Seven States Power Corporation

The member-owned energy-development and financing arm of the Tennessee Valley's power cooperatives

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Non-profit cooperative that designs, finances, and deploys energy projects for the local utilities distributing TVA power

COMPANY	Seven States Power Corporation	HEADQUARTERS	Chattanooga, Tennessee, USA
OWNERSHIP	Private	LARGEST DISCLOSED AWARD	$439M USDA New ERA
CEO	Betsey Kirk McCall		

ABSTRACT

Seven States Power Corporation is a non-profit, member-owned cooperative serving the local power companies that buy and distribute electricity from the Tennessee Valley Authority (TVA, the federally owned utility that generates and transmits bulk power across a seven-state region). It designs, develops, deploys, and finances energy solutions for those members, spanning solar arrays, battery storage, electric-vehicle (EV) charging, backup generation, and utility-scale generating plants. The distinctive feature is its structure: it holds the powers of a generation and transmission (G&T) cooperative without being a traditional G&T, and was created in 2007 by TVA together with the local utilities partly as an "in-Valley" vehicle to finance power assets around TVA's federal debt-ceiling limits. That dual mandate, project developer plus capital vehicle, lets it co-own large generation alongside TVA while also rolling out distributed assets at member sites. Recent signals include a $439 million USDA New ERA award for renewable projects, 500-plus EV charging ports deployed, and 15-plus solar and storage installations.

Keywords: Seven States Power; Tennessee Valley Authority; generation and transmission cooperative; battery storage; EV charging; USDA New ERA; utility-scale generation; distributed energy resources

1. Snapshot

Seven States Power Corporation (sevenstatespower.com) is a non-profit, member-owned cooperative headquartered in Chattanooga, Tennessee that designs, develops, deploys, and finances energy solutions for the local power companies distributing TVA electricity across the seven-state Tennessee Valley. It was created in 2007 by TVA together with those local utilities as an "in-Valley" vehicle to finance power assets, expand energy production, and modernize the grid, in part to work around TVA's federal debt-ceiling limits. It is owned by those member utilities. Betsey Kirk McCall serves as President and CEO. Because it is a private, member-owned entity, several figures are not cleanly public: revenue, precise employee count, the exact current member tally (the company's own materials cite 153 owners while also referencing "150+"), and the detailed allocation of its USDA funding across projects are all unconfirmed or contested in the available record.

2. Thesis: Why This Company, Why Now

The bet is structural, not technological. Seven States exists because TVA, a federal entity, faces a statutory debt ceiling, and its 150-plus local distributor utilities needed a member-owned vehicle that could finance, own, and develop power assets inside the Valley without tripping that constraint. That is the company's reason for being: it is the cooperative balance sheet and development shop that sits between TVA and the local power companies, and it has carried that role since 2007.

What makes it timely is the convergence of grid modernization, electrification, and a fresh wave of federal capital. The cooperative received a $439 million USDA New ERA (Empowering Rural America) program award for renewable energy projects in the TVA region, a scale of funding that converts a financing-and-development mandate into concrete deployment capacity. The reachable market is bounded and concrete: the member utilities themselves, plus the generation co-ownership it pursues with TVA. This is not an open commercial market but a defined cooperative ecosystem, which both de-risks demand and caps the upside.

3. The Core Idea in Plain English

Think of Seven States as a credit union crossed with a general contractor, purpose-built for small electric utilities. A local distribution utility that wants to install a solar array and battery backup at a community school has neither the engineering staff to design it, the balance sheet to finance it, nor the procurement leverage to buy equipment cheaply, and TVA itself is hemmed in by a federal borrowing limit. Seven States steps in as the entity that designs the project, arranges or co-finances it, manages construction, and hands back a working system.

In the old world, a local power company simply resold TVA electricity and ran wires, figuring out any new project on its own or going without. In the new world, that same utility can offer EV charging, solar, storage, and resilience services because a shared cooperative does the heavy capital and engineering lifting and delivers projects turnkey.

4. The Technical Space

The category here is utility-scale and distributed energy development and financing, judged on different yardsticks than a software company. The underlying problem is that electric utilities, especially smaller distributors, must add generation, storage, and customer-facing assets faster than their own capital and engineering capacity allow, while keeping rates low and reliability high. Three challenges dominate.

- **Interconnection and integration.** Solar arrays, battery storage, and other distributed energy resources (DERs, grid-connected assets that generate, store, or shift load) must be engineered to connect safely with existing distribution infrastructure, which varies enormously across member systems built over decades.
- **Project finance and ownership structure.** Utility-scale assets require capital structures such as sale/leaseback arrangements, tax-advantaged financing, and federal loan programs that small utilities cannot access or administer independently.
- **Operational complexity.** EV charging networks, combined heat and power (CHP, on-site cogeneration of electricity and useful heat) systems, and battery storage all require ongoing monitoring, software management, and maintenance beyond the staffing capacity of a small utility.

