

Data Center Briefing

January 04, 2026

Regions: North America

Key themes:

SoftBank acquisition of DigitalBridge (\$4B); Power-first siting and speed-to-power economics; Texas grid-independent gas-powered AI campus model (~5 GW); Transformer shortages and long lead times despite factory capex; PPAs and nuclear (SMR) narratives tied to data center demand; Rising community opposition delaying/blocking projects; Wastewater/water permitting becoming a bottleneck (Ohio); Federal vs state tension over data-center grid connection authority; Microgrids/DERs/BESS positioning for reliability and interconnection constraints

North America data centres briefing (UTC: 2026-01-04)

Top news (3 developments)

- **Major platform M&A in digital infrastructure:** [SoftBank to acquire DigitalBridge for approximately \\$4.0 billion](#) — SoftBank agreed to buy DigitalBridge for ~\$4.0bn (cash \$16.00/share), targeting close in **2H 2026** (subject to approvals). DigitalBridge manages ~\$108bn of digital infrastructure assets (data centers, fiber, towers, edge) and is expected to remain a **separately managed platform**.
- **Large “behind-the-meter”/off-grid-style AI campus concept scales up in Texas:** [GridFree AI unveils first grid-independent South Dallas One](#) — GridFree AI announced a **gas-powered, grid-independent** site in **Hill County, Texas**, part of a planned **three-site cluster totaling nearly 5 GW gross power** (each site >1.5 GW). **Goldman Sachs** is co-leading financing; **Newmark** is exclusive advisor. GridFree claims delivery **within**

24 months from lease signing and **industrial-grade chilled water cooling**.

- **Power access is becoming the gating item (not land/buildings):** [AI-driven data centers reshape U.S. power sector priorities](#) highlights “speed to power” via a cited **Vistra 20-year PPA for up to 1,200 MW at Comanche Peak** priced around ~\$90-\$100/MWh, alongside execution constraints like **2 TW queued** and long equipment lead times.

Key deals and projects

Corporate / platform transactions

- [SoftBank to acquire DigitalBridge for approximately \\$4.0 billion](#)
 - Consider this as a read-through for public-market and private-market appetite for **scaled digital infra platforms** tied to AI buildout (data centers + fiber + towers).

Hyperscale / AI campuses and major developments

- [Woodside signs LNG deal with Turkey; Hut 8 names construction partner](#)
 - **Hut 8:** appointed **Jacobs** as **EPCM** for a **\$10bn Louisiana data centre project**.
 - **Vertiv** named as a partner.
 - **J.P. Morgan and Goldman Sachs** underwriting **up to 85% of project-level financing**.
- [GridFree AI unveils first grid-independent South Dallas One](#)
 - **South Dallas Cluster:** three sites, **~5 GW gross power** total; **gas-powered** and **independent of local electrical grids**.
 - Siting: first site in **Hill County, TX**.
- Smaller but notable pipeline signal in a non-traditional market:
 - [Aroostook County attracts major aerospace, data centre, and industry investments](#) — **LiquidCool Solutions** leased AI data center space **5-6 MW**, expandable to **50 MW**, alongside other regional capex (context for emerging secondary markets).

Power, grid, and interconnection highlights

Power contracting and “speed to power” structures

- [AI-driven data centers reshape U.S. power sector priorities](#)

- Cited structure: **20-year PPA** for up to **1,200 MW** at **Comanche Peak** (Vistra), priced around **~\$90-\$100/MWh**.
- Commentary includes an implied reliability value of **~\$24/kW-month**.
- [Vattenfall and Industrikraft advance SMRs at Ringhals site](#)
 - **Vattenfall + Industrikraft i Sverige AB**: agreed to co-invest in SMRs at **Ringhals**; **Industrikraft** takes a **20% stake** in **Videberg Kraft AB** and invests **SEK 400m (~\$42.2m)** to advance a **1,500 MW SMR** project (pending **state risk-sharing**).
 - Same item notes: **TotalEnergies** signed a **15-year PPA** to supply **1.5 TWh** to **Google's Ohio data centers**.

