BlueCap

ADVANCED MANUFACTURING EXPANSION INTELLIGENCE

AI Infrastructure Manufacturing Expansion Outlook

Fall 2026 | North America | Project selection through September 30 2026

The manufacturing buildout behind AI infrastructure

This issue helps CEOs, CFOs and operating leaders at equipment and component manufacturers decide which customer commitments, utility milestones, and operating assumptions should trigger the next capital release phase.

What the project record tells us

The July through September selection contains 18 manufacturing actions across power, cooling and computing hardware. Jabil remains included with product mix and production date undisclosed. The record provides context for your own expansion decisions; announcements do not establish orders or utilization. [1–17, 31]

What the announcements mean for your expansion planning

An announced expansion may strengthen your supply chain, add competing capacity or change customer requirements. Its significance depends on your product and market. Test that relationship before changing your own investment plan.

Compare the announced output with your own product, specification and end market. Added capacity may change lead times, pricing assumptions or the case for a new production line. Use product-level evidence to decide whether those effects warrant changing the size, timing or sequence of your expansion.

Before committing to dedicated tooling, inventory or a new shift, establish the customer commitments, qualification requirements and feasible production schedule that support your plan. Assign an owner to the evidence most likely to change the decision.

Demand evidence and the open question

Eaton reported Q2 2026 Electrical Sector data-center orders up approximately 85% and revenue up approximately 65% versus Q2 2025. Electrical Americas rolling twelve-month organic orders rose 41%, with backlog up 33% year over year. These are related measures from one company, not independent market confirmation. [32, 33]

Wiwynn's Amazon relationship identifies a customer-backed manufacturing program, but does not disclose committed volumes or customer concentration percentages. Test cancellation rights, qualification timing and dependence on one customer's deployment schedule. [10b]

Our view: demand is strong in the cited records, but whether new supply is running ahead remains unresolved. Heron's and Power Electronics' gigawatt (GW) figures describe different products and definitions; do not add them. Track accepted shipments, utilization and order durability by product. [2, 12]

About BlueCap

BlueCap Economic Advisors is an independent, senior-led expansion adviser for advanced manufacturers. We help leadership teams evaluate locations and utility readiness, structure economic incentives, and manage commitments after award.

Our core specialization is equipment and components for AI infrastructure, grid and energy infrastructure, and robotics and automation. We bring facility strategy, operating assumptions, and incentive obligations into the same decision.

Texas in focus

Six of the 18 selected projects are in Texas. Compare each site's feasible operating schedule and cash requirements with its modeled incentive advantage. The selection does not rank states. [7, 10a,b, 12–14, 17]

Several parts of the supply chain

The Texas projects span IEM's San Antonio power-distribution campus, Wiwynn's Socorro server manufacturing, Power Electronics' Houston campus, Wistron's Fort Worth AI-system plant, LITEON's McKinney campus and the Hammond Power Solutions (HPS) Fort Worth transformer plant. These are distinct labor markets. Check occupational overlap, wages and hiring dates locally. [7, 10a,b, 12–14, 17]

Incentives need a credible operating plan

The Jobs, Energy, Technology and Innovation (JETI) program can provide a 10-year limitation on appraised value for school district maintenance and operations taxes. Manufacturing eligibility depends on investment and job tests, wage levels, a performance bond, and documented competitive site selection. It does not exempt all property taxes. [24]

The Texas Enterprise Fund (TEF) requires active out-of-state competition and no completed Texas location decision. A signed lease, land purchase, hiring or a location announcement can indicate that a Texas location decision has been made. Confirm timing before those actions. [25]

How much delay erases the advantage

Illustration only: assume Texas has a $3.0m net present value (NPV) advantage from modeled JETI/TEF benefits versus an otherwise equivalent site. Assume each extra month of utility delay reduces project NPV by $0.50m on the same valuation date, after tax and without double counting. Six extra months erase that advantage; a three-month delay consumes $1.5m and leaves $1.5m.

This is a sensitivity, not a Texas award estimate. Recalculate both benefits and delay costs when investment or hiring dates move. Separate extra spending, financing costs, deferred margin and lost sales. The cash bridge on page 4 answers a different question: how much funding is needed during the delay?

Customer permitting needs a fresh check

The September 21 directive ordered the Texas Commission on Environmental Quality (TCEQ) to halt data-center permits pending the Electric Reliability Council of Texas (ERCOT) audit. October 19 was a compliance-update deadline, not a reopening date. ERCOT's request for information targets a report on or before December 10, 2026. Neither date establishes a manufacturer's utility service. [27, 34]

Assess customer approval exposure separately from the manufacturer's own load and serving utility. Confirm permit-level status for each customer project. Our October 30 review did not establish reopening. Do not assume a general manufacturing halt.

