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Americans for Financial Reform Education Fund

TRACING THE MONEY

Private Equity, Private Credit, & the Data Center Bubble

October 2026

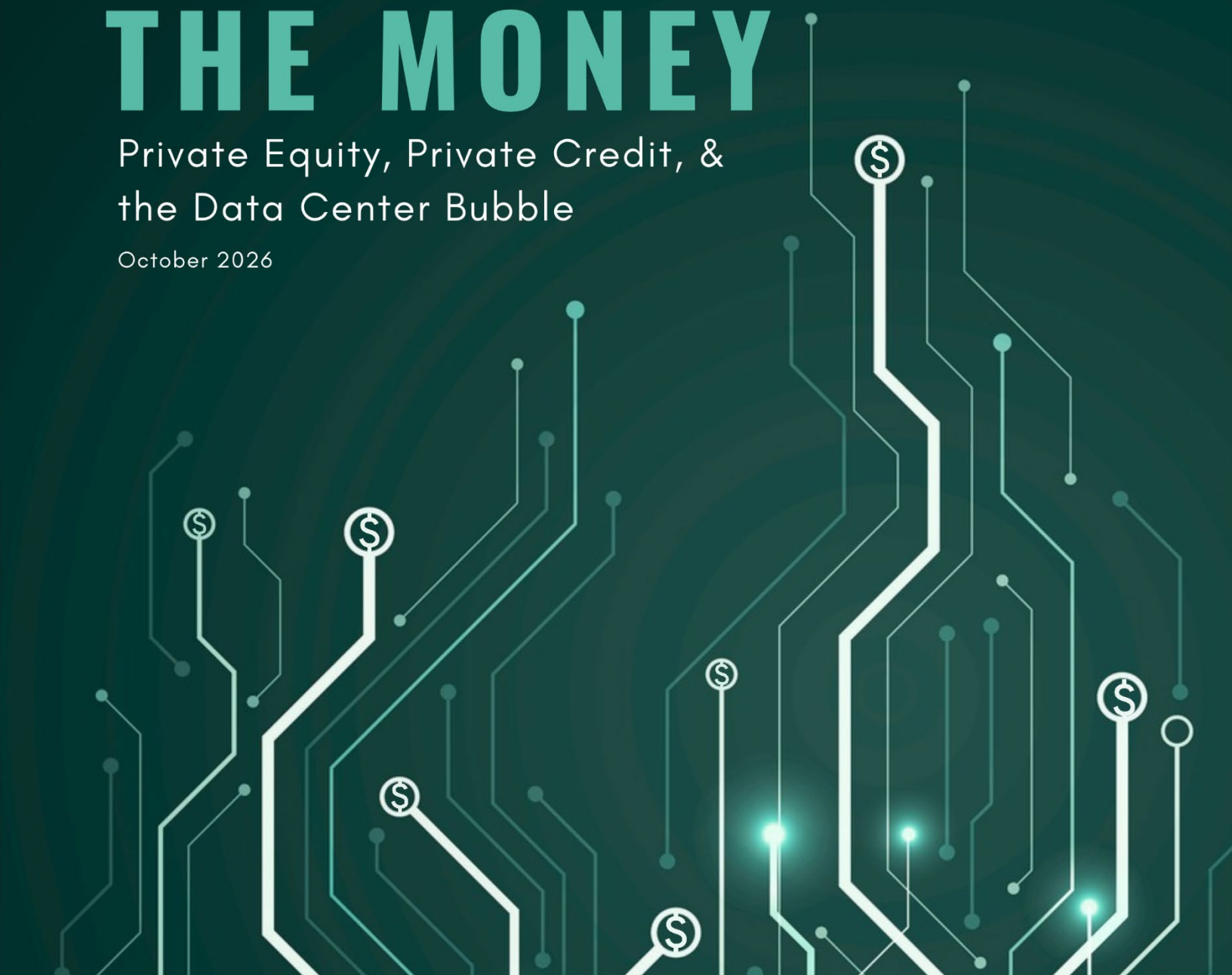


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Americans for Financial Reform Education Fund (AFREF) is an independent, nonprofit organization founded by a coalition of more than 200 civil rights, community-based, consumer, labor, small business, investor, faith-based, civic groups, and individual experts. We fight for a fair and just financial system that contributes to shared prosperity for all families and communities.

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Executive Summary

The relentless expansion of data centers to fuel the artificial intelligence (AI) boom has ignited a firestorm of opposition in communities across the country. While Big Tech claims that AI will multiply productivity, transform society, accelerate scientific and medical breakthroughs, and more, people are experiencing very different realities. A September 2026 poll found that 75 percent of U.S. adults are more concerned than excited about AI.[1] The mad rush to build sprawling AI data center complexes nationwide to benefit Big Tech and Wall Street investors—never mind the environmental and economic costs to local communities—is only increasing opposition. This pushback is likely to grow, as the total number of data centers in the United States is projected to balloon to 7,000 when the buildout is done,[2] a 67 percent increase from 2025.[3]

The data center boom is extremely resource intensive. Already, the land required for these enormous campuses—ranging from 40 acres for a small center to 1,000 acres for a hyperscale center[4]—is crowding out essential uses like farming and housing.[5] One company, Stream Data Centers, now owned by the private equity firm Apollo Global Management,[6] razed an entire neighborhood in Elk Grove Village, Illinois to erect a data center.[7] In addition to cannibalizing valuable land, data centers also deplete the water table,[8] drive up utility bills,[9] and emit greenhouse gases warming the planet.[10]

Private equity has been a largely hidden backer in the controversial AI boom and data center land rush. This first, comprehensive assessment of private equity ownership, investment, and private credit lending in the data center landscape uncovers that a set of giant private equity firms—interconnected with Big Tech companies—are behind a major portion of these developments.[11] It identifies the U.S. facilities that have private equity backing, explores the harms of these projects on the ground, and highlights places where people are organizing to fight back.

