INTELLIGENCE UPDATE

Data center cancellations on the rise as public opposition grows

Max Smolaks 26 Feb 2026

Public opinion is turning against data centers, and a growing list of canceled projects suggests campaigners are making headway with political decision-makers.

Sustainability publication Heatmap reported that two US data center projects were canceled due to local opposition in 2023; six in 2024; and 25 in 2025. So far, Uptime Intelligence has identified four projects that have been canceled in 2026, with another four unlikely to go ahead — in each case, public opposition has played a key role. Taken together, these numbers suggest that 2026 could set another record for project cancellations.

This trend validates the prediction made by Uptime Intelligence in late 2024, which warned that data center developments would likely face greater levels of opposition from local communities as they consume ever more energy and water, while also emitting more carbon (see *Data center resource use will raise deep questions — and opposition*).

We also observed that national and federal governments are increasingly at odds with local authorities. National strategies almost universally encourage greater investment in digital infrastructure, placing pressure on local government officials who also need to pay close attention to constituents who object to the local impact of new projects.

Long-standing complaints against data centers include noise and air pollution, high demands for power, land and water, reliance on tax breaks, and limited support for local jobs. These bugbears have now been joined by another major concern: the negative effect on consumer electricity prices. A recent poll of US voters by Politico found that support for a new local data center would halve if it added $10 to monthly energy bills.

Table 1 shows US data center projects that have been canceled, or are at high risk of cancellation, due to public protest in 2026. Such cancellations typically occur in the very early stages of development, primarily during land acquisition, zoning and planning decisions. In the cases described below, no investment in physical infrastructure has been made.

Table 1 US projects canceled or at risk in the first six weeks of 2026

Developer/operator	Location	Size	Status
Cloverleaf Infrastructure	Greenleaf, Brown County, Wisconsin	500 acres	Canceled
QTS	Village of DeForest, Madison, Wisconsin	650 acres	Canceled
HMC Capital	Monterey, California	15.8 acres	At risk
MS Solar Grid Data	Little Woods, New Orleans, Louisiana	-	Canceled
Crow Holdings Industrial	Fayetteville, Georgia	-	At risk
Corvus Investment Group	Fayetteville, Georgia	240 acres	Canceled
Pacifico Energy	Muhlenberg Township, Circleville, Ohio	-	At risk
Highlander SM One	San Marcos, Texas	200 acres	At risk

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The following is a short summary of what happened to developments in each state:

Wisconsin

In January, Cloverleaf abandoned plans to develop a data center in Greenleaf after residents and local officials declared their opposition. A few weeks later, QTS canceled a planned data center in Village of DeForest following protests — first from the local community, then the local government.

California

In early February, the Monterey Park City Council unanimously approved a 45-day moratorium on data center development while it explores options for a permanent ban. The move would prevent construction of a hyperscale data center proposed by HMC Capital. Opposition to the project began with five local residents and grew to attract thousands of supporters.

Louisiana

The New Orleans City Council passed a one-year moratorium on new data center development and is evaluating a permanent ban after local residents raised concerns about a proposed "solar-powered AI data center."

Georgia

In Fayetteville, the Planning and Zoning Commission denied two proposed data centers in a single session. Local residents cited "enormous public resentment toward Fayetteville's existing data center" as one of the reasons for opposition.

Ohio

The township of Muhlenberg introduced a 12-month moratorium on planning applications for new data centers after residents voiced concerns about an off-grid campus proposed by Pacifico Energy. The ultimate decision will depend on statewide data center legislation currently debated

by Ohio lawmakers.

Texas

San Marcos city council rejected the proposal for a $1.5 billion data center campus for the second time, even after the Planning and Zoning Commission recommended approval. Hundreds of residents campaigned against the project; an online petition opposing data centers in the area over their water consumption gathered 4,000 signatures.

Consequences of a bad reputation

Local residents' objections are often prompted by the extreme requirements of facilities built for AI training workloads, but opposition is typically directed at all types of data center projects. Campaigners against data centers rarely distinguish between different facility types or take into account rack densities, total power consumption or choice of cooling equipment. As a result, smaller facilities designed for enterprise IT frequently face the same resistance as dense hyperscale sites.

The increasingly negative image of data centers will complicate relationships with local communities and continue to derail projects. In 2024, Uptime Intelligence noted that developers would face growing pressure to provide timely, detailed information about the impact of their facilities and to actively engage with local sustainability and social initiatives. Some organizations have started to move in this direction; in January, Microsoft announced a new community engagement plan aimed at addressing major concerns surrounding new data center campuses (see *Microsoft's Community-First Plan needs more work*). However, much more work — and investment — will be needed to convince communities of the benefits of data center projects and to counter some of the unfair criticism.

To address perceptions of negative impact, some industry practices may need to be abandoned. Large data center developers often hold secret negotiations with local councils and planning authorities before publicly announcing projects — an approach that has attracted intense criticism from campaigners.

A future Uptime Intelligence report will address common objections to new data center construction in more detail, along with arguments that can be used to counter them.

ABOUT THE AUTHOR

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About Uptime Institute

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Offerings include the organization's Tier Standard and Certifications, Management & Operations reviews and assessments including SCIRA-FSI financial sector risk assessment, the Sustainability Assessment, and a broad range of additional risk management, performance, availability, and related offerings. Uptime Education training programs have been successfully completed by over 100,000 data center professionals, such as the much-valued ATD (Accredited Tier Designer) and AOS (Accredited Operations Specialist). The Uptime Education curriculum has been expanded by the acquisition of CNet Training Ltd. In 2023.

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