Report on the Impact of Data Centers on the Economy and Natural Environment of the Cherokee Nation Reservation

Presented by the Principal Chief's Task Force on Data Centers

June 30, 2026

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I. Background

This report is presented by the Principal Chief's Task Force on Data Centers, comprised of the following members as established by Executive Order 2026-02-CTH[1] on February 26, 2026:

- Christina Justice, Cherokee Nation Secretary of Natural Resources (Chair)
- Dr. Corey Bunch, Cherokee Nation Chief of Staff (Co-Chair)
- Andy McMillan, Cherokee Nation Businesses Director of Economic Development
- Ed Fite, Cherokee Nation Environmental Protection Commission Chair
- Paula Starr, Cherokee Nation Chief Information Officer
- Kim Teehee, Cherokee Nation Businesses VP of Government Relations (designee: Anthony Morgan Rodman, Director of Federal Government Relations)
- Paiten Qualls, Cherokee Nation Deputy Attorney General (designee of Attorney General Chad Harsha)
- Julie Hubbard, Cherokee Nation Executive Director of Communications
- Dawni Squirrel, Cultural Advisor

A data center is a dedicated facility that holds the computers and equipment needed to remotely run online services, store data, and power technologies like cloud computing and artificial intelligence (AI) for a wide variety of organizations. While data centers have been in use for decades, the recent growth in popularity of generative AI has driven increases in size and number of new data centers. *Hyperscale* data centers are often identified as facilities that span over 10,000 square feet in area and require over 100 megawatts (MW) of energy. These data centers are the most resource intensive, and are the focus of this Task Force and this report. Unless specified otherwise, the use of "data centers" refers to hyperscale facilities as described above for the purpose of this report.

At the directive of Chief Hoskin Jr., this Task Force examined environmental, economic, cultural, and community impacts of hyperscale data centers across the Reservation. The Task Force convened formally over a three-month period to answer specific questions outlined in EO 2026-02-CTH:

1. Where within the Cherokee Nation reservation do data centers exist and what are the locations of any planned data centers?
2. What governmental policies relating to data center development or operations presently under consideration at the state or federal level should Cherokee Nation consider for advocacy?
3. What is the regional outlook for the construction of and operation of data centers?
4. What environmental concerns are associated with data centers?

[1] Hoskin Jr., Chuck. (2026, February 24). *Executive Order 2026-02-CTH: Executive order establishing Principal Chief's Task Force to study the impact of data centers on the economy and natural environment of the Cherokee Nation Reservation*. https://cherokee.org/media/vejlwntl/eo2026-02-cthdatacenters20260224.pdf

5. What economic opportunities or detriments attend the development and operation of data centers?
6. Do any economic opportunities relating to data center development and operation align with Cherokee Nation's business interests?
7. What barriers or opportunities exist with respect to efforts by Cherokee Nation to mitigate any economic detriments or harm to the environment and its citizens relating the data center development or operations?
8. What efforts can Cherokee Nation undertake to better understand concerns, questions and opinions of its citizens relating to data center development and operations?
9. What efforts can Cherokee Nation undertake to provide factual and unbiased information relating to data center development or operations to its citizens?
10. To what extend does Cherokee nation and its entities utilize data centers?
11. What impact does the Nation and its entities' utilization of AI have on these systems?

Answers to these questions were informed by each member's individual subject matter expertise, engagement with external stakeholders, a citizen survey conducted through the Gadugi portal, and research conducted by each Task Member and supporting staff. Sources are cited where applicable, and references to the 1,593 survey responses provided by citizens are shared throughout when relevant and then summarized in a later section.

II. Locations of Existing and Planned Data Centers within the Reservation

Known Data Center Projects

At the time of report, the following hyperscale data center projects are known to be under development within the Cherokee Nation Reservation:

- Project Clydesdale near Owasso, OK
- Project Mustang in Claremore, OK

One hyperscale data center has long been established within Cherokee Nation: Google's MidAmerica Industrial Park facility in Pryor, OK.

Outside of but near to the Reservation, additional hyperscale data center facilities are under development in Muskogee County (two Google campuses planned near Summit and Council Hill) and in the Tulsa area (a Meta facility in east Tulsa).

Potential Developments

There are no regulatory requirements at the state or federal levels which require data centers to register in a central database. As such, there is no comprehensive method of identifying planned hyperscale data center developments. Sources for the same time

period note different numbers of planned developments and completed facilities. One source notes 12 operating and 17 planned projects (29 total) in Oklahoma as of June 2026.[2] As of the same date, another widely cited source notes 46 operational data centers in Oklahoma,[3] while yet another notes 33 data center projects in Oklahoma's preconstruction pipeline only.[4]

Even sites such as those that specialize in tracking data center projects do not consistently identify projects (some identifying single buildings as developments, with others identifying a campus of multiple buildings as a single development), do not reliably denote capacity (i.e., do not differentiate hyperscale facilities from smaller facilities), and/or fail to have a reliable method of identifying when new projects are being planned. They may utilize varying combinations of news announcements, bid publications, satellite imagery, permit requests, etc., which also do not have singular sources to draw from for reference, even on a state-by-state level. Furthermore, these projects may be terminated without formal notice, meaning that running counts are difficult to maintain.

For example, some projects may be announced by a local authority when they are approached to consider proposals, such as a recent potential development in Broken Arrow, just outside of Coweta, which was announced by the City of Broken Arrow on their Facebook page. (This development ultimately did not come to fruition, with no formal reason being provided by the developer.[5])

Some developers may announce their plans after initial vetting but before formal agreements are finalized, such as Project Spring in Sand Springs, OK, which utilized a public website for announcement and outreach, but then came under legal challenge following the sale of the 827-acre property intended for the development, due to a conservation easement noted on the land's title.[6]

In short, there is no consistent method for identifying potential projects before they are confirmed or precisely how large they may be, and even established projects may fall through unexpectedly during lengthy preconstruction phases, making a running total difficult to maintain. Local news sources have been the greatest source of reliable information, but often these notices come much after developments have been in discussion (often under non-disclosure agreements), limiting the ability of the public or external stakeholders to guide development discussions. It is also possible to monitor the Oklahoma Department of Environmental Quality (ODEQ) for air permit requests; however,

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[2] Cleanview. (2026, June). *Data Centers in Oklahoma*. https://cleanview.co/data-centers/oklahoma
[3] DataCenterMap. (2026, June 29). *Oklahoma Data Centers*. https://www.datacentermap.com/usa/oklahoma/
[4] ConstructConnect. (2026, June 29). *Construction Projects in Oklahoma*. https://projects.constructconnect.com/?lng=-97.092877&lat=35.0077519&location=75mi_from_OK&building_use=216
[5] City of Broken Arrow – Municipality. (2026, June 10). *[Facebook post]*. https://www.facebook.com/share/p/1BMPBbr9Bg/?mibextid=wwXIfr
[6] Bryan, E. (2026, March 24). *Title issue could stop Sand Springs data center development*. News On 6. https://www.newson6.com/tulsa-oklahoma-news/title-issue-could-stop-sand-springs-data-center-development

the permits are required for backup generators, not for the facilities themselves, so not all projects can be identified from that source either.

In this Task Force's survey of citizens, respondents were given the opportunity to provide information on any data center developments they may know of. Though most respondents said they were not aware of any (68%), the 16% of those who indicated they did know of some noted Project Mustang and Project Clydesdale, learned of through local news channels, or the existing Google facility in Pryor.

III. Governmental Policies at Play

State

Oklahoma has rapidly emerged as a target for hyperscale data center development because of available land, comparatively low energy costs, transmission infrastructure, and a generally favorable regulatory climate. As a result, Oklahoma policymakers have begun considering the broader impacts of hyperscale facilities on residential ratepayers, groundwater supplies, infrastructure systems, and local governance. Two new Oklahoma bills, signed into law in recent months, are especially notable:

House Bill 2992,[7] signed into law on May 11, 2026, establishes protections intended to prevent residential, commercial, and industrial customers from subsidizing the infrastructure costs associated with large-load customers such as data centers and AI facilities.

The law requires separate tariffs, long-term service agreements, and cost-allocation principles designed to ensure hyperscale customers bear the costs associated with serving their electrical demand. Under the emergency provisions enacted, it takes effect July 1, 2026. The measure passed unanimously in both chambers with 36 bipartisan co-authors.[8] [9] HB 2992 applies to new "large load customers," defined as facilities adding 75 MW or more of demand including data centers, cryptocurrency mining operations, and AI computing facilities.

Under the new law, customers must enter into long-term service agreements covering the infrastructure costs tied to their specific projects rather than spreading those costs across the general rate base for the serving utility. Residential, commercial, and traditional industrial customers are expressly excluded from the large-load classification. The law also adds transparency and disclosure requirements for land acquisition and development

[7] Oklahoma Legislature. (n.d.). *Oklahoma House Bill 2992*. https://legiscan.com/OK/text/HB2992/id/3431688

[8] Boles, B., & Green, G. (2026, May 13). *Boles, Green applaud governor for signing bill protecting consumers from rising utility costs tied to new data centers*. Oklahoma House of Representatives. https://www.okhouse.gov/posts/News-20260513_1

[9] Murphy, E. (2026, April 21). *Ratepayer protections signed into law by Oklahoma governor*. Oklahoma Voice. https://oklahomavoice.com/briefs/ratepayer-protections-signed-into-law-by-oklahoma-governor/

activity related to large-load projects, including a $1,500 / day penalty for failure to notify nearby landowners and local officials within 60 days of purchasing land.[10] [11] [12]

Senate Bill 259[13], signed into law on May 29, 2026, establishes a water-side complement to HB 2992's power-side cost-causation principle.[14] [15] [16] SB 259 addresses groundwater consumption by restricting the use of open-air evaporative cooling technologies and requiring data centers using groundwater for cooling to utilize closed-loop or similarly low-consumptive cooling systems. (Such cooling systems are described in more detail, in terms of their water consumption, in Section IV below.)

Other Oklahoma data center bills did not advance:

- SB 1488 (Sen. Sacchieri), which would have imposed a moratorium on data center construction in Oklahoma to November 2029 pending an OCC study - did not move out of committee.
- HB 4219 (Rep. Staires), HB 3917 (Rep. Dollens), and HB 3724 (Rep. Shaw), which addressed setbacks, peak-demand surcharges, and public infrastructure investment respectively – all failed to advance.[17]

Collectively, these state actions indicate that Oklahoma policymakers increasingly recognize the potential risks associated with hyperscale facilities even as the state continues pursuing economic development opportunities related to AI infrastructure.

Unspecific to data center development but additionally relevant on the state policy level is Oklahoma's "Local Development Act", which is the statutory framework that governs both tax increment financing and incentive districts in the state. When new developments come in, the host community has a choice between the two structures, and the choice heavily impacts the economic impact associated with the potential development.

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[10]Snider, S., & Walker, J. (2026, May). *Oklahoma law opens new front in AI data center power debate*. Data Center Knowledge. https://www.datacenterknowledge.com/regulations/oklahoma-law-opens-new-front-in-ai-data-center-power-fight

[11] Murphy, E. (2026, April 21). *Ratepayer protections signed into law by Oklahoma governor*. Oklahoma Voice. https://oklahomavoice.com/briefs/ratepayer-protections-signed-into-law-by-oklahoma-governor/

[12] Oklahoma House of Representatives. (2026, May 6). *OK Legislature advances data center ratepayer protection bill to Governor*. https://www.okhouse.gov/posts/News-20260506_2

[13] Oklahoma Legislature. (n.d.). *Oklahoma Senate Bill 259*. https://legiscan.com/OK/text/SB259/id/3436529

[14]Paragon Staff. (2026, May). *Archer pushes groundwater protections as Oklahoma targets data center water use*. The Penny News. https://thepennynews.com/news/1360/archer-pushes-groundwater-protections-as-oklahoma-targets-data-center-water-use

[15] Wheeler, G. (2026, April 14). *Oklahoma lawmakers add data center restrictions to groundwater metering measure*. KOSU. https://www.kosu.org/oklahoma-water-bill-data-centers

[16] Oklahoma Farm Bureau. (2026, May 11). *Legislative update: Tracking one final bill as the 2026 session winds down*. https://www.okfarmbureau.org/news/legislative-update-5-11-26/

[17] Barglow, J. N. (2026, April). *Proposed legislation pending in Oklahoma State Legislature would impact responsibility for payment of costs associated with data centers and other large load facilities*. Foley & Lardner LLP. https://www.foley.com/p/102mpc3/proposed-legislation-pending-in-oklahoma-state-legislature-would-impact-responsib/

Economic impacts associated with these policies are discussed in more detail in Section VIII below.

