



Board Meeting

February 13, 2025
Knoxville, Tennessee

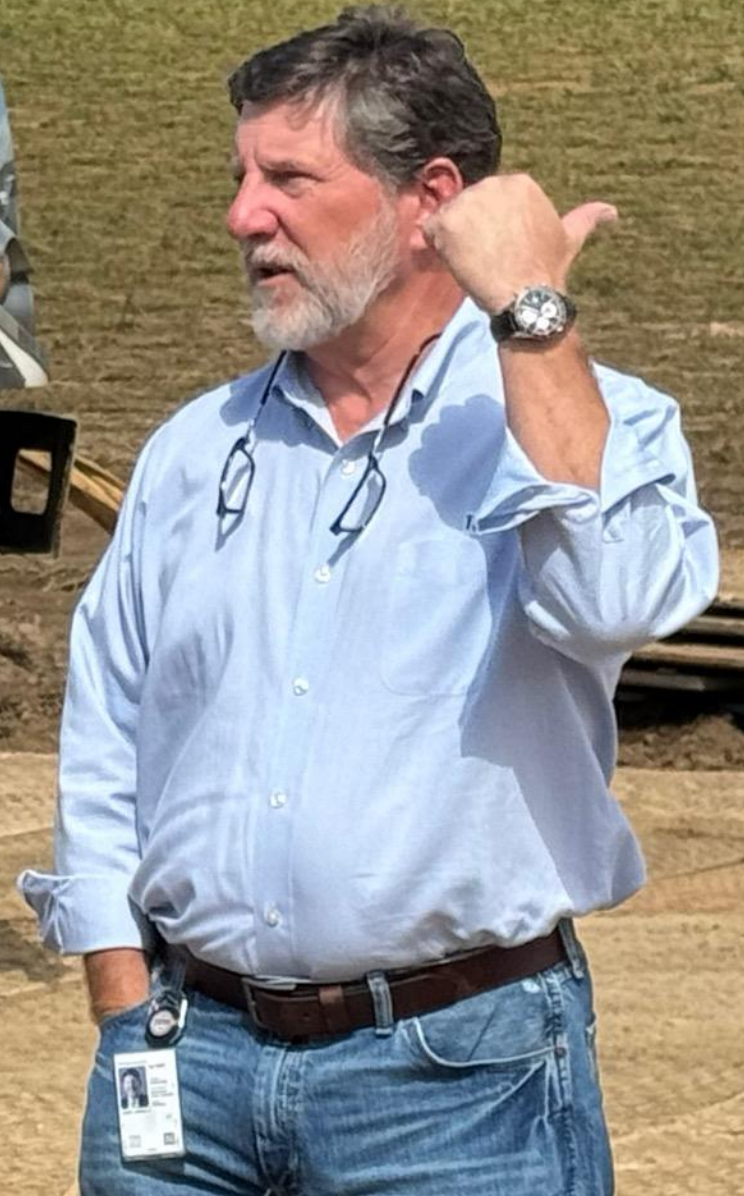


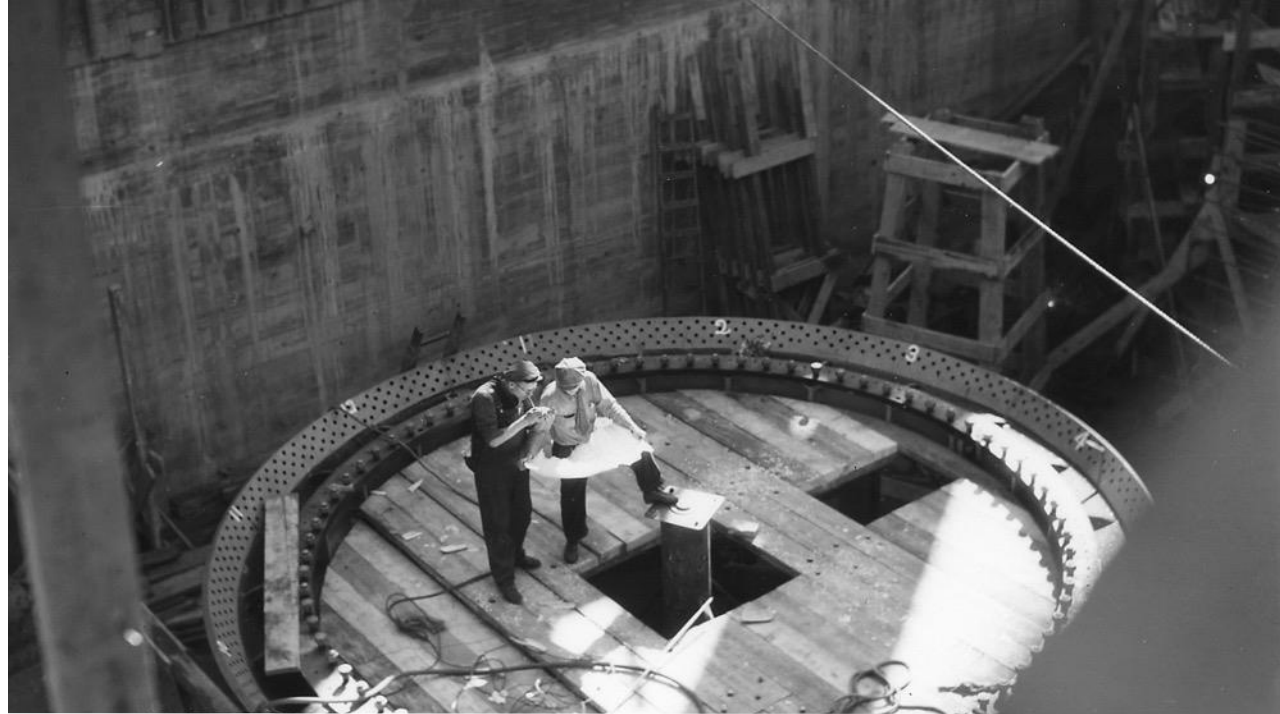
Opening Remarks

Jeff Lyash
President and CEO

February 13, 2025









Opening Remarks

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President and CEO

February 13, 2025





Ike Zeringue Engineer of the Year

Engineer of the Year
Miles Yaw





Board Meeting

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Knoxville, Tennessee



Committee Membership

Audit, Risk, and Cybersecurity

Michelle Moore, Chair

Beth Geer

Bill Renick

External Stakeholders and Regulation

Bill Renick, Chair

Beth Geer

Michelle Moore

Finance, Rates, and Portfolio

Wade White, Chair

Bill Renick

Joe Ritch

Operations and Nuclear Oversight

Bobby Klein, Chair

Joe Ritch

Wade White

People and Governance

Beth Geer, Chair

Bobby Klein

Joe Ritch



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Finance, Rates, and Portfolio Committee

Wade White, Chair

Financial Update

Tom Rice
Senior Vice President and Chief Financial Officer

February 13, 2025

Congratulations to John Thomas



Q1 Fiscal Year 2025

- ▶ Net Income was \$118 million favorable to budget
- ▶ Cash Flow from Operating Activities was \$225 million favorable to budget
- ▶ Total Financing Obligations (TFO) were \$579 million favorable to budget

