KEEL INFRASTRUCTURE

DIGITAL POWER WEEKLY

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$55B
/MW-DAY - RBP OFFER CAP

165.5 GW
PJM ALL-TIME PEAK, TESTED

$81B
RECORD YTD PRIVATE PLACEMENTS

10 GW
SOFTBANK SB NEO TARGET

In this Issue

WEEK IN REVIEW

Scarcity Gets a Price, a Procedure — and a Heat Dome

The dominant signal this week was PJM formalizing scarcity on paper and administering it physically in the same seven days. On June 30, the Members Committee advanced a single Reliability Backstop Procurement package at roughly 75% sector-weighted support — capped at $555/MW-day — while rejecting every mandatory Connect & Manage curtailment option. Within 48 hours, the grid was living the problem the vote was meant to solve: a July 4 heat dome pushed PJM past its all-time 165.5-GW peak record (we'll know for sure when the counting is done in 60 days), real-time prices in the data-center-dense Dominion zone printed above $1,500/MWh, and the DOE issued emergency orders conscripting data centers' own backup generation into the reliability stack. Scarcity is now priced, proceduralized and physically administered — a four-act arc we take apart in depth in this issue's main story.

On the capital side, compute continues to go merchant. Meta confirmed it is building a cloud business to sell AI computing; SoftBank stood up SB Neo, a 10-GW gas-backed US neocloud; Nvidia was revealed to be supplying GPU capacity in exchange for a revenue share — central-banking its own customer base — and Oracle formally disclosed stranded-asset and tenant-nonpayment risk against the $850B lease backlog we flagged in Issue 8. The market repriced the pure-plays instantly: CoreWeave –14% and Nebius –17% the day Meta said it would compete. Brookfield, meanwhile, put $25B behind the on-site answer, expanding its Bloom Energy fuel-cell partnership fivefold.

Token economics got a proper point/counterpoint: Silicon Data's LLM token-expenditure index rolled 20% off its May high even as SemiAnalysis's enterprise fieldwork found budget caps are governance, not demand destruction. And the consent thread claimed its most concrete casualty yet — Blackstone's QTS walked away from Virginia's $100B Digital Gateway after five years of organized opposition and a newspaper-notice technicality.

BOTTOM LINE

The central lesson compounds Issue 8's: capital is abundant but no longer indiscriminate, and now the grid itself has stopped being indiscriminate. A $555/MW-day capped auction that may under-clear, a rejected mandatory-curtailment regime in PJM likely to be punted to the states, record scarcity prints, vendor-financed compute circularity, and an issuer disclosing its own stranded-asset risk are the same paradigm shift expressed in different markets. The reliability the system actually needs — and the margin the AI stack actually protects — accrues to firm, contracted, locally legitimate megawatts. The auction is the headline; bilateral firmness is the trade.

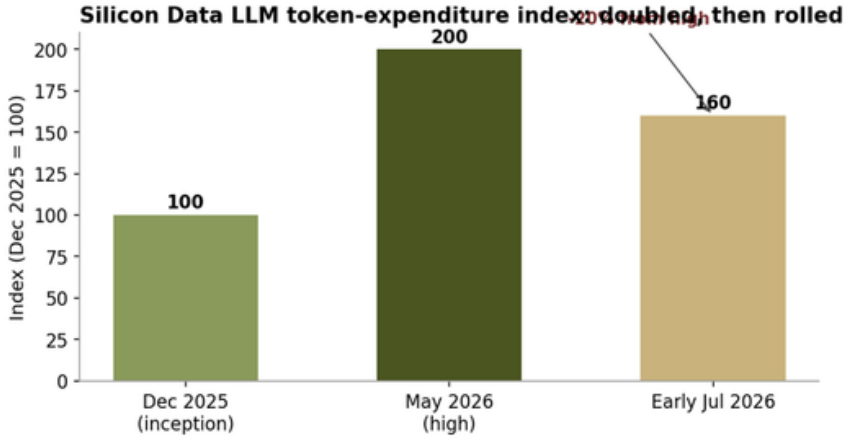
"To sum it all up, the week was all about the PJM, while the summer season got into full swing with both layers above the megawatt going abundant in the same fortnight: frontier-class weights under MIT license at one-seventh the token price, and Meta following Grok and confirming it will rent its own compute. The market sold it as the end of scarcity. It is the opposite — openness at one layer relocates scarcity to the layer below, and with intelligence free and compute rentable, the binding layer is now the energized site: interconnection position, firm transport, firm power."

Read-Through: Everyone can now sell compute; few can mint firm power. This week priced that distinction in three separate venues at once — the PJM Members Committee, the equity market's instant repricing of merchant neoclouds, and a Virginia zoning docket. Platforms holding firm, interconnected capacity are on the right side of all three.

★ MARKET SPOTLIGHT | FEATURED ANALYSES

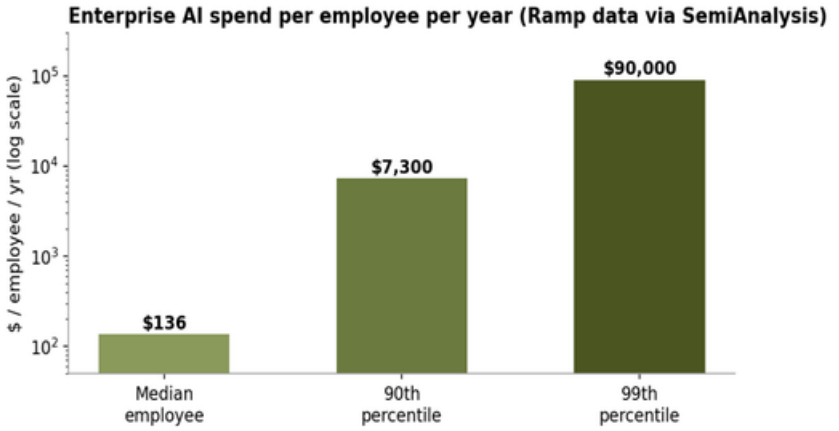
TOKEN ECONOMICS ON TRIAL: THE INDEX ROLLS OVER, THE FIELDWORK PUSHES BACK

For the first time, the market has a live, tradable read on AI demand at the token level — and this week it blinked. Silicon Data's LLM Token Expenditure Index, the GPU-cost benchmark now licensed by ICE for futures (Issue 8), fell roughly 20% from its May high after approximately doubling since its December inception. The bear case assembled quickly around it: Allianz flagged that AI investment growth is outrunning AI sales growth by 46 percentage points — wider than the 32-point gap at the 2001 telecom bust — while tokenomics pressure reached Wall Street's own data vendors, with FactSet, Moody's, S&P and LSEG all wrestling with who bears the token cost as clients route AI queries against licensed data. Layer in the Zhipu GLM 5.2 open-weight shock — roughly 5x cheaper per Tenstorrent, and one-sixth the cost of frontier alternatives on some security-research workloads — and the commoditization thread from Issue 8 has sharpened into a repricing.



Silicon Data's token-expenditure index roughly doubled from inception before rolling ~20% off the May high. Source: Silicon Data via Bloomberg; DPW illustration.

The counterpoint arrived from the field. SemiAnalysis's TokenBudgeting work — built on Ramp corporate-card data and Fortune 500 interviews — argues the headline declines reflect governance, not demand destruction. Enterprises are imposing budget caps of $250–$2,000 per employee per month (Uber capped at $1,500 after burning an annual Claude Code/Codex budget in four months), which mechanically flattens spot spend while adoption deepens. The distribution is the story: the 99th-percentile employee runs ~$90,000 a year of tokens, the 90th percentile ~$7,300, and the median just $136 — an enterprise S-curve with most of its runway ahead. More than 70% of OpenAI and Anthropic ARR is coding (Anthropic 90%+ B2B), token-as-a-service providers exceed $4B of combined ARR, and SemiAnalysis sees "no material risk to 2H26 AI budgets."



The median enterprise employee spends $136/yr on tokens; the 99th percentile spends ~$90K. Governance caps the tail; the middle is barely started. Source: Ramp data via SemiAnalysis.

Read-Through: Both sides of this argument are constructive for firm power. If the bears are right, cost-sensitive inference routes ever harder toward the cheapest energized capacity; if the bulls are right, the enterprise S-curve keeps compounding load. Either way, margin migrates down the stack — the Issue 8 refrain — and the variable a power-first platform controls is the one that survives the debate: cheap, firm, contracted megawatts.

Links: Bloomberg — AI Token Prices Drop | SemiAnalysis — TokenBudgeting | The Information — AI Tokenomics Come for Wall Street | Bloomberg Opinion — A China Shock Is Shaking Silicon Valley

FAST FACTS FOR THE WEEK

A by-the-numbers cut of the week's defining data points across capital markets, compute, power, grid reliability, regulation and the international build-out — the quantitative spine of the stories that follow.

The watch item this week is administration: PJM's scarcity is no longer a forecast, it is an operating condition with a price cap, a procurement calendar and a federal emergency order attached. The bill — and the reliability obligation — keeps moving closer to the customer.