Federal

At the federal level, the current policy direction is broadly favorable toward rapid AI and data center expansion. The Trump Administration has increasingly framed AI infrastructure as a matter of national competitiveness, economic growth, and strategic positioning against foreign adversaries. Federal executive actions and agency initiatives have therefore focused heavily on accelerating development timelines and reducing regulatory barriers associated with large-scale data center construction.

Federal initiatives[18] [19] [20] [21] [22] have generally emphasized:

- Streamlining or expediting federal permitting;
- Expanding use of federal lands for data center development;
- Creating categorical exclusions and expedited environmental review processes;
- Supporting energy infrastructure necessary to serve hyperscale facilities;
- Encouraging private investment and public-private coordination; and
- Developing mechanisms intended to shield residential ratepayers from bearing the costs of major new industrial electrical loads.

Some federal agencies and funding opportunities have been specifically targeted to tribal-private partnerships in pursuit of data center development. The U.S. Department of Energy's Office of Indian Energy has identified data centers as a potential tribal economic development opportunity, including through land leases, power purchase agreements, infrastructure development, workforce opportunities, and operations contracts.

At the Congressional level, proposed legislation has increasingly focused on ratepayer protections, grid reliability, water usage, air quality, and national security concerns associated with hyperscale facilities. From February 2025 to February 2026, Congress

[18] The White House. (2025, July). *America's A.I. Action Plan*. https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf

[19] Trump, D. J. (2025, July 23). *Executive Order 14318: Accelerating federal permitting of data center infrastructure*. The White House. https://www.whitehouse.gov/presidential-actions/2025/07/accelerating-federal-permitting-of-data-center-infrastructure/

[20] Trump, D. J. (2025, December 11). *Executive Order 14365: Ensuring a national policy framework for artificial intelligence*. The White House. https://www.federalregister.gov/documents/2025/12/16/2025-23092/ensuring-a-national-policy-framework-for-artificial-intelligence

[21] The White House. (2026, March 4). *Ratepayer Protection Pledge*. https://www.whitehouse.gov/releases/2026/03/ratepayer-protection-pledge/

[22] The White House. (2026, March 20). *A national policy framework for artificial intelligence: Legislative recommendations*. https://www.whitehouse.gov/wp-content/uploads/2026/03/03.20.26-National-Policy-Framework-for-Artificial-Intelligence-Legislative-Recommendations.pdf

introduced at least 10 bills focusing on AI data centers.[23] Importantly, however, tribal governments are not consistently or meaningfully centered within these federal discussions despite the likelihood that data center growth will directly affect tribal communities, resources, infrastructure systems, and treaty-protected interests.[24]

General Regulatory Environment

Currently there are no legally binding energy standards that apply explicitly to operation of data centers in the private sector. Some components of facilities or aspects of operations might be regulated at the Federal or state level. For example, computer room air conditioners (CRACs), a specific type of cooling system used in small data centers, are regulated at the Federal level for energy efficiency standards[25]. Emissions from on-site backup generators are often regulated at the state level for compliance with air quality standards, as is true in Oklahoma. However, no prevailing regulations apply to data centers other than those that would apply in any type of commercial construction. This leaves local policymakers in a position of assessing local impacts and prioritizing policies that address the concerns most relevant to data center developments in their area, often with relatively little information to go on.

However, the U.S. Department of Energy notes that planning for these facilities requires coordination beyond the local level. In many jurisdictions, data centers are approved under commercial real-estate frameworks, even though their energy and water demands more closely resemble those of mission-critical infrastructure.[26] As is described further in sections below, impacts of data centers can be felt even by communities geographically removed from a development site given the nature of the power grid. This means that provisions and protections put in place at the time of a development may not adequately address concerns and consequences for all impacted communities. Put succinctly by Forbes Magazine, "the issue isn't that the United States is building too many data centers. It's that a nationally significant industry is expanding through a patchwork of local approvals, tax incentives, and water systems never intended to support infrastructure of this scale."[27]

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[23] Fitzpatrick, Tana. 2026. "AI Data Centers and Tribes: Emerging Federal and State Policy Trends and Tribal Governance Options." Native Nations Center for Tribal Policy Research: The University of Oklahoma, June 16, 2026, https://www.ou.edu/nativenationscenter/research.

[24] Fitzpatrick, Tana. 2026. "AI Data Centers and Tribes: Emerging Federal and State Policy Trends and Tribal Governance Options." Native Nations Center for Tribal Policy Research: The University of Oklahoma, June 16, 2026, https://www.ou.edu/nativenationscenter/research.

[25] Offutt, M. C., Zhu, L., Lawson, A. J., & Ortiz, N. R. (2026, May 12). *Data centers and their energy consumption: Frequently asked questions* (CRS Report R48646). Congressional Research Service. https://www.congress.gov/crs_external_products/R/PDF/R48646/R48646.8.pdf

[26] Silverstein, K. (2026, January 11). *America's AI boom is running into an unplanned water problem*. Forbes. https://www.forbes.com/sites/kensilverstein/2026/01/11/americas-ai-boom-is-running-into-an-unplanned-water-problem/

[27] Silverstein, K. (2026, January 11). *America's AI boom is running into an unplanned water problem*. Forbes. https://www.forbes.com/sites/kensilverstein/2026/01/11/americas-ai-boom-is-running-into-an-unplanned-water-problem/

Cherokee Nation Perspective

Hyperscale data center development within the Cherokee Nation Reservation presents a complex intersection of tribal sovereignty, federal Indian law, environmental regulation, infrastructure planning, and commercial development. The legal and regulatory framework applicable to such projects is highly fact-specific, shaped by variables such as land status, ownership, project characteristics, and the nature of governmental interests involved.

Land status within the Cherokee Nation Reservation is a threshold factor that may significantly affect the legal and regulatory framework applicable to hyperscale data center projects. Reservation lands may consist of tribal trust land, restricted allotments, tribal fee land, and non-Indian owned fee land, each of which may carry different implications for taxation, environmental regulation, infrastructure approvals, leasing authority, and civil regulatory jurisdiction. Each proposed facility may raise distinct questions regarding water usage, electrical demand, environmental impacts, infrastructure requirements, and effects on surrounding communities. Federal, state, and tribal laws, as well as consultation requirements, may be implicated depending on the specifics of the project.

Although the jurisdictional and regulatory complexities outlined above limit the Tribe's ability to directly influence the development of a Data Center on non-tribally owned or managed lands, Cherokee Nation retains full authority to establish policies governing the use of its tribally owned and trust lands. Consistent with its sovereign authority and stewardship responsibilities, the Nation may adopt land use policies, implement rules, or enact moratoria to limit or prohibit the development of hyperscale data centers on these properties. Such policies ensure that tribal lands are managed in a manner consistent with community values, environmental priorities, and long-term economic objectives. Such policies can be periodically reassessed as technologies and operating practices evolve to support responsible land use and resource protection within the Reservation.

Beyond its direct regulatory and land use authority, Cherokee Nation also possesses substantial political, governmental, economic, and intergovernmental influence. As the largest Tribe in the United States, the Nation maintains extensive relationships with federal, state, and local officials, and exercises significant influence through government-to-government consultation, legislative and administrative advocacy, public engagement, infrastructure coordination, economic partnerships, and regional leadership. While these tools may not provide direct regulatory control over development on non-tribal lands, they enable the Nation to shape policy discussions, advocate for responsible development practices, coordinate with governmental partners, and promote outcomes that protect tribal interests and the communities within the Reservation.

Taken together, these options allow the Cherokee Nation to play a leading role in shaping the future of hyperscale data center development throughout the Reservation. Though necessarily varied depending on land ownership and the applicable jurisdictional framework, there are significant tools at the Nation's disposal to affect where and how such development occurs. By exercising its sovereign authority, the Nation retains

significant capacity to advance development that is consistent with Cherokee values, protects critical natural and cultural resources, promotes economic and infrastructure development, and supports the long-term interests of the Cherokee people.

IV. Regional Outlook for Construction and Operation of Data Centers

Nationwide, McKinsey & Company estimate that the demand for data center capacity could grow by 20-25% by 2030, with about 70% of that demand coming from hyperscale facilities.[28] Oklahoma is emerging as a secondary market for data center development,[29] slightly lower than other primary markets like Virginia and Texas, but fast-growing due to available land, comparatively low energy costs, and a generally favorable regulatory environment. (Oklahoma's average cost of electricity for commercial customers as of April 2026 is 7.7 cents per kilowatt hour, 12% lower than the regional average and a little over 53% lower than the national average).[30]

In June of 2025, the Oklahoma Corporation Commission released a research paper noting Oklahoma's rising electricity demand due to large-scale data centers.[31] A year later, News on 6 reported that Oklahoma's diverse energy generation portfolio sets it apart for potential development, with a representative of Meta citing the energy portfolio as a prime consideration in their site selection of east Tulsa.[32]

Given Oklahoma's energy portfolio and associated low energy costs, coupled with an abundance of undeveloped land, the communities within the state can expect continuing and increasing proposals for data center development in the coming years.

Despite the anticipated influx of data center proposals within the state, 64% of Cherokee Nation citizen respondents to this Task Force's survey on data centers indicated that they *do not* support the construction of hyperscale data centers within the Reservation (while 14% do support their development, and 22% remain unsure). Further, 64% of respondents

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[28] Barth, A., Arora, C., Shenai, G., Noffsinger, J., & Sachdeva, P. (2025, August 8). *The data center balance: How US states can navigate the opportunities and challenges*. McKinsey & Company. https://www.mckinsey.com/industries/public-sector/our-insights/the-data-center-balance-how-us-states-can-navigate-the-opportunities-and-challenges

[29] Barth, A., Arora, C., Shenai, G., Noffsinger, J., & Sachdeva, P. (2025, August 8). *The data center balance: How US states can navigate the opportunities and challenges*. McKinsey & Company. https://www.mckinsey.com/industries/public-sector/our-insights/the-data-center-balance-how-us-states-can-navigate-the-opportunities-and-challenges

[30] U.S. Energy Information Administration. (2026). *Electric Power Monthly: Table 5.6.A. Average price of electricity to ultimate customers by end-use sector, by state (April 2026 and April 2025).* https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a

[31] Oklahoma Corporation Commission. (2025, June 3). *Regulatory considerations for large loads including data centers and AI infrastructure*. https://oklahoma.gov/content/dam/ok/en/occ/documents/ajls/jls-courts/court-clerk/meetings/meeting-presentations-2025/PUD%20Large%20Load%20Research%206-3-25.pdf

[32] News On 6. (2026, June 11). *Supporters say Oklahoma positioned for data center growth as energy demand expected to surge*. https://www.newson6.com/data-centers-in-oklahoma/supporters-say-oklahoma-positioned-for-data-center-growth-as-energy-demand-expected-to-surge

have a negative impression of hyperscale data center facilities (with only 10% positive, 16% neutral, and 10% unsure).

