

May 2026.

An AI cluster can run on its own gas plant as regulators in several countries move on large-load rules

AI compute, data centres and the power behind them · covers 1 to 31 May 2026

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THE MONTH IN BRIEF

SpaceX's S-1 disclosed that its Colossus II cluster can run entirely on its own behind-the-meter gas plant, and that Anthropic has agreed to pay US\$1.25 billion a month for compute after a reduced-fee ramp, under agreements either side can end on 90 days' notice. NERC issued a Level 3 alert on data-centre loads, Korea passed its AI Data Center Special Act, China published a plan tying AI compute to clean power, and Tenaga Nasional reported about 1 GW of actual data-centre load on its system against about 4.5 GW of maximum demand.

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WHAT MOVED · 01 · POWER DEALS

SpaceX tells investors an AI cluster can run entirely on its own gas plant

6 to 20 May

SpaceX, which acquired xAI in February, filed its public S-1 on 20 May. It discloses that in May it signed agreements with Anthropic for compute across its Colossus and Colossus II clusters, under which Anthropic has agreed to pay US\$1.25 billion a month through May 2029, after capacity ramps up in May and June at a reduced fee, with either party able to end the agreements on 90 days' notice. The filing says Colossus II "is capable of operating entirely" on SpaceX's self-built, behind-the-meter, gigawatt-scale natural gas power plant, and that the company relies significantly on natural gas and gas turbines. The filing also discloses lawsuits alleging unpermitted turbine operation at Southaven, Mississippi, one of the Colossus II sites. Its AI segment spent US\$7.7 billion of capital in the first quarter. Anthropic's own announcement on 6 May described the deal as all of the compute at Colossus 1, more than 300 MW and over 220,000 NVIDIA GPUs, so the two companies describe its scope differently.

WHAT MOVED · 02 · GRID RULES

US grid reliability body and states move on large loads

4 to 14 May

NERC issued a Level 3 "Essential Actions" alert on 4 May setting out seven actions on how computational loads are modelled, commissioned and operated. The alert is not a reliability standard and creates no mandatory obligation to take the actions, but registered entities had to acknowledge it by 11 May and must report their status by 3 August. NERC said it is also developing a "Computational Load Entity" registration category, with draft criteria of 20 MW and greater, connected at 60 kV, and more than 1 MW of IT load. Pennsylvania's utility commission issued a final order in mid-May on a non-binding model tariff for customers above 50 MW individually or 100 MW in aggregate, according to Utility Dive. K&L Gates notes the threshold is measured on gross load, so on-site generation does not reduce a customer's load for the test. Florida's governor signed a law on 7 May directing tariffs so each large-load customer bears its full cost of service, and Virginia's governor signed bills on 14 May directing regulators to assign electricity costs to data centres.

WHAT MOVED · 03 · CHINA POLICY

China publishes a plan to tie AI compute to clean power

8 to 26 May

China's NDRC, National Energy Administration, MIIT and National Data Administration published an action plan on AI and energy on 8 May, dated 8 April. It calls for piloting gigawatt-class AI compute facilities built together with matching energy systems, exploring direct-connection supply of nuclear, hydrogen and other energy to compute facilities, grid-forming storage at compute sites, and using the green-power share as a reference indicator in siting. The plan sets goals for 2027 and 2030 but no numeric green-power or efficiency target. At a National Energy Administration meeting on 26 May, a report put China's 2025 computing-centre electricity use at 170 billion kWh, according to Xinhua.

WHAT MOVED · 04 · KOREA POLICY

Korea passes its AI Data Center Special Act

7 May

Korea's National Assembly passed the AI Data Center Special Act at plenary on 7 May. It creates a one-stop permit window with a deemed-approval rule after a set period, and exempts AI data centres in non-capital regions from the grid impact assessment within a power capacity range to be set by presidential decree. A clause allowing direct power purchases from LNG generators was dropped. The science ministry said the law is to take effect in February 2027.

WHAT MOVED · 05 · CHIPS AND EXPORT CONTROLS

NVIDIA's data-centre revenue reaches US\$75.2 billion and Vera Rubin ramps while H200 sales to China stay stalled

14 to 31 May

NVIDIA reported data-centre revenue of US\$75.2 billion for its quarter to 26 April, up 92% on a year earlier, and guided next-quarter revenue to US\$91.0 billion, assuming no data-centre compute revenue from China. It said no data-centre Hopper products shipped to China in the quarter, and its 10-Q said it had not generated any revenue under the H200 licensing programme. Reuters reported on 14 May, citing unnamed sources, that the US had cleared around ten Chinese companies to buy H200s but that no delivery had been made. On 31 May the Bureau of Industry and Security issued guidance that a licence is required to export advanced computing items to entities headquartered in Country Group D:5 countries or Macau, or whose ultimate parent is, wherever the entity is located, clarifying a requirement in place since November 2023. At its GTC Taipei keynote, in releases dated 31 May US time, NVIDIA said Vera Rubin is ramping into full production, with production shipments set to begin this autumn, and announced DSX MaxLPS, which it says lets operators run up to 40% more GPUs at their most energy-efficient operating point by combining 45°C liquid cooling with in-rack technologies that optimise performance per watt.

WHAT MOVED · 06 · REGIONAL DEMAND

Tenaga Nasional's figures show the gap between maximum demand and actual data-centre load

25 to 26 May

Tenaga Nasional's first-quarter results showed 36 data centres in its system with about 4.5 GW of maximum demand, against actual data-centre load of 1,054 MW in March 2026. Its analyst deck counts 59 projects and about 8.3 GW of secured maximum demand, including 13 projects under construction and 10 with signed supply agreements. Data-centre electricity use rose from 0.8 TWh in the first quarter of 2025 to 1.8 TWh a year later, and Peninsular Malaysia set a peak-demand record of 21,469 MW on 23 April.

