

# Louisiana Data Centers: Financing And Energy Overview

Introduction . . . . . 2

Key Findings . . . . . 3

Methodology . . . . . 5

Louisiana Data Center Overview . . . . . 6

*Map 1: Key Louisiana Data Center Locations . . . . . 6*

*Figure 1: Beignet Investor LLC  
Organizational Structure. . . . .10*

*Figure 2: Beignet Investor Bond Issuance  
And Main Holders . . . . .12*

*Figure 3: Selected Institutional Investors  
Supporting Blue Owl Capital Funds  
Behind Beignet Investor . . . . .15*

Data Center Energy  
Build-out in Louisiana . . . . .17

*Map 2: Energy Infrastructure Related to  
Large Data Centers in Louisiana . . . . .19*

Conclusions . . . . .21

Strategic Recommendations. . . . . 25

**2026**



## In December 2024, Meta announced it would build a massive data center in northern Louisiana.

The multi-billion dollar project was praised by Governor Jeff Landry for creating jobs and revitalizing the state's "beautiful rural areas," with a deal facilitated by tax benefits, a supportive government, and purportedly reliable energy infrastructure.<sup>1</sup> Details about the facility have been shrouded in speculation, with state officials maintaining confidentiality on multiple occasions. While consumer advocates have tried to clarify the energy and water requirements of the Meta data center, also referred to as Hyperion, non-disclosure agreements have sealed relevant documents, limiting individuals' abilities to review the details.<sup>2</sup>

In addition to Hyperion, four large data centers are currently under construction in northern Louisiana and near Baton Rouge. In December 2025, Hut 8 revealed a partnership with Anthropic to build 2.29 gigawatts of AI data center infrastructure.<sup>3</sup> Following this, in February 2026, Amazon revealed its plan to construct three data centers near Shreveport, though the capacity details were not disclosed.<sup>4</sup> The Meta and Hut 8 data centers are projected to require a combined 7.2 gigawatts of power in the near term.<sup>5</sup>

The large amount of electricity needed to power a facility dedicated to training and servicing artificial intelligence (AI) models has raised concerns across the U.S., as a single large facility is expected to consume as much electricity as two million households in a year.<sup>6</sup> According to a 2026 report by Global Energy Monitor, gas-fired power plant projects in development in the U.S. nearly tripled in 2025. This surge places the U.S. ahead of China, accounting for roughly one-quarter of planned worldwide gas energy.<sup>7</sup>

The unprecedented size of new data center development entails considerable financial needs. In addition to spending historic volumes of untethered cash on unprecedented capital expenditures, Big Tech companies have accessed private markets, which do not require the same level of regulatory reporting as publicly traded companies.<sup>8</sup> According to The Wall Street Journal, global investments in data centers are expected to reach 2.9 trillion USD in 2025-28, with private credit and equity expected to account for 800 billion USD and 350 billion USD, respectively. Private credit

- 
1. Louisiana Office of the Governor, "Landry Announces Meta Selects North Louisiana as Site of \$10 Billion Artificial Intelligence Optimized Data Center," press release, 4 December 2024, <https://gov.louisiana.gov/news/4697>.
  2. Jack Brook and Sophie Bates, "Louisiana's \$3B power upgrade for Meta project raises questions about who should foot the bill," AP News, 25 September 2025, <https://apnews.com/article/meta-data-center-louisiana-power-costs-4ce76b73c102727d71edbbb56abe1388>.
  3. Hut 8, "Hut 8 Announces AI Infrastructure Partnership with Anthropic and Fluidstack," press release, 17 December 2025, [www.hut8.com/news-insights/press-releases/hut-8-announces-ai-infrastructure-partnership-with-anthropic-and-fluidstack](http://www.hut8.com/news-insights/press-releases/hut-8-announces-ai-infrastructure-partnership-with-anthropic-and-fluidstack).
  4. Louisiana Economic Development, "Amazon Selects Louisiana for \$12 Billion Data Center Campuses in Major U.S. Expansion," press release, 23 February 2026, [www.opportunitylouisiana.gov/news/amazon-selects-louisiana-for-12-billion-data-center-campuses-in-major-u-s-expansion](http://www.opportunitylouisiana.gov/news/amazon-selects-louisiana-for-12-billion-data-center-campuses-in-major-u-s-expansion).
  5. "Docket No. U-37425," Louisiana Public Service Commission, 2024-26, <https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/DocketDetails?docketId=32146>.
  6. International Energy Agency, "Energy and AI," 10 April 2025, [www.iea.org/reports/energy-and-ai](http://www.iea.org/reports/energy-and-ai).
  7. Brandon Vigliarolo, "AI datacenter boom triples US gas power builds, filling the air with more CO2," The Register, 29 January 2026, [www.theregister.com/2026/01/29/ai\\_datacenter\\_boom\\_tripled\\_us\\_gas\\_power\\_builds](http://www.theregister.com/2026/01/29/ai_datacenter_boom_tripled_us_gas_power_builds).
  8. April Roach, "Data center deals hit record \$61 billion in 2025 amid construction frenzy," CNBC, 19 December 2025, [www.cnbc.com/2025/12/19/data-center-deals-hit-record-amid-ai-funding-concerns-grip-investors.html](http://www.cnbc.com/2025/12/19/data-center-deals-hit-record-amid-ai-funding-concerns-grip-investors.html).

has come under the spotlight recently as some AI data centers are financed through more complex financing deals, including Meta’s Hyperion joint venture with Blue Owl Capital, an alternative asset manager that offers investments in private credit, real estate, and private equity.<sup>9</sup> Blue Owl is also involved in Project Stargate — a 500 billion USD initiative led by OpenAI, Oracle, and SoftBank to build AI infrastructure across the U.S. over four years —, including a 3.4 billion USD data center project in Abilene, Texas, alongside Oracle, OpenAI, and Crusoe, a company that operates AI cloud platforms, data centers, and energy infrastructure.<sup>10,11</sup>

The lack of public scrutiny in both project financing and energy infrastructure for new Louisiana data centers prevents a closer examination of the economic, social, and environmental risks that must be addressed in large-scale projects such as Hyperion. Additionally, publicly available documents produced by government agencies and companies are often complex and technical, excluding communities from fully reviewing the impacts of a large scale project.

## Key Findings

---

- » **Five large data centers are currently being constructed in Louisiana, but only two have disclosed capacity.** Amazon is developing three of these in collaboration with STACK Infrastructure — a Blue Owl Capital portfolio company — in Bossier and Caddo parishes. Additionally, Hut 8 is planning AI infrastructure in partnership with Anthropic in West Feliciana, and Meta with Blue Owl Capital Richmond Parish (the Hyperion Project).
- » Deals such as Meta’s with Blue Owl Capital **place financial instruments in private markets where extreme lack of transparency prevents public scrutiny** of financial, environmental, and ratepayer risks, particularly regarding the 27 billion USD bond issuance to fund the Hyperion project.
- » **The 27 billion USD Hyperion bond is the largest corporate bond in history, yet rated by only one agency** (S&P Global), which is unusual for major corporate bonds that rely on multiple credit ratings to attract investors. The major bondholders include BlackRock, Inc. (NYSE:BLK), a subsidiary of Prudential Financial, Inc. (NYSE:PRU), and, most prominently, the Pacific Investment Management Company LLC (PIMCO), an autonomous subsidiary of Allianz SE (XTRA:ALV).
- » Meta’s deal shifts financial risk off its balance sheet through a partnership with Blue Owl Capital, using a joint venture (Project Beignet Holdings LLC) with a complex corporate structure that placed 27 billion USD in debt in private markets, **restricting standard U.S. Securities and Exchange Commission (SEC) reporting and limiting accountability.** Instead of owning the data center, Meta will rent it from the Blue Owl joint venture.

---

9. Matt Wirz and Peter Rudegeair, “Wall Street Blows Past Bubble Worries to Supercharge AI Spending Frenzy,” The Wall Street Journal, 16 November 2025, [www.wsj.com/finance/investing/wall-street-ai-spending-bubble-810d270e](https://www.wsj.com/finance/investing/wall-street-ai-spending-bubble-810d270e)

10. OpenAI, “Announcing The Stargate Project,” press release, 21 January 2025, <https://openai.com/index/announcing-the-stargate-project>.

11. Sebastian Moss, “Oracle hiring for Abilene, Texas, Stargate data center roles,” Data Center Dynamics, 29 January 2025, [www.datacenterdynamics.com/en/news/oracle-hiring-for-abilene-texas-stargate-data-center-roles](https://www.datacenterdynamics.com/en/news/oracle-hiring-for-abilene-texas-stargate-data-center-roles).

- » Blue Owl Capital is central to multiple low-transparency data center projects in Louisiana, including for Amazon via STACK Infrastructure, which purchased sites in Bossier and Caddo parishes using subsidiaries unrelated to Amazon, **keeping residents in the dark regarding the nature of the site and obscuring ownership, financing, and long-term public impacts.**
- » Blue Owl Capital faces investor withdrawal pressure: in early 2026, it sold 1.4 billion USD in assets to return money to investors seeking to withdraw from certain funds, raising concerns about financial stability. **If Blue Owl struggles, it could destabilize the entire financing model behind Hyperion and other data centers,** and have ripple effects across the entire financial system.
- » **Hut 8 signed a 7 billion USD lease with Anthropic and Fluidstack that will likely expand their data center site from 627 to nearly 3,000 acres.** According to reports, the project will be financed using 85% debt, structured by JP Morgan and Goldman Sachs. The deal is backed by Google, a crucial financial supporter of Anthropic.
- » **In 2025, Hut 8 partnered with Donald Trump Jr. and Eric Trump to form American Bitcoin.** Although there are no indications the data center in West Feliciana will be used for cryptocurrencies, it is important to note the company's ties to the Trump family.
- » **The energy demands of just two data centers (Meta's Hyperion and Hut 8's West Feliciana data center) could require up to 7.2 gigawatts, equivalent to powering over 5 million homes.** Meta's Hyperion will require three new gas-fired power plants, transmission lines, and multiple substations, which will be built by Entergy Louisiana following an agreement approved by the Louisiana Public Service Commission in August 2025.
- » **Public infrastructure costs may be passed on to Louisiana ratepayers if Meta exits early.** Although Meta is responsible for the costs associated with the three power plants, as well as the operational and management expenses for 15 years, early withdrawal could result in serious financial repercussions for Entergy ratepayers, including covering cost overruns for the three facilities.
- » The Entergy-Meta energy agreement approved by the Louisiana Public Service Commission **allows Entergy to recover other construction and transmission costs, including potential gas pipelines and substations, through consumer rates.** Documents containing the risks of the agreement have been deemed confidential and are not accessible for public scrutiny.
- » Following Meta's agreement with Blue Owl Capital, Meta may exit the Hyperion lease as early as 2033, before the 15-year energy agreement with Entergy ends. This has raised multiple concerns regarding the impacts on electricity bills if Meta fails to cover its end of the contract with Entergy. If Meta leaves early, the burden of unfinished power plant costs could fall on Louisiana residents.

