US Data Center Daily Briefing

December 26, 2025

KEY THEMES

- Hyperscalers vertically integrate into power (Alphabet–Intersect)
- Multi-GW build cycle accelerates (AWS Indiana; Vantage Wisconsin)
- Interconnection and power delivery remain the binding constraint
- Policy divergence at state level (Texas SB 6; Louisiana fast-track; Michigan bills)
- Rising permitting/litigation and EJ scrutiny on fossil-backed supply (Homer City; PJM peakers)
- New grid monitoring/stability tools targeting AI-load power electronics (ORNL GridEdge)

Market overview (North America | 26 Dec 2025 UTC)

AI-led capacity demand continues to pull data centre strategy closer to power development and grid execution risk. This week's news reinforces three converging trends: (i) hyperscalers seeking vertical integration into generation and energy platforms, (ii) multi-GW campus announcements accelerating the "power-first" site selection dynamic, and (iii) rising regulatory scrutiny and community pushback focused on rate impacts, emissions, and water.

Notable headline items include Alphabet/Google's move to secure a dedicated power-development platform via the planned acquisition of Intersect, continued multi-GW build signals from AWS and Vantage, and state-level policy shifts (Texas, Louisiana, Michigan) that could reshape who pays for new infrastructure and how quickly it can be approved.

Risks and watchpoints (near-term)

Power delivery and interconnection remain the binding constraint

- Large-load schedules (often 9–12 months for data centres) remain misaligned with generation lead times (~2.5–3 years), elevating stranded-capacity and curtailment risk (see cost-allocation discussion in Who should pay for electricity for new data centers).
- US interconnection queues remain a macro bottleneck, cited at nearly **2,300 GW** stuck in queues (per the energy transition roundup in 2025 energy transition: breakthroughs, gridlock and supply risks).

Regulatory and litigation risk is rising around emissions, ratepayer impacts, and EJ

- Permitting appeals can materially delay "power-to-campus" projects, illustrated by the challenge to a proposed **4.4 GW** gas plant intended to supply a planned **3,200-acre** data

centre campus (see Pa. environmental groups appeal permit for 4.4 GW gas plant).

- Rate impact and cost socialisation risk is explicit in Louisiana's fast-track approach where large customers may pay **half** of new plant costs, leaving the remainder potentially to regular customers (see Louisiana adopts fast-track power approvals for data centers).

Thermal/emissions backlash vs. reliability upside

- Reliability upside: delayed retirements and profitable peakers can reduce near-term capacity shortfalls.
- Downside: ESG/EJ pressure increases as fossil units stay online; Reuters found about **60%** of PJM retirements postponed/cancelled, including multiple peakers (see Data centers revive polluting peaker power plants across U.S.).

Policy whiplash and grant cancellations add financing uncertainty

- Federal rollbacks and cancellation of funding/grants introduce variability into project economics and timelines (see Trump, AI's thirst and Mayor Johnson's stalled environmental ordinance and the broader clean-energy policy recap in US clean energy faces policy whiplash and mixed outcomes).

Key deals and capital commitments

Hyperscaler power vertical integration

- Alphabet agreed to acquire a clean energy developer to deepen control over power supply for Google data centres: in Alphabet to buy Intersect Power for $4.75 billion Alphabet will buy Intersect for **$4.75B** (cash plus existing debt). The transaction is intended to secure more electricity for Google's data centres and includes Intersect's development platform and team; **other customer-contracted grid assets in Texas and California are excluded**.
- Timing/structure detail: the acquisition is expected to close in **H1 2026**, with Intersect operating separately under CEO Sheldon Kimber while partnering with Google (see Alphabet to acquire Intersect for $4.75B to boost data centers).

Multi-GW campus momentum (execution now the differentiator)

- **Vantage / Oracle–OpenAI (Stargate)**: Vantage broke ground on its Lighthouse campus in **Port Washington, Wisconsin**—a four-data-centre development targeting **902 MW of IT capacity** and driven by a **$15B** investment (see Vantage breaks ground on Lighthouse data center campus). The first phase is an **$8B** build led by Whiting-Turner, The Weitz, Michels, and a Turner–McCarthy JV, expected by **2028**.

- **AWS**: AWS announced a **$15B**, approximately **2.4 GW** data centre expansion in **Northern Indiana**, alongside new "AWS AI Factories" (AWS-managed hyperscale AI compute inside enterprise/government facilities) and the **Fastnet** subsea cable (Maryland–County Cork) targeted for **2028** (see AWS accelerates AI infrastructure with AI Factories, Indiana, Fastnet).