V. Environmental Issues

Environmental concerns remain some of the largest topics of conversation related to data centers, and they feature heavily in the minds of citizens as indicated by citizen survey responses. Of 1,593 respondents, 1,344 (84%) believe that there are environmental impacts from the development of hyperscale data centers. Only 3% indicated that they did not believe there are such impacts, and only 12% indicated they were unsure. The most commonly cited environmental concerns related to data centers within the survey responses and across sources are those associated with energy and water consumption. Other noted concerns from the survey are mentioned later in this section.

Energy Consumption and Carbon Emission

Utilizing a hypothetical 10,000 square foot facility containing at least 5,000 computer servers with a power rating exceeding 100 megawatts (MW) as a standard example of a hyperscale data center, such a facility operating at only 50% utilization might be estimated to use approximately 438,000 megawatt hours (MWh) of electricity per year.[33] This is approximately equivalent to the annual electricity consumption of 22,400 homes in Tulsa[34] and is a load which could strain the grid throughout the Cherokee Nation Reservation, 97% of which is rural.

When grid-connected data centers utilize electricity generated from fossil fuel sources, there are carbon and other pollutant emissions emitted at the source of the power plants. For grid-connected electrical loads in Oklahoma, the U.S. Environmental Protection Agency estimates there is about 872 pounds (lbs.) of carbon dioxide emitted per MWh of electricity generated.[35] Using the value estimated earlier, this means the electricity generated to serve a 100 MW hyperscale data center may produce 382 million lbs. of carbon dioxide annually.[36] Based upon initial baseline calculations presented in Cherokee Nation's Strategic Energy Plan,[37] this singular hypothetical data center would release approximately five times more annual carbon emissions than all 400+ buildings in Cherokee Nation's lease pool, put together.

Because of the large loads associated with these facilities, utility companies may have lengthy wait times associated with processing applications for service establishment. To

[33] *Calculation:* 100 MW * 50% utilization rate * 8760 hours = 438,000 MWh
[34] Walker, E. (2026, May 31). *Cost of electricity in Tulsa County, OK: Real numbers from real people*. EnergySage. https://www.energysage.com/local-data/electricity-cost/ok/tulsa-county/
[35] U.S. Environmental Protection Agency. (2025, January 15). *eGRID summary data*. https://www.epa.gov/egrid/summary-data
[36] ***Calculation****:* 438,000 MWh * 872 lbs. CO2 per MWh = 381,936,000 lbs. CO2
[37] *Cherokee Nation. (2025, March 1). Cherokee Nation Strategic Energy Plan. https://naturalresources.cherokee.org/media/h31hnqhr/2025-04-21-cherokee-nation-strategic-energy-plan-final.pdf*

mitigate wait times and potential higher energy costs, many developers are looking to construct their own behind-the-meter, grid-disconnected generation to provide the energy required to operate their facilities.

In Oklahoma, the likely choice for such on-site power generation is natural gas, as the state is the 6th largest producer of natural gas in the country, with natural gas accounting for 65.4% of the state's power consumption in 2024.[38]

The annual carbon emissions can be calculated of the same hypothetical 100 MW data center facility posed above if it instead relies on natural gas as its power source as opposed to the grid. If the data center requires approximately 438,000 MWh of electricity annually, it would require approximately 4.126 trillion kJ of natural gas to produce this electricity.[39] This is equivalent to approximately 3.91 million (million BTUs) of natural gas.[40] The U.S. EIA estimates nearly 116.65 pounds of carbon dioxide are produced per 1 million BTUs of natural gas consumed[41]. Hence, the consumption of natural gas at this facility would produce approximately 456 million pounds of carbon dioxide annually,[42] or 228 million pounds of carbon dioxide annually if assuming it is operating at only 50% capacity as estimated before (nearly 3 times more than the tribal facilities noted above). (So, although, behind the meter generation would offload grid security concerns, the environmental impacts still exist.)

Water Consumption

Oklahoma's 2025 Comprehensive Water Plan rightly names water as "Oklahoma's most critical natural resource."[43] It goes on further to note that water demand in the state is projected to increase 13% by 2075 (attributed to population growth, agriculture, and industry). By 2075, surface water demand gaps—where projected demand exceeds available supply—are anticipated in more than half of the state's 82 planning regions, with some of the largest gaps noted in two regions that fall within Cherokee Nation Reservation boundaries (Central and Middle Arkansas regions).[44] Hyperscale data centers could negatively impact future water shortages, as they are frequently cited as large consumers

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[38] U.S. Energy Information Administration. (2026). *Oklahoma: State energy overview* (accessed June 29, 2026). https://www.eia.gov/states/ok/overview

[39] ***Calculation:*** One turbine manufacturer's generator can output approximately 105.7 MW of electricity with a LHV heat rate of 9,421 kJ / kWh (https://power.mhi.com/products/gasturbines/lineup/h100). 438,000 MWh of electricity requires 438 million kWh of electricity. 9,421 kJ equals 1 kWh. Thus, 438 million kWh * (9,421 kJ / kWh) equals approximately 4.126 trillion kJ of natural gas required.

[40] ***Calculation:*** 1 BTU is approximately equal to 1.05506 kJ. Thus, 4.126 trillion kJ * (1 BTU / 1.05506 kJ) equals approximately 3.91 million (million) BTUs.

[41] U.S. Energy Information Administration. (2024, September 18). *Carbon dioxide emissions coefficients*. https://www.eia.gov/environment/emissions/co2_vol_mass.php

[42] ***Calculation:*** 3.91 million (million BTUs) * 116.65 pounds of carbon dioxide per 1 million BTUs consumed equals approximately 456 million pounds of carbon dioxide

[43] Oklahoma Water Resources Board. (2025). *2025 Oklahoma Comprehensive Water Plan: Executive summary*. https://oklahoma.gov/content/dam/ok/en/owrb/documents/water-planning/ocwp/2025/executive-summary.pdf

[44] Oklahoma Water Resources Board. (2025). *2025 Oklahoma Comprehensive Water Plan: Executive summary*. https://oklahoma.gov/content/dam/ok/en/owrb/documents/water-planning/ocwp/2025/executive-summary.pdf

of water due to their use of water for various cooling methods needed to keep equipment operational.

Data centers are made up of racks of high-powered computer servers clustered together that generate very large amounts of heat. To ensure the equipment does not overheat, become damaged, and/or power off, data centers are equipped with cooling systems to transfer heat away from the computing equipment. The most common cooling systems are water-based, with the vast majority of all data centers worldwide relying on water-based cooling due to its efficiency and cost effectiveness. Among these, the most widely used cooling system of largescale data centers is "open-loop" or "open-ended" evaporative cooling. This type of cooling results in roughly 80% of the water evaporating and thereby being lost from the local environment's water system. The remaining 20% is generally discharged to wastewater treatment facilities serving the area.[45]

As cited by the U.S. Congressional Research Center, one study by the International Energy Agency estimates a 100 MW data center consumes approximately 530,000 gallons of water each day,[46] or approximately 193 million gallons annually, for providing cooling to the data equipment. This is approximately equal to the annual water consumption of 6,200 Oklahoma residents.[47]

In a more concrete example, in 2023 alone, Google's self-owned data centers drew in over 7.6 billion gallons of water worldwide for onsite cooling. Of that amount, over 1.5 billion gallons were discharged, and over 6.1 billion gallons were consumed[48] (i.e., evaporated and lost to the local water system). In 2024, Google's data centers drew in over 9.8 billion gallons, discharged over 2 billion gallons, and consumed over 7.7 billion gallons,[49] single-year increases of 28.8%, 33.6%, and 27.6%, respectively.

While alternative cooling methods exist, they may be either environment-dependent and therefore limited in implementation feasibility, operationally inefficient, and/or more expensive and therefore less appealing. Some systems are passive/free cooling systems that utilize the surrounding environment to provide temperature reduction for the facility. While these systems have minimal cost and consumption rates, they are only viable in environments with consistent cold weather or neighboring, large, and cool bodies of water. Air cooling systems exist as well; however, these systems are less efficient at heat transfer

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[45] Yañez-Barneuvo, M. (2025, June 25). *Data centers and water consumption*. Environmental and Energy Study Institute. https://www.eesi.org/articles/view/data-centers-and-water-consumption

[46] Offutt, M. C., Zhu, L., & Lawson, A. J. (2026, May 12). *Data centers and their energy consumption: Frequently asked questions* (CRS Report R48646). Congressional Research Service. https://www.congress.gov/crs_external_products/R/PDF/R48646/R48646.8.pdf

[47] ***Calculation*:** Per https://www.neefusa.org/story/water/home-water-use-united-states#Oklahoma, the average Oklahoma resident consumed 85 gallons of water per day. This is 31,025 gallons/year. 193,000,000 gallons/year/31,025 gallons/(resident*year) = approximately 6,200 residents.

[48] Google. (2024). *Environmental report 2024* (reporting year 2023). https://www.gstatic.com/gumdrop/sustainability/google-2024-environmental-report.pdf

[49] Google, 2025 Environmental Report (for reporting year 2024): https://www.gstatic.com/gumdrop/sustainability/google-2025-environmental-report.pdf

and create a greater draw on the power grid due to the incorporation of the mechanics needed to push the air through the facility, which can result in higher energy costs for the facility. As such, they are not particularly viable for large-scale facilities.

Closed-loop evaporation systems also exist and are increasingly being named as a mitigation factor in water consumption concerns associated with data centers, including in recent legislation passed by the State of Oklahoma (discussed further in later sections). Though these systems have shown a 50-70% reduction in water consumption in comparison with open-loop systems,[50] closed-loop systems come with unique maintenance challenges and can have higher upfront costs to install. Closed-loop systems can still lose 10-25% of their water volume, requiring new water to be inserted to make up the loss. This can result in microbial buildups[51] and contaminant introduction that can reduce the efficiency of the system or cause corrosion of the system over time.[52]

More modern hyperscale facilities are beginning to explore other cooling methods such as direct-to-chip cooling, which focuses smaller amounts of water to the graphics processing units (GPUs) or central processing units (CPUs) of the computer chips themselves to dissipate heat more quickly, or immersive cooling, which involves submerging the computing equipment into a non-conductive fluid to absorb the heat. However, there is a trade-off between water consumption and energy cost with these solutions. While they consume less water, they consume more energy.

However, the presumed tradeoff between water and energy consumption may not be so clear. As cited by the Environmental and Energy Study Institute, a report produced by Berkeley Lab for the U.S. Department of Energy[53] demonstrated a parallel between energy consumption of data centers and their water consumption. Because most energy produced in the United States involves the use of water for cooling processes as well, the use of electricity by anyone has an inherent and indirect result of having consumed water. The aforementioned report takes into consideration the energy portfolio of the country's 12,000+ power plants and associated water consumption data to estimate the indirect water consumption of data centers in the U.S on a per-unit basis. The results found the estimated indirect water consumption of U.S. data centers in 2023 to be approximately 211 billion gallons (~1.2 gallons per kWh on average).[54]

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[50] World Economic Forum. (2024, November 7). *Why circular water solutions are key to sustainable data centres*. https://www.weforum.org/stories/2024/11/circular-water-solutions-sustainable-data-centres/

[51] Stefaniak, Ł., Szczęśniak, S., Walaszczyk, J., Rajski, K., Piekarska, K., & Danielewicz, J. (2025, January 1). *Challenges and future directions in evaporative cooling: Balancing sustainable cooling with microbial safety*. *Building and Environment*, 267, 112292. https://www.sciencedirect.com/science/article/abs/pii/S036013232401134X

[52] Sensorex. (2025, February 2). *Understanding closed-loop water systems: Benefits, challenges, and applications*. https://sensorex.com/closed-loop-water-systems/?srsltid=AfmBOooMSztRl4eFrgzk4IQEEJAi4J89Kz7jfK1qItPxYWNpYvHLkAQo

[53] Yañez-Barnuevo, M. (2025, June 25). *Data centers and water consumption*. Environmental and Energy Study Institute. https://www.eesi.org/articles/view/data-centers-and-water-consumption

[54] Shehabi, A., Smith, S. J., Hubbard, A., Newkirk, A., Lei, N., Siddik, M. A. B., Holecek, B., Koomey, J., Masanet, E., & Sartor, D. (2024). *2024 United States Data Center Energy Usage Report*. Lawrence Berkeley National Laboratory. https://escholarship.org/uc/item/32d6m0d1

Though the amount of water consumed by data centers varies by their size, location, and what cooling mechanisms they are utilizing, hyperscale facilities in the U.S. alone are projected to directly consume between 16 and 33 billion gallons annually by 2028.[55]

Air Quality

Air pollution/emissions and air quality degradation were noted as environmental concerns of survey respondents in addition to other concerns addressed above. Further, recent studies have begun to validate this concern.

