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The America-first building boom

From onshoring to FEOC restrictions, a regulatory environment that prioritises the homegrown is reshaping the US infrastructure opportunity, our roundtable participants tell Amy Carroll and Sigalane Tabo

The 12-month anniversary of the One Big Beautiful Bill has now passed, and with it so too has the deadline for wind and solar renewable energy projects to begin construction before tax credits are phased out. Foreign Entity of Concern (FEOC) provisions are also biting, while President Trump has recently declared a national emergency to restrict international supply chains in relation to bulk-power systems.

Infrastructure managers are nonetheless bullish about the US renewables opportunity, both in terms of new development and M&A dealmaking. “For us, the North American renewables space is increasingly interesting,” says Jesse Krynak, fund partner at I Squared Capital. “This is partly because many of our peers are focusing their attention on existing platforms and are therefore not as active in the market for new opportunities, and partly because the cost of capital has shifted in the

space. Safe harboured and operational projects are now being valued appropriately, creating an attractive entry point.”

I Squared Capital’s Energy Transition Fund recently acquired US renewable energy developer Oriden from Mitsubishi Power Americas, for example. “We are also seeing opportunities where European strategics such as Shell, Total and EDF have been divesting US renewables assets,” says Krynak. “We were not particularly active in US renewables with our third global fund, but the landscape is looking a lot more interesting for Fund IV.”

Jason Vassiliades, managing director at CIM Group, is also bullish about opportunities. “The macro backdrop continues to be supportive given the fundamental drivers behind electrification and decarbonisation, with AI power demand continuing to grow,” he explains. “I also think regulatory challenges could lead to other developers and platforms seeking to exit,

potentially creating attractive acquisition opportunities.”

Meanwhile, Stephen Denis, managing director at NOVA Infrastructure, says the One Big Beautiful Bill has not dampened demand for well-located power generation or grid stability. “Asset-level underwriting has become more critical than ever, but there are still strong tailwinds behind the sector,” he notes.

“We remain constructive on US renewables,” adds David Vence, partner at Antin Infrastructure Partners. “Underwriting today is clearly more about infrastructure fundamentals and less about policy upside, but there are still assets and platforms that can deliver strong contracted cashflows from good counterparties.”

Tapping the energy transition

While investors are not shying away from US renewables, the current regulatory landscape, coupled with supply-demand dynamics, has impacted which



David Vence

Partner, Antin Infrastructure Partners

David Vence joined Antin in 2014 and is located in the New York office. Prior to joining Antin, Vence worked at JPMorgan in Paris.



Jesse Krynak

**Fund partner,
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Jesse Krynak joined I Squared Capital in 2019. He previously worked at First Reserve Corporation, Credit Suisse and Boeing.

Jason Vassiliades

Managing director, CIM Group

Jason Vassiliades joined CIM in 2025 after founding the transportation innovation group at Oaktree Capital. This was later spun out as Duration Capital, where he was a managing director.



Stephen Denis

**Managing director,
NOVA Infrastructure**

Stephen Denis has 14 years of infrastructure experience and joined NOVA in 2019. Previously, he worked at Spire Holdco, Strata Energy, TPH Partners, and Tudor, Pickering, Holt & Co.

sectors within the broader energy transition are receiving the most attention. Natural gas generation is one clear winner.

“We are seeing an abundance of new gas generation being added to the grid and behind the meter,” says Krynak. “We have approached this opportunity in a number of different ways. We are currently building an industrial heat and power plant in Central Illinois that also includes carbon capture. This clean-burning gas and post-combustion carbon capture plant will be replacing a local coal plant, so we are reducing the carbon footprint substantially. Google is the plant’s largest customer.

“We are also investing across the gas infrastructure value chain. Earlier this year, we acquired Spire Gas Storage, now renamed Bear River Gas

Storage, which is helping manage increased volatility around gas demand due to the proliferation of data centres on the West Coast. Finally, in late August we invested in Solitude Pipeline, which is taking natural gas from West Texas to Houston, again, supporting increased demand from data centres.”

Denis agrees that US gas is currently a compelling opportunity. “Operational gas generation is receiving a lot of attention because reliability has value,” he explains. “Assets that can address transmission and distribution bottlenecks are also interesting. We are looking at behind-the-meter opportunities too, but the end customer and use case is critical with those projects. You need to have good counterparties and good offtake terms.”

Denis adds that battery storage is also becoming more attractive, given the tax credits currently available in that part of the market. “New revenue structures being put in place in regions such as Washington State that allow for a fully contracted asset are boosting the appeal of battery storage,” he says.

