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Datacenter Development Review

Q3 2026 selected developments and Q4 watchpoints

Inaugural partial-period baseline. Assessment through October 6, 2026.

Highlights

- September brought visible development milestones at three selected datacenter projects, but no reviewed case shows energized, commissioned or operating capacity.
- The hard questions remain project-specific: state permits and onsite power at Project Phoenix, litigation and utility delivery at Grayslake, and the boundary between site work and building construction in Cameron County.
- CBRE's H1 2026 market context shows tight primary-market capacity and strong net absorption, but it is first-half market context, not a Q3 demand measurement and not proof that any selected project will deliver on schedule.

Summary

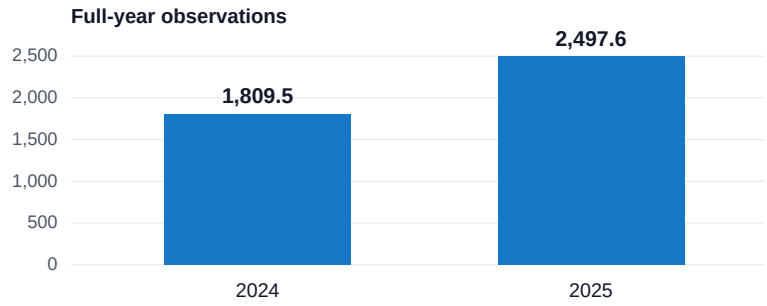
September made several selected datacenter projects more tangible, but the evidence still stops short of completed capacity. Aligned's Project Phoenix in Shippingport, Pennsylvania, held a groundbreaking while its state permit stack remained open. In Grayslake, Illinois, the Village issued a first-building permit for the T5 / Cornerstone campus while litigation and infrastructure questions persisted. Cameron County, Texas, authorized site improvements for Fluidstack's campus, but that permission does not authorize building construction. Texas then directed a pause in state environmental permit issuance pending a review by its grid operator, ERCOT.[2–7]

We use these geographically diverse projects as illustrative cases because their documented milestones and unresolved conditions show how power availability, permitting and local infrastructure affect development in different jurisdictions. They are not a representative sample of the overall market. They do make concrete several constraints identified in CBRE's broader market assessment.[1,4–10] A sponsor can advance land development or site work while still lacking the approvals, utility obligations or infrastructure needed for operation. The next useful evidence is the clearing of those remaining conditions, not a larger announced campus total.

The market context is tight. CBRE's H1 2026 report, released during Q3, recorded 1.4% vacancy and 80.4% preleasing of under-construction capacity across its primary markets.[1] Those figures describe the first half, not measured third-quarter demand. They help explain the pressure to build; they do not establish that the projects examined here will deliver on schedule.

Growth in occupied datacenter capacity

Net absorption in CBRE's primary North American markets, MW



H1 2026

1,456.2 MW

Six months only

Not annualized

Newly occupied capacity minus capacity vacated; not construction, power use or AI-only demand.
Source: CBRE H2 2025 and H1 2026 executive summaries [16,1]; Salience Path analysis.
CBRE-reported primary-market totals; annual and half-year periods differ. Accessed October 6, 2026.

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Observations

1. Third Quarter Environment

Tight market conditions, harder approval tests

CBRE's August 27 report put total datacenter capacity in its primary markets at 10,903 MW. Net absorption—the increase in occupied capacity after subtracting capacity vacated by existing users—was 1,456.2 MW in H1 2026. It reported record-low vacancy despite expanded supply, and identified power availability, infrastructure delivery and local approval as major development constraints.[1] This is a market assessment published in Q3 using earlier-period observations. We therefore describe strong absorption and limited availability, rather than claim a newly established Q3 record for demand.

The quarter also brought concrete policy changes. Pennsylvania's GRID framework added legally enforceable commitments and local-approval requirements to the datacenter permitting process, with different review sequencing for developers that do not agree to GRID. Texas's September 21 direction instructed its environmental regulator, TCEQ, to pause datacenter permit issuance until ERCOT completed its review, with a compliance update due October 19.[2,3]

The Texas letter also set out infrastructure-cost, water-reporting and community-protection expectations. Its proposal to eliminate financial incentives was a stated legislative intention, not an enacted incentive repeal.[2]

For developers, these measures add conditions to the path between planned investment and usable capacity. They do not establish a uniform national policy, and their effect on individual projects must be demonstrated. In particular, the sources reviewed do not establish that Fluidstack suffered a project-specific delay because of the Texas direction.

2. Siting and Regional Divergence

Three sites, different remaining conditions

The selected cases offer a comparison of development pathways, not a ranking of regional markets.

