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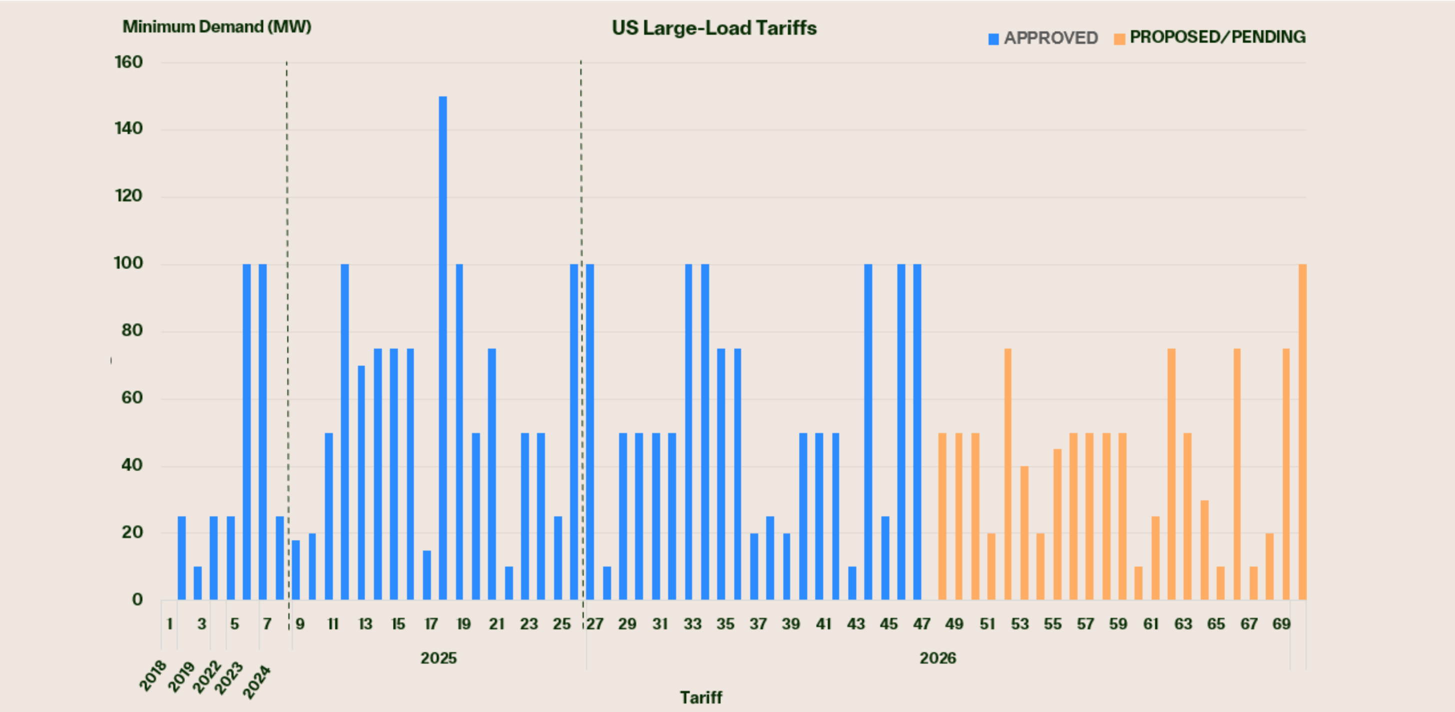
Global Listed Infrastructure

Distributed by Magellan Investment Partners

Infrastructure in focus: August 2026

Large-load demand = large-load tariff

The wave of AI-driven demand for data centres, and the power to supply them, is a major demand engine currently ticking over for utilities. These projects are a key driver of so-called "large-load" power demand, especially in the US. As at July 2026, Edison Electric Institute (EEI) estimates that in the US there are more than US$950 billion in announced large-load projects and more than 61 gigawatts (GW) of this connected load. While these are huge numbers, they likely represent only a portion of the investment and generation pipeline.



Source: Smart Electric Power Institute, Edison Electric Institute (EEI), Magellan analysis, July 2026

- Large-load demand is on such a scale that it demands a new, tailored pricing model from the electricity utilities that serve these customers. With many utilities facing unprecedented demand for generation, there is a clear need to segment the large-load users from the household, commercial and users who have much smaller draws on the system. We see this surge in large-load projects and the growing need for utilities to effectively manage this demand, reflected in rising numbers of large-load tariff (LLT) agreements across US states. We see that approved LLTs across the US in 2026YTD are on par with those for the Full Year of 2025. There are an even larger number of tariff proposals pending approval in 2H26. Looking back to 2018-2024, there was very limited activity.
- LLT design is intended to ensure such large customers pay for their share, including for the new capex costs to meet surging demand. At the same time, utilities are focused on delivering suitable generation and transmission infrastructure to fit future power needs, which requires collaboration with regulators and large-load customers.
- For us as investors in regulated utilities, this is an important trend to monitor as it is influential on large-load customer pipelines, customer billing and ultimately the capex plans and earnings outlook for these businesses. LLTs are also expected to become more commonplace. Currently, 24 US states have approved at least one LLT, and they should soon become the clear majority. With household affordability a politically sensitive issue, and data centre development showing no sign of slowing down, we can expect to see state regulators put forward more LLTs in the future.

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