



May 29, 2025

***Via email***

Dr. Michelle Taylor, Director and Health Officer  
Shelby County Health Department  
814 Jefferson Avenue  
Memphis, TN 38105

MLGW Board of Commissioners  
220 S. Main Street  
Memphis, TN 38013

**Re: xAI Data Center**

Dr. Taylor and MLGW Board members:

We are writing on behalf of our NAACP members who are facing continuous harm due to Shelby County Health Department (SCHD) and Memphis Light Gas and Water's (MLGW) decision to allow xAI to operate seemingly without constraint or restraint. Our branch members, coalition partners, and the community as a whole are concerned regarding the SCHD and MLGW's lackadaisical approach to the operation of this dirty data center. Members of the community have been left in the dark at all phases of this process, and the public agencies, appointed and elected officials, and companies who they appealed to for help have responded with no sense of urgency to address their concerns. We are urging you again to ensure that xAI stops operating its unpermitted turbines in violation of clean air and open meeting act laws and to order xAI to pay penalties for operating in violation of the law. Moreover, the message that SCHD and MLGW have sent to the community is that billionaires matter more than the tax payers and residents who live there. We ask you reconsider this decision.

While data centers are becoming more prevalent across the country, there is a growing need to guarantee transparency regarding environmental and climate concerns, the burden these centers have on communities, and ensuring accountability for bad actors. Indeed, with over 5,300 data center

facilities<sup>1</sup> across the country, many of these companies use large amounts of energy, water, and often heavily contribute to air pollution and the climate crisis. Additionally, many data centers have highlighted they do not see a justification to track water usage. And due to the surge in artificial intelligence use, the energy demand is expected to increase exponentially in a way that will inevitably strain power grids.<sup>2</sup> While we applaud research and innovation, there must be limits that ensure that communities are healthy and alive to enjoy the benefits of any potential innovation. The immense amount of fossil fuels needed to power AI and the amount of water needed to cool these centers must be a concern for us all.<sup>3</sup> Elon Musk vowed that this data center would be “the world’s largest and most powerful supercomputer.”<sup>4</sup> And MLGW has stated that xAI did not have to go through public and transparent processes to open. However, no one should be above reproach when asked to follow laws created to protect health.

Over the last year, MLGW and SCDH have allowed xAI to operate at least 35 gas turbines without any permitting. Years ago, advocates fought for federal Clean Air Act protections because industries were bulldozing into communities and unleashing harmful pollutants that caused sickness for residents. After a town of 14,000 people fell sick due to the lack of air quality regulation, the event opened a national dialogue to ensure change. The federal government then passed an initial version of federal air quality standards which prompted the passing of the Clean Air Act. Congress enacted these laws to ensure that there were standards to improve people’s health and cleaner air for the general public. But now, xAI has decided to circumvent the very protections and standards meant to safeguard clean air to operate its data center.

When xAI decided it wanted to sidestep the law and clean air standards that took decades to craft at a federal and local level, MLGW and SCDH did nothing. Indeed, xAI brought in at least 18 initial gas turbines so that it would seem as though there were smaller sources as opposed to one large source. However, that does not change the law, and this type of behavior is a clear violation. SCDH and MLGW should also carefully consider the message it sends when it allows xAI to evade rules meant to protect the community. Indeed, 35 gas turbines can emit between 1,200 and 2,000 tons of nitrogen-oxide per year. The Clean Air Act’s New Source Review captures this very type of activity. Yet, MLGW and SCDH are deciding to look away from xAI’s illegal activity and place resident’s health in jeopardy.

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<sup>1</sup> Leading countries by number of data centers as of March 2025, STATISTA, <https://www.statista.com/statistics/1228433/data-centers-worldwide-by-country/>.

<sup>2</sup> Miguel Yañez-Barnuevo, *Data Center Energy Needs Could Upend Power Grids and Threaten the Climate*, EESI (April 15, 2025) <https://www.eesi.org/articles/view/data-center-energy-needs-are-upending-power-grids-and-threatening-the-climate>.

<sup>3</sup> Miguel Yañez-Barnuevo, *Data Center Energy Needs Could Upend Power Grids and Threaten the Climate*, EESI (April 15, 2025) <https://www.eesi.org/articles/view/data-center-energy-needs-are-upending-power-grids-and-threatening-the-climate>.

<sup>4</sup> Matthew Gooding, “We don’t know anything”: Councillors in the dark over Elon Musk’s xAI Memphis data center, DATA CENTER DYNAMICS, (July 12, 2024), <https://www.datacenterdynamics.com/en/news/we-dont-know-anything-councillors-in-the-dark-over-elon-musks-xai-memphis-data-center/>.

