

T E N N E S S E E   V A L L E Y   A U T H O R I T Y

# STRATEGIC PLAN

FY 2026 - 2030



March 2026



## SCOPE & SUPPLEMENTAL LINKS

Information included within this document is prescribed to reflect guidelines noted in the Office of Management and Budget's Circular A-11.

For additional information regarding TVA's performance and strategic direction, please see the additional reports noted below (included hyperlinks).

Document	Hyperlink
Integrated Resource Plan	<a href="https://www.tva.com/environment/integrated-resource-plan">https://www.tva.com/environment/integrated-resource-plan</a>
Annual/Quarterly Reports	<a href="#">TVA - Financial Information - SEC Filings (q4ir.com)</a>
Annual Performance Report	<a href="https://www.tva.gov/About-TVA/Guidelines-and-Reports">https://www.tva.gov/About-TVA/Guidelines-and-Reports</a>
Economic Development	<a href="https://www.tva.com/economic-development">https://www.tva.com/economic-development</a>

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# STRATEGIC ALIGNMENT

## MISSION

- Energy
- Environment
- Economic Development

## STRATEGIC PRIORITIES

- People Advantage
- Operational Excellence
- Financial Strength
- Powerful Partnerships
- Igniting Innovation

## STRATEGIC OUTCOMES

- Strategic Objectives
- Performance Goals & Metrics



# TVA'S MISSION

TVA was created by Congress with a unique mission – to improve the quality of life in the Tennessee Valley through the integrated management of the region's resources. As it helped lift the seven-state region out of the Great Depression, TVA built dams for flood control, provided affordable power and commercial navigation routes, restored depleted lands, and raised the standard of living. As times have changed, TVA has changed with them, meeting new challenges and bringing new opportunities.

Today, TVA continues to serve the people of the Tennessee Valley through its work in three areas: energy, the environment, and economic development. TVA receives zero federal appropriations and is funded almost entirely by revenues from power sales and power system financings. As of June 2025, TVA's effective residential rates were lower than approximately 80% of the top 100 U.S. utilities, and our industrial power rates were lower than approximately 90% of the top 100 U.S. utilities.

## ENERGY

WE POWER THE TENNESSEE VALLEY SO THAT IT MAY GROW AND THRIVE

TVA generates affordable, reliable, and resilient power for the region's homes and businesses, working with local power companies to keep service steady and reliable. TVA is the third largest generator of electricity in the United States and operates the third largest nuclear fleet. TVA maintains one of the nation's largest transmission systems (more than 16,000 miles). In January 2025, TVA successfully met its all-time high peak demand of 35,430 megawatts.

## ENVIRONMENT

WE ARE STEWARDS OF OUR REGION'S NATURAL RESOURCES

TVA manages the thriving Tennessee River system to provide multiple benefits to the people we serve, including flood control, recreation, and power production. Each year, TVA river management is estimated to prevent an average of more than \$300 million in flood loss and support navigation for 50 million tons of product shipped on the Tennessee River.

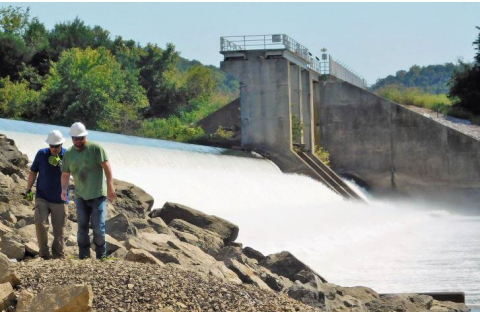
## ECONOMIC DEVELOPMENT

WE SERVE THE VALLEY BY ATTRACTING JOBS AND INVESTMENT TO OUR REGION

TVA works with partners across the region to help bring new investments and good jobs to the region and keep them here. Over the past five years, TVA is estimated to have helped attract approximately \$44 billion in projected capital investment, which is estimated to have helped create or retain more than 310,000 jobs.



# OVERVIEW OF TVA



## GENERAL

TVA, a corporation owned by the U.S. Government, was created by Congress in 1933 and is governed by a nine-member Board of Directors appointed by the President of the United States. TVA operates the nation's largest public power system, with power operations self-funded since 1959 and all stewardship activities self-funded since 1999. TVA supplies electricity to a population of approximately 10 million people of the 80,000-square-mile Tennessee Valley, which comprises parts of seven states in the Southeast, using over 16,000 miles of transmission lines. Also, TVA provides flood control, navigation, and land management for the Tennessee River system and partners with utilities and state and local governments to further the region's economic development.

## OUR CUSTOMERS

TVA is primarily a wholesaler of power. TVA provides power to 153 local power companies, consisting of municipalities and cooperatives that resell the power to their customers at retail rates. As of September 30, 2025, 148 of the 153 local power companies had signed long-term partner agreements with TVA, which include rolling 20-year contract terms, further strengthening TVA's partnerships with its customers. TVA also sells power to over 50 directly served customers, primarily federal agencies and customers with large or unusual loads, and exchange power customers (certain electric systems that border TVA's service area).

