

**Regional Energy Resource Council (RERC) Minutes
Tennessee Valley Authority
February 18, 2026**

**Meeting location:
The Westin Chattanooga
Chattanooga, Tennessee**

The Tennessee Valley Authority (TVA) Regional Energy Resource Council (RERC, or Council) convened for the 1st meeting of the 7th term, beginning at 9 a.m. Eastern on Wednesday, February 18, 2026. Meeting presentations are available at www.tva.gov/serc.

Council members attending in-person:

Jan Berry, Katherine Collier, Glenn Davis, Erin Gill (Chair), Chassen Haynes, Chrissy Heard, Pete Mattheis, Dan Miller, Doug Peters, Boyd Pettit, Alexa Voytek, Julie Woosley

Council members attending virtually:

Rebecca Goodman, Vonda McDaniel

Designated Federal Officer: Amy Edge

Designated Federal Officer Alternate: Althea Jones

Facilitator: Jo Anne Lavender

- Appendix A – TVA staff and stakeholders who attended the meeting
- Appendix B – Agenda

Purpose

The purpose of the meeting was to introduce TVA’s mission and history to members of the RERC and to provide information on TVA’s 2026 Integrated Resource Plan (IRP). There are five new members who joined the RERC in this 7th term.

1. Welcome and Introductions

- A.** Amy Edge, Senior Director, Stakeholder Engagement, and the Designated Federal Officer (DFO) for the RERC, welcomed everyone to the meeting. She thanked the members for their participation, noting that the RERC is effective because its members hail from diverse business backgrounds and engage in important discussions that strengthen TVA.
- B.** Erin Gill, RERC Chair, welcomed the new RERC members. She complimented the Council for its thoughtful discussions and thanked its members for sharing their thoughts and opinions. She noted that TVA is facing important decisions, including how to meet the future energy needs of the Tennessee Valley. She said the RERC plays an important role in representing stakeholders, and the members’ informed comments will help shape the RERC Advice Statement that will be formed at the April 2026 RERC meeting. That advice will be shared with the TVA Board of Directors.

2. FACA Briefing – Jennifer Brundige, Senior Attorney, Office of General Counsel (Presentation can be found at www.tva.gov/lerc)

Jennifer Brundige, Senior Attorney, Office of General Counsel, offered a presentation on the Federal Advisory Committee Act (FACA), which Congress enacted in 1972. The Act ensures that advisory committees provide advice that is relevant, objective, and open to the public, and comply with record-keeping requirements. The RERC is one of two FACA councils at TVA. The other is the Regional Resource Stewardship Council (RRSC). TVA created the RERC in 2013 “to provide advice on its energy resources and the priorities among competing objectives and values.” Brundige reviewed FACA meeting requirements, including the preparation and distribution of agendas, the availability of meeting minutes, the development and voting on Council advice statements provided to the TVA Board, and the importance of RERC membership having a broad range of diverse views and interests

3. Designated Federal Officer Briefing – Amy Edge, Senior Director, Stakeholder Engagement (Presentation can be found at www.tva.gov/lerc)

Amy Edge explained that TVA Board members, who hold five-year terms, are nominated by the President of the United States and confirmed by the U.S. Senate. The TVA Board again has a quorum, with the swearing in of its four newest members earlier this year. The Board consists of new members – Art Graham, Mitch Graves, Jeff Hagood and Randy Jones, and the longer-standing members – Bobby Klein, Bill Renick (Chair) and Wade White. The Board holds a public listening session the day before each Board meeting, and at the public listening session on Feb. 10, 2026, the Board extended the two-hour listening session to almost three hours to hear every comment.

Edge said that at the Board meeting, the directors thanked employees who worked tirelessly to maintain TVA power during Winter Storm Fern in late January 2026. Other business included approving to make available up to 150 megawatts of additional firm power to xAI, which is a customer of Memphis Light, Gas and Water. The Board approved the evaluation of continued operations at Cumberland and Kingston Fossil Plants, and it approved revisions to the Strategic Elements, Committee Charters, and the Long-term Incentive Plan Measures and Goals.

Edge noted that other TVA activities include bringing online 535 megawatts via gas turbines at the Johnsonville plant; investing \$11 billion to strengthen the transmission grid; planning for more than 6,200 megawatts of new power generation; and adding 2,000 megawatts through demand response programs. She said an after-action review of TVA’s work during Winter Storm Fern will be published and available later this year. She thanked the Council for its participation and commitment to TVA.

4. TVA History in Pictures– Jennifer Thelen, TVA Historian (Presentation can be found at www.tva.gov/lerc)

Jennifer Thelen, TVA Historian, offered a look at TVA through historic photos. Thelen said everyone in the region has been touched by TVA over its 93-year history, and she noted that the RERC’s feedback now creates the TVA of today and tomorrow.

TVA was established by Franklin Roosevelt in 1933, and Thelen showed photos of the region prior to TVA, when communities faced severe poverty, hunger and disease. One of the first things TVA did was put people to work – building Norris Dam, the first TVA-built dam. When the dam was finished just a few

years later, it provided electricity as well as flood control in the region. As people were able to purchase electric appliances, TVA hired staff to teach local residents how to use the appliances.

