

Amazon's Power Playbook

How the largest cloud provider in the world is powering 44 GW of new data centers to win the AI infrastructure race.

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149

campuses tracked

825

buildings

16

states with capacity
under development

13.9 GW

operating

44 GW

under development

Amazon is spending \$220 billion this year to win the AI race

Most of that money goes to data centers and the chips inside them. Every year Amazon can't bring a data center online is a year of lost cash flow, and the company builds as fast as power allows.

\$220B

2026 capex, 3.5x the 2022 level

\$42.2B

AWS revenue, Q2 2026

+36.7%

year over year, fastest in 18 quarters

\$169B

AWS annualized run rate

>\$25B

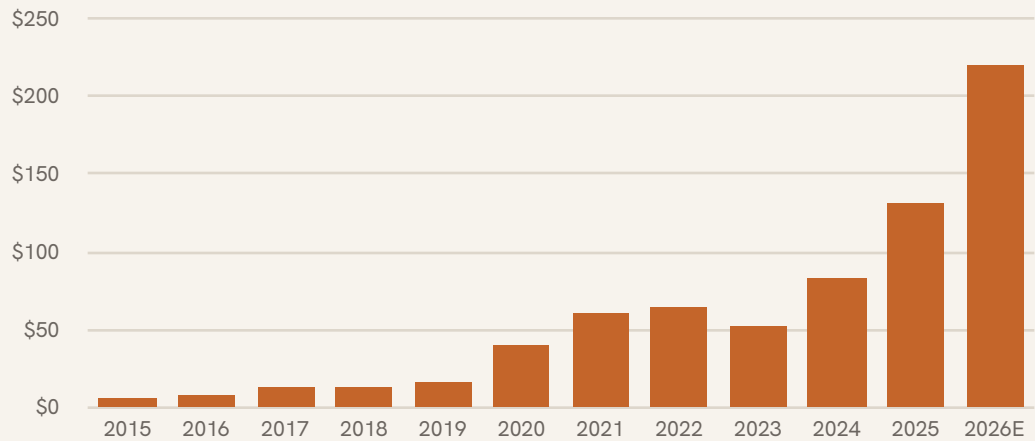
run rate for each of the AI and chips businesses

THE ECONOMICS OF BUILDING FAST

On the Q2 2026 earnings call, Andy Jassy told investors that AWS could eventually become a \$1 trillion revenue business.

He also explained why the company is building so aggressively. Servers and networking equipment take a little less than three years to break even and have a useful life of at least five to six years. Most AI capacity is now contracted on five-year terms.

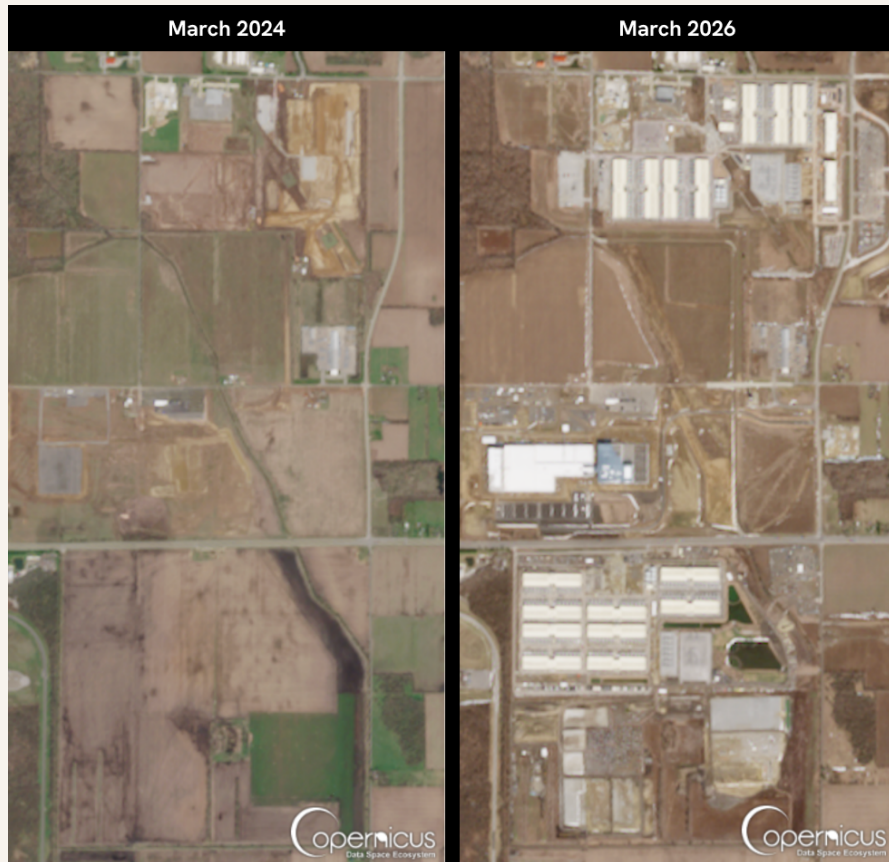
AMAZON CAPITAL EXPENDITURES, \$ BILLIONS



Source: Amazon financial filings. 2026 is the company's estimate.

