US Data Center Daily Briefing

April 25, 2026

KEY THEMES

- Wärtsilä 790MW off-grid gas plant for Texas data centre
- Virginia deadlocks on Jan 2027 data-centre tax exemption
- Canada cites $126bn projects, July 1 AI framework deadline
- Siemens Energy and GE Vernova lift 2026 guidance

A single number did a lot of talking today: 790MW. That's what Wärtsilä is set to deliver for an **off-grid** natural-gas plant tied to a new Texas data centre—equipment in 2028, operations in late 2029, and explicitly framed around AI model-training hubs. In the same news cycle, regulators and politicians in North America kept tightening the "social licence" screws on data centres, while power-equipment giants effectively said the demand wave is already in their order books.

The Big Stories

Wärtsilä to supply 790MW off-grid power for Texas data centre is the clearest signal yet that "grid-constrained" doesn't mean "project delayed" anymore—it increasingly means "build your own power plant." The project uses 42 Wärtsilä 50SG engines, is designed to perform in high temperatures, and is described as capable of future renewable integration. The why-it-matters is straightforward: behind-the-meter generation is moving from contingency plan to default architecture for big AI loads, and it's going to reshape who captures value (and who carries risk) across interconnection, fuel supply, and permitting.

The OEMs are now openly pricing in data-centre-driven electrification. Siemens Energy raises 2026 outlook on data centre demand, lifting sales growth guidance to 14–16% and margin to 10–12% (before special items) on preliminary Q2 sales of €10.3bn and profit of €1.16bn. In the US, GE Vernova raises 2026 guidance after strong Q1 results and notes its Electrification segment booked $2.4bn of equipment orders tied to data centres, alongside an expectation of at least 110GW of combined gas turbine backlog and slot reservations by year-end 2026. Put together, this reads less like "AI might be big" and more like: factories and production slots are being allocated now, and latecomers will pay for it.

State politics continues to converge on one uncomfortable question: who eats the cost of scaling power, water, and infrastructure for data centres? In Maine, Governor Janet Mills vetoes

nation's first state data center moratorium, rejecting a bill that would have paused large data-centre construction for over a year—while still promising an executive-order council (and preserving a carve-out for a proposed project in Jay). In Virginia, lawmakers deadlock over data center tax incentive after failing to agree on changes to the retail sales and use tax exemption, triggering a special session; the Senate wants it gone from Jan. 1, 2027, while the House wants to keep it but add environmental and energy conditions. With Virginia's 6,426MW operational and more than 24,000MW planned cited right in the debate, this is no longer niche policy—it's about whether the flagship market changes its growth model.

Canada is trying to do the opposite of a patchwork approach: bundle energy, industrial policy, and AI under one approvals narrative. Canada advances Major Projects, pipelines, LNG and critical minerals includes approval of the Sunrise Expansion pipeline and a Major Projects Office pipeline of 15 projects and six strategies representing $126bn. The same announcement highlights approvals like the $30bn Ksi Lisims LNG and two uranium mines, and sets a **July 1** deadline for an AI data centres framework under the Canada–Alberta MOU. The message to investors is that Ottawa wants to pull data centres into a wider "nation-building" permitting lane—especially where fuel, grid, and minerals are treated as one system.

Europe's sovereignty agenda is no longer just a talking point; it's turning into procurement rules and permitting behaviour. Europe's sovereignty push accelerates across industry, cloud, and mining points to President Macron's 150 "strategic" projects across 63 French departments (€71bn), a €180m Brussels cloud tender, and a Cloud Sovereignty Framework that rewrites procurement rules. It also notes French authorities expediting data-centre permits and companies like Brevo and Yousign moving off AWS. For operators and cloud platforms, the key watch item is whether "sovereign" becomes a hard requirement in public-sector deals—and then quietly spreads into regulated industries.

Behind the Headlines

Ontario's grid buildout shows how quickly "non-data-centre" loads can still define the data-centre map. Ontario approves 230kV Red Lake transmission line for mining authorises Hydro One to build a 162km, 230kV double-circuit line from Dryden to Red Lake, adding ~400MW of capacity in the early 2030s, with First Nations able to take up to 50% equity. The deeper point: new transmission is increasingly justified by mining and industrial electrification—but once built, it creates optionality for other large loads and reshapes regional price and capacity dynamics. Ownership structures (including equity participation) are also becoming part of the "permitability" toolkit.

Fiber is quietly becoming a utility monetization story with data centres as the anchor tenant. Utilities Monetize Fiber to Serve AI Data Center Boom highlights LOGIX Fiber Networks' expansion in Texas (South Dallas and Bastrop County) and ties middle-mile demand to both hyperscale AI growth and BEAD-funded last-mile buildouts. The piece usefully gets into the mechanics investors care about—IRUs typically 20–30 years, dark-fiber leases 5–10, plus easement and sublicensing risks and the need for regulatory review (including potential FERC Section 203 implications). The underappreciated angle: "AI infrastructure" is starting to look like multi-asset bundling—power, land, and fiber—where one weak link can kill an otherwise bankable site.

The politics of reliability is also dragging legacy generation back onto the stage. Shapiro delays coal plant retirements as data centers grow reports Pennsylvania will keep two Western Pennsylvania coal plants online until 2032, explicitly to help meet rising demand from data centres. This is the uncomfortable reality of the near term: when load growth surprises planners, jurisdictions reach for whatever is dispatchable and already standing. For developers, it means "clean" narratives will be tested against reliability decisions—and the markets that can move fastest on firm capacity will win more projects.

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