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Data Center Briefing

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Global

Key themes:
Microsoft $1bn Thailand cloud and AI data centre region; Dell'Oro: $726B 2025 capex, >$1T 2026; Virginia $1.9B data-centre sales tax exemption showdown; Maine 20MW+ data centre moratorium until November 2027

Microsoft just put a big flag in Southeast Asia: more than $1bn into Thailand from 2026–2028 for a new cloud and AI data centre region. That would be notable on its own — but it lands on the same day Dell'Oro says AI is pushing data centre capex to $726bn in 2025 and likely past $1tn in 2026. The punchline: the money is global and accelerating, but the politics and permitting in the US are moving the other way, with states openly re-litigating tax breaks, water use, noise, and grid impact.

The Big Stories

Microsoft pledges over USD $1bn for Thailand AI hub sets a clear marker for where hyperscalers think demand (and political runway) is heading. The plan is a new cloud and AI data centre region built with local and international partners, plus a USTDA-backed collaboration that includes a $950k cash grant and $250k in Azure credits for Thai AI developer Ai-ssistance building tools for aCommerce. It matters because Thailand is being positioned as an AI compute and cloud platform country — and Microsoft is doing it with both infrastructure spend and ecosystem cheques, not just a press release.

The spending backdrop is getting almost silly. AI surge pushes data center capex to record high levels cites Dell'Oro: 2025 capex up 57% to $726bn, with another >50% growth expected in 2026, taking the market past $1tn. Amazon

spent $131bn in 2025 and expects about $200bn in 2026; Google is planning roughly $180bn in 2026; both are carrying ~quarter-trillion-dollar backlogs. This is the industry's real constraint right now: not demand, but the physical and financial machinery required to convert backlog into powered, cooled capacity — and the backlog numbers imply the build-out pressure doesn't let up soon.

In the US, the centre of gravity is shifting from "how do we attract data centres?" to "what are we paying for, and what are we tolerating?" In Virginia, Virginia session updates: conservation, data center reform, energy, housing describes a General Assembly session that ended with selective data centre reforms (including required noise assessments and monthly water reporting) and a budget fight over a large data centre tax exemption that forces lawmakers to reconvene April 22–23. A proposed Senate move to eliminate a data centre sales tax exemption projected at $1.9bn in 2025 also looms large in the debate, alongside new distributed generation measures including 1GW of solar on previously disturbed sites. Meanwhile, Maine pauses large data center construction amid backlash reports a proposed moratorium on new 20MW+ projects until November 2027 (with an exception for a project in Jay, Maine) while the state studies environmental and grid impacts. And Georgia went the other direction by doing nothing: Georgia lawmakers fail to curb rapid data center expansion says the session ended without passing measures to slow development despite local opposition focused on nearly $3bn in tax breaks and electricity-rate concerns. Put together, it's a warning to developers and investors: incentives and social licence are now live variables, state by state — and they can swing faster than your construction timeline.

Credit quality is becoming a gating factor again, even when the dollars look attractive. Neocloud deals fail despite attractive pricing and commitments describes a well-funded AI neocloud trying to secure 2MW initially (scaling to 12MW in 18 months) with a 15-year prepaid deal priced at $155–$160/kW and "millions" committed for liquid-cooling capex — and still getting turned away by colo providers. The reported reason is blunt: operators now want investment-grade credit, clear demand visibility, and balance-sheet strength; liquid cooling also adds about $1.5m–$1.6m per MW in upfront costs. Translation: the market is starting to price counterparty risk and technical

complexity more heavily than headline rate cards, which is bad news for thinner-capitalised AI infrastructure plays trying to buy their way into capacity.

Behind the Headlines

Heat reuse is moving from “nice case study” to a real siting and permitting lever — especially in colder markets with district heating networks. Data centers reuse waste heat to power local communities highlights atNorth’s Nordic push, including its DEN01 site in Denmark supplying heat to more than 8,000 homes via a partnership with Vestforbrænding. The important detail is that operators are pairing heat pumps, liquid cooling, and integrated design to turn what used to be waste into a community benefit you can quantify. If you’re looking for the next generation of “permit-friendly” data centre narratives, this is one of the few that can be backed by meterable outcomes.

Immersion cooling is increasingly sold as a density unlock, but the unglamorous truth is that fluid choice can lock in years of operational consequences. Immersion cooling fluid selection critical for high-density data centers quotes Infinium CTO Dennis Schuetzle arguing that fluid chemistry should be treated as a long-term operational decision because it can materially affect thermal performance and hardware reliability. The story runs through fluid categories (from Fischer–Tropsch synthetics to esters and fluorocarbons) and flags properties like viscosity, thermal conductivity, dielectric stability, and oxidation behaviour as drivers of maintenance and lifecycle cost. For investors, the takeaway is simple: “immersion-ready” is not a binary spec — chemistry and monitoring regimes become part of your asset’s operating model, and the wrong choice is an expensive kind of technical debt.

Physical security risk is creeping back into the infrastructure conversation — not as cyber, but as basic metal theft. AT&T warns organized copper thefts threaten critical infrastructure reports more than 7,300 incidents in California in 2025, with losses exceeding $54m, and points to the state’s AB476 (enacted October 2025) tightening scrapyard reporting and penalties. This matters for data centres and cloud networks because last-mile and metro connectivity are shared dependencies; a stolen span of copper doesn’t care whether it’s serving consumers, enterprises, or a carrier hotel. In a world obsessed with AI

megawatts, it’s worth remembering that the weakest link can still be a pair of bolt cutters.