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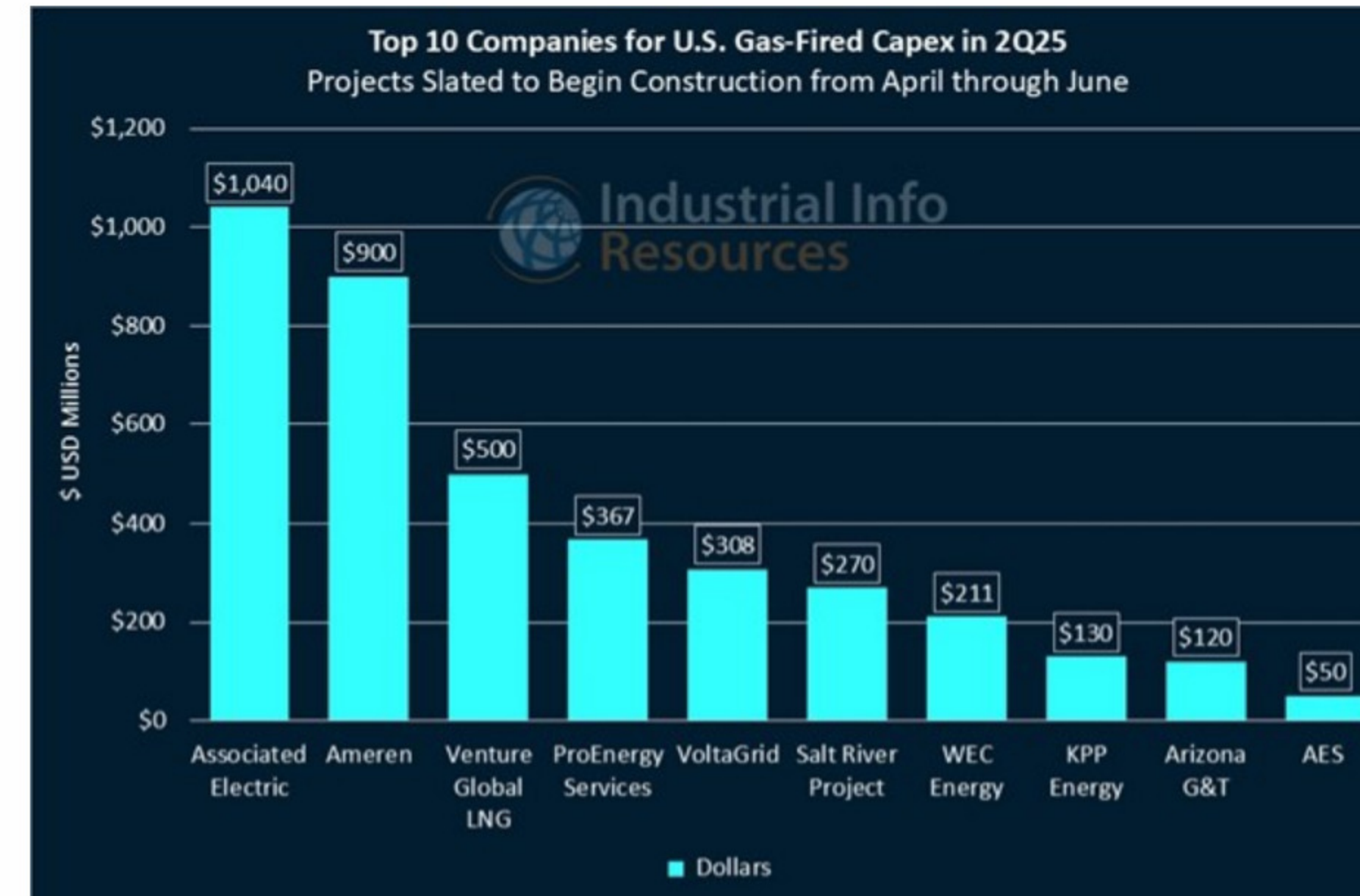
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## U.S. Nears Historic Buildout of Natural Gas-Fired Generation

The U.S. natural gas-fired power-generation business is on the cusp of a prolonged expansionary period, with the encouragement of a fossil fuel-friendly president and seemingly endless demand from newly emerging data centers. Most utilities have kept gas-fired generation in their integrated resource plans, and many are rushing to expand capacity. Industrial Info is tracking more than \$4 billion worth of gas-fired generation projects that are set to kick off in the second quarter, nearly half of which is attributed to grassroots projects.



