Stop Project Matador

Factsheet: Fermi America's Proposed Data & Energy Campus Threatens Amarillo's Aquifer, Agricultural Economy, and Public Health

Fermi America – a brand-new company co-founded by Rick Perry – has proposed building a sprawling data and energy campus near Amarillo dubbed both "Project Matador" and "The Donald J. Trump Advanced Energy and Intelligence Campus." Despite Fermi America having never built a project and having no customers, the massive energy campus would occupy 5,800 acres in Carson County and operate a gas-fired power plant and four nuclear reactors designated exclusively for hyperscale data center facilities, not public use. [1]

On October 14, Fermi America brazenly told the Amarillo City Council that it would build its energy campus "with or without" an agreement with the city on water infrastructure, stating that Fermi "could purchase 11 cornfields" to supposedly meet the project's water needs instead.[2] [3] Treating community approval, engagement, and oversight as optional should be an urgent red flag for any data center or other infrastructure project.

Fermi America's proposal places further strain on the region's Ogallala Aquifer water resources – the main groundwater supply for the region's households, farms, and ranches – which are already being drained faster than they can be replenished.[4] Data centers primarily consume potable water due to the corrosive risks created by other water sources, like reclaimed water.[5] The gas-fired power plant and four nuclear reactors will also unleash pollution on the surrounding environment and pose a serious risk to public health.

The proposed data and energy campus raises urgent concerns for the region:

Millions Lost in Tax Revenue for Amarillo and Carson County Residents

- **Across the US, states are disproportionately giving away hundreds of millions in tax breaks to some of the richest companies in history**. Nearly 60% of hyperscale data center infrastructure serves Amazon, Google, and Microsoft alone, companies with a collective market cap approaching 9 trillion USD.[6] And yet cities and states give these companies major tax breaks to entice data center construction, *losing* significant potential tax revenue from these companies.[7]

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[1] Moss, Sebastian. "Fermi's paradox - DCD." *Data Center Dynamics*, 7 October 2025, https://www.datacenterdynamics.com/en/opinions/fermis-paradox/.
[2] Cuviello, Michael. "Council backs first reading of Fermi water agreement." *Amarillo Globe-News*, 15 October 2025, https://www.amarillo.com/story/news/2025/10/15/council-backs-first-reading-of-fermi-water-agreement/86707480007/.
[3] "Amarillo Mayor Cole Stanley details agreement with Fermi America over water; residents speak up." KAMAR Local 4 News, 15 October 2025, https://www.youtube.com/watch?v=O4o_nyrCo-M.
[4] Carver, Jayme Lozano. "Economic boom or environmental disaster? Rural Texas grapples with pros, cons of data centers." *The Texas Tribune*, 2 October 2025, https://www.texastribune.org/2025/10/02/rural-texas-data-centers-water/.
[5] Ahmad, Rasheed. "Engineers often need a lot of water to keep data centers cool." *ASCE*, 4 March 2024, https://www.asce.org/publications-and-news/civil-engineering-source/civil-engineering-magazine/issues/magazine-issue/article/2024/03/engineers-often-need-a-lot-of-water-to-keep-data-centers-cool.
[6] Matt Ashare, "Cloud data centers get bigger, denser amid AI building boom," UtilityDive, March 21, 2025, https://www.utilitydive.com/news/cloud-ai-data-center-aws-microsof-google-oracle/743290.
[7] Kasia Tarczynska & Greg LeRoy, "Cloud with a Loss of Spending Control: How Data Centers Are Endangering State Budgets," Good Jobs First, April 2025, https://goodjobsfirst.org/cloudy-with-a-loss-of-spending-control-how-data-centers-are-endangering-state-budgets.

- Texas has the most expensive data center subsidy program in the country. Its Sales and Use Tax Exemption for Data Centers **cost the state $1 billion** in 2025 alone.[8] Fermi America most likely will benefit from this subsidy.
- Fermi America would **avoid approximately $16 billion** in state sales taxes if the entire investment of $300 billion materializes.[9] These funds could go to fixing infrastructure, supporting public healthcare, and improving transportation.

