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**NEW REPORT:
TENNESSEE NEEDS TO DOUBLE ELECTRICAL SYSTEM SCALE
TO MEET GROWING DEMAND**

NASHVILLE, Tenn. – (January 22, 2026) – A new analysis of Tennessee’s energy landscape highlights a series of emerging policy challenges and opportunities as the state grapples with rapid electrical demand growth.

The report, [*Powering Tennessee: Landscape, Challenges and Opportunities for Tennessee’s Energy Future*](#), was authored by University of Tennessee Baker School of Public Policy & Public Affairs professor and economist Dr. Timothy Fitzgerald and commissioned by the Tennessee Business Leadership Council (TBLC), a nonprofit, nonpartisan organization that seeks to strengthen Tennessee’s business environment through thoughtful collaboration, research and analysis, and ideation.

An expert in resource and energy economics, Dr. Fitzgerald conducted a landscape analysis to explore rising energy costs and demands in Tennessee and identify key areas for business leaders and policymakers to address.

The report notes that while Tennessee enjoys lower and more stable energy prices than other states, prices are increasing across the country. Additionally, electricity demand growth in Tennessee is now positive, after nearly two decades of it being close to zero. While realized demand growth is slower in Tennessee than in other parts of the country, **meeting the forecasted growth of 2-3 percent annually will require doubling the scale of the state’s electricity system in the coming decades.**

“Energy has quickly become a top economic policy concern in Tennessee and across the country,” said Dr. Fitzgerald. “Two to three percent annual demand growth after more than a decade of no change is a dramatic shift that requires the full attention of policymakers and business leaders. I hope that this analysis underscores the need to look closely at opportunities for infrastructure expansion to meet this new growth, and to embrace innovative technologies that are critical to long-term solutions and stability.”

Additional findings in the report underscore the business and policy implications of growing energy demand, including:

- The forecasted electrical load growth in Tennessee and across the TVA service area is driven almost entirely by **industrial sources**, and not by population growth and expanded residential use. **Data centers, cryptocurrency mining, and manufacturing are among the largest sources of the expected industrial growth.**

- Some industrial customers, including data centers, are often interested in low-to-zero emission electricity sources. Tennessee, with its strong base of nuclear power sources, is well positioned to offer nuclear power as a high capacity, zero emissions alternative to renewables, **an important competitive advantage as the state seeks to attract and retain new businesses.**
- Industrial customers in Tennessee pay some of the lowest rates in the country and have the highest monthly electricity bills of any state in the country – underscoring the unique role that manufacturing plays in Tennessee’s economic and energy landscapes.
- **Tennessee’s primary sources of energy have evolved dramatically since 2008 as natural gas consumption has grown substantially**, effectively substituting for the steady decline of coal (Figure 3 in the report).
- Tennessee’s increasing reliance on natural gas for electricity generation creates both opportunities – natural gas can expand and adjust quickly – and risks, as **natural gas is delivered largely by just-in-time delivery, which could become difficult during severe weather or other events.**

The report concludes by outlining three priority strategies to support a secure and affordable energy future: 1) **facilitating growth**, including the construction of new generation and transmission assets; 2) **investing in research and development of new markets and efficiencies**, such as nuclear technology, critical minerals, hydrogen technologies and batteries; and 3) **minimizing policy uncertainty** to provide market stability and certainty.

“Energy costs and availability play a vital role in economic development and business growth,” said TBLC chairman John Ingram, chairman of Ingram Industries. “We are grateful to the University of Tennessee Baker School of Public Policy and Public Affairs and Dr. Fitzgerald for providing a clear report on how this complex issue can be addressed to ensure continued business growth in Tennessee.”

[The full report is available online](https://tnblc.org) at tnblc.org.

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About Tennessee Business Leadership Council

Founded in 2017, the Tennessee Business Leadership Council (TBLC) is a 501(c)(6) nonprofit, nonpartisan organization that seeks to strengthen Tennessee's business environment through thoughtful collaboration, research and analysis, and ideation. TBLC is comprised of select business leaders representing a broad cross-section of industries from across the state, including some of Tennessee’s largest, most established, and notable employers.