

MARKET SIGNALS | FUTURE OUTLOOK

Power grids, not chips, may be the real bottleneck for AI infrastructure

NextDC crashes 42%, wiping A\$3B, as power delays hit AI build-out as they paused expansion due to power grid issues.

By **Manasee Kurlekar** | October 21, 2026



NextDC crashes 42%, wiping A\$3B, as power delays hit AI build-out. Australia's biggest listed data centre operator cut its outlook and paused expansion. It is a warning that power grids, not chips, may be the real bottleneck for AI infrastructure.

The AI boom just ran into a power pole. Australian data centre operator NextDC fell 41.7% on Wednesday, wiping roughly A\$3 billion off its value. It was the stock's worst day since listing in 2010. The trigger was in Melbourne: power upgrades at its M3 site were suspended amid community opposition, and the electricity distributor, Jemena, doesn't expect to restart work before February 2027. That forced a deep guidance cut. FY27 net revenue is now expected at A\$475-500M, down from A\$615-640M, and new projects and land purchases are on hold. The lesson for the wider AI build-out: customers want the capacity, but the grid sets the pace. The board will set out its spending review by its 20 November AGM.

Read online: <https://worldbusinesswatch.com/market-signals/11/295/-power-grids-not-chips-may-be-the-real-bottleneck-for-ai-infrastructure.html>

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