DIGITAL POWER WEEKLY

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KEEL INFRASTRUCTURE

76% PJM Q1 Wholesale Cost YoY (Monitoring Analytics SOM)	**398%** PJM Q1 Capacity Cost Component YoY	**$48.5B** Quanta Services Record Q1 Backlog (+$8B sequential)	**42%** Eaton Electrical Americas Order Growth (12-mo rolling, Q1 2026)

BREAKING NEWS: NextEra/Dominion—Utility M&A Becomes AI-Power M&A

NextEra agreed to acquire Dominion in an approximately **$66.8B all-stock deal**, combining FPL/NextEra's scale and development platform with Dominion's Virginia/Carolinas utility footprint, meaningful gas-fired generation exposure, and the premier Virginia data-center load pocket. The strategic center of gravity is clear: Virginia data-center load growth. Dominion has connected **450+ data centers** in Virginia, and data centers represented 28% of Dominion's Virginia electricity sales last year. Dominion shareholders will receive **0.8138 NextEra shares per Dominion share**, with closing expected in **12–18 months**, subject to approvals.

This is not just utility consolidation. It is public-market validation that **load growth, data-center adjacency, generation optionality, transmission buildout and regulatory positioning** have become strategic M&A assets. Dominion brings the demand center; NextEra brings capital scale, development execution, renewables/storage/nuclear/gas capability, and an explicit "all forms of energy" posture.

EXECUTIVE SUMMARY

The defining story this week was structural: if adopted substantially as proposed, PJM's Connect & Manage staff package would convert the Reliability Backstop Procurement (RBP) from an optional financing tool into a practical contracting requirement for many post-summer-2026 large loads — fundamentally repricing unsecured grid-connected data-center development across the largest U.S. RTO. Capital markets confirmed the same direction of travel in a single week. Cerebras (CBRS) priced the largest U.S. tech IPO since Snowflake at $185, raising $5.55B at a $56.4B fully diluted valuation; first-day trading closed +68% at $311.07. Anthropic is reportedly in talks for a $30B–$50B raise at a valuation approaching $1T, after a prior $380B mark. NextEra is reportedly in talks to acquire Dominion in a mostly-stock transaction that would create a roughly $419B-enterprise-value utility anchored on Northern Virginia data-center exposure. VoltaGrid received a $1B Blackstone/Halliburton investment at a $10B+ valuation, with a 7.5 GW order book through 2030. AEP raised $2.6B in equity after increasing its five-year capital plan to $78B, up from $72B, with data-center load driving incremental transmission and generation investment. Two distributed-power public-equity stories followed: Advent/ADIA-backed Innio, parent of Jenbacher and Waukesha, filed for a U.S. IPO with reported valuation expectations near $15B; modular-power 'Resiliency-as-a-Service' platform ERock also filed under proposed NYSE ticker EROC. The directional signal was constructive for Digital Power infrastructure, particularly for platforms with secured capacity, fuel, and counterparties — and increasingly adverse for unsecured, grid-dependent, or politically exposed data-center development.

PJM Q1 Brings the Price Signal to Retail. Monitoring Analytics' Q1 2026 *State of the Market* report (May 14) reported total PJM wholesale power costs at $136.53/MWh, up 76% YoY from $77.78. Real-time load-weighted LMPs rose 67.8% ($52.20 → $87.57); capacity costs added $14.21/MWh (+398%). The market monitor identified data-center load growth as the primary driver and warned the price impacts on customers are large and not reversible. Maryland's OPC filed a parallel FERC proceeding on transmission cost allocation, arguing that the volume of large-load-driven upgrades requires a direct

cost-causation framework, and Governor Wes Moore reinforced the cost-allocation message at PJM's annual meeting. **The wholesale-to-retail visibility of AI load growth materially raises the political stakes around RBP implementation, large-load tariff reform, and the Connect & Manage staff package itself.**

FERC Advances the Federal Layer. FERC Chair Laura Swett, speaking at a USEA event on May 12, indicated that the Commission expects to take "widespread action across the country in June" on large-load interconnections, reflecting a federal push to move from reactive large-load interconnection processes toward more standardized transmission-level rules. The action follows DOE's October 2025 directive opening FERC's RM26-4 ANOPR on large-load interconnections — generally defined as loads above 20 MW directly interconnecting to the transmission system — and asserting a federal jurisdictional basis for reforms. Separately, FERC's December 2025 PJM co-location order directed PJM to create new service options for co-located load, including interim non-firm NITS and Firm/Non-Firm Contract Demand service. PJM's Connect & Manage Senior Task Force is moving on a parallel track, with a Q3 2026 Section 205 filing targeted under PJM's stakeholder timeline. A Commission-led technical conference on PJM governance and stakeholder-process reform is scheduled for July 23 in Docket AD26-7-000. **Together, the federal ANOPR, PJM co-location order, Connect & Manage process, and PJM governance conference define the operating layer that new large loads will need to navigate.**

Q1 Utility Earnings: Pipeline vs. Posture. Utility Dive's Q1 2026 earnings roundup captured how utility management teams are positioning around data-center load growth as affordability, generation adequacy, and large-load cost allocation become central constraints. In PJM, President and CEO David Mills warned that the current situation is "not tenable," as the grid operator evaluates market-design changes to handle accelerating load growth. AEP separately raised its five-year capital plan to $78B from $72B, signed 7 GW of new large energy-project agreements in Q1, and sees 63 GW of incremental contracted load by 2030, nearly 90% tied to data centers. Duke disclosed 7.6 GW of signed data-center demand since 2024, with a majority already under construction and another 15.4 GW in advanced discussions. Entergy raised its 2026–2029 capex plan more than 30% against a 7–12 GW potential data-center-load pipeline. Southern/Georgia Power reported more than 11 GW of contracted large-load capacity across 28 projects. CenterPoint said Houston is now "firmly established" as a hyperscaler market, with 3.5 GW of load under construction and 8 GW of data-center load expected to energize by 2029. Eversource, by contrast, indicated it is not pursuing data-center load growth because of affordability concerns in New England. Vistra Q1 reaffirmed $6.8–7.6B adjusted EBITDA guidance, with its credit profile continuing to benefit from tight power markets. **The disclosures map cleanly onto the new framework: utilities with visible large-load pipelines, dedicated generation strategies, and credible cost-allocation structures are moving fastest, while jurisdictions without those tools are becoming more cautious.**

Power Equipment Q1 + Global OEM Supply Tightens. The equipment cohort's Q1 prints translated the AI-load demand signal into book-and-bill numbers. Caterpillar Q1: revenue rose 22% to $17.42B, profit/EPS reached $5.54, and the company raised annual and long-term revenue expectations on power-generation and construction demand tied to AI/data-center growth. Eaton Q1: record $7.5B sales (+17%), Electrical Americas 12-month rolling orders +42%, and $11B of strategic acquisitions closed, including Boyd Thermal and Ultra PCS. Quanta Q1: record $48.5B backlog and FY26 revenue guidance raised to $34.7–35.2B. Vertiv also continued to report strong data-center demand, with elevated Americas growth, backlog, and raised 2026 revenue guidance, but the exact Q1 percentages should be tied directly to the company release before publication. On the OEM supply side, Mitsubishi Heavy announced an overhaul of its Takasago Machinery Works under its Innovative Total Optimization initiative, targeting roughly 30% higher gas-turbine production capacity; energy-systems orders climbed roughly 40% YoY to ¥3.6T, or about $23B. Siemens Energy has also indicated that turbine and grid-equipment demand is stretching capacity into 2030 and beyond. **Turbine availability and lead times are now a global gating constraint, comparable to interconnection in determining which projects reach COD on schedule.**

BTC-to-AI Cohort Continues Repositioning. The miner-pivot cohort continued moving toward contracted digital-infrastructure positioning. Cipher Digital (CIFR, rebranded from Cipher Mining in February) reported Q1 results (May 5) with a third hyperscale lease signed, $2B bond financing closed, and approximately $11.4B in total contracted lease revenue across three campus leases. IREN announced its acquisition of Mirantis to internalize AI cloud delivery, complementing the $2.1B Nvidia investment option and $3.4B AI Cloud contract executed the prior week (May 7). Jefferies (May 15) initiated coverage of CIFR, WULF, HUT, RIOT, and CORZ, with four Buy ratings; the cohort is up 45–135% YTD. CoreWeave Q1 (May 7) printed $2.08B revenue (+112% YoY) with backlog approaching $100B, but raised CapEx guidance to $31–35B; shares declined ~10% post-print. **The market is increasingly distinguishing contracted-backlog winners from CapEx-burden names within the cohort.**

Politics Hardens at the Local Level. A new Gallup survey found 71% of Americans oppose an AI data center being built in their community, with 48% strongly opposed. Hill County, Texas, imposed a one-year moratorium on data-center and power-plant construction in unincorporated areas after a 3–2 vote. Oklahoma enacted legislation designed to prevent large data-center-related utility and infrastructure costs from being socialized to residential and small-business customers. In Lake Tahoe, Liberty Utilities' roughly 49,000 California residential customers face a reported replacement-power issue after NV Energy moved to end or redirect bulk-power arrangements tied to Tahoe-Reno data-center demand by May 2027, though NV Energy disputes that customers will lose service. Social license is now a first-order development risk, not anecdotal friction.