## DIVERSE POWER SUPPLY

TVA's power generating facilities in operation as of September 30, 2025, included 29 conventional hydroelectric plants, one pumped storage hydroelectric plant, four coal-fired plants, three nuclear plants, 18 natural gas and/or oil-fired sites, one diesel generator site, and nine operating solar energy sites. TVA also acquires power under power purchase agreements of varying durations.

## ECONOMIC DEVELOPMENT

Economic development is a core component of the mission of TVA. TVA's primary economic development goals are to recruit major business operations to the Tennessee Valley, encourage the location and expansion of companies that create good paying jobs, and prepare communities in the Tennessee Valley for economic growth. Over the past five years TVA's economic development efforts are estimated to have helped attract approximately \$44 billion in projected capital investment, which is estimated to have helped create or retain more than 310,000 jobs.

## OUR EMPLOYEES

The greatest asset to the organization is our people. TVA employs approximately 11,000 people across the Tennessee Valley who actively work to deliver on TVA's mission of service to the region.

# STRATEGIC PRIORITIES

TVA's strategic priorities were developed and adopted to fulfill the organization's mission of service.



**People  
Advantage**



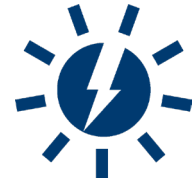
**Operational  
Excellence**



**Financial  
Strength**



**Powerful  
Partnerships**



**Igniting  
Innovation**

In identifying TVA's above Strategic Priorities, TVA considered various organizational objectives and challenges.

**People Advantage** – TVA strives to create a culture reinforcing safety and integrity in our daily activities. This is critical to promote a positive culture given the natural safety hazards that exist in the utility industry.

**Operational Excellence** – A core aspect of TVA's mission is to deliver affordable, reliable, and resilient power. Maintaining operational excellence is essential for the organization.

**Financial Strength** – The organization must prioritize financial health to ensure TVA is able to meet the Valley's needs. This addresses the need to maintain necessary cash flows to fund operations while keeping power rates affordable.

**Powerful Partnerships** – TVA's relationship with stakeholders, communities, and customers across the Valley is key to the organization. TVA strives to create an environment in which all stakeholders work together to contribute to the shared success of the Tennessee Valley region. This is especially paramount given that a critical aspect of TVA's mission is to work with stakeholders to attract economic development opportunities to the region, promoting job growth and capital investment in the Tennessee Valley.

**Igniting Innovation** – The environment in which TVA operates is changing faster than ever before. The organization must embrace and adopt new technologies that will lead the Tennessee Valley forward.

The successful implementation of the priorities noted above is expected to directly contribute to the achievement of TVA's mission of providing affordable, reliable, and resilient power, serving as good stewards for the region's natural resources, and attracting jobs and investments to the TVA region.

# STRATEGIC OBJECTIVES



## People Advantage

Creating a work culture that emphasizes safety and encourages creativity to meet today's challenges



## Operational Excellence

Building on our best-in-class reputation for reliable service and competitively priced power



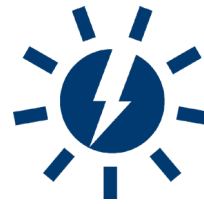
## Financial Strength

Investing in our future, while keeping energy costs as low as feasible



## Powerful Partnerships

Building strong relationships with customers, communities, and stakeholders to ensure shared success in our region



## Igniting Innovation






Leading in developing innovative solutions for TVA and our communities



# TVA BUSINESS ALIGNMENT

## TVA's Mission: Serve the People to Make Life Better

Every day we work to improve lives by providing safe, reliable, and affordable electricity; supporting a robust, award-winning economic development policy that has created prosperous communities throughout our region; and upholding an environmental stewardship program that has created some of the most beautiful and productive waterways in the United States. Aligning our plans with our priorities, objectives, and metrics is critical to supporting our mission at TVA.

	TVA Mission	Strategic Priorities	Strategic Objectives	Performance Goals & Metrics	
ENERGY		 <b>People Advantage</b>	Creating a work culture that emphasizes safety and encourages creativity to meet today's challenges	<ul style="list-style-type: none"> <li>• Serious Injury Incident Rate (SIIR)</li> </ul>	
	ENVIRONMENT		 <b>Operational Excellence</b>	Building on our best-in-class reputation for reliable service and competitively priced power	<ul style="list-style-type: none"> <li>• Load Not Served</li> <li>• Coal Equivalent Forced Outage Rate (EFOR)</li> <li>• Combined Cycle EFOR</li> <li>• Nuclear Online Reliability Loss Factor</li> <li>• CO<sub>2</sub> Emissions Rate</li> <li>• Environmental Violations of Significance</li> </ul>
ECONOMIC DEVELOPMENT			 <b>Financial Strength</b>	Investing in our future, while keeping energy costs as low as feasible	<ul style="list-style-type: none"> <li>• Retail Rates (¢/kWh)</li> <li>• Total Spend (\$M)</li> <li>• Operating Cash Flow (\$M)</li> <li>• Net Income (\$M)</li> <li>• Total Financing Obligations (\$B)</li> </ul>
			 <b>Powerful Partnerships</b>	Building strong relationships with customers, communities, and stakeholders to ensure shared success in our region	<ul style="list-style-type: none"> <li>• New &amp; Retained Jobs</li> <li>• Capital Investments</li> </ul>
			 <b>Igniting Innovation</b>	Leading in developing innovative solutions for TVA and our communities	<ul style="list-style-type: none"> <li>• Project and Initiative Milestones</li> </ul>

