

# BEYOND THE BUBBLE IN AI:

Finding Real Opportunities for Energy  
Investment



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Senior Director and Principal Analyst

# WHAT TO EXPECT

- 01 You'll get a clear understanding of what's possible for near-term AI demand — and what's impossible — and how that impacts data centers.
- 02 We'll explore a framework that you can use to prioritize AI deployments in your own business and understand the trajectory of AI in the broader economy.
- 03 To predict the future, we'll look to the past and understand AI as a technology of seeing.



# Get ready for time travel ...



**1765:**

The invention of  
the technology  
of seeing

**1999:**

Lessons from the dot-  
com bubble and  
telecom crash

**2025:**

The start of an AI  
boom or the start  
of an AI bust?



# 2025:

The start of an AI  
boom or the start  
of an AI bust?

# IN 2025, AI STARTUPS ARE WORTH A LOT OF MONEY...

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NEWS

## **OpenAI just raised another \$40 billion round led by SoftBank**

Musk's xAI in talks to raise \$10 billion at \$75 billion valuation, Bloomberg News reports

## **Anthropic Nears Funding Deal Valuing Startup at \$61.5 Billion**

# ...WHICH MEANS THEY WILL NEED A LOT OF REVENUE

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**USD 300  
billion**

*OpenAI's post-money valuation*

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**7**

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**USD 42  
billion**

*Estimated revenue target*

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OpenAI's stated target:

**USD 100 billion**



**Is this USD 42 billion  
revenue target achievable?**

“ ”

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**DeepSeek R1 is  
AI's Sputnik  
moment.**

**Marc Andreessen**  
**Venture capital investor**



# DEEPSEEK GIVES A DEEP PEEK AT COSTS AND REVENUES

DAILY AI  
USAGE

**608**  
**billion**  
tokens in

**168**  
**billion**  
tokens out

DAILY DATA  
CENTER  
OPERATING COSTS

**USD**  
**87,000**

CLAIMED DAILY  
REVENUE AT  
FULL PRICE

**USD**  
**556,000**

ESTIMATED DAILY  
REVENUE IN  
COMMERCIAL  
OPERATIONS

**~USD**  
**153,000**

# DEEPSEEK'S YEARLY REVENUES

ANNUAL AI  
USAGE

**221 trillion**  
tokens in

**61 trillion**  
tokens out

ANNUAL DATA  
CENTER  
OPERATING COSTS

**USD**  
**31 million**

ESTIMATED ANNUAL  
REVENUE IN COMMERCIAL  
OPERATIONS

**~USD**  
**53 million**

# OPENAI'S ANNUAL REVENUES?

ANNUAL AI  
USAGE

**177**  
**quadrillion**  
tokens in

**48**  
**quadrillion**  
tokens out

ANNUAL DATA  
CENTER  
OPERATING COSTS

**USD**  
**25 billion**

ESTIMATED ANNUAL  
REVENUE IN COMMERCIAL  
OPERATIONS

**USD**  
**42 billion**

The Google logo is displayed in its characteristic multi-colored font (blue, red, yellow, blue, green, red) on a white background.