CAPITAL MARKETS

Metric	This Week
Private placement issuance (YTD thru May)	$81B — record since at least 2016
Anthropic / Broadcom private placement	$35B (via Apollo, Blackstone)
US annuity sales (patient capital pool)	$464B — record
Digital Realty / Blackstone VA deal	$3.5B ($1.2B cash + $2.3B DLR stock; ~202 MW net interest)
Switch equity round (a16z-led)	$2B sought; ~$50B incl. debt (vs. $11B 2022 take-private)
Starwood opportunistic fund close	$10.2B; up to 35% earmarked for data centers
Oracle shares, June	–35% — worst of the six firms behind the $850B lease backlog
SpaceX market cap	<$2.1T, –22% from post-IPO high; analyst quiet period ends Jul 7

AI COMPUTE

Metric	This Week
Meta Compute reveal — share reaction	META +9.3%; CoreWeave –14%; Nebius –17%
SoftBank SB Neo capacity target	10 GW by ~2030; Texas first; ¥3–4T ($18.5–25B) potential op income
Nvidia CoreWeave unsold-capacity guarantee	$6.3B through 2032; +$3.5B lease guarantees; $500B OpenAI Ohio talks
OpenAI gross margin path	33% (Q1'25) → 39% (Q1'26) → 52% YE target
Nvidia inference share	~74% — Anthropic in talks with Samsung on 2nm custom silicon
Silicon Data token index	–20% from May high after ~2x since Dec inception

POWER & UTILITIES

Metric	Value
PJM RBP offer cap (endorsed Jun 30)	$555/MW-day (UCAP); ~75% sector-weighted support
RBP procurement window	Sep 10 – Nov 20, 2026 (accelerated)
PJM all-time peak record tested Jul 2–3	165.5 GW (record stood since 2006)
Dominion zone real-time prices (NoVA data-center belt)	>$1,500/MWh Mon/Tue evenings
PJM Western Hub day-ahead, on-peak	$479.27/MWh — ~7x week-over-week; highest since January storm
National Grid → Joulent (Project Kilby)	$1.75B for 35%; $5B valuation; 2.67-GW BTM gas for Microsoft
Brookfield → Bloom Energy partnership	Expanded 5x, $5B → $25B, for on-site fuel-cell power for AI
US energy mix 2025 (EIA)	Gas 36% vs. petroleum 37%; gas to lead by ~2030

GRID RELIABILITY

Metric	Value
DOE 202(c)-style emergency orders for PJM	Plants to max output; backup generators authorized 'as a last resort'; expired 11:59 p.m. Jul 3–4
Untapped backup generation cited by DOE	"Tens of gigawatts... largely untapped" — data centers' own fleets
People under extreme heat warnings	152M, Kansas to Maine; 68 daily temperature records at risk
Champlain Hudson Power Express	Tripped Jul 1 — line can carry up to 20% of NY supply
Record cooling-degree-days (Vaisala)	48.4 projected — beats 2012 record for first week of July

INTERNATIONAL

Metric	Value
Korea corporate AI investment pledges	₩1,350T (~$880B); $500B+ of new Honam fabs sited on surplus power
Brookfield intermittency math	7–9 GW installed renewables per 1 GW of smooth AI load
India battery storage demand by 2035 (BNEF)	336.7 GWh — ~115x current
Ardian Nordic data-center commitment (Verne)	€3B+; Nordic DC power demand seen 4x by 2032
Inner Mongolia coal flexibility retrofits	Completed ahead of 2027 mandate; 25 GW batteries; >20 GW coal pipeline
Vertiv Malaysia plant (Johor)	First SE Asia facility; fully operational 2027

INVESTOR SENTIMENT

Metric	Interpretation
AI demand signal quality	Degrading at the margin — vendor financing and circularity cloud the read
Firm-power premium	Widening; quantified this week by Brookfield, SoftBank, PJM
Merchant-compute supply	Proliferating; instantly repriced on hyperscaler entry
Development risk vs. operating yield	Smart money rotating — Blackstone sells built, abandons greenfield
Tenant credit quality	Now in issuers' own risk factors (Oracle 10-K)

DPW TAKEAWAY - THE WEEK IN FIVE NUMBERS

Metric	Interpretation
$555/MW-day	The RBP offer cap — a bound on the auction, not on bilateral firm-power pricing
165.5 GW	PJM's all-time peak, tested in real time the same week scarcity was proceduralized
7–9 GW	Renewables required per 1 GW of smooth AI load — the intermittency tax, quantified
$81B	Record private placements YTD — the patient-capital stack funding the buildout
–14% / –17%	CoreWeave / Nebius one-day repricing when Meta said it would sell compute

Read-Through: The five numbers rhyme: scarcity is now administered ($555, 165.5 GW), the physics are priced (7–9 GW), the capital is patient ($81B), and the compute layer above the megawatts is suddenly crowded and fragile (–14%/–17%). Long firmness; skeptical of everything financed by its own vendor.

TOP STORIES

MAIN STORY — PJM'S BACKSTOP WEEK

Four acts in seven days: the vote, the emergency, the conscription, and the window

The most consequential grid-policy development of the year landed on June 30, and the grid spent the rest of the week demonstrating why it was necessary. This is the story we go deep on, because the CIFP Stage 4 outcome will shape capacity economics, curtailment risk and bilateral pricing power across the largest US grid for years — and because the market has not yet fully internalized what was decided, what was rejected, and where the decision rights actually landed.

ACT I — THE VOTE: RBP ADVANCES; MANDATORY CURTAILMENT DIES

At the June 30 Members Committee meeting, PJM stakeholders endorsed a single Reliability Backstop Procurement package at roughly 75% sector-weighted support — the Data Center Coalition / electric-distribution-company framework. The structure is a one-time, two-phase, transitional procurement: a bilateral-contracting window followed by a centralized clearing for the residual, with the price cap resolved at $555/MW-day (UCAP), a simplified shortfall charge, and the centralized auction accelerated to September 2026 rather than waiting on curtailment-rule finality that may not arrive until 2027. PJM's own framing is telling: the RBP is not a long-term fix but a bridge to the 2026 market-design review — a "return to market fundamentals."

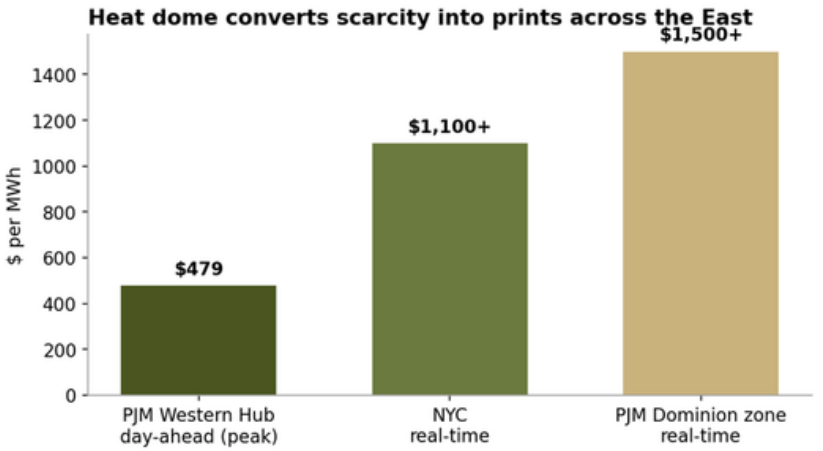
Just as important is what died. Every mandatory Connect & Manage curtailment option was voted down. PJM's June 18 pivot had already replaced PJM-directed load reduction with a voluntary, state-dependent Large Load Registry (50-MW threshold, informational only); curtailment, where it exists at all, is opt-in and executed by the distribution utility within 10 minutes on PJM zone-level instructions — PJM never instructs retail customers directly. The stated rationale is jurisdictional-litigation avoidance: FERC lacks retail authority. The Independent Market Monitor called the voluntary construct a "fundamental and fatal flaw," arguing instead that all post–June 1, 2026 data-center load should be forced into the backstop auction or bring-your-own-new-generation, with curtailment triggered before the first emergency stage. The Board reviews the record July 13–15; separate FERC filings for the RBP and C&M are expected to follow.

Read-Through: Notably, no proposal on the table — winning or losing — grandfathers projects with executed Energy Service Agreements. Whatever protection an existing large-load ESA provides must come from the state construct or the contract's own terms, not from a PJM-level exemption. For counterparties across the footprint, ESA change-in-law and curtailment provisions just became the operative documents.

ACT II — THE EMERGENCY: THE GRID RUNS THE STRESS TEST LIVE

Within 48 hours of the vote, a July 2-4 weekend heat dome delivered a real-time demonstration of exactly the scarcity the RBP is meant to backstop. Temperatures breached 100°F across an expansive stretch of the East Coast, with 152 million people under extreme heat warnings from Kansas to Maine and 68 daily temperature records at risk. PJM entered a capacity emergency — its third consecutive day by July 3 — ordered all plants to maximum output and projected it likely broke its all-time 165.5-GW peak-load record, a mark that has stood since 2006. Vaisala projected the eastern US would set a record for cooling degree days in the first week of July, beating the historic 2012 heat wave "by a pretty sizable margin" — and weeks before the usual late-July peak.

Prices did what prices do when firm capacity is scarce and load keeps arriving. Day-ahead on-peak prices at PJM's benchmark Western Hub climbed nearly sevenfold week-over-week to $479.27/MWh, the highest since January's historic winter storm. New York City real-time prices cleared $1,500+/MWh — aggravated by the mid-week trip of the Champlain Hudson Power Express line, which can carry up to 20% of the state's supply. And PJM's Dominion zone, home to the densest data-center concentration on earth, printed real-time prices above $1,500/MWh on consecutive evenings. Bloomberg's own framing was explicit: the demand pressure has been "driven in part by the data center boom."



Scarcity in three prints: Western Hub day-ahead ~7x week-over-week; NYC and the Dominion data-center zone into four figures. Source: Bloomberg; PJM.

ACT III — THE CONSCRIPTION: DOE DRAFTS THE DATA CENTERS' OWN IRON

The federal government then did something Issue 8 flagged as merely "pending DOE authorization": it granted the authorization and exercised it. Energy Secretary Chris Wright's emergency orders authorized PJM generators to run at maximum levels past some environmental limits and — the structurally novel piece — green-lit PJM to push large customers and data centers onto their own backup generation, diesel gensets and batteries included, "as a last resort," bypassing pollution allowances. The Department pointed at "tens of gigawatts of readily available backup generation that have remained largely untapped." The orders expired before midnight July 4. "Maintaining affordable, reliable and secure power in the PJM service territory is non-negotiable," Wright said.

Read-Through: Read Acts II and III together: the reliability gap that mandatory curtailment was supposed to manage is now being managed by emergency order and by conscripting behind-the-meter iron that data centers installed for their own resilience.

ACT IV — THE WINDOW: SEPTEMBER 10 – NOVEMBER 20, AND THE UNDER-CLEAR PROBLEM

The RBP procurement window runs September 10 to November 20, 2026 — and the central analytical question is whether a capped auction can actually buy megawatts. The $555/MW-day figure is an offer cap, not a procurement target: it bounds what a cleared resource is paid and guarantees no quantity. The developer bloc argues the cap is set too low to attract genuine new build — understating combustion-turbine costs, ignoring roughly $2,200/kW of combined-cycle capital, and using a 20-year rather than 15-year cost-of-new-entry horizon — while incumbent generators (Constellation, Vistra, CPV) object to capped central procurement on principle. Capacity prices across PJM are already up on the order of 1,000% since 2024 for the grid's 65 million customers across 13 states and DC.

