



WEEK IN REVIEW

\$220B

AMAZON 2026 CAPITAL SPENDING GUIDANCE

43%

AZURE QUARTERLY REVENUE GROWTH

\$700B

META FUTURE SPENDING COMMITMENTS

68 bps

HYPERSCALER CDS AVERAGE AT JULY 24E

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Rent Follows Constraint

Value in the AI infrastructure cycle is migrating toward whatever cannot be replicated on demand - firm power, grid rights, construction labor, memory, secure compute and balance-sheet capacity - and the market has stopped paying the same price for every announced gigawatt. Earnings, financings and PJM's board decision all sorted the same way this week, separating capacity that can be delivered and monetized on a known date from commitments that merely consume cash.

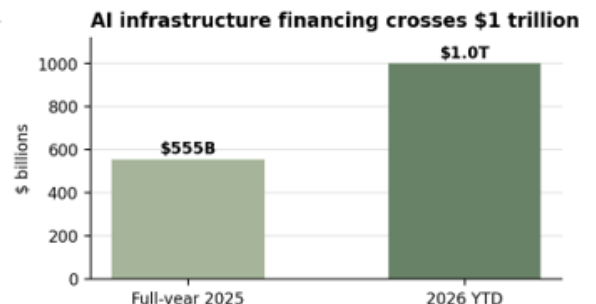
Earnings Split the Hyperscalers: Microsoft and Amazon were rewarded because the revenue arrived alongside the spending. Azure grew 43%, its fastest pace since early 2022, and Microsoft added roughly \$450 billion of market value in a single session, while AWS grew 37% to \$42.2 billion at a 39.4% operating margin - a fifth consecutive acceleration that carried Amazon's 2026 capex guidance up \$20 billion to \$220 billion. Meta drew the opposite verdict, pairing softer guidance and its lowest free cash flow in years with almost \$700 billion of future obligations. The instruction was not to spend less, but to show the revenue, margin and utilization that make the spending financeable.

PJM Separates Connection from Firm Service: The Board's July 27 large-load framework divides what the market has treated as one product into three rights - physical connection, ordinary firm withdrawal, and responsibility for the capacity supporting the load - applied at a 50 MW threshold against a megawatt-specific June 1, 2027 cutoff. New uncovered megawatts after that date would receive Interim Reliability Assurance Service, curtailable within ten minutes during a qualifying shortage and called ahead of capacity demand response, and beginning in 2029/2030 PJM would stop buying generic capacity to support them. A queue position is not firm service; firm service increasingly requires matched new capacity.

Capital Is Available - at a Price: Meta's El Paso project cleared \$12.55 billion of bonds at roughly 287.5 basis points over Treasuries, about 7.5% and some 50 basis points behind comparable Louisiana paper. AI infrastructure financing has crossed \$1 trillion this year, and the average hyperscaler CDS spread reached the high-60s against a Markit investment-grade index near the low 50s. Google and Nvidia are using lease and residual-value guarantees to make developers and AI labs financeable, but a backstop does not erase construction, power or residual-value risk. The next underwriting problem is project-on-project risk: the data center and its behind-the-meter plant must both arrive on time.

The Constraint Stack Broadens: Exelon cut its stated data center pipeline from 43 GW to 25 GW, and its high-probability subset from 18 GW to 11 GW, after imposing collateral and advanced-study requirements - a smaller queue carrying better information. SemiAnalysis now tracks more than 61 GW across 1,000 sites moving to modular delivery and still expects electrician shortages by 2027, while Samsung expects the memory supply gap to widen next year. Rent follows the constraint, and the constraint is increasingly execution rather than ambition.

Social License Becomes a Credit Variable: Ohio electricity prices rose 19% over the prior year, more than twice the national rate, and 71% of surveyed residents backed a temporary construction ban, moving data centers into a statewide election. Meta's \$50 billion Louisiana project shows how confidential negotiation and tailored legislation can accelerate a schedule while leaving utilities, investors and communities holding the tail risk. Political counsel, community benefits, direct cost assignment and transparent operating commitments now belong in the financing package from day one.



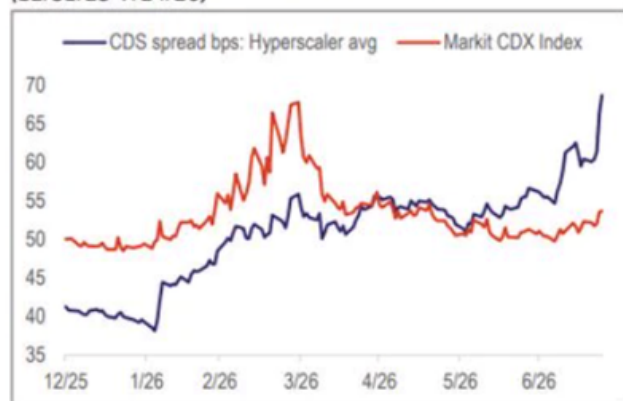
Sources: Bloomberg; Wall Street Journal; The Information; PJM Board materials; Wells Fargo Securities; company filings; SemiAnalysis.

BOTTOM LINE

The week moved the AI buildout from a quantity contest to a quality contest. The relevant questions are no longer how many gigawatts are announced or how much capital is available, but which megawatts are covered, which projects can clear their return hurdles, and which companies can convert infrastructure into cash before commitments harden into fixed costs.

