



What Large Load Projects Look For

The infrastructure, site conditions, and certainty behind a viable project

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1.21 Giga-Watts!

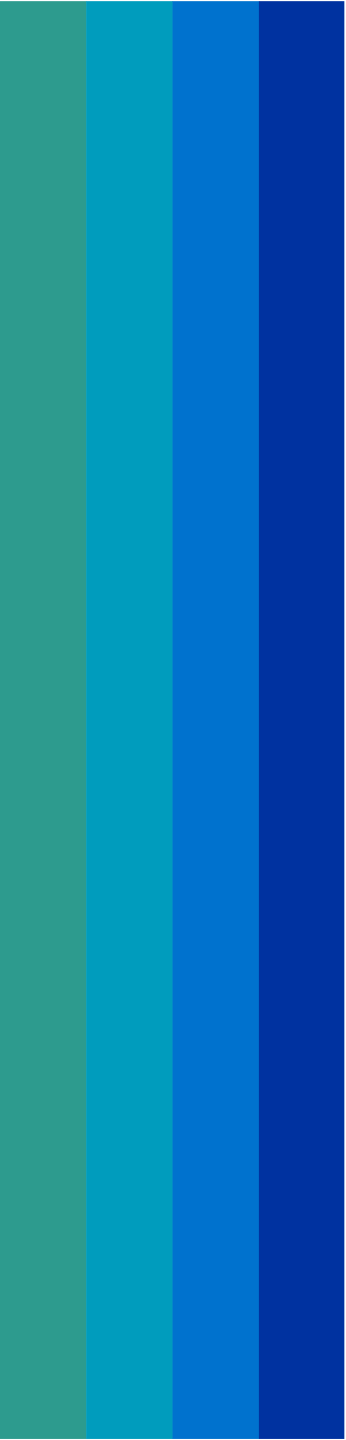


Defining a Large Load

What sets these projects apart.

Large Load Classifications and Examples

Approximate demand	Typical characterization
5 - 20 MW	Large local industrial customer – general manufacturing, grain elevator, grain milling
20 - 50 MW	Major industrial load; utility study usually required – chemical plant, paper mill
50 - 100 MW	Very large load; transmission upgrades may be necessary – steel mill support facilities
100 - 500 MW	High-impact large load – major steel mill projects, data centers
500 - 1+ GW	Campus-scale or system-transforming load



What Makes a Project a Large Load?

A large load can materially affect utility and grid planning.

