

June 2026.

FERC puts co-location on the table in grid rule reviews as dedicated power deals grow

AI compute, data centres and the power behind them · covers 1 to 30 June 2026

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THE MONTH IN BRIEF

FERC ordered six US grid operators to justify or rewrite their rules for connecting large loads, with co-location and behind-the-meter generation among the reform areas for five of them, and Chevron agreed a 20-year deal to supply a Microsoft data centre from a planned co-located gas plant of about 2.67 GW. SpaceX listed with AI compute first among its uses of proceeds, Korea set out an 18.4 GW AI data-centre plan with at least 8 GW of power pledged, and China's new energy plan pushes computing centres toward green-power direct connections.

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On 18 June the Federal Energy Regulatory Commission issued show-cause orders to PJM, MISO, SPP, CAISO, ISO-NE and NYISO.

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SpaceX, which includes xAI, completed its IPO on 15 June, raising about US\$85.7 billion of net proceeds on the prospectus estimate, with the underwriters' option taken up in full.

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WHAT MOVED · 01 · GRID RULES

FERC tells six US grid operators to justify or rewrite their large-load rules

9 to 18 June

On 18 June the Federal Energy Regulatory Commission issued show-cause orders to PJM, MISO, SPP, CAISO, ISO-NE and NYISO. Each grid operator and its transmission owners has 60 days to show that their current tariffs for connecting data centres and other large loads remain just and reasonable, or to file changes, and 30 days to report how they will ensure adequate generation. Accommodating co-location agreements and behind-the-meter generation is one of the reform areas in five of the six orders; PJM's order leaves co-location out, as PJM co-location is being handled in a separate proceeding. FERC chose region-by-region orders over a single national rule and left its large-load rulemaking docket open. Earlier, on 9 June, FERC approved PJM's temporary fast track for up to ten new generation projects a year of at least 250 MW that can come online within three years. In Texas, the Public Utility Commission approved ERCOT's "Batch Zero" study process for new loads of 75 MW or more on 18 June, with ERCOT tracking more than 438,000 MW of large-load requests, nearly 89% of them from data centres, according to Sheppard Mullin.

WHAT MOVED · 02 · POWER DEALS

Chevron signs a 20-year deal to power a Microsoft data centre from a co-located gas plant

22 June

Chevron signed an agreement with Microsoft to develop Project Kilby, a co-located gas-fired plant in West Texas of about 2.67 GW that would supply dedicated electricity to a Microsoft-operated data centre under a 20-year power purchase agreement. Chevron expects a final investment decision by the end of 2026 and first power in 2028, and says it is targeting mid-teen returns. Chevron's release describes the plant as co-located and supplying power directly to Microsoft, but does not say whether the site will also connect to the grid. All capacity and timing figures are Chevron's projections.

WHAT MOVED · 03 · AI COMPUTE

SpaceX lists, with AI compute first among the uses of proceeds

5 to 23 June

SpaceX, which includes xAI, completed its IPO on 15 June, raising about US\$85.7 billion of net proceeds on the prospectus estimate, with the underwriters' option taken up in full, and listed the expansion of its AI compute infrastructure first among the uses. Its prospectus says the Colossus and Colossus II data centres provide about 1.0 GW of compute power, a nameplate figure, and were brought online almost entirely through on-site generation that SpaceX built itself, and that Colossus II is expected to be powered primarily by a dedicated gas plant. A filing on 5 June disclosed an agreement to provide Google with compute including about 110,000 NVIDIA GPUs for US\$920 million a month from October 2026 to June 2029, which either party can end on 90 days' notice after 31 December 2026. SpaceX also priced US\$25 billion of bonds on 23 June.

WHAT MOVED · 04 · KOREA POLICY

Korea sets out an 18.4 GW AI data-centre plan to 2035

9 to 29 June

On 29 June the Korean government announced a plan for 8.4 GW of AI data-centre capacity by 2029 and a further 10 GW by 2035, with SK, GS and Naver named for the first phase, according to Korean press. The climate and energy minister said the state would supply at least 8 GW of power on time to AI data centres outside the Seoul region and introduce a dedicated electricity tariff for them. These are government plans and company intentions, not approved projects. The AI Data Center Special Act, passed by the National Assembly on 7 May, was promulgated on 9 June, and on 18 June the science ministry launched a study group to draft the act's subordinate regulations, including the terms of the grid-assessment exemption for AI data centres below a certain size outside the capital region.

WHAT MOVED · 05 · CHINA POLICY

China pushes computing centres toward green-power direct connections

25 June

China's NDRC and National Energy Administration published the 15th Five-Year Plan for the New Energy System on 25 June, in a notice dated 13 June. It names computing centres first among the users it will promote to build green-power direct-connection projects, calls for co-planning large renewable bases with the national computing hubs, and targets a 25% non-fossil share of energy consumption and a 50% non-fossil share of generation by 2030. The plan sets no megawatt threshold or deadline for the direct-connection clause.

WHAT MOVED · 06 · MEMORY

Micron posts a record quarter as DRAM revenue surges

1 to 24 June

Micron reported fiscal third-quarter revenue of US\$41.46 billion on 24 June, against US\$9.30 billion a year earlier, guided the next quarter to US\$50 billion, and said HBM4 is in high-volume shipments for its lead customer. TrendForce estimated first-quarter DRAM industry revenue at US\$97 billion, up 81% on the previous quarter, and forecast a further 58% to 63% rise in conventional DRAM contract prices in the second quarter.

