



Board Meeting

August 21, 2025
Knoxville, Tennessee



Jackson Area Robotics, Team 2775V



Jackson Area Robotics, Team 2775V





Board Meeting

August 21, 2025
Knoxville, Tennessee



Gatlinburg Fire Recovery

Allen Robbins
General Manager/CEO
Sevier County Electric System

August 21, 2025

Gatlinburg Fire Recovery



Gatlinburg Fire Recovery



Gatlinburg Fire Recovery



Gatlinburg Fire Recovery



Gatlinburg Fire Recovery





Board Meeting

August 21, 2025
Knoxville, Tennessee



Audit, Risk, and Cybersecurity Committee

Finance, Rates, and Portfolio Committee

Financial Update

Tom Rice
Executive Vice President and Chief Financial Officer

August 21, 2025

“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

Q3 Fiscal Year 2025

- 🕒 Net Income was \$661 million favorable to budget
- 🕒 Cash Flow from Operating Activities was \$773 million favorable to budget
- 🕒 Total Financing Obligations (TFO) were \$1,640 million favorable to budget

Sales and Revenue

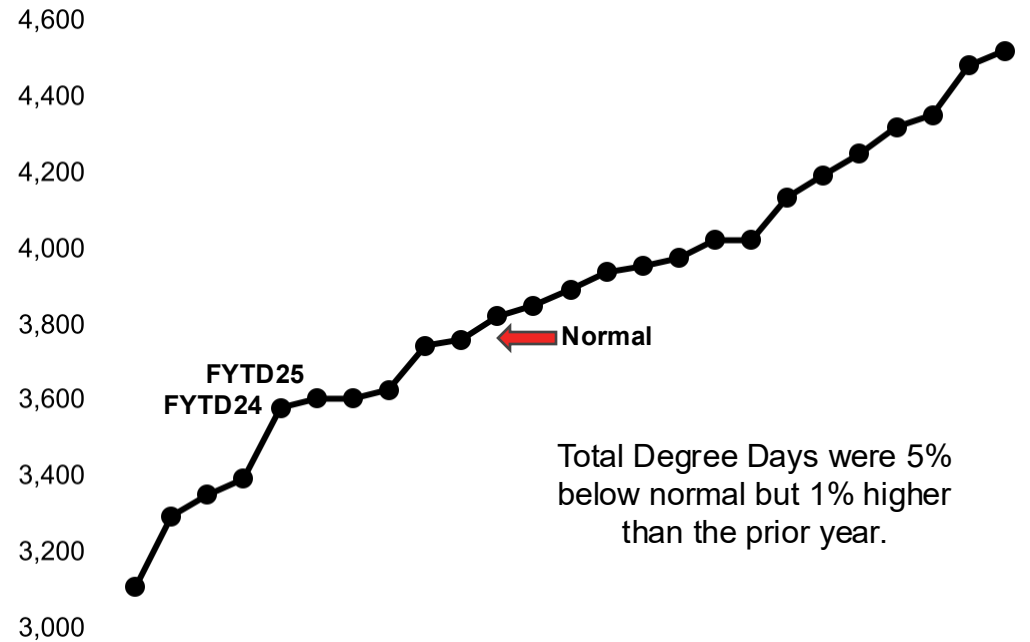
Power sales driven by an increase in demand

	FYTD25			FYTD24	
	Actual	Budget	Variance	Actual	'25 v '24
Power Sales (GWh)	120,527	118,923	1,604	117,313	3,214
Total Operating Revenues (\$ million)	\$ 9,758	\$ 9,014	\$ 744	\$ 8,798	\$ 960
Base Revenue (\$ million)	6,688	6,474	214	6,196	492
Fuel Cost Recovery (\$ million)	2,924	2,413	511	2,455	469
Average Base Rate (¢/kWh)	5.6	5.4	0.2	5.3	0.3
Average Fuel Rate (¢/kWh)	2.4	2.0	0.4	2.1	0.3
Total Effective Rate* (¢/kWh)	8.0	7.4	0.6	7.4	0.6

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

Total Degree Days



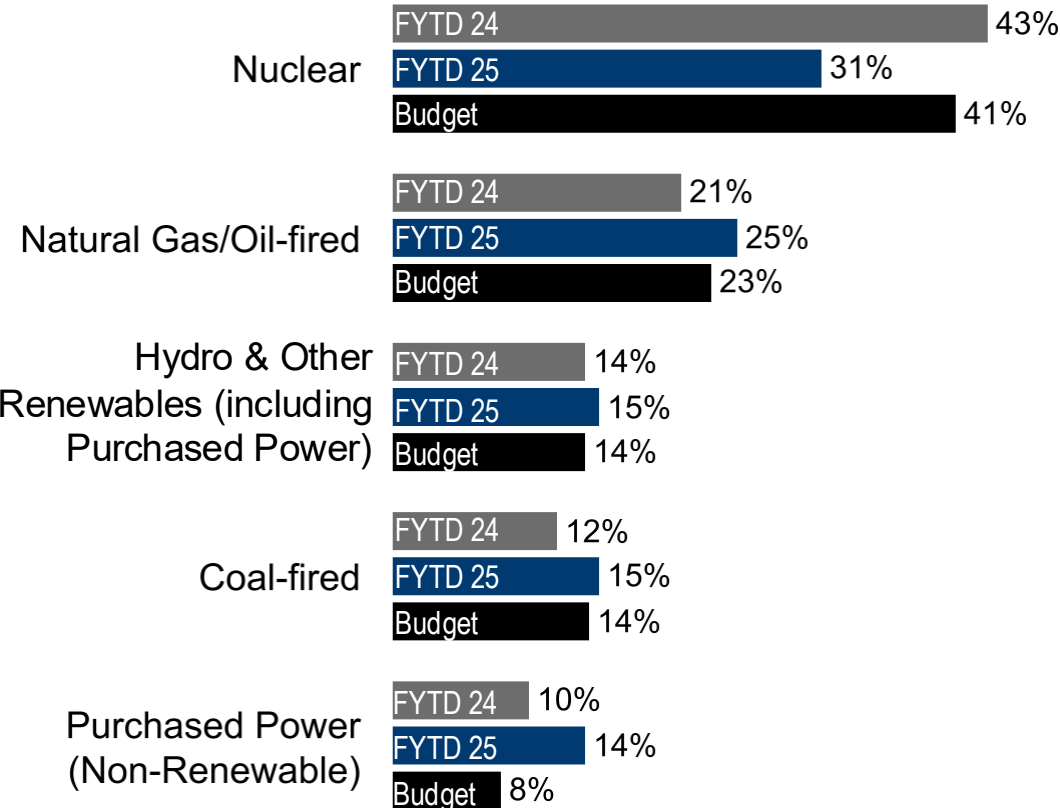
Total Degree Days were 5% below normal but 1% higher than the prior year.

