

July 2026.

PJM's auction falls short and new large loads are asked to bring their own capacity

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

6

DEVELOPMENTS

50

PUBLIC SOURCES

8

PAGES

THE MONTH IN BRIEF

PJM's capacity auction cleared at its price cap and short of its reliability requirement, and its board proposed that new large loads without their own capacity take a curtailable service. Alphabet and Amazon raised their spending plans, Amazon partly on memory prices, while TSMC said packaging capacity now limits its customers' growth.

TOP THREE

1

GRID RULES · 14 TO 27 JULY

Page 2

PJM's auction comes up short and its board moves to make new large loads bring capacity

PJM's 2028/29 capacity auction, announced on 14 July, cleared 138,318 MW at the price cap of US\$325 per MW-day and fell 6,831 MW short of the reliability requirement.

2

HYPERSCALER SPENDING · 22 TO 31 JULY

Page 2

Alphabet and Amazon raise capex guidance, Amazon citing memory prices

Alphabet raised its 2026 capital expenditure guidance to between US\$195 billion and US\$205 billion on 22 July, SiliconANGLE reported.

3

POWER DEALS · 2 TO 29 JULY

Page 3

Campuses tie up dedicated power in different ways

Pembina and its partners announced in early July a final investment decision on the 932 MW Greenlight gas plant in Alberta under a tolling agreement, and Meta was named on 8 July as the customer for a data centre nearby.

ALSO IN THIS REPORT

Chips and memory. TSMC raises capex and says packaging capacity limits its customers	Page 3
Regional policy. Asian governments and operators set new targets	Page 4
Grid policy. Australia moves to make data centres bring new renewables	Page 4
Section. Power and policy	Page 5
Section. Capital and deals	Page 5
Section. What it means for distributed inference and power-anchored compute	Page 6
Section. What to watch in August	Page 6

WHAT MOVED · 01 · GRID RULES

PJM's auction comes up short and its board moves to make new large loads bring capacity

14 to 27 July

PJM's 2028/29 capacity auction, announced on 14 July, cleared 138,318 MW at the price cap of US\$325 per MW-day and fell 6,831 MW short of the reliability requirement. PJM's own simulation without the cap put the clearing price at US\$554.72 per MW-day across most of the region. On 27 July PJM's board directed a filing at FERC for a reliability backstop procurement starting in September 2026, with an initial target equal to the auction shortfall, and an "Interim Resource Adequacy Service", run by electric distributors, under which new large loads that, as of 1 June 2027, do not bring sufficient capacity and cannot otherwise be served at the 1-in-10 reliability standard can be told to reduce load, with compensation, before pre-emergency load management. The board's letter said new large-load demand is projected to grow by about 70 GW by 2038. These were proposals in July. All six regional grid operators under FERC also filed reports on large loads on 20 July. A memo by NEPOOL's counsel says ISO-NE proposed a "bring your own new generation" requirement and MISO said it would file an agreement for generation that serves only load at the same substation and does not inject onto the wider transmission system.

WHAT MOVED · 02 · HYPERSCALER SPENDING

Alphabet and Amazon raise capex guidance, Amazon citing memory prices

22 to 31 July

Alphabet raised its 2026 capital expenditure guidance to between US\$195 billion and US\$205 billion on 22 July, SiliconANGLE reported. Meta narrowed its range, including finance-lease principal payments, to US\$130 billion to US\$145 billion. Amazon said it now expects about US\$220 billion of capex in 2026, with higher memory prices pushing the figure up from about US\$200 billion. Microsoft said its calendar-2026 expectation is now about US\$175 billion, but only because a change in data-centre useful life moves future leases from finance to operating leases, and that its underlying expectations were unchanged. Their filings also showed leases entered into but not yet started as at 30 June, mostly for data centres: about US\$329.1 billion at Microsoft (some still subject to contractual conditions), US\$279 billion at Meta, US\$137 billion at Amazon (all lease types) and US\$85.2 billion at Alphabet. All guidance figures are the companies' projections, and their capex measures are defined differently.

WHAT MOVED · 03 · POWER DEALS

Campuses tie up dedicated power in different ways

2 to 29 July

Pembina and its partners announced in early July a final investment decision on the 932 MW Greenlight gas plant in Alberta under a tolling agreement, and Meta was named on 8 July as the customer for a data centre nearby. The plant is due to start in the second half of 2030, and the first phase of the campus will draw 970 MW from the grid under contract in the meantime, Alberta's minister said. Kodiak and Baker Hughes signed a framework on 8 July for gas turbines for behind-the-meter data-centre power, with an initial award for about 1 GW by 2030 and a path to 1.8 GW. On 20 July the National Nuclear Security Administration selected Amentum to negotiate a lease at the Savannah River Site for a 1 GW data centre with about 2 GW of on-site generation, natural gas first and later nuclear; selection is not a final lease award. On 29 July the Department of Energy announced it had selected Brookfield to develop and operate a data-centre campus at its Paducah site in Kentucky and NextEra to build and own the energy infrastructure. NextEra plans 2 GW of new grid-connected gas generation and up to 2.6 GW of battery storage for the 1.8 GW campus, and the power service agreement needs Kentucky Public Service Commission approval.

