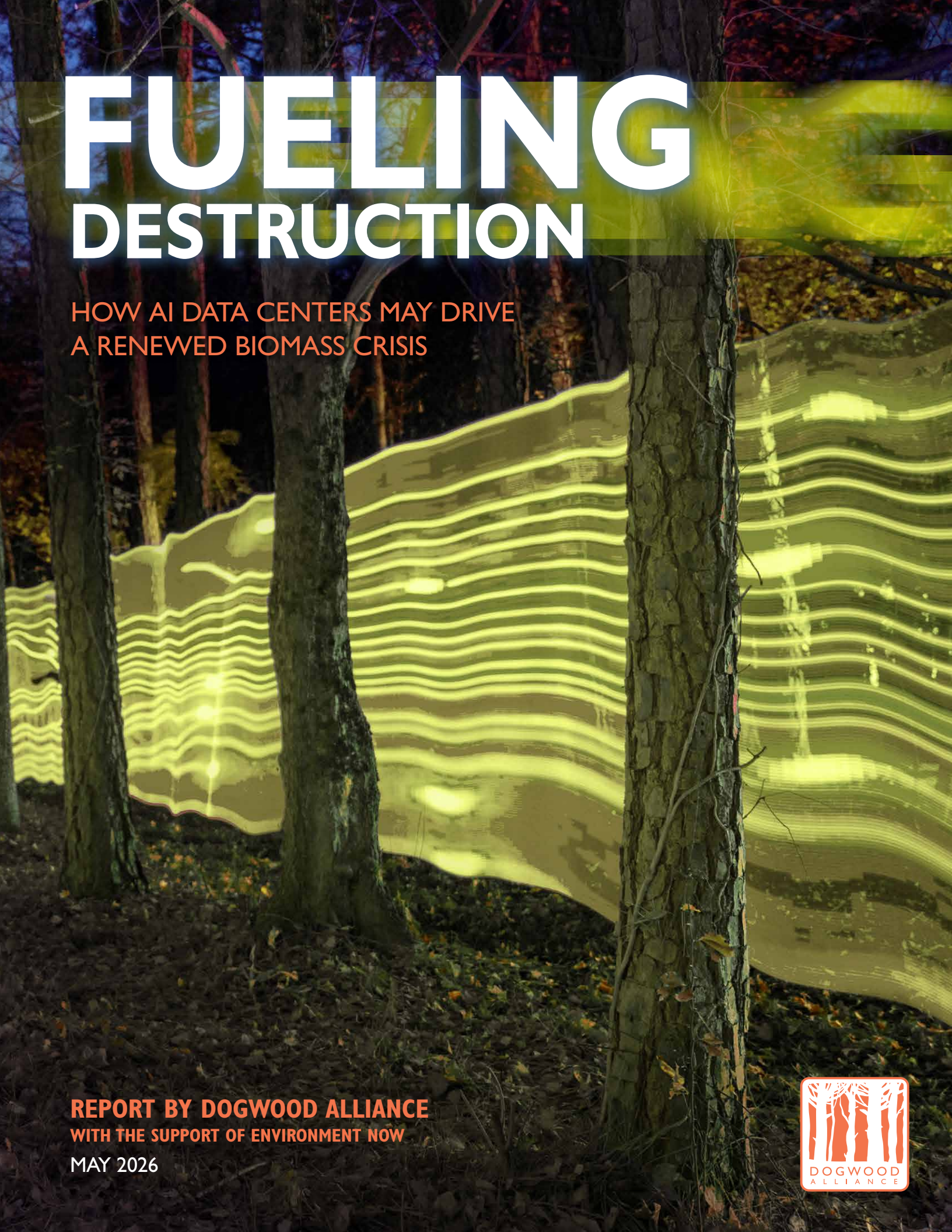


FUELING DESTRUCTION

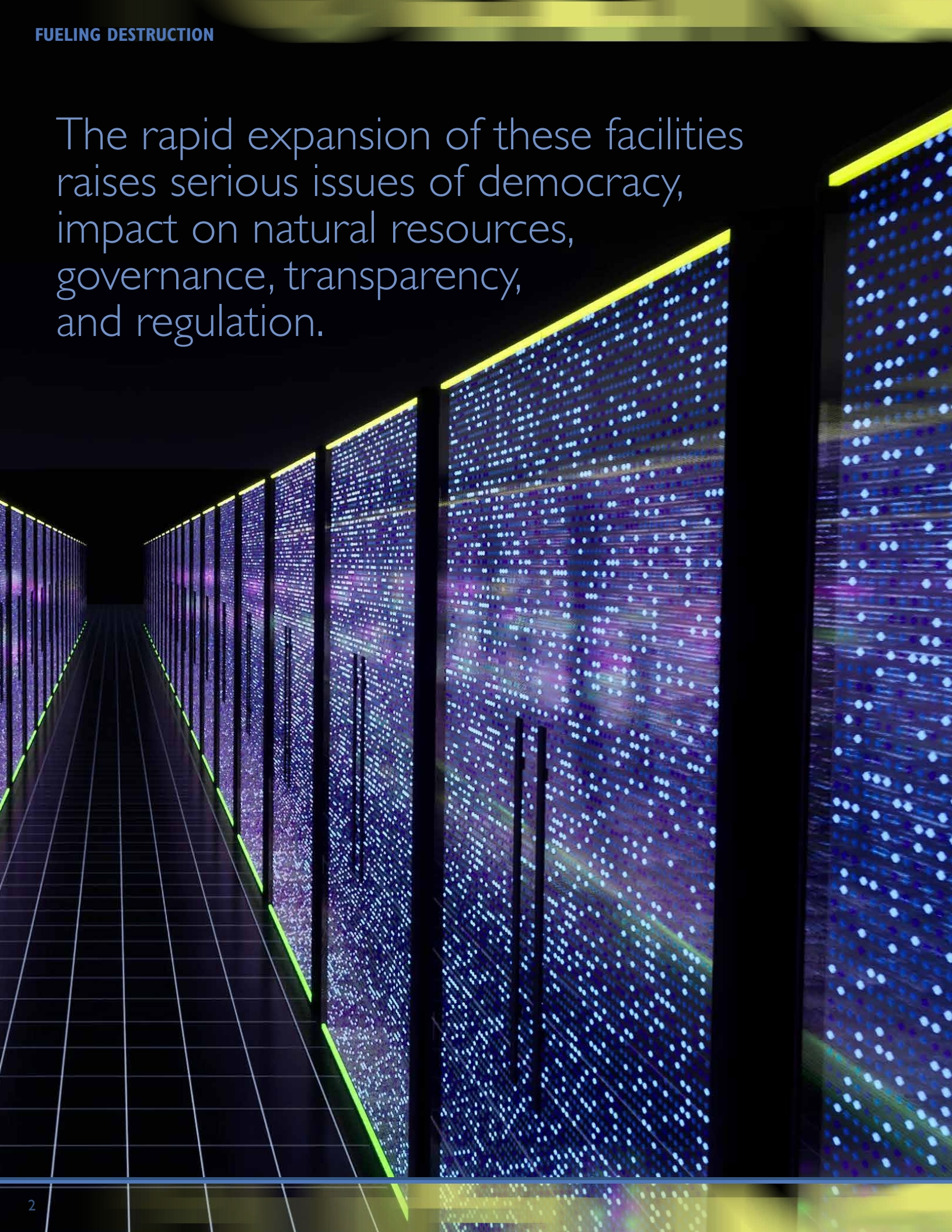
HOW AI DATA CENTERS MAY DRIVE A RENEWED BIOMASS CRISIS

REPORT BY DOGWOOD ALLIANCE
WITH THE SUPPORT OF ENVIRONMENT NOW

MAY 2026

DOGWOOD ALLIANCE

The rapid expansion of these facilities raises serious issues of democracy, impact on natural resources, governance, transparency, and regulation.



INTRODUCTION

Across the country, there's a massive build-out of infrastructure for data centers underway. Data centers are required for the tech industry's big bet on Artificial Intelligence (AI) across all aspects of its business. AI requires massive computational power. These data centers are essentially giant server farms, ready to provide constant computing and data storage.

The rapid expansion of these facilities raises serious issues of democracy, impact on natural resources, governance, transparency, and regulation. These kinds of proposals usually go through backroom negotiations. They've had limited to no public input and are often expedited. This further limits public engagement and any community pushback. Many local and state jurisdictions have few, if any, policies to regulate these proposed projects. These facilities are being proposed, fast-tracked, and constructed at a pace that has caught communities, regulators, ecosystems, and the entire region utterly unprepared.

