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The Other Picture of the AI Boom: Rising Opposition to Data Centre Expansion



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Why in the News

Data centres, essential for the expansion of artificial intelligence (AI), are now facing opposition. In the recent US elections, voters rejected expansion or demanded greater scrutiny in 46 of 47 data-centre-related ballot measures (according to an analysis by Ballotpedia). In India too, the 15 billion dollar AI data centre project announced for Visakhapatnam in October 2025 is facing court challenges over the environmental clearance process and land allocation. The question is why the infrastructure most essential to the AI race is being built, and why society is not accepting it.

Introduction

Data centres are vast facilities where thousands of servers (computers) store and process data. Training and running AI models requires far larger and more power-hungry data centres than before. That is why investment is flooding in across the world - and with it the attention of local communities, environmentalists and the courts.

Main Body

The global picture of opposition:

United States: data centres became an electoral issue in the midterm elections. In 46 of 47 ballot measures, expansion was opposed or stricter scrutiny demanded; after the election results, a sell-off in tech and AI stocks wiped about 2.5 trillion dollars off the Nasdaq.

Other countries: according to reports, data centre projects are facing opposition from Finland to Kenya - the main complaints are heavy power and water consumption, land use and limited gains for local people.

India's situation:

The wave of investment: India is becoming a major destination for AI data centres. In October 2025, Adani Enterprises (through its joint venture AdaniConneX) and Google announced a 15 billion dollar partnership for the country's largest AI data centre campus and green energy infrastructure in Visakhapatnam.

Court challenges: several cases have been filed against this project - the environmental clearance process and land allocation are at the centre of the questions. Organisations such as the Human Rights Forum say the manner of approval is of deep concern and the gains for local people are limited.

The policy side: NITI Aayog's Frontier Tech Hub has proposed a data centre evaluation framework for states, which speaks of balancing investment with power, water and the public interest. According to reports, the Power Ministry has estimated that AI data centres will add 26.3 gigawatts (gigawatt - a unit of power capacity) of load by 2031-32, making grid stability a concern.

The main reasons for opposition:

Power: AI data centres consume enormous electricity; where the grid is already under pressure, there are fears of an impact on household supply and tariffs.

Water: keeping servers cool requires water in large quantities; in water-stressed regions this becomes a direct subject of conflict.

Land and environment: large land requirements, questions over the environmental clearance process, and pollution from diesel back-up.

Local interests: jobs are often limited and require high skills, while concessions and resources go to the project - this is the root of the discontent.

Challenges:

- **Balance:** between the demands of the digital economy and environmental-social costs.
- **Transparent approvals:** a deficit of trust in the processes of environmental assessment and land allocation.
- **Grid readiness:** coordination of transmission, storage and renewable energy for the additional load projected by 2031-32.
- **Benefit-sharing:** ensuring local communities a real share in jobs, skills and services.

Way Forward

States should tie the data centre evaluation framework to mandatory standards - water-use efficiency, a minimum share of renewable energy, reuse of waste heat (the heat given off by servers), and local benefit-sharing. Transparent public consultation and time-bound information on the approval process alone can earn a 'social licence'.

Conclusion

The future of AI is impossible without data centres, but their expansion will be decided not by capital and technology alone - it will be decided by responsibility towards power and water, and by local trust. For India the opportunity is big - on the condition that the development model is inclusive and environmentally tolerable.

Mains Practice Question

Question 1. The expansion of artificial intelligence has raised the demand for data centres, but opposition to their environmental and social costs is also growing. Critically analyse the opportunities and challenges of data centre expansion for India. (250 words, 15 marks)

Outline:

In the introduction: define data centres and their role in the AI era; the context of the investment wave in India.

In the main body: opportunities - digital economy, investment, jobs, technological capability; challenges - power and water consumption, grid stability, land, environmental clearance, local opposition; examples of the US ballot measures and the Visakhapatnam project; policy efforts (evaluation framework).

In the conclusion: suggest a standards-based, transparent and inclusive development model.

Sources:

1. Adani-Google partnership release (14 October 2025): www.adani.com
2. Ballotpedia - data centre ballot measures 2026: ballotpedia.org
3. News analysis (16 November 2026): indianexpress.com

Related articles (internal links):

- Data Centre Evaluation Framework: Power, Water and Public Interest Alongside Investment

Frequently Asked Questions (FAQ)

Summary answer: Data centres essential to the AI expansion face growing opposition from the US to India over heavy electricity and water consumption, land use and limited local benefits. In the US, voters rejected expansion or demanded closer scrutiny in 46 of 47 ballot measures, and the USD 15 billion AI data centre project in Visakhapatnam faces court challenges.

Question: What happened in the recent US elections regarding data centres?

Answer: According to Ballotpedia's analysis, in 46 of 47 ballot measures related to data centres, voters rejected expansion or demanded stricter review. A sell-off in tech and AI stocks after the results wiped about USD 2.5 trillion off the Nasdaq's value.

Question: What is the Visakhapatnam AI data centre project and why is it controversial?

Answer: In October 2025, Adani Enterprises (through the AdaniConneX joint venture) and Google announced a USD 15 billion partnership for the country's largest AI data centre campus and green energy infrastructure in Visakhapatnam. The project faces court challenges over its environmental clearance process and land allotment.

Question: What are the main reasons for opposition to data centres?

Answer: Heavy electricity and water consumption (to cool servers), large land requirements, pollution from diesel backup, and limited jobs and benefits for local communities. The Energy Ministry estimates AI data centres will add 26.3 gigawatts of extra load by 2031-32.

Question: What policy proposals have emerged?

Answer: NITI Aayog's Frontier Tech Hub has presented a data centre evaluation framework for states, stressing a balance between investment and electricity, water and public interest. The suggestion is to link it to mandatory standards such as water-use efficiency, a minimum share of renewable energy, waste-heat reuse and local benefit-sharing.