Google Search

I'm Feeling Lucky

1%

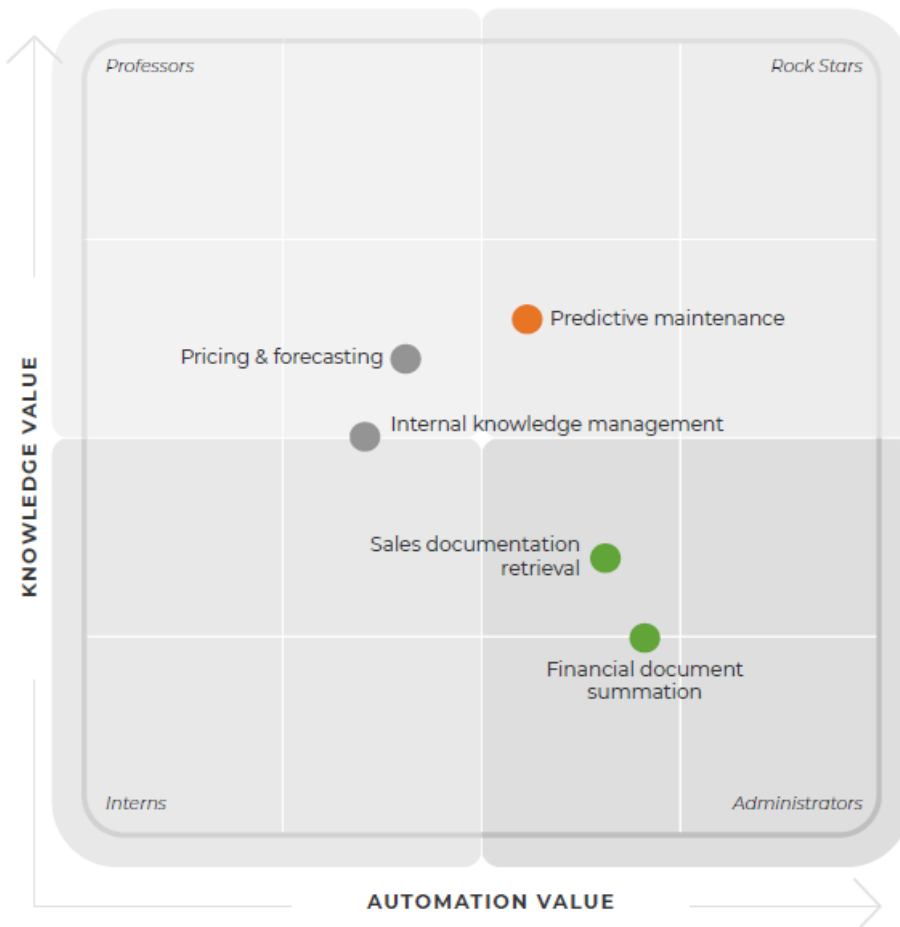


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105%

# THERE ARE GOOD APPLICATIONS FOR AI ...



# ... BUT THEY ARE NOT GOING TO DRIVE ENOUGH NEAR-TERM USAGE

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## USD 42 billion

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**4.5 million words**  
*per person per year*

**90 books**  
*per person*

# OPENAI'S ALTERNATIVES ARE INCREASINGLY FRAUGHT

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1. Raise prices
2. Develop a machine-to-machine application
3. Become a consumer subscription company



**We are at the peak of an LLM boom.  
An LLM bust is up next**

# HISTORY LESSONS

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1. AI companies were overvalued in 2025.



