

The Stargate Project: Corporate-Government Extraction in the Southwest and Beyond FACTSHEET

The Stargate Project, a joint venture structured as Stargate LLC, is a large-scale, public-private initiative that is committed to investing \$500 billion in AI data center infrastructure powered by 10MW of energy.¹ **OpenAI** is spearheading the joint venture alongside financial partners **SoftBank**, **Oracle**, and **MGX**, an AI investment group backed by Abu Dhabi sovereign wealth fund Mubadala.² OpenAI's technology partners on The Stargate Project include **Oracle**, a significant data center operator and software corporation, **Microsoft**, an OpenAI investor and infrastructure partner, as well as chip companies **NVIDIA** and **Arm**, which is majority-owned by SoftBank.^{3, 4}

The Stargate Project was announced at the White House on January 21, 2025, where President Trump was joined by three of the four financial drivers of the venture – OpenAI CEO Sam Altman, SoftBank CEO Masayoshi Son, and Oracle Founder and CTO Larry Ellison. The tech executives shared their enthusiasm for Trump's commitment to AI development, which has been marked in a multitude of ways since January, including:

- Reversing an executive order passed by former President Joe Biden in 2023 that aimed to monitor and regulate AI risks⁵
- Creating his AI Action Plan and accompanying executive orders that facilitate the rapid deployment of AI-related infrastructure, reduce AI regulations, and increase AI exports⁶
- Issuing executive orders aimed at boosting nuclear power⁷ while eroding the autonomy of the Nuclear Regulatory Commission (NRC),⁸ an independent agency tasked with regulating nuclear reactors and protecting Americans from exposure to radiation
- Gutting the Environmental Protection Agency (EPA) through mass firings and elimination of research,⁹ as well as pushing to rescind the 2009 declaration, known as the endangerment finding,¹⁰ which concluded that planet-warming greenhouse gases pose a threat to public health.

¹ Krantz, Tom, and Alexandra Jonker. "What Is Stargate Project?" *IBM*, <https://www.ibm.com/think/topics/stargate>

² Aguinaldo, Jennifer. "Abu Dhabi's MGX signs up for \$500bn Stargate project." *MEED Middle East Business Intelligence*, 23 January 2025, <https://www.meed.com/abu-dhabis-mgx-signs-up-for-500bn-stargate-project>.

³ Krantz, Tom, and Alexandra Jonker. "What Is Stargate Project?" *IBM*, <https://www.destabilized.ibm.com/think/topics/stargate>.

⁴ Zank, Alex. "How Arm benefits from SoftBank as majority shareholder, according to its CFO." *CFO Brew*, 2 October 2024, <https://www.cfobrew.com/stories/2024/10/02/how-arm-benefits-from-softbank-as-majority-shareholder-according-to-its-cfo>.

⁵ Williams, Michael. "Executive actions Trump has taken so far." *CNN*, 20 January 2025, <https://www.cnn.com/2025/01/20/politics/executive-actions-trump-day-1/index.html>.

⁶ "Trump Administration Issues AI Action Plan and Series of AI Executive Orders." *Covington*, 25 July 2025, <https://www.insidegovernmentcontracts.com/2025/07/trump-administration-issues-ai-action-plan-and-series-of-ai-executive-orders/>.

⁷ "Trump sets out aim to quadruple US nuclear capacity." *World Nuclear News*, 24 May 2025, <https://www.world-nuclear-news.org/articles/trump-sets-out-aim-to-quadruple-us-nuclear-capacity>.

⁸ Brumfiel, Geoff. "Trump seeks to boost nuclear industry and overhaul safety regulator." *NPR*, 23 May 2025, <https://www.npr.org/2025/05/23/nx-s1-5407900/trump-nrc-nuclear-industry-overhaul-safety-regulator>.

⁹ "EPA eliminates research and development office as it begins layoffs." *NBC News*, 18 July 2025, <https://www.nbcnews.com/politics/trump-administration/epa-eliminates-research-development-office-layoffs-begin-rcna219725>.