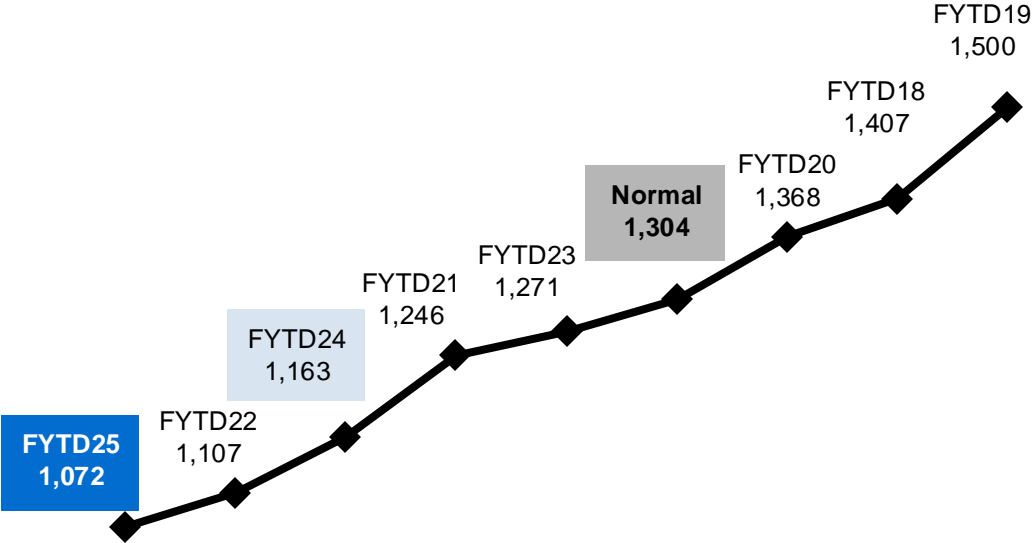
Sales and Revenue

	FYTD25			FYTD24	
	Actual	Budget	Variance	Actual	'25 v '24
Power Sales (GWh)	38,031	38,516	(485)	37,335	696
Total Operating Revenues (\$ millions)	\$2,920	\$2,891	\$29	\$2,765	\$155
Base Revenue	2,045	2,079	(34)	1,949	96
Fuel Cost Recovery	830	770	60	783	47
Average Base Rate (¢/kWh)	5.4	5.4	—	5.2	0.2
Average Fuel Rate	2.2	2.0	0.2	2.1	0.1
Total Effective Rate*	7.6	7.4	0.2	7.3	0.3

Calculations may be impacted by rounding

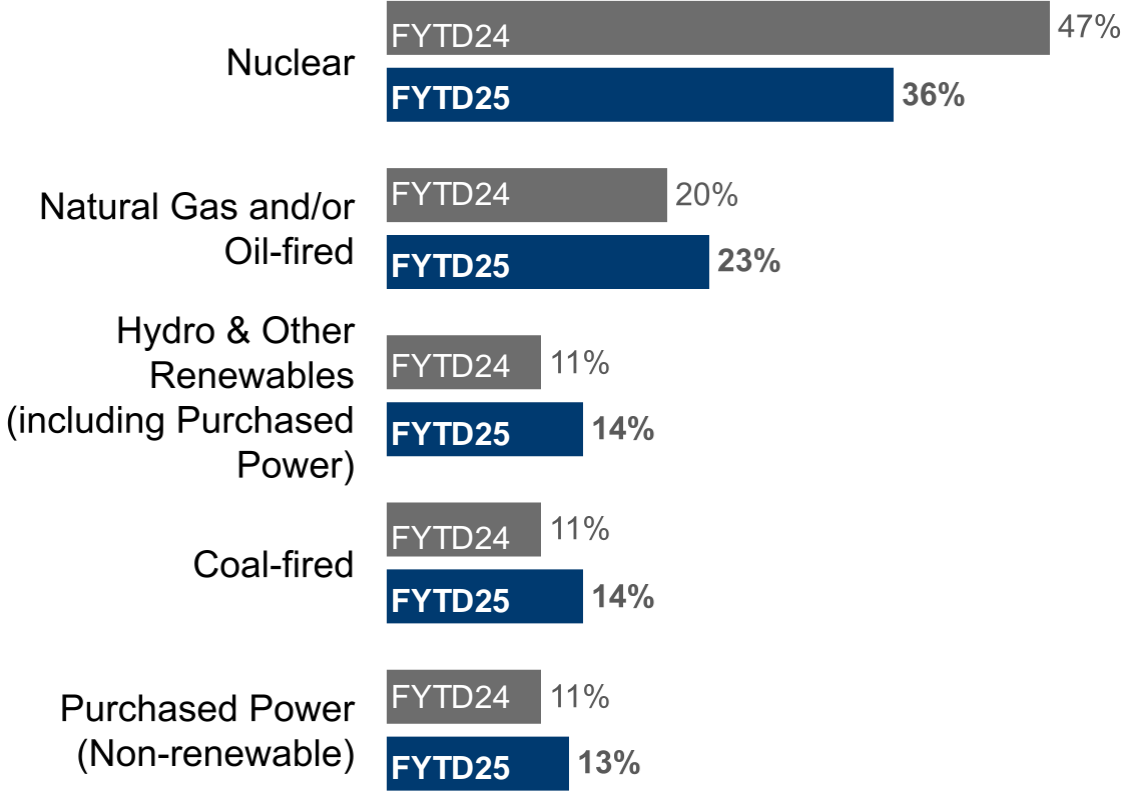
*Excludes other revenue and off-system sales impact; total effective rate numbers based on unrounded base and fuel rates