As she walked through TVA's history with photos, Thelen shared some of the ways TVA has helped the region, including the roles TVA played in reducing flooding (thanks to its dams), improving farmers' lives, contributing in major ways to the country's efforts during World War II, creating important navigation lanes on the Tennessee River, building shorelines that enhanced recreational opportunities, and being a key driver in the region's growth and economic development.

Thelen highlighted major achievements in TVA's history, and tied it to the ways TVA still is improving life for people in the region today – from its energy leadership, to its environmental stewardship work, to its commitment to economic development. TVA continues to offer vocational training as well as support for a wide variety of educational opportunities for local students.

QUESTIONS/ANSWERS

Do the photos exist online?

Thelen: Some of the photos are in the national archives in Atlanta. We are working on developing a digital archive within TVA, and we are working on making them public facing.

I would like to see what the area of the Copper Basin looks like today. Do you have photos of what it looks like today?

Thelen: There were major changes in that area in the 1980s and 1990s. I will be on the lookout for more recent photos from that area.

NERC member's comment: I always am inspired by what TVA has been able to build. I appreciate seeing the photos.

5. Public Listening Session

Tom Jenkins, in person

I am a member of several environment organizations and conservancies, and I am a retired primary care physician. I'm speaking for myself and none of those organizations. Clean coal is an oxymoron. Francis Collins, a hero of mine, in his book "Road to Wisdom: On Truth, Science, Faith and Trust," categorizes truth into several categories of untruths – ignorance, falsehood, lies, delusions, ubiquitous b.s. and finally propaganda. What we have here is propaganda or a massive scales of lies and distortion with public intent to take advantage of the human frailty of accepting something if they hear it over and over.

Coal is not clean economically, morally or environmentally. The extracting industry has laid waste to the people of the Cumberland Plateau for more than a century, stealing their mineral rights, then asking them to risk their lives to dig coal for low wages, and finally shooting them for when they tried to unionize for better wages and better working conditions. Fast forward to today. We have mountaintops removed and mountain sides scarred and denuded, causing flash floods. If you doubt me, just go to Google Earth and look at the Clearfield community, which is in the Clear Fork watershed, and then span around that. These old mines leak contaminated water. Three unclaimed mines in Anderson County spilled toxic water into the surrounding streams. These belong to the family of a sitting U.S. senator from West Virginia. We can't eat fish from our river. TWRA tells us there's atmospheric mercury in those

fish. And, of course, the only source of atmospheric mercury around here is the combustion of coal. What to do with coal ash? Will there be another spill? How many more people will get sick and die from cleaning it up?

Most coal plants are around 70 years old. TVA's plants are unreliable sources of the reliable power that they're telling us that they are, because of their maintenance issues and the cost to maintain them. TVA has been constantly anti-solar. If you are considering home solar, you will find nothing helpful on their website. At least that was how it was two years ago when I was considering solar. EPB is quite helpful. Their mantra is too unreliable, like they have never heard of batteries where they have the largest battery problem in the United States down here on Raccoon Mountain. I store solar in two batteries of my electric cars and in the batteries in the wall on my garage. I drove here on sunshine. Battery costs have come down. Those two batteries are now about \$1,600 cheaper each than when I bought them two years ago. I'm proud to say that I just got my disbursed power production purchase remittance from TVA. It was zero. I was told by my installer that the two cents a kilowatt hour that they pay is a loss versus the 11.4 cents per kilowatt hours you put in your battery. However, I still use grid power because I don't have enough room. I never know when the power is out. One last thought on TVA upping their capacity for data centers: Quantum computing will make data centers obsolescent. It will be much faster and use only a small fraction of power. So when that happens, all this excess capacity cost is going to go back to the ratepayers. So back to solar for the final bit of trivia: In a year, 200 billion kilowatt hours of solar radiation falls on Tennessee. TVA continues to ignore it.

Zachary Stines, in person

I am Director of Policy and Business Development for New Leaf Energy. We are a storage and solar developer nationally, but have been actively investing here in the Valley. In addition, I sit on the Board of Directors for TenneSEIA, which is a trade organization representing a lot of those in the solar or storage industry. Thank you for the opportunity to provide comments related to the Integrated Resource Plan, which we'll hear about later today. I don't know what we'll find out about later this afternoon, but this Council is a unique group of individuals and collectively you represent the communities, organizations, end-use customers and LPCs that will be directly impacted by the IRP and the decisions it guides. As a result, this Council has a unique voice. You have an opportunity to ensure that the updated plan will best guide TVA over the long term. The IRP is an intricate planning process that seeks to identify different portfolios of generation under different scenarios and strategies. Through no fault of TVA, since the publication of the draft report, numerous changes have occurred that directly impact a number of key aspects of the IRP. I'd like to address three of them this morning.

