US Data Center Daily Briefing

January 17, 2026

KEY THEMES

- Google-Clearway 1.2GW renewable PPAs with $2.4bn+ investment
- PJM emergency auction proposal for 15-year tech-funded contracts (~$15bn)
- EPA requires federal permits for large portable methane turbines at data centres
- Hyperscale campus financing scrutiny (Meta/Blue Owl in Louisiana)
- Texas wind-powered AI/HPC campus expansion roadmap (>300MW)
- Thailand BOI approves $3.1bn+ data centre/hosting projects with large IT loads
- Battery storage buildout accelerating (ERCOT to 37GW by end-2027; multiple large BESS projects)
- Power access remains key constraint despite strong NOI/margins in DC development

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Global data centres briefing (UTC 2026-01-17)

Audience: Institutional asset managers and infrastructure fund managers (data centres, power & grid)

Top news (3)

- **Large renewable procurement for hyperscaler load:** Clearway signs 1.2 GW PPAs with Google for data centers across Missouri, Texas and West Virginia (SPP/ERCOT/PJM) under long-term PPAs (up to 20 years). Construction is to begin this year; first sites expected online **2027–2028**; cited as **>$2.4bn** infrastructure investment.
- **PJM capacity intervention proposal:** Trump pushes emergency power auction for tech-funded power plants — administration and governors urged PJM to run a one-time auction for **15-year** power contracts, aiming to support about **$15bn** of new generation, with costs assigned to hyperscalers to avoid higher residential bills (requested by end-September).
- **Onsite generation permitting tightens for hyperscalers:** EPA Cracks Down on xAI Unauthorized Datacenter Power Generation — EPA determined methane gas turbines at xAI's "Colossus 1" in Tennessee were not exempt even if temporary; xAI later received permits for **15** turbines and is operating **12** permitted machines.

Key deals & projects (by region)

North America

- **Texas (AI/HPC, wind-powered campus):** Soluna, Metrobloks partner to build Project Kati 2 campus
  - Project Kati 2: **100+ MW** AI/HPC data centre in **Willacy County, Texas**.
  - Phase two of a **166 MW** wind-powered campus; expansion roadmap supporting **>300 MW**.
  - Structure: Metrobloks leads design/development/leasing/operations; Soluna provides site control, power entitlements, electrical equipment and development expertise.
- **Nebraska (interconnection / carrier hotel expansion):** 1623 Farnam to open second Omaha interconnection facility in 2028
  - Closed on a second interconnection facility in **Omaha** adding **at least 5 MW**.
  - Target operations: **mid-2028**; complements 1623 Farnam's flagship carrier hotel.
- **Louisiana (hyperscale campus financing / regulatory risk):** Questions Mount Over Meta Data Center Financing in Louisiana
  - Meta disclosed a financing deal in which **Blue Owl will own 80%** of the **Richland Parish** campus; Meta retains **20%** and leases in **four-year increments**.
  - Entergy says the arrangement yields **$650m** in customer savings; critics warn ratepayers could inherit costs for power plants and transmission built for the project.
- **Canada (broadband capacity buildout):** Canada funds over $11M to expand Saskatchewan broadband
  - Federal funding **>CAD 11m** for high-speed internet projects across Saskatchewan.
  - Includes **CAD 9,427,955** to Flex Networks (serving **1,147 households**) and **CAD 1,525,382** to Access Communications (serving **555 households**); several projects expected by **March 2027**.

Asia-Pacific

- **Thailand (FDI pipeline, large IT load approvals):** Thailand BOI approves seven major data centre and hosting projects
  - BOI approved **7** data centre/hosting projects totaling **>$3.1bn**.
  - Examples of stated IT loads include **223 MW (True)** and **120 MW (GSA)**.
  - Locations cited: **Chonburi, Samut Prakan, Rayong, Bangkok**.

