



Energy, Power & Infrastructure

3rd QUARTER 2026 – ELECTRICAL GRID MODERNIZATION



Trends Driving Investment Spending In Energy Transition & Grid Modernization

KEY TAKEAWAYS

- **Electricity Demand Has Entered a Structural Growth Cycle:** U.S. electricity demand is accelerating following decades of limited growth, driven by AI and hyperscale data centers, manufacturing reshoring, and economy wide electrification, supporting a sustained utility investment cycle.
- **Transmission Infrastructure Has Become the Primary Constraint:** Transmission congestion, interconnection backlogs, aging infrastructure, equipment shortages, and permitting challenges are limiting grid expansion and delaying new generation deployment.
- **Grid Modernization Is Accelerating Utility Capital Investment:** Utilities are deploying record levels of capital toward transmission expansion, substation upgrades, grid-enhancing technologies, and digital infrastructure to improve reliability and accommodate growing load.
- **Renewable Integration Is Increasing Grid Complexity:** Rapid deployment of utility scale solar, wind, and battery energy storage is driving investment in transmission capacity, grid flexibility, advanced controls, and system balancing capabilities.
- **The Energy Transition Supports a Long-Term Infrastructure Investment Cycle:** The convergence of structural demand growth, renewable integration, and grid modernization is expected to drive sustained investment across the transmission & distribution value chain, benefiting utilities, EPC contractors, equipment manufacturers, engineering firms, and grid technology providers.

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2024 M&A ADVISOR AWARDS

M&A DEAL OF THE YEAR
\$25MM - \$50MM



DEAL OF THE YEAR WINNER 2022

UTILITY, POWER & INFRASTRUCTURE

Structural Drivers Reshaping the U.S. Power Grid



Electricity Consumption is Accelerating

- Following nearly two decades of stagnation, U.S. electricity demand is projected to grow at a 1.7% CAGR through 2026, marking a meaningful structural inflection in power consumption.
- Annual electricity consumption is forecast to exceed 4.2 trillion kWh in 2026, supported by AI-driven load growth and broader electrification trends.¹
- The return of sustained demand growth is increasing utilization of existing T&D infrastructure, accelerating utility capital deployment.

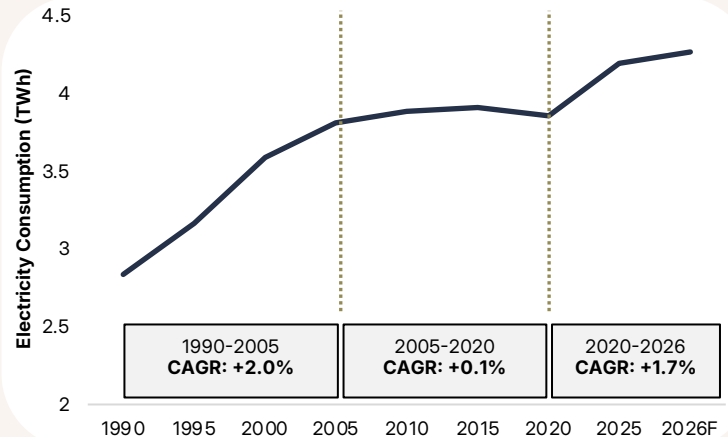
Load Growth Divergence

- Energy usage is growing faster than peak load across most regions, indicating sustained, higher baseline electricity demand rather than episodic spikes.
- ERCOT and SPP exhibit outsized growth, driven by data center expansion, population inflows, and industrial activity.²
- This divergence increases strain on grid infrastructure and supports continued investment in transmission, generation, and reliability upgrades.

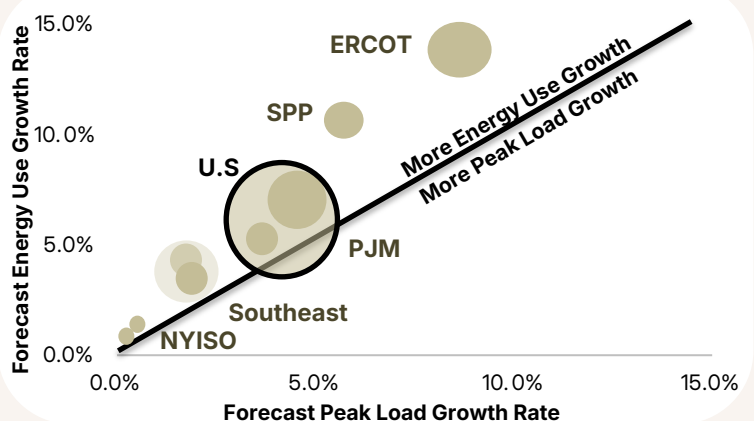
AI & Data Center Expansion

- AI and hyperscale data centers are expected to drive U.S. electricity demand growth to 1.6% annually through 2050 following nearly 15 years of flat demand.
- Data center electricity consumption is projected to reach 818 billion kWh by 2050, representing more than a 16x increase from 2020 and an 84% increase above the baseline scenario.³
- AI driven load growth, led by Virginia and Texas, is expected to accelerate investment in transmission, substations, generation, and grid infrastructure.