# PERFORMANCE GOALS & METRICS

## People Advantage

People are at the core of TVA's mission. This is on display each and every day as TVA employees work to generate affordable, reliable, and resilient power throughout the year regardless of the conditions. An environment focusing on safety is consistently emphasized as part of TVA's culture. Given the hazards that arise when working in the utility industry, it is critical that safety is stressed in our daily work environment and is, as a result, a measurement that is gauged and evaluated for improvements.

The primary metric used to evaluate employee safety and to ensure that TVA employs a safe work environment is the Serious Injury Incident Rate.



**Metric 1 – Serious Injury Incident Rate (“SIIR”):** The Serious Injury Incident Rate is a measure of the number of serious injuries per 200,000 employee-hours worked by TVA employees and staff augmentation contractors. This measurement is a valuable metric for TVA as it tracks both serious injury occurrences and how well safety precautions are being followed. Reducing serious injuries not only promotes safety but also improves employee productivity and morale. Overall, this metric helps serve as a gauge regarding how safely our employees are executing desired tasks and how well safety is emphasized in our culture on a daily basis.

TVA is committed to maintaining a safe work environment as we serve the Valley.

# PERFORMANCE GOALS & METRICS

## Operational Excellence

TVA's primary goal for its asset portfolio is to achieve operational excellence while consistently accommodating the power needs across the Valley. This involves successfully bringing new assets online to accommodate load growth while also investing in the maintenance of existing assets in order to generate reliable power. The primary metrics used to gauge TVA's performance with respect to this goal are those that evaluate our ability to continuously satisfy the power needs of the Valley, maintain high standards of reliability, and serve as good stewards for the environment.

Specifically, these metrics include the following: Load Not Served, Coal Equivalent Forced Outage Rate ("EFOR"), Combined Cycle EFOR, Nuclear Online Reliability Loss Factor ("ORLF"), CO<sub>2</sub> Emissions Rate, and Environmental Violations of Significance.



**Metric 1 – Load Not Served (System Minutes):** The Load Not Served (System Minutes) metric measures the magnitude and duration of transmission system outages that affect TVA customers. This measure is expressed in system minutes and excludes events during declared major storms.

Given that reliable power is vital to our customers, it is important that we measure our ability to consistently satisfy customer demands for electricity. This metric allows TVA to track customer interruptions in power and is a critical indicator as to how well we serve the Valley's power needs. Across the seven states TVA serves, utilizing over 16,000 miles of transmission lines, TVA has successfully met the energy consumption needs of the Valley with 99.999% reliability each year since FY 2000.

## PERFORMANCE GOALS & METRICS

**Metric 2 – Coal EFOR:** Coal EFOR measures the generation lost at TVA’s coal sites due to forced outage events. It is measured as a percentage of time lost in which a specific unit would have been scheduled to run. Overall, this metric is designed to help measure the reliability of our coal fleet and is an important metric to identify how well our coal units actively satisfy the demand for power, in turn impacting the reliability of TVA’s entire power fleet.

**Metric 3 – Combined Cycle EFOR:** The Combined Cycle EFOR metric measures the generation lost at TVA’s combined cycle sites due to forced outage events. It is measured as a percentage of time lost in which a specific unit would have been scheduled to run. Overall, this metric is designed to help measure the reliability of our combined cycle fleet and is an important metric to identify how well these units actively satisfy the demand for power, in turn impacting the reliability of TVA’s entire power fleet.

**Metric 4 – Nuclear ORLF:** The Nuclear ORLF measure reflects the ratio of all energy generation losses for TVA’s nuclear fleet to the referenced energy generation in the same period, expressed as a percentage. This measure is both corrected for refueling outages and exempt of activity losses. It is a measure designed to reflect how well the organization’s nuclear units are performing and satisfying the energy needs for residents and businesses across the Valley.



## PERFORMANCE GOALS & METRICS

**Metric 5 – CO<sub>2</sub> Emissions Rate (Tons/GWh):** This metric measures TVA's CO<sub>2</sub> emissions as the organization generates electricity to fulfill the energy needs of the Valley. TVA's CO<sub>2</sub> emissions are measured as an outcome of satisfying the system's energy needs. Maintaining a diverse, balanced fleet focusing on providing affordable, reliable power contributes to lower CO<sub>2</sub> emissions.