International Energy Security Reasserts Itself. A May 17 drone strike caused a fire at an electrical generator outside the inner perimeter of the Barakah Nuclear Power Plant in the UAE, roughly 140 miles west of Abu Dhabi; radiation levels remained normal, the four-reactor plant continued operating, and the IAEA said one reactor temporarily relied on emergency diesel generation. Iran-war disruption risk around the Strait of Hormuz is pushing several LNG-dependent Asian markets back toward coal, with reporting pointing to Taiwan restarting idled units, South Korea increasing coal-fired generation by more than one-third year over year in March–April, India issuing an emergency coal directive, and Thailand restarting coal units. In the UK, developers are increasingly evaluating gas-grid and gas-fired data-center structures as a speed-to-power workaround. Separately, reported China developments around domestic AI chips, sovereign AI deployments, and cloud-GPU economics suggest that non-U.S. AI infrastructure models are diverging from the U.S. hyperscaler/neocloud template. **The international cross-current is unified by one theme: power-first sites in stable, pipeline-gas jurisdictions are becoming scarcer and more valuable.**

Podcast Recommendation: Ben Eidelson and Anay Shah's Stepchange podcast has released *"The Story of the Largest Machine Ever Built*," a tight four-hour history of the U.S. power grid that is a tour de force in holding the attention of both expert and newcomer. It is directly relevant to this week's theme: AI infrastructure is putting new stress on the largest machine ever built just as electricity becomes the gating constraint for compute. The full episode is free to listen here.

★ MARKET SPOTLIGHT | FEATURED ANALYSIS

PJM "CONNECT & MANAGE" — STAFF PROPOSAL CONVERTS BYONC FROM FINANCING TOOL INTO CONTRACTUAL NECESSITY FOR POST-2026 LARGE LOAD

Sources: PJM, "Connect and Manage PJM Package," Tim Horger, Sr. Director Forward Market Operations, Connect and Manage Senior Task Force (May 15, 2026); PJM Reliability Backstop Procurement (RBP) framework; PJM Manuals 11 and 13.

PJM's Connect and Manage Senior Task Force released the staff package this week (Horger, May 15) that reads, on first pass, as a technical reliability fix — and on closer review, alters the commercial dynamics of every post-2026 large-load siting decision in PJM. Under the proposal, any new Large Load *not* included in

PJM's January 2027 Load Forecast — meaning energized after the summer 2026 peak contribution — would be subject to **involuntary curtailment at EEA1** unless paired with a verified Bring Your Own New Capacity (BYONC) contract through the Reliability Backstop Procurement (RBP) program or otherwise. The summer 2026 peak is the grandfathering line; C&M is effective for use in Operations on June 1, 2027, and loads on either side now face structurally different capacity treatment.

- **What Connect and Manage actually does.** Connect and Manage is PJM's proposed mechanism for resolving the resource-adequacy gap when large-load growth outruns capacity procurement. The construct concentrates curtailment exposure specifically on new large loads that haven't brought their own capacity — old firm load stays firm, new large load is conditionally firm, and the BYONC contract is the difference. That is a structural departure from the legacy capacity construct, in which any reliability shortfall was socialized across all firm load via PJM's standard emergency operating procedures (load curtailment, voltage reduction, manual load shed) hitting all firm load roughly equally. Under Connect and Manage, curtailment exposure is tiered, contractual, and identifiable at the meter.
- **The January 2027 cutoff is the operative threshold.** The summer 2026 peak contribution is the bright line. Any large load energized and contributing to the summer 2026 peak is grandfathered into the firm-load population. Anything that comes online after — meaning the bulk of the 2027–2030 hyperscale buildout — is Connect-and-Manage-exposed by default, with BYONC as the only structural workaround. For an AI training workload, peak-hour curtailment is operationally severe and contractually exposed under any tenant SLA. The pure-merchant siting case — develop into the queue, buy capacity at clearing prices, accept the cap-and-floor — no longer bounds the downside. The downside is involuntary curtailment, not auction-clearing price. The implication: there is a meaningful incentive for hyperscale and large industrial loads currently in development to *accelerate* energization to land within the summer 2026 peak window; **for the vast majority of the 2027–2030 buildout that misses it, Connect and Manage is the default and BYONC is the structural workaround.**

Why this converts the RBP from optional financing tool to necessary contractual instrument. Under a pure-merchant capacity construct, a data center developer's incentive to enter a long-term capacity contract is relatively weak — capacity is procured anyway, prices are bounded by the cap-and-floor, and the worst case is just paying the auction-clearing price. Connect and Manage changes that calculus: without a BYONC contract or other paired new capacity, a post-2026 Large Load could be curtailment-exposed at EEA1 — meaning curtailed before Pre-Emergency Load Management, voltage reduction, and other PJM emergency procedures touch firm load. If adopted substantially as proposed, that would make BYONC contracts commercially close to mandatory for many hyperscale or AI training facilities coming online after summer 2026. **The PJM staff package answers many of the structural questions and is highly favorable for paired-capacity developers:** (i) BYONC eligibility is any new UCAP MW of supply that has not cleared in a prior delivery year and that participates in the 2027/2028 3rd Incremental Auction (February 2027) or later — including new build, uprates, surplus interconnection, repowered deactivated generators (deactivation as of April 10, 2026), CIR transfers from deactivated resources, and fuel-switching uprates; (ii) under the staff package as described, RBP cleared supply qualifies as BYONC — with verified supply arrangements from RBP exempting load from C&M when in service, and bilateral RBP contracts also qualifying if the underlying supply meets BYONC criteria; and (iii) the staff package does not impose a PJM-zone locational requirement — BYONC supply is assumed deliverable through the interconnection process, so a cleared megawatt is treated as fungible across PJM zones. BYONC may also be used for a portfolio of Large Loads and excess BYONC may be reserved for ramping or future loads. The proposed implementation timeline for the 27/28 DY is: 27/28 3rd IA in February 2027, BYONC submission deadline April 1, PJM final approval April 15, EDC assignment notification May 1, and C&M effective June 1, 2027.

Read-Through: If adopted substantially as proposed, Connect and Manage would convert the RBP from a policy mechanism into a practical contracting requirement for many post-2026 large-load siting decisions in PJM. Across the portfolio, the September RBP and September capacity auction could both see material demand because many post-2026 hyperscale tenants in PJM now have a structural reason to want a BYONC contract.

FINANCE

Nasdaq's Fast-Entry Rule Rewires the IPO-to-Index Pipeline; SpaceX First, AI Names Next:

SpaceX is reportedly targeting as early as a June 12 Nasdaq debut under ticker SPCX, with plans to raise up to $75 billion at a $1.75T–$2.0T valuation. If executed at that scale, the deal would clear Saudi Aramco's $29.4B 2019 listing by roughly 2.5×, making it the largest IPO in history by a wide margin. Reported underwriting syndicate: Morgan Stanley, BofA, Citi, JPM, Goldman.

The mechanically interesting development is not the dollar size but Nasdaq's revised index methodology, effective May 1, 2026. Under the fast-entry rule, Nasdaq evaluates newly listed companies by market cap around the seventh trading day and, if the company meets eligibility criteria and would rank within the top 40 Nasdaq-100 constituents, it can be fast-tracked into Nasdaq-100 inclusion after the 15th trading day — versus the traditional waiting/seasoning cycle. L&F Investor Services CEO Alexandra Merz estimated Nasdaq-100 tracking funds alone would generate $8–12 billion in forced passive demand shortly after listing. S&P 500 is separately considering whether to relax its own 12-month profitability and waiting-period requirements for "MegaCap" candidates.

