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The Frontier Premium

Why the world's hardest power markets are now its most strategic — and how the firms that go anywhere will define the next decade of energy infrastructure.

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EXECUTIVE SUMMARY

The Frontier Premium

There is a new dividing line in the global power industry. On one side are the firms that operate where infrastructure is mature, grids are reliable, and regulators move predictably. On the other are the firms that operate where the road gives way to dust, where the air burns, where time costs more than money, and where the customers — mines, industrials, governments, data centres — need power yesterday.

For two decades, the second category was treated as a discount business: harder, riskier, lower margin. That assumption has inverted. In 2026, frontier-market execution is no longer a residual — it is the strategic capability that will define the next decade of energy infrastructure. The reasons are structural and they are converging fast.

This paper makes four arguments:

One. Global power demand is growing at a rate the developed-world grid cannot absorb. Hyperscale compute, electrified industry, and emerging-market industrialisation are pushing 24/7 load growth into geographies and timelines the major OEMs and Tier-1 EPCs were not built to serve.

Two. Capital is no longer the binding constraint. Execution is. Money is available; what is scarce is the ability to actually land a 50–500 MW project in a place where customs takes six weeks, the road is washed out, and the previous contractor walked off site.

Three. The firms that can operate in those conditions have a defensible economic position. Frontier execution is not a cost centre — it is a margin source. Clients pay a real premium for certainty in places where certainty is rare.

Four. The technology stack required to win there has changed. The new frontier operator is AI-native, predictive-analytics-driven, and hybrid by default — gas, diesel, HFO, renewables, storage, and increasingly small modular nuclear, all operated from a single digital backbone. We are pro physics, not anti-environment: thermal base load with supplemental renewable and SMR hybridisation is the only practical solution for most of the world today.

USP&E has been operating to this thesis for 24+ years. 150+ power stations built. Over 150 projects delivered. 45+ countries served. Live projects today in 12 countries simultaneously, several of them in regions on active conflict watch lists. This is not a position we backed into. It is the position we built — and it is the position the market is now coming to.

SECTION 01

The Power Crisis Most Decks Are Still Underestimating

The headline numbers are by now familiar. Global electricity demand is projected to rise roughly 50% by 2050. The International Energy Agency, BloombergNEF, and most of the major utilities are working off variants of the same curve. What the headline understates is where the growth is concentrated and how fast it has compressed.

Three demand shocks, one decade

The first shock is hyperscale compute. AI training and inference loads have moved data centre demand from a slow-and-steady trend to a near-vertical step function. ERCOT's published demand forecast went from 85 GW in 2023 to a projected 368 GW by 2032 — a more-than-four-times increase in nine years. That is not a forecasting tweak. That is a different industry.

The second shock is industrial electrification. Cement, steel, refining, mining, and chemicals are simultaneously decarbonising and growing, which means more electrons consumed per ton of product, on more sites, on more reliable grids. The places that can deliver 24/7 power at industrial scale will win the next twenty years of heavy-industry siting decisions. The places that cannot will lose them.

The third shock is emerging-market industrialisation. The Africa Energy Forum 2026 theme — "Building Africa's Industrialised Future" — is not a slogan. It is a recognition that 1.5 billion people on one continent are building out an industrial base from a base of energy poverty that the rest of the world solved a century ago. The same is true across South-East Asia, parts of the Middle East, and Latin America.

> *"Energy is life. Without energy, we do not have government, education, healthcare, emergency services, the internet, commerce, or culture. Every conversation about industrialisation eventually becomes a conversation about megawatts on a specific site by a specific date."*
>
> WILL GRUVER, CHAIRMAN & FOUNDER, USP&E

Why the supply side cannot keep up

Three structural bottlenecks limit how fast the developed-world power industry can respond. They explain why frontier execution is now strategic rather than peripheral.

