From Broadband to Digital Infrastructure

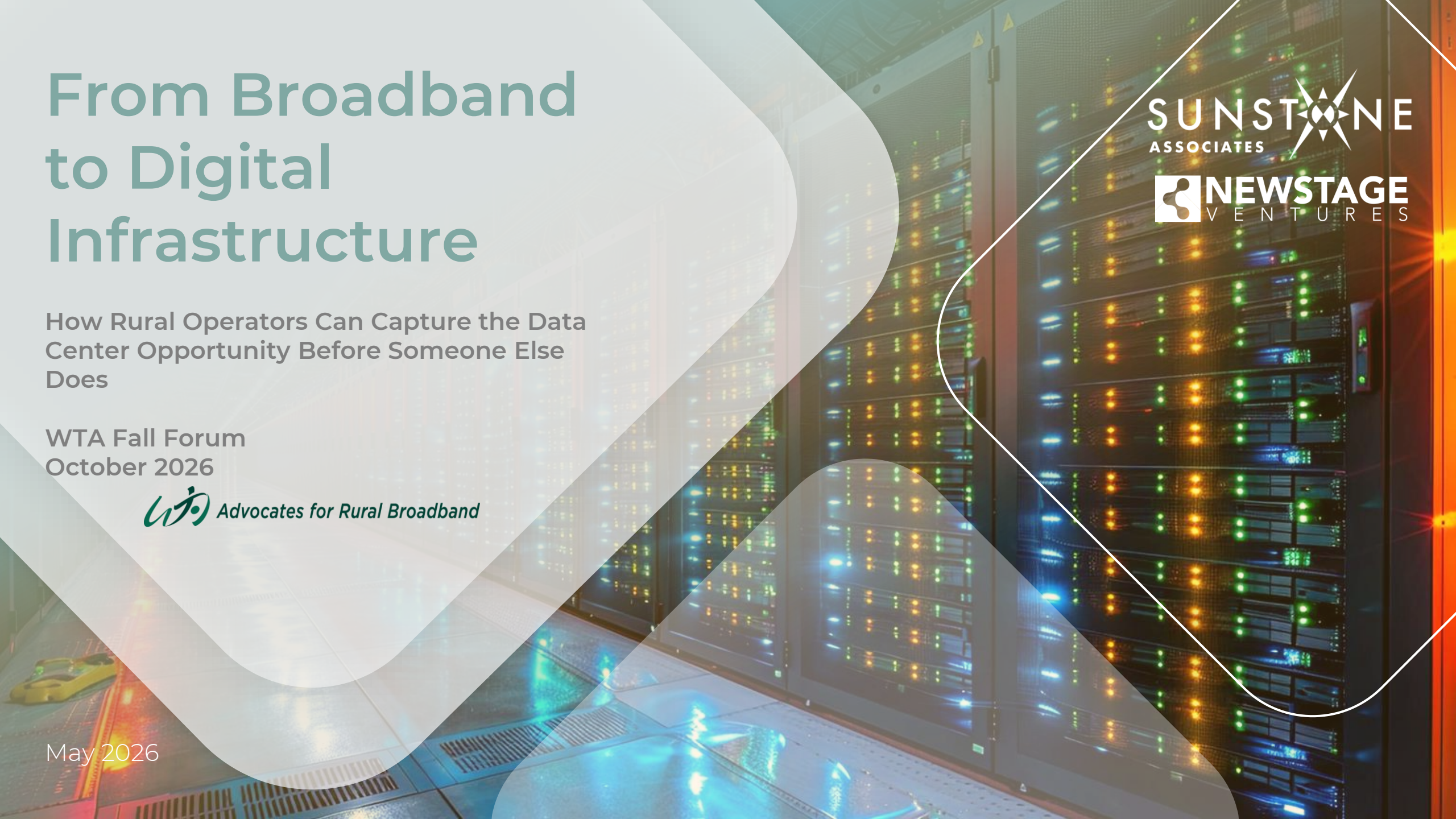
How Rural Operators Can Capture the Data Center Opportunity Before Someone Else Does