FYTD ranked 25-year history

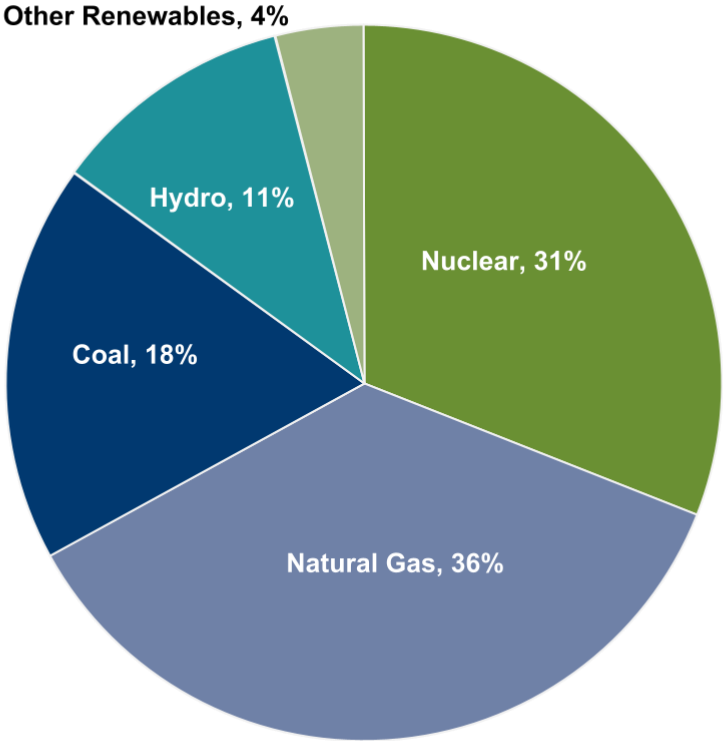
Power Supply Summary - FYTD

Benefiting from a diverse power system

Power Supply by Source



Power Supply FYTD 2025



Note: Chart depicts both generated and purchased power within respective resource types. For additional information, please see Total Power Supply by Generating Source in TVA's Quarterly Report on Form 10-Q.

Q3 Summary Income Statement

\$ million	FYTD25			FYTD24	
	Actual	Budget	Variance	Actual	'25 v '24
Base Revenue	\$ 6,688	\$ 6,474	\$ 214	\$ 6,196	\$ 492
Fuel Revenue	2,924	2,413	511	2,455	469
Other Revenue*	146	127	19	147	(1)
Total Operating Revenue	9,758	9,014	744	8,798	960
Fuel & Purchased Power	3,190	2,796	394	2,700	490
Operations & Maintenance	2,771	3,026	(255)	2,671	100
Taxes, Depreciation, Other	2,172	2,184	(12)	2,017	155
Interest Expense	880	924	(44)	795	85
Net Income (Loss)	\$ 745	\$ 84	\$ 661	\$ 615	\$ 130

* Includes off-system sales and pre-commercial operations

Q3 Summary Cash Flow

\$ million

	FYTD25			FYTD24	
	Actual	Budget	Variance	Actual	'25 v '24
Net Cash Provided by / (Used in)					
Operating Activities	\$ 2,076	\$ 1,303	\$ 773	\$ 1,939	\$ 137
Investing Activities	(3,628)	(4,294)	666	(2,546)	(1,082)
Financing Activities	1,551	2,991	(1,440)	607	944
Net Change in Cash	\$ (1)	\$ —	\$ (1)	\$ —	\$ (1)
Beginning Debt and Financing Obligations	\$ 21,203	\$ 21,434	\$ (231)	\$ 20,525	\$ 678
Change in Debt and Financing Obligations	1,656	3,065	(1,409)	642	1014
Ending Debt and Financing Obligations	\$ 22,859	\$ 24,499	\$ (1,640)	\$ 21,167	\$ 1,692

Q3 Summary and Updates

- ▶ Higher sales and revenue due to increasing demand
- ▶ Operating cash flow remains strong
- ▶ Maintaining financial health and discipline
- ▶ Strategic financing to support investment in America's energy future

FY26 Expenditures

Approach for FY26 Approval

Expenditures and commitments as needed for continuity of operations

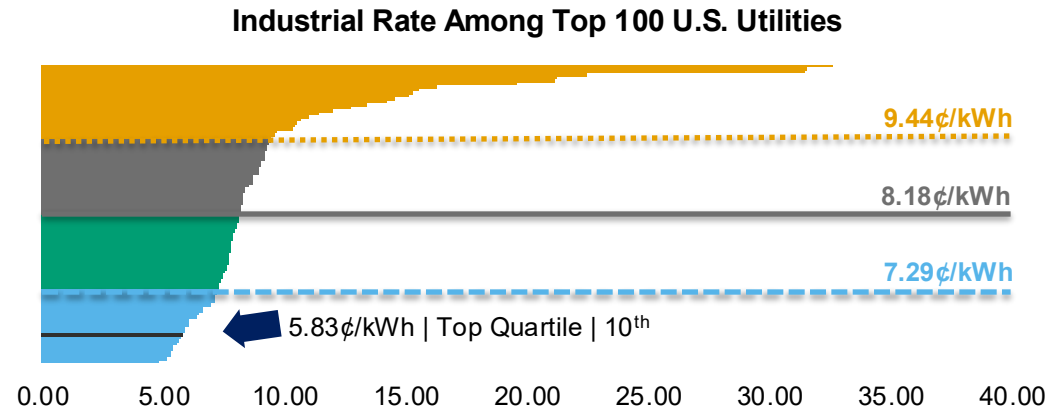
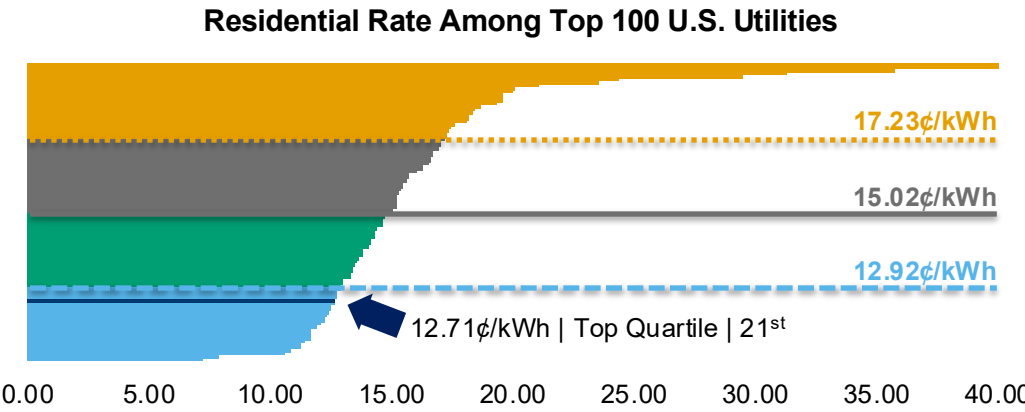
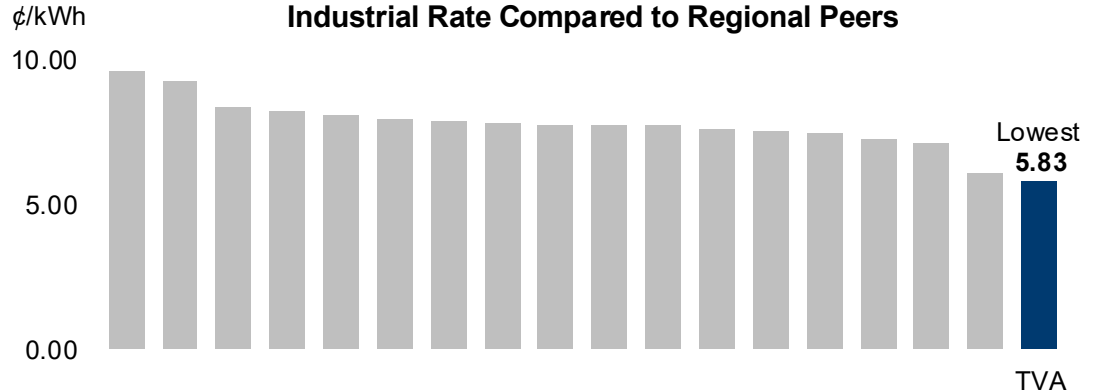
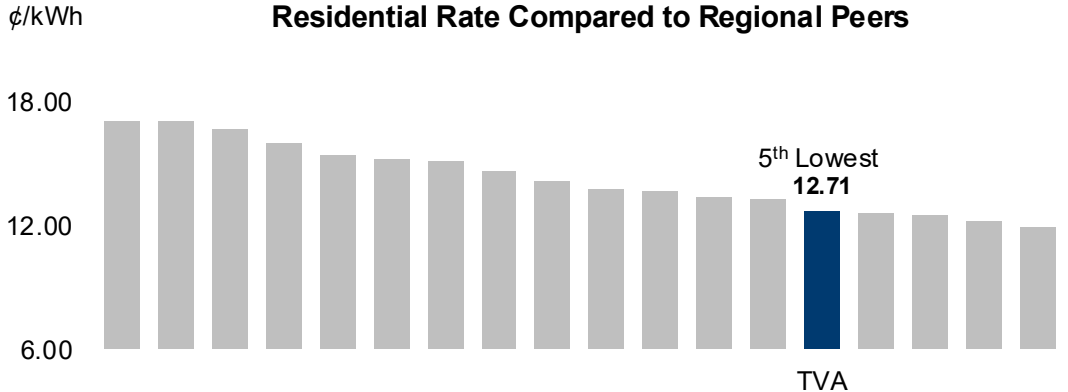
- Commercial transactions contracting plan for fuels and purchased power and demand-side programs
- Previously approved projects over \$200 million
- Acquisition of land rights
- Regulatory mechanisms
- Final FY25 and estimated FY26 tax equivalent payments

