TENNESSEE VALLEY AUTHORITY

Board Meeting

August 22, 2024

Florence, Alabama

Opening Remarks

Jeff Lyash
President and CEO

August 22, 2024

TVA TENNESSEE VALLEY AUTHORITY

Dave Flessner

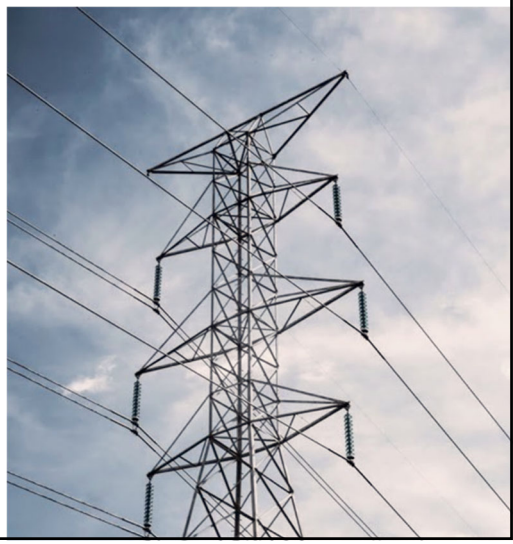
Business Editor
Chattanooga Times Free Press

Photo by Matt Hamilton


TVA
TENNESSEE VALLEY AUTHORITY
ENGAGE
PROMOTING WOMEN'S ECONOMIC SECURITY
Tennessee Valley Women's Policy Summit
Speaker Bios


EXIT


TVA



Energy Efficiency & Demand Response

Helping families, schools and businesses reduce their energy use and working with businesses and industries to reduce or shift their energy use during periods of high demand.

$1.5 Billion

Initiative to offset

30%

of future load growth


TVA

For illustrative purposes only

Opening Remarks

Jeff Lyash
President and CEO

August 22, 2024

TVA TENNESSEE VALLEY AUTHORITY

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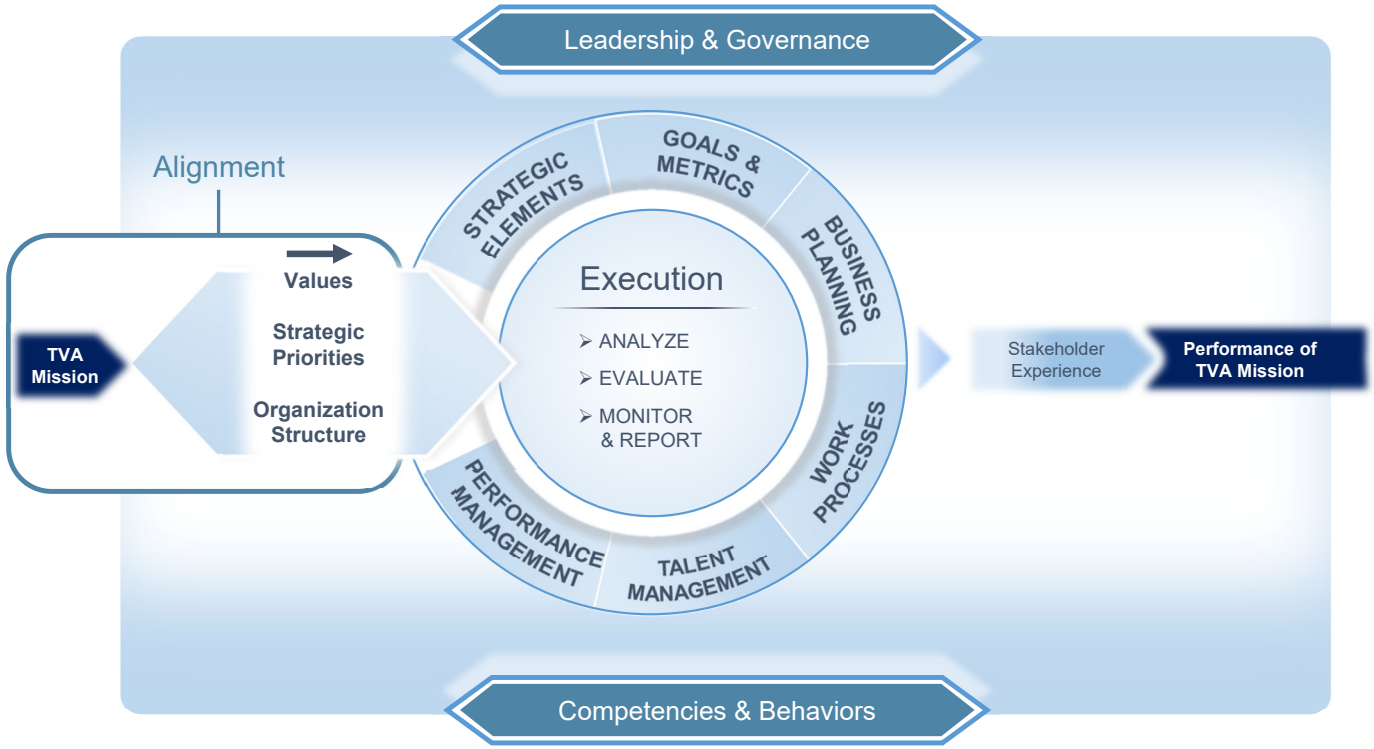
Florence, Alabama

TVA's Operating Model

Framework governing TVA's business and operating activities



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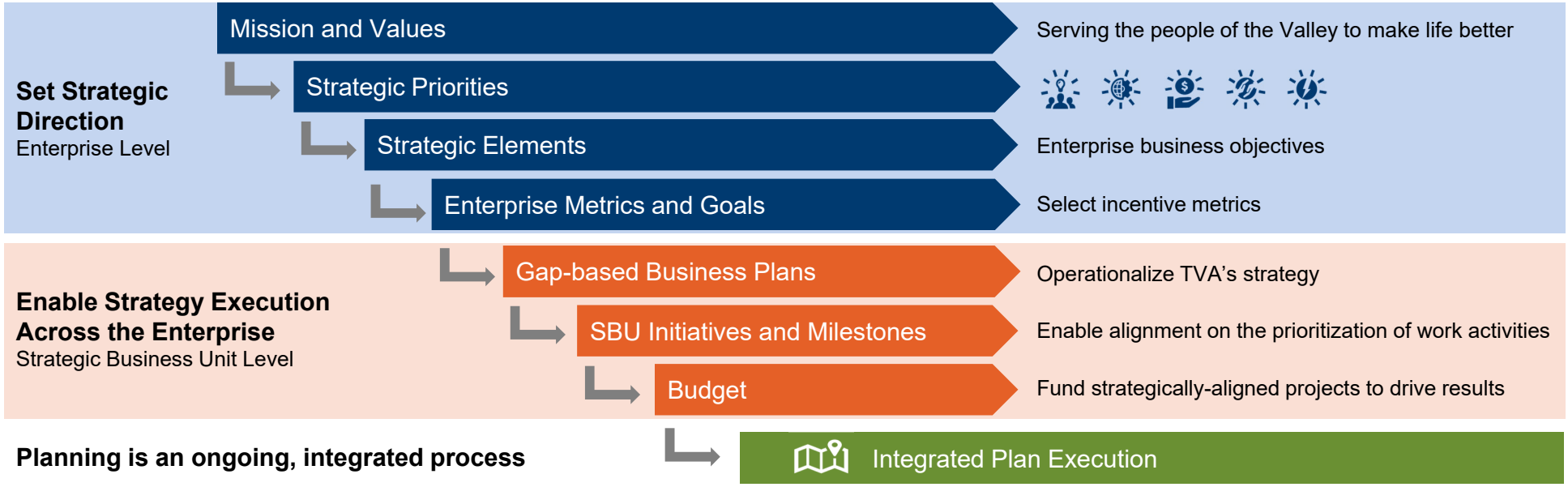
Integrated Planning Process

TVA's Integrated Planning Process Ensures Enterprise Alignment with Our Mission and Strategy



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TENNESSEE VALLEY AUTHORITY

Board Meeting

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Strategic Elements

People Advantage

Foster a culture that embraces, adapts quickly to, and anticipates changes needed for TVA to excel in the future public power utility marketplace

Support inclusion with diversity efforts to attract and retain the best talent for TVA

Deliver an efficient and agile HR service model that enables enterprise effectiveness

Develop the next generation of TVA leaders

Operational Excellence

Nation's top nuclear fleet by 2025

Achieve leading operational performance by managing the generation fleet based on the mission of each asset

- Gas and hydro to top quartile
- Coal fleet based on end of life

Increase generation and transmission capacity while fostering excellence in project management and construction

Advance TVA's grid capabilities to increase flexibility for future additions and to meet the reliability and resiliency needs of the future

Accelerate the deployment of existing clean technologies including solar, storage, energy efficiency, and demand response

Financial Strength

Maintain financial health while funding TVA's energy transition

Ensure sufficient revenues to meet financial commitments (revenue requirements)

Evolve the public power model while incorporating Valley Vision 2035

Powerful Partnerships

Build partnerships and community connections to enable solutions

Champion the public power model through the region's energy expansion

Align with our customers and economic development agencies to target industries that are critical to the Valley's long-term success

Responsibly foster excellence in natural resource management and environmental stewardship as we transition to the energy system of the future

Igniting Innovation

Advance energy transformation in the Valley through leveraging technology and innovation in all our work

Refine innovation framework to align with TVA's strategic intent

Support the development of new technologies to further accelerate decarbonization and prepare to deploy commercially viable technologies

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TENNESSEE VALLEY AUTHORITY

Board Meeting

August 22, 2024

Florence, Alabama

Operations and Nuclear Oversight Committee

Bobby Klein, Chair

TVA TENNESSEE VALLEY AUTHORITY

Operations Quarterly Update

Don Moul
Executive Vice President & Chief Operating Officer

August 22, 2024

TVA TENNESSEE VALLEY AUTHORITY

Cheatham County Update

Completed TVA Activities

- Notice of Intent
- Public Input on Scoping
- Scoping Report
- Precedent Agreement

In-Progress TVA Activities

- Transmission Scoping
- Developing Draft Environmental Impact Statement (EIS) including evaluating alternative actions
- Stakeholder Engagement
- Developing Community Benefits Plan

Future TVA Activities

- Procurement Activities (2024)
- Publish Draft EIS & Public Comment Period (late 2025)
- Finalize & Publish EIS (mid 2026)
- Publish Record of Decision (mid/late 2026)

Any actions taken prior to the completion of the National Environmental Policy Act process will not irreversibly and irretrievably commit TVA to a particular course of action prior to a final decision.