WTA Fall Forum
October 2026

Advocates for Rural Broadband

SUNSTONE ASSOCIATES

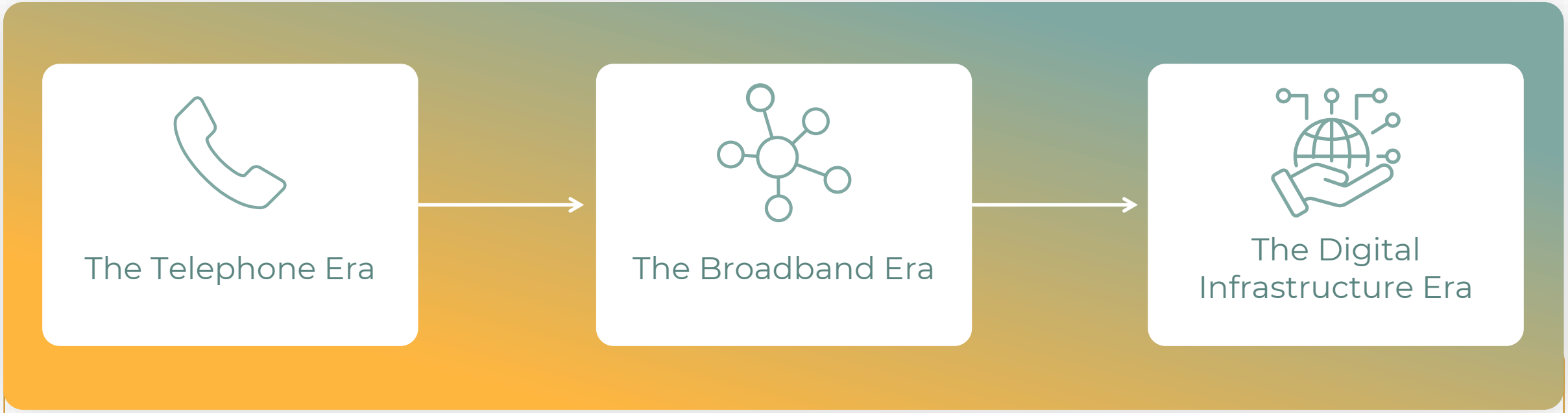
NEWSTAGE VENTURES



May 2026

The most common question I hear from providers is:

“How do I connect the data center?”



My question back to you:

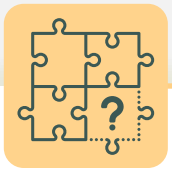
Are you thinking too small about this opportunity?

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

Three parts to the conversation

Set the Context

How we got here: the AI compute and power dynamics driving a national build-out



Challenge your thinking

Where the real opportunity sits — and why it may be closer than you think

Give you next steps

A practical, gated way to evaluate your own assets and demand

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

SUNSTONE ASSOCIATES

NEWSTAGE VENTURES

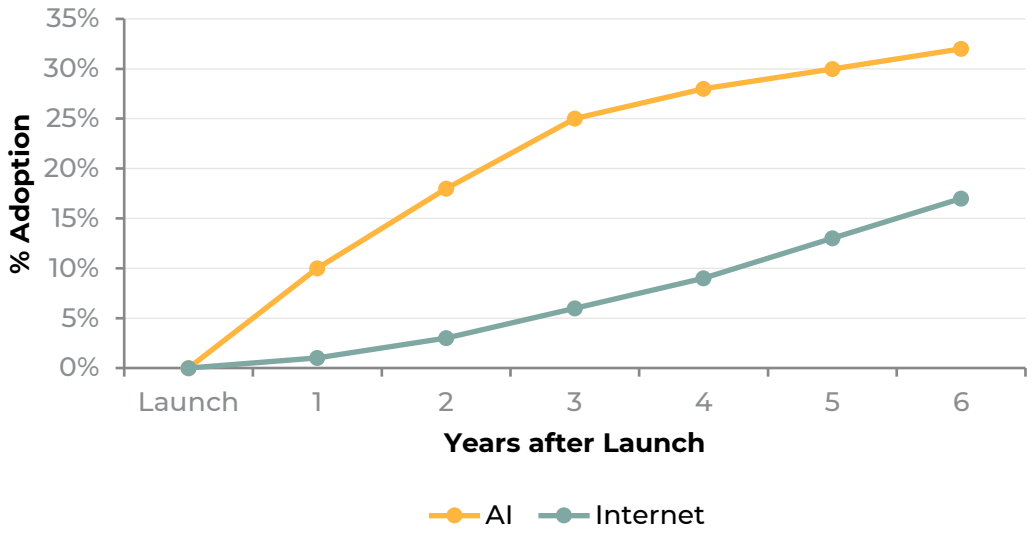
THE CONTEXT

How did we get here?

A short primer on the AI compute and power dynamics behind the build-out — so the opportunity makes sense.

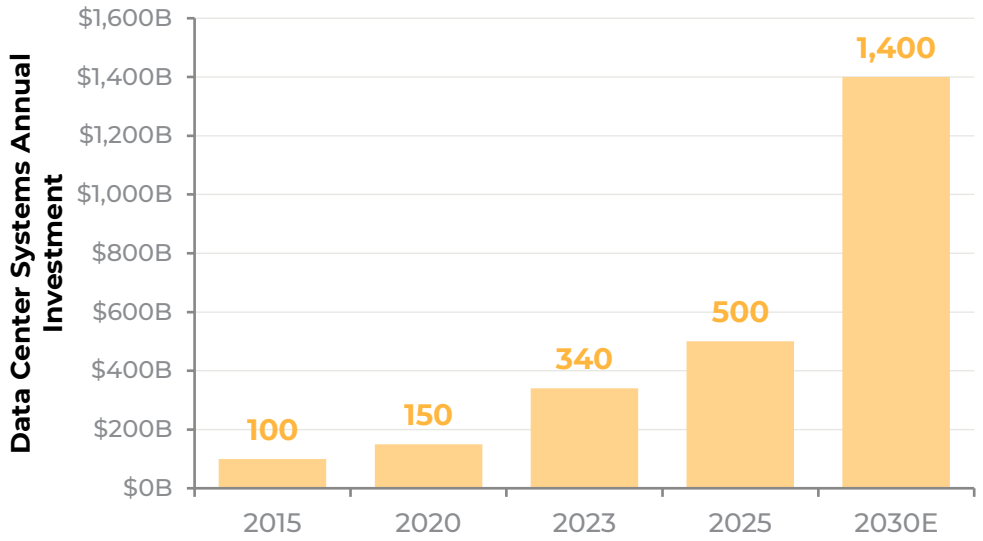
This is an AI phenomenon — unprecedented on two fronts

AI adoption is outrunning the Internet



Source: ARK Big Ideas 2026.

Capital is following – with $1.4T forecasted by 2030



Source: ARK Big Ideas 2026.