Additional opportunities include adding battery storage to existing generation assets and investing in platforms with interconnection capacity and speed-to-power advantages. “We believe storage remains particularly compelling as an ageing and increasingly constrained grid works to accommodate continued load growth,” says Vassiliades.

Beyond those opportunities, Vassiliades says the evolution of energy technologies is creating new investment avenues: “Lithium-ion batteries have been the dominant technology in energy storage, but new chemistries and technologies such as sodium-ion batteries are becoming increasingly interesting.”

Meanwhile, although FEOC provisions do have to be taken into account with respect to batteries, overall, the current regulatory environment is conducive to investment in the sector, says Krynak: “We certainly factor FEOC provisions and the implications for tax credits into our underwriting, but we have not fundamentally changed our approach. We always seek to identify the most economic approach and then work backwards from that.

“For example, we recently completed an investment in ENTEK, a company that manufactures separators for batteries. As a manufacturer of a critical battery component, ENTEK has contracted customers who are acutely focused on ensuring that they qualify for the production tax credits, and are in compliance with FEOC provisions. More broadly, we see this as an opportunity to double down on US infrastructure, particularly as it relates to batteries. There are significantly

“Operational gas generation is receiving a lot of attention because reliability has value”

STEPHEN DENIS
NOVA Infrastructure

more attractive development opportunities arising now than there were a few years ago.”

Beyond gas and batteries, Denis sees opportunities at the intersection between the energy transition and environmental services. “Certain jurisdictions on the West Coast and in Canada are pushing the diversion of waste from landfill, for example,” he says. “We are spending time on waste-to-energy assets, which are increasingly contracted on both the offtake and feedstock side.”

CIM, meanwhile, is pursuing opportunities across generation, storage, transmission and dedicated power solutions supporting hyperscale demand. Vassiliades notes that CIM’s Permanent Power platform, which owns and operates approximately 1.2GW of solar generation and battery storage capacity, is evaluating the repowering of operating wind assets and other next-generation technologies. “We have a PhD scientist assessing enhanced geothermal power generation and other emerging technologies,” he says.

Data-centre dial-up

The US energy-transition market may be flourishing despite the current administration’s policy stance, but one mega-trend that has the president’s full support is the roll-out of AI. This is creating opportunities for infrastructure investors throughout the AI ecosystem.

“We take a mid-market approach, so we are not investing in the large training model data centres being built in remote areas,” says Krynak. “We focus more on the edge and inference elements of the data centre ecosystem.”

Vence, meanwhile, is a proponent of co-location data centres, which he believes are “attractive from both a recontracting and technology risk perspective”.

“A highly diversified customer base means no single client dominates revenues, and income streams

through leasing and renewals are therefore more resilient,” he continues. “Enterprise co-location data centres primarily serve retail and wholesale enterprise customers that outsource their workloads. That means there is a broad range of demand drivers in the customer base. On the technology side, meanwhile, co-location data centres benefit from serving a wide range of customer requirements and use cases, which supports asset relevance.”

Denis takes a similar view: “We have a co-location-focused data centre business targeting enterprise and edge customers that we invested in early in 2025. That company has almost 1,000 customers with staggered contract lengths, which means renewals come up over time. There is not the binary

recontracting risk that you get with single-tenant sites.”

Denis adds that if you look at the earnings reports of public data-centre companies you can see significant increases in pricing upon renewal. “That is a positive trend for the industry. However, it is important to remain focused on providing customers with what they are demanding in terms of power and cooling, for example, thereby future-proofing the platform.”

Future-proofing is critical in such a fast-moving space, says Vassiliades. “We are focused on future-proofing from day one,” he says. “Since 2019, CIM has been investing in Novva, a data centre platform that develops facilities designed to accommodate a broad range of customer requirements

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JASON VASSILIADES
CIM Group

rather than being purpose-built for a single tenant. Novva is focused on Tier 1 and Tier 2 markets such as Salt Lake City, Nevada and Arizona, where we see strong demand fundamentals, access to power and potential for long-term growth.

“We generally avoid remote, low-cost markets that could face greater risk if market conditions change. Tenant quality is also a key underwriting consideration. We place significant emphasis on customer creditworthiness and, increasingly, on understanding where a facility sits within a customer’s broader data centre strategy and deployment plans. Ultimately, we focus on mission-critical facilities that are deeply embedded within our customers’ operations, which we believe supports strong retention and durable cashflow over the long term.”