Amazon built the largest data center in the world in two years—with no new power plants

In April 2024, Amazon announced an \$11 billion campus in New Carlisle, Indiana to support Project Rainier, its initiative to build AI compute for Anthropic. Eighteen months later it declared Rainier operational with roughly 500,000 Trainium2 chips running. By March 2026 the campus had passed 1 GW.

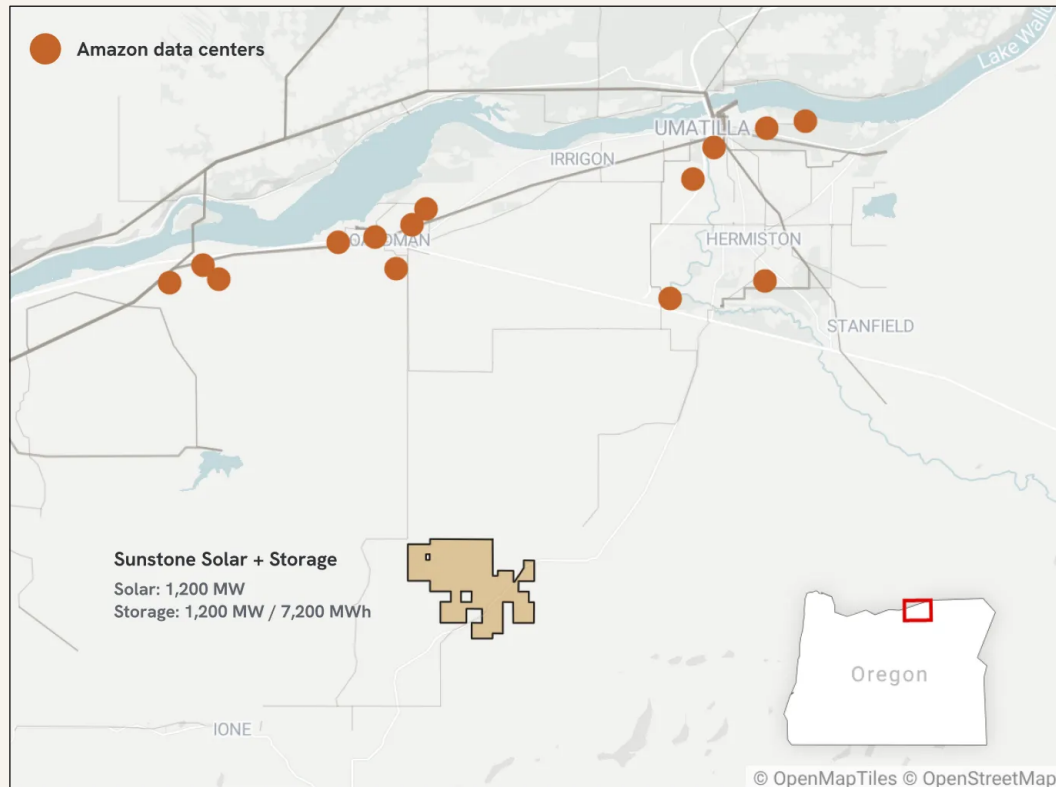


FROM PRE-PERMITTED LAND TO 1 GW

- 2017 — Indiana Enterprise Center**
 St. Joseph County begins assembling a 3,560-acre industrial mega-site between US 20 and SR 2, pre-permitted for heavy industry years before any data center is proposed.
- Oct 2023 — 1,500 MW request**
 AEP tells PJM planners that an unnamed customer wants 1,500 MW of new service near New Carlisle by December 2026, on the existing Dumont 345 kV corridor.
- Feb 2024 — Rezoning recommended**
 The county recommends rezoning the site. Substation earthwork is already under way that month, before the rezoning is final.
- April 2024 — \$11 billion announced**
 The governor announces Amazon's investment. The campus becomes the anchor of Project Rainier, the compute buildout for Anthropic.
- Oct 2024 — Groundbreaking**
 Amazon breaks ground. Buildings go up over the following months, before the first air permit issues in January 2025. (Possible because air permits are only required for backup generators, which come last).
- Oct 2025 — Rainier operational**
 Amazon declares Project Rainier operational with roughly 500,000 Trainium2 chips, the largest AI training cluster in the world, 18 months after the announcement.
- March 2026 — 1 GW**
 The campus passes 1 GW of operating capacity and becomes the largest data center in the world. (Colossus has since surpassed it as the largest.)

Sunstone: the first utility-scale power project Amazon will own, build and operate

Last winter, Puget Sound Energy tried to buy one of America's largest solar and storage projects out of bankruptcy: 1.2 GW of shovel-ready solar and 7.2 GWh of batteries. After 16 rounds of bidding, the utility learned it had been outbid by Amazon.