Total Degree Days

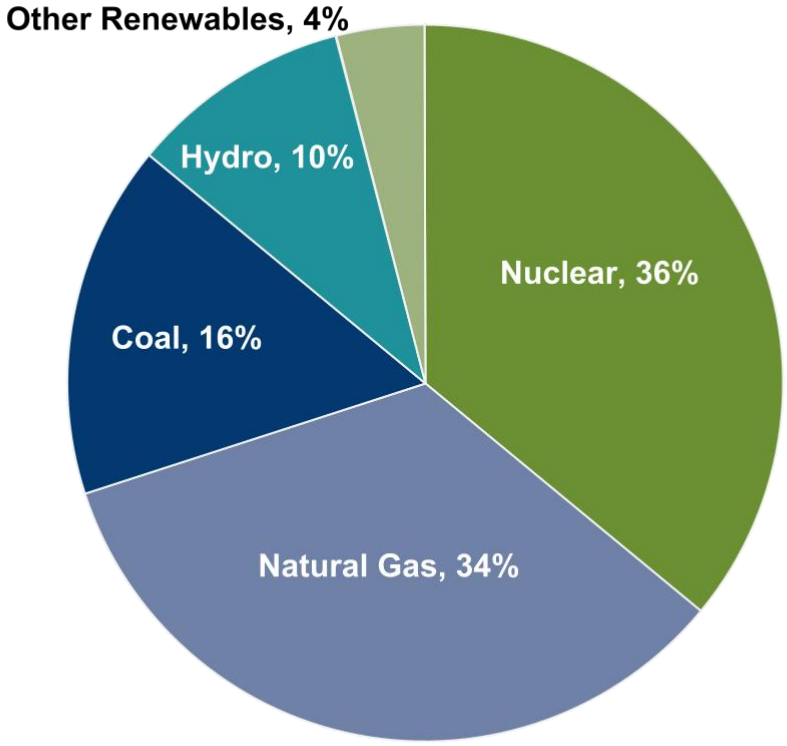


Power Supply Summary (FYTD)

Power Supply by Source



Power Supply FYTD25



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.

Q1 Summary Income Statement

\$ million	FYTD25			FYTD24	
	Actual	Budget	Variance	Actual	'25 v '24
Base Revenue	\$ 2,045	\$ 2,079	\$ (34)	\$ 1,949	\$ 96
Fuel Revenue	830	770	60	783	47
Other Revenue*	45	42	3	33	12
Total Operating Revenue	2,920	2,891	29	2,765	155
Fuel & Purchased Power	899	890	9	855	44
Total O&M	905	979	(74)	867	38
Taxes, Depreciation, Other	711	722	(11)	654	57
Interest Expense	280	293	(13)	262	18
Net Income (Loss)	\$ 125	\$ 7	\$ 118	\$ 127	\$ (2)

*Includes off-system sales and pre-commercial operations

Q1 Summary Cash Flow

\$ million

Net Cash Provided by / (Used in)	FYTD25			FYTD24	
	Actual	Budget	Variance	Actual	'25 v '24
Operating Activities	\$ 450	\$ 225	\$ 225	\$ 393	\$ 57
Investing Activities	(1,378)	(1,542)	164	(1,002)	(376)
Financing Activities	958	1,317	(359)	606	352
Net Change in Cash	\$ 30	\$ —	\$ 30	\$ (3)	\$ 33
Beginning Debt and Financing Obligations	\$ 21,203	\$ 21,434	\$ (231)	\$ 20,525	\$ 678
Change in Debt and Financing Obligations	990	\$ 1,338	\$ (348)	610	380
Ending Debt and Financing Obligations	\$ 22,193	\$ 22,772	\$ (579)	\$ 21,135	\$ 1,058

Q1 Summary and Updates

- ▶ Filing of TVA's first tax return under IRA direct pay provisions
- ▶ Operating cash flow remains strong
- ▶ Continue to benefit from TVA's diverse, reliable power system
- ▶ Continued strong financial health

Finance, Rates, and Portfolio Committee

Wade White, Chair

Request for Shawnee Sulfur Dioxide (SO₂) Controls Project Approval

Bryan Williams
Senior Vice President, Major Projects

February 13, 2025

Purpose and Basis for Request

Funding authorization for a new capital project is needed to ensure that the nine coal-fired units at the Shawnee Fossil Plant (SHF) can operate within expected environmental compliance.



Recommendation

Recommend the TVA Board approve \$233 million to install SO₂ controls on uncontrolled Shawnee units to ensure that those units comply with expected environmental compliance requirements, and authorize the CEO to make the final decision to proceed with that project for purposes of the Administrative Procedure Act subject to the budget approved by the Board of Directors and relevant Board Practices and after completion of all required environmental reviews under the National Environmental Policy Act and other applicable laws.

