

U.S. Energy Buildout A Longterm Opportunity for Rail

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Energy Market Fueled by Insatiable Demand

Driven by Data Centers, Electrification and Increased Domestic Manufacturing

“A once-in-a-generation industrial buildout is underway...requiring massive amounts of power.”

— Tony Kim, BlackRock
(April 21, 2026)



Supply Chain

- Growth is **limited by supply**
- Limited **equipment, engineering capacity & workforce**
- Datacenter owners need to **bring your own power (BYOP)**



Financials

- Record **capex expenditure** in 2025 expanded in 2026
- Strong **capex returns** drive investor confidence
- **Cost increases** due to inflation and scarcity



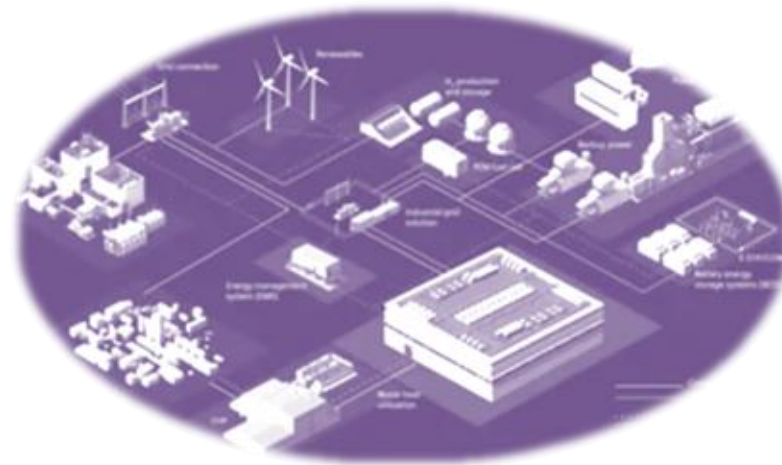
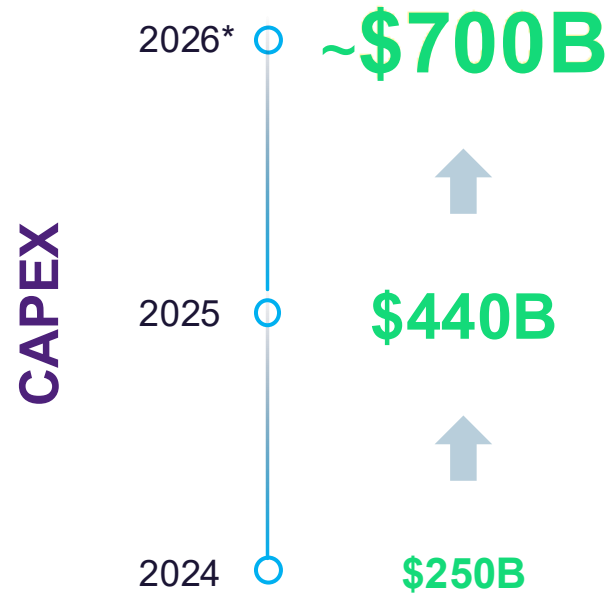
Policy

- Markets need **confidence** in execution
- Accelerated equipment **availability** & deployment
- **Significant differences** across regions

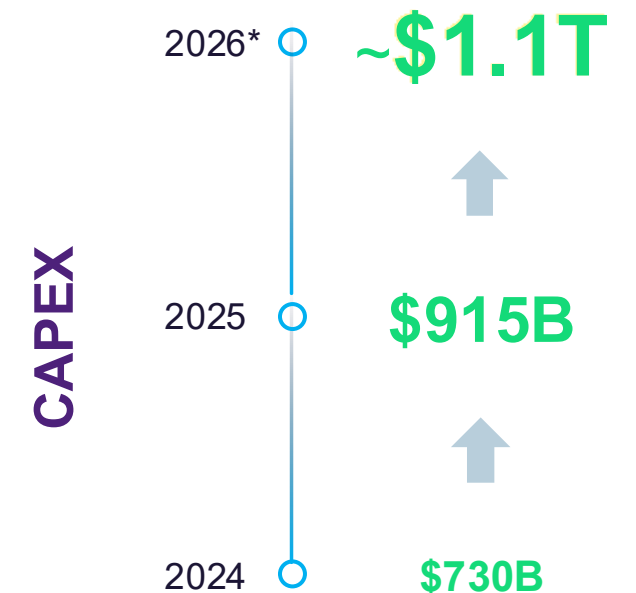
Record Investments Continue to Grow



Hyperscalers (Global 1 Yr Plan)



Utilities (U.S. 3-5 Yr Plan)

