



**JOINT CITY COUNCIL-PLANNING COMMISSION INFORMATIONAL MEETING
AGENDA**

**5:30 PM, Wednesday, September 9, 2026
IONIA THEATRE - 205 W. MAIN STREET**

- I. Call to Order**
- II. Roll Call**
- III. Approval of Agenda**
- IV. Presentation - Jean Hardy MSU associate professor in the Department of Media & Information**
- V. Presentation - Allen Bacon with Consumers Energy**
- VI. City Council and Planning Commission Discussion & Questions for Speakers**
- VII. Public Comments**
- VIII. Meeting Wrap-Up - Mayor Milewski**
- IX. Adjournment**

PUBLIC PARTICIPATION POLICY: City Council's Rules of Order and Conduct for City Council Meetings provides opportunity for the public to address Council during the Public Comment section identified on the agenda. Your opportunity to speak occurs after you have been recognized by the Mayor. When addressing Council, please state your name and address. Comments will be limited to 3 minutes unless additional time (up to 5 minutes) is granted by the Mayor.

Data Centers in Michigan: What should you know from a local governance perspective?

Ionia Joint City Council & Planning Commission Meeting

Dr. Jean Hardy

Associate Professor of Media & Information

Associate Director, Quello Center for Media & Information Policy

September 9, 2026

Talk Outline

- What are data centers?
- Primary issues and concerns surrounding data centers
- Community benefits
- How do communities prepare for a potential data center proposal?

Where are we now?

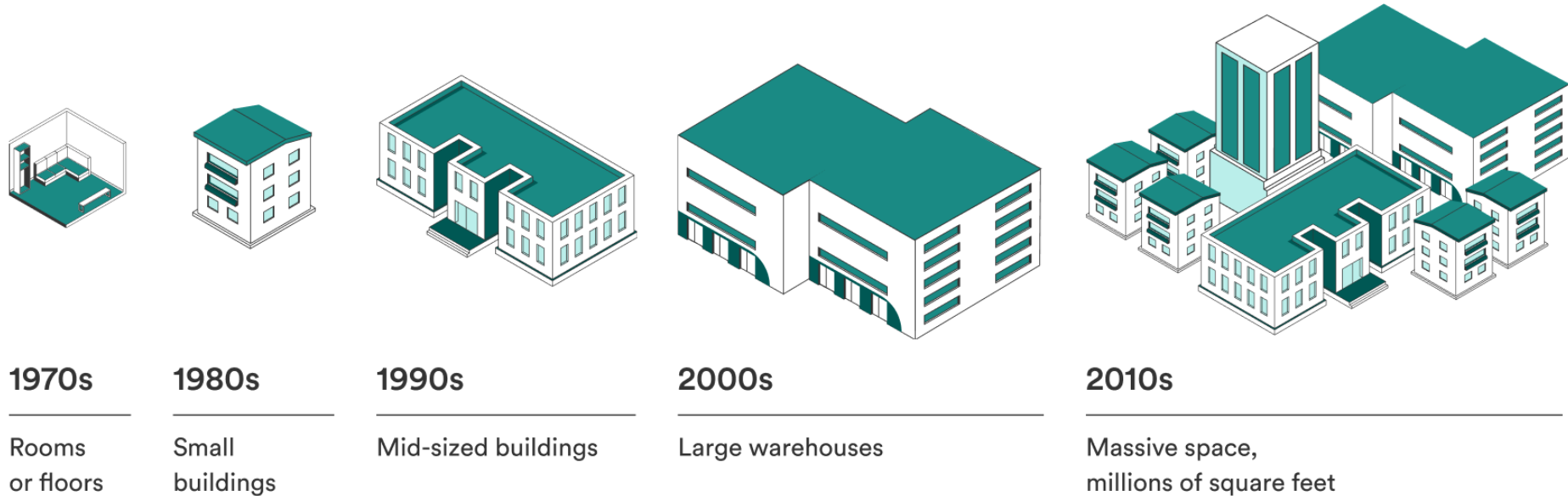
- Controversy around data centers has stalled out many proposals and it's unclear where data center momentum is going.
- Lots of policy movement in the State House and Senate since February, including signaling for Gov. Whitmer's office
- Massive number of moratoriums across the state, increasing interest in local regulatory approaches (e.g., modifying industrial zoning, community benefits agreements).
- Data centers continue to activate community and citizen response, even if there is no proposed development on the horizon (or any chance of a data center getting sited in a community).

What is a Data Center?

- Data centers are physical buildings housing networked computer servers used for remote storage, processing, or distribution of data.
- Have existed since conception of the Internet and help transmit data from one place to another.
- Increasingly important as more of our digital services moved off of our devices (e.g., smartphones, laptops) onto cloud-based services.
- Data centers have become essential infrastructure to our daily lives.



Figure 1 | Increasing Size of Data Centers



Why Now?

- There were over commercial 70 data centers already in operation in Michigan in 2023, with likely 100+ more data centers that were used by a single entity (e.g., a corporation, a university – there are 8 alone at MSU).
- The past three years triggered a drastic change in demand for computational infrastructure. AI training and inference require massive, sustained, always-on computing power.
- Data centers today are dramatically larger and more energy intensive than they were a decade ago.
- Data centers are being proposed in places that have never had to think about projects at this scale before. Essentially, communities are completely unprepared to respond to proposals and requests being

What is realistic for a place like Ionia?

- The 60-acre size of the technology park greatly limits the size of a data center that could be sited there.
- Even in utilizing 40 of those 60 acres, you'd be looking at a 20-40 megawatt facility that would only occupy about half of the land space (the size of a typical warehouse facility).
 - This amounts to being about 30 times smaller than the hyperscale data centers causing concern in Saline Township, Van Buren Township, and Gaines Township.
- That being said, it's unlikely that Ionia will see a proposed data center in the near future because of broader controversy and public push back against data center development across the

Primary issues and concerns surrounding data centers

Data centers cannot be outright banned as they are a legal and permissible land use per the Michigan Zoning Enabling Act.

