

No. 23-01

Approved by the Board of Directors
at its May 10, 2023 meeting:



Executive Vice President, General
Counsel and Corporate Secretary

MINUTES OF MEETING
OF
THE BOARD OF DIRECTORS
TENNESSEE VALLEY AUTHORITY

February 16, 2023

A meeting of the Board of Directors of the Tennessee Valley Authority was held in the Marriott Shoals Conference Center at 10 Hightower Place, Florence, Alabama, on February 16, 2023. The meeting was called to order at 10:00 a.m. (ET). The meeting agenda was announced to the public on February 9, 2023. The meeting was open to public observation.

Board members in attendance were Director and Chair William (Bill) Kilbride and Directors Beth Harwell, Brian Noland, Beth Geer, Robert (Bobby) Klein, Michelle Moore, William (Bill) Renick, Joe Ritch, and Wade White.

Also present were TVA officers, including Jeffrey J. (Jeff) Lyash, President and Chief Executive Officer; David Fountain, Executive Vice President, General Counsel and Corporate Secretary; Don Moul, Executive Vice President and Chief Operating Officer; John M. Thomas, Executive Vice President and Chief Financial and Strategy Officer; Tim Rausch, Executive Vice President and Chief Nuclear Officer; Jeannette Mills, Executive Vice President and Chief External Relations Officer; Sue Collins, Executive Vice President and Chief People and Communications

Officer; and Wilson Taylor, Vice President, People First Solution Center and Ombudsman. David Fountain served as the Board's parliamentarian.

Chair Kilbride presided over the meeting, which was duly called, notice to each Director having been delivered pursuant to Section 1.2 of the Bylaws governing meetings of the Board of Directors of the Tennessee Valley Authority. A quorum was present.

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23-01-1 Welcome

Chair Kilbride welcomed those joining both in person and online and expressed appreciation for the hospitality received from the City of Muscle Shoals, Alabama. Chair Kilbride welcomed the new Board members, Beth Geer, Robert Klein, Michelle Moore, William Renick, Joe Ritch, and Wade White. The Board then heard remarks from Kerry Underwood, the Representative for District 3 in the Alabama House of Representatives. Representative Underwood presented TVA with a proclamation, signed by Alabama Governor Kay Ivey, that May 18th through May 24th, 2023 will be TVA Appreciation Week in honor of TVA's 90th anniversary. A copy of the Proclamation is filed with the records of the Board as Exhibit 02/16/23A.

Chair Kilbride next called on Wilson Taylor, TVA's Ombudsman and Vice President, People First Solution Center, to summarize the comments received during the Board's public listening session. Mr. Taylor summarized that TVA heard from 50 individuals in person and received written materials from nine individuals.

Mr. Taylor reported that representatives of the region's 153 local power companies

expressed support for TVA's Winter Storm Elliott review, expressed appreciation for TVA's continued support for renewable energy, and urged TVA to add diverse generation and dispatchable energy to ensure reliability and support growth. Mr. Taylor reported two representatives of TVA's directly served customers spoke and focused on reliability and generation capacity, and expressed appreciation for TVA's support for local communities.

Mr. Taylor reported nine speakers, representing the Sierra Club and other environmental groups, encouraged TVA to avoid adding natural gas capacity, to pursue renewable resources more aggressively, especially solar, and to promote energy efficiency initiatives. Mr. Taylor reported that additional speakers expressed concern about a possible gas line that is proposed to be constructed to serve TVA. Mr. Taylor reported written comments were submitted by three environmental groups that focused largely on opposition to natural gas and in turn supported renewable energy. Mr. Taylor reported the Clean Up TVA Coalition submitted comments signed by 13 environmental organizations and that the Sierra Club spoke and provided comments with more than 200 signatures opposing the use of fossil fuels and the construction of a combined cycle plant at Cumberland. Mr. Taylor reported two attendees spoke on behalf of solar businesses and encouraged TVA to incorporate more solar and energy storage technology into TVA's portfolio.