¹⁰ Milman, Oliver. "Trump effort to ditch greenhouse gas finding ignores 'clearcut' science, expert says." *The Guardian*, 24 July 2025, <https://www.theguardian.com/environment/2025/jul/24/trump-effort-rescind-endangerment-finding-climate-crisis>.

After reviewing 300 site proposals from 30 states,¹¹ **OpenAI announced that four of the seven U.S.-based Stargate sites are to be set in the Southwest**, including three in Texas and one in New Mexico.^{12, 13} The four proposed Southwest sites are Project Ludicrous (**Abilene, Texas**), Frontier Campus (**Shackelford County, Texas**), SoftBank Group Corp Milam Data Center (**Milam County, Texas**), and Project Jupiter (**Doña Ana County, New Mexico**). The remaining three U.S. Stargate sites are in Lordstown, Ohio; Port Washington, Wisconsin; and Saline Township, Michigan. Multiple international Stargate projects have also been announced, including in the UAE, U.K., Norway, Argentina, Greece, and Korea.^{14, 15, 16, 17}

States in the Southwest, including Texas, Arizona, and New Mexico, have crafted some of the most lucrative tax incentives and business-friendly policies in the country to attract tech billionaires and their AI data center projects to the region. It thus comes as no surprise that Big Tech corporations – Meta,¹⁸ Amazon,¹⁹ Google,²⁰ Apple,²¹ and Microsoft²² – have each built and continue to expand their own clusters of hyperscale data centers throughout the Southwest.

Across the country, resource-devouring data centers have skyrocketed utility bills, destabilized energy grids, threatened local water supplies, and exacerbated public health issues. With over \$2 trillion projected to be invested in generative AI globally over the next five years, with half of that spending in the U.S., the public-private clamor and partnership of the Stargate Project raises urgent concerns for communities worldwide.²³

Speed and Lack of Transparency

- **Across the country, hyperscale data center projects are being fast-tracked and approved in secrecy behind non-disclosure agreements and closed-door meetings.** Project Ludicrous, the debut Stargate site in Abilene, Texas, has already constructed its eight-building data center campus, with at least two of the buildings fully operational.²⁴ While OpenAI, Oracle, and developer Cruscoe boast about the speed and scale of Project Ludicrous's construction, residents raise concerns that elected officials have allowed Abilene to trade away its tax revenue and the health of its community.²⁵

¹¹ "OpenAI, Oracle, and SoftBank expand Stargate with five new AI data center sites." *OpenAI*, 23 September 2025, <https://openai.com/index/five-new-stargate-sites/>.

¹² "Why does OpenAI need six giant data centers?" *Ars Technica*, 24 September 2025, <https://arstechnica.com/ai/2025/09/why-does-openai-need-six-giant-data-centers/>.

¹³ "OpenAI Stargate Is Largest Investment In Michigan History." *Business Facilities*, 3 November 2025, <https://businessfacilities.com/openai-stargate-is-largest-investment-in-michigan-history>.

¹⁴ Laurent, Adrien. "OpenAI's Stargate Project: A Guide to the AI Infrastructure." *IntuitionLabs*, <https://intuitionlabs.ai/articles/openai-stargate-datacenter-details>.

¹⁵ "Argentine government and OpenAI announce project to build data center in Patagonia." *Buenos Aires Herald*, 10 October 2025, <https://buenosairesherald.com/business/argentine-government-and-openai-announce-project-to-build-data-center-in-patagonia/amp>.

¹⁶ "OpenAI and Greek Government launch 'OpenAI for Greece'." *OpenAI*, 5 September 2025, <https://openai.com/global-affairs/openai-for-greece/>.

¹⁷ "OpenAI Korea ups 'Stargate' push with Samsung, SK." *The Korea Herald*, 4 December 2025, <https://www.koreaherald.com/article/10629728>.

¹⁸ "United States." *Meta Data Centers*, <https://datacenters.atmeta.com/us-locations/>.

¹⁹ "Amazon AWS - 345 Data Centers - See Locations and Details." *Data Center Map*, <https://www.datacentermap.com/c/amazon-aws/>.