The takeaway: This is a step-change in both demand and capital — not a passing cycle.

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

How AI infrastructure works: two very different jobs

TRAINING — teaching the model

Data- & compute-intensive. Hyper latency-sensitive — lives in giant core data centers.

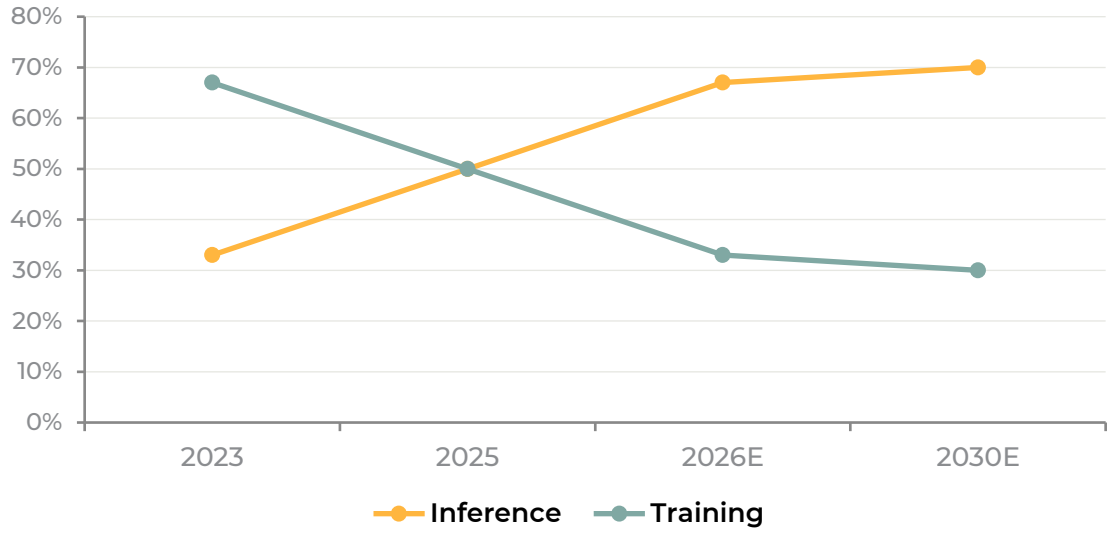
CENTRALIZED AND LARGE.

INFERENCE — using the model

Continuous, high-volume, growing fast. Mostly latency insensitive — can distribute close to users.

DISTRIBUTED AND SMALLER.

Share of AI compute: inference is overtaking training (%)



Inference crosses over ~2026–2027. Sources: Distributed DC; Deloitte TMT 2026; JLL 2026.

Why it matters: Training has dominated headlines and led to large, centralized data centers. Inference — the fast-growing part — can live near your community.

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

AI Demand is Evolving the Infrastructure Ecosystem

Demand for compute is creating new models and players

TRADITIONAL OPERATORS

01 Hyperscalers

aws

Google AI

Meta

Build for themselves at massive scale

02 DC developers / colos

BLUESKYAI

COLOVORE

VANTAGE DATA CENTERS

CORESITE

DUOS EDGE AI

EQUINIX

DIGITAL REALTY

Build & operate to serve enterprise and other AI consumers

EMERGING PLAYERS

03 Neoclouds / GPUaaS

CoreWeave

groq

Crusoe

cerebras

ZERO LATENCY

CORVEX

Lambda

Lease compute; need deployment speed

04 Agentic AI

NiCE Cognigy

SIERRA

Cognition

Consume inference compute; latency sensitive

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

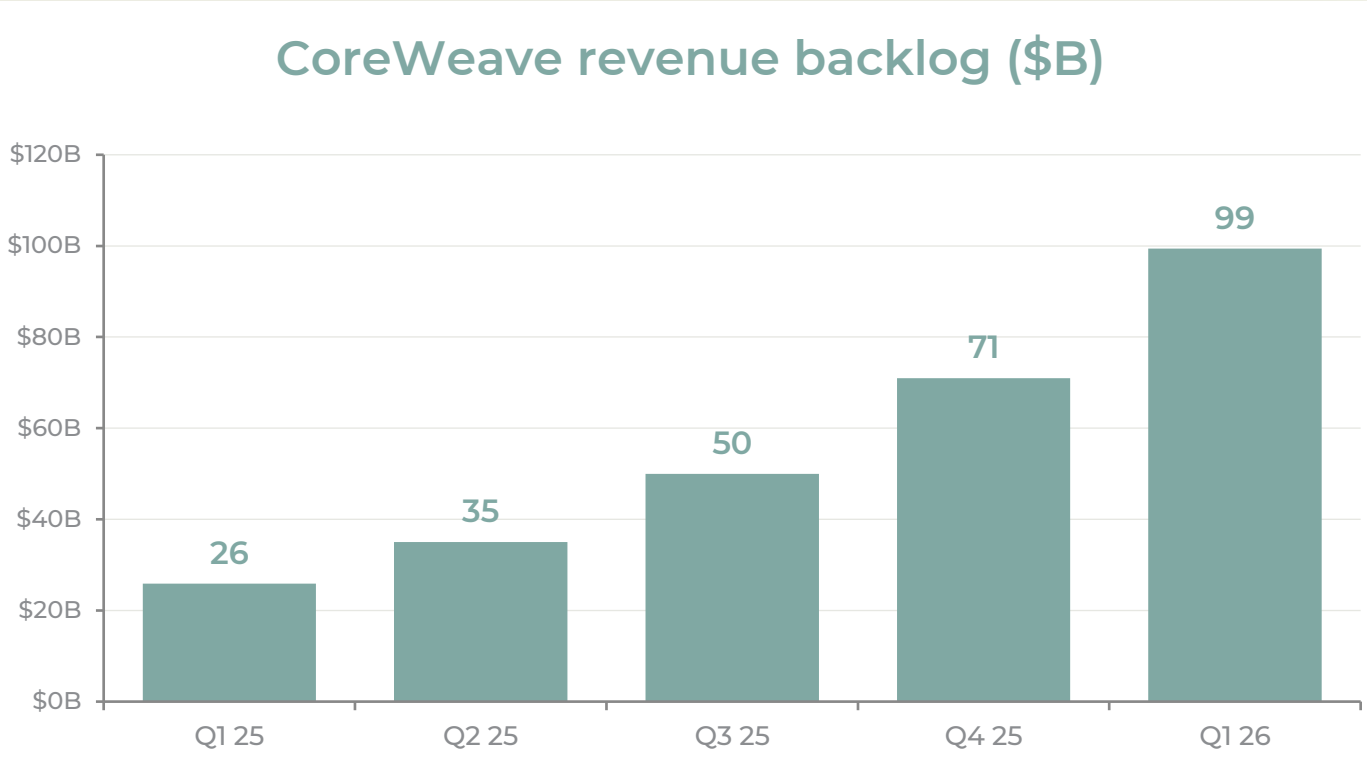
The new data center buyers are capturing significant demand