Focusing on fibre

Data centres are not the only digital assets to be benefiting from AI tailwinds. Fibre is a vital part of the picture too. “We haven’t made any large hyperscale bets, but we do invest in the AI ecosystem through our US fibre platform,” says Vence.

“Fibre has an important role to play in responding to AI-driven demand for connectivity.”

I Squared Capital has also made fibre investments in North America, with an emphasis on organic growth. “We originally invested around \$50 million of equity into Ezee Fiber, and have since grown that platform dramatically through significant organic investment and some opportunistic M&A. We have now invested close to \$1 billion in total and there is still plenty of runway ahead,” he says.

However, Vence cautions that not all fibre is created equal. “Some platforms have real market relevance, a differentiated offering, local density and limited competition. In those situations, we see strong opportunities for growth, low churn, low overbuild risk

and the ability to expand the network in a cashflow-positive manner,” he says.

“Other platforms have faced significant operational and competitive challenges, however. There have been a lot of issues in enterprise fibre linked to large carrier contracts where operators have committed to building long routes at low yields on investment.”

Antin portfolio company FirstLight Fiber, for example, is a B2B network in the US Northeast. “That platform is differentiated from other providers in the region, which are more retail in nature,” Vence explains. “Another of our assets, Empire Access, has a strong regional footprint in underserved fibre-to-the-home markets. Both investment cases are supported by the embedded nature of those networks and high switching costs. We still believe that fibre is a great, future-proofed infrastructure investment, but the intrinsic features of the business need to be carefully evaluated.”

“Co-location data centres benefit from serving a wide range of customer requirements and use cases, which supports asset relevance”

DAVID VENCE
Antin Infrastructure Partners

Denis, meanwhile, points out that the cost of capital around fibre has changed. “EY Parthenon suggests that the cost of capital for new fibre builds has increased by 400-500 basis points since 2021,” he says. “We see opportunities both in terms of control capital and structured investments. You do need to make sure that you have strong management, however, as it is an operationally complex business. The level of overbuild is the other critical factor, alongside density of units as it relates to capital efficiency.”

“We remain constructive despite the overinvestment that occurred during and immediately following covid-19, particularly in fibre-to-the-home,” says Vassiliades. “Capital was often deployed indiscriminately and without sufficient focus on market selection,

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JESSE KRYNAK
I Squared Capital

but we continue to see attractive opportunities in targeted markets with favourable fundamentals.

“We are particularly constructive on bulk fibre serving multifamily properties, where lower deployment costs can support attractive economics, as well as enterprise fibre, where the continued build-out of data centres and AI infrastructure is contributing to significant demand for connectivity and network capacity.”

Transportation and logistics

Another sector that is proving increasingly appealing for North American infrastructure investors, particularly in

the context of the ongoing onshoring trend, is transportation and logistics.

“Transportation and logistics is a strong area of focus for us,” says Vassiliades. “We have been active in cold-chain logistics and we also like short-line rail and inland waterways as part of the domestic supply chain story.”

I Squared Capital also likes transportation and logistics, but Krynak adds that it is important to be opportunistic due to the competitive nature of the sector. “We prefer to start with small industrial platforms and then scale over time,” he explains. “We have invested in student transport, for example,

where we are able to secure long-term contracts with municipalities. We bought that business at a four to five times EBITDA multiple compared to comps valued at eight to ten times. We are continuing to grow that platform through M&A and have already been able to issue significant cash dividends relative to our equity invested.”

I Squared Capital has also invested in a cold-storage logistics company focused on the dairy sector in the US Midwest. “We like short-line rail and ports, but those assets tend to get bid very tightly,” Krynak notes. “There is an abundance of capital chasing those opportunities, which typically go for below our cost of capital.”

Antin, however, does own short-line rail in Michigan, and has recently made an investment in shipyards and dry docks for the maintenance of military vessels. “It is a sector that is enjoying tailwinds based on the modernisation of supply chains and the need for faster and more resilient networks for distribution,” Vence says.

Denis agrees that it is a sector benefiting from market tailwinds. “We have previously invested in government-contracted shipping, port logistics and FBO businesses. We also like ports and short-line rail, but we have to be disciplined about valuations in these sectors.

“We like transport plays that tackle bottlenecks. Expanding airport capacity in constrained markets and building additional hangar capacity with our FBO business, for example, has been very successful for us. We are looking to target similar themes within the transport space.”

Ultimately, the political backdrop in the US has had a profound impact on all infrastructure sectors, from the energy transition to data centres and transportation. Evidently, while regulatory change has heralded additional complexity, it has also created many opportunities for the discerning investor. ■