US Data Center Daily Briefing

December 24, 2025

KEY THEMES

- Alphabet/Google moves to secure data-centre power via $4.75bn Intersect-related transaction
- Goodman–CPP launches $9.4bn European data centre JV (435 MW primary power)
- PJM pipeline continues: Cipher buys 200 MW Ohio HPC-ready site (Q4 2027 energization)
- Transmission as bottleneck: India HVDC refurb (1,000 MW) and new HVDC VSC terminal (2,500 MW)
- Regulatory/political pushback risk: Michigan bills target incentives, water use, NDAs; $7bn project contracts approved
- Policy-driven clustering: Japan opens GX strategic area applications including data centre clusters
- Renewables siting constraints: India Supreme Court ruling affects wind and mandates line undergrounding

Market overview (Global | 24 Dec 2025 UTC)

AI-led load growth continues to pull forward capital into both **data centre development** and **power origination / grid capacity**, with strategic vertical integration increasingly visible. The day's flow is anchored by (i) Alphabet/Google's announced **$4.75bn** transaction for Intersect-related assets to secure data-centre electricity, (ii) a scaled European development JV from Goodman/CPP, and (iii) continued evidence that **interconnection, transmission buildout and policy/community acceptance** are the binding constraints.

Risks and watchpoints

- **Regulatory backlash and social licence risk (US)**: Michigan lawmakers moved to unwind incentives and tighten constraints (tax breaks, NDAs, water use) while a major project proceeds under utility contracts—creating near-term permitting and policy headline risk for Midwest pipelines (Michigan lawmakers introduce bills to rein in data center growth).
- **Interconnection / grid delivery risk (PJM and beyond)**: Even where capacity is "secured," timelines stretch multiple years; Cipher's Ohio site targets energization in **Q4 2027**, underscoring schedule risk for HPC-ready campuses (Cipher acquires 200 MW HPC-ready data center site in Ohio).
- **Transmission constraints and execution**: India's buildout relies on complex HVDC programs (new terminals + refurbishments). Multi-year execution, supply chain and commissioning risk remain key for any load growth thesis reliant on evacuation capacity

(GE Vernova wins 2,500 MW HVDC terminal contract in India; GE Vernova to refurbish Chandrapur-Ramagundam 1,000 MW HVDC link).

- **Renewables siting / environmental constraints (India)**: The Supreme Court decision restricting wind lease renewals in critical habitats and requiring **250 km** of undergrounding in Rajasthan within **two years** could re-shape resource siting and transmission design assumptions; the court noted earlier restrictions had halted **20+ GW** of planned renewables (Supreme Court bars renewal of wind leases in critical GIB habitats).
- **Asset/transaction complexity**: Alphabet's **$4.75bn** Intersect-related announcement appears in multiple forms across sources (clean energy developer acquisition vs minority stake in a data centre operator), highlighting potential scope/asset perimeter ambiguity for investors until definitive documentation is clear (Alphabet to buy Intersect Power for $4.75 billion; Alphabet buying minority stake in Intersect data centers $4.75B; Google to acquire Intersect to expand data center power).
- **Upside catalyst—efficiency as a "virtual capacity" lever**: A modeled pathway suggests data-centre-led residential efficiency spend could shave peak demand, potentially easing local grid constraints (execution and measurement/verification remain watchpoints) (AnnDyl finds $50M residential upgrades offset 10% data center peak).

Key deals and capital moves

Alphabet / Google: Intersect transaction to secure power

- Alphabet/Google announced a **$4.75 billion** transaction (cash plus existing debt in one account) targeting Intersect-related assets to secure more electricity for Google's data centres.
  - One report frames it as Alphabet buying clean energy developer **Intersect Power** including its development platform/team, excluding other customer-contracted grid assets in **Texas and California** (Alphabet to buy Intersect Power for $4.75 billion).
  - Another report frames it as Alphabet buying a **minority stake** in a US data centre operator "Intersect" at a **$4.75bn valuation** (cash + assumption of all debt), excluding certain operating and in-development assets in **Texas and California**, and citing about **$15bn** of assets in operation/under construction; investors referenced include **TPG Rise Climate, Climate Adaptive Infrastructure and Greenbelt Capital Partners** (Alphabet buying minority stake in Intersect data centers $4.75B).
  - A third account expects closing in **1H 2026** and positions the move as reducing dependence on third-party utilities and interconnection timelines (Google to acquire

Intersect to expand data center power).

Implication for infra allocators: reinforces the premium for **power development platforms** and the strategic value of contracted/ready-to-build capacity adjacent to hyperscale demand.

Europe: scaled development JV

- Goodman Group and CPP Investments formed a **50/50 $9.4bn European data centre JV** with an initial **$2.6bn capital commitment**.
  - Scope: **four projects** in **Frankfurt, Amsterdam, and Paris** delivering **435 MW primary power** and **282 MW IT load**.
  - Timeline: construction to commence by **30 June 2026**.
  - Context: Goodman previously announced plans (Feb 2025) to raise **$2.6bn** for global data centre expansion; CPP has partnered with Goodman since **2009** (Goodman and CPP launch $9.4bn European data centre JV).

Key projects and capacity additions

US (PJM): Cipher Mining greenfield site

- Cipher Mining acquired a **200 MW**, **195-acre** HPC-ready data centre site in **Ohio**.
  - Capacity: secured **AEP Ohio** capacity and **PJM** market interconnection.
  - Schedule: energization planned for **Q4 2027**.
  - Strategic note: first site outside Texas; total development pipeline now **3.4 GW across eight sites** (Cipher acquires 200 MW HPC-ready data center site in Ohio).

