PROPOSED BOARD RESOLUTION
(Illinois Mineral Interests Surplus Declaration and Related Authorizations)

WHEREAS, the United States of America, for the benefit and use of TVA, owns, subject to any and all encumbrances, certain mineral interests in southern Illinois, covering approximately 64,800 acres bearing TVA Tract No. XENC-5 in Franklin, Hamilton, and Jefferson Counties in Illinois (the “Mineral Interests”); and

WHEREAS, as recommended in the July 30, 2026, memorandum from the Senior Vice President, Generation Projects & Fleet Services, a copy of which is filed with the records of the Board of Directors (Board) as Exhibit 08/20/2026R, and subject to the conditions and reservations set forth below, the Board has determined that (i) TVA has no further need of the Mineral Interests for any of the purposes of the Tennessee Valley Authority Act of 1933, as amended, and (ii) the disposal of the Mineral Interests will not be adverse to the interests of the United States or TVA; and

WHEREAS, there is no permanent dam, hydroelectric power-plant, or munitions plant located on the land containing the Mineral Interests.

BE IT RESOLVED, That the Board hereby declares that the Mineral Interests are not necessary to carry out any plans or projects actually decided upon and are otherwise surplus and/or excess to TVA's needs.

RESOLVED further, That the Board hereby authorizes the CEO to sell and convey (collectively referred to as a conveyance or disposal) all of the Mineral Interests, subject to any and all encumbrances, and pursuant to any available disposal authority.

RESOLVED further, That the Board hereby authorizes the CEO to: (i) determine the terms, conditions, and schedule for conveyance of the Mineral Interests, including terms to help ensure TVA obtains appropriate value, and (ii) administer, modify, and/or exercise any legal rights available to TVA arising out of, any contracts or conveyance instruments for disposal of the Mineral Interests; and

RESOLVED further, That, as necessary to implement any conveyance action approved by the CEO hereunder, the Board authorizes and directs the Senior Manager, Realty Services, or designee, to (i) convey the Mineral Interests, including any or all real property interests therein, pursuant to any available disposal authorities, as determined by the Office of the General Counsel, allowed under law for the disposal of the Mineral Interests, including, but not limited to, the TVA Act and all other acts of Congress, and subject to all other required TVA processes and practices and any and all encumbrances, and (ii) deliver to the grantee(s) appropriate legal instruments in such form as the General Counsel, or the designee thereof, shall approve, subject to terms and conditions as may be necessary to cover and protect TVA's statutory obligations, program requirements, legal and other interests.

Approved by TVA Board of Directors

August 20, 2026

KAB

Assistant Secretary

July 30, 2026
Generation Projects & Fleet Services

Board of Directors

REQUEST FOR BOARD APPROVAL – PROPOSED DECLARATION OF SURPLUS AND AUTHORIZATION FOR CONVEYANCE OF MINERAL INTERESTS

SUBJECT

The Senior Vice President, Generation Projects & Fleet Services (SVP) requests that the TVA Board of Directors (Board) approve and authorize the necessary actions to sell and convey all mineral interests of approximately 64,800 acres held by the United States on behalf of TVA, bearing TVA Tract No. XENC-5 in Franklin, Hamilton, and Jefferson Counties in Illinois and generally depicted in the maps attached as Exhibit A and Exhibit B (the “Mineral Interests”).

Specific Board actions requested are:

- Declare that the Mineral Interests are not necessary to carry out any plans or projects actually decided upon and are otherwise surplus and/or excess to TVA's needs.
- Authorize the CEO to sell and convey, (collectively referred to as a conveyance or disposal) all the Mineral Interests, subject to any and all encumbrances, and pursuant to any available disposal authority.
- Authorize the CEO to (i) determine the terms, conditions, and schedule for conveyance of the Mineral Interests, including terms to help ensure TVA obtains appropriate value, and (ii) administer, modify, and/or exercise any legal rights available to TVA arising out of, any contracts or conveyance instruments for disposal of the Mineral Interests.
- As necessary to implement any conveyance action approved by the CEO, authorize and direct the Senior Manager, Realty Services, or designee, to (i) convey the Mineral Interests, including any or all real property interests therein, pursuant to any available disposal authorities, as determined by the Office of the General Counsel, allowed under law for the disposal of the Mineral Interests, including, but not limited to, the TVA Act and all other acts of Congress, and subject to all other required TVA processes and practices and any and all encumbrances, and (ii) deliver to the grantee(s) appropriate legal instruments in such form as the General Counsel, or the designee thereof, shall approve, subject to terms and

conditions as may be necessary to cover and protect TVA's statutory obligations, program requirements, legal and other interests.