For three decades, Dogwood Alliance has taken on the issue of extractive industry and its impacts on the US Southern Forests. The US South is home to some of the most diverse forests in the country—and also some of the least protected. It's home to the highest logging rates on Earth.

TABLE OF CONTENTS

At the heart of this crisis, for Dogwood Alliance, is one urgent and underreported threat: the push by utilities and industry insiders to burn forest biomass, chipped and pelletized trees, as fuel to power data centers. This would supercharge the destruction of Southern forests at a moment when those forests are already under extreme stress from logging, development, and climate change. With data centers demanding electricity that the region's grid cannot supply, and biomass promoted as a convenient bridge, Southern forests face a new existential threat.

15+

PROPOSED NC FACILITIES OVER 1,500 MW COMBINED

8,000,000 GALLONS

DAILY WATER USE FOR ONE GOOGLE DATA CENTER AT PEAK

FOR EVERY **300 MW FACILITY**

= LOSS OF 720,000 ACRES OF FORESTS PER YEAR

WHY THIS REPORT

This report outlines the ongoing issues with data centers, with a particular focus on biomass as an energy source. We also document some of the ways proposals have been advanced at local and state levels across the country. Next, we share some tools for tracking data centers and existing reports from partners documenting what movement knowledge exists, that are trying to keep up with this rapidly unfolding issue. And finally, we close with Dogwood Alliance's stated position, organizing recommendations, and the demands we can advance with elected officials and decision-makers.