# 1999:

Lessons from the dot-com bubble and telecom crash



# LET'S PARTY LIKE IT'S 1999



# LET'S PARTY LIKE IT'S 1999



# OUR STRATEGY

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1

Get value out of the growing demand for AI

2

Avoid the risk of getting caught in the AI crash

# OUR STRATEGY

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## Pick the winner



## Picks and shovels



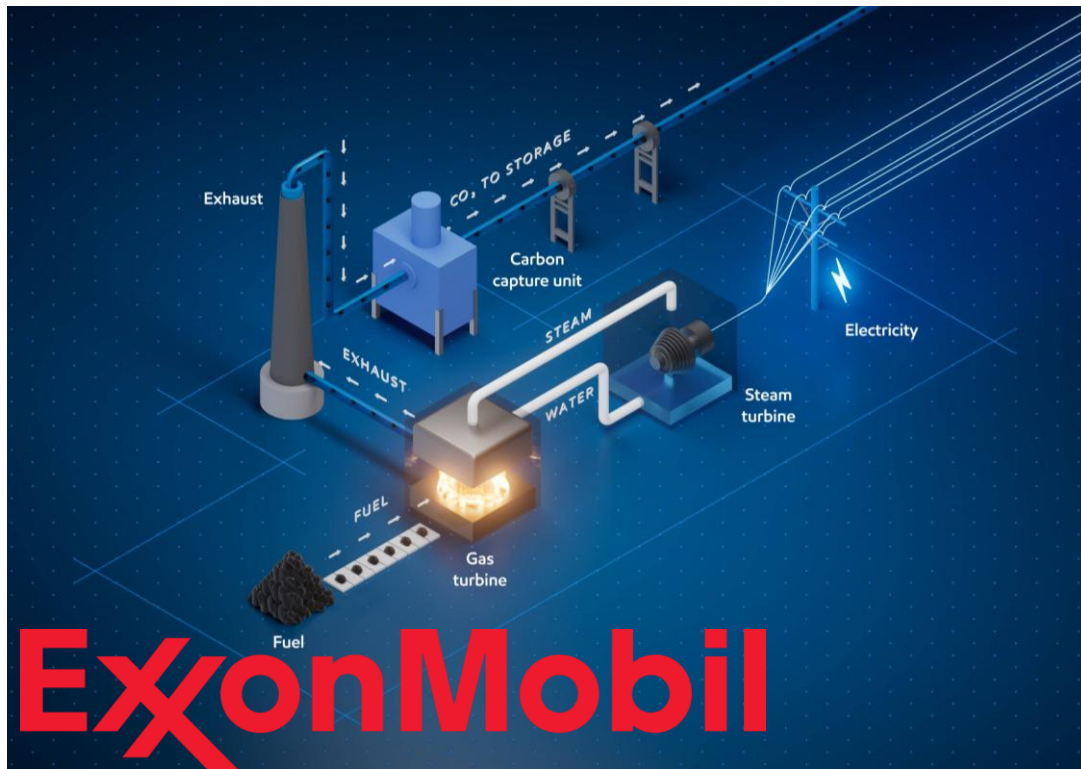
# STRATEGY 1:

Build power and storage



# STRATEGY 2:

Deeper integration and decarbonization



# STRATEGY 3: GO BEHIND THE METER WITH ADVANCED TECH



**Schneider**  
Electric



**FERVO**  
ENERGY

# OUR STRATEGY

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1

Get value out of the growing demand for AI

2

Avoid the risk of getting caught in the AI crash

# OUR STRATEGY

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1

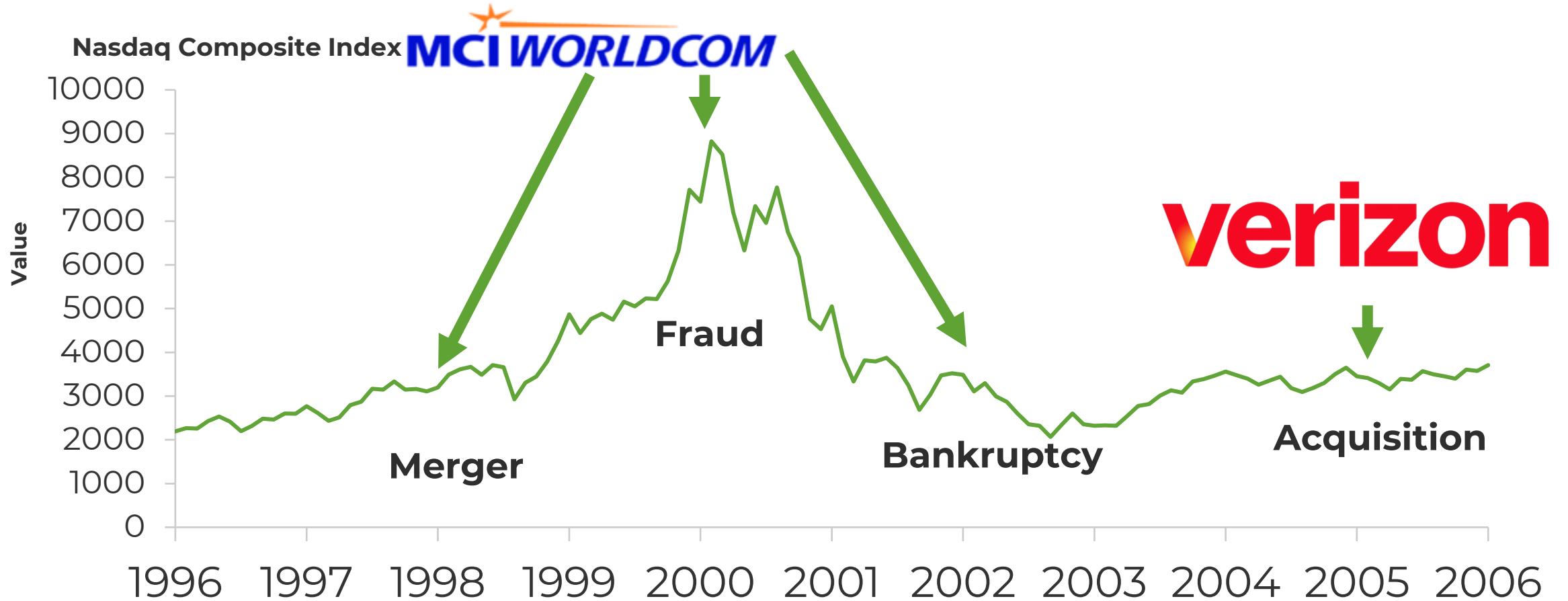
Get value out of the growing demand for AI