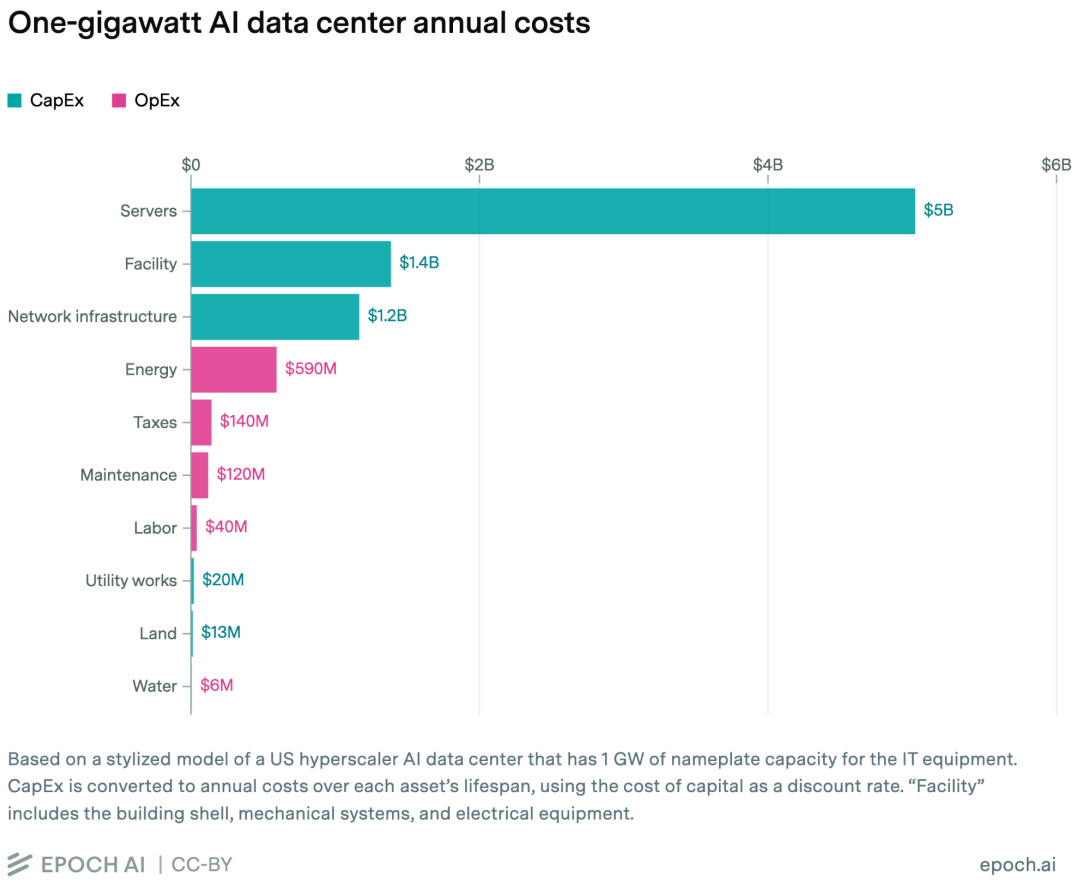
Governance and index-mechanics critics have objected to the structure on two grounds: first, a high-vote Class B share structure would leave Elon Musk with durable control; second, mega-cap IPOs could be inserted into passive retirement allocations within days of listing, at valuations critics argue may not yet have fundamental public-market support. Treat specific institutional objections as source-dependent unless independently verified.

Read-Through: The mechanism matters more than the SpaceX deal itself. If Nasdaq's fast-entry rule executes cleanly in June, Anthropic, OpenAI, or other future AI-lab issuers could seek a similar playbook if they pursue Nasdaq listings — and unlike SpaceX, those are pure-play compute consumers whose forward power demand sits directly upstream of hyperscaler capex into PJM behind-the-meter capacity. The relevant signal to watch for is not SPCX's price action; it is whether the index machinery functions, governance/index objections are dispatched, and the path is cleared for AI-lab listings. Anthropic and OpenAI are pure-play compute consumers; their forward power demand is the leading edge of hyperscaler AI capex. Public-market validation of AI-lab valuations would support continued hyperscaler capex into data center power (MSFT/OAI, AMZN/ANTH, GOOG/ANTH), but the timing and venue of any AI-lab IPOs remain speculative.

EPOCH AI DATA CENTER TCO MODEL — SERVERS DOMINATE THE 1 GW COST STACK

Sources: Epoch AI / Amelia Michael and Ben Cottier, "Servers account for 60% of the total cost of ownership of a one-gigawatt AI data center" (May 2026); chart licensed CC-BY.

Epoch AI's stylized U.S. hyperscaler model puts a one-gigawatt AI data center at $38B of up-front CapEx and $0.9B of annual OpEx. When CapEx is annualized over each asset's assumed life, the total cost of ownership is approximately $8.5B per year. Servers dominate the stack at roughly $5.0B per year, or about 60% of total annual cost, followed by facility costs at $1.4B and network infrastructure at $1.2B. Energy is the largest OpEx line item, but at roughly $590M per year it is materially smaller than the annualized server, facility, and network-capital burden.



The sensitivity case is equally important for finance. Epoch assumes a five-year IT-equipment life and a 14-year facility life; shortening IT life to three years raises annual cost to roughly $12B, while extending it to seven years lowers annual cost to roughly $7B. The updated model scales from earlier 100 MW work to 1 GW of IT power, assumes NVIDIA GB200 NVL72 systems, and puts annualized total cost at approximately $8.5M per MW of IT load.

Read-Through: The most important finance point is that power is not the largest dollar cost — servers are — but power is the gating asset that determines whether the server investment can be monetized. A one-gigawatt AI campus is fundamentally a multi-year capital-recovery machine: billions of dollars of GPUs and network equipment only work economically if the site can secure durable, low-curtailment, high-availability power. That makes power strategy less about minimizing the utility bill and more about protecting time-to-revenue, utilization, tenant SLAs, and refresh-cycle economics.

CEREBRAS IPO — FAST TOKENS BECOME A $56B+ IPO-VALUATION ASSET CLASS

Sources: Reuters, "Cerebras prices IPO at $185 per share to raise $5.55 billion" (May 13, 2026); Data Center Dynamics/Charlotte Trueman, "Cerebras debuts on Nasdaq at $350 a share as company's market cap hits $95bn" (May 15, 2026); SemiAnalysis, "Cerebras — Faster Tokens Please" (May 13, 2026).

Cerebras provided this week's clearest public-market evidence that inference architecture has become a financeable AI infrastructure category. The wafer-scale chip designer raised $5.55B through the sale of 30M shares, priced at $185, opened at $350, traded as high as the mid/high-$380s, and closed at $311.07 on May 14. Reuters reported the IPO valuation at pricing as approximately $56.4B fully diluted; higher first-day valuation figures reflect trading-value math, not the pricing valuation. Cerebras reported 2025 revenue of approximately $510M, up from $290.3M in 2024, but the IPO was underwritten less as a current P&L story than as a strategic call option on high-speed inference.

The center of the story is OpenAI. Cerebras disclosed substantial remaining performance obligations as of Dec. 31, including a multi-year OpenAI relationship that has been reported at more than $20B at full

expansion. The companies have announced a 750 MW deployment of Cerebras systems for OpenAI customers, rolling out in tranches from 2026 through 2028; offering-material and market reports also describe a potential expansion option of up to an additional 1.25 GW through 2030. OpenAI has also reportedly provided roughly $1B of financing support to help Cerebras build data-center infrastructure and cloud services. SemiAnalysis' framing is important: Cerebras historically lost mindshare to HBM-based GPU/TPU architectures because throughput mattered more than user-level interactivity. The market is now revealing a willingness to pay for faster tokens, especially in coding and agentic workflows where latency affects developer flow state.

Read-Through: Cerebras is not just a semiconductor IPO. It is a public-market monetization of premium inference latency. If "fast tokens" become a durable paid tier, then the bottleneck moves from chip supply alone to the full delivered-inference stack: accelerators, power, cooling, fiber, and data-center capacity capable of supporting high-interactivity workloads.

ANTHROPIC FUNDING TALKS — FRONTIER MODEL VALUATIONS MOVE TOWARD SOVEREIGN-SCALE INFRASTRUCTURE REQUIREMENTS

Sources: New York Times/Mike Isaac, reported Anthropic valuation discussions (May 12, 2026); Reuters and market reports on recent Anthropic funding rounds.

Anthropic is reportedly in discussions to raise $30B–$50B at a valuation of up to $950B, only three months after a prior $380B valuation. The talks could still fail, but if completed they would put Anthropic above OpenAI's reported March valuation and reinforce the market's willingness to capitalize frontier AI companies at levels that increasingly resemble sovereign industrial platforms rather than software companies.