The foregoing declaration, delegations, and authorizations are herein collectively referred to as the “Surplus Delegation and Related Authorizations”.

BACKGROUND

Between 1965 and 1985 as part of its diversified energy strategy, TVA acquired the Mineral Interests underlying approximately 64,800 acres in southern Illinois. Said mineral rights consist primarily of coal rights but include some oil, gas, and other mineral rights.

In the intervening years since acquisition of the Mineral Interests, TVA’s Power Supply Plan has changed and as a result it is no longer advantageous for TVA to own the Mineral Interests. Advantages to divestiture of the Mineral Interests include reduced TVA environmental and litigation risk exposure and income from sale of the Mineral Interests.

In 2002, TVA auctioned two leases (TVA Tract Nos. XENC-3L and XICR-1L) to authorize the mining and removal of coal within the No. 5 and No. 6 seams within the Mineral Interests for an initial term of 10 years, or until the mineable and recoverable coal in the No. 5 and No. 6 seams is exhausted, whichever occurs first, and providing that the lease terms will automatically extend for so long as coal is being produced from the leased premises. Through subsequent assignments and amendments, both leases are now held by Ruger Coal Company, LLC (Ruger) and TVA has consented to the mining of the leased premises by Sugar Camp Energy, LLC (Sugar Camp; previously an affiliate of Ruger). Sugar Camp is actively producing coal from the leased premises under one lease and TVA has extended the term of the other lease until July 15, 2032. Any conveyance of the Mineral Interests covered by the leases would be subject to the rights of the lessee under such lease and the sale would be structured in a manner that allows TVA to comply with its lease obligations.

Under the proposed delegation, the CEO would have the authority to exercise any disposal authority available to TVA, including but not limited to, Section 31 of the TVA Act and the Property Act (the Federal Property and Administrative Services Act of 1949, codified as amended in scattered sections of Title 40 and Title 41 of the United States Code).

SPECIAL CONSIDERATIONS

National Environmental Policy Act, Public Involvement, and Community Impact. TVA has completed numerous reviews under the National Environmental Policy Act (NEPA) regarding the Mineral Interests, and these reviews have provided opportunities for public input regarding the respective potential actions.

Most recently, and in response to a Ruger request to mine additional areas within TVA's Mineral Interests, TVA conducted an additional environmental review, which included a request for public review and comments. Following receipt of public comments, TVA issued a Final Environmental Impact Study (FEIS) in early 2025, with TVA's preferred alternative allowing the requested expansion of mining rights and for TVA to divest itself of the Mineral Interests. A notice of availability of the FEIS was published in the Federal Register on January 17, 2025, and a partial Record of Decision (ROD) was published in the Federal Register on March 27, 2025. The partial ROD authorized the requested expansion of mining rights, and deferred TVA's decision to divest itself of the Mineral Interests to a later date.

Need and Federal Policy Considerations. TVA acquired the Mineral Interests in support of ensuring an adequate coal supply for TVA's coal-fired power plants. Currently, TVA does not purchase coal mined from the Mineral Interests for use in its coal-fired power plants. TVA has no further need of the Mineral Interests, and the disposal of the Mineral Interests will not be adverse to the interests of the United States or TVA. Further, divestiture may increase mining consistent with Administration priorities for unleashing American energy.

Fair Market Value. TVA would obtain fair market or commensurate value to the power system for any conveyance of the Mineral Interests. TVA has received valuations of the Mineral Interests and would, before any conveyance of the Mineral Interests, ensure its most recent valuation is pursuant to TVA's process.

TVA Land Policy. The proposed actions are consistent with the TVA Land Policy, approved by the TVA Board on November 30, 2006. The Land Policy provides that retention and disposal decisions regarding power properties will be primarily based on business considerations consistent with the TVA Act and other applicable requirements. In the TVA Land Policy, the Board directed TVA staff to undertake a review of TVA's mineral holdings for later policy consideration. That review has taken place and staff determined that TVA's current process for review of mineral rights was sufficient.

The proposed actions would not adversely impact TVA operations, and all required program and legal reviews have been or will be completed and obtained prior to conveyance of the Mineral Interests.