No rate adjustment for FY26

Expenditures assume cost optimization objectives are achieved and sustained

\$3.0 billion of long-term financing for FY26

Rate Competitiveness



12-month Rolling Average (¢/kWh) as of April 2025 – Sources: U.S. Energy Information Administration-861M and Electricity Sales Statistics

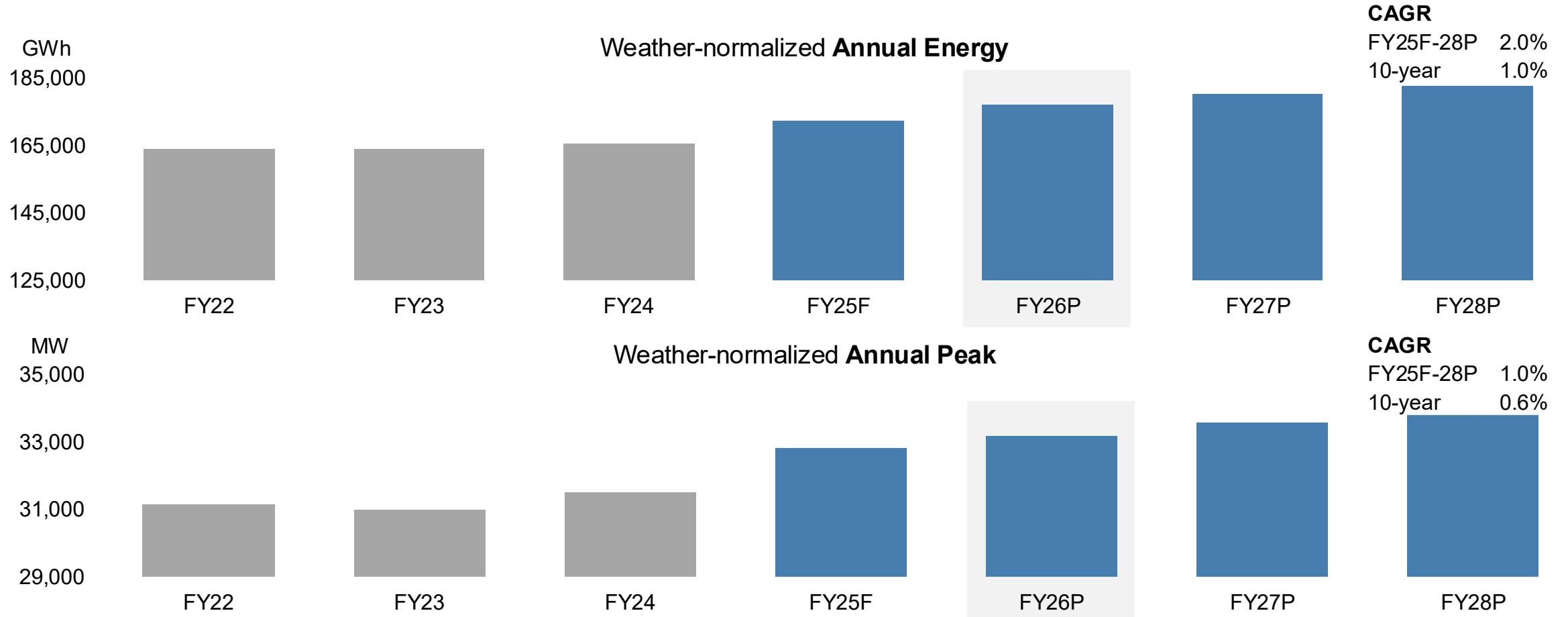
Summary Income Statement

\$ million	FY22	FY23	FY24	FY25F	FY26P	FY27P	FY28P
Operating Revenue	\$ 12,540	\$ 12,054	\$ 12,314	\$ 13,629	\$ 13,749	\$ 13,885	\$ 13,876
Fuel and Purchased Power	4,488	4,182	3,750	4,425	4,722	4,882	4,661
Operating and Maintenance	2,986	3,372	3,641	3,840	3,844	3,762	3,850
Depreciation and Amortization	2,054	2,213	2,138	2,274	2,409	2,441	2,363
Taxes	601	593	557	633	669	678	678
Operating Expenses	10,129	10,360	10,086	11,172	11,644	11,763	11,552
Operating Income	2,411	1,694	2,228	2,457	2,105	2,122	2,324
Other Income / (Expense)	7	61	71	61	53	45	46
Other Net Periodic Benefit Cost	(258)	(199)	(98)	(104)	(90)	(91)	(131)
Interest Expense	(1,052)	(1,056)	(1,066)	(1,199)	(1,336)	(1,477)	(1,610)
Net Income	\$ 1,108	\$ 500	\$ 1,135	\$ 1,215	\$ 732	\$ 599	\$ 629

