

AI data center demand sparks concern among energy investment stakeholders, TPG Founding Partner Jim Coulter says

As artificial intelligence continues to make waves in the world of investment, asset management firm TPG's Founding Partner and Executive Chairman Jim Coulter said the environmental component of this emerging technology is disrupting energy needs.

"This is something we're deeply involved with," Coulter said during a June 2 press conference.

AI has changed widespread investment strategies since the "AI boom" of late 2022, aligning with the introduction of generative AI model ChatGPT.

Since then, an entirely new ecosystem supporting AI infrastructure has developed, according to a report from [The Wall Street Journal](#). Global monthly web visitors to ChatGPT's page are currently encroaching on 300 million, and collective quarterly spending on AI initiatives stands just under \$75 billion.

Companies in TPG's portfolio are actively implementing this generative AI technology, Coulter said. He described advances in the medical field in which patient responses can be recorded and automated for a more streamlined doctor-patient experience. He said TPG is also using generative AI internally to consolidate and simplify large swaths of information, and there is more development on the way.

"I think it's generally going to be a deeply interesting set of opportunities for us," Coulter said.

This growth and potential for innovation, however, comes with a jarring environmental impact.

According to a [MIT](#) report, the data centers required to run generative AI programs use a great deal of energy and require large amounts of freshwater.

Early 2025 projections indicate future energy needs across the U.S. will soar, largely due to data centers. Considering TPG Rise Climate's distinct focus on climate conscious investment, Coulter said he sees renewable energy as a solution to the increased need.

Coulter said there are already several programs in place spearheaded by TPG and TPG Rise Climate focused on addressing the nationwide increase in energy needs, specifically with solar and nuclear investment.

He also said TPG plans to announce several green energy projects for data centers in the near future.

“I believe data center demand will be met, and it's our job to try to make sure it can be met efficiently and cheaply and responsibly with renewable power,” Coulter said.

Despite this notable investment from TPG, federal support for renewables is faltering under President Donald Trump’s energy agenda.

With “drill, baby, drill” as the hallmark phrase for President Trump and his administration’s plans for energy development, the fossil fuel industry is embracing its moment in the spotlight. In turn, previous pushes for renewable energy seem to be pulling back.

On Friday, the [Energy Department](#) announced \$3.7 billion worth of funding cuts for renewable energy projects. Coulter said associated market uncertainty, along with the U.S. falling behind on an increasingly lucrative market, are both major concerns.

“I'm worried as a U.S. investor that we're going to miss one of the most important energy supply chain changes,” Coulter said.

Coulter also said the vast amount of uncertainty surrounding these decisions and “guardrail to guardrail” policy swings impacting the energy sector could have implications for the sustainability of energy sources in the U.S. as a whole.

As demand keeps increasing and AI continues to develop and become more widespread, Coulter said he does not believe fossil fuels have the appropriate infrastructure to meet demand.

“Clean energy and renewable energy is a practical solution,” Coulter said. “To tilt away from it, I think, is a mistake.”