“Neoclouds” rent GPUs as a service

They build their own capacity — and need it fast

Their model requires significant volumes to lower pricing

This isn't just a hyperscaler story anymore



Neoclouds are here and growing. The agentics are emerging as the next buyer class.

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

The space, power, and cooling paradox

Dense compute breaks the equilibrium. You run out of power and cooling before you run out of space.

THE DENSITY JUMP

6
kW / rack
Legacy average

→

40
kW / rack
H100 rack

→

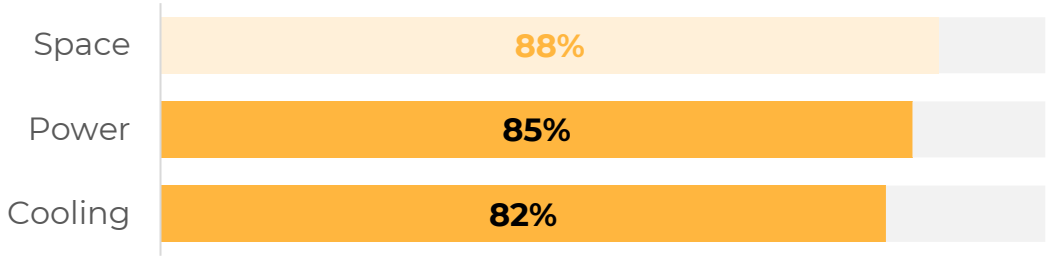
132
kW / rack
GB200 rack

Each GPU generation ~doubles power draw
Source: NVIDIA; AFCOM; SemiAnalysis

SAME 10 MW FACILITY — TWO OUTCOMES

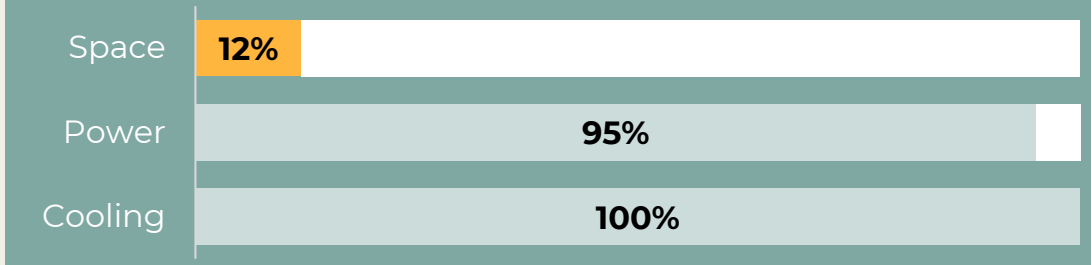
LEGACY WORKLOADS
~1,600 racks at 6 kW each

Balanced



AI / GPU workloads
~75 racks at 132 kW each

Constrained



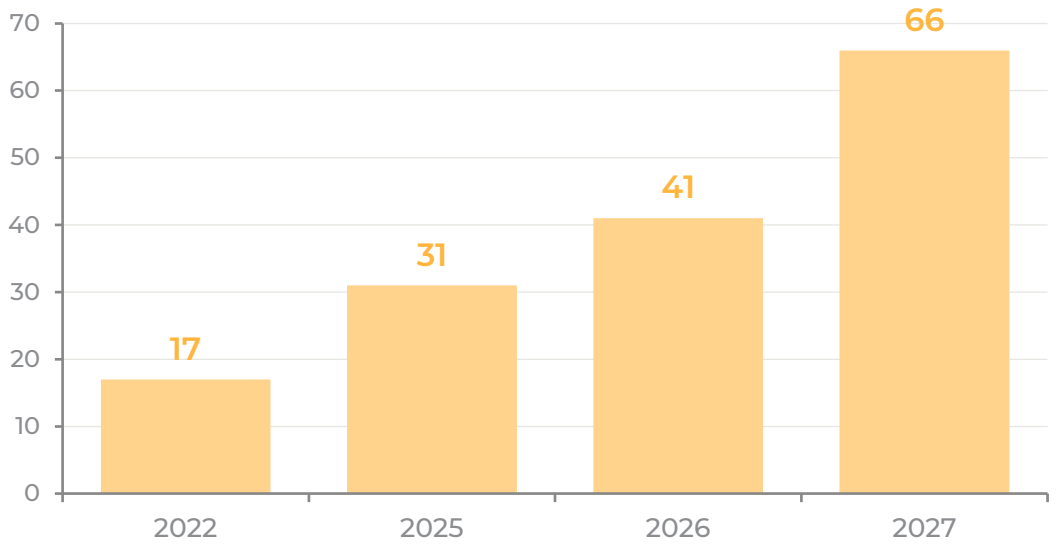
The takeaway: Existing facilities can't retrofit fast enough. New capacity must be purpose-built for density — the bottleneck is cooling and power delivery, not square footage.