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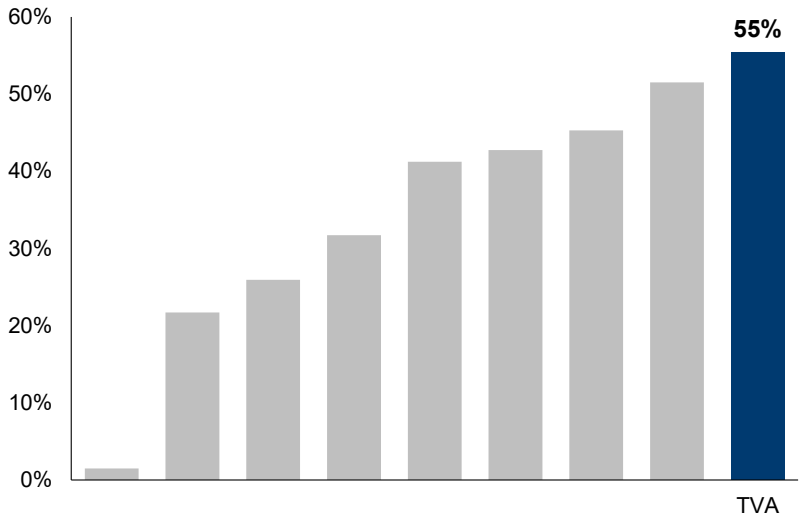
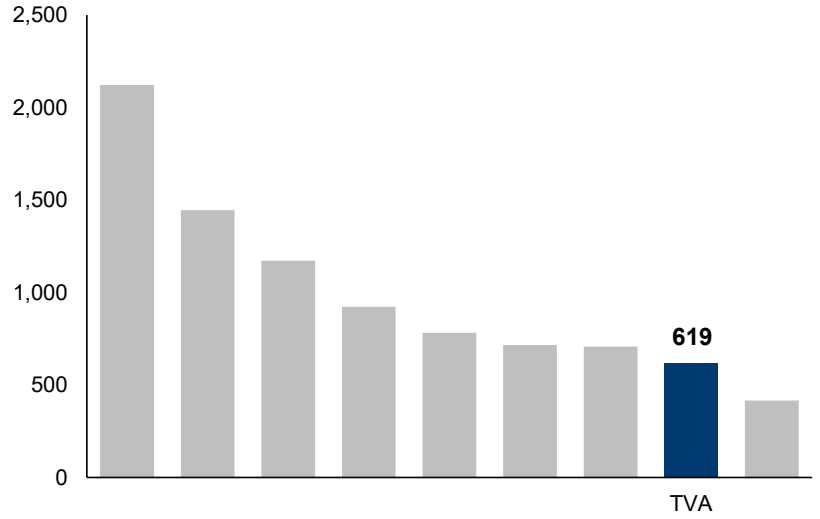
Regional Peer Comparisons

Net Generation Including Purchased Power

Clean Energy Generation (% of Total Generation)
Regional Peer Holding Companies
3-Year Average, 2020-2022



CO_2 Emissions Rate (Lbs/MWh)
Regional Peer Holding Companies
3-Year Average, 2020-2022



Source: EEI Electric Company Carbon Emissions and Electricity Mix Reporting Database for Corporate Customers

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Operations Quarterly Update

Don Moul
Executive Vice President & Chief Operating Officer

August 22, 2024

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Operations and Nuclear Oversight Committee

Bobby Klein, Chair

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Nuclear Quarterly Update

Tim Rausch
Executive Vice President and Chief Nuclear Officer

August 22, 2024

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Operations and Nuclear Oversight Committee

Bobby Klein, Chair

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Finance, Rates, and Portfolio Committee

Wade White, Chair

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Financial Update

John Thomas
Executive Vice President
Chief Financial & Strategy Officer
Financial Services

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“Safe Harbor” Statement

This document contains forward-looking statements relating to future events and future performance. All statements other than those that are purely historical may be forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as “may,” “will,” “should,” “expect,” “anticipate,” “believe,” “intend,” “project,” “plan,” “predict,” “assume,” “forecast,” “estimate,” “objective,” “possible,” “probably,” “likely,” “potential,” “speculate,” the negative of such words, or other similar expressions. Although TVA believes that the assumptions underlying the forward-looking statements are reasonable, TVA does not guarantee the accuracy of these statements. Numerous factors could cause actual results to differ materially from those in the forward-looking statements, and multiple future items may depend on future TVA Board actions beyond today’s meeting. For a discussion of these factors, please see the annual, quarterly, and periodic reports that TVA files with the Securities and Exchange Commission. New factors emerge from time to time, and it is not possible for management to predict all such factors or to assess the extent to which any factor or combination of factors may impact TVA’s business or cause results to differ materially from those contained in any forward-looking statement. TVA undertakes no obligation to update any forward-looking statement to reflect developments that occur after the statement is made.

Financial Update

TVA TENNESSEE VALLEY AUTHORITY

Summary of Financial Results

For nine months ended June 30, 2024 (compared to prior year)

Lower effective power rate benefiting from system diversity and lower fuel and purchased power costs

Higher base rate offset by lower fuel rate

- Higher effective base rates and higher sales volume
- Offset by a 18% decrease in fuel cost recovery revenues

Higher net income from higher operating revenue

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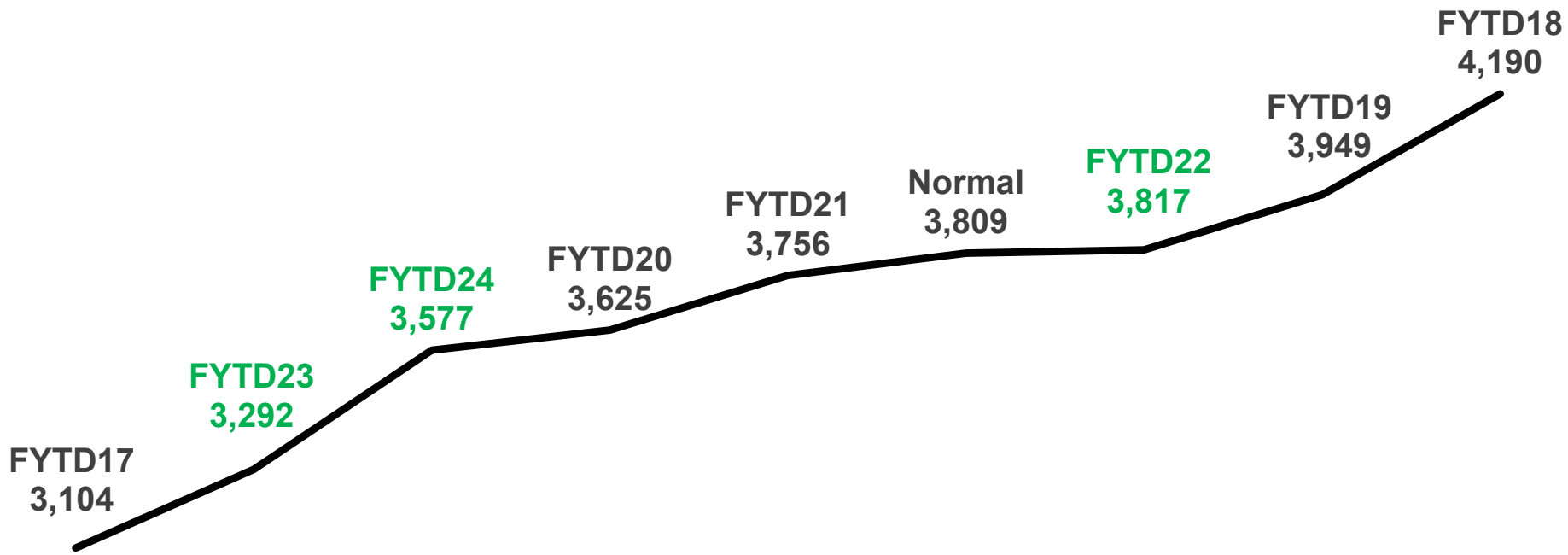
Total Degree Days Below Normal

FYTD weather was 6% below normal and 9% higher than last year



FY17 data has been adjusted to incorporate a change in TVA's current calculation of total degree days

TVA TENNESSEE VALLEY AUTHORITY

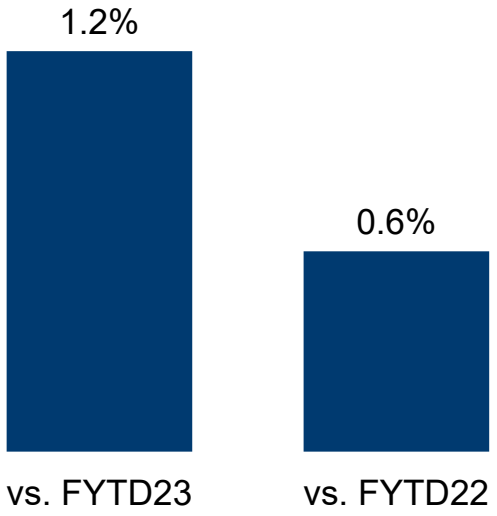
Sales and Revenue

	FYTD24	FYTD23	Change	Percent Change
Power Sales (GWh)	117,313	112,685	4,628	4.1 %
Total Operating Revenues ($ millions)	$8,798	$8,672	$126	1.5 %
Base Revenue	6,193	5,554	639	11.5 %
Fuel Cost Recovery	2,455	2,988	(533)	(17.8)%
Average Base Rate (¢/kWh)	5.3	4.9	0.4	8.2 %
Average Fuel Rate	2.1	2.7	(0.6)	(22.2)%
Total Effective Rate*	7.4	7.6	(0.2)	(2.6)%

Calculations may be impacted by rounding

* Excludes other revenue and off-system sales impact; total effective rate numbers based on unrounded base and fuel rates

Weather Normalized FYTD24 Sales vs. Prior FYTD (% change)



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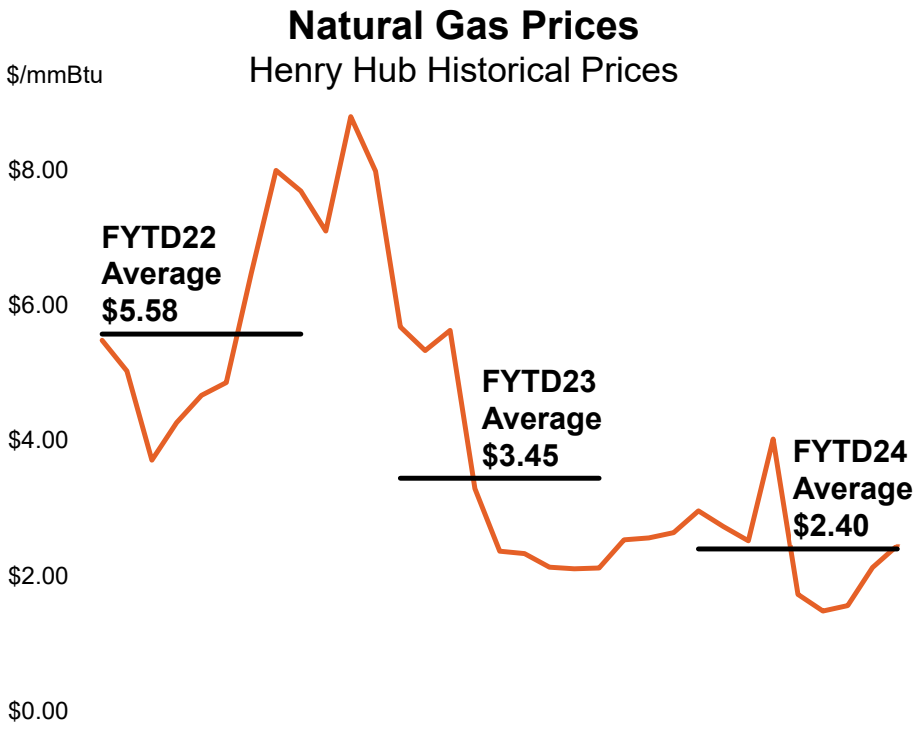
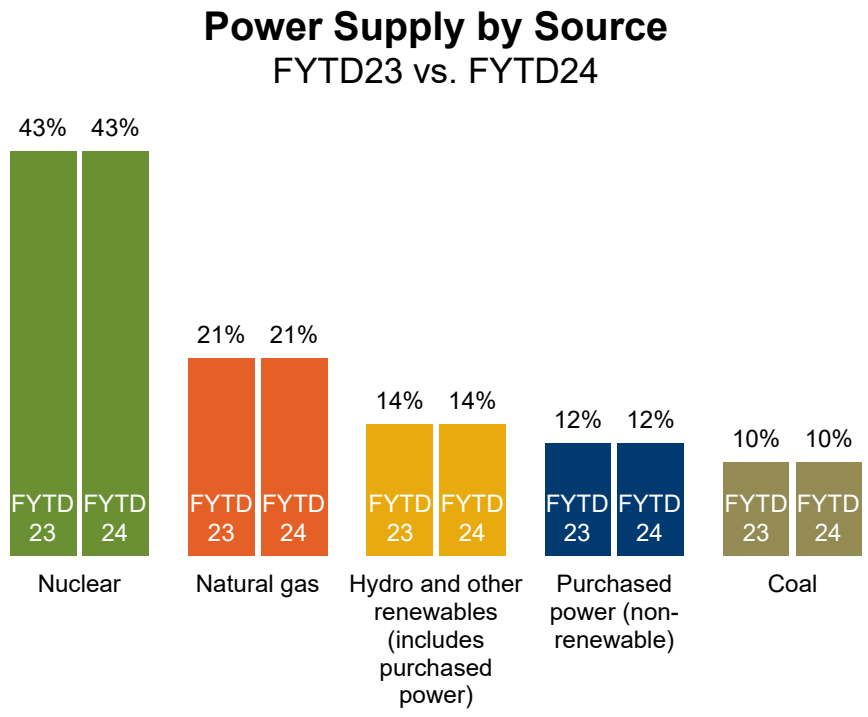
Power Supply Summary