The operating backdrop explains the valuation pressure. Dario Amodei recently said Anthropic had reached a roughly $30B annualized revenue run rate and had planned for approximately 10x growth this year while tracking materially faster growth. The company's Claude Code adoption, the release of Mythos for cybersecurity use cases, and sustained enterprise demand point to a business where the revenue opportunity is constrained less by customer demand than by delivered compute capacity.

Read-Through: Frontier AI valuation is becoming a financing claim on future compute. The higher Anthropic's valuation and revenue run-rate, the more credible the argument that power-backed capacity will be financed ahead of traditional cloud-region delivery. The power market implication is direct: AI labs supported by near-trillion-dollar private valuations can underwrite long-duration offtake for gigawatt-scale digital infrastructure.

LAMBDA $1B CREDIT FACILITY — AI CLOUD DEBT MOVES FROM BESPOKE PRIVATE CREDIT TOWARD SYNDICATED INFRASTRUCTURE FINANCE

Sources: Lambda, "Lambda closes $1 billion senior secured credit facility to meet gigawatt-scale AI infrastructure demand" (May 7, 2026).

Lambda closed a $1B syndicated senior secured credit facility, upsizing its August 2025 facility from $275M. The multi-tranche facility gives Lambda committed capital to deploy next-generation NVIDIA AI accelerator infrastructure and expand data-center capacity. J.P. Morgan acted as lead arranger, and the financing was oversubscribed and upsized to accommodate a larger lender group.

The company framed the financing as a way to lower blended cost of capital while converting contracted demand into revenue-generating infrastructure. The nearly fourfold increase in facility size in less than a year is the key datapoint: lenders are moving from GPU-collateral curiosity to scaled exposure against contracted revenue, server fleets, and data-center capacity.

Read-Through: The neocloud financing stack is institutionalizing. Once lenders can underwrite customer contracts, GPU collateral, deployment track record, and power/data-center access, the AI cloud model starts to resemble project finance — but with technology obsolescence and counterparty concentration layered on top.

AMP $1.3B AI "GRID" — COMPUTE CAPACITY AGGREGATION BECOMES A VENTURE-BACKED INFRASTRUCTURE MODEL

Sources: New York Times/Cade Metz, "Start-Up Raises $1.3 Billion for an A.I. 'Grid'" (May 12, 2026).

Amp raised more than $1.3B from investors including Andreessen Horowitz, Y Combinator, and cloud-computing providers to build what it describes as an AI compute grid. The company aims to buy excess computing power from data-center operators in the U.S. and abroad and pool it for startups, universities, and other organizations that cannot secure frontier-scale capacity directly.

The model is deliberately analogous to the electricity grid: a shared pool of specialized chips that can be dispatched to users who otherwise lack access. Early participants include Periodic Labs and ElevenLabs, while the broader market context includes Nvidia/Mistral efforts to pool compute for European companies and sovereign buyers.

Read-Through: Compute aggregation is the software-market version of power pooling. If Amp can standardize access, scheduling, pricing, and reliability across fragmented GPU capacity, the next bottleneck becomes the quality of the underlying physical supply: powered sites, utilization, network latency, and operational control.

VOLTAGRID/BLACKSTONE/HALLIBURTON — GAS-POWERED MICROGRIDS RECEIVE A $10B+ AI INFRASTRUCTURE VALUATION

Sources: Bloomberg/Ryan Gould, "Blackstone and Halliburton Said to Invest $1 Billion in VoltaGrid" (May 11, 2026).

Blackstone Tactical Opportunities and Halliburton are investing a combined $1B into VoltaGrid, including $775M of primary capital and $225M of secondary purchases from existing investors. The investment reportedly values VoltaGrid at more than $10B. VoltaGrid provides behind-the-meter gas-powered generation and microgrid solutions for data centers and other industrial customers, and has signed a definitive agreement to acquire Propell Technologies Group Inc., a key supplier, to strengthen manufacturing control and reduce execution risk across a roughly 7.5 GW order book through 2030.

The transaction is notable because the buyer set is not merely energy-transition capital. Blackstone is increasingly building multi-channel exposure to AI infrastructure, while Halliburton brings oilfield, gas, logistics, and distributed-power relevance. Bloomberg reported that Fitch expects VoltaGrid EBITDA to grow to roughly $1.1B by 2028, more than five times 2024 levels; treat that as a ratings-agency forecast rather than company guidance unless separately confirmed.

Read-Through: VoltaGrid validates the private-grid thesis. Gas-to-power and modular microgrids are being capitalized as AI infrastructure, not oilfield services. For Digital Power developers, the question is whether they can secure equipment, fuel, permits, and customer contracts fast enough to turn temporary speed-to-power demand into durable platform value.

AEP $2.6B EQUITY OFFERING — UTILITY BALANCE SHEETS ARE BEING RECAPITALIZED FOR DATA CENTER LOAD GROWTH

Sources: Bloomberg/Anthony Hughes and Josh Saul, "American Electric Power Utility Offers $2.6 Billion in Stock" (May 12, 2026).

American Electric Power launched a $2.6B common-stock offering via forward sale agreements, pricing 20.5M shares at $127/share. Proceeds, if physically settled, may be used for general corporate purposes, including capital contributions to utility subsidiaries, acquisitions, and/or debt repayment. The offering landed immediately after AEP increased its five-year capital plan to $78B, up from $72B, as data-center and large-load growth drive incremental investment in transmission and generation across its service territories.

AEP's large-load exposure is no longer just an earnings-call talking point. The company signed 7 GW of new large energy-project agreements in Q1 and expects 63 GW of incremental contracted load by 2030, mostly tied to data centers. Management has also indicated it is evaluating market and RTO options — including issues in PJM and SPP — as interconnection speed and large-load execution become central to its strategy.

Read-Through: Data-center load growth is no longer only an earnings-call narrative; it is forcing utility equity issuance. Large-load growth is expanding rate base and transmission capex, but the equity market will increasingly ask whether utilities can earn allowed returns fast enough to offset dilution, regulatory lag, and stranded-cost politics.

NEBIUS Q1 — NEOCLOUD REVENUE SCALE ARRIVES, BUT CAPEX INTENSITY DEFINES THE MODEL

Sources: Bloomberg/Mark Bergen, "Nebius Reports 684% Sales Jump On AI Data Center Growth" (May 13, 2026).

Nebius Q1 was a useful disclosure on how AI infrastructure is being underwritten — and a clear signal that Pennsylvania is moving into the national conversation for large-scale AI capacity. **The headline print was strong**: Q1 revenue of $399M (+684% YoY), Nebius AI contributing $390M, annualized run-rate revenue of $1.9B, and adjusted EBITDA of $129.5M. The company raised 2026 capex guidance to $20–25 billion, from $16–20 billion, and Q1 purchases of property, equipment and intangible assets were $2.47 billion, up more than 350% year over year. **The analytically important disclosure was capacity**. Nebius now carries 3.5+ GW of contracted power, with year-end guidance raised to 4+ GW. More usefully, its shareholder letter stratified the capacity book into three categories: (**1**) **Contracted Power**, (**2**) **Connected Power**, **and** (**3**) **Active Power**. This tripartite taxonomy could become an industry standard for classifying projects and their associated MWs. **The Pennsylvania read-through**: Nebius announced a new owned PA-sited AI factory with up to 1.2 GW of secured power and land. By its own framework, this is a contracted-power announcement — not connected, not active. Management indicated a phased ramp of approximately 250–300 MW by YE 2027, then ~300 MW per year toward the full 1.2 GW around 2030. The 2026–2027 revenue contribution from this asset is therefore limited. The underwrite is a 2028–2030 buildout. **Why Pennsylvania matters**: PJM access, Marcellus gas proximity, existing transmission corridors, fiber density, and — post-April 30 — a PUC-adopted large-load tariff framework that points toward cost-causation and self-construction pathways. That stack is increasingly relevant as AI infrastructure developers compete not just on GPUs, but on the ability to contract, connect, and activate large blocks of power on a financeable schedule.technical talent acquisition.

Read-Through: Nebius demonstrates that demand is real, but the model is highly capital intensive. Public investors are rewarding neocloud revenue velocity, but the long-term winners will be those that combine GPU access with low-cost capital, durable power, contracted customers, and credible data-center delivery.

NEXTERA/DOMINION TALKS — PJM DATA CENTER EXPOSURE BECOMES A UTILITY M&A PRIZE

Sources: Bloomberg/David Carnevali, Josh Saul, and Mark Chediak, "NextEra Energy Is Said to Be in Talks to Acquire Dominion" (May 15, 2026).

