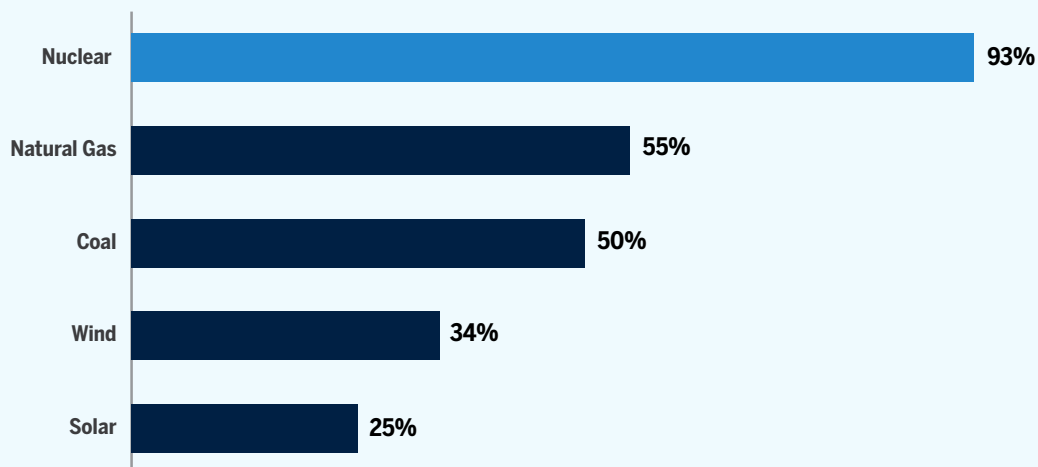




A Reliable Powerhouse?

The rising electricity demand from data centers powering AI programs (see [Power Play](#)) carries unique requirements, with reliability being paramount. In our view, this electricity demand may bring new investment opportunities for long-term investors.

U.S. Energy Reliability by Source
(Measured by Actual Power Produced vs. Maximum Potential)



Source: U.S. Department of Energy. The chart shows the capacity factor by energy source, which is the ratio of actual power produced to maximum potential capacity. For example, 100MWh of installed solar capacity would only generate 25MWh of power on average. Chart data shows the average annual capacity factor from 2014 through 2023.

- While renewables like wind and solar are often seen as the answer to reducing carbon emissions, they present challenges in terms of reliability. Nuclear power, however, is gaining interest as a proven, reliable, and clean energy source that can meet rising global electricity demand (see [A Nuclear Energy Renaissance?](#)).
- Enterprises running AI programs require data centers to have constant, uninterrupted electricity. Nuclear power is the most reliable source of electricity in the U.S., generating an average of 93% of its maximum capacity, as shown in the chart above. In contrast, other energy sources face limitations: renewables depend on variable weather conditions, while coal and natural gas plants experience downtime for routine maintenance and refueling.¹
- Additionally, nuclear power can help prevent regional blackouts, particularly during peak summer and winter demand and in adverse weather conditions, as the grid increasingly relies on variable power sources. We believe the growing acceptance of nuclear energy could create tailwinds for companies involved in uranium mining and production, as well as those generating electricity through nuclear power.

¹ U.S. Department of Energy

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