Finance, Rates, and Portfolio Committee

Wade White, Chair

External Stakeholders and Regulation Committee

Bill Renick, Chair

Missionary Ridge and Blue Ridge Surplus Determination

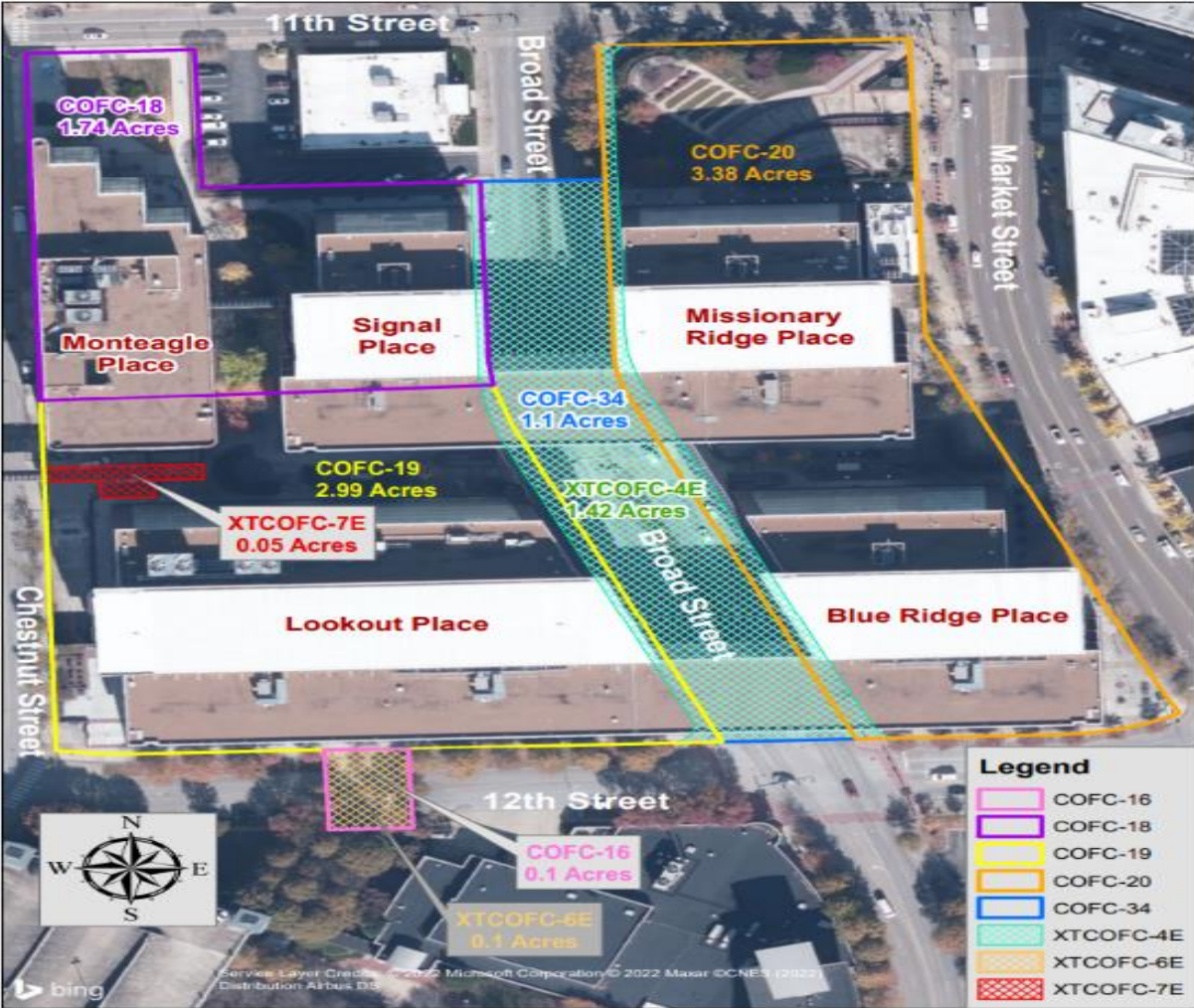
Jeannette Mills
Executive Vice President & Chief Administrative Officer

February 13, 2025

Background

- The Chattanooga Office Complex (COC) was built in the early 1980s. It consists of five buildings totaling 1.4M square feet, that sit on 8.1 acres in downtown Chattanooga.
- TVA headcount reductions, technology advancements, and adoption of shared space policies have enabled efficiencies and cost reductions across the entire facilities fleet, including the COC.
- TVA's system operations center (SOC), which is currently located in the COC's Missionary Ridge building, will begin operating from its new system operations center (SOC) in Meigs County, Tennessee in 2026, further reducing COC space needs.
- As a result, two of the five COC buildings, Missionary Ridge and Blue Ridge, are surplus to TVA's needs.