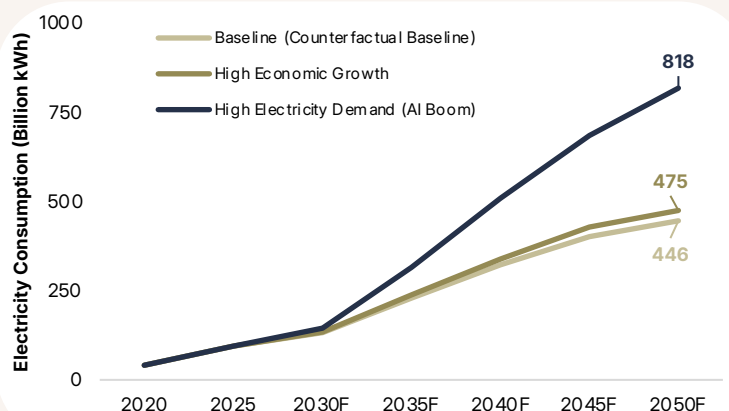
U.S. Electricity Consumption¹



Energy Use vs. Peak Load²



Commercial Data Center Electricity Consumption³



¹⁾ U.S. Energy Information Administration, Short-Term Energy Outlook, (Jul. 2025).
²⁾ U.S. Energy Information Administration, U.S. Electricity Demand Data, (Dec. 2025).
³⁾ U.S. Energy Information Administration, Annual Energy Outlook 2025, (Apr. 2025).

Growing Demand is Exposing Critical Grid Bottlenecks



Interconnection Activity is Accelerating

- Annual queued capacity increased from approximately 120 GW in 2010 to nearly 550 GW in 2025, reflecting unprecedented investments in new generation and energy storage projects.¹
- Interconnection requests have nearly doubled since 2010, highlighting the accelerating pace of generation development across U.S. power markets.
- Interconnection requests accelerated significantly beginning in 2021 as developers responded to expanding renewable investment, electrification, and higher long-term utility load forecasts.

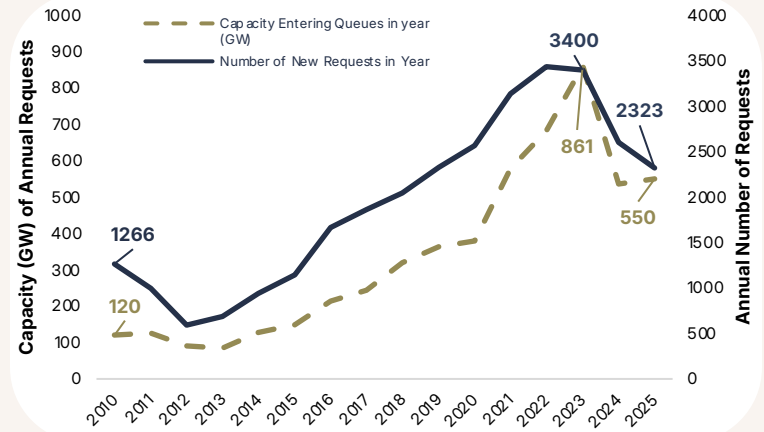
Backlogs Are Delaying Grid Expansion

- Active interconnection queue capacity has expanded from approximately 325 GW in 2014 to more than 2000 GW in 2025, highlighting the growing disconnect between project development and grid readiness.¹
- Interconnection backlogs are being driven by transmission constraints, lengthy studies, and permitting delays.
- Transmission expansion and interconnection reform remain critical to unlocking future generation capacity.

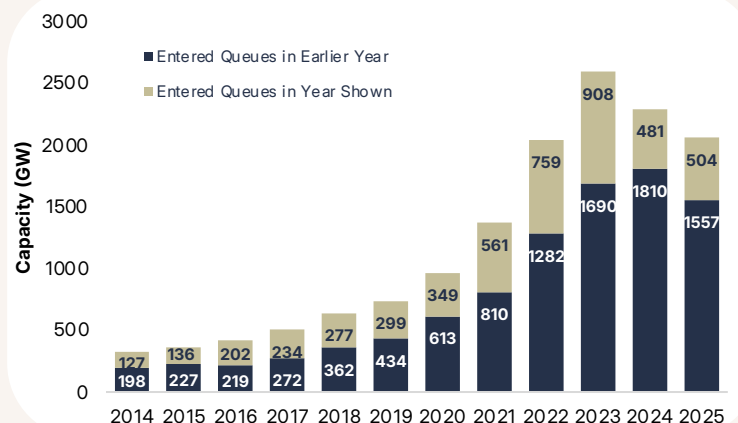
Demand vs. Supply Constraints

- Large power transformers are operating near end-of-life, indicating limited headroom for incremental demand and increasing risk of capacity bottlenecks across the transmission network.
- A significant portion of transmission and distribution assets are already in late-stage life cycles, implying a sustained, multi-year replacement cycle rather than a one-time upgrade.
- With an average substation age exceeding 40 years and 60% of circuit breakers surpassing the 30-year mark, the grid faces escalating risks of equipment failure and reliability challenges.²

Annual Submitted Interconnection Requests¹



Interconnection Queue Capacity¹



Age of Transformers²

Hardware Component	Average Age in the USA	Typical Service Life
Large Power transformers (≥ 100 MVA, bulk transmission)	~38-40 Years	~40 years
Distribution transformers (service transformers <34.5kV)	~55% of in-service units are > 33 years	~33+ years
Substations	> 40 years	40-60 years
Substation Circuit Breakers (Transmission level)	~60% are ≥ 30 years old	~30-40+ years
Underground power cables (T&D)	(No National Average)	~20-40 years

¹) Lawrence Berkeley National Laboratory, Queued Up: 2026 Edition, Characteristics of Power Plants Seeking Transmission Interconnection As of the End of 2025, (May 2026).
²) JIEZOU POWER, Transformer Market Report, (Sep. 2023).