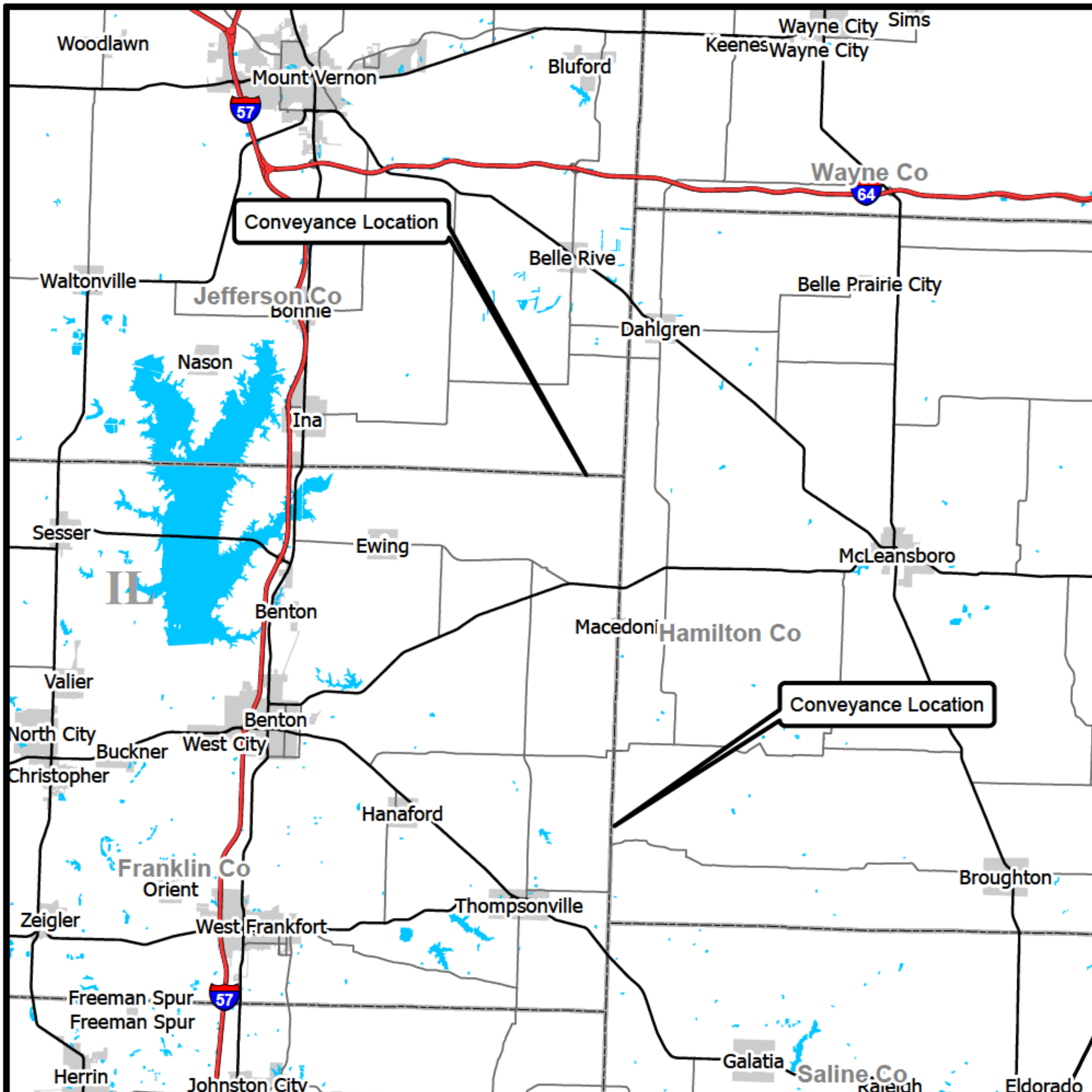
RECOMMENDED ACTION

TVA management recommends that the Board approve the Surplus Delegation and Related Authorizations.