Demand-side option: residential efficiency to reduce peak

- A preliminary model suggests a **200 MW** data centre could offset roughly **~10% of peak load** via **$50m** investment in residential efficiency (insulation, air/duct sealing, smart thermostats), with modeled customer savings of **~$3m/year**; scenarios modeled in **Ohio (PJM)** (AnnDyl finds $50M residential upgrades offset 10% data center peak).

Power, grid and interconnection highlights

India: HVDC upgrades and new evacuation capacity

- POWERGRID contract awarded to GE Vernova to refurbish the **1,000 MW** Chandrapur–Ramagundam back-to-back HVDC link connecting India's western and southern grids.
  - Work: upgrade both **500 MW** converter stations with new controls and converter valves.

- Strategic rationale: supports India's 2030 goal of **500 GW non-fossil** capacity via more flexible/reliable transmission (GE Vernova to refurbish Chandrapur-Ramagundam 1,000 MW HVDC link).

- GE Vernova T&D India contract (from AESL Projects) for a **2,500 MW**, **±500 kV** HVDC VSC terminal station (**2×1,250 MW**) to evacuate renewables from **KPS 3 (Khavda)** to **South Olpad** (Gujarat).
  - Described as a domestically awarded, multi-year project strengthening evacuation infrastructure for the Khavda renewable energy zone (GE Vernova wins 2,500 MW HVDC terminal contract in India).

Azerbaijan: grid modernization and renewables integration

- Azerbaijan inaugurated the closed-type **110/35/10 kV Khankendi-1** substation, adding digital control systems and new high-voltage lines linking Khankendi and surrounding districts to the national grid.
  - Azerenerji is modernizing the Karabakh–East Zangezur network and building large battery storage/substations to integrate **2 GW** of new renewables (Azerbaijan opens Khankendi-1 substation and expands green grid).
- Separately, Azerbaijan opened a metal electric pole production facility in Aghdam Industrial Park backed by **2.96m manat** investment with state loan guarantees and tax/customs concessions—relevant as enabling supply-chain capacity for distribution/transmission buildouts (Azerbaijan opens metal electric pole plant in Aghdam).

Africa: gas/LNG positioned as bridge for reliability

- The African Energy Chamber's 2026 outlook emphasizes natural gas and LNG as bridge fuels for energy security, citing projects across producers including Angola, Mauritania and Senegal, and calling for power pool integration/African Single Electricity Market—relevant for firming and industrial load growth themes (African Energy Chamber highlights gas and LNG for security).

Policy and regulation

Japan: GX industrial clusters (including data centres)

- Japan's METI opened applications for **GX strategic areas** to form decarbonization-focused industrial clusters, explicitly including **data center clusters** and GX industrial parks.
  - Window: opens **23 Dec 2025**, closes **13 Feb 2026**.

- Framework: GX2040 Vision industrial location policy (Japan opens GX strategic industrial cluster applications).

US (Michigan): proposed curbs + ballot initiative dynamics

- Michigan legislators introduced bills to: repeal data centre tax breaks, ban NDAs for officials, limit water use, and rescind a **$100m** state grant for a U-M/LANL data centre.
- Concurrently, the MPSC approved DTE contracts tied to a **$7bn Oracle and OpenAI data center** in Saline Township.
- Organizers are collecting **356,958** signatures for the MMOP ballot initiative (aimed at restricting utilities from political donations) targeting the **Nov 2026** ballot (Michigan lawmakers introduce bills to rein in data center growth).

India: renewables siting constraints from Supreme Court

- Supreme Court barred renewal of wind leases in critical Great Indian Bustard habitats; accepted mitigation measures; mandated undergrounding of **250 km** of critical lines in Rajasthan within **two years**; and revised priority areas (Rajasthan **14,013 sq km**, Gujarat **740 sq km**). Court noted earlier restrictions had halted **20+ GW** of planned renewables (Supreme Court bars renewal of wind leases in critical GIB habitats).

Sector signal: infrastructure strain from AI demand

- A 2025 retrospective highlights AI-driven constraints: capacity bottlenecks, GPU shortages, outages, and increased interest in hybrid/neocloud/private GPU deployments; includes Equinix's plan to sunset Equinix Metal by **2026** and references major hyperscaler outages (Top 10 cloud stories of 2025: AI strains infrastructure).

What to watch (next 1–8 weeks)

- Clarification of **Alphabet/Intersect** transaction perimeter (asset scope, excluded portfolios, closing mechanics) and knock-on valuation read-throughs for power developers (Alphabet to buy Intersect Power for $4.75 billion).
- Michigan legislative progress and MPSC/utility contracting implications for large US campus pipelines (Michigan lawmakers introduce bills to rein in data center growth).
- Delivery milestones and procurement execution risk on India's **HVDC** programs (refurb + new VSC terminal) (GE Vernova wins 2,500 MW HVDC terminal contract in India).
- Japan METI GX cluster applications: whether **data centre clusters** emerge as a priority category with tangible incentives (Japan opens GX strategic industrial cluster

applications).

- PJM/Ohio timeline signals: progress markers for energization pathways similar to Cipher's **Q4 2027** schedule (Cipher acquires 200 MW HPC-ready data center site in Ohio).
- Evidence of scalable "virtual capacity" approaches (efficiency/DSM) being adopted in load interconnection negotiations (AnnDyl finds $50M residential upgrades offset 10% data center peak).

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