**Metric 6 – Environmental Violations of Significance:** This measurement is considered as an evaluation tool as to how well TVA safely operates and protects the environment throughout its daily operations. It is a helpful measure given the potential hazards that exist when operating in the utility industry.

It is TVA's objective to continue to operate as responsible stewards in the Valley, with an emphasis on safety, in order to minimize any potential impacts to the environment. Environmental Violations of Significance are defined as a notice of violation or enforcement order issued by a regulatory agency for any non-compliance, or any non-compliance resulting in a fine or penalty.

# PERFORMANCE GOALS & METRICS

## Financial Strength

TVA's Financial Strength is measured by the organization's ability to maintain financial health while offering rates as low as feasible, as reflected in the organization's mission. TVA does not receive federal appropriations and must consistently evaluate its operational and financial activities to ensure it is maintaining competitive rates, sustaining appropriate cash flows to invest in its assets, controlling its costs, and maintaining appropriate levels of debt.

The metrics which TVA uses to evaluate its Financial Strength are as follows: Retail Rates ( $\text{\$/kWh}$ ), Total Spend ( $\text{\$M}$ ), Operating Cash Flow ( $\text{\$M}$ ), Net Income ( $\text{\$M}$ ), and Total Financing Obligations ( $\text{\$B}$ ).



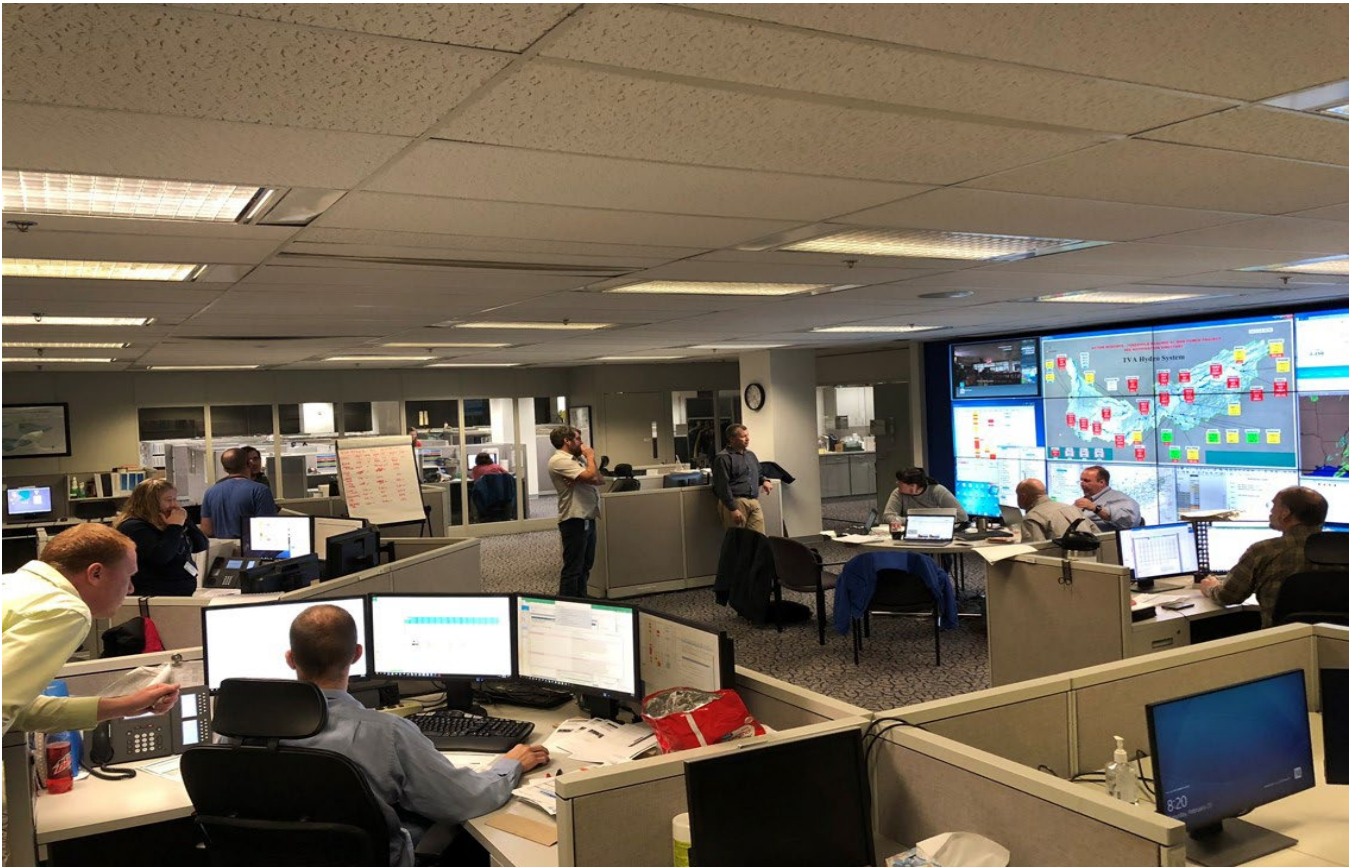
**Metric 1 – Retail Rates ( $\text{\$/kWh}$ ):** TVA has recently taken a number of measures to help ensure the ability to offer competitive power rates for our customers, including offering a monthly 3.1% partner credit for all local power companies (“LPCs”) that commit to becoming long-term partners and implementing internal cost-cutting measures to manage spend.