2

~~Avoid the risk of getting caught in the AI crash~~

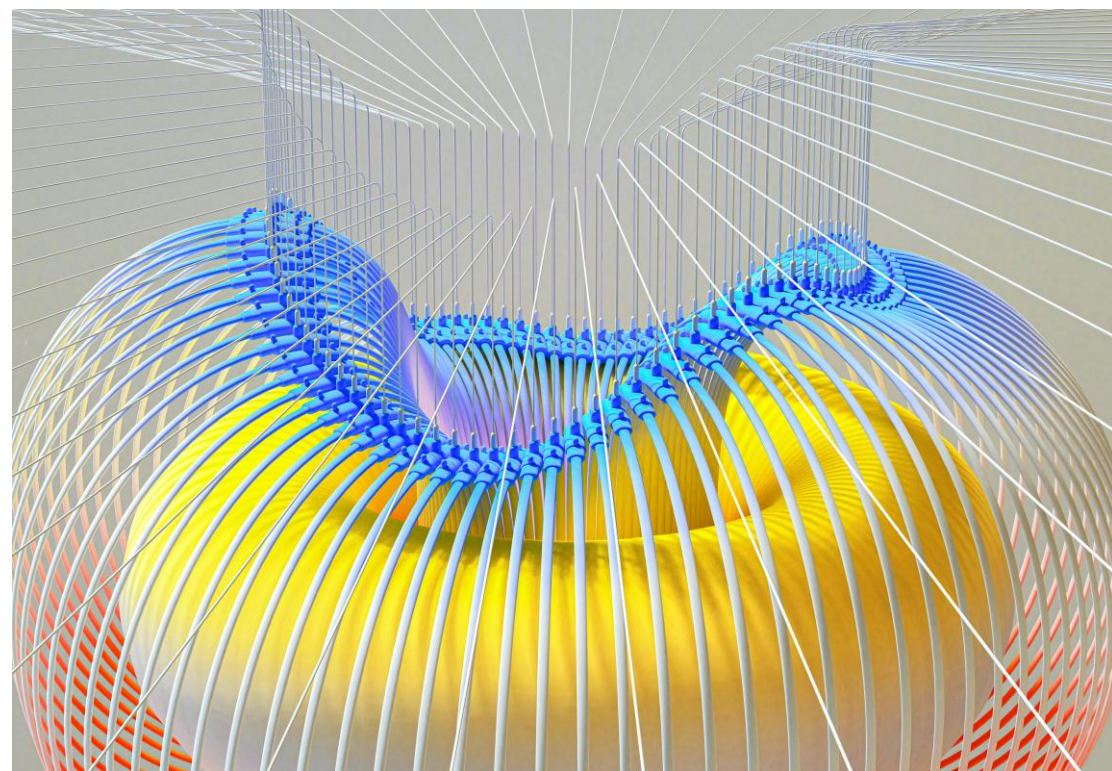
**Get value out of the AI crash**

# BUY UP ASSETS ON THE CHEAP



# WHAT DO WE DO WITH EXCESS COMPUTE?

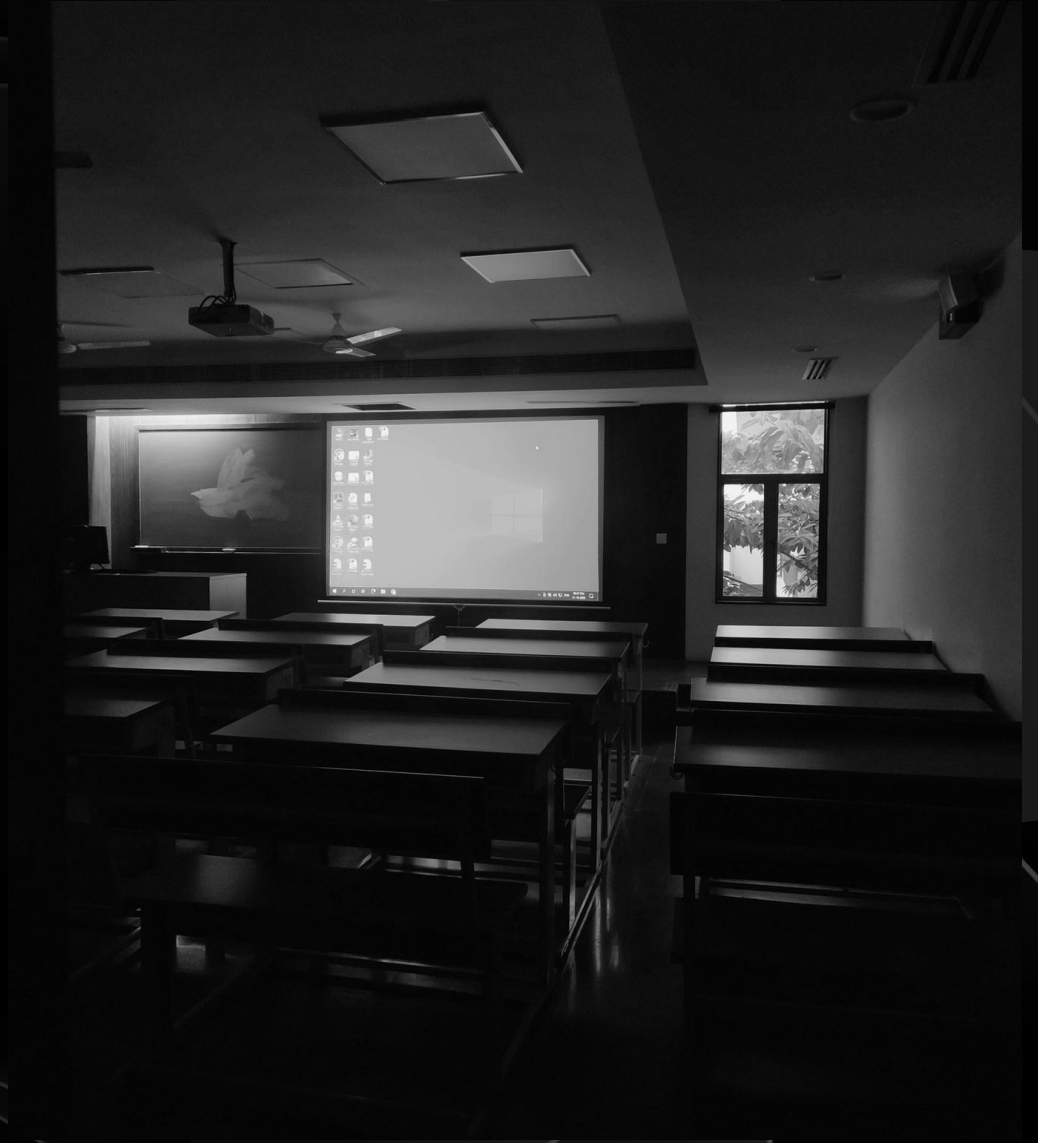
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# HISTORY LESSONS

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1. AI companies were overvalued in 2025.
2. The dot-com bubble paved the way for a new era of the internet.





