

KRANENBURG POWER ADVISORS

Slot Machine

Gas turbine reservations, a paper shortage, and who carries the risk of the new US gas build

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DECISION BRIEF

US Power and Utilities

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Contents

The binding queue has moved from the grid to the factory	4
The turbine shortage is real at the factory but partly paper	5
As reservations harden into orders, the risk moves to buyers	7
Sources	9

KPA CALLS

Each call carries a likelihood from the KPA scale, the date it resolves, and the record that decides it. KPA will score every call in a public scorecard.

- **GE Vernova reports at least 130 GW of gas equipment backlog and slot reservations at the end of 2026.** Likely (70%). Basis: GE beat its 2025 target (83 GW against 80 GW); 130 GW needs 8 GW of net growth in the fourth quarter, against 6 GW in the third. Resolves January 2027, on GE Vernova's fourth-quarter release.
- **Less than 70% of the 10.7 GW of gas capacity that EIA lists as planned for 2027 is operating by the end of 2027.** Very likely (85%). Basis: 42% of the gas listed a year ago as planned for 2026 is operating; 46% of the 2027 group is under construction. Resolves February 2028, on EIA's Form 860M inventory for December 2027.
- **GE Vernova's slot reservations are below 58 GW at the end of 2027.** Likely (60%). Basis: third-quarter conversions (13 GW) outran new reservations (8 GW), and about 10 GW of 2029–30 slots remained in April. Resolves January 2028, on GE Vernova's fourth-quarter 2027 release.

WHAT WOULD CHANGE THIS VIEW

- A quarter in which new reservations again exceed conversions by a wide margin.
- EIA data showing 2027–28 gas plans moving into construction at pace.
- Turbine makers adding capacity beyond plans, or turbine prices falling.

INDEPENDENCE

KPA is self-funded and has no sponsors or clients. This brief was researched and drafted with AI assistance; every figure traces to a listed source, and KPA's own calculations are reproduced in code. GE Vernova and Siemens Energy, cited throughout, sell the turbines discussed. This is version 1.0. Corrections are dated and listed with each version, and published numbers are never changed silently.

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KEY IMPLICATIONS

On 28 October, GE Vernova reported 122 gigawatts (GW) of gas turbines on firm order or reserved, up from 50 GW in March 2025. In times past, an order book of that size would have meant a wave of power plants: turbines ordered, permits filed, and steel rising within two or three years. Yet the field is lagging the factory. Of the 64 GW of US gas capacity planned for 2027–30, 15% is under construction; 58% has not yet sought regulatory approval; and of the gas planned for 2025–27 at the end of 2023, almost a third has since been canceled or postponed. KPA analysis shows why. Much of the turbine shortage is a shortage of reservations—paid options on factory time—and in the third quarter those options began hardening into firm orders faster than new ones were signed. The question is no longer only whether turbines can be found, but who holds the risk once a reservation becomes an obligation.

- **The binding queue for new gas plants has moved from the grid to the factory.** GE's 122 GW is about six years of its current output; on its own expansion plan, the book would not be fully delivered until around mid-2031. In the third quarter, GE sold several slots for delivery in 2032. Siemens Energy holds a further 69 GW, more than four years of its deliveries.
- **The shortage is real at the factory but partly paper in the field.** Planned US gas capacity has risen 3.5 times in two years, to 71 GW, while capacity under construction rose from 5 GW to 13 GW. Of the gas plans on record for 2025–27 at the end of 2023, about a third is operating today.
- **As reservations harden into orders, the risk moves to the buyers and their customers.** In the third quarter, GE converted 13 GW of reservations into orders and signed 8 GW of new ones. About 80% of its gas book is with utilities and other traditional customers. At 2025 costs, the combined-cycle plants now planned would cost at least \$31 billion more than at 2023 costs.

—October 2026

WHAT IS NEW IN THIS BRIEF

KPA searched for prior publication of each finding before release. These results were not found in that search; everything else is credited to its source.

