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Data Center Briefing

March 11, 2026

Global

Key themes:
Iran drone strikes hit UAE Amazon data centres; banks disrupted; AirTrunk ¥191.6bn green loan adds 100MW+ East Tokyo; Virginia groups target $1.9bn FY2025 data centre tax break; Nscale raises $2B Series C at $14.6B valuation

Iran's reported drone strikes on UAE-based Amazon data centres are a nasty reminder that "cloud region" is also a physical place with a postcode — and a blast radius. In Iran drone attacks on UAE Amazon data centres disrupt banks, the knock-on effects weren't theoretical: Emirates NBD and ADCB saw disruption, payment apps went down, and global banks told staff they could leave the UAE and work remotely while exposures were reviewed. For an industry that sells availability, this is what systemic risk looks like when geopolitics meets concentrated digital infrastructure.

The Big Stories

The UAE incident is notable not just for the attack itself, but for the second-order response. Banks including Citigroup, Goldman Sachs and Morgan Stanley reportedly let UAE staff temporarily exit and work remotely, while exchanges reopened after a two-day suspension. The message for operators and tenants is blunt: resilience planning now has to assume adversarial intent, not just accidents — and that can change everything from site selection to insurance and multi-region architectures.

In Japan, the capital is still flowing, and at scale. AirTrunk secures ¥191.6bn green loan for TOK1 expansion is a $1.24bn refinancing-and-build package for its East Tokyo hyperscale campus, funding construction to add **100MW+ of IT**

load (with the campus scalable beyond 300MW). The green label matters less than the signal: lenders are comfortable underwriting big, long-duration digital infrastructure in Japan as part of broader “GX” and AI infrastructure policy momentum.

Alberta is showing the other side of the hyperscale boom: local approvals are becoming the choke point. In Alberta communities push back on rapid AI data centre expansion, Rocky View County rejected Kineticor’s **450-hectare** Rocky View Technology Park — which included a proposed **900MW power plant** — citing water and environmental concerns, even as it approved more targeted AI hub plans. Meanwhile, the province still has enormous proposals in motion: Beacon’s **$2.78bn 400MW** campus, Beacon Data Centers’ proposed **1.8GW** across five sites, and a pending **1.5GW** natural-gas plant application before the AUC. The takeaway: “Canada has power” is not the same as “Canada can permit power and water fast enough.”

In Virginia, the political fight is shifting from “should we build” to “who pays.” Piedmont Environmental Council urges end to data center tax exemption calls on lawmakers to eliminate or sharply limit the sales tax exemption on data centre equipment, arguing it would free up **$1B+** in the upcoming biennium — and pointing to the exemption hitting **$1.9bn in FY2025**. The letter also cites Dominion Energy’s **70GW** demand estimate and **$100bn** of needed grid investment over the next decade. If this exemption gets trimmed, it won’t stop Northern Virginia buildouts — but it could reset the “social licence” math and encourage other states to revisit incentives as grid costs surge.

UK-based AI infrastructure player Nscale just put a giant stake in the ground. Nscale raises $2B Series C at $14.6B valuation and is openly talking about an IPO in 2026, after a rapid sequence of raises since launching in 2024 (including **$674m equity from NVIDIA** in Sept 2025). The speed and size of the funding underscore how quickly “neocloud” is becoming a real capital market story — and how much investor appetite there is for GPU-era infrastructure businesses that aren’t the traditional colo incumbents.

Behind the Headlines

The standards world is quietly reacting to the same stress operators are living through: grid interconnection, modelling, and performance requirements are

getting messy across jurisdictions. IEEE SA recommends global grid standards for data centers argues for harmonised IEEE approaches — explicitly pointing to frameworks like IEEE Std 2800-2022 — and ties the urgency to an IEA forecast of **$580bn** in global data centre investment. This is wonky on the surface, but it's really about reducing friction: if interconnection studies, co-located generation coordination, and flexibility definitions vary wildly, project timelines and capex risk balloon. Standardisation won't create megawatts, but it can take months (and surprises) out of the queue.

Hardware economics are also turning into a contract issue. HPE reserves right to reprice server orders amid memory surge updates quoting terms so HPE can reprice server and storage orders as DRAM and NAND costs rise — and it's explicitly not a short-term blip, with elevated prices expected "well into 2027" and TrendForce projecting **50%–55% DRAM price rises in Q1 2026**. For data centre operators and AI builders, this matters because it shifts risk from OEM balance sheets to customer purchase orders. If repricing becomes normalised across vendors, the industry's "fixed" deployment budgets will get a lot less fixed.

Canada's approach to transmission build-outs is leaning harder into community equity — and it's being backstopped by federal balance sheet. Canada backs Indigenous equity in Hydro One transmission line describes a federal loan guarantee under the Indigenous Loan Guarantee Program enabling Aamjiwnaang First Nation and the Chippewas of Kettle and Stony Point First Nation to acquire **nearly 20%** equity in Hydro One's Chatham-to-Lakeshore line. The program was doubled from **$5bn to $10bn** in March 2025, and the release points to a prior **$400m** guarantee tied to Enbridge Westcoast investment. For investors tracking power constraints, this is a practical template: accelerate permits and acceptance by letting local stakeholders participate economically — with Ottawa helping solve the financing hurdle.