Number one is demand. The forecast for load within the Valley has greatly modified. Number two is cost; specifically, cost associated with different types of generation. And number three is speed of deployment; how fast can different resources come online. It is essential that all these assumptions are reviewed to ensure that they are accurate. In order to do that, the IRP is the best guide for investments over the coming decades. Starting with load growth. The draft IRP envisioned a number of load levels, some with kind of stagnant growth, others kind of exponential. But just over the last year, new demand is growing at rates not seen in years, if ever. These loads are heavily driven by data centers. I think CEO (Don) Moul on a recent investors call highlighted that 18% of TVA's industrial load is coming from data centers, and that is expected to double by 2030. TVA is already highlighting an annual growth rate of 2%, which I think was right around the kind of high end of what was expected in the original draft IRP. In order for the IRP to accurately develop generation portfolios that meet sufficiently the load in the future, it needs to reflect some of those updates.

Next is cost. This is a glaring one. Since the IRP was drafted, it assumed tax credits would be afforded due to the Inflation Reduction Act out of renewables and storage assets for the planning horizon. With the passage of the Big Beautiful Bill this past summer, those tax credits are effectively removed from all renewable projects, since they have to be operational by the end of 2030. Therefore, the IRP should accurately reflect this modification in tax credits. We've also seen a decrease in kind of the capital expenditures associated with the different components of those types of assets. Also, in that same time, due to that rapid low growth that the nation has experienced, we've seen an exponential growth in demand for natural gas. That has ultimately driven the cost of turbines up substantially. Therefore, in order to just accurately capture all of that, my recommendation is that the IRP would really update all cost assumptions associated with the different generation types.

Lastly, the IRP needs to accurately reflect how fast resources can be deployed. This is observed in the draft IRP, where annual limitations were placed on different resources and when they would be available. Unfortunately, the market dynamics have shifted over the past year again, and in addition to rising cost of gas turbines, many suppliers are backlogged for turbine orders and some are even out to the mid-2030s. As a result, storage and solar are now some of the fastest-to-deploy resources – with approximately up to 5.2 gigs of solar and 2.6 gigs of storage actively in TVA's queue today, ready to be procured and deployed over the next five years. Additionally, with clear market signals, I can guarantee there are more than a gig, multiple gigs I would say, in development already in the Valley that are not in the queue.

It is said that a utility doesn't make two-year decisions. A utility makes 50-year decisions and 30-year decisions, and to do that, they have to have stability, policy, cost and capital and all the things. One of the most important things is active engagement from constituents and customers, like this Council. This IRP not only acts as a guide to TVA in the coming years; it also provides a clear signal to the market, for the needs of the Valley ensures capital is attracted to the Valley to meet those needs. My encouragement to you, as representatives of this Valley, is to actively advise, engage and encourage TVA in this endeavor, since the decisions guided in this IRP will have lasting impacts on this Valley. With this Council's advice, TVA will be able to ensure that the IRP best supports the economic development and ultimately represents the future you want to see this Valley.

Sandra Kurtz, in person

I am an environmental educator and advocate for environmental measures that TVA could be taking. I did not plan to speak, so I just registered, but here I am. My concern is primarily in this case about nuclear power and the use of nuclear power, which is not actually clean when you count the radiation and the waste connected to it. It is not cheap. It is the most expensive type of energy, and it is actually not reliable, because in TVA's case, it relies on water, cold water. And with climate change, the cold water is warming up. In fact, we've already had one turnoff of nuclear power in the TVA system because the water was too hot to be used to cool the reactors. So with that, I think this is a concern over small modular nuclear reactors, or SMRs. It is not renewable energy. It's just old technology turned into smaller gigawatts. But they want to put a small modular reactor, 300 megawatts, and when they do that, they will be putting more than one nuclear SMR together with others. Eventually, it adds up to 1,000, which is what we get primarily with the ones that exist now. The old, old nuclear plants need to be turned down, not relicensed.

Eric Coons, virtually

My wife and I are regarded as unicorns, having been born and raised in Nashville, with a large influx of people moving in from all over the country. I have benefited from TVA the entirety of my life, as has my family for many generations in the Valley, including in Western Kentucky and in Middle Tennessee. I was given the gift of being a third generation member of the United Association of Journeyman and Apprentices. I tried many occupations and failed at them all, but I always had pipefitting to come back to. That's not very common in this region at all. Many people grow up and go through the educational system and struggle to find a career. But because of my family's involvement with the United Association, I didn't have that problem. TVA has been a major provider to my family for generations through the work of the trades. Many of our trades for many years did not do ourselves a very good service; not a lot of promotional work was done, not a lot of advertising. Because of that, many people in the region are simply unfamiliar with the opportunities and avenues to pursue a career with the Tennessee Valley Authority.

Over the last 10 years, I've had the honor to be involved with the United Association's Local 572 in Nashville, where I served as Business Manager and also President of the Nashville Building Trades Association. One of the things that came along as an opportunity that I saw not only for my trade but for all trades was when my good friend and partner and business associate, your new Council member, Miss Vonda McDaniel, approached me about a program offered through the National Association of Building Trades Unions. It is called the MC3 (Multi-Craft Core Curriculum) program. It is an apprentice readiness program. Vonda and her team, along with the building trades, did a lot of planning and development. Our program started several years ago, with six graduates in the initial class. But we have continued to persevere and work and plan and acquire great staff and great instructors. The program now has the honor of having put out over 100 graduates who have acquired training on their own through these classes. Once these students receive their certification of completion, they are automatically accepted into the building trade of their choice. This opens doors to people who would never have had that opportunity. It has changed lives and changed generations of families to come. One thing the building trades do better than anyone else in the world is train. We train members thoroughly so they can provide services needed by partners such as TVA. As we get closer to the end date of the boomers timing out and retiring, we're swiftly moving into Generation X. We're seeing that we have a lot of needs, and there will be more needs to come as the work increases, as people continue to move into the Valley and there are needs for all types of energy production. I want to encourage the members of this committee to bear that in mind and know that the building trades have and continue to stand ready to provide these manpower needs and provide the workforce of the future.