Utilities look beyond total electricity use to assess peak demand

How consistently the facility operates

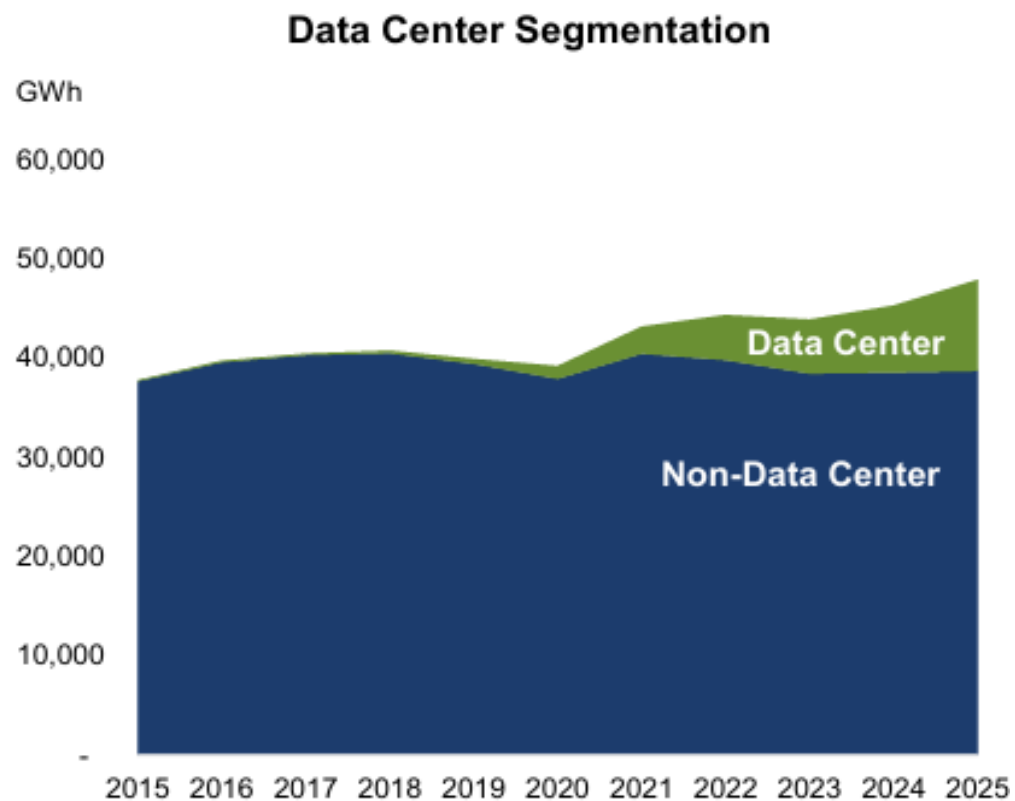
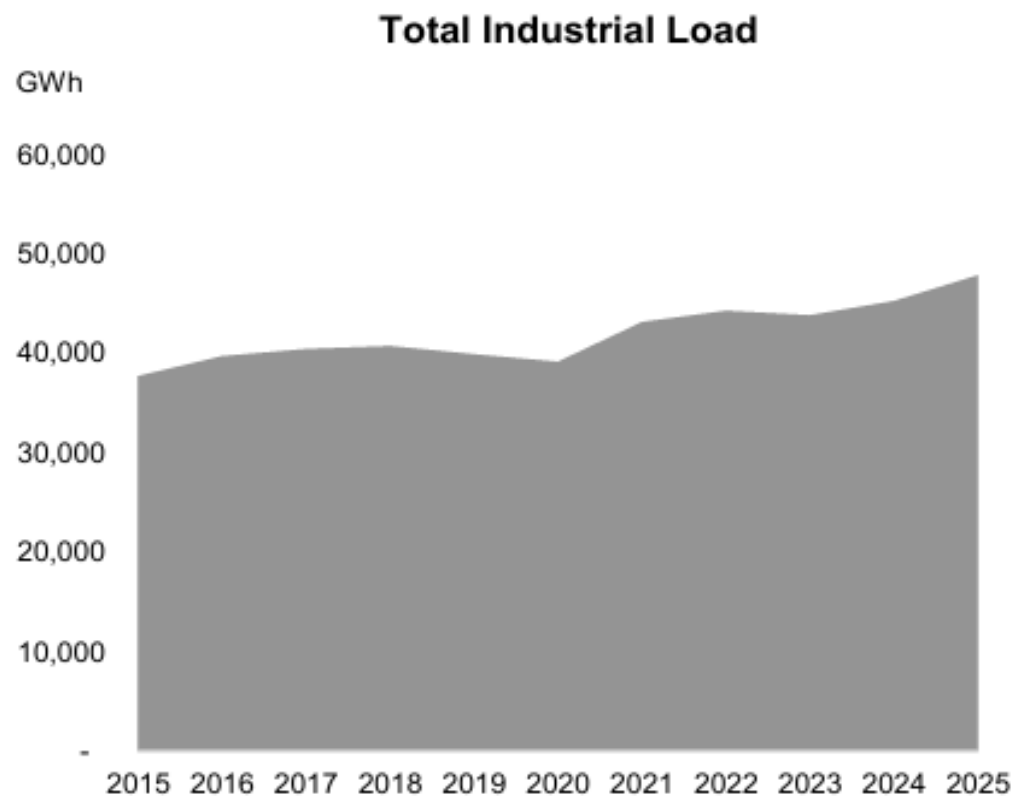
Power quality & Planned growth.