- **OEM lead times.** New industrial gas turbines and medium-speed engines are now quoting 12 to 24 months out for delivery, often longer with balance of plant. For a mine that needs 40 MW in 90 days, that is not a solution.

- **Tier-1 EPC capacity.** The handful of global EPCs that can deliver 200+ MW projects are oversubscribed. Their pipelines are full of OECD-grid and Gulf-state work. Frontier sites compete for second-tier attention with first-tier execution risk.
- **Skilled labour.** Class-4 welders, controls engineers, commissioning leads, O&M technicians — every link in the chain has aged and thinned. The firms that have continued to invest in their own benches through the cycles have a hard, durable advantage.

These three constraints compound. They are the reason a client in Iraq can wait 12–18 months for a new HFO engine and still be told that the EPC slot to install it is 18 months further out. The firms that solve this — by maintaining asset inventory, owning their own delivery, and operating their own benches — are the ones who get the call.

SECTION 02

Frontier Markets Have Stopped Being a Discount Business

For most of the post-2000 industry, frontier-market work — sub-Saharan Africa outside South Africa, fragile states, post-conflict reconstruction, remote mining concessions — was treated as the bottom of the project finance stack. Lower returns, higher risk premiums, smaller deal sizes, less institutional support. That framing is now wrong, and it is wrong in three specific ways.

Wrong #1: The risk premium reflects ignorance, not reality

The conventional "frontier risk premium" bundles three different risks — political, operational, and counterparty — and prices them as one. Operators with real boots-on-the-ground experience decompose them. Political risk in a country where a mine has operated for 20 years is not the same as political risk for a new entrant. Operational risk on a site with a competent local partner is not the same as operational risk for a parachuted-in contractor. Counterparty risk on a Tier-1 mining major is not the same as counterparty risk on a sovereign utility.

The firms that have done the work to disentangle these risks have a cost-of-capital advantage their newer entrants cannot replicate in less than a decade. USP&E's working relationships with some of the world's largest gold miners, leading platinum producers, major iron-ore miners, international oil & gas operators, and Gulf giga-project developers were built one delivered project at a time across 35+ countries.

Wrong #2: The margin profile has inverted

In a market where new equipment is 12–24 months out and Tier-1 EPC slots are 18 months further, the firm that can deliver verified used assets, refurbish them to OEM spec, ship them across continents, and stand them up on site in under 90 days is not selling a commodity. It is selling certainty — and certainty is the single most under-priced commodity in industrial power right now.

The five real examples that follow, from the USP&E book, illustrate this.

PROJECT	OUTCOME
Turkey · Industrial client	100 MW of Pratt & Whitney FT8 MobilePac gas turbines. Previous contractors had failed to deliver. Turbines installed within 2 weeks of port landing. Project delivered in under 90 days, on time and on budget.
Iraq · MAN power plant redeployment	32 MW of MAN 18V32/40 HFO generators, surplus from a cancelled Indonesian project, redeployed to an Iraqi industrial client when global OEMs were quoting 12–18 month lead times. Indonesian seller and Iraqi buyer both benefited.
Saudi Arabia · Gulf giga-project	3 × zero-hour Siemens SGT-400 multi-fuel gas turbines (gas, diesel, hydrogen). USP&E acted as the single technical and commercial interface into the mega-project environment. Client saved over USD 10M against new-equipment procurement.
Mali · Gold operation	104 MW power station for one of the world's largest gold miners. 80 MW of Caterpillar CM32 engines refurbished plus 24 MW of new zero-hour units installed. Full EPC and ongoing O&M. 300% improvement in reliability and availability under USP&E operation.
Madagascar · Graphite mine (hybrid with Cross Boundary Energy)	Hybrid build integrating thermal generation with solar PV and battery energy storage for a graphite mining operation. Projected to reduce CO_2 emissions by over 11,300 tonnes per year. Proof of the "pro physics, not anti-environment" operating thesis.
Ukraine · Jenbacher asset supply	Verified Jenbacher generator assets identified in Indonesia, inspected with the client, maintained pre-dispatch, and shipped cross-border into Ukraine during a national infrastructure crisis. From LinkedIn message to delivered assets. Several projects ongoing.