Leah McCord, virtually

I represent Appalachian Voices, and I coordinate the CleanUp TVA Coalition, a group of 20-plus organizations working for a better energy future for the Tennessee Valley. I am very happy to see the RERC reconvened. These meetings are one of the most accessible ways that interested parties can participate in the business of TVA, with this option to speak remotely. But as you look at who was included as a stakeholder at this and other meetings, you will see that ratepayers and impacted community members do not have a seat. We have no organized representation to make formal recommendations to the Board and staff. We rely on those of you with institutional access to help us keep the public in public power. The public power model cannot survive without public participation. TVA is unregulated by a public utilities commission, and the public is relying on you on the advisory councils to help provide accountability for this powerful utility. Decisions should not be made behind closed doors without robust public participation from those expected to foot the bill and live next to the plants.

I would request that this Council strongly insists that TVA hold public information and listening sessions across the region before the edited IRP is accepted by the Board. We all deserve a chance to review and respond to any changes made since the IRP process was paused last year. I'd like to thank the historian today for the presentation. We should all be proud of the rich history of innovation and technological advancement at TVA. But as the Energy Resource Council, I would encourage you to question why TVA is now stuck clinging to antiquated coal technology, which locks us into higher costs and unnecessary pollution. TVA should be leader in affordable, clean energy, and this RERC should help ensure that the next IRP is a commitment to a better future instead of a relic of the past.

Pam Jones, virtually

I am a member of Third Act Tennessee and the CleanUp TVA Coalition. I want to speak to you about renewables, especially solar, in the IRP changes we're going to hear about shortly. I am concerned about the signaling we got from the TVA Board last week around renewables. They formally removed renewables as a priority, and Board member Wade White said they're looking at their current wind generation contracts and how TVA analyzes energy resources through the least-cost planning program. I hope we're not about to see an IRP gutted of renewables. I ask that you look closely at how much renewables are in the changed IRP compared to what was there in the draft. If anything, there should be more, not less, and there was already a lot there in 2024. In the information sessions TVA gave about the IRP in 2024, staff said repeatedly that the models were giving a very strong signal for the addition of a lot of solar. The executive summary of the final draft IRP says solar expansion plays an increasingly substantial role, providing economic carbon free energy. Indeed, renewables were the largest source to new generation TVA planned to add between now and 2050. You guys probably all still have your PDFs of the draft IRP handy. Just look at pages 9 and 10 of the executive summary and page 216 in Appendix H. You'll see graphs that make it vivid that renewables grow significantly over time in every scenario. Even the stagnant growth scenario, even the no greenhouse gas scenario. And the scenarios with the most renewables were the two high growth scenarios. Since then, the economic case for solar has only gotten strong as prices for panels and batteries keep falling. Solar is now the most affordable source of electricity generation in the country.

The 2025 Lazard Report concludes that the levelized cost of energy for the construction and operations of the utility scale solar project is a lot lower than a fossil gas plant – \$58 per megawatt hour versus \$78. This is true without tax incentives and even in a steady year when the cost of gas was low. The administration's own Energy Information Administration in '25 also found the same result. Utility scale solar is cheaper than fossil gas plants. TVA gets its solar mostly from power purchase agreements with Silicon Ranch and other solar developers, but those cost differences will be reflected in those PPAs. Tariffs don't diminish this advantage either, because tariffs are impacting the cost to build gas plants, too; for example, in the cost of steel. By the way, Silicon Ranch, TVA's partner for its large solar projects, doesn't import its panels. It buys them from U.S. manufacturer, First Solar. First Solar is based in California and recently added another factory and 800 new energy technology manufacturing jobs in Lawrence County, Alabama. That's what I call American energy, and it's what I call economic development.

Utility scale solar is now the cheapest megawatt hour to build and operate and to contract for through PPAs, and it's dispatchable when paired with batteries. That has produced a solar boom in the United States, despite policy and tax changes. Last year, Texas passed California in the amount of solar installed. Art Graham is a new Board member from Florida. His home state of Florida is leading the solar buildout in the Southeast. Florida reached nearly 11,000 megawatts of utility scale solar in 2024 and is expected to more than double that to nearly 25,000 megawatts by 2030. North Carolina, South Carolina and

Georgia follow Florida in new solar editions, mostly from large utility companies, especially Duke Energy. The administration's Energy Information Administration again projects that 99% of new capacity in 2026 will be from renewables and battery storage. TVA, meanwhile, is falling farther and farther behind in providing the Valley with affordable solar energy. Just 4% of its generation comes from non-hydro renewables and only a fraction of that is solar. As you consider the proposed updates to the draft IRP, please look carefully at how renewables and especially solar were modeled and how much solar is included. If TVA adheres to its least-cost planning principles, the IRP updates should show a big increase in the cheapest energy of all – the energy from the fusion reactor in the sky. And, a final brief comment. You might hear that Tennessee is losing farmland to solar projects, but in fact, most of Tennessee's loss of farmland is due to suburban development. And, leasing their land to a solar developer often let's farmers keep their land.