Secrecy

- In August 2025, the Carson County Commissioners' Court approved a "Reinvestment Zone," which will allow Fermi America and its affiliates to apply for property tax breaks for its data center and energy-generating projects.[10] On October 27, 2025, the County Commissioners' Court will meet to provide final subsidy approval[11] for Fermi. **Those subsidies would allow the company to pay no or limited property tax for 10 years**, costing the county hundreds of millions of dollars that otherwise could go to services benefiting *all* county residents and local small businesses. Subsidy agreements also set job, worker wages, and investment requirements for the company. Yet, **there are no public documents such as minutes of meetings from previous meetings or proposed subsidy agreements available for public inspection**.[12]
- Over the summer, the Amarillo Economic Development Corporation, a public body funded by local sales tax, was discussing **behind closed doors** an "energy and data" project. AEDC is responsible for negotiating subsidies with companies on the city's behalf.[13]

Strain on Amarillo's Scarce Water Resources

- **Data centers are using up precious water resources across the US.** Across the board, major tech companies have been reporting record water consumption figures due to their growing data center footprints – even as they build more data centers in water-scarce locations, like the Texas Panhandle.[14]
- The Texas Panhandle has been experiencing prolonged dry spells, while the Ogallala Aquifer is experiencing steady declines in its reserves. The proposed water agreement with Fermi locks Amarillo into an initial 20-year contract, with potential for increases.[15]

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[8] "Runaway Data Center Tax Breaks Endanger State Budgets." Good Jobs First, 24 April 2025, https://goodjobsfirst.org/runaway-data-center-tax-breaks-endanger-state-budgets/.

[9] Texas' Data Center Sale and Use Tax Exemption will allow the company to pay no sales tax on purchases of equipment and power. Texas Comptroller, "State Sales Tax Exemption for Qualified Data Centers," Last accessed Oct. 10, 2025, https://comptroller.texas.gov/taxes/data-centers/#:~:text=The%20sales%20tax%20exemption%20for%20a%20qualified%20data%20center%20is,owner%2C%20operator%20and%20occupant%20make. These rates were used to calculate Fermi's potential unpaid sales taxes, based on the $300 billion investment. About 90% of a data center investment can be eligible for exemption from sales taxes, which in Texas is 6.25 percent.

[10] Carson County Commissioners' Court, Notice of Public Meeting on August 18, 2025: https://www.co.carson.tx.us/upload/template/35997/Agenda%208-18-25.pdf

[11] Carson County Commissioners' Court, Notice of Public Meeting on October 27, 2025: https://www.co.carson.tx.us/upload/page/1432/Commissioners%20Court.pdf The agenda for the meeting also does not provide any substantial information on the proposed subsidy package: https://www.co.carson.tx.us/upload/template/35997/Agenda%20October%2027.pdf

[12] Examination of the Carson County website on October 21 and 22, 2025 did not reveal any documents that would provide the public with specifics on the subsidy agreement. If such public documents exist on the county website, they are not located in an easily accessible and intuitive location.

[13] Amarillo Economic Development Corporation. Agendas for May 13, 2025, and July 15, 2025, Board of Directors Regular Meetings: https://amarilloedc.com/board-agendas-minutes (see under "Executive Session").

[14] Luke Barratt, "Revealed: Big tech's new datacentres will take water from the world's driest areas," The Guardian, April 9, 2025, https://www.theguardian.com/environment/2025/apr/09/big-tech-datacentres-water.

[15] Cavazos, Canion. "Ogallala Aquifer declines as Texas Panhandle drought continues." KFDA, https://www.newschannel10.com/2025/03/27/ogallala-aquifer-declines-texas-panhandle-drought-continues/.

- **Data centers' water consumption isn't limited to the facilities themselves.** The energy infrastructure they rely on consumes additional water for cooling.[16] These numbers – along with water used in construction – are rarely accounted for in most projections for how much water the facilities require.
- **Fermi America has already said it is willing to circumvent any water deal it signs with the city.** If the city is not prepared to directly provide for Fermi's water needs, the company has already stated that it could simply buy up agricultural land directly.

Damaging the Environment, Exacerbating Climate Change, and Posing a Serious Risk To People's Health

- The initial phase of the campus will be powered by gas turbines**, which emit harmful nitrogen oxides (NOx), greenhouse gases (GHGs), and hazardous air pollutants**.[17] [18] Texas already leads the country in greenhouse gas emissions. [19]
- In addition to the massive amounts of energy data centers consume while operating, data centers also rely on diesel generators for backup power, which release pollutants and toxins that cause asthma, cancer, heart attacks, and cognitive decline.[20]
- The four nuclear reactors that will be built for this energy campus **pose a grave threat to nearby communities,** as natural disasters (such as hurricanes, floods, and earthquakes), human error, mechanical failure, and design flaws **can trigger the release of radioactive contamination**. Studies show that even small doses of radiation can increase the risk for cancer and negatively impact workers and public health more broadly.[21]
- Previous nuclear plant disasters at Three Mile Island in Pennsylvania (1979), Chernobyl (1986), and Fukushima (2011) remain radioactive.[22] [23]