- » **The Louisiana Public Service Commission rejected calls to investigate Meta’s financial structure**, despite concerns that the joint venture with Blue Owl Capital could shift massive costs to the public. This decision limits oversight and sets a precedent for future data center projects.
- » A December 2025 Louisiana Public Service Commission rule **fast-tracks approval for power plants serving data centers, requiring only 50% of infrastructure costs to be paid by data center developers**. This means Louisiana residential ratepayers could cover the remainder, substantially increasing electricity bills.
- » According to air permits for two of the Hyperion power plants, **transporting captured CO<sub>2</sub> could cost over 130 million USD annually**, making it economically unfeasible without federal subsidies. The Trump administration extended carbon capture and sequestration subsidies through its so-called One Big Beautiful Bill, which may incentivize more costly projects. However, Meta committed to partially funding a carbon capture component for Entergy’s Lake Charles Power Plant, which has yet to materialize.
- » **Local communities learn about data center projects late**, often only through rezoning or permit applications. This undermines democratic participation and prevents early public input on land use, environmental impact, and social effects.

## Methodology

---

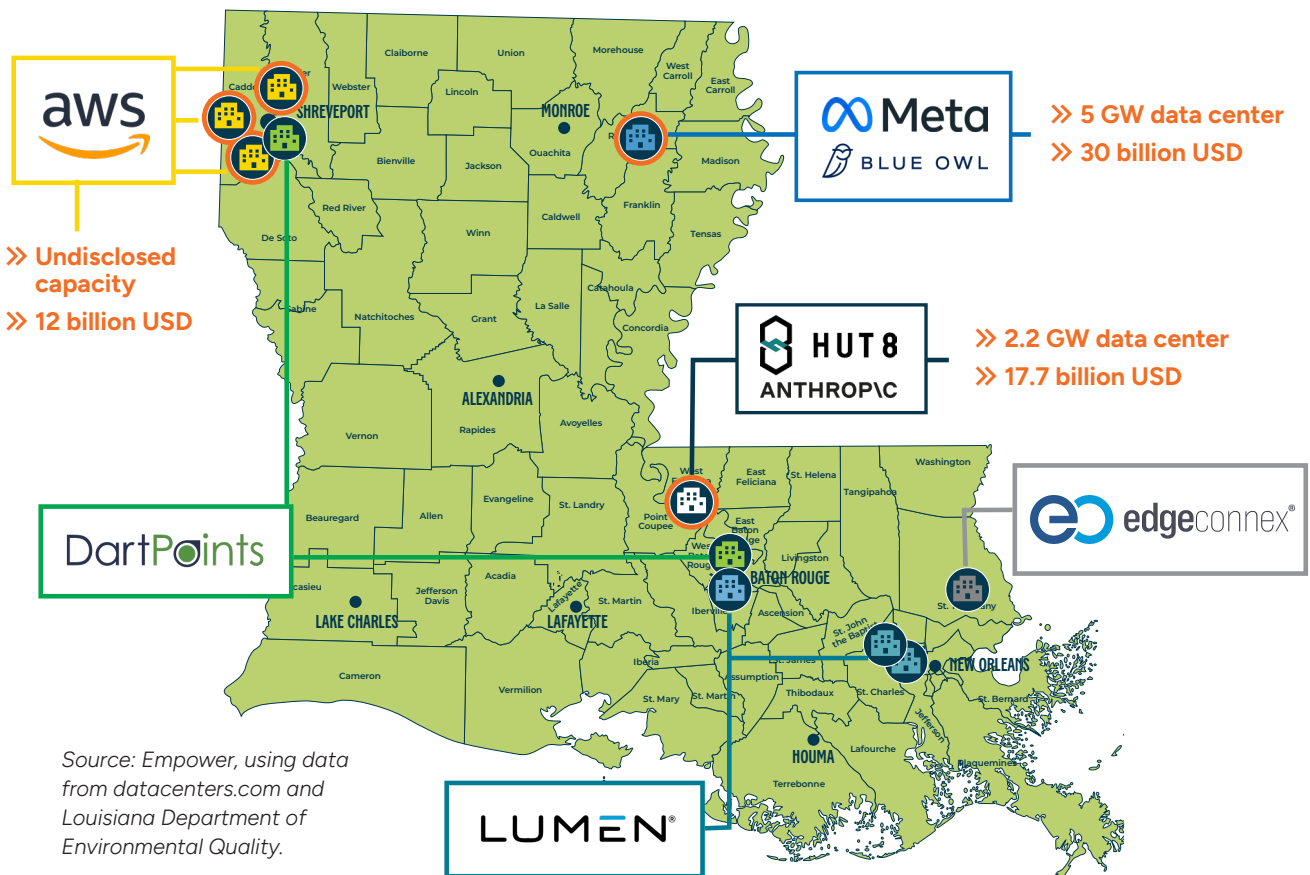
**To produce this report, Empower reviewed multiple information sources**, including Louisiana Public Service Commission (LPSC) public documents, Louisiana Department of Environmental Quality (LDEQ) permits to confirm administrative due process as well as location information, and open sources such as press releases, local reporting, and industry reports. On January 21, 2026, we submitted a public records request to review all agreements between Entergy Louisiana and Meta, which was denied by the LPSC, claiming such documents are confidential. After reviewing public documents from these sources, we identified the location and status of each energy infrastructure site — whether planned, under construction, or an upgrade to existing infrastructure — and certain details on project finance, particularly concerning costs transferred to consumers. For some data centers, we reviewed Parish Assessor data to obtain approximate locations for proposed data centers.

Further, we reviewed proprietary sources including financial data platforms S&P Capital IQ and Preqin to obtain information regarding bondholders and limited partners in funds that may be related to Hyperion. Using location data, we created two static maps including data centers and identifiable energy supply for Meta’s Hyperion. As mentioned, Hut 8’s energy requirements had not been made available as of March 2026. In addition to this report and the accompanying maps, we produced a slide deck and spreadsheet outlining all data centers and their energy requirements in Louisiana.

## Louisiana Data Center Overview

Louisiana is currently home to approximately 17 data centers, most of which are smaller facilities operated by companies such as DartPoints, EdgeConnex, and Lumen Technologies. These facilities typically support regional cloud and edge computing services and require less energy consumption, often under 100 megawatts each. However, five major planned AI-focused data centers stand out due to their scale and energy demands: Meta’s Hyperion data center in Richland Parish, Amazon’s three data centers in Bossier and Caddo parishes, and Hut 8’s planned AI infrastructure in partnership with Anthropic in West Feliciana Parish.<sup>12</sup>

Map 1 – Key Louisiana Data Center Locations



Through the introduction of tax incentives, financial support, and expedited regulatory approval, the state government has made it easier for large-scale data centers to be developed in Louisiana. In fact, in a March 2025 interview, Louisiana Economic Development Secretary Susan Bourgeois publicly claimed that the “Meta folks made it clear to us from day one that in order for a project like [the Hyperion data center] to happen in any state, that exemption or rebate — whatever the formula is — has to exist.”<sup>13</sup>

12. Hut 8, “Hut 8 Announces AI Infrastructure Partnership with Anthropic and Fluidstack,” press release, 17 December 2025, [www.hut8.com/news-insights/press-releases/hut-8-announces-ai-infrastructure-partnership-with-anthropic-and-fluidstack](http://www.hut8.com/news-insights/press-releases/hut-8-announces-ai-infrastructure-partnership-with-anthropic-and-fluidstack).

13. Scott Cohn, “To land Meta’s massive \$10 billion data center, Louisiana pulled out all the stops. Will it be worth it?,” CNBC, 25 June 2025, [www.cnbc.com/2025/06/25/meta-massive-data-center-louisiana-cost-jobs-energy-use.html](http://www.cnbc.com/2025/06/25/meta-massive-data-center-louisiana-cost-jobs-energy-use.html).

In 2024, the Republican-controlled legislature in Louisiana quickly moved forward with Act 730, which grants data center companies tax exemptions for 20 years, extendable to 30 years, for projects that create as little as 50 jobs and involve a minimum of 200 million USD investment.<sup>14</sup> According to the Louisiana Legislative Fiscal Office, this legislation could significantly impact the state's budget. "The bill may expose the state fisc [sic] to an unconstrained commitment of at least 20 years potentially decreasing state general fund by tens of millions of dollars or more each year, possibly through FY 2059. Local revenue will be impacted by a like amount."<sup>15</sup>

Others have also raised concerns regarding Act 730, such as the nonpartisan group Invest in Louisiana, which notes that Louisiana's incentive program does not include any wage standards, require regular public reporting, or set automatic penalties for companies that fail to deliver on their commitments. Once a project is certified, there is no clear mechanism for the public to confirm whether the projected jobs or investments actually materialize, which makes it even more difficult for communities to access relevant information on data centers that may negatively impact their livelihoods.<sup>16</sup>

Meta's 30 billion USD data center in Richland Parish will span 2,250 acres, with plans to expand by an additional 1,400 acres. In order to build Hyperion, a complex financial deal was necessary, which involved a joint venture between Blue Owl Capital and Meta.<sup>17</sup> Meanwhile, Hut 8 signed a 15-year lease agreement for 7 billion USD with Fluidstack and Anthropic in December 2025.<sup>18</sup> Although the complete financial details remain undisclosed, the Hut 8 data center seems to rely on more conventional financing methods than Meta's Hyperion. In prior engagements, Fluidstack was selected by Anthropic to build tailored data centers in the U.S. under a 50 billion USD nationwide project to deploy AI infrastructure. A December 2025 press release noted that the partnership with Hut 8 in Louisiana "builds on our existing work [between Anthropic and] Fluidstack and opens up new opportunities to collaborate with Hut 8 to add capacity by early 2027."<sup>19,20</sup> As of February 2026, Google was reportedly considering a 100 million USD investment in Fluidstack.<sup>21</sup>

The deal between Anthropic, Fluidstack, and Hut 8 may reach a total of 17.7 billion USD and expand from its initial 627-acre site to 2,988 acres. The financial partnership involves backing from Google,

---

14. Scott Cohn, "To Land Meta's Massive \$10 Billion Data Center, Louisiana Pulled Out All the Stops. Will It Be Worth It?" CNBC, 25 June 2025, [www.cnbc.com/2025/06/25/meta-massive-data-center-louisiana-cost-jobs-energy-use.html](https://www.cnbc.com/2025/06/25/meta-massive-data-center-louisiana-cost-jobs-energy-use.html).

15. "Fiscal Note On: HB 827," Legislative Fiscal Office, 28 May 2024, [www.legis.la.gov/legis/ViewDocument.aspx?d=1378716](https://www.legis.la.gov/legis/ViewDocument.aspx?d=1378716).

16. "Louisiana's Data Center Incentives: Big Promises, Bigger Questions," Invest in Louisiana, February 2026, <https://investlouisiana.org/louisianas-data-center-incentives-big-promises-bigger-questions>.