DATA CENTERS: ISSUES AND IMPACTS

Data centers pose a host of issues, with more likely to come to light as they continue to expand. The issues we include at this time are:

THE BIOMASS TRAP: ENERGY WITHOUT ACCOUNTABILITY

The most urgent issue for Dogwood Alliance is the energy gap created by data centers. How will utilities and industry propose to fill the ever growing demand? The Southern grid is already at transmission capacity, and therefore experiencing constraints and bottlenecks. Renewables like solar and wind lack sufficient existing infrastructure. Fossil fuels remain dominant across the country. In light of this gap, utility executives already motivated by filling industry coffers are proposing domestic biomass: burning chipped or pelletized trees to generate electricity. Most visibly among them, Georgia's Public Service Commission(PSC). Georgia's PSC has been the most vocally supportive entity for domestic biomass and its use in the data center expansion. In Dogwood Alliance's monitoring of the state's rural development committee we noted Jason Shaw, Chairman of Georgia's PSC rationalizing the state's approach to data center expansion and his calls for domestic biomass as a major energy source (video on rural development session 9.10.2025) to offset the increased energy demand.

Biomass is inefficient, polluting, and ecologically catastrophic. Burning trees releases carbon immediately, while regrowing forest takes decades. It accelerates deforestation and forest degradation.

THE BIOMASS NUMBERS ADD UP FAST

North Carolina alone has 6 operating data centers, 1 under construction, and up to 15 proposed. This represents over 1,500 MW of energy demand. Just one 300 MW hyperscale facility could consume as much electricity as 200,000 homes. As highlighted above, supplying even a fraction of that through biomass would require clear-cutting forests at a staggering scale.

And the projections are alarming. A power plant with just 10 megawatts of electricity requires 20,000 metric tons of biomass per year. To supply half the energy for one of these proposed 300 MW facilities that would require upwards of 30 million tons of trees or 720,000 acres of forests. With hundreds of proposed data centers demanding hundreds or thousands of megawatts, even a small percentage share of biomass in the energy mix would translate into industrial-scale forest destruction.

JOBS & ECONOMIC TRANSITION: FUTURE-PROOFING OR LED ASTRAY?

Supporters of data centers often lean on a simple argument: This is happening whether we like it or not. Artificial intelligence is presented as an unstoppable force that will transform every corner of the economy, and the benefits promised by Big Tech are treated as a foregone conclusion. Communities are urged to get on board, or risk missing out on the latest technological gold rush.

It is also projected that the AI boom will bring with it a massive decline in jobs, which is already proving to be true. In Q1 of 2026, 150,000 workers have been laid off, with companies citing the rise of AI as the reason. At Oracle alone, 20-30k employees were laid off in April of 2026. It's projected that 2026 will see 260k+ layoffs in the global tech industry, surpassing last year's 245k and surpassing the post-Covid-19 era overcorrection of 262k layoffs in 2023.

So if the very industry that's advocating for these facilities is eliminating hundreds of thousands of jobs, what is the potential public benefit of these facilities? As Food and Water Watch found, for every $13 million invested in Virginia datacenters, there was one permanent job created. For META's $10 billion campus in Lebanon, Indiana, that number jumps to $33 million per permanent position. That same article highlights that for jobs outside of data center jobs, it takes $137,000 in investment to create one job.

In 2023, the Outdoor Recreation industry reported $1.2 trillion in economic output

and 5 million jobs. That's $240,000 per job in that industry. If we were to use the same $13 million in investment we could create 50 jobs in outdoor recreation. That's 50x the one data center job for the same investment. Why are decision makers supporting the unproven industry that sits on a massive debt bubble driven by a mostly speculative tech boom? We're betting on companies like Anthropic, whose market value sits at over $900 billion but with a projected revenue of just $40 billion in 2026.

We're doing this while our forests are being depleted. Instead of addressing the fact that these vital carbon sinks are rapidly becoming carbon emitters, we're spending billions to destroy forests and burn through critical resources. We then validate it through bogus speculative market-based assessments that miss valuable opportunities to increase our forests and keep them standing.

WATER USAGE: COMMUNITIES VS. COMPUTER COOLING

Data centers require massive amounts of water, mostly to prevent overheating the servers that run nonstop. Google reports it's proposed data center in Botetourt County, West Virginia, will initially draw 2 million gallons per day, scaling up to 8 million gallons per day at full capacity. As forests are clear-cut and disappear in the region, clean water is already scarce. With fewer wetlands that help filter water, clean drinking water for communities will be pitted against the cooling demands of Big Tech.

LAND USE: FORESTS CLEARED, WETLANDS DRAINED

Data centers are sprawling facilities that require large swaths of land. For example, a proposed 2-million-square-foot Florida facility would consume land that is 40% wetlands. Wetlands are a critical habitat for protected species and buffer coastal communities from flooding. Data center land demand has led to forest clear-cutting, competition over arable land, and continuous expansion. The ability to preserve Southern forests becomes more difficult. Fewer standing forests mean fewer trees to burn, accelerating the pressure to log what remains.