Federal benefits by claimant

45X manufacturer screen: power-conversion equipment merits checking for an eligible inverter category. The product label alone is insufficient. Generic transformers, bushings, cooling equipment, enclosures and server racks do not establish an eligible 45X component. No tracked company's eligibility is determined here. [35]

48E project-owner screen: a qualifying clean-electricity or storage project may create customer demand for equipment. The claimant is generally the taxpayer investing in the qualifying project, not its equipment supplier simply because it manufactures the hardware. A factory's own qualifying energy project is a separate analysis. [36]

Confirm exact product/function, US production and sale, claimant, project dates and current restrictions. Prohibited-foreign-entity and material-assistance rules can affect both credits. Keep unverified benefits outside the committed funding case. [35–37]

Our location conclusion

Advance a Texas site when its feasible service date and operating case preserve its advantage under a documented delay sensitivity. Name the owner and deadline for each unresolved dependency, and identify the equipment orders, inventory and hiring that can still wait.

Primary Source Expansion Tracker

18 location-specific actions announced or materially updated July through September. Figures retain announcement-time scope and targets. Dollars are US unless CAD is shown.

Company and location	Investment	Jobs	Manufacturing scale	Timing and conditions	Src
nVent Blaine MN	Undisclosed	>200	160,000 sq ft; liquid cooling	Production H1 2027 expected	1
Heron Power Morgan Hill CA	>$100m	>600	286,000 sq ft; designed for up to 10,000 systems and >40 GW/yr	Mass production late 2027 targeted	2
GE Vernova Charleroi PA	Part of $138m	~275	Grid equipment expansion; added capacity not quantified	Jobs through 2028	3
Siemens Pendergrass GA	At least $185m	>1,400	~550,000 sq ft; low-voltage electrical components	Nov buildout expected; 2027 hiring; approvals pending at announcement	4
Schneider Electric Queretaro MX	Undisclosed	>4,000 direct	Three facilities; ~115,000 or ~130,000 sq m reported; unresolved	Two starting operations; jobs projected by end 2027	5a,b
Eaton North Little Rock AR	>$242m	>1,200	1m sq ft; expected to double US modular enclosure capacity	Start date not announced	6
IEM San Antonio TX	$200m	Up to 3,000	1m sq ft; phased power-distribution campus	Jobs by 2030; detailed phase dates pending	7
Crusoe Tulsa OK	Undisclosed	>300 across two sites	Second facility adds 400,000 sq ft; electrical infrastructure	Opened Sep 14	8
Hitachi Energy Gallman MS	$528m	>700 company figure	Transformer factory; expected to more than double current capacity	Build late 2026; production 2029 expected	9
Wiwynn Socorro TX	>$1.6bn	Nearly 1,000 new	~393,000 sq ft first building; ~476,000 second; >1.7m long term	Second production Q2 2027 expected; jobs by end 2027	10a,b
Munters Daleville VA	Nearly $30m	~270 new	~200,000 sq ft expansion; chiller production, test and training	Completed Sep 2026	11
Power Electronics Houston TX	Undisclosed	>400	~850,000 sq ft; power conversion; up to 40 GW/yr target	Groundbreaking Sep 24; full production date undisclosed	12
Wistron Fort Worth TX	$700m commitment	>500; 1,000 target	324,000 sq ft; target tens of thousands of AI boards/month	Opened Jul 21; job target by year end	13
LITEON McKinney TX	$919m total	At least 600 total	>650,000 sq ft; AI power and infrastructure campus	Multi-year; phase one $307m and 500 jobs	14
Lenovo Whitsett NC	Multi-million	~1,000 new	890,000 sq ft total; 35% added manufacturing capacity	Operating and scaling	15
Trench Group HSP Charlotte NC	>$60m	Up to 140 by 2030	170,000 sq ft; up to 3,500 bushings/yr initially; room for 10,000	Opened Jul 30; first deliveries expected end 2026	16
Hammond Power Fort Worth TX	~CAD $50m initial	Undisclosed	~CAD $250m initial capacity; ~CAD $400m potential annual capacity	Staged Q4 2027; full Q1 2028 anticipated	17
Jabil Marshall County MS	>$119m	~2,200 planned	1.5m sq ft; data-center infrastructure; product mix undisclosed	Purchase and renovation planned; production date undisclosed	31

Read the qualifiers: ~ means approximate; > means more than. nVent's >400,000 sq ft spans three expansions. Schneider's area totals conflict. Hitachi's company figure is >700 jobs; the state official gives >650. HPS capacity is expressed in CAD; future scale is conditional. Designed capacity and openings do not establish qualified output.

Preparing for 2027

A three-month delay can leave the expansion economically attractive while exhausting its available funding. Test liquidity and project value separately before releasing the next commitment.

Illustrative three month delay cash bridge

Fictional manufacturer; USD millions; incremental to the approved base case at the original quarter-end. All assumptions are invented. No client, award or tracked company is represented.