NextEra is reportedly in talks to acquire Dominion in a mostly stock transaction, although no agreement has been reached and discussions could end without a deal. Dominion's market value was roughly $54B, while NextEra's was about $195B; including debt, the combined enterprise value would be approximately $419B.

The strategic logic is PJM exposure. Dominion gives NextEra direct access to Northern Virginia, the country's largest data-center concentration, and a regulated utility platform in the region where AI load growth, transmission investment, and large-load tariff reform are most acute. For NextEra, the deal would expand beyond renewables scale into direct control of a utility territory central to digital infrastructure growth.

Read-Through: Utility M&A is being repriced around data-center load. PJM exposure, transmission capex, large-load regulation, and hyperscale customer density are becoming strategic assets. The regulatory burden would be substantial, but the signal is clear: AI load growth is now large enough to drive mega-cap utility consolidation discussions.

EROCK IPO FILING — DISTRIBUTED GAS POWER ENTERS THE PUBLIC EQUITY PIPELINE

Sources: Bloomberg/David Morris, "Erock, a Power Systems Maker for Data Centers, Files for US IPO" (May 15, 2026).

Erock, the Houston-based modular power systems company formerly known as Enchanted Rock, filed for a U.S. IPO. The company reported a net loss of $18M on $31.7M of revenue for the three months ended March 31, 2026, versus a $16.7M loss on $24.1M of revenue in the prior-year period. Morgan Stanley and J.P. Morgan are leading the offering, and the company expects to trade on the NYSE under the ticker EROC.

Erock sells distributed power systems for data centers, utilities, and large C&I customers. Its RockBlock modular distributed generator string uses a proprietary natural gas engine, and the company serves roughly 400 sites, with major footprints in California and Texas. Energy Impact Partners is the sponsor.

Read-Through: The IPO pipeline is moving toward the power layer of AI infrastructure. Erock is still loss-making, but the public-market story is about speed-to-power, modular reliability, and gas-backed resiliency

for constrained data-center customers. The key diligence questions will be unit economics, fleet availability, permitting scalability, and emissions treatment.

GRIDCARE $64M SERIES A — GRID INTELLIGENCE BECOMES A DATA CENTER SITE-SELECTION PRODUCT

Sources: Latitude Media/Bianca Giacobone, "Gridcare raises an oversubscribed $64-million Series A" (May 14, 2026).

Gridcare raised an oversubscribed $64M Series A led by Sutter Hill Ventures, with participation from John Doerr, National Grid Partners, Future Energy Ventures, and others. The round follows a $13.5M seed financing less than a year ago. Gridcare uses AI, grid physics, utility planning models, interconnection queues, permits, rates, weather data, and other sources to map underutilized grid capacity and help data-center developers identify where power can be delivered faster.

The company's thesis is explicitly power-first site selection: enter before traditional land selection and help developers move from a land-first model to a power-first model. Gridcare validates its assumptions directly with utilities and aims to reduce interconnection timelines from years to months.

Read-Through: Power availability is becoming a software-search problem — but only if the model can survive utility validation. Gridcare's financing shows venture capital moving into the intelligence layer around grid capacity, where the prize is not abstract analytics but faster data-center energization.

CME/SILICON DATA COMPUTE FUTURES — GPU RENTAL RATES MOVE TOWARD FINANCIALIZATION

Sources: CME Group and Silicon Data, "CME Group and Silicon Data Partner to Launch First Compute Futures" (May 12, 2026).

CME Group and Silicon Data announced plans to launch first-in-class compute futures later this year, pending regulatory review. The contracts will be based on Silicon Data's daily GPU benchmarks for on-demand rental rates and are intended to let traders, financial institutions, AI builders, and cloud-service providers manage price volatility in the compute market.

CME CEO Terry Duffy framed compute as "the new oil of the 21st century," a useful signal that GPU capacity is becoming a hedgeable input rather than just a procurement item. Silicon Data is backed by DRW, which gives the product immediate relevance to commodity-style market structure.

Read-Through: Compute is being financialized. Once GPU rental rates have transparent indices and futures markets, cloud providers, AI labs, and infrastructure investors can hedge capacity exposure. Over time, power, GPU capacity, and inference throughput may trade as linked commodities across the AI infrastructure stack.

AMAZON/NV ENERGY GEOTHERMAL — HYPERSCALERS BEGIN CONTRACTING CLEAN FIRM POWER THROUGH UTILITY STRUCTURES

Sources: Data Center Dynamics/Zachary Skidmore, "Amazon signs first geothermal deal with NV Energy to support data center operations in Reno, Nevada" (May 12, 2026).

Amazon partnered with NV Energy to support 700MW of low-carbon energy for its Reno-area data-center operations. The package includes 100MW of geothermal capacity led by Zanskar under a 20-year PPA with NV Energy, targeted for delivery by 2030, plus support for 600MW of solar and 600MW of battery storage from Primergy.

The geothermal component is Amazon's first in the sector and places it alongside Meta, Google, and Microsoft as hyperscalers increasingly back next-generation geothermal. Zanskar uses proprietary AI to identify hidden geothermal prospects and reduce exploration drilling risk, and had recently closed a $40M development facility as part of a $115M funding round.

Read-Through: The financing significance is the utility-mediated structure. Hyperscalers want clean firm power, but the executable route often runs through utility PPAs, regulated procurement, and portfolio contracting rather than direct merchant development. For data-center power, geothermal's bankability will depend on whether it can scale from strategic offtake announcements to repeatable project finance.

DEVELOPMENT

PPL PIPELINE EXPANSION — PENNSYLVANIA'S LARGE-LOAD DEVELOPMENT QUEUE CONTINUES TO ACCELERATE

Sources: Data Center Dynamics/Zachary Skidmore, "Pennsylvania utility PPL records 12 percent jump in 'advanced' stage data center pipeline from last quarter" (May 15, 2026).

PPL's advanced-stage data center pipeline increased 12% quarter-over-quarter to 28.3GW, up from 25.2GW just three months earlier, with 600MW expected online this year and 20.7GW by 2030. More importantly, PPL said it is advancing an unregulated JV with Blackstone Infrastructure to build generation for data centers and is evaluating participation in PJM's emerging reliability backstop constructs.

Read-Through: Pennsylvania is moving from speculative narrative to utility-validated pipeline reality. The combination of regulated load growth plus unregulated generation development is exactly the hybrid model large-load markets are converging toward.

COREWEAVE/eSTRUXURE CALGARY — GPU TENANCY PUSHES AI CAPACITY INTO NEW POWER GEOGRAPHIES

Sources: Data Center Dynamics/Dan Swinhoe, "CoreWeave signs on as eStruxture tenant for data center in Calgary, Canada" (May 15, 2026).

CoreWeave signed as anchor tenant for Phase I of eStruxture's new 90MW CAL-3 facility in Rocky View County, Alberta, scheduled for H2 2026. CoreWeave says it has surpassed 1GW of data-center capacity across nearly 50 facilities and targets 3.5GW online by 2027 and as much as 8GW by 2030.

Read-Through: This is neocloud development in execution mode. Calgary's appeal is not just land—it is power, policy, and a friendlier development pathway than constrained U.S. hyperscale markets.

xAI SOUTHAVEN/MEMPHIS — SPEED-TO-POWER COLLIDES WITH ENVIRONMENTAL PERMIT REALITY

Sources: Canary Media/Alex Rozier; WIRED/Molly Taft (May 2026).

xAI expanded its Southaven gas-turbine fleet to 46 temporary mobile units while litigation continues over permitting and air-quality compliance; Mississippi has also approved 41 permanent generators. The case has become the clearest live example of the AI industry's willingness to deploy behind-the-meter thermal generation first and regularize the permitting stack later.

Read-Through: Speed-to-power is now a strategic lever — but political durability matters. Markets that allow emergency execution may attract first-wave deployments, but community opposition and regulatory pushback can quickly become development risk.

ECONOMY

POWER INFLATION — ELECTRICITY CONTINUES TO OUTRUN HEADLINE CPI

Sources: BLS CPI data/user analysis file.

April CPI reinforced the structural affordability signal in power. BLS reported headline CPI up 3.8% year over year, core CPI up 2.8%, and the electricity index up 6.1% over the 12 months ending in April. Average U.S. city retail electricity prices reached 19.4 cents/kWh, up from 19.0 cents in March. This is not an acute price shock; it is a steady repricing of electricity as a politically visible household input.

Read-Through: The AI power buildout does not exist in a macro vacuum. Rising household electricity prices increase political sensitivity around utility capex, transmission spending, capacity-market outcomes, and large-load cost allocation.