Resource consumption

- Electricity is essential to operation and cooling, water is essential to cooling.
- Electrical and water consumption are essentially trade-offs: the more water a data center uses, the less electricity it needs to use; the less water a data center uses, the more electricity it needs to use.
- Open vs. closed loop systems.
- Upwards of 80% of proposed data centers use closed loop cooling exactly because it uses much less water.
- A 40 MW facility in Ionia would be comparable to the siting of mid-sized industrial manufacturing facility (e.g., an EV battery assembly plant).

Resource consumption

- Concerns around electricity consumption and impact on rates are not an issue for a site that would be developed in Ionia because the electrical load isn't massive like a hyperscale data center.
- Groundwater withdrawal and discharge of used water is regulated by EGLE, discharge into sewer and wastewater systems is managed by the local water utility system itself.
- Ionia has a lot of capacity in its public water and sewer services due to the loss of local prisons – The public water system only operates at an averaged of 26% of its capacity; the water treatment facility is only working at 43% of its capacity.

Community and Health Impacts

- Land use pressure on surrounding areas
 - Very large data centers can have negative impact on surrounding real estate values, but new research shows that non-hyperscale data centers generally don't, usually because of their location in industrial and business parks.
- Noise, light, and traffic during construction; noise and light during operation.
- Public health issues related to noise and pollution
 - There is quite a bit of concern around noise pollution, which is a very real concern for hyperscale data centers, though less of a concern for a facility that could be built in Ionia
 - I'll address noise issues and what to do about them later in the presentation

Are there any ways that communities can benefit from data centers?

Economic Development Impacts

Employment

- Construction jobs are real and well-paid. Possible to negotiate to ensure hiring of regional and union labor.
- Permanent jobs are limited

Other Economic Impacts

- Property tax capture can be very beneficial to local communities.
- Real opportunity for local businesses to capture benefits during construction.
- We are unsure what real, long-term benefits might look like and what future spillover effects may appear.
 - For example, will data centers encourage other forms of tech investment/business? It's to be seen

Supporting local infrastructure

- Data centers could be very beneficial to communities like Ionia who built out infrastructure (e.g., water and sewer) to meet the demands of industries that are now in decline or have disappeared (e.g., the case of prison closures).
- Infrastructure has to be maintained, even if it's not being used. Right now, that maintenance gets spread across existing utility users.
- Bringing on a large commercial user, like a data center, that uses a lot of water would be very beneficial to the maintenance of existing infrastructure and would lower the future costs of maintenance for all other existing customers

How should communities prepare for a potential data center proposal?

Many of the concerns created by data centers can be addressed through careful planning if a community wants to pursue data center development or if they find themselves in an uneven relationship with a developer.

Ionia's Zoning

- Ionia has a “T Technology Innovation Business District,” passed in December of 2024, which includes data centers as a regulated land use.
- This ordinance already includes regulations on:
 - Air quality
 - Setback requirements of 20’ or more (much more for borders with residential land)
 - Landscaping and screening
 - Landscape buffer of 10’ on property lines adjacent residential areas
 - Fence or wall minimum of 6’ on property lines abutting residential areas
 - Screening of outdoor storage
 - Noise
 - “All loud or unusual noises or sounds and annoying vibrations which offend the peace and quiet of persons of ordinary sensibilities are hereby declared to be public nuisances.” Ordinance 664.03
 - Vibration

To address data centers in particular

- Special Land Use as part of the T designation that allows for some more specific targeting around:
 - Noise
 - Landscaping and screening
 - Exterior lighting
 - Setbacks
 - Usage of back-up generators and behind the meter generation
 - Decommissioning

Modifying industrial zoning

- Noise
 - Needs to be made more explicit and inclusive of both dBA and dBC weighting. This will help ensure that the loud humming that can happen at data centers that aren't well managed is punishable (though as I noted earlier, this is less of a concern in small and medium sized facilities).
- Landscaping and screening
 - Earth berms along property lines adjacent and abutting residential (fences, walls, and traditional landscape buffers are not enough)
- Exterior lighting
 - Dark sky friendly
- Setbacks
 - Variable depending on footprint, but something like a 40 acre site should likely be 100' from general property lines, 200' from residential

Modifying industrial zoning

- Usage of back-up generators
 - Limiting the timing and length of testing
- Behind the meter generation
 - Inappropriate for T district, should be restricted.
- Decommissioning
 - What happens when this facility ceases operation?
 - The infrastructure that gets left behind
 - The building
 - Any waste

Modifying industrial zoning

Examples to turn to:

- Negaunee (just passed their zoning a few weeks ago)
- Van Buren Township (already had pretty robust zoning to address some of these issues)
- Gaines Township (are currently modifying theirs, but I bet their planners would be willing to share)

Additional Resources

Where can you start to educate yourself on these issues as a local elected official or community leader?

WHAT MICHIGAN LOCAL GOVERNMENTS SHOULD KNOW ABOUT DATA CENTERS

February 2026



GRAHAM SUSTAINABILITY INSTITUTE
CENTER FOR EMPOWERING COMMUNITIES
UNIVERSITY OF MICHIGAN

June 2026 | Memorandum 1184



DATA CENTERS IN MICHIGAN: EVALUATION OF POLICY CONTROVERSIES REGARDING HYPERSCALE DATA CENTER DEVELOPMENT

Preparing for future digital infrastructure

The communities that are best positioned for the next wave of digital infrastructure are the ones that decided what they wanted before anyone asked them.

Use this as an opportunity to engage your community on what industrial development should/could look like in Ionia. This isn't the first land use and zoning controversy we have seen in Michigan and definitely won't be the last.