6. Integrated Resource Plan (IRP) Update — Hunter Hydas, Director, System Planning; Candy Kelly, Senior Manager, Capacity Planning; Hunter Reed, IRP Project Manager (Presentations can be found at www.tva.gov/lerc)

Welcome

Hunter Hydas, Director, System Planning, provided a welcome and overview of the IRP. The IRP is a long-term study of how TVA could meet customer demand for electricity over the next 20+ years across a variety of futures. TVA currently is following its 2019 IRP. An updated IRP is needed to proactively establish a strong planning foundation for the 2030s and beyond and to inform TVA's next long-range financial plan. The IRP offers strategic direction on how TVA will continue to provide low-cost, reliable and resilient electricity to the residents and businesses across the Valley region.

Hydas walked through the IRP timeline to date. He explained that key changes in the electric utility landscape shifted some of the baseline assumptions that were in the draft 2025 IRP. The publication of the IRP was delayed in spring 2025 when TVA lost its Board quorum. In winter 2025/2026, the quorum was restored, and initial discussions have been held on the path forward for the IRP. Hydas talked about the RERC's important role in the IRP process, noting that near the completion of the IRP process, TVA staff will request an official RERC advice statement focused on the implementation of the IRP's recommendations.

IRP Fundamentals

Candy Kelly, Senior Manager, Capacity Planning, explained that the IRP uses least-cost planning criteria and incorporates resource capital, operating, fuel and environmental compliance costs. It also uses metrics to evaluate tradeoffs between strategies across financial, risk, environmental and operational performance. The IRP does not establish wholesale or retail electricity rates, and it does not identify specific sites for new resources. TVA applies fundamental least-cost planning principles: low-cost, risk informed, environmentally responsible, reliable and resilient, diverse, and flexible. TVA follows the least-cost planning requirements in Section 113 of the Energy Policy Act of 1992.

In compliance with the National Environmental Policy Act (NEPA), TVA is conducting a programmatic Environmental Impact Statement (EIS), which accompanies the IRP to evaluate environmental effects. Kelly said the 2026 IRP is building off TVA's robust stakeholder involvement activities in 2024 and 2025, and the process will leverage several of the most effective mechanisms for stakeholder engagement in support of a condensed timeline. Kelly noted that TVA continues to rely on the 2019 IRP and that the peak load forecast is within 2019 IRP ranges. She explained that some of the baseline assumptions

underpinning the draft 2025 IRP analysis have shifted due to the changing electric utility landscape. Changes such as tax credit phase-outs under the One Big Beautiful Bill Act, the administration's Executive Orders encouraging investment in existing coal and new nuclear, the Environmental Protection Agency's intended regulatory relief, and rising electricity demand are being incorporated into the 2026 IRP assumptions.

IRP Assumptions

Hunter Reed, IRP Project Manager, reviewed the basics of modeling, the distinct profiles of winter and summer peaks, and resource characteristics and planning models. TVA utilizes an industry-standard model, EnCompass, to consider a complex set of assumptions and solve for the lowest cost solution. Reed explained that for the 2026 IRP, TVA created three simplified scenarios (reference, high growth and carbon legislation) and three simplified strategies (baseline utility planning; innovation – such as new nuclear, long-duration storage and demand response; and distributed technologies – such as batteries, renewables and demand-side programs). Modeling the strategies in the scenarios will create nine core portfolios, which will be the main building blocks of the analysis. Then, sensitivity analysis will be used to answer key “what if” questions the team still might have after reviewing the nine portfolios.

Reed provided details on 2026 IRP scenario load forecasts, scenario natural gas price forecasts, a proxy for a carbon tax for potential future carbon legislation or regulatory action, capacity requirements and gaps, and a summary of resource types available for selection. Reed also reviewed the 2026 IRP Strategy Design Matrix, select 2026 IRP resource options and costs, and an updated 2026 IRP metrics scorecard that will be used to understand the tradeoffs among the IRP's nine core resource portfolios. The metrics scorecard takes the six goals of least-cost planning and assigns metrics within each of those categories.

Reed shared a table, Select 2026 IRP Resource Options and Costs, that represents the updates TVA has made to all of the expansion resource option characteristics and costs. TVA has updated its nuclear costs and assumptions based off continued learnings at both its potential deployment at Clinch River and taking into account updates related to projects such as Plant Vogtle and the deployment of AP1000s by Georgia Power. TVA also has done several updates across the board with its gas assets, based off increased demand and increasing costs as utilities across the country are ordering gas turbines. Also related to gas, the costs for carbon capture and sequestration have gone up quite a bit, and that's focused on the transportation and storage elements of that technology. TVA has updated its solar cost assumptions based off the latest request for proposal submissions, and it has incorporated changes to investment tax credits as a result of the One Big Beautiful Bill Act. That is pushing up the near-term cost of solar based off those requests for proposal responses, but also the effective long-term cost with the loss of tax credit. TVA has updated its hydro pump storage based off work that TVA has done in support of its programmatic EIS for pumped storage. It also has updated all of its battery assumptions based off request for proposal submissions and its work in the market for those resource types. Reed also reviewed how the model includes overnight capital costs to construct the assets and ongoing fixed costs and variable costs. He spoke about how TVA developed the assumptions around tax benefits, considering how long it takes to build an asset and what is the last year an asset could be online and still qualify for a tax credit.