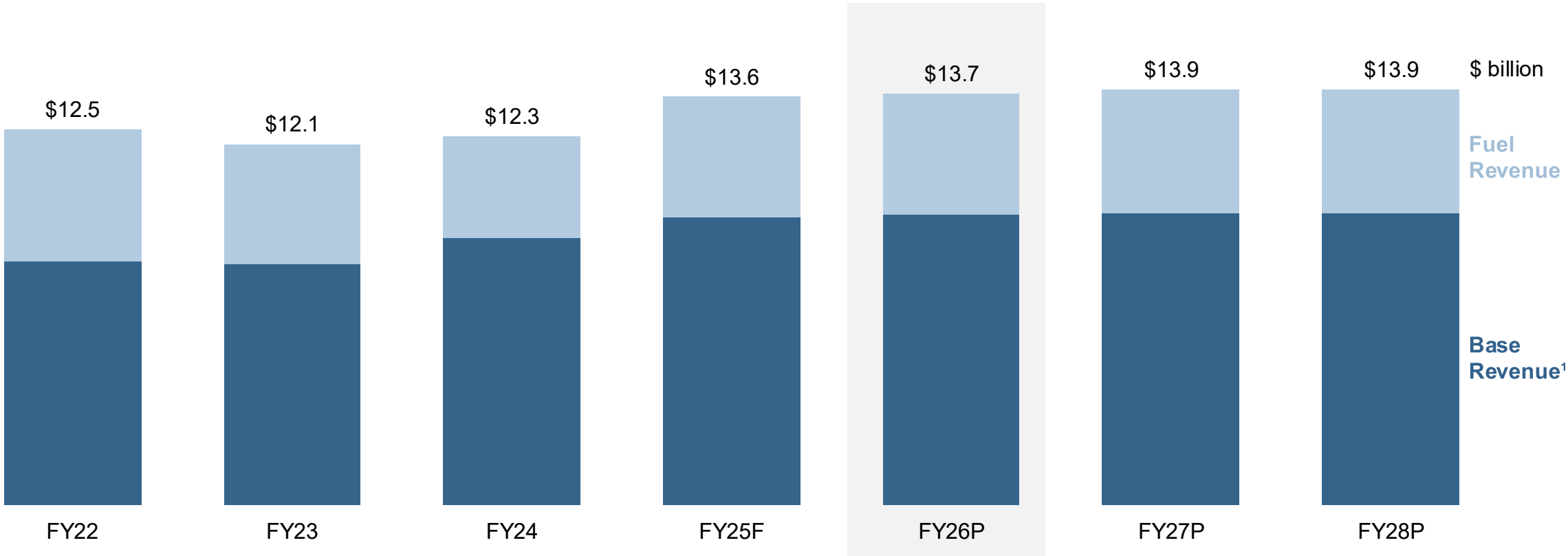
Summary Cash Flow Statement

\$ million	FY22	FY23	FY24	FY25F	FY26P	FY27P	FY28P
Operating Cash Flow	\$ 2,948	\$ 2,872	\$ 3,003	\$ 3,415	\$ 2,530	\$ 2,580	\$ 2,587
Investing Cash Flow	(2,663)	(2,994)	(3,591)	(5,140)	(4,680)	(4,457)	(3,742)
Financing Cash Flow	(283)	123	590	2,427	1,446	1,877	1,155
Net Change in Cash	2	1	2	702	(704)	-	-
Beginning Cash Balance	499	500	501	502	1,204	500	500
Ending Cash Balance	500	501	502	1,204	500	500	500
Restricted Cash Balance	20	20	21	20	20	20	20
Ending Total Cash Balance	\$ 520	\$ 521	\$ 523	\$ 1,224	\$ 520	\$ 520	\$ 520