WHAT MOVED · 04 · CHIPS AND MEMORY

TSMC raises capex and says packaging capacity limits its customers

3 to 30 July

TSMC raised its 2026 capital budget to US\$60 billion to US\$64 billion on 16 July and guided full-year revenue growth to slightly above 40% in US dollar terms, both company projections. C.C. Wei said its packaging capacity "is so tight that now it limits my customers' growth". SK hynix reported a 76% operating margin, said it began mass shipments of HBM4 in the second quarter and has long-term agreements with around 10 customers. Samsung said that despite efforts to increase memory production, supply constraints are expected to continue. TrendForce forecast on 3 July that third-quarter conventional DRAM contract prices would rise 13% to 18%, with weaker consumer demand moderating the increase.

WHAT MOVED · 05 · REGIONAL POLICY

Asian governments and operators set new targets

5 to 16 July

SK Telecom announced on 5 July a plan for up to 15 GW of AI data-centre capacity in Korea (by 2035, The Korea Times reported), with about 5 GW opening in stages from 2029, estimating that a 1 GW-class facility costs about KRW 70 trillion and citing Korea's nuclear and LNG-based power supply. In India, Gujarat launched a data-centre policy on 9 July that limits incentives to projects of at least 150 MW of IT load, requires at least 51% of power for core operations to come from green sources, and offers a power tariff subsidy of Re 1 a unit for 20 years; its capacity target is reported as 7.5 GW by trade press and up to 8 GW by the government broadcaster. In Japan, NVIDIA said on 16 July it is working with Noetra to launch a 140 MW AI factory with 27,500 Rubin GPUs, and TechCrunch reported that the government assembled about 44 Japanese companies for the project, with SoftBank, Sony, NEC and Honda at the core.

WHAT MOVED · 06 · GRID POLICY

Australia moves to make data centres bring new renewables

15 to 28 July

Australia's energy ministers agreed on 28 July, with Queensland and the Northern Territory not joining, to pursue rules requiring data centres to offset their demand with new renewables, acting on advice from the AEMC, AAP reported. National rule changes were to be considered in September. On 15 July Prime Minister Anthony Albanese said national standards would set clear rules for large data centres, including their power and water use, Reuters reported.

JULY 2026

Power and policy

The White House said on 23 July that more than 200 additional utilities, data-centre developers, cooperatives and states had joined its Ratepayer Protection Pledge, which it said now covers 80% of power delivered to US homes and businesses, a White House figure. Mississippi's environment agency set a schedule on 30 July for xAI to retire 69 temporary gas turbines in Southaven, allowing 13 of them to run past the original 12-month deadline, with xAI citing supply-chain delays to 41 permanent, permitted turbines.

In Malaysia, the energy ministry said in a written parliamentary answer that, as of the first quarter, TNB supplies 36 operating data centres with planned supply capacity of about 4.5 GW and has met demand for 23 more under construction with maximum demand of 3.8 GW, and projected data centres at up to 31% of electricity demand by 2035. On 16 July the deputy trade minister told Parliament that data centres are approved only where there is surplus power and water capacity. Singapore opened consultation on 1 July on a draft Digital Infrastructure Bill that would require a licence, tied to sustainability standards such as energy efficiency, for data centres of 3 MW of critical IT load and above, and a separate security and resilience licence for cloud and co-location data centres of 10 MW and above.

JULY 2026

Capital and deals

AirTrunk secured US\$2.325 billion of green financing for its JHB2 campus in Johor from 30 lenders on 29 July. IFC was one of the lead arrangers, in AirTrunk's first financing from the institution, and on 13 July it had disclosed a proposed package of up to US\$175 million in debt and equity for JHB1 and JHB2; the releases do not say how the two relate. Reports citing unnamed sources said AirTrunk had filed confidentially for a Singapore REIT listing of about US\$1.5 billion. Knight Frank put Johor's incoming data-centre pipeline at 8,542 MW with 0.7% co-location vacancy, consultant estimates that are not contracted power.

AMD and Anthropic announced on 22 July a partnership to deploy up to 2 GW of AMD GPUs, with the first gigawatt from the first half of 2027, and AMD committed to an equity investment of up to US\$5 billion in Anthropic in the future. Nebius entered into its first senior secured facility, of about US\$775 million, backed by GPUs deployed for an investment-grade customer and that customer's contracted cash flows, and priced at SOFR plus 2.50%. Meta announced on 28 July a venture for its 1 GW El Paso campus in which funds managed by BlackRock will own 80% and Meta 20%, with about US\$14 billion of development costs and US\$12.5 billion of debt financing.