²⁰ "Locations of Google Data Centers." *Google Data Centers*, <https://datacenters.google/locations/>.

²¹ "Apple - 22 Data Centers - See Locations and Details." *Data Center Map*, <https://www.datacentermap.com/c/apple/>.

²² "Microsoft - 256 Data Centers - See Locations and Details." *Data Center Map*, <https://www.datacentermap.com/c/microsoft/>.

²³ *AI Infra Summit 2026*, <https://www.ai-infra-summit.com/>.

²⁴ Gooding, Matthew. "Cruscoe tops out final building at OpenAI Stargate data center campus in Abilene, Texas." *Data Center Dynamics*, 17 November 2025,

<https://www.datacenterdynamics.com/en/news/cruscoe-tops-out-final-building-at-openai-stargate-data-center-campus-in-abilene-texas/>.

²⁵ Panangat, Aditya. "In Abilene, Stargate Project Puts AI Boom Ahead of Human Health." *The Texas Observer*, 15 July 2025, <https://www.texasobserver.org/abilene-texas-stargate-natural-gas-plant-harms/>.

- Two lawsuits have been filed to stop Project Jupiter, the proposed Stargate site in Doña Ana County, New Mexico,²⁶ where County Commissioners approved \$165 billion in Industrial Revenue Bonds plus Local Economic Development Act (LEDA) funds in two meetings spanning less than a month.²⁷ The lawsuits allege that Doña Ana County commissioners violated state law by approving a project with an incomplete application.

Millions Lost in Tax Revenue for States and Local Residents

- **Across the US, states are disproportionately giving away hundreds of millions in tax breaks to some of the richest companies in history.** Two of Stargate Project's key partners – OpenAI and Oracle – have a joint market cap valued over \$1 trillion USD, with privately held OpenAI with a valuation of \$500 billion²⁸ and publicly-traded Oracle at \$628 billion as of December 9, 2025.²⁹ And yet cities and states give these companies major tax breaks to entice data center construction, losing significant potential tax revenue from these companies.³⁰
- **Data center projects often qualify for local, state, and federal tax breaks that would lower or eliminate *all major taxes the developer or the owner should be paying*, including income, sales, and property taxes.** Three of the seven U.S. Stargate Project sites are proposed for **Texas**, which has the most expensive data center subsidy program in the country. Its Sales and Use Tax Exemption for Data Centers, which includes tax exemptions on electricity purchases, cost the state \$1 billion in 2025 alone.³¹ These exemptions can last for as long as 20 years.
- In New Mexico, local counties or municipalities can issue Industrial Revenue Bonds (IRBs) to provide tax abatements to corporations.³² The \$165 billion Industrial Revenue Bond³³ approved for Project Jupiter is more than the entire annual GDP of New Mexico, which was \$112.8 billion in 2024.³⁴ These actions led to two lawsuits being filed to stop Project Jupiter.³⁵
- **These millions lost in tax revenue could be allocated to desperately needed public services, such as education, public healthcare, schools, transportation, and other vital services that residents depend on.**

²⁶ Bowling, Joshua, et al. "Project Jupiter pits demand for data against New Mexico's finite natural resources • Source New Mexico." *Source NM*, 28 October 2025, <https://sourcenm.com/2025/10/28/project-jupiter-pits-demand-for-data-against-new-mexicos-finite-natural-resources/>.

²⁷ *Local Community Sues Dona Ana County To Stop Billions Of Tax Dollars Going To Open-Ai Data Center*. 23 October 2025, https://nmelc.org/wp-content/uploads/2025/09/PR-SP_ST-10-23-25.pdf#:~:text=the%20issuance%20of%20New%20Mexico%20Local%20Economic,to%20support%20the%20development%20of%20Project%20Jupiter.

²⁸ Ghaffary, Shirin. "OpenAI Completes Share Sale at Record \$500 Billion Valuation." *Bloomberg.com*, 2 October 2025, <https://www.bloomberg.com/news/articles/2025-10-02/openai-completes-share-sale-at-record-500-billion-valuation>.

