

# PUBLICATION

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## Tennessee Deepens Investment in Nuclear Industry

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**In his final State of the State address on February 2, Governor Bill Lee announced that his budget request for the 2026 legislative session will include an additional \$25 million for Tennessee's Nuclear Energy Supply Chain Investment Fund (the Nuclear Energy Fund).**

### What is Tennessee's Nuclear Energy Fund?

The Tennessee Nuclear Energy Fund is dedicated to supporting the expansion of nuclear-related businesses, workforce development, and site development throughout the state. To date, the state legislature has made \$70 million available for the Nuclear Energy Fund. Since its inception in 2024, the Nuclear Energy Fund has backed 14 projects involving private companies, universities, and local governments, totaling approximately \$47 million in committed funds. These initiatives encompass a range of activities such as uranium enrichment, advanced reactor development, nuclear component manufacturing, education programs, and site or infrastructure preparation. The funded projects have collectively committed to creating more than 2,500 new Tennessee jobs and more than \$8 billion in investment from the companies recruited.

### Why Does It Matter?

Governor Lee's proposal to add an additional \$25 million to the Nuclear Energy Fund would bring the total to \$95 million. That means the funds committed to date would represent about half of the total funds available. Put differently, the Tennessee Department of Economic and Community Development would have at its disposal the resources to double the economic benefits the Fund has already provided up until now. The availability of these funds not only helps to boost the local and regional economies, it also helps promote the development of a domestic supply chain for the nuclear industry.

### What Other Investments Are the State Considering?

In addition to his proposed addition of \$25 million to the state's Nuclear Energy Fund, the Governor's proposed budget includes:

- **\$50 million** to continue Tennessee's efforts to lead the nation in the adoption of artificial intelligence technology;
- **\$20 million** to complete the relocation of the North Data Center; and
- **\$20 million** to accelerate Tennessee's quantum computing industry by attracting substantial federal and private-sector investment.

If you have any questions about nuclear energy in Tennessee or if you need assistance in pursuing economic development, please reach out to [R. Culver Schmid](#) and [Christopher Chandler](#). Baker Donelson's robust government relations team in Nashville will continue to monitor [legislative developments throughout the current session](#). For questions, please contact [Jacob D. Baggett](#).