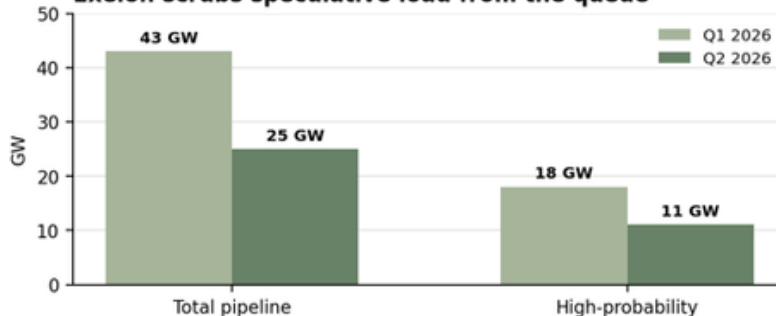
★ CHARTS OF THE WEEK | CASH, CREDIT AND QUEUE QUALITY

Markit CDX North America Investment Grade Index, bps
(12/31/25-7/24/26)



Source: Wells Fargo Securities, LLC, Bloomberg

Exelon scrubs speculative load from the queue



Sources: Wells Fargo Securities and Bloomberg; Exelon second-quarter presentation and Bloomberg. Charts: Keel Infrastructure.

The two charts describe the same repricing from different sides. Credit markets are charging a premium for the contingent obligations attached to the buildout, while utilities are raising the collateral and engineering bar for projects seeking service. The spread and the queue are both becoming filters for execution quality.

★ MARKET SPOTLIGHT | FEATURED ANALYSES

THE SPENDING VERDICT

Cloud growth wins; unsupported commitments lose

The hyperscaler earnings cycle did not settle the debate over AI returns, but it established the market's scoring system. Investors rewarded companies that paired capex with accelerating cloud revenue and punished companies whose commitments grew faster than visible monetization. The spending race remains intact; the valuation regime has changed.

43%	37%	\$220B	\$700B
Azure revenue growth	AWS revenue growth	Amazon 2026 capex	Meta future commitments

THE TEST MOVED FROM CAPEX TO CASH CONVERSION

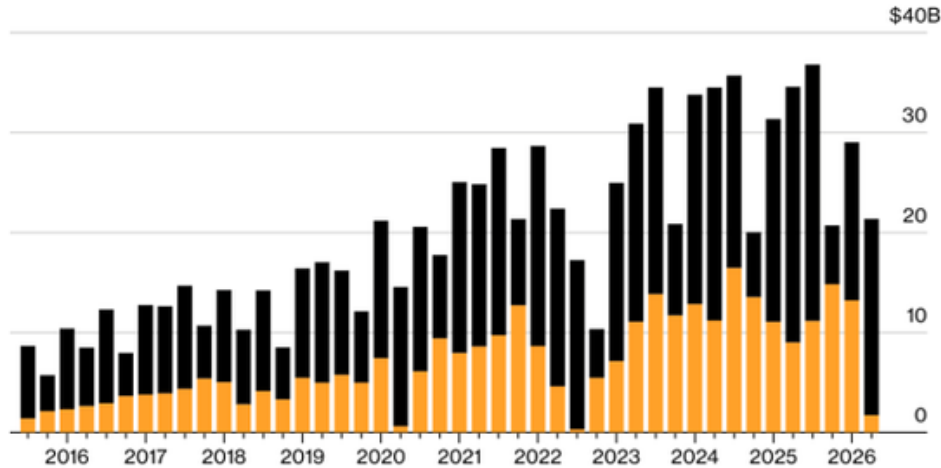
Microsoft reported Azure growth of 43%, the fastest pace since early 2022, and reaffirmed its capital-spending plan. Its shares rose 16%, adding roughly \$450 billion of market value in one day. Amazon's AWS revenue increased 37% to \$42.2 billion, accelerated for a fifth straight quarter and produced a 39.4% operating margin. Amazon lifted capex guidance by \$20 billion to \$220 billion, yet the stock rose 15% because customers are already reserving capacity into 2028 and the revenue evidence arrived with the spending.

Both companies are consuming cash. Amazon reported a \$7.6 billion trailing twelve-month free-cash-flow outflow and spent more than \$53 billion on property and equipment in the quarter. The difference is that AWS is a large external market with recurring contracted demand, while Azure's growth and Microsoft's enterprise distribution make utilization visible sooner. The market is willing to tolerate negative or compressed cash flow when the asset is already proving its earning power.

Contrasting Cash Flow Trends at Microsoft and Meta

Combined quarterly reported free cash flow in \$ billions

■ META US Equity ■ MSFT US Equity



Source: Bloomberg

Microsoft continues to generate large quarterly free cash flow despite elevated investment, while Meta has moved toward a near-zero latest-quarter print.
Sources: Microsoft and Amazon filings and earnings calls; Bloomberg; The Information.

