US Data Center Daily Briefing

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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."