Benefiting from a diverse power system and lower fuel costs





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Q3 Summary Income Statement

$ million	FYTD24 Actual	FYTD24 Budget	Variance Fav/(Unfav)	FYTD23 Actual	'24 v '23 Fav/(Unfav)
Base Revenue	$ 6,193	$ 6,139	$ 54	$ 5,554	$ 639
Fuel Revenue	2,455	2,565	(110)	2,988	(533)
Other Revenue*	150	128	22	130	20
Total Operating Revenue	**$ 8,798**	**$ 8,832**	**$ (34)**	**$ 8,672**	**$ 126**
Fuel & Purchased Power	2,700	2,838	138	3,079	379
Total O&M	2,671	2,679	8	2,546	(125)
Taxes, Depreciation, Other	2,017	2,177	160	2,162	145
Interest	795	827	32	794	(1)
Net Income (Loss)	**$ 615**	**$ 311**	**$ 304**	**$ 91**	**$ 524**

* Includes off-system sales

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Q3 Summary Cash Flow Statement

$ million	FYTD24			FYTD23	
Net Cash Provided by / (Used in)	**Actual**	**Budget**	**Variance**	**Actual**	**'24 v '23**
Operating Activities	$ 1,939	$ 1,638	$ 301	$ 1,776	$ 163
Investing Activities	(2,546)	(3,270)	724	(2,233)	(313)
Financing Activities	607	1,632	(1,025)	457	150
Net Change in Cash	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Beginning Total Financing Obligations	**$ 20,525**	**$ 20,599**	**$ 74**	**$ 20,336**	**$ (189)**
Change in Debt and Financing Obligations	642	1,688	1,046	497	(145)
Ending Total Financing Obligations	**$ 21,167**	**$ 22,287**	**$ 1,120**	**$ 20,833**	**$ (334)**

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Recap of Financial Results

For nine months ended June 30, 2024 (compared to prior year)

Lower effective power rate for customers

Lower fuel and energy costs offsetting base rate increase FYTD

Higher sales due to weather

Lower operating expenses

Operating cash flow remains strong

Capital plan on track - lower debt than plan due to timing

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FY25 Rate Increase

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Recommendation

To establish rates at a level sufficient to recover expected costs, it is recommended that the Board approve a 5.25% increase to wholesale base rates for TVA FY25.

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Uses of FY24-25 Rate Adjustment Revenue in FY25

	$ million
Enterprise Cost Optimization Initiative	361
Capacity Purchase Power Agreements	(283)
Power Operations Reliability Investment	(226)
Interest Expense	(199)
Pilot and Other	(151)
Operations Workforce Optimization, Environmental Regulation, and Site Studies	(125)
Technology: Operational System Upgrades (General Ledger, Human Capital Management, Work Management), Research and Development for Carbon Capture Wells, Energy Storage, and Regional Grid Transformation	(123)
Incremental Energy Efficiency and Demand Response (EEDR)	(63)
Top Nuclear Fleet Priority	(55)
Transmission Fleet Strategy	(47)
Total	**(911)**

Cost estimates are from FY24 planning cycle.

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FY25 Budget

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Purpose and Background

Purpose

Action Items. Seek Board approval of wholesale base rate adjustment of 5.25%, and seek Board approval of the following FY25 budget items:

- FY25 Budget
- FY25 Commercial Transactions Contracting Plan
- Final FY24 tax equivalent payments
- Estimated FY25 tax equivalent payments
- Projects over $200 million
- Acquisition of Land Rights
- Long-lead Procurement Contracting Authority
- Financing Shelf for up to $4.0 billion of long-term bonds and associated resolutions
- Contribution to the Retirement System of $300 million
- Regulatory Accounting
- Dodd-Frank End-user Exemption
- Retention of the entire margin of net power proceeds

Background

In the fourth quarter, the Finance, Rates, and Portfolio Committee recommended the above listed items to the full Board for approval leading up to the August Board meeting.

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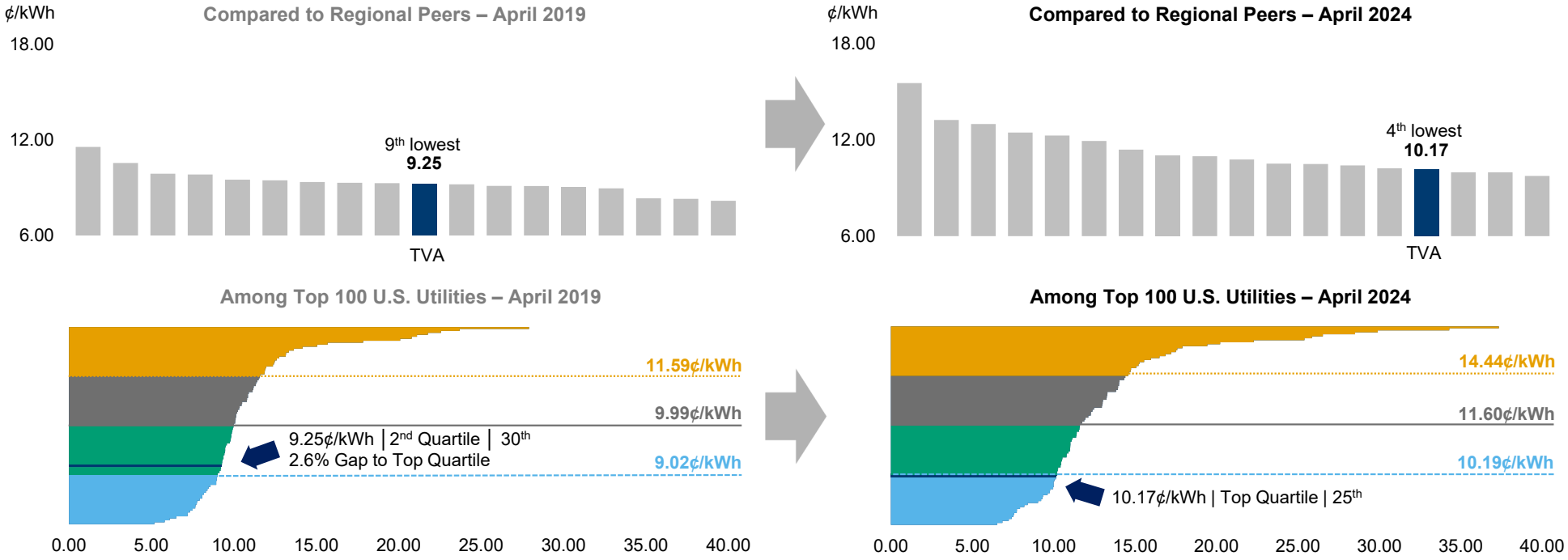
Retail Rate Competitiveness



12-month Rolling Average (¢/kWh) – Sources: U.S. Energy Information Administration-861M and Electricity Sales Statistics

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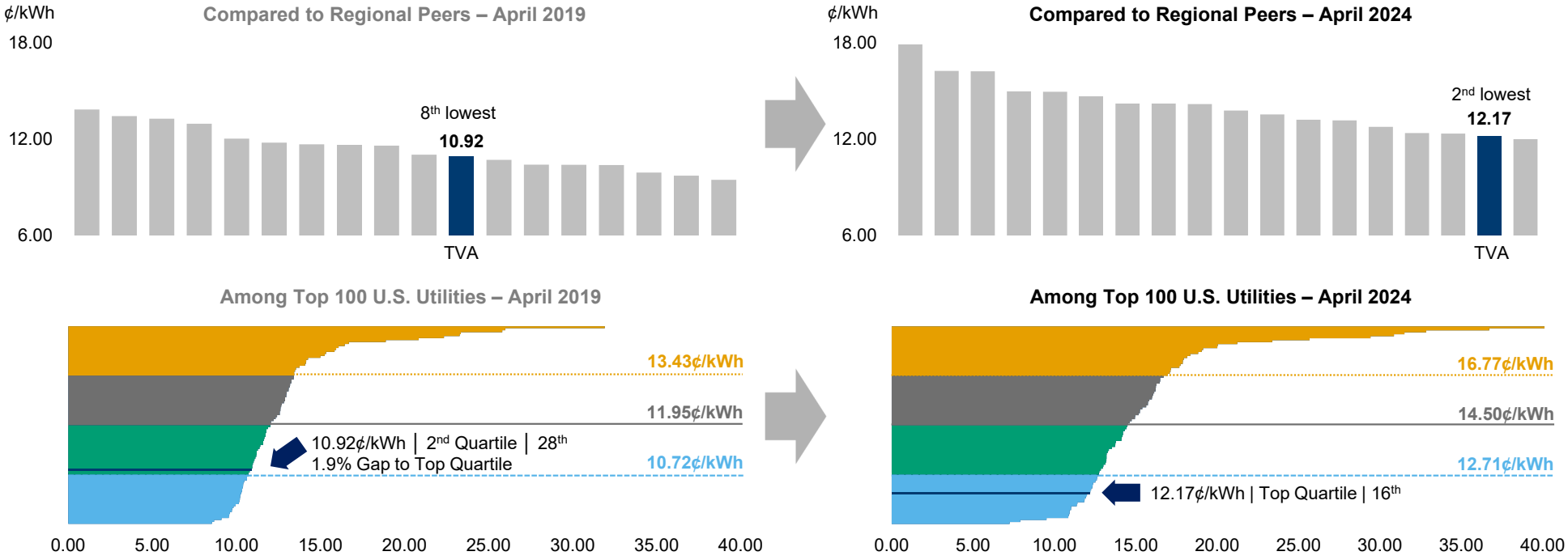
Residential Rate Competitiveness



12-month Rolling Average (¢/kWh) – Sources: U.S. Energy Information Administration-861M and Electricity Sales Statistics

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Key Planning Assumptions

Load forecast projecting moderate growth (1.4% CAGR FY24-27, 0.7% 10-year CAGR)

Additional load growth for the foreseeable future will challenge capacity position

Continue optimizing lowest variable cost dispatch and improving plant availability

Acceleration of clean energy evolution

- 4,000 MW of solar and battery storage operating by FY29 (contract nameplate)
- 2,000 GWh of energy savings and 2,900 MW of demand response (DR) capacity by FY29