Site	Q3 evidence of progress	Remaining condition or adverse evidence	Current reading
Project Phoenix, Shippingport, Pennsylvania	August municipal minutes recorded completed hydraulic modeling and revised land-development plans under review; Aligned announced a September 10 groundbreaking.	State permit items remained pending or not yet submitted; the Phase 1 blasting application was listed as Withdrawn at the October 6 check. Its exact withdrawal date and reason remain unresolved.	Local engineering and public execution activity coexist with an incomplete approval stack.
T5 / Cornerstone, Grayslake, Illinois	September 1 Village notice announced the first-building permit for an 800,000-square-foot structure and immediate site work.	Litigation is acknowledged in official Village material; court orders, permit conditions and power-delivery agreements remain unverified in the sources reviewed.	A documented building-permit milestone, with later approvals and operating readiness still unproven.
Fluidstack, Cameron County, Texas	September 10 county notice authorized site improvements before building construction.	Building permits, drainage/wastewater documentation and project-specific state/utility exposure remain unresolved.	Site preparation is supported; full construction and power readiness are not established.

Sources: Aligned, PA DEP, Shippingport Borough, Village of Grayslake and Cameron County; assessment through October 6, 2026.[4–8]

Project Phoenix's January conditional-use and grading approvals predate Q3. The tentative August municipal minutes document engineering and plan review; September's groundbreaking is a separate owner-reported milestone. Neither establishes that the remaining state permits or power dependencies were cleared.[4,6]

At Grayslake, the first permit provides firmer evidence of authorized development than a campus announcement. It does not settle litigation or prove that utility service will arrive when required. Local reporting describes a challenge to prior approvals and future permits, but we have not obtained the official complaint or docket; we do not treat a judicial stay as established.[7,8,10]

Cameron County's notice draws an unusually clear boundary: site improvements may begin, while future permits are required for buildings. Texas's later state direction must be assessed against that distinct county authorization, rather than assumed to revoke it.[2,5]

3. Power Strategy Developments

Proposed supply arrangements still need execution evidence

The projects illustrate different approaches to power, but the sources reviewed do not verify a Q3 energization milestone for any of them.

Aligned says Project Phoenix will use a dedicated onsite power source rather than the local electrical grid. The datacenter campus sits adjacent to the Shippingport Power Station, a former coal plant being redeveloped into a natural gas energy campus; Aligned expects the completed project to supply excess power to the grid.[4] This approach is intended to reduce reliance on local grid supply, but makes completion of the generation infrastructure a delivery dependency. The announced 2 GW datacenter campus scale is not a verified generation rating or operating load. Power approvals, generation construction progress, applicable service or interconnection obligations and energization records are needed to establish when the proposed supply will be available. The tentative August 4 municipal minutes also record that officials lacked updates on an earlier gas-plant proposal associated with a developer no longer involved. This predates Aligned's September announcement and does not establish cancellation of its plan, but the relationship between the earlier proposal and the announced energy campus remains unresolved.[6]

Grayslake's August 25 FAQ describes electricity arrangements involving the PJM regional grid and local utility ComEd, plus developer-funded electrical infrastructure including a substation. This is an official municipal representation of the proposed arrangements. The underlying agreements and delivery schedule were not obtained. Although retrieved on October 2, the FAQ is retrospective Q3 context; that retrieval is not a new October power event.[8]

Fluidstack states that it will pay for the campus's energy, infrastructure and water and participate in PUCT/ERCOT audits. Those commitments establish the company's stated approach. They do not establish audit clearance, an executed utility agreement or available power.[9]

At Jupiter, September reporting linked the proposed gas-powered fuel-cell supply to a supporting pipeline delayed by permit problems, and identified a separate unresolved air-quality permit.[13] These reported dependencies explain the commercial exposure discussed below; they do not establish that the campus's opening date changed.

The distinction matters to schedule assessment. A strategy may address who bears infrastructure costs without proving when infrastructure will be ready. We cannot yet conclude that onsite generation or other supply arrangements shortened delivery dates in these cases.

4. Construction and Capital Readiness

Project milestones can test commercial commitments

Project Jupiter provides a separate contractual example. September 24 reporting said Oracle had sent the New Mexico campus's developer a force majeure notice seeking protection against payments if the project failed to enter service as planned in 2028, amid reported permitting delays to its supporting gas pipeline. Oracle maintained that Jupiter remained on schedule, while Blue Owl said financial commitments were unchanged.[13] We have not obtained the notice or underlying contract, so we cannot establish whether the claimed relief is legally effective. The significance is a reported attempt to allocate potential delay exposure, not confirmed cancellation, financing withdrawal or suspended payments.