Many data center developers opt to install at least some form of power redundancy to ensure the facility remains operational even during power outages. One popular source of providing backup to grid electricity is diesel generators. Though ideally not in frequent use, diesel-fueled backup generators release harmful air pollutants, including fine particulate matter (PM2.5) and nitrogen oxides (NOx) which are linked to serious health risks including respiratory and heart disease.[56] These generators are used during emergencies and are additionally run intermittently for maintenance purposes, and they can have outsized health impacts, emitting 200 to 600 times more nitrogen oxides than natural gas plants.[57] A recent study estimates that in Virginia, the data center capital of the U.S., the emissions associated with backup generators of data center facilities permitted from January 2023 to December 2024 could result in a total annual public health burden of $220-300 million in Virginia and surrounding states, due to negative health consequences associated with exposure to the emissions, such as asthma and respiratory disease.[58]

Some data center developers are pursuing natural gas backup generators to mitigate these concerns, as natural gas-powered generators have substantially lower emissions when compared to diesel generators. The Energy Information Administration reports that natural gas emits 116.65 pounds of carbon dioxide/CO2 (greenhouse gas) per million Btus, while diesel emits 163.45 pounds per million Btus,[59] and further reports that burning natural gas for energy results in "fewer emissions of nearly all types of air pollutants and carbon dioxide emissions than burning coal or petroleum products to produce an equal amount of energy".[60] However, natural gas generators come with tradeoffs that might not be suited for all data centers, including the need for well-developed natural gas distribution

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[55] Silverstein, K. (2026, January 11). *America's AI boom is running into an unplanned water problem*. Forbes. https://www.forbes.com/sites/kensilverstein/2026/01/11/americas-ai-boom-is-running-into-an-unplanned-water-problem/

[56] Walker, C. D., & Goldsmith, I. (2026, February 17). *From energy use to air quality, the many ways data centers affect US communities*. World Resources Institute. https://www.wri.org/insights/us-data-center-growth-impacts

[57] South Coast Air Quality Management District. (n.d.). *Fact sheet on emergency backup generators*. https://www.aqmd.gov/home/permits/emergency-generators

[58] Han, Y., Wu, Z., Li, P., Wierman, A., & Ren, S. (2025, October 23). *The unpaid toll: Quantifying and addressing the public health impact of data centers*. arXiv. https://arxiv.org/html/2412.06288v2

[59] U.S. Energy Information Administration. (2024, September 18). *Carbon dioxide emissions coefficients*. https://www.eia.gov/environment/emissions/co2_vol_mass.php

[60] U.S. Energy Information Administration. (2024, April 14). *Natural gas explained: Natural gas and the environment*. https://www.eia.gov/energyexplained/natural-gas/natural-gas-and-the-environment.php

infrastructure. While natural gas generators may be a viable solution in much of Oklahoma where natural gas distribution infrastructure is relatively prevalent, they may be much less viable in other areas of the country.

As of 2025, Oklahoma ranks 37th in the country for air quality with 8.5 micrograms of fine particulate matter per cubic meter of air.[61] Though the value of particulate matter in our air is less than the country's average of 8.8 mcg/cubic meter, it is still significantly over the 5.0 mcg/cubic meter the World Health Organization considers as the benchmark for healthy air.[62] Reported by the National Institutes of Health in 2020, on a per-county level,[63] air quality worsens within the Cherokee Nation Reservation, with all but one of the counties within the Reservation exceeding the state average (which was 8.4 mcg/cubic meter that same year[64]):

County	Micrograms of Particulate Matter per Cubic Meter
Adair	8.6
Cherokee	8.6
Craig	9.1
Delaware	9.1
Mayes	9.2
McIntosh	8.9
Muskogee	9.2
Nowata	8.9
Ottawa	9.6
Rogers	9.7
Sequoyah	7.1
Tulsa	8.9
Wagoner	9.7
Washington	8.0

Other Environmental Concerns

Data centers also pose other environmental challenges, and Cherokee citizens made it clear in survey responses that they want environmental standards to be held high within the Reservation. Citizens expressed concerns about noise pollution, light pollution, and public health of the communities that could host hyperscale data centers within the Reservation. The noise created from generators and cooling equipment at data centers

[61] United Health Foundation. (2025). *America's health rankings: 2025 annual report – state summaries*. https://assets.americashealthrankings.org/ahr_2025annualreport-statesummaries_all.pdf
[62] Adeyemi, T. (2026, March 6). *The invisible threat: US states with best and worst air quality rankings*. The Weather Channel. https://weather.com/health/breathing/news/2026-03-04-air-quality-state-rankings-best-worst-us-pollution
[63] National Institute on Minority Health and Health Disparities. (2020). *Air pollution – particulate matter (HDPulse data portal)*. https://hdpulse.nimhd.nih.gov/data-portal/physical/table
[64] United Health Foundation. (2020). *America's Health Rankings: 2020 annual report – state summaries: Oklahoma*. https://www.americashealthrankings.org/publications/reports/2020-annual-report/state-summaries-oklahoma

could reach as high as 105 decibels, which is as noisy as a jet flying overhead.[65] There have been reports of residents living near data centers who are continuously disturbed by the noise pollution.[66] One study found the built environment of data centers led to an average increase of nearby surface temperatures of 3.6 Fahrenheit (F) and as high as 16.4 F.[67]

Mitigating Factors

As with all industry, data centers have undeniable environmental impact. Some of the largest environmental impacts regularly attributed to hyperscale data centers are those to energy consumption/carbon emission and water consumption, but other environmental impacts are emerging across various news sources, including noise and light pollution. Such impacts can be difficult to quantify and study, especially when developers and operators are not consistently required to report on such factors. As little as five years ago, barely half of data center operators tracked water usage for sustainability purposes, and barely a third compiled metrics on carbon emissions. Further, nearly 20% did not even compile data on power consumption.[68]

Some tech companies who self-own their data centers, such as Google (illustrated in Section IV, subsection *Water Consumption* above) and Microsoft, have begun prioritizing sustainability initiatives to mitigate or offset the impacts of their facilities, and publish regular reports addressing consumption and sustainability efforts. [69] [70] Efforts such as this can aid in the development of new technologies to increase the effectiveness and efficiency of systems and technologies utilized in these data centers across the country, and can aid the public in assessing the real impact of facilities on a case-by-case basis.

VI. Economic Opportunities and Detriments

Opportunities

Construction activity is real, large, and temporary. A single hyperscale campus generates a substantial construction boom. Meta's east Tulsa data center is projected to support more than 1,000 construction jobs at peak and includes more than $25 million in local road and water-system improvements; Google's Oklahoma announcement describes construction

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[65] Yañez-Barnuevo, M. (2026, March 23). *Communities are raising noise pollution concerns about data centers*. Environmental and Energy Study Institute. https://www.eesi.org/articles/view/communities-are-raising-noise-pollution-concernsabout-data-centers

[66] Chan, R. (2023, November 27). *Virginia's "Data Center Alley" residents say an eerie hum is keeping them up at night*. Business Insider. https://www.businessinsider.com/data-center-noise-disruptions-loudoun-county-virginia-2023-11

[67] Paddison, L. (2026, March 30). *Scientists have found an alarming environmental impact of vast data centers*. CNN. https://www.cnn.com/2026/03/30/climate/data-centers-are-having-an-underrported

[68] Miller, R. (2021, September 20). *Uptime: Most data centers still not tracking environmental impact*. Data Center Frontier. https://www.datacenterfrontier.com/energy/article/11427943/uptime-most-data-centers-still-not-tracking-environmental-impact

[69] **Example.** *Google. (2025). 2025 environmental report. https://sustainability.google/reports/google-2025-environmental-report/*

[70] **Example.** *Microsoft. (2025). 2025 environmental sustainability report. https://www.microsoft.com/en-us/corporate-responsibility/sustainability/report/*

employment "in the thousands over a few years."[71] [72] The scale of this activity is genuine: a Virginia state audit found that annual average labor income from construction exceeded labor income from operations by more than three to one ($4.3 billion to $1.2 billion).[73] This activity provides income for skilled trades workers, suppliers, and associated lodging and food businesses during the build, but it ends when the facility opens.

Construction can be a phase or a feature. The "temporary" framing above is accurate for a single-building project, but it understates what happens at sites where the same developer expands repeatedly. At Google's MidAmerica facility in Pryor, the first building opened in 2011, a second was unveiled in 2012, a $600 million expansion was announced in 2018, another expansion was announced in 2019, and Google's 2025 $9 billion Oklahoma commitment includes continued investment at the Pryor site alongside two entirely new campuses in Muskogee County.[74] [75] [76] That puts at least five distinct expansion phases on the same Pryor campus over more than 14 years, with cumulative Oklahoma investment passing $2.5 billion by 2019. Project Clydesdale's approved four-building phasing and Project Mustang's approved up-to-three-building phasing suggest the same pattern, though both remain to be built out.[77] [78] For skilled trades workers, suppliers, and host-community service businesses, this is potentially a meaningfully different economic profile than a single-building project. Construction employment in such cases is not a temporary spike followed by a cliff; it is a sustained, multi-year (in Google's case, potentially multi-decade) feature of the site's operation. That strengthens the workforce and supplier opportunities discussed under Section VII below, and it is one reason Meta's announced training partnership with Tulsa Tech and Tulsa Community College, targeting 200+ graduates annually, makes sense as an ongoing pipeline rather than a one-time hiring push.

Between 2011, when Google's first Pryor facility opened, and 2015, the Pryor school district's total assessed property valuation grew 168% to $325.6 million, and Mayes

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[71] Oklahoma Department of Commerce. (2026, April 21). *Meta breaks ground on new $1 billion data center in Tulsa*. https://www.okcommerce.gov/meta-breaks-ground-on-data-center-in-tulsa/

[72] Ramos, L. (2025, August 14). *Google announces new $9 billion cloud, AI investment in Oklahoma*. KOSU. https://www.kosu.org/local-news/2025-08-14/google-announces-a-new-9-billion-cloud-and-ai-investment-in-oklahoma

[73] Joint Legislative Audit and Review Commission. (2024). *Data centers in Virginia* (Report No. 598). Commonwealth of Virginia. https://jlarc.virginia.gov/landing-2024-data-centers-in-virginia.asp (The figure is a snapshot of a mature market where construction and operations were occurring simultaneously across many sites.)

[74] Oklahoma Department of Commerce. (2019, February 22). *Google planning another expansion for Pryor Data Center*. https://www.okcommerce.gov/google-planning-another-expansion-for-pryor-data-center/

[75] Ramos, L. (2025, August 14). *Google announces new $9 billion cloud, AI investment in Oklahoma*. KOSU. https://www.kosu.org/local-news/2025-08-14/google-announces-a-new-9-billion-cloud-and-ai-investment-in-oklahoma

[76] Prock, D. (2025, November 20). *Google to build two data centers in Muskogee County as part of $9B Oklahoma investment*. NewsOn6. https://www.newson6.com/technology/google-data-centers-muskogee-county-oklahom

[77] DatacenterDynamics. (2025, September 30). *Project Clydesdale approved by Tulsa County Board of Commissioners*. https://www.datacenterdynamics.com/en/news/project-clydesdale-approved-by-tulsa-county-board-of-commissioners/

[78] NewsOn6. (2026, May 18). *Claremore approves Project Mustang data center plan*. https://www.newsbreak.com/news/4658787900753-claremore-approves-project-mustang-data-center-plan

County's grew 82% to $498.4 million.[79] These figures are concurrent with (though not solely attributable to) Google's presence. MidAmerica Industrial Park hosts many tenants who continue to grow and expand. These changes in valuation indicate the order of magnitude of tax base change that a sustained data center expansion can accompany or drive in a rural Oklahoma county.