However, most of the projects Industrial Info estimates to have the strongest likelihood (81% or higher) of beginning construction as scheduled are additions to existing facilities. Two such projects can be found in southern Arizona: public power utility **Salt River Project's** (SRP) (Tempe, Arizona) **\$270 million expansion of its power plant in Coolidge**, just southwest of Phoenix, and **Arizona Electric Power Cooperative's** (AEP) (Benson, Arizona) **\$120 million expansion of its Apache Power Station in Cochise**, east of Tucson. Both projects involve strengthening output through turbine additions.

SRP's is the second of two phases, each of which involves adding six of **General Electric's** (NYSE:GE) (Boston) LM6000 PC SPRINT combustion turbines. The first phase kicked off in mid-2024 and is expected to wrap up in the summer of 2026; the second phase will begin this summer and take at least two years. Each turbine has a 50-megawatt (MW) output; with the current capacity at 726 MW, the Coolidge plant's output will exceed 1 gigawatt (GW) following completion. Subscribers to Industrial Info's Global Market Intelligence (GMI) Power Plant and Project databases can learn more from a detailed [plant profile](#) and reports on [Phase I](#) and [Phase II](#).

"The [Coolidge expansion project] is critical to our published goal of achieving 65% carbon intensity reduction by 2035 and 90% by 2050, because it will enable the addition of more renewable resources while maintaining the reliability of SRP's power system," the SRP said on its website.

AEP, which provides power for nearly all of Arizona's rural power co-ops, is adding a pair of GE's LM6000 models to its simple-cycle facility, to boost its output from 607 to 689 MW. It is part of a broader effort by AEP to eliminate coal as an energy source at its power plants by 2028; the fossil fuel accounted for about 90% of the utility's overall power production as recently as 2014. Subscribers can learn more from a detailed [plant profile](#) and [project report](#).

Other expansions set to kick off in the second quarter include **NorthWestern Energy Group Incorporated's** (NASDAQ:NWE) (Sioux Falls, South Dakota) **\$32 million addition of two units at its power station in Yankton, South Dakota**, which will increase capacity from 13.4 to 19.8 MW. The G20CM34 internal combustion units from **Caterpillar Incorporated** (NYSE:CAT) (Deerfield, Illinois) will replace two existing, outdated units. Subscribers can learn more from a detailed [plant profile](#) and [project report](#).

Among the grassroots power-generation projects most likely to begin construction as planned in the second quarter is **ProEnergy Services'** (Houston, Texas) **\$367.2 million Elmax Peaking Power Station in Huffman, Texas**, which is designed to start up quickly and provide up to 306 MW of energy when urgently needed. It comprises six GE's LM6000PC simple-cycle turbines. Subscribers can learn more from a detailed [plant profile](#) and [project report](#).

These second-quarter capacity additions likely will coincide with a jump in natural gas prices, which analysts foresee amid rising demand from U.S. liquefied natural gas (LNG) export facilities and data centers. The U.S. Energy Information Administration (EIA) expects the Henry Hub natural gas price will increase in 2025 and 2026, which will accompany reductions in natural gas in storage. In its January *Short-Term Energy Outlook* (STEO), the EIA forecasts the U.S. benchmark Henry Hub natural gas spot price will increase in 2025 to average \$3.10 per million British thermal units (MMBtu) and in 2026 to average \$4.00/MMBtu, following a record low in 2024.

Subscribers to Industrial Info's GMI Project and Plant databases can [click here](#) for a full list of detailed reports for projects mentioned in this article, and [click here](#) for a full list of related plant profiles.

Subscribers can [click here](#) for a full list of reports for gas-fired generation projects that are set to kick off in the second quarter.





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## Texas Home to Billions' Worth of Manufacturing Plant Expansions Under Construction

While grassroots efforts lead all types of manufacturing projects underway in Texas, more than 30% of the spend is attributed to plant expansions--most of which is attributed to a high-dollar semiconductor project and the build-out of data centers.