# 1765:

The invention of  
the technology  
of seeing







**The map reshapes the territory**

# AI HAS LIMITS

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Some knowledge  
is visible.

Some knowledge  
is invisible.



# AI HAS LIMITS

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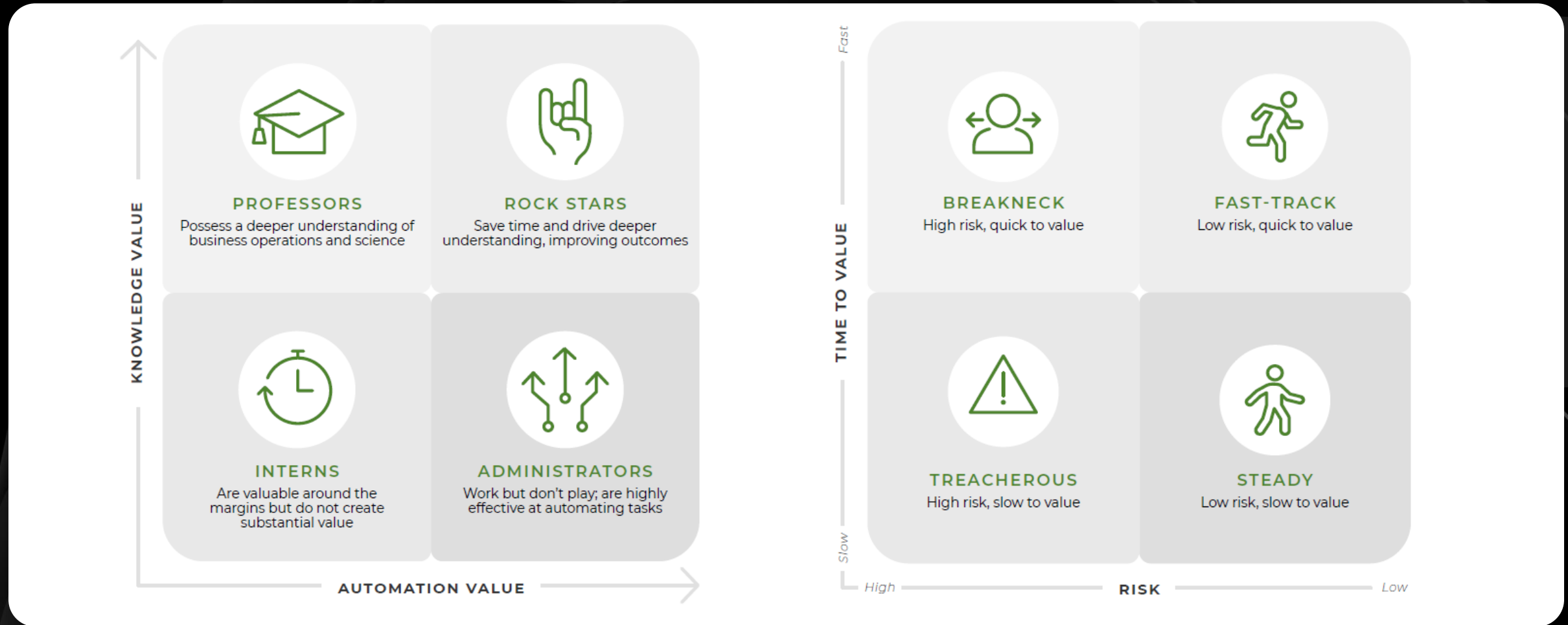
AI needs data to function.