Misleading Promises of Jobs and Economic Development

- **Data centers are not major job creators.**[24] Fermi America advertised creating 3,000 to 5,000 jobs but there are no official details if those would be permanent or temporary construction jobs,[25] or even if those are actual company obligations or just company projections. Texas requires data center companies to create only 20 jobs to qualify for sales tax breaks. Repeatedly, companies' public-facing promises for job creation have not matched contractual employment obligations and

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[16] Jake Bittle, "Amazon says it's going 'water positive' – but there's a problem," Grist, Aug. 29, 2024, https://grist.org/technology/amazon-data-centers-water-positive-energy.
[17] Skidmore, Zachary. "Siemens to supply 1.1GW of natural gas capacity for Fermi's planned 11GW data center campus in Amarillo, Texas." *Data Center Dynamics*, 29 September 2025, https://www.datacenterdynamics.com/en/news/siemens-to-supply-11gw-of-natural-gas-capacity-for-fermis-planned-11gw-data-center-campus-in-amarillo-texas/.
[18] Environmental Defense Fund, https://turbinemap.edf.org/.
[19] Pelton, Tom. "Wave of 130 TX Gas Power Plant Projects Could Emit the Climate Pollution of 27 Million Cars." The Environmental Integrity Project, 11 June 2025.
[20] Wierman, Adam, and Shaolei Ren. "We Need to Talk About AI's Impact on Public Health." IEEE Spectrum, 1 May 2025, https://spectrum.ieee.org/data-centers-pollution.
[21] Ghosh, Padmaparna. "Nuclear Power 101." NRDC, 5 January 2022, https://www.nrdc.org/stories/nuclear-power-101.
[22] Vogel, Katie. "What happened at Chernobyl? What to know about nuclear disaster." USA Today, 24 February 2022, https://www.usatoday.com/story/news/world/2022/02/24/chernobyl-nuclear-disaster-questions-explained/6923621001/.
[23] Yamaguchi, Mari. "EXPLAINER: How dangerous is the Fukushima nuke plant today?" *AP News*, 11 March 2021, https://apnews.com/article/world-news-japan-tsunamis-5a5a70d852d2290d527123d3ec300c57.
[24] Tom Dotan, "The AI Data-Center Boom Is a Job-Creation Bust," *Wall St. Journal*, Feb. 25, 2020, https://www.wsj.com/tech/ai-data-center-job-creation-48038b67.
[25] Michael Cuviello, "Co-founder outlines $300B AI campus," Amarillo Globe-News, July 14, 2025. https://www.amarillo.com/story/news/2025/07/10/fermi-300b-ai-campus-brings-jobs-clean-energy-to-amarillo/84509082007/?gnt-cfr=1&gca-cat=p&gca-uir=true&gca-epti=z117573p003150c003150e001100v117573b0050xxd005065&gca-ft=38&gca-ds=sophi

actual employment figures.[26] Construction jobs for these projects can last less than a year,[27] often less than three,[28] and frequently bring in outside contractors for the higher-paid positions.[29] Data from Indiana shows that data centers create 100 times *fewer* jobs than other types of economic development, by energy used.[30]

- **Amarillo's thriving agricultural sector is threatened by data center developments**. While creating few permanent jobs, data centers across the country are driving up the price and availability of farmland and diverting water needed for irrigation.[31]

Rising Electricity Costs and Risks of Blackouts

- **Everyday people regularly pay data center energy costs for the wealthiest companies in the world.** Major technology companies building data centers across the country have promised they will pay the costs of the energy infrastructure needed to support their projects. But from Georgia[32] to Ohio,[33] the industry has fought against concrete obligations to ensure its costs aren't passed along to ratepayers. Meanwhile, from Washington, D.C. to Ohio, energy costs have gone up for regular consumers,[34] directly attributable to data centers and associated energy infrastructure.[35]
- **By the company's own estimates, Fermi America's data center campus will consume up to 11GW of energy – as much as 8.2 million homes.**[36] While the company is planning for on-site energy infrastructure, less than 1GW of capacity is expected to be online by late 2026.[37] Fermi claims that its campus will meet its own energy needs, yet it remains unclear what will happen if the site's data center construction outpaces energy infrastructure construction.
- **Data centers increase the risk of blackouts, brownouts, and grid instability.** In June 2024, data center operators nearly caused blackouts across Virginia as they prioritized their own facilities' uninterrupted operations following an equipment failure.[38] The North American Electric

