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## DeepSeek reveals how badly AI needs energy

The Star, Malaysia



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**WASHINGTON:** Pipeline networks and nuclear startups. Texas landowners and fuel-cell makers.

In one brutal blow, DeepSeek has revealed just how many energy-related businesses in the United States have been banking on an artificial intelligence (AI) boom – and the surge in power demand it was supposed to bring.

For the past year, their growth expectations and share prices were boosted by the belief that AI would require an unprecedented wave of data centre construction, with some centres needing as much electricity as entire cities.

Utilities and power plant operators benefited, too, but the effect went far wider than such obvious industries, touching an astonishing array of companies.

That became clear the moment China's DeepSeek unveiled a chatbot that could rival the best American AI programmes while using just a fraction of the electricity, perhaps as little as 10%.

DeepSeek's announcement hammered the shares of uranium producers and natural gas pipeline operators alike.

Companies that supply power plant equipment and data centre cooling systems suffered as well in Monday's big sell-off.

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founder of BloombergNEF. DeepSeek's big reveal came less than a week after president Donald Trump announced the US\$100mil Stargate joint venture with SoftBank Group Corp, OpenAI and Oracle Corp to fund AI infrastructure, including US data centres.

For a sense of how far AI-fuelled enthusiasm has reached, look to the West Texas oil patch. LandBridge Co, which owns about 272,000 acres in the Permian Basin, more than tripled in value after its initial public offering in June.

The company wants to generate business from land that can support gas-fired power plants and new "digital infrastructure opportunities, such as data centres" that would use the electricity, chief financial officer Scott McNeely told analysts in November.

The company's stock dropped 17% Monday.

Even oil major Chevron Corp couldn't pass up the opportunity presented by AI.

On Tuesday, it announced a partnership with GE Vernova Inc and investor Engine No 1 to develop natural gas-fired power plants next to data centres, aiming to tap into AI's surging electricity demand.

US pipeline operators had been counting on new data centres to boost demand for natural gas. Growth forecasts ranged from two billion to 10 billion cubic ft per day, according to Bloomberg Intelligence.

Kinder Morgan Inc cited data centres in its recent, bullish growth forecasts, and saw its stock tumble 9% Monday.

Investors had also taken interest in Century Aluminum Co's idled smelter in Hawesville, Kentucky because the mill's more than 500MW power capacity made it an attractive asset to convert into a data centre.

The company's shares dropped 15% Monday for its biggest decline in more than two years amid speculation the smelter will be far less valuable if future AI data centres need less energy. — Bloomberg