Regional Energy Resource Council
Tennessee Valley Authority, 400 West Summit Hill Drive, Knoxville, Tennessee 37902-1499

July 14, 2026

As a diverse set of stakeholders brought together to offer advice on the development and management of energy resources in the Tennessee Valley, the Regional Energy Resource Council (RERC) appreciates the opportunity to be meaningfully involved in the development of the 2026 Integrated Resource Plan (IRP). Since 2023, the RERC has heard updates on the IRP at multiple milestones and has built a general understanding of the purpose, methodology, scenarios, strategies, and assumptions underlying the preliminary final IRP recommendations.

The RERC considered three questions at its July 14, 2026 meeting:

1. Did the IRP process meet TVA's obligation to "implement a least-cost planning program? Yes. Additional perspective is provided below.
2. Are the boundaries of the IRP analysis sufficient to inform a strategic portfolio direction that enables TVA to provide affordable, reliable, and resilient power? Yes. Additional perspective is provided below.
3. What do you see as challenges and opportunities for TVA as recommended actions are implemented and signposts are monitored?
   Perspective on opportunities and challenges is provided below.

While acknowledging this group's high-level advisory role, having reviewed the preliminary final IRP, the RERC affirms that TVA has managed a robust and comprehensive process, and that the plan reflects TVA's obligation to implement a least-cost planning program. To avoid undermining the intent of a least-cost planning directive, TVA will need to carefully monitor signposts, benchmarked against regional peer utilities and best-available information, to manage for this long-term risk as it moves in the near-term to implement various recommended actions.

The RERC also affirms that the boundaries of the IRP analysis are sufficient to inform a strategic portfolio direction that enables TVA to provide affordable, reliable, and resilient power across a wide range of possible alternatives. The IRP sets wide guardrails within which TVA can optimize resource deployment to match Valley energy needs and adequately understand tradeoffs as it makes resource decisions. Generally, the RERC recognizes the urgency of TVA utilizing the IRP direction to respond quickly to the current and projected energy demands of the Valley through a diverse energy portfolio.

The preliminary final IRP is an impressive deliverable of a well-managed process that reflects the expertise of TVA's staff and robust stakeholder engagement. While a strong product, the IRP will be implemented in a time of tremendous uncertainty and rapid change that will challenge TVA as it works to balance risk, affordability, reliability, and other critical metrics. RERC encourages the TVA Board to align closely with the guidance offered by the IRP as it shapes TVA's specific asset decisions. The RERC encourages TVA to utilize the IRP as a dynamic reference, and to remain open to iterating on and modernizing its IRP approach to increase agility and streamline future planning. Leadership stability at TVA will be helpful as the organization manages the inherent instability of the current energy landscape.

In particular, the IRP identifies the financial risks reflected in portfolios with higher reliance on gas resources. Given the inherent uncertainty of key assumptions driving model outcomes (including those relating to demand, fuel costs, overnight capital costs, annual build limits and more), it will be critical that TVA protects its ability to be flexible and responsive, rather than rigid and static. The close tracking and transparent reporting of how reality matches with IRP assumptions and signposts across scenarios will help TVA mitigate risks and remain responsive and agile in a rapidly evolving energy landscape. RERC members reiterated the importance of sharing the impacts of energy resource decisions on end-use customers in terms of energy affordability and reliability.

At a practical level, the RERC recognizes tremendous upside opportunities to increase the positive impacts of a growing and evolving energy portfolio. This includes partnerships upstream with states and the Federal government, as well as downstream with wholesale customers and LPCs, to accelerate deployment and unlock benefits for economic development, workforce development, technology innovation, grid modernization, and affordability and reliability benefits for customers.

On the flip side, TVA is likely to face acute and potentially impactful local concerns about siting specific assets that could prevent, delay, or increase the total costs of implementation. Early and transparent engagement with partners at all stages of the resource development pipeline is meaningful to building trust and understanding that ultimately facilitates the deployment of new resource types. Strategic and integrated transmission planning can strengthen TVA's ability to implement a variety of resources and ensure that transmission enables, rather than constrains, TVA's ability to pursue the resources it needs.

On the whole, the RERC recognizes the importance of finalizing the IRP in August so that TVA may move forward in meeting the region's evolving energy needs, while remaining committed to least-cost principles and TVA's mission in service to the people of the Tennessee Valley.