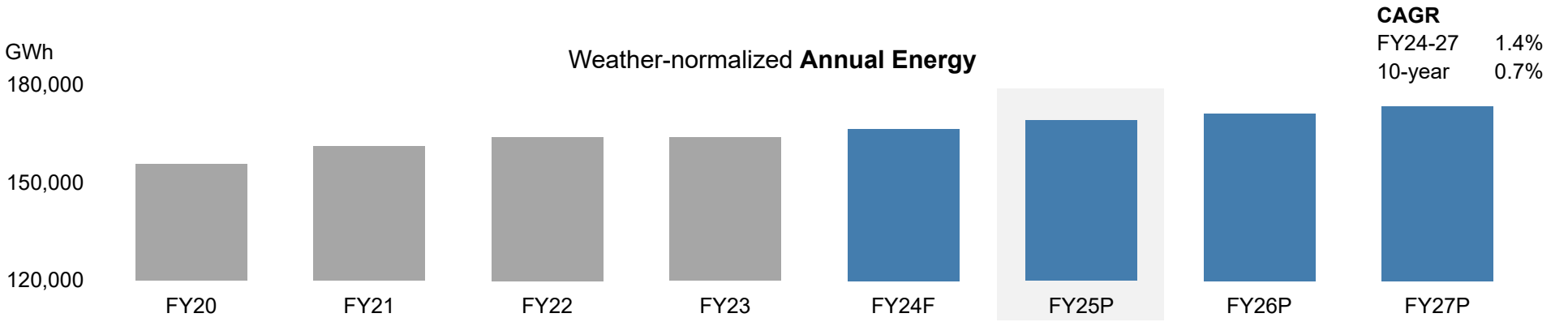
Cost Optimization designed to save approximately $950 million from FY24 through FY26

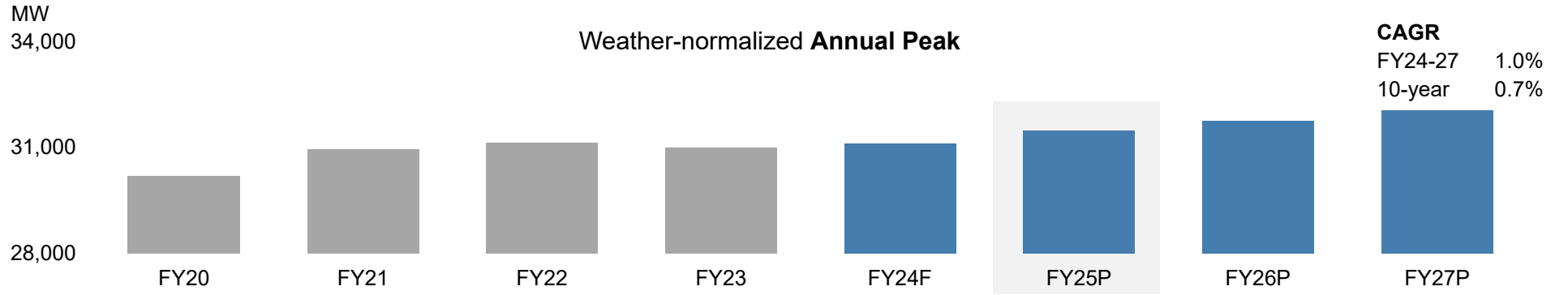
Alternative financing arrangements at Johnsonville Aero and Cumberland Combined Cycle (CC)

Statutory debt targets a maximum figure of $28 billion

Wholesale base rate adjustment of 5.25% planned for FY25

Energy Sales and Peak Demand





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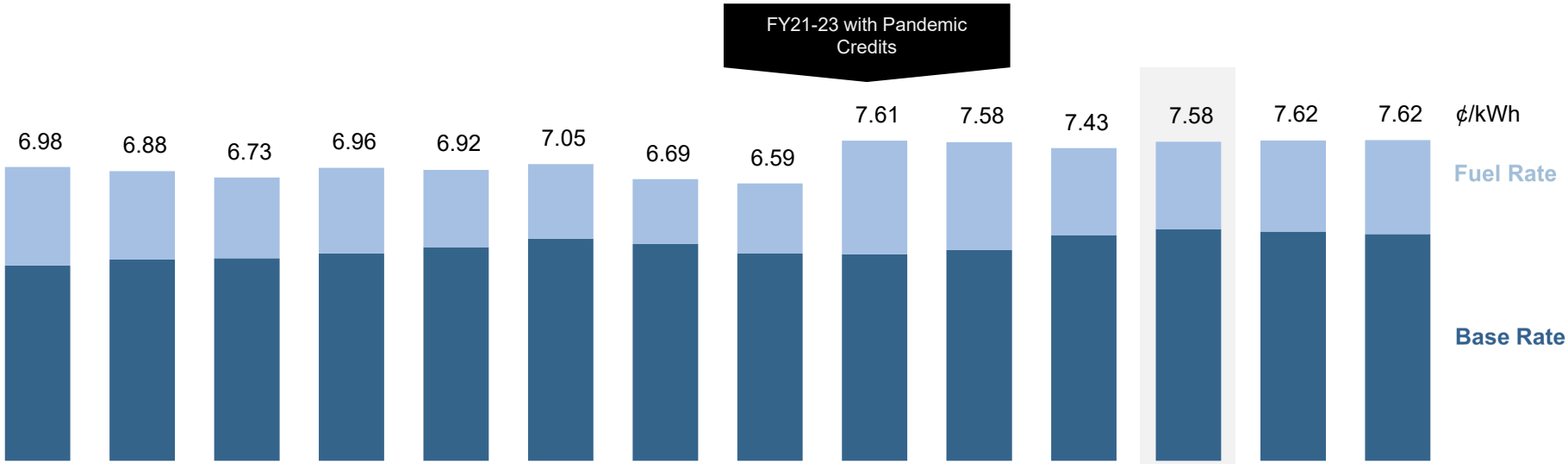
Base and Fuel Rate



	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24F	FY25P	FY26P	FY27P	
	6.98	6.88	6.73	6.96	6.92	7.05	6.69	6.59	7.61	7.58	7.43	7.58	7.62	7.62	¢/kWh
	4.64	4.78	4.81	4.93	5.08	5.28	5.16	4.93	4.91	5.01	5.35	5.51	5.45	5.39	Base Rate
	2.34	2.10	1.92	2.03	1.84	1.77	1.53	1.66	2.70	2.57	2.08	2.07	2.17	2.23	Fuel Rate
	6.98	**6.88**	**6.73**	**6.96**	**6.92**	**7.05**	**6.69**	**6.59**	**7.61**	**7.58**	**7.43**	**7.58**	**7.62**	**7.62**	**Wholesale Rate**

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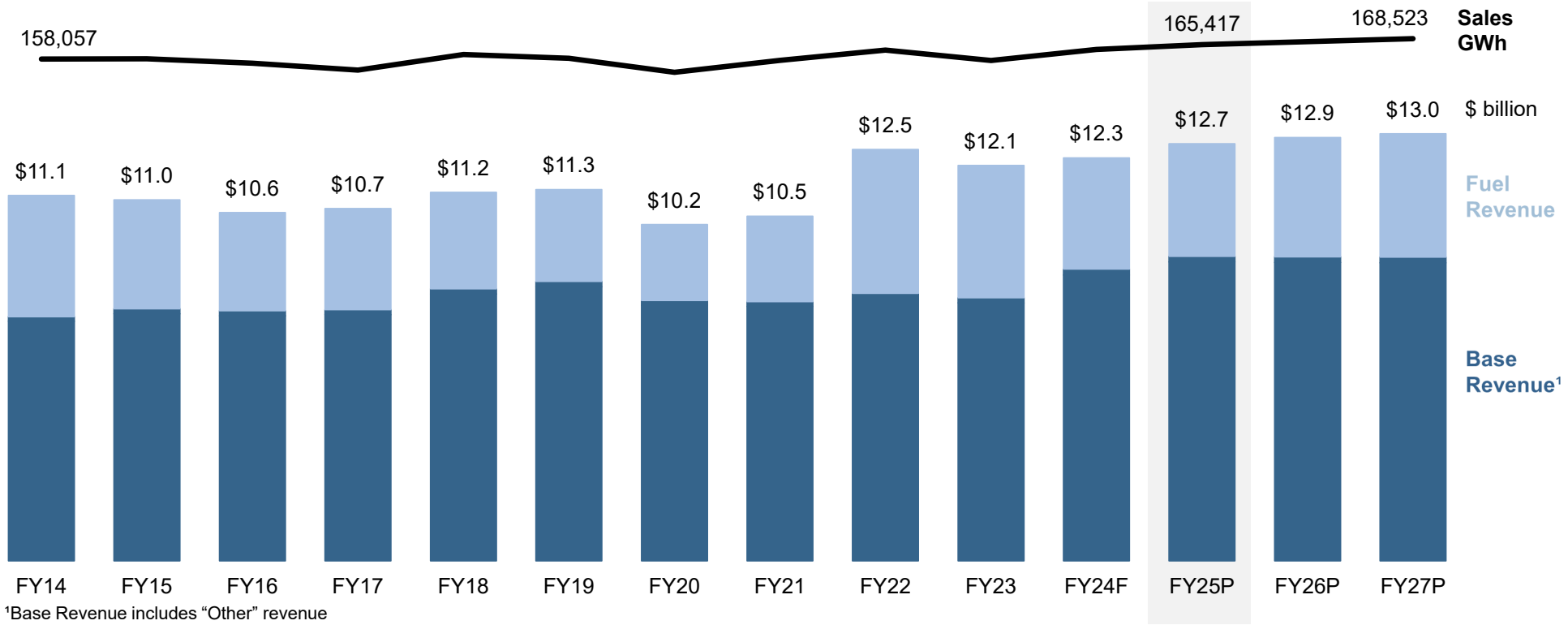
Operating Revenue



[1]Base Revenue includes "Other" revenue

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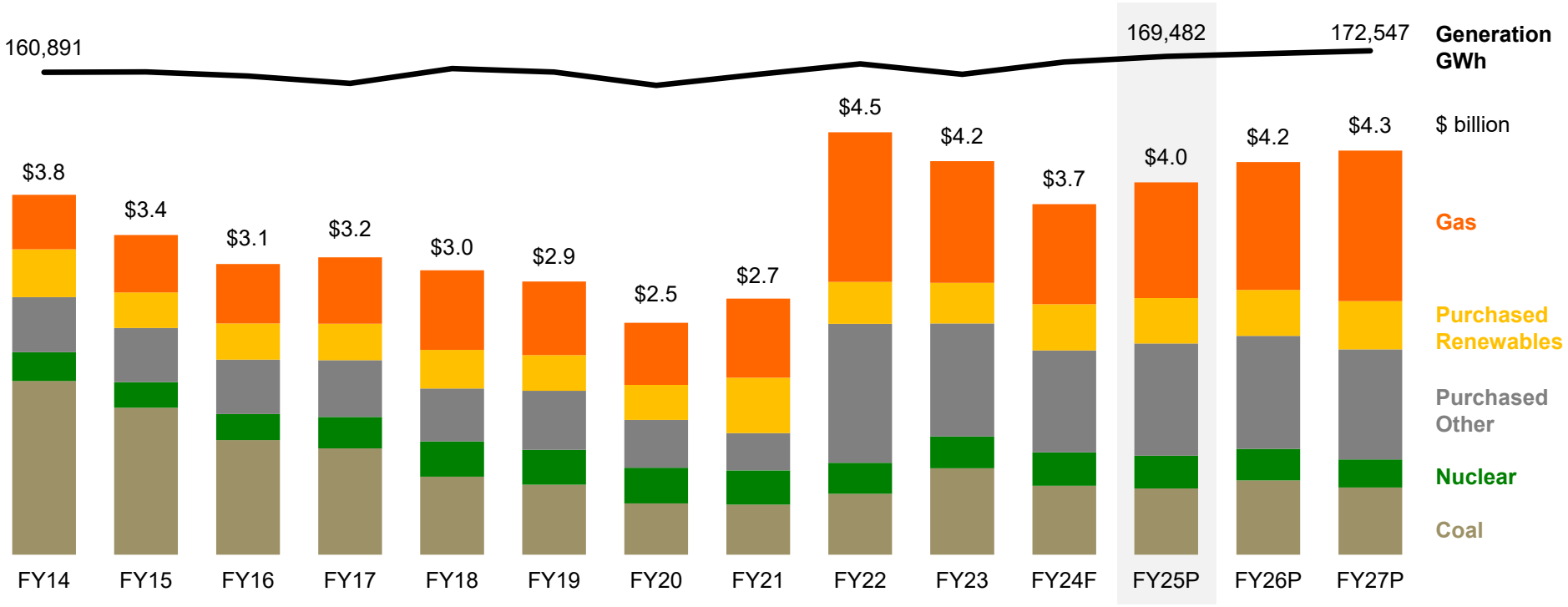
Fuel and Purchased Power



Totals include fuel cost adjustment (FCA) deferrals and fuel handling costs but exclude reagents.
FY24F represents FY24 July FCA, FY25-FY27P represent FY24 June FCA.