²⁹ "ORCL Stock Quote Price and Forecast." CNN, <https://www.cnn.com/markets/stocks/ORCL>.

³⁰ 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>.

³¹ "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/>.

³² "An Industrial Revenue Bond Primer." *Rodey Law Firm*, 10 January 2018, https://www.rodey.com/wp-content/uploads/2022/05/IRB_Basics.pdf. Accessed 8 December 2025.

³³ *Local Community Sues Dona Ana County To Stop Billions Of Tax Dollars Going To Open-Ai Data Center*. 23 October 2025, https://nmelc.org/wp-content/uploads/2025/09/PR-SP_ST-10-23-25.pdf#:~:text=the%20issuance%20of%20New%20Mexico%20Local%20Economic,to%20support%20the%20development%20of%20Project%20Jupiter.

³⁴ *New Mexico Data Focus: Gross Domestic Product*. Data Focus, https://www.dws.state.nm.us/Portals/0/DM/LMI/Data_Focus_GDP_2025.pdf.

³⁵ Bowling, Joshua, et al. "Project Jupiter pits demand for data against New Mexico's finite natural resources • Source New Mexico." *Source NM*, 28 October 2025, <https://sourcenm.com/2025/10/28/project-jupiter-pits-demand-for-data-against-new-mexicos-finite-natural-resources/>.

Rising Electricity Costs and Risks of Blackouts

- **Data centers are massive energy guzzlers.** One data center campus with a peak demand of one gigawatt is equivalent to the annual consumption of 1.8 million people,³⁶ more than the city of San Antonio.³⁷ Each of the seven proposed Stargate Project sites is being constructed to consume at least 1GW of electricity, with a total project goal of 10GW.³⁸
- **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 Georgia³⁹ to Ohio,⁴⁰ the industry has fought against concrete obligations to ensure its costs aren't passed along to ratepayers. Meanwhile, energy costs have gone up for regular consumers,⁴¹ directly attributable to data centers and associated energy infrastructure.⁴²
- A recent analysis of electricity prices across the country found that **monthly electricity costs have gone up as much as 267% in the last five years in locations near substantial data center activity.**⁴³
- **Data centers could further destabilize the region's already troubled grids and increase the risk of blackouts and brownouts.** Two of the Stargate sites in the Southwest – Project Ludicrous in Abilene, Texas⁴⁴ and the SoftBank Group Corp Milam Data Center in Milam County, Texas⁴⁵ – will plug into ERCOT, Texas's public grid. ERCOT is independent of national grids and thus avoids federal oversight.
 - ERCOT predicts power demand will nearly double by 2030, due to requests from data centers, crypto mining facilities, hydrogen production plants, and oil and gas companies.⁴⁶ According to ERCOT's January 2025 Monthly Outlook for Resource Adequacy (MORA), there's an 80% risk of rolling blackouts if a storm similar to the 2021 winter blackout storm hits Texas.⁴⁷ Even a milder storm—equivalent to a winter storm that blew through Texas in 2022—could cause a 50% risk of blackouts.⁴⁸
 - Texas's electric grid is demonstrably unreliable, and has not been sufficiently upgraded since the 2021 winter blackout that caused 243 directly preventable deaths and up to 700 indirect deaths.⁴⁹

³⁶ Spencer Kimball, "Data Centers Powering Artificial Intelligence Could Use More Electricity than Entire Cities," CNBC, 23 November 2024, <https://www.cnbc.com/2024/11/23/data-centers-powering-ai-could-use-more-electricity-than-entire-cities.html>.

³⁷ "Texas Cities by Population 2025." *World Population Review*, <https://worldpopulationreview.com/us-cities/texas>.

³⁸ "OpenAI, Oracle, and SoftBank expand Stargate with five new AI data center sites." *OpenAI*, 23 September 2025, <https://openai.com/index/five-new-stargate-sites/>.

³⁹ 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>.

⁴⁰ 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>.

⁴¹ 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/>.

⁴² 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>.

⁴³ Saul, Josh, et al. "AI Data Centers Are Sending Power Bills Soaring." *Bloomberg*, 29 September 2025, <https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/?embedded-checkout=true&leadSource=uverify%20wall>.