If the auction clears thin, the consequences cascade in a specific order. The shortfall charge allocates cost, not megawatts — uncovered load pays a penalty while the reliability gap remains. That gap now has no curtailment backstop, because mandatory C&M was rejected; PJM falls back on the pre-existing emergency toolkit — EEA escalation, emergency demand response, DOE 202(c)-style orders — which is precisely the toolkit the nation just watched being used over a holiday weekend. FERC becomes the release valve: it can lift or remove the cap, or it can set C&M for hearing and settlement to force a durable curtailment mechanism. Chair Swett's public impatience ("new generation NOW"; PJM is "too big to function") and the July 23 governance technical conference make intervention more likely, not less.

THE LOAD'S MENU — AND WHY THE CAP DOESN'T BIND THE REAL MARKET

Post–Stage 4, a large load facing PJM has four broad paths to firm itself: (1) a bilateral firm-power contract with a generator — priced entirely outside the cap, removing the load from curtailment consideration and, if structured well, from residual auction exposure; (2) BYONG — bring your own new generation — via the Expedited Interconnection Track targeted operational around August 2026, endorsed across camps as the clean exit from cost-shifting, but gated by a 4-5 year backlog for new frame gas turbines; (3) battery storage, realistically the only new-build technology that can meet expedited-track timelines, qualifying as net-new UCAP and pairable with load or sited to firm an existing block; and (4) demand response / DER — the Google–Voltus model, in which Google is funding a ~100-MW virtual power plant in PJM and has publicly conceded that "firm retail service may no longer be universally feasible."

Path	Mechanics	Binding constraint
Bilateral firm contract	Load contracts directly for firm capacity + energy; priced outside the $555 cap	Scarcity of near-term interconnected supply
BYONG (new generation)	Load pairs with dedicated new-build via Expedited Interconnection Track (~Aug 2026)	4-5 yr frame gas-turbine backlog
Battery storage (BESS)	Only new-build tech that fits expedited timelines; net-new UCAP	Duration; supply chain (CATL, Issue 8)
DR / DER (Google–Voltus)	Flexible, curtailable service; VPPs; RBP eligibility push for first-time registrants	Only serves the flexible tail of demand

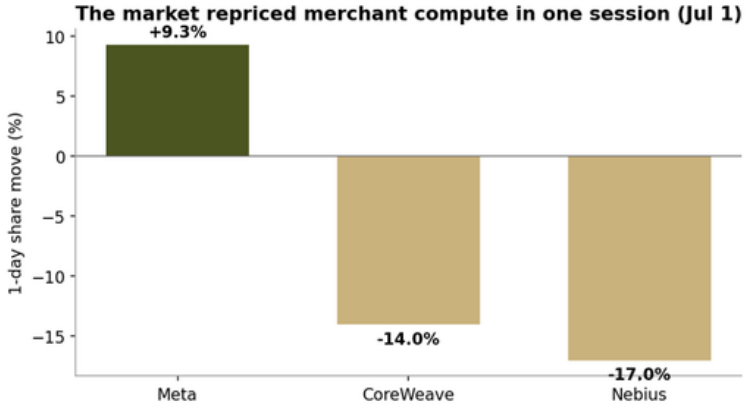
Read-Through: The cap does not bind bilateral deals. Generators and hyperscalers can contract at whatever clears the developer's return hurdle — plausibly above $555/MW-day, given the same cost critique that undermines the auction — and PJM prefers bilateral matching and is not a counterparty. The cap is better read as a floor signal for bilateral negotiation than a ceiling on what firm capacity can command. A thin September clear is, counter-intuitively, constructive for whoever already holds firm, near-term, interconnected supply: scarcity the auction cannot resolve at the center accrues to firm capacity at the edge. Google's posture is the demand-side mirror — the marginal hyperscaler will pay a premium for firmness, while the flexible tail self-serves via DR. The residual risk worth monitoring: an IMM-style FERC order forcing post-June 2026 load to bring capacity, or BESS/DR eligibility generous enough to thin the backstop and dampen capacity pricing.

Where the decision rights landed matters as much as what was decided. If C&M stays voluntary, the entire curtailment-and-cost-allocation question devolves to state PUCs and distribution utilities — PJM has explicitly told the governors to build cost-allocation frameworks or watch costs fall on residential ratepayers, and the VA-SCC-led multistate collaborative targets model interruptible tariffs for February 2027 and 2028. The Stage 4 registry even includes a field for state-identified exclusions, with "a Large Load bringing new capacity" as the illustrative trigger. Watch, in order: the PJM Board July 13–15; the RBP and C&M FERC filings; the July 23 FERC technical conference; which states join the multistate collaborative; the September clear, thin versus full; and each EDC's registry implementation.

Links: Reuters — PJM Members Advance Backstop Procurement | Bloomberg — Power Grids Brace for Record Demand | Bloomberg — Emergency Ordered for Largest US Power Grid | Maryland Matters — DOE Green-Lights PJM Backup-Power Push | PJM CIFP Stage 4 materials

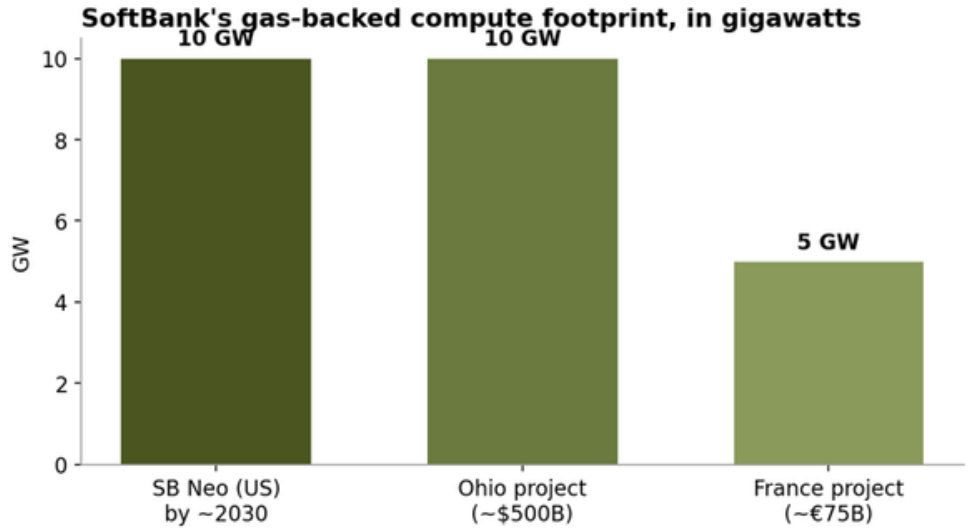
COMPUTE GOES MERCHANT: META AND SOFTBANK ENTER, NVIDIA BACKSTOPS, ORACLE CONFESSES

The week's biggest structural cluster outside PJM was the visible transformation of compute into a merchant commodity — and the equally visible transfer of its risks. Meta confirmed it is building a cloud business, Meta Compute, to sell AI computing along two lines: Bedrock-style hosted model access (including its Muse Spark models) and raw neocloud capacity, led by infrastructure chief Santosh Janardhan with Nat Gross (MSL) and President Olivia Powell McCormick. Zuckerberg had telegraphed it in May — selling compute is "definitely on the table," companies ask weekly to buy capacity "at some premium to what we've bought it at," and overbuild optionality "is partially what gives us confidence in investing." The market graded the announcement instantly: META +9.3% to $615.55, its biggest intraday gain since April, while CoreWeave fell 14% and Nebius 17% — a one-session verdict on what happens to pure-play neocloud economics when a hyperscaler with $182.9B of lease commitments (Issue 8) decides to compete.



The verdict in one session: the hyperscaler rallies, the pure-plays get repriced. Source: Bloomberg.

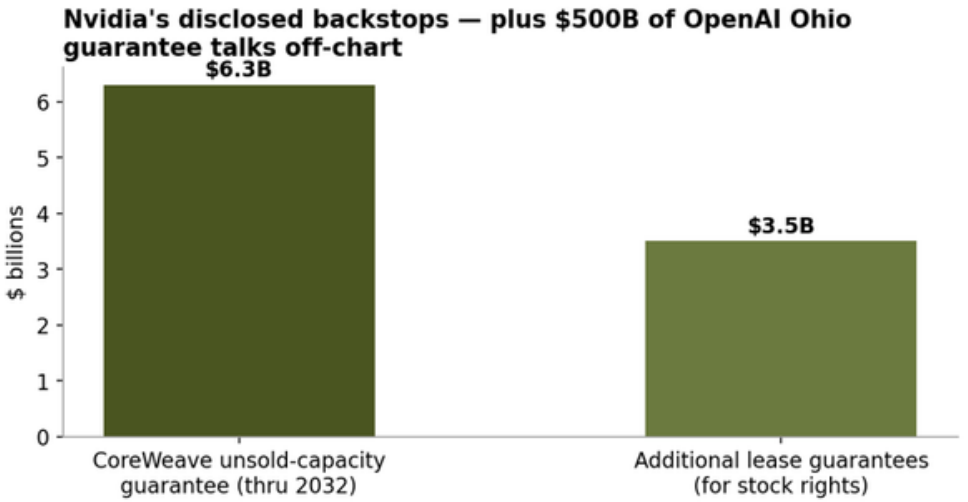
SoftBank answered with structure. SB Neo — 51% SoftBank Corp, 49% the parent — will start renting AI compute to US companies next fiscal year and targets 10 GW of data-center capacity by around 2030, launching in Texas with a multi-gigawatt site and potential operating income of ¥3–4 trillion ($18.5–25B), enough to triple or quadruple the carrier's earnings. Miyakawa calls it a "second founding." The tell for this newsletter is his stated moat: SoftBank's edge is "its ability to secure sources of power, mainly from gas-fired plants." Equity cost per gigawatt is a few hundred million dollars, with OpenAI — to which the parent has committed roughly $65B by October — a ready customer. The venture stacks onto the $500B, 10-GW Ohio project, a 5-GW French project at up to €75B, the pursuit of a TEPCO stake (Issue 8), the $3B DigitalBridge acquisition, and a contemplated US battery-manufacturing venture.



