US Data Center Daily Briefing

December 30, 2025

KEY THEMES

- SoftBank agrees $4bn DigitalBridge acquisition; close 2H 2026
- Hut 8's $10bn Louisiana data centre: Jacobs EPCM; Vertiv; up to 85% financing underwritten
- US federal push to centralize data-centre grid connection authority raises legal risk
- Interconnection studies targeted to be 5x faster via Open Power AI Consortium
- Power scarcity signals: utilities restarting older plants amid AI load growth; PPAs/transmission take years
- APAC build pipeline: Neurair/PT Hanugra partnership for >400 MW high-density AI capacity
- Rural California open-access fiber funded via $110.9m revenue bonds plus $185.4m grants
- India capital outlook: $10.4bn 2025 investments; large DC platform commitments cited by JLL

Market overview (Global) — 30 Dec 2025 (UTC)

Strategic and capital-market activity continues to accelerate around AI-driven digital infrastructure, with a major prospective platform acquisition and multiple signals of tightening power/grid constraints. On the supply side, developers are pushing large, high-density builds (100+ kW racks) and pursuing project finance structures; on the demand-enablement side, policy and utility processes (interconnection studies, permitting, and grid connection authority) are emerging as key swing factors for delivery timelines.

Risks and watchpoints (near-term)

- **Regulatory/legal uncertainty on grid connections (US):** A reported federal push to fast-track rules that would give Washington new authority over large data-centre grid interconnections could **trigger legal challenges** from states and regulators, potentially delaying rulemaking and creating near-term execution risk for projects dependent on interconnection outcomes (Federal push for control of data-center grid connections sparks backlash).
- **Power availability and emissions backlash:** Utilities restarting older, inefficient plants to meet AI-driven load growth raises **cost, emissions, and reputational** risk; it also signals that "bridging" thermal capacity may persist while PPAs, on-site generation, and transmission take years (AI data center boom forces revival of old power plants).
- **Financing/execution concentration risk in mega-projects:** Large builds relying on high leverage and complex delivery stacks (EPCM + OEM partners) face **schedule/cost overrun**

risk, counterparty risk, and refinancing risk (notably where underwriting is up to a high share of project-level capital) (Woodside signs LNG deal with Turkey; Hut 8 names construction partner).

- **M&A close timing and approvals:** SoftBank's planned acquisition of DigitalBridge is not expected to close until **2H 2026** and is subject to regulatory approvals—creating uncertainty for portfolio strategy and potential interim asset rotation at DigitalBridge (SoftBank to acquire DigitalBridge for approximately $4.0 billion).
- **Upside catalyst—faster interconnection studies:** The Open Power AI Consortium's target of **5x faster** interconnection studies could shorten queues and improve project IRRs if adopted at scale (Plano's KYRO AI joins Open Power AI energy consortium).

Key deals & platform moves

SoftBank to acquire DigitalBridge (digital infra platform)

- SoftBank has agreed to acquire DigitalBridge for **~$4.0bn**, paying **$16.00/share in cash**, with expected close in **2H 2026** pending approvals (SoftBank to acquire DigitalBridge for approximately $4.0 billion).
- DigitalBridge manages **~$108bn** of digital infrastructure assets across **data centers, fiber, towers, and edge** and is expected to remain a **separately managed platform** within SoftBank's AI infrastructure strategy; the same coverage links the strategy to **Project Stargate (~7 GW planned)** (SoftBank to acquire DigitalBridge for approximately $4.0 billion).
- A separate report similarly frames the transaction as supporting SoftBank's AI infrastructure ambitions and references SoftBank's broader AI strategy, including **Project Stargate** and prior moves (e.g., **Ampere acquisition**) (SoftBank to buy DigitalBridge to bolster AI infrastructure).

Hut 8 Louisiana data centre project — delivery stack and financing structure

- Hut 8 appointed **Jacobs** as **EPCM** for its **$10bn** Louisiana data centre project; **Vertiv** is partnering (Woodside signs LNG deal with Turkey; Hut 8 names construction partner).
- **J.P. Morgan and Goldman Sachs** are underwriting **up to 85%** of project-level financing—highlighting strong capital availability for scaled AI builds, but also increasing sensitivity to construction execution and covenant/term outcomes (Woodside signs LNG deal with Turkey; Hut 8 names construction partner).

APAC capacity build-out (high-density AI)

- **Neurair Group** and Indonesia's **PT Hanugra** agreed a strategic partnership to develop **>400 MW** of AI-focused data centre capacity across **Asia-Pacific**, with turnkey "AI-ready" facilities designed for **100+ kW racks** (Neurair and Hanugra partner to build 400MW AI data centres).

