US Data Center Daily Briefing

May 16, 2026

KEY THEMES

- CoreWeave $2.08B Q1 and $21B Meta deal
- NV Energy exits Lake Tahoe wholesale power by 2027
- NEXTDC opens 65MW KL1 Kuala Lumpur data centre
- India C-DAC and G42 8-exaflop supercomputer partnership

The AI infrastructure race is starting to look less like a GPU shopping spree and more like a power-and-permits war. In the latest proof point, neocloud leaders are putting "multiple gigawatts" of contracted power at the centre of their growth stories—because grid bottlenecks, not silicon, are becoming the real throttle. That reframes everything from utility planning in the US West to where the next wave of capacity gets built in Asia.

The Big Stories

Neoclouds shift AI race from GPUs to power infrastructure put hard numbers on the new pecking order of constraints. CoreWeave reported Q1 revenue of $2.08B alongside huge capex and a $21B Meta commitment, while Nebius posted $399M Q1 revenue and lifted capex guidance to $20–$25B. The common thread isn't "who has more GPUs," it's who can secure and deliver power, cooling, and networking at multi-gigawatt scale—while navigating interconnection queues, transformer scarcity, and transmission limits. If you're underwriting growth here, the limiting reagent is increasingly utility process and equipment lead times.

NV Energy to end wholesale power to Lake Tahoe region is the kind of second-order consequence investors should pay attention to. Liberty Utilities says NV Energy will end full-requirements wholesale power service after May 2027, pushing Liberty to start lining up replacement contracts from June 1, 2027. The stated driver is "surging data centre and AI infrastructure demand" reshaping electricity planning and transmission capacity across the US West. Translation: big load growth is now rippling into retail procurement decisions and service models, not just interconnection queues.

Loudoun backlash spotlights AI-driven data center build-out crisis captured the political angle of the same underlying stress: communities feeling the build-out in bills, land use, and tax policy. The panel cited collapsed public approval in Loudoun County, rising electric bills, and large industry tax breaks, while industry voices countered with the scale of hyperscaler

spend (a claimed $700B this year, with two-thirds to rural America) and examples of local fiscal impact (including a cited $100M/year AWS tax payment). The punchline for operators is uncomfortable: “data centre demand” is no longer an abstract macro tailwind—it’s turning into a local legitimacy problem that can slow projects even when capital is available.

NEXTDC launches KL1 Kuala Lumpur 65MW Tier IV data centre shows international expansion is still alive and well—just increasingly framed around AI/HPC readiness. NEXTDC’s first international facility comes with a $720 million investment and 65MW of IT capacity, positioned to serve Southeast Asia and built to Uptime Institute Tier IV design principles. The signal is that regional hubs like Kuala Lumpur are competing on quality and scale, not just cost—especially if customers want AI-grade capacity without waiting for saturated metros elsewhere.

India-UAE agreements cover energy, defence, ship repair, AI bundled energy security and AI compute into one diplomatic package. Alongside petroleum reserve and LNG/LPG storage collaboration, the headline for this audience is an 8-exaflop supercomputer partnership between India’s C-DAC and Abu Dhabi’s G42 to support India’s AI Mission, plus a stated UAE commitment of $5 billion in investments in India. This matters because it’s a reminder that “AI infrastructure” is now national capability—being negotiated at the state-to-state level, paired with energy logistics, and treated as strategic industrial policy rather than just a private capex cycle.

Behind the Headlines

BESS emerging as diesel alternative for AI data centers is one of the more practical shifts hiding in plain sight: the industry is trying to decouple reliability from diesel dependence. MarketsandMarkets forecasts the BESS market growing from $50.81B (2025) to $105.96B (2030), and BloombergNEF cites 112 GW of storage additions in 2025—momentum that’s now clearly bleeding into data centre design. The cited examples (Caterpillar supplying gensets augmented by BESS targeting 2 GW at the Monarch Compute Campus by 2027; Baker Hughes supplying 16 NovaLT turbines paired with BESS and synchronous condensers) point to hybrid architectures becoming a default conversation. The subtext: operators are being pushed toward solutions that play nicer with grid constraints and emissions pressure while still meeting uptime expectations.

Digital twins become baseline for AI-driven data centers is less buzzword and more survival tactic as rack power spikes and operational complexity explodes. The piece notes AI training racks routinely exceeding 30 kW, with NVIDIA GB200 NVL72 spikes past 150 kW—levels where

“rule of thumb” design starts getting expensive. Examples like Yotta’s campus-wide twin and Wistron’s reported 10% energy-efficiency gain underline why digital replicas are becoming operational tooling, not just planning theatre. The most telling datapoint is agentic systems handling 90% of tested network issues: if that holds up in production, the competitive edge shifts from hardware procurement to how well you model, automate, and control the facility as a system.

Moldova and Ukraine strengthen energy cooperation ahead of winter is a reminder that resilience is being built in cross-border increments—often before the next crisis hits. The two sides discussed increasing cross-border interconnection capacity, planning new power lines, and formalising emergency-assistance agreements for electricity surpluses, with maintenance rules for border-crossing lines also on the table. They also pointed back to synchronization with ENTSO-E completed in spring 2022, which is the enabling plumbing for deeper integration. For data centre investors scanning Eastern Europe, the takeaway isn’t immediate new megawatts—it’s the slow but critical work of reducing single-country supply fragility ahead of winter stress.

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