QUESTIONS/ANSWERS

Were any changes made to the first year available, other than just pushing the whole timeline out a year over the last 12 months?

Reed: Yes. We made changes to most of the first available years. It will be most notable for renewable resources, gas resources, battery storage. When we were developing the 2025 IRP, that really started as a 2024 IRP effort. So, in some cases, these first available years may have pushed out two years. Some emerging technologies, though, may still have the same date if we've still been making strides toward making those potentially deployable.

You list 2031 for solar. There's not a technology development piece to that. Why is that date so far out?

Reed: We incorporated based off when we felt the asset could be online based off the latest RFP process. So that includes both the timeline to get the facility built and also interconnected to the TVA grid. We do have a number of PPAs that have already been signed that will come online between now and then. So everything we've already signed will be included. This is just for new selections by the model.

When it says the overnight cost per kilowatt, I assume that's based on nameplate capacity? If you look at solar at a 15 to 20% capacity factor and gas running at a 30 to 40% capacity factor, it actually looks like best case is they're equal in cost and worst case is that gas is actually cheaper once you take into account capacity factor. And almost the same in a four to one with nuclear. Is that an accurate read?

Reed: It's all going to depend on what the expected operation of the asset is, which will influence the capacity factor. It also is going to be a combination of all these different costs and operating characteristics. That's why I wanted to highlight that fixed O&M, variable O&M, and the fuel cost – they're all going to play into this. The model is having to take into account that we have a capacity requirement. So, based off your expected load, if your expected load is 32,000 megawatts in the winter, but that's at 7 a.m., the model is going to take into account that we may have to build a battery or a gas plant anyway to meet that capacity requirement. So that's a cost that may be to the disadvantage of solar. It's going to depend on how all these things intersect. It's not quite as easy as just looking at the expected overnight capital cost. To your point about gas, the combined cycles we would usually expect to be more intermediate in nature. So, call it 65 to 70% capacity factor or higher, whereas the CT is probably something more like 15% or less capacity factor.

Your presentation deals with supply. Where does distribution enter in? Is that through all of the cooperatives or all of the other companies, and does it cost them, fall to them? Or does this take into account any of your transmission distribution?

Reed: The IRP effort is primarily focused on the generating resources. Once we establish a preferred portfolio or a strategic direction, those other transmission assets would have to be built. Because the IRP is not site-specific, we don't really get into all of those nuances. We include generic estimates for how much it generally costs to interconnect each of these facilities to the bulk transmission system. Our load forecast would take into account that we're distributing this power through local power companies and through our directly served customers.

Are you also looking at the distribution side in terms of where you expect that load to be delivered and in what timeframe?

Reed: The IRP process is looking at a system level. Our load forecast is for the entire system. It's not region specific. We're looking at what the bulk TVA power system needs to supply.

Some time ago, there was discussion about having a transmission plan similar to the IRP. What can you tell us about transmission planning and whether or not the Council will be reviewing that in the future?

Amy Edge: We did sunset the Integrated Transmission Plan Working Group about a month ago. However, we are doing some work with our Transmission team related to some FERC requirements. I would assume that over the next 18 months, we'll be involved with stakeholder engagement specific to transmission planning. What that looks like right now is under development. We'll keep this group abreast of where we are with that.

You mentioned that you are talking with different groups. Have you had conversations with leadership of the general assemblies? What's driving growth in most cases is data centers and AI, and that will pretty much be regulated by the legislation coming out of the general assemblies of the states. The states that decide to incent via sales tax, etc., we'll see more. The ones that put more onerous legislation on top of these, we'll see less. Do you have a pretty firm understanding from leadership of what they're going to allow to come through their general assemblies over the next few years in order to gauge the reality for some of that growth and demand?

Nathan Mathis (Sr. Manager, Enterprise Forecasting, TVA): That is an excellent question. A lot of that is going to be policy driven. Right now, within this, we have a baseline format that includes growth and data centers. The reference case has a significant amount of growth in it, but that's more naturally occurring and not quite so much policy driven. The policy could definitely impact the direction of things.

Google and Amazon talk about the need to provide their own power. So when you talk about data center growth, how is a decision made about whether these data centers and AI have to provide their power versus relying on the utility to do it?

Mathis: There are projects we are aware of, such as expansions at current facilities. There is also a connection queue. There is a certain amount of inquiries from data centers into our system. When I say data centers, I'm including not just AI but also hyperscalers and cryptominers. In the connection queue, we assign probability – like, a weighted forecast. It's a probability of those making it through the entire connection queue and actually coming onto the system. Then, also, the expected growth trajectories they provide to us. We have sort of probability weighted for all of that into the future. So that's how we incorporate data centers.