TVA's effective retail rates, as of June 2025, were lower than approximately 70% of the nation's top 100 U.S. utilities, while TVA's effective industrial rates as of the same time were lower than approximately 90% of the nation's top 100 U.S. utilities. TVA's rate positioning further illustrates the organization's commitment to provide competitive rates for our customers, and the ability to offer low rates helps attract economic investment to the region.

# PERFORMANCE GOALS & METRICS

**Metric 2 – Total Spend (\$M):** TVA’s Total Spend measures spending levels for the organization’s non-fuel O&M, capital costs, and other strategic business unit needs. The emphasis on appropriately managing the organization’s Total Spend levels will directly support TVA’s goal of sustaining appropriate cash flows to fund the business while maintaining rates as low as feasible.

The Total Spend measure is replacing TVA’s previous “Non-Fuel Delivered Cost of Power” metric to more directly reflect and measure TVA’s internal costs. This metric is expected to more clearly reflect TVA’s ability to control spend on an annual basis. TVA does not receive federal appropriations, and controlling our costs is a critical element to maintaining financial health. This metric serves as a gauge as to how well TVA controls annual expenses throughout the year relative to budget levels.



**Metric 3 – Operating Cash Flow:** This measure is defined as the amount of cash generated from power production and other mission-related activities, and is generally defined as cash receipts from customers less cash payments made for operating expenses during the same period. This is a valuable metric as it helps identify if TVA is maintaining adequate cash levels to sufficiently fund the operating activities of the business.

The continued evaluation of TVA’s operating cash flow is important given the structure of TVA’s Financial Guiding Principles. These principles provide guidelines as to how TVA financially manages its operations and include the stipulation that debt should be increased only to fund new assets and certain environmental investments. They also include the stipulation that rate actions should be evaluated to avoid significant rate volatility.

# PERFORMANCE GOALS & METRICS

**Metric 4 – Net Income:** TVA’s net income reflects our net earnings derived by adjusting revenues for the cost of doing business, including cost of sales, depreciation, interest, tax equivalent payments, and other expenses.

This measurement is a standard accounting measure that provides a view of TVA’s financial performance and position. Additionally, this metric serves as a gauge as to how well TVA aligns total expenses (cash and other) with total revenues (power and other) that are incurred throughout the same period.



**Metric 5 – Total Financing Obligations (\$B):** TVA’s Total Financing Obligations (“TFO”) represent debt and debt-like instruments and is an important metric when evaluating the organization’s financial position.

TVA borrows only for power system expansion activities and certain environmental investments. This helps ensure debt is predominantly used for productive assets that support the generation of cash flow that repays the debt over time. The organization will continue to monitor its TFO position to help ensure financial health.

# PERFORMANCE GOALS & METRICS

## Powerful Partnerships

TVA actively seeks to create powerful partnerships among the organization and those we serve. This includes building strong relationships with customers, communities, and stakeholders to ensure shared success in our region. TVA's nationally recognized economic development program serves as a critical tool to help promote these values while also helping to spur economic activity. Two metrics that TVA uses to measure this priority include New / Retained Jobs and Capital Investments.

**Metric 1 – New / Retained Jobs:** This metric reflects the number of new or retained jobs in the Valley for which TVA has played a role in the recruitment or retention of the corresponding economic development project. This metric tracks TVA's progress in economic development efforts. Definitions for TVA's "New" and "Retained" Jobs metrics are as follows:

1) "New jobs" in the TVA fiscal year are newly created, paid positions at a facility of a TVA customer. "Positions" are calculated by adding (1) the number of full-time, on-site employees and/or independent contractors at the facility, (2) the total number of full-time work-from-home employees and independent contractors who reside in the TVA service territory and who spend 100% of their work time on facility-related matters, and (3) the total hours worked on facility-related matters by full-time and part-time on-site employees at the facility and full-time and part-time work-from-home employees (a) who reside in the TVA service territory and (b) who spend less than 100% of their work time on facility-related matters, divided by the number of work hours of such employees based on a 40 hour work week. A "TVA customer" means an entity that purchases power from TVA or a distributor of TVA power. New jobs reported by TVA may include positions created during the current TVA fiscal year and certified projections of anticipated positions to be created within a five-year time frame. New job numbers reported by TVA are certified and provided to TVA by TVA customers.