- GE's ratio of gas contracts signed to equipment shipped fell from 6.7 to 1 in the second quarter of 2026 to 2.2 to 1 in the third.
- Planned US gas capacity rose 3.5 times in two years in EIA's inventory, while the share under construction fell from 26% to 18%; 58% of 2027–30 plans have not begun regulatory approval.
- Of the gas EIA listed in December 2023 as planned for 2025–27, 34% is operating, 31% has been canceled or postponed, and 35% is still planned.
- Planned additions for 2028–30, about 18 GW a year, are little more than a third of the 2000–03 pace.
- At BloombergNEF's 2025 cost, the planned combined-cycle fleet costs at least \$31 billion more than at 2023 costs.

Slot Machine: Gas turbine reservations, a paper shortage, and who carries the risk of the new US gas build

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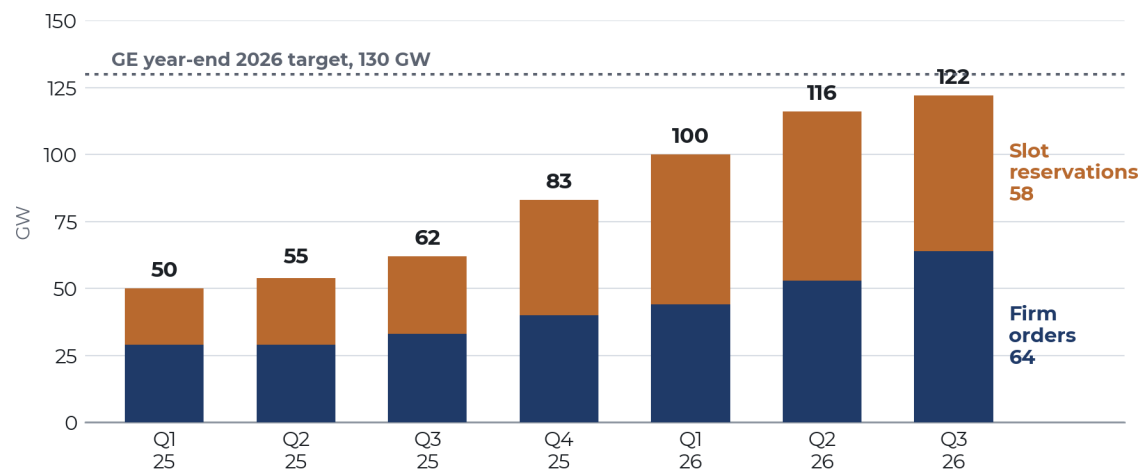
The binding queue has moved from the grid to the factory

For most of the past five years, the line that set the pace of the US power build was the interconnection queue, where projects wait, sometimes for years, for permission to connect. That line has not gone away. Yet for gas plants a second line now forms earlier, at the factory gate. On 28 October 2026, GE Vernova reported 122 GW of gas equipment in firm backlog or under slot reservation agreements, up from 50 GW at the end of March 2025 (see Figure 1). It expects at least 130 GW by the end of the year. The contrast with the field is stark. The United States added 2.4 GW of gas capacity in 2024, the least since 1998, and 5.3 GW in 2025, according to KPA analysis of EIA records.

FIGURE 1

GE Vernova's gas book more than doubled in 18 months, to 122 GW

GE Vernova gas power equipment under contract at quarter end, gigawatts (GW): firm orders and slot reservations, March 2025 to September 2026



Source: KPA analysis of GE Vernova quarterly earnings releases.

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A slot reservation is an option on factory time. The buyer pays to hold a delivery date and converts the reservation into a firm order once the plant behind it is ready to commit; GE has cited higher down payments on both as a source of cash. Of GE's 122 GW, 64 GW was firm orders and 58 GW was reservations at the end of September. In the third quarter, the company signed 11 GW of new contracts, 8 GW of them reservations. It converted 13 GW of reservations into orders and shipped 5 GW of equipment.²

1. Kranenburg Power Advisors. Researched and drafted with AI assistance. All calculations in this brief use the public figures listed under Sources.