Capital investment and tax base. Meta's Tulsa campus is described as a $1 billion-plus investment, Google's statewide Oklahoma commitment as $9 billion, and each phase of Project Clydesdale as at least $700 million of private investment.[80] [81] [82] A facility of this scale becomes one of its county's largest single taxpayers. The most detailed accounting available comes from Northern Virginia, the most concentrated data center market in the country: an industry-commissioned 2026 study found data centers paid an estimated $1.3 billion directly in local property taxes there in 2024, and supported more than $2 billion in total local government revenue once construction and operations-related sales, meals, occupancy, and business-license taxes are included.[83]

Virginia's experience is generally positive for the host county, and the study reports localities directing that revenue to affordable housing and schools. Two cautions apply before reading it as a template: It describes a mature, decades-old cluster, not a single new facility. In addition, much of the construction capital does not stay local. A Virginia state audit found that in fiscal year 2023, roughly 80% of data center capital investment went to out-of-state companies for computer servers and other equipment.[84] The tax base benefit is real; the construction capital multiplier is weaker than headline investment figures imply.

Permanent jobs. In its operating phase, a hyperscale data center the physical size of a small town employs on the order of 100 people. Meta's 2M square foot Tulsa campus is projected at roughly 100 operational jobs; the Pryor comparison Google facility is described by local officials as 100 - 150 FTEs, many in non-technical roles such as security and maintenance.[85] [86] Project Mustang in Claremore is projected to create roughly 50

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[79] Oklahoma Department of Commerce. (2019, February 22). *Google planning another expansion for Pryor Data Center*. https://www.okcommerce.gov/google-planning-another-expansion-for-pryor-data-center/, citing local assessed valuation figures.

[80] Oklahoma Department of Commerce. (2026, April 21). *Meta breaks ground on new $1 billion data center in Tulsa*. https://www.okcommerce.gov/meta-breaks-ground-on-data-center-in-tulsa/

[81] Ramos, L. (2025, August 14). *Google announces new $9 billion cloud, AI investment in Oklahoma*. KOSU. https://www.kosu.org/local-news/2025-08-14/google-announces-a-new-9-billion-cloud-and-ai-investment-in-oklahoma

[82] DatacenterDynamics. (2025, September 30). *Project Clydesdale approved by Tulsa County Board of Commissioners*. https://www.datacenterdynamics.com/en/news/project-clydesdale-approved-by-tulsa-county-board-of-commissioners/

[83] Harger, K. (2026, May 14). *The hidden tax break in your backyard: How data centers cut property taxes*. Chamber of Progress. https://progresschamber.org/insights/data-centers-cut-property-taxes-virginia-homeowners/

[84] Joint Legislative Audit and Review Commission. (2024). *Data Centers in Virginia* (JLARC Report 598). https://jlarc.virginia.gov/pdfs/reports/Rpt598.pdf. As reported in the business section, the figure reflects FY2023 capital spending on servers and equipment specifically, not total project spending.

[85] Oklahoma Department of Commerce. (2026, April 21). *Meta breaks ground on new $1 billion data center in Tulsa*. https://www.okcommerce.gov/meta-breaks-ground-on-data-center-in-tulsa/

[86] Ramos, L. (2025, August 14). *Google announces new $9 billion cloud, AI investment in Oklahoma*. KOSU. https://www.kosu.org/local-news/2025-08-14/google-announces-a-new-9-billion-cloud-and-ai-investment-in-oklahoma

permanent jobs per phase, implying around 150 at full build-out across three phases.[87] Oklahoma payroll data reflects a similar story: about 9.2 FTEs per data center across 709 payroll locations under the relevant NAICS industry code.[88] *Data centers are among the least labor-intensive large structures in the economy.*

Some officials frame the low headcount as a feature rather than a flaw: because a data center does not bring in thousands of new families, it does not create matching demand for schools, housing, and other attendant services (police, fire, etc.) so the community gets investment and tax base "without the burdens."[89] That argument has some merit, but it cuts both ways: a facility that brings few residents also generates little of the induced retail, housing, and service sector growth that ordinarily multiplies an economic development win. The economic development profession itself frames this as a genuine trade off rather than a clear win. A 2025 International Economic Development Council commentary cautions that data center employment is "not always aligned with community needs," that required skills are often sourced from outside the region, and that communities should weigh the opportunity cost of devoting scarce land, power, and water to a project that may crowd out other development.[90]

Jobs and wages. A May 2026 Brookings analysis is among the most credible analysis available to the Task Force. It does not rely on multipliers supplied by site developers and covers roughly 770 U.S. data center facilities and 93 counties that received their first large data center between 2008 and 2024.[91] Its central findings, are as follows:

1. Data centers do create local jobs, but likely fewer than advertised or advocated for by industry insiders. Counties receiving their first large data center see total private employment rise around 4 - 5% over five to six years. Note that comparisons that ignore the fact that most data center counties were *already* growing faster overstate the effect by a factor of about 3x.
2. Wages rise modestly and broadly. Wages rise 3 - 4% for both existing workers and new hires, with no significant attendant increase in home prices.
3. Hyperscale clusters produce the durable upside rather than single buildings. Counties with a single facility see only modest total employment effects and likely no significant IT-sector growth; counties with four or more facilities see roughly a 23% rise in information-sector employment (IT services, telecom, software development).

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[87] NewsOn6. (2026, May 18). *Claremore approves Project Mustang data center plan*. https://www.newsbreak.com/news/4658787900753-claremore-approves-project-mustang-data-center-plan
[88] Oklahoma Legislature. (2025, October 21). *Hearing handout: Remarks by John Woods, Research Economic Development Specialist, Oklahoma Department of Commerce* [Handout]. https://sg001-harmony.sliq.net/00283/Harmony/en/PowerBrowser/PowerBrowserV2/20251021/-1/55465#handoutFile
[89] Ramos, L. (2025, August 14). *Google announces new $9 billion cloud, AI investment in Oklahoma*. KOSU. https://www.kosu.org/local-news/2025-08-14/google-announces-a-new-9-billion-cloud-and-ai-investment-in-oklahoma
[90] Ohle, N. (2025, October 6). *Data centers: The new economic development gold rush?* International Economic Development Council. https://www.iedconline.org/news/2025/10/06/iedc-updates/data-centers-the-new-economic-development-gold-rush/
[91] Bahar, D., & Wright, G. (2026, May 4). *New evidence on data center employment effects*. Brookings Institution. https://www.brookings.edu/articles/new-evidence-on-data-center-employment-effects/

4. Facility *type* matters. Hyperscale facilities (built by large market participants like Amazon, Google, Meta, Microsoft for their own workloads) generate some local IT-ecosystem demand; colocation facilities (leasing space to tenants) generate construction activity but little operational agglomeration. For example, a bank renting a server cage does not hire local IT staff, they likely rely on contracted services who serve multiple customers in the same location.

Parts of the Cherokee Nation Reservation and adjacent geography are beginning to see the clustering pattern the study identifies as favorable: multiple large facilities at Pryor (Google MidAmerica), Tulsa (Meta), Tulsa County (Clydesdale), and Rogers County (Mustang), with additional development advancing in Muskogee County (two new Google campuses plus Core Scientific's expanding site). Not all of this development is true "hyperscale." Core Scientific's Muskogee campus is a colocation play designed to lease high-density AI "compute" capacity to outside tenants such as CoreWeave. In the Brookings framework, colocation generates construction activity but limits the clustering effects that might otherwise be expected.[92] [93] The information-sector spillover the Brookings study associates with hyperscale clustering is more likely to follow Google, Meta, and similar single-user facilities than colocation campuses, even where the colocation tenants themselves are AI development firms. This necessitates precision about which facilities are likely to drive which kind of local benefit and engaging on the individual terms rather than the current approach of blanket subsidies and / or abatements.

Detriments

Electricity rates and cost shifting are the central economic harm to citizens. PSO's rate request currently before the Oklahoma Corporation Commission for consideration would raise a typical customer's bill by about 15%, or roughly $25 per month, by July 2026.[94] This reflects the ongoing reality of infrastructure investment and replacement cycles, inflation, and organic growth. It also incorporates, at least in some measure, strains put on the grid in PSO's area of responsibility by an increase in current or near-term large load users. Attributing rate increases specifically to data centers is genuinely difficult. The $25/month PSO figure is a filed request, not an approved rate, and the specific share of it attributable to data center demand is not isolated in the available sources.

In the mid-Atlantic region, an analysis by Monitoring Analytics attributed nearly 70% of recent wholesale cost increases, or about $9.3 billion, to data centers.[95] This is a transfer,

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[92] Swinhoe, D. (2026, May 6). *Core Scientific acquires cryptomine in Muskogee to expand AI data center campus*. Data Center Dynamics. https://www.datacenterdynamics.com/en/news/core-scientific-acquires-cryptomine-in-muskogee-to-expand-ai-data-center-campus/

[93] Snider, S. (2026, May 7). *Core Scientific's Muskogee bet: Can crypto-era assets fuel AI?* Data Center Knowledge. https://www.datacenterknowledge.com/data-center-construction/core-scientific-bets-on-1-5-gw-ai-campus-in-oklahoma.

[94] Public Service Company of Oklahoma. (2026, January 2). *PSO files rate review with the OCC to support grid upgrades*. https://www.psoklahoma.com/company/news/view?releaseID=10659

[95] Independent Market Monitor for PJM. (2025, June 3). *Analysis of the 2025/2026 RPM Base Residual Auction: Part G (Revised)*.

not merely a cost. When a utility builds generation and transmission to serve a data center and recovers it through rates shared across all customers, ordinary households and existing employers subsidize the data center's needed expansion. If the data center later closes or underuses its contracted load, ratepayers, not the developer, are left with the stranded cost. See Section III above referencing HB2992 (the "Data Center Consumer Ratepayer Protection Act") for Oklahoma's recently-passed legislation to establish a framework to avoid this transferring of cost.

Benefit / cost geographic mismatch. Because tax revenue is essentially local but rate impact is service territory wide, a jurisdiction that hosts no data center could potentially pay higher utility bills while capturing none of the offsetting revenue. Cherokee Nation is both uniquely exposed to this asymmetry and uniquely positioned to speak to it. This asymmetry extends across utilities: Reservation communities and citizens are served by PSO, OG&E, GRDA, multiple cooperatives, and municipal utilities. A rate or infrastructure decision at any one of those utilities (including electricity, water, wastewater and other services) can land on Cherokee households who see no offsetting tax-base benefit.

Foregone revenues through tax incentives are a documented and growing fiscal risk. Incentives are examined as a policy lever in Section VIII. As a potential detriment, the concern is that *aggressive, automatic abatements* can erode the very tax base used to justify the project. Good Jobs First found that at least ten states each lose more than $100 million per year in tax revenue to data center exemptions, and that the automatic structure of those exemptions makes the losses very hard for states to forecast. Texas revised a single year's projected cost from $130 million to $1 billion in the span of 23 months.[96] A University of Georgia study prepared for the Georgia Department of Audits and Accounts estimated data center tax exemptions produced a net decrease in state revenue of roughly $432 million in fiscal year 2025.[97] The point is not that incentives never pay off. In a mature host community, they plainly can. However, their cost is real, often understated, and potentially borne by a different level of government / taxing jurisdiction than the benefit.