SoftBank's compute ambitions, denominated in gigawatts — with gas-fired supply named as the competitive edge. Source: Bloomberg; company statements.

Read-Through: A telecom conglomerate just told the market that its differentiation in selling compute is not chips, software or distribution — it is the ability to secure gas-fired power. That is the entire Digital Power thesis, stated by a competitor as its moat. When merchant compute proliferates, the scarce, financeable layer is the megawatts beneath it — Issue 8's Reflection-deal read-through, now at industry scale.

Underneath the entrants, the financing got circular. *The Information* revealed Nvidia's "AI Compute Partnership": a guaranteed rate for customers' unsold GPU capacity in exchange for a revenue share that tapers over the contract, with Firmus and Sharon AI among early participants — atop the disclosed $6.3B CoreWeave unsold-capacity guarantee through 2032, an additional $3.5B of lease guarantees taken for stock rights and talks around a $500B guarantee tied to OpenAI's Ohio buildout. As one participant put it, the backstop means "the GPUs get financed and the data center gets financed." Nvidia is acting as central bank to its own customer base, defending chip demand against hyperscalers' in-house silicon. The obvious question, posed by The Information's own briefing: if demand is so intense, why do neoclouds need a backstop at all?



Nvidia's disclosed backstops; $500B of OpenAI Ohio guarantee talks sit off-chart. Source: The Information; company filings.

Oracle supplied the confession. Its shares fell 35% in June — the worst of the six companies carrying the $850B undelivered lease backlog Issue 8 mapped, of which Oracle holds the largest share via its ~$300B OpenAI Stargate contract — and its new 10-K risk factors read like a DPW back-issue: construction cost and delay risk from supply chains, "government restrictions on data center development" and third-party failures; customer nonpayment and non-renewal; "highly leveraged" customers; and capacity the company "may be unable to re-lease, repurpose or assign...on acceptable terms, if at all."

Read-Through: Vendor-financed circularity degrades the demand signal: when the chip supplier guarantees the buyer's revenue, the order book stops being information. Issue 8's refrain — underwrite cash conversion and tenant credit, not the narrative — has now migrated into an issuer's own risk factors, with Oracle both warner and warned (BBB-rated, and defendant in the Wisconsin collateral fight we covered). The clean underwrite in this ecosystem remains contracted power offtake to investment-grade tenants against hard-asset generation.

Links: Bloomberg — Meta Building Cloud Business to Sell AI Computing | Bloomberg — SoftBank Launches SB Neo | The Information — Nvidia Takes a Cut of Customers' Cloud Revenues | The Information — Nvidia and the Neocloud Gold Rush | Bloomberg — Oracle Warns AI Splurge May Not Pay Off

THE CONSENT VETO GETS ITS TROPHY: QTS ABANDONS VIRGINIA'S $100B DIGITAL GATEWAY

Issue 8 argued that political acceptance had hardened into a gating constraint comparable to interconnection. This week it claimed its most concrete casualty. Blackstone's QTS walked away from Digital Gateway in Prince William County, Virginia — a 2,100-acre corridor with roughly $100B of planned spend — forfeiting more than 800 acres of positions. The collapse was five years in the making: a 27-hour zoning hearing in 2023; Virginia courts in March 2026 upholding the invalidation of the rezoning on a newspaper-notice technicality; Compass and Brookfield exiting in May; and now the anchor developer gone. The backdrop is compounding — Virginia has passed an energy-consumption tax on data centers, roughly $170B of US capacity has been blocked, stalled or canceled since 2024 per Carbon Direct, and data centers are emerging as a genuine midterm swing issue.

Date	Event
2023	27-hour Prince William County zoning hearing approves rezoning over organized opposition
Mar 2026	Virginia courts uphold invalidation of the rezoning — a newspaper-notice technicality
May 2026	Compass and Brookfield exit their Digital Gateway positions
Jul 2, 2026	QTS abandons the project; 800+ acres forfeited; ~$100B of planned spend dead

Read-Through: A $100B project did not die on power, fiber or capital — it died on consent, delivered through the most mundane procedural instrument imaginable. Every greenfield megaproject stranded this way raises the scarcity value of a campus that already holds site control, community standing and firm power. The permitting-risk premium Issue 8 priced in the abstract now has a eight-figure comp.

Links: Bloomberg — Blackstone's QTS Abandons Digital Gateway | Carbon Direct — Blocked & Stalled Capacity Tracker

DEVELOPMENT

NATIONAL GRID BUYS INTO THE BTM GAS MODEL: $1.75B FOR 35% OF JOULENT

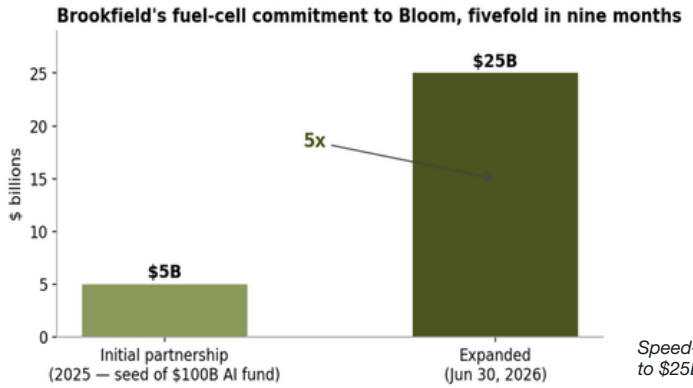
Issue 8 called the Microsoft/Chevron Project Kilby deal the moment the industry revealed it had already changed. This week a regulated UK network utility paid up to join it. National Grid is investing $1.75B for a 35% stake in Joulent — the Engine No. 1-backed developer building the 2.67-GW gas-fired plant serving Microsoft's West Texas data center — valuing the private company at $5B. The data center will run on a private power campus until grid interconnection is approved; first power targets 2028. CEO Zoe Yujnovich's framing is the quote of the week from a regulated utility: investments "around speed to power are probably the largest growth market that you can find." Joulent CEO Chris James emphasized the model keeps costs from shifting to households; National Grid says Kilby is just the start and will seek larger equity shares in future projects. JPMorgan and Evercore advised; shares dipped ~3%.

Read-Through: A transmission-and-distribution incumbent just paid a $5B private-market valuation for minority exposure to behind-the-meter gas — validating the BTM model at utility scale and marking up every comparable power-first platform. The strategic buyers now include the wires companies themselves.

Links: Bloomberg — UK's National Grid Invests $1.75 Billion in US AI Power Company

BROOKFIELD FIVE-TIMES THE FUEL-CELL BET: BLOOM PARTNERSHIP EXPANDS TO $25B

The same investor that quantified the intermittency tax this week (International) also wrote the week's biggest check against it. On June 30, Brookfield and Bloom Energy expanded their AI-power partnership fivefold, from $5B to $25B, to finance and deploy Bloom's on-site fuel-cell systems for AI data centers and "AI factories" — an explicit bet that islanded, months-to-deploy power beats years-long grid queues. The original $5B tranche, covering up to 1 GW of Bloom Energy Servers, was among the first seed investments of Brookfield's $100B AI Infrastructure Fund (launched November 2025); the expansion, per Brookfield's AI-infrastructure head Sikander Rashid, responds to sustained hyperscaler demand for "fast, reliable, and community-friendly power." RBC called the $25B "larger than expectations."



Speed-to-power, capitalized: Brookfield's fuel-cell financing framework goes from $5B to $25B in roughly nine months. Source: company statements; RBC via Reuters.

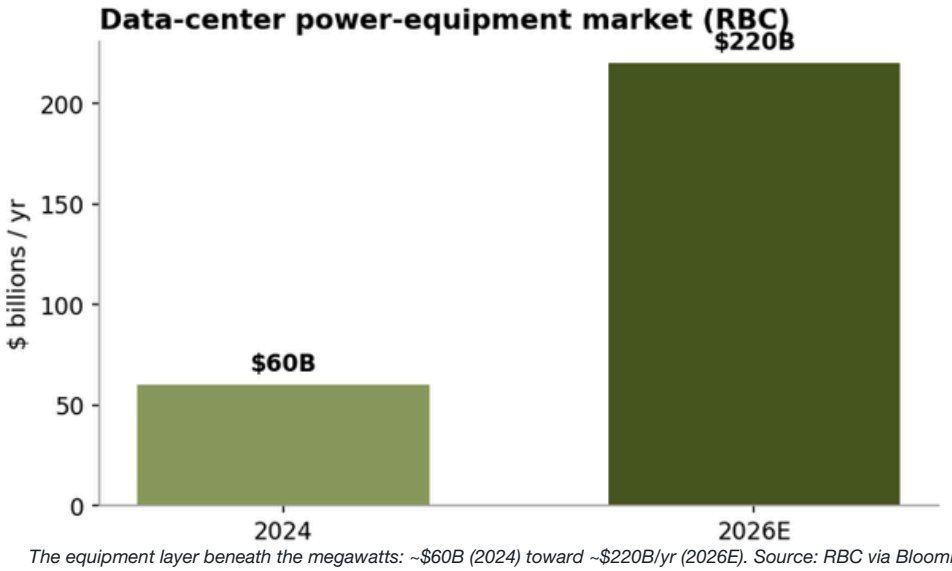
The order book explains the conviction. Bloom has already deployed into data centers through American Electric Power, Equinix and Oracle, signed a $2.6B supply deal with Nebius in May, and is guiding 2026 revenue to $3.4–3.8B — up roughly 80% year-over-year, an acceleration from the 60% it initially expected — after Q1 revenue grew 130% to $750M and operating income swung to $72.2M. Shares closed at $302.70 on announcement day. The sector is not without air pockets: Crusoe paused its 1.8-GW Bloom-linked Wyoming project in June (Morgan Stanley stayed constructive), and Jefferies' upgrade of second-tier FuelCell Energy to buy on a data-center deal shows the trade broadening down the quality curve — a late-cycle tell worth logging.