India: institutional capital and large platform commitments

- JLL estimates institutional real estate investment in India will reach **~$10.4bn** across **77 transactions** in 2025 (+**17%** vs 2024) (JLL: Institutional real estate investment in India to top $10B).
- JLL cites **~$11.4bn** of platform commitments for deployment over **3–7 years**, including a data centre JV involving **Reliance, Brookfield, and Digital Realty** with commitments **exceeding $11bn** (JLL: Institutional real estate investment in India to top $10B).

Power, fuel, grid & interconnection highlights

LNG and "bridge" thermal capacity signals

- **Woodside Energy** signed a binding agreement to supply Turkey's **BOTAS** with **~5.8 bcm** of LNG over up to **nine years starting in 2030**, mainly sourced from Woodside's **Louisiana LNG** project (deliveries expected to begin **2029**)—underscoring the longer-dated fuel infrastructure build that may be relevant to power adequacy planning in gas-linked markets (Woodside signs LNG deal with Turkey; Hut 8 names construction partner).
- Separately, utilities are reported to be **restarting decade-old, inefficient power plants** to meet hyperscale/AI data centre demand growth, while operators pursue long-term **PPAs**, **on-site generation**, and **dedicated transmission** that take years to deliver (AI data center boom forces revival of old power plants).

Interconnection process as an investable bottleneck

- **KYRO AI** signed an MOU with **EPRI** to join the **Open Power AI Consortium** alongside **Microsoft, NVIDIA, and major utilities** to develop open-source AI models for power systems, aiming to speed interconnection studies by **5x** (Plano's KYRO AI joins Open Power AI energy consortium).
- The same report cites a **22% rise in data-centre power demand this year** and estimates **~$22bn** could be unlocked by shortening permitting timelines by one year—framing interconnection/permits as a key value lever (Plano's KYRO AI joins Open Power AI energy consortium).

Policy and regulation

- The Trump administration reportedly directed federal regulators to fast-track rules granting Washington new authority over how large data centers connect to the grid; Energy Secretary **Chris Wright** said the move would speed connections and allow operators to build their own power, while state regulators and officials warn of potential violations of the **Federal Power Act** and expect legal challenges (Federal push for control of data-center grid connections sparks backlash).

Networks & enabling infrastructure (fiber)

- The **Golden State Connect Authority** secured **$110.9m** in revenue bond financing to build an **open-access public fiber** network for rural California, complementing **$185.4m** in CPUC Federal Funding Account grants (California rural counties secure $110.9M for public fiber network).
- Scope: the network targets **>31,000 locations** across multiple rural counties; bonds were approved in October and **closed Dec. 16, 2025**, with **seven private investment firms** participating (California rural counties secure $110.9M for public fiber network).

Technology & operations notes (select)

- Liquid cooling reliability/efficiency: a proof-of-concept IoT monitoring system combining **LSTM forecasting** and **Random Forest detection** targets coolant leaks in liquid-cooled GPU-centric AI data centers; it reports **96.5% detection** and **87% forecasting accuracy**, with leak forecasts **2–4 hours ahead** and sudden event detection within **1 minute** (ASHRAE-aligned synthetic data). The authors estimate **~1,500 kWh/year** energy waste avoidance for a **47-rack** facility (Smart IoT Leak Forecasting for Energy-Efficient Liquid-Cooled AI Data Centers).
- Siting/embedded generation optimization (distribution networks): a mixed-integer nonlinear optimization plus genetic algorithm framework in an IEEE 33-bus case study selected **bus 14** with **1.10 MW** DG, reducing losses (reported **202.67 kW → 129.37 kW**) at an investment cost of **$1.33m** (Optimal Data Center Placement for Distribution Networks Using Intelligent Algorithms).

What to watch

- Progress and potential litigation around US federal efforts to reshape authority over data-centre **grid interconnections** (Federal push for control of data-center grid connections sparks backlash).

- Whether interconnection study automation via the **Open Power AI Consortium** translates into measurable queue-time reductions (target **5x faster**) (Plano's KYRO AI joins Open Power AI energy consortium).
- Financing terms and delivery milestones for Hut 8's **$10bn Louisiana** project, given underwriting of **up to 85%** project-level financing and the EPCM/OEM partner stack (Woodside signs LNG deal with Turkey; Hut 8 names construction partner).
- SoftBank–DigitalBridge regulatory path and any indications on platform strategy ahead of expected close in **2H 2026** (SoftBank to acquire DigitalBridge for approximately $4.0 billion).
- APAC delivery cadence for **>400 MW** high-density AI data centre capacity and associated power procurement strategy (Neurair and Hanugra partner to build 400MW AI data centres).

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