CONVENER'S NOTE

Contracted Is Not Delivered

Why forward digital capacity needs common market conventions.

Gus Udo, 54 Projects LLC, proposed convener · November 5, 2026

Summary

> The binding constraint in AI infrastructure is shifting from supply to delivery. Recent reporting shows the largest buyer of third-party capacity managing delivery risk through site inspections, renegotiated timelines and withdrawals, one contract at a time. Common, voluntary conventions for how forward capacity is defined, evidenced and disclosed would reduce that friction for every party to a project.

A signed capacity contract is not delivered capacity. The market has no shared vocabulary for the stages in between.

Each buyer is building its own verification and remedy practice. That works for one buyer with leverage. It does not scale across co-lenders, insurers and multiple offtakers on the same project.

Markets have solved this before. Emerging-markets debt and syndicated loans developed standard terms and practices through industry associations, without anyone becoming a counterparty.

A pattern across the build

Delivery problems in third-party AI capacity now show up at every layer of the build. On November 5, 2026, Bloomberg reported that one of the largest buyers of third-party capacity is tightening oversight of contracted projects and stepping back from some, after delays it has cited on three earnings calls. The issues reported show how many separate dependencies sit behind a single capacity commitment.

DELIVERY DEPENDENCY	REPORTED ISSUE
Fiber and cabling	Cabling problems at a Texas campus, leading to a revised completion timeline
On-site power equipment	A generator fire at the same campus, and hardware delivery delays
Permitting and compliance	A New Jersey site fined for running generators without permits
Grid power	A UK project of roughly $3 billion cancelled after multiyear grid connection delays
Commitment quality	A letter of intent for 1.35 GW in West Virginia not carried forward
Policy	A newly elected Texas governor calling for a moratorium on data center development

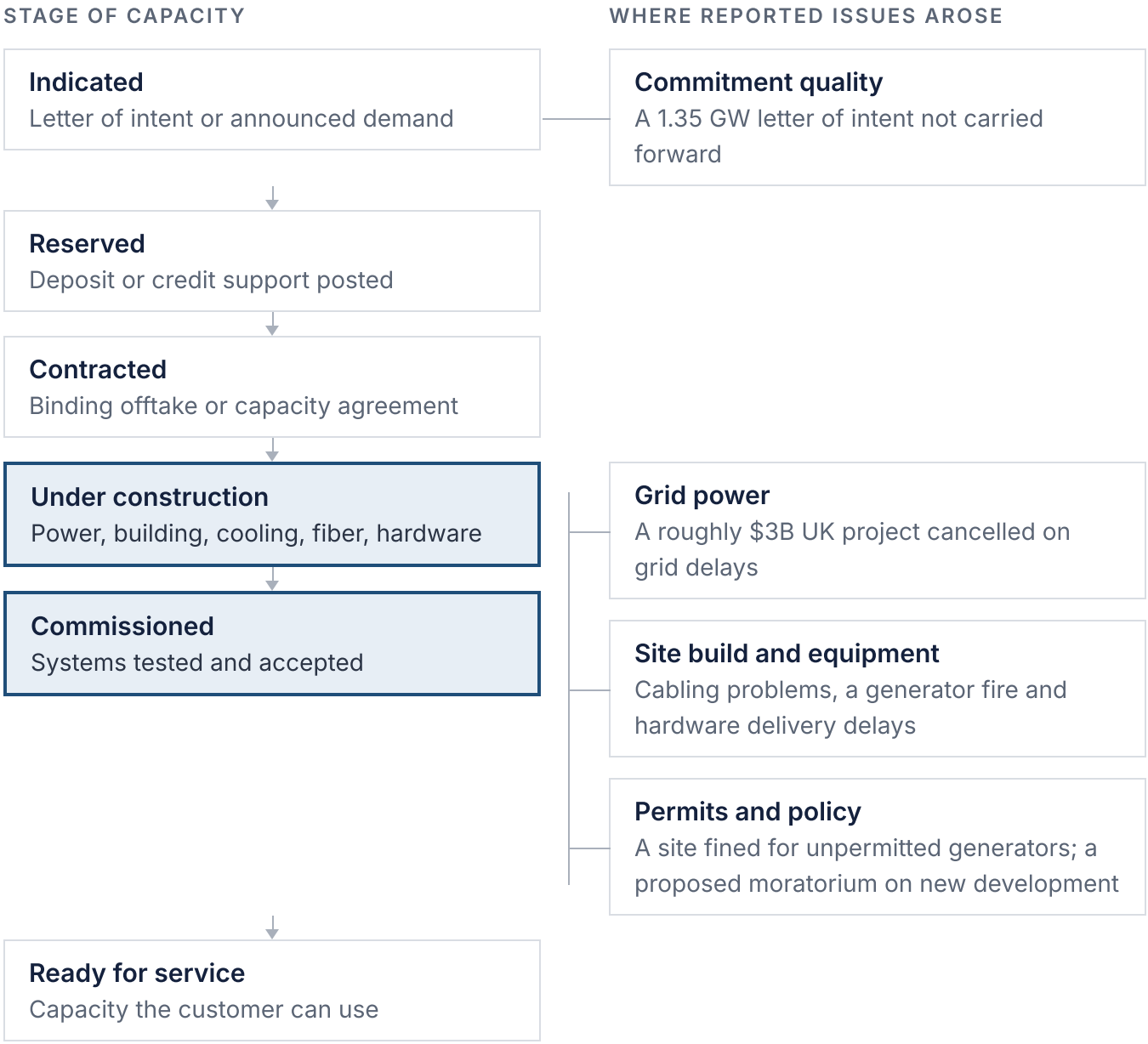
The buyer's response has been to build its own controls: a weekly review of whether partners' timelines are credible, staff sent to sites to check specifications and compliance, and renegotiated schedules. Demand still exceeds supply, and other AI buyers are reportedly increasing their commitments to the same operators. The delivery problem will therefore pass to them, not go away.