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

Today’s constraints are being driven by power

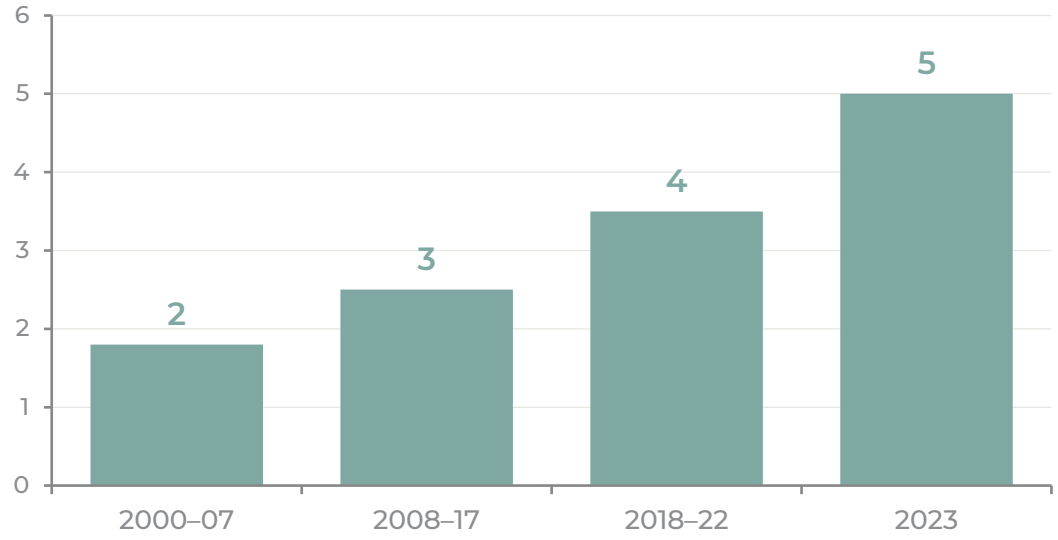
The U.S. doesn’t have a power generation problem. It has a power distribution problem.

US data-center power demand (GW)



Demand roughly doubling. Source: Goldman Sachs 2026.

Median interconnection wait (years)

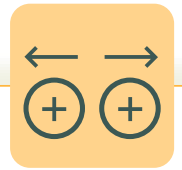


New connections now take 5+ years. Source: LBNL 2024.

The takeaway: Demand is surging while new supply is jammed — power, not fiber, is the binding constraint today, … but that could change with inference sites.

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

And communities are starting to push back



~75%

Oppose a data center near their home

Heatmap Pro
Aug 2026

530+

Localities have restricted or banned new builds

Heatmap Pro
Aug 2026

$200B

In projects blocked or delayed in 1H 2026

Data Center Watch
Q1-Q2 2026

Moratoriums and slowdowns are spreading. **The bigger the load, the harder it is to permit, power, and place.**

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

Connecting the power: large vs. sub-large load

Utilities and regulators treat big loads very differently from smaller ones. The distinction is where the whole opportunity turns.

LARGE LOAD
75 – 500+ MW

- Hyperscale campuses & AI training clusters
- New substation and transmission required
- Multi-year permitting; binary outcomes, higher risk
- **The source of today's headlines and friction**

SUB-LARGE LOAD
1 – 75 MW

- Edge, inference, enterprise & neocloud nodes
- Often uses existing power capacity
- Faster to permit and energize
- Faster turnup and lower friction on the community

Large loads create the problems. **Sub-large loads are where nimble players can move — and 24+ states now have large-load tariffs that make the line very real.**

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

SUNSTONE ASSOCIATES

NEWSTAGE VENTURES

CHANGING BELIEFS

Why aren’t more telecom operators availing themselves of this opportunity?

