GIS INSIGHTS

The Fracking Playbook: Why the Data Centre Backlash Could Be Good for Investors

Eric Anderson, CIO | 4 November 2026

Fifteen years ago, fracking was one of the most controversial industries in America. Communities protested, politicians threatened bans and fears over drinking water dominated the headlines. Today, America is the world's largest producer of oil and gas, and fracking barely makes the news.

Could data centres be following the same path?

Political opposition to AI infrastructure is growing, and investors are nervous. History suggests the backlash may be less threatening than markets fear. It may not be the end of the AI infrastructure boom. It may be the beginning of its next phase, and one that creates some of its most interesting investment opportunities.

The backlash is now bipartisan

Opposition to data centres has become a political issue on both sides, driven by household power bills, water use and noise. A September poll found 61% of voters opposed AI data centre construction, including 47% of Republicans. This week's midterms point to a Democratic Congress, which means more hearings and pressure on data centre tax breaks, and markets are starting to price in the consequences.

Yet the route to stopping the buildout is narrow. The President keeps his veto, and has himself said data centre builders should pay communities a "dividend". Policy is more likely to change the timing and cost of the buildout than to derail it.

The fracking playbook

Fracking didn't win the argument. It changed the terms of the debate. The industry recycled water, disclosed its chemicals, cut flaring and agreed setbacks, road repairs and noise limits. In the Permian, oil taxes and corporate giving funded local schools and roads, and kept residents supportive.

Airports followed the same path in the 1970s. Jet noise made new runways deeply unpopular, until quieter engines, curfews and home insulation schemes changed the deal. Compass Datacenters CEO Chris Crosby has argued that communities which blocked airports ended up hurting themselves, and that officials should ask data centre developers for more rather than ban them.

> The lesson is not that industries persuade communities to accept the costs. **They overcome opposition by changing their economics so that communities share in the benefits.**

Neither industry won universal acceptance. Fracking is still contested in some regions, and airport expansion still faces fierce opposition. But opposition came to shape where and how they were built, not whether demand existed. The head of the American Petroleum Institute has already warned tech companies that they are "the new hydraulic fracturing".

Who profits from the backlash

The backlash won't necessarily stop data centres being built. It will change how they are built, and who profits.

Every concern raised against data centres has an engineering answer:

Community concern	What developers must now provide
Water use	Closed-loop and refrigerant-based cooling that uses no water
Household power bills	On-site generation and paying for their own grid capacity
Grid reliability	Backup power that can support the grid in emergencies
Noise and land	Quieter equipment, enclosures and larger setbacks

The backlash affects three groups differently:

- **Developers** could face higher construction costs, permitting delays and tighter margins
- **Infrastructure suppliers** could benefit, as developers must spend more on efficient cooling, power management and grid resilience
- **Specialist smaller companies** already supplying these solutions could see stronger structural demand, even if the pace of construction becomes more volatile

This is where we focus. In a global smaller companies portfolio, the opportunity is not in owning the builders of the AI boom, but in owning the companies that solve its problems.

What history does not tell us

The analogy has limits. Fracking succeeded partly because falling extraction costs and strong energy demand made the economics compelling. Data centres face a different question: will the returns from AI justify the capital being invested?

History does not guarantee the AI investment cycle will succeed. It suggests that political opposition alone is unlikely to decide its outcome.

The takeaway

Today's political controversy could become tomorrow's industrial normality, just as it did for fracking and airports. In the near term, expect hearings, headlines and volatility. Over time, permitting moves from "whether" to "on what terms".

The companies that help the AI industry overcome its biggest obstacles may ultimately be among the biggest beneficiaries of the backlash.

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