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**S&P Global**

Market Intelligence

Patrick Newport / US Macro

# The AI Buildup

The World's Most Ambitious AI Infrastructure Project

May 19, 2026

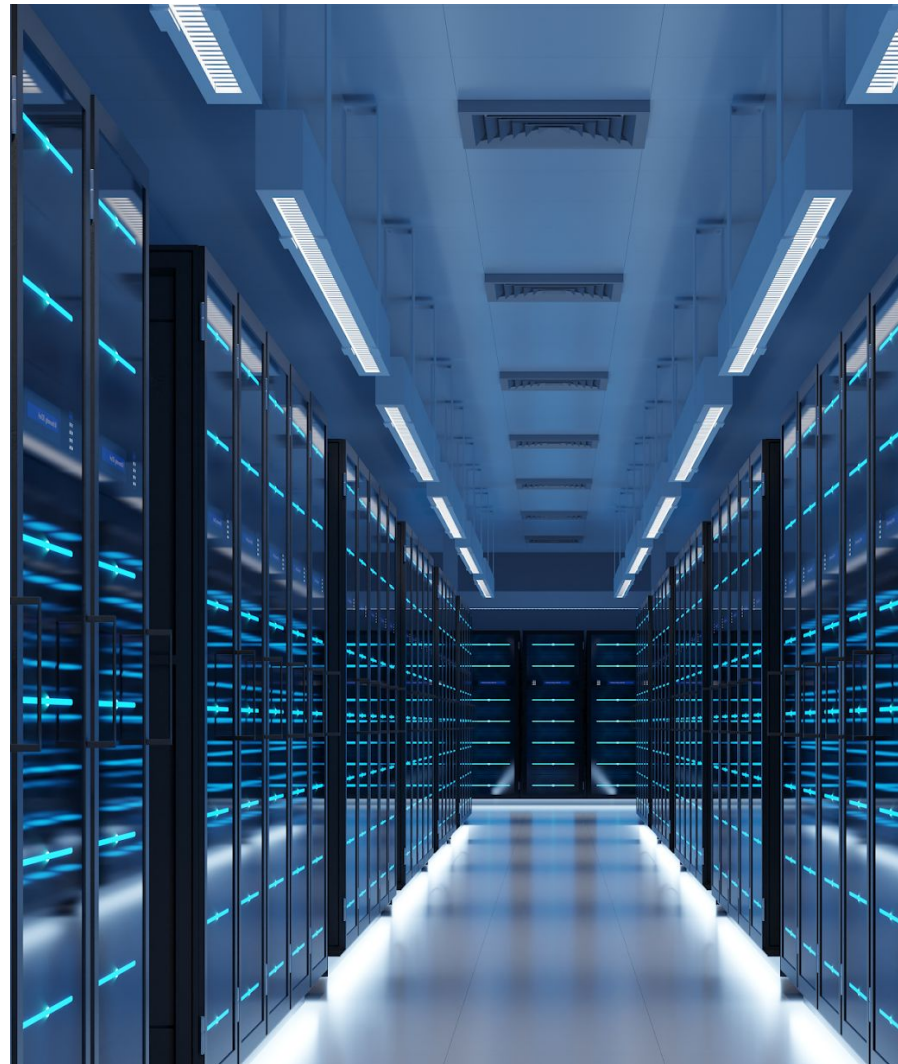


# AI may be the biggest US infrastructure Buildup ever

Capital spending as a percent of GDP

- Railroads (1865-90) 2.4% of GDP
- Electrification (1905-25) 1.1%
- Highways (1956-73) 1.6%
- Telecom/fiber 0.8% (1996-03)
- AI (2025-2032) 2.8%

Source: Stijn Van Nieuwerburgh, "Financing the AI Boom", working paper





# META HYPERION

*The World's Most Ambitious AI Infrastructure Project*

**5 GW**

Peak Power Draw

**\$27B**

Real Estate & Infrastructure

**2,250 ac**

Site Footprint

# SCALE & POWER

## 5 GW

Peak electricity demand  
(~1% of total U.S. consumption)

## ~3M

GPUs at full build-out  
(41,000+ rack-scale systems)

## 2030

Phase 1 completion target  
(1.5 GW milestone by 2027)

## How Big Is 5 Gigawatts?



### Nuclear Plants

Equivalent output of 5 large nuclear plants running continuously



### City of Seattle

More power than Seattle's entire peak daily demand (~1.5–2 GW)