Measured against the factory, the book is long. GE says it reached an annual output of 20 GW in the third quarter of 2026 and plans 24 GW in 2028 and 30 GW in 2030. At 20 GW a year, 122 GW is about six years of production, a ratio XenoSpectrum reported at 116 GW on 20 October. KPA's calculation on GE's own expansion path puts full delivery of the current book around mid-2031, and of the 130 GW target around late 2031, provided no new order jumps the line. GE expects to be more than half contracted for 2031 deliveries by the end of this year. Siemens Energy, its main rival, held a 69 GW backlog in June against 15–16 GW of deliveries this year.

The factory line is global, and so is its pressure. GE's gas contracts span about 100 customers in 25 countries, and its first-quarter 2026 signings came from the United States, Vietnam, Mexico, Brazil, and Canada. Siemens Energy's chief executive has said the addressable market could reach 120 GW a year, about half of it in the United States. US plants therefore compete for slots at prices set by the whole order book. On 28 October, GE said its full-year 2026 gas orders would be priced about 50% higher per kilowatt than its 2025 orders. Third-quarter orders were priced more than 20% above those of late 2025, helped by a larger share of smaller aeroderivative units.

The factory is not the only constraint, and GE argues it is not the binding one. Its chief executive, Scott Strazik, said in April that turbines are “not the gating item” in a three-year project cycle, and that directional lead times for new heavy-duty orders are about three years. That holds for a buyer who signs today only if earlier slots remain, and the order book suggests few do: on 28 October, GE said it had sold several slots for delivery in 2032. EPRI put the wait for the largest units at more than five years in March. The two views can both be true. A short factory cycle and a long queue for the factory are different things. One measures the machine. The other measures the line in front of it.

The turbine shortage is real at the factory but partly paper

If the factory's order book were a guide to the plants being built, the United States would be in a construction wave. It is not. KPA analysis of the federal monthly generator inventory, Form EIA-860M, shows planned US gas capacity rising from 20.6 GW in September 2024 to 40.5 GW in September 2025 and 71.1 GW in September 2026, an increase of 3.5 times in two years. Capacity under construction rose only from 5.4 GW to 13.1 GW. The share of planned gas capacity that is under construction fell from 26% to 18% (see Figure 2).³

The pipeline is thin at the front and thick at the back. Of the 64 GW planned to start operating in 2027–30, 15% is under construction. Another 27% has regulatory approval or is waiting for it. The remaining 58% is listed as planned with regulatory approvals not yet initiated, the earliest stage EIA records. Texas alone accounts for 20.7 GW of planned gas capacity, and Louisiana for 9.5 GW. Combined-cycle plants make up 47 GW of the total and simple-cycle combustion turbines 23 GW.

2. GE Vernova quarterly results, first quarter 2025 to third quarter 2026, as filed with the US Securities and Exchange Commission. “Equipment” covers heavy-duty and aeroderivative gas turbines. GE did not report first-quarter 2025 shipments.

3. KPA counts EIA status codes U, V and TS as under construction. Capacity is nameplate. EDF and Atlas Public Policy reported a similar rise on 13 October 2026: 68 GW of fossil capacity planned for 2026–30, up 45% in six months.

Even the near end of the list moves slowly. Of the 6.6 GW of gas capacity EIA listed in September 2025 as planned for 2026, 2.8 GW, or 42%, was operating by September 2026. Some of the rest will start before the year ends. Much of it will not. The pattern is not new, but the stakes are larger: the 2028 group alone is 19.7 GW, three times the size of the 2026 group a year ago.

The record counsels caution about the back of the list. KPA traced every gas generator EIA listed in December 2023 as planned for 2025–27, 14.1 GW in all. By September 2026, 34% was operating, 31% had been canceled or indefinitely postponed, and 35% was still listed as planned, most with a later date. A separate analysis of 2026 plans found about a quarter of planned gas capacity slipping within the year.⁴ Still, two years before its planned start, a gas plant on EIA’s list has had about a one-in-three chance of running by now.