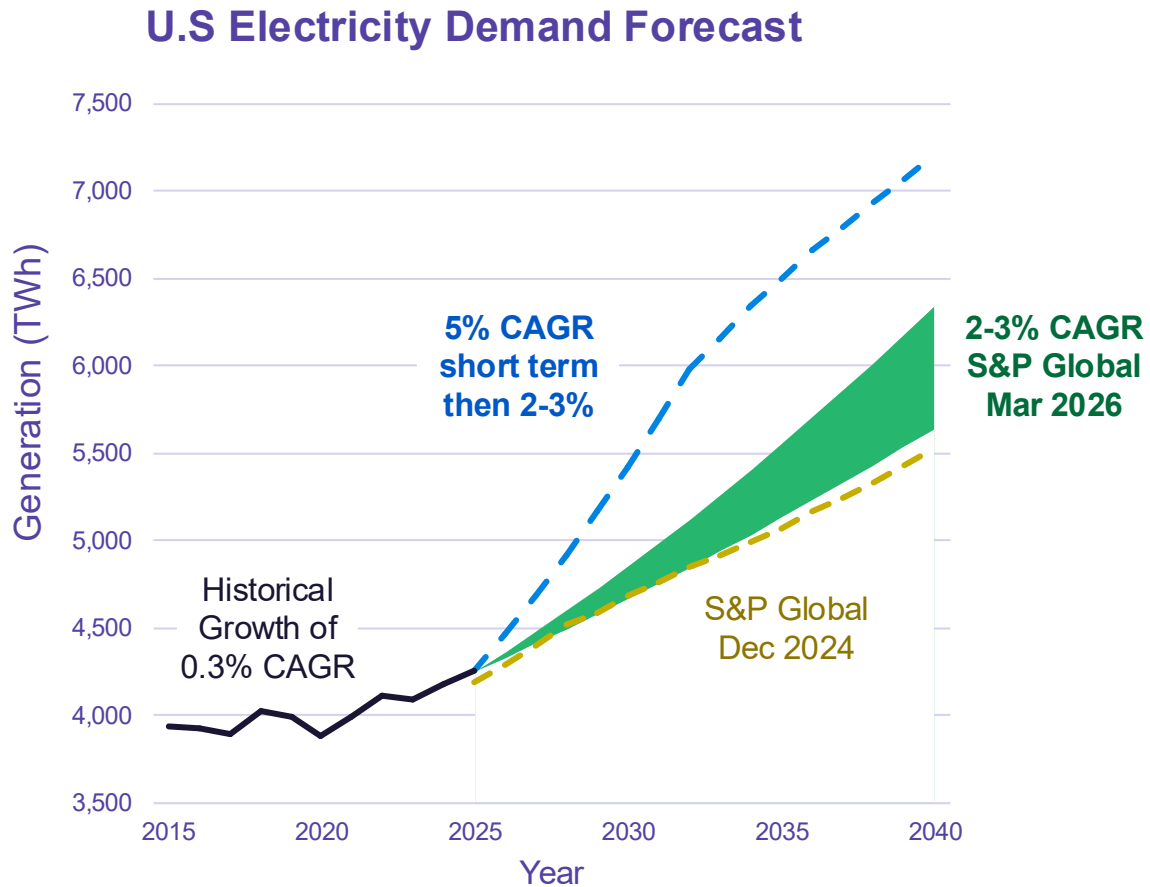


*2026 numbers are Guidance

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Demand Growth Limited by Supply



- Historical demand has been relatively flat
- Models in late 2024 projected significant demand growth of >1% CAGR
- Most current mainstream models have demand growth between 2-3% CAGR
- Models continue to be revised upward and do not count behind the meter applications
- U.S. Data center electricity demand forecasts range from 14-15% CAGR to 2030
- Announcements, permitting, contracts, etc. indicate *intention* for much larger growth

We are in the largest U.S. Infrastructure buildout since the Golden Age of American Railroading

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Capacity Growth

Most models show U.S. Capacity growth >60% from 1,350 GW in 2025 to over 2,200 GW in 2040



Grid Expansion

With 2–3 terawatts in the interconnection queues, the U.S. has ~2x its current grid capacity waiting to be built



Gas Pipeline

The U.S. is adding gas pipeline capacity of ~15–20+ Bcf/d annually ~3x the recent 6 Bcf/d



Energy growth is sustained and will evolve

Continued Growth

Explosive demand with supply constraints, grid limitations, long lead times and price premiums for early delivery;
Deferred coal retirements



Transition

Reduced CAPEX as supply balances with demand;
Reduced lead times;
Increased competition driving prices down



Substitution

Coal plants and aging gas turbines retire or repower to newer, cleaner and more efficient GTs or nuclear



Policies create Data Center “winners” and “losers”

Pro data center – Speed, lower cost and predictability

- Presidential Executive Orders or state policies to streamline permitting and secure power
- Incentives that lower costs
 - Sales tax exemptions
 - Property tax abatements
 - Income tax credits
 - Co-location and large load tariffs
- Monetized curtailment and demand response
- Training programs that secure a quality workforce
- Political stability and shared risks

Anti data center – Cost or schedule risk or uncertainty

- Local opposition and moratoriums on data centers or fossil generation
- Cost uncertainty
 - Aggressive decarbonization targets
 - Curtailment
 - Short term or changing incentives
 - Take or buy contracts or minimum payments
- Execution risks from permitting, litigation or changing rules
- Political uncertainty and stranded asset risks

Key Takeaways



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- We are in one of the largest infrastructure buildouts in U.S. History
- The rail industry is uniquely positioned to capitalize on the expansion of energy with heavy, long-haul bulk movement
- Expect regionally differentiated freight flows, both in volume and in type of product moved
- Energy and manufacturing growth likely to create new or expanded freight corridors

The scale of energy and infrastructure buildout underway should require increased freight movement for decades

Thank you!

Questions?