⁴⁴ "An inside look at the Abilene AI data center." *Crusoe*, 5 August 2025, <https://www.crusoe.ai/resources/blog/an-inside-look-at-the-abilene-ai-data-center>.

⁴⁵ "SoftBank Group Corp: Milam Data Center." *Datacenters.com*, <https://www.datacenters.com/softbank-group-corp-milam-data-center>.

⁴⁶ Foxhall, Emily, and Kayla Guo. "Texas electricity demand could nearly double in six years, grid operator predicts." *The Texas Tribune*, 20 June 2024, <https://www.texastribune.org/2024/06/20/texas-electricity-demand-forecast-ercot/>.

⁴⁷ Nelson, Jennifer. "How the Texas Power Grid Works and Why It Failed." *Investopedia*, 7 February 2025, <https://www.investopedia.com/texas-power-grid-5207850>.

⁴⁸ Nelson, Jennifer. "How the Texas Power Grid Works and Why It Failed." *Investopedia*, 7 February 2025, <https://www.investopedia.com/texas-power-grid-5207850>.

⁴⁹ 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*.

Between 2000 and 2023, Texas had 210 weather-related power outages, the highest number of any US state.⁵⁰

- **Power outages threaten the safety of residents who cannot access air conditioning during heatwaves, utilize medical devices, or risk carbon monoxide poisoning due to the improper use of generators.**

Immense Strain on an Already-Strapped, Drought-Prone Area

- **Data centers are using up precious water resources across the US.** An investigation⁵¹ found that some of the largest data center facilities were permitted to use more water a day than you might expect nearly 49,000 Americans to use. The current rate of AI growth in the U.S. would drain 731 to 1,125 million cubic meters of water every year, or as much as 6 to 10 million Americans' annual average household water usage.⁵²
- Since energy is more expensive than water, data centers are being built in areas with cheap and abundant energy sources.⁵³ Two-thirds of new data centers built since 2022 have been placed in water-stressed regions, places where people are already struggling to access clean water.⁵⁴
- Researchers found the Southwest U.S. – including Arizona, New Mexico, and parts of Nevada, Colorado, Utah, and California – has lost massive amounts of groundwater, pushing the region into what researchers call a “mega-drying” state.⁵⁵ Without concerted conservation efforts and changes in groundwater policy, Southwestern farmers will struggle to produce food in the years ahead.⁵⁶
- **Companies that operate data centers aren't always required to report the amount of water they withdraw.** Texas does not yet require most data centers to report their water usage.⁵⁷ A journalist covering Microsoft's data center in Goodyear, Arizona found that its water use records were considered proprietary.⁵⁸
- In recent years, Google faced criticism for its plans to build a massive data center in Mesa, Arizona, after it was revealed that the company would pay a lower water rate than most residents.⁵⁹ The deal, negotiated with the city, allowed Google to pay \$6.08 per 1,000 gallons of water, while residents paid \$10.80 per 1,000 gallons.⁶⁰

⁵⁰ Sanchez, Christine. “Texas tops list of states with the most weather-related power outages.” *Spectrum New 1*, 29 July 2024,

<https://spectrumlocalnews.com/tx/south-texas-el-paso/news/2024/07/29/texas-tops-list-of-states-with-the-most-weather-related-power-outages>.

⁵¹ Beckler, Hannah, and Hannah Beckler's. “How Business Insider Investigated the True Cost of Data Centers.” *Business Insider*, 17 June 2025, <https://www.businessinsider.com/how-calculate-data-center-cost-environmental-impact-methodology-2025-6>.

⁵² “Environmental impact and net-zero pathways for sustainable artificial intelligence servers in the USA.” *Nature Sustainability*, 10 November 2025.

⁵³ Solon, Olivia. “Drought-stricken communities push back against data centers.” *NBC News*, 19 June 2021,

<https://www.nbcnews.com/tech/internet/drought-stricken-communities-push-back-against-data-centers-n1271344>.

