Hidden Costs of Data Centers In North Carolina

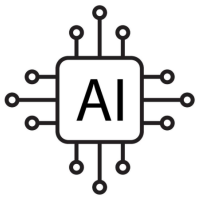
What Do Data Centers Really Do?

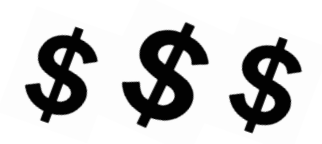
- Consume massive electricity & drive new gas, coal & nuclear projects
- Use millions of gallons of freshwater daily: worsen drought
- Produce toxic air pollution & constant noise
- Create very few permanent jobs
- Trigger higher utility bills for everyone
- Reinforce surveillance, policing & military violence through AI
- Drain public budgets through huge tax giveaways

The U.S. South is now the epicenter of data center development, with $200 billion in projects underway. More than 230 U.S. data centers are located in communities already overburdened by pollution. Low-income Black communities face the greatest pollution exposure, while Black workers hold jobs most threatened by AI automation—risking a future $43 billion annual widening of the racial wealth gap.

What is a Data Center? A data center is a massive warehouse of networked computers that powers AI, cloud services, & digital tools, predominately for Big Oil, Big Tech, & the military. They consume enormous amounts of electricity, water, & land. Big Tech companies—Amazon, Microsoft, Google, Meta—dominate the industry, using data centers to fuel highly resource-intensive AI systems.

Artificial Intelligence (AI) & Repression: Machine surveillance is being super-charged by large AI models. Big Tech provides the cloud & algorithms ICE uses to target, detain, kidnap, & deport people. Data centers & AI have already become one backbone of military violence.





Economic Equity: The AI boom could represent the 'most efficient upward redistribution of wealth' in modern history & AI infrastructure is competing directly with housing for capital. Data centers & AI, rather than deliver efficiency, productivity, & progress, deliver higher bills, frozen markets, & hidden costs.

In NC (to date): In Edgecombe County, Energy Storage Solutions is proposing a $6 billion, 300 mega-watt data center in Kingsboro. A twin project is also planned for Fayetteville. In Richmond County, Amazon is planning a $10-$13 billion, 800-acre 'computing campus,' threatening to worsen water issues. West of Charlotte, a 'data center corridor' is underway: Apple's Catawba County site is part of its $500 billion U.S. expansion strategy, Microsoft is preparing four new facilities in the area, & Google is planning an expansion of its Caldwell County operations. Due to community opposition, Tarboro voted to reject a $6.4 billion, 100 MW facility. In Apex, opposition is mounting to a proposed "digital campus" on 190 acres of farmland. Chatham & Gates County, & the Town of Canton, have passed 1 year moratoriums on data centers.

North Carolina ENVIRONMENTAL JUSTICE NETWORK

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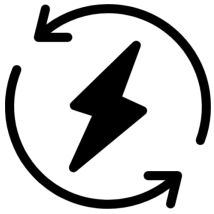
Energy: Data centers already consume 8.9% of U.S. electricity, projected to reach 12% by 2028, more than half from fossil fuels. National electricity bills could rise 8%—& up to 25% in some regions—by 2030. New gas pipelines, nuclear reactors, & coal infrastructure are spreading across the South to meet data center demand. Duke Energy predicts data center growth equivalent to powering 4–6 nuclear plants, & is recently seeking rate hikes for consumers while boosting shareholder profits. Data centers account for about 80% of Duke Energy's projected energy demand!



Water: Data centers require fresh drinking water—other sources corrode equipment or breed bacteria—& the water cannot be recycled. Many centers are permitted to use several million gallons per day—more water than 49,000 Americans typically use. Only 50% of operators track their water use at all. 40% of data centers have been sited in areas of high or extremely high water stress. 97 of NC's 100 counties are experiencing drought conditions; & Edgecombe County is one of 72 counties in severe drought. Data Centers also contribute to PFAS pollution directly & indirectly through their use of PFAS gas (F-gas) in the cooling section.

Noise: Cooling systems run 24/7, generating 85–95 dBA, well above World Health Organization safety guidelines. Continuous exposure including to infrasound (below 20 Hz) can cause stress, anxiety, sleep loss, heart risks, & hearing damage.

Air Quality: Facilities rely on diesel or natural-gas backup generators that emit hazardous pollutants linked to asthma, cancer, heart attacks, & cognitive decline. Data center emissions could trigger nearly 20,000 asthma symptom cases annually.

Cumulative Health impacts: By 2030, pollution from data centers could cause 600,000 additional asthma cases & 1,300 premature deaths annually in the U.S. Annual public health costs from data-center-related energy use could reach $5.7B–$9.2B. Low-income Black communities bear the brunt of this burden.

Jobs: Data centers create very few permanent positions; most are temporary construction jobs. They produce 100x fewer jobs per unit of energy than other industries. Every $1.95 million in subsidies yields one permanent job.

Cost to the county & the state: NC grants major sales-tax exemptions to data centers—diverting revenue away from communities & public schools. Public schools are funded primarily from state sales tax & local property taxes! 36 states offer these exemptions - NC included; 10 states lose over $100M annually. NC does not disclose the full cost of its subsidy program. No other form of state spending is so out of control. Because data centers replace equipment every 2–5 years, sales-tax exemptions become an enormous, recurring corporate giveaway.

Google's data center in Lenoir paid only $5 million in county taxes over 10 years but received $73 million back in tax rebates—14 times what the county received. The city also abated $51 million in property taxes over eight years.

124 grassroots groups across 24 states blocked or delayed $64 billion in data center projects between May 2024 & March 2025.

Local Policy Tools that have been used nationwide include:

- Update zoning ordinances to restrict siting
- Regulate noise, water, & energy use
- Require transparency, full public notice, & open hearings
- Ban non-disclosure agreements between local governments & developers
- Require developers to pay all infrastructure costs
- Restrict diesel backup generators
- Repeal or limit tax incentives
- Establish local labor protection

How Do We Protect Our Communities?