ENERGY: GRID STRAIN AND THE FOSSIL FUEL PROBLEM

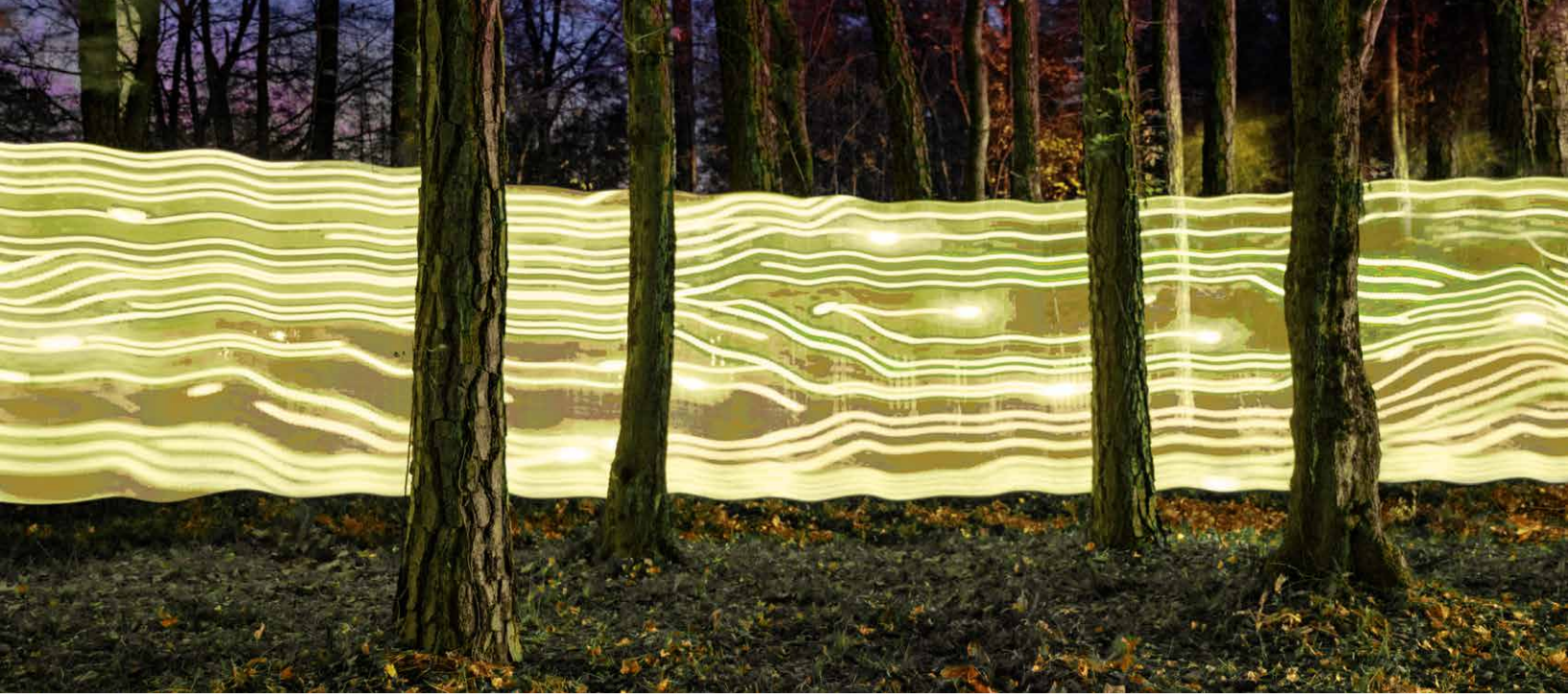
These facilities are demanding on the electrical grid. Many resort to fossil fuel power. Utilities have built new energy infrastructure. This drives costs up that are passed on to residential customers. There should be increased concern that proposals by utility executives for domestic biomass to bridge the energy gap will be brought about by these data centers. The Texas Stargate project alone represents a $500 billion commitment for 10 gigawatts of AI infrastructure. Across the Southeast, the proposed answer to grid strain has been cheap and easily available fuel. Biomass has been part of some of these proposals.

POLLUTION AND PUBLIC HEALTH

Data centers pollute communities, making them less healthy. Elon Musk's xAI center in Memphis showed us the alarming increase in pollutant concentration that these large data centers emit. We've also seen PFAS emerge as a concerning pollutant from sites operated by tech giant, Google. The particulate matter these facilities spew is linked to lung cancer. Noise pollution is linked to cardiovascular risk and cognitive impairment. The disposal of hazardous waste pollutes the groundwater and the soil. The communities bearing these costs most heavily are the ones with the least political power.

RACIAL INJUSTICE AND SACRIFICE ZONES

As wealthier white communities stop data center construction, they're often built in Environmental Justice communities instead. This includes rural communities that are poorer and more politically disenfranchised. This is not an accident. It is a predictable pattern of displacement that must be named and challenged directly. Rural communities and the forests that surround them are not sacrifice zones.



RESOURCES FROM THE MOVEMENT

Despite the overwhelming growth of data centers, the pushback has come in many forms. Thanks to allies and peer organizations, we're seeing essential resources being created to help. Some of these resources help give clarity to the impacts of data centers while others are a great catalogue of the prevalence of data centers including where they are and even at what stage of development.

KEY RESOURCES FROM THE MOVEMENT:

- Southern Environmental Law Center Report Getting it Right: Local Approaches to Datacenter Development
- World Resources Institute Explainer From Energy Use to Air Quality, the Many Ways Data Centers Affect US Communities
- National League of Cities Fact Sheet Community Strategies to Address Data Center Development and Operation
- Food & Water Watch The Top 10 Reasons Data Centers Must be Stopped
- Natural Resources Defense Council Responsible Data Center Development: The Role Of State And Local Decision-Makers
- Center for Biological Diversity How the AI Boom Threatens to Entrench Fossil Fuels and Compromise Climate Goals
- AINow Institute North Star Data Center Policy Toolkit
- FracTracker Alliance U.S. Data Centers Tracker

These resources are invaluable for understanding procedural, zoning, and general data center impacts. They are great for those trying to learn more generally about the issues with data centers and some of the ways communities can engage with the massive expansion of data centers. They do not, however,address the biomass concern. That is why we are shining a light on how the energy demands of AI data centers are being used to justify burning Southern forests and how communities can fight back with grassroots power.