⁵⁴ Buhayar, Noah, and Coulter Jones. “How AI Demand Is Draining Local Water Supplies.” *Bloomberg.com*, 8 May 2025, <https://www.bloomberg.com/graphics/2025-ai-impacts-data-centers-water-data/>.

⁵⁵ “Unprecedented continental drying, shrinking freshwater availability, and increasing land contributions to sea level rise.” *Science Advances*, vol. 11, no. 30, 2025, https://www.science.org/doi/10.1126/sciadv.adx0298?utm_source=substack&utm_medium=email#

⁵⁶ Roedel, Kaleb. “The Southwest is rapidly losing groundwater due to overpumping and climate change, study finds.” *KUNR*, 7 August 2025, <https://www.kunr.org/local-stories/2025-08-07/the-southwest-is-rapidly-losing-groundwater-due-to-overpumping-and-climate-change-study-finds>

⁵⁷ Lozano Carver, Jayme. “Texas’ Thirst for Rural Data Centers Collides With Water Scarcity.” *Governing*, 3 October 2025, <https://www.governing.com/infrastructure/texas-thirst-for-rural-data-centers-collides-with-water-scarcity>.

⁵⁸ Hao, Karen. “AI Is Taking Water From the Desert.” *The Atlantic*, 1 March 2024,

https://www.theatlantic.com/technology/archive/2024/03/ai-water-climate-microsoft/677602/?gift=iWa_iB9lkW4UuiWbIbrWGSgF7Etgr_BhmgDCCZVB-xA&utm_source=copy-link&utm_medium=social&utm_campaign=share.

⁵⁹ Sattiraju, Nikitha. “How Much Water Do Google Data Centers Use? Billions of Gallons.” *Bloomberg.com*, 1 April 2020,

https://www.bloomberg.com/news/features/2020-04-01/how-much-water-do-google-data-centers-use-billions-of-gallons?sref=7mwUMHq1&lead_source=uverify%20wall.

⁶⁰ “Data centers draining resources in water-stressed communities.” *The University of Tulsa*, 19 July 2024, <https://utulsa.edu/news/data-centers-draining-resources-in-water-stressed-communities/>.

- In San Antonio, Texas, where two data centers have used 463 million gallons of water over the past two years, residents are being asked to ration water amid a statewide drought, yet the nearby data centers face no such restrictions.⁶¹

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

- The massive energy needed to power AI data centers is forcing the postponement of coal plant closings,⁶² drilling of new gas wells,⁶³ and investments in nuclear energy.⁶⁴ A report states that the current rate of AI growth in the U.S. would add 24 to 44 million metric tons of carbon dioxide by 2030, the equivalent of adding 5 to 10 million cars to our nation's roads.⁶⁵
- Despite federal and state-level support for generating energy sources at any cost, many tech corporations are still pushing for even faster access to power, assembling microgrids or behind-the-meter energy configurations to bring their data centers online. Several of the proposed Southwest Stargate sites will power their data center campuses with microgrids comprised of gas turbines, **which are known to emit harmful nitrogen oxides (NOx), greenhouse gases (GHGs), and hazardous air pollutants**.⁶⁶
 - At the Frontier Campus in Shackelford County, Texas, public documents filed with the Texas Commission on Environmental Quality show that energy partner Voltagrid has been **approved to operate a whopping 210 industrial gas generators**.⁶⁷ For comparison, Elon Musk's xAI Colossus data center in Memphis, Tennessee, has been operating 35 gas turbines illegally, which have increased peak nitrogen dioxide concentration by 79% in areas immediately surrounding the data center after xAI began operations.⁶⁸
 - Project Ludicrous, which has begun partial operation in Abilene, Texas, has purchased 29 gas turbines, although as of July 2025, it appears there are only permits for 10.⁶⁹ It's unclear who is monitoring the operation and health impacts of these gas turbines on neighboring communities.
 - In New Mexico, where OpenAI and its Stargate partners are seeking to build Project Jupiter in Doña Ana County, the New Mexico Legislature passed House Bill 93 in 2025,⁷⁰ which allows microgrid operators to skirt the state's Energy Transition Act. By omitting the Energy Transition Act's requirement to be 50% renewable by 2030 and 80% renewable by 2040, critics argue that

⁶¹ Burman, Theo. "Texas Data Centers Use 50 Billion Gallons of Water as State Faces Drought." *Newsweek*, 1 August 2025, <https://www.newsweek.com/texas-data-center-water-artificial-intelligence-2107500>.