Demand-cycle and stranded-asset risk. Staff research drawing on S&P Global, describes a sector financed heavily with debt and dependent on sustained AI demand; OpenAI itself is not projected to be profitable by 2030, and its CEO concedes investors are "overexcited."[98] Independent industry research frames the same period as an "investment supercycle": JLL

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http://www.monitoringanalytics.com/reports/reports/2025/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_G_20250603_Revised.pdf. PJM-region figure; may not transfer directly to Southwest Power Pool conditions.

[96] LeRoy, G., & Tarczynska, K. (2025, April). *Cloudy with a loss of spending control: How data centers are endangering state budgets*. Good Jobs First. https://goodjobsfirst.org/wp-content/uploads/2025/04/Cloudy-with-a-Loss-of-Spending-Control-How-Data-Centers-Are-Endangering-State-Budgets.pdf. Good Jobs First is a subsidy-accountability organization; figures are presented here as the systematic fiscal-risk case, to be read alongside the Northern Virginia revenue evidence cited above.

[97] Justice, J. S., & Shepherd, T. L. (2025, December). *Tax incentive evaluation: Georgia data center sales & use tax exemption*. Georgia Department of Audits and Accounts. https://www.audits.ga.gov/ReportSearch/download/33298

[98] Gupta, A. (2025, August 17). *Sam Altman says OpenAI has better AI models than GPT-5, but it can't release them yet: Here's why*. Mint. https://www.livemint.com/technology/tech-news/sam-altman-says-openai-has-better-ai-models-than-gpt-5-but-it-can-t-release-them-yet-here-s-why-11755407918005.html

projects roughly 100 gigawatts (GW) of new capacity and up to $3 trillion of investment globally by 2030.[99] The record supports the assertion of a supercycle at least through the near-term. In Oklahoma, Google's $9 billion 2025 commitment, Meta's $1 billion Tulsa campus, and Beale Infrastructure's Clydesdale and Mustang projects represent multi-billion-dollar deployments inside an 18-month window. Outside Oklahoma, Google announced an additional $15 billion investment in Montgomery County, Missouri on May 20, 2026, with more than 1 GW of new generation already under contract and an additional 500 megawatts (MW) pledged through other utility partnerships.[100] [101] Whether the longer-term demand sustains beyond the current capital deployment cycle is uncertain. The near-term risk is less likely to be a sudden bust of the whole sector, but rather the structural question of who bears the cost if a particular facility underperforms. The economic development lesson is that a community should not structure its budget (or its incentive package) on the assumption that a given facility will operate at full load for its entire projected lifecycle.

VII. Alignment with Business Interests

Direct Investment in Hyperscale Data Centers

Direct investment into hyperscale data centers does not have strong alignment with the business interests and practices of the Cherokee Nation. Two structural facts reinforce this:

1. Cherokee Nation is unlikely to use trust-status or restricted land for data center development. Such land is scarce and generally utilized for community and service facility development, recreation, and cultural access, agriculture, or other similar uses closely aligned with Cherokee Nation values.
2. Cherokee Nation is unlikely to pursue a tax-arbitrage strategy by offering itself as a low-tax haven for data centers. Doing so would come at the expense of the counties, municipalities, school districts, and other jurisdictions within the Reservation and would potentially harm the same communities Cherokee Nation serves.

Recognizing the broader national and global trends in infrastructure development, Cherokee Nation's interest in economic diversification and vitality should compel the review of business opportunities in **adjacent** sectors like utility and infrastructure services

[99] JLL. (2026, January 5). *2026 global data center market outlook*. https://www.jll.com/en-us/insights/market-outlook/data-center-outlook. JLL is a commercial real estate firm with an interest in the sector; the figure is cited as independent market research on investment scale, not as a forecast of any single project's success.
[100] Kennedy, C. (2026, May 20). *Google unveils $15 billion Missouri data center investment*. Yahoo Finance (via Oilprice.com). https://finance.yahoo.com/sectors/technology/articles/google-unveils-15-billion-missouri-data-center-investment-034645807.html
[101] Office of Governor Mike Kehoe. (2026, May 20). *Missouri secures $15 billion investment from Google in Montgomery County*. https://governor.mo.gov/press-releases/archive/missouri-secures-15-billion-investment-google-montgomery-county

through a lens of normal investment discipline involving financial, shareholder, and regulatory evaluation.

Workforce Training and Supplier Opportunities

The most broadly aligned opportunity requires no Cherokee Nation capital at risk. Construction and operation of nearby data centers generate demand for skilled trades, electricians, pipefitters, welders, fiber and cabling technicians, and developers are actively funding training pipelines. As noted above, Meta announced a partnership with Tulsa Tech and Tulsa Community College on a program anticipated to produce 200+ graduates annually; Google's Oklahoma announcements include university-based workforce programs and a $1 million community contribution to Muskogee for school districts, small businesses, and skilled trades training; the developer of both Projects Clydesdale and Mustang, Beale Infrastructure, has signaled additional workforce development initiatives to come.[102] [103] [104] Economic development literature specifically identifies workforce upskilling as the way a community converts a low-headcount project into lasting local benefit, while cautioning that without that effort the skilled jobs are simply imported.[105] Cherokee Nation citizens can capture wage gains and trades careers from this activity regardless of who owns the facilities, and CareerTech and tribal workforce programs can be positioned to feed those pipelines. This is the lowest-risk, most inclusive form of "alignment" available, and it most closely aligns with the Nation's citizen-focused mission and priorities identified by citizens themselves in this Task Force's administered survey.

VIII. Barriers and Opportunities to Mitigate Economic and Environmental Detriments

Economic Considerations – Barriers

- *Nature of development*. Much of the development affecting the Reservation is private development on private land or municipally owned land (see Section III).
- *State-level incentive and ratemaking authority*. The principal economic policy levers in data center development are tax-abatement structures and utility rate design. These sit with the Oklahoma Legislature, the Oklahoma Corporation Commission (and its regulated utilities). Public power and municipal utilities (such as Claremore

[102] Oklahoma Department of Commerce. (2026, April 21). *Meta breaks ground on new $1 billion data center in Tulsa*. https://www.okcommerce.gov/meta-breaks-ground-on-data-center-in-tulsa/

[103] Prock, D. (2025, November 20). *Google to build two data centers in Muskogee County as part of $9B Oklahoma investment*. NewsOn6. https://www.newson6.com/technology/google-data-centers-muskogee-county-oklahoma

[104] Abbott, C. (2026, May 18). *Claremore approves Project Mustang data center plan*. NewsOn6. https://www.newson6.com/tulsa-oklahoma-news/claremore-project-mustang-data-center-approved. (Beale Infrastructure SVP Tony Burkart, says "We look forward to announcing additional funding and workforce development initiatives in the near future.")

[105] Ohle, N. (2025, October 6). *Data centers: The new economic development gold rush?* International Economic Development Council. https://www.iedconline.org/news/2025/10/06/iedc-updates/data-centers-the-new-economic-development-gold-rush/

Electric) are largely outside OCC jurisdiction altogether, making the *legislative* scope of ratepayer measures especially important.

- *Information asymmetry*. Non-disclosure agreements and site selector intermediaries mean communities often negotiate without knowing the end user, the load, or the water demand in an up-front, unified way. Each provider may know their relevant piece of the project, but the whole may remain obscured. The most unified view of the project may come at an incentives discussion when each taxing jurisdiction must be represented, and typically that is not an early-stage part of the development cycle.

Economic Considerations – Opportunities

Performance-based terms as opposed to blanket incentives. The strongest available evidence indicates that broad, automatic tax incentives are poorly targeted. The Brookings employment study finds that for hyperscale facilities, state incentives represent only about 2% of total construction investment, and location decisions are driven by **power, land, and fiber**, not tax incentives. For colocation facilities (as noted, these generate the smallest employment benefit) incentives can represent about 62% of total investment, meaning subsidy dollars flow disproportionately to the least job-creating projects.[106]

Good Jobs First documents that the automatic, open-ended structure of sales and use-tax exemptions, not the dollar amount of any one deal, is what makes them dangerous to a budget: states routinely under forecast the cost by an order of magnitude, and many do not disclose the losses at all.[107] Oklahoma's own incentive-evaluation record points the same direction. The Oklahoma Incentive Evaluation Commission found that the Computer Services / Data Processing sales-tax exemption has gone essentially unused for years, in part because Oklahoma's electricity is already cheap relative to peer states and in part because data centers struggle to meet job-creation thresholds, and recommended retaining it largely as a dormant option.[108] Its evaluation of the Five-Year Ad Valorem (property tax) Exemption, the program most relevant to data centers since the State reimburses local governments for the exemption, found a positive net return for manufacturing facilities but also flagged a basic data gap: the Oklahoma Tax Commission collects exempted payroll but not the number of jobs created, which limits any rigorous economic impact analysis.[109]

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[106] Bahar, D., & Wright, G. (2026, May 4). *New evidence on data center employment effects*. Brookings Institution. https://www.brookings.edu/articles/new-evidence-on-data-center-employment-effects/

[107] LeRoy, G., & Tarczynska, K. (2025, April). *Cloudy with a loss of spending control: How data centers are endangering state budgets*. Good Jobs First. https://goodjobsfirst.org/wp-content/uploads/2025/04/Cloudy-with-a-Loss-of-Spending-Control-How-Data-Centers-Are-Endangering-State-Budgets.pdf

[108] PFM Group Consulting. (2023, November 17). *Computer services, data processing, and research and development tax exemption: Evaluation report*. Oklahoma Incentive Evaluation Commission. https://oklahoma.gov/content/dam/ok/en/omes/documents/iec/archive/support/2023/ComputerDataExemptionEvaluation11172023.pdf

[109] PFM Group Consulting. (2024, October 1). *Five-year ad valorem tax exemption: Draft evaluation*. Oklahoma Incentive Evaluation Commission. https://oklahoma.gov/content/dam/ok/en/omes/documents/AdValoremExemption_Draft_%2010.1.2024.pdf

Project Mustang in Claremore is the closest in-Reservation case study of the abatement-versus-community-benefit question. The City Council approved a 25-year ad valorem tax exemption for each of up to three phases, in exchange for which Beale Infrastructure has agreed to contribute more than $250 million over time to Rogers County schools, municipal services, and community programs.[110] A 25-year abatement is the kind of long-duration arrangement independent analysts caution against in principle; the negotiated payment-in-lieu structure is a partial offset whose actual value depends on the present value of the stream, the escalator (if any), the enforcement mechanism, and what Mustang *would have paid* absent the exemption. None of those details are in the public sources at this stage, but the structure is worth watching closely.

Oklahoma's Local Development Act. Oklahoma's "Local Development Act", mentioned in Section III above, is the statutory framework that governs both tax increment financing and incentive districts in the state, and the choice between the two structures is consequential for host jurisdictions when a data center project arrives. The two tools have similar names and share a 25-year maximum duration, but they work in opposite directions.

