TVA NEWS RELEASE

TVA Board Protects Consumers, Strengthens Reliability Amid Rising Power Demand

- TVA creates a new data center rate to protect consumers and keep energy affordable amid rising energy demand.
- TVA approves recommendations in the 2026 Integrated Resource Plan to help guide the region's energy future through 2040.
- TVA approves FY 2027 budget to advance American energy leadership with major generation build-out and grid reliability investments.
- **Editor's Note:** Download video and audio of TVA's board meeting. Use Password: August2026TVABoard

MEMPHIS, Tenn. — The Tennessee Valley Authority Board of Directors on Thursday approved a series of actions to protect consumers, ensure long-term reliability and strengthen the nation's energy security as demand for electricity accelerates across the Valley region and the country. The Board approved the recommendations in the Integrated Resource Plan, approved the FY 2027 budget and made modifications to TVA's wholesale rate structure to keep residential rates low while meeting growing data center demand.

These decisions reinforce TVA's mission of service and its leadership role in advancing American energy – providing low-cost, reliable power that supports communities and customers, and ensuring the region's rapid growth is met with a resilient, balanced power system.

"Today's Board actions position TVA to meet the Valley's growing demand while continuing to advance American energy leadership," said Mike Skaggs, TVA interim President and CEO. "Thanks to the Board's strategic focus and dedication of our employees, we're building the right resources, adjusting rates responsibly and planning for a future that strengthens communities, supports economic growth and delivers the affordable, reliable energy that millions of people depend on."

Protecting Consumers Through Rate Structure Improvements

The Board approved updates to TVA's wholesale rate structure to increase transparency, be more aligned to cost and protect residential and manufacturing customers from subsidizing the expenses associated with the significant growth of data center load in the Valley.

This action reaffirms TVA's dedication to affordability through its recent signing of the Ratepayer Protection Pledge, a national initiative designed to ensure data center and other major power users cover the full cost of the energy and infrastructure their facilities require, shielding ordinary household and business consumers from rising electricity bills.

"Maintaining low rates and high reliability for customers is our first priority," said TVA Chair Mitch Graves. "As AI and advanced industries consume more electricity, TVA's Board is making sure that hardworking American families and small businesses aren't left carrying the cost. By modernizing our rate structure and strengthening American-made energy, we're advancing our nation's AI and energy dominance while safeguarding the people we serve."

TVA Roadmap for Reliability

To meet the Valley's expanding power demands, the Board approves the recommendations in the 2026 Integrated Resource Plan that provides a long-term resource strategy balancing reliability, affordability, sustainability and flexibility. Between now and 2040, the IRP suggests that the region will need 11 to 32 gigawatts of additional generation capacity. Approving the IRP is an important step in energy security because the study identifies a host of diverse generation mixes that could be needed to serve a rapidly growing region and maintain dependable year-round service.

Approved FY 2027 Budget

To meet the region's rising electricity demand - driven by population growth, advanced manufacturing and rapidly expanding data processing and AI needs - the Board approved TVA's FY 2027 budget. The FY 2027 budget puts affordability and reliability squarely in focus, aligning TVA's financial planning with the strategic direction outlined in the 2026 Integrated Resource Plan.

Major FY 2027 investments include:

- More than $13 billion planned through FY29 to maintain reliability and expand capacity, including more than $1 billion annually to maintain and strengthen TVA's existing generation fleet and transmission system.
- Construction of 4,120 megawatts of new TVA-owned capacity and 3,000 megawatts currently under evaluation.

"Affordability and reliability remain at the center of every budget decision we make," said TVA Chief Financial Officer Tom Rice. "As electricity demand grows, the FY 2027 budget strengthens TVA's ability to add new capacity, support America's energy and innovation leadership, and ensure Valley families and businesses continue to have reliable, affordable power for decades to come."

Board Actions

In other business, the Board:

- Approved May 21, 2026, Board meeting minutes.
- Approved TVA's FY 2027 Incentive Measures and Goals.
- Approved TVA's External Auditor Selection.
- Approved Load Greater than 100 megawatts.
- Approved Sugar Camp Mineral Rights Divestiture.

To learn more about TVA's innovation strategy and partnerships, visit tva.com.

About TVA

The Tennessee Valley Authority is the nation's largest public power supplier, delivering energy to approximately 10 million people across seven southeastern states. TVA has one of the most diverse energy systems – including nuclear, hydro, coal, gas, renewable, and advanced technologies. To prepare for the future, TVA is making significant investments in its power system toward new generation and transmission.

TVA is a self-supporting corporate agency of the United States, receiving no annual federal appropriations and deriving virtually all of its revenues from sales of electricity. TVA maintains some of the lowest energy costs and highest reliability in the nation. TVA's residential rates are lower than those paid by 80% of customers of the top 100 U.S. utilities and industrial rates are lower than those paid by 90% of customers of the top 100 U.S. utilities. In addition, TVA provides flood control, navigation, and land management for the Tennessee River system, and assists local power companies and state and local governments with economic development and job creation. Learn more at TVA.com.

Media Contact: Scott Fiedler, Chattanooga, 423-751-7883
Melissa Greene, Knoxville, 903-522-2408
TVA Public Relations, Knoxville, 865-632-6000
https://www.tva.com/newsroom

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