Thank you

Contact information

- jhardy@msu.edu

I'm sticking around and am happy to talk with anyone after the meeting concludes.

Michigan, *you can count on us*

Powering Michigan's Growth



Consumers Energy

Count on Us®

Serving Michigan's Growing Energy Needs

- Data centers, advanced manufacturers and other large customers
- Energy readiness is critical to attracting and retaining investment
- 140 years of experience delivering the energy Michigan needs
- Serving Michigan's growing energy needs for the long haul



Data Center Energy Myth Busters

Rumor:

Data centers will require more power than Consumers Energy can produce.

Reality:

Consumers Energy has capacity today and will add resources to support data centers as they come online.

Rumor:

Data centers will negatively affect reliability.

Reality:

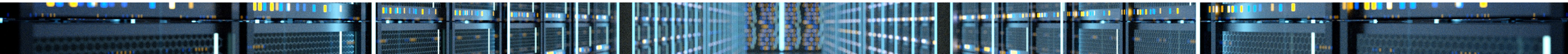
Infrastructure investments made by data centers can contribute to improved reliability for all local customers.

Rumor:

Data center infrastructure costs will increase customers' bills.

Reality:

Data centers won't raise rates. Large customers will pay their fair share of infrastructure and supply costs.



Ensuring Reliable & Secure Energy Supply



NEW SERVICE REQUEST

(like new data center, factory or housing)

Consumers Energy



LOCAL UTILITY:
Initiates request review.
Connects customers to the grid.

First check:
Local grid impact

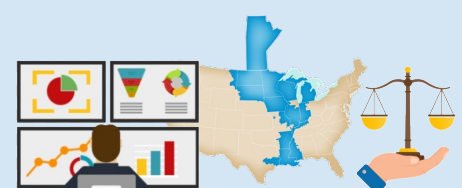
Michigan Electric Transmission Company (METC)



TRANSMISSION OWNER:
Analyzes high-voltage network impact. Builds and maintains long distance lines.

Second check:
System capacity and constraints.

Midcontinent Independent System Operator (MISO)



REGIONAL OPERATOR:
Manages the grid across many states. Plans for long-term supply and coordinates reliability.

Third check:
Regional coordination and market-wide sufficiency

Federal Energy Regulatory Commission (FERC)



FEDERAL REGULATOR:
Approves the Tariff that MISO uses to evaluate transmission projects and energy sufficiency.

Oversight:
Federal oversight and fair rules.

NO NEW LOAD WITHOUT ADEQUATE SUPPLY & SYSTEM PROTECTION

This system of “checks and balances” ensures available and reliable power for all.

Data Centers Can Boost Reliability

- **Reliability comes first.** No new customer is connected unless our engineering studies confirm the system can handle the demand without impacting homes and small businesses.
- **We have a proven process in place** to carefully validate every large load request, one that reflects national best practices and ensures reliability for all customers.
- **Our dedicated team of experts reviews every project in detail**, bringing decades of planning and operational experience to make sure new growth is responsibly integrated into the grid.

