US Data Center Daily Briefing

January 31, 2026

KEY THEMES

- Hyperscalers step up AI data-centre capex guidance
- Mississippi emerges as a major US AI/data-centre investment hub
- Project finance tightens; customer-funded models gain attention
- European grid constraints push development to new regions
- Heat reuse and efficiency measures highlighted in Europe
- Battery storage fundraising links directly to AI/data-centre deployments
- Broadband middle-mile and rural connectivity funding continues
- Data-centre operators refine business models (services vs ownership)

Top news (global)

- Hyperscalers signaled another step-up in AI data-centre spend: Microsoft and Meta earnings reveal AI data center buildout highlighted Microsoft's **US$37.5bn** quarterly capex (two-thirds toward chips) and Meta's **US$72.22bn** 2025 capex guidance and **US$115–135bn** for 2026, with constraints called out around **power, silicon, supply chains, and financing/ownership models**.
- A major US AI-campus-scale build was disclosed in Mississippi: xAI to build $20 billion MACROHARDRR data center in Southaven described **>$20bn** of corporate investment, a retrofit of a purchased building near a newly acquired **Southaven power plant site**, and a target to boost computing power to **nearly 2 GW**.
- Bank commentary pointed to tightening capital availability for data-centre builds: Oracle may cut jobs, sell Cerner amid financing strain said TD Cowen estimates **US lenders have retreated** from data-centre project financing (raising borrowing costs), with Oracle exploring **customer-funded models** (e.g., **40% upfront deposits** and BYOC) amid an estimated **US$156bn infrastructure capex requirement**.

Key deals & projects

North America

- Mississippi (US): supply-chain buildout around large campuses

- Data centers spur manufacturing and supplier boom in Mississippi:
  - AWS investing **US$10bn** in **Madison County** (reported **1,700 acres**), **1,000 direct jobs**, construction through **2027**; also announced **US$3bn** in **Warren County**.
  - ABB investing **US$40m** to expand **Senatobia** facility (adding **122 jobs**).
- Michigan (US): proposed HPC/data centre with unusually detailed utility footprint disclosures
  - University of Michigan proposes $1.2M data center with Los Alamos: planned **US$1.2m** project; stated potential to use **up to 110 MW** phased over **5–10 years** and **up to 500,000 gallons/day** of water (local concerns cited on bills, environmental impacts, and zoning exemptions).
- Canada: rural connectivity investment (relevant to edge/last-mile enablement)
  - Canada and Alberta fund high-speed Internet for 82,584 Alberta households: up to **$224.78m** (combined federal/provincial) for **26 projects** reaching **82,584 households** (including **1,634 Indigenous** households); plus **>$24.5m** to Arrow Technology Group reaching **1,059 households** (including **676 Indigenous**).

Europe

- France (Paris): portfolio M&A and AI-density positioning
  - nLighten acquires Émerainville Paris data center from oXya: nLighten acquired an **Émerainville** facility near Paris (about **1 km** from PAR1), adding its **8th French site** and taking the platform to **30+ data centres across seven markets**. Site to keep serving oXya under a **long-term master services agreement**; described as designed for **high-density, AI-ready** configurations.

Power, grid capacity, and energy infrastructure

Grid constraints are changing where capacity gets built (Europe)

- Power constraints drive European data centre growth to new regions flagged **grid capacity constraints** pushing expansion toward the **Nordics, Spain, and Portugal** (cooler climates and renewables).
  - Power-demand forecast cited: **96 TWh (2024) → 168 TWh (2030)**.
  - Heat reuse example cited: **atNorth** supplying surplus heat from its **Espoo** data centre to **Kesko**, cutting **>200 tCO2 annually**.

US system-level demand outlook and annual build requirement (policy research)

- EESI: Data centers, low-emission cement, hydrogen, and policy noted rising demand that could reach **up to 12% of U.S. electricity by 2028** and suggested the system may require roughly **~80 GW of new capacity per year** (as presented in the newsletter).

Storage financing signal relevant to power-constrained AI campuses

- Redwood raises US$425m to scale battery recycling and storage: Redwood Materials closed a **US$425m Series E** (Google joined investors led by Eclipse; participation from Capricorn, Goldman Sachs Alternatives, and NVentures).
  - Proceeds intended to accelerate **Redwood Energy** grid-scale storage deployments, including a cited **12 MW / 63 MWh** system deployed for **Crusoe**, and to scale **Pack Manager-based BESS** positioned for **data centres and AI infrastructure**.

Policy and regulation

Broadband / digital infrastructure policy (US)

- Senators seek reauthorization of USDA middle-mile broadband program: proposed **Middle Mile for Rural America Act** to reauthorize USDA middle-mile program for **five years (2026–2031)**, aiming to strengthen Rural Utilities Service authority to fund **loans, loan guarantees, and grants** for stand-alone middle-mile projects.

EU agenda items with potential downstream relevance to data-centre power and networks

- Cyprus Presidency debriefs European Parliament committees on priorities: Cyprus Presidency (to **June 2026**) committed to advancing files including the **Digital Networks Act** and **electricity grid proposals** (among broader priorities).

Operators, platforms, and "AI factory" positioning (market structure signals)

- Neocloud positioning for dedicated AI training/inference
  - Massed Compute positions neoclouds as infrastructure for AI factories: described "AI factories" vs traditional data centres/hyperscalers, emphasizing **predictable GPU performance**, **high-throughput data pipelines**, **AI-optimized networking**, and **low-latency inference**.
- Developer/operator business-model separation
  - T5 unveils two paths: T5 Services and T5 Properties: T5 announced two paths—**T5 Services** (construction/operations) and **T5 Properties**

(development/ownership/portfolio strategy)—with optional integration; no timelines or financial details provided.

Two-line close

Capital intensity is still rising, but financing structures and power availability are increasingly shaping where and how new AI capacity gets built.
Expect more experimentation in customer-funded models and storage-backed power solutions as grid constraints bite.

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