Read-Through: One of the largest infrastructure investors just committed $25B to the proposition that the fastest megawatt is the one made on-site — speed-to-power monetized as an asset class, and third-party validation of the BTM model in its fuel-cell variant. Note that Brookfield is now playing both sides of its own 7–9x ratio: funding the renewables portfolios that carry the intermittency tax and financing the firm on-site layer that spares tenants from paying it. Fuel cells compete for the same behind-the-meter socket as gas CTs — pricier per unit, faster to energize, easier to permit. That is a complement to firm gas at scale, not a substitute; but like generous BESS/DR eligibility in the RBP block, modular on-site supply scaling faster than expected is a watch item for the scarcity spread.

Links: Bloom Energy / Business Wire — Brookfield and Bloom Expand AI Infrastructure Partnership to $25B | Reuters / Globe and Mail — Brookfield-Bloom Framework | The Motley Fool — What Investors Need to Know

AI FACTORIES REDRAW A $220B POWER-EQUIPMENT MARKET

RBC's Deane Dray-adjacent equipment work (analyst Fielding) sizes the data-center power-equipment market at roughly $60B in 2024 swelling toward $220B annually in 2026 — and the AI factory is redrawing who wins it. The 800-volt DC architecture shift and solid-state transformers threaten the traditional UPS layer (roughly 16% of infrastructure cost) with cannibalization, though only about 20% of data centers are expected on 800VDC by 2030 and earnings impacts are unlikely before then. Schneider and Vertiv lead the winners' column; ABB, Eaton, GE Vernova and Siemens Energy ride the gas-turbine and switchgear cycle; Legrand screens exposed. Fittingly, Vertiv opened its first Southeast Asia plant in Johor, Malaysia this week — power and cooling systems for the APAC buildout, fully operational in 2027.



The equipment layer beneath the megawatts: ~$60B (2024) toward ~$220B/yr (2026E). Source: RBC via Bloomberg.

Read-Through: The equipment super-cycle is the industrial echo of the power constraint: every dollar of it exists because megawatts must be delivered, conditioned and cooled. Architecture shifts reshuffle vendors; they do not shrink the power opportunity underneath.

Links: Bloomberg — AI Factories Create Winners and Losers in Power Equipment | Bloomberg — Vertiv Opens Malaysia Plant

THE NUCLEAR RENAISSANCE STALLS ON DEMAND, NOT SUPPLY

A WSJ op-ed by Paul Tice put sober numbers on the nuclear program Issue 8 covered: more than a year after the May 2025 executive orders targeting 400 GW by 2050, DOE's own Annual Energy Outlook shows no increase — actually a slight decline — in US nuclear capacity through 2050 under both baseline and high-demand cases. Eight months after the Westinghouse partnership, not one AP1000 contract has been signed; risk-averse utilities are balking at the capital commitments after the last two units ran a decade late and bankrupted the vendor. Tice's prescription — recruit the infrastructure private-equity owners of US utilities (BlackRock, Blackstone) to underwrite the next AP1000s — is itself a concession that the constraint is now demand-side risk appetite, not technology.

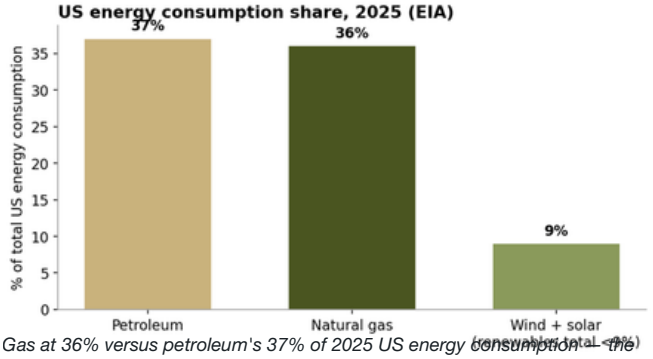
Read-Through: Issue 8's read holds and hardens: nuclear is a 2030s bridge with no signed builds, while hyperscaler timelines are 2027–30 problems. Dispatchable thermal — gas on existing interconnects — remains the bridge the demand curve actually requires.

Links: WSJ — Trump's Nuclear Renaissance Is Stalling

ELECTRICITY MARKETS

GAS CLOSES ON OIL AS AMERICA'S PRIMARY ENERGY SOURCE

EIA data crystallized the structural backdrop beneath every story in this issue: natural gas supplied 36% of US energy consumption in 2025 against petroleum's 37%, and gas is on track to take the lead by around 2030 — a crown oil has held since mid-century. More than 100 coal plants were replaced or converted to gas between 2011 and 2020; wind and solar tripled over 2015–25 yet renewables remain under 9% of consumption. The flag for gas buyers: new LNG export capacity may pressure domestic prices higher over time — a sensitivity worth carrying into any long-dated transport or supply negotiation.



Gas at 36% versus petroleum's 37% of 2025 US energy consumption — the crossover approaches. Source: EIA via Bloomberg.

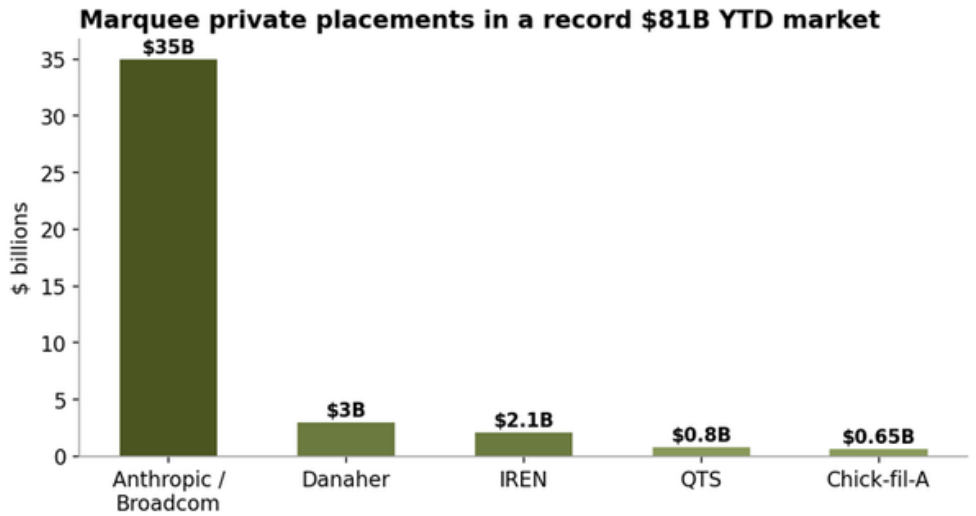
Read-Through: The macro tailwind behind every simple-cycle and conversion decision in the sector: gas is becoming the primary U.S. energy source precisely as the grid's firm-capacity gap widens. The LNG-driven price sensitivity is the one input to hedge, not a reason to doubt the direction.

Links: Bloomberg Energy Daily — Gas Nears Oil as Primary US Energy Source

FINANCE

THE FUNDING STACK GOES PRIVATE: RECORD $81B IN PLACEMENTS

AI's trillion-dollar debt binge is migrating into the private placement market: $81B of issuance year-to-date through May, the largest tally since at least 2016, absorbed substantially by insurers and annuity writers sitting on a record $464B of annuity sales. The marquee prints map the buildout directly — Anthropic/Broadcom at $35B (via Apollo and Blackstone, the chip-financing vehicle Issue 8 flagged), Danaher $3B, IREN $2.1B, and QTS $800M. The buyer base is the point: duration-hungry, buy-and-hold balance sheets replacing the leveraged retail flows whose fragility Issue 8 catalogued.



Marquee placements in a record $81B YTD market; insurers and annuities supply the patient capital. Source: Bloomberg.

Read-Through: This is Issue 8's 'durable capital survives' thesis executing in real time. Insurance-grade private credit is exactly the low-beta capital that underwrites 20-year power offtake — and it prices tenant credit and hard-asset coverage, not narrative. The projects that fit that box get financed through any tape.

Links: Bloomberg — AI's Trillion-Dollar Debt Binge Fuels Private Placement Market

CAPITAL RECYCLING AT THE TOP: BLACKSTONE SELLS BUILT, SWITCH MARKS UP, STARWOOD RELOADS

Watch what the smart money does with each risk bucket. The same week Blackstone's QTS abandoned greenfield Virginia, Blackstone sold built-and-leased Virginia: Digital Realty is acquiring 80% interests in two 96-MW Manassas data centers and 50% of a 96-MW Sterling facility for $3.5B ($1.2B cash, $2.3B in DLR stock) — roughly 202 MW of net interest, implying on the order of $17M+ per fully-leased hyperscale megawatt (illustrative only; JV-level debt is undisclosed). Blackstone affiliates began selling the DLR stock consideration immediately, at up to a 2.9% discount. Switch, majority-owned by DigitalBridge — which SoftBank is acquiring for $3B — is seeking a $2B round led by a16z ($400M) at roughly $50B including debt against its $11B 2022 take-private, a ~4.5x equity march toward a potential 2027 IPO with Goldman and JPMorgan running the book. And Starwood closed its largest-ever fund at $10.2B, earmarking up to 35% for data centers. "No one can sleep in their computer," Sternlicht offered; "we've never been so excited and we've never been so terrified."

Read-Through: Development risk is being sold; operating yield is being bought; conversion optionality on already-energized sites is being raised for.