STATE-BY-STATE: LEGISLATION, ORGANIZING, AND RESISTANCE

Since Dogwood Alliance started tracking data center proposals in 2025, the number of proposals has been overwhelming. At the same time, the creativity of community resistance has been inspiring. This section aims to share the best analysis and most up-to-date information we have on data center proposals, related legislation, policies, regulations, and lawsuits.

NORTH CAROLINA: SMALL TOWNS, BIG WINS

North Carolina has become a proving ground for grassroots resistance. For instance, nationwide coverage surged following the passage of the town of Canton's 12-month moratorium on data centers AND cryptocurrency mining. The Brevard City Council passed a 3 month ban on data centers to consider future impacts. Finally, Swain County joined the wave of North Carolina jurisdictions placing temporary bans on data centers to further consider their long-term implications. Meanwhile, the broader stakes are stark: North Carolina's proposed data centers represent over 1,500 MW of new demand, equivalent to the electricity consumption of 600,000 homes. Google's $1 billion investment in Western North Carolina expansion signals more pressure ahead. Smaller towns in North Carolina have helped lead the way for larger cities like Durham and Fayetteville to follow. It isn't just North Carolina's small communities fighting back. In Ohio, rural communities are joining the conversation and the broader national movement of small municipalities using strategies like constitutional amendments to enact bans on data centers.

GEORGIA: THE BIOMASS EPICENTER

In all the monitoring of data centers across the country, the most concerning state has been Georgia. Georgia is home to the largest forestry industry in the world and countless attempts to use trees for unproven technology and nonexistent markets. The Georgia Public Service Commission (PSC), which regulates energy in the state, has officials who have been the most outspoken in their support for biomass as the energy source for data centers. While the proposals from Georgia are not surprising based on the power of the forest industry lobby, it is important to note that the state was forced to contend with critics of data centers. While the failing forestry industry aims to claw back and officials in the state hope to sweeten the pot for data center developers, they must contend with the massive wave of negativity around any data center development growing across the country.

Yet, Georgia appears to be on the verge of paving the way for biomass power tied to data centers. Anticipation of growing energy demand, specifically from data centers, has led Georgia Power to align with the timber industry in pushing for expanding biomass power. In 2024, the PSC approved Georgia Power's plans to add biomass power generation.

The public debate about biomass power in GA started heating up last year with Altamaha Green Energy (AGE)'s proposed biomass plant

in Jesup, Georgia, designed to contribute to Georgia Power's energy grid, partly to power data centers. This project was framed by supporters as a critical lifeline for the struggling local timber industry. The Altamaha Project has been paused due to a major investor pulling out, but the industry is sure to try again.

With 3 paper mills recently shut down or closing, the Georgia forest industry is calling the data center boom the biggest short-term market opportunity to keep the forest industry afloat. Governor Kemp recently signed HB 134 into law at the headquarters of the Georgia Forestry Association. Also known as the Keep Georgia Forested Act, the bill expands tax credits for forestry manufacturers and supports the growth of new timber markets in the state, (which includes biomass) to the tune of a quarter of a billion dollars. That bill initially started specifically as an attempt to garner $1.5 billion in subsidies for new data center projects powered by biomass energy.

TENNESSEE: MEMPHIS AND THE XAI FLASHPOINT

Memphis has been ground zero for the data center fight. Elon Musk's xAI facility was built to power the Grok AI system for X.com (Twitter). Situated in a majority-Black community, the facility has been documented emitting methane gas through leaks and running primarily on fossil fuels for power. The response in Tennessee has been mainly led by local elected officials. With little movement at the state capitol, the combination of a politically charged public, documented pollution, and a clear Environmental Justice dimension created a powerful opposition coalition. It vaulted the issue into the national conversation, and national organizations got involved and mounted pressure on the company through threats of a lawsuit. A full fledged suit was filed in April 2026. The Tennessee fight is a model for how converging issues of race, pollution, and corporate power can generate impressive resistance.

MISSISSIPPI CONNECTION

Musk's xAI is now drawing opposition over a new power plant permit in Mississippi, built to supply both the Memphis facility and an incoming data center in Southaven. The fight has crossed state lines — and so must the organizing.

WEST VIRGINIA: COMMUNITY OPPOSITION MEETS LEGISLATIVE BACKSLIDING

West Virginia residents marched to the state capitol to make their dissent known in February 2026. Despite this visible opposition, lawmakers on both sides of the aisle shot down valuable legislation to curb data center harms. Luckily, we've yet to see biomass be offered as part of the equation. Data center advocates have attempted to attach their projects to microgrid bills, usually popular energy justice proposals. This microgrid bill is taking something positive and using it to try and legitimize data center expansion. Data centers are counter to the benefits of microgrids as means of self-reliance, energy autonomy, and disaster preparedness.

MAINE: THE FIRST STATE BAN

Maine is set to become the first state to enact a data center ban. While it faces a potential veto from the Governor, the momentum for this sort of opposition is only growing.Following this new wave of moratoriums, it seems more elected officials and decision makers saw the benefit in staying these decisions on data centers. In part because it was a compelling policy strategy and more likely, the power of people focusing their outrage at decision makers at every stage has been working.