Grid equipment bottlenecks (transformers)

- [U.S. transformer shortage persists despite major factory investments](#)
 - Reported deficits: **~30% shortfall** for **power transformers** and **~10%** for **distribution units** in **2025**.
 - Despite **~\$1.8-\$2.0bn** in new North American manufacturing investments by firms including **Hitachi Energy, Siemens Energy, and Eaton**.
 - A broker view in the same story disputes the severity, citing **12-14 month** delivery for standard units and **12%-15% service margin**.
- Practical design/selection angle on distribution gear for data-center loads:
 - [Selecting the Right Three-Phase Transformer Configuration for Distribution](#) recommends **Delta-primary/Wye-secondary (D/y)** for many commercial/industrial/data-center uses (harmonic suppression + grounded neutral), and contrasts dry-type vs liquid-filled capability ranges.

Reliability, DERs, and storage

- [Distributed energy resources boost grid resilience and reliability](#)
 - Notes momentum in **DERs/microgrids/BESS** and a projection for global **BESS** market size of **\$120-\$150bn by 2030** (including **>\$30bn** in the U.S.).
- [Burns & McDonnell on 2025 energy storage trends](#)
 - Flags **FEOC sourcing rules starting in 2026** and a shift toward **LFP chemistry**; highlights safety validation via **UL 9540A/CSA-800** testing.

Policy, regulation, and permitting (and where it is slowing projects)

Federal/state regulatory direction on grid connection

- [Federal push for control of data-center grid connections sparks backlash](#)
 - Trump administration directing regulators to **fast-track rules** that would give Washington new authority over **how large data centers connect** to the grid.
 - Stated aim includes speeding connections and allowing operators to **build their own power**.
 - **State utility regulators, governors and lawmakers** warn of potential Federal Power Act conflicts and legal challenges.

Water and wastewater permitting

- Ohio:
 - [Ohio EPA Considers Permit Allowing Data Center Wastewater Discharge](#) — comment period extended to **Jan. 16** on a draft **general wastewater permit** for new data centers, using standard NPDES language that could allow a **“lowering of water quality.”**
- Broader state-level water scrutiny:
 - [Michigan lawmaker on data centers, water affordability and pollution](#) — calls for closer review of new data centers after the **MPSC approved a Saline Township** facility and required **DTE** to absorb potential rate impacts.

Local opposition and entitlement risk is rising

- [Communities increasingly block data center expansions for AI](#)
 - Data Center Watch tracked **20 proposals valued at \$98bn** that were **delayed or blocked** (April–June period cited).
 - Developers/Big Tech mentioned as facing resistance: **Microsoft, Google, Amazon, Facebook**.
- Michigan example of scale and planning tension:
 - [Washtenaw County wrestles with incoming data center expansion](#) — cites a **1.4 GW** project in **Saline Township** and urges enforcement of a requirement that data centers use **renewable energy or RECs**, alongside zoning updates/moratoria and community benefit agreements.

Market notes to watch

- Incentives and enabling legislation continue to proliferate:
 - [States pass broadband laws focusing on infrastructure and data centers](#) — in 2025, **600+ broadband bills** were considered and **<140** became law; at least **37 states** passed **data center incentives**. Examples cited include **Hawaii H 934** (Broadband Office backed by **\$400m**) and **West**

Virginia SB 907/HB 2014 (including **microgrid districts for data centers**).

- Emissions/water pressure and reputational risk remain live issues:
 - [Experts warn AI's energy and water impacts threaten climate](#) — highlights rising energy/water impacts, grid stress (example: **Ireland**), and calls for moratoria/stricter regulation from civil society actors.
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Two-line close

Power access and equipment lead times are increasingly determining which projects move first, while regulatory pathways (grid connection and wastewater) are tightening in parallel. Strategic capital is still flowing into scaled platforms and “power-first” projects, but community and permitting friction is now a core underwriting variable.