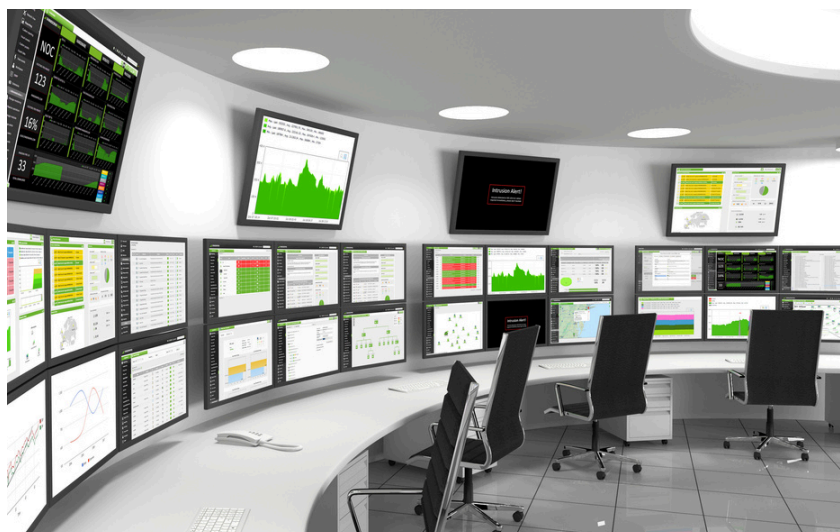


# 9 Critical Mistakes in Onsite Power Generation for Data Centers (And How to Avoid Them).

*It doesn't get much better than this—you can learn from the mistakes of others without spending a dime.*

*In today's fast-paced market, speed is essential. As demand for AI surges, many of you are turning to onsite power generation as a temporary solution. However, without proper planning and understanding, these initiatives can quickly encounter significant setbacks. Here are nine common pitfalls that could hinder your onsite generation efforts:*



## 1) Relying on Gas Utilities

Local gas utilities are not designed for rapid expansion or accommodating large users of 25,000-50,000 MCF/day. For a more efficient and cost-effective approach, connect directly to America's extensive 3-million-mile interstate pipeline network.

## 2) Choosing a Site Too Distant from Interstate Pipelines

Selecting a site far from pipelines results in higher costs and extended timelines for necessary infrastructure development. Proximity to these pipelines is key for efficient and economical gas supply.

## 3) Misinterpreting "Fully Subscribed" as Gas Unavailability

If an interstate pipeline is fully subscribed, gas may still be accessible. Third-party marketers often control a significant portion of the capacity on these pipelines and specialize in trading capacity. Engaging experts can help you navigate the complexities of the gas market.

## 4) Using the Interstate Pipeline Company to Construct Your Lateral

Why build a Ferrari when a Camry can outperform? While it may seem convenient for the interstate pipeline company to handle your lateral construction, this choice often results in higher costs and longer timelines. Collaborating with a specialized "last mile" company typically offers a faster, more cost-effective solution, along with superior customer service.

## 5) Underestimating the Time Required for Construction

Establishing the necessary interconnect and pipeline lateral is a time-consuming process. Interstate pipelines are heavily regulated and may take over 12 months to complete. Partnering with a firm experienced in managing hundreds of interconnects can help streamline the timeline.

## 6) Overpaying for Natural Gas

Lack of market knowledge can lead to overpaying for natural gas.

A solid understanding of the market and effective negotiation tactics are crucial for keeping your operating costs low and competitive.

## 7) Failing to Secure Generation Equipment

The global supply chain for generation equipment is currently constrained. Failing to secure your equipment well in advance can result in project delays and increased costs, jeopardizing your entire onsite generation strategy.

## 8) Overlooking Regulatory Risks

Regulatory environments can vary widely and introduce numerous risks to your project. A lack of comprehensive understanding of these risks can lead to compliance issues, fines, and operational delays.

## 9) Partnering with Undercapitalized Firms

Achieving 5 nines of reliability is not a simple feat. Choose partners who are well-capitalized and experienced to ensure success in your endeavors.