Bryan Williams
Senior Vice President, Generation Projects &
Fleet Services

Attachments

August 5, 2026	August 6, 2026
Edward C. Meade — Date	Mike Skaggs — Date
Executive Vice President and General Counsel (Interim)	President and Chief Executive Officer (Interim)



- Interstate
- US/State Highways
- Major Roads
- County
- Reservoir
- City

Vicinity Map

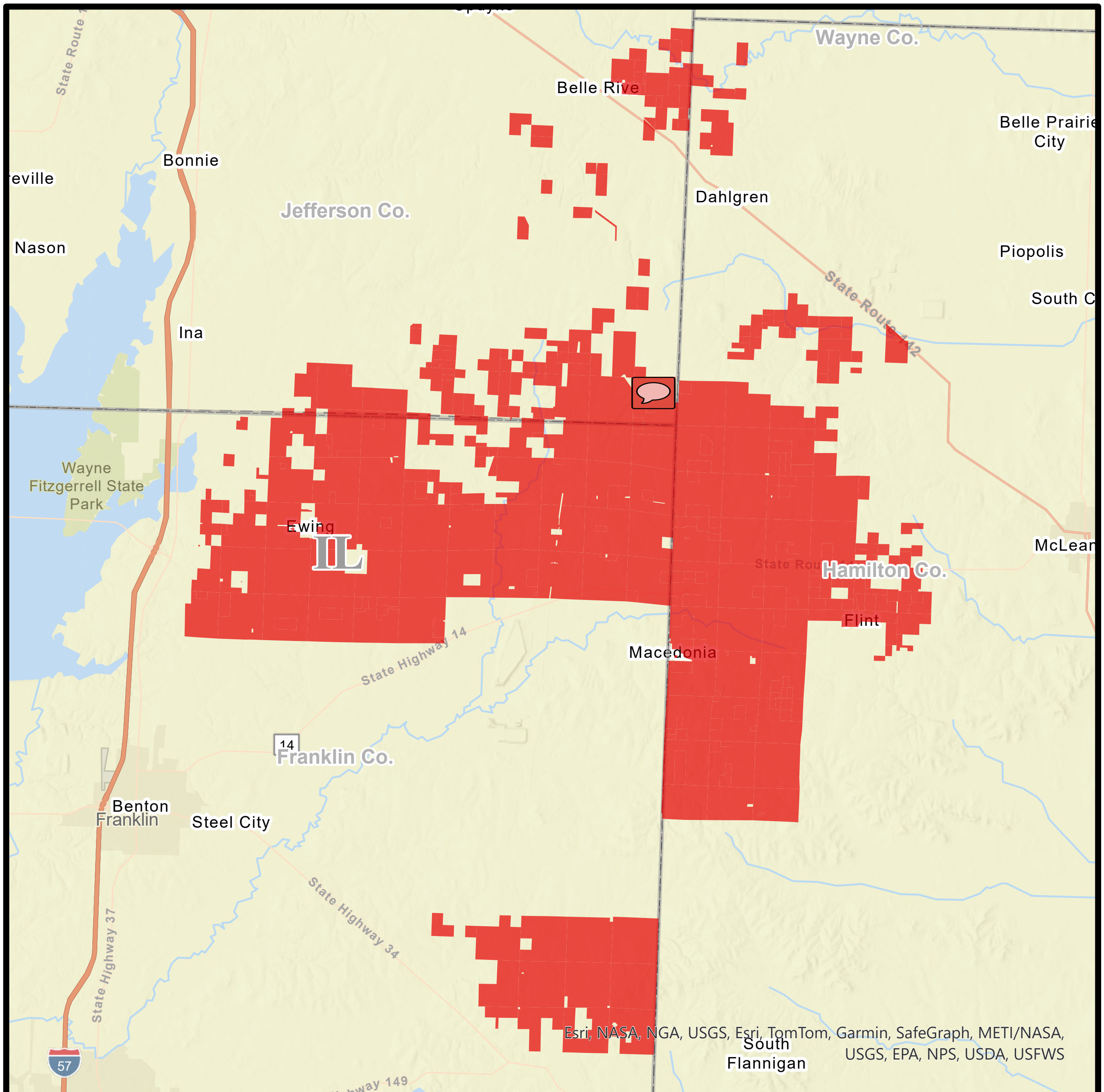
Illinois Mineral Rights
Proposed Conveyance
Franklin, Hamilton & Jefferson
Counties, Illinois
XENC-5

0 6 12 Miles

N

TVA

GRID - Transmission
Technical Services
March 28 2025



Conveyance Locations
(approx. 64,800 acres +/-)

Exhibit Map

Illinois Mineral Interests
Proposed Conveyance
Franklin, Hamilton & Jefferson
Counties, Illinois
XENC-5

0 1 2 4 6 8 Miles

N

TVA

GRID - Transmission
Technical Services
March 28, 2025