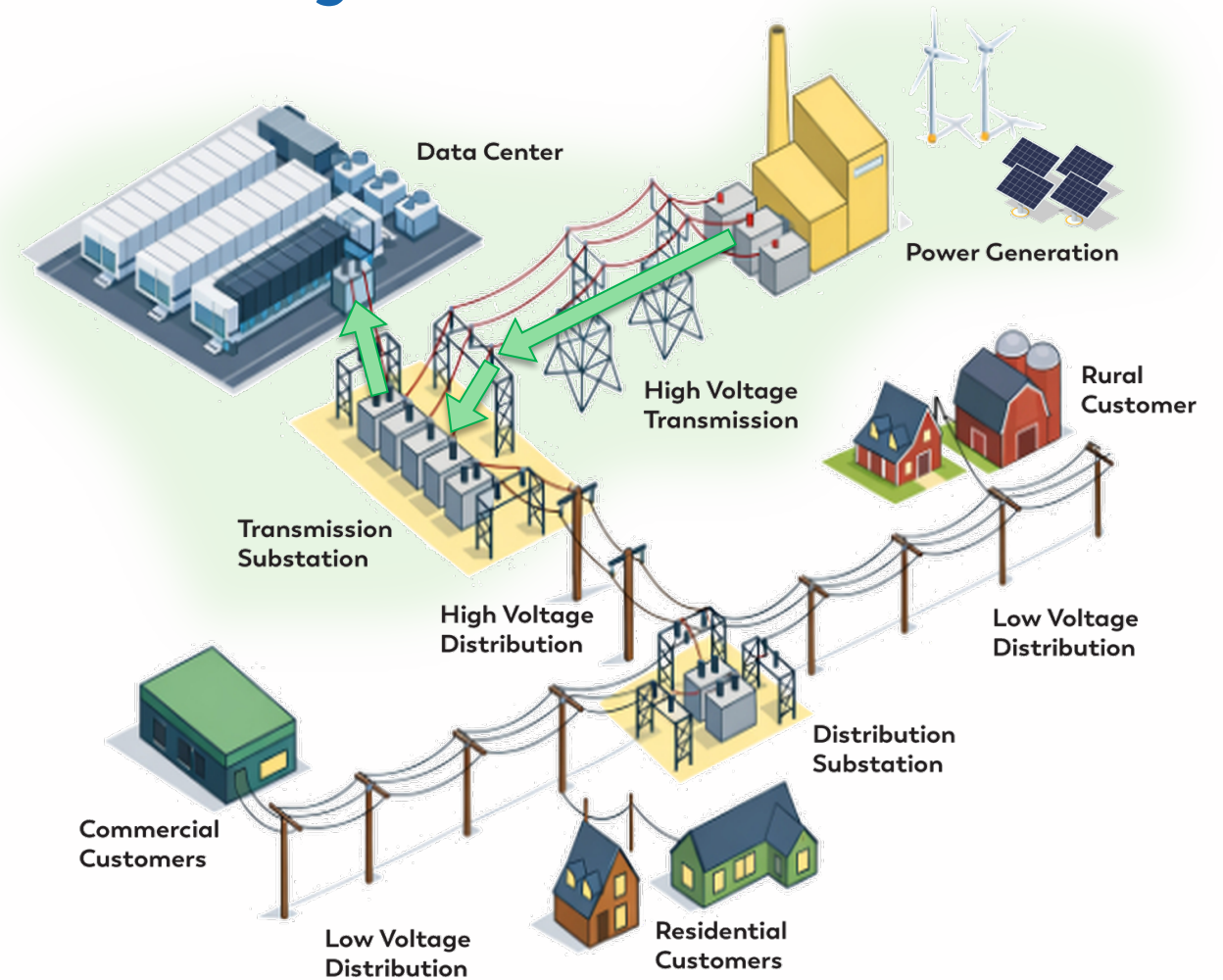


Image used for illustrative purposes only; not intended as a literal representation of the electric system.

Strengthening the Grid in Ionia County

2025-27 Reliability Investments

LVD investment by calendar year — \$9.0M

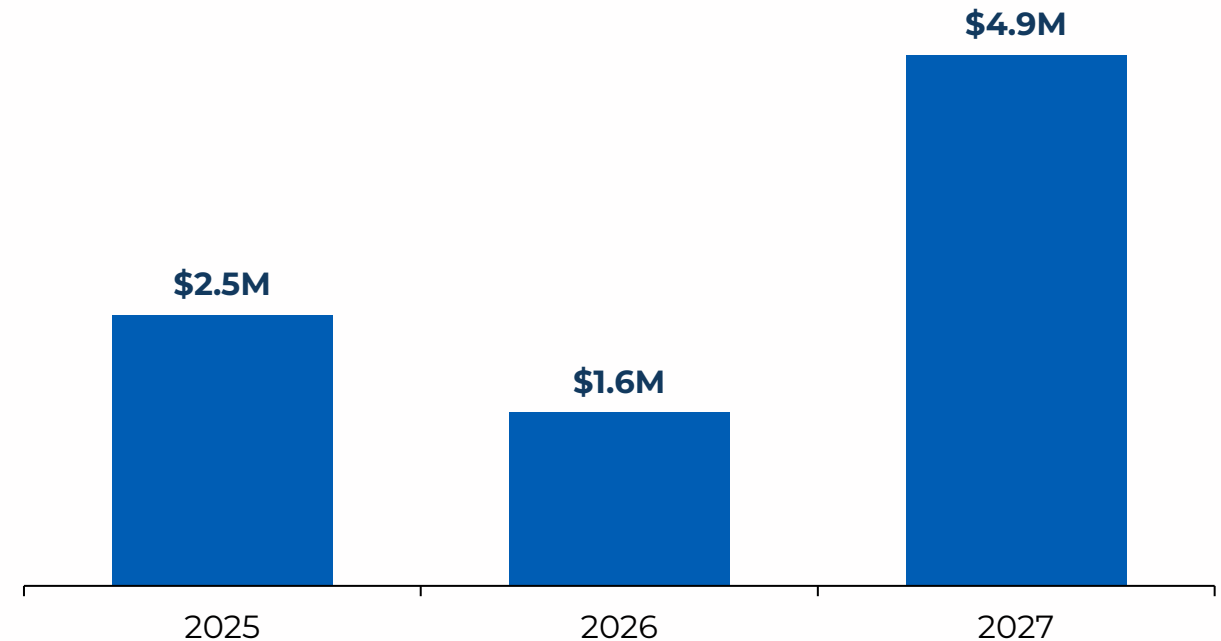
High Voltage Distribution (HVD) Investments:

- **2025-2027 \$8.4M**
 - Substation rebuilds & equipment
 - Animal mitigation
 - Load carrying capability & voltage support

Low Voltage Distribution (LVD) Investments:

- **2025-2027 \$9.0M**
 - Undergrounding
 - Circuit inspection follow-up work
 - Line improvements/ Pole replacements
 - Load transfer switching to reduce outage duration

Total Grid Strengthening Investment of \$17.4M



Reliability Performance in Ionia County

Power Availability, 2022-2026 YTD

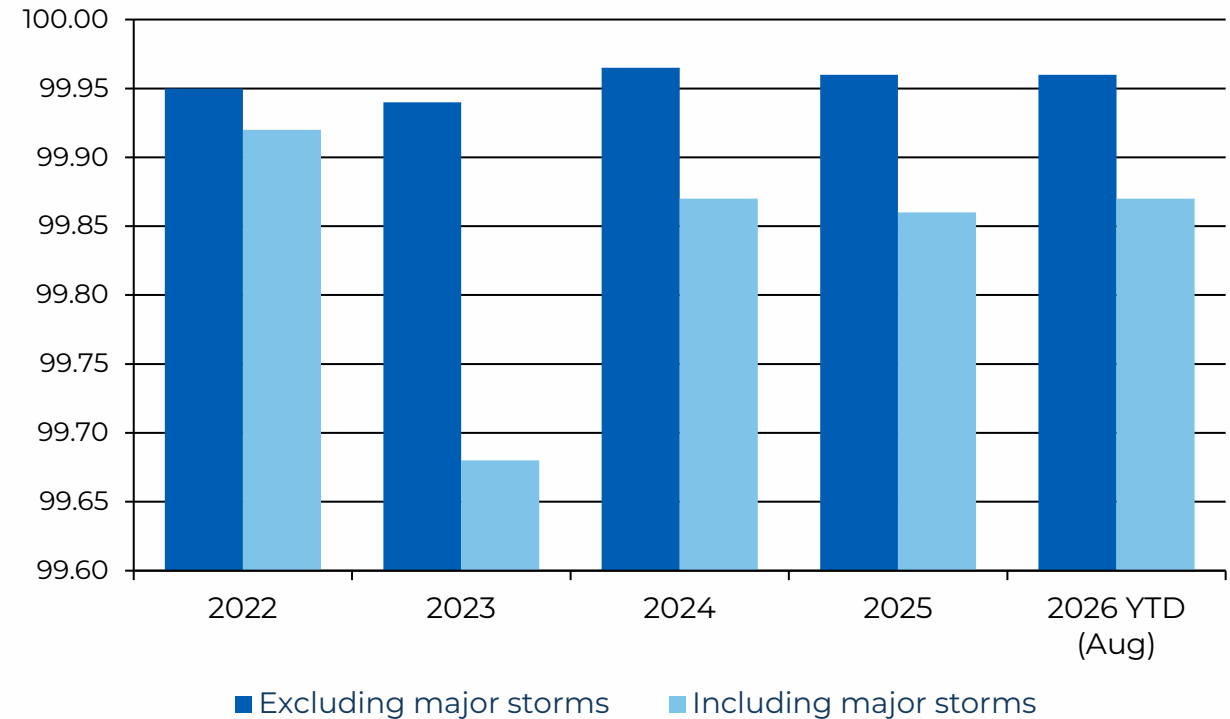
Power is available more than 99.9% of the year