Grid Modernization is Creating Sustained Infrastructure Investment Needs



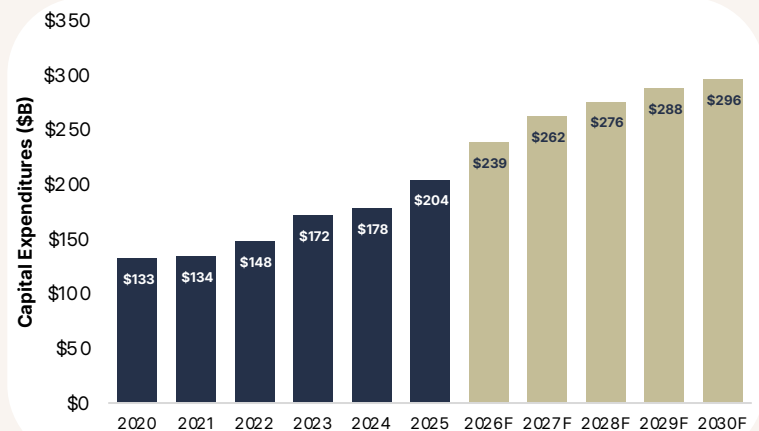
Federal Investment & Policy Support

- Federal funding is accelerating grid modernization through targeted investments in transmission expansion, grid resilience, renewable integration, and advanced grid technologies.
- The U.S. Department of Energy has committed more than \$14 billion through the GRIP Program (\$10.5B), SPARK Program (\$1.9B), and State & Tribal Grid Resilience Formula Grants (\$2.3B) to modernize the nation's electric grid.^{1,2,3}
- The \$10.5 billion GRIP Program allocates \$5.0 billion to large scale transmission projects, \$3.0 billion to smart grid technologies and grid automation, and \$2.5 billion to utility resilience projects that strengthen infrastructure against extreme weather.
- Federal investment is accelerating utility capital deployment, reducing infrastructure bottlenecks, and supporting long term transmission and distribution investment required to accommodate growing renewable generation and electricity demand.

Utility Capital Investment

- Annual utility capital expenditures are projected to increase from \$133B in 2020 to nearly \$300B by 2030, driven by accelerating electricity demand, aging infrastructure replacement, and grid modernization.⁴
- EEI forecasts more than \$1.36 trillion of utility capital deployment between 2026 and 2030, supporting transmission expansion, grid modernization, and renewable integration.
- Federal funding initiatives and rising electricity demand continue to reinforce long-term utility investment, creating sustained opportunities.

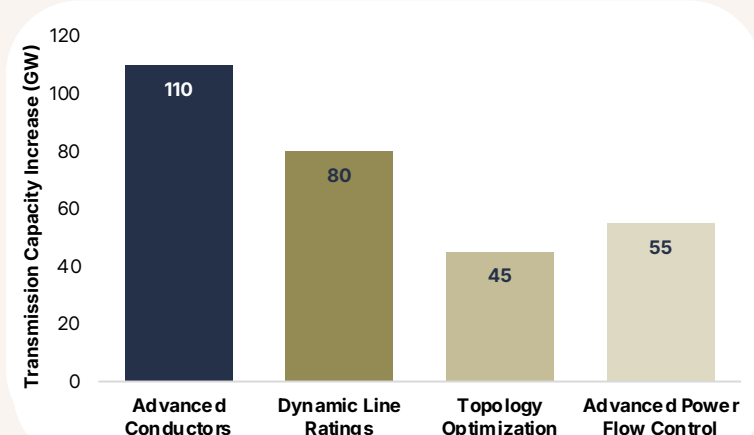
Utility Capital Expenditure Forecast⁴



Grid-Enhancing Technologies

- Grid-enhancing technologies complement traditional transmission upgrades by expanding capacity, improving utilization, and reducing congestion on existing infrastructure.
- The range of modeled capacity gains highlights the complementary role of physical upgrades and operational technologies in expanding transmission capacity.
- Advanced conductors and dynamic line ratings provide the largest modeled capacity gains, highlighting their role as the highest-impact grid-enhancing technologies.⁵