Nor is the US build large by historical standards. In 2000–03, the dash to gas added 196 GW of nameplate capacity in four years, 49 GW a year, with 68.6 GW in 2002 alone, according to KPA analysis of EIA records (see Figure 3).⁵ Planned additions for 2028–30 average about 18 GW a year. That is twice the 9.2 GW a year of 2015–24, but little more than a third of the 2000–03 pace.

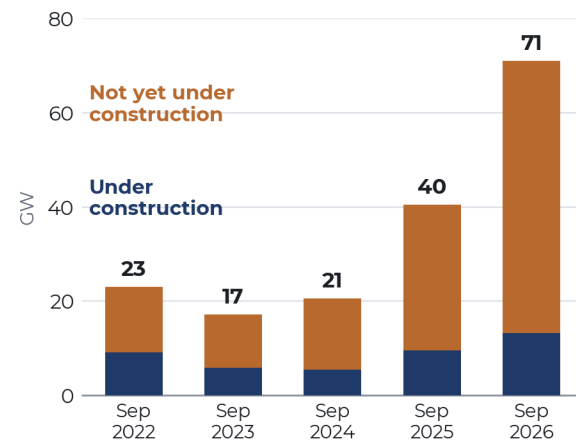
The turbine shortage, then, is not the product of a US build larger than the last boom. It reflects a global order book meeting factory capacity that is only now being expanded. GE has installed more than 280 new machines in its gas factories since early 2025 to reach 20 GW a year. The ratchet runs one way: a factory slot sold for 2031 is gone, whether or not the plant behind it is ever built.

The counter-argument is that the paper will turn to steel faster than before. About 80% of GE’s gas book is with utilities, independent power producers and industrial companies, not with the speculative merchant developers of 2001, and about 20% is tied to data center demand. That money is real. Yet a deposit on a 2030 slot is not a permit, a pipeline connection, or an interconnection agreement, and EIA’s list shows how few projects have reached even the first of these.

FIGURE 2

Planned US gas capacity tripled; construction did not keep pace

Planned US natural gas capacity in each September inventory, GW



Source: KPA analysis of EIA Form 860M data.

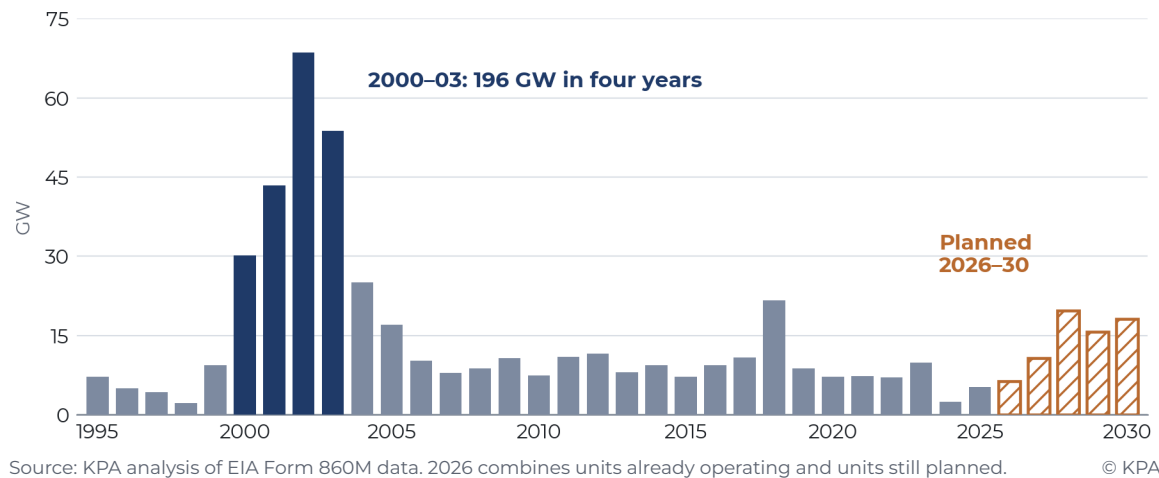
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4. munimv2, analysis of EIA-860M vintages, October 2026. The December 2023 cohort is small, and today’s plans are backed by larger buyers and firmer demand, so the base rate is a yardstick rather than a forecast.