2) "Retained jobs" are paid positions at a facility of a TVA customer that were created prior to the current TVA fiscal year and that continue to be filled in the current TVA fiscal year. "Positions" are calculated by adding (1) the number of full-time, on-site employees and/or independent contractors at the facility, (2) the total number of full-time work-from-home employees and independent contractors who reside in the TVA service territory and who spend 100% of their work time on facility-related matters, and (3) the total hours worked on facility-related matters by full-time and part-time on-site employees at the facility and full-time and part-time work-from-home employees (a) who reside in the TVA service territory and (b) who spend less than 100% of their work time on facility-related matters, divided by the number of work hours of such employees based on a 40 hour work week. A "TVA customer" means an entity that purchases power from TVA or a distributor of TVA power. Retained job numbers reported by TVA are certified and provided to TVA by TVA customers.

**Metric 2 – Capital Investments:** This metric measures the amount of economic and capital investment in the Tennessee Valley that TVA has played a role in attracting.

TVA's economic development program is estimated to have contributed to the announcement of 9,316 expected new jobs and retention of 43,254 existing jobs in the Valley during FY 2025. Also, during FY 2025, TVA is estimated to have helped attract projected capital investments of approximately \$6.6 billion. As a result, in FY 2025 TVA made *Site Selection* magazine's list of the top utilities in North America for economic development activity for the 20<sup>th</sup> consecutive year, one of only three utilities to earn this distinction.

# PERFORMANCE GOALS & METRICS

## Igniting Innovation

TVA's Igniting Innovation priority is designed to measure progress toward milestones and initiatives that provide innovative and advanced solutions to better serve the people of the Tennessee Valley. TVA's transformative initiatives include the following:

### Advanced Nuclear Solutions

Develop a reliable, affordable, flexible generation option with cost and risk shared

### Energy Storage Integration

Implement a long-term strategy to integrate energy storage for TVA's system

### Regional Grid Transformation

Enable an interconnected, intelligent grid to reliably deliver power as customer values evolve, investing in a state-of-the-art System Operations Center and Energy Management System that enhance security, resiliency, and reliability, and enable innovation

Another technology TVA is pursuing is small modular reactor ("SMR") generation – flexible, carbon-free, baseload generation. The pursuit of cost-effective SMRs places TVA at the forefront of new nuclear technologies. TVA is committed to investing in the future of nuclear and continues to evaluate the licensing and design of emerging nuclear technologies.

To further demonstrate this commitment, in December 2019, TVA became the first utility in the nation to successfully obtain approval for an early site permit from the Nuclear Regulatory Commission ("NRC") to potentially construct and operate SMRs at TVA's Clinch River Nuclear Site. The permit is valid through 2039 and therefore provides TVA a great deal of flexibility to make new nuclear decisions based on energy needs and economic factors. In May 2025, TVA submitted a construction permit application to the NRC for an SMR at the Clinch River Site, and the NRC accepted the application for review in July 2025. In addition, while evaluating alternatives for potential advanced nuclear at the Clinch River Nuclear Site, TVA is exploring the feasibility of applying a similar approach that could deploy additional SMRs at Clinch River and other TVA-owned properties.

In December 2025, TVA and a consortium of co-applicants were selected by the U.S. Department of Energy ("DOE") to enter into negotiations for a \$400 million grant to accelerate the deployment of an SMR at the site. The decision to potentially build SMRs continues to be part of the ongoing discussion as part of the asset strategy for TVA's future generation portfolio, and any future decision to construct any reactor, advanced or otherwise, would require approval by the TVA Board and the NRC.

Successful partnerships are particularly important in the development of advanced nuclear designs. In the Tennessee Valley, and elsewhere, nuclear technology plays a critical role in meeting electricity generation needs in a manner that maintains reliability and keeps rates affordable. As one of the nation's largest electricity providers, TVA is committed to being part of the solution and to working with others to meet this important challenge.

# GOAL LEADERS

In order to monitor the progress toward each of the aforementioned strategic priorities, TVA's executive leadership team has embraced the responsibility to serve as goal leaders for the organization, leading both the strategy and development of each priority. This creates alignment throughout the organization with regard to the achievement of each goal while reinforcing TVA's commitment to each priority throughout the organization.

Organizational leads for the various strategic priorities, or goal leaders, are noted below:

- **People Advantage:** Executive Vice President, Chief Administrative and Human Resources Officer
- **Operational Excellence:** Senior Vice President, Generation; Senior Vice President and Chief Nuclear Officer; Senior Vice President, Transmission
- **Financial Strength:** Executive Vice President and Chief Financial Officer
- **Powerful Partnerships:** Executive Vice President and Chief Business Officer
- **Igniting Innovation:** Executive Vice President and Chief Business Officer; Senior Vice President, Generation Projects and Fleet Services; Senior Vice President, Clinch River Project;

While certain goal leaders are noted above, everyone in the organization plays a key role in the successful achievement of TVA's strategic priorities, which further leads to the fulfillment of TVA's mission of service.