We are burdened with a bias of beliefs about data centers and connectivity

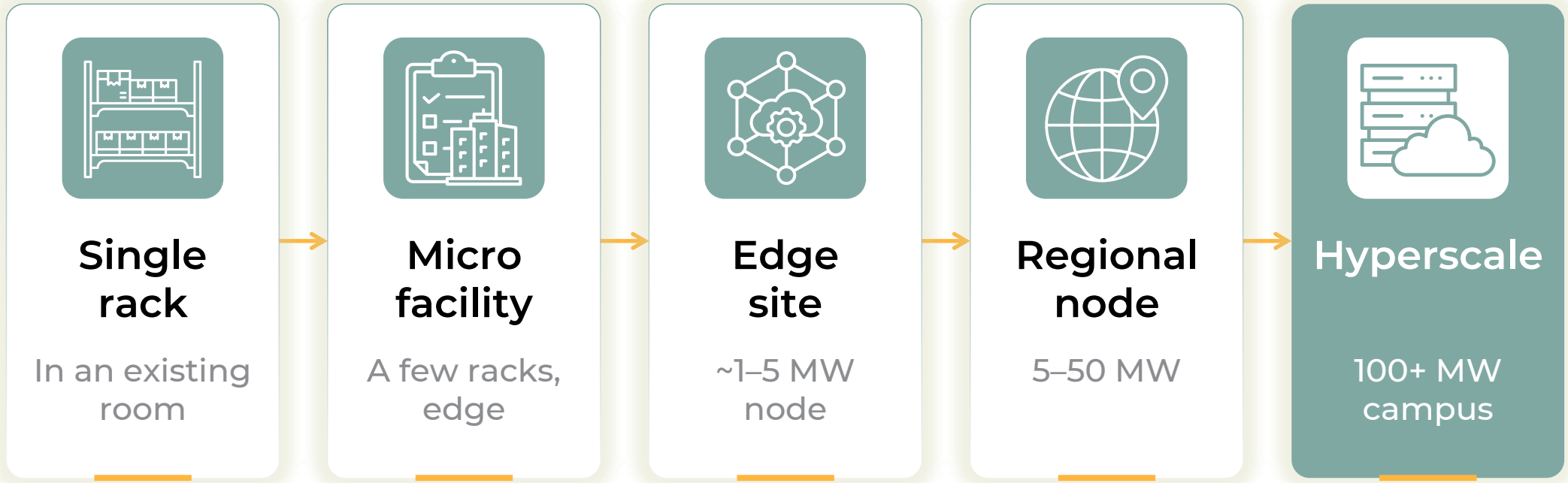
BELIEF SHIFT

01

We're Too Small

Data centers aren't what you think they are

What we often hear: ***"We don't have 200 megawatts or 300 acres. This isn't for us."***



The question isn't whether you're too small for a hyperscalar. It's whether your assets can support compute.

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

BELIEF SHIFT

02

We Don't Have the Power

You don't need to build power — use what's already deliverable

It's not about fiber — it's about power. And the scarce asset isn't generation. It's power an existing substation and transformer can already deliver, now.

THE SLOW PATH

Build new generation / new interconnection

5+ years — the queue you just saw

OR

THE PATH YOU ALREADY HAVE

Tap existing substation & transformer headroom

Potential 1–5 MW in ~12 months — no new plant required

Existing sub-stations in rural areas often hold deliverable headroom

The insight: many of you already sit next to deliverable power. That headroom — not new generation — is the asset the market wants.

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

BELIEF SHIFT

03

We Don't Have the Assets

View your assets through a different lens

Power access

Substation proximity; can 1–5 MW be delivered in 12 months?

Fiber

Existing routes, diversity, long-haul — already in the ground

Land

Existing title and rights; how much space is available?

Facilities

Central offices, garages, offices, with sufficient space, power, HVAC, security

Utility relationships

You are already a customer, and in some instances a partner, of your local utility