- **India (listed platform leasing momentum):**CapitaLand India Trust signs second hyperscaler lease for Tower 2
  - Second long-term lease signed with an unnamed global hyperscaler for **Tower 2** at **CapitaLand DC Navi Mumbai**.
  - Tower 2 plan: **37 MW IT load** and **55 MW gross power capacity**.
  - Timeline: completion expected **Q4 2026** with phased handover in **H1 2027**.

Power, grid & interconnection highlights

US generation mix and storage outlook

- **Solar + batteries continue scaling:**Solar drives U.S. electricity generation growth through 2027
  - EIA STEO (Jan 2026) forecasts electricity generation up **1.1% (2026)** and **2.6% (2027)** to **4,423 BkWh**.
  - Utility-scale solar generation forecast: **290 BkWh (2025)** to **424 BkWh (2027)** with **almost 70 GW** new solar coming online.
  - ERCOT battery storage expected to grow from about **15 GW (2025)** to **37 GW (end-2027)**.
  - Notes regional natural gas generation grows partly due to rising data centre demand.
- **Battery project pipeline (selected):**US utilities and developers advance large-scale battery storage projects
  - Duke Energy commissioned a **50 MW/200 MWh** BESS at the former Allen coal plant in North Carolina (cost ~**$100m**) and will start construction on a **167 MW/668 MWh** BESS in May; both qualify for federal ITCs.
  - Fluence to supply Gridstack Pro for BrightNight/Cordelio's **300 MW/1,200 MWh** Pioneer Clean Energy Centre in Arizona (PPA with APS; COD expected **April 2027**).
  - Elevate Renewables acquired the **150 MW/600 MWh** Prospect Power project in Virginia (operations slated **mid-2026**).

UK & Europe renewables financing

- **Debt package for multi-market buildout:**egg Power secures £400m NatWest financing for 500MW renewables

- Up to **£400m** debt financing to develop up to **500 MW** of solar/wind across the UK and Europe (initial UK construction facility supports ~**250 MW**).
- Operational target window: **Q2 2026 to Q1 2027**; longer-term ambition **1.5 GW by 2028** under long-term PPAs.

Policy & regulation (focus on permitting, emissions, and utility cost allocation)

United States

- **Federal air permitting now explicitly covers certain portable turbines at data centres:** EPA rules data centers' large generators must meet Clean Air
  - EPA rule requires semitruck-sized portable gas turbines used by data centres to meet Clean Air Act emissions limits and to be federally permitted.
  - Review began **Dec 2024**; targets methane gas turbines used at hyperscale sites (medium and small turbines receive exemptions).
- **Mid-Atlantic permitting reforms responding to campus-scale load:** Mid-Atlantic Energy Permitting Evolves Amid Data Center Growth
  - Describes 2026 reforms to centralize state review and contemplate regulated utility ownership of generation.
  - Highlights permitting/legal gaps for behind-the-meter co-located generation; cites campus demands of **500–1,000 MW**.
- **State-level environmental scrutiny and permitting pushback:**
  - Virginia faces unchecked data center growth threatening climate goals argues rapid, largely unregulated expansion is stressing energy/land/water and threatens climate goals; also flags that utilities are legally required to serve and that ratepayers are subsidizing buildout.
  - Florida lawmakers introduce wide-ranging environmental bills in 2026 includes **data centre permitting (House Bill 1007)** among broader environmental measures.

Market signals & technology notes (selected)

- **Leasing and economics:** Data centers surge into 2026 on record AI demand cites record leasing and hyperscaler demand in 2024–25, with access to power as the primary constraint; references stabilized NOI exceeding **10%** and development profit margins topping **50%**.

- **High-density AI infrastructure standardisation:** Schneider Electric and NVIDIA release validated AI reference designs covers six validated AI reference designs spanning rack densities from **40 kW to 142 kW** and facility sizes up to **7.5 MW**.

Two-line wrap

Cost-allocation and permitting are tightening in the US just as hyperscalers accelerate long-dated power procurement and push for new capacity mechanisms.
Outside the US, Asia continues to approve and pre-lease large IT-load projects, while renewables and storage financing remains central to near-term energisation timelines.

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