# MAJOR MANAGEMENT PRIORITIES

## Energy Expansion

TVA is currently investing in our system's energy generation capabilities to satisfy both current and projected load growth across the Valley. To accommodate this growth in power demand, TVA is building a future empowering American energy with plans for new generation that will continue to provide affordable, reliable electricity to our 10 million customers across the Valley.

Based on forecasted energy needs, new generating capacity will be needed to support economic growth and enable further electrification of the economy. To meet the Valley region's growing demand for power, TVA is investing in existing assets to maximize megawatt output for customers. TVA is also preparing for the future, with more than 6,200 megawatts of new generation planned including over 3,700 megawatts under construction.

As a result, TVA's Board has approved new generation to be constructed at several sites, including the following:

Technology (Megawatts)	Site	Projected In-Service Date
Aeroderivative Combustion Turbine Units (530 MWs) <sup>1</sup>	Johnsonville, TN	FY 2025
Combined Cycle Plant (1,450 MWs)	Cumberland, TN	FY 2027
Aeroderivative Combustion Turbine Units (200 MWs)	Allen, TN	FY 2027
Combustion Turbine Units (500 MWs)	New Caledonia, MS	FY 2028
Combined Cycle / Aeroderivative Combustion Turbine Units, Battery Storage, Solar (total 1,500 MWs)	Kingston, TN	FY 2028

<sup>1</sup>Commercial plant operations began in FY 2025.

Additional construction is being considered to meet the growing energy needs across the Valley. The ability to bring new generation online on time and in a cost-effective manner is critical to maintain system reliability and financial health.

In addition to new capacity, TVA is committed to maintaining our existing fleet of more than 32,000 megawatts, consisting of nuclear, natural gas, hydro, coal, wind, solar, and battery storage technologies to provide reliable electricity to our 10 million customers.

# MAJOR MANAGEMENT PRIORITIES

## Advancing Nuclear Technologies

Beginning in 2020, TVA placed a high priority on innovation and research which aligns to and supports its transformative initiatives. At the forefront of this is TVA's advanced nuclear strategy. TVA is committed to investing in the future of nuclear and continues to evaluate the licensing and design of emerging nuclear technologies, such as advanced light water SMRs and advanced non-light water reactors.

In December 2019, TVA became the first utility in the nation to successfully obtain approval for an early site permit from the NRC to potentially construct and operate SMRs at TVA's Clinch River Nuclear Site. The permit is valid through 2039 and therefore provides TVA a great deal of flexibility to make new nuclear decisions based on energy needs and economic factors. In May 2025, TVA submitted a construction permit application to the NRC for an SMR at the Clinch River Site, and the NRC accepted the application for review in July 2025. In addition, while evaluating alternatives for potential advanced nuclear at the Clinch River Nuclear Site, TVA is exploring the feasibility of applying a similar approach that could deploy additional SMRs at Clinch River and other TVA-owned properties.

The TVA Board has approved up to \$350 million to explore advanced reactor technology options under the New Nuclear Program. Of this amount, TVA had spent \$251 million as of September 30, 2025. In addition, TVA and a consortium of co-applicants applied for a DOE grant to support the future development of an SMR at TVA's Clinch River site in January 2025 and submitted a revised application in April 2025. In December 2025, TVA and the consortium were selected by DOE to enter into negotiations for a \$400 million grant to accelerate the deployment of a small modular reactor at the site.

TVA's New Nuclear Program provides a systematic roadmap for TVA's exploration of advanced nuclear technology, and collaboration with other interested parties will be an important aspect of this program. In December 2022, TVA entered into a multi-party collaborative arrangement to advance the global deployment of the GE Vernova Hitachi Nuclear Energy ("GVH") BWRX-300 SMR. GVH is responsible for standard design development. Any future decision to construct any reactor, advanced or otherwise, would require approval by the TVA Board and the NRC.

Additionally, in 2025, TVA signed a Power Purchase Agreement to purchase up to 50 MW of electricity from the Kairos Power Hermes 2 Plant in Oak Ridge, Tennessee. The capacity is anticipated to come online as early as 2030. In addition, in 2025, TVA and ENTRA1 Energy signed an agreement to explore the development of up to 6 gigawatts of new nuclear generation in TVA's seven-state region utilizing NuScale's SMR technology.

TVA is also supporting the development of Type One Energy's stellarator fusion reactor at TVA's former Bull Run Fossil Plant. In 2025, Type One Energy entered into a service contract with TVA under which TVA's Power Service Shops will develop custom welding and fabrication techniques and create parts for Type One's project. TVA has also signed an agreement with Oklo Inc. to explore the feasibility of recycling TVA's used fuel at the company's planned facility in Oak Ridge, Tennessee, and pathways for TVA to purchase energy from Oklo Inc.'s proposed SMRs.