What "good" looks like turns on a few dimensions: cost of capital, since cheaper financing directly lowers member rates; project delivery reliability, meaning assets that come in on budget and perform as specified; and breadth of capability, the ability to span everything from a single EV charger to an 800 MW gas plant. Speed of deployment and the ability to absorb federal grant and loan programs round out the scorecard.

5. How Their Technology Works (and What's Proprietary)

Seven States is best understood as a development and financing platform rather than a manufacturer of proprietary technology. Its work decomposes into three functions.

- **Project development and turnkey delivery.** It designs, develops, and deploys energy solutions for members, including EV chargers, solar arrays, battery storage, backup generation, CHP, fiber, cybersecurity, and distributed energy resource management, plus consulting and project management. The differentiation is integration and execution capacity, not a patented device.
- **Asset ownership and co-financing.** Owning and co-financing utility-scale generation is a central function, not a side activity. Its sale/leaseback co-ownership of the Southaven 800 MW combined-cycle gas plant with TVA is the clearest evidence: it holds the powers of a G&T cooperative, letting it sit on the ownership side of large assets.
- **Federal capital absorption.** The $439 million USDA New ERA award shows the platform's ability to channel large public funding into projects across the region.

On proprietary versus replicable: almost none of the underlying technology is unique to Seven States. Solar, storage, and charging hardware are commodity inputs, and the financing structures are well understood. What is genuinely hard to copy is its position, the chartered, member-owned vehicle holding G&T powers and a direct co-development relationship with TVA. That is an institutional asset, not a technical one, and is addressed as a moat below. The deployment record, 500-plus EV charging ports across multiple states and 15-plus solar and battery projects at sites like the U.S. Space & Rocket Center in Alabama and the National Corvette Museum in Kentucky, demonstrates execution but not technical exclusivity.

6. Business and Go-to-Market

The business model is cooperative, not commercial. As a non-profit owned by the local power companies that buy wholesale electricity from TVA, Seven States exists to serve those members rather than to maximize profit. Revenue and margin in the conventional sense are not the operative metrics; the relevant outputs are projects financed and delivered, and assets owned on members' behalf.

The model has two layers. First, fee-for-service project delivery: members commission Seven States to design and build specific projects, paying for engineering, project management, and turnkey construction. Second, asset ownership and financing: Seven States co-owns or finances assets and structures the economics so members access capacity without carrying the full capital cost. The USDA New ERA award fits the second layer, with federal capital flowing to Seven States for deployment across the member network.

Go-to-market is inherently captive and relationship-led. The members are the owners, so demand flows from within the cooperative rather than from external sales. Traction is visible in the deployment record: 500-plus EV charging ports and 15-plus solar and storage projects, with named installations at the U.S. Space & Rocket Center and the National Corvette Museum that serve as visible proof points for members weighing whether to engage. The $439 million New ERA award is the largest disclosed financial signal, though the precise allocation across solar, storage, and other projects is not cleanly documented. Whether Seven States contracts directly at scale with non-utility end customers, versus delivering everything through its members, remains genuinely unclear from the public record.

7. Competitive Landscape and Moats

Seven States occupies an unusual position with few true peers, because its competitive set is defined less by rivals and more by the alternatives its members would pursue if it did not exist: going directly to commercial solar developers, hiring engineering consultants, or simply not doing the project.

Closest comparator: traditional G&T cooperatives. The most direct analog is a conventional generation and transmission cooperative serving member distributors. Where Seven States wins is breadth and flexibility: it holds the powers of a G&T without being a traditional one, letting it co-own gas plants with TVA, deploy distributed assets, and absorb federal awards under a single roof. Where it could lose is depth of owned baseload generation, since it is a development and financing vehicle layered onto TVA's system rather than a standalone wholesale generator with its own large fleet.

Adjacent players. National energy service companies (ESCOs) and Southeast solar and distributed-generation developers could in principle deliver many of the same solar, storage, and charging projects to the same utilities, with deeper engineering benches, larger balance sheets, and faster commercial timelines unconstrained by the TVA footprint.

On moats, two are real and one is partly asserted.

› **Institutional position (durable).** The chartered, member-owned structure with G&T powers and a co-founding relationship with TVA is the central moat. A commercial developer cannot replicate the ownership tie or the in-Valley financing role designed around TVA's debt ceiling.

› **Member-owner lock-in (real).** Because the local power companies own Seven States, switching to a commercial alternative is a governance decision, not just a procurement one, and a multi-state track record of delivered projects deepens that embedded trust.

› **Cost-of-capital advantage (partly asserted).** Cooperative and federally supported financing should lower capital costs, but the precise economics are not publicly detailed.

