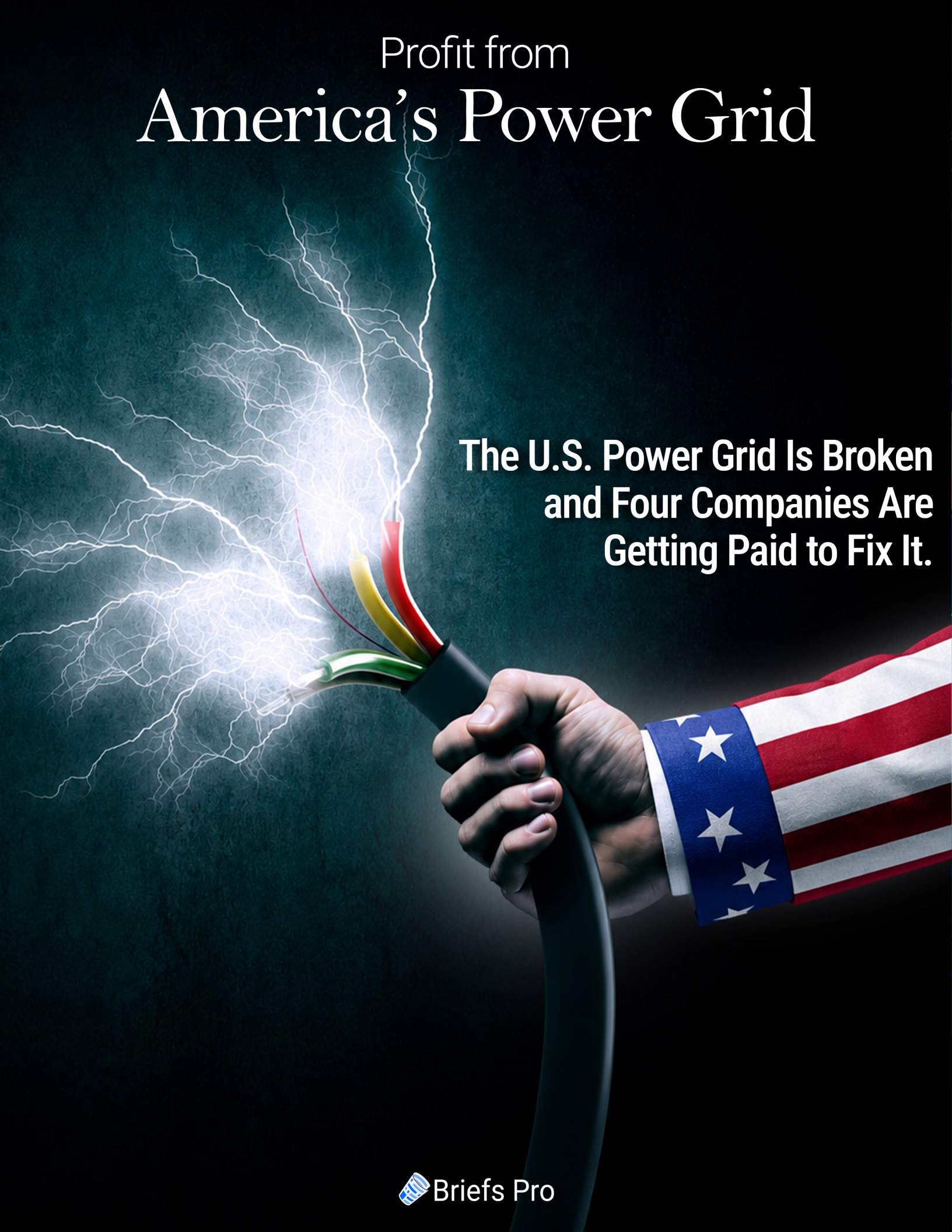
Profit from America's Power Grid



The U.S. Power Grid Is Broken and Four Companies Are Getting Paid to Fix It.