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Generation Mix and Percent Hedged

Fuel cost is primarily impacted by volatility of natural gas prices

	FY25P		FY26P		FY27P	
Fuel	**Generation Mix**	**Price Hedged**	**Generation Mix**	**Price Hedged**	**Generation Mix**	**Price Hedged**
Hydro	7%	100%	7%	100%	7%	100%
Nuclear	39%	100%	39%	100%	39%	100%
Purchased Power	9%	81%	9%	84%	10%	85%
Coal	15%	59%	16%	27%	14%	9%
Purchased Power - TVA-sourced Fuel[1]	6%	33%	5%	20%	5%	13%
Natural Gas[1]	24%	27%	23%	16%	26%	9%
Total/Weighted Average	100%	71%	100%	63%	100%	58%

Generation mix and hedged percentages subject to change based on commodity price movements and additional fixed price transactions
[1]Purchased Power – TVA-sourced Fuel includes tolled generation; Natural Gas includes TVA-owned generation.
Data pulled 04/25/2024

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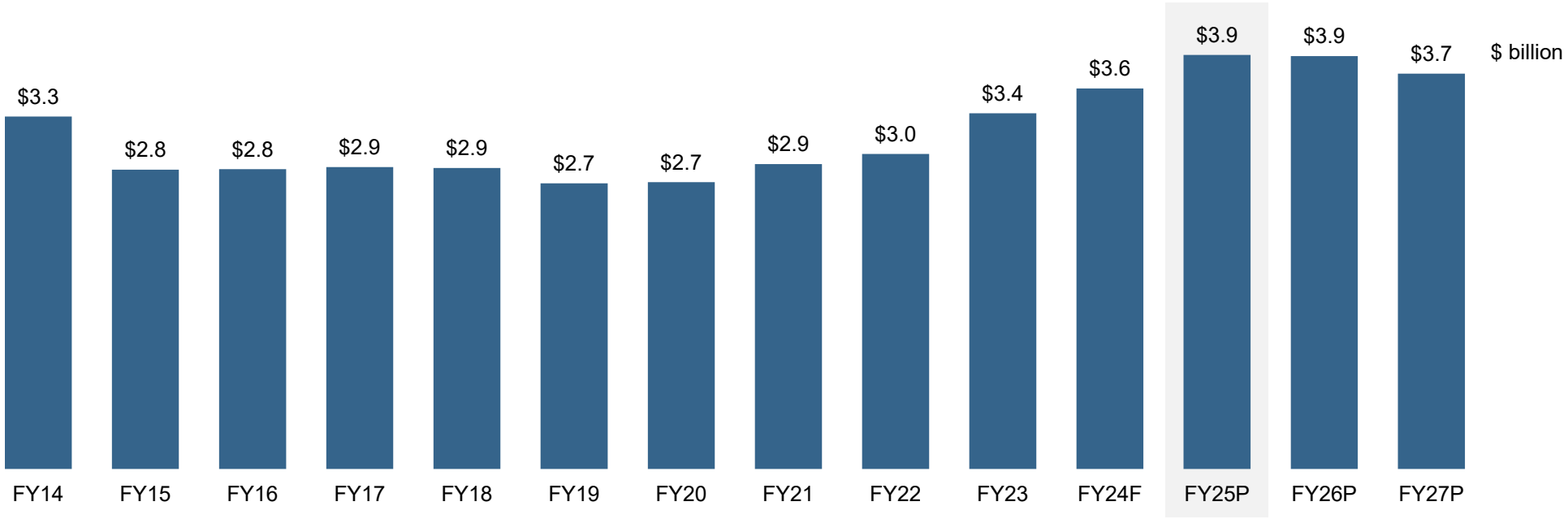
O&M Expense



Excludes FY17 and FY19 unusual items – Discretionary pension contribution, Bull Run and Paradise write-offs, and Kingston Regulatory Asset amortization

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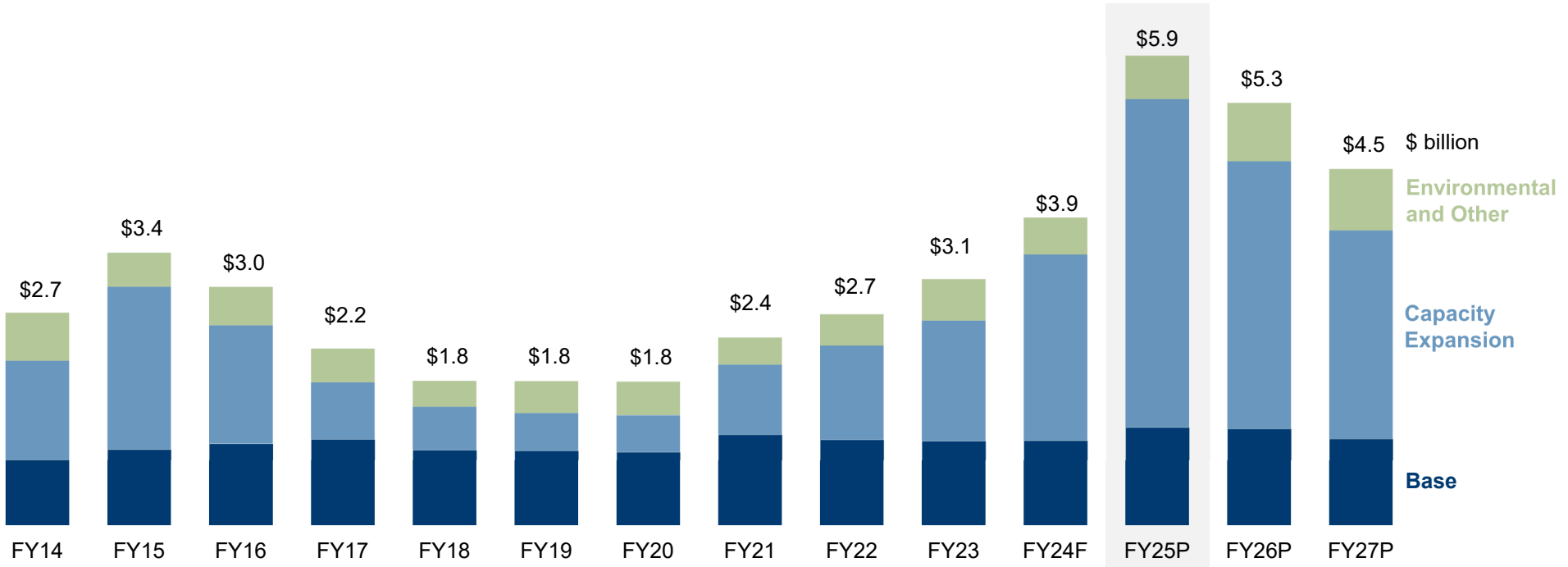
Capital Expenditures



Includes assumptions for potential projects that may have not yet received required internal TVA approvals and are subject to various legal requirements before they may be presented for approval.
Totals include ARO and decommissioning costs but exclude nuclear fuel capital expenditures.

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Capital Projects Specified by Line Item in Budget (New)

$ million

Capital Expenditure	Project	FY24 and Prior	FY25	Project Total
Capacity Expansion	Lagoon Creek Combustion Turbines (CT) Expansion	$0.0	$31.0	$430.0

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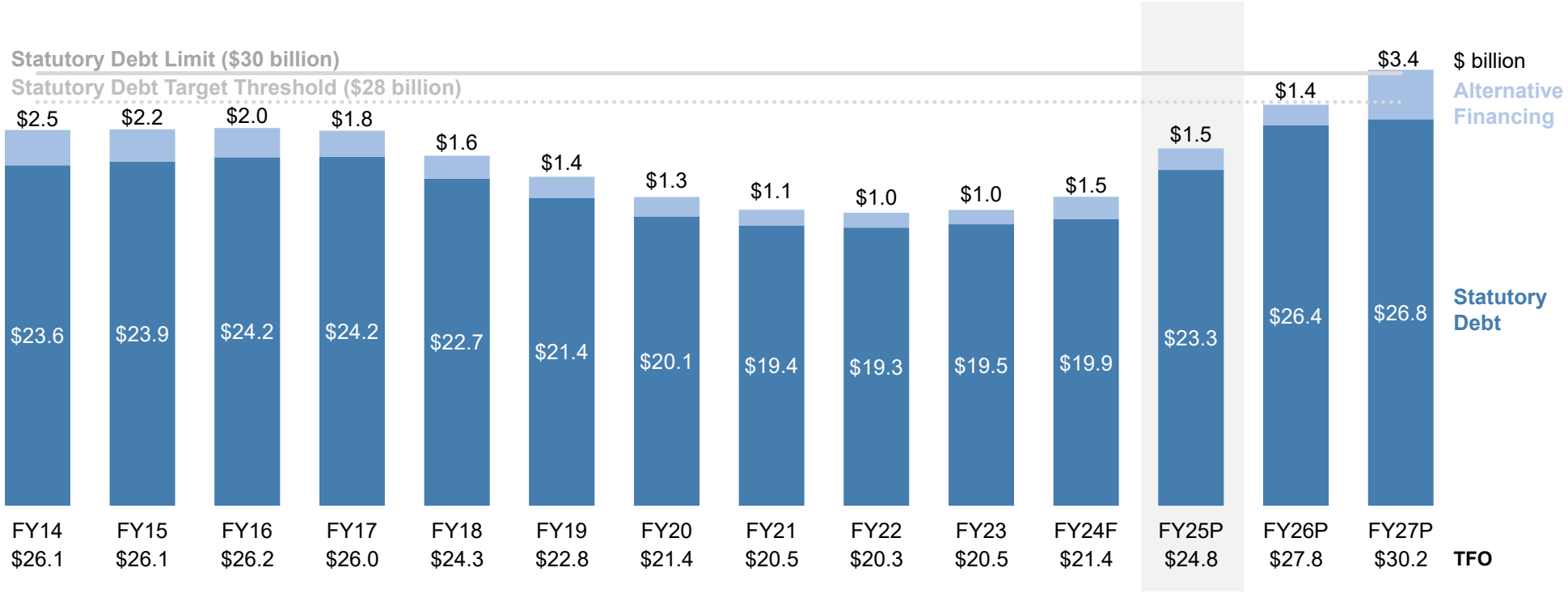
Total Financing Obligations (TFO)