17. Matt Wirz and Peter Rudegeair, "Wall Street Blows Past Bubble Worries to Supercharge AI Spending Frenzy," The Wall Street Journal, 16 November 2025, [www.wsj.com/finance/investing/wall-street-ai-spending-bubble-810d270e](https://www.wsj.com/finance/investing/wall-street-ai-spending-bubble-810d270e).

18. Hut 8, "Hut 8 Signs 15-Year, 245 MW AI Data Center Lease at River Bend Campus with Total Contract Value of \$7.0 Billion," press release, 17 December 2025, [www.hut8.com/news-insights/press-releases/hut-8-signs-15-year-245-mw-ai-data-center-lease-at-river-bend-campus](https://www.hut8.com/news-insights/press-releases/hut-8-signs-15-year-245-mw-ai-data-center-lease-at-river-bend-campus).

19. Hut 8, "Hut 8 Announces AI Infrastructure Partnership with Anthropic and Fluidstack," press release, 17 December 2025, [www.hut8.com/news-insights/press-releases/hut-8-announces-ai-infrastructure-partnership-with-anthropic-and-fluidstack](https://www.hut8.com/news-insights/press-releases/hut-8-announces-ai-infrastructure-partnership-with-anthropic-and-fluidstack).

20. Sebastian Moss, "Anthropic plans \$50bn US data center spend, starting with Fluidstack sites in Texas and New York," Data Center Dynamics, 12 November 2025, [www.datacenterdynamics.com/en/news/anthropic-plans-50bn-us-data-center-spend-starting-with-fluidstack-sites-in-texas-and-new-york](https://www.datacenterdynamics.com/en/news/anthropic-plans-50bn-us-data-center-spend-starting-with-fluidstack-sites-in-texas-and-new-york).

21. Raffaele Huang, Kate Clark, and Berber Jin, "Google Is Exploring Ways to Use Its Financial Might to Take On Nvidia," The Wall Street Journal, 20 February 2026, [www.wsj.com/tech/ai/google-is-exploring-ways-to-use-its-financial-might-to-take-on-nvidia-0fbadc84](https://www.wsj.com/tech/ai/google-is-exploring-ways-to-use-its-financial-might-to-take-on-nvidia-0fbadc84).

which has invested billions in Anthropic and was vital for gaining access to the credit market. In fact, the data center is expected to be financed with 85% debt through a loan structured by JP Morgan and Goldman Sachs.<sup>22,23</sup> The initial construction investment for the project is estimated at 12.2 billion USD and will also receive fiscal incentives from the state government. Hut 8 is eligible for refunds on sales taxes paid for equipment such as servers, graphical processing units (GPUs), power systems, cooling units, software, construction materials, and services needed for developing or expanding the facility.<sup>24,25</sup>

In March 2025, Hut 8 formed a partnership with Donald Trump, Jr. and Eric Trump to establish a new company called American Bitcoin, which focuses on a large-scale Bitcoin operation —commonly referred to as “mining” — to build considerable cryptocurrency reserves. Before this, American Bitcoin was created in February 2025 as American Data Centers by Dominari Holdings, which received investments from Eric and Donald Trump Jr., who became advisors at Dominari. With the involvement of Hut 8, American Data Centers was renamed American Bitcoin, and Matt Prusak, former chief commercial officer at Hut 8, was named CEO of the new venture, while Eric Trump was appointed chief strategy officer. Hut 8 will have 80% ownership of American Bitcoin, leaving the remainder to the original investors, including Eric Trump, who owns 7.38%.<sup>26,27,28</sup>

While there’s no indication that Hut 8’s data center in Louisiana will be used for cryptocurrency, it is worth noting Hut 8’s close political connections with the Trump family. Furthermore, the Trump administration has aimed to promote and grow both the AI and cryptocurrency sectors, as seen with the Stargate initiative.<sup>29</sup> In contrast, Meta’s Hyperion data center does not have direct ties to top political figures in the Trump administration or family. However, Meta has relevant connections to President Trump.

In addition to donating 1 million USD to the president’s inaugural fund, Meta appointed Dana White, the CEO of the Ultimate Fighting Championship and a close acquaintance of Donald Trump, to its board of directors.<sup>30</sup> Also, in January 2026, Dina Powell McCormick was named president and vice

---

22. “Hut 8 Signs 15-Year, 245 MW AI Data Center Lease at River Bend Campus with Total Contract Value of \$7.0 Billion,” PR Newswire, 17 December 2025, [www.prnewswire.com/news-releases/hut-8-signs-15-year-245-mw-ai-data-center-lease-at-river-bend-campus-with-total-contract-value-of-7-0-billion-302644600.html](http://www.prnewswire.com/news-releases/hut-8-signs-15-year-245-mw-ai-data-center-lease-at-river-bend-campus-with-total-contract-value-of-7-0-billion-302644600.html).

23. Hayden Field, “Google agrees to new \$1 billion investment in Anthropic,” CNBC, 22 January 2025, [www.cnbc.com/2025/01/22/google-agrees-to-new-1-billion-investment-in-anthropic.html](http://www.cnbc.com/2025/01/22/google-agrees-to-new-1-billion-investment-in-anthropic.html).

24. Georgia Butler, “Hut 8 plans ‘\$12bn AI data center’ in West Feliciana Parish, Louisiana, with initial 300MW deployment,” Data Center Dynamics, 17 December 2024, [www.datacenterdynamics.com/en/news/hut-8-plans-12bn-ai-data-center-in-west-feliciana-parish-louisiana](http://www.datacenterdynamics.com/en/news/hut-8-plans-12bn-ai-data-center-in-west-feliciana-parish-louisiana).

25. Louisiana Economic Development, “Hut 8 Selects Southeast Louisiana as Site of \$10 Billion Artificial Intelligence Data Center,” press release, 17 December 2025, [www.opportunitylouisiana.gov/news/hut-8-selects-southeast-louisiana-as-site-of-10-billion-artificial-intelligence-data-center](http://www.opportunitylouisiana.gov/news/hut-8-selects-southeast-louisiana-as-site-of-10-billion-artificial-intelligence-data-center).

26. Bill McColl, “Trump Brothers Team Up With Hut 8 in Bitcoin Mining Venture,” Investopedia, 31 March 2025, [www.investopedia.com/trump-brothers-team-up-with-hut-8-in-bitcoin-mining-business-11705949](http://www.investopedia.com/trump-brothers-team-up-with-hut-8-in-bitcoin-mining-business-11705949).

27. Colin Harper, “American Bitcoin To Go Public: Key Details On Trump Family-Backed ABTC,” Forbes, 13 May 2025, [www.forbes.com/sites/digital-assets/2025/05/13/american-bitcoin-to-go-public-key-details-on-trump-family-backed-abtc](http://www.forbes.com/sites/digital-assets/2025/05/13/american-bitcoin-to-go-public-key-details-on-trump-family-backed-abtc).

28. Financial data from S&P Capital IQ.

29. OpenAI, “Announcing The Stargate Project,” press release, 21 January 2025, <https://openai.com/index/announcing-the-stargate-project>.

30. Jessica Guynn, “Why Meta went MAGA: Inside Mark Zuckerberg’s reset with Donald Trump,” USA Today, 9 January 2025, [www.usatoday.com/story/money/2025/01/09/why-zuckerberg-reset-trump-relationship/77550589007](http://www.usatoday.com/story/money/2025/01/09/why-zuckerberg-reset-trump-relationship/77550589007).

chair of Meta; previously, she held the role of deputy national security adviser during Trump's first term.<sup>31</sup> Since Trump took office, Meta has increasingly aligned with his administration's conservative stances by choosing to drop fact-checking from its platforms and declaring that it would recommit to "encouraging free expression" as part of the company's political shift.<sup>32,33</sup>

Aside from a personal investment by President Trump in Blue Owl, which exceeds 5 million USD, there are no clear, direct ties beyond passive investment between the Trump family and Blue Owl Capital, like those detailed between Meta and Hut 8.<sup>34</sup> Nevertheless, Trump praised the Hyperion data center in August 2025 while displaying a piece of paper he claimed was handed to him by Meta's CEO, Mark Zuckerberg. It showed the proposed Hyperion facility superimposed on Manhattan, covering most of the island.<sup>35</sup> Big Tech companies play a significant role in the administration, wielding extensive political and economic influence, which may significantly impact how communities organize to oppose massive data centers.

Hyperion's large size required a complex financial deal that has raised concerns over the lack of transparency and accountability. In October 2025, Meta entered into a deal with Blue Owl Capital to create a complex corporate structure that will operate Hyperion. As part of the partnership, Blue Owl Capital will own 80% of the joint venture and Meta the remaining 20%. Instead of directly owning Hyperion, Meta will rent the data center from the joint venture. This leasing strategy offers Meta the opportunity to exit the agreement in 2033 without facing substantial financial penalties.<sup>36</sup>

Furthermore, the financial agreement keeps 27 billion USD of debt off Meta's balance sheet, meaning that the company will not add additional debt to its financial statements, offloading most economic risks to Blue Owl Capital and its investors, which issued bonds in the private market through a subsidiary to help raise 27 billion USD for Hyperion. This transaction was not subject to certain registration requirements with the U.S. SEC and does not require the usual ongoing public financial reports expected from publicly traded companies, limiting public scrutiny.<sup>37</sup>

To attract creditors to buy Hyperion's bonds in a riskier financial environment, Meta had to commit to paying the bondholders even if it chooses to pull out of the deal before all debts are cleared. In addition, to keep Hyperion's debt off its balance sheet, Meta is required to limit its role in the joint venture and refrain from making essential financial decisions for the data center. This presents

---

31. Brendan Bordelon, "Meta taps former Trump adviser to be president, vice chair," Politico, 12 January 2026, [www.politico.com/news/2026/01/12/meta-taps-former-trump-adviser-to-be-president-vice-chair-00721906](https://www.politico.com/news/2026/01/12/meta-taps-former-trump-adviser-to-be-president-vice-chair-00721906).

32. Max Zahn, "Here's why Meta ended fact-checking, according to experts," ABC News, 7 January 2025, <https://abcnews.go.com/US/why-did-meta-remove-fact-checkers-experts-explain/story?id=117417445>.

33. Jason Koebler, "Facebook Deletes Internal Employee Criticism of New Board Member Dana White," 404 Media, 7 January 2025, [www.404media.co/facebook-deletes-internal-employee-criticism-of-new-board-member-dana-white](https://www.404media.co/facebook-deletes-internal-employee-criticism-of-new-board-member-dana-white).

34. Wayne Duggan, "Donald Trump Stocks: 8 Stocks Owned by the President," U.S. News & World Report, 11 February 2026, <https://money.usnews.com/investing/articles/stocks-owned-by-donald-trump>.

35. Josie Abugov, "Trump praises Meta's Louisiana AI data center. 'What the hell kind of a plant is that?'," Nola, 26 August 2025, [www.nola.com/news/business/trump-louisiana-data-center-ai-zuckerberg/article\\_235f643c-8ae3-42da-aad0-9ffef2797153.html](https://www.nola.com/news/business/trump-louisiana-data-center-ai-zuckerberg/article_235f643c-8ae3-42da-aad0-9ffef2797153.html).