No single nationwide megawatt threshold.



Net System Load History

Industrial Load Energy Trend



Content

01 Deliverable Power

02 Reliability and Resilience

03 Permitting Certainty

04 Community and Political Durability

05 Development-Ready Land

06 Expandability (larger needs, onsite generation, battery backup)

07 Fuel Supply (natural gas near, diesel tanks, BTM/EGU)

08 Water Issues (how cooled, recycle, capacity)

09 Fiber & Telecom (bandwidth, long haul)

10 Workforce (training, wages, housing, local impacts)

11 Infrastructure, Transportation & Logistics (highways, water, rail, clearance)

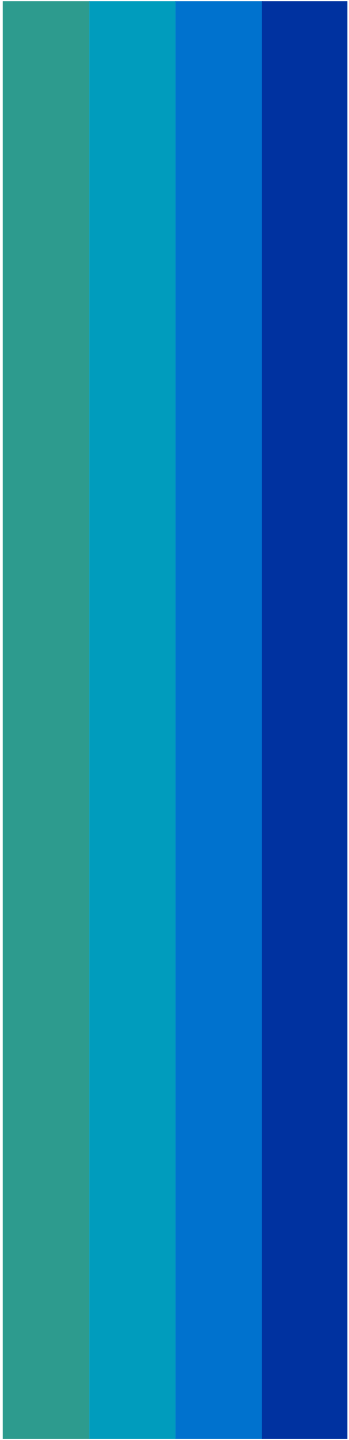
12 Taxes & Incentives (credits, benefits & life, rebates)