- Tax Incentive District (TID): allows the local governing bodies, by agreement among affected taxing jurisdictions, to abate (eliminate) some or all of the ad valorem increment, generally the difference between current taxes pre-project and new taxes due when the project is constructed and operating, that are generated by a project for the development period. This is effectively foregone tax revenue during the period. This is the structure Project Mustang received from Claremore: a 25-year ad valorem exemption *per phase*, in exchange for negotiated community benefit contributions paid separately (Payment-in-lieu-of-taxes or PILOT) by the developer.[111] [112]

- Tax Increment District: An increment district, the true tax increment financing (TIF) tool, allows the local governing body to capture the increment and reapportion it to pay eligible "project costs" within the district. The increment is recaptured and spent on public purposes rather than abated. Other taxing jurisdictions still share in the base assessed value, and the captured increment funds public improvements that serve the district and the community around it.[113]

[110] Abbott, C. (2026, May 18). *Claremore approves Project Mustang data center plan*. NewsOn6. https://www.newson6.com/tulsa-oklahoma-news/claremore-project-mustang-data-center-approved
[111] Abbott, C. (2026, May 18). *Claremore approves Project Mustang data center plan*. NewsOn6. https://www.newson6.com/tulsa-oklahoma-news/claremore-project-mustang-data-center-approved
[112] City of Claremore. (2026, May). *Proposed Claremore Data Center Project (Project Mustang FAQ)*. https://claremore.com/project-mustang-faq/
[113] Oklahoma Legislature. (2025). *Oklahoma Local Development Act*, 62 Okla. Stat. §§ 850–869, including §§ 853, 855–856, & 861. https://law.justia.com/codes/oklahoma/title-62/section-62-850/; https://law.justia.com/codes/oklahoma/title-62/section-62-853/; https://www.oscn.net/applications/oscn/deliverdocument.asp?lookup=Next&listorder=102100&dbCode=STOKST62

For most industries, Oklahoma law caps incentive district abatements at five years and imposes a requirement for "substantive findings" (area of blight, demonstrated development need) and procedural restrictions (no more than 25% of a jurisdiction's land area is allowed to be in districts) that limit how aggressively the tool can be used. For businesses operating under NAICS code 518210 - *Data Processing, Hosting, and Related Services* - the cap extends to 25 years and several of those restrictions are waived.[114] Data centers received their own exemption in 2009, and despite repeated legislative attempts to roll them back, the carve-outs remain in place. In 2021, the Oklahoma legislature extended the data center exemption for an additional 15 years specifically for Google's existing Pryor operations to prevent the company from relocating servers out of state.[115] This is what makes 25-year abatement-style data-center districts unusually easy to form in Oklahoma, and it is the statutory backdrop against which Project Mustang and Project Clydesdale's 25-year exemptions were negotiated.

The distinction matters because the same statutory tool, applied to the same project, can produce very different outcomes for host communities depending on which structure those communities choose. An **incentive district** transfers value to the developer in exchange for whatever community benefit can be separately negotiated. An **increment district** preserves the increment for public use, with serious limits on how that public use can be defined. Under the statute, eligible "project costs" generally include public improvements, infrastructure (roads, utilities, water, wastewater, sewer, fiber, substations), site preparation and acquisition, public facilities serving the district, and administrative and financing costs. They do not generally extend to community investment funds, direct cash transfers to schools or to municipal general operations, workforce training programs *outside* the district, or community program funds like the Missouri Energy Impact Fund model mentioned previously.

A jurisdiction that wants both captured public infrastructure *and* a general community benefit fund must layer the two tools: an increment district to capture infrastructure value within the district, paired with separately negotiated developer contributions (PILOT, CBA, or other voluntary fund) for general community benefit.

There is recent Oklahoma practice demonstrating this layered approach. Pittsburg County's economic development plan for IREN's proposed $50 billion project, considered in April, 2026, combines an 85% property tax abatement above 550 MW with a 25-year TIF that captures increment for Kiowa Public Schools, the Kiamichi Technology Center, Pittsburg County, the Pittsburg County Schools Common Fund, and the Southeastern

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[114] Oklahoma Legislature. (2025). *§ 62-856. Proposed boundaries of district or project—Designation and adoption—Content of ordinance or resolution—Legislative intent.* In *Oklahoma Statutes Title 62: Public Finance*. https://law.justia.com/codes/oklahoma/title-62/section-62-856/. 62 O.S. § 856 expressly waives subsections (d) through (g) of the standard findings and procedural requirements for districts "wholly or partially comprised or become comprised of industries operating under NAICS code 518210."

[115] Adcock, C. (2022, June 10). *Oklahoma lawmakers tried to cut a costly incentive for data centers, but gave Google a break*. The Frontier. https://www.readfrontier.org/stories/oklahoma-lawmakers-tried-to-cut-a-costly-incentive-for-data-centers-but-gave-google-a-break/, documenting the 2021 legislative extension for Google's Pryor operations.

Oklahoma Public Library System. Under that plan, schools should receive nearly $11 million in the first year of Phase 1 of the development. Separately, IREN committed to "community betterment payments" as an additional developer obligation outside the TIF.[116] The two tools can be used together to capture more value for host communities than the abatement structure alone provides.

Jurisdictions that have offered 25-year abatement-style incentive districts have generally done so because that is what the developer asked for as a condition of siting, armed with the knowledge that Oklahoma has expressly allowed it. A host jurisdiction can negotiate TIF / capture position, recognizing that availability and accessibility of power is currently the driving force for siting decisions, rather than incentive structure. Cherokee Nation's role here is to provide host jurisdictions with the analytical framework and the negotiating posture to recognize what they are giving up when they default to abatement, and to recommend layered community benefit when abatement is used.

HB 2992. The most direct mitigation of the most direct economic harm is ratepayer-protection policy, and during the 2026 Oklahoma legislative session the policy landscape moved decisively. Gov. Stitt signed HB 2992, the "Data Center Consumer Ratepayer Protection Act of 2026," into law on May 11, 2026 (described more fully in Section III).

Oklahoma is not alone in enacting the cost-causation principle. Florida's SB 484, signed by Gov. DeSantis on May 7, 2026, directs that state's public service commission to ensure each large-load customer bears its own full cost of service, the same principle behind HB 2992.[117]

Furthermore, the developer-funded model is already operating as a regional benchmark. Meta has publicly committed to paying the full cost of energy used by its Tulsa data center and to paying for grid infrastructure through its utility bills.[118] Project Mustang is structured with the developer paying 100% of project-related power infrastructure costs and the facility served via a dedicated GRDA substation, so that Claremore Electric customers and the existing grid are not burdened by the project's load.[119] [120] Google's announced Muskogee County campuses are structured similarly, with OG&E directly serving the data

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[116] James, D. (2026, May 14). *Pittsburg County committee endorses deal tied to 2,000-acre, $50 billion data center site*. NonDoc. https://nondoc.com/2026/05/14/pittsburg-county-committee-endorses-deal-tied-to-2000-acre-50-billion-data-center-site/

[117] Mahoney, E. L. (2026, May 8). *DeSantis signs bill creating guardrails for data centers in Florida*. *Tampa Bay Times*. https://www.arcamax.com/currentnews/newsheadlines/s-4092363; WFSU News. (2026, May 8). *Gov. DeSantis has signed a bill regulating data centers in Florida*. https://www.arcamax.com/currentnews/newsheadlines/s-4092363. Cited here as comparative confirmation that the cost-causation principle is not an Oklahoma outlier.

[118] Oklahoma Department of Commerce. (2026, April 21). *Meta breaks ground on new $1 billion data center in Tulsa*. https://www.okcommerce.gov/meta-breaks-ground-on-data-center-in-tulsa/

[119] City of Claremore. (2026, May). *Proposed Claremore Data Center Project (Project Mustang FAQ)*. https://claremore.com/project-mustang-faq/

[120] Abbott, C. (2026, May 18). *Claremore approves Project Mustang data center plan*. NewsOn6. https://www.newson6.com/tulsa-oklahoma-news/claremore-project-mustang-data-center-approved

centers and Google covering related infrastructure costs.[121] Cherokee Nation's advocacy can frame this plainly: HB 2992 codifies what the leading projects in and around the Reservation are already doing.

With HB 2992 now law, attention can shift to implementation questions. The Oklahoma Corporation Commission will need to promulgate rules and tariff structures required by HB 2992. The law's notification and disclosure provisions will need to be enforced in practice via means not yet defined. Open questions remain as to how its terms apply to municipal and public-power utilities not under OCC jurisdiction, and Cherokee Nation should look to consultation opportunities to weigh in as stakeholders on this developing policy landscape.

Community Benefit Agreements. The strongest emerging national tool for converting that standing into citizen benefit is the legally-binding community benefit agreement (CBA). Independent analysis and template work, including a 2026 NAACP CBA template available to the Task Force, recommend that CBAs specify *enforceable* commitments on local hiring and wages, infrastructure cost-sharing, a community investment fund, exit fees for early closure, and a public dashboard tracking jobs, tax revenue, electricity and water use.[122] [123]Cedar Rapids, Iowa, tied a 20-year, 70% tax exemption to a minimum of 31 permanent jobs at a defined wage floor, with fixed annual payments from Google and QTS. In short, host jurisdiction have the opportunity to execute these legally-binding CBAs rather than accept standard deal terms to prioritize local concerns and drive priorities for meaningful economic and community benefits plans.[124]

The Tulsa City Council unanimously approved a nine-month moratorium on new data center approvals on March 26, 2026, to give the city's planning office time to update zoning standards. The moratorium does not affect Project Clydesdale (already under construction) or Project Anthem's first two phases (already approved), but it signals that municipal-level mitigation is happening, and that public pushback is shaping local zoning.[125] Project Mustang's approval in May came after capacity-crowd public hearings, with some residents speaking against the project on property values and quality-of-life grounds.

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[121] Prock, D. (2025, November 20). *Google to build two data centers in Muskogee County as part of $9B Oklahoma investment*. NewsOn6. https://www.newson6.com/technology/google-data-centers-muskogee-county-oklahoma

[122] Turner Lee, N., & West, D. M. (2026, January 29). *Why community benefit agreements are necessary for data centers*. Brookings Institution. https://www.brookings.edu/articles/why-community-benefit-agreements-are-necessary-for-data-centers/

[123] NAACP. (2026). *Community Benefits Agreement template*. https://naacp.org/sites/default/files/documents/NAACP%20CBA%20Template%202026.pdf

[124] Goetzel, D., Muro, M., & Methkupally, S. (2026, February 5). *Turning the data center boom into long-term, local prosperity*. Brookings Institution. https://www.brookings.edu/articles/turning-the-data-center-boom-into-long-term-local-prosperity/

[125] Tulsa Flyer. (2026, March 26). *Tulsa City Council approves data center moratorium*. NewsOn6. https://www.newson6.com/tulsa-oklahoma-news/tulsa-city-council-approves-data-center-moratorium

Strategic Negotiation of Terms. Where development proceeds, recent analysis argues that AI-era competition for scarce mega-sites, grid access and capacity, and permits has shifted leverage toward communities, and that negotiations should be treated as "ecosystem-shaping moments," trading infrastructure access for commitments to local innovation, workforce, and R&D rather than accepting narrow real-estate deals.[126] Note that this thesis is a recent argument, and assumes competition for scarce sites. Site determinations are being driven largely by whether power can be delivered, which is why the in-Reservation projects approved so far have organized themselves around dedicated substations and developer-funded infrastructure rather than primarily competing on incentives between jurisdictions.

Practically speaking, there are no constraints on asking for community investment, regardless of the vehicle, as part of any transaction, and communities approached by data center developers should think about significant community needs and how data center developer investments could help meet those needs.

Environmental Considerations - Barriers

Barriers to mitigating environmental concerns are largely related to the nature of information regarding environmental impacts, which can be contradictory, difficult to parse, or inaccessible altogether.

Information is widely varied and difficult to generalize. There are a myriad of variables associated with any given data center, and this fact is the cause of many seemingly contradictory or overgeneralized assessments of their resource consumption. For example, a single data center may use a mix of cooling system types that all consume water at different rates and require different amounts of energy to power. Data centers located in different parts of the country may operate more efficiently purely due to features of the local geography and environment. Facilities may have a range of types of backup generators utilizing different fuel sources. They all draw on different parts of the power grid, which is comprised of an irregular mix of generation methods, all resulting in varying levels of carbon emissions, air emissions, and indirect water consumption costs. Though this report makes an effort to present a generalized picture of a hyperscale data center's impact, each facility must truly be assessed on a case-by-case basis to understand the true scope of environmental impact and its relative effect on the local community.