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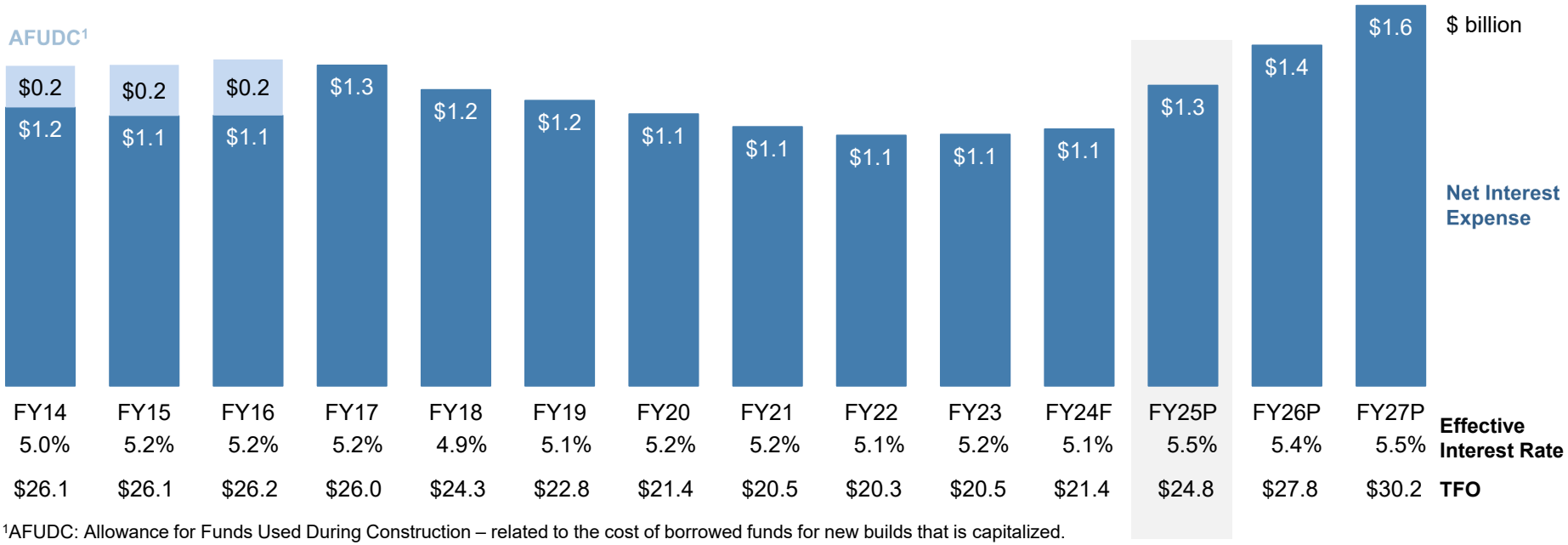
Interest Expense



[1]AFUDC: Allowance for Funds Used During Construction – related to the cost of borrowed funds for new builds that is capitalized.

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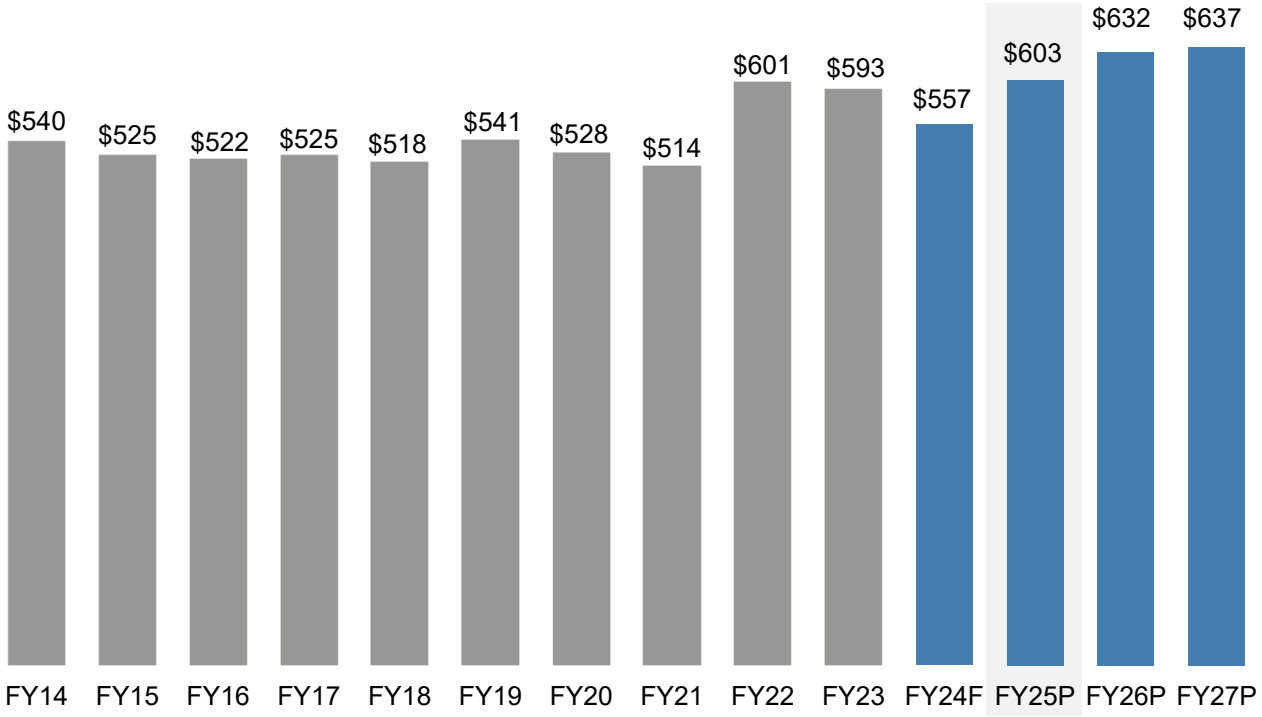
Tax Equivalents



Tax Equivalent – Final Payments by State

$ million	FY23	FY24	Delta
Tennessee	$410	$394	$ (16)
Alabama	98	93	(5)
Mississippi	47	46	(1)
Kentucky	40	40	-
Georgia	10	9	(1)
North Carolina	4	4	-
Virginia	1	1	-
Illinois	1	1	-
Final Payments	$611	$588	$ (23)
Fuel Cost Adjustment	(18)	(31)	(13)
Total Expense	**$593**	**$557**	**$ (36)**

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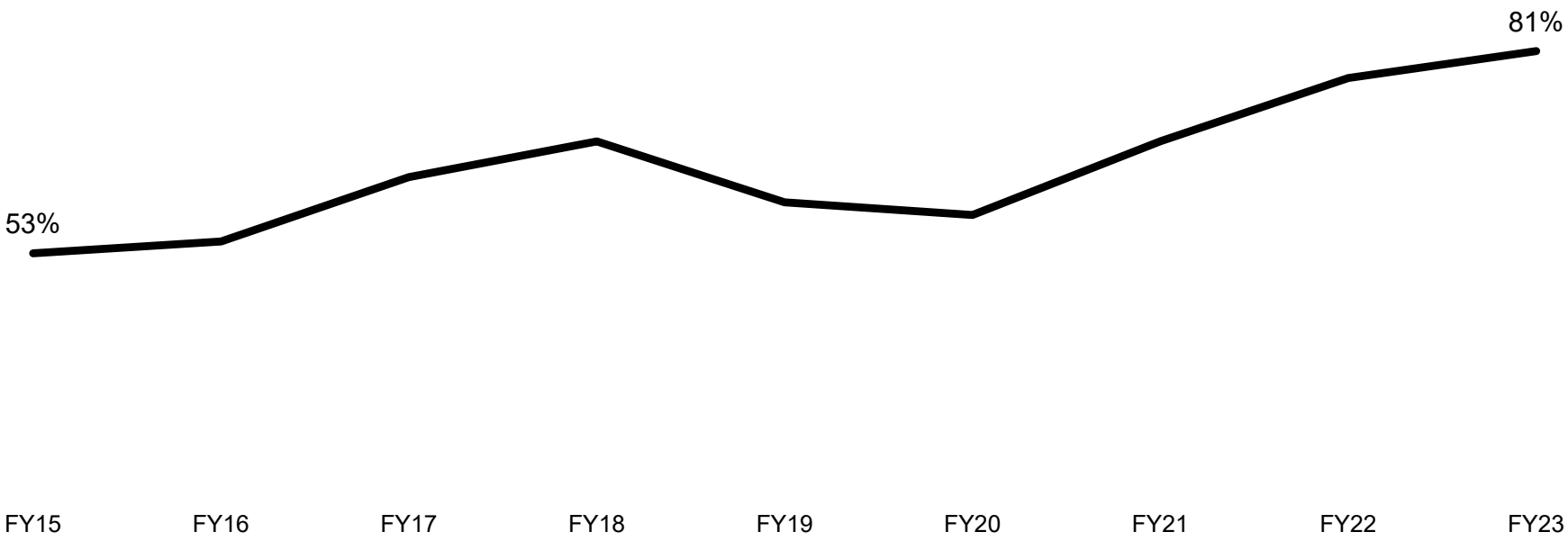
Pension Status Improvement

Funded status has improved since FY15 and remains on track to reach 100% by 2036 target date



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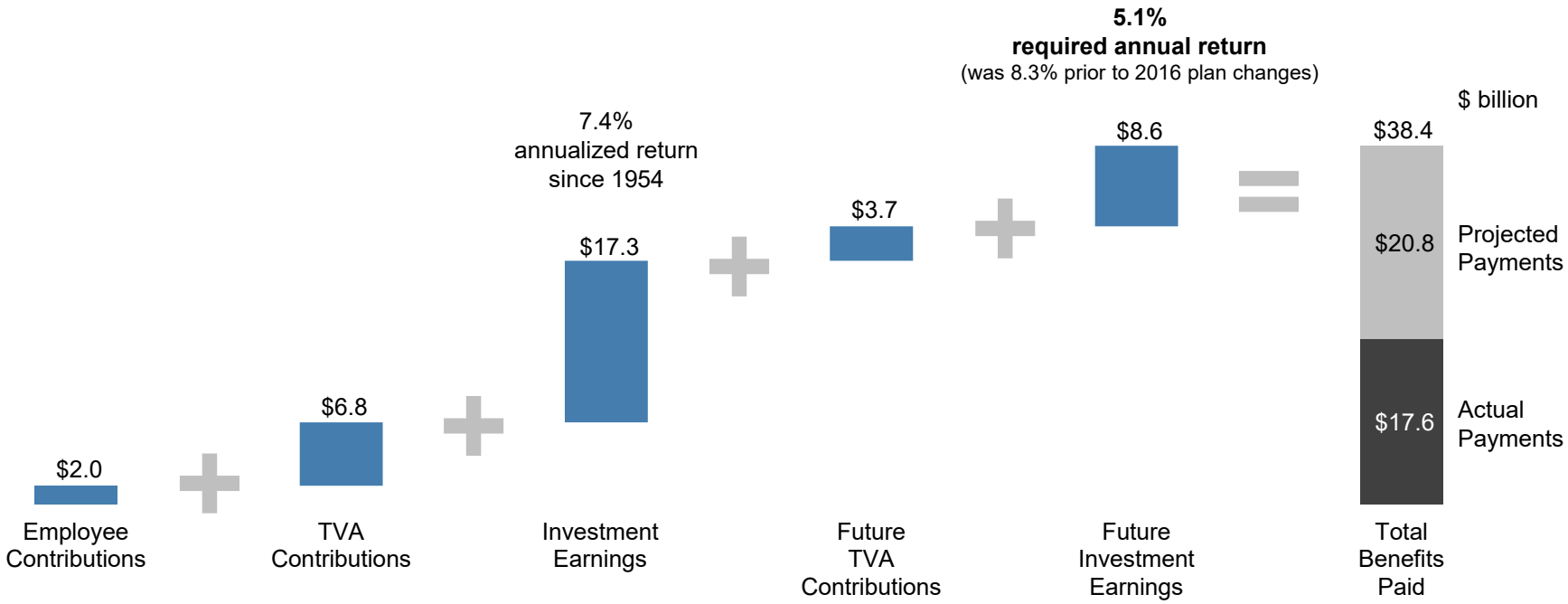
Retirement System Performance

Historical return levels are not required to meet remaining projected pension payments.



