

Capacity and Load Growth Challenge

- Accelerated economic growth challenges the BES ability to balance supply with pace of demand
- On shoring of manufacturing and electrification are demand drivers
- Decarbonization, supply chain and pace of new generation are supply side drivers
- Peak reserve margins are challenged
- TVA has 3800MW of new generation under construction (in service in 2024) and their board recently approved investing another \$15 Billion over the next 3 years for additional generation and upgrades to their existing system. One of those projects is in Memphis involving a \$350 Million investment to install cleaner more efficient aeroderivative generation in place of combustion turbines that are more than 40 years old.
- TVA's Reliable Growth Provision - new projects larger than 5MW will be subject to interruption through 2031 when additional generation comes online.
- MLGW is proactively in discussion with TVA and other Local Power Companies for solutions.