Deliverable Power

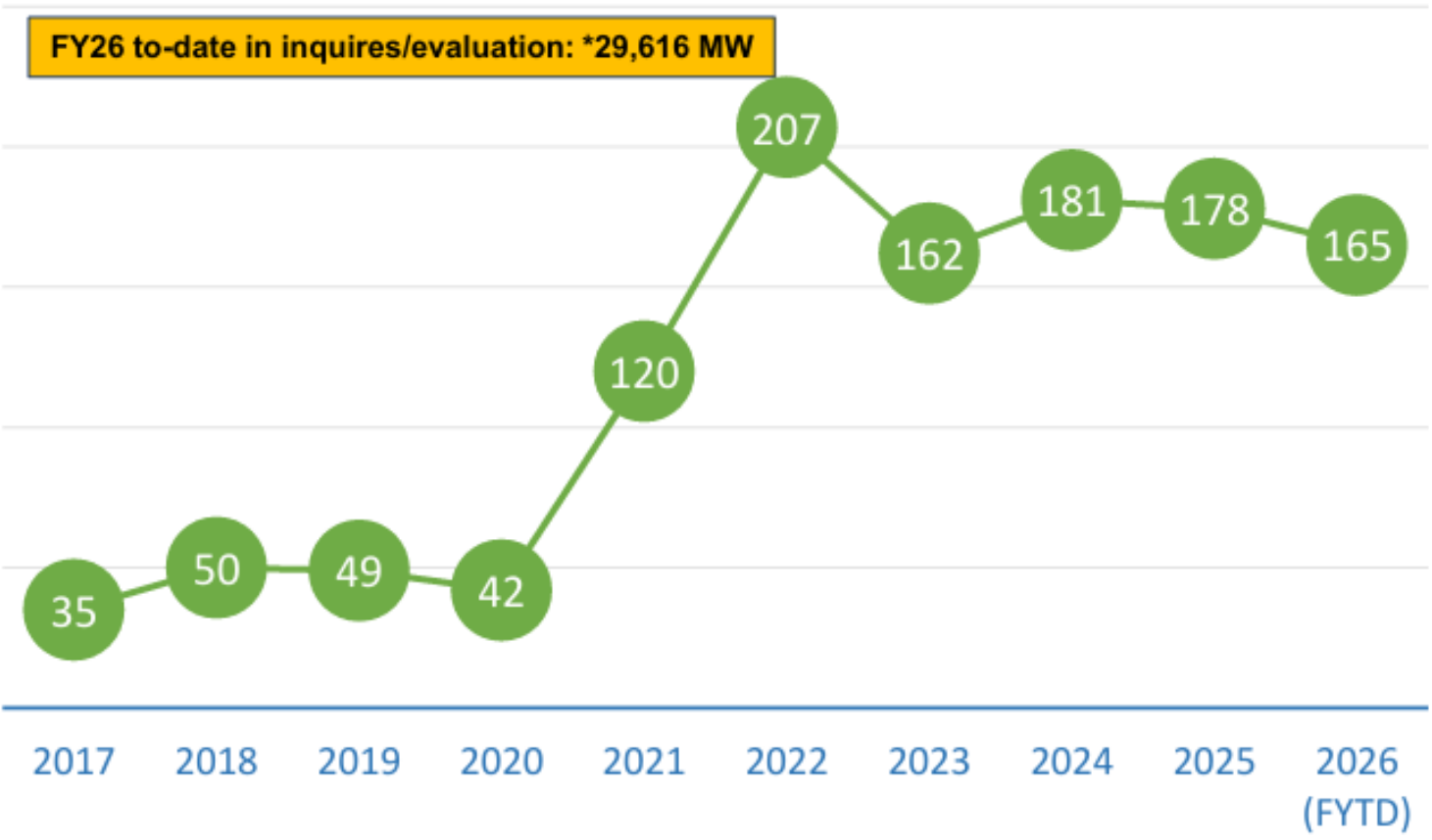
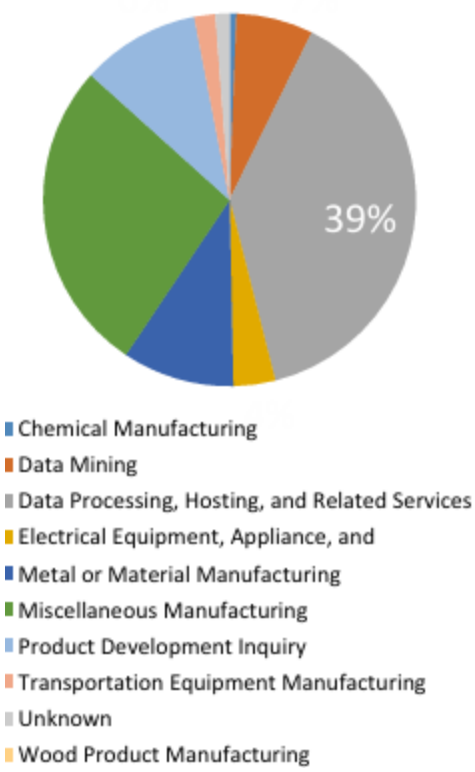
How much power can reach the site

When can service begin

Can it remain reliable as the project grows?



Industrial Development Inquiries – FY26



Power Availability vs. Power Delivery

Can you give it to us now?

01

Available Capacity

How many megawatts available?

What must be constructed?

Low rates are meaningless without schedule met

Who pays?