Key Findings

Private equity firms are investing billions of dollars to finance this data center buildout, and Big Tech firms are especially reliant on these Wall Street investors. We examined the private equity industry's purchase of data center companies, investment in data center firms and facilities, and provision of private credit to data center operations as of the end of 2025[12] and found that:

1. Private equity firms own or back an estimated 25 percent to 30 percent of active U.S. data centers

As of December 2025, 78 private equity firms backed an estimated 13 to 17 gigawatts (GW) of active data center capacity across 670 data centers or campuses. These private equity-owned or -financed data centers make up an estimated 25 percent to 30 percent of the 54 GW of total U.S. active data center capacity.[13]

2. Private equity is backing half of the planned data center expansion

Private equity-owned or -financed companies have announced or initiated at least another 26.8 GW of U.S. data center capacity in development, under construction, or actively planned, amounting to over half of the total 50 GW of data centers in the pipeline **by 2030**.

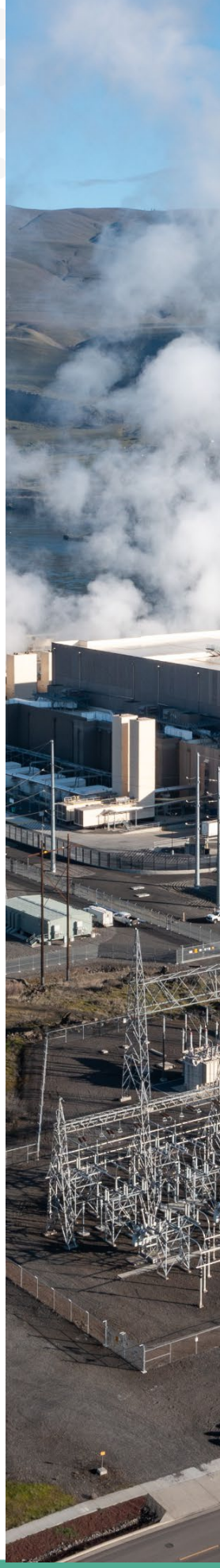
3. In several states, private equity is backing large portions of data center capacity and expansion

Private equity firms own one third of the active data center capacity in Texas.[14] In Arizona, private equity controls almost half of current data center capacity and one third of planned expansion in the state.[15] In Virginia, private equity controls nearly one quarter of online capacity and over 10 percent of projects in development.[16]

4. The five largest private equity firms backing data centers control nearly 20 percent of existing capacity and 30 percent of planned capacity

The five largest private equity data center owners in the United States (by total active and planned capacity) are Brookfield Asset Management, Ares Management, Blue Owl Capital, DigitalBridge, and Apollo. These firms control or hold investments in 17 percent of existing capacity and 30 percent of planned capacity.

Tax giveaways to data center developments deprive states and localities of billions in much needed revenue in a time of draconian federal cuts. The state of Georgia lost $2.5 billion in tax receipts in just one year.[17] At the national level, as the share of economic activity and capital expenditure routed to this sector swells, overinvestment in AI may



lead to financial instability if claims about usage and uptake fall short of projections or if data centers continue to meet with mass resistance. The prevalence of private equity financing for data centers—mostly drawing capital from public pension funds and university endowments—and the recent spate of AI companies vying for public listing raises significant concerns about how much exposure regular people have to this highly speculative sector through their retirement savings. If this bubble eventually pops, we risk repeating the hardships of the 2008 financial crisis, where Wall Street got rich from their gains and were bailed out, while communities and workers suffered the consequences of the financial industry's greed.

The combination of private equity and Big Tech endangers the safety and economic security of everyone else

Big Tech has tried to obscure its threats to the economy and environment with irrational exuberance about what is fundamentally a speculative bubble. In an effort to demonstrate the benefits of their AI businesses to potential investors, Big Tech firms use specious revenue forecasts that do not provide an accurate sense of their financial stability, ignoring how the billions invested in their rapid expansion have yet to produce any profit. Furthermore, real-world demand for AI use may fall far short of the projections undergirding this rapid expansion. A March 2025 McKinsey report found more than 80 percent of businesses that have adopted generative AI technologies report no impact on their profitability.[18] As one industry analyst put it, "OpenAI is engaged in…the most dramatic case of 'Fake it Till You Make It' that we have ever seen…making huge commitments that they literally can't afford."[19] This is especially troubling given that AI companies represent a growing portion of the stock market, meaning that a bursting bubble will wreak havoc on the economy.

This financial instability is only amplified by an often-hidden source of data center financing: private equity. Private equity firms are Wall Street investment companies that pool large volumes of private capital to buy companies (through leveraged buyouts) or lend to them (termed private credit). As a quiet partner of Big Tech firms, private equity has been buying up data center companies, investing in data center campuses, and providing private credit to data center expansions. Lenders—both traditional banks and private credit—are also playing an outsized role in the boom, since one third of the projected three trillion dollars that will be spent on data centers by 2028 will be financed by debt.[20] In a frightening echo of the 2008 Great Recession, Wall Street is once again behind risky investments that have the potential to lead to a widespread financial crisis.