None of these deliverables would have been possible at the price or speed the client achieved through a conventional OEM-then-EPC procurement path. The economic value sits in the integration — sourcing, refurbishing, logistics, EPC, and O&M under a single accountable team, with hybrid renewable and thermal design across the portfolio.

Wrong #3: The clients are the same clients

The largest mining majors, the most sophisticated industrial buyers, the most demanding sovereign mega-projects — these are the clients USP&E delivers to on frontier sites: some of the world's largest gold miners, leading platinum and coal producers, global oil & gas operators, sovereign giga-project developers, and the world's foremost space-exploration and hyperscale technology companies. These are not lower-tier clients. They are the same global firms doing the most consequential work in the world today — and they need execution partners who can meet them where the work is.

SECTION 03

What "Go Anywhere" Actually Means

The phrase "frontier markets" gets used loosely. To be precise, USP&E uses it to describe sites and contexts where at least one of the following conditions holds: active conflict or post-conflict reconstruction, weak grid or fully off-grid, severe logistics constraints (no port, no road, abnormal cargo), regulatory ambiguity or sanctions complexity, public-health crisis or biosafety zones, or environments officially designated as travel-restricted by the U.S. State Department or equivalent authorities.

By that definition, USP&E currently has 15 live projects across 12 countries. Several of those countries appear on travel-advisory lists or have ongoing security situations that disqualify most international contractors from working there. The firm's footprint includes work in, or for, sites in Mali (two major gold operations), Burkina Faso (mining operations), Mauritania (a global gold major), Sierra Leone (iron-ore mining and an international hotel), Togo, Liberia (a gold project), the DRC (via Kinshasa), South Africa (a platinum mine), the UAE, Saudi Arabia (a Gulf giga-project), Iraq, Ukraine, the U.S., Mexico, and Indonesia.

The non-negotiables that make "go anywhere" possible

The five capabilities below, repeatedly demonstrated, are what allow a firm to actually deliver in these conditions. None of them can be improvised on a per-project basis.

CAPABILITY	WHAT IT LOOKS LIKE ON THE GROUND
Compliance discipline	Full OFAC/FCPA compliance, robust KYC on every counterparty, anti-bribery posture that is honoured even when it costs the deal. 24+ years with zero legal claims filed against the firm.
Asset inventory + sourcing network	Direct relationships with major OEMs (Wärtsilä, GE, Siemens, Caterpillar, Everllence/MAN, Hyundai Heavy Industries, Wabtec, Cummins, Bergen, MTU, Baker Hughes, Jenbacher) plus a global network of asset owners. Over 100 MW owned, 500+ MW

CAPABILITY	WHAT IT LOOKS LIKE ON THE GROUND
	exclusive, 3,000+ MW direct. Verified used equipment shortens timelines that new procurement cannot.
Logistics under stress	Custom-built lifting cradles for 100-tonne assets. Night-time abnormal-cargo transport with police escort. Barge transport down the Rhine to Belgium. Port operations in countries with two-week customs. Ground-stability planning for crane operations on unprepared terrain.
In-house EPC and O&M bench	Over 350 engineers and field staff. Engineering teams capable of P&IDs, HAZOP, lockout-tagout, software control design, full bankable feasibility studies. O&M teams operating 24/7 in remote sites including a 110 MW plant in Mali.
Digital backbone	SmartPower performance monitoring (engine and plant health, fuel consumption, fault detection, cloud dashboards) plus UpKeep CMMS for work orders, preventive maintenance, and spare-parts traceability. Documented 26% downtime reduction across monitored sites.