02

Speed & Certainty

Clear process

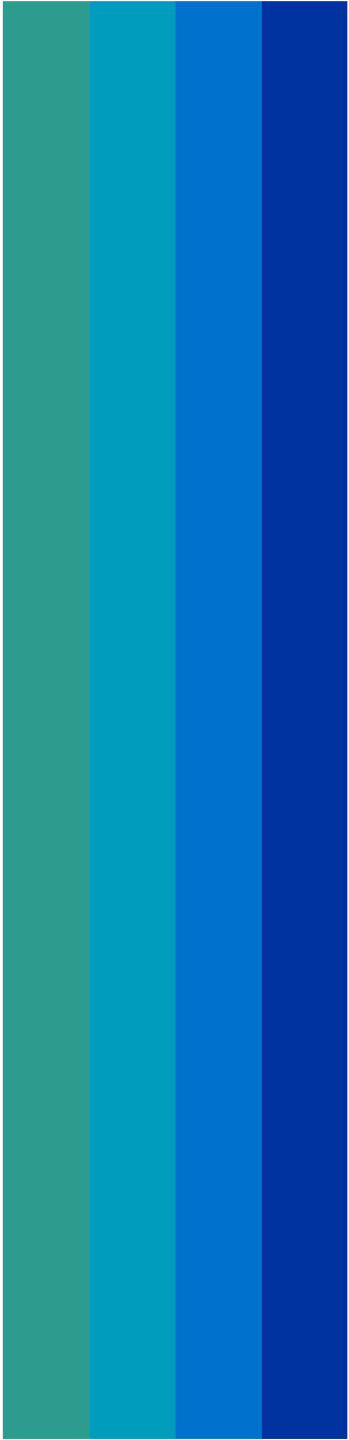
Firm milestones

Credible dates

Predictable costs

Reliability & Resilience

Interruptions are costly
Rates matter over the long haul



Reliability and Room to Grow

The power solution must work today and at full buildout.

01

Reliable Service

Outage history
Backup generation
Fuel supply.

Grid emergencies / curtailment

02

Long-term Cost

Energy Charges
Demand Charges
Transmission Charges

Special Terms



TVA Commitments

A standardized framework integrates commercial requirements, transmission and generation planning, and pricing structures into a unified model that provides a clear, consistent path from initial opportunity through full development. This framework is coordinated by a dedicated Data Center Front Office team.

STANDARD TERMS | PROCESS

DATA CENTER RATE

New standard data center class rates that will apply to all data center customers
- **Data Center Rate Schedule – Schedule DC**

CAPACITY COMMITMENT CHARGE (CCC)

A one-time, non-refundable fee for new or incremental capacity excluding fuel, calculated using a methodology that incorporates incremental capacity costs and offsets from incremental revenues. Currently, approximately **\$1.521 million per MW**.

GENERATION AND TRANSMISSION ALIGNMENT

TVA's **generation capacity-allocation process** aligns with **transmission planning processes**, to provide visibility into timing and support accurate planning activities and commercial direction.

SYSTEM RELIABILITY SAFEGUARDS

TVA's Power Interruption Provisions ("PIP") supports and protects the reliability of the Valley grid when integrating data center customers while TVA builds additional supply. Currently, **TVA has up to 500 capacity hours and unlimited emergency hours per year of demand response call rights**.



TVA'S DATA CENTER FRONT OFFICE

TVA is establishing a Data Center Front Office team to streamline and coordinate all aspects of data center development. The team will operate within a refined and unified process framework designed to enhance consistency, accelerate decision-making.