### 1M+ Homes

Enough electricity to power over one million U.S. households



### Hyperscale peers

10–50× larger than a typical Google, Microsoft, or Amazon campus

# FINANCING, COMMUNITY & CONTEXT

## The Deal

- Blue Owl Capital (80%) & Meta (20%) joint venture
- \$27B in bonds sold to Wall Street via 'Beignet Investor LLC'
- Meta leases back the facility on 4-year renewable terms
- If Meta walks, it guarantees Blue Owl's property value

## Energy Plan

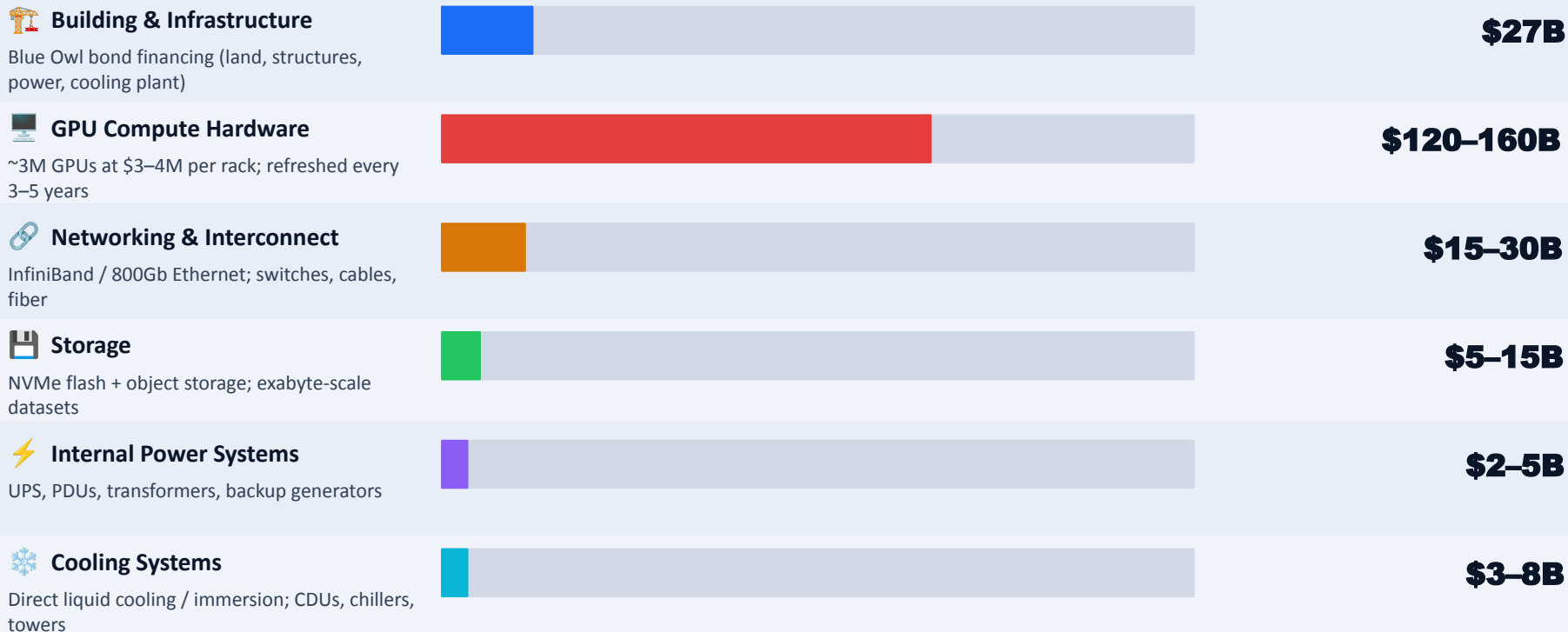
- Entergy building 100-mile, 500kV transmission line (\$1.2B)
- New gas plant (~\$4B) for on-site generation
- 1,500+ MW of new renewables committed
- Nuclear power under consideration long-term

## Community Impact

- Richland Parish: ~25% poverty rate, historically depressed
- 3,700+ construction workers (peak 5,000)
- 500 permanent jobs promised long-term
- Rising rents, traffic disruption, water & power strain already reported