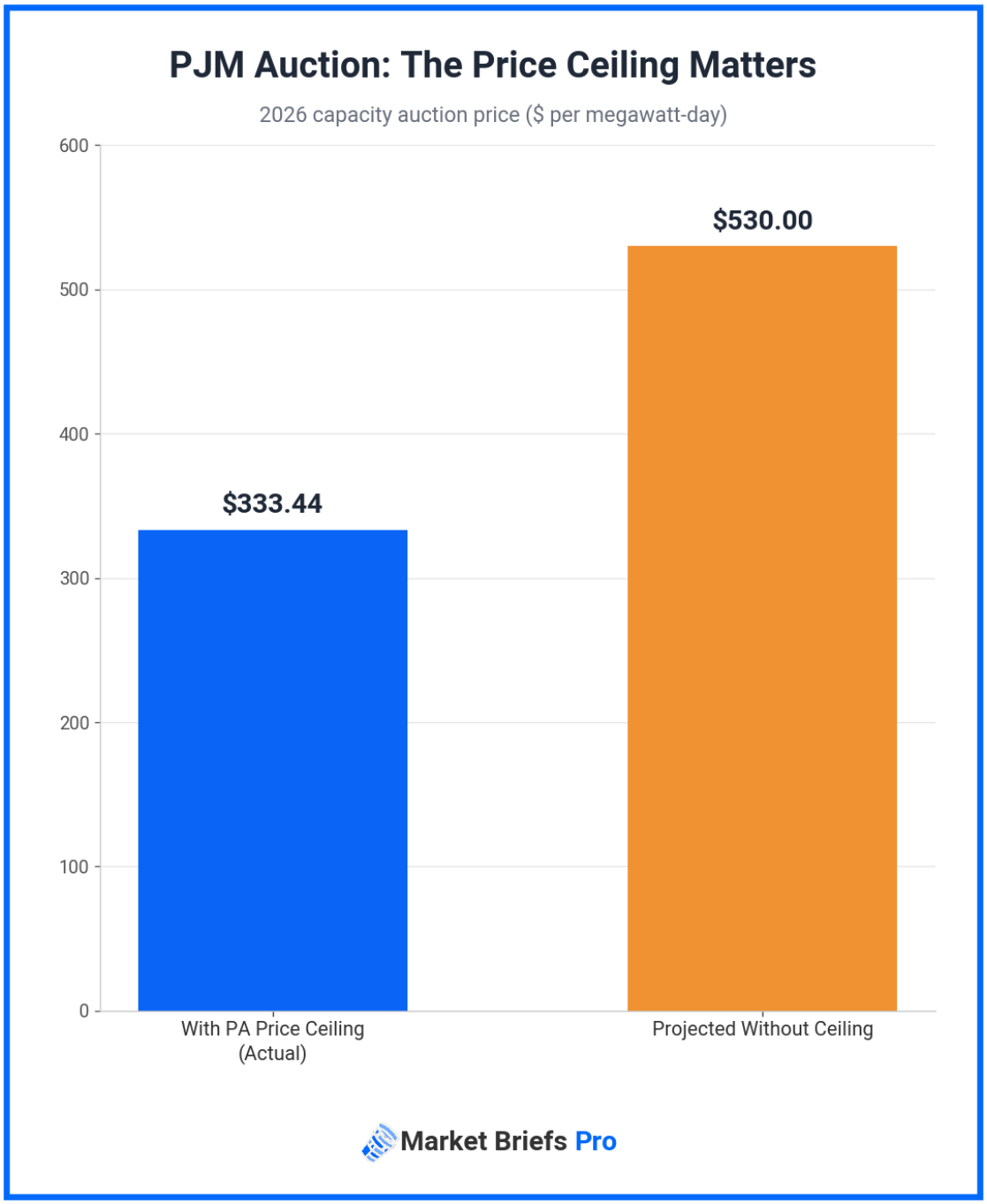
Briefs Pro

Good morning, Pro Briefers!

In late 2025, the U.S. power grid sent a warning sign.

PJM Interconnection - which runs the grid for 13 states - held an auction to lock in future power. Companies will get $333.44 per megawatt-day to keep electricity on standby.

But that price was only that low because Pennsylvania's governor pushed for a price ceiling. Without it, the auction would have settled near $530.



Data via PJM annual reports

Why? Demand for power is exploding - and the supply chain that builds the grid isn't ready.

For 20 years, U.S. electricity demand was flat. Steel mills, equipment makers, and contractors all cut back capacity and stopped training workers.

Now AI data centers, factories, EVs, and defense projects are all pulling power at record rates - but the people, parts, and materials to expand the grid aren't there.

That's where we've identified an Innovation Shift:

The U.S. is racing to rebuild its electric grid - and companies supplying the materials, equipment, and skilled labor are sitting on huge backlogs, creating potential opportunities for investors.

ANALYST TAKE

Tickers we're tracking:

Services anchor: PWR

Equipment leader: GEV

Materials play: CLF

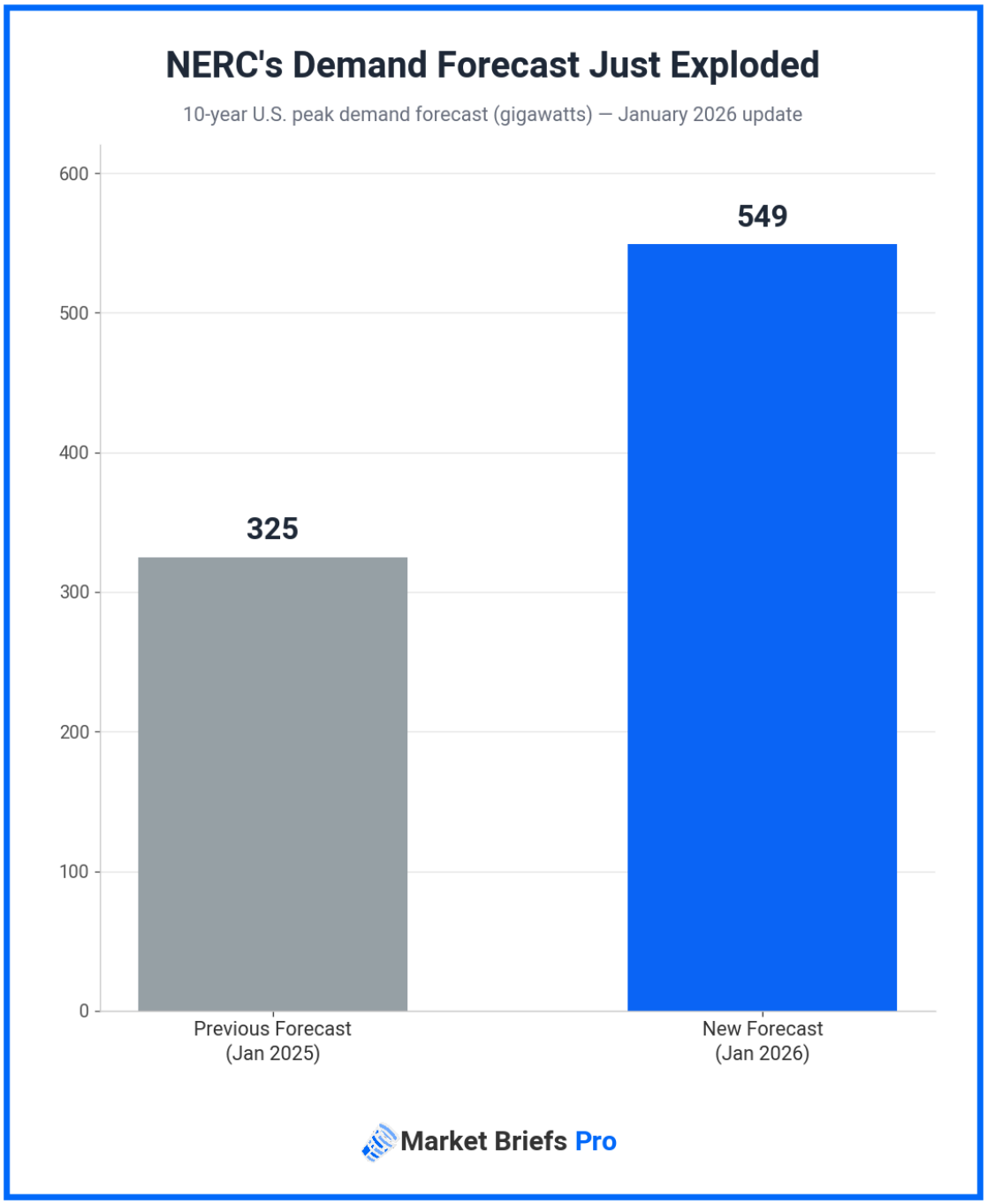
Copper hedge: FCX

THE SHIFT

Supply And Demand

In January 2026, the North American Electric Reliability Corporation (NERC) raised its 10-year peak demand forecast by 224 gigawatts - a 69% jump from just one year earlier.