AI development requires significant capital outlays, including semiconductor chips used in processing computers, servers, and data storage in the data centers that house them, but the source of that funding has changed. Amazon, Alphabet, Meta, and Microsoft once owned one-third of all data center capacity and built most of the 5,000-server hyperscale data campuses over the past two decades.[21] Between 2021 and 2025, multiple Big Tech firms—Amazon, Alphabet, Meta, Microsoft, and Oracle, known for their massive, or hyperscale, data centers—quintupled their data center capital expenditures.[22] Now, these firms are shifting from owning and operating their own data centers to leasing much of their new capacity. A 2025 Morgan Stanley report estimated that only half of the total $2.9 trillion expected to be spent on new data centers between 2025 and 2028 will come from Big Tech firms.[23] More than a third—$1.1 trillion—is projected to come from private equity firms, either by offering private credit loans, launching joint ventures, or buying stakes in data center companies.[24]

This change in financing benefits both Big Tech and private equity firms. By outsourcing the land acquisition, permitting, construction, and operation of data centers to other companies, often owned by private equity, Big Tech effectively moves data center expansion costs off their balance sheets, providing an incomplete picture of their debt.[25] Meanwhile, private equity firms celebrate the demand for their capital. Blackstone, the world's largest private equity firm, gushed, "AI is creating generational investment opportunities,"[26] and these investments increase the perceived value of AI, thus stimulating more investment, which fuels both AI hype and the risk of an AI bubble. Moreover, private equity firms already hold vast portfolios of oil and gas extraction, transmission, and electricity generation.[27] Now, they and data centers are expanding their fossil fuel extraction, power generation, and electricity delivery—including attempts to buy up public utilities.[28] By adding data center energy hogs to their portfolios,





The private equity industry is a major driver of the data center building frenzy

Companies have long operated data centers to process business data and power cloud computing. But the AI demand for computational processing has massively outstripped the capacity provided by legacy computing hardware. This surge in processing demand and chip power has transformed data centers from small-scale operations to sprawling, resource-intensive facilities and campuses. To feed these power-hungry AI models, companies build or lease massive data centers.

By the end of 2025, private equity firms backed over 200 different data center companies worldwide, including some of the largest non-proprietary data center operators in the world. Blackstone boasted that its portfolio company QTS was the largest data center operator in the world as of June 2025.[29] Lending by private credit funds to AI-related sectors has grown rapidly, both in absolute terms and as a share of total private credit volumes. Outstanding loans to AI-related sectors have grown to over $200 billion today.[30]

The private equity industry touts its aggressive move into data centers. Apollo noted in its takeover of Stream Data Systems that it had a “strategy to scale our presence in digital infrastructure.”[31] Blackstone is banking on the AI boom, stating that its investments were “capitalizing on this generational opportunity and helping provide much needed compute capacity.”[32] (“Compute” is the industry term for computing power.) Ares, which has backed Vantage, EdgeConneX, and Powerhouse, said: “We see that the rapid growth in global data creation, from cloud storage to artificial intelligence (“A.I.”) applications, requires new investment into digital infrastructure across data centers.”[33] Similarly, Brookfield, which has backed Centersquare, Crusoe, and Compass, describes a "need" to push trillions of dollars to upgrade and maintain projects like data centers.[34]

Private equity firms have amassed data center market share by buying existing operators and consolidating them into larger companies, creating large new joint ventures with Big Tech partners or institutional investors, and funneling private credit into the sector (see Table 1.)[35] **In 2025, private equity firms accounted for 90 percent ($56 billion) of the $61 billion spent globally on data center acquisitions and development.[36]**

Table 1: Top Ten PE data center backers in the US (as of December 2025

Top 10 Private Equity Data Center Backers by Active and Planned Capacity

Capacity totals rounded to nearest ten.

	PE Owner	Data Center Companies	Active (MW)	Partial (MW)	Planned (MW)	Total	Active (#)	Partial (#)	Planned (#)	Total
1	Ares Management	Vantage Data Centers Management Company, EdgeConneX, PowerHouse Data Centers	330	820	8,490	9,640	15	4	17	36
2	Brookfield	Compass Datacenters, Centersquare, Crusoe	1,170	360	4,950	6,480	33	2	10	45
3	Blue Owl Capital	Stack Infrastructure, Joint Venture (Stargate), South Reach Networks	2,980	1,600	540	5,120	29	3	3	35
4	DigitalBridge	Vantage Data Centers Management Company, Switch, DataBank, Aptum Technologies, DigitalBridge Group (24MW CA22 Facility in Santa Clara)	730	440	3,720	4,890	71	3	12	86
5	Apollo*	Yondr Group, TierPoint, Stream Data Centers	360		4,000*	4,360	45		2	47
6	Pantheon Ventures	CyrusOne, Vantage Data Centers Management Company	1,430	410	2,240	4,090				
7	Coatue Management, GiantLeap, Silver Lake	Vantage Data Centers Management Company	230	420	2,240	2,890	3	2	6	11
8	Macquarie	Prime Data Centers, Netrality Data Centers, Keel Infrastructure	820	130	1,630	2,580	29	4	8	41
9	KKR	CyrusOne, Centersquare	2,380			2,380	59			59
10	Partners Group	EdgeCore Internet Real Estate	280	290	1,360	1,930	5	4	5	14

In the United States, private equity activity tallies up to a sizeable share of the data center industry. Nearly 80 private equity firms now own an estimated 13 to 17 gigawatts (GW) of active



data center capacity across the United States in 670 sites. This makes up approximately **25 to 30 percent** of the US's 54 GW of current data center capacity.[37] (Fifty-four GW is enough to power more than 45 million homes in the U.S.)[38] Private equity-owned or -financed companies have announced at least another 26.8 GW of data center capacity in development, under construction, or actively planned in the United States,[39] which is **over half of the total 50 GW capacity expansion planned.**[40]

Figure 1. Capacity of private equity-backed data centers and other U.S. data centers, by status (as of December 2025)