# STAKEHOLDER ENGAGEMENT

TVA is committed to serving its stakeholders, most notably the people of the Tennessee Valley region and our LPCs and directly served customers. TVA's external facing teams regularly engage with customers and local, state, and federal elected officials, keeping them apprised of TVA's work. TVA's Communications team engages the public on a variety of platforms including through the media, social media, and TVA websites.

Additionally, TVA's Board of Directors created an opportunity for the public and private sectors to provide input on the region's pressing energy and environmental stewardship issues. Two formal councils were formed to provide outside perspective on TVA actions:

**1) Regional Resource Stewardship Council ("RRSC"):** Comprised of members of regional government, customers, academia, and advocacy groups, the RRSC helps advise TVA in its efforts to manage the Tennessee River system against competing priorities and still provide maximum recreational benefit for all the residents of the Tennessee Valley. The council was first convened in March 2000, and its charter was renewed for a 14th term in October 2025. Since its inception, the council has provided recommendations and advice to TVA on the agency's stewardship activities, including reservoir operations, public land planning and management, water supply, recreation, infrastructure operation, and maintenance and emergency preparedness. It has also provided comments on TVA's public participation efforts.

**2) Regional Energy Resource Council ("RERC"):** Comprising members of regional government, customers, academia, and advocacy groups, the RERC provides guidance on how TVA manages its energy resources against competing objectives and values. The council was first convened in the fall of 2013, and its charter was renewed for a seventh term in October of 2025. TVA established the RERC to obtain advice from external stakeholders who are interested in the development and management of energy resources in the Tennessee Valley. Gaining routine input from stakeholders helps TVA manage its priorities in a responsible way to meet the diverse needs of people across the Valley and thereby sustain the vitality of the region.



# STAKEHOLDER ENGAGEMENT

The RRSC and RERC councils are each comprised of up to 20 members representing public and private stakeholders who are nominated by governors of each of the seven states in the Tennessee Valley, distributors of TVA power, TVA's directly served customers, and other regional organizations. Council members represent the region as a whole and encourage public comment. The proceedings of all meetings are public records.

Aside from the noted committees, TVA also employs the Integrated Resource Plan ("IRP") process to identify the energy portfolio most likely to help TVA lead the region, and the nation, toward a more secure energy future. An IRP working group is formed to facilitate input from a broad spectrum of stakeholders, such as customers, businesses, elected officials, and economic development experts. TVA's most recent IRP was completed in 2019, with results published on TVA's website.

Furthermore, TVA conducts annual surveys to obtain feedback from various stakeholder groups in order to develop initiatives to improve future performance. TVA also receives valuable input and oversight from the U.S. House of Representatives Transportation and Infrastructure Committee as well as the Senate Environment and Public Works Committee.

Additional avenues for stakeholder feedback and engagement are identified below:

- Natural Resource Plan ("NRP"): The NRP is designed to guide TVA's natural resource stewardship efforts. This plan addresses TVA's management of biological, cultural, and water resources, recreation, reservoir lands planning, and public engagement. The NRP helps TVA set a course that best meets public stewardship objectives while responding to the needs of the region's communities and residents.
- Powerful Partnerships Survey: A survey conducted among customers, elected officials, business/economic development leaders, and the general public in the TVA service area to assess strength of various stakeholder relationships with TVA. This measure supports the effective management of TVA's reputation and ability to achieve desired outcomes and deliver on strategic priorities with stakeholders.
- Quarterly Board Meetings and Stakeholder Comments: Meetings which occur each quarter attended by TVA Board members and executives. Opportunities are made available to stakeholders to provide comments regarding any concerns they have with TVA's policies and performance.
- Quarterly Public IRP Briefings: Public meetings held quarterly during the IRP process regarding information on TVA's energy portfolio and strategy.
- External Web Page: TVA's public site detailing, among other things, information regarding TVA's energy, environmental, and economic development activities affording the opportunity for stakeholders to observe various actions and policies TVA has taken to serve the Valley.
- Information Exchange Groups: TVA also regularly forms information exchange groups for a variety of topics (such as rate designs) in order to get feedback from stakeholders on pertinent issues and areas of business.

# CONCLUSION

## TVA is committed to serving the people of the Valley to make life better.

TVA's goals are aligned to provide affordable, reliable, and resilient power to approximately 10 million people located in the Tennessee Valley region, while upholding an environmental stewardship program that has created some of the most beautiful and productive waterways in the United States and encouraging investment in our region. The metrics noted in this document include some of the key measures used to evaluate TVA's financial and operational performance. As the industry and TVA evolve, TVA will monitor, add to, and refine its enterprise metrics in order to evaluate its progress across each of the five strategic priorities.



**People  
Advantage**



**Operational  
Excellence**



**Financial  
Strength**



**Powerful  
Partnerships**



**Igniting  
Innovation**

