

# US Data Center Daily Briefing

February 13, 2026

## KEY THEMES

- South Africa grid reform and transmission investment pipeline
- Rising US political and permitting scrutiny of data centres
- Nvidia Taiwan land deal with long-dated build timeline
- Transmission rebuild siting sensitivity in Virginia
- UK AI funding signals and public compute commitments
- Dispatchable H2-ready gas engines as near-term capacity solution
- Government cloud spend: \$88m Oracle Cloud One task order
- Virtualization price disruption via VCF as-a-Service
- AI networking and inference economics driving cluster scaling

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## Top news (3)

1. **South Africa puts grid reform and new transmission investment front-and-centre.** In his SONA messaging, President Ramaphosa pointed to **>R1 trillion** public infrastructure investment over three years and reiterated reforms aimed at ending load reduction and scaling renewables (target **>40% by 2030**) ([South Africa charts unity, growth and reform in SONA](#)).
  2. **US political risk around data centre build-out is rising.** Jefferies flags bipartisan scrutiny (including **moratoria calls in six states**) plus potential federal and state policy levers that could slow AI/data centre expansion; a key near-term catalyst is the **Prince William Digital Gateway** court hearing **Feb 23–24** ([Bipartisan political scrutiny threatens U.S. data center expansion](#)).
  3. **Nvidia secures a major Taiwan land position for a long-dated build.** Taipei City signed a **NT\$12.2bn (US\$380m)** agreement granting Nvidia **50-year** land surface rights (extendable **20 years**) for plots T17/T18 at Beitou-Shilin Technology Park, with groundbreaking targeted as early as **June**; the city indicates **>NT\$40bn** construction spend ([Taipei signs NT\\$12.2 billion Nvidia land deal; groundbreaking June](#)).
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## Key deals and hyperscale / enterprise projects

### North America (US)

- **US Department of the Air Force / Oracle (Cloud One):** Oracle awarded an **\$88m** firm-fixed price OCI task order, scheduled through **Dec 7, 2028**, supporting classified workloads (Top Secret SCI, Special Access Program; DISA Impact Levels **5 and 6**) and including Oracle AI Database **26ai** ([Air Force awards Oracle \\$88M Cloud One OCI task order](#)).

### Europe (UK)

- **UK AI infrastructure and funding signals:** Minister Kanishka Narayan cited **Fractile** committing **£100m** into its UK HQ over three years and reiterated public-sector compute initiatives including a **£500m** Sovereign AI unit and **>£1bn** of public compute (AIRR); also referenced **~£28bn** of AI Growth Zone infrastructure announced in early months of the minister's tenure ([UK minister announces major AI infrastructure and funding commitments](#)).
- **Oracle Cloud footprint expansion (UK):** Oracle Health launched its Clinical AI Agent/Clinical Note in the UK and stated an intention to expand OCI footprint supported by a **\$5bn** investment plan over the next five years ([Oracle Health Clinical AI Agent, Clinical Note launches in UK](#)).

### Europe (France)

- **Virtualization/VCF cost positioning:** OVHcloud launched **Public VCF as-a-Service**, positioning it as a VMware Cloud Foundation migration on-ramp with entry pricing **€299/month** (launch pricing until **June 2026**) and options including shared hardware and BYOS/BYOL ([OVHcloud launches Public VCF as-a-Service to democratize virtualization](#)).

### Europe (Germany)

- **Dispatchable generation adjacent to urban load:** Kraftwerke Mainz-Wiesbaden (KMW) applied to build a **54 MW** gas engine plant (12 × ~4.5 MW) at **Ingelheimer Aue** with commissioning planned **end-2027**; KMW signed a construction contract with **INNIO** and describes the plant as **H2-ready** ([KMW applies to build 54 MW gas engine power plant](#)).

