

**INTELLIGENCE UPDATE**

# Project approval will hinge on local benefit guarantees



Rose Weinschenk 16 Mar 2026

In January 2026, more than 230 US-based advocacy groups signed a letter urging the US Congress to impose a complete moratorium on data center construction, pending tight regulations. This coordinated effort bears little resemblance to the data center resistance of the past. Opposition to data centers is scaling from local disputes into a national movement and has little interest in negotiation.

As this public opposition to data center development intensifies, many data center companies are investing in trust-focused rebranding— but these media campaigns will not be enough to sway public opinion.

Until recently, discussions about data centers mostly took place in town hall meetings and other community forums, focusing on specific local issues such as zoning and historic site use. The public objected to particular impacts — such as noise pollution — rather than to the project as a whole.

In 2024, national organizations joined the opposition, led by Food & Water Watch, a Washington-based donor-funded NGO with an annual revenue of \$20 million. Its "Stop Data Centers Now" campaign portrays data centers as a standalone policy issue, and aims to mobilize public pressure against data center construction at local, state and federal levels.

With more organized support, the public may be less willing to negotiate over issues such as data center noise and energy use if they believe projects can be halted entirely. The first 6 weeks of 2026 saw at least four projects cancelled in the face of local opposition (see [Data center cancellations on the rise as public opposition grows](#)).

In a webinar to launch its campaign, Food & Water Watch claimed these victories were made possible by its ability to disseminate facts and figures on the harm caused by data centers.

This poses a challenge for developers aiming to address concerns through community engagement. Their ad campaigns may rely on issues already weaponized by opponents. For example, job creation has become a contentious topic, and campaigns that promise jobs may be met with skepticism.

Microsoft's Community-First AI Infrastructure Plan may serve as a litmus test for public trust in hyperscaler claims (see [Microsoft's Community-First Plan needs more work](#)). Microsoft commits to ensuring all future projects will adhere to specific harm-reduction practices, including paying the full cost of additional grid infrastructure, limiting water consumption and investing in the local community.

Although this focus on local issues with measurable goals is a positive step, the plan remains effectively nonbinding. The public statement is not a legal contract, and Microsoft may not actually have the authority to unilaterally dictate how grid upgrade costs are shared. Similar strategies that lack enforceable accountability have already failed at the community level.

Distrustful residents want more accountability from operators. More communities now demand binding contracts to back company claims about power and water consumption. Increasingly, projects need community benefits agreements (CBAs) that guarantee outcomes in writing.

With CBAs gaining popularity, attempts to engage communities without a legal contract are already leading to data center project cancellations. Recently, a data center company promised a "water-positive" project in Tucson (Arizona, US), but did not specify water-use caps or provide an enforceable guarantee that it would replenish the water supply. Tucson City Council shut down the project and unanimously passed an ordinance stating that all large water users must provide full transparency to the city.

More states are pushing legislation that requires CBAs, and this trend is likely to continue. Any discrepancy between operators' advertised claims and the benefits they deliver could exacerbate tensions and even lead to project cancellations.

Rather than wait for the public to identify gaps between promises and deliverables, owners and operators can take the following measures:

- Replace voluntary corporate promises with legally binding contracts whenever possible.
- Follow the CBA structures set out by the World Resources Institute and other organizational experts.
- Ensure advertisements are fact-based rather than sentiment driven.
- Become familiar with anti-data center campaigns to ensure that outreach attempts are relevant to the opposition's demands.

# ABOUT THE AUTHOR

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