Actuals results reflected through 05/31/2024

TVA TENNESSEE VALLEY AUTHORITY

Revenue Requirements

$ million	FY24F	FY25P	FY26P	FY27P
Base Revenues	8,712	8,615	8,596	8,582
Fuel Revenues	3,387	3,433	3,636	3,761
Rate Action Revenues	-	495	498	500
Total Electric Revenues	**$ 12,099**	**$ 12,543**	**$ 12,730**	**$ 12,843**
Fuel	3,745	3,955	4,172	4,294
Operating and Maintenance	3,607	3,926	3,915	3,748
Base Capital	1,070	1,234	1,218	1,094
Interest	1,078	1,262	1,430	1,597
Tax Equivalents	557	603	632	637
Other	154	256	309	510
Total Operational Spend	**$ 10,211**	**$ 11,236**	**$ 11,676**	**$ 11,880**
Debt Paydown	**$ 1,888**	**$ 1,307**	**$ 1,054**	**$ 963**
Expansion and Environmental Capital[1]	2,798	4,663	4,087	3,382
Change in Cash	-	-	-	-
Debt Paydown	(1,888)	(1,307)	(1,054)	(963)
Change in TFO	**$ 910**	**$ 3,356**	**$ 3,033**	**$ 2,419**
Ending TFO Balance	**21,434**	**24,790**	**27,823**	**30,242**
Change in Statutory Debt	347	3,414	3,093	433
Ending Statutory Debt Balance	19,880	23,294	26,387	26,820

[1]Includes Ash Remediation and Asset Retirement Obligation (ARO) spend

Includes assumptions for potential projects that may have not yet received required internal TVA approvals and are subject to various legal requirements before they may be presented for approval

TVA TENNESSEE VALLEY AUTHORITY

Summary Income Statement

$ million	FY19	FY20	FY21	FY22	FY23	FY24F	FY25P	FY26P	FY27P
Operating Revenue	**$ 11,318**	**$ 10,249**	**$ 10,503**	**$ 12,540**	**$ 12,054**	**$ 12,281**	**$ 12,712**	**$ 12,902**	**$ 13,019**
Fuel and Purchased Power	2,903	2,464	2,721	4,488	4,182	3,745	3,955	4,172	4,294
Operating and Maintenance	3,090	2,720	2,890	2,986	3,372	3,607	3,926	3,915	3,748
Depreciation and Amortization	1,973	1,826	1,533	2,054	2,213	2,146	2,313	2,441	2,477
Taxes	541	528	514	601	593	557	603	632	637
Operating Expenses	**8,507**	**7,538**	**7,658**	**10,129**	**10,360**	**10,055**	**10,797**	**11,160**	**11,156**
Operating Income	**2,811**	**2,711**	**2,845**	**2,411**	**1,694**	**2,226**	**1,915**	**1,742**	**1,863**
Other Income / (Expense)	62	36	13	7	61	73	48	45	40
Other Net Periodic Benefit Cost	(258)	(253)	(258)	(258)	(199)	(96)	(80)	(91)	(86)
Interest Expense	1,198	1,142	1,088	1,052	1,056	1,078	1,262	1,430	1,597
AFUDC[1] Borrowed Funds	-	-	-	-	-	-	-	-	-
Net Interest Expense	**1,198**	**1,142**	**1,088**	**1,052**	**1,056**	**1,078**	**1,262**	**1,430**	**1,597**
Net Income	**$ 1,417**	**$ 1,352**	**$ 1,512**	**$ 1,108**	**$ 500**	**$ 1,125**	**$ 621**	**$ 266**	**$ 220**

[1]AFUDC: Allowance for Funds Used During Construction - related to the cost of borrowed funds for new builds that is capitalized.

TVA TENNESSEE VALLEY AUTHORITY

Summary Cash Flow Statement

$ million	FY19	FY20	FY21	FY22	FY23	FY24F	FY25P	FY26P	FY27P
Operating Cash Flow	$ 3,720	$ 3,636	$ 3,256	$ 2,948	$ 2,872	$ 2,868	$ 2,419	$ 2,275	$ 2,162
Investing Cash Flow	(2,243)	(2,015)	(2,338)	(2,663)	(2,994)	(3,707)	(5,663)	(5,194)	(4,465)
Financing Cash Flow	(1,477)	(1,422)	(921)	(283)	123	839	3,244	2,919	2,303
Net Change in Cash	-	199	(3)	2	1	-	-	-	-
Beginning Cash Balance	299	299	500	497	499	500	500	500	500
Ending Cash Balance	299	500	497	499	500	500	500	500	500
Restricted Cash Balance	23	21	21	21	21	21	20	20	20
Ending Total Cash Balance	**$ 322**	**$ 521**	**$ 518**	**$ 520**	**$ 521**	**$ 521**	**$ 520**	**$ 520**	**$ 520**
Debt Amortization (20-year paydown)	1,214	1,141	1,071	1,027	1,017	1,027	1,071	1,240	1,391
Base Capital	943	926	1,146	1,081	1,065	1,070	1,234	1,218	1,094
Nuclear Fuel Capital	474	342	354	283	273	289	265	216	231
Total	**$ 2,631**	**$ 2,409**	**$ 2,571**	**$ 2,391**	**$ 2,355**	**$ 2,386**	**$ 2,570**	**$ 2,674**	**$ 2,716**
Operating Cash Flow, net of debt amortization, base capital, and nuclear fuel capital	**$ 1,089**	**$ 1,227**	**$ 685**	**$ 557**	**$ 517**	**$ 482**	**$ (151)**	**$ (399)**	**$ (554)**

Includes assumptions for potential projects that may have not yet received required internal TVA approvals and are subject to various legal requirements before they may be presented for approval.

TVA TENNESSEE VALLEY AUTHORITY

Summary Balance Sheet

$ million	FY19	FY20	FY21	FY22	FY23	FY24F	FY25P	FY26P	FY27P
Assets:									
Current Assets	$ 3,278	$ 3,246	$ 3,498	$ 3,974	$ 3,666	$ 3,754	$ 3,968	$ 4,184	$ 4,395
Property, Plant and Equipment	35,133	35,579	36,464	36,860	37,482	38,925	42,157	44,666	46,297
Investments	2,968	3,198	4,053	3,671	4,123	4,781	5,078	5,374	5,699
Regulatory and Other Long-term Assets	9,088	10,802	8,441	6,683	6,073	5,689	5,559	5,428	5,049
Total Assets	**50,467**	**52,825**	**52,456**	**51,188**	**51,344**	**53,149**	**56,762**	**59,652**	**61,440**
Liabilities and Capitalization:									
Short-term Debt	922	57	780	1,172	432	800	1,486	1,449	1,502
Current Maturities of Long-term Debt	1,030	1,787	1,028	29	1,022	1,022	1,370	1,020	1,272
Other Current Liabilities	2,360	2,867	3,171	3,444	3,419	3,435	3,438	3,494	3,509
Other Liabilities	14,347	16,178	14,549	12,244	11,638	11,976	11,611	11,144	12,318
Long-term Debt	20,183	19,004	18,463	18,794	18,777	18,741	21,075	24,511	24,597
Total Liabilities	38,842	39,893	37,991	35,683	35,288	35,974	38,980	41,618	43,198
Proprietary Capital	11,625	12,932	14,465	15,505	16,056	17,175	17,782	18,034	18,242
Total Liabilities and Proprietary Capital	**$ 50,467**	**$ 52,825**	**$ 52,456**	**$ 51,188**	**$ 51,344**	**$ 53,149**	**$ 56,762**	**$ 59,652**	**$ 61,440**
Ending TFO (Total Financing Obligations) Balance	**$ 22,818**	**$ 21,421**	**$ 20,543**	**$ 20,336**	**$ 20,525**	**$ 21,434**	**$ 24,790**	**$ 27,823**	**$ 30,242**
Debt / Total Capital Ratio[1]	**66%**	**62%**	**59%**	**57%**	**56%**	**56%**	**58%**	**61%**	**62%**

[1]Calculated as the ending TFO balance / (TFO plus Proprietary Capital)

Includes assumptions for potential projects that may have not yet received required internal TVA approvals and are subject to various legal requirements before they may be presented for approval.

TVA TENNESSEE VALLEY AUTHORITY

Recommendation

To establish rates at a level sufficient to recover expected costs, it is recommended that the Board approve a 5.25% increase to wholesale base rates for TVA FY25.

TVA TENNESSEE VALLEY AUTHORITY

Recommendation

Recommend the Board approve the FY25 Budget and following related items:

- FY25 Commercial Transactions Contracting Plan
- Final FY24 tax equivalent payments
- Estimated FY25 tax equivalent payments
- Projects over $200 million
- Acquisition of Land Rights
- Long-lead Procurement Contracting Authority
- Financing Shelf for up to $4.0 billion of long-term bonds and associated resolutions
- Contribution to the Retirement System of $300 million
- Regulatory Accounting
- Dodd-Frank End-user Exemption
- Retention of the entire margin of net power proceeds

TVA TENNESSEE VALLEY AUTHORITY

Finance, Rates, and Portfolio Committee

Wade White, Chair

TVA TENNESSEE VALLEY AUTHORITY

People and Governance Committee

Brian Noland, Chair

TVA TENNESSEE VALLEY AUTHORITY

External Stakeholders and Regulation Committee

Beth Harwell, Chair

TVA TENNESSEE VALLEY AUTHORITY

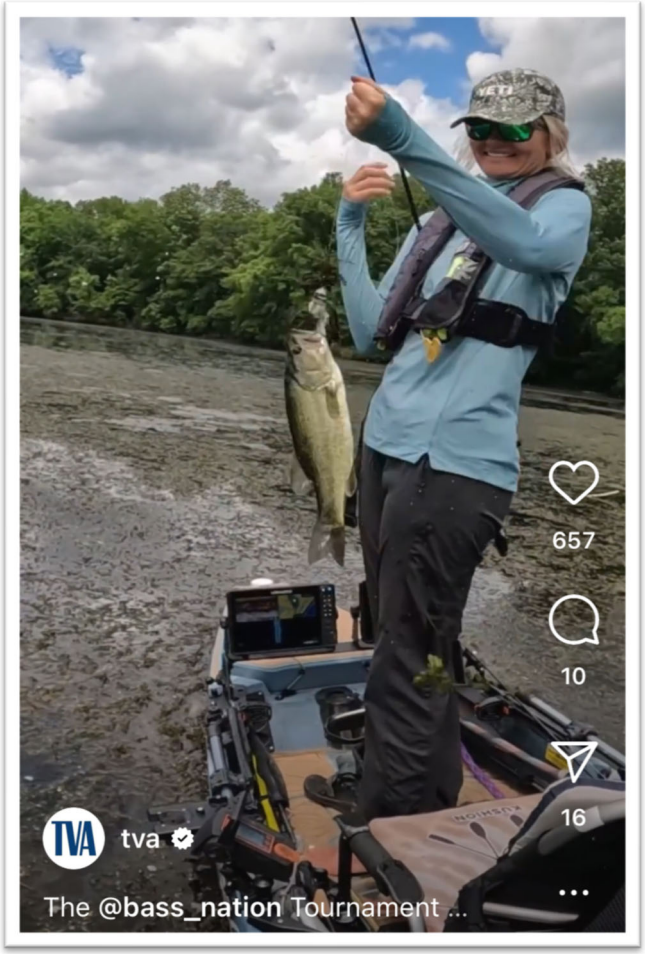
TVA Aquatic Plant Management

Don Moul
Executive Vice President & Chief Operating Officer

August 22, 2024

TVA TENNESSEE VALLEY AUTHORITY

Managing Competing Demands



TENNESSEE VALLEY AUTHORITY

TVA's Integrated Aquatic Plant Management Approach

2020 Natural Resource Plan

- Nuisance & Invasive Species Management
- Public Outreach & Information
- Ecotourism

Partnerships

my lake Guntersville

CITY OF Guntersville ALABAMA

SCOTTSBORO Someplace Special.