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## Power, grid and interconnection highlights

### South Africa

- **Grid restructuring and private capital:** Ramaphosa outlined plans to establish an **independent state-owned transmission entity** and start a **first round of independent**

**transmission projects** this year to attract private investment into the national grid; the **Electricity Regulation Amendment Act 38 of 2024** is referenced as enabling greater competition ([President aims to end load reduction by 2027](#)).

#### United States (Virginia)

- **Transmission rebuild with siting sensitivity:** FirstEnergy is planning a **~14-mile, 138 kV** “wreck-and-rebuild” of the **Page–Sperryville** line; local stakeholders highlight transparency and visual-impact concerns and cite potential pole heights **65–95 ft** (public materials) vs “up to **115 ft**” (letter). A siting application to the Virginia SCC is expected **Q1** ([FirstEnergy Page–Sperryville transmission rebuild prompts community transparency and impact concerns](#)).

## Policy and regulation watch

#### United States (federal + state)

- **Data centre development constraints:** Jefferies highlights increasing political attention that could affect permitting, interconnection, and rate design/cost allocation. Items cited include potential federal permitting reforms, Ohio’s **85% capacity-cost requirement**, state tax-incentive reforms, DOE asking FERC to create grid connection rules, and multiple state-level moratoria discussions ([Bipartisan political scrutiny threatens U.S. data center expansion](#)).
- **Local land-use vs vested rights (Virginia):** Virginia **HB1122** is described as expanding “vested rights,” potentially allowing previously approved projects (including data centres) to proceed despite later zoning/environmental changes; a committee vote was scheduled **Feb 13, 9am** ([Virginia’s HB1122 would limit local control over data centers](#)).

#### United Kingdom

- **Cyber security baseline compliance requirements:** The Department for Education published a “core cyber security” standard (schools/colleges) to be worked toward by **2030**, including annual risk assessments, patching high-risk vulnerabilities within **14 days**, and maintaining **3 backup copies** (including one off-site) ([DfE cyber security core standard for schools and colleges guidance](#)).
- **Fibre build execution risk:** Wildanet will not complete two UK government **Project Gigabit** contracts in Cornwall (Lots **32.02** and **32.03**). It reported **~13,200** premises connected and **7,700** contracted premises remaining; BDUK plans to arrange alternative suppliers ([Wildanet withdraws from Cornwall Project Gigabit network build contracts](#)).

## Technology and operations signals (demand and architecture)

- **AI cluster networking scale-up:** Arista launched the **7800R4 Universal AI Spine**, positioned to simplify and scale AI centre networking, supporting **400G/800G/1.6Tbps** interfaces and targeting AI clusters from “tens of thousands” up to **~100k XPU**s; interoperability is claimed with vendors including AMD and Nvidia ([Arista introduces 7800R4 Universal AI Spine for AI centres](#)).
- **Inference economics improving:** Nvidia states Blackwell adoption by inference providers is driving material reductions in token costs (examples include DeepInfra’s reported reductions from **\$0.20 → \$0.10 → \$0.05** per million tokens) with multiple partner-reported efficiency gains ([NVIDIA Blackwell drives 4-10x reductions in AI token costs](#)).
- **Photonics supply-chain scaling:** Q.ANT appointed a VP Operations to industrialize photonic processors and server systems for commercial data centres/HPC; it operates a TFLN chip pilot line with IMS CHIPS and is shipping “Native Processing Servers” to selected partners ([Q.ANT appoints Dr. Lars Bach as Vice President Operations](#)).
- **High-throughput data movement for science workloads:** NERSC/ALS implemented a streaming pipeline via ESnet enabling real-time micro-CT reconstructions (datasets **~50+ GB**) in **under 10 seconds**, now in daily use ([NERSC-ALS Superfacility Enables Real-Time 3D X-ray Imaging](#)).

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## 2-line close

Execution risk is increasingly shifting from “can we build?” to “can we connect and permit quickly?”, with transmission and local acceptance becoming binding constraints.

At the same time, AI platform and networking roadmaps continue to push cluster scale and utilization, reinforcing the need for firm power and scalable interconnect.

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