New Mexico Needs a Data Center Moratorium Now

As an artificial intelligence (AI) frenzy sweeps the nation, New Mexico faces an influx of data center proposals and developments to the detriment of the state's environment and its people. Big Tech behemoths like Oracle, Meta, and OpenAI are already circling land throughout the state, eyeing thousands of acres to build data centers on. Developers see New Mexico's rural landscapes as the perfect place to exploit for data center use, given the state's low population density and wide-open spaces.[1] But for people living in those areas, the data center proposals threaten local air quality, water supply, and farming livelihoods, compounding harms that communities are already facing. New Mexico must urgently pass a data center moratorium to prevent further harm to the state's people and resources.

Air Pollution and Emissions Abound

Data centers—especially hyperscalers, the largest facilities—consume a mind-boggling amount of energy, and with it comes pollution and emissions. In the United States alone, annual data center energy demand could hit 580 terawatt-hours in 2028—12% of national demand and equivalent to the energy used by over 55 million average US households.[2] Just one hyperscale data center built for AI can consume as much energy as 100,000 average households, and the largest can use the energy equivalent of two million households.[3] These enormous energy needs foster a partnership between Big Tech and Big Oil, as data centers are largely fueled by dirty energy sources. In the US, over 40% of energy for data centers comes from natural gas, and 15% comes from coal.[4]

Proposals exacerbate local air pollution

The proposals in New Mexico are no exception, despite greenwashing claims. Project Jupiter—Oracle and OpenAI's $165 billion proposal in Doña Ana County—plans to build a microgrid that will use natural gas to solely power the data center, relying on an 18-mile pipeline to supply 400 million cubic feet of gas every day to the facility.[5] The data center could use up to 2.45 gigawatts of energy, enough electricity to power over 2.6 million US homes.[6]

Oracle touts this as a cleaner option than its previous plans of using gas turbines, but the air quality permit notice still estimates that the project would release a staggering 10 million tons of greenhouse gas emissions every single year—equivalent to over two million cars driven for a year. The company estimates the release of an additional 150 tons of combined particulate matter ($PM_{2.5}$ and PM_{10}), 37 tons of nitrogen oxides (NO_x), 161 tons of carbon monoxide, and 124 tons of volatile organic compounds.[7] The plan is also untested at this scale, as the company behind the microgrid has never fulfilled this capacity before—in fact, this is more energy than the company has installed globally.[8]

info@fwwatch.org
202.683.2500 (DC)
510.922.0720 (CA)
foodandwaterwatch.org

JULY 2026

To the south, just across the Texas border near the city of El Paso, Meta's proposed $10 billion data center expansion requires so much power that El Paso Electric is requesting to build a new natural gas power plant for electricity, housing 813 gas-fired generators. This is a massive change from the utility's original claims, which indicated that the Meta expansion project would rely on solar or other renewable energy.[9] Once built, the plant will emit an estimated 2,700 tons of carbon monoxide, 117 tons of NO_x, and 42 tons of PM.[10]

These emissions are extremely dangerous for people living nearby: NO_x, carbon monoxide, and PM all contribute to smog and exacerbate childhood asthma cases and elderly cognitive decline.[11] The emissions may also exacerbate existing health problems, as the El Paso–Las Cruces area is one of the most ozone-polluted cities in the country, and PM pollution far exceeds standards set by the US Environmental Protection Agency. The area has already registered tens of thousands of asthma diagnoses and other lung-related health cases.[12] Adding even more pollution will only cause further suffering.

Higher bills, less climate action

Because Meta's data center expansion will connect to the existing power grid, El Paso Electric plans to pass on costs to ratepayers. In a recent filing, the utility claimed that, following a "bridge period" of one to five years, the utility will incorporate costs into local rates.[13] The proposed gas-fired power plant costs $500 million, more than twice the amount spent to build El Paso Electric's newest plant, and would be built by a company preferred by Meta, rather than meticulously selected by the utility. As a consequence, the average cost of electricity from the proposed plant is far above averages at the other plants used by El Paso Electric.[14] The evidence is clear: data center development will only burden communities with more pollution and higher electric bills.