The highest-valued project is the roughly \$7 billion second phase (SM2) of **Texas Instruments Incorporated's (NASDAQ:TXN)** (Dallas, Texas) **semiconductor plant in Sherman, Texas**, about 60 miles north of Dallas; the **grassroot construction (SM1)** also is underway, and both projects are expected to wrap up by this summer. The two projects entail building out 2 million square feet of space to manufacture 300-millimeter wafers for automobiles and other electronic applications.

In Texas Instruments' capital management review webcast on February 4, Chief Executive Officer Rafael Lizardi provided an update on the project: "In Sherman, we continue installing tools on the floor in SM1, and we are beginning technology qualification. The construction of SM2 is progressing well, with the shell expected to be complete this year." Subscribers to Industrial Info's Global Market Intelligence (GMI) Industrial Manufacturing Project Database can read detailed project reports on [Phase I](#) and [Phase II](#).

The Texas Legislature has been working to boost the state's semiconductor manufacturing capacity. In 2023, Governor Greg Abbott (R) signed the Texas Chips Act into law, which is designed to leverage the state's investments in the semiconductor industry, encourage semiconductor-related companies to expand in the state, and develop further research and development (R&D) capacity at higher education institutions, according to a white paper on the law.

Lawmakers appropriated \$698 million for Texas Chips Act funding as well as more than \$660 million to build R&D facilities at The University of Texas at Austin and Texas A&M University.

"Today, Texas is the top state for semiconductor manufacturing, having led the nation for 12 years in the export of semiconductors and other electronic components," Abbott said in the white paper. "Significant industry investments announced in Texas in the last two years will further accelerate domestic semiconductor manufacturing, reducing reliance on foreign production and supply chains and further ensuring our nation's security. Texas has the innovation, the infrastructure and the talent to continue to lead the American resurgence in critical semiconductor manufacturing and the technologies of tomorrow."

One of those burgeoning technologies is artificial intelligence (AI).

A major project aimed at building out data center capacity for AI is the second-phase expansion and grassroot construction of the first site (in Abilene) as part of **Project Stargate**--a high-profile joint venture that could feature up to \$500 million worth of private investment. Stargate will provide supercomputing capacity for [OpenAI](#) (San Francisco, California). OpenAI, [Oracle \(NYSE:ORCL\)](#) (Austin, Texas) and [SoftBank](#) (Tokyo, Japan), who are are the main partners for Stargate.

Stargate initially is expected to utilize up to roughly 100,000 [NVIDIA \(NASDAQ:NVDA\)](#) (Santa Clara, California) graphics processing units (GPU).

[Microsoft Corporation \(NASDAQ:MSFT\)](#) (Redmond, Washington) also plays a major role, including serving as another project investor, building the supercomputers and integrating its Azure cloud platform that will host and manage the Stargate infrastructure. [Arm](#) (Cambridge, U.K.), a majority-owned subsidiary of SoftBank, will provide central processing units.