Mr. Taylor reported that TVA's union partner, the International Brotherhood of Electrical Workers (IBEW), voiced support for TVA's strong workforce and that TVA's retiree association, Bicentennial Volunteers, Inc. (BVI), shared information about its volunteer and staff augmentation work in support of TVA's work for the Federal Emergency Management Agency (FEMA). Mr. Taylor reported six members of the Tennessee Valley Farmers expressed appreciation for the collaboration with TVA on river and erosion control management in West

Tennessee, expressed concerns about the risk of losing valuable farmland to solar projects, and encouraged TVA to make sure that farm and solar land use are balanced.

Mr. Taylor reported two city officials from Savannah, Tennessee, discussed an easement issue and the city's development along the Tennessee River. Mr. Taylor reported a representative from Tennessee River Valley Association talked about the importance of commercial navigation to the region's economy and encouraged TVA to continue to support those initiatives. Mr. Taylor reported two members of the Choctaw Mississippi Board of Supervisors commented on the value of power plants to the area and expressed appreciation for TVA's expansion of opportunities and economic prosperity in their communities.

Mr. Taylor reported a representative of North American Coal Corporation (NACCO) Natural Resources discussed the value of coal as a natural resource. Mr. Taylor reported a group of local officials and residents spoke about certain ongoing issues regarding access across property lines. Mr. Taylor reported other individuals expressed concern about potential water contamination from a construction project, power outages during Winter Storm Elliott, and an ongoing equal opportunity issue. Mr. Taylor reported that written comments included emphasis on the value of demand response to the power system and a note from the Colbert County 911 office expressing appreciation for TVA's assistance to emergency responders in a boat accident on the Tennessee River at Florence, Alabama.

Chair Kilbride expressed his appreciation to Mr. Taylor and to the members of the public who spoke and provided comments to the Board, noting that it is very important that each question that comes to the Board receive a timely response.

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Old Business

Chair Kilbride reported that the Board notationally approved the minutes of its November 10, 2022, meeting so that the minutes could be approved by those Board members who participated in the meeting. A copy of the notational approval and minutes are filed with the records of the Board as Exhibit 02/16/23B.

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New Business

Chair Kilbride called on TVA President and Chief Executive Officer, Jeff Lyash, to provide a brief overview of the meeting. Mr. Lyash expressed his pleasure in meeting with customers, public officials, and those who came to the listening session and contributed online. Mr. Lyash welcomed the new members to the TVA Board and expressed his gratitude for a full Board. Mr. Lyash discussed TVA's partnerships in Alabama and noted that TVA will be celebrating its 90th anniversary this year. Mr. Lyash reported that TVA is focused on supplying energy even in the most extreme conditions. Mr. Lyash expressed appreciation for the ten local power companies that assisted Holly Springs, Mississippi, with outages during the ice storm earlier in February. Mr. Lyash discussed the actions taken by TVA during Winter Storm Elliott. Mr. Lyash reported that TVA is conducting a thorough, comprehensive after-action review to improve the reliability and resiliency of the TVA system. Mr. Lyash closed by discussing the TVA employees who were nominated for Engineer of the Year and recognized Dr. Stephen Craven as the 2023 Ike Zeringue Engineer of the Year.

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23-01-2 Report of the People and Governance Committee

Chair Kilbride called on Director Brian Noland, Chair of the People and Governance Committee, to provide the Committee's report. Director Noland reported the Committee met on January 26, 2023 and February 10, 2023.

Director Noland reported the Committee reviewed TVA's performance for the first quarter of Fiscal Year (FY) 2023 against goals and key performance measures and currently programs are on target with favorable measures. Director Noland reported that the Committee received management updates on the TVA People Report, which focuses on TVA's efforts to improve diversity across TVA, and on TVA's Inclusion with Diversity program, including the Memorandum of Understanding entered into with the Trades and Labor Council that will allow TVA to better diversify craft worker pipelines.

