Macro

Presented by: Cash Flow Cowboys—Kelson Flynn, Chris Folau, Brady Pace, Link Dephouse

Date Presented: 02/09/2026

Investment Decision: Invest $25,000 Cash in the Milner Fund

Introduction

This recommendation is built around a disconnect: U.S. electricity demand looks manageable when viewed as a national average, but incremental growth is increasingly concentrated in commercial loads, particularly AI and data centers. That clustering matters more than the headline national number. Concentrated load stresses local systems, raises peak prices, and forces multi-year infrastructure upgrades before supply can fully catch up. The objective is to own the beneficiaries of reliability-driven spending rather than rely on a single company outcome or a short-term timing bet.

Thesis and Opportunity

The thesis is that electricity demand may appear benign nationally, but incremental growth is concentrated in specific regions and end-users that stress local grids. That stress tightens reliability margins, increases peak pricing, and triggers mandated investment in transmission, distribution, and firm-power capacity on a multi-year timeline. The market's common framing relies too heavily on national averages, which obscures where pressure forms. The relevant question is not whether national demand is up, but where load is arriving and how quickly infrastructure can respond. When demand growth is clustered, the economic impact is local, persistent, and expensive, creating a durable spend cycle.

Evidence and Why Now

The supporting evidence in the deck emphasizes scale and timing. Data-center power demand is projected to rise meaningfully over the next decade, and the growth is not uniform. The buildout is geographically concentrated, which is critical because grid infrastructure is regional and constrained by permitting, interconnection queues, and construction timelines. When load grows faster than infrastructure can be delivered, systems respond through higher peak pricing, accelerated capital spending, and a growing premium on firm power. In other words, the imbalance between concentrated demand and slow-to-build supply increases the probability that spending is pulled forward rather than delayed.

Risks and Underwriting Approach

This is not treated as a certainty; it is a disciplined underwriting of a build cycle with identifiable risk signals. The main risks are:

- Efficiency gains and flexibility risk: If computing becomes materially more efficient and more load can be shifted than expected, grid strain could be lower than projected.
- Forecast error risk: Power-demand projections can overshoot, so the correct posture is a range of outcomes rather than a single point estimate.
- Timing and execution risk: The build cycle is multi-year; delays in permitting, interconnection, or construction can create volatility and uneven returns.
- Regional concentration risk: The thesis is strongest where load clusters; if buildouts slow in key regions, the impact can be diluted.

The baseline remains conservative: even with efficiency improvements and partial demand flexibility, reliability standards and concentrated load growth still imply meaningful investment needs in the grid and in firm power.

Proposed Purchase (Milner Fund)

Total investment: $25,000

- $10,000 in PAVE to express infrastructure and industrial exposure aligned with grid buildout and modernization.
- $10,000 in XLU to gain regulated utility exposure positioned to earn on rate-base growth and reliability-driven capital spending.
- $5,000 in NLR to add nuclear and related exposure tied to firm, low-carbon baseload and energy security tailwinds.

Conclusion

We recommend allocating $25,000 to this basket because it expresses the thesis cleanly: concentrated commercial load growth creates local grid stress, which forces investment before supply can fully catch up. This is a build cycle that can be tracked through observable constraints such as regional load clustering, utility and grid capex plans, reliability pressures, and firm-power needs. A basket approach reduces single-name risk while maintaining direct exposure to the infrastructure and reliability spending that the market may be underpricing.