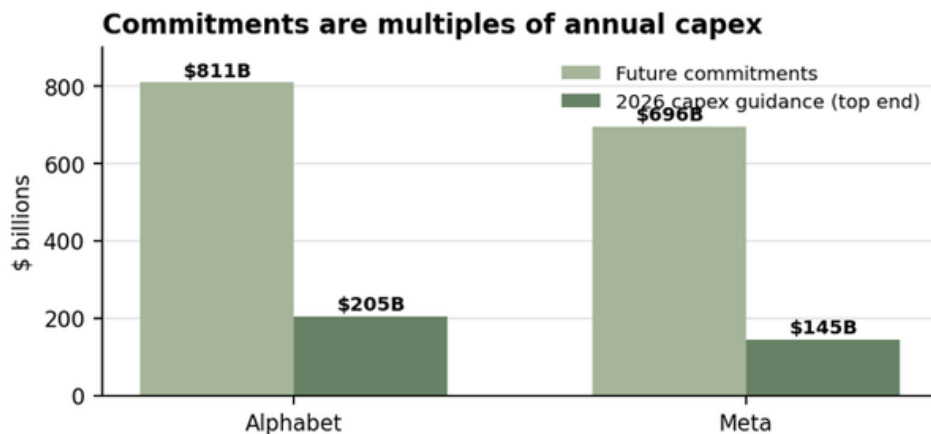
THE SPENDING VERDICT- CONTINUED

META'S STRUCTURAL DIFFERENCE

Meta raised the low end of its capex outlook and disclosed almost \$700 billion of future obligations: \$349.3 billion of non-cancelable contractual commitments and \$347 billion of leases that have not yet commenced. It added \$68 billion of lease commitments in July alone, with payments beginning in 2027 and 2028. Third-quarter revenue guidance disappointed, free cash flow fell to its lowest level in years and the shares dropped about 8%.

Unlike Microsoft, Amazon and Alphabet, Meta does not yet have a mature cloud business through which it can sell spare compute. Zuckerberg floated that possibility, and the BlackRock joint venture for El Paso shifts construction capital to outside investors, but the core underwriting remains internal: advertising cash flow must support the lab, the data centers and the future depreciation until external compute revenue becomes material.

THE COMMITMENTS ARE THE NEW BALANCE SHEET



Alphabet's \$811 billion and Meta's roughly \$700 billion commitment stacks are not identical accounting categories, but they make the same strategic point. The companies are reserving supply chains years before the assets appear in reported capex. Memory suppliers are demanding multiyear contracts, landlords require long leases, developers need guarantees and equipment vendors require deposits. Optionality is being traded for certainty.

FOUR IMPLICATIONS

1. Cloud revenue is the first proof point. Capacity can be expensive and cash flow can be negative if customers are already absorbing the depreciation.
2. Meta has the highest utilization burden. Its AI infrastructure must improve advertising, create new products or become a merchant compute platform; it cannot rely on an established cloud rent stream.
3. Supplier demand remains firm. Samsung, Schneider and other infrastructure vendors are still seeing order growth, but equity investors will distinguish backlog quality and customer credit.
4. Spending guidance is no longer bullish by itself. The market now rewards disclosed revenue, margins, reservations and payback periods - not the size of the check.

WHAT TO WATCH

Watch Azure and AWS growth, cloud margins after depreciation, Meta's external-compute strategy, the conversion of yet-to-commence leases into active rent, and whether free cash flow recovers before 2027 commitments begin. Bottom line: the market is not asking Big Tech to stop building. It is demanding evidence that the buildings are becoming businesses.

Sources: Microsoft, Amazon, Meta and Alphabet filings; Bloomberg; The Information; Wall Street Journal.

PJM: FIRM MEANS COVERED

The Board separates connection rights from capacity-backed service

PJM's July 27 Board decision creates a new architecture for large loads at the exact moment data center developers are discovering that an energized substation is not the same thing as a firm megawatt. The proposal remains subject to a FERC filing, conforming tariff language, operating manuals and state implementation. Directionally, however, the rule is clear: new load that has not brought qualifying new capacity will not receive the same reliability product as covered load.

50 MW Large Load threshold	June 1, 2027 Megawatt-specific cutoff	10 min IRAS response window	2029/30 Auction-demand exclusion begins
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THREE RIGHTS REPLACE ONE IMPLIED PROMISE

The framework separates (1) the right to physically connect, (2) the right to withdraw power on an ordinary firm basis and (3) responsibility for adding the capacity needed to support the load. The definition aggregates end-use demand at a single site within a one-mile radius. Each increment is tested separately: megawatts in service before June 1, 2027 are existing; later increments are new.

That separation matters because transmission-service arrangements, utility construction agreements and queue milestones live in the connection lane. Interim Reliability Assurance Service, or IRAS, lives in the resource-adequacy lane. A project may be connected and operating yet still be exposed to emergency reduction if the incremental load is not matched with qualifying capacity.

IRAS IS A CONDITIONAL FIRM-SERVICE PRODUCT

During a qualifying resource shortage, PJM would assign a reduction to the relevant transmission owner or electric distributor, which must remove the grid withdrawal within ten minutes. The customer can reduce compute, stage a controlled ramp or transfer to permitted onsite resources, but the withdrawal from the PJM system must disappear. IRAS would be called before capacity demand response, placing uncovered large load early in the emergency stack.

Beginning with the 2029/2030 delivery year, PJM would exclude incremental Large Load above the 2028/2029 auction forecast from ordinary auction demand until sufficient new supply is offered to cover it. That is not free capacity. It is an interruptible-style reliability product paired with a requirement that the customer or its counterparty solve the capacity problem.