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Power and policy

RBC Capital Markets put behind-the-meter natural gas generation announced by US data-centre developers at about 101 GW, of which more than 57 GW has publicly disclosed equipment orders and about 7 GW is under construction, while noting some projects may be speculative. DCD reported on 14 May, citing Wired and public records, that xAI had installed 19 more portable gas turbines at its Southaven, Mississippi site serving Colossus 2, bringing the total to 46 against 41 permitted in March. NextEra Energy and Dominion Energy agreed an all-stock combination on 18 May, citing more than 130 GW of large-load opportunities in their pipeline. Hitachi and X LABS agreed on 12 May to develop behind-the-meter energy parks for AI data centres in North America, with the first planned for the early 2030s.

In Australia, submissions on the AEMC's draft connection standards for large loads such as data centres closed on 7 May, and the AEMC said the final rule was due by 18 June. In a submission dated 14 May, AWS raised a sequencing concern, asking that the transition deadline be set at 12 months after AEMO publishes all three updated implementing instruments. In Japan, the communications ministry opened a call on 22 May for demonstration projects linking power and telecoms, including distributed data-centre operation and workload shifting.

MAY 2026

Capital and deals

Blackstone and Google announced on 18 May a company offering Google's TPUs as a cloud service, with an initial US\$5 billion equity commitment from Blackstone funds and the first 500 MW expected online in 2027. CoreWeave reported a revenue backlog of US\$99.4 billion, more than 1 GW of active power and over 3.5 GW contracted, and signed a further US\$3.1 billion delayed-draw term loan to finance GPU servers for customer contracts. Nebius said its contracted capacity exceeds 3.5 GW. Lambda closed a US\$1 billion credit facility, and Nscale secured US\$790 million of committed bank financing for its Narvik campus in Norway, with a further US\$790 million uncommitted accordion. In Australia, CDC signed a 555 MW contract with an unnamed US investment-grade customer on 5 May, for a term of 30 years including renewal options of up to 20 years. DigitalBridge agreed on 27 May to buy power investor ArcLight for up to US\$1.05 billion, conditional on SoftBank completing its purchase of DigitalBridge.

In South-East Asia, several financings were announced. Princeton Digital Group announced financing for its 120 MW JC3 campus in Indonesia on 7 May, a fully underwritten US\$456 million facility plus an accordion of about US\$400 million still in progress. DCI Indonesia disclosed a credit facility of up to IDR 17 trillion from BCA, and Digital Edge closed a US\$575 million holding-company loan on 22 May. DDSP closed a US\$283 million green financing for a planned 45 MW campus in Sedenak, Johor, which DCD reported is fully contracted to an unnamed hyperscale customer. Bloomberg reported, citing unnamed people, that AirTrunk was seeking a US\$2.3 billion loan for its JHB2 campus in Johor, and the Financial Times reported that DayOne planned a dual Singapore and New York listing. YTL Power reported 298 MW of data-centre capacity contracted at its Johor park and said it plans to expand the park from 600 MW to 1,000 MW, and NEXTDC launched KL1 in Petaling Jaya, designed for 65 MW of IT capacity.

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What it means for distributed inference and power-anchored compute

OUR READING

This section gives our own reading of the month's events. Vailinor builds power-anchored, behind-the-meter compute, so we have an interest in the question.

SpaceX told investors in a securities filing that its second Colossus cluster can run entirely on its own gas plant. RBC's count of on-site gas generation announced by US data-centre developers, which it says may include speculative projects, shows the distance between announcement and construction: about 101 GW announced, more than 57 GW with equipment ordered and about 7 GW being built.

The rules around large loads are being written in several places at once. NERC is treating data-centre loads as a reliability question after customer-initiated large load reductions and significant oscillations, Pennsylvania's model tariff measures its large-load threshold on gross load, China's plan points toward direct-connect supply to compute sites, and Korea's law kept its grid-assessment exemption but dropped direct purchases from LNG generators.

Capacity on paper kept running ahead of power in use. The 36 data centres on Tenaga Nasional's system drew about 1 GW in March against about 4.5 GW of maximum demand, and CoreWeave reported more than 1 GW of active power against over 3.5 GW of contracted power. On the demand side, Google said it now processes more than 3.2 quadrillion tokens a month, about seven times a year earlier, and OpenAI began selling one- to three-year guaranteed capacity, with Sam Altman saying customers want certainty on capacity. The month's one signal on distributed inference came from Japan, whose communications ministry invited demonstrations of distributed data-centre operation and workload shifting between sites.

MAY 2026

What to watch in June

ON THE WATCH LIST

- The AEMC's final rule on large-load connection standards, due by 18 June.
- A FERC proposal on nationwide large-load interconnection rules, which RBC Capital Markets says is expected in June.
- The presidential decree setting the size limit for Korea's grid-assessment exemption.
- Whether any H200 deliveries into China take place.
- Whether DayOne and AirTrunk move from reported plans to filings and signed financing.

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ABOUT THIS REPORT

This report was prepared by Vailinor Analysts to help people better understand the AI and energy spaces, and the places where the two meet: power for data centres, the chips that set how much power they draw, and the money and policy behind both. It covers May 2026 only and is written as at the end of that month. Every figure comes from the public sources listed above, as reported by the companies, regulators and publications named, and forecasts are attributed to whoever made them. Nothing in it is investment advice.