Just as bad, Project Jupiter's microgrid plan may be exempt from New Mexico's Energy Transition Act, which mandates that utilities shift to zero-carbon electricity by 2045 and meet benchmarks along the way. Just before the end of New Mexico's 2025 legislative session, an amendment was slipped into a bill that exempts microgrids from these benchmarks until 2045, meaning that they may be able to freely pollute for almost 20 more years as long as they do not sell power elsewhere.[15] A number of other proposed data centers in New Mexico plan to use microgrids, potentially enough to double the state's electricity usage.[16] Should these go ahead, the Energy Transition Act would be rendered effectively toothless, placing New Mexico's clean energy goals in serious jeopardy.

Water Supply Threatened

Water is another resource under threat from the data center boom, and New Mexico cannot afford to give away another drop to yet another extractive industry. As of June 2026, a staggering 94% of the state is under drought conditions, and the state predicts having 25% less water over the next 50 years, resulting in an annual shortage of 244 billion gallons.[17] Surface waters like the Colorado and Rio Grande rivers are drying up,[18] while groundwater reservoirs such as the Ogallala Basin are over pumped and declining.[19] Simultaneously, New Mexico is experiencing record-low snowpack in 2026, further threatening rivers and water supply.[20] Data centers are poised to exacerbate these colliding crises.

By 2028, US data centers could use as many as 720 billion gallons of water annually just to cool servers, enough water to meet the needs of 18.5 million households.[21] Data centers need clean, treated water to avoid mineral blockages and bacterial growth in pipes—and can only reuse water a handful of times for the same reasons.[22] But this is just a drop in the bucket compared to the water needed to supply the electricity powering data centers, which makes up an estimated 71% of the water footprint.[23] Cooling processes used in natural gas and nuclear power generation consume enormous amounts of water—600 and 2,000 times as much water per unit of energy produced, respectively, compared to wind power generation.[24]

Water uncertainty

Meta's water supply agreement allows the company to use as much as 1.5 million gallons every day, or over 545 million gallons every year. While El Paso Water claims that it has enough water to supply this, the utility is simultaneously undertaking a number of schemes, like desalination and wastewater reuse, in an attempt to replenish the water supply.[25] As for Project Jupiter, as of May 2026, it is unclear how much water its new microgrid plans will utilize. The project will purchase water from an existing water rights holder, which is allowed up to 2.2 million gallons of water per day. Project Jupiter is able to use as much of this as it wants, because despite originally stating that the project would not use more than 20,000 gallons a day, closed-door negotiations resulted in a deal specifying that this restriction applies only to *potable* water.[26] But it all comes from the same water table in the end.[27]

Residents worry about potential water quality concerns from these data centers,[28] and rightfully so. Near Project Jupiter, residents are traumatized from mismanagement by the local utility, which for years supplied customers with arsenic-filled water and bypassed treatment plants. Residents complained about the taste, smell, and color of the water, but no action was taken until sludge started pouring out of taps.[29] Now, shortly after a settlement with the state over this,[30] comes Project Jupiter. In other parts of the US, people's taps have run dry, and wells have been damaged or contaminated with nitrates and heavy metals, following data center construction.[31]

Conclusion

If statewide restrictions are not put in place, New Mexico is on the way to becoming a new hotspot for data center development, particularly in agricultural regions. Developers are increasingly looking to rural, unincorporated land as a way to circumvent regulations and opposition to data centers, offering astronomical prices far above the land's value on paper.[32] This trend presents unique challenges for local farming communities, because once agricultural land is converted for industrial use, it rarely returns to productive farmland. Overzealous offers raise property values, outpricing new farmers trying to get into the industry and existing farmers trying to pay taxes or lease land.[33]