Energy Sales and Peak Demand

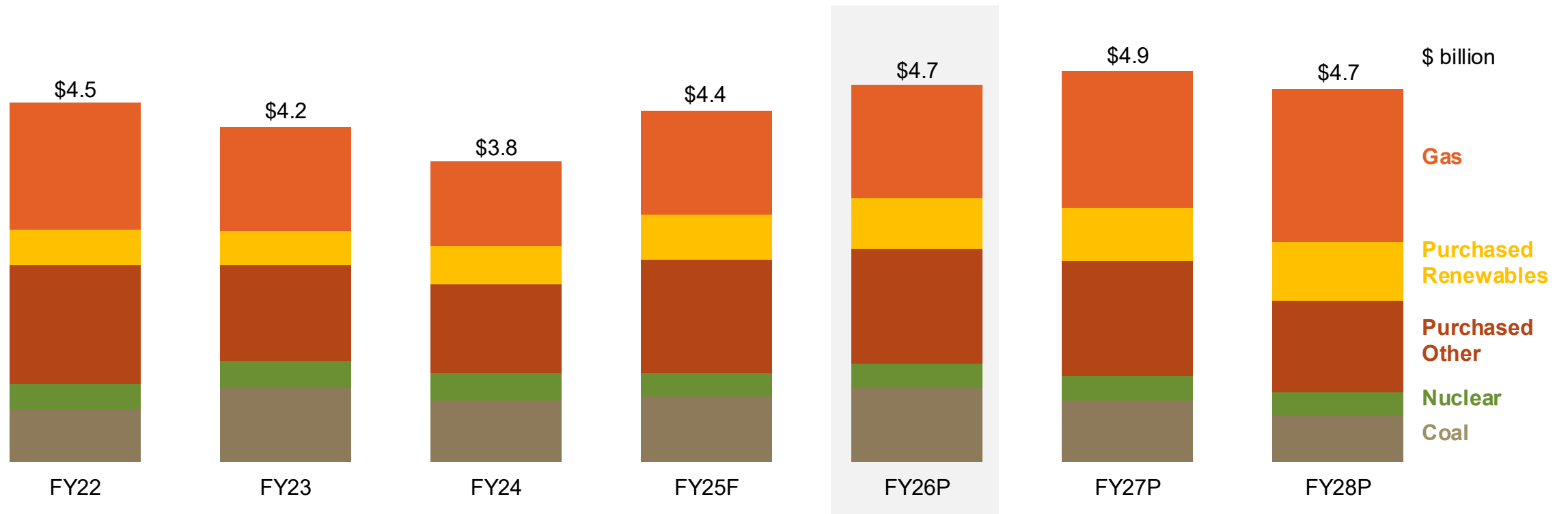


Operating Revenue



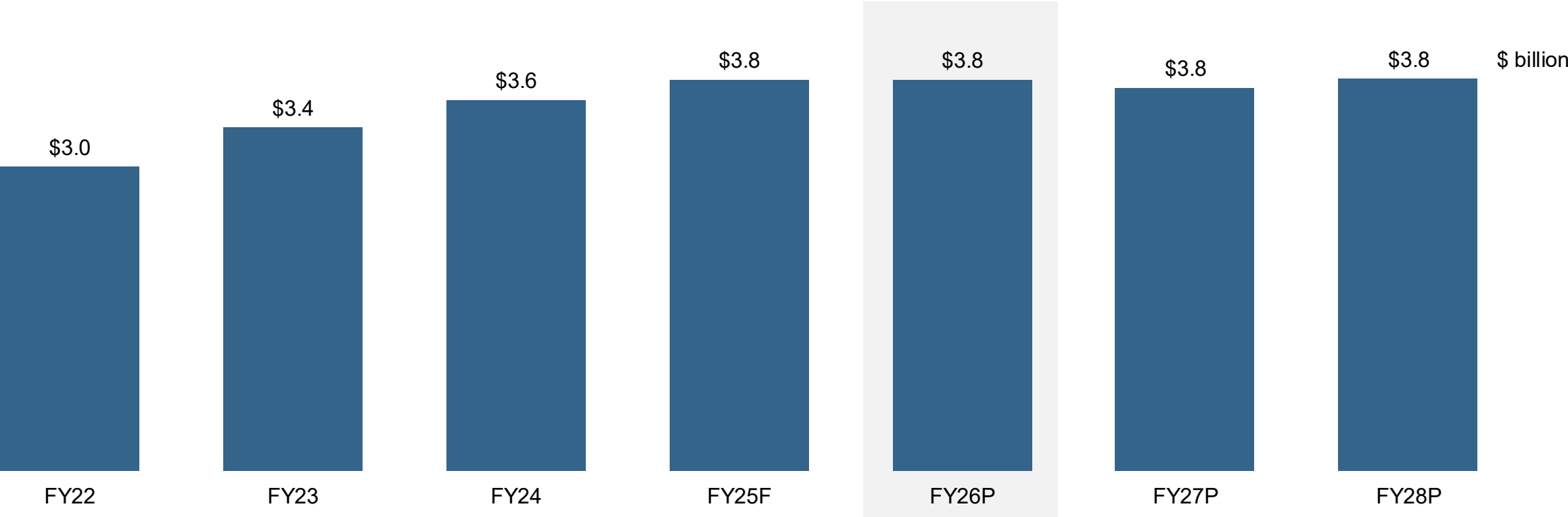
¹Base Revenue includes "Other" revenue

Fuel and Purchased Power

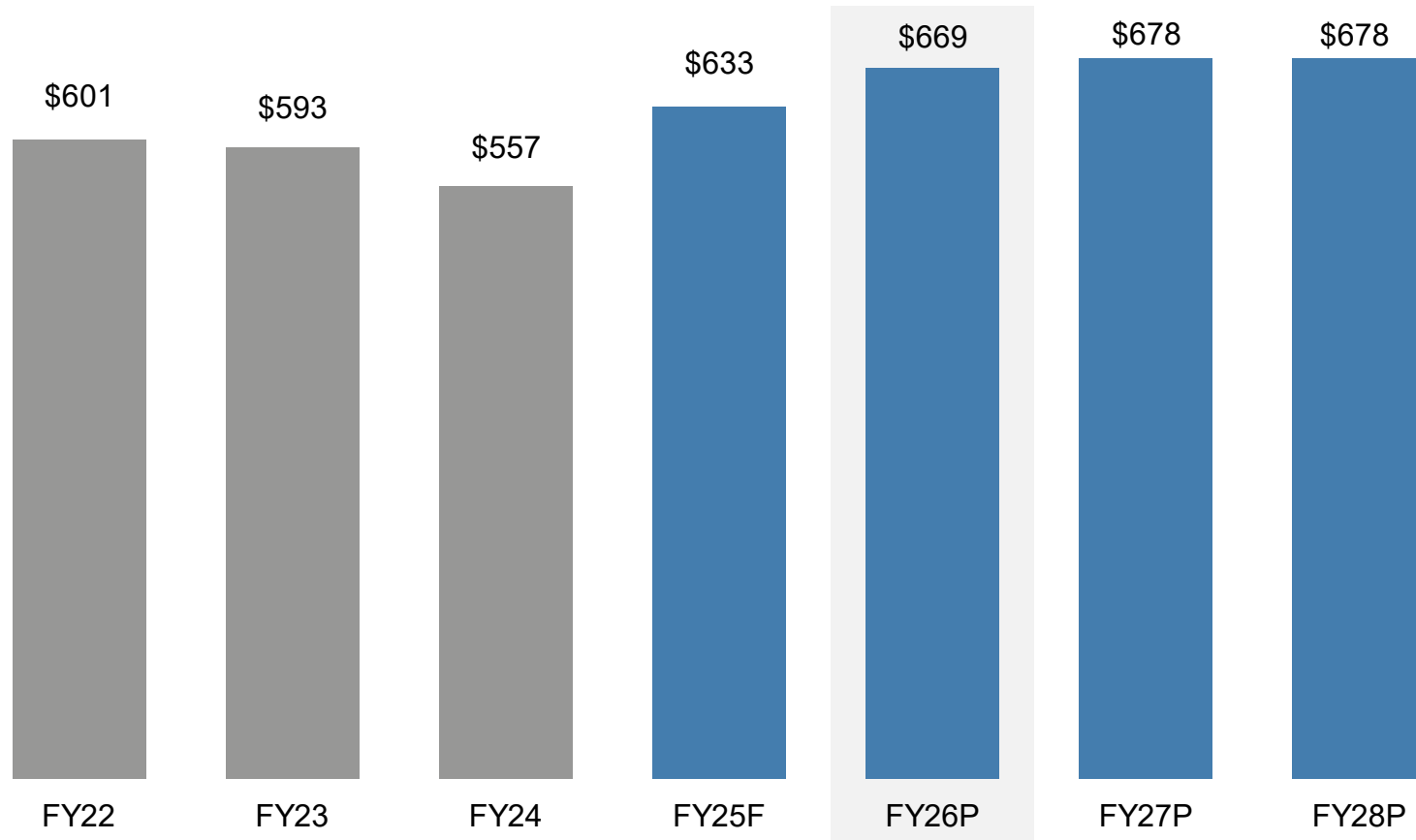


Totals include fuel cost adjustment (FCA) deferrals and fuel handling costs but exclude reagents. FY25F represents FY25 July FCA, FY26-28P represents FY25 June FCA.