Links: Bloomberg — Digital Realty Buys Blackstone's VA Data Centers | Bloomberg — Switch Seeks $2B Round Led by a16z | Bloomberg — Starwood Raises $10.2 Billion

SPACEX FACES ITS FIRST REPORT CARDS AT $2.2 TRILLION

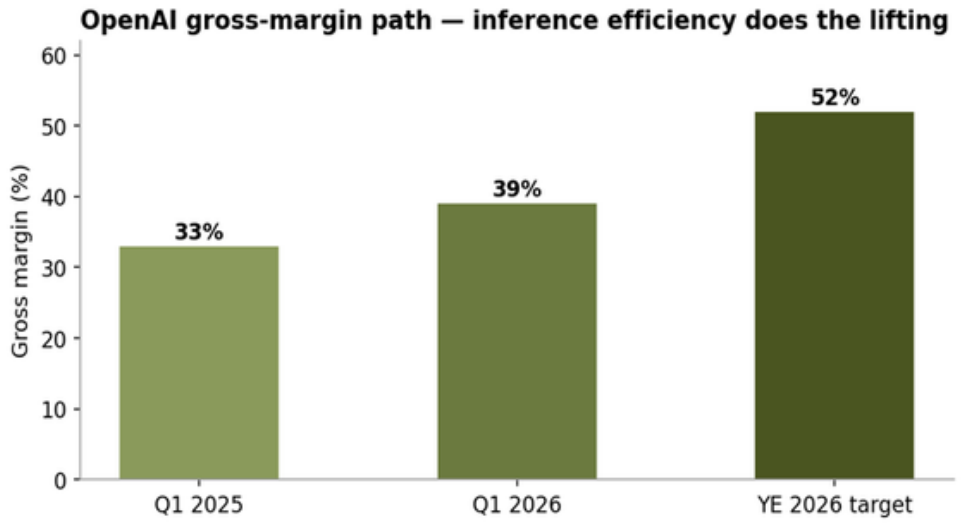
Issue 8 tracked SpaceX's bond wobble as the cleanest live test of AI-buildout credit. The equity now gets its turn: the underwriter quiet period from the record $86B IPO ends Tuesday July 7 — the same day the stock joins the Nasdaq 100, with an estimated $4.9B of index-driven buying. The setup is extreme: ~$36B of expected 2026 revenue, no profit until a projected 2028, and a 41x forward price-to-sales multiple (the richest S&P name, Palantir, trades at 32x). Shares have round-tripped from a $2.6T peak to under $2.1T, down 22%. Sell-side targets range $165–$401; Goldman's research team models $474B of 2030 revenue, Evercore $1T+ by 2031, Morgan Stanley $3.4T by 2040 — projections one PM noted he "may not be alive to see." CFRA initiated at sell with a $115 target, below the IPO price.

Read-Through: Same pattern as the bonds, one layer up the capital structure: duration-heavy, proof-light exposure repricing as sentiment normalizes.

Links: Bloomberg — SpaceX Analyst Debut Set to Test $2.2 Trillion Valuation

INFERENCE COSTS: OPENAI FINDS ANOTHER HALVING; ANTHROPIC SHOPS FOR 2NM

The inference-cost curve keeps bending. The Information reports OpenAI discovered optimizations — likely quantization, KV-caching, batching and routing — that roughly halve serving costs, with the logged-out ChatGPT tier now running on a couple hundred Nvidia GPUs. The margin math follows: gross margin rose from 33% (Q1'25) to 39% (Q1'26) with a 52% year-end target that requires roughly 56% on the run-rate for the balance of the year. In parallel, Anthropic is in early talks with Samsung on a 2nm custom accelerator — joining OpenAI/Broadcom's Jalapeño (Issue 8), Google's TPUs, AWS Trainium, Meta and Microsoft in the custom-silicon column against Nvidia's ~74% inference share, as Korea commits $518B to memory expansion.



Efficiency at the model layer does the margin lifting. Source: The Information.

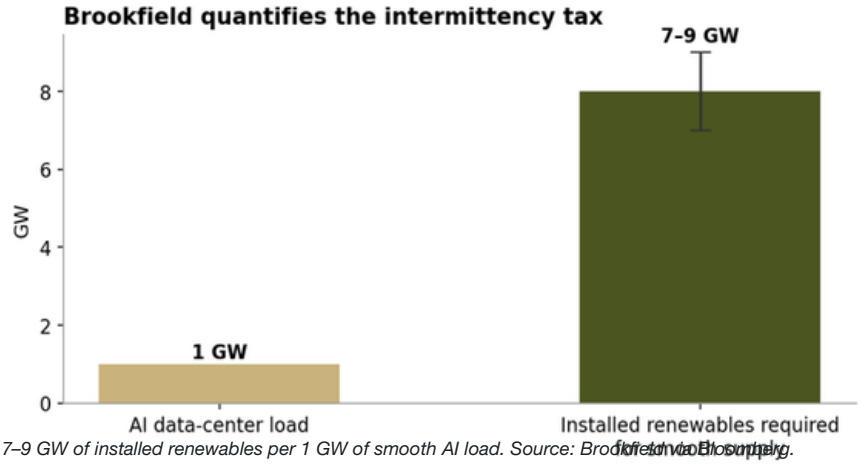
Read-Through: Identical logic to Jalapeño: efficiency at the model layer is Jevons for power. Cheaper tokens route more demand onto the lowest-cost energized capacity, and margin keeps migrating down-stack toward whoever supplies the megawatts. Goldman's Q2 preview quantifies the pull-through — S&P 500 EPS consensus +22%, with AI infrastructure roughly 60% of the growth and Micron plus Nvidia alone over 40%.

Links: The Information — OpenAI Cuts Inference Costs in Half | The Information — Anthropic in Talks with Samsung | Bloomberg — Goldman Sees AI Driving Strong Q2

INTERNATIONAL

THE INTERMITTENCY TAX, QUANTIFIED: BROOKFIELD'S 7-TO-9-FOR-1 RULE

The single most useful number of the week for power underwriting came from Brookfield's India energy practice: a 1-GW AI data center requires 7–9 GW of installed renewables for smooth, around-the-clock supply. That is the intermittency tax stated as an engineering ratio — and it explains why BNEF sees Indian battery-storage demand hitting 336.7 GWh by 2035, roughly 115x current levels. Brookfield is positioning across it: a $100B AI fund launched last November, $32B deployed in India, a 45+ GW Indian renewables portfolio, and portfolio company Clean Max already drawing 42% of revenue from AI and data-center customers.

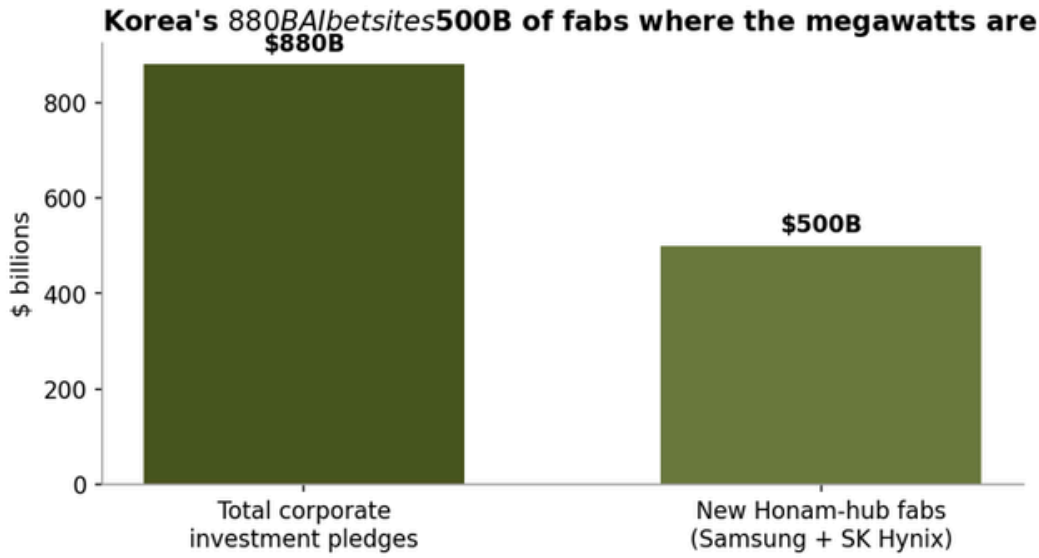


7–9 GW of installed renewables per 1 GW of smooth AI load. Source: Brookfield via Bloomberg.

Read-Through: Carry this ratio into every capacity conversation: a hyperscaler buying 'renewable' firmness is implicitly buying 7–9x nameplate plus storage plus land plus interconnection. Firm dispatchable generation at 1x is not competing with renewables on price per MWh — it is competing with an entire portfolio per MW of load. That spread is the structural firm-power premium.

KOREA SITES $500B OF FABS WHERE THE MEGAWATTS ARE

President Lee unveiled ₩1,350 trillion (~$880B) of corporate AI-era investment pledges anchored by more than $500B of new Samsung and SK Hynix fabs in the southwestern Honam region — and the stated siting rationale is electricity. The Seoul metro is power-constrained; the southwest holds surplus generation, with geopolitical dispersion from the northern border the secondary logic. The risks are real — remote-region infrastructure timing, Lee's approval at a 51% low, K-shaped-economy politics — but the tell stands, and comps directly to Japan's ¥370T ($2.3T) Takaichi initiative in the Asia arms race Issue 8 mapped.



Nation-state confirmation that the megawatts pick the map. Source: Bloomberg.

Read-Through: When a national industrial strategy sites half a trillion dollars of fabs on the location of surplus generation, load-follows-power has graduated from developer heuristic to state policy.

CHINA RUNS THE FLEXIBLE-FIRM PLAYBOOK AT NATIONAL SCALE

Inner Mongolia — producer of roughly a quarter of China's coal at 1.2 billion tons a year — completed its mandated coal-fleet flexibility retrofits ahead of the national 2027 deadline, operates China's largest battery fleet at 25 GW, and still has more than 20 GW of new coal under construction, while coal-to-chemicals consumption has risen 70% since 2019 across 75 projects. Separately, the State Council mandated AI education across all school levels in a five-year blueprint, and Chinese courts are ruling that companies cannot fire workers simply to replace them with AI. Ardian, meanwhile, committed €3B+ to Verne's Nordic platform — Finland at 110+ MW, Norway toward 200 MW by 2029, Denmark toward 350 MW — against Nordic data-center power demand seen quadrupling by 2032, alongside a separate €5B/500-MW Paris hub.

Read-Through: China is operating its thermal fleet as a flexible firm backstop to renewables at national scale — the same engineering logic that underlies every CFB-to-gas conversion case in the West. The pattern is global and converging: firm, flexible thermal is the system's load-bearing wall, whatever the fuel politics.