This deepens New Mexico's farm crisis: in 2022, the number of family-scale dairies was down by 44% compared with 2017.[34] Those that remain may face adverse impacts to their production, whether it be livestock or crops. Data centers produce noise pollution that can negatively impact dairy cows' milk production and bulls' fertility rates.[35] The facilities also raise the land surface temperatures surrounding them—creating a "data heat island effect"—and may adversely impact yields for crops like corn and chili peppers.[36]

For a state already bleeding small farms and experiencing water and climate emergencies, data centers will only amplify the problems. Project Jupiter and Meta's data center expansion are some of the furthest along, but other proposals are being planned for the state.[37] One of these, from New Era Energy, is helmed by an oil executive currently being sued by New Mexico for allegedly being part of scheming to offload onto taxpayers the cleanup costs for hundreds of fossil fuel wells.[38] Such operators cannot be trusted to protect the state's resources. The legislature must take this emerging threat to New Mexico seriously, and New Mexico must issue a moratorium on data centers in the state.

Endnotes

1 Lela Nargi, "This Land Is Their Land," *Offrange*, January 3, 2026.

2 Arman Shehabi et al., *2024 United States Data Center Energy Usage Report*, LBNL-2001637 (Lawrence Berkeley National Laboratory, 2024), 52–53; "Electricity Consumption in US Homes Varies by Region and Type of Home," US Energy Information Administration (EIA), updated December 18, 2023, https://www.eia.gov/energyexplained/use-of-energy/electricity-use-in-homes.php.

3 *Energy and AI* (International Energy Agency, 2025), 13.

4 David Gelles, "A.I.'s Insatiable Appetite for Energy," *New York Times*, July 11, 2024; Jennifer Hiller and Amrith Ramkumar, "Big Tech Is Rushing to Find Clean Power to Fuel AI's Insatiable Appetite," *Wall Street Journal*, September 24, 2024; *Energy and AI,* 87.

5 Danielle Prokop, "BLM Fast-Tracks 'Green Chile' Pipeline Construction Review for NM Data Center Project Jupiter," *Source NM*, May 7, 2026; Joshua Bowling, "NM Project Jupiter Data Center Developers Announce New Plans for Generating Power," *Source NM*, April 27, 2026.

6 "Oracle, BorderPlex, and Bloom Energy to Power Project Jupiter with Cleaner, Water-Efficient Fuel Cell Technology," news release, April 27, 2026; "Annual Household Site Fuel Consumption in United States Homes by State—Totals and Averages, 2020," US EIA, https://www.eia.gov/consumption/residential/data/2020/state/pdf/ce2.1.st.pdf.

7 Ellen Thomas, "Local Data Center Opposition Claims Its Latest Victim: Oracle's Project Jupiter Gas Plant," *Business Insider*, May 7, 2026; "Oracle, BorderPlex, and Bloom Energy"; Notice of Air Quality Permit Application, New Mexico Environmental Department, submitted April 27, 2026, https://www.lcsun-news.com/public-notices/notice/2026-04-26/notice-of-air-quality-permit-application-2026-04-26-las-cruces-sun-news-new-mexico-19dc96f82e4; "Greenhouse Gas Equivalencies Calculator," US Environmental Protection Agency, https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator.

8 Thomas, "Local Data Center Opposition"; Brian Martucci, "Bloom Energy Says It's on Track for 2 GW Annual Production Capacity," *UtilityDive*, October 30, 2025.

9 Diego Mendoza-Moyers, "El Paso Electric Filings Detail Power Plant Impact Behind Meta's $10 Billion Data Center," *El Paso Matters* (TX), March 29, 2026; Diego Mendoza-Moyers, host, El Paso Matters, podcast, episode 33, "How a Secretive Data Center Deal Could Transform El Paso," *El Paso Matters* (TX), May 5, 2026, https://rss.com/podcasts/the-el-paso-matters-podcast/2793008; Vic Kolenc, "Proposed Facebook Data Center Won't Guzzle Water, But Needs Lots of Power, Officials Say," *El Paso Times* (TX), April 25, 2024.

