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Thanks for joining us today on the Quick Take Podcast. Hello, I am Matt Sallee, Head of Investments with Tortoise Capital.

With the first month of the year in the books energy came out of gates strong with the sector leading the S&P at 14% return while midstream also performed well at an 8% return. After a strong 2025 utilities were muted with a 1% return.

The big news in January was Winter Storm Fern which had widespread impacts to energy systems across large parts of the country including production, refining along with power generation and delivery. Additionally, significant price impacts resulted for natural gas and wholesale electricity. Some examples include wholesale power prices in the Northeast market over \$2,000/MWh on January 27 along with natural gas trading over \$50/mcf at several pricing hubs. For perspective, these prices are about 40x and 15x higher than they were before the storm, respectively. Extreme cold also impairs the ability to produce oil and gas as well as experience freeze offs which is akin to water pipes freezing in your house but, thankfully, they don't burst. We've seen estimates as high as 15% and 10% of oil and gas production offline, respectively. The gas inventory report released January 29 confirmed the early impacts from the storm with 242/bcf withdrawal for the week ended January 23. This is the 7th largest on record and the cutoff was before the bulk of the storm's impact was felt.

Continuing on the theme of strained energy infrastructure, in the Northeast power market, known as the PJM, federal officials and several PJM-state governors have proposed intervening in PJM's markets to curb surging power prices, arguing that record-high capacity costs reflect a supply shortfall driven by retirements and rapid load growth. The proposal calls for special capacity procurements, longer-term contracts to accelerate new generation, limits on future price spikes, and shifting more of the cost burden to large new loads rather than residential customers. The goal is to quickly add reliable supply while protecting consumers from sustained price shocks. PJM has acknowledged the underlying reliability and affordability concerns but has pushed back on direct federal-style intervention in its markets. Instead, PJM's response emphasizes working within its existing market structure through improved load forecasting, expedited interconnection, large-load tariffs and incremental market design changes. This is creating uncertainty for market participants, so we're hopeful for a quick resolution but agree the market is grossly undersupplied and modifications are indeed needed.

Next up earnings season has officially kicked off. I'll start from the top down and talk through the trickle-down effects from the massive ramp in AI capex. Starting with Microsoft and Meta, they're guiding to a 2026 capex increases of 60% and 80%, respectively. While this spooked the broader market post earnings, we viewed it as a big positive. This is because we're focused on the downstream effects of this spending which directly benefit Tortoise infrastructure-based strategies. First, it is driving the need for digital infrastructure including fiber, switches, storage and more. In turn we saw earnings beats and strong guidance from Seagate, Celestica, Amphenol, Corning, Western Digital and Sandisk. All this physical infrastructure plus chips requires enormous amounts of electricity. Accordingly, we saw strong results and increased outlooks for the turbine and power supply businesses of GE Vernova, Caterpillar and OFS companies, Liberty Energy, SLB Energy, Haliburton and Baker Hughes. For the OFS companies, the power supply business is a bright spot in an otherwise challenging legacy business. These turbines are fueled by natural gas and Kinder Morgan's earnings once again reflected strong results in its gas segment and they now have a \$9 billion gas pipeline project backlog primarily driven by power generation. Similarly, NextEra is the only utility to report thus far but they continue to emphasize an "all the above" approach including new natural gas along with wind & solar generation which is what we've been saying several years now.

Quickly on the oil front, both Chevron and Exxon reported quarterly beats driven by Permian production which helped offset lower oil prices and XOM plans to continue rapidly growing in the basin while CVX will moderate spending and level off around current production levels. Both companies continue to emphasize shareholder returns through dividends and repurchases.

Finishing with company news. There are a few noteworthy items include Meta signing deals for nuclear power supply including a 20-year PPA with Vistra for output along with support to increase capacity at 3 reactors. Simultaneously Meta announced funding to support Oklo's development of SMRs boosting capacity commitments to over 6 GW. These announcements gave boost to the whole nuclear sector which continues to trade well. On the AI infrastructure front, Riot Platforms announced a 25 MW hosting deal with AMD, Micron announced a \$24 billion capacity expansion driven by strong memory demand and Meta placing a \$6 billion fiber order with Corning. Clearly we are at the early stages of a secular bull market and energy and digital infrastructure. And hot off the press, Devon and Coterra announced a \$58

billion merger providing scale in the Delaware Basin, expected synergies of \$1 billion a year and 1.6M bpd of combined production.

Thanks for listening.

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