VIRGINIA: A MIXED BAG

The state has been all over the map. Some good, some bad, and some yet to be determined. Senate Bill 253, would immediately drop residential energy costs by $5.50 per monthto shift the burden of data center electricity demand back onto the companies that create it. As the state faced concerns about budget cuts, data center subsidies quickly drew scrutiny. If the state is to follow through on the proposal to cut these data center subsidies early, ending them in 2027 rather than 2035 that would create over $1 billion in savings. Some considered keeping the 2035 handouts as long as there is a reduction in fossil fuel dependency by new and existing data centers.

NIMBY-driven opposition from urban areas risks pushing data centers further into rural communities. Rural areas are home to communities worthy of protection as well. Just because data centers move into more rural areas doesn't mean their impacts go away. And more rural citing, increases the threat on forests that deserve protection. Rural displacement is not a solution, it is a transfer of harm. Finally, some of the regulatory attempts by Virginia included subjecting new data center proposals to certification that could scrutinize their impacts on the environment, energy reliability, and further questions on the feasibility of such projects.

FLORIDA: WETLANDS AT RISK

A proposed 2 million square foot data center in Florida will impact wetlands and protected species. The project plans show 40% of the site is made up of wetlands. This is the type of forest degradation that can have serious long-term effects. Much of Florida's wetlands are home to essential mangroves that protect coastal communities from flooding during storm season. The species that live in the wetlands are some of the most important to the region. Approvals have proceeded without adequate environmental review. To be clear, the long-term consequences are reduced flood protection, biodiversity loss, and water quality degradation. These negative impacts would outlast any stated economic benefit of a project like this. Burning trees for energy to supply these data centers and the forest destruction where they are sited will wipe out decades of progress in the region. Since this project is still in process, there's still time to prevent biomass being offered as an energy solution. Florida is big on biomass, especially for materials from sugar cane plantations. That will likely rear its head as this project progresses.

SOUTH CAROLINA, PENNSYLVANIA, AND BEYOND

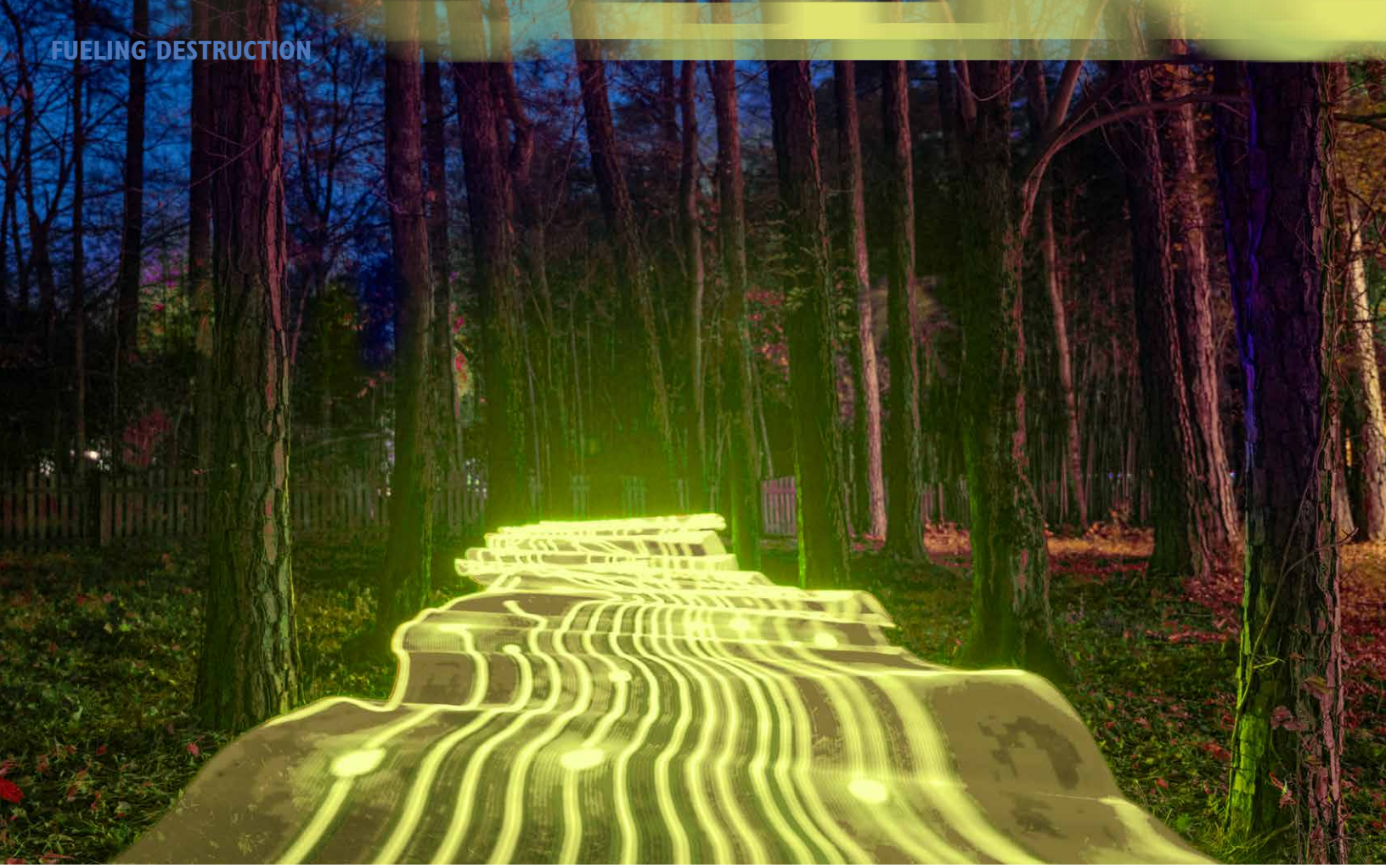
SOUTH CAROLINA, a state not often known for its legislature siding with its people over industry, has considered its own guardrails on the data center industry.This as there has been a massive onset of new data center projects lining up for state government handouts. Jumping from eleven requests in the past five years to twelve in the last year alone. While this isn't a radical approach, it's worth noting the context of an increasingly bipartisan pushback against this industry.

