

INTELLIGENCE UPDATE

Microsoft's Community-First Plan needs more work



Jay Dietrich 5 Feb 2026

The rapid buildout of global digital infrastructure, including multiple data center campuses with power demands >100 MW (see [Many giant data center projects advance despite risks](#)), is placing a growing strain on local electricity and water systems, as well as testing the patience of local communities. Hyperscale facilities, colocation companies and real estate developers typically negotiate siting and utility service agreements under non-disclosure terms, announcing projects only after decisions are effectively final. This practice has increasingly provoked resistance from residents and local stakeholders that feel excluded from early planning consultation (see [In the US, data center pushback is all about power](#)).

In the face of public opposition to data center plans, Microsoft's Community-First AI Infrastructure Plan, launched in January 2026, targets major concerns surrounding new data center campuses: rising electricity costs, heavy water use, limited local job creation and large tax breaks (see [Building community-first AI infrastructure](#) and **Table 1**). It also includes a commitment to invest in workforce training and local nonprofit organizations. Microsoft's plan is intended to smooth the acceptance of new data centers; its success will depend on whether Microsoft's actions align with the stated commitments.

Table 1 Microsoft's Community-First AI Infrastructure Plan

The five Microsoft pledges				
1	2	3	4	5
We'll pay our way to ensure our data centers don't increase your electricity prices	We'll minimize our water use and replenish more water than we use	We'll create job for your residents	We'll add to the tax base that funds local hospitals, schools, parks, libraries	We'll strengthen your community by investing in local AI training and non-profits
Additional actions to support the commitments				
Innovate for data center efficiency Collaborate with utilities for new electricity generation	Provide greater local transparency	Invest and partner to expand training opportunities for construction and data center workers		Support AI training in schools, businesses, and for post-education adults
Advocate policies to promote government and community action in these topic areas				

Microsoft’s plan and similar commitments from OpenAI, Google, QTS, CoreWeave, Digital Realty, Equinix, and other operators to pay their fair share for electricity and share more project specifics appear to address the emerging public concerns. Their ultimate effectiveness will depend on how well operators actually increase project transparency and the operational performance of their large-scale data centers.

Data center campus expansion

Early hyperscale facilities typically expanded in 100–150 MW phases, as demonstrated by Google's campuses in Council Bluffs (Iowa, US) and Pryor (Oklahoma, US), which eventually grew to 400–500 MW over the course of a decade. Their electricity and water needs were manageable with the existing infrastructure, generating little controversy.

Today’s hyperscale projects launch with initial phases of 300–1,600 MW and planned buildouts reaching 3 GW or more over 10 years. In Wisconsin (US), five announced campuses are expected to consume 3.15 GW by 2028, with long-term demand projected at 8.05 GW (see **Table 2**). With the state's 2025 peak demand at 17.1 GW, the near-term increase equals 18% of current demand, and long-term growth could reach 47% of demand.

Table 2 Planned data center builds in Wisconsin (US)

Project	Number of		Power demand		Status
	Campuses	Buildings	Phase 1 GW (declared)	Total GW (estimated)	
Microsoft: Mount Pleasant	3	17	0.30	3.00	Phase 1: complete Phase 2: under construction Phase 3: 2 campuses/ 15 buildings (announced Jan 26, 2026)
Vantage/Stargate: Port Washington	1	4	1.30	3.50	Phase 1: under construction
QTS: DeForest					1.6 GW project canceled (Jan 27, 2026)
Meta: Beaver Dam	1	1	0.75	0.75	Under construction
Viridian: Janesville	1	8-11	0.80	0.80	8-11 buildings
			3.15	8.05	

Wisconsin reflects a broader national and global trend: massive, often opaque expansion of energy and water use driven by hyperscale development. The impact of this expansion — frequently obscured by non-disclosure agreements and vague disclosures — is straining community trust and challenging local, regional and national officials.

As an example, QTS was in secret negotiations with officials from the village of DeForest (Wisconsin, US) for 7 months prior to the public announcement of the 1.6 GW project in October 2025. The officials rejected the annexation petition for the data center site (a key step in the

project approval) in response to strong public opposition.

Energy generation buildout

Utilities and energy developers face substantial financial risk when building the required generation and transmission assets, with these costs ultimately borne—at least in part—by the ratepayer. Although Microsoft and others have pledged to pay their “fair share,” the term remains undefined among operators, utilities, regulators and consumer advocates. Final cost-allocation frameworks will be shaped through public hearings, utility commission rulings and legislation, with final outcomes varying across geographic markets. To date, data center operators in Ohio (a US state served by transmission operator PJM) and other jurisdictions have actively resisted mandates requiring them to assume full electrical infrastructure costs. Converting voluntary pledges into binding commitments will be essential as these megaprojects advance.

Rapid growth in data center energy demand will require extensive construction of electricity generation assets, transmission systems and pipelines. The proposed Wisconsin buildout will require up to 4-6 GW of reliable, dispatchable electrical power, 4-6 GW of intermittent wind and solar power, and new gas transmission piping to support electricity generation, which is a significant buildout. Each data center campus will need to be served by multiple high-voltage transmission lines, each carrying 0.2-0.5 GW of demand or more, because most facilities will require dual energy sourcing for reliability purposes. This infrastructure will have to undergo an extensive and likely contentious permitting process.

Water use

Accurately assessed, the demands on water supply will likely be less controversial than energy infrastructure concerns. Microsoft, Vantage Data Centers and others plan to use dry-cooling systems with adiabatic backup during high-temperature periods for all new data centers regardless of location. The first phase of Microsoft’s Mount Pleasant campus is expected to use approximately 8 million gallons of water per year, averaging 22,000 gallons per day (equivalent to 150 residential homes) and peaking at several 100,000 gallons on hot days. These water-use-levels are easily supported by 51.1 million gallon per day capacity of the Racine water district (which is the water supplier to the data center).

Energy and water use reporting

A community-first pledge should include clear reporting of individual data center energy and water use. Although the Microsoft plan commits to disclosing water use, it notably does not address reporting of total and IT energy consumption. To meaningfully address community concerns, operators should publish facility-level energy and water data.

Many operators now set net water-positive goals, but these are often reported only at the

corporate level. A more effective approach is facility-specific annual reporting that details water saved or recovered, both cumulatively and for the reporting year, compared with facility water consumption to ensure such efforts are validated against the net-positive objective.

Observations

Emerging opposition to new and expanding data center campuses is pushing operators to rethink how they communicate their energy and water use. Although Microsoft, Google, CoreWeave, OpenAI, Equinix and others have pledged greater transparency, they still emphasize corporate-level offsets and hesitate to share facility-specific data. Microsoft's latest community engagement plan does not break with this trend. Without adopting detailed, site-level reporting, operators will struggle to convince communities and regulators that they are genuinely addressing the impact on local communities and managing resources responsibly.

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Jay is the Research Director of Sustainability at Uptime Institute. Dietrich looks beyond the hype to analyze the transformations required in energy and IT systems, data centers and software management systems, and intra-organizational collaboration, both within and between companies, to deliver sustainable data center operations.

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