10 Mendoza-Moyers, "El Paso Electric Filings."

11 *Data Centers in Virginia*, Report 598 (Joint Legislative Audit & Review Commission, 2024), 58, https://jlarc.virginia.gov/pdfs/reports/Rpt598.pdf; Ruijing Ni et al., "Long-Term Exposure to PM2.5 Has Significant Adverse Effects on Childhood and Adult Asthma: A Global Meta-Analysis and Health Impact Assessment," *One Earth* 7 (2024): 1959, https://doi.org/10.1016/j.oneear.2024.09.022; Caridad Lopez-Granero et al., "Particulate Matter in Human Elderly: Higher Susceptibility to Cognitive Decline and Age-Related Diseases," *Biomolecules* 14, no. 35 (2023): 5, https://doi.org/10.3390/biom14010035; Brian M. Gentry et al., "Marginal Asthma Prevalence from NOx Emissions (MANE): A Model to Predict Pediatric Asthma Burden from Emissions of Nitrogen Oxides," *Environmental Science & Technology* 59 (2025): 10347, 10353–54, https://doi.org/10.1021/acs.est.4c09012; Dylan Wood et al., "Exposure to Ambient Air Pollution and Cognitive Function: An Analysis of the English Longitudinal Study of Ageing Cohort." *Environmental Health* 23, no. 35 (2024): 7, https://doi.org/10.1186/s12940-024-01075-1.

12 *State of the Air: 2026 Report* (American Lung Association, 2026), 50; Mendoza-Moyers, "El Paso Electric Filings."

13 Mendoza-Moyers, "El Paso Electric Filings."

14 Mendoza-Moyers, "El Paso Electric Filings"; James Schichtl, on behalf of El Paso Electric Company, direct testimony to the Public Utilities Commission of Texas, docket no. 59076, filed December 8, 2025, 5–7, https://interchange.puc.texas.gov/Documents/59076_1_1564187.PDF.