O&M Expense



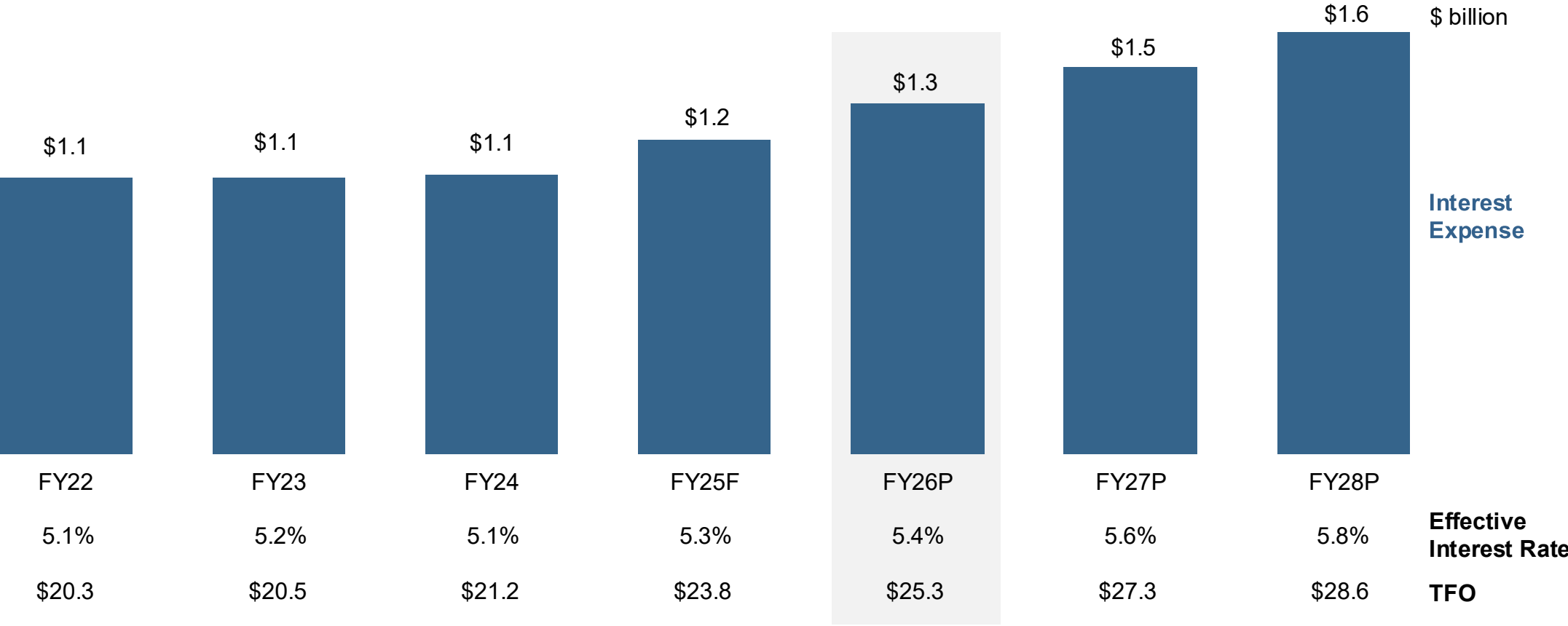
Tax Equivalents



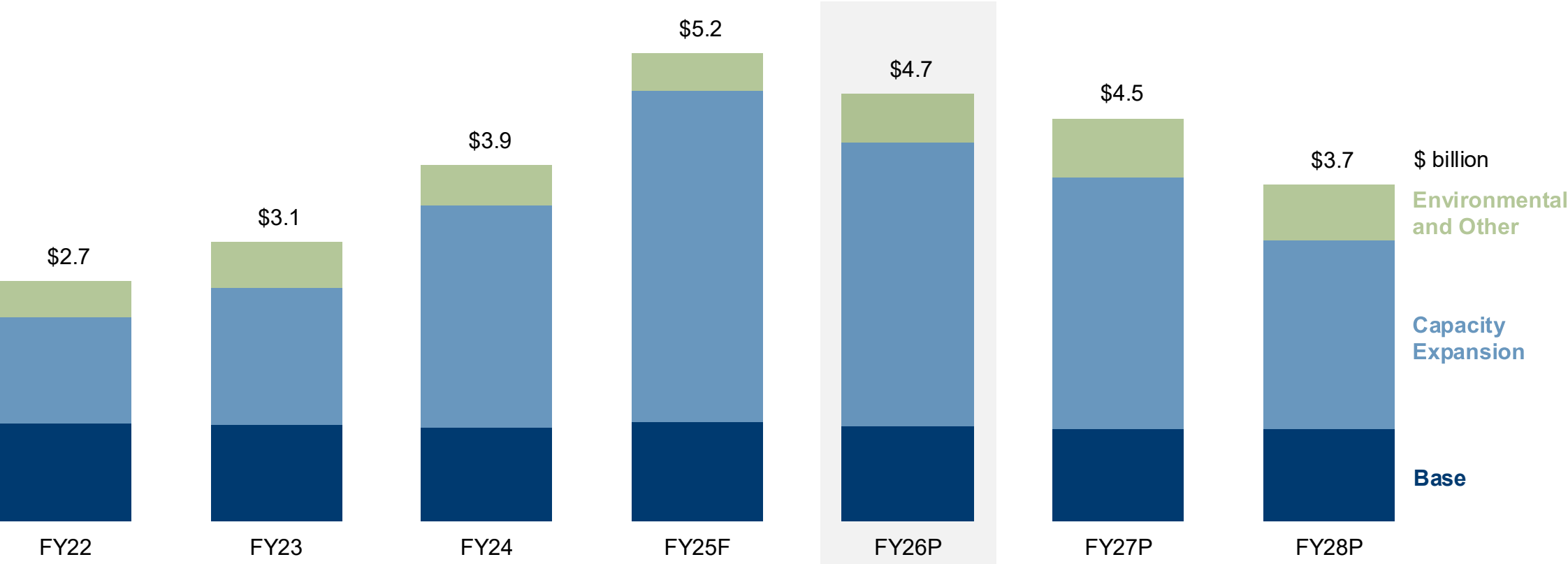
Tax Equivalent – Final Payments by State

\$ million	FY24	FY25	Delta
Tennessee	\$394	\$405	\$ 11
Alabama	93	91	(2)
Mississippi	46	47	1
Kentucky	40	41	1
Georgia	9	10	1
North Carolina	4	4	-
Virginia	1	1	-
Illinois	1	1	-
Final Payments	\$588	\$600	\$ 12
Fuel Cost Adjustment	(31)	33	64
Total Expense	\$557	\$633	\$ 76

Interest Expense

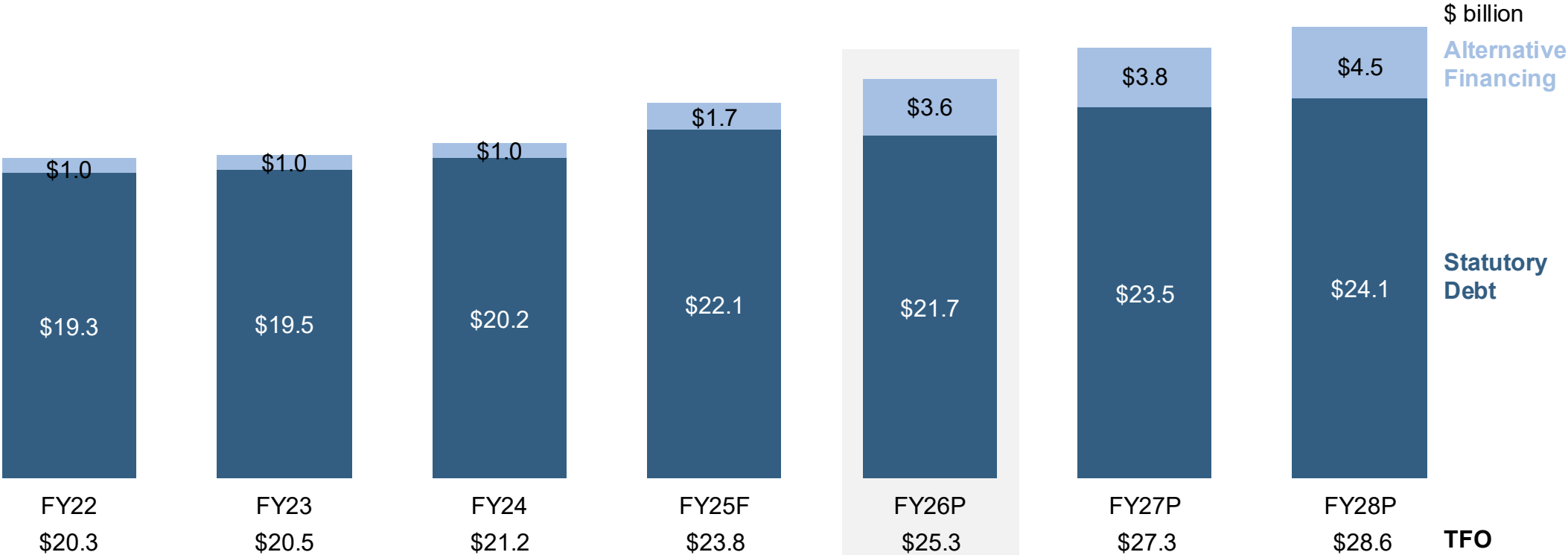


Capital Expenditures



Totals include ARO and Decommissioning costs, but exclude nuclear fuel capital expenditures

