smaller commercial operations, Tribal and local governments
B. **Large Enterprise** – 10 MW – 100 MW, often operated by a larger corporation or enterprise that operates the entire operation.
C. **Hyperscale** – above 100 MW, owned and operated by large tech companies like Amazon, Google, Microsoft, and Meta.

Photo Credit of MI's first HSDC in Washtenaw County: Bridge Michigan

How can HSDCs impact public resources in the Midwest?

Minnesota: According to a 2025 memo written in response to a meeting of the Minnesota Public Utility Commission held on HSDC with state agencies, a 1000 MW HSDC would use the same amount of electricity of 800,000 homes, or approximately the electrical use of the Minneapolis and St. Paul metro area's residences. From a Minnesota-wide perspective, a 1000 MW HSDC would consume about 8 million megawatt hours (MWhs) of electricity per year, which is about 12% of the entire state's total consumption of 68 million MWhrs. Minnesota's largest electric utility, Xcel provides power to about ½ the state. If they added one 1000 MW HSDC, it would consume about 24% of Xcel's entire current generation. Currently there are no hyperscale data centers in Minnesota, but their growth could significantly change the state's energy needs and other economic or environmental trends.

Status of Hyperscale Data Centers in the Midwest (As of March 2026) *

State	Operating	Proposed / Under Construction
Minnesota	0	13+
Michigan	0	13-20
Wisconsin	0	2+

** Due to Non-Disclosure Agreements often used by HSDC developers, the actual numbers of proposed HSDCs in each state are unknown.*

Michigan: Currently, WKAR News maintains a Michigan Data Center Tracker to update the public on datacenter development in Michigan. Due to concerns over grid strain and water usage, a bipartisan group of lawmakers introduced bills in early 2026 to impose a moratorium on new data center approvals until April 2027. WKAR has a list of at least 25 municipal governments with active moratoriums on HSDC development. Currently proposed HSDCs include the Stargate HSDC in Saline Township, a $7 billion joint venture between Oracle, OpenAI, and Related Digital. It is Michigan's first true hyperscale campus, covering 250 acres and requiring 1.4 gigawatts of power. Construction is scheduled to begin in the first quarter of 2026. Several other projects include "Project Cannoli" in the Van Buren Township recently revealed as a Google project. This 1-gigawatt facility is expected to begin service in late 2027. Microsoft has also publicly announced involvement in two data centers near Grand Rapids.

Wisconsin: According to Wisconsin Watch, no hyperscale data centers are operating yet in the state, but utilities are courting HSDC developers and Wisconsin companies are helping power massive facilities elsewhere by supplying parts and equipment. Just three Wisconsin companies have already amassed more than $1 billion in data center-related business. Several Wisconsin-based nonprofits published a HSDC tool kit, Big Tech Unchecked, to help Wisconsinites understand what HSDCs are, what impacts they have, and what local communities and concerned citizens can do to mitigate the worst impacts.

They found that just from two of the multiple data center proposals in Wisconsin, the Vantage data center in Port Washington and the Microsoft data center in Mt. Pleasant, requested 3.9 gigawatts (GW) of electric power combined. That's far more energy than all households in Wisconsin currently use.

What are some of the specific impacts Midwest Tribes can expect from HSDCs?

Data centers almost always require 24/7 energy supply, have a large footprint and use large amounts of electricity require constant cooling to protect heat-producing computer servers. MTERA Member Tribes have identified several impacts from HSDCs that require all of us to better understand to ensure that public resources, treaty rights, and access to affordable electricity will be protected.

Non-Disclosure Agreement's: HSDCs often impose non-disclosure agreements (NDAs) on permitting authorities, usually local government entities, when siting within a local government's jurisdiction. Many HSDC use NDAs to provide a competitive advantage over the other companies seeking to develop these projects. It also seems that using NDAs to conceal impacts from the public is a strategy to achieve permitting in the shortest possible time frame. Public impacts like electrical use or water consumption are often hidden from the public as NDAs prevent local governments from sharing what they learn in the permitting process. Some key facts, such as the facility's total energy use, may not be disclosed at all and remain a "trade secret" only known to the companies and a few state regulators.

Treaty Rights: Midwest Tribes retained off-reservation treaty rights under treaties like the 1842 Treaty of La Pointe with the Chippewa negotiated with the United States. This exercise of treaty rights to hunt, fish, and gather continues today, for example, within the 1854 Ceded Territory encompassing present-day northeastern Minnesota. Vital to treaty rights are available and healthy resources along with appropriate access. Tribal leaders can consult with state leaders to discuss potential impacts from HSDCs to this ceded territory and Tribes' ability to maintain treaty rights for present and future generations.

Water is Life: HSDC could use closed cooling systems similar to a radiator in a car that uses antifreeze instead of water, but if a HSDC plans to use water to cool, then local water supplies could be impacted. According to the ESSI, HSDCs can consumes between **1 million and 5 million gallons** of water per day, depending on the cooling technology and climate (some use even more than this, and without a full environmental review it is hard to predict impacts accurately). At the high end, this daily usage is equivalent to the water needs of a town with **30,000 to 50,000 residents**. If this water is taken from groundwater or surface waters in times of drought, or areas where water is not sufficiently abundant,

existing industries (such as agriculture and traditional harvesting) will be negatively impacted or even made impossible.

Electrical Affordability and Reliability: A report by the Union of Concerned Scientists found that utilities in seven states (Illinois, Maryland, New Jersey, Ohio, Pennsylvania, Virginia, and West Virginia) passed more than $4.3 billion in transmission connection costs for large data centers onto all ratepayers in 2024 due to outdated rules that fail to assign costs to the companies causing them. Such large demand and information are often hidden behind NDAs that make unpredictable changes to Tribal priorities like emergency preparedness plans and/or strategic energy plans. Tribes will once again take a back seat to HSDCs interconnection and create more uncertainty for Tribes and their ability to incorporate their communities into a more sustainable electric grid. Data centers should only be approved if they can be powered entirely with a sustainable renewable energy source that respects the next seven generations, upholds Tribal energy sovereignty, does not threaten raising utility rates, or threaten public resources. State and Tribal governments have established carbon reduction plans, strategic energy plans, and emergency preparedness plans that will be impacted by such large loads coming onto the grid that require non-stop 24/7 energy. Without basic protections and common-sense regulations on HSDCs, Tribes will be left behind. MTERA recommends that states conduct proper consultation and planning with Tribes to move sustainable solutions for data centers forward with best practices such as closed loop cooling, solar + storage, geothermal and other clean energy sources that serve all without harming Tribal interests.

***MTERA Recommends that Member Tribes submit a letter to state governors requesting formal consultation on HSDCs. Click here to download and use MTERA's template letters to share with your state governor or visit www.MTERA.org* for more information.**

Additional Midwest Resources Cited in this Fact Sheet:

Minnesota Public Utilities Commission's 2025 memo written in response to a 2024 meeting of the Minnesota Public Utility Commission held on HSDC with state agencies,

CURE Webinar Series: Data Centers and CURE Data Center Fact Sheets

Good Jobs First Article: Data Center Moratorium Bills are Spreading in 2026

The Better Data Center Project works in solidarity with communities on the front lines.

BIG TECH UNCHECKED, A toolkit for community action on HSDCs in Wisconsin

WKAR News' Michigan Data Center Tracker

New North, Inc.'s Understanding Data Centers: A Community-Centered Perspective