15 Joshua Bowling, "Project Jupiter Pits Demand for Data Against New Mexico's Finite Natural Resources," *Source NM*, October 28, 2025; David Segal, "A Mysterious Company Came to Town with a $165 Billion Idea," *New York Times*, December 7, 2025.
16 Segal, "A Mysterious Company Came to Town."
17 "New Mexico," National Integrated Drought Information System, updated June 9, 2026, https://www.drought.gov/states/new-mexico#current-conditions; *50-Year Water Action Plan* (Office of the New Mexico Governor, 2024), 3.
18 *Big Ag Fuels New Mexico's Water Crisis* (Food & Water Watch, 2023), 2–4.
19 Gretel Follingstad et al., *New Mexico 360 Groundwater Report* (New Mexico Groundwater Alliance, 2026), 36–37.
20 Danielle Prokop, " 'Historic' Low Snowpack Threatens New Mexico Rivers," *Source NM*, March 13, 2026.
21 Food & Water Watch analysis of Pengfei Li et al., "Making AI Less 'Thirsty': Uncovering and Addressing the Secret Water Footprint of AI Models," *Communications of the ACM* 68, no. 7 (2025): 3, https://doi.org/10.1145/3724499; Shehabi et al., *Data Center Energy Usage Report*, 49; California Department of Water Resources, "State Agencies Recommend Indoor Residential Water Use Standard to Legislature," news release, November 30, 2021.
22 Li et al., "Secret Water Footprint of AI," 3; Alexander Marchall, "How Much Does AI Pollute and Why? The Environmental Impact on Water, Energy and CO2 Consumption," *The Journal*, September 25, 2024.
23 Tianqi Xiao et al., "Environmental Impact and Net-Zero Pathways for Sustainable Artificial Intelligence Servers in the USA," *Nature Sustainability* 8 (2025): 2, https://doi.org/10.1038/s41893-025-01681-y.
24 *Thirsty Fossil Fuels: Potential for Huge Water Savings by Switching to Renewables* (Food & Water Watch, 2022).
25 Diego Mendoza-Moyers, " 'We Can't Do This a Lot': El Paso Water CEO Warns as Questions Grow over Meta Data Center's Water Use," *El Paso Matters* (TX), December 2, 2025.
26 Mendoza-Moyers, "Secretive Data Center Deal."
27 Mendoza-Moyers, "Secretive Data Center Deal."
28 Segal, "A Mysterious Company Came to Town."
29 Danielle Prokop, "Troubled Southern New Mexico Water Utility Settles with State for Arsenic Violations," *Source NM*, February 11, 2026; Segal, "A Mysterious Company Came to Town."
30 Danielle Prokop, "Utility Settles with State."
31 Eli Tan, "Their Water Taps Ran Dry When Meta Built Next Door," *New York Times*, July 16, 2025; Sammie Seamon, "How Data Centers Are Eating Up Rural Texas," *Austin Chronicle* (TX), April 30, 2026.
32 Niamh Rowe, "US Farmers Are Rejecting Multimillion-Dollar Datacenter Bids for Their Land: 'I'm Not for Sale,' " *Guardian* (US), February 21, 2026; Jowi Morales, "AI Data Center Developers Target Rural Territory to Bypass City Construction Bans and Regulations—Rural Locations Allow Sites to Bypass City Council Approvals, Rezoning Votes, Land-Use Reviews, and Reduce Public Scrutiny," *Tom's Hardware*, May 11, 2026; Leigh Cook, "AI Data Centers Are Targeting Unincorporated Rural Areas to Bypass Growing Bans and Regulations," *The Cool Down*, May 15, 2026.
33 Nargi, "This Land Is Their Land"; Autumn Lankford Higgins and Bernt Nelson, "Balancing Data Center Growth with American Agriculture," American Farm Bureau Federation, April 23, 2026.
34 Food & Water Watch analysis of Quick Stats database, US Department of Agriculture, https://quickstats.nass.usda.gov.
35 Dimo Dimov et al., "Importance of Noise Hygiene in Dairy Cattle Farming—A Review," *Acoustics* 5 (2023): 1037–39, https://doi.org/10.3390/acoustics5040059; Kelly Richardson, "Understanding the Impact of Data Center Noise Pollution," *TechTarget*, December 3, 2024; Josh Mahan, "Data Center Noise: Effective Strategies for Reduction," *C&C WaveTech*, February 12, 2024; Yu Tao and Peng Gao, "Global Data Center Expansion and Human Health: A Call for Empirical Research," *Eco-Environment & Health* 4 (2025): 1, https://doi.org/10.1016/j.eehl.2025.100157.
36 Andrea Marinoni et al., "The Data Heat Island Effect: Quantifying the Impact of AI Data Centers in a Warming World," *ARXIV*, ahead of print, April 21, 2026, 5–6, https://doi.org/10.48550/arXiv.2603.20897; Nargi, "This Land Is Their Land"; Yoonah Jang et al., "Evaluation of Heat Stress Response in Pepper (*Capsicum annuum L.*) Seedlings Under Controlled Environmental Conditions Using a High-Throughput 3D Multispectral Phenotyping," *Scientia Horticulturae* 345 (2025): 1, https://doi.org/10.1016/j.scienta.2025.114136.
37 Mendoza-Moyers, "Secretive Data Center Deal"; Hannah Garcia, "Chaves County Approves Data Center Project Amid Rising Demand for Computing Infrastructure," *Albuquerque Journal* (NM), October 28, 2025.
38 Mark Olalde and Nick Bowlin, " 'A Fraudulent Scheme': New Mexico Sues Texas Oil Companies for Walking Away from Their Leaking Wells," *ProPublica*, January 22, 2026; "New Era Energy & Digital Enters into Land Option Purchase Agreement for 3,500 Acres in New Mexico for 7GW AI Data Center Hub: Marks First Wholly Owned Development, Separate from TCDC Joint Venture," news release, *BusinessWire*, November 6, 2025.