CONNECTION Utility + transmission Physical access to the system; does not by itself establish IRAS treatment.	EXISTING MW In service by cutoff Megawatt-specific treatment requires credible operating and metering evidence.	COVERED NEW MW Matched new capacity Registry assignment and RPM participation convert new supply into firm support.	UNCOVERED MW IRAS exposure Grid withdrawal is reduced during qualifying shortages until capacity becomes effective.
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Sources: PJM Board Decisional Letter and CIPF Framework executive summary, July 27, 2026. Final tariff and implementation remain pending.

PJM: FIRM MEANS COVERED - CONTINUED BYONC MEANS NEW CAPACITY, NOT MERELY ONSITE EQUIPMENT

Bring Your Own New Capacity is a market and registry concept. The resource must qualify as new under PJM's rules, be matched to the Large Load, and participate through the relevant RPM auction path. Eligible categories can include new generation, incremental uprates, qualifying transferred interconnection rights, repowering, incremental surplus interconnection, fuel switching that creates incremental capability, and qualifying new demand response or distributed energy resources.

A behind-the-meter generator can protect compute during an IRAS event if it is permitted to run, has fuel, can transfer or island within the response window and can carry the actual critical load. That operating value is distinct from BYONC eligibility. A pure island may maximize continuity while doing nothing to create a PJM capacity credit; a registered capacity resource may maximize regulatory coverage while requiring a more complex metering and market design.

THE REGISTRY BECOMES THE CONTROL RECORD

Electric distributors would submit site location, delivery points, load quantities, in-service dates, ramp schedules, matched-capacity quantities, backstop allocations, backup generation and telemetry identifiers. Every downstream treatment runs from that record. The commercial implication is immediate: leases and power exhibits should distinguish existing firm megawatts, capacity-backed new megawatts and IRAS-exposed megawatts rather than promising one undifferentiated block of power.

SCENARIO	MARKET SIGNAL	INFRASTRUCTURE EFFECT
Grandfathered tranche	End-use MW is demonstrably operating before the cutoff	Metering, commissioning and registry evidence become valuable development assets.
Capacity-backed ramp	New UCAP is matched and effective for the delivery year	Firm-service value follows the capacity schedule; delayed supply creates interim IRAS exposure.
Grid-only new load	No qualifying new capacity is assigned	Load can connect but must build curtailment, backup and tenant-risk allocation into operations.
BTM resilience	Permitted onsite power removes grid withdrawal during a call	Compute can continue, but the plant must have runtime, fuel, emissions headroom and verified transfer controls.

RBP IS A SUPPLY OPPORTUNITY, NOT AN AUTOMATIC SITE CREDIT

PJM plans to begin Reliability Backstop Procurement in September 2026 to address the identified capacity shortfall. Documented bilateral and self-supply arrangements for qualifying new capacity serving new load can reduce the procurement target. Yet generic backstop capacity does not automatically firm a specific project. The capacity must be allocated and recorded against the relevant load, and delays leave the associated megawatts exposed until the resource becomes effective.

FOUR IMPLICATIONS

1. Firm megawatts become a scarce commercial product. The value lies in the service right and registry match, not merely in transformer capacity.
2. Load ramps and generation CODs must be synchronized. A campus that arrives before its capacity resource inherits interruption risk during the gap.
3. Tenant contracts become operating documents. Curtailment control, backup costs, telemetry, restart sequencing and lost-compute liability must be explicit.
4. Site selection shifts toward portfolios. PJM's RTO-wide matching flexibility can make capacity originations in one location valuable to load elsewhere, subject to final state and utility implementation.

WHAT TO WATCH

Watch the FERC filing, the definition of 'in service,' the reconciliation of registry deadlines with late-spring energization, Manual 13 emergency procedures, state treatment of compensation and the mechanics for assigning RBP capacity to specific loads. Bottom line: PJM is converting firm service from an assumed attribute of connection into a capacity-backed right.

Sources: Bloomberg; Wall Street Journal; New York Times; Meta and Entergy disclosures.

WHO GUARANTEES THE GIGAWATTS? AI infrastructure builds a new financing stack

The largest data center projects are too capital-intensive for traditional real-estate finance and too construction-heavy for ordinary corporate credit. The market's answer is a layered stack of project equity, long leases, residual-value guarantees, chip financing, power guarantees, private credit and public bonds. Each layer expands capacity. Each also transfers risk to a new balance sheet.

\$7.5T Projected five-year AI infrastructure spend	140 GW Capacity represented by the estimate	\$1T+ 2026 YTD financing	7.5% Yield on Meta El Paso project bonds
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A BACKSTOP BUYS INVESTABILITY - NOT THE GUARANTOR'S RATING

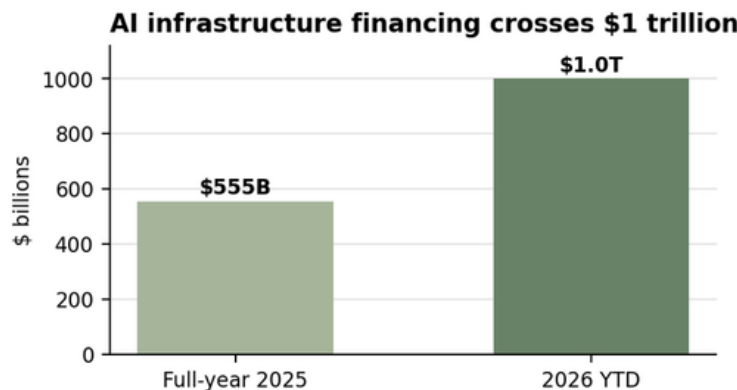
Meta's El Paso joint venture is 80% owned by BlackRock funds and 20% by Meta. The project sold \$12.55 billion of 2048 bonds at roughly 287.5 basis points over Treasuries, or about 7.5%, despite investment-grade ratings supported by Meta lease and residual-value protections. Comparable Louisiana paper yielded about 50 basis points less. The market accepted the credit, but demanded a larger new-issue premium.