⁶² Proctor, Darrell. "Power Demand from Data Centers Keeping Coal-Fired Plants Online." *POWER Magazine*, 16 October 2024, <https://www.powermag.com/power-demand-from-data-centers-keeping-coal-fired-plants-online/>.

⁶³ "Data Centers: More Gas Will Be Needed To Feed U.S. Growth." *S&P Global*, 22 October 2024, <https://www.spglobal.com/ratings/en/regulatory/article/241022-data-centers-more-gas-will-be-needed-to-feed-u-s-growth-s13290987>.

⁶⁴ "Trump sets out aim to quadruple US nuclear capacity." *World Nuclear News*, 24 May 2025, <https://www.world-nuclear-news.org/articles/trump-sets-out-aim-to-quadruple-us-nuclear-capacity>.

⁶⁵ "Environmental impact and net-zero pathways for sustainable artificial intelligence servers in the USA." *Nature Sustainability*, 10 November 2025.

⁶⁶ Environmental Defense Fund, <https://turbineadef.org/>.

⁶⁷ Thomas, Ellen. "OpenAI Building Natural Gas Microgrid at New Texas Data Center." *Business Insider*, 23 October 2025, <https://www.businessinsider.com/openai-building-natural-gas-microgrid-at-new-texas-data-center-2025-10>.

⁶⁸ Chow, Andrew R. "Inside Memphis' Battle Against Elon Musk's xAI Data Center | TIME." *Time Magazine*, 13 August 2025, <https://time.com/7308925/elon-musk-memphis-ai-data-center/>.

⁶⁹ Morales, Jowi. "OpenAI follows Elon Musk's lead — gas turbines to be deployed at its first Stargate site for additional power." *Tom's Hardware*, 25 July 2025, <https://www.tomshardware.com/tech-industry/artificial-intelligence/openai-follows-elon-musk-s-lead-gas-turbines-to-be-deployed-at-its-first-stargate-site-for-additional-power>.

⁷⁰ *House Bill 93*. 57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025, https://www.nmlegis.gov/Sessions/25%20Regular/Amendments_In_Context/HB0093.pdf.

the law does nothing to prevent Project Jupiter from polluting for 20 years and then leaving town in 2045 once the clean-energy requirements take effect.⁷¹

- Data centers also contaminate freshwater sources by leaking into local water wells,⁷² releasing highly concentrated chemicals through their closed-loop cooling systems,⁷³ and through energy-seeking projects such as large-scale buildouts of gas pipelines and fracking.⁷⁴

About Us: This factsheet was compiled by MediaJustice based on years of documentation, research, and analysis of data center development across the United States.

⁷¹ Bowling, Joshua, et al. "Project Jupiter pits demand for data against New Mexico's finite natural resources • Source New Mexico." *Source NM*, 28 October 2025, <https://sourcenm.com/2025/10/28/project-jupiter-pits-demand-for-data-against-new-mexicos-finite-natural-resources/>.

⁷² Tan, Eli, and Dustin Chambers. "Meta Built a Data Center Next Door. The Neighbors' Water Taps Went Dry." *The New York Times*, 16 July 2025, <https://www.nytimes.com/2025/07/14/technology/meta-data-center-water.html?smid=nytcare-ios-share&referringSource=articleShare>.

⁷³ Hegde, Ganesh. "Closed-Loop Cooling: Water Saver or Chemical Time Bomb?" 11 June 2025, <https://ketos.co/closed-loop-cooling-water-saver-or-chemical-time-bomb>.

⁷⁴ "Methane gas is bad for the South." *Southern Environmental Law Center*, <https://www.selc.org/topic/methane-gas-threatens-southern-people-and-places/>.