US Data Center Daily Briefing

February 22, 2026

KEY THEMES

- Virginia moves to regulate ≥90MW data centres and shift transmission costs
- US federal rollback of MATS tied to keeping coal online for AI load
- Large-scale new gas generation proposed in Ohio to meet PJM data-centre demand
- Rising focus on AI-driven electricity and water use; push for mandatory disclosures
- India adds incremental capacity (L&T) and services exposure grows (TCE)
- European macro narrative: data-centre build-out reshaping trade/finance dynamics

Top news (3)

- Virginia bills seek oversight and cost allocation for data centers: Two Virginia bills (SB 619 and SB 339) passed crossover and would (i) require State Corporation Commission (SCC) oversight for "high-load" data centers via a Certificate of Operation for facilities **≥90MW**, and (ii) **reallocate transmission costs** toward large-load users. SB 339 cites **up to $28bn** in transmission costs and **$100–$300bn** in capex.
- Trump-backed Ohio gas plant could become largest US polluter: A proposed **9.2GW** gas-fired plant in Ohio—reportedly led by **SoftBank**, valued at about **$33bn**—is framed as supporting growing data-centre demand in **PJM**. Analysts estimate potential emissions of **~16–19.4m metric tons CO2/year**.
- Trump EPA Repeals MATS to Support Coal-Powered Data Centers: The US EPA finalized repeal of the **Mercury and Air Toxics Standards (MATS)**, explicitly linking the rollback to keeping **coal-fired generation** online for expanding **AI data center** load. State attorneys general (NY, CA, IL) and environmental groups are preparing litigation.

Americas

United States — Policy, permitting, and cost allocation

- Virginia
  - Virginia bills seek oversight and cost allocation for data centers
    - **SCC oversight / permitting:** SB 619 and SB 339 would introduce a **Certificate of Operation** requirement for **≥90MW** facilities.

    - **Transmission cost shifting:** Proposal to reallocate transmission costs to **large load users** (relevant for hyperscale clusters and large campuses).
    - **Planning methodology:** SB 339 requires Dominion to use **Probability of Dispatch** by **1 Jan 2028**.
    - **Scale of implied build-out:** SB 339 warns of **up to $28bn** transmission costs and **$100–$300bn** capital expenditures (as cited in the bill discussion).
- Federal environmental regulation
    - Trump EPA Repeals MATS to Support Coal-Powered Data Centers
        - **Direct linkage to load growth:** EPA explicitly tied the MATS repeal to maintaining **coal generation** for AI/data-centre power needs.
        - **Litigation risk:** State AGs (NY, CA, IL) plus Sierra Club and Earthjustice preparing legal challenges.
        - **Notable stakeholder dynamic:** Major tech firms (Microsoft, Google, Amazon, Meta) had not publicly opposed the repeal (per the story).

United States — Power supply build-out and grid context

- PJM / Ohio
    - Trump-backed Ohio gas plant could become largest US polluter
        - **Asset scale:** Proposed **9.2GW** gas plant in Ohio.
        - **Economics & sponsorship:** Reported **~$33bn** value; reportedly led by **SoftBank**.
        - **Strategic framing:** Positioned to supply electricity for growing data-centre demand in **PJM**.
        - **ESG/permits sensitivity:** Emissions estimate **~16–19.4m tCO2/year** suggests heightened permitting and reputational scrutiny.

United States — Local water and environmental scrutiny

- Michigan (local stakeholder focus)
    - Northern Michigan nonprofits outline top environmental priorities for 2026
        - Local nonprofits highlighted that they are monitoring proposed **mega-data centers' water/energy impacts**.
        - Timed policy/funding markers mentioned: **GLRI renewal in October 2026**.

Europe

Macro signals: AI infrastructure as a growth driver

- Italy / Euro-area context
  - Panetta: AI-led data centres reshape global trade and finance
    - Banca d'Italia Governor Fabio Panetta cited **AI-driven investment**, notably **data centre construction**, as a major driver of **2025 growth**.
    - He urged stronger European coordination on **energy**, **financial integration**, and **digital currency projects** (Pontes/Appia), while flagging broader market/monetary risks.

Asia

India — Capacity additions and engineering services exposure

- Data centre capacity expansion
  - L&T to expand data centre capacity to 32 MW
    - **Operator:** Larsen & Toubro.
    - **Near-term capacity:** Expanding operational data centre capacity to **32MW by March**.
    - **Demand drivers cited:** Cloud services, **AI workloads**, and enterprise digitization.
    - **Build emphasis:** "Energy-efficient" and "internationally standard" facilities (per the story), leveraging L&T's engineering and renewable energy experience.
- Services / "picks and shovels" exposure
  - Tata Consulting Engineers grows with India power and data centres
    - **Financials:** TCE reported total consolidated income of **₹2,092 crore** for **2024–25**.
    - **Operating profile:** Nearly **8,000 engineers**; revenues split evenly between **India and international** markets.
    - **Positioning:** Operates as an **owner's engineer/project consultant (OEPC)** with growth cited across power and data centres (among other sectors).

Sustainability, disclosures, and efficiency (cross-region)

- Report warns AI's energy and water footprint threatens climate

- Arthur D Little estimates generative AI expansion could consume **up to 3% of global electricity by 2030**, driven by rapidly expanding data centres.
- The report highlights **rising water use** alongside power demand.
- Institutions including **MIT, UNEP, and the IEA** urged: **mandatory disclosures**, tighter **efficiency standards**, and alignment with **renewable energy**.

Two-line wrap

Regulatory and stakeholder scrutiny is increasingly targeting how data-centre loads drive transmission build, generation mix, and environmental impacts. Investors should expect faster iteration on planning methods, disclosure expectations, and litigation/permits risk around high-emitting supply proposals.

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