AMERICAN GRIDWORK PARTNERS

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The Power Beneath Our Feet

Why Local Utility Contractors Are Becoming America's Most Essential Infrastructure Providers

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SECTION I

The Grid Is Buckling Under Modern Demand

We are operating at the intersection of accelerating climate volatility, urgent nationwide grid modernization efforts, and the mounting need to replace aging utility infrastructure. This convergence is transforming how electricity and data are delivered across the country, and elevating a class of local utility contractors who have, until now, quietly done the hard work behind the scenes.

To meet the energy demands of AI infrastructure, electric vehicles, advanced manufacturing, and next-generation data centers, America needs as much power as possible. Every kilowatt matters. Any dip in production or delay in transmission risks creating widespread disruption — not in theory, but in real terms. Yet the existing U.S. electrical grid is not equipped for this moment. It's buckling under the pressure of outdated technology and a shrinking technical workforce.

SECTION II

The Numbers Behind the Crisis

The pressure inside the system is structural and measurable. Four numbers tell the story:

70%

U.S. TRANSMISSION LINES OVER 25 YEARS OLD

147M

WOODEN UTILITY POLES AGING OUT OF SERVICE

$578B

GRID INVESTMENT SHORTFALL BY 2033

19

STATES FACING ROLLING BLACKOUT RISK

Today, 70% of the country's transmission lines are more than 25 years old, and many power transformers have been in service for over four decades — well beyond their intended life span. Meanwhile, roughly 147 million wooden utility poles are aging out of usability, requiring full-scale replacement, including wiring and transformers. At the same time, the utility labor force is rapidly thinning: one in four utility workers retired between 2017 and 2022, and more than half of those remaining have less than 10 years of experience.

The result is a strained, overstretched system. In 2021, Americans experienced an average of 7.5 hours of power outages. NERC, the North American Electric Reliability Corporation, has since warned that 19 states could face rolling blackouts under normal peak demand within the next five years. The American Society of Civil Engineers estimates a $578 billion shortfall in grid investment by 2033 just to meet basic reliability and capacity needs.

SECTION III

The Boots on the Ground

It's in this context that local third-party contractors — often referred to as Outside Plant (OSP) providers, T&D contractors, or emergency response utility service companies — are stepping into the spotlight. These are small to mid-sized businesses that get the call when disaster strikes, when lines go down, or when the big players are overwhelmed. They restore power in the middle of the night, navigate treacherous terrain, and support storm recovery in neighborhoods often unreachable by national crews. They are America's boots-on-the-ground infrastructure specialists.

These contractors are not national roll-ups or turnkey players. They're regionally rooted companies built on decades of experience, trusted by utility primes and municipalities alike to execute high-risk, time-sensitive projects. Increasingly, they are subcontracted by major players like Quanta Services, Black & Veatch, MasTec, or Pike Electric, especially when work becomes too granular, urgent, or remote for national teams to manage.

SECTION IV

Underground Is the New Standard

One particularly urgent trend driving opportunity for these companies is the growing push to move power lines underground. After touring wildfire-ravaged areas in Malibu, California, I spoke directly with contractors who made one thing clear:

> *"Every rebuilt power line is going underground.* ***It's not just a best practice. It's becoming a mandate.****"*
>
> FROM THE FIELD
>
> *Utility contractors in Malibu, California, post-wildfire*

Overhead wooden poles are not only aging; they're dangerous. They spark, collapse, and fail in storms, droughts, heat waves, and wildfires. Undergrounding is slower and more expensive, but it's also safer and more resilient. Regions like California, Tennessee, North Carolina, and Colorado are increasingly adopting this approach, driving steady demand for local trenching, boring, and underground electrical contractors.

In parallel, broader grid modernization efforts are underway, spurred by increased energy usage from AI, advanced computing, electric vehicles, and domestic chip and battery manufacturing. This transition is not speculative. It's happening in real time. Each new data center or electric bus route adds more load. More load means more risk, more emergency work, and more pressure to fortify the grid. As a result,

local contractors are not only rebuilding broken infrastructure — they're laying the groundwork for the next generation of energy distribution.

SECTION V

Why These Businesses Matter

It's important to understand the nature of these businesses. Utility and fiber contractors operate in one of the most dangerous sectors in America. They work around live wires, in extreme weather, with expensive, regulated equipment.

This isn't scalable in a traditional tech sense. You can't code your way out of this. It takes skilled labor, experience, and strong local relationships.

Many of these businesses are owner-operated, often by individuals who started with a single truck and crew and grew into trusted service providers over decades. Despite their importance, these companies are often overlooked by investors and buyers focused on national scale or SaaS-style growth. But that's exactly why they matter. Their value is rooted in being local, responsive, and essential. They operate under emergency service contracts, time-and-materials agreements, and long-standing relationships with cities and primes. When done right, they are cash-flowing, resilient, and indispensable.

What Comes Next

As climate events intensify and infrastructure ages, these companies will become even more vital. They are the ones rebuilding towns after fires, digging trenches for fiber in rural counties, and restoring electricity when the next storm hits. They are not just part of the system. They are holding it together.

This is a sector to watch. These businesses may not have flashy branding or Silicon Valley buzz, but they are powering the future from the ground up.

Powering the future — literally — from the ground up.

Benjamin Krall is the Founder and Managing Partner of American Gridwork Partners (AGP), a platform company of Legacy Holdings United, LLC, executing a buy-and-build strategy across the infrastructure execution layer powering AI, electrification, and data.