- Excluding major storms, availability has stayed at or above 99.94% every year
- Major storms drive nearly all of the variation, most visibly in 2023

Performance is trending up

- Storm-inclusive availability has recovered from 99.68% in 2023 to 99.87% in 2026 YTD
- Continued grid investment is designed to keep that trend going

Average percent of year power was available



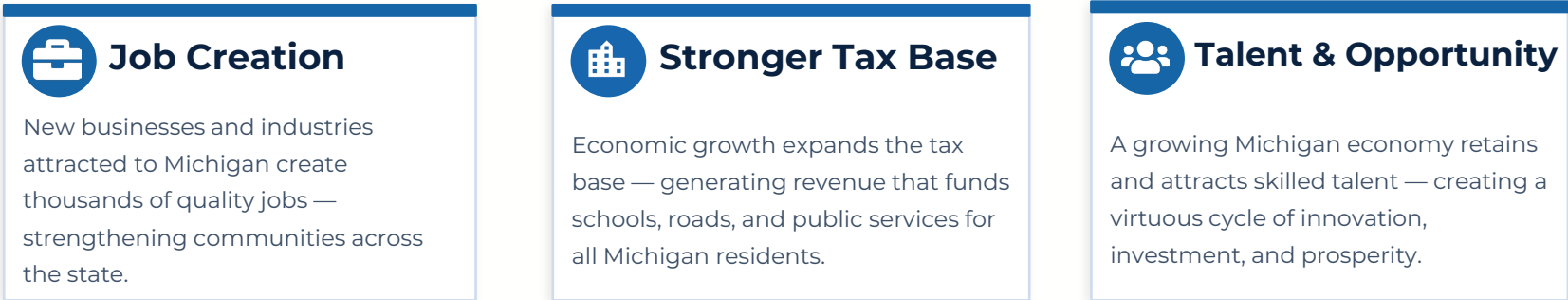
Growth and Affordability for Michigan

More demand on the grid means lower costs for all customers — and a stronger Michigan for everyone.

Lower Customer Bills



A Stronger Michigan



Data Centers Will Not Raise Your Rates



State Regulation Ensures Rates are Cost Based

Utility rates are established through transparent legal proceedings and must be approved by State regulators. All rates must reflect the actual cost of providing service ensuring customers are not forced to subsidize another customer.



Consumers Energy's Tariff Ensures No Cost Shifting

The Large Load tariff requires data centers to pay for ALL their costs in full. It is based on industry best practices to ensure existing customers are protected from cost shifting and not forced to pay stranded costs if new, large load does not stay for the duration of a contract.



State Tax Credits Reinforce Customer Protections

To take advantage of Michigan sales and use tax credits passed in 2024, data centers are required to pay the costs associated with providing energy service to their facilities. The law also explicitly bars data centers from shifting costs to residential customers.

Michigan customers have several layers of protections to safeguard affordability.

Approved Data Center Tariff: MPSC Case No. U-21859



What the Protections Mean

1. Existing customers **WON'T PAY** for energy infrastructure or supply serving data centers.
2. Existing customers **WON'T PAY** for the energy data centers use.
3. Existing customers **WON'T PAY** if data centers leave early.



How the Protections Work

Data Centers are required to:

- ✓ Pay for upfront engineering and planning costs.
- ✓ Provide upfront collateral to ensure infrastructure investments are paid for.
- ✓ Pay ALL costs for their energy use and infrastructure — even if promised projects don't materialize or they leave early.
- ✓ Sign a long-term, 15-year contract with default collateral provisions ensuring our customers are protected from cost shifting.
- ✓ Pay for 80% of the capacity they ask us to supply, regardless of their use.

To be granted approval, Consumers Energy is required to prove each project meets all MPSC regulations, covers 100% of its costs, and will not raise customer rates.

Consumers Energy's Data Center Information Hub

Scan the QR code to open the Information Hub:

Our public-facing resources and educational materials provide clear, fact-based insights into how growth projects are evaluated, how rates are protected, and how we have systems and plans in place to safely, reliably, and affordably serve communities across Michigan.