1. INTAKE AND SCREENING

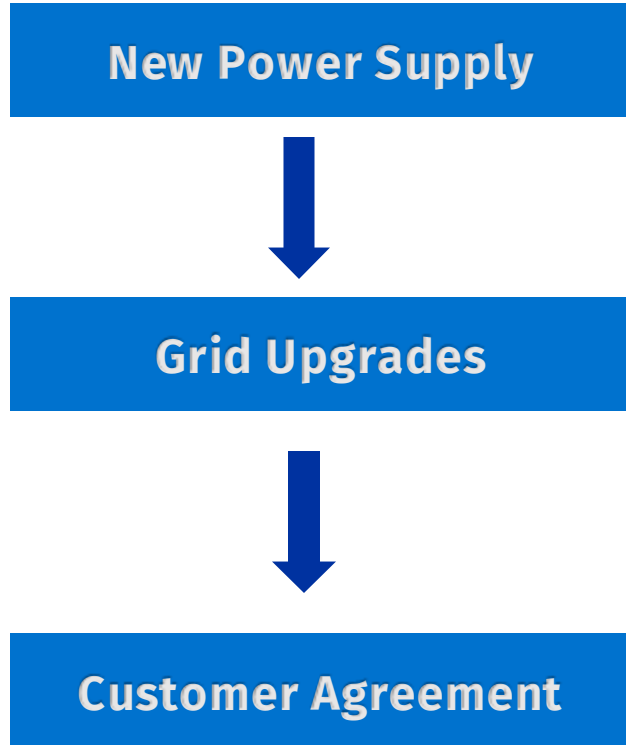
A unified entry process ensures consistent strategic evaluation of all data center opportunities.

2. SOLUTIONING & ALIGNMENT

Cross functional analysis defines feasible pathways and aligns engineering and commercial direction.

3. EXECUTION AND COMMUNICATIONS

Coordinated delivery and execution of agreements and communications collaboration



Who Pays For The Power Infrastructure?

Large loads can require major system investments.

Grid Upgrades

Identify the transmission, substation, and distribution work needed to serve the project.

Establish which costs the developer will fund.

Protecting Existing Customers

Define charges for dedicated capacity and infrastructure, including what happens if the project is delayed, downsized, or uses less power than planned.

Ratepayer Protection Pledge – Key Commitments

- | | |
|---|--|
| 1. Build / Bring / Buy New Power Supply | Companies procure or develop new, additive generation resources to meet their energy needs – advancing self-sufficiency and avoiding cost impacts on ratepayers. |
| 2. Pay for Required Grid Upgrades | Companies fund all new transmission and distribution infrastructure needed to serve their data centers, so costs are not shifted to customers. |
| 3. Pay Regardless of Usage | Companies negotiate separate rate structures and pay for dedicated power and infrastructure whether their facilities use the electricity or not. |
| 4. Invest in Local Jobs and Workforce | Companies hire locally and support training programs to develop skills needed for data-center construction and operations. |
| 5. Support Grid and Community Resilience | Companies coordinate with grid operators and make backup power available during scarcity events to enhance reliability. |

Permitting Certainty

A viable site needs a clear path to approval—and support that lasts through construction.

Clear, Coordinated and Predictable

Not a substitute for weak regulation

Permits

Air
Water Withdrawal & Wastewater
Wetlands
Local Zoning
Building, Fire, Electrical
Right of Way
Transmission and Pipelines

Key Questions

Who has jurisdiction?
Concurrent reviews?
Realistic schedules?
Stable local ordinances?
Can later zoning changes impact?



Community & Political Durability

Need more than a suitable site
Technical win / lose public
Consistency from city/county/state

Decision Makers

Transparency
NDAs
Number/Quality Jobs

Permit Path

Map required permits, public hearings, and review timelines before committing to the site.

Policy Stability

Watch for proposed ordinances, moratoriums, or changes to approved incentives.

Gain Community Support

Address noise, water use, visual impacts, and utility costs early with local stakeholders.



Development-Ready Land

A viable site needs suitable zoning, secure land rights, and enough buildable space for the project and its future phases.



Is the Site Suitable for the Project?

A large tract must also fit the proposed use.

01

Permitted Use

Confirm that local zoning allows the facility, or identify the approvals needed before development.

02

Neighbouring Uses

Review nearby homes and other sensitive properties when planning setbacks, noise controls, and site access.