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Power and policy

In Malaysia, Deputy Prime Minister Fadillah Yusof told Parliament on 24 June that Johor's raw water abstraction is 2,052 million litres a day and that 12 million litres a day of reclaimed water is being supplied for data-centre cooling, and said the next day that the government is studying a national water reclamation policy. He said Malaysia produces 48.5 million litres a day of reclaimed water and targets 118 million litres a day by 2030 for industrial use. MIDA reported on 8 June that RM34.6 billion of data-centre and cloud investment across 33 projects was approved in the first quarter, and said its Data Centre Task Force is "now highly selective". Malaysian Customs said on 26 June it had seized 72 servers containing advanced AI chips valued at RM52.92 million at KLIA on 5 June, under the Strategic Trade Act. The case is under investigation.

In Australia, the AEMC extended its deadline for the final rule on connection standards for large loads such as data centres from 18 June to 29 October. IREN signed a transmission connection agreement on 3 June expected to support up to 800 MW at Bunday in South Australia, with energisation from 2028 subject to conditions, and the South Australian government released a data-centre strategy on 23 June that proposes dedicated legislation. In Japan, a trade ministry draft put to an advisory committee on 5 June estimated that nuclear rebuilds equal to about two to five reactors would be needed by the 2040s.

Lawrence Berkeley National Laboratory's 2025 update to its US data-centre energy report, published in June, estimates data centres could use 11.8% of US electricity by 2030 in its reference case, within a range of 9.5% to 15.3%, against a range of 6.7% to 12.0% by 2028 in its previous report. These are LBNL projections.

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Capital and deals

Apollo said on 9 June it is leading an initial US\$35 billion financing for Broadcom's AI XPV Platform, which is designed to enable more than 20 GW of compute for frontier AI labs through 2028, with the first transaction supporting Anthropic's previously announced expansion of more than 1 GW. Oracle reported fiscal 2026 cash capital expenditure of US\$55.7 billion and remaining performance obligations of US\$638 billion, of which it expects to recognise about 12% as revenue in the next twelve months, and said it expects to raise about US\$40 billion in fiscal 2027. It said it is building data centres that are intended to use natural gas fuel cells. FuelCell Energy agreed up to 380 MW of on-site fuel-cell power for data centres with Fit Energy, with a deposit on an initial 30 MW. In debt markets, CoreWeave sold unsecured notes at 9.625% in dollars and 8.5% in euros, while Applied Digital priced US\$1.59 billion of 7% senior secured notes to fund a 150 MW building and a subsidiary of Cipher priced US\$810 million of 6% senior secured notes for its Stingray facility.

In South-East Asia, BDx announced on 3 June power arrangements with PLN across three Indonesian campuses, which it describes as 1.2 GW in total. The site figures are grid connection ratings: 788 MVA contracted, about 60 MVA energised and up to 385 MVA secured, and an IQPlus report dates the signing of the power supply agreement to 19 May. DayOne announced on 4 June renewable supply contracts with two TNB units under Malaysia's CRESS scheme, covering about 1.5 GWp of solar and 2.2 GWh of battery storage. Firmus announced on 29 June a 360 MW NVIDIA AI factory campus in Batam being developed with DayOne, with up to 170,000 NVIDIA accelerators over 2027 and 2028 and US\$25 billion to US\$30 billion of offtake it expects over six years, which are Firmus projections. Reuters reported on 19 June, citing unnamed sources, that Abu Dhabi's MGX was exploring a purchase of DayOne. PLDT's data-centre unit VITRO filed on 20 June for a REIT listing covering about 24 MW of IT-ready capacity across eight data centres, which PLDT says would be the Philippines' first digital infrastructure REIT.

Elsewhere in Asia, Reliance said on 10 June it will build a 168 MW data centre in Jamnagar for Meta within two years, powered by renewable energy. NVIDIA said on 7 June that SK Telecom plans a gigawatt-scale AI cloud in Korea with its first site in 2027, and that NAVER will expand from 55 MW toward gigawatt scale. Blackstone's president told Nikkei the firm plans to invest about US\$30 billion in Japanese AI data centres over three to five years, according to Reuters.

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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.

FERC's orders put co-location and behind-the-meter generation among the reform areas for five of the six grid operators it regulates, with PJM co-location handled in a separate proceeding. The orders are not rules, and the grid operators' responses fall due over the summer, but they move the question of how a data centre with its own plant connects to the grid into formal tariff proceedings.

Several June announcements involved generation dedicated to a single data-centre customer. Chevron has agreed to develop a co-located gas plant for Microsoft under a long-term contract, SpaceX says its clusters came online almost entirely on its own generation, and Oracle says it is building data centres intended to run on gas fuel cells. In South-East Asia, two of the largest power announcements in June were stated in other units: BDx's figures are grid connection ratings in MVA, which BDx adds up to 1.2 GW, and DayOne's are solar capacity in GWp. Neither is the same as the megawatts a data centre draws.

Korea's June steps bear on putting compute where power is. Its AI Data Center Special Act exempts AI data centres below a certain size outside the capital region from the grid impact assessment, with the terms still being drafted, and its 29 June plan pledges at least 8 GW of power for AI data centres in regions outside Seoul.

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What to watch in July

ON THE WATCH LIST

- The grid operators' 30-day reports to FERC on how they will ensure adequate generation for large loads.
- ERCOT's Batch Zero provisions, which take effect on 11 July.
- Progress on Korea's subordinate regulations for the AI Data Center Special Act, including the grid-assessment exemption.
- Japan's final GX Strategic Zone designations, which the trade ministry said would come around summer.

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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 June 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.