5. Units still operating or retired since, as listed in EIA-860M for September 2026. Units retired before EIA’s list begins are missing, so the 2000–03 total is a lower bound.

FIGURE 3**Planned gas additions are a third of the 2000–03 pace**

US natural gas nameplate capacity added by year, 1995–2025, and capacity planned for 2026–30 as of September 2026, GW



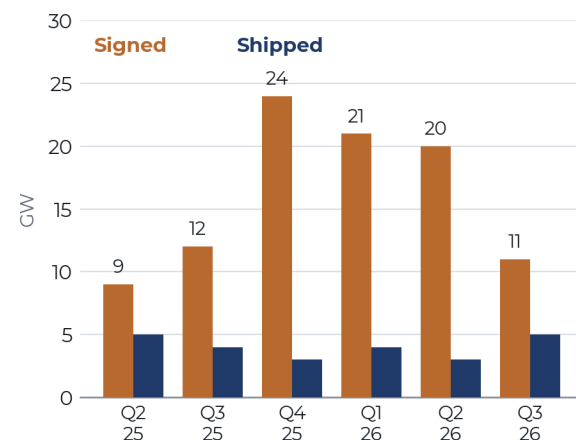
As reservations harden into orders, the risk moves to buyers

In the third quarter of 2026, the order book changed character. GE converted 13 GW of reservations into firm orders, the most in any quarter since at least mid-2025, and signed 8 GW of new reservations. Reservations therefore fell, from 63 GW to 58 GW: the first fall since at least early 2025. New contracts of 11 GW were the fewest in five quarters. In money terms the quarter was large. GE booked \$21.8 billion of Power orders, up 178% on an organic basis, including 55 heavy-duty gas turbines, 21 of them its largest HA class, and 57 aeroderivative units.

KPA analysis of GE's quarterly figures shows the gap between signing and shipping narrowing. In the second quarter, GE signed 6.7 GW of new gas contracts for each gigawatt it shipped; in the third, 2.2 (see Figure 4). Over the past four quarters the ratio was about five to one. A falling ratio can mean two different things: buyers are running out of near-term slots to reserve, or the rush to reserve is cooling. An analyst at BNP Paribas said in July that GE's caution about 2032 bookings could signal "peak momentum emerging." Three months later, GE reported selling 2032 slots, said it saw no slowing in conversions, and

FIGURE 4**Signings fell toward shipments in the third quarter**

GE Vernova gas equipment contracts signed and equipment shipped, by quarter, GW



Source: KPA analysis of GE Vernova quarterly earnings releases.

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guided to about 13 GW of new agreements in the fourth quarter. The data do not yet separate the two.

Either way, conversion moves risk. GE does not publish the terms of its reservations, but a reservation is by design the lighter commitment; a firm order commits the buyer to a machine. For a regulated utility, that order is often the first large cost of a plant whose recovery from customers will be argued later, in a rate case. For an independent producer, it is a bet on future capacity prices. In both cases the turbine maker's exposure falls as the buyer's rises.

The price of the commitment has also risen. BloombergNEF puts the average capital cost of a US combined-cycle plant at \$2,157 per kilowatt (kW) in 2025, up from under \$1,500 in 2023. KPA applied that increase to the 47 GW of combined-cycle capacity in EIA's planned list. Built at 2025 costs, those plants would cost at least \$31 billion more than at 2023 costs. That is about as much as major US utilities spent on transmission in all of 2023, though the premium would be paid over several years of construction.⁶ BNP Paribas estimates the HA-class turbine equipment alone at about \$950/kW.

The last time turbines were this scarce, the risk sat elsewhere. In 2001, merchant developers planned 380,000 megawatts (MW) of new capacity on a base of 750,000 MW. Within about six months, almost a quarter of the planned turbine capacity had been abandoned. Those were unregulated projects, financed by developers and lenders rather than by captive customers. Today's book leans the other way, toward buyers whose approved costs are recovered from households and businesses.