Capital availability and capital resilience are separate questions. JLL's August midyear assessment describes strong liquidity for datacenter financing, with terms differentiated by tenant credit quality.[14] Research published by Kansas City Fed economists on October 5 adds post-quarter context: highly leveraged project vehicles and AI-focused cloud providers, together with sponsor rent commitments and residual-value guarantees, can spread financial obligations across the AI infrastructure ecosystem.[15] For development assessment, a financing announcement needs to be read alongside the tenant's identity, the strength and conditions of sponsor support, and the remaining construction and power-delivery milestones. This is a framework for assessing backing, not a finding that the three selected projects use those structures.

Authorized activity has advanced further than verified operating readiness

The quarter contains different kinds of construction evidence: an owner-announced groundbreaking at Phoenix, a municipal building-permit notice at Grayslake and county site-work permission for Fluidstack. These should not be assigned the same development stage.[4,5,7]

At the October 6 check, PA DEP listed Phoenix's Phase 1 blasting application as Withdrawn. The exact withdrawal date and reason remain unknown. The finding warrants investigation, but does not establish that an issued permit was revoked, construction stopped or the schedule slipped.[6]

Capital access also advanced during the quarter. On July 28, Aligned announced completion of a $1.183 billion asset-backed securities issuance, approximately 30% above its initial $905 million target. The financing is backed by four Aligned campuses and a customer pool generating over 90% of annualized adjusted base rent from investment-grade counterparties. Aligned said net proceeds would support its development pipeline, refinance upcoming debt maturities and meet reserve requirements.[12]

This completed transaction provides evidence of institutional funding for Aligned's platform, beyond an announced investment estimate. It does not establish how much funding is available for Project Phoenix: the release neither identifies Phoenix as a collateral asset nor specifies a proceeds allocation to it. The remaining evidence is insufficient to compare the three projects on financing readiness, lender conditions or binding tenant commitments. We therefore withhold a project-level capital-readiness ranking.

No tracked case has evidence in the sources reviewed of energized, commissioned or operating capacity. This is a limit of the evidence reviewed, not a claim that no such development occurred elsewhere during Q3.

5. Fourth Quarter Watchpoints

Watchpoint	Evidence to obtain	How it would change the assessment
Shippingport September 21 work-session outcome	Approved minutes or an action/approval letter covering Phase 2 land development and water-analysis items.	A documented approval would advance the local layer; an agenda alone does not. Conditions or deferral would identify the work still required.
Phoenix blasting withdrawal and remaining permit stack	Withdrawal explanation, revised authorization if required, and dated DEP status changes.	Clarifies whether the withdrawal changes construction methods, sequencing or remaining approvals. Permit issuance would reduce a specific constraint, without proving operation.
Phoenix power execution	Applicable power permits, binding commitments, construction and energization evidence.	Tests whether the onsite-power strategy is becoming executable rather than remaining a sponsor plan.
Texas October 19 TCEQ compliance update	Official update or implementation guidance, plus Fluidstack-specific permit/utility identifiers.	Clarifies the statewide process and whether a specific unresolved Fluidstack approval is affected. A general update alone does not establish project delay.
Grayslake litigation and next construction stage	Official docket and orders; the reported October 30 hearing result if held; permit conditions and inspection evidence.	Establishes whether litigation limits further work, while subsequent construction records show advancement beyond the first permit.
Fluidstack water and drainage arrangements	Water-service agreement, drainage/wastewater approvals and building permits.	Tests whether preliminary site work is progressing toward authorized building construction with documented local infrastructure arrangements.

Sources: Texas Governor, Cameron County, PA DEP, Shippingport Borough, Village of Grayslake and local litigation reporting.[2,5,6,8,10,11]

Future dates are expected checks, not assured outcomes.

Key Judgments

The selected evidence supports a cautious account of development progress. September milestones made several projects more tangible, but did not establish that the remaining approvals and infrastructure dependencies were cleared. Q4 should be assessed through specific decisions, agreements and physical delivery records. We will change the assessment when those records show advancement or setback, rather than when another campus total is announced.

Scope and evidence dates

This inaugural review examines three illustrative U.S. projects, plus Jupiter's contractual exposure; it is not a representative market sample. Monitoring began September 21. Earlier events are retrospective evidence, H1 figures are market context, and October research is post-quarter context. The assessment includes checks through October 6, without a prior-quarter comparison or aggregate delivered-capacity estimate. Shippingport's September 21 approval outcome, Grayslake's official court docket and Fluidstack's project-specific state and utility obligations remain unverified. Missing evidence does not establish cancellation or no change.