> *"In 24 years we have never once been sued by a client or partner for any reason. Period. We have built 30+ power stations and delivered over 150 projects across 45+ countries and never had a lawsuit. Why? We pay our bills, we abide by our agreements, and we do not cut corners — especially on compliance."*

WILL GRUVER, USP&E

SECTION 04

Hybrid is the Real Answer — and AI is the Operating System

The energy-transition conversation has spent too much time on either-or. Either gas or renewables. Either thermal or solar. Either fossil or zero-carbon. On the frontier, that framing collapses on contact with reality. The actual question for every project USP&E touches is: what is the right hybrid mix of HFO, natural gas, diesel, solar, wind, battery storage, and — increasingly — small modular nuclear, for this specific site, this specific load curve, this specific fuel availability, and this specific capital structure?

Hybrid is the default, not the exception

A modern frontier site is not a single-fuel plant. It is an orchestrated mix: diesel for fast-start and resilience, HFO or natural gas for base load, solar PV plus battery storage for daytime offset and emissions reduction, and increasingly a thermal-to-nuclear bridge for the 2030s. The question is which mix earns its place on a given site, and how the whole system is dispatched in real time.

Two technical realities make this possible now that were not possible five years ago. First, the cost of utility-scale solar plus storage has fallen far enough that adding it to a thermal site is almost always an LCOE-positive decision before any subsidies. Second, the controls and dispatch software needed to orchestrate a hybrid plant has matured — including the AI and predictive-analytics layer that USP&E deploys through SmartPower.

A graphite-mine hybrid build in Madagascar (delivered with Cross Boundary Energy for a graphite mining developer) is one current example: thermal generation integrated with a solar hybrid system and battery energy storage, projected to reduce CO_2 emissions by over 11,300 tonnes per year. USP&E is pro physics, not anti-environment. Thermal base load with supplemental renewable hybridisation is the only practical solution for most of the world today.

AI as operating system

The biggest unrecognised shift in the frontier-power business is that the operator is now also a software company. The plant that runs without an AI-driven digital twin, real-time anomaly detection, predictive maintenance, and remote diagnostics is, in 2026, an undermanaged asset. The plant that has all of those capabilities is, on average, 26% less prone to unplanned downtime — a number USP&E has measured across its own monitored sites.

The implications for project economics are substantial. A 100 MW plant running at 95% availability versus 80% availability is, before any fuel-cost optimisation, a fundamentally different asset. AI is not a cost line on a frontier project. It is a margin line.

The nuclear bridge

The newest piece of the hybrid puzzle is small modular nuclear. The BridgePower Nuclear joint venture USP&E launched with BAM Energy in 2026 is built around a specific thesis: that the credible path to zero-carbon baseload for hyperscaler and industrial loads runs through a co-located gas-to-SMR site, dispatching continuously through a thermal energy storage loop. Roughly one gigawatt of bankable gas turbine capacity now, Pearl SMRs layered in from year three, no stranded assets, no enrichment supply-chain risk, no stick-built nuclear EPC.

BridgePower is not a renewables substitute. It is the dispatchable backbone that makes a high-renewables grid actually work — and the path by which a frontier industrial site can credibly target sub-USD 90/MWh zero-carbon power inside the decade.

SECTION 05

Where This Goes Next

Three movements are now visible in the market that will define the next five years of frontier-power infrastructure. Operators that read them correctly will compound the advantage they already have. Operators that miss them will find their economics steadily eroded by competitors that did not.

Movement 1: The off-grid hyperscaler

Hyperscalers are no longer waiting for utilities. Behind-the-meter and off-grid power for data centres is moving from a niche conversation to a primary procurement strategy, particularly in North America, the Gulf, and parts of Africa where utility lead times have become intolerable. The firm that can deliver gigawatt-scale dispatchable capacity to a hyperscaler site inside 24 months, with a credible clean-power transition path, has access to the single fastest-growing customer in the energy industry.