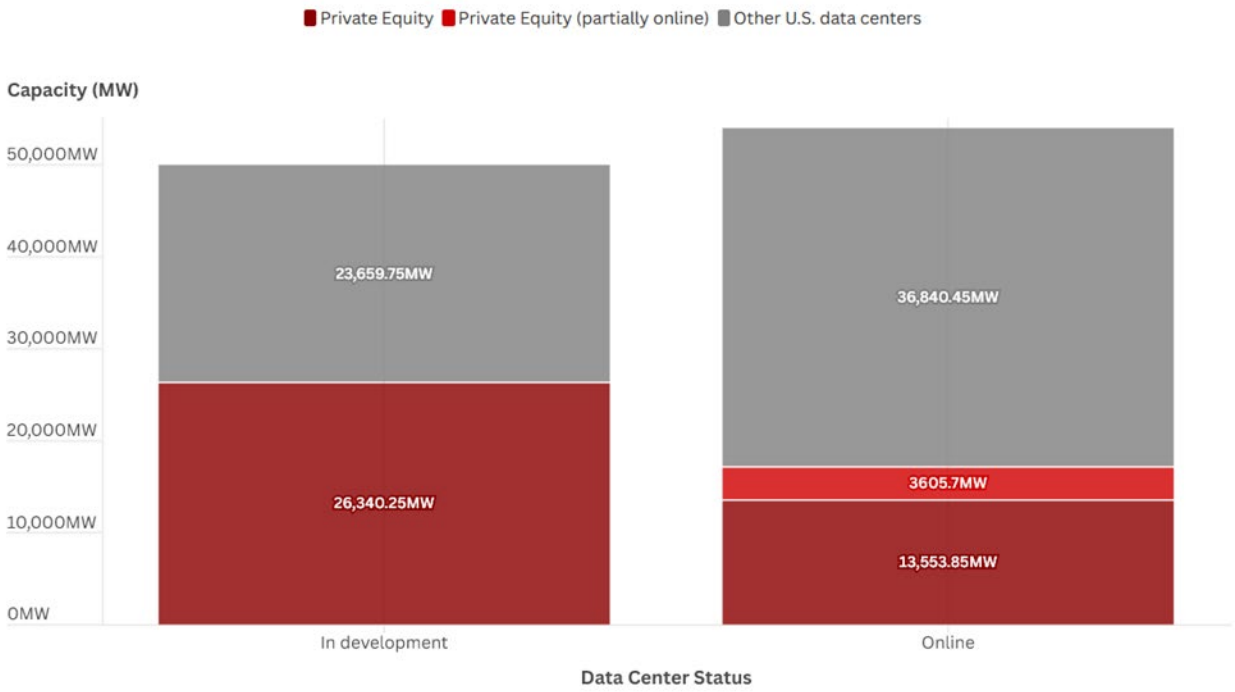


Table 2. Top ten PE-backed data center companies in the United States (as of December 2025)

Top 10 PE-Backed Data Center Companies by Active and Planned Capacity

Capacity (MW) rounded to the nearest ten.

	Company	PE Backers and Lenders	Other Notable Backers and Lenders	Active (MW)	Partial (MW)	Planned (MW)	Total	Active (#)	Partial (#)	Planned (#)	Total
1	PowerHouse Data Centers	Ares Management			400	6,230	6,630		2	10	12
2	Crusoe	Brookfield	Mubadala Capital, Salesforce Ventures, Fidelity, Nvidia, Coinbase Ventures, Winklevoss Capital Management		1,200	4,320	5,520		1	5	6
3	Stream Data Centers	Apollo Global Management		100		4,000*	4,100	5		1+	6+
4	Stack Infrastructure	Blue Owl Capital	Skip Capital	2,980	400	540	3,920	24	2	3	29
5	Vantage Data Centers Management Company	GiantLeap Capital, Pantheon Infrastructure, DigitalBridge, Silver Lake, Coatue Management, Ares Management	Abu Dhabi Investment Authority, GIC Private	230	420	2,240	2,890	3	2	6	11
6	QTS Realty Trust	Blackstone, Blackstone REIT	J.P. Morgan, Morgan Stanley, The Goldman Sachs Group, The PNC Financial Services Group, Truist Financial, Wells Fargo	1,580	20	1,060	2,660	18	1	16	35
7	EdgeCore Internet Real Estate	Partners Group	GIC Private, OPSEU Pension Trust	280	290	1,360	1,930	5	4	5	14
8	Keel Infrastructure	Macquarie Capital	Blockchain Mining	480		1,300	1,780	3		1	4
9	Atmosphere Data Centers	AGC Equity Partners			120	1,460	1,580		1	3	4
10	Switch	DigitalBridge, Edgewater Fund, IFM Investors	Aware Super			1,400	1,400			4	4

Private credit is a critical part of the data center expansion, stoking the boom through large debt infusions and recurring financing, sometimes cycled through several private equity players. Since 2023, Blackstone's private credit arm has pumped $12 billion in private credit loans to Coreweave, a publicly traded company that develops and owns 43 data centers.[41] In January 2026, Apollo's private credit subsidiary MidCap Financial lent $3.5 billion to private

equity firm Valor Equity Partners to finance its acquisition of data center infrastructure that it subsequently leased to xAI.[42]

