

# **Charter of the Operations and Nuclear Oversight Committee of the Board of Directors Tennessee Valley Authority**

## **I. Purpose**

The Operations and Nuclear Oversight Committee (“Committee”) is a standing committee of the Board of Directors (“Board”) and is charged with assisting the Board in fulfilling its responsibilities under the Tennessee Valley Authority Act (“TVA Act”). The Committee has been created by the Board pursuant to Section 2(g)(1)(J) of the TVA Act. Provisions of the TVA Act that provide the Committee guidance pertaining to its areas of responsibility are listed in Section VI below.

Specifically, the Committee shall advise the Board with respect to policies, strategies, and oversight in the following areas:

- a. Operational performance consistent with TVA resource and long-term asset planning;
- b. Operational (asset) performance;
- c. Safety and environmental performance;
- d. Dam safety and river management;
- e. Supply chain management; and
- f. TVA’s nuclear program, including oversight of related safety, operational, and financial performance as well as long-term plans and strategies affecting TVA’s nuclear fleet.

Senior management has primary responsibility for each of the items identified above. The Board oversees senior management in its performance of this responsibility and adopts policies and strategies with regard to the items identified above.

## **II. Authority and Resources**

In accordance with guidelines and cost parameters established by the Board, the Committee may engage outside advisors and TVA shall bear the expense of such advisors.

Nothing contained in this charter is intended to expand the applicable standards of liability under statutory or regulatory requirements for the Board or its directors. Members of the Committee are entitled to rely on the expertise, knowledge, and judgment of TVA management and employees and outside advisors.

## **III. Membership**

The members of the Committee shall be appointed by the Chair of the Board with the approval of the Board in accordance with the *Bylaws of the Tennessee Valley Authority*. The Chair of the Committee shall be appointed by the Chair of the Board and shall serve a term that runs concurrently with the term of the appointing Chair of the Board. If the Chair of the Committee is absent, that position’s role shall be filled by another member of the Committee selected by the Committee’s membership in attendance.

The Committee shall be composed of not more than four directors of TVA. No member of the Committee shall receive compensation from TVA, other than as specified by the TVA Act and any other benefits statutorily related to service as members of the Board or service as a Chair of a standing committee of the Board.

#### **IV. Meeting Requirements**

The Committee shall meet at least four times per year and may meet more frequently. Any such meeting may be held in-person, virtually, or by any other means that allows members of the Committee to communicate simultaneously. The Committee shall meet in executive session at least once annually without management present. An executive session may be held during one of the four required Committee meetings. Officers and other management officials of TVA may attend meetings of the Committee upon invitation. A quorum of the Committee is defined as a majority of its members.

The Committee Chair will approve the agenda, with input from senior management and other directors on the Committee and the Board as appropriate.

The Committee shall maintain minutes of its meetings and records related to those meetings. The Corporate Secretary shall appoint a Secretary of the Committee. The minutes of the Committee meetings shall accurately reflect the actions taken by the Committee, including all recommendations made by the Committee to the Board, and shall be distributed to all Committee members and to the Chair of the Board. Copies shall be distributed to the Chief Executive Officer and to TVA's external auditor, unless the Committee specifies otherwise.

#### **V. Responsibilities of the Committee**

In addition to the responsibilities identified below, the Committee will undertake such other duties as the Board delegates to it, and will report periodically to the Board regarding the Committee's activities, examinations, and recommendations.

##### **A. Performance to Plan**

1. Oversee accountability for established performance targets including operational performance of the electric power supply, transmission, and delivery systems; fuel acquisition and management; bulk power trading; and dam and reservoir system management; and review reports of performance in comparison to targeted amounts;
2. Review and monitor performance of health and safety policies and strategies to ensure they are: (i) reasonable and appropriate, (ii) in compliance with applicable laws and regulations, and (iii) effective; and
3. Review monitoring and status reports provided by staff on the status of Board approved policies.

##### **B. Operational**

1. Review the status of significant projects approved by the Board for safety, quality, cost and schedule performance;
2. Review operations and performance in light of TVA's overall energy resource and transmission portfolio to provide reliability and resiliency to fulfill TVA's mission to meet the Valley's needs for low-cost, reliable power;
3. Review and monitor asset performance;

4. Review the results from major inspections and evaluations of the generating fleet;
5. Review management strategies regarding future operations and generating fleet development and assess the consistency of those strategies with the Board's strategic objectives;
6. Review and monitor dam safety and river management performance;
7. Review and monitor the performance and management of TVA's supply chain processes;
8. Review and monitor the performance of TVA's compliance with applicable environmental laws and policies;
9. Engage assistance and insight from subject matter experts as needed to support the activities of the Committee; and
10. Meet with external oversight groups and regulatory authorities as needed regarding TVA generating fleet performance and performance trends nationwide.

*C. Specific Nuclear Oversight Responsibilities*

1. All members of the Committee will receive and review executive summaries from TVA's Nuclear Safety Review Board ("NSRB"), Nuclear Regulatory Commission ("NRC"), and Institute of Nuclear Power Operations ("INPO") as requested by the Committee. In addition, the subject matter experts will have responsibility to provide an independent review of the summaries and provide perspectives and insight to the Committee as needed regarding the results of the reports;
2. Receive prompt notification of any significant incidents or events that require notification of the NRC or other regulatory agencies;
3. Receive and review summary performance on a monthly basis;
4. Receive at least one briefing from the Nuclear Quality Assurance Department on an annual basis;
5. Meet with the Chairs of the NSRB as needed, and at least annually; and
6. Periodically conduct meetings at TVA nuclear plant sites as determined by the Committee.

*D. Other*

1. Make such recommendations, on matters within the scope of the Committee's responsibilities, to the Board as considered necessary or appropriate; and
2. Conduct annually a self-assessment of the Committee with the goal of continuing improvement.
3. As a result of committee reports and interactions with staff, ensure management has set clear expectations for a strong safety culture and the value of a continuous improvement approach to foster operational excellence.

**VI. Responsibilities Related to the TVA Act**

The Committee is charged with the responsibility of assisting the Board in fulfilling its responsibilities under the TVA Act, including primary responsibility regarding the following provisions of the TVA Act:

- a. Section 2(g)(1)(A) (broad goals, objectives, and policies);
- b. Section 2(g)(1)(B) (long-range plans to guide TVA in achieving the goals, objectives, and policies of TVA and assistance to the Chief Executive Officer to achieve those goals, objectives, and policies);
- c. Section 2(g)(1)(C) (ensure that Board-approved goals, objectives, and policies are achieved);
- d. Section 4h (TVA law enforcement matters);

- e. Section 5(f) (determine the need for alterations, modifications, or improvements in existing plants and facilities, and the need for construction of new plants);
- f. Section 9a (operation of dams and reservoirs for the purposes of navigation and flood control); and
- g. Section 9(b) (procurement policies to ensure adequate notice and competition).

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*Original charter approved August 30, 2021*

*Revised with conforming edits based on December 19, 2023 Notational Approval that created Finance, Rates, and Portfolio Committee*