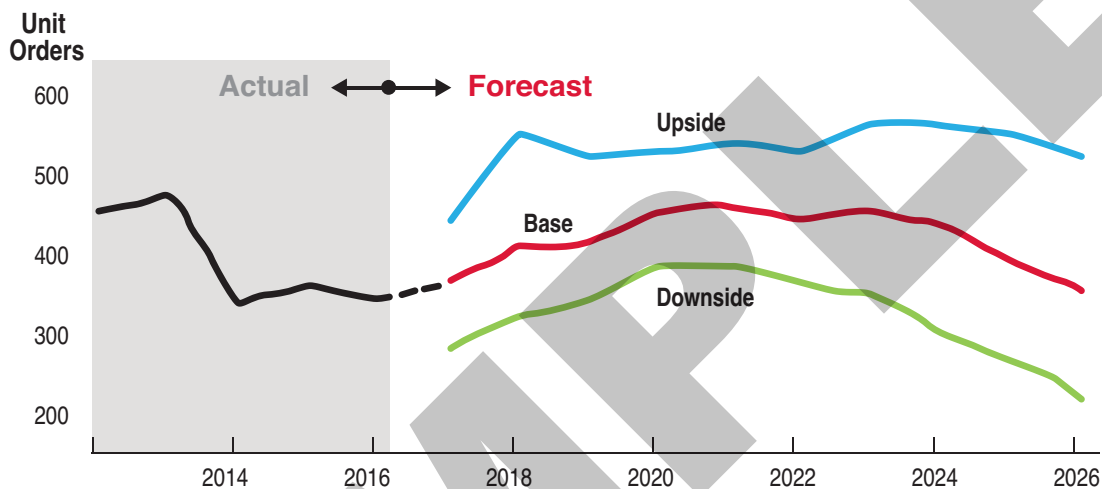


## 3.5 EPU/PG Market Sector 2017-2026 Forecast

Segment forecast covering the Electric Power Utility (EPU) and Power Generation (PG) sectors of the market is built around a “bottom up” analysis of Unit orders considering over 80 OEM gas turbine models.

EPU/PG forecast combines a 5-year analysis with a second 5-year projection based on likely trends and developments. In keeping with industry practice, the “Base” forecast represents “business as usual” under predictable regulatory, economic and political environments around the globe.



Contingency “Upside” and “Downside” scenarios shaped by uncertain market drivers with the potential for direct positive or negative impact on regional market orders such as:

- Uncertainty over regulatory guidelines regarding carbon emissions and carbon taxing; the likelihood that EPA guidelines will be relaxed; environmental guidelines in Europe and China becoming more restrictive
- Impact and ripple effect of Brexit on European business practices, international trade and world economies
- Continued low prices for natural gas in North America; impact of surplus LNG exports on global prices and demand; continued retirement of coal and nuclear plants

### EPU/PG Upturn

- Positive regulatory climate
- Strong China/Asia growth

### EPU/PG Downturn

- Higher natural gas pricing
- Greater reliance on renewables