Private equity is fueling data centers' community harms

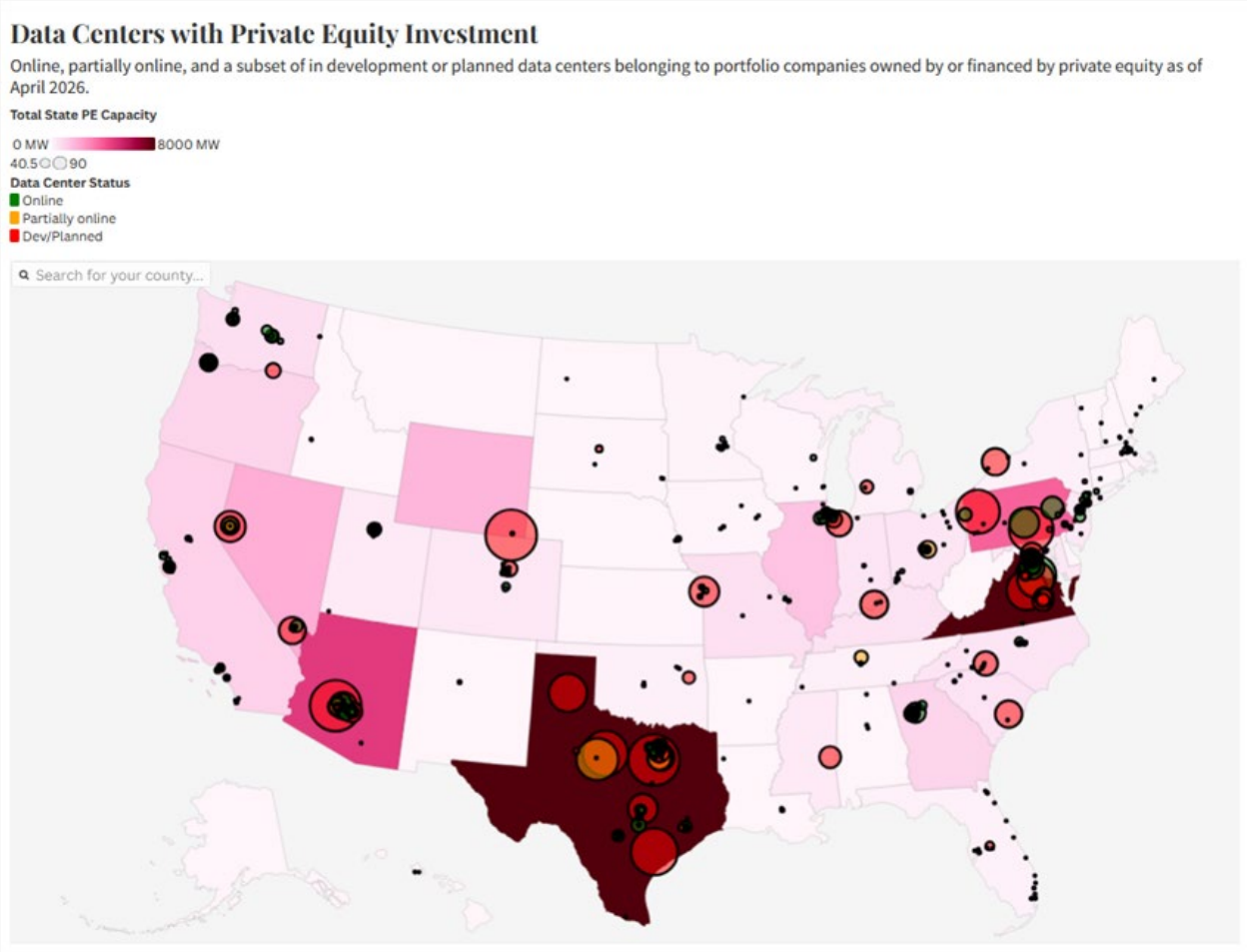
The aggressive data center expansion financed by private equity is amplifying the well-documented community harms these centers produce. These include climate and environmental impacts, such as site-specific pollution and water depletion for the communities surrounding these facilities, as well as increased greenhouse gas emission. Three cities have filed lawsuits against data centers for the around-the-clock noise from generators, cooling systems, and fans that can be heard up to a mile away.[43]

While data centers regularly threaten the health and safety of the communities they are located in, those that are owned or backed by private equity may have even less incentive to consider the harm they cause. The private equity business model of deep cost cutting, financial extraction, and heavy debt loads is specifically designed for rapid profit generation. This gives them little incentive to concern themselves with any negative outcomes that do not lessen the value of their assets.

Given that data centers are regularly sited in rural communities and communities of color, they can make existing racialized environmental injustices worse. There are nearly two dozen private equity data center projects online or in development in Dallas County Texas, a drought-prone area where Black communities already struggle with power-hungry crypto-mining data centers and the fossil fuel plants coming online to power them.[44] Several large projects are active or coming online in Douglas County and Fulton County, Georgia, where approximately half of the residents are Black or Indigenous. Private equity-backed data center companies operate a cluster of data centers north of South Fulton, a predominantly Black town where residents worry that data centers are "reshaping their neighborhoods without their consent."[45] T5 Data Centers, backed by private equity firm Iron Point Partners, announced a data center in Palmetto, Georgia where nearby residents are concerned about the collapse of a regional water and sewer authority.[46] In Chicago, some of private equity's largest data centers are planned for largely Black neighborhoods along the coast.[47]

One third of the active data center capacity in Texas, the fastest growing market in the country,[48] is controlled by private equity, and the state will soon have the largest volume of private equity-owned data center capacity. In raw numbers, Texas also has the largest Black population in the U.S.,[49] the second-largest Latino and Indigenous populations, and the third largest Asian American population. Private equity controls close to half of current data center capacity and one third of the planned expansion in Arizona. In Virginia, private equity controls a quarter of current capacity and a tenth of planned capacity, while in Pennsylvania, it controls 13 percent of planned data center capacity.[50]

Map 1. Private equity-owned or financed data centers in the United States (as of December 2025)



A downloadable list of private equity-backed projects and an interactive version of the map are available here.