Director Noland reported the Committee received an update on TVA's supplemental compensation plans and efforts to review and close any gaps to the market. Director Noland reported the Board's independent compensation consultant, F.W. Cook, affirmed its independence and the Committee reviewed F.W. Cook's performance.

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23-01-3 Selection of Board Chair

Director Noland reported that the Committee is recommending a resolution approving the extension of Chair Kilbride's term as Chair of the Board until two days before the November Board Meeting, or until his appointed successor takes office, whichever is earlier. Director Noland reported the proposed resolution also recommends that Director Ritch be named to serve as Chair Elect. Director Noland reported that the Committee believes Director Ritch would be a well-suited candidate for the Chair position given his prior service on the Board, including as Chair.

After a motion duly made and seconded, the Board adopted the following resolution:

WHEREAS in accordance with Section 2(a)(2) of the Tennessee Valley Authority (TVA) Act of 1933, as amended, the Board selects one of its members to act as Chair of the Board;

WHEREAS the term of the current Chair, William Kilbride, ends on May 18, 2023;

WHEREAS Director Kilbride's term as a member of the TVA Board ends on May 18, 2023, but he has expressed his willingness to continue serving as a member of the Board, in accordance with Section 2(d)(1) of the TVA Act, until the earlier of (1) his appointed successor taking office or (2) the end of the current session of Congress;

WHEREAS Section 1.1 of the TVA Bylaws provides that the Board shall select a new Chair within 30 calendar days prior to the end of the term for the current Chair;

WHEREAS the Board believes that William Kilbride should continue to serve as Chair through the day before the scheduled November 2023 board meeting listening session, unless his successor to the Board takes office before that date or he is otherwise unable to serve as Chair; and

WHEREAS the Board also believes that Joe Ritch should be nominated as Chair Elect, and that he should assume the role of Board Chair when William Kilbride's term ends at 11:59 p.m. Eastern Time on the day before the scheduled November 2023 board meeting listening session, or earlier if a successor to Director Kilbride takes office before that date or Director Kilbride is otherwise unable to serve as Chair;

BE IT RESOLVED That the Board approves the extension of William Kilbride's term as Chair of the TVA Board to end at 11:59 p.m. Eastern Time on the day before the scheduled November 2023 board meeting listening session;

RESOLVED further That the Board approves the selection of Joe Ritch to serve as Chair Elect and to serve as Chair for a term of two years commencing on the earlier of (1) at 12:00 a.m. Eastern Time on the day of the scheduled November 2023 board meeting listening session, (2) Director Kilbride's successor to the TVA Board taking office, or (3) Director Kilbride otherwise being unable to serve as Chair;

RESOLVED further, That for this action, the members of the Board, each being familiar with the purposes of this Board action, approve dispensing with formalities regarding selection of the Board Chair and Chair Elect provided for in the TVA Board Practice, Board Chair Selection Process.

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23-01-4 Report of the Operations and Nuclear Oversight Committee

Chair Kilbride called on Director Bobby Klein, Chair of the Operations and Nuclear

Oversight Committee, to provide the Committee's report. Director Klein expressed his appreciation for Directors Michelle Moore, Brian Noland, and Wade White for their work on the Committee. Director Klein reported the Committee met on January 25th and received an operational performance and safety update from management. Director Klein reported that operational performance has been strong and that management provided the Committee with an update on the impacts of Winter Storm Elliott.

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23-01-5 Winter Storm Elliott Update

Director Klein called upon Don Moul, TVA's Chief Operating Officer, to provide additional detail about TVA's response to, and plan to address lessons learned from, Winter Storm Elliott. Mr. Moul reported on the unique severity of Winter Storm Elliott and noted that TVA experienced the lowest system temperature since February 1996. Mr. Moul reported that demand set multiple TVA records and that he was extremely proud of what the TVA team accomplished during the storm. Mr. Moul noted the extreme conditions in which TVA personnel worked, including heavy rains, driving winds, flash freezing, and sustained extreme wind chills.

