US Data Center Daily Briefing

March 14, 2026

KEY THEMES

- Google $4.75bn Intersect Power deal for Texas renewables
- Eskom 300 days no loadshedding; 3,330MW ahead of peak
- Illinois POWER Act: fast-track interconnect for 80% new clean power
- PPL 12-mile 500-kV Sugarloaf line for Amazon data centres

Google didn't just sign another PPA — it bought the power developer. In a US$4.75bn move, Google has finalised its acquisition of Intersect Power as it lines up renewable supply for a massive US data-centre build, including US$40bn earmarked for three Texas sites through 2027. When the same story also quotes Sundar Pichai talking about US$185bn of AI capex this year, the message is blunt: power access is becoming a balance-sheet problem, not a procurement task.

The Big Stories

Google buys Intersect Power to secure data centre power is the clearest example yet of a hyperscaler treating generation and storage as strategic control points. The deal is framed around securing renewables for U.S. expansion, while Intersect's lead shareholders spin off the grid-tied business into IPX Power to focus on co-located solar + BESS in Texas and California. The interesting tell is the geography: Texas keeps showing up as the "AI factory floor" because it's one of the few places where you can still attempt projects at this scale — if you can lock down power fast enough.

South Africa just handed the industry a reminder that reliability isn't a luxury add-on; it's the product. Eskom reaches 300 days without loadshedding; grid stable and says it will bring 3,330MW online ahead of the evening peak on 16 March, while year-to-date diesel expenditure is down R8.58bn (a 57.35% reduction). For data-centre investors, the "why it matters" isn't the milestone headline — it's what reduced diesel burn implies about system stress, operating costs, and whether sustained grid stability can actually underpin new capacity commitments.

In the U.S., the grid bill is getting too big to ignore — and the politics are catching up. AI and data centers spur massive U.S. grid upgrades describes utilities planning tens of billions in upgrades, with tech companies offering to cover some costs but regulators warning

households could still pay more. This is the crux of the next phase of AI infrastructure: it won't be decided by who can finance a data hall, but by who can get a transmission plan approved without blowing up retail rates.

That tension turns local fast when wires meet land. Planned high-voltage lines for AI data centers prompt backlash puts a face on it via PPL's proposed 12-mile, 500-kV Sugarloaf line in Pennsylvania, tied to demand from Amazon and other data centres and drawing property-owner opposition. The broader point is that "power for AI" is now a permitting and community-relations story as much as an engineering one — and every delayed corridor becomes a hidden constraint on new capacity.

Illinois is trying to pre-empt the backlash by writing rules that force the power conversation upfront. Illinois bill pushes data centers to bring clean power would fast-track interconnection for facilities that secure 80% of expected annual demand from *new* clean energy by 2030 (and 100% by 2045), while also requiring payments for grid upgrades, water-use reporting, and contributions to affordability/public benefits. Whether you like the policy or not, it signals a shift: states want data centres, but they want them to arrive with a credible energy plan and a cheque for the grid.

Behind the Headlines

Arista unveils 12.8Tbps liquid-cooled XPO optics for AI datacenters is a reminder that AI scaling isn't only about megawatts — it's about getting rid of bottlenecks inside the building. Arista is pitching liquid-cooled, extra-dense pluggable optics that support 400W+ module power and claims XPO can deliver 4x the front-panel density of OSFP, potentially cutting switch rack counts by ~75% in large AI deployments. The subtext is thermal: once you accept liquid in the rack for GPUs, the networking layer starts making the same argument, and "air-cooled everywhere" becomes a design constraint rather than a default.

Recycling is turning into geopolitics by other means. Korea Zinc in talks to extract rare earths from servers says the firm is discussing partnerships with major U.S. tech companies to recover rare earth elements from data-centre waste, following Western Digital's work extracting rare earths from retired Microsoft servers — and coming right after China imposed export controls on seven rare earth elements. The implication for operators is awkward but real: end-of-life hardware is no longer just an ESG line item; it's a potential supply-chain asset class.

The most underpriced constraint in data centres may be neither power nor capital — it's people. Data center boom faces critical skilled labor shortage relays a warning that the U.S.

buildout faces a 75,000–140,000 skilled-worker shortfall, with technician pay cited at roughly US$60k–$90k and suggestions ranging from apprenticeships to veteran pipelines and in-house academies. If that gap is even directionally right, schedule risk becomes structural: the winning platforms will be the ones that can industrialise hiring and training as aggressively as they industrialise design-and-build.

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