

Tennessee State Energy Policy Council Executive Summary

Importance of Energy Policy for Tennessee

A well-structured, comprehensive energy plan is essential to the welfare of Tennesseans and the state's economy and can help avoid the inherent problems of distributed policymaking. Energy plans support policy coordination, guide the development of local energy policies, offer the private sector and public utilities a sense of stability and certainty, and promote individual, environmental, and economic health. The Tennessee State Energy Policy Council's (SEPC) enabling statute tasks the SEPC with creating an effective energy plan and advising the governor and legislature about policies affecting the state's energy sector.

Benefits of a Systematic Approach to Energy Policy

The benefits of a systematic approach to energy policy are reflected in the SEPC's member-developed vision statement:

A state energy sector which provides for improved quality of life, economic growth, greater public health and minimized environmental impact while developing energy distribution and its infrastructure that is stable, resilient and secure for Tennessee

The inclusivity of this vision addresses the needs of all Tennesseans across the socioeconomic spectrum, and it recognizes and upholds the importance of business and industry in Tennessee as engines of economic development and prosperity.

Guiding the SEPC's Approach to Energy Policy

The SEPC has reached consensus on the criteria to be considered in the design, implementation and evaluation of future energy policy.

- Economic development: quality of life, jobs, business opportunities and tax base expansion
- Efficiency and conservation: reducing energy consumption and costs for homes and businesses to improve wellbeing and competitiveness
- Environmental impacts: natural resource, climate and social consequences
- Equity: shared benefits for the state population, including both urban and rural communities
- External effects: state and/or federal actions that serve as constraints or opportunities
- Resource use: exploiting energy resources available in Tennessee
- Resiliency: ability to adapt to disruptive events

SEPC Policy Priorities

In considering the potential opportunities and its purpose to develop well-supported, tailored, and actionable recommendations to guide Tennessee's officials toward securing a bright energy future, SEPC members have identified in a white paper a number of important near-term issues that could provide Tennessee with opportunities to lead in the energy sector, remain competitive in the modern economy, and improve the quality of life for all of Tennessee's residents. The

SEPC will focus on these opportunities and provide further guidance and recommended policy strategies, consistent with its vision statement. The areas where Tennessee can lead include:

- Exploit the state’s comparative advantage in research, supply chain and operations of nuclear technologies, including small modular reactors;
- Expand electric vehicle adoption, use and production in Tennessee;
- Expand fuel source diversification for mass transit, commercial and other applications; and
- Utilize conservation and advanced energy technologies to improve health, education and the economic status of the state’s rural and underserved areas.

Background Information on the SEPC

The Tennessee SEPC was established in 2017 through Tenn. Code Ann. § 68-204-101 *et. seq.* Its mandate is to advise and make recommendations to the Governor and the General Assembly as they relate to: (i) identifying state resources to ensure a secure, stable and predictable energy supply; (ii) managing the use of energy resources; and (iii) promoting domestic energy use while protecting the state’s natural resources, cultural heritage and quality of life. The SEPC is to fulfill its mandate by compiling an annual report on the state energy sector, develop an ongoing comprehensive energy policy plan and create an annual energy plan. Importantly, enabling legislation states that “The council shall serve as the central energy planning policy body of the state...”

The council’s membership is composed of 14 energy experts from diverse backgrounds who work together to anticipate future impacts, inform interested parties, and recommend policy actions to state government regarding energy policy. The council is committed to its role as a source of valuable information and expertise concerning all matters related to energy.