MARSHALL COUNTY LEGISLATIVE OFFICE

Jackson County Alabama

LAKE GUNTERSVILLE MARSHALL COUNTY TOURISM & SPORTS

MARSHALL COUNTY ECONOMIC DEVELOPMENT COUNCIL

MOUNTAIN LAKES CHAMBER OF COMMERCE

Lake Guntersville CHAMBER OF COMMERCE

TVA TENNESSEE VALLEY AUTHORITY

Engage and connect: PLIC@tva.gov

External Stakeholders and Regulation Committee

Beth Harwell, Chair

TVA TENNESSEE VALLEY AUTHORITY

Audit, Risk, and Cybersecurity Committee

Michelle Moore, Chair

TVA TENNESSEE VALLEY AUTHORITY

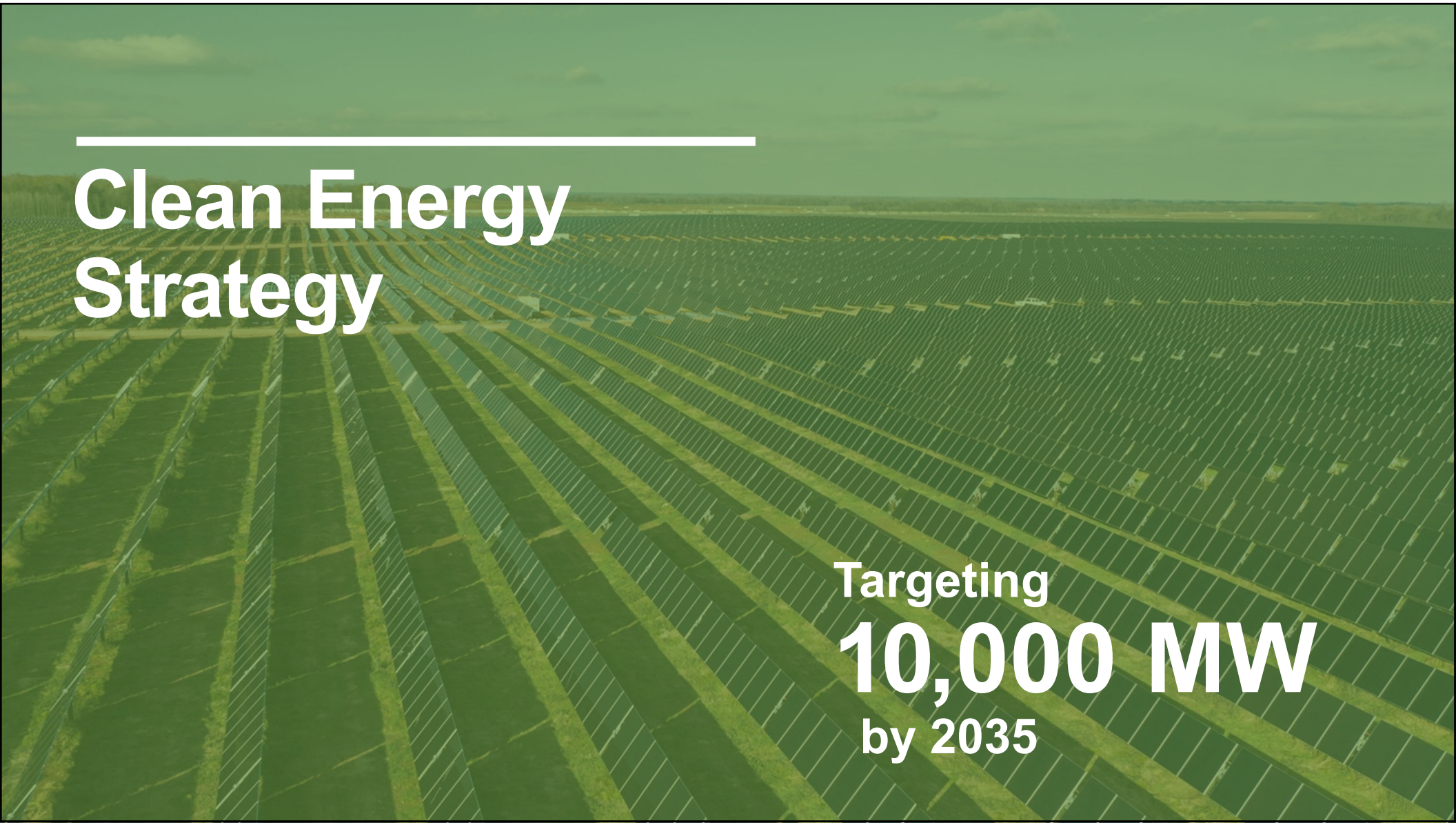
President's Report

Jeff Lyash
President and CEO

August 22, 2024

TVA TENNESSEE VALLEY AUTHORITY


Building
Tomorrow
Together
TVA
TENNESSEE
VALLEY
AUTHORITY


Clean Energy
Strategy
Targeting
10,000 MW
by 2035

Green Invest

The Bell Buckle
35 MW Solar

The Canadaville Solar Project
16 MW Solar

The Golden Triangle II Project
150 MW Solar/50 MW Battery Storage

The Golden Triangle I Project
200 MW Solar/50 MW Battery Storage

Generation Flexibility

BrightRidge
11 MW Solar

Paris Board of Public Utilities
6.75 MW Solar

Huntsville Utilities
32.5 MW Solar

Holston Electric Coop
4.8 MW Waste Ethane Gas Plan

Middle TN Electric Coop
110 MW Solar


System Operations
Center

Nuclear Strategy

TVA's Nuclear Strategy

1. Preserve, extend, and optimize our existing nuclear fleet

2. Pursue GE Hitachi BWRX-300 to develop light water small modular reactor technology (Gen III) for 2030's deployment at the Clinch River site and others

3. Partner and advance next generation (Gen IV) advanced nuclear technology for 2040's fit and deployment

4. Research and explore large gigawatts-scale nuclear options


Energy Efficiency
Demand Response
EnergyRight

Energy Efficiency & Demand Response

Investing

$1.5 Billion

estimated to offset

30%

of future load growth

First 10 months

$170 Million

in Energy Cost Savings for Homeowners & Businesses

Avoided nearly

320,000 Tons

of CO_2


6,000th
Home Uplift
Celebration.
EnergyRight
BrightRidge


Energy Costs

Integrated Resource Plan

TVA TENNESSEE VALLEY AUTHORITY

What is an Integrated Resource Plan?

Developing the energy system of the future – and determining the resources that make up that energy system – is a process. It includes working closely with a variety of stakeholders to understand varying viewpoints, as well as evaluating technologies, considering system requirements, studying environmental impacts, projecting demand for power, and modeling potential future scenarios.

To help TVA determine the right approach to providing power now and in the future, the agency is kicking off the next Integrated Resource Plan (IRP) to study how to best meet customer demand for electricity between now and 2050 in a way that is affordable, reliable, resilient and increasingly cleaner.

Now's the time

The TVA Board approved the current IRP in 2019. At the time, the Board directed TVA to monitor key signposts, including demand for electricity, commodity prices, and emerging technology, to inform when the IRP should be re-evaluated and refreshed. The Board also stated the next IRP should be initiated no later than 2024.

How does resource planning work?

TVA will collaborate with a wide variety of stakeholders to envision the energy resources TVA could utilize to meet future demand within a least-cost planning framework. By providing the strategic direction, the IRP serves as the foundation for the next long-range financial plan.

Key steps of the resource planning process include:

- Estimate future customer demand for electricity
- Define the supply of existing resources available to meet customer demand and how those available resources may change in the future
- Calculate the gap between the existing resource supply and future customer demand
- Identify new energy supply resources to be considered for filling the gap
- Test different resource combinations to evaluate performance
- Select the preferred combination of resources or target power supply mix

What will be included in e IRP?

ource planning is about optimizing the mix of future er supply resources to ensure TVA can meet the er demands of the region.

ifically, the IRP will evaluate different ways to ate power, including renewable energy options, y storage, and other generating assets as well as y efficiency programs. The evaluation includes ing anticipated ongoing electrification and energy d in the region, system requirements, various f generating assets, environmental impacts.

IRP and the environment

As TVA, the region and the nation, march toward net-zero carbon emissions and a clean energy economy, TVA will assess the region-wide impact of the next IRP on a variety of environmental factors.

The IRP study includes an environmental review called an Environmental Impact Statement (EIS) to address TVA's requirements under the National Environmental Policy Act (NEPA). The EIS will assess broad region-wide impacts such as air quality and climate impacts, water resources, land requirements, and socioeconomics and environmental justice.

ler engagement

ement and input is a key component of both developing the IRP as well as the NEPA (National y Act) process. Public meetings – virtual and in-person – will be scheduled over the coming months on the IRP, and a stakeholder working group has been established to work closely with TVA to oment of the IRP.

eetings will be scheduled when the draft Programmatic Environmental Impact Statement

rp for information about the IRP and ways to provide public comments.

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- A collaborative, external stakeholder-focused effort, working with a variety of organizations.
- A risk-informed study that assesses a wide range of potential futures.
- Provides the basis for TVA's asset strategy, including a recommended target power supply mix.

TVA TENNESSEE VALLEY AUTHORITY

President's Report

Jeff Lyash
President and CEO

August 22, 2024

TVA TENNESSEE VALLEY AUTHORITY

TENNESSEE VALLEY AUTHORITY

Board Meeting

August 22, 2024

Florence, Alabama


TVA
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Appendix – Regulation G Reconciliation

	June 30, 2024	September 30, 2023
Total Outstanding Debt	**$20,933**	**$20,266**
Exchange Gain - LT	91	109
Unamortized Discounts, Premiums, Issue Costs and Other	126	132
Debt of Variable Interest Entities	(957)	(974)
Bonds and Notes, Gross	**$20,193**	**$19,533**
Membership Interests of Variable Interest Entity Subject to Mandatory Redemption	17	18
Debt of Variable Interest Entities	957	974
Total Debt and Other Financing Obligations, Gross ("TFO")	**$21,167**	**$20,525**

TVA Weather-Normalized Sales* (millions of kWh)	**Q3 FY24**	**Q3 FY23**	**Q3 FY22**
Total LPC Power Sales	101,281	97,058	101,313
Normalized Total LPC Power Sales	101,494	100,495	100,619
Difference (Normalized Weather Adjustment)	**213**	**3,437**	**(694)**

***TVA Weather-Normalized Sales**: TVA's expected power sales for a period based on normal weather. Normal weather estimates are based on long-term typical values of a meteorological parameter (i.e., temperature) for the Tennessee Valley region. Actual sales, as reported, differ from Weather-Normalized Sales based on the difference in actual weather from normal weather over the same time period.

Note numbers may be adjusted for rounding