PPI ENERGY ACCELERATION — WHOLESALE INFLATION REACCELERATES THROUGH THE ENERGY CHANNEL

Sources: Bloomberg/Augusta Saraiva, "US Producer Prices Rise Most Since 2022 on Energy Costs" (May 13, 2026).

Bloomberg and Reuters reported that U.S. producer prices rose 6.0% year over year in April, the strongest increase since 2022, with the monthly gain also the sharpest since 2022. Energy was the key acceleration

channel, feeding into transportation and industrial cost pressure. Treat the sub-index details as source-specific, but the macro read-through is clear: wholesale inflation reaccelerated through the energy channel.

Read-Through: Energy inflation is feeding through to industrial costs. For digital power infrastructure, that means higher EPC pricing, equipment logistics costs, construction inflation, and a Fed less likely to ease financing conditions.

AI LABOR DISPLACEMENT — THE EMPLOYMENT IMPACT IS BECOMING VISIBLE

Sources: Bloomberg/Matthew Boesler, "US Is Starting to See Heavy Job Losses in Roles Exposed to AI" (May 15, 2026).

Bloomberg's review of BLS occupational data suggests early measurable labor displacement in AI-exposed categories. A basket of 18 occupations identified as exposed to AI saw employment decline 0.2% year over year, versus 0.8% growth for overall employment; excluding healthcare-related administrative roles, the decline was 1.6% for a second consecutive year.

Read-Through: AI's macroeconomic effects are beginning to move from theory to data. The political economy of AI infrastructure changes once job displacement becomes measurable while capital spending on compute and power continues to surge.

LNG'S $70 THRESHOLD — GLOBAL GAS ECONOMICS ARE BECOMING MORE FRAGILE

Sources: Bloomberg Opinion/David Fickling, "Why $70 Should Be the Most Worrying Number for LNG" (May 11, 2026).

Bloomberg argues that roughly $70/MWh is the crossover point where existing LNG-fired generation begins to lose competitiveness against renewables-plus-storage in many global markets. The analysis is more relevant to LNG-importing regions than pipeline-gas markets like the U.S., but it underscores how fuel volatility can rapidly alter generation economics.

Read-Through: For North American digital power, the lesson is not just that global LNG is fragile—it is that fuel basis matters. U.S. pipeline gas remains structurally advantaged, which strengthens domestic gas-to-power economics relative to LNG-dependent compute markets abroad.

OIL SHOCK — CONSUMER ENERGY COSTS WIDEN THE MACRO SPLIT

Sources: Wall Street Journal/David Uberti, "The Oil Shock Is Causing a $45 Billion Rupture in the Economy" (May 16, 2026).

The Middle East oil shock is creating a two-sided macro effect: consumers are absorbing higher fuel costs while investors in energy companies benefit from rising oil-and-gas cash flow. *WSJ* reported that Americans have spent about $45B more on gasoline and diesel during the Iran war than during the same period a year earlier, using OPIS pricing data and federal demand figures. U.S. crude has averaged almost $99/bbl since April 1, up 59% year over year, while large integrated oil companies and smaller U.S. producers have seen sharp sequential free-cash-flow gains.

The pressure is regressive. Higher pump prices absorb a larger share of low- and middle-income household income, while the equity-market benefit accrues disproportionately to energy shareholders. The article also notes that the U.S. rig count is down year over year and oil-and-gas extraction employment remains near multi-decade lows, suggesting the shock is translating more into capital returns than broad labor-market upside.

Read-Through: Energy inflation is no longer just an input-cost issue. It is becoming a distributional and political constraint. For Digital Power, the relevance is direct: higher household fuel and power costs increase sensitivity to utility capex, grid upgrades, data-center load growth and any tariff design that appears to shift infrastructure costs onto consumers.

ELECTRICITY MARKETS

PJM Q1 WHOLESALE PRICING — AI LOAD MOVES INTO RETAIL POLITICAL VISIBILITY

Sources: Bloomberg/John Ainger, "AI Buildout Drives 76% Power Bill Jump on Largest US Grid" (May 14, 2026).

Monitoring Analytics reported that wholesale power costs across PJM averaged $136.53/MWh in Q1, up 76% from $77.78/MWh a year earlier. Capacity costs increased nearly 400%, congestion costs rose 300% to

$2.02B, and the market monitor estimated that data-center load included in the last two PJM capacity auctions increased customer bills by $13.8B.

Read-Through: The electricity market story is no longer abstract wholesale mechanics. AI load growth has crossed into direct retail political visibility. This materially raises the stakes around RTO reform, large-load cost allocation, PJM's RBP implementation, and utility commission scrutiny.

US POWER AFFORDABILITY — ELECTRICITY INFLATION IS OUTPACING THE BROADER ECONOMY

Sources: Bloomberg/Emily Forgash, "US Power Prices Climb 61% Faster Than Inflation as Demand Surges" (May 12, 2026).

Bloomberg highlighted the widening gap between electricity inflation and broader consumer inflation, with power prices rising 6.1% year over year against headline CPI at 3.8%. Policymakers are increasingly linking utility bills, grid design, and data-center demand, while states begin reconsidering utility incentive models around affordability and reliability.

Read-Through: Affordability is becoming the central political constraint on Digital Power. Capital markets may reward AI load growth, but regulators answer to voters facing rising monthly bills.

ERCOT SOLAR INFLECTION — UTILITY-SCALE SOLAR SET TO SURPASS COAL IN 2026

Sources: U.S. Energy Information Administration / Today in Energy, "Electricity generation from solar could exceed coal in ERCOT for the first time in 2026" (May 13, 2026).

EIA's latest Short-Term Energy Outlook forecasts that utility-scale solar generation in ERCOT will exceed coal on an annual basis for the first time in 2026. Solar is expected to generate 78 BkWh in 2026 versus 60 BkWh from coal, with the gap widening in 2027 to 99 BkWh of solar versus 66 BkWh of coal. The shift is being driven by rapid solar additions into a market still dominated by natural gas, which averaged 44% of ERCOT generation from 2021 through 2025. Solar's share rose from 4% to 12% over that period, while coal fell from 19% to 13%. Texas is expected to account for roughly 40% of U.S. solar capacity additions in 2026, including the 837 MW Tehuacana Creek 1 Solar and BESS project. EIA also explicitly links continued ERCOT demand growth to crypto mining, data center buildout, industrial activity, and oil-and-gas-linked load.

Read-Through: ERCOT is becoming the clearest U.S. example of a high-load-growth grid where solar is absorbing a larger share of incremental energy but not eliminating the need for firm dispatchable capacity. For Digital Power, the implication is not "solar replaces gas." It is that ERCOT's energy stack is bifurcating: solar and batteries increasingly shape daytime energy economics, while gas, demand response, and behind-the-meter generation remain essential for reliability, evening ramps, and hyperscale uptime requirements.

INTERNATIONAL

CHINA FLEXIBLE COMPUTE — DATA CENTERS ENTER REAL-TIME POWER MARKETS

Sources: Bloomberg, "China Data Centers Tap Spot Power Trading First Time" (May 16, 2026).

Large Chinese data centers operated by China Unicom and China Mobile entered Guangdong's electricity spot market for the first time via a virtual power plant construct, allowing compute workloads to shift into lower-priced periods and curtail during peak hours. China Southern Power Grid plans broader integration of electricity, carbon, and computing systems.

Read-Through: This is one of the clearest real-world examples of compute becoming a dispatchable grid asset. China is operationalizing the 'flexible inference' thesis faster than most Western markets.

CANADA'S GRID DOUBLING — AI LOAD AS INDUSTRIAL POLICY

Sources: Bloomberg/Brian Platt and Nojoud Al Mallees, "Carney Rolls Out Pitch to Double Canada's Electricity Output" (May 14, 2026).

Prime Minister Mark Carney unveiled a strategy to double Canada's electricity generation by 2050 at an expected cost exceeding C$1 trillion, while explicitly allowing greater natural gas flexibility inside the country's clean electricity framework.

Read-Through: AI-scale electrification is leading even climate-forward governments to incorporate gas flexibility into clean-power frameworks. Reliability, affordability, and industrial competitiveness are now being weighted alongside pure decarbonization targets.

SPAIN'S POWER LESSON — CHEAP WHOLESALE ELECTRICITY THROUGH MERIT-ORDER DISPLACEMENT

Sources: Jan Rosenow analysis, 'Spain just became one of Europe's cheapest power markets.'

Spain averaged roughly €44/MWh wholesale power in the first four months of 2026, materially below Germany, Italy, and the UK, as wind and solar increasingly displaced gas from the marginal price-setting role.