PENNSYLVANIA is dealing with a joint venture for a massive hyperscale project, with another being touted as an AI hub for the mid-Atlantic. But that's not the only partnership, in Texas, OpenAI and Oracle aim to build a 4.5 GW project dubbed Stargate. This announcement represents the $500 billion commitment invested for 10 GW of AI infrastructure over the next four years for OpenAI.

As we move west, we can see some key expansions and investments. For example, Nevada and Portland, Oregon, boast two growing sites. Portland hosts Google's data center campus, now set to expand, adding a fifth data center facility on the existing campus. Nevada will receive $3 Billion in investment from the Vantage Data Centers project for a 137-acre campus. Novva announced they'd be launching their own 20-acre campus.

CALIFORNIA's Monterey Park proposal would be almost 16 acres for a data center campus. Imperial County, California, is looking at its biggest data center if the proposal is successful. Voting for a parcel merger cleared the first stumbling block for the siting of this center. The layers of issues with the Imperial County project illustrate some of the broader issues with how these projects are popping up and advancing. The issue starts with the passage of the project without an environmental review. The community's response, while also couched in the NIMBYism we've seen before, is also flanked by a broader problem for the data center developers. California at large, represents a stonewall against development in their backyards. Communities have now been successful in safeguarding permanently against data centers, most recently in Monterey Park, likely spurred by that looming data center campus proposal.

WASHINGTON, a state with massive tailwinds for data center development, still needs to balance the perceived benefit with the real strains data centers represent.



WHAT CAN ORGANIZING LOOK LIKE

What we have learned from all the fights is that projects typically are not revealed until they are a done deal. Deals are done in backrooms and are announced after they have been decided upon.

This means that continued and ongoing monitoring of agendas for meetings (city council, different boards with regulatory oversight, and public agencies), engagement with decision-makers (meeting as constituents to make your position on data centers known), and vigilance are going to push back against data center proposals.

As data center proposals become public, communities should begin organizing. This includes starting with community engagement and hosting events that include education and training. In the leadup to Canton, NC's win, there were community-led teach-ins. Never underestimate the power of organizing. Many of the biggest wins have happened at the state and local level.

And finally, these projects are backed by and benefit corporations. It is essential to know who stands to benefit and to develop campaigns that expose their role. Naming and shaming those involved in trying to squeeze the public for resources for these projects is an effective way to counter industry power and influence.

DOGWOOD ALLIANCE'S POSITION

ALIGNMENT WITH OUR MISSION:

Dogwood Alliance protects Southern forests and the communities that depend on them. Data centers represent a direct and escalating threat to both. Powering data centers with biomass elevates the threat.

With data centers, the main issue for electricity providers will be load usage. In the South, there's not enough electricity to supply projected residential and industrial demand. There's a lack of support for solar, wind, and other renewable energy. There's an over-reliance on fossil fuels. No existing infrastructure can be swiftly adapted to serve data center needs.

Some in the utility sector want domestic biomass to fill the impending power gap. Biomass uses chipped or pelletized trees as fuel to produce heat and energy. This is inefficient, detrimental to forests, and unsustainable. We are against the inclusion of biomass in any way to fill gaps in electricity production.

We oppose how data centers could displace people, pollute communities, and destroy forests. We oppose their extraction of essential water, energy, and land.

STATED POSITION:

ON BIOMASS

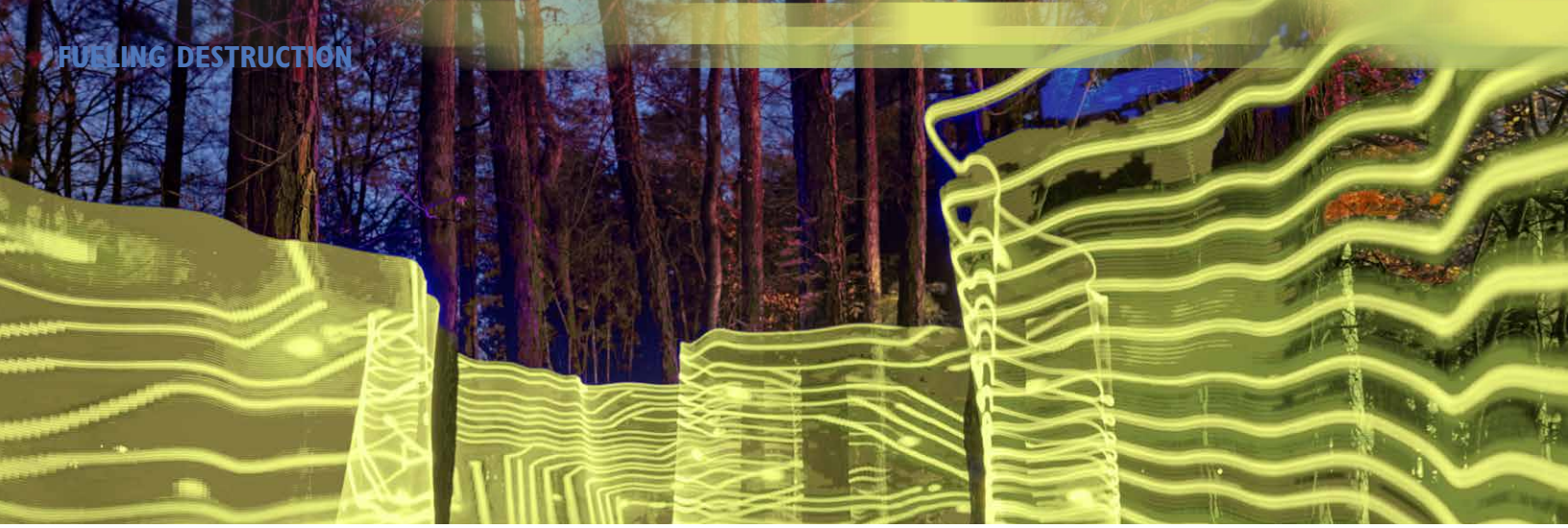
We are unequivocally opposed to the use of forest biomass — in any form — as an energy source for AI data centers. Burning trees is not clean energy. It is not a bridge fuel. It is not a sustainable solution. It is industrial forest destruction, and we will fight it in every regulatory proceeding, every public comment period, and every organizing space we can reach.

ON DATA CENTERS BROADLY

We oppose data center development that displaces communities, pollutes the air and water, destroys forests, and extracts essential public resources — water, land, and electricity — for private profit. We oppose the fast-tracking of these projects without meaningful public input. We oppose the use of rural, environmental justice, and low-income communities as sacrifice zones.

THE BIOMASS LIE

Biomass is marketed as carbon-neutral because trees theoretically regrow. But data centers need electricity now, trees take decades to regrow, and Southern forests — already the world's most heavily logged — cannot absorb this demand. **THE CARBON DEBT IS REAL, THE DESTRUCTION IS IMMEDIATE, AND TYPICALLY THE COMMUNITIES THAT PAY THE PRICE HAVE NOT CONSENTED.**



RECOMMENDATIONS

Data center proposals should consider the long-term impacts on nature, communities, health, and the economy, not just profit for Big Tech. Decisions should be made for the public benefit. We can't prioritize these facilities over residences, affordable housing, hospitals, schools, emergency centers, farms, parks, and forestland. As cities force data centers out, we cannot make our rural communities sacrifice zones. Decision-making must be transparent, well-resourced, and genuinely participatory.

- Ensure that forest biomass is not used as a large-scale energy source for AI data centers, in any state, under any circumstance.
- Enact moratoriums — as Canton, Brevard, and Swain County have done — to pause approvals and require comprehensive environmental and community impact review.
- Require data centers to be energy self-reliant. They must not strain public grids, raise residential electricity rates, or depend on biomass.
- End government subsidies for data center development. Public money should not underwrite private infrastructure that burdens the public.
- Prioritize community and environmental needs over the interests of data center companies, developers, and lobbyists.
- Protect rural communities from becoming the destination when urban areas successfully block data centers. Environmental Justice applies everywhere.

DEMANDS OF ELECTED OFFICIALS AND DECISION-MAKERS

PRIMARY DEMANDS:

1. Prohibit woody biomass as an energy source for AI data centers at any scale, in any state.
2. Enact immediate moratoriums on new and existing data center approvals pending comprehensive environmental and community review.

SUPPORTING DEMANDS:

1. Adopt legislation that prioritizes data centers to be fully self-reliant.
   a. They should not strain our public resources.
2. Oppose any government subsidies that support data center development.
   a. Repeal any existing subsidies.
3. Require environmental review that includes biomass impact assessments for all data center proposals.
   a. Prioritize community and environmental needs. Not the interests of data center companies. Not those who profit from data center siting, construction, and operation.
4. Establish clear siting standards that protect forests, wetlands, environmental justice communities, and rural areas.
5. Guarantee meaningful public participation before any data center project is approved.

The AI boom is real. The demand for data centers is real. And the pressure on Southern forests, Southern communities, and the Southern grid is real and accelerating.

What is not inevitable is the burning of trees to power the servers. What is not inevitable is the sacrifice of rural communities when urban areas push back. What is not inevitable is the approval of projects without transparency, without environmental review, and without the consent of the people who will live with the consequences.

Dogwood Alliance will continue to advocate for Southern forests and communities against this new threat. The forests of the South have survived centuries of extraction. With the right tools, the right policies, and the right organizing, they can survive this too. We can build a thriving ecosystem and resilient South built on standing forests and healthy communities.

PROTECT SOUTHERN FORESTS.
CENTER COMMUNITY VOICES.
REFUSE BIOMASS.

DOGWOOD ALLIANCE

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