Google has agreed to cover tens of billions of dollars of data center lease payments if tenants default, allowing developers and AI labs to borrow more cheaply. Yet construction-period projects with rent that begins only after completion have rated around the triple-B area rather than near Alphabet's own curve. The guarantee makes the debt investable; it does not eliminate schedule, construction or residual-value risk.

THE STRUCTURES ARE BECOMING SYSTEMIC

A bank group led by Morgan Stanley discussed a \$15 billion financing for Nexus Data Centers' 1.6 GW Texas campus for Anthropic, supported by Google guarantees for leases and power payments and a separate Broadcom vendor-financing arrangement for TPUs. Nvidia is discussing a \$250 billion backstop for OpenAI's Ohio lease and as much as \$350 billion of chip financing. Nvidia's broader announced or contemplated AI deal set exceeds \$750 billion.

These arrangements can be rational: the supplier protects its customer, the developer lowers its cost of debt and the hyperscaler or chipmaker receives revenue, warrants or strategic control. The risk is circularity. When vendors finance customers that buy their products, reported demand, credit exposure and equity valuations become more interconnected. A slowdown can hit the same ecosystem through multiple channels at once.



Sources: Goldman Sachs panel reported by The Information; Wall Street Journal; Bloomberg; company filings.

WHO GUARANTEES THE GIGAWATTS? - CONTINUED POWER CREATES PROJECT-ON-PROJECT RISK

The next financing frontier is behind-the-meter generation. Lenders are being asked to underwrite two completion schedules: the data center and the power plant that makes the data center useful. A delay in either can postpone rent, force expensive bridge power or trigger tenant remedies. Lease structures therefore need to convert delays and cost overruns into additional rent, remove easy termination rights and define who funds replacement power.

Cost reimbursement agreements are emerging before final investment decisions. A prospective tenant authorizes long-lead purchases such as turbines before the lease is signed, reimbursing the developer if the project does not proceed. Redeployable equipment gives lenders a fallback. In a market where turbine slots and electrical gear can determine COD, the agreement effectively finances time.

RISK LAYER	WHO BEARS IT	WHAT MAKES IT FINANCEABLE
Tenant credit	Hyperscaler, AI lab or guarantor	Long lease, minimum payments, backstop and transparent end-user economics.
Construction	Developer, sponsor and lenders	Date-certain delivery, completion support, yield-on-cost rent and no easy termination out.
Power delivery	Generator, utility, developer and tenant	Fuel, permits, interconnection, replacement-power rights and synchronized COD.
Residual value	Sponsor and guarantor	Reusable campus, releasable capacity, equipment redeployment and residual-value support.
Concentration	Banks, insurers and bond investors	Multiple tenants and guarantors, syndicated exposure and diverse funding markets.

FOUR IMPLICATIONS

1. The cost of capital becomes a development variable. A project can still be financed, but higher yields raise the utilization and rent required to clear the return hurdle.
2. Guarantees should be priced as options. The guarantor is not giving away credit; it receives capacity, revenue, warrants, equity or strategic control in return.
3. Power documents belong in the financing data room. Fuel, air permits, turbine delivery and transfer controls can be as important as the tenant lease.
4. Platform value increases. Multi-site operators with repeatable delivery and diverse customers should finance better than single-asset developers with one contingent counterparty.

WHAT TO WATCH

Watch new-issue premiums, bank concentration limits, fair-value disclosures for guarantees, the first large BTM power financings and whether higher all-in yields cause marginal projects to self-throttle. Bottom line: Wall Street can fund the buildout, but it is starting to charge separately for every risk the AI narrative once bundled together.

Sources: *The Information*; *Wall Street Journal*; *Bloomberg*; *Meta*, *Alphabet* and *Nvidia* disclosures.

RENT FOLLOWS CONSTRAINT

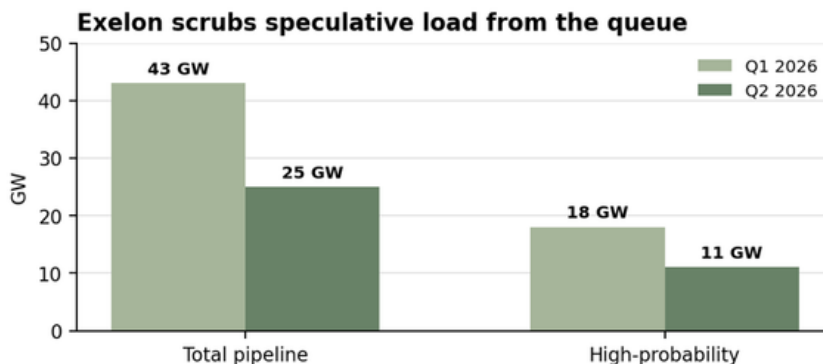
Value migrates from announced capacity to deliverable capacity

The organizing principle of the week is simple: economic rent accrues to the input that cannot be expanded fast enough. In the first phase of the AI boom, the scarce input was Nvidia compute. The constraint set now extends through electricity, interconnection, memory, skilled labor, permitting, community acceptance and financing capacity. The winner is not necessarily the owner of the largest pipeline. It is the party controlling the bottleneck on the critical path.