Estimated Transmission Capacity Gains⁵

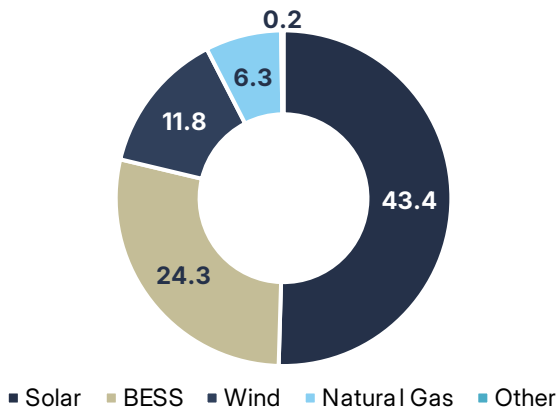


1) U.S. Department of Energy, Grid Resilience and Innovation Partnerships (GRIP) Program, (Mar. 2026).
2) U.S. Department of Energy, Speed to Power through Accelerated Reconductoring and Other Key Advanced Transmission Technology Upgrades (SPARK) Program, (Mar. 2026).
3) U.S. Department of Energy, Grid Resilience State and Tribal Formula Grants Program, (Dec. 2025).
4) Edison Electric Institute, EEI Data: Electric Companies to Invest \$1.4 Trillion to Support Customers and Power Growth, (Apr. 2026).
5) Energy Systems Integration Group (ESIG), Utility Perspectives on Making Grid-Enhancing Technologies Work, (Jul. 2025).

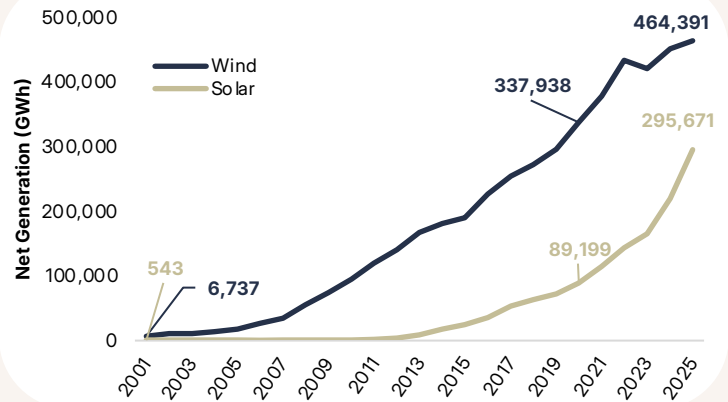
Renewables Are Driving U.S. Capacity Additions

- U.S. developers plan to add a record 86 GW of utility-scale generating capacity in 2026, substantially exceeding the 53 GW installed in 2025, which was already the highest annual total since 2002.¹
- Wind and solar generation have grown by 137% and 331%, respectively, since 2020, reflecting the rapid expansion of renewable resources across the U.S. generation mix.²
- The lower cost of onshore wind (~\$37–\$86/MWh) and utility-scale solar (~\$38–\$78/MWh) versus new combined-cycle gas (~\$48–\$109/MWh) continues to support renewable generation growth, while the intermittent nature of wind and solar is simultaneously driving demand for BESS to store excess generation and provide power during periods of lower output.³
- The One Big Beautiful Bill Act may moderate longer-term wind and solar development as federal tax incentives phase out, though grandfathered projects and continued BESS investment should support near-term renewable-related infrastructure demand.

2026 Planned Capacity Additions (GW)¹



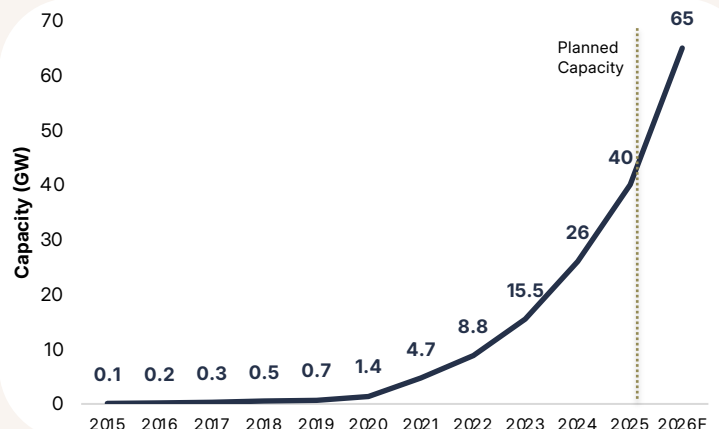
Historical Wind and Solar Generation²



Battery Storage Development

- Utility-scale battery storage capacity has grown exponentially, increasing from less than 2 GW in 2020 to approximately 40 GW of operating capacity in 2025.⁴
- The rapid deployment of BESS reflects the growing need to balance intermittent renewable generation, reduce transmission congestion, and improve grid reliability.
- Battery storage is improving grid flexibility by increasing renewable utilization and reducing curtailment.

Annual BESS Capacity Additions⁴



¹) U.S. Energy Information Administration, Preliminary Monthly Electric Generator Inventory, (Feb. 2026).
²) U.S. Energy Information Administration, (May 2026).
³) Lazard, Levelized Cost of Energy, (Jun. 2025).
⁴) U.S. Energy Information Administration, New U.S. Electric Generating Capacity Expected to Reach a Record High in 2026, (Feb. 2026).