Community trust

Local ownership speeds permitting; co-op goodwill

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

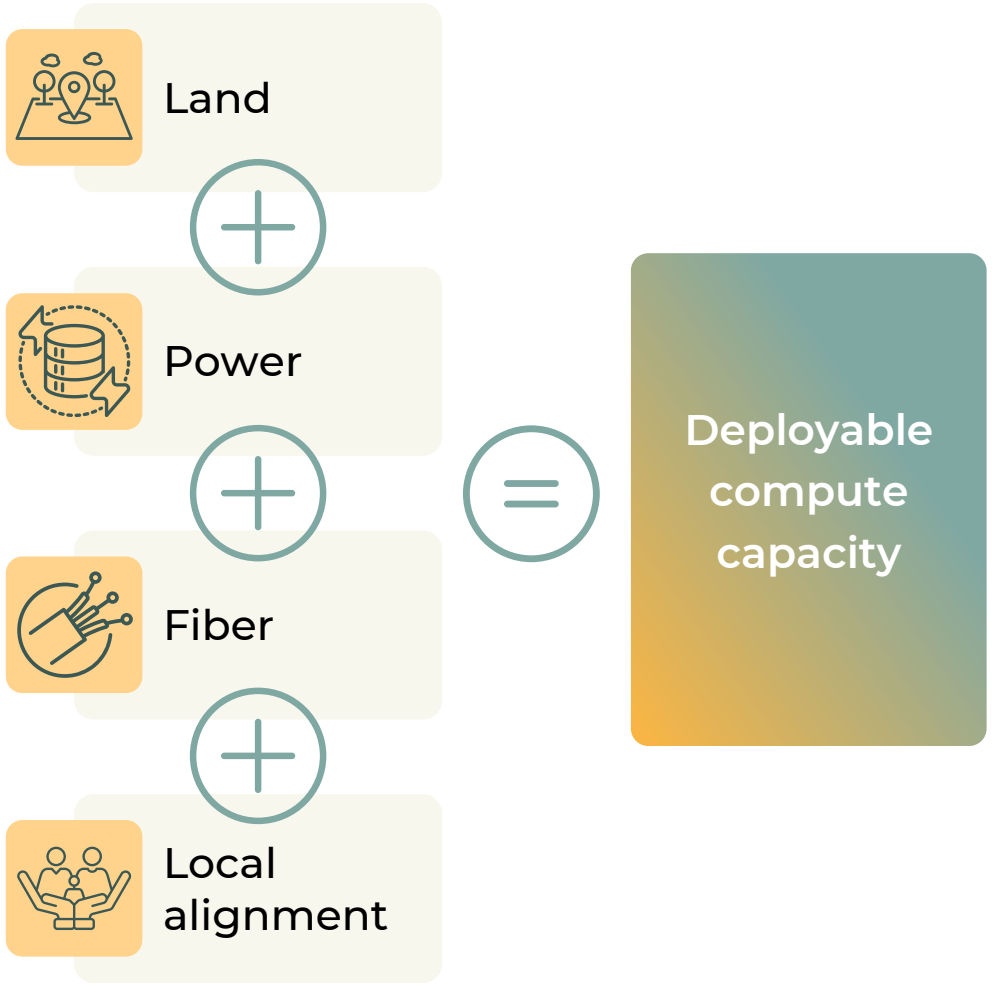
BELIEF SHIFT

04

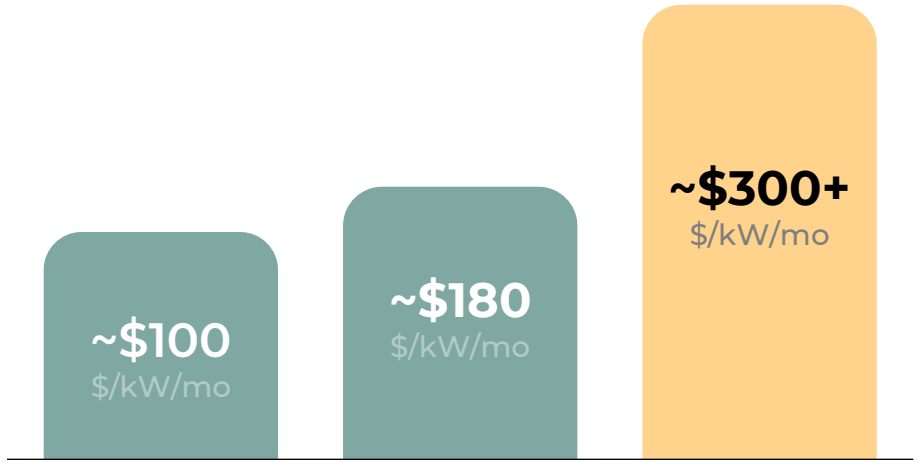
The market is buying up land

The market doesn't buy land — it buys speed to GPU

Buyers pay a premium to convert available power into operational compute quickly. The fastest path to energized capacity wins.



INDICATIVE RATES



Powered pad-ready
Land + PPA + power to site

Powered shell
+ distribution + buildout-ready

Compute ready
Fully powered, mechanical & power

Indicative $/kW/month by participation level — market benchmarks, not projections. Layered fiber, smart-hands & support services add recurring revenue on top. (Marshall & Stevens 2025)

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

BELIEF SHIFT

05

I can't win a hyperscalar

You don't need a hyperscaler or a neocloud

"External" customers like a neocloud or agentic AI company could be your first anchor — but the durable demand is local. You already serve these institutions every day.

Healthcare

AI imaging & diagnostics need low-latency local compute

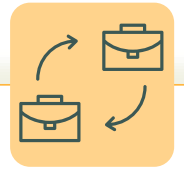
Schools & universities

Content delivery, research, and edge AI workloads

Local & county government, police & first responders

Public safety, records, and resilient services

At 160GB to 1 TB per officer per year, 900K U.S. officers produces nearly 17.4 PB per month



Ag & local business

Precision agriculture, co-ops, and regional enterprise

The community is the long-term beneficiary — and you already have the relationships.

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

NEXT STEPS

Where do we go from here?

The major steps and the key conversation

Every AI deployment needs the same layers

THE AI "STACK"

APPLICATIONS & SERVICES	The Services that Generate the Value
COMPUTE / GPUs	The Chips Themselves
COMPUTE ENABLEMENT	The Infrastructure for the Chips
CONNECTIVITY	A Way to Connect to the Internet
FACILITY	A Place to Put Servers
LAND	Someplace for the Power to Go
POWER	The Juice for the Entire Thing

DEPLOYABLE COMPUTE CAPACITY

Each layer can be owned or controlled by **You, a Partner, or a Customer**

Winning is about picking **where you want to play**

Every option rests on the bottom fundamental enablers — Deployable Compute Capacity.

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

Remember the first question: How Do I Connect the Data Center?

	CONNECTIVITY ONLY	1 POWERED PAD	2 POWERED SHELL	3 COMPUTE READY	4 COMPUTE PLATFORM	5 AI SOLUTIONS
Applications & services	Someone else	Customer	Customer	Customer	Cust / Partner	**You**
Compute / GPUs	Someone else	Customer	Customer	Partner	**You**	**You**
Compute enablement	Someone else	Customer	Customer	You / Partner	**You**	**You**
Connectivity	**You**	**You**	**You**	**You**	**You**	**You**
Facility	Someone else	Cust / Partner	**You**	**You**	**You**	**You**
Land & power	Someone else	**You**	**You**	**You**	**You**	**You**
REVENUE UNLOCKED cumulative	Connectivity	Site & power lease, connectivity	+ Facility lease, smart hands	+ Colocation, managed ops	+ GPUaaS, capacity sales	+ Managed services, AI apps

Are you thinking too small about this opportunity?