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Source notes

1. **CBRE**, *North America Data Center Trends H1 2026*, August 27, 2026. H1 measures, not Q3 measurements. Primary markets: Northern Virginia, Atlanta, Dallas–Fort Worth, Phoenix, Chicago, Silicon Valley, Hillsboro and New York/Tri-State.
https://www.cbre.com/insights/books/north-america-data-center-trends-h1-2026

2. **Texas Governor**, September 21, 2026 letter to TCEQ. https://gov.texas.gov/uploads/files/press/TCEQ_Data_Center.pdf

3. **Pennsylvania DCED**, GRID requirements. Policy requirements, not proof of project-specific compliance.
https://dced.pa.gov/business-assistance/data-center-resources/grid-requirements/

4. **Aligned Data Centers**, Project Phoenix groundbreaking release, September 10, 2026.
https://aligneddc.com/press-release/project-phoenix-data-center-shippingport-pa/

5. **Cameron County**, Fluidstack worksite-permit notice, September 10, 2026.
https://www.cameroncountytx.gov/worksite-permit-issued-for-fluidstack-data-center-project/

6. **PA DEP permit tracker** and **Shippingport minutes**. ProjectID `10000014`, AuthorizationType `Blasting Activity Permit`, eFactsAuthID `1580774`, PermitNumber `4264103`, Submitted `8/19/26`, Status `Withdrawn`; tentative August 4 minutes page 2 support local engineering, while pages 3–4 record unresolved gas-plant uncertainty. PA DEP application row:
https://gis.dep.pa.gov/DataCenterPermitTracker/static/DataCenterPermitTracking.csv ; project cross-reference:
https://gis.dep.pa.gov/DataCenterPermitTracker/static/DataCenterProjectTrackingAllProjects.csv ; Shippingport tentative August 4 minutes:
https://shippingportpa.com/wp-content/uploads/2026/09/August-4-2026-Minutes.pdf#page=2 ; January background:
https://shippingportpa.com/wp-content/uploads/2026/02/January-28-2026-Hearing-and-Opening-Meeting-Minutes.pdf .

7. **Village of Grayslake**, initial building-permit notice, September 1, 2026. https://www.villageofgrayslake.com/DocumentCenter/View/16125

8. **Village of Grayslake**, T5 FAQ, August 25, 2026.
https://www.villageofgrayslake.com/DocumentCenter/View/16088/T5-FAQ-sheet-08-25-2026?bidId

9. **Fluidstack**, Cameron County community page, publication recorded September 21, 2026. Company commitments, not independently verified agreements. https://fluidstack.io/community/building-compute-in-cameron-county

10. **Lake & McHenry County Scanner**, September 1, 2026 litigation/permit report. Secondary evidence; official docket remains outstanding. https://www.lakemchenryscanner.com/2026/09/01/grayslake-issues-first-permit-for-construction-to-begin-on-mega-data-center-campus-as-lawsuit-seeks-to-block-development/

11. **Shippingport Borough**, September 21, 2026 work-session agenda. Agenda does not establish a vote outcome.
https://shippingportpa.com/wp-content/uploads/2026/09/September-21-2026-Work-Session-Agenda.pdf

12. **Aligned Data Centers**, *Completes $1.18 Billion Securitization Financing*, July 28, 2026, distributed through GlobeNewswire. Platform-level financing, not a disclosed Project Phoenix allocation.
https://www.globenewswire.com/news-release/2026/07/28/3334210/0/en/aligned-data-centers-completes-1-18-billion-securitization-financing.html

13. **Mike Wheatley, SiliconANGLE**, Oracle force majeure report, September 24, 2026. Secondary reporting of the notice, pipeline permitting and Oracle/Blue Owl responses; the contract and notice were not obtained.
https://siliconangle.com/2026/09/24/oracle-issues-force-majeure-notice-to-developer-of-new-mexico-data-center-over-energy-delays/

14. **JLL**, *Data center demand exceeds expectations in H1 2026*, August 11, 2026, section **Capital markets reach record scale as permanent debt demand surges**. Financing liquidity and credit-tier pricing, not comparable CBRE absorption data.
https://www.jll.com/en-us/newsroom/data-center-demand-exceeds-expectations-in-h1-2026

15. **Padma Sharma and Pierce George**, *Beyond Valuations: Long-Term Financial Risks from the AI Build-Out*, Kansas City Fed Economic Bulletin, October 5, 2026. **Chart 2 and following discussion**, on leverage, rent payments and residual-value guarantees. Post-quarter analytical context; authors' views, not a project-specific financing assessment.
https://www.kansascityfed.org/research/economic-bulletin/beyond-valuations-long-term-financial-risks-from-the-ai-build-out/

16. **CBRE**, *North America Data Center Trends H2 2025*, executive summary, net-absorption bullet: 2,497.6 MW in 2025 and 1,809.5 MW in 2024. Annual values stated directly in source prose; recent market context, not a constant-sample historical reconstruction.
https://www.cbre.com/insights/books/north-america-data-center-trends-h2-2025