Out of 23 power regions, 13 are now flagged for higher reliability concerns.



Data [via](#) NERC

Where is all that demand coming from?

- **AI compute.** The top four cloud providers are on track to spend $725 billion on data centers in 2026 - a 77% jump.

- **Manufacturing reshoring.** Policies like the CHIPS Act are pushing factories back to U.S. soil.

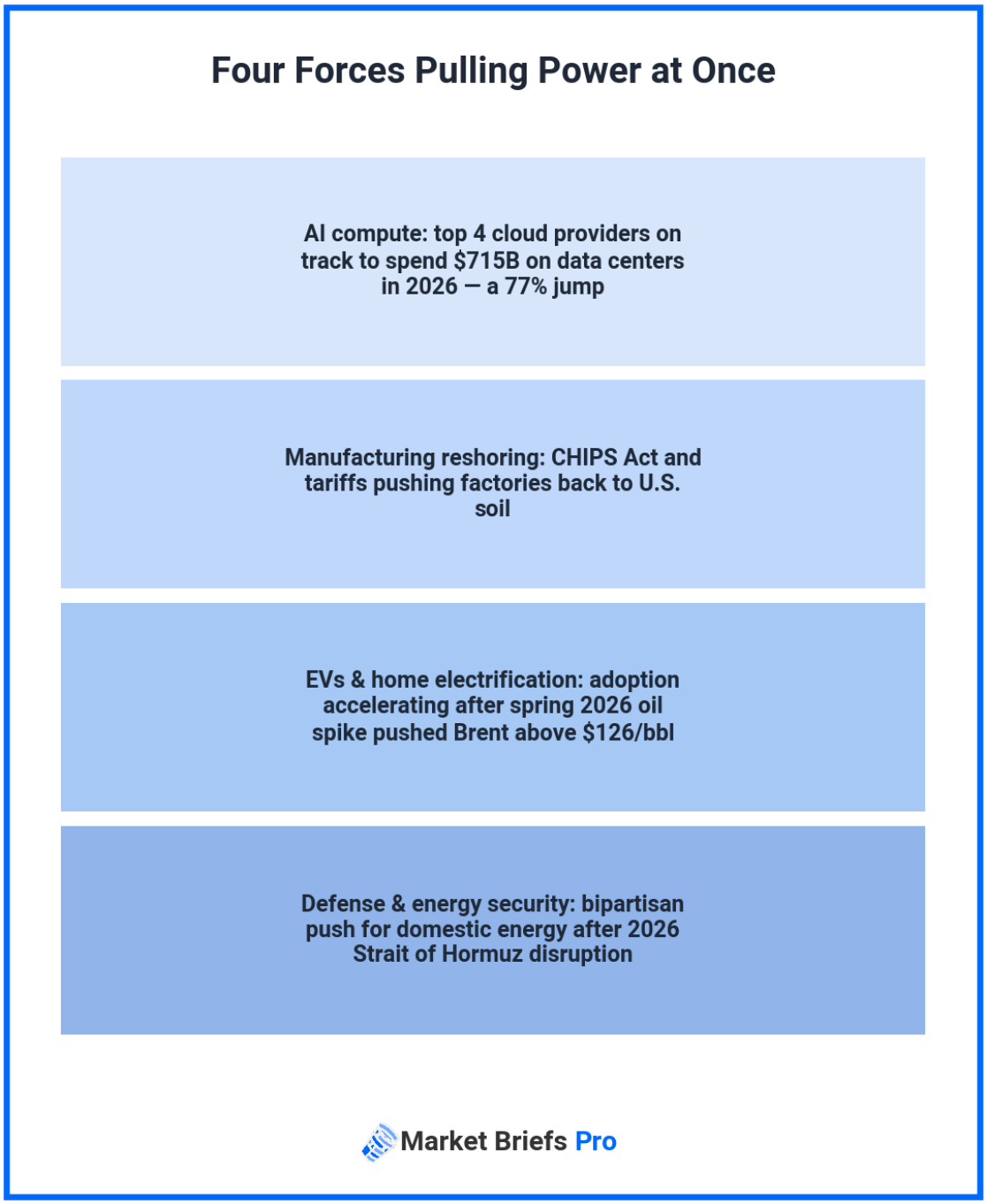
- **EVs and home electrification.** Adoption keeps growing, especially after the spring 2026 oil spike pushed Brent above $126 per barrel.

- **Defense and energy security.** After the 2026 Strait of Hormuz disruption, both parties agree America needs more energy made at home.

Bottom line: Power demand isn't a one-trick story.

And the supply chain is jammed at almost every step. Transformers now take around 128 weeks to deliver.

The specialty metal that makes them - grain-oriented electrical steel (GOES) - is made by only one company in North America: Cleveland-Cliffs (more on them soon).



Data via various SEC filings

Labor is tight too, with only 55,000 active electrical apprentices nationwide.

The kicker? Of every 12 gigawatts of data center capacity announced for 2026, only about 5 are still on track.

This is an industry ripe with demand, but short on innovation. Let's discuss a few companies aiming to solve that next.

SERVICES ANCHOR

Building The Grid

When power lines get installed, someone has to physically build them.

Quanta Services (PWR) is the largest company doing that work in North America - they put in transmission lines, build substations, and handle the heavy electrical work that utilities can't do themselves.

That puts Quanta right in the middle of this shift. Every new data center, factory, or upgraded power line means more work for them.

Their Q1 2026 results showed:

- A record $48.5 billion total backlog (a backlog means orders they work through over time).
- A 1.6x book-to-bill ratio (which means new contracts are coming in 60% quicker than current jobs are wrapping up).
- A first-time 765 kV deal with utility giant American Electric Power - that's the highest-voltage tier in the U.S.

Even bigger: Quanta announced plans to double its transformer manufacturing segment. That's a contractor moving up the chain to make the very part that's holding back its customers.

Data via Quanta Services Investor Relations

It also locks in supply for their own projects, while opening up a new revenue stream selling to others.