03

Room for Buffers

Preserve a space for vegetated or existing timber buffers that reduce visual and noise impacts.

Do You Control the Entire Site?

Surface ownership alone may not secure a project.

Ownership

Confirm clear title, unified site control, and enough usable acreage for every planned phase.

Easements

Secure rights for transmission, roads, water, gas, and other infrastructure corridors.

Mineral Rights

Check for severed mineral interests early. Multiple owners and required waivers can delay development or constrain the site.



How Much of the Site Is Buildable?

Parcel size alone does not determine development potential.

Screen Before Site Selection

Identify constraints early and test whether buildings, access roads, drainage, and future phases fit within the usable area.



1 Water & Habitat
Map wetlands, floodplains, drainage patterns and protected species.

2 Ground Conditions
Assess grading, soil stability, and potential contamination.

3 Cultural Resources
Identify historic and archaeological resources before finalizing the site plan.

Supporting Infrastructure

Power gets a project started. Water, connectivity, and access help make the site workable.

Future Capacity

Test whether the site can grow beyond its first phase.

Expansion may require more transmission capacity, substation space, on-site generation, and additional utility upgrades.





Fuel Supply

Confirm gas capacity for on-site generation whether EGU or BTM

- Verify firm gas capacity for on-site generation.
- Gas curtailment conditions.
- Redundant supply paths.
- Transportation capacity (trucking in diesel).
- Proximity to a pipeline does not confirm capacity is available.



Water Issues

Confirm water supply and wastewater capacity.

Firm daily and peak water capacity

Drought limitations

Competing demand (municipal, agricultural, etc.)

Water pressure and line size

Verify wastewater treatment capacity and discharge requirements

Cooling design can change both water and power needs.



Fiber & Telecommunications

Confirm connectivity and diverse fiber routes.

- Verify diverse fiber routes for connectivity.
- Nearby infrastructure alone does not confirm service.

Workforce and Construction Capacity

01 | Construction Workforce

Electricians, pipefitters, welders, and equipment operators.
Availability of contractors for simultaneous major projects.
Thousands of temporary construction workers may be required.

02 | Permanent Operations Workforce

Engineers and control-system technicians.
IT and cybersecurity talent.
A smaller permanent workforce after construction is complete.

03 | Workforce Availability

Training partnerships and specialized workforce development.
Wage competition with existing employers.
Housing, schools, and healthcare to attract specialized employees.

Infrastructure, Transportation & Logistics.



01 | Road and Highway Access

- Interstate and four lane highway access
- Heavy-haul routes
- Bridge clearances and weight limits

02| Transportation Networks

- Rail service
- Navigable-water access
- Airport access

Equipment and Logistics

- Oversized transformer and equipment delivery
- Proximity to suppliers and customers
- Route surveys for oversized and components