WHY OREGON FORCED AMAZON'S HAND

Amazon has struggled to get enough capacity from utilities in the power-constrained Pacific Northwest. Elsewhere in the country, hyperscalers facing grid delays have built their own natural gas power plants. But in Oregon, public policy prevents such a strategy: HB 2021 effectively bars companies from building new fossil fuel power plants, whether they're a utility or hyperscaler.

In other markets, Amazon might instead turn to clean energy developers and sign a power purchase agreement (PPA). But a failure to build transmission infrastructure has limited its options.

Since 2015, clean energy developers have requested 173 GW of new generation in BPA's interconnection queue. Just 1 GW has been built. In the region, roughly 1 MW gets connected for every 168 requested.

In this context, Sunstone offered the perfect opportunity for Amazon.

Sunstone entered BPA's interconnection queue in 2021 and sits second in line at the Longhorn substation, which is located next to Amazon's data centers. The project is fully permitted and "shovel-ready," removing virtually all risk for the company.

Amazon will also be able to claim more than a billion dollars in federal tax credits. Sunstone will likely qualify for a 50% tax credit that was only available if the company began construction before July 4 of this year.

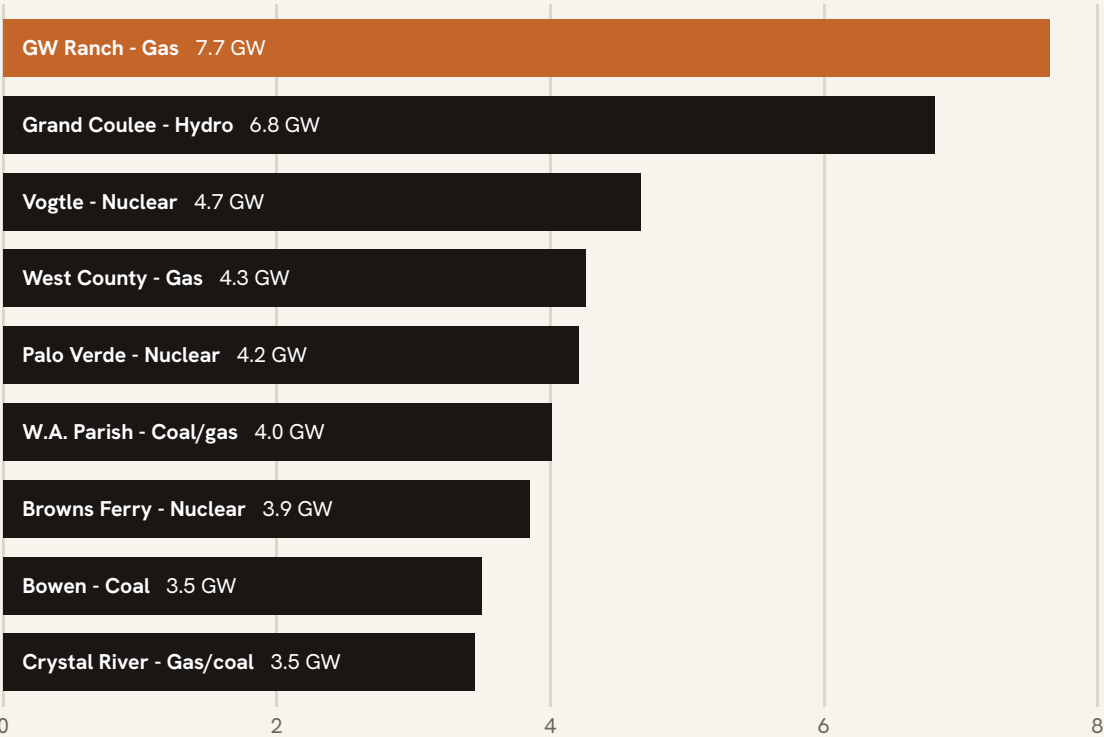
In outbidding Puget Sound Energy, the company also ensured that the project's electricity will go to its data centers and not the competing utility's customers hundreds of miles away.

GW Ranch: Building the largest power plant (and source of pollution) in America

In Oregon, state law bars new gas, so Amazon bought the biggest solar project on the West Coast. In Texas, gas is welcome and the wait for grid interconnection is the binding constraint, so Amazon acquired a site where 7.65 GW of on-site turbines can run entirely off-grid, skipping the queue altogether. If finished today, the plant would be the largest in America.

GW Ranch against the largest operating power plants in the US

Nameplate capacity



7.65 GW

of on-site gas generation, up to

33M

Annual CO2 emissions the site is permitted to pollute

35

On-site simple-cycle gas turbines

The campus will be entirely disconnected from the Texas grid, at least initially, with plans to "transition to grid-connected service as interconnection timelines allow."

Oregon

Constraint: State law bars new gas plants.
Response: Amazon bought the 1.2 GW Sunstone solar and storage project.

Texas

Constraint: Interconnection delays
Response: Amazon acquired a site for 7.65 GW of off-grid gas turbines.

In both Oregon and Texas, Amazon has an insatiable demand for electricity. The difference in how it gets that electricity comes down to policy constraints.