POWER	LABOR	COMPONENTS	CAPITAL
Firm MW + timing PJM coverage, turbine slots, gas, transmission and BTM operating authority.	Electricians + pipefitters Repeatable work moves into factories because field trades cannot scale instantly.	Memory + electrical gear Suppliers demand multiyear commitments and deposits before expanding capacity.	Credit + guarantees Debt clears, but new-issue premiums and concentration limits reward stronger structures.

THE QUEUE IS LOSING INFORMATION VALUE

Exelon reduced its total data center pipeline from 43 GW to 25 GW and its high-probability pipeline from 18 GW to 11 GW after removing speculative projects and raising collateral and study standards. The cut was negative for the headline but positive for the signal quality. A smaller pipeline with advanced engineering and security agreements is more useful than a larger queue filled with option value and duplicated requests.



MODULARIZATION IS LABOR ARBITRAGE

SemiAnalysis tracks more than 61 GW across more than 1,000 sites using modular or prefabricated strategies and expects modular penetration to exceed 30% of live capacity by the end of 2028. The driver is not fashion. Electricians account for roughly 30% to 40% of data center construction hours, and shortages are expected to emerge in 2027 in buildout centers such as Texas and Ohio. Moving power rooms, cooling skids and wall systems into factories converts scarce field labor into repeatable manufacturing.

MEMORY AND COMPUTE CAPTURE THE UTILIZATION RENT

Samsung expects memory shortages to worsen in 2027 as customers seek multiyear contracts at elevated prices. At the model layer, one scenario argues that secure, large-scale compute could appreciate even while hardware efficiency improves because smarter models monetize each unit more effectively. Spot prices were reported more than 40% above the February trough, while some strategic capacity was reportedly contracted near twice spot. The tenfold-price forecast is speculative; the mechanism is not. Efficiency can increase willingness to pay for a still-scarce input.

SOCIAL LICENSE CAN BECOME THE LAST CONSTRAINT

Workforce housing, utility-rate protections and local disclosure are now development inputs. A typical 100 MW campus requires hundreds of construction workers but only dozens of permanent operators, creating temporary housing demand and visible community disruption. Ohio's backlash shows that even technically viable power can be politically unavailable. Permitting delay destroys financing value because it pushes out rent and exposes equipment commitments.

WHAT TO WATCH

Watch the FERC filing, the definition of 'in service,' the reconciliation of registry deadlines with late-spring energization, Manual 13 emergency procedures, state treatment of compensation and the mechanics for assigning RBP capacity to specific loads. Bottom line: PJM is converting firm service from an assumed attribute of connection into a capacity-backed right.

WEEKLY ROUNDUP

NINETEEN STORIES, ONE PHYSICAL STACK

The week's top stories, itemized

1. Microsoft turns cloud growth into a \$450 billion vote of confidence: Azure revenue rose 43%, its fastest growth since early 2022, and Microsoft held its capex plan. The shares gained 16%, adding about \$450 billion of market value in the largest one-day increase on record. Investors treated accelerating utilization as proof that heavy AI depreciation can coexist with expanding enterprise demand. (Bloomberg, July 30)

2. AWS acceleration validates Amazon's \$220 billion capex plan: AWS revenue grew 37% to \$42.2 billion, the fifth consecutive acceleration, and its operating margin reached 39.4%. Amazon raised 2026 capex guidance from \$200 billion to \$220 billion even as trailing free cash flow turned negative. Customer reservations extending into 2028 made the spend look contracted rather than speculative. (Bloomberg; The Information, July 30-31)

3. Meta locks in almost \$700 billion before the revenue model is settled: Meta disclosed \$349.3 billion of non-cancelable purchase commitments and \$347 billion of leases not yet commenced, including \$68 billion added in July. Weak guidance and near-zero quarterly free cash flow exposed the gap between infrastructure obligations and an external cloud business that remains only a concept. (Bloomberg, July 30)

4. BlackRock takes 80% of Meta's El Paso campus: The 1 GW project is expected to cost about \$14 billion before chips. Meta contributes land and construction assets, receives \$1 billion back and retains 20%; BlackRock contributes \$4.9 billion and financed its interest partly with \$12.55 billion of bonds. The structure moves debt off Meta's balance sheet but preserves lease and residual-value exposure. (Bloomberg; Wall Street Journal, July 28)

5. Google backstops a \$15 billion Anthropic campus and power plant: Nexus Data Centers discussed a \$15 billion financing for a 1.6 GW Texas campus with its own gas plant. Google guarantees portions of Anthropic's lease and power obligations and is expected to receive roughly 20% of the project, while Broadcom separately supports TPU financing. Credit, silicon and power are becoming one transaction. (Wall Street Journal, July 30)

6. Nvidia's deal machine revives circular-financing fears: Nvidia is working on transactions exceeding \$750 billion, including a possible \$250 billion OpenAI lease backstop and \$350 billion of chip financing. It also committed \$5 billion to Safe Superintelligence. The strategic logic is customer creation; the credit concern is that the supplier increasingly finances the demand behind its own revenue. (Bloomberg; Wall Street Journal, July 27)

