

Inside AI Infrastructure Panel Discussion

Key Takeaways

October 22nd, 2025

1. AI Is Driving Unprecedented Energy Demand



- Developers are accelerating projects faster than utilities can add generation or transmission capacity.
- Expect continued stress on interconnection queues, siting approvals, and supply-chain timelines.

2. Energy Supply Mix: Gas Now, Nuclear Next



- Short-term growth is being fuelled by natural gas, given its dispatchability and proximity advantages, while developers are still looking at renewable options to comply with internal mandates as well as state policies.
- Nuclear energy is emerging as a potential long-term, carbon-free baseload option, as a pathway to stable, large-scale power for AI operations.
- Clients should anticipate renewed policy support, financing incentives, and permitting attention for both natural gas and advanced nuclear.

3. Behind-the-Meter and Co-Location Strategies Are Expanding



- Developers are increasingly siting data centers directly alongside generation sources (gas, renewables, nuclear) to avoid grid connection delays.
- Expect increased consideration of co-located projects, microgrids, and private transmission to maintain control over power supply.
- These trends will require novel contracting approaches, state- and federal- level regulatory navigation, and creative financing structures.

4. Transactional Volume and Complexity Are Rising



- The AI build-out is utilizing traditional project finance and new hybrid financing models.
- Key developments include:
 - Hybrid energy + tech deals (bundling data, compute, and energy).
 - Joint ventures among utilities, hyperscalers, and infrastructure funds.
 - M&A activity in smaller generation assets and power-rich land portfolios.
- Transactional lawyers are central to aligning power procurement, construction, and offtake structures under compressed timelines.

5. Policy and Permitting Reform Will Shape Competitive Advantage



- Federal and state agencies are under pressure to streamline permitting and modernize transmission policy.
- Expect continued tension between local opposition and national policy goals.
- Local resistance (NIMBYism) is becoming a significant barrier to siting new data centers and energy infrastructure.
- States that adopt predictable, flexible regulatory frameworks—particularly around siting, interconnection, and retail choice—will see the fastest development activity.



Michael Bonsignore

Partner
Infrastructure and Projects
michael.bonsignore@hoganlovells.com



Chip Cannon

Partner
Energy Regulatory
chip.cannon@hoganlovells.com



Sen. Kyrsten Sinema

Senior Advisor
Government Relations and
Public Affairs
kyrsten.sinema@hoganlovells.com



Scan the QR Code

to access our global data center brochure covering hot topics and key considerations.