Mr. Moul discussed the specific equipment challenges caused by Winter Storm Elliott and discussed coal and gas unit impacts in particular and noted that independent system and regional operators were limited in their ability to provide support because they were facing similar challenges and conditions as TVA. Mr. Moul reported on the events leading up to TVA directing local power companies to reduce power consumption. Mr. Moul explained that emergency procedures were in place to maintain grid stability and that the procedures worked, preventing more serious consequences that could have impacted the grid for days. Mr. Moul reported that TVA is now focused on how TVA can improve moving forward by conducting a comprehensive after-action review to incorporate lessons learned. Mr. Moul reported TVA has engaged industry

experts and customers for input and feedback and is incorporating independent oversight through the blue ribbon panel of Mike Howard, former Chief Executive Officer of Electric Power Research Institute, Joy Ditto, former Chief Executive Officer of the American Public Power Association and former U.S. Senator Bob Corker. Mr. Moul reported that as part of the post-event response, employees have already identified and addressed over 250 near-term actions to improve resilience and performance in advance of the next event.

Mr. Moul reported that concurrent with the after-action review, TVA is taking an in-depth look at the existing non-nuclear fleet, evaluating opportunities to invest in assets to improve performance, and continuing to invest in nuclear and hydro fleets. Mr. Moul also reported on TVA's investment in the transmission system and new generation. Mr. Moul then provided data on the relative effectiveness of nuclear, hydro, pumped storage and solar in providing output during the storm. Copies of the slides used by Mr. Moul in his presentation are filed with the records of the Board as Exhibit 02/16/23C.

After the conclusion of Mr. Moul's presentation, Chair Kilbride noted that it takes a lot of time to add electric generating capacity and Mr. Lyash reported that, within the last eight years, TVA has added the equivalent of two new nuclear units through the implementation of efficiencies. Director Renick then expressed his appreciation for the help TVA provided to Holly Springs, Mississippi, during the recent ice storm that was unrelated to Winter Storm Elliott. Mr. Lyash discussed that, during these events, local control is important and that TVA can step in and provide support to the local power companies and the communities.

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Director Klein reported the Committee discussed TVA's safety performance, which is in the top quartile of the industry for serious injuries and top decile for OSHA recordables. Director Klein reported the Committee also discussed the five areas of management's focus: intent-based

leadership, inclusion with diversity, workforce alignment and availability, supplier diversity, and continuous improvement. Director Klein reported the Committee received a management update on the new nuclear program, nuclear fleet performance, and the refueling outages completed for units at Browns Ferry and Sequoyah. Director Klein reported the Committee discussed the major scope items completed in each outage and received a management update on the upcoming refueling outages. Director Klein reported the Committee discussed the nuclear business plan and reviewed the performance of Dennis Koehl, the Committee's independent nuclear consultant, and agreed to extend his engagement.

At the request of Chair Kilbride, Don Moul provided additional information on the work that is performed during refueling outages and the typical duration between the need for refueling outages. Director White then discussed a recent tour of TVA's River Operations forecast center and commended the work being done at the center.

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23-01-6 Report of the External Stakeholders and Regulation Committee

Chair Kilbride called on Director Beth Harwell, Chair of the External Stakeholders and Regulation Committee, to provide the Committee's report. Director Harwell reported the Committee met on January 26th and received several updates from management. Director Harwell reported the Committee received a management update on progress related to TVA's powerful partnership strategy, highlighting external engagement during and after Winter Storm Elliott along with TVA's comprehensive after-action review. Director Harwell reported the Committee received an update on TVA's two federal advisory councils. Director Harwell reported TVA held a joint meeting of the Regional Resource Stewardship Council and the Regional Energy Resource Council, where each council provide advice on TVA's approach to environmental justice. Director Harwell expressed appreciation for both councils' work to provide

thoughtful advice to TVA.

Director Harwell reported the Committee received a management update on stakeholder engagement highlighting its effectiveness and increasing TVA's local presence to better identify the needs of the communities TVA services, along with positioning TVA to meet those needs. Director Harwell reported the Committee received a quarterly economic development update with TVA having a role in bringing \$1.8 billion in projected capital investment to its service territory in the first two months of FY 2023. Director Harwell reported the Committee received a management update on economic development recruitment highlights and changes to the TVA investment credit program.