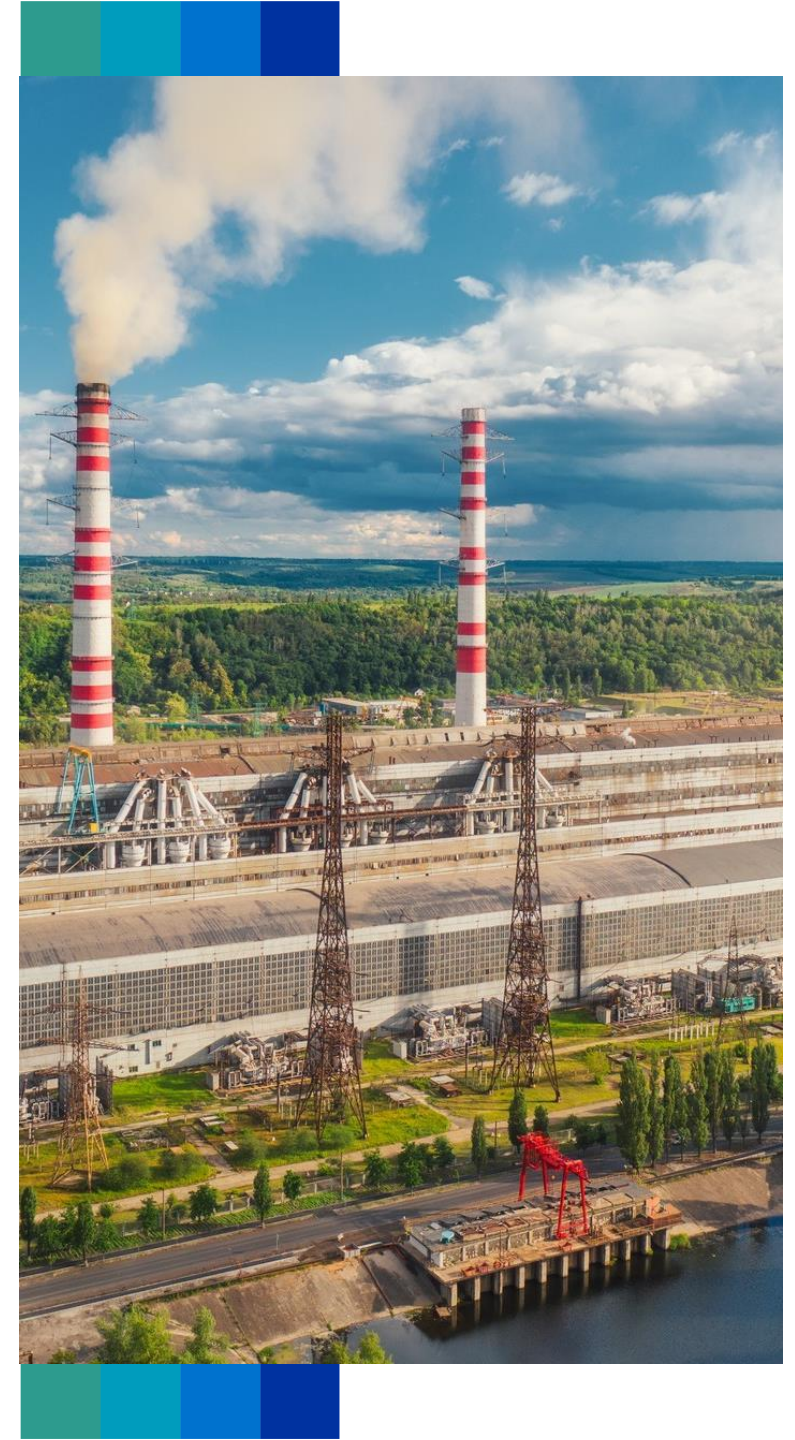
Taxes, Incentives and Commercial Structure

01| Tax Considerations

- Sales and use tax treatment
- Property tax or payment-in-lieu arrangements
- Income-tax credits and payroll rebates
- Equipment taxation and depreciation treatment
- Utility franchise charges

02 | Incentives and Commercial Structure

- Infrastructure grants
- Duration and clawback provisions
- Whether benefits survive future expansions
- Arkansas job-creation and payroll-related programs
- Arkansas Act 548 of 2025



How Arkansas is likely to Be Evaluated

Arkansas Competitive Attributes

- Central location with interstate, rail and river access
- Comparatively affordable land
- Significant natural-gas infrastructure
- Established electric utilities and cooperatives
- Access to MISO and SPP regional grid environments
- Industrial experience in steel, timber, food processing and advanced manufacturing
- State infrastructure and job-creation incentives

01 | Power and Infrastructure

Deliverable power, credible service dates and responsibility for infrastructure upgrades

02 | Resource Availability

Firm water availability during droughts and sufficient capacity for future expansion.

03 | Permitting and Reliability

Achievable air, water and local approvals, along with redundant gas, fiber and transmission routes.

04 | Community and Economic Impact

Long-term community support, protection of existing utility customers and permanent economic benefits.

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ADD BIO



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