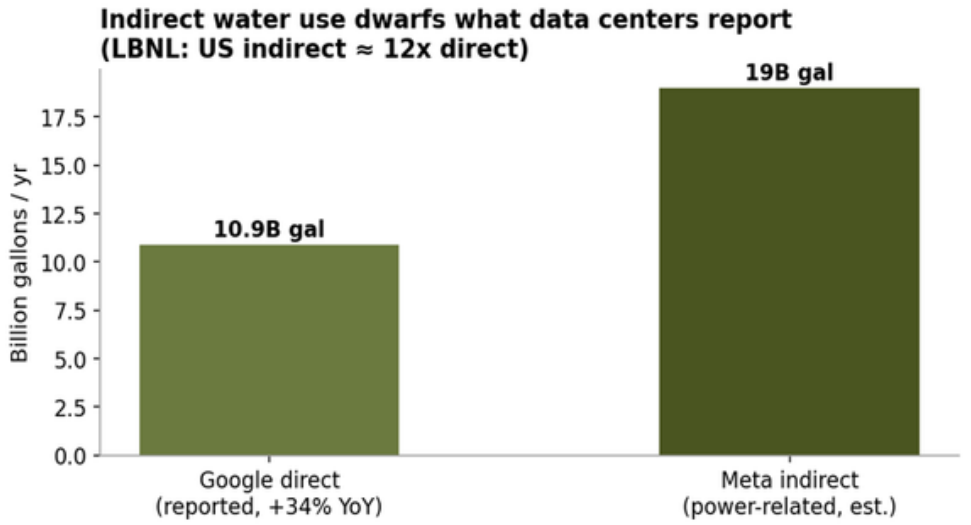
Links: Bloomberg — Lee's $880B AI Bet | Bloomberg — Brookfield Powers India Data Centers | Bloomberg Green — China's Coal Transition | Bloomberg — Ardian's €3B Nordic Data Centers | Bloomberg — China Mandates AI Education

POLICY & REGULATION

THE GRID'S NEW UNDERWRITING VARIABLE IS LEGITIMACY — AND IT NOW HAS A WATER BILL

DPW INVESTMENT THESIS

Issue 8 argued a fourth variable — the political probability of approval — belongs in every data center underwriting model alongside power, fiber and capital. This week supplied the fourth variable's balance sheet. The QTS/Digital Gateway collapse (Top Stories) is the headline casualty; beneath it, the informational asymmetries that fuel the backlash are closing. The WSJ's Christopher Mims documented that data centers' indirect water use — the water consumed generating their electricity — vastly exceeds what operators report: LBNL puts the US indirect multiplier at roughly 12x direct use. Google reported 10.9B gallons of direct consumption (+34% year-over-year), while Meta's indirect draw is estimated near 19B gallons — roughly 20x its direct figure. Phoenix-area data-center water could grow from 3% to more than 20% of city use by 2031. Amazon, for its part, disclosed 2025 carbon emissions of 81 Mt CO2e, up 16% year-over-year and 58% above its 2019 pledge base, with purchased-electricity emissions up 34%. Carbon Direct's $170B of blocked, stalled or canceled capacity since 2024 is the running invoice.



The transparency gap closing: indirect (power-related) water dwarfs reported direct use. Source: WSJ; LBNL; company disclosures.

Read-Through: Every closed information gap converts diffuse unease into organized, litigable opposition — and every greenfield casualty raises the premium on sites that already hold consent. The durable answer is the same one the RBP debate points to: bring your own permitted power, pay your own way, minimize the water and wires you borrow from the host community. Legitimacy is now a hard asset; it appreciates.

Links: WSJ — AI Data Centers' Indirect Water Use Far Exceeds Reported | Bloomberg — Amazon Carbon Emissions +16% | Bloomberg — QTS Abandons Digital Gateway

WHAT WE'RE WATCHING

1. DOES THE SEPTEMBER RBP AUCTION CLEAR THIN OR FULL?

The single highest-information event on the calendar. A thin clear against the $555/MW-day cap confirms the cap is a floor signal for bilateral firm-power pricing and invites FERC intervention; a full clear softens near-term scarcity. Watch the PJM Board July 13–15, the RBP and C&M FERC filings, and the July 23 governance technical conference as the run-up.

2. WHICH STATES BUILD CURTAILMENT AND COST-ALLOCATION FRAMEWORKS?

With mandatory C&M dead, the decisive venue is the state PUCs and distribution utilities. The multistate collaborative's model interruptible tariffs (Feb 2027 / Feb 2028 targets) and each state's use of the registry's exclusion field — particularly any exclusion keyed to load bringing new capacity — will determine who bears curtailment risk.

3. DOES MERCHANT-COMPUTE ENTRY COMPRESS NEOCLOUD ECONOMICS FURTHER?

Meta Compute's launch cadence, SB Neo's Texas siting and power contracting, and whether Nvidia's backstop program expands are the tells. Watch for the first neocloud that cannot refinance without a vendor guarantee.

4. DOES THE CAPITAL-RECYCLING ROTATION ACCELERATE?

Blackstone selling built assets while abandoning greenfield, Switch marking toward a 2027 IPO, and Starwood reloading for conversions suggest a top-of-cycle rotation from development risk to operating yield and energized-site optionality. More sales of stabilized assets at $17M+/MW would confirm it.

5. DO Q2 EARNINGS VALIDATE THE TOKEN-ECONOMICS BULLS?

AI infrastructure is expected to drive roughly 60% of S&P 500 EPS growth (+22% consensus). Hyperscaler capex guides and any enterprise commentary on token budgets will adjudicate the Silicon Data vs. SemiAnalysis debate in this issue's Market Spotlight.

FINAL WORD

This newsletter has argued that the AI race is an infrastructure race, and that infrastructure races reward controllable power, legible risk and local legitimacy. This week each of those three words acquired a price. Controllable power: $555/MW-day as the floor signal, $1,500/MWh as the scarcity print, 7–9 GW of renewables per firm gigawatt as the alternative's true cost. Legible risk: an $81B private-placement market that underwrites tenant credit, against a vendor-financed compute complex whose demand signal is degrading. Local legitimacy: a $100B project dead on a newspaper notice.

The competitive frontier has not moved since Issue 8 — it has narrowed. The race is still to build the most efficient AI factory. But the week made clear who sets the terms: the factory runs at the pleasure of the grid, the community, and the balance sheet that financed it. The platforms that hold all three — firm megawatts, host-community consent, and patient capital — are no longer just advantaged. They are the market's clearing mechanism.

APPENDIX A | MARKET DATA

Selected market, financing and infrastructure markers referenced in this issue. Figures are article-reported or DPW-derived from cited sources; not investment advice.

Metric	Latest / This Week	Prior / Reference	DPW Read
PJM RBP	$555/MW-day cap; Sep 10–Nov 20 window; ~75% support	All mandatory C&M rejected; Board Jul 13–15	Cap bounds the auction, not bilateral firmness
PJM scarcity prints	Western Hub DA $479.27; Dominion RT >$1,500	165.5-GW record tested; ~7x WoW	Scarcity administered in real time
DOE emergency orders	Plants to max; DC backup gens conscripted	"Tens of GW largely untapped"; expired Jul 4	BTM iron drafted into the reliability stack
Token index (Silicon Data)	–20% from May high	~2x since Dec inception	Governance vs. demand destruction — see Spotlight
PJM RBP	$555/MW-day cap; Sep 10–Nov 20 window; ~75% support	All mandatory C&M rejected; Board Jul 13–15	Cap bounds the auction, not bilateral firmness
Enterprise token spend	99th pct ~$90K/employee/yr; median $136	Caps $250–$2,000/mo across F500	S-curve intact; budgets are governance
Private placements	$81B YTD thru May — record	Anthropic/Broadcom $35B; annuities $464B	Patient capital replacing leveraged flows
Meta Compute	META +9.3%; CRWV –14%; NBIS –17%	$182.9B lease commitments (Issue 8)	Merchant entry reprices pure-plays instantly
SoftBank SB Neo	10 GW by ~2030; Texas first	¥3–4T potential op income; OpenAI anchor	Gas-fired supply named as the moat
Nvidia backstops	$6.3B CRWV guarantee; rev-share program	$500B OpenAI Ohio talks	Vendor circularity degrades demand signal
Oracle	–35% in June; stranded-asset risk factors	Largest share of $850B backlog	Tenant credit now in issuers' own 10-Ks
Digital Realty / Blackstone	$3.5B; ~202 MW net interest	~$17M+/MW implied (JV debt unknown)	Built assets monetized at top of cycle
National Grid / Joulent	$1.75B for 35%; $5B valuation	2.67-GW Kilby BTM gas for Microsoft	Wires incumbent pays up for BTM gas
Brookfield ratio	7–9 GW renewables per 1 GW AI load	India storage 336.7 GWh by 2035 (115x)	The intermittency tax, quantified
Brookfield / Bloom	$25B partnership — 5x expansion	$5B / 1 GW seed (2025); Bloom FY26 rev +80%	Speed-to-power capitalized; BTM validated

APPENDIX A | MARKET DATA

Selected market, financing and infrastructure markers referenced in this issue. Figures are article-reported or DPW-derived from cited sources; not investment advice.

Metric	Latest / This Week	Prior / Reference	DPW Read
Korea siting	$500B+ Honam fabs on surplus power	₩1,350T total pledges	Megawatts pick the map — state policy
US energy mix	Gas 36% vs. oil 37% (2025)	Gas to lead by ~2030	Structural gas tailwind; watch LNG pull
QTS / Digital Gateway	Abandoned; 800+ acres forfeited	~$100B planned; $170B US blocked/stalled	Consent is the gating asset
SpaceX equity	<$2.1T cap; –22% off high; 41x fwd P/S	Quiet period ends Jul 7; NDX add	Proof-light duration reprices first
OpenAI margins	39% Q1'26; 52% YE target	33% Q1'25; inference costs halved	Efficiency is Jevons for power

APPENDIX B | RTO / FERC & MARKET CALENDAR

Near-term catalysts carried forward from the June 18 FERC large-load order package plus events surfaced in this issue. Confirm weekend/holiday dates against filing rules.