Chattanooga Office Complex



Recommendation

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

External Stakeholders and Regulation Committee

Bill Renick, Chair

Audit, Risk, and Cybersecurity Committee

Michelle Moore, Chair

Operations and Nuclear Oversight Committee

Bobby Klein, Chair

Operations Quarterly Update

Don Moul
Executive Vice President & Chief Operating Officer

February 13, 2025

Operations and Nuclear Oversight Committee

Bobby Klein, Chair

Nuclear Quarterly Update

Tim Rausch
Executive Vice President & Chief Nuclear Officer

February 13, 2025

Operations and Nuclear Oversight Committee

Bobby Klein, Chair

People and Governance Committee

Beth Geer, Chair



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President's Report

Jeff Lyash
President and CEO

February 13, 2025

Building Tomorrow Together



Public Power



Public power exists to serve and benefit the public good at the local levels – families, communities, businesses and industries.

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

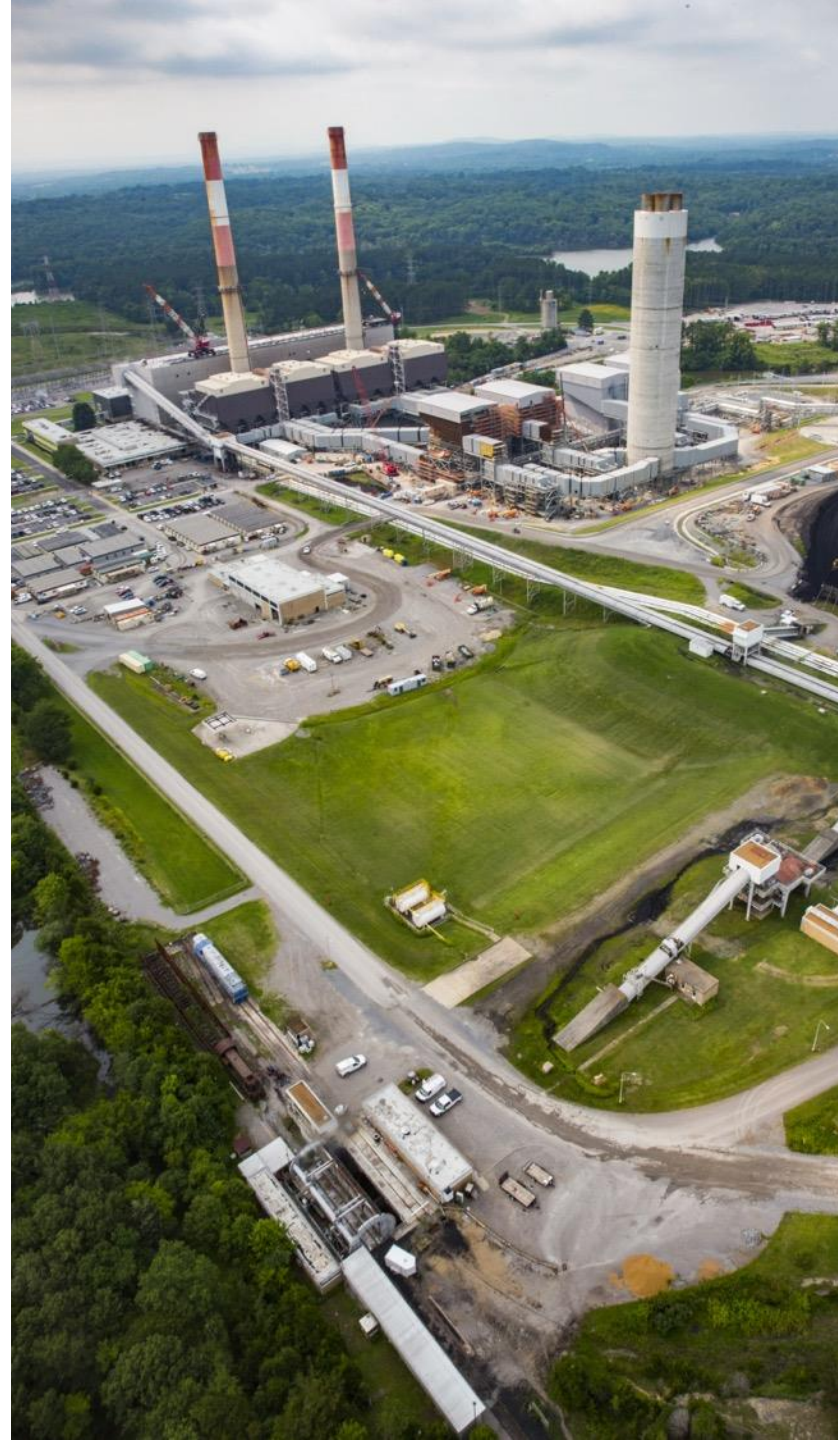
Initiative to offset

30%

of future load growth

Gas Generation





Hydro Investments



New Nuclear



For illustrative purposes only



Solar Generation Expansion



4,000 MW
in commercial operation
or in development

10,000 MW
by 2035



Delivered
35,430 MW
on Jan 22, 2025



Residential Rates

Lower than 80% of utilities nationwide

Economic Development

TVA serves one of the fastest growing regions in the nation – the South. This growth is fueled by people moving to this region for quality of life and jobs.

Over the past five years

\$45.9 Billion

Projected Capital Investment

326,000 Jobs

Created & Retained

President's Report