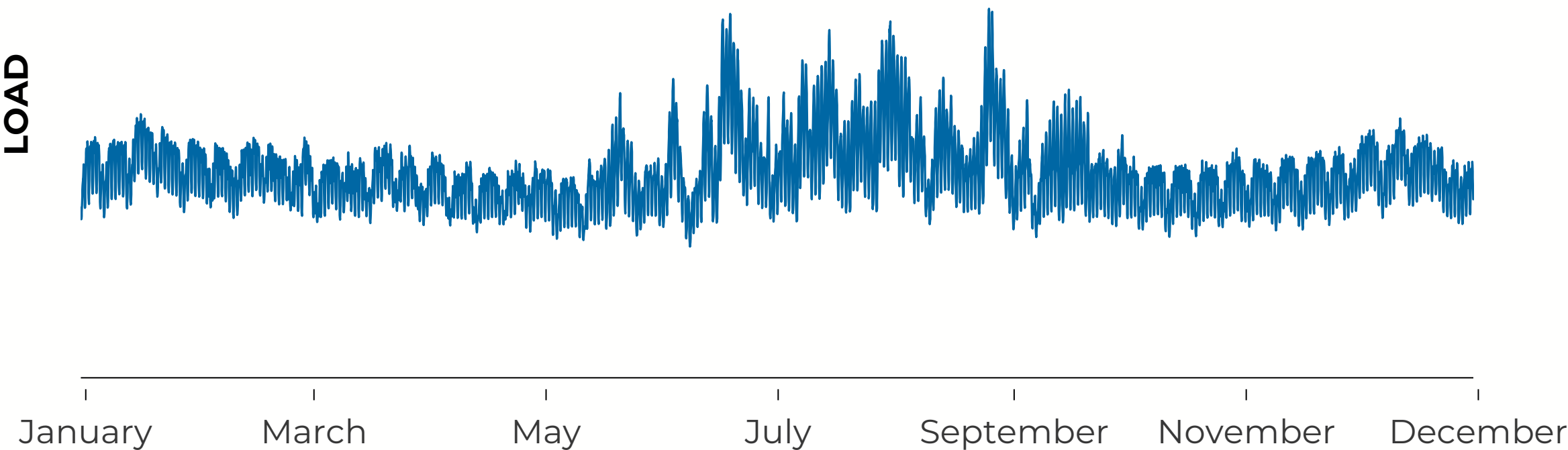


Counting the ways
you can **count on us**

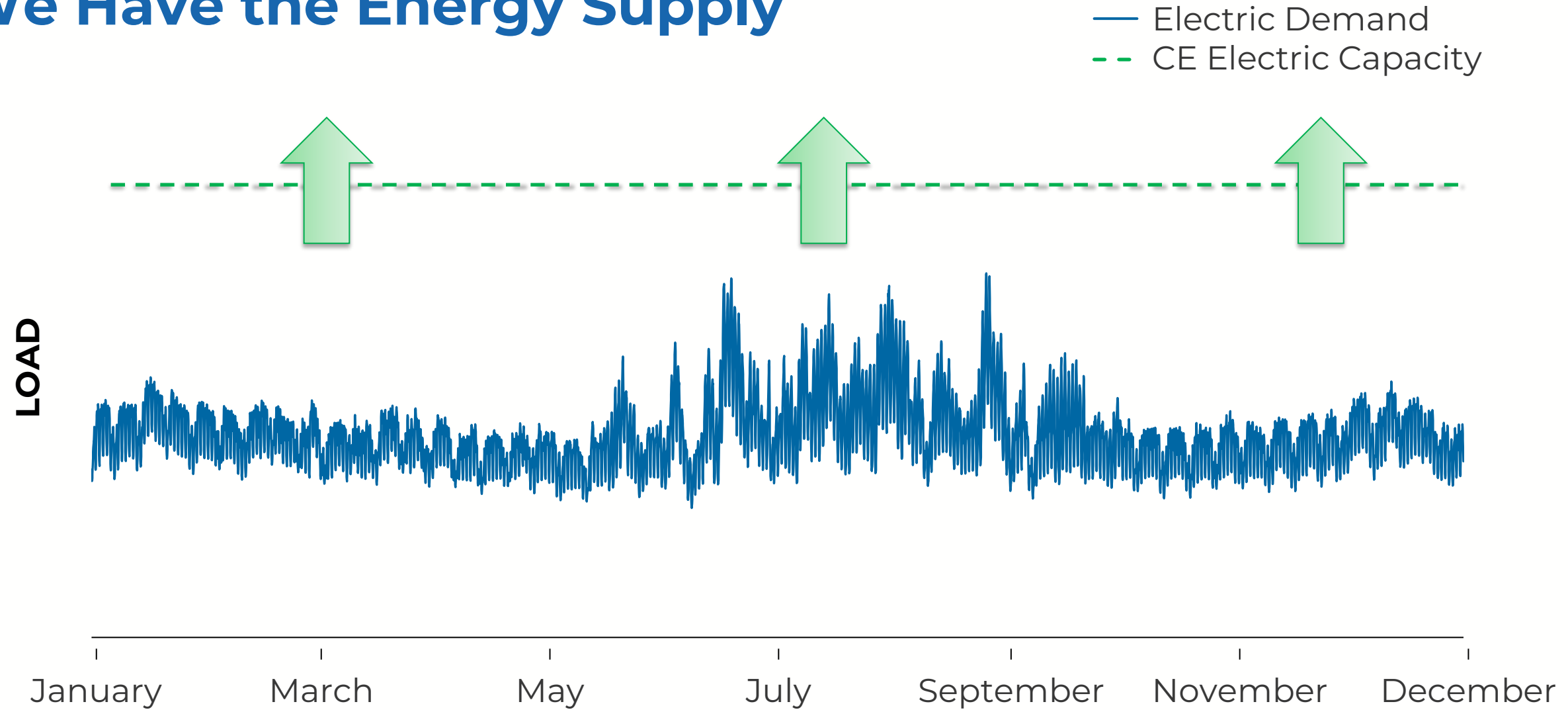


We Have the Energy Supply

— Electric Demand