Movement 2: Mining as anchor tenant

Mining companies are increasingly willing to anchor independent power projects on or near their concessions, both for resilience and for ESG positioning. A gold or copper operation that takes 20–80% of an IPP's output transforms the project finance. Frontier-market mining concessions are quietly becoming the most attractive anchor tenants in emerging-market power.

Movement 3: The Africa industrialisation thesis goes live

AEF 2026's theme — "Building Africa's Industrialised Future" — reflects a real underlying shift. The continent is moving from extraction to value-added processing, from energy import dependence to regional production hubs, from project-by-project financing to programmatic infrastructure investment. The South Africa–Afreximbank USD 8B Country Programme launched in February 2026 is one signal among many. The firms positioned to deliver the power infrastructure that makes industrialisation possible will not lack for work.

> *"The world is experiencing a power generation crisis like we have never before seen. In 2026 we are bursting at the seams and now operating in more countries than we ever have before — from the frontier of Africa to the frontier of space exploration. USP&E has never found a better fit in the market or seen more support for our mission."*
>
> WILL GRUVER, USP&E

What USP&E commits to going forward

Three things, with intent.

- **Stay on the frontier.** We will not chase Tier-1 metropolitan work where the OEMs and major EPCs are already saturated. We will continue to operate where reliability is uncertain, where speed matters, where the road runs out — because that is where the value sits and that is where our clients need us.
- **Hybrid by default.** Every new project assessment starts with the full hybrid question: thermal, renewable, storage, and nuclear bridge. Single-fuel proposals are exceptions, not the rule. Pro physics, not anti-environment.
- **AI-native delivery.** SmartPower, UpKeep, and the broader predictive-analytics stack are not add-ons. They are how a USP&E plant runs. We will continue to invest in this layer ahead of every competitor in our space.

CONCLUSION

The Frontier Is the New Centre

For two decades, frontier-market power was a residual category. The work nobody wanted at the price nobody else could meet. That era is over. The compression of OEM lead times, the saturation of Tier-1 EPC capacity, the surge of hyperscaler and industrial demand, and the maturation of hybrid and AI-driven plant operations have flipped the economics. The firm that can deliver megawatts on a hard site, with verified equipment, under a single accountable team, with the digital backbone to keep them running, is not at the bottom of the stack. It is at the top.

USP&E has been operating to that thesis since 2002, before it was a thesis. We did not arrive at “Powering Possibility. Built for the Frontier” as a brand exercise. It is the work. 30+ power stations. Over 150 projects. 35+ countries. Fifteen live projects across 12 countries today. Clients who keep coming back. Partners who keep recommending us. Zero lawsuits in 24 years.

If the next decade of energy infrastructure is going to be defined by who can deliver where it actually matters, the firms that have spent 20+ years learning how to do that have an enormous head start. The market is finally noticing.

Facing a power challenge in a frontier market?

Let’s talk about how USP&E can help. **Contact us**

ABOUT USP&E

USP&E is an international hybrid renewable and thermal EPCM and O&M company with offices in Johannesburg, Cape Town, Dubai, Knoxville, London, Lomé, Monrovia, Abuja, Dakar, Dodoma, Tel Aviv, and Caracas. Since 2002 USP&E has delivered over 150 power stations and over 150 projects across 45+ countries for clients including some of the world's largest gold miners, leading platinum producers, major iron-ore and oil & gas operators, national oil producers, Gulf giga-project developers, and industrial operators such as Wabtec. The firm covers the full power lifecycle — asset sourcing, engineering, EPC, operations and long-term O&M — under a single accountable team. USP&E's SmartPower predictive analytics platform delivers a 26% reduction in downtime across monitored sites. The firm is brand-agnostic, OEM-competent, ISO 9001:2015 and 45001:2018 certified, FCPA and OFAC compliant, with zero lawsuits filed against it in 24 years of operation.

USP&E has long-standing partnerships with WGRUV Dance International and ImpactAfrica.org, reflecting a long-running commitment to the communities and continent in which we operate.

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