Jeff Lyash
President and CEO

February 13, 2025

Integrated Resource Plan

- 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

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.

What will be included in the IRP?

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

Specifically, the IRP will evaluate different ways to generate power, including renewable energy options, energy storage, and other generating assets as well as efficiency programs. The evaluation includes projecting anticipated ongoing electrification and energy demand in the region, system requirements, various types of 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 socioeconomic and environmental justice.

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

Public engagement

Public engagement and input is a key component of both developing the IRP as well as the NEPA (National Environmental Policy 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 throughout the IRP.

Public meetings will be scheduled when the draft Programmatic Environmental Impact Statement is available for comment. For information about the IRP and ways to provide public comments, visit [tva.com/irp](#).

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[tva.com/TVA](#) | [@TVAnews](#) | [@TVA](#)



Expansive Partnerships

A silhouette of a power line tower against a sunset sky, with a bridge and water in the background.



Local Power Company Leaders



Conserving Energy

Residential customers
helped reduce load by

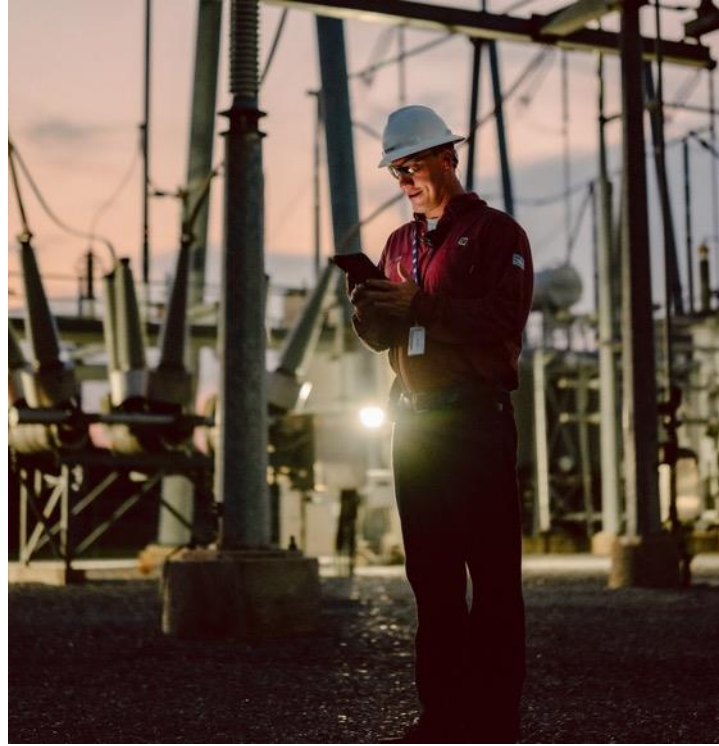
400 MW



President's Report

Jeff Lyash
President and CEO

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TVA

BUILDING TOMORROW TOGETHER

TVA

**TENNESSEE
VALLEY
AUTHORITY**