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[26] Kasia Tarczynska, "Will data center job creation live up to hype? I have some concerns," Good Jobs First, Feb. 12, 2025, https://goodjobsfirst.org/will-data-center-job-creation-live-up-to-hype-i-have-some-concerns.
[27] Hannah Beckler et al., "Big Tech promised jobs. Cities gave millions. Where are the workers?," Business Insider, June 20, 2025, https://www.businessinsider.com/data-centers-tax-subsidies-jobs-ohio-2025-5.
[28] McKinsey & Co., "What the real estate industry needs to know about data centers," Oct. 15, 2024, https://www.mckinsey.com/industries/real-estate/our-insights/what-the-real-estate-industry-needs-to-know-about-data-centers.
[29] Karen Weise, "A.I., the Electricians and the Boom Towns of Central Washington," New York Times, Dec. 25, 2024: https://www.nytimes.com/2024/12/25/technology/ai-data-centers-electricians.html
[30] Citizens Action Coalition, "The Hidden Costs of Data Centers," Jan. 27, 2024, https://www.citact.org/sites/default/files/CAC-Data-Center-Webinar-Slides-01-27-2024-1.pdf.
[31] Lefever, Dave. "The Rise of Data Centers in the Mid-Atlantic Causes Concern for Farmland, Rural Communities." Lancaster Farming, 1 October 2025, https://www.lancasterfarming.com/farming-news/conservation/the-rise-of-data-centers-in-the-mid-atlantic-causes-concern-for-farmland-rural-communities/article_df87d19c-d668-41df-87ec-5447507c33c3.html.
[32] Drew Kann & Zachary Hansen, "Data centers use lots of energy. Will Georgia lawmakers make them pay more?," Atlanta Journal Constitution, Feb. 11, 2025, https://www.ajc.com/news/business/data-centers-use-lots-of-energy-georgia-lawmakers-might-make-them-pay-more/YW3BUT7ISVDTFGS2BVVIUCY3FM.
[33] Ellen Thomas, "Here's how we all ended up paying Big Tech's power bill," Business Insider, Aug. 1, 2025, https://www.businessinsider.com/why-utility-customers-are-paying-big-tech-power-bill-2025-7.
[34] Peter Whoriskey, "The AI explosion means millions are paying more for electricity," The Washington Post, July 27, 2025, https://www.washingtonpost.com/business/2025/07/27/electricity-rates-ohio-data-centers-ai.
[35] Cathay Kunkel, "Projected data center growth spurs PJM capacity prices by factor of 10," Institute for Energy Economics & Financial Analysis, July 30, 2025, https://ieefa.org/resources/projected-data-center-growth-spurs-pjm-capacity-prices-factor-10.
[36] https://fermiamerica.com/us-plans-5800-acre-worlds-largest-energy-campus-to-power-8-million-homes/
[37] Chernicoff, David, and Matt Vincent. "Land and Expand: CleanArc Data Centers, Google, Duke Energy, Aligned's ODATA, Fermi America." Data Center Frontier, 11 September 2025, https://www.datacenterfrontier.com/site-selection/article/55315599/land-and-expand-cleanarc-data-centers-google-duke-energy-aligneds-odata-fermi-america.
[38] Tim McLaughlin, "Big Tech's data center boom poses new risk to US grid operators," Reuters, March 19, 2025, https://www.reuters.com/technology/big-techs-data-center-boom-poses-new-risk-us-grid-operators-2025-03-19.

Reliability Corporation (NERC) has cited data center growth as "one of the greatest near-term reliability challenges" for U.S. power grids.[39]

- **Increased data centers could further destabilize Texas's already troubled grid.** Texas's electric grid is demonstrably unreliable, and has not been sufficiently upgraded since the 2021's winter blackout that caused more than 200 directly preventable deaths and up to 700 indirect deaths.[40] Between 2000 and 2023, Texas had 210 weather-related power outages, the highest number of any US state. Data centers' huge power demand for power would put further strain on grid demand, exacerbating existing struggles to prevent blackouts during extreme weather.[41]

About Us: This factsheet was compiled by MediaJustice, Free Press, AI Now Institute, Good Jobs First, Kairos, and Athena for All based on years of documentation, research, and analysis of data center development across the United States.

[39] Peter Behr, "NERC: Data center growth ranks among 'greatest near-term reliability challenges,' E&E News, June 13, 2025, https://www.eenews.net/articles/nerc-data-center-growth-ranks-among-greatest-near-term-reliability-challenges.

[40]Department of Environmental Health Sciences, Columbia University Mailman School of Public Health. "The 2021 Texas Power Crisis: Distribution, Duration, and Disparities." National Library of Medicine.

[41]Nicholson, Elijah, et al. "Why Texas' mass power outages continue to happen." The Texas Tribune, 18 July 2024, https://www.texastribune.org/2024/07/18/texas-energy-grid-power-outages-climate-change-infrastructure/.