7. Hyperscaler credit detaches from the broader investment-grade market: The average hyperscaler CDS spread rose toward the high-60-basis-point area by July 24 while the Markit CDX investment-grade index remained near the low 50s. Oracle exceeded 200 basis points and SpaceX approached 185. The AI debate has moved from equity multiples into the price of default protection and long-duration funding. (Wells Fargo Securities; Bloomberg, July 24-29)

8. Situational Awareness becomes the leverage case study: Leopold Aschenbrenner's fund fell from roughly \$45 billion at the start of July to about \$10 billion after AI-infrastructure longs dropped and software shorts moved against it. Prime brokers demanded collateral and Citadel bought the public portfolio after overnight negotiations. A plausible secular thesis failed its time-horizon and leverage test. (Bloomberg; CNBC; FT; WSJ, July 30-31)

9. Exelon cuts the queue to improve its information content: Exelon reduced its total data center pipeline from 43 GW to 25 GW and the high-probability subset from 18 GW to 11 GW after removing speculative projects. The company framed the decline as proof that collateral and advanced-study requirements are working. Pipeline quality is replacing gross gigawatts as the relevant utility metric. (Bloomberg, July 30)

10. Paducah pairs a 1.8 GW campus with 4.6 GW of power and storage: Brookfield and NextEra plan a more than \$100 billion data center campus on the Energy Department's former uranium-enrichment site in Kentucky. The design includes 2 GW of natural-gas generation and as much as 2.6 GW of battery storage, with completion targeted for 2031. Federal land is becoming an integrated power-and-compute development platform. (Bloomberg; POWER, July 29)

11. Veolia takes operating responsibility for a 350 MW Ohio microgrid: The undisclosed AI campus will be powered entirely behind the meter by gas engines and linear generators, supplemented by a 430 MWh battery. Veolia will integrate commissioning and provide long-term performance-based operations. The contract illustrates the emerging need for institutional O&M around private power systems, not just equipment delivery. (DCD, July 31)

12. BNEF's chip-based model lifts US data center demand to 207 GW by 2033: A bottom-up forecast based on accelerator shipments and utilization produces a demand estimate far above many utility plans. The value of the model is the physical denominator: chips imply racks, racks imply cooling and electrical infrastructure, and the resulting load arrives whether or not individual queue requests prove accurate. (Utility Dive, July 30)

13. Modular construction becomes the default speed-to-capacity playbook: SemiAnalysis tracks more than 61 GW and 1,000 sites using modular or prefabricated systems and expects penetration above 30% of live capacity by the end of 2028. Power rooms, cooling skids and even data halls move off site because field electricians and pipefitters cannot scale at the pace of campus announcements. (SemiAnalysis, July 29)

14. Data centers create a new workforce-housing customer: Manufactured-home producers report large orders to house construction crews near remote campuses. A 100 MW data center can require hundreds of builders but only dozens of permanent operators, making movable housing economically suited to a temporary labor surge. The construction footprint now includes housing, transport and local services as well as concrete and copper. (Bloomberg, July 31)

WEEKLY ROUNDUP

15. Schneider raises guidance as electrical infrastructure demand stays firm: Schneider Electric lifted its organic revenue-growth outlook to as much as 13% after triple-digit growth in data center orders. Energy-management sales rose 18%, ahead of expectations. The read-through is that the physical build remains strong even as public equities debate valuations and hyperscaler credit spreads widen. (Bloomberg, July 30)

16. Samsung says memory scarcity worsens in 2027: Samsung's chip profit increased roughly 250-fold and management expects the supply-demand gap to widen next year. Customers are seeking multiyear contracts at elevated prices for high-bandwidth memory and storage. Memory vendors are converting capacity scarcity into contractual commitments that reduce hyperscaler flexibility. (Bloomberg, July 30)

17. Antora raises \$550 million for thermal storage's second act: The company will build a second factory for modular thermal batteries that store heat at extremely high temperatures and can later produce industrial heat or electricity. Data centers are a target market because long-duration, low-material-cost storage can complement onsite generation and constrained grid access, even with lower round-trip efficiency than lithium-ion systems. (Bloomberg, July 30)

18. DeepSeek plans a 1 GW Inner Mongolia campus: The Chinese AI company aims to build and lease capacity in Ulanqab and bring part of the platform online by late 2027 or early 2028. The project would exceed any Chinese AI campus currently operating. Cold climate, state-backed infrastructure and uncertain chip sourcing make the site a sovereign-compute experiment as much as a data center project. (Bloomberg, July 30)

19. Moonshot built Kimi on access to roughly 20,000 Nvidia chips: Moonshot has a compute agreement with Alibaba for a cluster reported to include H200-class processors, while US officials allege additional access to restricted Blackwell hardware through rental arrangements. Kimi's performance shows that open models can narrow the software gap, but the physical stack still depends heavily on scarce accelerators and cloud-scale access. (Bloomberg, July 31)

20. China turns domestic AI chips into a national mobilization: A Xi-backed committee is coordinating firms and laboratories across the semiconductor supply chain, while Huawei says foreign dependence fell from about 90% in 2021 to below 60% in 2025. Hardware remains behind the US, but export controls have accelerated substitution, packaging workarounds and state-directed demand for local accelerators. (Wall Street Journal, July 23)