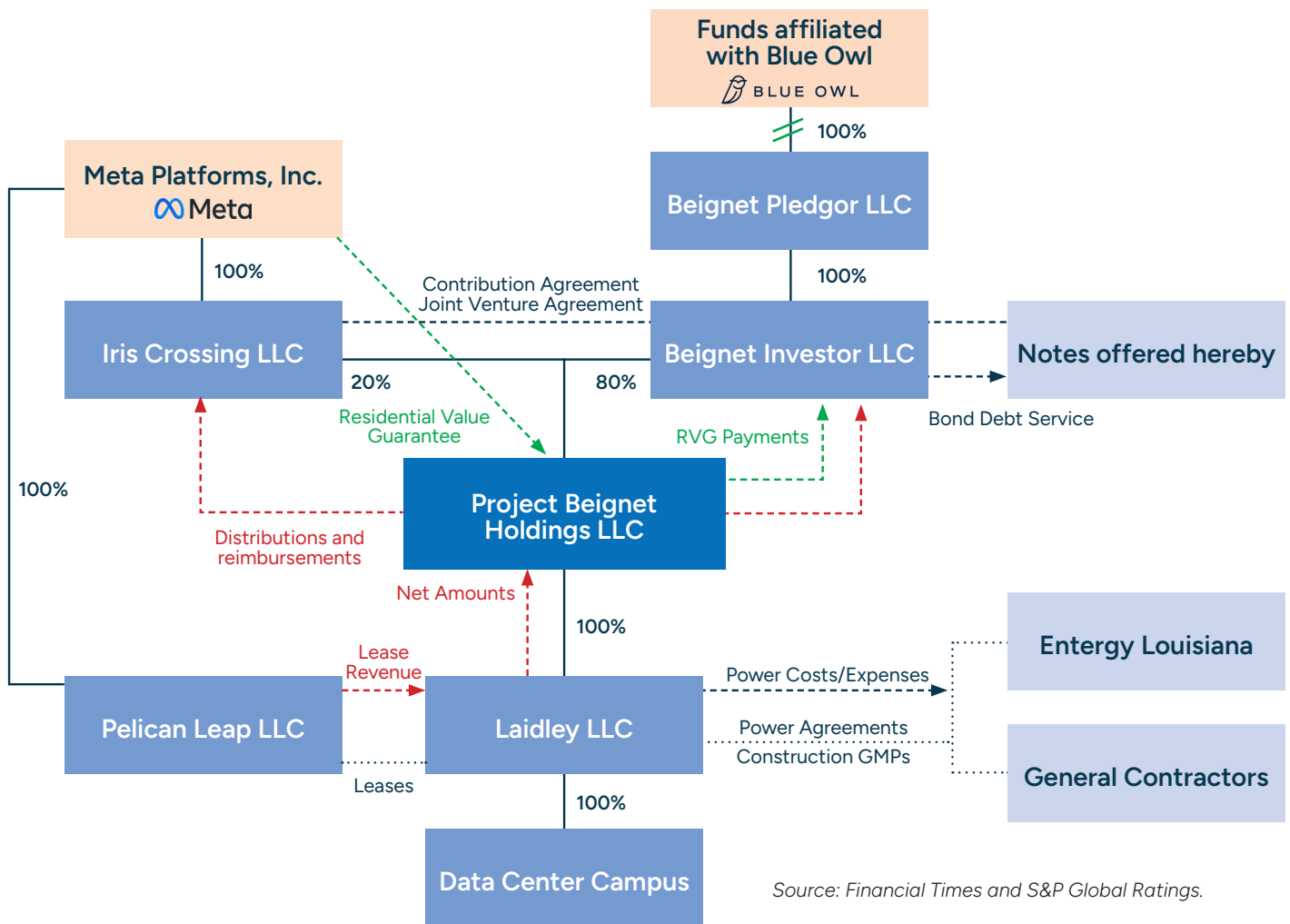
36. Meta, "Meta Announces Joint Venture with Funds Managed by Blue Owl Capital to Develop Hyperion Data Center," press release, 21 October 2025, <https://investor.atmeta.com/investor-news/press-release-details/2025/Meta-Announces-Joint-Venture-with-Funds-Managed-by-Blue-Owl-Capital-to-Develop-Hyperion-Data-Center/default.aspx>.

37. Jonathan Weil, "AI Meets Aggressive Accounting at Meta's Gigantic New Data Center," The Wall Street Journal, 24 November 2025, [www.wsj.com/tech/meta-ai-data-center-finances-d3a6b464](https://www.wsj.com/tech/meta-ai-data-center-finances-d3a6b464).

challenges for a large data center such as Hyperion, which needs advanced technological know-how to operate effectively. Considering that Meta is among the largest tech firms, while Blue Owl Capital specializes in managing private market investments, Meta’s limited role in the joint venture may not be ideal operationally. Moreover, the lack of transparency will effectively limit independent analysis from scrutinizing Hyperion’s financial operations and Meta’s compliance practices.<sup>38</sup>

Hyperion’s corporate structure is complex and divided into multiple layers that legally separate Blue Owl Capital from Meta. Laidley LLC, the Meta subsidiary that originally began construction and permitting of the site in northern Louisiana, will now be owned by the joint venture Project Beignet Holdings LLC, 80% of which is owned by Blue Owl Capital and 20% by Meta. Laidley LLC will own the data center facility and lease it to a Meta subsidiary (Pelican Leap LLC). It will also be in charge of paying power costs and expenses, as well as entering into agreements with Entergy Louisiana on behalf of the data center.<sup>39</sup>

**Figure 1 – Beignet Investor LLC Organization Structure**



38. Ibid.

39. “Beignet Investor LLC’s \$27.3 Billion Senior Secured Debt Assigned Preliminary ‘A+’ Rating; Outlook Stable,” S&P Global, 16 October 2025, [www.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3459943](http://www.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3459943).

However, to completely insulate Meta from the liabilities generated by Blue Owl Capital, a wholly-owned subsidiary named Beignet Investor LLC was formed, which was responsible for the 27 billion USD bond issuance. In addition to directly holding 80% of Project Beignet Holdings LLC (the joint venture), this subsidiary will also collect rental fees from Pelican Leap LLC, paid first via Laidley LLC and subsequently through Project Beignet Holdings LLC. These funds will be used to service obligations to bondholders.<sup>40</sup>

Deals such as Hyperion are becoming increasingly frequent among Big Tech companies, seeking to offload the risks of massive capital expenditures on hyperscale data centers to third parties. This allows companies like Meta, Microsoft, and Google to quickly build data centers without having to commit for decades to owning the infrastructure. Instead, smaller firms financing these deals, such as Blue Owl Capital, will bear the long-term risks if AI investments do not yield expected returns. As a result, Big Tech companies can access computing power that is recorded as standard operating expenses rather than long-term capital investment, which may push investors into selling a company's stock to protect themselves from risk.<sup>41</sup>

While a complete list of Hyperion's bond purchasers is not entirely available, the largest institutional investors include BlackRock, Inc. (NYSE:BLK), PGIM Inc. — a subsidiary of Prudential Financial, Inc. (NYSE:PRU) —, and PIMCO — Pacific Investment Management Company LLC, a part of Allianz SE (XTRA:ALV) —, which acquired 18 billion USD of the bond.<sup>42</sup> According to S&P Capital IQ, a total of 116 managing firms and 384 funds participated in acquiring the bonds, with at least 46% of all these funds being partially or fully managed by one of these three companies. Of these funds, 80% operate in the U.S. while the rest focus on markets in the UK, Canada, and Europe.<sup>43</sup>

Other relevant investors include Natixis, T. Rowe Price (NASDAQGS:TROW), Invesco Ltd. (NYSE:IVZ), Fidelity, and JPMorgan Chase (NYSE:JPM). Additionally, the International City Management Association Retirement Corporation, a financial services firm dedicated to providing retirement services, was part of the investor group.<sup>44</sup> The bond issued by Beignet Investor LLC is considered the largest corporate bond in history and received a favorable rating from a single agency, S&P Global Ratings. Having just one rating is unusual for a bond of such size — which commonly relies on multiple ratings — and aligns with a growing trend whereby data centers seek favorable credit ratings to access market opportunities.<sup>45,46</sup>

---

40. Robin Wigglesworth, "A closer look at the record-smashing 'Hyperion' corporate bond sale," Financial Times, 30 October 2025, [www.ft.com/content/d0344253-b0a2-4c6d-8b97-520243678afd](http://www.ft.com/content/d0344253-b0a2-4c6d-8b97-520243678afd).

41. Karen Weise and Eli Tan, "How Tech's Biggest Companies Are Offloading the Risks of the A.I. Boom," The New York Times, 15 December 2025, [www.nytimes.com/2025/12/15/technology/ai-risks-debt.html](http://www.nytimes.com/2025/12/15/technology/ai-risks-debt.html).

42. Robin Wigglesworth, "A closer look at the record-smashing 'Hyperion' corporate bond sale," Financial Times, 30 October 2025, [www.ft.com/content/d0344253-b0a2-4c6d-8b97-520243678afd](http://www.ft.com/content/d0344253-b0a2-4c6d-8b97-520243678afd).

43. Financial data from S&P Capital IQ.

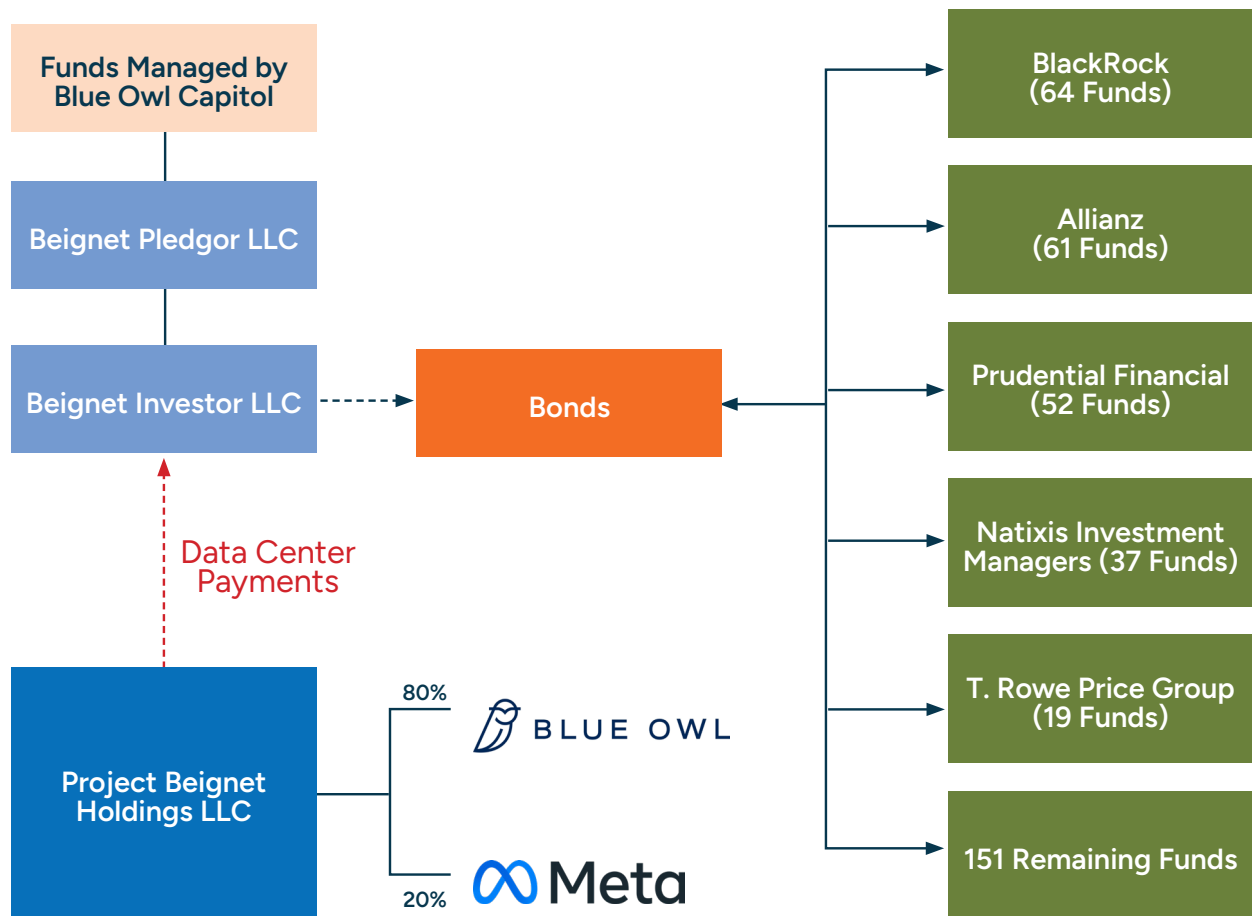
44. Ibid.