# WHAT DOES HYPERION REALLY COST?

Full Build-Out Estimate

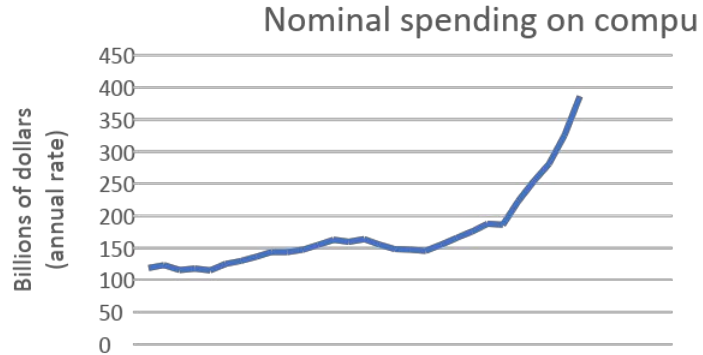
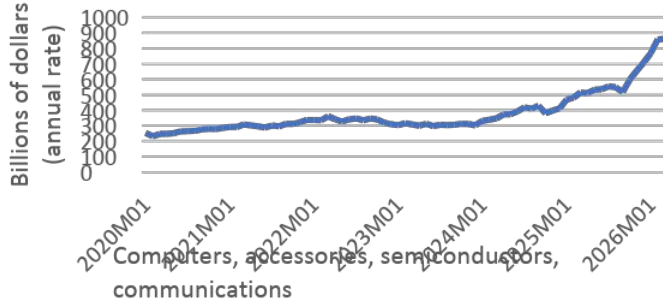
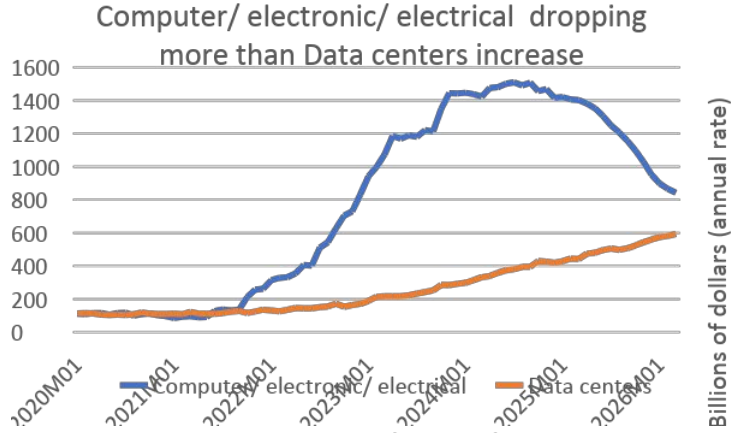
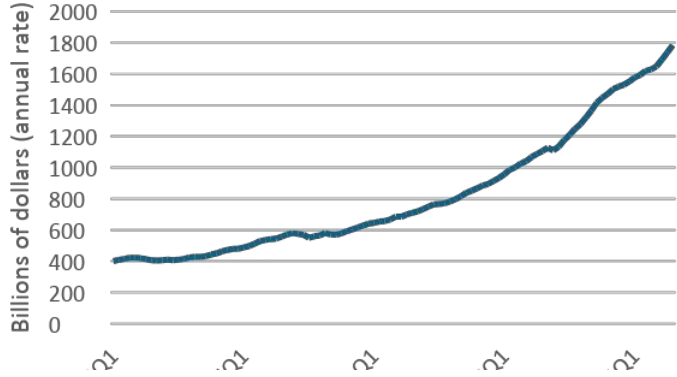


**TOTAL (rough estimate, full build-out)**

**~\$170–245B**

\* Compute costs are recurring (3–5 yr refresh cycles). Hardware pricing volatile; volume discounts not reflected. GPU generations will change significantly by 2030.

# Artificial Intelligence in the Income accounts



# AI is everywhere — so why hasn't GDP growth taken off?

## **GDP measures the market value of goods and services produced. It misses much:**

- Much of the Hyperscaler's own account investment is not being captured in the data (eventually it will). Example: Servers assembled in-house with semiconductors imported from Taiwan.
- Many of the benefits from LLM's accrue to households (LLM's are planning vacations, drafting wills, diagnosing auto, electrical, and appliance issues)
- GDP does not measure "intangible capital". This would include data sets, model training, new models, algorithms.

# Artificial intelligence in the forecast: is there a bubble in AI stock prices?

## AI stocks propelling S&P 500 higher

Excl. AI = S&P 500 Jan 2, 2024

— S&P 500 stock price index

— Excluding AI stocks



- Since January 2024, S&P 500 has risen **55%**.
- More than **50%** of that growth has been accounted for by 16 AI related companies.
  - Market capitalization of these 16 AI companies **rose 105%**.
- Are these companies **overvalued**?
- **Depends** on how profitable they ultimately become.
- Our forecast of weakening equity values **takes no stand** on where the weakening occurs.
  - Not necessarily AI.