Director Harwell reported the Committee received a management update from Federal Affairs with an overview of congressional changes following the mid-term elections and highlighting national policy issues important to TVA's mission. Director Harwell reported the Committee reviewed TVA's environmental policy and noted that the Committee is not recommending any policy changes at this time. Director Harwell reported the Committee also reviewed TVA's environmental performance, which showed strong compliance performance in FY 2022 driven by programmatic oversight. Director Harwell reported the Committee received a management update on TVA's carbon performance and that TVA is partnering with the Baker Center for Public Policy at the University of Tennessee to lead an effort to look at all segments of the Valley's economy. Director Harwell reported the Committee reviewed TVA's communication strategy and received written updates on local power company regulatory oversight matters.

Director Geer called on Jeff Lyash, TVA's President and CEO, to discuss the Government Accountability Office's recommendations that TVA conduct an inventory of assets and operations vulnerable to climate change and develop a resilience plan. Mr. Lyash reported on the recommendations and TVA's current climate change mitigation and adaptation plans, and he noted that TVA will assess and move to close any gaps that are identified in current plans.

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23-01-7 Report of the Audit, Finance, Risk, and Cybersecurity Committee

Chair Kilbride called on Director Joe Ritch, Chair of the Audit, Finance, Risk, and Cybersecurity Committee, to provide the Committee's report. Director Ritch opened his report by calling on John Thomas, Executive Vice President and Chief Financial and Strategy Officer, to provide a financial update.

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23-01-8 Financial Performance Update and Budget

Mr. Thomas presented TVA's financial results for FY 2023. Mr. Thomas reviewed revenues, expenses, and TVA's summary income statement and summary cash flow statement for the period. Mr. Thomas addressed items influencing financial performance. Mr. Thomas noted the biggest challenges TVA will face the remainder of the year are weather, base revenue, and interest rates. Copies of the slides used by Mr. Thomas in his report are filed with the records of the Board as Exhibit 02/16/23D.

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Director Ritch reported that the Committee met in an executive session with TVA's Inspector General and separately with TVA's external auditor, Ernst & Young (EY). Director Ritch reported the Committee received updates on EY's audit plan for FY 2023 and a summary of the activities related to TVA's Disclosure Control Committee and Sarbanes-Oxley compliance. Director Ritch reported the Committee also received an update on TVA's commercial energy solutions efforts, including an overview of TVA's energy savings programs. Director Ritch

reported TVA is taking active steps to expand its energy efficiency programs across the service region and is also working to make electric vehicle chargers more accessible across the region through the Fast 50 program.

Director Ritch reported the Committee received a management update on TVA's renewable energy portfolio and TVA's innovation efforts. Director Ritch reported that TVA continues to identify and evaluate technologies that are new and that support TVA's carbon reduction efforts. Director Ritch reported the Committee received an update on TVA's enterprise risk assessment process along with a summary of strategies for mitigating risk as TVA continues to transform its operations. Director Ritch reported the Committee also received updates on steps management is taking to identify and mitigate cybersecurity risks and implement various executive orders concerning cybersecurity. Director Ritch reported the Committee received an update that TVA's defined benefit plan is on track to be fully funded on or before 2036. Director Ritch then reported the Committee received a management update on significant legal matters and was provided a quarterly ethics and compliance update.

Director Ritch reported that at the Committee's January 30th meeting, the Committee was briefed on TVA's quarterly filing with the Securities and Exchange Commission (SEC) on Form 10-Q. Director Rich also reported that EY provided an independent review of TVA's financial statements for the quarter.

Director Moore called on Jeff Lyash to discuss what TVA is doing to address the energy burdens across TVA's service territory. Mr. Lyash reported on TVA's efforts, including implementing a fairly aggressive series of programs that have had significant impact, including energy efficiency and economic development programs. Mr. Lyash reported that TVA is piloting new programs for rental properties since the region has one of the highest percentages of rental families in the country. Mr. Lyash also reported TVA has deployed a successful School Uplift program that is weighted towards school districts in underserved challenged communities.

