

US Data Center Daily Briefing

December 28, 2025

KEY THEMES

- PJM power tightness driving retirement reversals
- Dispatchable fossil capacity revalued by AI data centre load
- Open-access fibre platform formation in Indonesia (FibreCo JV)
- Political and reputational risk around mega data centre projects (Georgia)
- Sustainability debate: AI's energy/water footprint vs emissions-reduction use cases
- Land price inflation linked to data centre/IT investment announcements (Visakhapatnam)

Market overview (Global | 28 Dec 2025)

AI-driven data centre load continues to push power-market tightness and reshape infrastructure positioning. Media coverage this week underscores (i) electricity demand from data centres already around **~1.5% of global use last year** and projected to **more than double by 2030**, while (ii) near-term reliability needs are keeping marginal fossil capacity online in constrained markets like **PJM**. In parallel, digital infrastructure platforms (notably fibre) are being recapitalised and reorganised via open-access wholesale models to support AI/5G buildouts.

Risks and watchpoints

Near-term downside risks (execution/regulatory/reputational):

- **Grid reliability and price volatility:** The decision to keep legacy peakers running (see **PJM**) highlights risk that incremental data centre load triggers sharp pricing moves, tighter capacity margins, and politicised scrutiny of power costs for consumers. ([AI data center demand keeps NRG's Fisk peaker plant operating](#))
- **Permitting/social licence & political blowback:** Large-scale data centre development can become a high-profile political issue, raising risks of delays, additional conditions, or investigations. Georgia political advertising tied to an alleged **\$10bn, 11m sq ft** data centre project illustrates reputational and policy uncertainty around mega-campus scale. ([Anonymous group spends \\$5M attacking Georgia Lt. Gov.](#))
- **Sustainability constraints (water/materials/e-waste):** Ongoing public debate on AI's resource footprint increases the likelihood of stricter reporting or design expectations

(water use, critical materials, e-waste), which could raise capex/opex for new builds. ([AI and climate change: Can advanced intelligence combat warming](#))

Near-term upside risks (supportive catalysts):

- **Higher realised power prices support dispatchable assets:** Rising prices tied to data centre demand are already changing retirement economics for thermal assets, potentially improving cashflows for select generation portfolios and increasing valuation of flexible capacity. ([AI data center demand keeps NRG's Fisk peaker plant operating](#))
- **Efficiency/abatement solutions become investable adjacencies:** Broader adoption of AI for building automation, traffic optimisation, and industrial efficiency could expand demand for data-centre-adjacent platforms (software, controls, monitoring) positioned as emissions reducers. ([AI helps cut emissions despite rising power demands](#))

Key deals and projects

Digital infrastructure (fibre)

- **Indonesia – Indosat fibre carve-out into open-access platform:** [Indosat forms FibreCo JV to house fibre infrastructure assets](#)
 - **Structure:** Indosat Ooredoo Hutchison to **spin off fibre assets** into a JV, **FibreCo**, with **Arsari Group** and **Northstar Group**.
 - **Valuation:** Assets valued at **~IDR 14.6 trillion**.
 - **Ownership:** Indosat retains **~45%**.
 - **Strategic angle for investors:** FibreCo positioned as an **open-access wholesale fibre platform** across Indonesia, supporting mobile operators, ISPs, enterprises, and underpinning Indosat's **AI and 5G** investments.

Energy supply (dispatchable capacity kept online)

- **US PJM – Retirement reversals signal tightness:** [AI data center demand keeps NRG's Fisk peaker plant operating](#)
 - **Asset:** NRG Energy **withdrew planned retirement** of the **Fisk** plant; will keep **eight oil-fired peaker units** operating.
 - **Market driver:** **Electricity prices rose in PJM** due to increased demand from data centres powering AI.
 - **Broader read-through:** Reuters analysis cited indicates **~60% of fossil-fueled plants slated for retirement in PJM** have **postponed or cancelled retirements this year**—a

signal of near-term capacity scarcity and potential upward pressure on capacity and energy pricing.

Power & grid / interconnection highlights

- **PJM: load-driven tightness is altering retirement economics.** The Fisk decision and broader retirement deferrals suggest constrained reserve margins and a higher value placed on quick-start dispatchable capacity to meet incremental data centre demand. ([AI data center demand keeps NRG's Fisk peaker plant operating](#))

Policy, regulation, and political context

- **US (Georgia): data centres as a political flashpoint.** [Anonymous group spends \\$5M attacking Georgia Lt. Gov.](#)
 - An entity calling itself **Georgians for Integrity** spent **~\$5m** on ads alleging Georgia Lt. Gov. **Burt Jones** used his office to benefit a data centre project described as **\$10bn** and **11m sq ft**.
 - The **Georgia Republican Party** filed an **ethics complaint**; the **Jones campaign disputes** the ads and has threatened legal action.
 - Investor implication: higher risk of public scrutiny and shifting local/state conditions for very large projects.

Demand, sustainability, and public narrative

- **Data centre power demand expected to rise sharply through 2030; AI positioned as both problem and solution.**
 - [AI helps cut emissions despite rising power demands](#) notes data centres used **~1.5% of electricity last year**, projected to **more than double by 2030**, while highlighting AI use-cases that can reduce emissions. Companies referenced include **Google**, **Geminus AI**, and geothermal startup **Zanskar** (given context on a New Mexico plant purchase and a Nevada discovery announcement).
 - [AI and climate change: Can advanced intelligence combat warming](#) highlights AI-enabled energy forecasting, renewable integration, and efficiency, while flagging **energy and water use**, **critical-material dependence**, and **e-waste**; mitigation via **sustainable data-centre design** and **circular material use**.

Real assets read-through (land values)

- **India (Visakhapatnam): land pricing responding to digital infra announcements.** [IT investments lift Visakhapatnam plot prices by 60%](#)
 - VMRDA plot auctions (Dec 17–18) saw bids rise up to **64%** after nearly **₹2.5 lakh crore** of IT, data centre, and digital infrastructure investments were announced.
 - Examples: **Palavalasa** from **₹14,500/sq yd** upset to **₹23,700** high; **Kapuluppada** plots **₹32,000–₹34,500** vs **₹23,500** upset.
 - Investor implication: early-stage land inflation can compress development returns and raise entry costs in perceived “next-wave” markets.

What to watch

- Whether **PJM** capacity tightness leads to further **retirement reversals** and higher forward power prices (and what that means for data centre siting and PPAs). ([NRG Fisk decision](#))
- Escalation of **political/ethics scrutiny** around mega-scale campuses (potential delays/conditions). ([Georgia \\$10bn, 11m sq ft controversy](#))
- Additional **open-access fibre** platform transactions in SEA as operators fund AI/5G rollouts. ([Indosat FibreCo JV](#))
- Further evidence of **land price inflation** in emerging Indian tech corridors and implications for capex budgets. ([Visakhapatnam auctions](#))
- Growing focus on **water/materials/e-waste** footprints and whether it translates into enforceable standards affecting design and cost. ([AI and climate change commentary](#))

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