US Data Center Daily Briefing

December 21, 2025

KEY THEMES

- EPA formalises Clean Air Act resources for data centres
- NSR rule revisions slated for 2026 (proposal early; final fall)
- Michigan large-load growth highlighted by DTE's 1.4 GW data centre deal
- Utility generation expansion planning: 12 GW additions (2026–2032) referenced
- Local environmental review governance: GCEDC named lead agency
- M&A backdrop supportive for AI/infrastructure into 2026 amid regulatory/CFIUS shifts

Market overview (Global | 2025-12-21)

Capital markets and corporate activity remain constructive for AI/data centre and enabling infrastructure themes. A legal/market snapshot points to sustained deal momentum into 2026, with record private equity participation and continued appetite for megadeals—explicitly including AI- and infrastructure-related transactions—alongside evolving U.S. regulatory and national security review dynamics that can shape cross-border and strategic-sector investment pathways (Global M&A surged in 2025, momentum seen into 2026).

On the permitting and policy front, U.S. environmental regulators are formalising resources and clarifications aimed at data centres/AI facilities, potentially altering timelines and interpretation risk in project development across key markets (EPA launches Clean Air Act data center resource page).

Risks and watchpoints (near-term)

Permitting and regulatory process risk (U.S.)

- The EPA signalled **anticipated New Source Review (NSR) rule revisions**, with **proposal expected in early 2026** and **finalisation targeted by fall 2026**, aimed at clarifying what constitutes "commencement of construction" under the Clean Air Act—introducing a period of interpretive uncertainty for projects planned/groundbroken across 2026 (EPA launches Clean Air Act data center resource page).
- Local environmental review process control can affect project cadence; county-level actions (e.g., lead agency designations) may concentrate decision-making and extend

review timelines depending on scope changes (GCEDC declares lead agency for larger data center review).

Grid and generation buildout execution

- Michigan reporting highlights the **energy implications of expanding data centres**, referencing a utility's large-load deal and multi-year generation additions; execution and regulatory oversight will be central to whether power supply scales in-step with demand (Michigan braces for climate impacts, EPA rollbacks, data centers).

Deal structuring / policy uncertainty affecting M&A

- Anticipated shifts in **U.S. regulatory, tax, and CFIUS policies** could alter valuation, timelines, and structure selection (e.g., conditional value rights, spin-offs), especially for strategic and cross-border assets tied to AI and critical infrastructure (Global M&A surged in 2025, momentum seen into 2026).

Key deals and projects

Michigan: large-load/data centre demand signals

- Michigan-focused coverage cites **DTE's first 1.4 GW data centre deal** (counterparty not specified in the story summary) and references a **plan to add 12 GW of generation from 2026–2032**; the same item notes DTE's **Integrated Resource Plan filing in December 2026** as a key upcoming milestone for stakeholders tracking supply alignment and rate/regulatory outcomes (Michigan braces for climate impacts, EPA rollbacks, data centers).

Genesee County (New York): environmental review governance

- The **Genesee County Economic Development Center (GCEDC)** declared itself **lead agency** to conduct environmental review for a **larger proposed data centre**—a governance step that can influence process sequencing, scope definition, and stakeholder engagement dynamics for the project (GCEDC declares lead agency for larger data center review).

Power and grid / interconnection highlights

- **Michigan power supply planning:** The combination of (i) a referenced **1.4 GW data centre deal** and (ii) a stated **12 GW generation-addition plan (2026–2032)** underscores the scale of incremental supply required to support hyperscale-class demand clusters and the importance of synchronising generation, transmission, and regulatory approvals (Michigan braces for climate impacts, EPA rollbacks, data centers).

Policy and regulation

U.S. EPA: data centre-specific Clean Air Act resources + NSR revision timeline

- The EPA launched a **"Clean Air Act Resources for Data Centers"** webpage consolidating **permitting, regulatory, and modeling materials** relevant to data centres and AI facilities—useful for sponsors, EPCs, and counsel standardising air-permitting workstreams across states (EPA launches Clean Air Act data center resource page).
- The EPA also announced **anticipated NSR rule revisions** to clarify **commencement of construction**, with **proposal planned for early 2026** and **final rules expected by fall 2026**—a key policy calendar item for 2026 project start and equipment procurement decisions (EPA launches Clean Air Act data center resource page).

Broader deal environment: evolving U.S. policy and strategic-sector support

- A 2025 M&A review flags shifting **U.S. regulatory, tax, and CFIUS policies**, alongside **government equity investments in strategic sectors** (examples cited: **chips and critical minerals**) and evolving activism/financing/structure tools (e.g., **CVRs, spin-offs**)—relevant context for data centre platform consolidation and adjacent power/infrastructure carve-outs (Global M&A surged in 2025, momentum seen into 2026).

What to watch

- EPA **NSR rule revision** proposal in **early 2026** and finalisation targeted by **fall 2026**—implications for "commence construction" interpretations and permitting critical path (EPA launches Clean Air Act data center resource page).
- Michigan's ability to translate a **12 GW (2026–2032)** generation-addition plan into executed capacity in time to meet large-load growth (Michigan braces for climate impacts, EPA rollbacks, data centers).
- Follow-through and disclosures around **DTE's 1.4 GW data centre deal** and how it feeds into planning and oversight (Michigan braces for climate impacts, EPA rollbacks, data centers).
- Local process milestones in Genesee County as the GCEDC proceeds as **lead agency** for environmental review of the expanded proposal (GCEDC declares lead agency for larger data center review).
- Continued **AI- and infrastructure-related M&A** momentum into 2026 amid evolving U.S. policy and deal structuring trends (Global M&A surged in 2025, momentum seen into 2026).

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