Total Financing Obligations

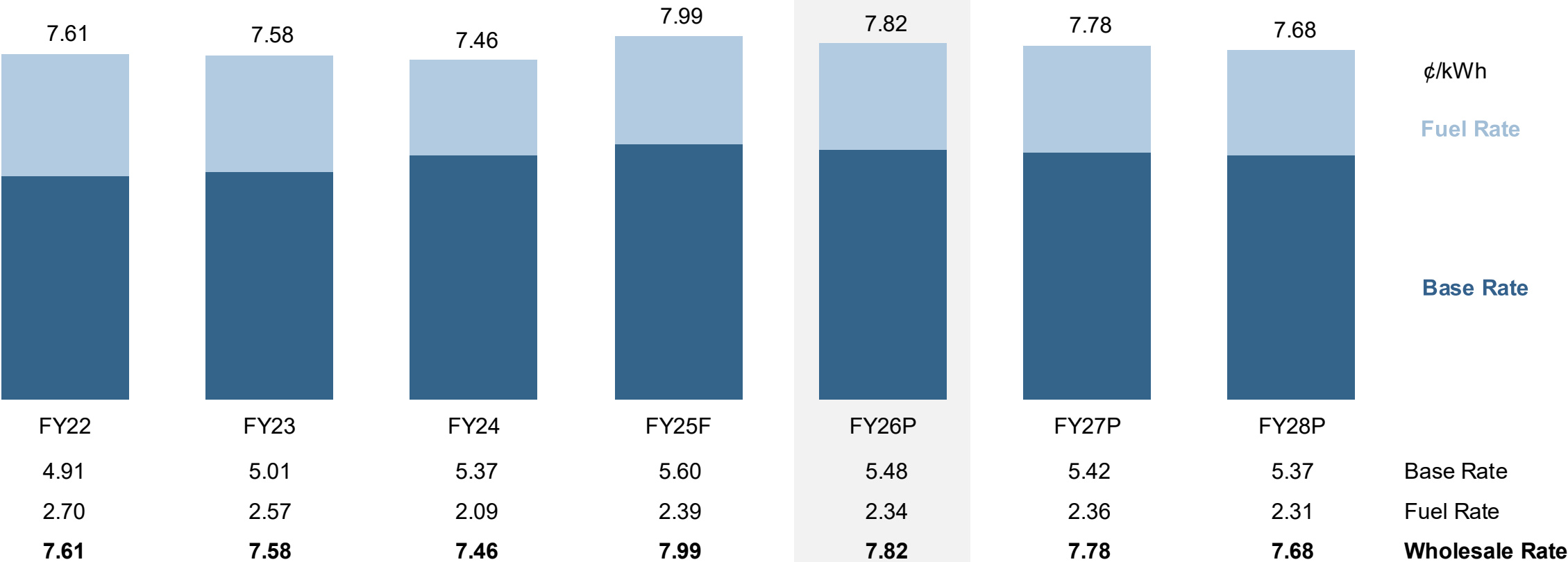


Revenue Requirements

\$ million	FY25F	FY26P	FY27P	FY28P
Base Revenues	9,422	9,509	9,544	9,589
Fuel Revenues	4,018	4,065	4,162	4,115
Rate Action Revenues	-	-	-	-
Total Electric Revenues	\$ 13,440	\$ 13,574	\$ 13,706	\$ 13,704
Fuel and Purchased Power	4,425	4,722	4,882	4,661
Operating and Maintenance	3,840	3,844	3,762	3,850
Base Capital	1,088	1,044	1,015	1,015
Interest	1,199	1,336	1,477	1,610
Tax Equivalents	633	669	678	678
Other	25	528	433	451
Total Operational Spend	\$ 11,210	\$ 12,143	\$ 12,247	\$ 12,265
Debt Paydown	\$ 2,230	\$ 1,431	\$ 1,459	\$ 1,439
Strategic Capital	4,095	3,693	3,452	2,714
Change in Cash	702	(704)	-	-
Debt Paydown	(2,230)	(1,431)	(1,459)	(1,439)
Change in TFO	\$ 2,567	\$ 1,558	\$ 1,993	\$ 1,275
TFO ¹ Balance	23,770	25,328	27,321	28,596
Ending Statutory Debt Balance	22,057	21,687	23,454	24,050
Alternative Financing	1,713	3,641	3,867	4,546

¹TFO includes both statutory and alternative financing obligations

Effective Wholesale Rate



Summary

Financial health remains strong

Board approved FY26 expenditures package reflects:

- Continuity of operations spending and commitments
- No base rate increase for FY26
- Stable O&M and base capital spending
- \$3.7 billion of strategic capital expenditures
- \$1.6 billion increase in total debt consistent with Financial Guiding Principles