21. The EU puts public capital behind seven AI gigafactories: The Commission invited proposals for as many as seven facilities backed by €10 billion of EU and member-state funding and roughly twice that amount of private capital. Only €2 billion is currently available, leaving execution dependent on the next budget. Europe is treating compute capacity as strategic infrastructure, not simply cloud procurement. (Bloomberg, July 30)

22. CyrusOne joins the data center IPO queue: KKR and BlackRock's GIP are preparing to interview banks for a possible 2027 offering after taking CyrusOne private for \$15 billion in 2022. Switch is pursuing a separate path that could value it above \$65 billion including debt. Public markets may soon receive a new set of scaled platform comps - and a large block of sponsor liquidity needs. (The Information, July 30)

23. Ohio rate anger moves data centers into the election: Electricity prices increased 19% over the prior year, more than twice the national rate, while a state survey found 71% support for a temporary construction ban. Candidates in both parties are demanding direct cost recovery, union labor or new generation. Social license is no longer a municipal permitting issue; it is statewide electoral risk. (Bloomberg, July 27)

24. Meta's Louisiana deal shows the cost of secrecy: The \$50 billion Hyperion project used confidential negotiations, tailored tax legislation and risk-sharing structures to move quickly in Richland Parish. Blue Owl and Entergy bear meaningful downside if Meta exits, and flood risk limited insurance availability. The model may accelerate construction, but it can transfer financial and political tail risk to investors and ratepayers. (New York Times, July 27)

5. The semiconductor trade loses \$2.2 trillion in July: The SOX index fell 21%, its worst month since October 2008, and every July session had at least a 2% intraday swing. The selloff reflected capex scrutiny, open-model competition and forced deleveraging even as hyperscaler spending remained intact. Strong physical demand and weak equity performance can coexist when expectations and positioning are extreme. (Bloomberg, August 2)

26. Compute scarcity produces a provocative 10x price scenario: One analysis argues that lab revenue is growing faster than physical compute supply, so the value of secure frontier capacity may rise even as chips improve. It cites spot prices more than 40% above February lows and strategic contracts near twice spot. The forecast is speculative, but the mechanism is a useful rent-follows-constraint stress case. (Dwarkanish Patel, July 29)

27. Commonwealth Fusion Systems raises another \$1 billion: The round brings total capital raised to about \$4 billion as CFS completes the SPARC demonstration machine and advances the ARC grid-scale plant planned for Virginia. Commercial fusion remains a 2030s option, not a near-term data center supply solution, but private investors continue to price firm, clean power as a strategic scarcity asset. (CFS, July 2026)

28. Federal land becomes the shortcut around local bottlenecks: Paducah and the Ohio enrichment-site project show a repeatable federal strategy: pair large tracts, government coordination and dedicated generation to avoid fragmented land assembly and some local permitting friction. The approach does not eliminate equipment, financing or community risk, but it creates a national lane for projects too large for ordinary utility development cycles. (DOE; Bloomberg; Wall Street Journal, July 2026)

29. Aligned reopens the data center ABS market with a 30% upside: Aligned Data Centers completed a \$1.183 billion asset-backed securitization, its first since 2023, after upsizing the deal roughly 30% from a \$905 million target. The notes carry a five-year anticipated repayment date and are collateralized by four campuses and 14 enterprise customers, with more than 90% of annualized adjusted base rent from investment-grade counterparties. Securitization is maturing into a repeatable funding channel alongside project bonds and private credit. (Aligned Data Centers, July 28)

WEEKLY ROUNDUP

30. FirstEnergy's contracted data center load jumps 50% in a quarter:

FirstEnergy now holds contracts to serve 6.4 GW of data center load by 2035, expects another 1.5 GW within weeks, and reports 24.8 GW of total demand including pipeline - about 70% of its July system peak. Mon Power and Potomac Edison are seeking approval for the \$2.7 billion Maidsville Energy Center, a 1,200 MW gas plant plus 70 MW of solar built mainly for a single data center, funded partly by a residential surcharge of about 2.3%. FirstEnergy estimates each GW of data center load requires roughly \$250 million of transmission and has asked FERC to assign those costs directly to data centers. (Utility Dive, July 30)

31. Texas approves co-location - and prices in full curtailability:

The PUCT approved a net metering arrangement for a 260 MW Crusoe AI data center behind a similarly sized wind farm, but required the site to curtail its full load within 30 minutes during grid emergencies, with physical breaker disconnection if necessary, and barred it from paid demand response tied to the arrangement. The first major test of SB 6 suggests ERCOT co-location now effectively requires full backup capacity. The pending Amazon-Vistra filing at Comanche Peak is the next test case. (Utility Dive, July 30)

32. FERC rules that blocking smart meter data distorts wholesale prices:

FERC granted a Voltus and Mission:data complaint against PJM on July 29, finding it unjust and discriminatory to require curtailment service providers to submit smart meter data that utilities do not actually make accessible - despite 86% meter penetration and nearly \$9 billion of metering investment. The proposed remedy would extend PJM's statistical sampling approach to metered customers when utilities withhold data, with implementation set for further briefing. It is the first time FERC has tied data blocking directly to distorted wholesale market prices. (FERC; Voltus; Mission:data, July 29)

Sources: Bloomberg; Wall Street Journal; The Information; Utility Dive; POWER; DCD; SemiAnalysis. Figures are announced or reported values and may change.

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