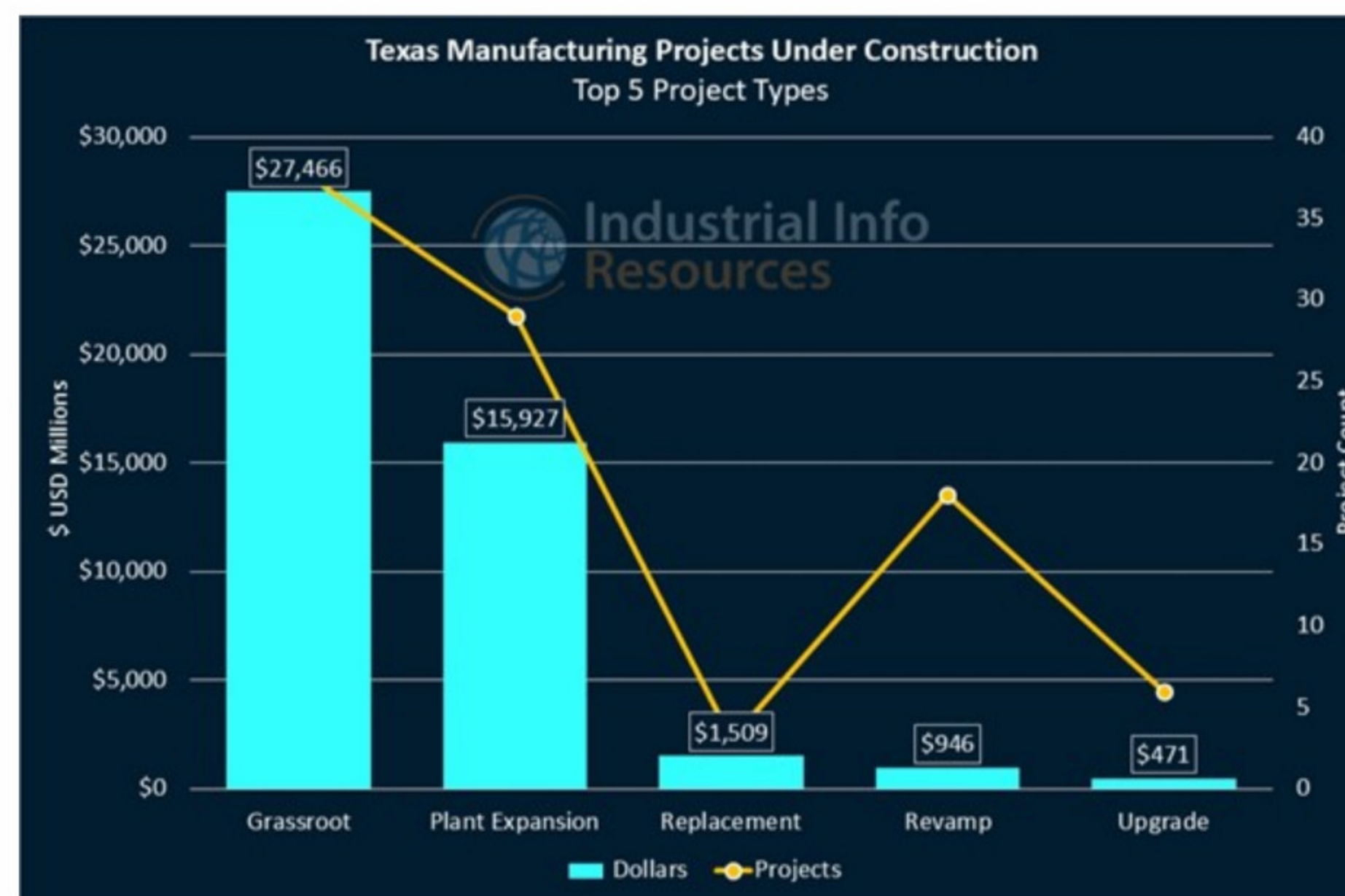
Eight more data centers are planned for the Abilene site in future years. Subscribers can [click here](#) for a list of related project reports at the Abilene site, which includes the first two phases that are expected to wrap up by the end of 2026.

OpenAI has said the partners are exploring other locations for Stargate's additional campuses.

Meanwhile, [Compass Datacenters](#) (Dallas, Texas) is **expanding its data center campus in Red Oak** by adding a 251,815-square-foot data center building featuring 52 megawatts of power. General contractor [Brasfield & Gorrie](#) (Birmingham, Alabama) is expected to wrap up this fifth-phase construction in late 2025 or 2026. Subscribers can learn more by viewing the [project report](#).

Industrial Info also is tracking expansions underway at cargo ports across the state, including **two expansions at the Bayport Container Terminal in the Port of Houston**: a \$50 million project will add a new 40-acre **container yard**, while a \$20 million project entails adding a 1,000-foot **wharf** and its associated infrastructure. Subscribers can read detailed reports on the [container yard](#) and [wharf expansion](#) projects, which are expected to wrap up around the end of 2025 and 2026, respectively.

The port recently reported \$630 million in total capital investments for 2024.



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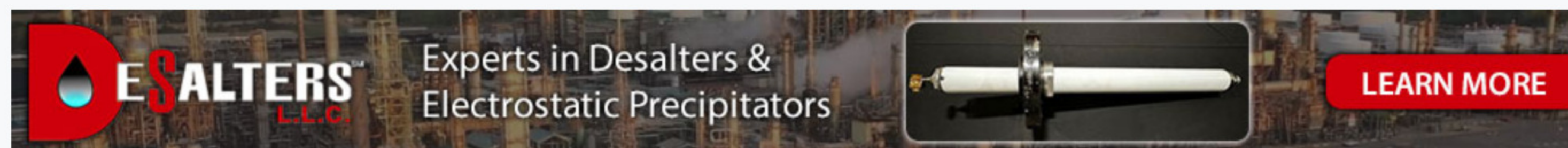
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## Construction Equipment Sector Brings Big Projects to U.S.

