

US Data Center Daily Briefing

February 26, 2026

KEY THEMES

- Google–Xcel 1.9GW clean power deal in Minnesota
- Italy Law Decree 21 sets 10-month data centre permitting
- PJM FERC filing enables data-centre generation co-location services
- Romania FID: 462MWe NuScale SMR at Doicești

Google just turned “clean power for a data centre” into a full-blown utility resource plan. In Minnesota, [Google and Xcel Energy agreed to add 1.9GW of clean energy tied to Google’s proposed Pine Island data centre](#) — including a 300MW (30GWh) iron-air battery from Form Energy — with Google paying for its electricity use and grid upgrades and putting \$50m into Xcel’s Capacity*Connect programme (pending regulator approval). This is what the next phase of hyperscale growth looks like: not just PPAs, but bespoke capacity builds that try to pre-empt the politics of higher bills and strained grids.

The Big Stories

The Minnesota deal is notable for what it bundles: 1.4GW of wind, 200MW of solar, and 300MW of 100-hour storage, all framed explicitly as supply for a single new data centre load in Pine Island. Google also commits to financing new grid infrastructure costs and to a \$50m contribution to Xcel’s Capacity*Connect Programme, with the whole electric service agreement headed to the Minnesota Public Utilities Commission. The punchline isn’t the megawatts alone — it’s the template: hyperscalers increasingly have to show their work on grid impacts, not just buy credits.

Permitting and approvals are getting the same “system redesign” treatment in Europe. [Italy’s Law Decree No. 21 creates a single national authorization procedure for data centre construction, expansion, and grid connections](#), consolidating environmental and administrative permits into a 10-month maximum timeline (extendable to 13 months). Projects deemed strategic with foreign investment programmes of at least EUR1 billion can be fast-tracked under a special commissioner. Italy is effectively saying: if you want the capital and the compute, you don’t let it die in a maze of municipal and regional processes.

In the US power market trenches, PJM is trying to formalise the co-location rush. [PJM filed proposed rule changes at FERC to revise behind-the-meter generation rules and add three new](#)

[transmission services aimed at colocating generation with data centers](#), including a 50MW threshold and a three-year transition that would grandfather existing contracts. Industrial trade groups and Pennsylvania’s Office of Consumer Advocate warned the changes could harm existing behind-the-meter generation and CHP; PJM’s line is that the rules are needed to scale AI infrastructure while preserving reliability. This is the technical, easily-overlooked battleground that will decide who actually gets power — and under what cost-allocation logic.

Romania just pushed a marquee “firm power for the AI age” project into the next stage.

[Nuclearelectrica approved final investment decision for a 462MWe NuScale VOYGR-6 SMR at Doicești](#), a brownfield site moving into Stage 3 with pre-EPC and licensing tasks due by May 2026. The 50/50 RoPower joint venture (Nuclearelectrica / Nova Power & Gas) leans on prior site remediation and cites US support (USTDA, and EXIM interest), while NuScale and Fluor continue FEED and commercialization work tied to wider deployment plans. For data-centre investors, the key signal is momentum: SMRs aren’t “a concept” here — they’re being financed and scheduled like infrastructure.

Meanwhile, the US build machine is showing strain even as demand stays hot. [Bloomberg/CBRE data shows US data center capacity under construction fell to 5.99GW in 2025 from 6.35GW in 2024](#), while vacancy hit a record-low 1.4%. The cited culprits are familiar—permitting, zoning, and power constraints—but the geographic shift is the tell: development is being pushed toward Louisiana and Texas. Scarcity isn’t slowing AI; it’s rerouting it.

Behind the Headlines

Michigan’s permitting decision is a reminder that “AI infrastructure” is now local land-use politics, not just capital expenditure. [Regulators granted air and wetlands permits for Oracle and OpenAI’s \\$7bn Saline Township data center](#), allowing destruction of about 9.12 acres of wetlands and installation of 14 diesel backup generators plus one diesel firewater pump; the site is permitted to emit 34.86 tons/year of NOx and has a 1.4GW power demand. The unusual procedural detail matters: EGLE issued a waiver in October 2025 allowing generator installation before the final air permit. That’s what schedule pressure looks like — and it’s exactly the kind of fact pattern communities and lawmakers seize on when they argue data centres get special treatment.

Network physics is quietly becoming an energy story. [Hollow-core fiber is being positioned as an AI data-centre interconnect upgrade](#) that can cut latency by about 30% and reduce optical loss (from ~0.14 dB/km in standard single-mode fiber to ~0.05 dB/km in state-of-the-art hollow-core), enabling roughly 50% greater inter-data-centre distances and lower networking power.

The piece notes initial metro-scale deployments and manufacturing partnerships involving major cloud providers and HCF vendors, with intra-data-centre and submarine applications as longer-term ambitions. The investment implication is simple: as clusters sprawl across metros chasing power and permits, interconnect becomes a first-order constraint — and a place where efficiency gains translate directly into usable capacity.

Climate risk is moving from ESG slideware into design criteria that hit cashflows. [A datacenterknowledge analysis flags extreme weather as a growing driver of data-centre site selection and operations](#), citing S&P Global/WEF scenarios that put climate-driven costs at up to 9.5% of asset value by 2055, mostly from extreme heat. Operators and hyperscalers including Microsoft, AWS, Google, Meta, TikTok are responding with hardened site selection, hybrid/closed-loop cooling, and on-site generation. Read it alongside today's grid-and-permitting stories and the pattern is clear: "where can I build" is increasingly "where can I survive heat, water, and grid volatility without getting stuck in approvals."

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