I've generated a corrected image with the clock hands pointing exactly at 12:00.



# INTRODUCING THE LUX AI FRAMEWORK



# INTRODUCING THE LUX AI FRAMEWORK

Knowledge value captures the impact the application has on company performance, the availability of knowledge, and impact on other parts of the business.

Automation value captures the standardization, frequency, time sensitivity, labor, and centrality of the application.



# INTRODUCING THE LUX AI FRAMEWORK

Time to value captures both the time to implement and the time to prove RoI.

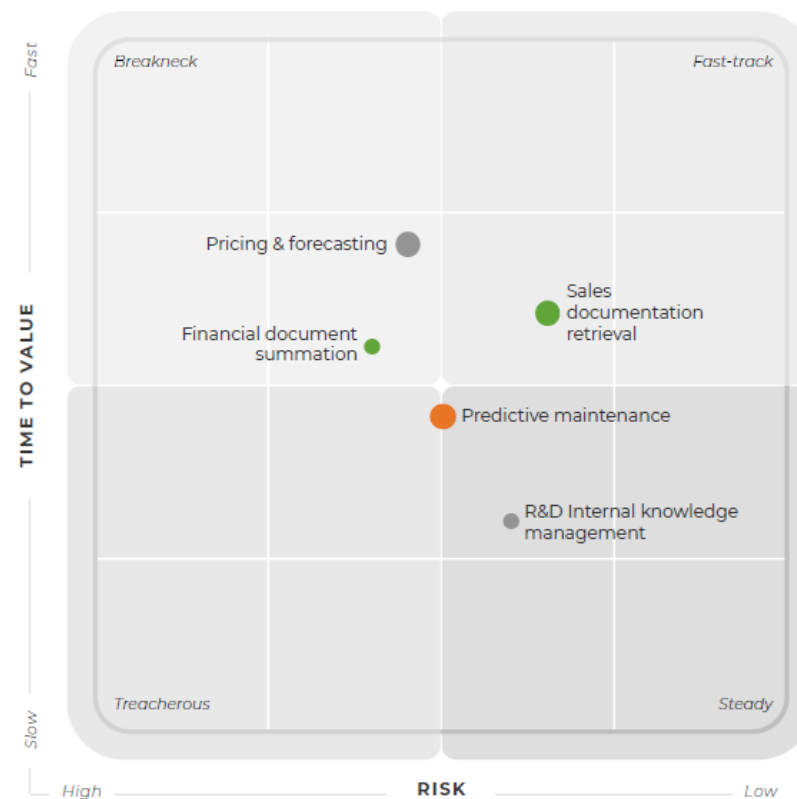
Risk captures the likelihood that the AI implementation will fail, due to internal barriers, misalignment, or employee rejection.