Change at the original quarter-end	Funding effect
Additional pre-operating payroll, occupancy and commissioning spend	+$0.90m
Customer receipts move to the following quarter	+$2.00m
Cash production spending shifts with the delayed shipments	−$1.20m
Net additional funding required	+$1.70m
Base-case available liquidity headroom / revised headroom	$2.40m / $0.70m

Assume $0.80m of deposits and inventory is already funded in the base case: it remains tied up and at risk, but is not added again. If $0.60m of upcoming tooling/hiring cash can be deferred beyond quarter-end, the funding need falls to $1.10m and headroom rises to $1.30m. Test whether that action itself delays qualification.

What the bridge does not establish

The $2.00m receipts are deferred, not assumed lost. A cancellation case must separately test recoveries, write-downs and lost contribution. Extra operating spend is an economic cost; shifted receipts and spending also create timing effects. Neither the funding requirement nor revenue alone is the project NPV loss. Rebuild the cash curve through recovery, covenant tests and any incentive-payment changes.

Four owners before the next commitment

Customer gate: the commercial lead supplies order terms, cancellation exposure, acceptance tests and concentration by customer/program. A customer announcement alone does not release capital.

Utility gate: facilities obtains written load, upgrade-cost and schedule evidence, including equipment, testing and energization dependencies. A regional grid announcement does not establish site service.

Operating gate: operations signs commissioning, qualification and hiring dates. Finance tests a quarter delay and a longer reset, then identifies the phase to release, hold or resize.

Incentive gate: finance and the award owner reconcile the changed plan with each agreement, required notices, approval status and expected realization. Keep received benefits separate from remaining forecasts. A pending amendment is not an approved change. These gates are BlueCap's management framework. [24, 25]

Developments we are following

Texas permitting: we are following TCEQ's implementation of the permit directive and project-level status. Changes could affect customer deployment schedules and the timing of equipment orders. Confirm project-specific permits and any reopening. [27]

ERCOT and the Public Utility Commission of Texas target a data-center impact report by December 10, 2026. We are following the report's release and any resulting project conditions for implications for customer timing. Publication alone would not establish service availability. [34]

We are following nVent's targeted first-half 2027 production start and Wiwynn's expected second-building production in the second quarter of 2027. Evidence of qualification and accepted shipments would help test when announced capacity becomes usable supply. These remain company targets. [1, 10a]

A useful next conversation

BlueCap can help test the assumption most likely to change your expansion decision and connect the location comparison, utility path and incentives to your operating plan.

Discuss an expansion decision BlueCapEA.com/contact

Method and primary sources

We select discrete manufacturing capacity actions in the United States, Canada and Mexico announced or materially updated July 1 through September 30, 2026, with relevant equipment/component output and primary-source support. The 18 records are a curated selection, not a census or state ranking.

Missing fields remain visible where the record is useful, including Jabil's product mix/timing and Schneider's conflicting area totals. Announcements do not establish orders, utilization or returns. Demand context remains separate from plant evidence. Commercial implications depend on the reader's product and market. Scenarios and decision gates are BlueCap interpretation. Illustrative cash and net present value assumptions do not estimate tracked-project results. Federal credits are screened qualitatively, not valued or adjudicated.

Announcement sources revisited October 30, 2026. Figures retain their original announcement-time scope and targets; this is not a current operating-status audit. Selected demand, customer, Texas and federal-credit sources were also reviewed. Current TCEQ permit-level status and reopening require confirmation. Source IDs 18–23, 26 and 28–30 remain in research history but are not used here.

[1] nVent liquid cooling expansion

[2] Heron Power first US factory

[3] GE Vernova Charleroi expansion

[4] Georgia Siemens Pendergrass announcement

[5a] Schneider newsroom project statement

[5b] Schneider project and employment details

[6] Eaton Arkansas enclosure factory

[7] IEM San Antonio factory announcement

[8] Crusoe second Tulsa factory

[9] Hitachi Mississippi transformer factory

[10a] Wiwynn Texas campus announcement

[10b] Wiwynn Amazon investment and jobs update

[11] Botetourt County Munters completion

[12] Power Electronics Houston campus

[13] NVIDIA Wistron Fort Worth plant

[14] McKinney LITEON campus announcement

[15] Lenovo Whitsett expansion

[16] Trench Group HSP Charlotte factory

[17] HPS Fort Worth capacity plan

[32] Eaton Q2 2026 orders and backlog

[24] Texas Comptroller JETI requirements

[25] Texas Enterprise Fund portal

[27] Texas September 21 permit directive

[14 supplement] Texas LITEON phase one details

[31] Mississippi Jabil facility announcement

[33] Eaton Q2 2026 analyst presentation page 3

[34] ERCOT data center impact RFI and report target

[35] IRS Advanced Manufacturing Production Credit

[36] IRS Clean Electricity Investment Credit

[37] IRS February 12 2026 material assistance guidance

Corrections and source questions

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