Comparative Stock Performance

Stock Market Performance

*In Millions except for Share Price & Multiples

As of The End of Q2 2026

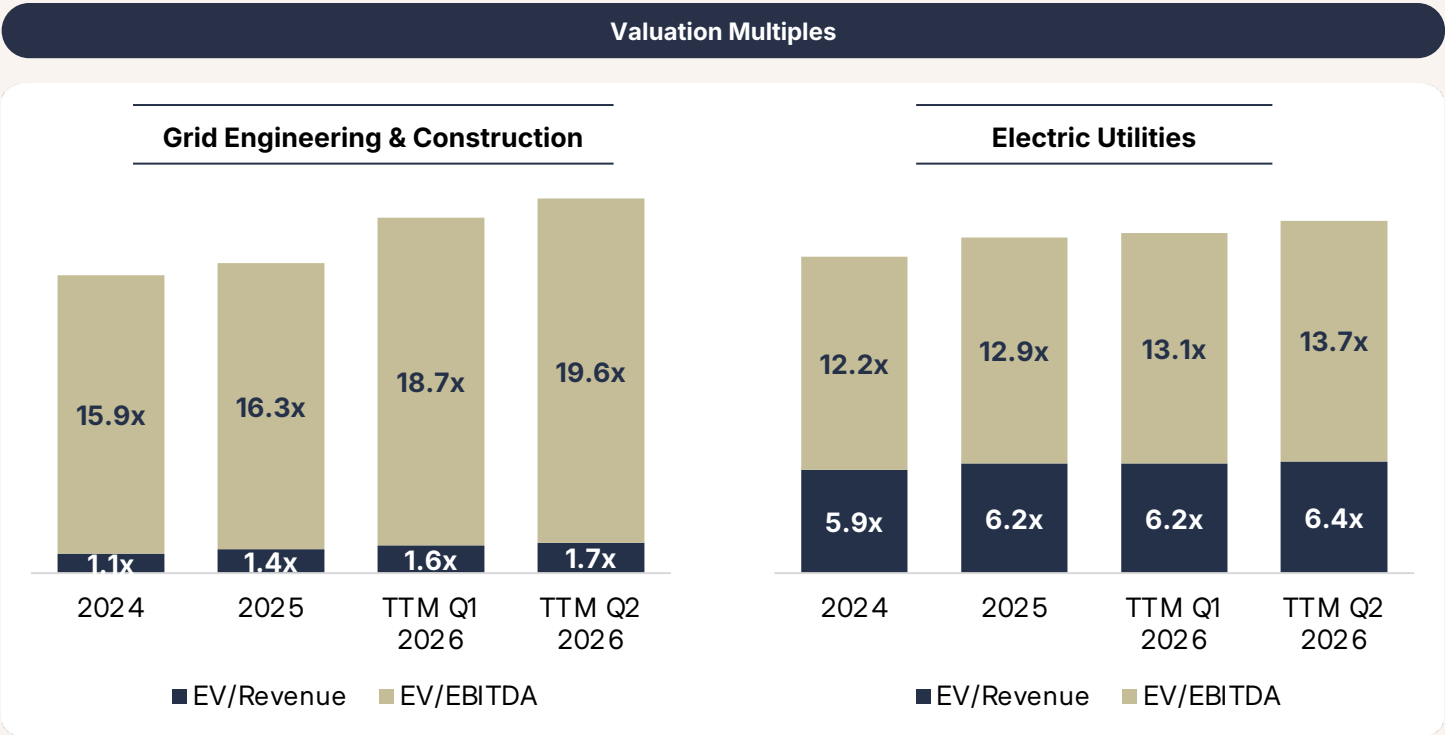
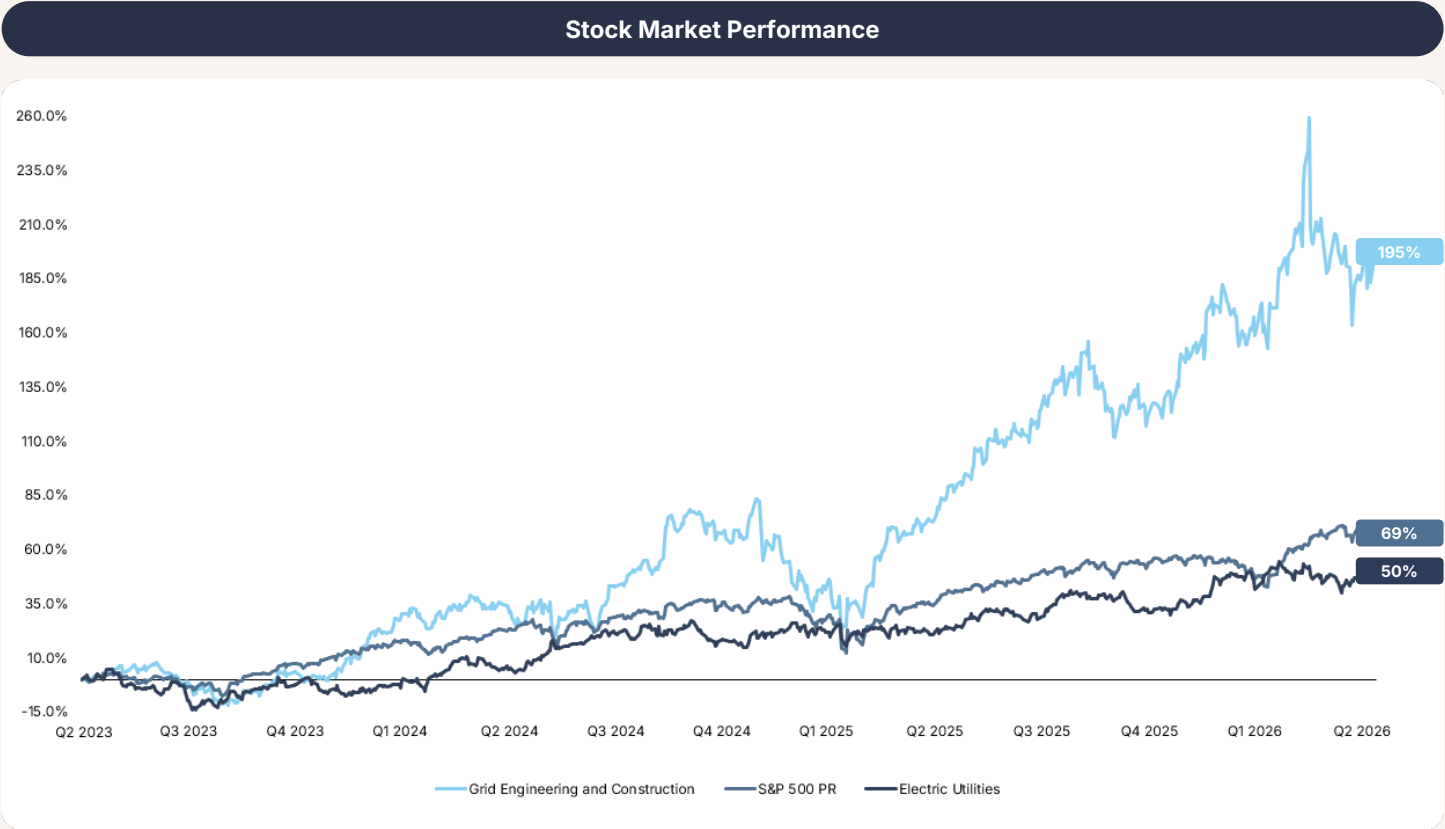
Grid Engineering & Construction	Ticker	Share Price	% of 52 Week High	Equity Value	Enterprise Value	EV/Sales	EV/ EBITDA	P/E Ratio
AECOM	ACM	\$ 69.80	51.5%	8,971	11,359	0.7x	9.2x	14.6x
Centuri	CTRI	\$ 30.24	70.3%	3,052	3,928	1.2x	14.7x	84.0x
EMCOR	EME	\$ 829.88	87.2%	36,880	36,475	2.1x	18.3x	27.9x
Everus	ECG	\$ 165.95	96.7%	8,470	8,540	2.2x	25.8x	38.1x
Jacobs	J	\$ 126.00	74.8%	14,878	18,056	1.4x	21.0x	36.8x
MasTec	MTZ	\$ 416.06	94.3%	32,876	35,743	2.3x	29.4x	72.9x
MYR Group	MYRG	\$ 500.40	99.4%	7,792	7,690	2.0x	29.1x	55.2x
Primoris	PRIM	\$ 99.12	48.2%	5,378	5,944	0.8x	12.9x	21.8x
Quanta	PWR	\$ 720.04	91.3%	108,049	114,103	3.8x	42.4x	98.8x
Mean		\$ 328.61	79.3%	25,150	26,871	1.8x	22.5x	50.0x
Median		\$ 165.95	87.2%	8,971	11,359	2.0x	21.0x	38.1x