Straining the electrical grid and offloading costs onto utilities customers

Artificial intelligence data centers are power hogs. The computational power to train AI models and perform AI tasks requires massive amounts of electricity to drive the chips and cool the facilities.[51] For example, a single ChatGPT query requires, on average, almost 10 times as much electricity as a traditional Google search, 2.9 watt-hours of electricity compared with 0.3 watt-hours.[52] In 2025, the 330 million daily U.S.-based[53] queries would have consumed 957 megawatt-hours, or about 350,000 MWh annually—enough to power over 32,000 homes for a year.[54]

Growing data center electricity demand has strained power grids and compromised reliability. A 2025 Inner City Fund report found that much of the country could experience shortages in

power reserves that could undermine the reliability of electricity service.[55] In November 2025, the North American Electric Reliability Corporation warned that the constant demand from data centers could lead to winter brownouts if the grid could not support peak demand during cold snaps.[56] If major data centers suddenly switch to on-site generators during peak demand periods, it can create power load imbalances that can spur power outages.[57]

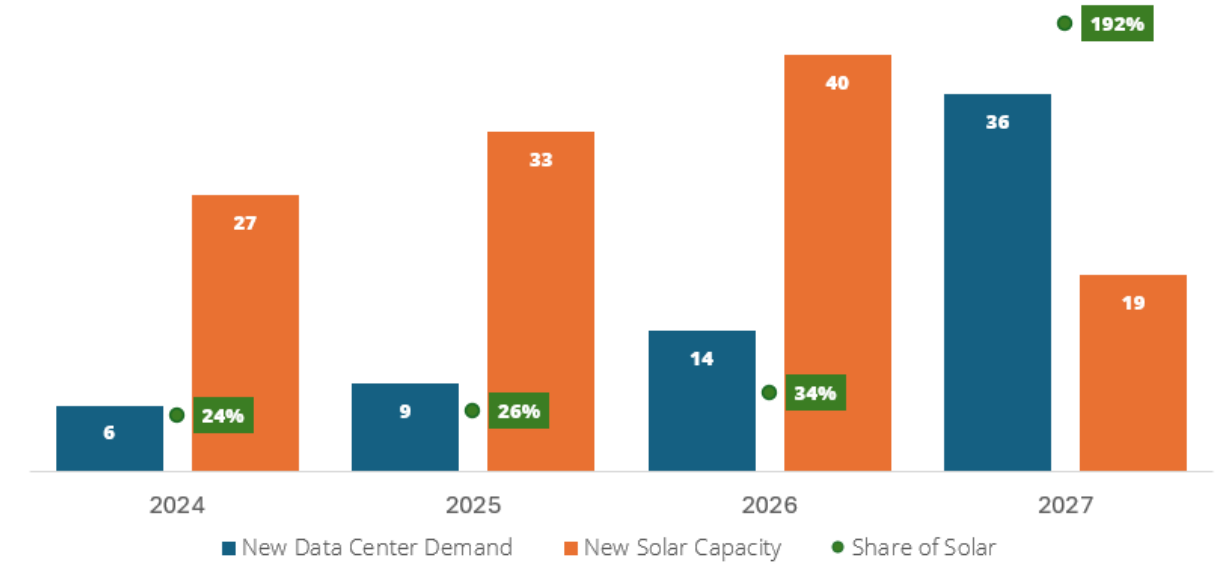
Higher data center demand is raising household electricity prices, as well. Residential customers are not only paying more for power as demand increases, but they are also subsidizing the power connections and upgrades to generation capacity needed to service data centers.[58] For example, the PJM regional power transmission organization charged residential customers $4.3 billion to fund data center grid connections and attributed its $23 billion in customer rate hikes to heightened data center demand.[59] PJM announced another round of $6.3 billion in rate hikes in July 2026 because of data center power demands.[60] A *Bloomberg News* analysis found that monthly electricity in areas located near large concentrations of data centers costs as much as 267 percent more than it did five years ago.[61]

Increased electricity demand drives higher fossil fuel emissions

The increased data center power demand is reversing the gains from clean renewable power, creating surging new demand for fossil fuel extraction and power production, and fueling increased climate emissions. Data centers themselves generate enough heat to raise surface temperatures near hyperscale facilities by nearly four degrees Fahrenheit.[62] The predominantly fossil fuel power sources are emitting huge amounts of carbon that heat the planet. A 2024 paper by researchers at the Harvard University School of Public Health found that more than half (56 percent) of the power for data centers operating in 2023 and 2024 came from fossil fuels.[63]

This heavy dependence on fossil fuel is artificially extending the use of coal-fired power plants and accelerating the construction of new gas-fired power plants. The Environmental and Energy Study Institute found that data center demand was handing coal a lifeline, reversing the retirement of 15 coal-fired power plants.[64] The Global Energy Monitor estimated that more than one-third of planned gas plants in 2025 were built to serve data centers, and a 2026 Environmental Integrity Project report found that 74 planned gas plants used to power data centers would release over 660 million tons of greenhouse gases annually—about the same as 140 million cars and trucks or Australia's *total* greenhouse emissions.[65, 66] This added demand for gas-fired electricity generation is buoying and expanding the demand for gas drilling and fracking, worsening the climate crisis for decades to come.[67]

Figure 2. New data center capacity and solar capacity, megawatts (2024-27)[68]



Source: Goldman Sachs; U.S. EIA

Data centers suck communities dry

The chips that power AI servers generate sweltering amounts of heat and cooling these servers consumes massive amounts of water. A 2021 report estimated that U.S. data centers consume 449 million gallons of water per day and more than 160 billion gallons annually. This is likely an undercount, as less than a third of data centers measure their water consumption.[69] Reports from Google, Meta, and Microsoft estimate that in 2022 alone, these companies withdrew 580 billion gallons of water to power and cool data centers—enough water for the annual needs of 15 million U.S. households.[70]

The impacts are especially harmful for communities with high concentrations of data centers. A *Bloomberg News* analysis found that approximately two-thirds of new data centers built or in development since 2022 are located in areas already experiencing water shortages, including California, Arizona, Texas, Illinois, and Virginia.[71] Data centers in drought-stricken Texas consumed at least 49 billion gallons of water in 2025 and are projected to use as much as 399 billion gallons by 2030.[72]