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23-01-9 Information Items

Chair Kilbride reported that, in addition to approval of the November 10, 2022 minutes by notation, the Board recently approved the two items described below by notation.

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23-01-10 Committee Assignments

As recommend by the TVA Board Chair, the individual Board members notationally approved new committee assignments. A copy of the resolution is filed with the records of the Board as Exhibit 02/16/23E.

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23-01-11 Arrangements with New Industrial Customers

As recommend in a confidential application for Notational Board Approval from the Executive Vice President and Chief External Relations Officer dated December 16, 2022, a copy of which is filed with the records of the Board as Exhibit 02/16/23F, the individual Board members notationally approved power arrangements with two new industrial customers.

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23-01-12 President's Report

Mr. Lyash opened by noting that, as TVA is marking its 90th anniversary, TVA is continuing its mission of service with meeting the challenges of the 21st century. Mr. Lyash then reported on TVA's plans to add new generation to meet growing demand, harden its system to be

more reliable and resilient in extreme conditions, and deliver affordable, reliable, resilient, clean energy for decades to come. Mr. Lyash then discussed TVA's environmental stewardship and economic development roles.

Mr. Lyash reported that TVA is investing in capacity expansion and maintaining and improving existing assets along with investing in a robust transmission system to stay reliable and become more flexible. Mr. Lyash discussed TVA's new state-of-the-art systems operations center and TVA's energy efficiency, demand response, and carbon reduction initiatives and goals. Mr. Lyash reported TVA is currently reviewing bids submitted in response to its request for proposals for 5,000 megawatts of clean energy and will be able to announce results within the next couple of months. Mr. Lyash discussed how TVA is working with long-term local power company customers to deploy additional solar through TVA's Green Invest Program and the flexibility option. Mr. Lyash then discussed the pilot project at Shawnee to determine if coal ash sites are suitable for utility scale solar projects.

Mr. Lyash discussed the energy storage that TVA has already contracted for and a TVA-owned energy storage project in Vonore, Tennessee. Mr. Lyash discussed the importance of Raccoon Mountain and TVA's evaluation of the potential for new pumped storage. Mr. Lyash then discussed the retirement of coal units and the use of combined cycle gas generation as a bridge resource to reduce carbon emissions and provide dispatchable energy. Mr. Lyash then discussed TVA's new nuclear program and the effort to identify the best options for next-generation advanced nuclear. Mr. Lyash explained that TVA is collaborating and partnering with other utilities, research institutions, and state and federal governments to mitigate cost and risk.

Mr. Lyash reported on TVA's arrangement with the Baker Center for Public Policy at the University of Tennessee to produce the Valley Pathway study, which will address building a

competitive clean energy economy. Mr. Lyash explained that the initiative will accelerate a clean energy economy and support the economic competitiveness of the region.

Mr. Lyash discussed the role of TVA's nuclear program and TVA's work with others to advance the design and deployment of small modular reactors (SMRs). Mr. Lyash discussed the timing of when the Board might be asked to approve additional actions with regard to SMR deployment. Mr. Lyash discussed the importance of developing the SMR option along with building out renewables and long-duration energy storage, energy efficiency, and demand side management.

Mr. Lyash closed by saying that when President Kennedy spoke at TVA's 30th anniversary, he commended the people of this region and TVA for working together to bring TVA's mission of service to life and that TVA was not made to work in Washington but made to work for the people of TVA's service territory. Mr. Lyash reported that those words are as true at TVA's 90th anniversary as they were at its 30th. Copies of the slides used by Mr. Lyash in his report are filed with the records of the Board as Exhibit 02/16/23G.

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Chair Kilbride introduced a video recognizing and celebrating Black History Month and featuring TVA employees.

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The meeting was adjourned at 12:29 p.m. (ET).