8. Risks and Open Questions

The risks are less about technology and more about mandate, capital, and scope. The platform's differentiation rests on an institutional relationship rather than defensible IP, so the questions worth pressing are concrete.

- What exactly does the $439 million New ERA award fund, and how is it split across solar generation, battery storage, and other projects? The allocation is not cleanly documented, and competing accounts tie it variously to utility-scale solar and to a battery-storage buildout.
- How large is the actual member base, and is it growing? The company's own materials are internally inconsistent, citing 153 owners while also referencing "150+."
- How concentrated is project activity? If a small number of larger members drive most of the volume, the cooperative's financial health is more concentrated than the headline member count implies, and the distribution across members is not publicly disclosed.
- How dependent is the company on TVA, and what happens if TVA's strategy, debt position, or appetite for co-ownership shifts? The Southaven co-ownership shows deep coupling that is both a strength and a single-point dependency.
- Does Seven States serve only its utility members, or does it contract directly with commercial and residential end customers at scale? Deployments at non-utility sites raise the question without resolving it. And how central is large gas-generation financing to its forward plan?

9. Bottom Line

Seven States is a member-owned financing-and-development engine whose value comes from its chartered position between TVA and local utilities, not from any proprietary technology. The single biggest reason it works is structural: it solves a real capital-and-capability gap that TVA's federal debt ceiling and small-utility balance sheets create, and the $439 million New ERA award shows that role attracting serious funding. The thing to watch next is how the New ERA capital actually gets deployed across solar, storage, and generation, since that will reveal whether the cooperative is scaling its impact or simply intermediating.

10. For the Nerds

The genuinely interesting mechanism is the sale/leaseback co-ownership of the Southaven 800 MW combined-cycle plant with TVA. This is a financial engineering answer to a legal constraint: TVA's statutory debt ceiling limits how much the federal utility can borrow to own generation, so a member-owned cooperative takes an ownership stake and leases it back, keeping the asset "in-Valley" while sidestepping the federal balance-sheet limit. The structure converts a regulatory boundary into a financing architecture, and it is the template that makes the larger ambitions, including reportedly substantial gas and storage financing, technically conceivable.

The open question is whether this model scales cleanly across a portfolio that now spans baseload gas, utility-scale solar, distributed storage, and EV charging. Each asset class carries a different cost-of-capital, performance, and risk profile, and the distributed energy resource management offering would, in principle, need to orchestrate them against TVA's wholesale system. Whether Seven States is actually building toward that coordinated, grid-services posture or treating DER management as one project-delivery offering among many is not clear from the available record. That distinction is the bet that determines whether the cooperative's capital structure and engineering bench can hold the breadth together rather than excelling at a single slice.

WHERE SOURCES DISAGREE

How many local power companies are members

The company's own organization page states it is owned by 153 local power companies, while also saying it serves "150+," and a regional business council directory lists 154

Unresolved: the company's own materials are internally inconsistent and the highest-quality sources cluster on 153 rather than a single definitive figure

The exact USDA funding structure for the battery-storage buildout

One account, drawn from news coverage, describes an "Energy Express" project of up to 220 MW of battery storage funded by roughly a $414–415 million zero-interest loan plus a ~$24–25 million grant. Another reading notes the company's own pages and major trade coverage confirm only the ~$439 million New ERA total "for renewable energy projects" without cleanly breaking out the storage capacity or the precise loan-versus-grant split

Unresolved: the specific figures appear only in secondary reporting and are not consistently stated across sources

Whether the $439 million New ERA award funds solar generation, battery storage, or a broader mix

Some coverage frames the award around utility-scale solar (and an unconfirmed ~250 MW figure); other coverage ties it to battery storage via "Energy Express," and the industry-association source describes only "renewable energy projects" generally

Unresolved: no accessible primary source breaks out the allocation

Whether Seven States serves only its utility members or also commercial/residential end customers

One reading is that its ownership and governance are strictly member-utility-centric, with all work flowing through local power companies. Another reading notes the site uses broad "customers" language and points to deployments at non-utility end-use sites (museums, attractions), suggesting wider reach

Unresolved: the available evidence does not clarify whether the company contracts directly at scale with non-utility customers or delivers those solutions through its members

The status of large gas-generation financing (reportedly up to $5.6 billion for ~4,000 MW of natural gas and ~300 MW of storage)

One reading treats this as aspirational and peripheral. Another reading notes the company's documented strategy centers on co-owning utility-scale generation with TVA (e.g., the Southaven 800 MW gas plant), making large gas financing consistent with its core mission rather than incidental

Unresolved: the specific $5.6B/4,000 MW/300 MW figures were not located in primary sources, even as the broader gas co-ownership strategy is well-documented