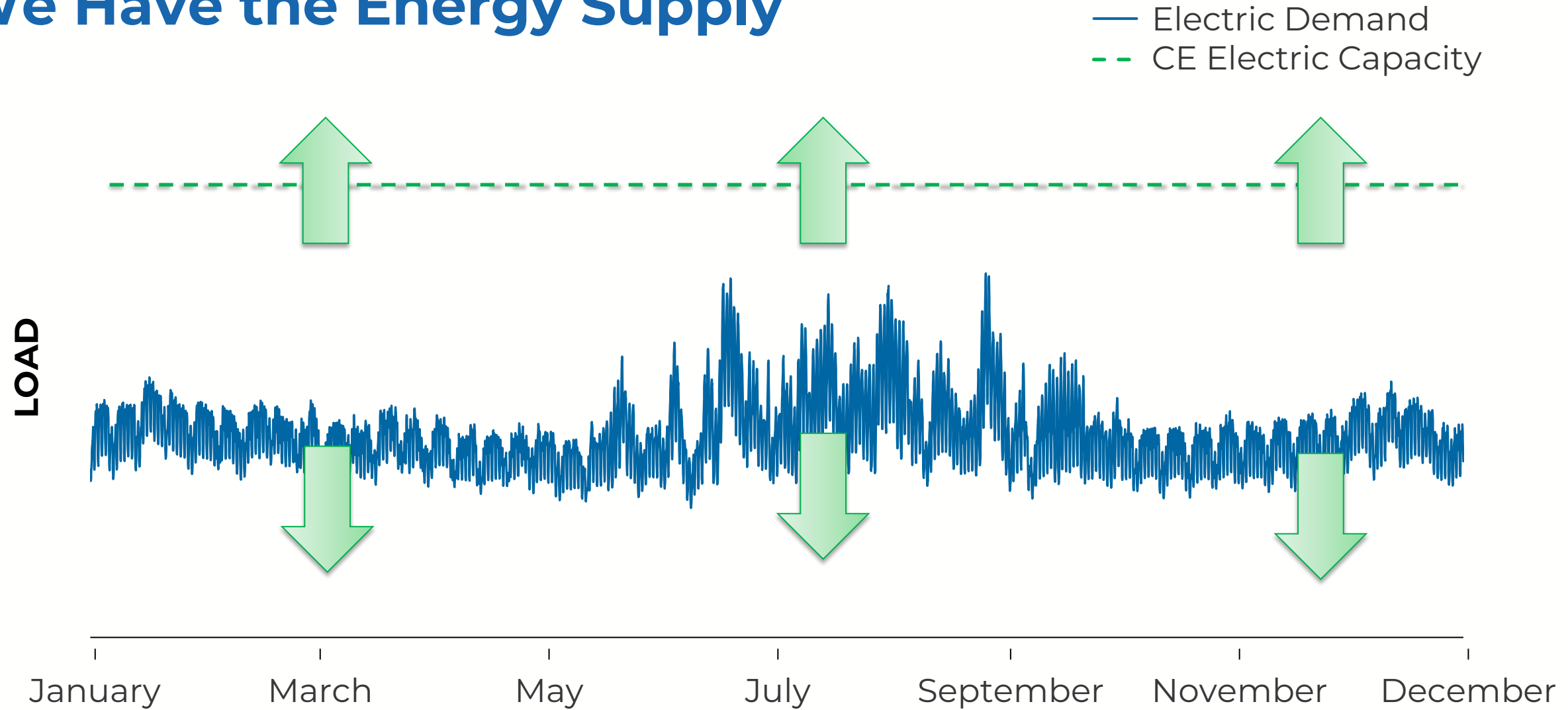


We Have the Energy Supply



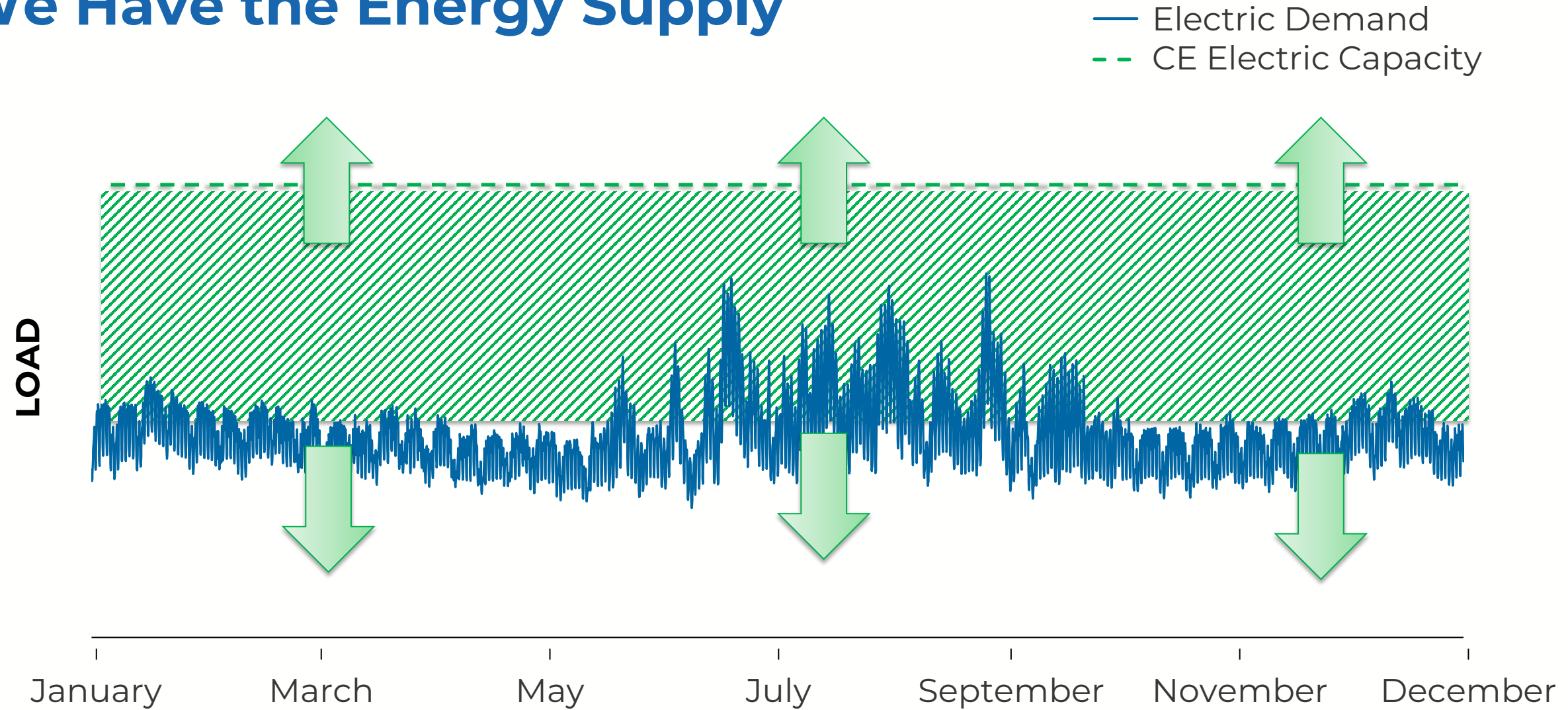
We always have headroom, and we add capacity as load grows.