Clifton Lowry (TVA): You might have heard this alluded to at the Board meeting last week. Today, there is a rate change letter going out that gets at this policy stance. There are a number of components. Some of it is pricing, some of it is bringing their own supply, some of it is even beyond data centers for LPC customers to bring their own supply or potentially even self-serve beyond the flexibility arrangements that are in place today. It will take essentially six months to get that rate change letter through the public awareness/customer awareness process before we would take any sort of action on the elements that are outlined there. That is forming a policy that I think you're referencing.

Can you talk a little bit about the diverse, reliable and flexible metrics and, in particular, how you are calculating the P95 unserved energy and the energy curtailment. Is that on a resource basis? How does it get measured?

Reed: That is looking at a system level. We would be looking at the stochastic analysis. When we do our initial runs, it's sort of a static view of the future through time. It's like, what if everything happens exactly the way we're forecasting? We know that's not going to happen, so we use stochastics to vary all of these different key variables in random ways. We do 120 iterations, and it gives us an idea of all of the different combinations. We get an understanding of financial risk as well as operational risk. That's where the unserved energy expectations would come from. And P95 just refers to a worst case – 95th percentile. We would not expect to have unserved energy under

normal circumstances. This is more in those extreme edge cases, what is it looking like? And then for energy curtailment, that's all around how many assets are we having to turn off? We sometimes refer to these as take-or-pay contracts. If you've got a solar contract, it's generating megawatt hours. But if we're in low load period, we might have to curtail some of that energy to keep the system in balance. So, we're looking at how much of that we are having to curtail.

When I first read the energy curtailment metric, I immediately went to LPC Emergency Load Curtailment. Is ELCP concern around emergency reliability actions going to be captured in this P95? And then, the energy curtailment is really how much are you are not running a plant that you might other be running?

Reed: The energy curtailment metric is around the flexibility component of the operational metrics. How hard is the system to operate for our operators who are managing the load balancing throughout the day? The unserved energy speaks more to the worst-case scenario in terms of how reliable is the system.

Because now you have this different situation of needing to increase your capacity, have you considered allowing the LPCs to have more than 5% of their self-generation? So the LPCs could provide some of this new need for capacity. Is that in the plan at all?

Reed: That is outside the scope of the IRP. A few things I would mention. Clifton mentioned the rate change letter and potential for options with LPCs there. I would also highlight that the IRP is looking at the types of generating assets that could be used. It is possible that these could be the generating assets that are owned and operated by a third party, which could be LPCs in the future. But we are not contemplating any specific flexibility numbers, any specific changes to rates or any of that in the IRP.

Next Steps

Hunter Hydas, Director, System Planning, reviewed next steps. They include completing the refreshed IRP modeling; providing updates and soliciting input from key stakeholders such as the RERC, IRP Working Group and the public at a public webinar), and completing the IRP document and associated environmental review, targeting May 2026 Board consideration.

QUESTIONS/ANSWERS

TVA did a wonderful job with the public hearings during the IRP development. I can't imagine that you're going to try to do that again. Is that webinar the only opportunity for a public hearing on this new IRP? Will there be other opportunities?

Hydas: There will be the public webinar and the ability for the public to engage outside of that to provide comments on the updates.

The TVA budget review – is that outside the scope of what we're doing here? Like your budget, your cost and the detailed economics of the decision?

Hydas: The annual budget cycle would be out of scope of the IRP. This will be used to set the long-range financial plan and the strategic direction as it relates to financial planning. The operating budget is out of the scope of this, because we're not making specific asset decisions through this process.

In the IRP, it chose a gigawatt of new advanced nuclear by 2035, and I assume that's probably the BWX300 over in Clinch River. And then recently there was a NuScale MOU signed. Since the IRP maxed out at one gigawatt by 2035, is the expectation that any of the aspirational goals in the MOU would not be available or expected to be available until after the 2035 timeline?

Hydas: On nuclear more broadly, advanced nuclear, we're looking at multiple approaches, whether that's TVA building or a commercial arrangement of various technologies, because there is not one clear winner of this horse race at this point. I think what we want to do with this IRP is give us coverage to do a wide range of activity. If you look back to the 2019 IRP, we only had coverage for new nuclear in a scenario where if Browns Ferry was not relicensed. It was a very narrow view of what role advanced nuclear could play in the future. Now that we have Browns Ferry relicensed, we need to be thinking about what additional coverage we need. In this IRP, you're going to see a wide range of futures that could play out and a wide range of nuclear solutions that could happen. So in terms of MOUs, in terms of the arrangements with commercial partners that we've announced, I don't know what is actually going to come to fruition, but I see us keeping things warm on technologies and structures to provide flexibility.

As we look at the IRP, is there consideration given to growth within the region? There may be parts of the region that have greater needs than other parts. Does the IRP take growth areas or lower growth areas into consideration?

Hydas: The IRP does not, but we have more granularity in terms of the load forecast. We know where we're seeing growth on the system and where growth is projected. We have LPC forecasts from a delivery point standpoint. So when we move to actual real projects, we can see areas where we have transmission capacity, which minimizes the cost of delivery of a resource to the system. In terms of whether that's on the 500 or the 161 and how that gets down to an LPC to be delivered, that's going to depend on the specific location. We are definitely looking at that to minimize the cost to the total system, which hopefully lines up to minimizing cost on distribution systems.