45. Robin Wigglesworth, "A closer look at the record-smashing 'Hyperion' corporate bond sale," Financial Times, 30 October 2025, [www.ft.com/content/d0344253-b0a2-4c6d-8b97-520243678afd](http://www.ft.com/content/d0344253-b0a2-4c6d-8b97-520243678afd).

46. Michelle Chan, "Data centres seek credit ratings to unlock billions in funding for AI push," Financial Times, 22 February 2026, <https://www.ft.com/content/e0d9d5f2-c09d-426e-af03-193b488b7b1e>.

Concerns about this structure have been raised by others, including Ernst & Young, which identified it as a “critical audit matter.” As previously stated, Meta is required to have limited power over the venture, which has drawn the attention of both investors and policymakers. In fact, the venture’s economic success will ultimately depend on Meta’s decisions and technological expertise, and not solely on the financial management of the venture by Blue Owl Capital.<sup>47</sup> Moreover, if the AI market experiences a major downturn, it could create systemic effects, impacting firms, retirement funds, mutual funds, exchange-traded funds, and individual investors who indirectly buy portions of debt like that of Hyperion. In fact, the bonds that finance Meta’s Hyperion data center in Louisiana are included in common investment funds from its bondholders, including BlackRock, Invesco, Janus Henderson, and PIMCO.<sup>48</sup>

**Figure 2 – Beignet Investor Bond Issuance And Main Holders**



Source: Empower, using data from S&P Capital IQ and S&P Global.

47. Jonathan Weil, “Meta Auditor EY Raised Red Flag on Data-Center Accounting,” The Wall Street Journal, 11 February 2026, [www.wsj.com/livecoverage/jobs-report-unemployment-stock-market-02-11-2026/card/meta-auditor-ey-raised-red-flag-on-data-center-accounting-TrOVlxGZGnL37d8Dv01h](https://www.wsj.com/livecoverage/jobs-report-unemployment-stock-market-02-11-2026/card/meta-auditor-ey-raised-red-flag-on-data-center-accounting-TrOVlxGZGnL37d8Dv01h).

48. Matt Wirz and Peter Rudegeair, “Wall Street Blows Past Bubble Worries to Supercharge AI Spending Frenzy,” The Wall Street Journal, 16 November 2025, [www.wsj.com/finance/investing/wall-street-ai-spending-bubble-810d270e](https://www.wsj.com/finance/investing/wall-street-ai-spending-bubble-810d270e).

Such systemic risk prompted Democratic senators, including Elizabeth Warren, to send a letter to the Financial Stability Oversight Council, led by Treasury Secretary Scott Bessent, requesting an investigation into the risks associated with AI-related debt for the financial system. In the January 2026 letter, they argued that financial arrangements such as Meta's with Blue Owl Capital "make it easier for companies to obscure the true nature of their balance sheets."<sup>49</sup> A market collapse would not only affect retail investors in common bond funds but also institutional investors, including pension funds, endowments, and various investors of Blue Owl Capital funds and trusts, all of whom would be at risk if the firm ceases to receive payments from AI data centers. Therefore, it is of key importance to conduct an investigation into the risks linked to financial arrangements in the private market related to AI.

In the last decade, Blue Owl Capital has emerged as a significant player in private markets, growing into a 295 billion USD fund manager. It was relatively unknown in the technology sector until it acquired IPI Partners in September 2024, an investment firm that managed large data centers for companies such as Amazon and Microsoft. Through the acquisition, Blue Owl Capital established ties with Iconiq Capital, which managed the personal wealth of Silicon Valley's elite, including Mark Zuckerberg, and was a co-owner of IPI Partners. Moreover, the purchase strategically positioned Blue Owl Capital for major AI financing opportunities, including a 14 billion USD deal for a data center supporting Oracle and OpenAI in Abilene, Texas, part of the Stargate initiative.<sup>50</sup>

Blue Owl Capital manages various funds for data centers within its Blue Owl Digital Infrastructure segment. After acquiring IPI Partners, the firm appointed Matt A'Hearn, IPI's managing partner, as the head of its digital infrastructure strategy. Additionally, IPI's funds have been absorbed and now function under the Blue Owl name.<sup>51,52</sup> It is unclear which funds ultimately own Beignet Investor, but Blue Owl Capital's initial equity contribution to the Hyperion joint venture amounted to around 7 billion USD. This matches the total raised by the Digital Infrastructure Fund III, which reached a final close of 7 billion USD in May 2025.<sup>53</sup>

Furthermore, in an earnings call in October 2025, Marc Lipschultz, co-CEO of Blue Owl, stated that the Digital Infrastructure division, particularly the Digital Infrastructure Fund III, was among the most important investment channels. He also mentioned the Blue Owl Real Estate Net Lease Trust and Blue Owl Digital Infrastructure Trust, both private placement REITs (Real Estate Investment Trusts) that allow people to invest in real estate without owning physical properties. However, he added that data center assets will not remain in just one fund, as the company's strategy involves buying

---

49. Jonathan Weil, "Meta Auditor EY Raised Red Flag on Data-Center Accounting," *The Wall Street Journal*, 11 February 2026, [www.wsj.com/livecoverage/jobs-report-unemployment-stock-market-02-11-2026/card/meta-auditor-ey-raised-red-flag-on-data-center-accounting-TrOVixGZGnL37d8Dv01h](https://www.wsj.com/livecoverage/jobs-report-unemployment-stock-market-02-11-2026/card/meta-auditor-ey-raised-red-flag-on-data-center-accounting-TrOVixGZGnL37d8Dv01h).

50. Matt Wirz and Peter Rudegeair, "Wall Street Blows Past Bubble Worries to Supercharge AI Spending Frenzy," *The Wall Street Journal*, 16 November 2025, [www.wsj.com/finance/investing/wall-street-ai-spending-bubble-810d270e](https://www.wsj.com/finance/investing/wall-street-ai-spending-bubble-810d270e).

51. See: <https://wealth.blueowl.com/solutions/investment-strategy-real-assets-digital-infrastructure>.

52. Blue Owl Capital, "Blue Owl Capital Completes Acquisition of IPI Partners' Business," press release, 6 January 2025, [www.blueowl.com/news/blue-owl-capital-completes-acquisition-ipi-partners-business](https://www.blueowl.com/news/blue-owl-capital-completes-acquisition-ipi-partners-business).

53. Meta, "Meta Announces Joint Venture with Funds Managed by Blue Owl Capital to Develop Hyperion Data Center," press release, 21 October 2025, <https://investor.atmeta.com/investor-news/press-release-details/2025/Meta-Announces-Joint-Venture-with-Funds-Managed-by-Blue-Owl-Capital-to-Develop-Hyperion-Data-Center/default.aspx>.

and selling these assets for a premium, further restricting transparency regarding investor names and financial transactions.<sup>54</sup>

A press release detailing the Digital Infrastructure Fund III final transaction stated that commitments to the fund came from various institutional investors, including public and private pensions, insurance companies, sovereign wealth funds, asset managers, endowments, foundations, and family offices from the U.S., Europe, Asia-Pacific, and the Middle East.<sup>55</sup> Some of the pension funds included in the Blue Owl Digital Infrastructure III are the Pennsylvania State Employees' Retirement System, the Baltimore Fire & Police Employees' Retirement System, the California State Teachers' Retirement System, City of Jacksonville Retirement System, Michigan Laborers' Pension Fund, New York State Common Retirement Fund, and the United States Steel Corporation Plan for Retiree Insurance Benefits.<sup>56</sup>

Investors in the Blue Owl Real Estate Net Lease Trust include organizations such as the Gates Foundation Trust, the Iowa Public Employees' Retirement System, the Pennsylvania State Employees' Retirement System, and the Teacher Retirement System of Texas.<sup>57</sup> In contrast, other funds like the Blue Owl Digital Infrastructure Trust are less transparent, with roughly 55% of its financing coming from private wealth clients, meaning high-net-worth individuals or family offices seeking specialized financial management.<sup>58</sup>

In September 2025, Blue Owl Capital announced it had entered a partnership with Qatar Investment Authority, that country's sovereign wealth fund, to finance a new initiative called the Digital Infrastructure Platform. The initial investment will start with over 3 billion USD in data center assets and is anticipated to expand. However, the details regarding its involvement with the Hyperion data center or existing Blue Owl funds remain unclear.<sup>59</sup>

Blue Owl finances its operations, including its equity stake in Hyperion and other data centers, with financial backing from institutional investors such as pension funds. For instance, in September 2025, Blue Owl Capital invited executives from nearly 40 pension funds, endowments, and other institutions investing in its funds to tour the data center in Abilene.<sup>60</sup> As mentioned, Beignet Investor controls an 80% share of the Meta joint venture; however, it is owned by Beignet Pledgor, a wholly-owned subsidiary backed by multiple Blue Owl Capital funds such as Blue Owl Digital Infrastructure III, Blue Owl Digital Infrastructure Trust, and Blue Owl Real Estate Net Lease Trust, along with other undisclosed sources.

---

54. Blue Owl Capital, "Blue Owl Capital, Inc. (OWL) – 3Q 2025 Earnings," press release, 30 October 2025, [https://s202.q4cdn.com/477831904/files/doc\\_financials/2025/q3/Blue-Owl\\_3Q25\\_Full-Transcript\\_20251030.pdf](https://s202.q4cdn.com/477831904/files/doc_financials/2025/q3/Blue-Owl_3Q25_Full-Transcript_20251030.pdf).