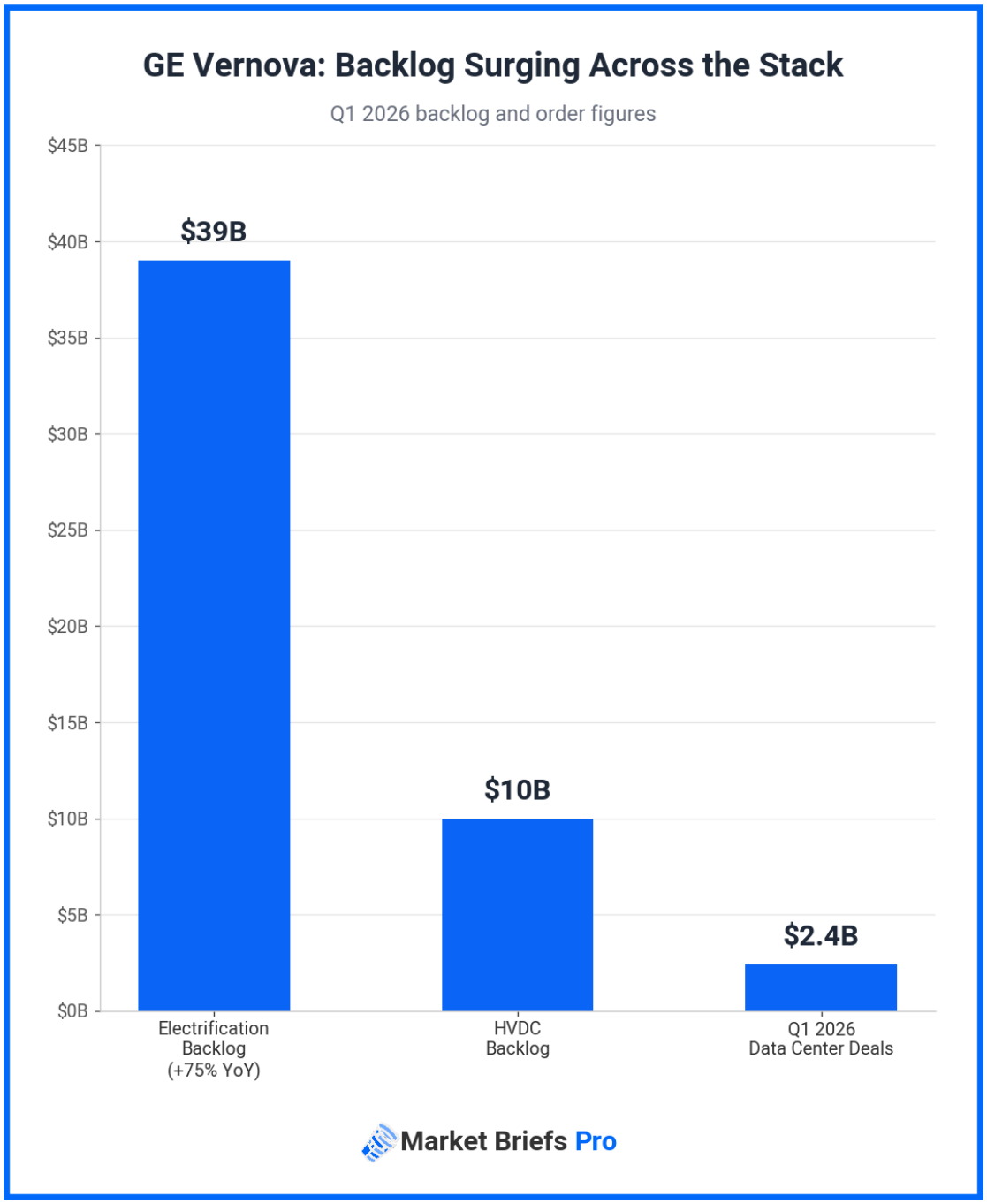
Quanta also trains more electrical workers in-house than anyone else in the field.

In a market where skilled labor is the bottleneck, that's a real edge - and one that's tough for competitors to copy quickly.

Apprenticeship programs take years to scale up.

Shares of Quanta are up over 128% in the last year, and over 643% in the last five years.

With a backlog stretching out for years and a labor advantage that compounds over time, Quanta may be one of the more durable opportunities in this shift.



Data via Briefs Terminal

EXIT TRIGGER: Watch Quanta's book-to-bill ratio. If it falls under 1.0x for two straight quarters, demand is cooling.

Also keep an eye on total backlog - if it drops below $40 billion, the runway of work is shrinking. If Quanta walks back its in-house transformer plans, that's another red flag.

EQUIPMENT LEADER

Supplying The Grid

Quanta installs the grid, GE Vernova (GEV) makes the gear that goes inside it.

The company spun off from General Electric in 2024 and is now a pure play on grid equipment - everything from transformers to high-voltage transmission gear to gas turbines.

That makes GE Vernova one of the most direct ways for investors to get exposure to this shift.

When utilities and data center operators need physical hardware, GE Vernova is one of the few companies that can supply it at scale.

In our November 1st 2025, report, our analysts discussed GEV as well, mainly how they are powering data centers with natural gas turbines.

Data via GE Vernova Investor Relations

Their Q1 2026 numbers:

- Electrification segment backlog: $39 billion, a 75% jump compared to a year earlier.
- Q1 2026 data center deals: $2.4 billion - more than what they pulled in across all of 2025.

- HVDC (high-voltage direct current) backlog: $10 billion.
- Gas turbine orders now booked all the way through 2030.

That’s a lot of numbers and industry jargon - but what you need to know is this:

GE Vernova is increasing its backlog in nearly every segment that is relevant to this electrical grid shift.

GE Vernova is also buying its way up the supply chain.

The company acquired transformer maker Prolec to lock in supply for itself - same playbook as Quanta, just from the other end.

And not only are they selling more - they're making more on each sale.

That’s improved profit margins and helped increase their EBITDA.

The other thing working in GE Vernova's favor is order visibility.

With backlogs stretching out 4-6 years, the company has a clear view of revenue well into the future, which is rare in the equipment world.

The Grid Shift: Four Companies, Four Layers

Each company controls a different bottleneck in the build-out

	Ticker	Role	The Edge
Quanta Services	PWR	Services / Build	**$48.5B backlog**
GE Vernova	GEV	Equipment	**$39B backlog**
Cleveland-Cliffs	CLF	Materials (GOES)	**Sole N.A. producer**
Freeport-McMoRan	FCX	Copper	**Dual-driver hedge**

Market Briefs Pro

Data via Briefs Terminal

Shares of GE Vernova are up over 100% in the last year.

And while the stock isn't cheap anymore, the long backlog and rising margins give it staying power as this shift continues to play out.

EXIT TRIGGER: Watch GE Vernova's electrification backlog growth.

If year-over-year growth slips below 30%, the equipment surge is slowing.