We Have the Energy Supply



Our #1-ranked energy efficiency program cuts system load 1-2% every year, freeing capacity without building it.

We Have the Energy Supply



Opportunities for growth now & increasing supply for the future.

Electric & Natural Gas Systems

6.8 Million

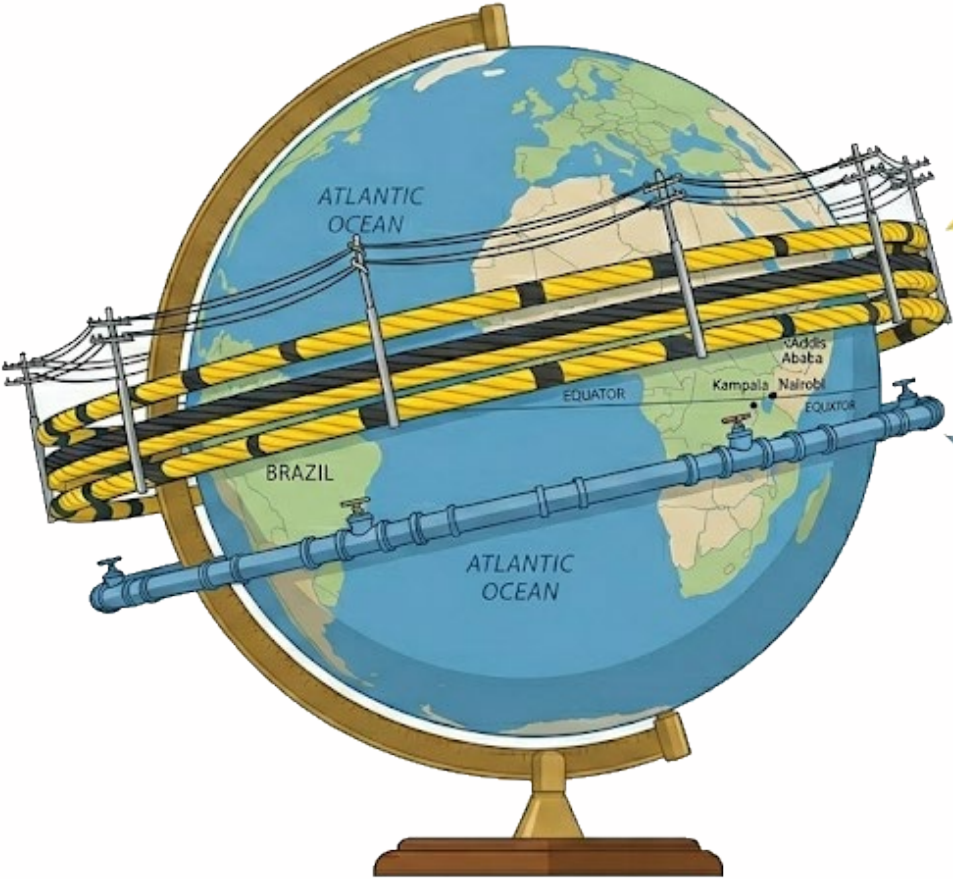
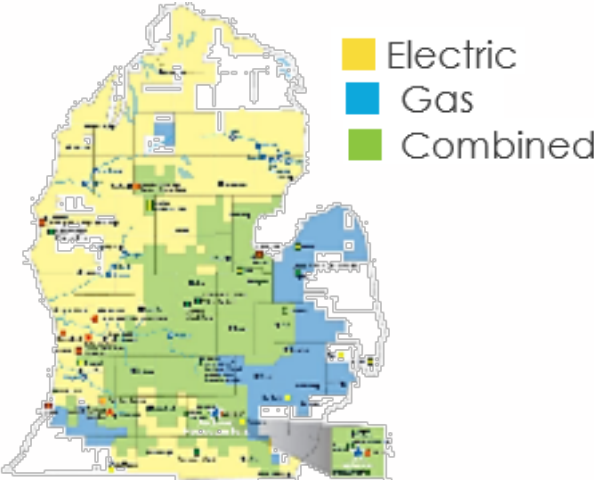
Michiganders count on us
for service

8.1 Thousand

Workforce consisting of
employees and contractors

+140 Years

Serving Michigan



ELECTRIC INFRASTRUCTURE

96,637 miles
~3.88 Wraps around Equator



GAS INFRASTRUCTURE



28,368 miles
~1.14 Wraps around Equator