55. Blue Owl Capital, "Blue Owl Capital Announces \$7 Billion Final Close for Digital Infrastructure Fund," press release, 15 May 2025, [www.blueowl.com/news/blue-owl-capital-announces-7-billion-final-close-digital-infrastructure-fund](http://www.blueowl.com/news/blue-owl-capital-announces-7-billion-final-close-digital-infrastructure-fund).

56. Financial data from Preqin.

57. Ibid.

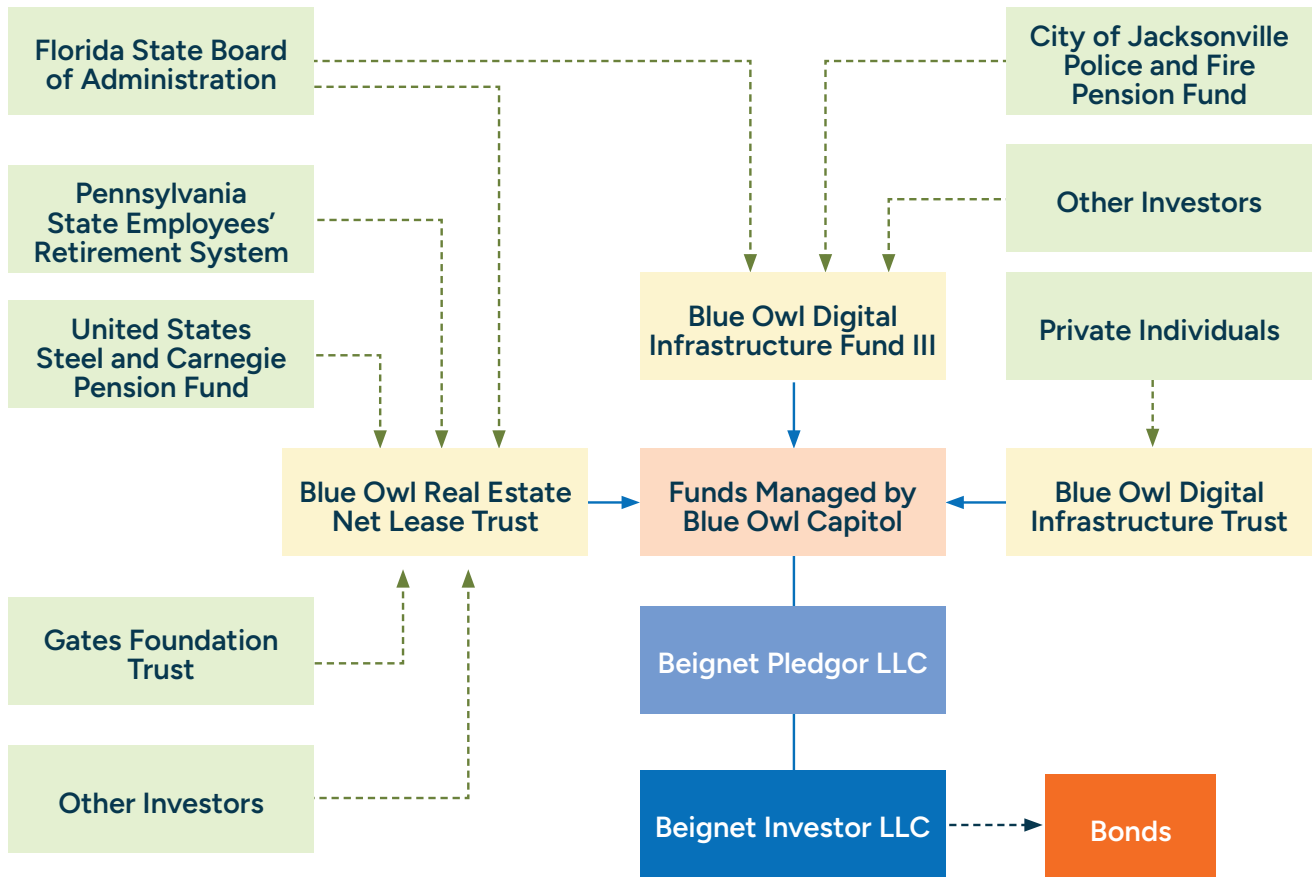
58. "Blue Owl raises \$1.7bn for digital infrastructure trust as data centre demand accelerates," Private Equity Insights, December 2025, <https://pe-insights.com/blue-owl-raises-1-7bn-for-digital-infrastructure-trust-as-data-centre-demand-accelerates>.

59. Blue Owl Capital, "Qatar Investment Authority and Blue Owl Capital Enter Agreement to Establish Digital Infrastructure Partnership," press release, 25 September 2025, [www.blueowl.com/news/qatar-investment-authority-and-blue-owl-capital-partnership](http://www.blueowl.com/news/qatar-investment-authority-and-blue-owl-capital-partnership).

60. Matt Wirz and Peter Rudegeair, "Wall Street Blows Past Bubble Worries to Supercharge AI Spending Frenzy," The Wall Street Journal, 16 November 2025, [www.wsj.com/finance/investing/wall-street-ai-spending-bubble-810d270e](http://www.wsj.com/finance/investing/wall-street-ai-spending-bubble-810d270e).

Recently, Blue Owl Capital had to sell 1.4 billion USD in assets to return money to investors seeking to withdraw from its funds, a decision that could suggest insufficient cash reserves to cover these obligations. This has worried analysts because the flow of new investments, which was supposed to support future earnings growth, is slowing. Furthermore, Blue Owl attempted to merge its older, semi-liquid fund — which prevents investors from withdrawing money at any time — with a publicly traded fund, where shares can be sold at any time. However, when news reports questioned whether the deal was properly valued and flagged the risks associated with such an operation, investors pulled back, which prompted Blue Owl to cancel the deal.<sup>61</sup>

**Figure 3 – Selected Institutional Investors Supporting Blue Owl Capital Funds Behind Beignet Investor**



Source: Empower, using data from Preqin and financial disclosures

This situation could create problems for investors, especially pension funds that invest retirement money into private credit funds. If a company such as Blue Owl Capital runs short on cash reserves to meet obligations, it would impact not just the direct investors but also fund investors and bondholders. Despite this, Blue Owl Capital has been involved in more deals recently, including another data center project in Louisiana involving Amazon and STACK Infrastructure, which is a portfolio company of Blue Owl, to build three data centers in Caddo and Bossier parishes.<sup>62</sup>

61. Matt Wirz, "Private-Credit Warning Signs Flash After Blue Owl Unloads \$1.4 Billion in Assets," The Wall Street Journal, 19 February 2026, [www.wsj.com/finance/investing/private-credit-warning-signs-flash-after-blue-owl-unloads-1-4-billion-in-assets-02494fab](https://www.wsj.com/finance/investing/private-credit-warning-signs-flash-after-blue-owl-unloads-1-4-billion-in-assets-02494fab).

62. "Amazon Selects Louisiana for \$12 Billion Data Center Campuses in Major U.S. Expansion," Louisiana Economic Development, 23 February 2026, [www.opportunitylouisiana.gov/news/amazon-selects-louisiana-for-12-billion-data-center-campuses-in-major-u-s-expansion](https://www.opportunitylouisiana.gov/news/amazon-selects-louisiana-for-12-billion-data-center-campuses-in-major-u-s-expansion).

In February 2026, Amazon announced it was planning to invest 12 billion USD in northern Louisiana; however, at the time of the announcement, STACK Infrastructure was the developer and owner of the campuses, suggesting a lease agreement similar to the one established with Meta and Blue Owl, where Amazon would rent the data center from STACK Infrastructure.<sup>63</sup> Unlike the Hyperion project, the three data center sites were acquired by companies unrelated to Amazon, raising concerns among local residents due to the secrecy surrounding how these facilities were managed.<sup>64</sup>

STACK Infrastructure is said to own an additional three sites in northern Louisiana planned for data centers, aside from the ones planned for Amazon.<sup>65</sup> Local residents typically learn about these projects through land rezoning activities, where rural areas are converted to industrial uses, and through water permit approvals. Although specific information is protected by non-disclosure agreements, which prevent even public officials from knowing all the details, some details have come to light. For instance, the Bossier city council unanimously approved an ordinance in December 2025 that allows the mayor to enter into a water services agreement with an unidentified property owner to provide 1.8 to 13.5 million gallons of water daily, enough for the daily needs of 21,951 to 164,634 people, as reported by the Shreveport-Bossier City Advocate.<sup>66</sup>

Similarly, the Blanchard town council approved a water services agreement for a property owned by TXLAAR LLC, initially providing 1.5 million gallons per day, with plans for that amount to grow to 5 million gallons per day, with water expected to come from Caddo Lake.<sup>67</sup> In addition to tapping into the state's water resources and electrical grid, Amazon will also receive tax breaks and subsidies from Louisiana's data center tax incentive program, which was a key condition for closing the deal to build Meta's Hyperion.<sup>68</sup>

At the time of this report, the Amazon deal was still in the early stages and more financial details will likely emerge as the company seeks to expedite construction of the sites.<sup>69</sup> Therefore, it is vital for the public to press state officials to ensure that information about these projects is open and available to communities and grassroots organizations, particularly regarding early plans, rezoning, project finance, water usage, and electricity requirements.

---

63. Amazon, "Amazon to invest \$12 billion in first data center campuses in Louisiana," press release, 23 February 2026, [www.aboutamazon.com/news/company-news/amazon-data-center-louisiana-new-jobs](http://www.aboutamazon.com/news/company-news/amazon-data-center-louisiana-new-jobs).

64. Johnette Magner, "Residents worry as single developer eyes Northwest Louisiana properties for possible data centers," *West Central's Best*, 29 December 2025, [www.westcentralsbest.com/news/state/residents-worry-as-single-developer-eyes-northwest-louisiana-properties-for-possible-data-centers/article\\_f1c21a80-09cc-5a48-bb28-6f9457f28c82.html](http://www.westcentralsbest.com/news/state/residents-worry-as-single-developer-eyes-northwest-louisiana-properties-for-possible-data-centers/article_f1c21a80-09cc-5a48-bb28-6f9457f28c82.html).

65. Liz Swaine, "Gov. Landry to reveal details on Caddo, Bossier area data centers with upcoming visit," *The Shreveport-Bossier City Advocate*, 19 February 2026, [www.shreveportbossieradvocate.com/business/data-centers-focus-of-huge-monday-announcement-in-shreveport/article\\_e2c044ab-e019-46b3-bab1-9be2b3f58e7e.html](http://www.shreveportbossieradvocate.com/business/data-centers-focus-of-huge-monday-announcement-in-shreveport/article_e2c044ab-e019-46b3-bab1-9be2b3f58e7e.html).