Despite SCHD's mission to promote, protect and improve the health of ALL in Shelby County, it has known about xAI's operation for at least a year at this point and only promoted and protected xAI, not its residents' health. In June 2024, when community members inquired regarding whether xAI applied for a permit, SCHD shared with residents there was no record of a permit. However, at that time, xAI was already operating 18 gas turbines. Then, instead of reaching out to xAI to advise them of their operation's health risks to community members, SCHD turned its back on community members by saying that xAI was exempt from needing a permit altogether. SCHD has yet to cite any legal justification for the exemption and has punted the issue to the federal Environmental Protection Agency. SCHD then shared that it was looking to get a better understanding of its duty that is already bestowed upon the agency to protect resident health.

Next, it was not until April 2025, nearly a year after xAI was operating that xAI went through any type of public hearing with SCDH regarding its operation. During that hearing, the head of xAI left out a side door moments after the community made clear it did not want the data center to operate as-is.<sup>5</sup> Moreover, MLGW stated to the Tennessee Valley Authority that "xAI's request does not require approvals from the MLGW Board of Commissioners or City Council"<sup>6</sup> which is false. Indeed, xAI's environmental impact and substantial change it has created for the community are reason enough to require additional public input. Despite MLGW negotiating residents' water that it gave to xAI, the impact on the city's power, and significant increase in fossil fuel use, it seems that MLGW has taken the position that opening this full data center with gas turbines and significant water usage does not meet the requirements for a comprehensive public hearing meeting under the Tennessee Open Meetings Act.<sup>7</sup> We find this position hard to believe. xAI is a business operating in Memphis that is utilizing public resources and impacting the health of all nearby. The open meeting act requirements are clear and to overlook public engagement for such a critical issue in the community is not only bad public policy, it's a violation of the state's law.

Lastly, xAI did not choose to start in any community, Musk built his first southwest Memphis, Tennessee center near Boxtown, which is historically Black community in the state. This decision perpetuated the trend of industries adding pollution to communities who do not cause the problem. Instead of SCHD working to reduce health issues known in the area including that cancer risks are already four times the national average, it has allowed xAI to operate above the law.<sup>8</sup> Recently, another plant was closed in South Memphis for emitting ethylene oxide which was linked to increased cancer risks. SCDH making South Memphis a larger sacrifice zone is counter to its mission. Research for

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<sup>5</sup> Joyce Peterson and Garner Montgomery, *Emotions run high at SCHD town hall on xAI environmental concerns*, ACTION NEWS 5, (April 25, 2025), <https://www.actionnews5.com/2025/04/26/emotions-run-high-schd-town-hall-xai-environmental-concerns/>.

<sup>6</sup> See Letter from MLGW to TVA Board of Directors (Aug. 1 2024).

<sup>7</sup> T.C.A. § 8-44-101-5.

<sup>8</sup> Alex Mormorunni, *Carcinogenic Pollution is Endemic in South Memphis*, VANDERBILT POLITICAL REVIEW, (September 24, 2024), <https://vanderbiltpoliticalreview.com/12091/us/carcinogenic-pollution-is-endemic-in-south-memphis/>.

decades has linked fossil fuel emissions to health concerns.<sup>9</sup> Studies also demonstrate that Black communities bear the brunt of these issues due to centuries of disinvestment, siting of industrial pollution, and intentional decisions to sacrifice their health.<sup>10</sup> How is allowing xAI to operate in this manner any different? Thus the decision should be clear, xAI cannot legally operate in its current form and as a matter of public policy, SCDH should not want it to.

We urge you to do the following:

1. Fully examine xAI for its impact on public health
2. Fully track the turbines and other emitting equipment onsite and nearby
3. Issue an emergency order for xAI to stop operations completely
4. If there is no emergency order to cease operation, we urge the following:
  - a. Cite xAI to cease each of its violations within a reasonable time
  - b. Cite xAI for its violations regarding air standards and the Local Implementation Plan

We appreciate your prompt response and are available to discuss next steps.

Sincerely,

Gloria Sweet-Love  
 President  
 Tennessee State Conference, NAACP

Abre' Conner  
 Director, Center for Environmental and  
 Climate Justice, NAACP

Kermit Moore  
 President  
 Memphis Branch of the Tennessee State Conference, NAACP

CC:  
 Memphis City Council  
 Tennessee Valley Authority  
 Lee Harris, Shelby County Mayor  
 Paul Young, City of Memphis Mayor

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<sup>9</sup> Timothy Q. Donaghy, Noel Healy, Charles Y. Jiang, Colette Pichon Battle, Fossil fuel racism in the United States: How phasing out coal, oil, and gas can protect communities, ENERGY RESEARCH & SOCIAL SCIENCE, Volume 100, 2023, available at <https://doi.org/10.1016/j.erss.2023.103104>.

<sup>10</sup> Timothy Q. Donaghy, Noel Healy, Charles Y. Jiang, Colette Pichon Battle, Fossil fuel racism in the United States: How phasing out coal, oil, and gas can protect communities, ENERGY RESEARCH & SOCIAL SCIENCE, Volume 100, 2023, available at <https://doi.org/10.1016/j.erss.2023.103104>.