Finance, Rates, and Portfolio Committee

People and Governance Committee

Operations and Nuclear Oversight Committee

Operations Quarterly Update

Allen Clare
Senior Vice President, Generation

August 21, 2025

Operations Update



Generation



Transmission



**Generation Projects
& Fleet Services**

Operations Update



**Nolichucky Dam and Powerhouse
September 2024**



**Nolichucky Dam
April 2025**

Operations Quarterly Update

Allen Clare
Senior Vice President, Generation

August 21, 2025

Operations and Nuclear Oversight Committee

Nuclear Quarterly Update

Tim Rausch
Executive Vice President & Chief Nuclear Officer

August 21, 2025

Operations and Nuclear Oversight Committee

External Stakeholders and Regulation Committee

President's Report

Don Moul
President and CEO

August 21, 2025



TVA's Mission & Momentum

Expanding generation
and driving innovation
with historic investments





C&I CRANE SERVICE

TUSCUMBEA, AL
256-381-3510

USDOT 000269129

GROVE

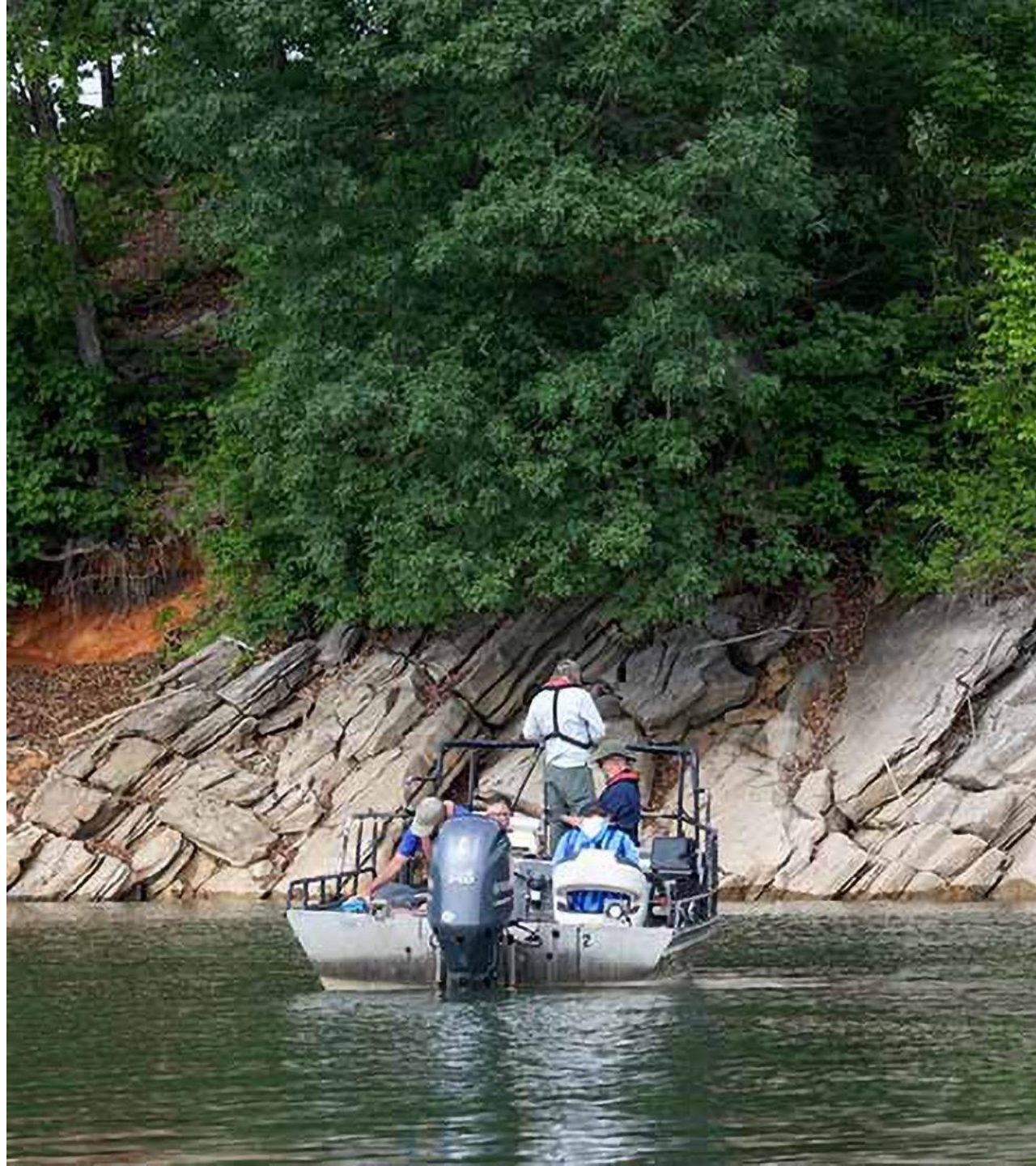
TMS
700E

5500 lb
2495 kg



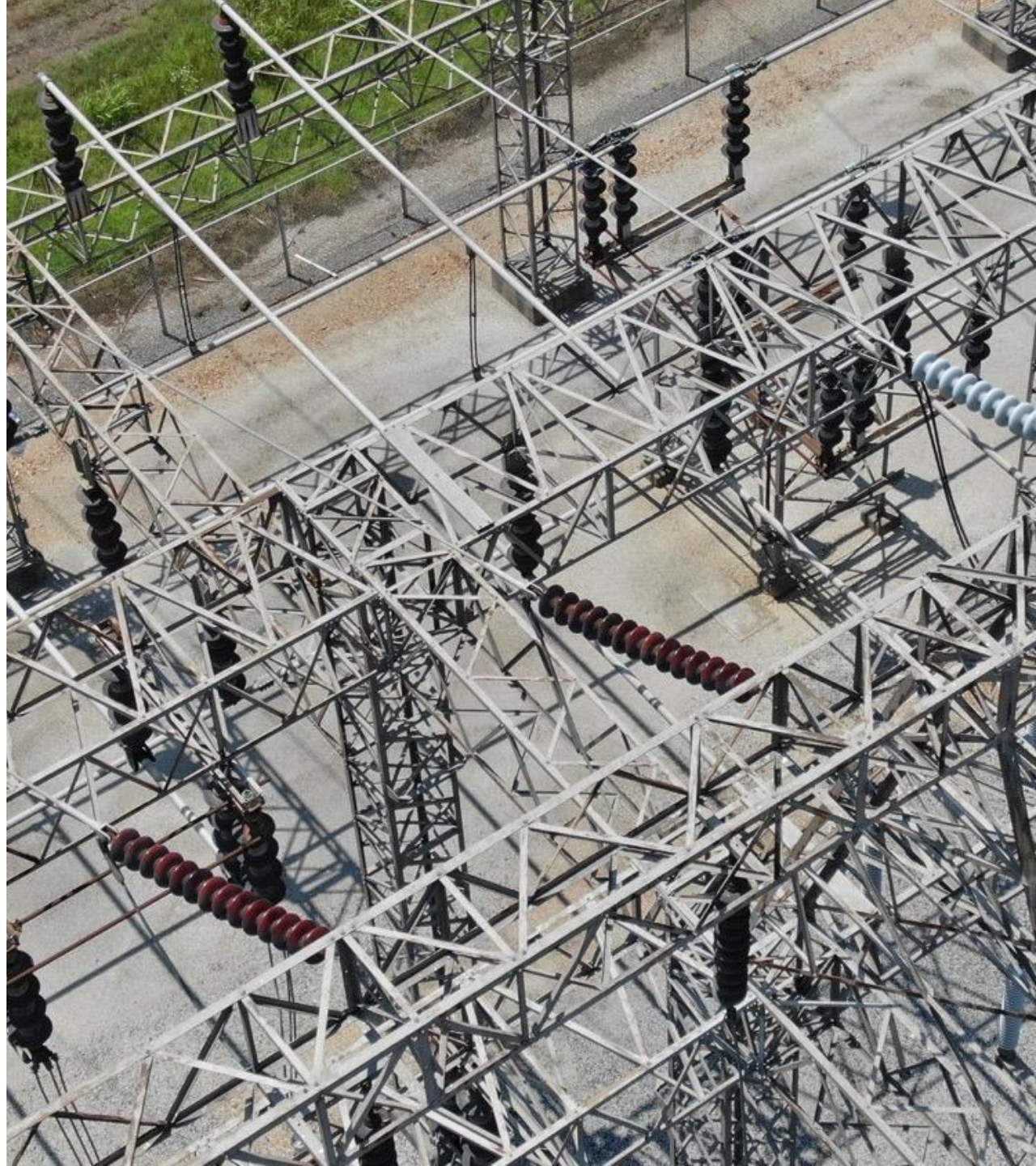
Responding With Urgency

**TVA meets challenges
with action and long-
term commitment**



Meeting Peak Demand

11 days above 30,000 MW
where nearly every TVA
asset played a role







Built to Last

Infrastructure built for safety and longevity

Facing Challenges Head-on

From growth to grid
needs, TVA is moving
with urgency





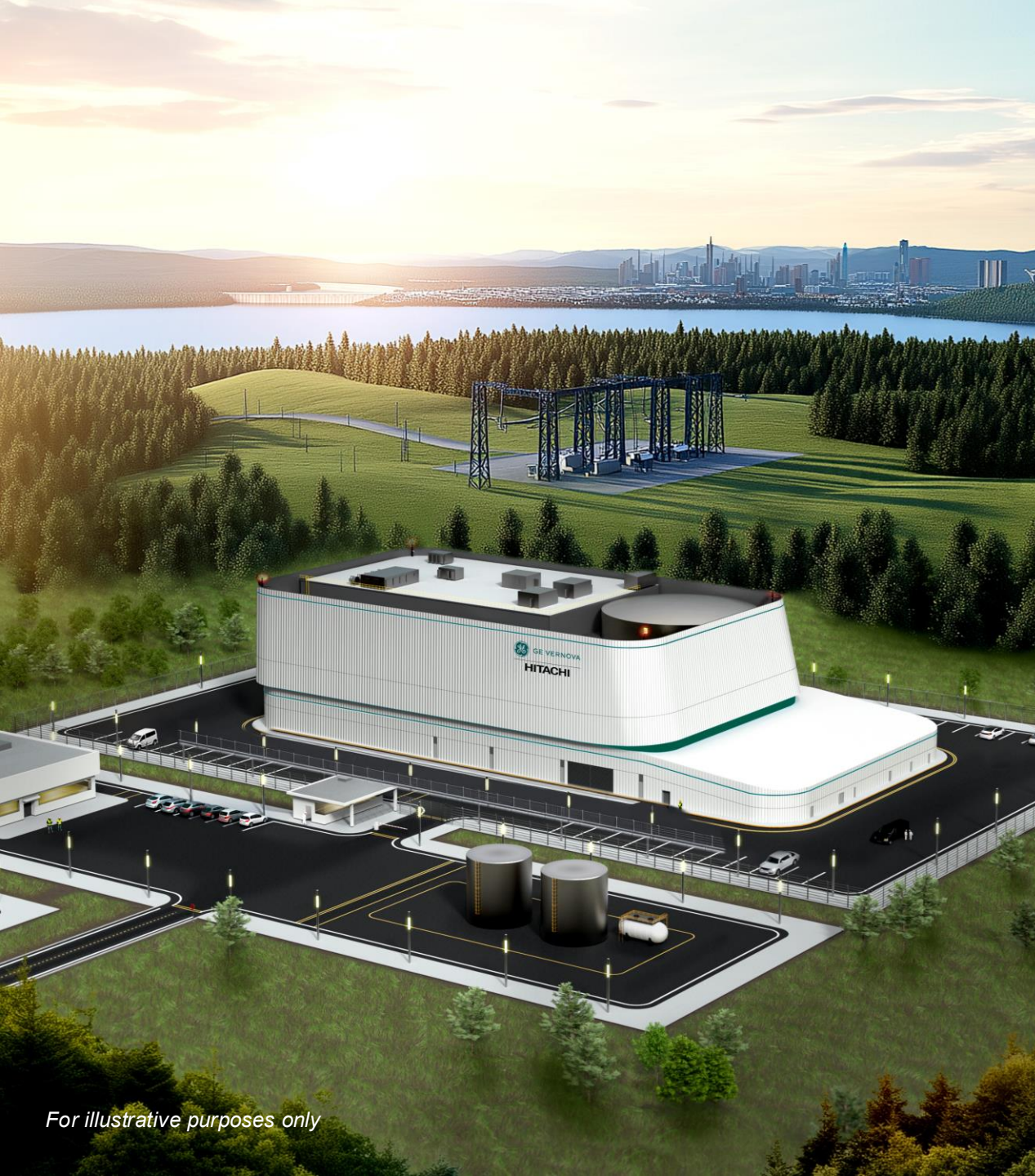
Supporting Regional Growth

**Delivering power for
new jobs, industries,
and communities**

Powering Future Technologies

Supplying energy for AI,
supercomputing, and
next-gen tech





Small Modular Reactors

**Years ahead of the field
in developing new
nuclear technology**

For illustrative purposes only

Purpose Over Profits

**Built to serve, not to
maximize returns**





BUILT FOR THE PEOPLE OF THE UNITED STATES OF AMERICA - 1945

President's Report

Don Moul
President and CEO

August 21, 2025

TVA

**TENNESSEE
VALLEY
AUTHORITY**