Site acquisitions and contracted capacity (mid-market capacity build)

- **Cipher Mining**: in Cipher acquires 200 MW HPC-ready data center site in Ohio, Cipher acquired a **200 MW**, **195-acre** "HPC-ready" site in Ohio with **secured AEP Ohio capacity** and **PJM interconnection**, scheduled to energize **Q4 2027**. This is Cipher's first site outside Texas and brings its total development pipeline to **3.4 GW across eight sites**.
- **Nscale / WhiteFiber**: in Nscale commits $865M for 10-year, 40 MW at WhiteFiber NC-1, Nscale will invest **$865M** for a **10-year** colocation contract for **40 MW** at WhiteFiber's **NC-1** facility (Madison, North Carolina), with staged payments starting **April 2026**. WhiteFiber has invested **$150M** and is seeking lenders to fund buildout.

Power and grid / interconnection highlights

Reliability response: peakers and delayed retirements

- PJM supply tightness appears to be prolonging the life of higher-emitting units. Reuters reporting cited in Data centers revive polluting peaker power plants across U.S. indicates ~**60%** of oil/gas/coal plants slated for retirement in PJM postponed/cancelled plans this year, including **11 peakers** with delayed/cancelled retirements since Jan 13.

New tools and approaches to manage grid stability at AI loads

- **ORNL / UT GridEdge**: ORNL and UT develop real-time Universal GridEdge Analyzer describes a device that measures high-speed voltage/current waveforms and securely streams them for real-time analysis; utilities in **Hawaii and Texas** are using it to study power electronics behavior, including stability and backup-power events at AI data centres.

Grid build cost and capacity strategies

- RMI frames a cost-containment agenda for the coming capex cycle: US strategies to expand the grid while lowering costs highlights three strategies—deploying new clean technologies, accelerating delivery, and maximizing existing grid capacity—against a backdrop of planned **$1.4T** of US grid investments by **2030**.
- Demand-side mitigation as a partial "release valve": AnnDyl finds $50M residential upgrades offset 10% data center peak estimates a **200-MW** data centre could offset ~**10%**

of peak load by investing **$50M** in residential efficiency upgrades, yielding ~$**3M/year** in customer savings (modeled in Ohio/PJM).

Policy and regulatory developments (North America)

Texas: large-load framework pushes onsite/dispatchable planning

- Texas SB 6 reshapes power strategy for large data centers notes SB 6 (effective **2025**) creates a framework for loads over **75 MW** and signals that large customers in ERCOT "must bring their own power" as peak demand is projected to rise **>65% by 2031**—supportive for onsite dispatchable, microgrid, and contracted generation strategies, but potentially increasing upfront capex and complexity.

Louisiana: accelerated approvals, but explicit ratepayer allocation risk

- The Louisiana Public Service Commission voted **4–1** to create a "lightning speed" approval pathway that can shorten power plant regulatory timelines to as little as **eight months**, while suspending competitive bidding and some consumer protections (see Louisiana adopts fast-track power approvals for data centers). Under this rule, large customers would pay **half** the cost of new plants, with the remainder potentially borne by regular utility customers—raising political and regulatory durability questions.

Michigan: legislative push to rein in incentives and resource impacts

- Michigan lawmakers introduce bills to rein in data center growth reports 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. The same item notes the MPSC approved DTE contracts for a **$7B** Oracle and OpenAI data centre in Saline Township.

Federal (EPA): clearer permitting resources, NSR rule revisions pending

- The EPA launched a consolidated resource page: EPA launches Clean Air Act data center resource page. The agency also flagged anticipated **NSR rule revisions**—proposed in **early 2026** and expected to be finalized by **fall 2026**—to clarify "commencement of construction" under the Clean Air Act (potentially material for projects sequencing early works vs. major equipment commitments).

What to watch (next 2–8 weeks)

- Deal progression and integration implications from Alphabet to buy Intersect Power for $4.75 billion, including which assets are excluded and how the platform is used to accelerate power-to-data-centre delivery.

- Execution risk on large campus schedules (Vantage Wisconsin by 2028; AWS Indiana scale-out) and associated grid/turbine/transformer bottlenecks (see Vantage breaks ground on Lighthouse data center campus and AWS accelerates AI infrastructure with AI Factories, Indiana, Fastnet).
- Litigation/regulatory timeline for the proposed **4.4 GW** Homer City gas plant and implications for similarly structured "plant-to-campus" strategies (see Pa. environmental groups appeal permit for 4.4 GW gas plant).
- Louisiana's fast-track rule durability and whether cost allocation triggers consumer/political backlash (see Louisiana adopts fast-track power approvals for data centers).
- Texas SB 6 compliance pathways (onsite dispatchable, microgrids, hybrid contracts) for loads >75 MW (see Texas SB 6 reshapes power strategy for large data centers).
- Continued PJM retirement delays/peaker economics and the resulting ESG/EJ headwinds for data-centre-related load growth (see Data centers revive polluting peaker power plants across U.S.).

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