

# West Texas power deals reshape fiber investment decisions

Two September 21 announcements offer clearer power plans, with different timelines and customer backing.

## NEW ERA ENERGY & DIGITAL

### 200-207 MW

**Target power availability: July-September 2027**

A 20-year agreement with Luminant, a Vistra affiliate, covers Phase 1 of the Texas Critical Data Center near Odessa. [1,2]

Supply can come from Vistra's adjacent gas plant or other sources, including the Texas grid. [1]

New Era must arrange up to \$198.8 million in financial guarantees, including a \$116 million letter of credit. Its announcement names no tenant. [1,2]

## KODIAK GAS SERVICES

### 76 MW

**Target rollout: October 2026-March 2027**

A six-year agreement provides onsite natural-gas power. About 40 generators will supply the facility directly, an approach called behind-the-meter generation. [3]

Kodiak says the operator has a contract with a large cloud or AI customer with an investment-grade credit rating. A graphics-chip designer guarantees the data-center lease. [3]

The announcement does not identify the operator, customer or guarantor. [3]

MW means megawatts, a measure of electrical power capacity. Timing reflects company targets, not completed delivery.

# Customer commitments and permits still determine when to build

Premia view: both projects merit commercial attention. Construction spending should follow verified delivery milestones.

## TEXAS PERMITTING UPDATE

On September 21, Governor Abbott directed the Texas Commission on Environmental Quality, the state environmental regulator, to halt data-center permits pending an audit by ERCOT, the Electric Reliability Council of Texas, which operates most of the state's grid. [4] New Era says it already holds construction permits. [2] The releases do not establish the directive's effect on either project.

## PREMIA ASSESSMENT

**New Era:** begin route planning and customer discussions. Major network spending should depend on a signed tenant, financing and completion of the power agreement's delivery conditions.

**Kodiak:** prioritize near-term diligence. Reported customer backing and an earlier rollout strengthen the opportunity, while permits, fuel supply and commissioning still need verification.

## EVIDENCE TO CONFIRM BEFORE CONSTRUCTION

**Who pays?** A signed connectivity contract and protection if the opening slips.

**When can the site open?** Required permits, equipment delivery, fuel arrangements and a tested power-on date.

**How much should be built?** A staged fiber plan tied to the customer's initial capacity needs.

[1] New Era Form 8-K, Sept. 21, 2026

[3] Kodiak announcement, Sept. 21, 2026

[2] New Era announcement, Sept. 21, 2026

[4] Texas Governor directive, Sept. 21, 2026