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Data Centre Briefing

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Global

Key themes:
North Carolina 40MW data centers must fund grid upgrades; Pennsylvania PUC model tariff for >50MW data center interconnections; Schneider Electric Q1 $11.4B as data centers surge; ADB $70bn Pan-Asia power grid and digital highway

North Carolina just put a price tag on “AI at any cost.” A new state bill would force large data centers (40MW+ or >1B liters of water/year) to pay the full marginal infrastructure cost of serving them, ban them from incentives, and require 25% on-site clean generation at launch — a direct shot at the ratepayer backlash that’s been building quietly for a year.

The Big Stories

North Carolina bill forces data centers to pay full infrastructure costs is the most explicit attempt yet to hard-code “you build it, you pay for it” into state policy. The proposal sets bright-line thresholds (≥40MW or >1 billion liters of water/year), removes eligibility for state and local incentives, and mandates closed-loop/reclaimed water plus annual public reporting on water use and cooling efficiency. The kicker is the requirement that at least 25% of power be met with on-site clean generation operational at launch — and it explicitly preserves the utilities commission’s authority to push that requirement higher. If this advances, it’s not just a North Carolina story; it’s a template other states can copy when residential bills start moving and politicians need a villain.

Pennsylvania PUC advances model tariff for data center interconnection is the same fight, just in regulator language. The commission is pushing a framework for “large-load customers” (>50MW individual or >100MW aggregate), with

developer fees and cost-recovery rules intended to speed interconnection while addressing who pays. The PUC cites roughly $1 billion in increased generation costs this year and residential bill increases of 10–20%, which is exactly the kind of number that turns data centers from “jobs” into “rate shock.” Put Pennsylvania next to North Carolina and you can see the emerging bargain: faster approvals are on the table, but only if the load writes bigger checks.

Schneider Electric reports record Q1 revenue driven by data centers is the cleanest read-through on where spend is landing inside the supply chain. The company posted $11.4B in Q1 2026 revenue (up 11.2% organically), with Energy Management up 12.8% YoY and North America up 15.9%. Management called out “double digits” data center growth and pointed directly to liquid cooling and AI-ready architectures. The investor takeaway is less “AI boom continues” and more: the winners are the firms positioned where power delivery and thermal design collide — right where project timelines are most constrained.

Zayo completes acquisition of Crown Castle’s fiber business closes one of the bigger North American connectivity reshuffles in years. Zayo adds ~90,000 route miles and 40,000 on-net enterprise locations, taking the network to about 224,000 route miles, after Crown Castle agreed in 2025 to sell fiber and small cells in an $8.5B deal (with EQT taking the small cell business, now Arium Networks). Zayo will provide fiber to Arium under a long-term commercial agreement — a reminder that even when “wireless” assets change hands, fiber still ends up as the binding contract. For data center operators, consolidation like this can simplify procurement in some metros, but it also concentrates leverage with fewer platform-scale carriers.

ADB launches $70bn Pan-Asia energy and digital initiative is a rare attempt to fund the two things AI infrastructure actually needs at continental scale: transmission and connectivity corridors. The plan targets $50B for a Pan-Asia Power Grid and $20B for an Asia-Pacific Digital Highway by 2035, including integration of ~20GW of renewables and 22,000 circuit-km of transmission, with ADB funding about half of the power package from its own resources. The headline number is big, but the real point is coordination: cross-border grid

and digital corridor build-out is one of the few ways to keep load growth from collapsing into a handful of overbuilt, politically contested hubs.

Behind the Headlines

Centrica, Delta partner to deploy SOFC for European data centres is a signal that “on-site power” in Europe is graduating from backup talk to prime-power experimentation. The partnership aims to roll out solid oxide fuel cell systems (licensed from Ceres), with a UK demonstration facility within a year and “megawatt-scale” systems targeted in three to five years. That timeline matters: it’s long enough that it won’t rescue near-term capacity crunches, but short enough to influence design decisions being made right now for late-decade builds. If the demo proves out on uptime, emissions profile, and economics, SOFC could become a politically easier on-site option than conventional combustion — especially in jurisdictions where permitting for engines is tightening.

Debate over massive data center in Box Elder County shows how the industry’s “national security” narrative is being used to justify truly outsized resource asks. O’Leary Digital’s proposed 40,000-acre project is described as needing 7.5–9GW of power and is pitched as supporting U.S. military AI capabilities, with a county commission vote slated for May 4. Opposition is focused on water, emissions, and Great Salt Lake risks — the standard local concerns, but amplified by the project’s sheer scale. The pattern to watch: when projects get into single-digit gigawatts, they stop looking like real estate and start looking like utility planning — and that’s when local governance, environmental groups, and state regulators all feel entitled to a say.

Senators warn of growing national security risks from subsea cables is the under-discussed physical-risk story sitting underneath “cloud resilience.” Lawmakers pointed to at least eight Baltic Sea incidents since 2022 and noted subsea cables carry more than $10 trillion in daily financial transactions, with experts urging coordinated international resilience measures, more redundancy, and improved attribution (including commercial satellite monitoring). For data center investors, this isn’t abstract geopolitics: subsea fragility changes where latency-sensitive workloads can safely concentrate, and it raises the value of terrestrial diversity and alternate routes. If cable risk

keeps rising, expect more pressure for redundant landing points, faster repair capacity, and potentially a bigger role for policy-driven security requirements in network design.