While constructing one of the country's largest data center complexes in Fayette County, Georgia, Blackstone's QTS siphoned off early 30 million gallons of water without the knowledge of local officials.[73] Blackstone was found to owe nearly $150,000 in unpaid water bills. A QTS spokesperson claimed the extra usage was from a period of nine to 15 months, but county officials estimated that QTS had used this amount in just six months (see Figure 3).[74] The Flint Riverkeeper and local residents have sued the site for alleged violations of the Clean Water Act.[75] In Iowa, a QTS site drilled 40 unpermitted water wells that could deplete water resources and compromise firefighting capacity.[76]



Figure 3. Letter from Fayette County to QTS Realty Trust

May 15, 2025

Quality Technology Services

167 Tyrone Rd

Fayetteville, GA 30214

RE: Notice of Water Usage Arrears and Account Update

Dear Mr. John Mansour,

Fayette County Water System (FCWS) received a complaint from the Annalise Park Subdivision about **low water pressure**. While investigating this complaint staff reviewed all QTS water consumption. FCWS identified an 8-in. domestic, and a 10-in. fireline-meter not included in the QTS billing account.

The 8-in. domestic meter on Tyrone Road was **installed without knowledge or inspection** by FCWS staff. As a result, water usage recorded by this meter was not billed. Similarly, the 10-in. fireline-meter located on Hwy. 54 was not linked to the QTS account. Retroactive billing for usage from both meters is summarized below.

Additionally, staff determined that water usage on the referenced meters above along with the Tyrone Road fireline meter **significantly exceeds the peak volume originally approved by staff during the planning process**. This high usage is associated with on-site construction activities and will be billed at our construction rate of $6.46/1,000 gallons in accordance with FCWS water rate structure. The additional Tyrone Road fireline-meter will also be retroactively billed to reflect the construction meter rate difference.

QTS received an incorrect bill dated April 25, 2025, for $99,542.10 that did not account for the construction rate adjustment or missing sewer charges after FCWS confirmed with the City of Fayetteville that QTS should be billed for sewer service. After posting your payment of $99,542.10, the **remaining amount due** is **$147,474.91.**

As of **March 5, 2026**, Fayetteville, Georgia, no longer allows any new zoning for data centers under Ordinance 26-0-12.

Over the past year, the QTS project has used around 174,000 gallons of water per day, according to officials. At the same time, the Georgia Environmental Protection Division has implemented water restrictions to deal with a drought.

The private equity model exacerbates accountability issues in the data center industry

The private equity industry is an increasingly powerful yet lightly regulated part of the U.S. economy. The private funds market grew sixteen-fold from $1 trillion in 2004 to over $16 trillion in 2025.[77] In 2024, private equity firms owned or backed 21,000 U.S. companies, nearly six times more than the 3,564 publicly traded U.S. companies.[78] In addition to amassing vast data center portfolios to capitalize on the projected demand, many private equity firms are also vertically connected to data center companies—either as suppliers (as owners of power plants, power generation companies, and of fossil fuel suppliers to power plants) or customers (businesses that may be deploying AI in their operations). Private equity firms may profit substantially from their data center investments, but their structure can make it difficult to hold them accountable.

The industry's intentionally complex and opaque corporate structures are hard to monitor, as they conceal which firms control which data center assets. The *Financial Times* reported that "private equity is, almost by definition, an opaque asset class."[79] Private equity firms include fully owned portfolio companies, platforms of similar or related portfolio companies, partial stakes in companies, joint ventures with other firms, and private credit loans to companies. These byzantine structures can obscure the ultimate owner, the relationships between private equity-controlled companies, or possible instances of self-dealing between data centers and other private equity-owned firms.[80] Private equity owners of data centers often insulate themselves from scrutiny and accountability through these veiled ownership structures and non-disclosure agreements.[81]

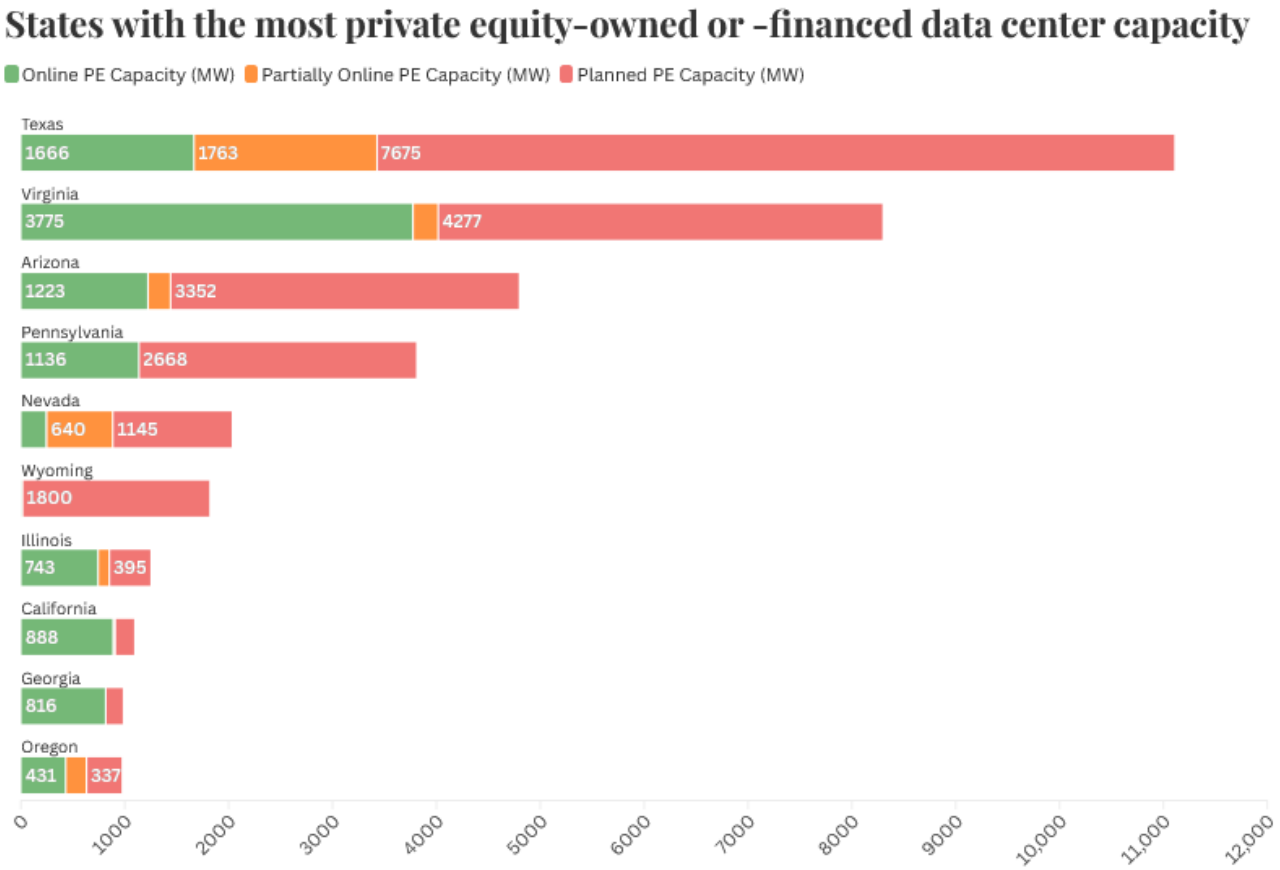
Private equity's standard operating practices are likely to increase costs and risks for communities surrounding data centers. In addition to their debt-driven acquisition model and opaque lending practices, private equity firms engage in financial engineering that can fuel wealth extraction while leaving few resources for mitigation and remediation. Among these tactics are spurious fees and exceptionally aggressive cost-cutting. Such practices, if deployed, will likely only amplify the harms to residents and communities surrounding data centers.