Electric Utilities	Ticker	Share Price	% of 52 Week High	Equity Value	Enterprise Value	EV/Sales	EV/ EBITDA	P/E Ratio
American Electric Power	AEP	\$ 136.81	98.1%	74,439	126,920	5.7x	13.5x	20.2x
Dominion Energy	D	\$ 68.29	97.3%	60,062	117,028	6.7x	13.7x	20.1x
Duke Energy	DUK	\$ 126.58	94.1%	98,681	190,744	5.8x	10.9x	19.4x
Entergy	ETR	\$ 114.86	97.0%	53,593	84,391	6.4x	14.7x	29.3x
NextEra Energy	NEE	\$ 87.77	88.9%	183,054	296,869	10.7x	17.4x	22.3x
Sempra	SRE	\$ 92.71	91.8%	60,605	106,733	7.9x	20.6x	31.4x
Southern Company	SO	\$ 95.71	94.9%	107,894	185,708	6.2x	12.8x	24.5x
Mean		\$ 103.25	94.6%	91,190	158,342	7.1x	14.8x	23.9x
Median		\$ 95.71	94.9%	74,439	126,920	6.4x	13.7x	22.3x

Source: Public company filings, Pitchbook and RCO Research



Comparative Stock Performance



Source: Public company filings, Pitchbook and RCO Research

M&A Outlook & Recent Transactions – Utility Services



TARGET

INVESTOR



August 2026

Saber Power Services, a leading electrical infrastructure services provider offering engineering, construction, testing, commissioning, and maintenance solutions across medium and high-voltage systems, has entered into a definitive agreement to be acquired by **Veritas Capital** from **Greenbelt Capital Management**. Saber serves utility, data center, industrial, and energy customers across the U.S. Veritas is a technology-focused private equity firm investing in mission-critical businesses across government and commercial markets. The transaction supports Saber's continued geographic expansion, service diversification, and growth across critical power infrastructure markets.