From a Council member's perspective, we try to follow where your stakeholders are and who you're talking with. But I think you're saying that you're picking up the information that I'm asking about at the stakeholder level that may not be coming through this Council.

Mathis: From a load forecast perspective, there are regional differences. Some things are relatively easy to predict, like whenever they come from large numbers, like population growth. We've seen significant population growth over the last few years in the Middle Tennessee region. Not so much in some of the other regions. So that contributes to quite a bit of growth in that particular area. It's a little less statistically straightforward whenever you're talking about very large point loads. Those can kind of show up in a particular location and there's not necessarily historical trends to suggest exactly where that's going to show up. But we do have information, because those forecasts are sort of built on that inquiry list that I was talking about before. We do have some geographic information on where those customers are expected to come in. We usually include them in transmission planning. As we contract with those large customers, we know where they're going to show up on the system, so they can include it in their forecasts.

7. Closing Remarks

A. Amy Edge

Edge thanked the Council for leaning into the conversation. She said the level of engagement and commitment the members have shown is what makes the RERC successful.

She thanked the presenters as well as the TVA staff who worked to pull the meeting together. She also thanked the members of the public who expressed their views during the listening session. Edge said the RERC will meet again, likely on April 22nd and 23rd in Chattanooga. She also noted that the May Board meeting will be on May 22 in Guntersville, Alabama, with a Board listening session held on May 21. The presentation and minutes from the meeting will be posted on the TVA website (www.tva.gov/serc) as soon as possible. TVA will ensure the RERC is informed of dates of public briefings so the members can share the information with their communities. The information also will be available on TVA social media and on the IRP webpage. Edge encouraged RERC members to contact her or other staff members if they have suggestions for topics at future meetings.

B. Erin Gill

Gill thanked everyone for great discussion at the meeting. She said that for those who walked through the RERC Advice Statement that was done in 2025 and for those who are new to the Council, she wanted to encourage everyone to refresh their memories of what the Advice Statement said. It was in response to a different draft, so it will have to be updated, but the questions that TVA posed at that time will be helpful to review so members can be thinking about how they might change or evolve the statement. One question asked if TVA's public engagement process was sufficient to achieve meaningful involvement. Another asked whether the boundaries of the IRP were sufficient to inform a strategic portfolio direction that would enable TVA to provide affordable and reliable power that is increasingly clean and resilient. Another question asked what the RERC sees as the challenges and opportunities for TVA as it implements the actions that were recommended. Gill asked the members to reflect on what they heard at the meeting and asked that as they have conversations with their stakeholder communities, to be mindful of how they might bring those reflections to the table for the Advice Statement at the April meeting. She asked the TVA team to recirculate the Advice Statement to everyone on the Council, and she again thanked the Council members for their questions and conversation.

Appendix A
Non-Council Meeting Attendees

TVA (In person)	
Rebecca Brinkley	Trystan Knowles
Scott Brooks	Althea Jones
Jennifer Brundige	Candy Kelly
Amy Edge	Jo Anne Lavender
Abigal Enns	Clifton Lowry
Ashley Farless	Nathan Mathis
Scott Fiedler	Hunter Reed
Bekim Haliti	Marylee Sauder
Hunter Hydas	Jennifer Thelen
TVA Staff Members (Virtually)	
Scarlett Graham	
Stakeholders (In person)	
Roger Babb	Jacob Morrison
Tom Jenkins	Zachary Stines
Sandra Kurtz	
Stakeholders (Virtually)	
Janelle Alexander	Joanne Logan
Eric Coons	Kevin Lucas
Whit Cox	Ann Maier
Matt Crook	Curtis Markham
Haylee Davis	Leah McCord
Dave Flessner	JoAnn McIntosh
Michael Harris	Sarah Beth Menck
Abby Hassler	Kent Minault
Gil Hough	Nancy Muse
Pam Jones	Michele Panucci
Amy Kelly	Ashby Remley
Paul Klein	Bonnie Swinford
Bri Knisley	Jasmine Vazin
James Linder	

Appendix B

Regional Energy Resource Council Meeting Agenda February 18, 2026 Chattanooga, Tennessee

Meeting Location: Westin Chattanooga
801 Pine St.
Chattanooga, TN 37402

Objectives:

- Kickoff the 7th term of the RERC
- Overview of TVA Mission and current strategy
- Review and inform RERC Members on the Integrated Resource Plan (IRP) process

9:00 – 9:10	Welcome / Call Meeting to Order
9:10 – 9:30	Introductions and Agenda Review
9:30 – 9:45	FACA Briefing
9:45 – 10:00	DFO Briefing
10:00 – 11:00	<u>Introduction to TVA</u> TVA Purpose and Mission TVA History Through Photos
11:00 – 11:15	Break
11:15 – 12:15	Public Listening Session
12:15 – 1:00	Break
1:00 – 2:45	IRP Overview – Process, Plan and role of RERC
2:45 – 3:00	Final Thoughts and Comments
3:00	Adjourn Meeting