



NEWS RELEASE

TVA Board Approves Pilot Project to Build Solar Facility at Shawnee Fossil Site

- To accelerate TVA's drive towards a sustainable, clean energy future, its board approved a \$216 million, first-of-its-kind pilot program at the Shawnee Fossil Plant to explore the potential of developing a utility-scale solar project on a closed coal ash storage location, pending environmental reviews and regulatory approval.
- Repurposing retired fossil sites is one of several intentional actions TVA is taking in its decarbonization efforts, including adding 10,000 megawatts of solar energy by 2035; issuing the [industry's largest-ever – 5,000 megawatt – clean-energy request for proposals](#); and its industry-leading pursuit of [grid-scale small modular reactors](#).
- TVA was able to achieve strong performance and financial results in fiscal year 2022 despite high fuel prices and record electric load, reducing debt to its lowest level in 35 years and achieving its strongest financial health in decades.
- TVA's continued strong performance and diverse generation fleet help minimize the impact of higher fuel costs on winter heating bills, expecting to keep any increase to less than half the forecasted national average.

STARKVILLE, Miss. — The Tennessee Valley Authority Board of Directors on Thursday approved the nation's first-of-its-kind pilot program to determine if closed coal ash sites are suitable for utility-scale solar projects. Pending environmental reviews and regulatory approval, the \$216 million pilot project would explore an innovative approach to repurpose a closed coal ash site at the Shawnee Fossil Plant to advance TVA's clean energy efforts.

This pilot project expands TVA's efforts to make its seven-state region the national focal point for decarbonization by leading innovation efforts in new [nuclear](#), [renewable energy](#), [electric vehicles](#), [energy storage](#) and [hydrogen](#).

"The space between execution and aspiration is where innovation lives," said Jeff Lyash, TVA president and CEO. "Achieving a net-zero clean energy future is critical to our nation's energy security goals and requires innovative thinking and exploring new technologies. TVA was created as an innovation company and is uniquely positioned to demonstrate these technologies for the rest of the industry – both in the U.S. and around the world."

The Board recognized TVA's fiscal year 2022 industry-leading decarbonization initiatives guided by the agency's [Strategic Priorities and Guiding Principles](#):

- Achieved a 57 percent reduction in "mass" carbon emissions from 2005 levels while having a path to ~80 percent reduction by 2035 and net-zero carbon aspiration by 2050.
- Issued a [5,000-megawatt carbon-free energy](#) request for proposals.
- Collaborated with [Ontario Power Generation](#) on the feasibility of deploying grid-scale small modular reactors in Canada and the United States.

- Optimized its existing nuclear fleet to provide almost 40 percent of the region's carbon-free power.
- Worked on a grid-scale battery storage project that will use lithium-ion batteries to store energy for use when needed, and it will help guide future battery projects.
- Explored the use of clean hydrogen to generate electricity and lower carbon emissions.

"TVA is outcome-focused and there is no single answer to reducing carbon emissions," said Lyash. "Our path to a clean energy future may not always be linear, but our end goal is to follow a defined strategy to [accelerate the process](#) across the industry and expand carbon-free technologies that will power our nation's sustainable clean energy economy without impacting reliability, resiliency or affordability."

Lyash noted that TVA issued a request for proposals for conducting a Valley Decarbonization Study in calendar year 2023. The study is intended to model pathways to further reductions in emissions throughout the economy.

FY22 Strong Operational and Financial Performance

In fiscal year 2022, TVA was able to achieve strong performance and financial results despite high fuel prices and record electric load that surpassed 30,000 megawatts for six days in both June and July. TVA's base revenue, operating cash flow and operations and maintenance results were all better than forecasted.

TVA's net income was \$1.1 billion for the fiscal year, \$463 million favorable to budget. A detailed review of TVA's finances will be included in TVA's Securities and Exchange Commission Form 10-K, which will be [publicly available](#) on Tuesday morning, Nov. 15.

"Our fiscal year 2022 efforts to operate efficiently and continue to manage debt at its lowest level in 35 years created the flexibility to extend the 2.5 percent Pandemic Relief Credit into fiscal year 2023 – which is expected to provide our customers about \$230 million to help alleviate the continued financial pressures of a volatile economy," said TVA's Chief Financial and Strategy Officer John Thomas. "As the nation struggles with rising energy costs, I am incredibly proud of our employees' commitment to TVA's mission of service, especially considering the nearly 90 percent increase in average natural gas prices year-over-year and inflationary pressures."

TVA remains focused on protecting consumers as recent media reports indicate that those who use electricity to heat their homes are [expected to pay on average 10 percent more this winter](#) than a year ago.

TVA forecasts indicate that Valley residents heating their homes with electricity this winter can expect to see impacts that are less than half of the increase anticipated nationwide. This is due to solid operational and financial performance over the past decade while investing in one of the most diverse generating systems in the nation – over 50 percent carbon-free of TVA's total power supply in fiscal year 2022 – which limits the impact of volatile fuel markets.

"Our goal is to do everything possible to keep power bills low and reduce the burden on already tight family budgets," said Lyash. "Because of the work of our dedicated employees, we have been able to keep base rates flat since 2019."

In fiscal year 2022, TVA helped attract or retain an estimated 66,500 jobs and over \$10 billion in projected capital investment. Over the past five years, those figures are much larger – 346,000 jobs and \$47 billion of investment in the region.

In other business, the Board:

- Approved FY23 CEO total compensation, which continues to balance recognition of leading TVA's complex operations with the agency's public service mission and remains below the national median compensation of similar organizations.
- Set a 1.0 corporate multiplier for TVA's short-term at-risk compensation package for all TVA employees, recognizing the continued performance of the team in meeting demanding goals under challenging conditions.
- Recognized Board Directors A.D. Frazier and Jeff Smith for their service during their final Board meeting.

TVA places a high priority on transparency. Learn more about TVA's diversity and inclusion efforts, sustainability, strategic planning, financial health, and new nuclear program at tva.com/about-tva/reports.

The Tennessee Valley Authority is a corporate agency of the United States that provides electricity for business customers and local power distributors serving nearly 10 million people in parts of seven southeastern states. TVA receives no taxpayer funding, deriving virtually all of its revenues from sales of electricity. In addition to operating and investing its revenues in its electric system, TVA provides flood control, navigation and land management for the Tennessee River system and assists local power companies and state and local governments with economic development and job creation.

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Editor's Note: [Click here](#) for a high-definition rendering of the proposed Shawnee Solar Pilot Program.

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