GEMSPRING

July 2026

Palouse Power, a full-service electrical infrastructure contractor providing turnkey solutions across distribution, substation, and transmission systems, has been recapitalized by **Gemspring Capital**. Palouse Power specializes in the installation, maintenance, and repair of mission-critical electrical systems across the Pacific Northwest. Gemspring is a middle-market private equity firm that partners with founder-owned businesses to accelerate growth through strategic investments. The transaction supports Palouse Power's continued expansion and strengthens its utility infrastructure platform.



GEMSPRING

July 2026

Key Line Construction, Inc., a Pacific Northwest utility infrastructure contractor providing distribution, substation, communications, civil, and transmission services for investor-owned utilities, federal power agencies, and electric cooperatives, has been recapitalized by **Gemspring Capital**. Gemspring is a middle market private equity firm that partners with founder owned businesses to accelerate growth through strategic investments, supporting Key Line's continued expansion and strengthening its position in transmission and grid modernization markets.



MasTec

July 2026

The Superior Group, a full-service contractor managing critical grid-tied power delivery infrastructure and substations, has been acquired by **MasTec, Inc. (NYSE: MTZ)** in a transaction valued at approximately **\$1.65 billion**. MasTec is a leading infrastructure construction company that provides engineering, installation, and maintenance services for the electric power industry. The acquisition expands MasTec's capabilities in electrical systems and building services.



July 2026

UniTek Global Services, Inc., a portfolio company of **New Mountain Capital**, has acquired **Concurrent Utility Services**, an infrastructure services firm specializing in power grid modernization, overhead and underground utility construction, and data center development. The deal strengthens UniTek's Power Services Division and positions the combined company to meet rising demand for resilient, modernized power infrastructure across the Southeastern U.S.



July 2026

Phalcon, Ltd., a regional electrical infrastructure contractor specializing in high-voltage overhead transmission, substation upgrades, and utility distribution maintenance, has been acquired by **Quanta Services, Inc. (NYSE: PWR)**, a leading provider of specialized infrastructure solutions for the electric power industry. The acquisition expands Quanta's self-perform capabilities and geographic reach, enhancing its ability to deliver electrical and mechanical craft services.

Source: Public company filings, Pitchbook and RCO Research

M&A Outlook & Recent Transactions – Utility Services



TARGET

INVESTOR



July 2026

Schmidt Electric, an electrical contractor providing commercial and industrial services for utility and power infrastructure projects, has been acquired by **EMCOR Group (NYSE: EME)**. EMCOR Group is a publicly traded Fortune 500 company and a leading provider of electrical and mechanical construction and facilities services across North America. The acquisition expands EMCOR's electrical construction capabilities and strengthens its presence in the utility and power infrastructure markets.



July 2026

J.J. White, Inc., a premier provider of mechanical and electrical construction services across industrial end markets, has been acquired by **Centuri Holdings, Inc. (NYSE: CTRI)**. Centuri is a leading utility and energy infrastructure services company that provides comprehensive construction, repair, and maintenance services for electric and gas utilities. J.J. White will become part of Centuri's Riggs Distler operation, expanding union electric capabilities across the Northeast and Midwest.



July 2026

Bowe & Gant Electrical Services is a full-lifecycle electrical infrastructure provider focused on substations, power distribution, testing and electrical construction across utility, data center, renewable and industrial end markets. The company supports customers across the development, construction and ongoing maintenance of critical electrical infrastructure. Bowe & Gant received a majority investment from **Greenbelt Capital Partners**, an energy-focused private equity firm investing in businesses supporting the energy transition and broader critical infrastructure.



June 2026

Source Power, LLC, a Texas-based provider of electrical utility infrastructure services including distribution and transmission construction and maintenance for investor-owned utilities and electric cooperatives, has been recapitalized by **Sole Source Capital**. Sole Source Capital is a private equity firm that partners with founder-led businesses in the industrial and essential services sectors to drive operational scale and long-term value creation.



May 2026

Percheron LLC, a leading provider of right-of-way surveying, land management, permitting, and environmental services supporting electric transmission and distribution infrastructure, has been acquired by **Quanta Services, Inc. (NYSE: PWR)**, a leading provider of specialized infrastructure solutions for the electric power and renewable energy industries. The acquisition expands Quanta's integrated infrastructure platform by strengthening its end-to-end transmission development capabilities.



April 2026

Hunt Electric, a leading electrical contractor specializing in high-voltage electrical construction, utility interconnections, substations, and mission-critical power infrastructure, has been acquired by **Comfort Systems USA, Inc. (NYSE: FIX)**, a publicly traded provider of mechanical, electrical, and building services with a growing national electrical contracting platform. The acquisition adds approximately \$250 million in annualized revenue and expands Comfort Systems' capabilities across utility infrastructure, industrial facilities, and data center power projects.