Date	Event / Filing	Agency / Party	Why It Matters
Jul. 7, 2026	SpaceX underwriter quiet period ends; Nasdaq-100 add	22 banks / Nasdaq	First full sell-side read on a $2.1T AI-adjacent credit
Jul. 13–15, 2026	PJM Board reviews CIFP Stage 4 record	PJM Board	Gate to RBP and C&M FERC filings
Jul. 17, 2026	Texas PUC/ERCOT MOU due under Abbott directive	Texas PUC / ERCOT	Large-load cost-responsibility marker
Jul. 18/20, 2026	30-day generation-adequacy reports due	FERC / six RTOs-ISOs	First deliverable from June 18 order package
Jul. 23, 2026	FERC AD26-7-000 governance technical	FERC / PJM / stakeholders	Swett posture; cap relief vs. forced C&M wildcard
Mid-Jul 2026	Q2 earnings season begins	S&P 500	AI infra ~60% of expected EPS growth
Aug. 2026	PJM Expedited Interconnection Track	PJM	The BYONG on-ramp; BESS the near-term technology
Aug. 17, 2026	60-day defend-or-revise tariff responses; PJM E-2 / BTMG	FERC / RTOs / PJM	Large-load tariff treatment; BTMG netting, curtailment
Sep. 10, 2026	PJM backstop procurement window OPENS	PJM	First RBP execution; direct read on firm-capacity scarcity
Sep. 16, 2026	90-day policy milestone from June 18 order	FERC / RTOs / utilities	Whether the speed agenda is operational
Oct. 2026	PJM expected to identify first 10 EIT projects	PJM	Which projects PJM deems reliability-relevant
Nov. 2026	US midterm elections	—	Data centers flagged as a swing issue (VA, UT
Nov. 20, 2026	PJM backstop procurement window CLOSES	PJM	Thin vs. full clear — the year's key scarcity datapoint
Dec. 2026	PJM 2029/30 Base Residual Auction	PJM	Next capacity-price signal for DC-driven demand
Feb. 2027 / 2028	Multistate collaborative model interruptible tariffs	VA SCC-led / state PUCs	The state-level curtailment regime takes shape
FY2027	SB Neo begins renting AI compute in US	SoftBank	10-GW gas-backed entrant vs. leveraged incumbents

APPENDIX B | RTO / FERC & MARKET CALENDAR

Date	Event / Filing	Agency / Party	Why It Matters
2027 (TBD)	Potential Switch IPO (GS/JPM)	Switch / DigitalBridge	Marks the DigitalBridge–SoftBank platform
Ongoing	Nvidia 'AI Compute Partnership' backstop	Nvidia	Vendor-financing circularity watch item
Ongoing	Meta Compute commercialization decisions	Meta	Hosted-model / raw-capacity conversion to launched
Ongoing	NY one-year data-center construction moratorium	NY Governor	Northeast siting-instability risk

APPENDIX C | KEY LINKS

Resource	Live Link
Reuters — PJM Members Advance Backstop Procurement Plan	reuters.com/business/energy/…
Bloomberg — Power Grids Brace for Record Demand (Heat Wave)	bloomberg.com/news/articles/2026-07-01/new-york-chicago-grids-strain…
Bloomberg — Emergency Ordered for Largest US Power Grid	bloomberg.com/news/articles/2026-06-30/emergency-ordered-for-largest…
Maryland Matters — DOE Green-Lights PJM Backup-Power Push	marylandmatters.org/…
Bloomberg — Meta Building Cloud Business to Sell AI Computing	bloomberg.com/news/articles/2026-07-01/…
Bloomberg — SoftBank Launches SB Neo (10-GW Neocloud)	bloomberg.com/news/articles/2026-07-02/softbank-launches-ai-cloud-unit…
The Information — Nvidia Takes a Cut of Customers' Cloud Revenues	theinformation.com/…
The Information — Nvidia and the Neocloud Gold Rush	theinformation.com/briefings/…
Bloomberg — Oracle Warns AI Data-Center Splurge May Not Pay Off	bloomberg.com/news/articles/2026-07-01/…
Bloomberg — QTS Abandons Digital Gateway	bloomberg.com/news/articles/2026-07-02/…
Bloomberg — Digital Realty Buys Blackstone's VA Data Centers	bloomberg.com/news/articles/2026-06-29/…
Bloomberg — Switch Seeks $2B Round Led by a16z	bloomberg.com/news/articles/2026-07-01/…
Bloomberg — Starwood Raises $10.2 Billion	bloomberg.com/news/articles/2026-07-01/starwood-raises-10-2-billion…
Bloomberg — SpaceX Analyst Debut Set to Test $2.2 Trillion Valuation	bloomberg.com/news/articles/2026-07-02/spacex-analyst-debut…
Bloomberg — UK's National Grid Invests $1.75B in US AI Power Firm	bloomberg.com/news/articles/2026-07-01/uk-s-national-grid-invests…
Bloomberg — AI Token Prices Drop (Silicon Data Index)	bloomberg.com/news/articles/…

APPENDIX C | KEY LINKS

Resource	Live Link
SemiAnalysis — TokenBudgeting: Enterprise Token Spend	semianalysis.com/…
The Information — AI Tokenomics Come for Wall Street	theinformation.com/…
The Information — OpenAI Cuts Inference Costs in Half	theinformation.com/…
The Information — Anthropic in Talks with Samsung	theinformation.com/…
Bloomberg — AI's Trillion-Dollar Debt Binge / Private Placements	bloomberg.com/news/articles/…
WSJ — AI Data Centers' Indirect Water Use Far Exceeds Reported	wsj.com/tech/ai/…
WSJ — Trump's Nuclear Renaissance Is Stalling (Tice)	wsj.com/opinion/trumps-nuclear-renaissance-is-stalling…
Bloomberg — AI Factories Redraw $220B Power-Equipment Market	bloomberg.com/news/articles/2026-07-03/…
Bloomberg — Vertiv Opens Malaysia Plant	bloomberg.com/news/articles/2026-07-01/vertiv-opens-malaysia-plant…
Bloomberg — Brookfield Powers India Data Centers	bloomberg.com/news/articles/2026-06-30/…
Bloom Energy / Business Wire — Brookfield-Bloom $25B Expansion	bloomenergy.com/news/brookfield-and-bloom-energy-expand-ai-infrastructure-partnership/
Globe and Mail / Reuters — Brookfield-Bloom Framework, RBC Read	theglobeandmail.com/business/article-brookfield-bloom-energy-partnership-ai/
Bloomberg — Lee's $880B AI Bet / Honam Chip Hub	bloomberg.com/news/articles/2026-06-30/…
Bloomberg Green — China's Coal Transition / Inner Mongolia	bloomberg.com/news/newsletters/2026-07-03/…
Bloomberg Energy Daily — Gas Nears Oil as Primary US Energy Source	bloomberg.com/news/newsletters/2026-07-03/…
Bloomberg — Amazon Carbon Emissions +16%	bloomberg.com/news/articles/…
Bloomberg — Ardian €3B+ Nordic Data Centers (Verne)	bloomberg.com/news/articles/…
PJM — CIFP Stage 4 Members Committee Materials	pjm.com/committees-and-groups/…

APPENDIX D | ARTICLE ROLLUP / SOURCE LIST

Section	Headline / Theme	Primary Source(s)	Date
Top Stories (Main)	PJM MC advances RBP; mandatory C&M rejected	Reuters; PJM materials	Jun 30
Top Stories (Main)	Heat dome: record peak attempt; $1,500/MWh Dominion prints	Bloomberg	Jul 1–3
Top Stories (Main)	DOE emergency orders; data-center backup gens conscripted	Bloomberg; Maryland Matters	Jun 30
Top Stories	Meta Compute: cloud business to sell AI computing	Bloomberg	Jul 1
Top Stories	SoftBank launches SB Neo, 10-GW US neocloud	Bloomberg	Jul 2
Top Stories	QTS abandons Digital Gateway (Prince William County)	Bloomberg	Jul 2
Market Spotlight	Silicon Data token index –20% from high	Bloomberg	Jun–Jul
Market Spotlight	TokenBudgeting: budgets are governance, not retrenchment	SemiAnalysis	Jun 30
Market Spotlight	AI tokenomics hit Wall Street data vendors	The Information	Jun–Jul
Market Spotlight	GLM 5.2 open-weight China shock	Bloomberg Opinion (Thorbecke)	Jun–Jul
Finance	Nvidia revenue-share backstop / 'AI Compute Partnership'	The Information (exclusive)	Jul 1
Finance	Nvidia and the neocloud gold rush	The Information (briefing)	Jul 2
Finance	Oracle 10-K stranded-asset and tenant risk factors; –35% June	Bloomberg (Tech In Depth)	Jul 1

APPENDIX D | ARTICLE ROLLUP / SOURCE LIST

Section	Headline / Theme	Primary Source(s)	Date
Finance	$81B record private placements; annuities $464B	Bloomberg	Jun–Jul
Finance	Digital Realty buys Blackstone VA assets, $3.5B	Bloomberg	Jun 29
Finance	Switch seeks $2B round led by a16z	Bloomberg	Jul 1
Finance	Starwood closes $10.2B fund; 35% to data centers	Bloomberg	Jul 1
Finance	SpaceX analyst debut to test $2.2T valuation	Bloomberg	Jul 2
Finance	OpenAI halves inference costs; margin path to 52%	The Information	Jun 30
Finance	Anthropic–Samsung 2nm custom-chip talks	The Information	Jun–Jul
Finance	Goldman: AI to drive strong Q2 earnings (+22% EPS)	Bloomberg	Jun–Jul
Development	National Grid invests $1.75B in Joulent (Project Kilby)	Bloomberg	Jul 1
Development	Brookfield-Bloom fuel-cell partnership expands 5x to $25B	Business Wire; Reuters; RBC	Jun 30
Development	AI factories redraw $220B power-equipment market	Bloomberg	Jul 3
Development	Vertiv opens Malaysia plant (Johor)	Bloomberg	Jul 1
Development	Trump's nuclear renaissance is stalling	WSJ Opinion (Tice)	Jun 29
Electricity Mkts	Gas nears oil as primary US energy source (EIA)	Bloomberg Energy Daily	Jul 3
International	Brookfield: 7–9 GW renewables per 1 GW AI load	Bloomberg	Jun 30

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Section	Headline / Theme	Primary Source(s)	Date
International	Lee's $880B AI bet; Honam fabs sited on surplus power	Bloomberg (Choi)	Jun 30
International	Inner Mongolia coal flexibility at national scale	Bloomberg Green	Jul 3
International	China mandates AI education across all school levels	Bloomberg	Jun 29
International	Ardian €3B+ Nordic data centers (Verne)	Bloomberg	Jun–Jul
Policy & Reg.	AI data centers' indirect water use far exceeds reported	WSJ (Mims); LBNL	Jun–Jul
Policy & Reg.	Amazon carbon emissions +16% in 2025	Bloomberg	Jun–Jul