66. Justin O'Connor, "Is a 1,000-acre data center coming to north Bossier? See why Benton mayor says it's unclear," *The Shreveport-Bossier City Advocate*, 4 December 2025, [www.shreveportbossieradvocate.com/news/north-bossier-benton-1000-acre-data-center-speculation/article\\_8fd2dbba-0a1f-4e33-ad72-d4fc58520444.html](http://www.shreveportbossieradvocate.com/news/north-bossier-benton-1000-acre-data-center-speculation/article_8fd2dbba-0a1f-4e33-ad72-d4fc58520444.html).

67. Liz Swaine, "Another Shreveport area data center comes into clearer view, announcement could be soon," *The Shreveport-Bossier City Advocate*, 14 January 2026, [www.shreveportbossieradvocate.com/business/caddo-parish-data-center-close-to-announcement/article\\_2b119d88-7a64-4844-bc0f-01899e534f75.html](http://www.shreveportbossieradvocate.com/business/caddo-parish-data-center-close-to-announcement/article_2b119d88-7a64-4844-bc0f-01899e534f75.html).

68. "Amazon Selects Louisiana for \$12 Billion Data Center Campuses in Major U.S. Expansion," Louisiana Economic Development, 23 February 2026, [www.opportunitylouisiana.gov/news/amazon-selects-louisiana-for-12-billion-data-center-campuses-in-major-u-s-expansion](http://www.opportunitylouisiana.gov/news/amazon-selects-louisiana-for-12-billion-data-center-campuses-in-major-u-s-expansion).

## Data Center Energy Build-out in Louisiana

---

At the time of this report, the energy production capacity of only two out of the five major data center facilities had been made public: Meta’s Hyperion data center in Richland Parish and Hut 8’s planned AI infrastructure in partnership with Anthropic.<sup>70</sup> These two data centers alone are projected to require a combined 5.2 gigawatts of power in the near term, 3 gigawatts for Meta’s Hyperion data center in Richland Parish and 2.29 gigawatts for Hut 8’s data center in West Feliciana.<sup>71</sup>

However, as of February 2026, the Hut 8 project had not filed permits with the LDEQ or the LPSC for the announced 2.29-gigawatt infrastructure.<sup>72</sup> Furthermore, if Meta’s long-term demand reaches the 5-gigawatt capacity that Meta CEO Mark Zuckerberg mentioned in a July 14, 2025 comment — where he confirmed Hyperion “will be able to scale up to 5 gigawatts over several years” — the total combined load from these two facilities could rise to 7.2 gigawatts, roughly equivalent to the energy consumption of 5.7 million U.S. households.<sup>73,74</sup>

In August 2025, Entergy Louisiana received approval to build major energy infrastructure to support Hyperion.<sup>75</sup> As part of the deal, Entergy Louisiana and Meta are building three gas-fired power plants with an expected capacity ranging from 2.26 to 3 gigawatts. This discrepancy arises from conflicting information in various documents; transcripts and interviews suggest a capacity of 2.26 gigawatts, while environmental permits indicate a total of 3 gigawatts.<sup>76,77</sup>

Two generators will be located onsite at the proposed Franklin Farms facilities, where an additional six substations will be constructed to support the Meta data center operations. Another generator will be located closer to New Orleans at the Waterford site. Although unrelated to the Hyperion data center project, the Waterford nuclear plant — located a mile east from the proposed gas-fired generator — will be upgraded to meet increased energy needs.<sup>78</sup>

---

69. “Amazon Selects Louisiana for \$12 Billion Data Center Campuses in Major U.S. Expansion,” Louisiana Economic Development, 23 February 2026, [www.opportunitylouisiana.gov/news/amazon-selects-louisiana-for-12-billion-data-center-campuses-in-major-u-s-expansion](http://www.opportunitylouisiana.gov/news/amazon-selects-louisiana-for-12-billion-data-center-campuses-in-major-u-s-expansion).

70. Hut 8, “Hut 8 Announces AI Infrastructure Partnership with Anthropic and Fluidstack,” press release, 17 December 2025, [www.hut8.com/news-insights/press-releases/hut-8-announces-ai-infrastructure-partnership-with-anthropic-and-fluidstack](http://www.hut8.com/news-insights/press-releases/hut-8-announces-ai-infrastructure-partnership-with-anthropic-and-fluidstack).

71. “Docket No. U-37425,” Louisiana Public Service Commission, 2024-26, <https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/Docket-Details?docketId=32146>.

72. “Hut 8 Announces AI Infrastructure Partnership with Anthropic and Fluidstack,” Hut 8 press release, 17 December 2025, [www.hut8.com/news-insights/press-releases/hut-8-announces-ai-infrastructure-partnership-with-anthropic-and-fluidstack](http://www.hut8.com/news-insights/press-releases/hut-8-announces-ai-infrastructure-partnership-with-anthropic-and-fluidstack).

73. Ashley J. Lawson, Martin C. Offutt, and Ling Zhu, “Data Centers and Their Energy Consumption: Frequently Asked Questions,” U.S. Congress, 23 January 2026, [www.congress.gov/crs-product/R48646](http://www.congress.gov/crs-product/R48646).

74. Maxwell Zef, “Mark Zuckerberg says Meta is building a 5GW AI data center,” TechCrunch, 14 July 2025, <https://techcrunch.com/2025/07/14/mark-zuckerberg-says-meta-is-building-a-5gw-ai-data-center>.

75. Entergy, “Entergy Louisiana receives LPSC approval for major infrastructure investments to support Meta’s data center and improve reliability,” press release, 20 August 2025, [www.entergy.com/news/entergy-louisiana-receives-lpsc-approval-for-major-infrastructure-investments-to-support-metas-data-center-and-improve-reliability](http://www.entergy.com/news/entergy-louisiana-receives-lpsc-approval-for-major-infrastructure-investments-to-support-metas-data-center-and-improve-reliability).

76. “Docket No. U-37425,” Louisiana Public Service Commission, 2024-26, <https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/Docket-Details?docketId=32146>.

77. See permits submitted to LDEQ: 245286 and 248424.

78. “Entergy seeks approval for Waterford 3 uprate,” World Nuclear News, 13 August 2025, [www.world-nuclear-news.org/articles/entergy-seeks-approval-for-waterford-3-uprate](http://www.world-nuclear-news.org/articles/entergy-seeks-approval-for-waterford-3-uprate).

According to LPSC public documents, costs will be covered through two main instruments: a Formula Rate Plan and Contributions in Aid of Construction. The former consists of a set of rules approved by the LPSC, which translate to increases in consumer electricity bills. According to Entergy staff interviewed by the LPSC, additional charges will be an extra dollar per month; however, estimates depend on certain financial estimates being met, including Meta fulfilling its end of the contract and the absence of cost overruns. If Meta left the contract early, such additional costs would be passed on to consumers and not be paid by Meta, according to the hearings held by the LPSC.<sup>79</sup>

The infrastructure built through Contributions in Aid of Construction (CIAC) will be paid by Meta and include six substations located on the data center's site, as well as a transmission line that will connect a substation next to the Hyperion data center to the Entergy grid. The high voltage line requires the construction of the Smalling substation and the Car Gas Rd substation, which will also be covered under CIAC. As shown in Map 2, this represents a small portion of the infrastructure that is reported to be necessary for the Hyperion data center.

The initial construction costs and operation and management costs of the three power plants will be paid by Meta for the first 15 years via a non-public contractual arrangement.<sup>80</sup> If Meta exits the contract early, ratepayers could face serious financial implications, including any unforeseen additional costs during construction. In addition, consumers will absorb the facilities' full costs through the Formula Rate Plan after 15 years, once the contract between Meta and Entergy expires and is not extended.<sup>81</sup>

In January 2026, Empower submitted a public records request to the LPSC for the following documents but was denied access: 1) Electric Service Agreement; 2) Contribution in Aid of Construction; 3) Parental Guaranty Agreements; 4) Rider-1; and 5) Related Agreements. According to Colby Cook, the LPSC's Intergovernmental Policy & Communications Director, only the Rider was subject to public scrutiny. The Electric Service Agreement (ESA) likely outlines all of Meta's costs and contributions in relation to the power plants.

According to hearings held by the LPSC, Meta will offset the three power plants' construction costs through a so-called minimum bill (likely contained in the ESA), which does not cover the Sarepta–Mt. Olive and Babel–Webre high-voltage lines, which will be fully funded through the Formula Rate Plan. In addition, the transmission lines will require additional upgrades and construction at the substations. The Sarepta–Mt. Olive transmission line is expected to cost 546 million USD. However, Entergy staff at the hearings held by the LPSC acknowledged that this figure is only an estimate, allowing for a potential cost overrun of up to 100%, which could push costs to over 1 billion USD, which will ultimately be passed down to consumers.<sup>82</sup>

---

79. "Docket No. U-37425," Louisiana Public Service Commission, 2024-26, <https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/Docket-Details?docketId=32146>.

80. Abbie Bennett, "Louisiana regulators approve new Entergy infrastructure for \$10 bil Meta data center," S&P Global, 20 August 2025, [www.spglobal.com/energy/en/news-research/latest-news/natural-gas/082025-louisiana-regulators-approve-new-entergy-infrastructure-for-10-bil-meta-data-center](https://www.spglobal.com/energy/en/news-research/latest-news/natural-gas/082025-louisiana-regulators-approve-new-entergy-infrastructure-for-10-bil-meta-data-center).