# AI WILL FLOW INTO MANAGEMENT APPLICATIONS

**Executives have limited time to implement AI and will prioritize low-risk, quick-to-implement solutions.**

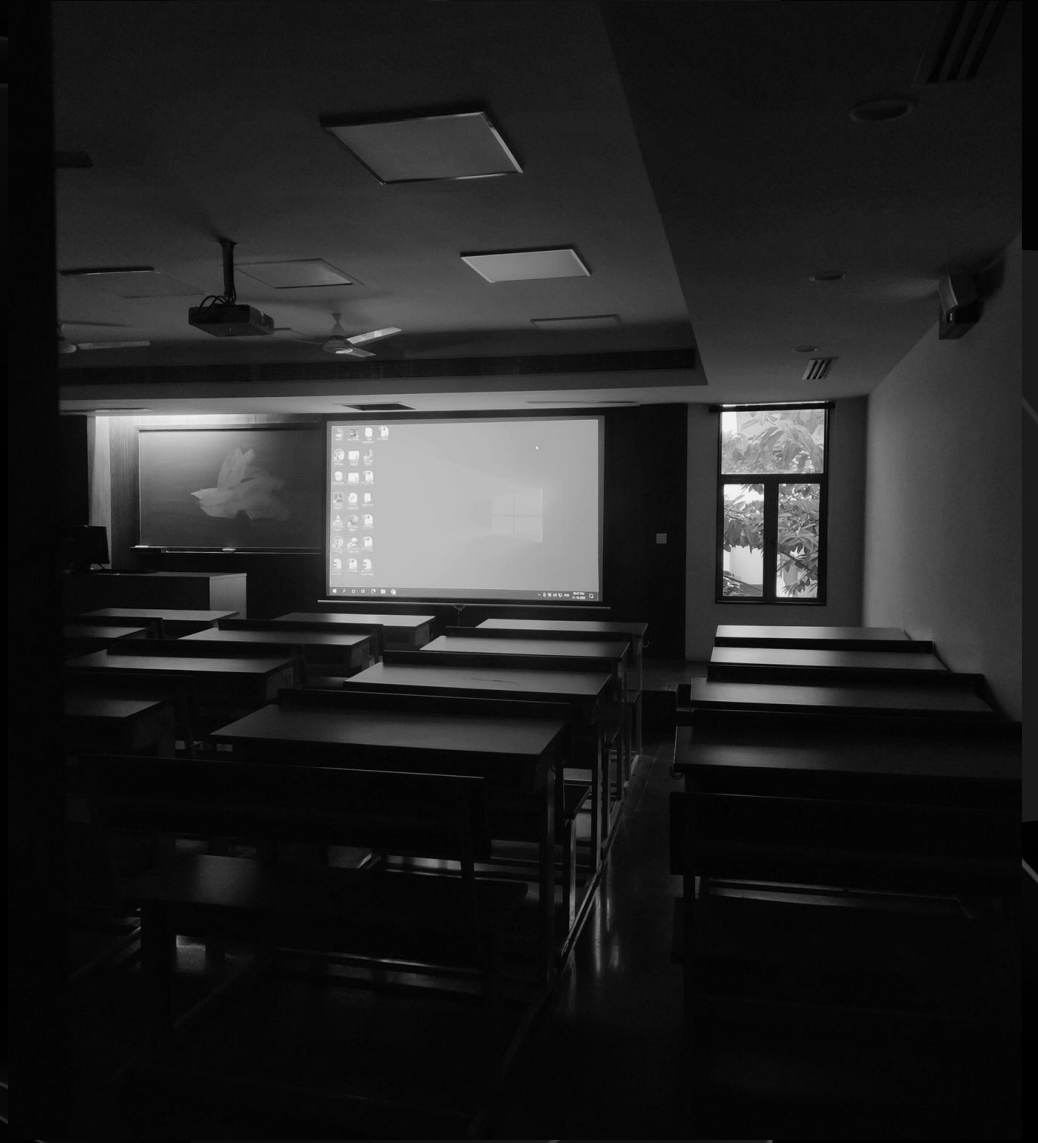
These applications are overwhelmingly in the management and organization of corporations — leading to changes in employee incentives and structures.



# HISTORY LESSONS

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1. AI companies were overvalued in 2025.
2. The dot-com bubble paved the way for a new era of the internet.
3. AI transformed corporations without leaders even realizing.



# KEY TAKEAWAYS

1

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**AI is coming; it will reshape business and government practice.**

We are in a bubble — but like the dot-com bubble, the technology has very real transformative potential.

2

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**Build a strategy that's resilient to data center overcapacity.**

You can still sell picks and shovels — but you need to be responsive to the bubble we are in. Be creative when assessing the opportunities.

3

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**AI will transform your business, so it's better to own the process.**

AI will change the way companies are managed, and these changes will set the stage for the next generation of AI technology adoption.



# THANK YOU

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The “Lux Take” is trusted by innovation leaders around the world, many of whom seek our advice directly before placing a bet on a startup or partner — our clients rely on Lux insights to make decisions that generate fantastic business outcomes. We pride ourselves on taking a rigorous, scientific approach to avoid the hype and generate unique perspectives and insights that innovation leaders can’t live without.



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