None of this makes the new gas build a bubble. Demand for firm capacity is real, and a utility that waits may find no slot before 2031. Large-load tariffs and service rules, approved or proposed in 37 states by mid-2026, push part of the risk back to the customers who caused it. Many set minimum contract terms and minimum load guarantees. Still, the order book is committing buyers faster than the field is permitting plants. If the 2027–30 gas plans follow the record of the December 2023 list, about a third of the 64 GW, some 20 GW, would be canceled or postponed after its turbines were reserved.

6. KPA calculation: $47.1 \text{ GW} \times (\$2,157 - \$1,500) \text{ per kW} = \$31.0 \text{ billion}$. BloombergNEF put 2023 costs under \$1,500/kW, so the figure is a lower bound. EIA put real transmission spending by major US utilities at \$27.7 billion in 2023.

Sources

1. GE Vernova, quarterly earnings releases, first quarter 2025 to third quarter 2026 (Form 8-K filings of 23 April 2025, 23 July 2025, 22 October 2025, 28 January 2026, 22 April 2026, 22 July 2026 and 28 October 2026); first-quarter 2025 earnings call, 23 April 2025 (down payments on reservations).
2. GE Vernova, third-quarter 2026 earnings call, 28 October 2026, transcript by *The Motley Fool* (2032 slots, order pricing, customer count and mix, conversions, fourth-quarter guidance).
3. B. Martucci, “GE Vernova gas turbine backlog climbs to 116 GW,” *Utility Dive*, 23 July 2026 (2031 and 2032 contracting, customer mix, BNP Paribas estimates and comments).
4. K. Clark, “Data centers drive record surge in GE Vernova power equipment orders as turbine slots tighten through 2030,” *Power Engineering*, 23 April 2026 (customer mix, first-quarter signings, 2029–30 slots, lead times, factory additions, Strazik quotation).
5. E. Penrod, “Siemens gas turbine backlog nears 70 GW as company expands manufacturing,” *Utility Dive*, 10 August 2026.
6. B. Noble (EPRI), op-ed in *Utility Dive*, 23 March 2026 (turbine lead times).
7. US Energy Information Administration (EIA), Form EIA-860M, *Preliminary Monthly Electric Generator Inventory*, September 2022, September 2023, December 2023, September 2024, September 2025 and September 2026 editions.
8. BloombergNEF, reported by *Bloomberg*, 23 April 2026 (US combined-cycle capital cost).
9. EIA, “Grid infrastructure investments drive increase in utility spending over last two decades,” *Today in Energy*, 18 November 2024 (transmission spending by major utilities, 2023, real 2023 dollars).
10. R. Sansom and A. M. Schaal, “Gas Turbinemania: The Merchant Power Plant Shake Out,” *Public Utilities Fortnightly*, 15 June 2002.
11. NC Clean Energy Technology Center and Smart Electric Power Alliance, Database of Emerging Large-Load Tariffs (DELTA), second-quarter 2026 update, reported 1 September 2026 (37 states with approved or proposed tariffs or service rules); M. Lutz, “Large load tariffs proliferate as states take more active role in data center regulation,” *Utility Dive*, 31 March 2026 (common tariff terms).
12. KPA calculations (Figures 1–4, the order-book and delivery ratios, the EIA-860M vintage, status and cohort analysis, historical additions, and the cost premium) are reproducible from the figures in items 1–10.
13. Prior work this brief builds on: Y. Kobayashi, XenoSpectrum, 20 October 2026 (GE backlog in years of output); EDF and Atlas Public Policy, 13 October 2026 (planned fossil capacity); munimv2, analysis of EIA-860M vintages, October 2026 (slippage of 2026 plans); D. DiGangi and M. Lutz, “What the last gas boom (and bust) says about today’s rush to build,” *Utility Dive*, 11 November 2025.
14. KPA calls: GE Vernova releases, 22 July 2026 and 28 October 2026 (targets, conversions); *Utility Dive*, 23 July 2026 (2025 target and result); *Power Engineering*, 23 April 2026 (2029–30 slots); EIA Form 860M, September 2025 and September 2026 (status of planned gas).