US & Canada – Energy Transition Executive Brief

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In 2026, the US and Canadian energy sectors are driven by intense electricity demand from AI data centers, accelerating renewable deployment (solar/storage), and a "all-of-the-above" grid strategy. Renewables are projected to surpass coal as a major power source, with future developments expanding to grid modernization, nuclear, and continued reliance on natural gas supporting reliability amid high-load, electrified growth.

United States Energy Trends 2026

- **Surging Power Demand & AI:** AI development is driving record electricity demand, putting intense pressure on the grid.
- **Renewables & Storage Surge:** Solar generation is expected to increase by 17% in 2026. Over 19 GW of new battery storage is under construction, with >50% of utility-scale storage paired with solar.
- **Nuclear Renaissance:** 2026 is a critical year for nuclear, with major plant restarts (Palisades, Three Mile Island) and advanced reactor startups.
- **Natural Gas & LNG:** Natural gas holds a 40% share of power generation. U.S. LNG exports are expected to climb by 9%.
- **Grid Bottlenecks:** Grid congestion is expected to increase, leading to potential electricity price spikes.

Canada Energy Trends 2026

- **Interprovincial Trade Shift:** Due to strained relations with the U.S., Canada is focusing on strengthening interprovincial electricity trade rather than just exporting southward.
- **Indigenous Leadership:** Large-scale energy transmission projects are increasingly featuring Indigenous leadership and equity ownership.
- **Pipeline Access:** The Canadian energy sector is benefiting from the Trans Mountain Pipeline expansion, providing improved tidewater access.

Shared North American Trends

- **Digital Transformation:** The energy sector is rapidly adopting digital tools, AI, and robotics for grid management.
- **Cybersecurity & Resilience:** Increased digitalization has made cyber defense a top priority to prevent disruption of critical infrastructure.
- **Workforce & Supply Chain:** Firms are diversifying suppliers and focusing on domestic investment to manage tariffs and labor challenges.