Read-Through: Spain is a useful reminder that wholesale and retail economics are not the same—but also that generation mix materially shapes competitiveness. The strategic question for Digital Power is whether similar low-cost structural advantages can be reproduced in compute-heavy markets.

KOREA'S AI DIVIDEND DEBATE — WHEN COMPUTE BECOMES A POLITICAL RENT

Sources: Seoul Economic Daily, "Kim Yong-beom Calls for National Dividend on AI Excess Profits" (May 12, 2026).

Senior Korean policy voices are openly arguing that structural excess profits from AI infrastructure and semiconductor leadership may need to be partially socialized through a national dividend framework.

Read-Through: This is an early glimpse of AI political economy phase two. Once infrastructure scarcity creates concentrated rents, governments may seek redistribution mechanisms—not unlike resource nationalism in energy markets.

U.A.E. DRONE STRIKE — ENERGY SECURITY RISK MOVES CLOSER TO NUCLEAR INFRASTRUCTURE

Sources: Wall Street Journal/Andrew Dowell and Laurence Norman, "Drone Strike Sparks Fire Near U.A.E. Nuclear Plant" (May 17, 2026).

A drone strike caused a fire at an electrical generator outside the inner perimeter of the Barakah Nuclear Power Plant in the United Arab Emirates, roughly 140 miles (225 km) west of Abu Dhabi. U.A.E. defense officials said air defenses engaged three drones crossing the country's western border, downing two, while a third reached the site. Radiation levels remained normal and the four-reactor plant, which supplies roughly 25% of the U.A.E.'s power needs, continued operating; the IAEA said one reactor was on emergency diesel-generator power after the strike.

The source of the attack remains under investigation. The article notes that the western-border trajectory could point away from a direct Iran launch and toward Iran-backed groups in Iraq or Yemen, though no group claimed responsibility. The incident arrives as the Middle East conflict continues to pressure energy infrastructure, maritime flows and nuclear-site security protocols.

Read-Through: The incident is a reminder that firm power assets are geopolitical infrastructure. Nuclear plants, substations, emergency generators and fuel logistics are becoming part of the same security perimeter that data-center and sovereign AI buyers must underwrite when they evaluate power reliability in conflict-exposed regions.

GLOBAL COAL BACKSTOP — LNG DISRUPTION PUSHES ASIA BACK TO THERMAL GENERATION

Sources: Wall Street Journal/Rebecca Feng, "Coal Makes a Comeback, Fueled by War in the Middle East" (May 16, 2026).

The Iran war and Strait of Hormuz disruption risk are pushing several LNG-dependent markets back toward coal. The article frames Hormuz-linked LNG exposure — a meaningful share of global LNG flows — as the vulnerability, with the shift most visible in Asia. Taiwan is restarting idled coal-fired units, South Korea increased coal-fired generation by more than one-third in March and April year over year, India issued an emergency coal directive, and Thailand restarted coal units to offset higher gas costs. Italy has put coal plants on standby for a prolonged energy shock.

Spot coal at Australia's Newcastle port is up 12% since the war began, briefly topping $140/metric ton in March. The article frames coal as a "buffer fuel" during LNG disruption: more carbon-intensive than gas, but dispatchable, stockpile-able and less directly exposed to Hormuz-linked LNG logistics.

Read-Through: Energy security is reasserting itself over fuel-transition glide paths. For Digital Power, the takeaway is not a coal revival thesis; it is that LNG-dependent power markets can become reliability-constrained quickly when maritime chokepoints are threatened or disrupted.

UK GAS-POWERED AI DATA CENTERS — EUROPE ADOPTS THE SPEED-TO-POWER MODEL

Sources: DeSmog/WhoWhatWhy coverage of UK data center gas-grid connections; Future Energy Network; UK planning and project disclosures (May 2026).

UK data-center development is increasingly following the U.S. speed-to-power template. Future Energy Network has reportedly confirmed seven UK data center projects have been cleared to connect directly to the gas grid, while the 300 MW Wapseys Wood, Buckinghamshire campus received nationally significant infrastructure designation in March, allowing it to bypass standard local planning. In Ireland, AVK/Pure Data Centres brought online a 90 MW dedicated gas-turbine data center in Dublin, and five large southern England operators have collectively requested roughly 2.5 GW of direct gas-grid connection from National Gas.

Read-Through: The gas-versus-renewables debate that defined U.S. AI infrastructure in 2024-2025 is now appearing in the UK and Ireland with a lag. The practical signal is that large-load customers are prioritizing time-to-power, dispatchability and grid-bypass structures, while policy frameworks are still catching up.

EUROPEAN DATA CENTER PIPELINE — ANNOUNCED SUPPLY OUTRUNS ACTIVE CAPACITY

Sources: Swiss/European data center market announcements; DC Byte market analysis; company and project disclosures (May 2026).

European data center announcements continued to cluster this week. The Laufenburg Technology Center in Switzerland was confirmed to include a 480 MW data center, a meaningful project in a market with high power costs, limited gas optionality and complex geography. Additional announcements included activity around French campuses, Nordic site development in Finland and Norway.

The cumulative signal is that announced European supply is expanding faster than active capacity. DC Byte's framework is useful: announced supply is now multiple times 2019 levels, while live capacity is growing much more slowly.

Read-Through: The contracted-versus-active power gap is global. The issue is no longer whether developers can announce campuses; it is whether they can convert sites, power commitments, equipment, permits and tenants into energized capacity on schedule.

TENCENT CLOUD GPU ROI — CHINA HYPERSCALE ECONOMICS FACE CAPEX SCRUTINY

Sources: Tencent Cloud/China AI infrastructure market coverage (May 14, 2026).

Tencent Cloud is reportedly struggling to generate an adequate return on GPU investments, a notable data point from one of China's largest cloud platforms. The issue is not demand for AI in the abstract, but the difficulty of converting GPU-heavy infrastructure spend into profitable cloud revenue at scale.

The Tencent signal aligns with broader investor questions around whether gigawatt-scale AI data center commitments can earn adequate returns once chip depreciation, utilization, power, cooling, customer concentration and pricing pressure are fully underwritten. Tencent's position relative to Alibaba and ByteDance is the key competitive variable to watch.

Read-Through: China is running into the same AI infrastructure economics question as the U.S. market: access to GPUs is not enough. Utilization, customer pricing, power cost, software differentiation and capital efficiency determine whether the buildout earns its cost of capital.

ALIBABA/CHINA TELECOM — DOMESTIC AI CHIPS MOVE INTO DATA CENTER DEPLOYMENT

Sources: Alibaba Cloud/China Telecom southern China data center announcement and market coverage (May 2026).

Alibaba Cloud and China Telecom launched a southern China data center equipped with 10,000 self-developed Zhenwu AI chips. The scale is modest relative to the largest U.S. GPU campuses, but the strategic significance is the chip choice: Alibaba's Zhenwu series is positioned as an in-house TPU-equivalent designed to reduce reliance on Nvidia hardware under U.S. export-control pressure.

Read-Through: U.S.-China chip decoupling is now visible at the data-center deployment level, not only in chip design. Each domestic accelerator cluster is a marginal substitute for Nvidia-based capacity and a

reminder that sovereign AI strategies will increasingly shape data center procurement, power demand and supply-chain design.

OEMs

MITSUBISHI HEAVY INDUSTRIES — GAS TURBINE BACKLOG DRIVES PRODUCTION RESTRUCTURING

Sources: Mitsubishi Heavy Industries/Takasago Machinery Works production restructuring announcement and market commentary (May 8, 2026).

Mitsubishi Heavy Industries announced its Innovative Total Optimization project, a broad overhaul of gas turbine production at the Takasago Machinery Works in western Japan. The initiative, personally led by company president Eisaku Ito, is reviewing more than 1,000 processes across procurement, assembly, testing and design.

The driver is order backlog. MHI's energy systems orders rose roughly 40% year over year to ¥3.6 trillion, or about $23B. The announcement adds another supply-side data point alongside CCGT capex inflation and recent large aeroderivative orders: gas turbine availability and pricing are tightening across multiple OEM channels, not just at GE Vernova.

Read-Through: For Digital Power developers, turbine procurement has become a strategic-development item rather than a late-stage EPC input. Lead times, OEM slot control, testing capacity and pricing escalation are increasingly comparable to interconnection in determining which projects can reach COD on schedule.

SIEMENS ENERGY — OEM BACKLOGS NOW EXTEND INTO THE NEXT DECADE

Sources: Bloomberg, 'Siemens Energy Sees Data Centers Driving Demand Into 2030s' (May 12, 2026).