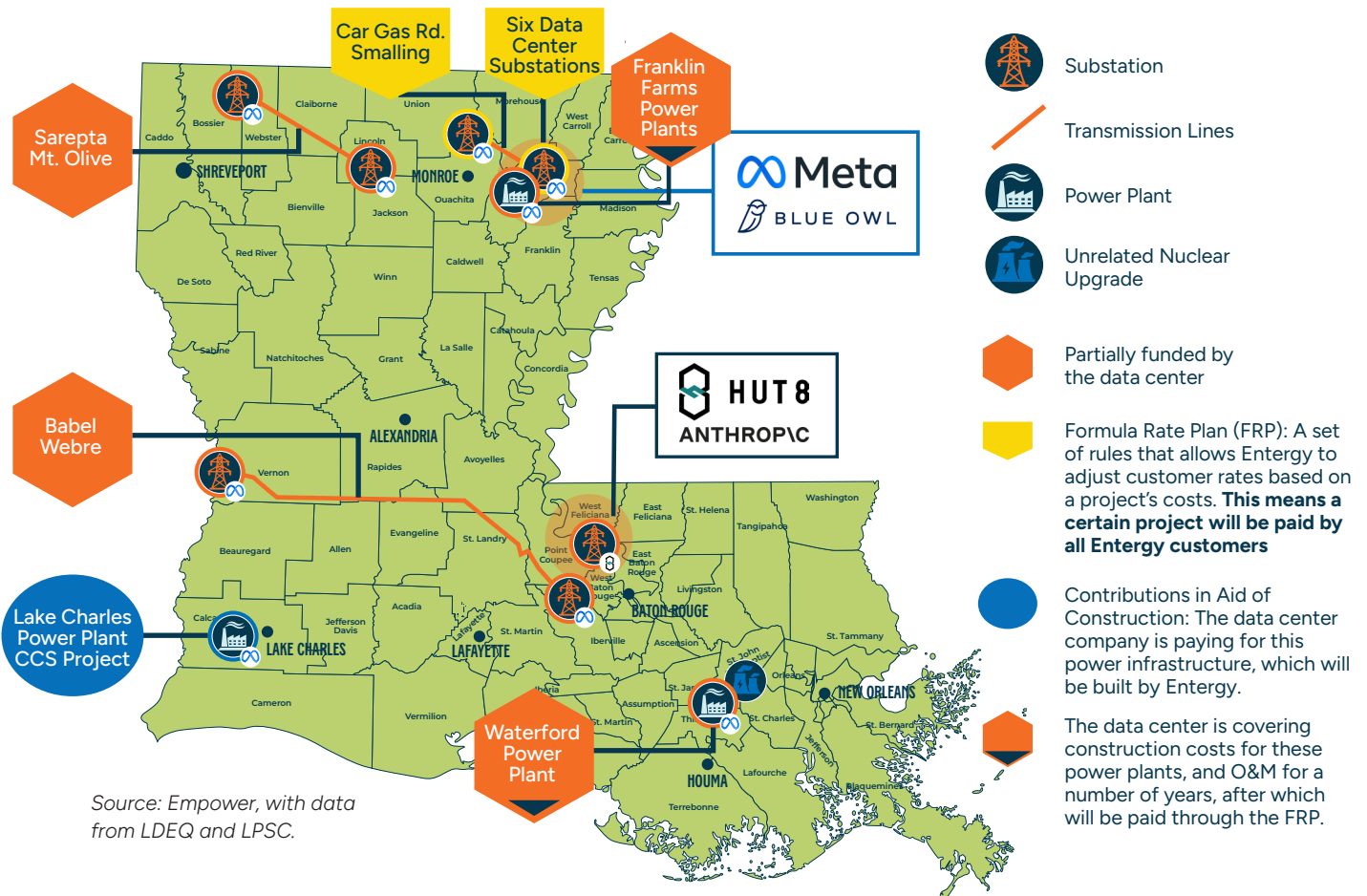
81. "Docket No. U-37425," Louisiana Public Service Commission, 2024-26, <https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/Docket-Details?docketId=32146>.

82. Ibid.

The transcripts from the hearings indicate that the transmission lines necessary for the data center are excluded from Meta’s minimum bill. Another significant infrastructure cost that is not included is the natural gas pipeline capacity.<sup>83</sup> It is unclear whether consumers will ultimately bear the costs of any required natural gas pipelines for the power stations supplying Hyperion, leaving the door open to rate increases.

Aside from the infrastructure detailed in the Entergy Agreement that was approved in August 2025, Meta has also committed to funding carbon capture and sequestration (CCS) technology at an Entergy facility in Lake Charles.<sup>84</sup> However, the hearings conducted by the LPSC reveal that there are currently no agreements to construct the CCS facility that would retrofit the existing power plant in Lake Charles. In addition, Entergy confirmed that the three power plants for the Hyperion data center, currently under construction, would be equipped to enable CCS technology.

Map 2 - Energy Infrastructure Related To Large Data Centers In Louisiana



83. Ibid.

84. "Meta," Louisiana Economic Development, 4 December 2024, [www.opportunitylouisiana.gov/project/15362](http://www.opportunitylouisiana.gov/project/15362).

According to the air permit submitted by Entergy for the Franklin Farms site, also referred to as the Titanium Advanced Power Station, captured CO<sub>2</sub> must be sent to an appropriate sequestration site. Denbury, currently owned by ExxonMobil, operates the CO<sub>2</sub> pipelines that transport CO<sub>2</sub> from eastern Louisiana to Texas for injection aimed at enhancing oil recovery (EOR), which uses various substances, including CO<sub>2</sub>, to help extract more oil from reservoirs.

The closest CO<sub>2</sub> pipeline is about 200 miles south of the Franklin facility, making transportation costs prohibitively high, with significant energy requirements leading to projected annual expenses exceeding 130 million USD.<sup>85</sup> However, major subsidies for CCS could motivate Entergy to pursue new agreements to develop such technologies for the Hyperion power plants. In fact, the Trump administration extended the current subsidies for CCS as part of the One Big Beautiful Bill, which will likely encourage the development of even more expensive projects.<sup>86</sup>

The Hyperion energy agreement received approval from the LPSC before Meta finalized its deal with Blue Owl Capital, which took majority ownership of Laidley LLC, the subsidiary that signed agreements with Entergy. While the effects of this corporate restructuring on the agreement with Entergy remain uncertain, it has sparked various concerns among advocacy groups that have urged the LPSC to examine Hyperion's corporate structure. This concern is heightened by Meta's position as a tenant, with the ability to exit the contract before 2033, prior to the expiration of the 15-year agreement with Entergy. Nevertheless, the LPSC rejected the request to investigate the financing of the data center project, which further limits public scrutiny.<sup>87</sup>

Blue Owl Capital, as the majority shareholder of the joint venture, would bear the consequences if Meta withdraws from the deal, thus financial guarantees would be needed to address this situation. Rather than tightening regulatory oversight, the LPSC adopted a new rule to expedite the approval process for new power plants for data centers. This rule is more lenient than the agreement between Meta and Entergy, requiring large-scale customers pay for 50% of the costs associated with these new facilities as opposed to the full costs, which could place the burden of the remaining costs on regular ratepayers.<sup>88</sup>

At the time of this report, Hut 8 had only proposed a substation close to the data center facility, which will be operated by Entergy; however, the company is likely to submit additional permits to the LDEQ or the LPSC as it plans to expand the data center's capacity to up to 2.29 gigawatts. Hut 8's facility is located closer to two major cities (Baton Rouge and New Orleans), and will likely require more power plants to support its daily operations, benefiting from the LPSC's expedited approval rule.

---

85. "Permit ID: 245286," Louisiana Department of Environmental Quality's Electronic Document Management System, 2 December 2024, [www.deq.louisiana.gov/page/edms](http://www.deq.louisiana.gov/page/edms).

86. "Treasury, IRS provide safe harbor for taxpayers claiming the carbon capture credit," Internal Revenue Service, 19 December 2025, [www.irs.gov/newsroom/treasury-irs-provide-safe-harbor-for-taxpayers-claiming-the-carbon-capture-credit](http://www.irs.gov/newsroom/treasury-irs-provide-safe-harbor-for-taxpayers-claiming-the-carbon-capture-credit).

87. Josie Abugov, "Louisiana regulators reject investigation into Meta's AI data center financing," The Advocate, 26 February 2026, [www.theadvocate.com/baton\\_rouge/news/environment/meta-data-center-louisiana-ai-entergy/article\\_412ef348-4e79-5280-aa02-11b6ab318eec.html](http://www.theadvocate.com/baton_rouge/news/environment/meta-data-center-louisiana-ai-entergy/article_412ef348-4e79-5280-aa02-11b6ab318eec.html).

88. Wesley Muller, "Louisiana creates fast track to approve power plants for data centers, big electricity users," Louisiana Illuminator, 19 December 2025, <https://lailuminator.com/2025/12/19/electricity-data-centers>.

On the other hand, Amazon reported that it had partnered with the local utility, Southwestern Electric Power Company (SWEPCO), to guarantee it would pay 100% of the expenses associated with the new data centers in Louisiana. The press release stated the agreement would cover all expenses for new energy infrastructure and necessary upgrades to support the data centers, although the total capacity details and infrastructure requirements remain undisclosed.<sup>89</sup>

## Conclusion

---

The development of massive AI data centers in Louisiana is being framed as a transformative economic opportunity for the state. Promoters such as Governor Jeff Landry claim data centers will create jobs, revitalize the state’s “beautiful rural areas,” and spur renovation of infrastructure. These massive industrial-scale projects are backed by corporate incentives like Act 730 and are tied to major upgrades in energy infrastructure, including new power plants, CCS initiatives, and transmission lines.

However, this rapid expansion comes with serious, often hidden economic, social, and environmental risks. The deals behind these projects are shrouded in secrecy, protected by non-disclosure agreements, and confidential contracts that block public oversight. Furthermore, available documents are often written in inaccessible and technical language, preventing communities from engaging more actively. These documents must be translated into public awareness campaigns that inform residents about the environmental and social risks associated with AI and data centers, a responsibility that elected officials should undertake to ensure they serve their constituents effectively.

The financial structures of data centers are becoming increasingly more obscure and are designed to keep massive debt off corporate balance sheets, further limiting transparency and reporting about the systemic risks involved with private deals such as Meta’s partnership with Blue Owl Capital. Meanwhile, these data center facilities require massive amounts of energy and water, threatening to strain public resources and lock the state into fossil fuel dependence in the midst of global climate change.

Data centers are not politically neutral, as Big Tech companies have strategically positioned themselves in the Trump administration through donations and personal meetings with President Trump. In addition, some companies such as Hut 8 have direct economic ties with the Trump family, raising concerns about the government’s capacity to act in service of constituents as opposed to private interests.

---

89. “Amazon Selects Louisiana for \$12 Billion Data Center Campuses in Major U.S. Expansion,” Louisiana Economic Development, 23 February 2026, [www.opportunitylouisiana.gov/news/amazon-selects-louisiana-for-12-billion-data-center-campuses-in-major-u-s-expansion](http://www.opportunitylouisiana.gov/news/amazon-selects-louisiana-for-12-billion-data-center-campuses-in-major-u-s-expansion).

One of the most pressing issues for communities and organizations is the lack of effective transparency surrounding these data center projects. The secrecy regarding financing, energy, environmental, and social impacts undermines democracy and accountability, and severely impacts communities' abilities to assess how these projects may affect their air, water, electricity bills, and livelihoods. Decisions like this are often made behind closed doors, leaving residents vulnerable to the interests of corporations.

Financial deals such as Meta's with Blue Owl Capital do not have the same SEC reporting requirements as more conventional financing deals, meaning investors and stakeholders may not have a full picture of the risks involved. Pension funds and other institutions are invested in Blue Owl funds, and the bonds issued for the Hyperion data center are held in investment funds traded by individual and institutional investors. The financial exposure could cause systemic effects and ripple across firms, retirement funds, mutual funds, and exchange-traded funds. Therefore, this would affect not only Louisiana residents but also multiple actors across the country if not the world.

Environmental risks extend beyond Louisiana, with the development of more gas-fired facilities that will have negative impacts on climate change, ecosystems, and residents' health. Although the deal between Meta and Entergy is framed as having low risks for residential ratepayers, LPSC officials have kept key information from the public, including the ESA signed between the energy company and Meta, which outlines the financial implications of the deal, about which Louisiana residents ought to be informed.

If data centers were in fact of public benefit for communities, corporations and government officials would seek to promote them by providing the public all contractual, environmental, and accounting documents needed to properly and independently assess the risks. Ultimately, tax incentives, permit approvals, and oversight are policy choices that depend on elected officials. Louisiana residents have the opportunity to voice their concerns during the November 2026 general election, where they can elect officials that will answer to constituents, not corporations making deals behind closed doors.