JULY 2026

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.

PJM's board proposal would tie firm service for new large loads to bringing new capacity, though FERC had not ruled on it by the end of July, and ISO-NE and MISO proposed tools of their own. Enverus forecast on 21 July about 62 GW of new data-centre capacity in the Lower 48 states through 2030, and estimated that behind-the-meter projects will account for roughly 40% of installed capacity by then. Both are its projections.

The dedicated power arrangements in the July news differ in when the dedicated supply arrives and what supplies the campus until then. Meta's Alberta campus starts on grid power while its tolled gas plant is built, the Savannah River project plans on-site gas before nuclear, and xAI was given a schedule to retire its temporary turbines while its permanent permitted plant is delayed.

Duos Edge AI signed a five-year, 10 MW contract on 16 July with an unnamed investment-grade hyperscaler at its campus in Columbus, Georgia. Its filing on the purchase of that property, a separate transaction, shows it will pay the seller US\$5 million for each additional 5 MW of power the seller delivers to the site, up to US\$15 million over three years. On the demand side, Alphabet said on 22 July that its Gemini models now process 22 billion API tokens a minute.

JULY 2026

What to watch in August

ON THE WATCH LIST

- Responses to FERC's 18 June show-cause orders, due on 17 August unless FERC grants a pause. MISO said it would ask for one, and CAISO said it would make its filing on 16 November.
- PJM's separate filing at FERC on the interim service for new large loads, planned for on or around 7 August.
- Next steps on Singapore's Digital Infrastructure Bill after the consultation closed on 22 July.
- Whether H200 shipments to China, which a US official called "trivial" on 14 July, increase.

REFERENCE

Sources

1. PJM Interconnection, "PJM Capacity Auction Procures 138,318 MW of Generation Resources as Work Continues To Address Growing Electricity Demand", 14 July 2026. [pjm.com](https://www.pjm.com)
2. PJM Interconnection, 2028/2029 Base Residual Auction Report, 14 July 2026. [pjm.com](https://www.pjm.com)