Siemens Energy says major parts of its business are effectively sold out through 2030 and beyond, with 179 turbine orders booked in the first half alone—nearly a full prior-year run rate. Data center demand and grid constraints are explicitly driving gas turbine and grid equipment demand.

Read-Through: The OEM bottleneck is no longer a theoretical constraint—it is a central thesis variable. If hyperscaler demand persists, equipment procurement increasingly becomes the gating factor, not merely interconnection.

INNIO IPO — DISTRIBUTED GAS POWER IS NOW AN AI CAPITAL MARKETS STORY

Sources: Bloomberg, 'Advent, ADIA-Backed Power Equipment Firm Innio Files for IPO' (May 11, 2026).

Jenbacher/Waukesha parent Innio filed for a U.S. IPO amid investor enthusiasm for AI-adjacent industrial infrastructure, with reports suggesting valuation expectations around ~$15 billion.

Read-Through: Capital markets are repricing distributed generation from niche industrial equipment into strategic AI infrastructure. Recips have crossed into mainstream institutional relevance.

DOOSAN'S 90 MW MOVE — THE MID-MARKET TURBINE TARGETS DATA CENTERS

Sources: Doosan Enerbility market commentary/company strategy materials.

Doosan is developing a ~90 MW gas turbine positioned squarely at behind-the-meter AI/data center applications—bridging aeroderivative flexibility and utility-scale reliability, with hydrogen-ready positioning.

Read-Through: The OEM landscape is adapting specifically to hyperscaler load shapes. Expect more product segmentation around modular 50–150 MW digital power blocks.

FORD ENERGY — THE AUTOMOTIVE INDUSTRIAL BASE ENTERS DIGITAL POWER

Sources: Bloomberg, Ford Energy launch materials, Energy-Storage.News (May 2026).

Ford formally launched Ford Energy, targeting utilities, data centers, and large C&I customers with U.S.-assembled BESS, targeting at least 20 GWh annual deployment capacity beginning in late 2027. Morgan Stanley explicitly framed hyperscalers as potential customers. Ford's stock price rose on the announcement.

Read-Through: Digital Power is pulling in nontraditional industrial incumbents. The AI infrastructure stack is broadening beyond classic power OEMs into automotive-scale manufacturing platforms.

POLITICS

PUBLIC OPINION — GALLUP POLL HIGHLIGHTS DATA CENTER OPPOSITION

Sources: Washington Post/Gallup survey (May 13, 2026).

Gallup polling found that 70% of Americans oppose a data center being built in their community, with nearly half strongly opposed. Notably, respondents indicated greater comfort living near a nuclear power plant than a data center.

Read-Through: Data center development is no longer merely a capital + power + land equation. Social license has become a first-order execution risk. Local opposition is evolving from anecdotal friction into a nationally measurable development constraint.

OKLAHOMA ENACTS LARGE-LOAD COST ALLOCATION RULE — RATEPAYERS PROTECTED FROM DATA CENTER COSTS

Sources: Data Center Dynamics (May 15, 2026).

Oklahoma enacted legislation requiring large load customers—including data centers, AI facilities, and crypto mining operations adding 75 MW+—to bear their share of infrastructure costs rather than shifting them to residential and small business customers.

Read-Through: This is the beginning of explicit cost-allocation politics around AI load growth. Expect more states to force hyperscalers and large-compute users into dedicated tariffs, contribution-in-aid structures, or direct infrastructure cost responsibility.

HILL COUNTY MORATORIUM — TEXAS DATA CENTER OPPOSITION MOVES FROM COMPLAINT TO CONSTRUCTION BAN

Sources: POLITICO / Mike Lee, "'We're gonna get sued.' Texas county passes 1-year data center construction ban." (May 16, 2026).

Hill County, Texas, southwest of Dallas, voted 3-2 to impose a one-year moratorium on data center and power plant construction in unincorporated areas. POLITICO reports the county faces as many as eight potential data center developments, many with associated power plants. County Judge Shane Brassell said constituents were "literally begging for help," while acknowledging the county expects to be sued. The legal backdrop is important: Texas counties generally have limited zoning authority, and state officials have already questioned whether counties can block data center projects. Hill County's action follows similar local friction in Hood County and lands against a broader Texas policy debate over data center water use, electricity needs, private-property rights, and who pays for large-load infrastructure.

Read-Through: This is the political escalation Digital Power developers should take seriously. Texas remains one of the most attractive power and data center markets in the country, but even pro-growth states are now seeing rural communities use every available procedural lever to slow large-load development. The practical response is not just better messaging; it is earlier community engagement, transparent water/noise/road-impact disclosures, and power structures that show local residents they are not being asked to subsidize private load growth.

RTOs

FERC/PJM GOVERNANCE — THE LARGEST U.S. GRID MAY BE TOO BIG TO MOVE FAST ENOUGH

Sources: Bloomberg/John Ainger, "Biggest US Grid May Be Too Large to Function, Regulator Says" (May 12, 2026); FERC Chair Laura Swett remarks/PJM governance materials.

FERC Chair Laura Swett publicly questioned whether PJM has become too large to function effectively, announcing a July 23 Commission-led conference on PJM governance and stakeholder-process reform. The concern is not merely a rule defect; it is institutional speed and decision-making capacity under AI-driven load growth.

Read-Through: This is the institutional inflection point for PJM. The question is no longer just whether PJM has the right capacity-market rules; it is whether the RTO can make decisions quickly enough for the AI load cycle.

MARYLAND/PJM COST ALLOCATION — RATEPAYERS CHALLENGE SOCIALIZED TRANSMISSION COSTS

Sources: Tom's Hardware/Maryland OPC complaint coverage; WBAL Baltimore/Maryland Gov. Wes Moore and PJM annual meeting coverage (May 2026).

Maryland's Office of People's Counsel challenged PJM's allocation of transmission upgrade costs, arguing that state customers could be charged roughly $2 billion tied to regional grid upgrades driven by out-of-state data center growth. Governor Wes Moore reinforced the political message at PJM's annual meeting: data centers must pay their own way.

Read-Through: PJM's regional cost-socialization model is entering a legitimacy test. As AI load growth becomes concentrated in specific zones but transmission costs spread across the footprint, states will increasingly demand sharper cost causation and large-load responsibility.

Power, Grid & Regulatory — Key Dates & Upcoming Catalysts

Date	Event	Relevance
May 20, 2026	Nvidia Q1 FY27 earnings (NVDA)	Read on AI accelerator demand; ~$13.4B Nvidia equity-rights panel May 7
May 28, 2026	FERC EIT decision requested deadline (ER26-1563)	Defines whether Sharon qualifies for expedited interconnection
June 2026	FERC action on Docket RM26-4-000 (large-load interconnect)	Highest-priority federal regulatory catalyst; sets BTM/co-location framework
June 2026	PJM 2028/2029 Base Residual Auction	Capacity pricing signal; MISO summer cleared $424.30/MW-day in N/Central
June 2026	PJM Reliability Backstop Procurement (RBP) FERC filing	~15 GW procurement framework; FE/utility opposition critical
July 23, 2026	FERC technical conference on PJM governance and stakeholder process reform (Docket AD26-7-000)	Commission-led review focused on actionable reforms to improve PJM speed-to-power, governance, and large-load execution.
Q2 2026	Cerebras (CBRS) first earnings as public co.	First post-IPO comp benchmark for AI compute infra; tenant credit signal (CBRS priced 5/13, debuted 5/14)
Q3 2026	WV PSC ruling on Mon Power 1.2 GW CCGT + 70 MW solar	FE BTM-adjacent gen precedent; PJM regulated-utility comp
Oct 2026 (target)	Anthropic potential IPO window	Sovereign-scale tenant; 300 MW Colossus 1 lease just signed
Oct 2026	Microsoft 100/100/0 clean-power target review (likely walked back)	Sustainability framework reset; gas/firm power back in procurement

Late 2026/1Q27	OpenAI smartphone hardware specs/suppliers finalize	Forward inference demand catalyst for 2028+ tenant conversations
By 2027	First Air Force ANPI microreactors operational	NRC ADVANCE Act licensing benchmark for nuclear repowering option
END 2027/EARLY 2028	Meta El Paso (Sopaipilla) campus first phase energization	$13B project-finance template under MS/JPM mandate
Q1 2027	Hut 8 Beacon Point first energy delivery (AEP Texas, 1 GW)	$9.8B 15-yr lease; Vertiv cooling, Jacobs E&C; comp-set anchor