The gap between contracted demand and delivered capacity

Forward capacity passes through distinct stages, and the market describes all of them in the same unit. Most of the reported trouble sits after a contract is signed and before a customer can use the capacity.

Reported delays arose between a signed contract and usable capacity

Stages of forward capacity, with issues from Bloomberg reporting of November 5, 2026



The first three stages describe the commitment; the last three describe the asset. Both are routinely reported as "1 GW". Treating them as two separate classifications, commitment status and readiness, would let a lender, insurer or second buyer see where a given gigawatt actually sits.

Why bilateral fixes don't scale

One buyer's controls protect that buyer, on the projects where it has leverage. Everyone else on the same project is left to build their own.

Oversight follows leverage. A hyperscaler can send engineers to a site. A smaller offtaker, a co-lender or an insurer usually cannot, yet each carries the same delivery risk.

The same project is underwritten several times over. Buyers, lenders, insurers and equipment suppliers each ask for progress evidence in their own form. The result is duplicated work and inconsistent pictures of one asset.

Remedies are negotiated after the fact. Where a contract does not define delay, cure and exit clearly, a missed date becomes a renegotiation. A withdrawal can leave capital and equipment orders stranded.

Announced capacity means different things. A letter of intent, a signed reservation and an energized hall are all described in gigawatts. Lenders and investors cannot tell them apart without digging into each deal.

Where common definitions would help

Four areas of common definition would close most of the gap. Each answers a question that today is settled deal by deal, and none involves setting commercial terms.

AREA	WHAT A COMMON DEFINITION WOULD COVER	THE QUESTION IT SETTLES
Commitment status	A classification from inquiry to binding commitment	Is "500 MW" an indication, a reservation or a binding agreement?
Readiness	A classification from concept to ready-for-service, for power, powered shell, compute and fiber	How far is the asset from capacity a customer can use?
Evidence	What documentation shows that a milestone or readiness stage has been reached	What should a lender, insurer or second buyer see before relying on a stage?

AREA	WHAT A COMMON DEFINITION WOULD COVER	THE QUESTION IT SETTLES
Dependencies and change	How a commitment on one asset depends on milestones on another, and how delays, substitutions and change-in-law events are disclosed	Who learns of a material change, and which commitments does it affect?

Prices, deposit levels and other commercial terms would remain for the parties to negotiate. Existing technical standards for facility design, hardware and grid interconnection would be referenced, not duplicated.

What IFDCA is, and is not

The International Forward Digital Capacity Association (IFDCA) is a proposed industry-led forum to develop open, voluntary standards for forward power, data center, compute and fiber capacity. It is at the consultation stage: no association has been formed, and no institution has committed to participate. It draws on the precedent of EMTA in emerging-markets debt and the LSTA and LMA in syndicated loans, which gave participants common documentation and practice without building assets or becoming counterparties.

It would: develop common definitions and classifications through a technical working group under an independent chair, with balanced representation and counsel-supervised competition-law safeguards. Participation and adoption would each be voluntary.

It would not: set prices, deposit levels or other commercial terms, or allocate customers. It would not act as a trading venue, financing intermediary, insurer or developer, or guarantee projects, certify investments or approve transactions.

The consultation is convened by 54 Projects LLC, which operates Mazipan OS. Mazipan OS would be one potential implementer of IFDCA standards, alongside other platforms and market participants. Participation would not require its use or confer preferential access.

An invitation

IFDCA is looking for participants from every side of a forward capacity transaction to shape its first conventions.

Buyers and offtakers: what you need to see before and after you commit.

Developers, operators and equipment suppliers: which milestones you can evidence, and what makes your commitments credible to others.

Banks, investors, insurers and brokers: the definitions and evidence that would simplify underwriting.

Law firms: definitions, documentation conventions and a counsel-supervised drafting process.

Comments on the four areas above are welcome. Institutions interested in contributing can request the provisional framework from 54 Projects at **info@54projects.com**.

IFDCA is a proposed initiative at the consultation stage; no association has been formed. This paper reflects the views of its proposed convener only. It is not legal, financial or investment advice, and it does not describe any adopted standard or institutional participation.