Data centers are increasingly unpopular and communities can fight back

By now it has become clear that the public is fed up with Big Tech and Wall Street building data centers to increase their already substantial wealth while leaving the communities that house them with higher utilities, increased pollution, and water shortages.[82]A September 2026 PBS News, NPR, and Marist poll found that 70 percent of people oppose constructing data centers in their communities.[83] According to one data center tracker, at least 86 localities have implemented moratoria on data center construction since 2023,[84] and statewide moratoria have been announced for New York and Pennsylvania.[85] Private equity firms may be trying to cash in by breaking ground as quickly as possible before more communities block future projects, but some communities have already successfully defeated private equity-owned data centers including some in states with concentrations of private equity-owned facilities (see Figure 4).

Figure 4. Top 10 states with the most private equity-owned or -financed data centers, by capacity (as of April 2026)



Blackstone's QTS withdrew its plan for a proposed data center development in DeForest, Wisconsin after organized opposition from local groups like No Data Centers in DeForest and 350 Wisconsin.[86] The data center complex was expected to use twice as much electricity as all of Dane County, Wisconsin's second most populous and home to the state capitol, Madison.[87] Residents cited concerns over groundwater pollution, minimal permanent job creation, and rising utility rates.[88] DeForest's Village President had allegedly been working behind the scenes with QTS to push the project through, despite claiming to be neutral.[89]

In Prince William County, Virginia, the Planning Commission denied a rezoning application for a proposed data center development by Blue Owl's Stack Infrastructure following significant opposition from local groups like the Coalition to Protect Prince William County.[90] The volunteer-led organization highlighted issues with groundwater pollution, water and power consumption, and increased utility costs. [91] Virginia is home to one of the biggest concentrations of data centers in the country and the largest pool of private equity-owned and backed data centers with over 3.7 gigawatts of capacity.

Similar fights are ongoing nationwide. Residents of Doña Ana County in New Mexico are demanding transparency around the subsidies going to Stack Infrastructure's Project Jupiter, a

$165 billion data center development.[92] The project is being financed by $4.5 billion in Industrial Revenue Bonds issued by the Doña Ana County, which will own the site and lease it back to Project Jupiter.[93] Residents of Shreveport, Louisiana are protesting a $12 billion data center Stack Infrastructure is building for Amazon that is expected to use 57 million gallons of water annually (as of this writing, the city council overturned the permit denial, which was upheld in court).[94] Residents of Aurora, Illinois have won a noise restriction on data centers, including facilities owned by CyrusOne, which is backed by private equity firms, including BlackRock/GIP, KKR, and Pantheon Ventures.[95] In all, 40 percent of US data center projects due this year are at risk of being delayed.[96]

These examples are potent reminders that communities can come together to advance their own best interests and win. Policymakers can take cues from them as they address the speculative financing and community harms related to the data center buildout.

Recommendations

- **States and localities should impose data center moratoriums** to allow time to assess the environmental, social, financial, and community costs of data centers and to develop mechanisms to improve the approval process for data center facility planning, construction, and maintenance.

- **States and localities should ban and repeal tax breaks or exemptions for data centers.**

- **Pension funds and other private equity and/or private credit institutional investors, like university and foundation endowments, should demand data center transparency**, including a full list of the data center companies their private equity and private credit fund managers have backed, the facilities those companies currently own or have under development, the current energy consumption and key environmental metrics associated with those locations, the existence of any non-disclosure agreements (NDAs) signed by public officials in connection with their data center projects, and any instances of community opposition or concern about proposed or existing facilities.

- **Localities should collect beneficial ownership information and comprehensive, audited information about the financial health of the ultimate parent company and any sole lessees** for any currently operational, proposed, or already permitted data center developments in their jurisdiction and share that information, along with information about proposed subsidy amounts, with the public in an accessible format.

- **Data center developers, their parent owners, and AI companies should be required to disclose key environmental and climate metrics for any data center capacity they own, lease, or operate, or plan to open.**

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