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

Five business plays built on Deployable Compute Capacity

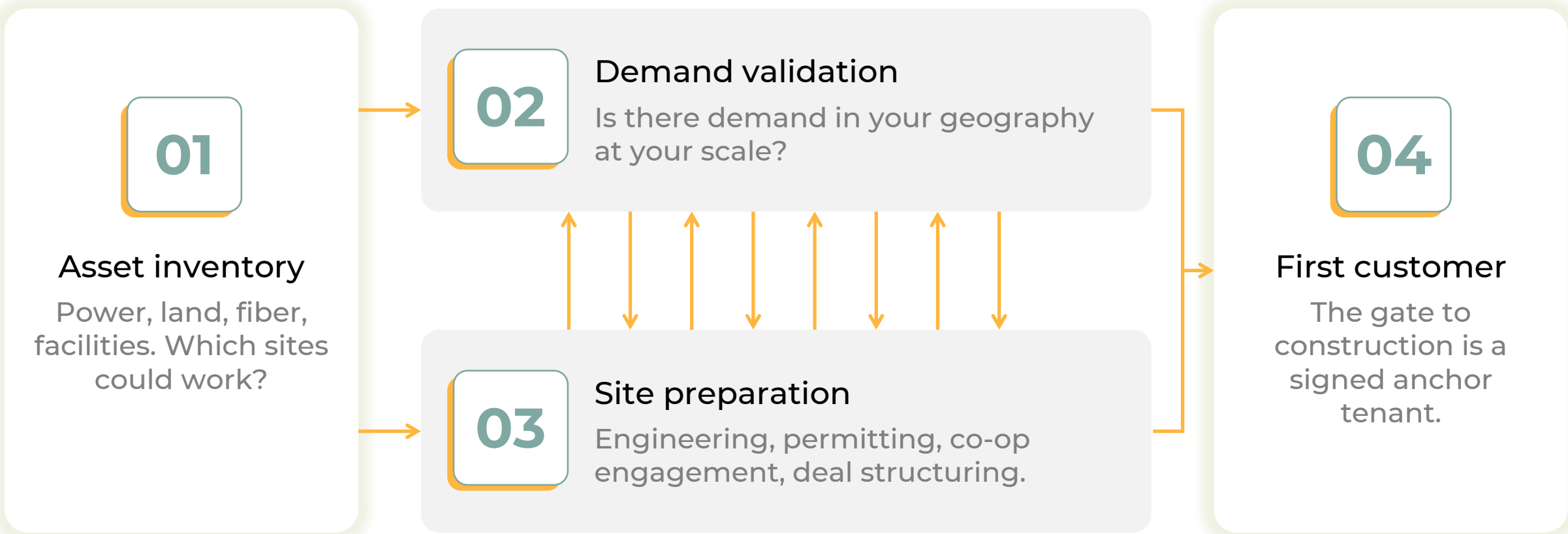
The choice is not whether to build. It is how far up the stack to participate, what to own, and where to partner.

	01 SITE ENABLER Powered pad	02 FACILITY HOST Powered shell	03 COMPUTE HOST Partner compute	04 COMPUTE PLATFORM Provider-owned compute	05 AI SOLUTIONS PROVIDER Applications & services
WHAT YOU ADD	Own or secure the site and the path to power	Add the building, electrical distribution and site readiness	Operate the facility; partner or customer owns the GPUs	Own GPUs and sell capacity directly or through a channel	Package compute with industry-specific AI services
VALUE CAPTURED	Site and power-access lease	Facility lease, connectivity, support	Colocation, smart hands, managed operations	GPUaaS and managed infrastructure	Managed services, applications, outcomes
KEY QUESTION	*Can we prove usable power, land control and fiber access?*	*Can we build to customer spec without overbuilding?*	*Do we have 24×7 capability and the right compute partner?*	*Do we have anchor demand, capital and platform expertise?*	*Which customers, use cases and partners give a right to win?*

RECOMMENDED PATH **Build Deployable Compute Capacity first, enter at plays 1–3 to secure a position, then evaluate moves up the stack over time.**

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

Getting Started: A Four-Step Process



The first step is assessment, not construction. You "prove" your way through the opportunity, preserving its potential while minimizing capital outlays

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

This is Not a Data Center– this is Compute for the Community

Benefits of Community Compute

Revenue diversification

A new stream independent of take rates, subsidies, or broadband competition.

Community infrastructure

A digital foundation for local healthcare AI, precision ag, and public services.

Keeping dollars local

Local employment, procurement, tax base, and cooperative patronage.

Local control

Community-based development that respects local concerns and decisions.

Workforce development

Skilled technical roles — electricians, technicians, engineers.

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

The question is not whether to connect or build a data center.

It's whether your assets deserve evaluation before someone else defines the opportunity in your territory.

REACH OUT WITH QUESTIONS

Terry Chevalier
Managing Director, Sunstone Associates
terry.chevalier@sunstoneassociates.com
(214) 620-1199

Hugh Carspecken
Managing Partner, NewStage Ventures
hugh@newstageventures.com
(214) 709-7094

© 2026 Chevalier Business Advisors LLC dba Sunstone Associates
Prepared for WTA Advocates for Rural Broadband. Not for distribution without the express, written consent of Chevalier Business Advisors LLC

Thank you

NEWSTAGE VENTURES

SUNSTONE ASSOCIATES