3. PJM Board of Managers, decisional letter on Reliability Backstop Procurement and Connect and Manage, 27 July 2026. pjm.com
4. Day Pitney (NEPOOL counsel), Summary of ISO/RTO Informational Reports on Resource Adequacy for Large Loads, 23 July 2026. iso-ne.com
5. Foley & Lardner, "FERC Issues Six Tailored 'Show Cause' Orders to Accelerate Large Load Interconnection", 30 June 2026. foley.com
6. Alphabet, "Alphabet Announces Second Quarter 2026 Results" (Form 8-K, Exhibit 99.1), 22 July 2026. sec.gov
7. SiliconANGLE, "Alphabet's stock sinks after it bumps up AI infrastructure spending yet again", 22 July 2026. siliconangle.com
8. Meta Platforms, "Meta Reports Second Quarter 2026 Results" (Form 8-K, Exhibit 99.1), 29 July 2026. sec.gov
9. Amazon, "Amazon.com Announces Second Quarter Results" (Form 8-K, Exhibit 99.1), 30 July 2026. sec.gov
10. CNBC, "Amazon hikes 2026 capex to \$220 billion due to higher memory costs", 30 July 2026. cnbc.com
11. Microsoft, Fiscal Year 2026 Fourth Quarter Earnings Conference Call transcript, 29 July 2026. microsoft.com
12. Microsoft, Form 10-K for the fiscal year ended 30 June 2026, 29 July 2026. sec.gov
13. Meta Platforms, Form 10-Q for the quarter ended 30 June 2026, 30 July 2026. sec.gov
14. Amazon, Form 10-Q for the quarter ended 30 June 2026, 31 July 2026. sec.gov
15. Alphabet, Form 10-Q for the quarter ended 30 June 2026, 23 July 2026. sec.gov
16. Pipeline & Gas Journal, "Pembina Reaches FID on \$3.2 Billion Alberta Gas Power Project for Data Center", 3 July 2026. pgjonline.com
17. Associated Press via Spectrum News NY1, "Meta plans billions for first AI data center in Canada, largest outside the US", 9 July 2026. ny1.com
18. The Canadian Press via BNN Bloomberg, "Meta data centre in Alberta to start up ahead of adjacent Greenlight power plant", 10 July 2026. bnnbloomberg.ca
19. US Department of Energy, National Nuclear Security Administration, "NNSA Selects Amentum for AI Data Center and Energy Project at Savannah River Site", 20 July 2026. energy.gov
20. US Department of Energy, "Energy Department Announces Partnership to Expand Reliable, Affordable Energy Access and Power America's AI Future in Western Kentucky", 29 July 2026. energy.gov
21. Kodiak Gas Services, "Kodiak Gas Services, Baker Hughes Announce Multi-Year Gas Turbine Order Agreement to Support U.S. Data Center Growth", 8 July 2026. kodiakgas.com
22. Meta Platforms, "Meta Announces New Strategic Venture with BlackRock to Develop Data Center in El Paso", 28 July 2026. investor.atmeta.com
23. TSMC, "TSMC Reports Second Quarter EPS of NT\$27.25", 16 July 2026. pr.tsmc.com
24. TSMC, Q2 2026 earnings call transcript, call of 16 July 2026 (copy posted August 2026). investor.tsmc.com
25. SK hynix, "SK hynix Announces 2Q26 Financial Results", 29 July 2026. news.skhynix.com
26. Samsung, "Samsung Electronics Announces Second Quarter 2026 Results", 30 July 2026. news.samsung.com
27. TrendForce, "AI Server Demand Continues to Support Memory Prices in 3Q26, but Gains Moderate as Consumer Demand Weakens", 3 July 2026. trendforce.com
28. SK Telecom, "SK Telecom Pursues 15GW AI Data Center Buildout, Aiming to Become Asia's AI Infrastructure Hub", 5 July 2026. sktelecom.com
29. The Korea Times, "SK Telecom plans 15GW AI data center buildout across Korea by 2035", 5 July 2026. koreatimes.co.kr
30. News On AIR, "Gujarat aims to become India's leading data centre and AI hub", 9 July 2026. newsonair.gov.in
31. Indian Infrastructure, "Gujarat government launches Data Centre Policy 2026-29", 10 July 2026. indianinfrastructure.com
32. NVIDIA, "Japan Government, Industrial Leaders and NVIDIA Launch the World's First National AI Infrastructure", 16 July 2026. investor.nvidia.com
33. TechCrunch, "What to watch for after Jensen Huang's Japan visit", 19 July 2026. techcrunch.com
34. The Canberra Times (AAP), "Power struggle: data centre energy rules spark concerns", 29 July 2026. canberratimes.com.au
35. New Straits Times (Reuters), "Australia to establish government AI office, curb data centres' water use", 15 July 2026. nst.com.my
36. The White House, "President Trump's Ratepayer Protection Pledge Secures American AI Dominance, Protects Consumers", 23 July 2026. whitehouse.gov
37. Mississippi Today, "State sets dates to retire temporary xAI turbines but allows some to go past original deadline", 31 July 2026. mississippitoday.org
38. Malay Mail, "TNB powering 36 data centres as of Q1 2026, says Energy Ministry", 7 July 2026. malaymail.com
39. Bernama, "Government To Approve Data Centre Projects Only If Energy, Water Supply Are Sufficient -- MITI", 16 July 2026. bernama.com
40. Ministry of Digital Development and Information, Singapore, "Public Consultation on Digital Infrastructure Bill", 1 July 2026. mddi.gov.sg
41. AirTrunk, "AirTrunk secures US\$2.325b green financing to support sustainable digital infrastructure growth in Malaysia", 29 July 2026. airtrunk.com
42. IFC, Summary of Investment Information, AirTrunk Johor (project 52336), disclosed 13 July 2026. ifc.org
43. W.Media, "AirTrunk targets September, October US\$ 1.5 billion REIT listing in Singapore: Reports", 16 July 2026. w.media

44. The Edge Malaysia, "Johor leads Asia-Pacific data centre pipeline as Klang Valley sees 1H2026 investment rebound, says Knight Frank", 30 July 2026. theedgemaalaysia.com
45. AMD, "AMD and Anthropic Announce Strategic Partnership to Deploy up to 2 Gigawatts of AMD Instinct MI450 Series GPUs", 22 July 2026. newsroom.amd.com
46. Nebius, "Nebius raises \$775 million in first secured debt financing to accelerate global buildout" (Form 6-K, Exhibit 99.1), 17 July 2026. sec.gov
47. Enverus, "Off the grid, on the gas: EIR predicts 62 GW of new data center capacity in Lower 48 through 2030", 21 July 2026. enverus.com
48. Duos Technologies via GlobeNewswire, "Duos Edge AI Signs Five-Year, 10 MW Colocation Agreement with Investment-Grade Hyperscaler Valued at \$111 Million in Contracted Revenue", 16 July 2026. finviz.com
49. Duos Technologies Group, Form 8-K, filed 20 July 2026. sec.gov
50. Guancha, report on US testimony on H200 shipments (Chinese), 15 July 2026. guancha.cn

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 July 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.