Plus, if their EBITDA falls, they could be losing pricing power.

And if quarterly data center orders come in under $1.5 billion, hyperscalers are pulling back.

MATERIALS PLAY

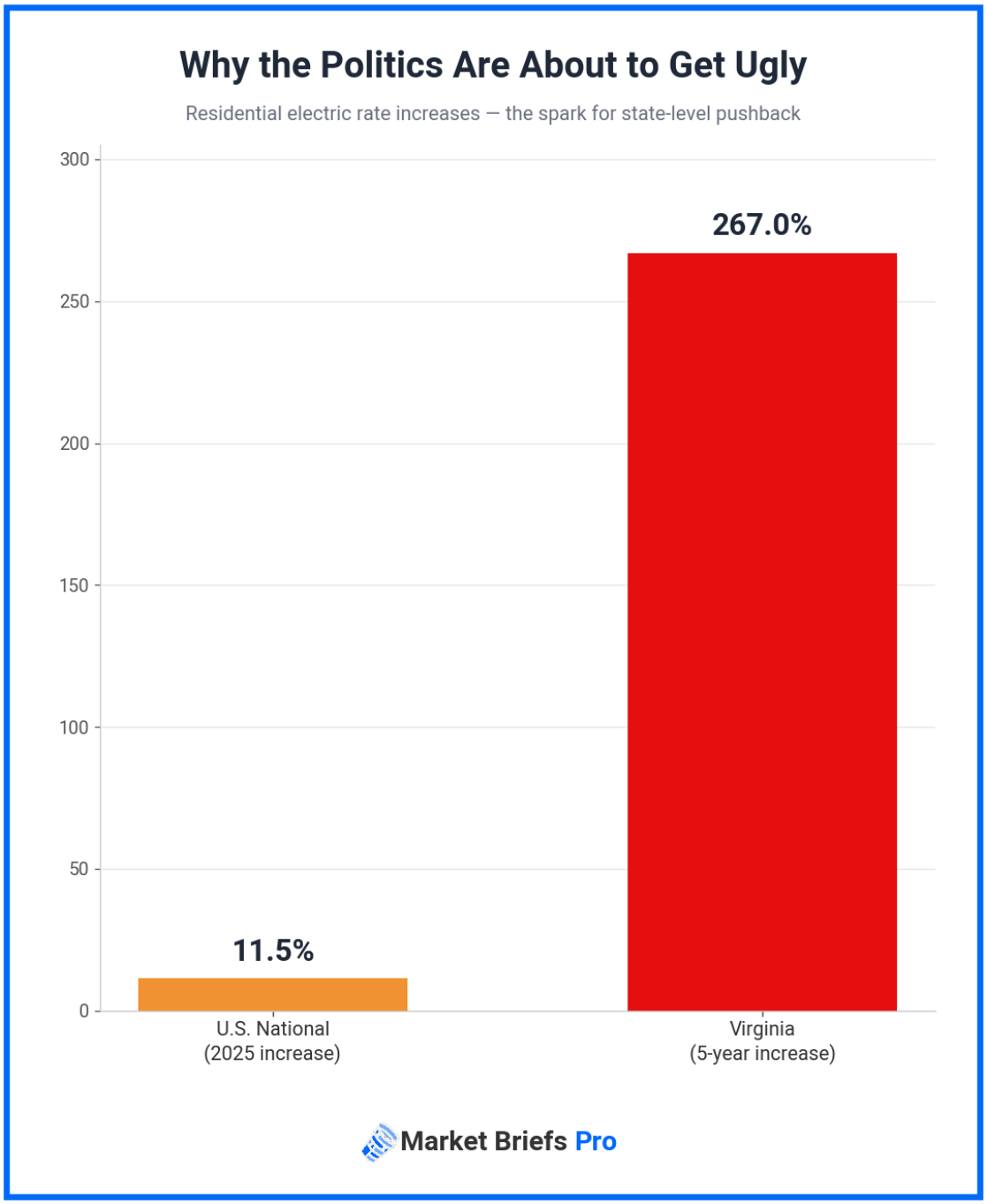
What Transforms The Grid

We mentioned that grain-oriented electrical steel (GOES) is essential for transformers. And in North America, only one company makes it: Cleveland-Cliffs (CLF).

That gives Cleveland-Cliffs something rare in the industrial world - a near-monopoly on a critical input.

If a transformer is built in the U.S., there's a strong chance the steel inside it came from a Cleveland-Cliffs mill.

The company originally wanted to invest $150 million to expand its Weirton, West Virginia plant, growing GOES output by 30-40%.



Data via Cleveland-Cliffs Investor Relations

But that plan got scrapped - and it's instead using some of those funds to upgrade its factory in Lyndora, PA.

- The original expansion was scheduled to come online in the first half of 2026, just as the transformer shortage is expected to peak.

Now, full transparency: Cleveland-Cliffs has had a rough year. Going into Q1 2026, shares were down 31% year-to-date.

But it did show signs of a turn around in Q1 2026:

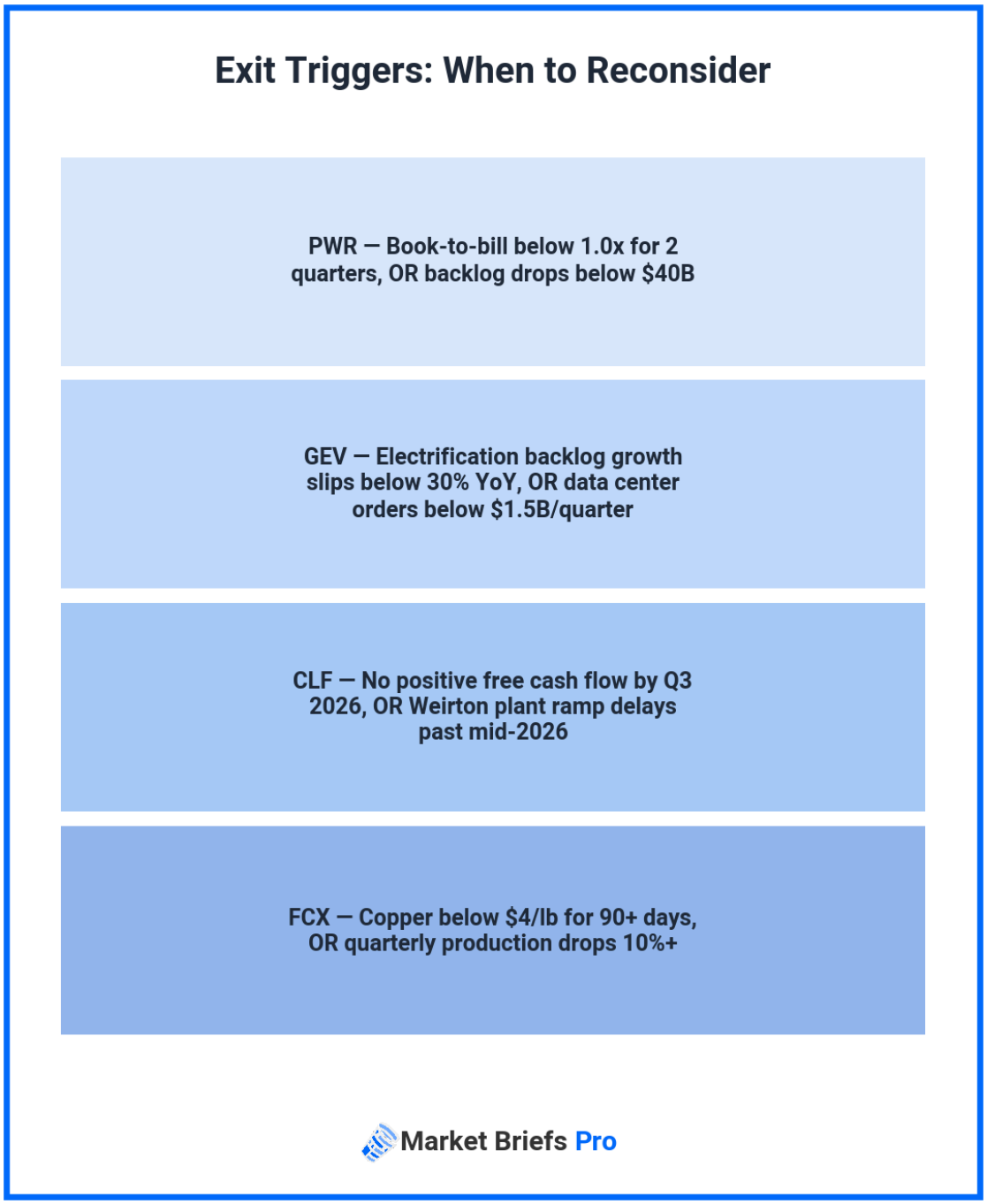
- Steel-making operations turned a +$95 million EBITDA - a big swing from -$179 million in the same quarter a year earlier.
- The company's operating loss came down sharply - from $543 million to a smaller $213 million.
- Shipments to automakers reached their best level in almost two years.
- Its CEO said the company is on track to generate positive free cash flow starting in Q2 2026.

Keep in mind: This is a higher-risk name. The company carries more debt than others in this report, and a recession would hit it harder.

The auto industry, which is still Cleveland-Cliffs' biggest customer, also tends to slow down in a downturn.

Investors looking at this opportunity may want to consider it more cautiously and size it accordingly.

With that said, if the turnaround holds, Cleveland-Cliffs may be one opportunity worth watching.



Data via Briefs Terminal

EXIT TRIGGER: If Cleveland-Cliffs doesn't reach positive free cash flow by Q3 2026, the turnaround may be in trouble.

Any delay to the production ramp ups beyond mid-2026 pushes back the GOES catalyst.

And if debt levels rise instead of fall, the business is burning cash, not recovering.

COPPER HEDGE

Other Parts Of The Grid

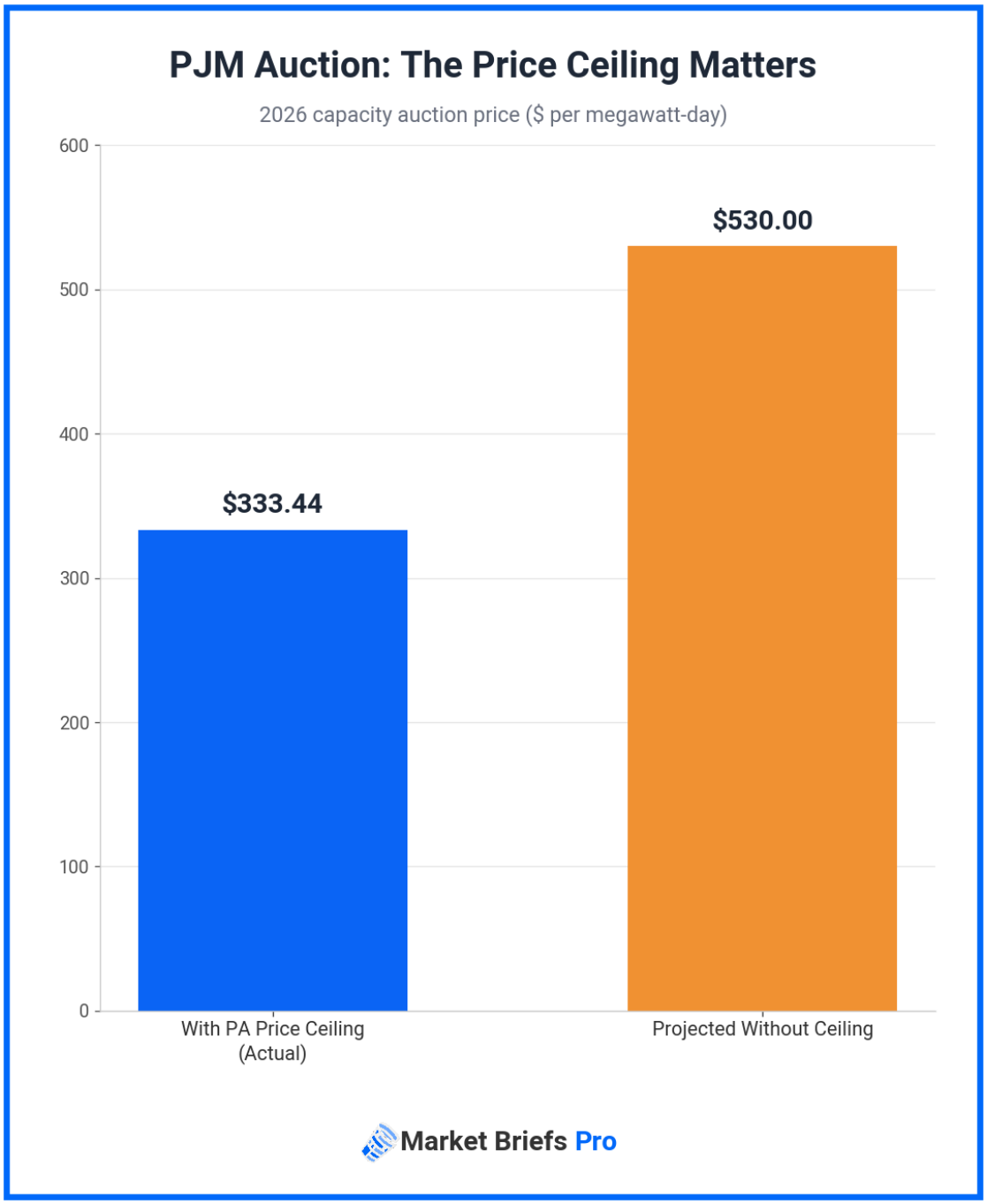
GOES isn't the only material in short supply - copper is too.