Source: Public company filings, Pitchbook and RCO Research

TARGET

INVESTOR

NORESCO
AN OPTERRA COMPANY



LS Power

OPTERRA
ENERGY SERVICES

August 2026

NORESCO, a leading energy services company specializing in energy management systems and microgrid control logic, has been acquired by **OPTERRA Energy Services**, a portfolio company of **LS Power**. LS Power is a U.S.-based power and energy infrastructure developer, owner, and operator. The acquisition enhances OPTERRA's capabilities in grid-interconnected energy management and distributed energy resource integration.

PERFECT POWER



FIC

July 2026

Perfect Power, an ERCOT grid storage operator handling full-lifecycle integration for the Jaguar Energy Center in Texas, which is deploying up to 1.15 GW of planned storage and solar capacity, has been acquired by **FIC Partners Management, LP**. FIC Partners is a U.S.-based private investment firm focused on energy infrastructure and power generation assets. The acquisition adds grid-connected storage and solar facilities capable of absorbing sudden industrial load shifts within the ERCOT market.

GESA
A Solaris Company
NYSE: SP



SOLARIS
ENERGY INFRASTRUCTURE

July 2026

Global Energy Services Alliance (GESA), a provider of power generation installation, commissioning, operations and maintenance, and lifecycle support services for utility-scale and industrial power assets, has been acquired by **Solaris Energy Infrastructure**. Solaris is a U.S.-based energy infrastructure company providing mobile power, distributed generation, and power infrastructure solutions. The acquisition expands Solaris' capabilities across the power generation value chain by adding installation, commissioning, long-term operations and maintenance, and technical field services for utility and industrial customers.

COMET ELECTRIC
VALLEY
"The Electrical Solution"



MYR
GROUP

July 2026

Comet Electric, Inc., an electrical infrastructure contractor specializing in high-voltage substations, transmission and distribution infrastructure, renewable energy, and commercial electrical construction, has been acquired by **MYR Group Inc (NASDAQ: MYRG)**. The transaction was completed alongside the acquisition of Valley Electric for a combined purchase price of approximately **\$328 million**. The acquisition expands MYR Group's geographic footprint and strengthens its capabilities across utility transmission and distribution, commercial, industrial, and renewable energy markets.

PREVALON
A Mitsubishi Power Americas and EES Joint Venture



NEXTPOWER

July 2026

Prevalon Energy, a utility-scale battery energy storage systems (BESS) manufacturer and grid software provider spun off from Mitsubishi Power Americas, has been acquired by **Nextpower** in a transaction valued at **~\$365 million**. Nextpower is a U.S.-based energy storage and power solutions provider. Prevalon provides integrated BESS, hybrid power solutions, and grid software for frequency regulation, renewable integration, and grid stabilization, with over 6 GWh of deployed utility storage systems.

enerfab



QUANTA

July 2026

Enerfab, an Ohio-based specialty contractor providing construction, maintenance, fabrication, and engineering services for power generation, industrial facilities, substations, and utility electrical infrastructure, has been acquired by **Quanta Services, Inc. (NYSE: PWR)**, a leading provider of specialized infrastructure solutions for the electric power and renewable energy industries. The acquisition expands Quanta's construction platform by strengthening its capabilities across power generation, transmission and distribution, and industrial electrical infrastructure.

Source: Public company filings, Pitchbook and RCO Research

30+

SUCCESSFUL
TRANSACTIONS

\$1.6 B

AGGREGATE
DEAL VALUE

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YEARS IN POWER &
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We are the leading boutique investment bank for
Power, Infrastructure and Energy Transition

 HAS BEEN RECAPITALIZED BY GEMSPRING Romanchuk & Co. advised Key Line Construction on this transaction.	 HAS BEEN RECAPITALIZED BY GEMSPRING Romanchuk & Co. advised Palouse Power on this transaction.	 HAS BEEN RECAPITALIZED BY SSC Romanchuk & Co. advised Source Power on this transaction.	 HAS BEEN RECAPITALIZED BY SKYKNIGHT Romanchuk & Co. advised Force Electrical Services on this transaction.	 HAS BEEN ACQUIRED BY CENTER PHASE ENERGY Romanchuk & Co. advised Copper & Cable on this transaction.	 HAS BEEN RECAPITALIZED BY JUMANA Romanchuk & Co. advised Outsource Utility Contractor Corp. on this transaction.	 HAS BEEN ACQUIRED BY GRIDTEK UTILITY SERVICES Romanchuk & Co. advised Yates Energy Services on this transaction.
 HAS BEEN RECAPITALIZED BY JUMANA Romanchuk & Co. advised Bright Star Solutions on this transaction.	 HAS BEEN ACQUIRED BY KVPOWER Romanchuk & Co. advised Station Electric on this transaction.	 HAS RECAPITALIZED KVPOWER Romanchuk & Co. advised Warren Equity Partners on this transaction.	 HAS BEEN ACQUIRED BY ORBITAL INFRASTRUCTURE GROUP Romanchuk & Co. advised Front Line on this transaction.	 HAS BEEN RECAPITALIZED BY Rose Hill Romanchuk & Co. advised KVPOWER on this transaction.	 HAS BEEN ACQUIRED BY BEAR CAPITAL Romanchuk & Co. advised American Patrols on this transaction.	 HAS BEEN RECAPITALIZED BY DOS RIOS PARTNERS Romanchuk & Co. advised Boring Industries on this transaction.

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