# Artificial intelligence in the forecast: role in aggregate demand

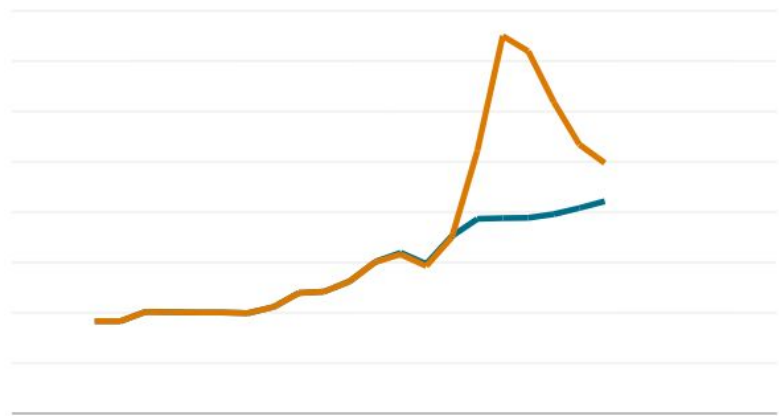
Investment spending on AI is a near-term boost to aggregate demand

*Investment in computers has surged*

## Business fixed investment in computer

Billions of chained 2017 dollars

— Jan. 2025 baseline    — May 2026 baseline

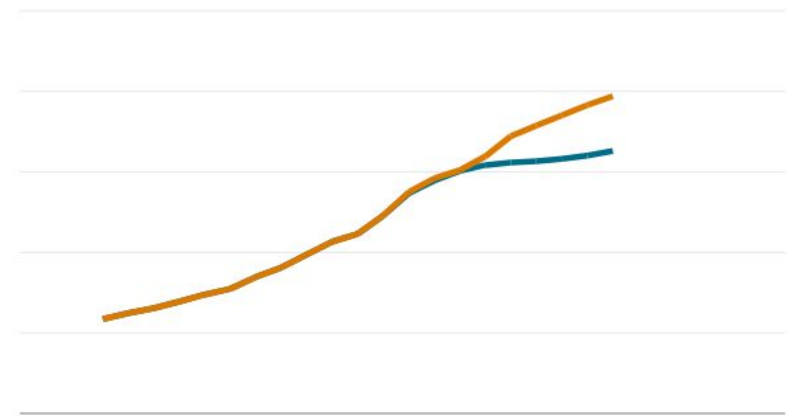


*Investment in IPP remains on solid trajectory*

## Business fixed investment in IPP

Billions of chained 2017 dollars

— Jan. 2025 baseline    — May 2026 baseline



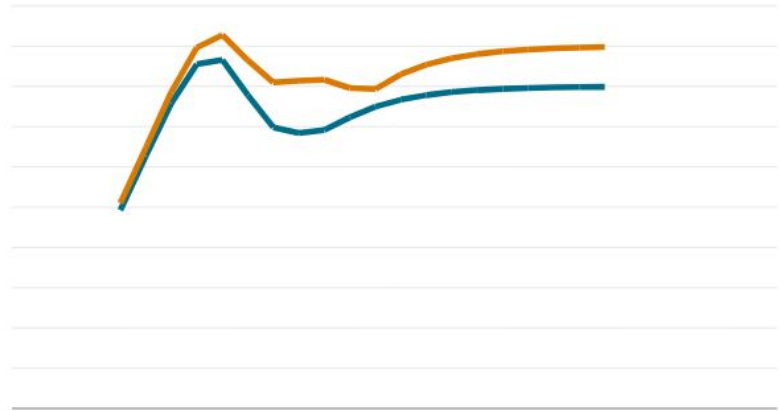
# Artificial intelligence in the forecast: role in productivity

Productivity growth to be boosted from two sources: total factor productivity and capital deepening

*TFP growth assumed 0.1 ppt higher*

## Growth of total factor productivity

Percent  
— Jan. 2025 baseline    — May 2026 baseline



*Capital deepening raises total cont. to 0.4 ppt*

## AI has boosted potential labor producti

Percent  
■ Jan. 2025 baseline  
■ Faster TFP growth  
■ Faster capital deepening