Why does that matter? Copper is everywhere in grid hardware, like we discussed in our October 18th, 2025 report. It's used inside transformers, large power cables, motors, and energy storage gear.

Every wind turbine, EV, and data center cooling system also runs on copper. The grid build-out simply can't happen without it.

- Since 2020, the price of copper has climbed well over 100%.

Freeport-McMoRan (FCX) is the largest copper producer in the U.S. It also has gold exposure - and gold has been hitting record highs throughout 2025 and into 2026.



What makes Freeport interesting is that it has two stories supporting it:

1. The grid build-out we just covered, which keeps copper demand high for years.
2. A separate supply crunch in the global copper industry, where major mines are running out of high-grade ore and new mines take 10+ years to come online.

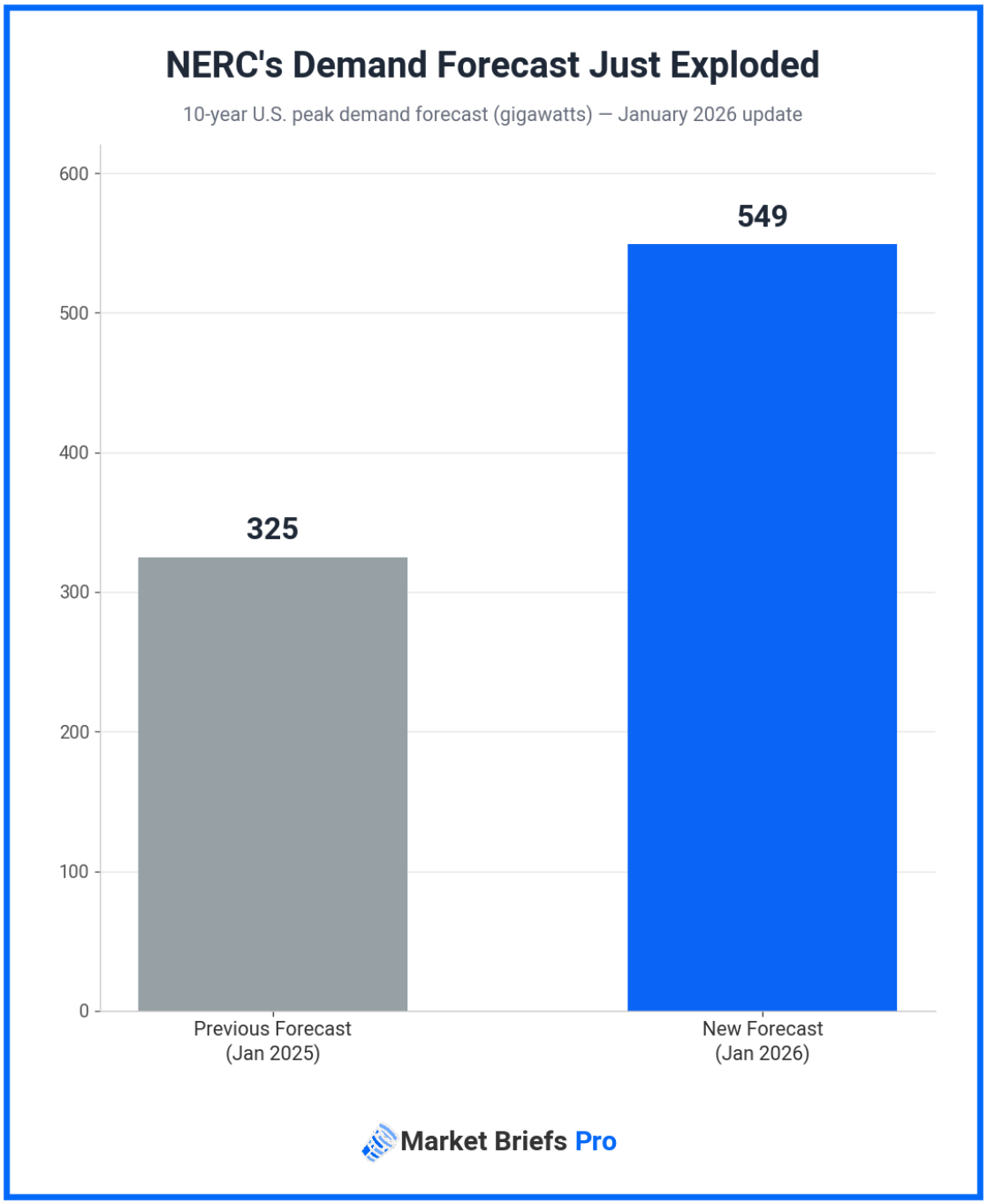
That dual setup is what makes Freeport different from the other names in this report.

If grid spending pauses, the copper supply crunch still pushes prices up. If copper supply somehow eases, the grid demand keeps the floor under the price.

Plus, the gold exposure adds a hedge of its own.

Gold tends to do well when investors get nervous about the broader economy - exactly the kind of moment that might also cool copper demand.

So gold helps balance out copper's risk.



Data via Briefs Terminal

That's why some investors might view Freeport more as a hedge for the materials side of this shift, rather than a direct bet. It's not the most explosive opportunity in the report, but it may be the most durable.

EXIT TRIGGER: Watch copper prices. If they fall below $4 per pound for more than 90 days, demand is weakening.

Also keep an eye on China - if their economy slows, copper demand drops fast.

And if Freeport's quarterly copper production falls 10%+ from current levels, company-specific risk is rising.