Information can become quickly outdated. The demand for services supported by hyperscale data centers is increasing rapidly, as discussed in earlier sections of this report. This means that data center developers and the industries that provide components associated with data center buildouts are highly incentivized to innovate quickly to improve efficiencies and address market concerns. Significant improvements to efficiencies of, for

[126] Goetzel, D., Muro, M., & Methkupally, S. (2026, February 5). *Turning the data center boom into long-term, local prosperity*. Brookings Institution. https://www.brookings.edu/articles/turning-the-data-center-boom-into-long-term-local-prosperity/

example, cooling systems, can cause water consumption figures from even 3-4 years ago to be irrelevant when looking at potential new developments, which have already moved on to newer and more cost effective (and resource efficient) systems.

Information is not always available, and accessible information is not always reliable. As noted in an earlier section of this report, a large portion of hyperscale data centers have only begun compiling data associated with environmental concerns in very recent years, and there is no regulatory requirement at any level that consistently requires them to do so. As such, information about resource consumption, power draw, emissions, etc. are often estimated based upon extrapolations of other known factors, requiring intense data analysis and subject matter expertise both to do and to parse. As a result, much information readily available on accessible sources such as news outlets, environmental advocacy sites, or general informational pages often involves circular references to secondary rather than primary sources and a lack of contextual explanation. Some sites may publish articles fairly recently, but utilize a secondary source from several years ago without directly stating the source date, leading to the perpetuation of outdated, out-of-context facts and figures. Other sites that seem to present the most direct information are often vendors of various systems or components associated with data center development, which creates concerns with conflict-of-interest when information presented seems to support the company's sales pitch.

This difficult-to-navigate environment of information presents a challenge when the aim is to take action on unbiased, relevant information.

Environmental Considerations - Opportunities

Despite challenges surrounding information gathering, there are clear opportunities for mitigating potential environmental harm of largescale data centers.

Cultural values support environmental protection. Respect for the land and its resources is an inherent aspect of Cherokee culture. This means that even in a world of conflicting or difficult-to-access information, Cherokee citizens are paying attention to environmental concerns and are seeking ways to mitigate them in their own communities. They are talking about issues with each other (as indicated by results of the citizen survey shared in Section X) and they are advocating for environmental protections at various levels of government. There is strength in a shared community value, and this particular value is often shared by our non-Cherokee neighbors. With more than 90% of the Reservation being rural, many of our neighbors share a respect for land that is often the source of their livelihood, the source of sustenance for their families, or the place where they recreate. This mutual care and attention presents opportunities for mitigating environmental harm simply by making others aware of the potential.

Cherokee Nation has established programming to support the protection of natural resources. Because stewardship of the natural resources within our Reservation is an established governmental function of the Cherokee Nation, resources available to

investigate and mitigate environmental concerns already exist. Cherokee Nation's Natural Resources Department (and other partnering departments across the tribe) continuously develops and implements programs to protect and enhance the land, water, air, and other natural resources within the tribe's reservation. This focus on stewardship and conservation creates opportunities to not only further research topics of concern, but to also provide a broad perspective on interrelated topics that may otherwise be left unconsidered.

External partnerships can compound positive impacts. Cherokee Nation has numerous, well-established partnerships with external resources that can contribute knowledge and resources to mutual goals. These partnerships represent opportunity to gain additional perspective of environmental issues that may impact neighboring communities or specific natural resources.

IX. Strategies for Better Understanding Concerns, Questions, and Opinions of Cherokee Nation Citizens

Cherokee Nation can continue to build a fuller understanding of citizen concerns, questions, and opinions regarding data center development and operations by expanding upon the groundwork laid by this Task Force. The Data Center Community Survey, administered through the Gadugi Portal, provided an invaluable first look at citizens viewpoints regarding Data Centers. Nearly 1,600 citizens with connections both inside and outside the Reservation contributed responses, offering a broad geographic and demographic picture. Respondents were introduced to the concept of hyperscale data centers, as outlined in the beginning of this report, and were given multiple opportunities to provide written feedback that captured their concerns, expectations, and insights. Because the survey was designed to assess baseline knowledge and general perceptions, future engagement efforts can be more targeted and iterative. Cherokee Nation can build on this momentum utilizing the data gathered within the survey to focus on specific areas to provide education and outreach opportunities for citizens.

X. Potential Efforts for Providing Factual and Unbiased Information to Citizens

In a 'select all that apply' question, responses to the Data Center Community Survey indicate that the most frequent sources of information that citizens are utilizing to learn about hyperscale data centers are internet research and word-of-mouth, with other sources, such as attending community meetings and attending training sessions, trailing substantially as detailed below:

In response to, "How are you obtaining information on development of hyperscale data centers and their environmental and economic impacts, if at all?" (select all that apply)		
Method	# respondents that marked this selection option	% of respondents that obtain information using this method, non-exclusively
Internet research	1170	73%
Word of mouth	623	39%
Attending community meetings	206	13%
Attending informational training sessions	156	10%
I do not know about data centers	136	9%

Responses here indicate that internet research is an accessible form of information for many citizens, and that citizens are communicating with one another about data centers frequently enough to be obtaining new information on the topic. However, internet sources can be misleading, contradictory, or outdated, and word-of-mouth can lead to misunderstandings across the board.

Despite 76% of respondents feeling "very confident" or "somewhat confident" in their understanding of hyperscale data centers, there is wide interest in learning more about them and their potential impacts. Citizens identified their preferred types of information in a 'select all that apply' style question:

In response to, "What types of information would help you feel informed about hyperscale data centers and their potential impacts?" (select all that apply)		
Information Type	# respondents that marked this selection option	% of respondents that want this type of information, non-exclusively
Fact Sheets	1209	76%
Videos / visual explainers	951	60%
Community meetings	585	37%
Online trainings	493	31%

When prompted to provide topics related to data centers that citizens might be interested in learning about, responses were varied, but largely discussed a desire to learn more about economic impact, environmental impacts such as water consumption and air pollution, impact to the grid and electrical infrastructure, and general informative topics (e.g., what data centers are, what they do, how they work, the types of AI and how they work, etc.).

Fortunately, this report goes a long way in providing some of the information requested by citizens, in that environmental, economic, and grid impacts are discussed at length in earlier sections. However, some areas may still be potentially unaddressed, such as basic information on how data centers work and how an individual's day-to-day activities may utilize hyperscale data centers and subsequently impact the grid.

For example, despite strong aversion to hyperscale data center development, 73% of survey respondents report that they have used generative AI tools (e.g., Google Gemini, Open AI's ChatGPT, Anthropic's Claude, and Microsoft Copilot), even though generative AI is widely considered to be the primary driver of hyperscale data center development worldwide. Further, 34% of respondents indicate that they use these tools on a daily basis, and 19% indicate weekly use.

This, coupled with the fact that 76% of respondents indicate that they are "very confident" or "somewhat confident" in their understanding of hyperscale data centers, indicates a clear disconnect between citizens' perceptions, their understanding, and their actions. Connecting citizens with straightforward examples of how hyperscale data centers play into everyday life can help citizens make informed decisions about their usage of tools that are increasingly prevalent, such as the associated energy cost of each query.

For example, a single AI query is estimated to consume around 2.9 watt-hours of electricity, which is 10 times more electricity than is utilized with a standard search engine query (e.g., a Google search).[127] A recent study out of Carnegie Melon University goes further, estimating the impact of different *types* of AI queries and finding that AI text queries used approximately as much energy as charging a smartphone to 16%, while a query for generating an image took as much energy as fully charging a smartphone.[128] Examples such as these may provide perspective to citizens who frequently use generative AI systems in their personal lives for entertainment purposes.

XI. Extent of Hyperscale Data Center Use by the Cherokee Nation and its Entities

Cherokee Nation and its entities utilize hyperscale data centers by default, as AI features (the primary service provided through hyperscale data centers) are now embedded in software, services, and devices we already rely on, from smartphones to office productivity suites, web search engines, and fraud detection systems.

[127] Craske, B. (2025, September 25). *Ecolab: How is smart cooling key to future AI data centres?* DataCentreMagazine. https://datacentremagazine.com/news/ecolab-how-is-smart-cooling-key-to-future-ai-data-centres
[128] Luccioni, A. S., Jernite, Y., & Strubell, E. (2024, October 15). *Power hungry processing: Watts driving the cost of AI deployment?* arXiv. https://arxiv.org/pdf/2311.16863

Cloud-based services are another service often associated with hyperscale data centers (though cloud-based storage is not *only* provided through hyperscale data centers). Cherokee Nation, like most large organizations across the country, utilizes cloud-based storage and services across functions as efficient, effective, and secure means of storing data and engaging with digital services.

Though direct data center utilization is difficult, if not impossible, to directly trace, Cherokee Nation's hyperscale data center utilization can be quantified in terms of measurable generative AI use within the tribe's Microsoft Enterprise platform. In the most recent month as of the writing of this report, there have been 3,970 Copilot actions across Cherokee Nation's workforce. The estimated compute energy for these actions was less than 1.2 kWh/month, which is negligible relative to data-center-scale loads.

As established through work under the Data Sovereignty and Governance Task Force established under Executive Order 2024-07-CTH[129], Cherokee Nation IT has made concentrated efforts to understand, quantify, and improve government utilization of services such as AI and cloud storage.

To further goals under this Task Force and in alignment with findings from the Data Sovereignty and Governance Task Force, IT is working to implement transparency features in a website redesign to address sustainability metrics associated with Cherokee Nation's computing systems and AI explainers, as well as shift to a hybrid model of storage that balances cloud-based services with on-premises, local servers to store sensitive data. These efforts are aimed at prioritizing sustainability and security concerns in the most cost-effective manner feasible.

Because Cherokee Nation, CNB, and Cherokee Nation's other entities are themselves data center users, all have an interest in continued reliable, secure, cost-effective access to colocation and cloud services for government and business operations, disaster recovery, and sovereign systems including tribal registration and vehicle tag administration.

XII. Impact of the Usage of AI by Cherokee Nation and Entities on Data Center Systems

As mentioned above, Cherokee Nation's direct AI usage as measured by Copilot actions in the tribe's Microsoft Enterprise system are relatively miniscule compared to hyperscale data center loads. As a point of comparison, powering a typical refrigerator for one day uses approximately 4 kWh of electricity (or about 122 kWh of electricity for an entire

[129] Hoskin Jr., Chuck. (2024). *Executive Order 2024-07-CTH: Executive Order on Data Sovereignty and Self-Governance, Improving the Nation's Cybersecurity, Development and Use of Artificial Intelligence, and Establishing a Task Force.* https://cherokee.org/media/2fkbwtpp/2024-07-cth-executive-order-on-data-sovereignty-and-self-governance.pdf

month).[130] Given this, the energy consumption directly attributable to Cherokee Nation's Copilot usage is less than 1% of that of a typical refrigerator on a per-month basis.

However, as mentioned before, many software services and devices increasingly have AI features built-in without an option for refusal, and utilization of these types of AI is not directly quantifiable.

Cherokee Nation IT implements safeguards on AI features through its network system, though, ensuring that AI features in standard tools inherit Cherokee Nation controls such as data boundaries, privacy, and exclusion lists, and Cherokee Nation IT vets all new software licenses across government functions to ensure data sovereignty and privacy protection.

XIII. Conclusion

Hyperscale data center development within the Cherokee Nation Reservation is a complex and ever-evolving issue. The impacts are multifaceted, and ongoing technological advancements mean that much study and improvement.

To ensure responsible stewardship, Cherokee Nation should closely monitor developments and encourage companies to engage in early, robust consultation. This consultation must address cultural and natural resource concerns and include meaningful community engagement and outreach throughout the project lifecycle.

Given the dynamic nature of this industry, it is recommended that the Task Force members form an Advisory Committee. This committee would evaluate proposed projects, participate in consultations with businesses, and provide advisement to the Principal Chief. Such a structure will help the Nation respond thoughtfully to new opportunities and challenges, ensuring that community values and interests remain central as the landscape continues to change.

[130] Marsh, J. (2026, February 24). *How many watts does a refrigerator use?* EnergySage. https://www.energysage.com/electricity/house-watts/how-many-watts-does-a-refrigerator-use-2/