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Equipment giant **JCB** (Rocester, England) will soon launch its Project Sky in San Antonio, Texas, which encompasses building a 720,000-square-foot plant that will manufacture the company's popular telescopic handlers and elevated aerial platforms. According to a trade publication, the factory will be JCB's second-largest in the world after its headquarters in England. The initial phase of construction is set to be completed by October 2026, leaving room for expansion projects that could possibly manufacture other lines of JCB equipment. Subscribers to Industrial Info's Global Market Intelligence (GMI) Industrial Manufacturing Project Database can learn more by viewing the [project report](#).

One of the most familiar names in construction equipment, **Caterpillar Incorporated** (NYSE:CAT) (Irving, Texas), plans to begin adding new equipment and systems to its 821,000-square-foot plant in Seguin, Texas, this year, for the manufacture of the new C13-D 13-liter diesel engine. Components for the engine will be manufactured in nearby Schertz, and the engines will be assembled in Seguin. Caterpillar describes the C13D as a "rugged and power-dense engine made for machines that continuously tackle tough jobs in a number of industries including mining, construction, materials handling, aircraft ground support and more." The new engines are expected to begin rolling off the line in late 2026. Subscribers can learn more by viewing the [project report](#).

After renovating a 750,000-square-foot building in Salina, Kansas, **Kubota** (Osaka, Japan) is in the beginning stages of a Phase III expansion, installing new production lines that will manufacture Kubota's compact track loaders. The new lines are expected to begin operating early next year. Subscribers can learn more by viewing the [project report](#).

After nearly 25 years in operation and several expansions later, **Weiler Incorporated** (Knoxville, Iowa) is performing yet another expansion project at its flagship Knoxville location. Weiler manufactures a range of products for the mining and road-building sectors and in 2019 acquired Caterpillar's forestry products division. The company's current expansion focuses on the equipment used in the asphalt road-laying sector: commercial pavers, rollers and material transfer vehicles as well as related parts. The company launched the project last summer, and when completed, the plant will be more than 16,000 square feet larger and better able to meet the growing demand for Weiler's road construction equipment. Subscribers can [click here](#) for more details of the project.

**Toro's** (Bloomington, Minnesota) Ditch Witch segment is one of the most popular lines for underground construction equipment such as trenchers, horizontal direction drilling systems, mini skid steers and more. In 2022, Toro announced it would be expanding its facility in Perry, Oklahoma, where Ditch Witch equipment is manufactured. Last summer, the project began, entailing the addition of approximately 170,000 square feet, which includes a new paint facility that will increase production quality and efficiency. When announced, the expansion was expected to bring about 100 new jobs to the plant. General contractor **Conco Construction** (Wichita, Kansas) is expected to complete the project in late 2026. Subscribers can learn more by viewing the [project report](#).

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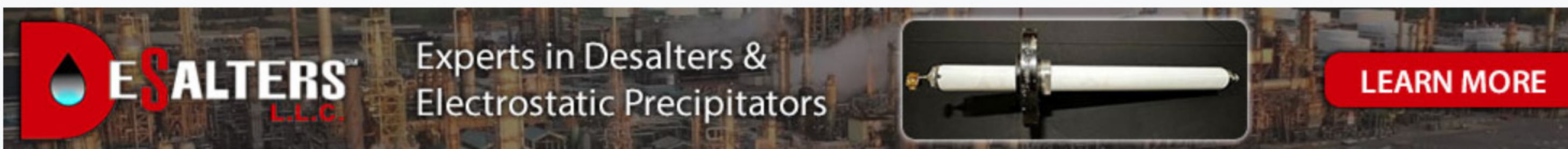
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## Join IIR for Our Refining, Alternative Fuels & Crude Markets Industrial Outlook

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Topics will include:

- Refinery adaptations to geopolitical tensions
- Planned maintenance activities
- A global grassroots refinery outlook
- Investment prospects in renewable fuels (diesel and sustainable aviation fuel)

We hope that you are able to join us for this timely and informative webinar. The presentation will begin at 10 a.m. CST (11 a.m. EST) on Wednesday, March 12, and will be followed by a brief question and answer session. [Click here](#) to learn more and to RSVP!