RISKS

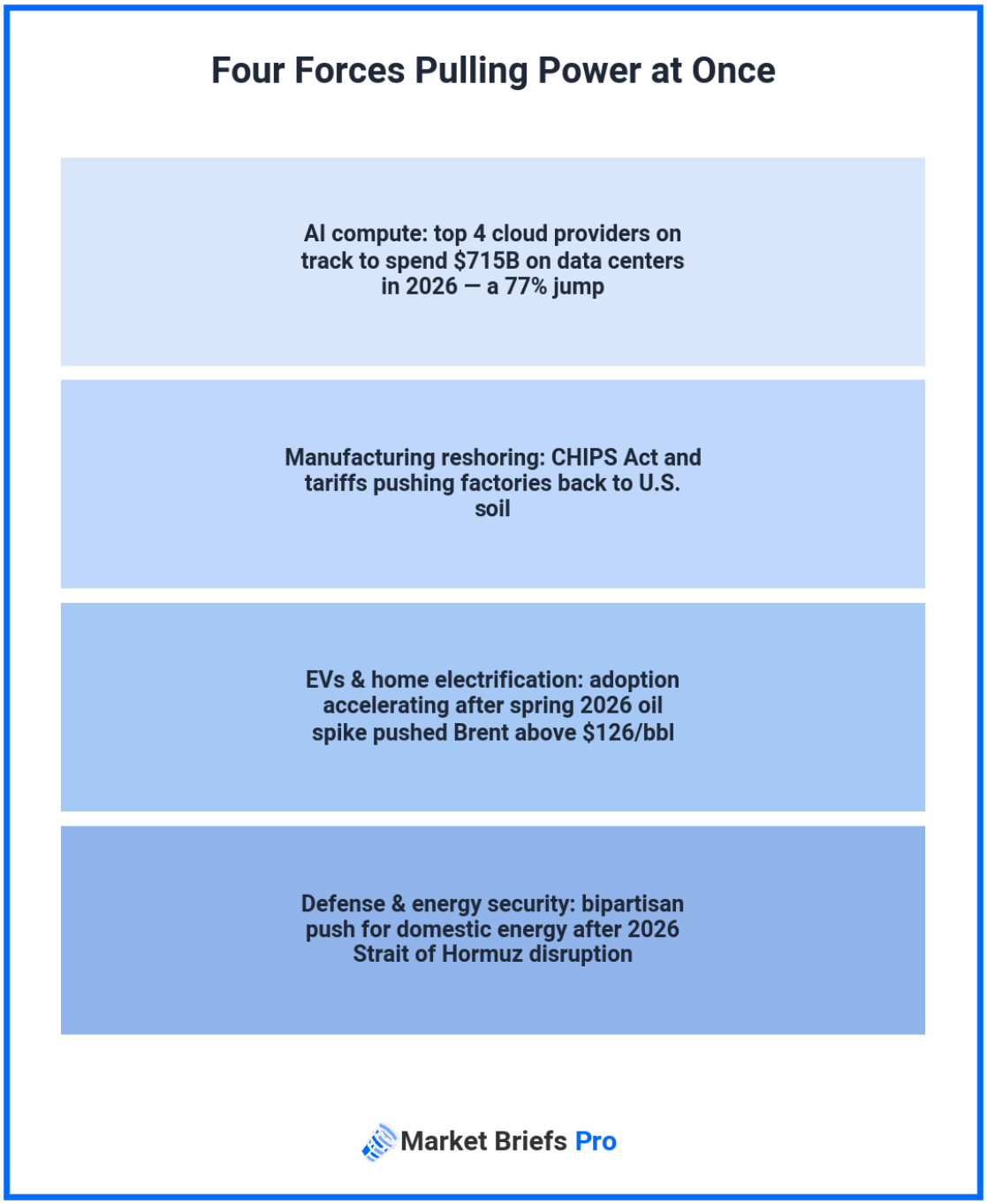
How This Shift Could Change

Recession risk. If the U.S. economy slips into a recession, cloud companies would likely pull back on data center spending. That could ripple all the way down the supply chain.

AI gets more efficient. Companies like DeepSeek have shown that AI models can run leaner. If that trend keeps going, the power demand from AI could grow more slowly than expected.

State-level pushback. This is the big political risk. Residential electric bills are climbing fast. National rates rose 11.5% in 2025. Virginia rates are up 267% over five years.

That's making people angry. In just the opening six weeks of 2026, more than 300 bills targeting data centers showed up in state legislatures.



Data via the Department of Energy

Some would put a freeze on new data centers entirely.

The 2026 midterm elections will be a key moment - if voters in states like Virginia, Pennsylvania, or Ohio punish incumbents over rate hikes, the politics could shift fast.

Right now, federal policy is pushing for build-out. But state-level rules could put real friction on the system.

REVIEW

Dollars Are Powering The Grid

For the last two decades there was a status quo in the electrification industry: Power demand stays flat, so the grid stays the same.

That world is ending. AI, factories, EVs, and defense spending are all pulling more power at once.

And the supply chain to build the grid - the steel, the transformers, the people - simply wasn't ready.

That mismatch is what creates the opportunity. When supply is tight and demand is rising, the companies that own the bottleneck get pricing power for years.

Quanta Services (PWR) — Q1 2026 Highlights

The largest North American electrical contractor

	Q1 2026
Total Backlog	$48.5B (Record)
Book-to-Bill Ratio	1.6x
Landmark Deal	First 765 kV with AEP
Stock — 1 Year	up 30%+
Stock — 5 Year	up 350%+
Strategic Move	Doubling in-house transformer mfg

Market Briefs Pro

But bottlenecks won't ease meaningfully for at least 2-3 years - and the political response is just getting started.

Investors with patience may find this is one of the bigger market shifts of the decade.

In the end, the world is changing how it thinks about energy - and the companies building the next generation of the grid may be the ones to watch.

- Market Briefs Pro Team

*The Market Briefs Pro team often invests in the same stocks and assets we cover.

Why? Because we believe in practicing what we preach (and preaching what we practice).

But keep in mind: We're not financial advisors. Everything we provide is for education. You've got to do your own due diligence and think about what makes sense for your own financial situation. Investing has risks.

You are never guaranteed to make money when you invest, you might even lose money. If you're looking for personalized financial advice, we highly recommend speaking with a licensed financial advisor.

Our mission? It's simple - to help you be better with money.

Included interviews have been edited for length and clarity.