

No. 23-02

Approved by the Board of Directors  
at its August 24, 2023 meeting:

A handwritten signature in black ink, appearing to read "David B. Fountaine".

Executive Vice President, General  
Counsel and Corporate Secretary

MINUTES OF MEETING  
OF  
THE BOARD OF DIRECTORS  
TENNESSEE VALLEY AUTHORITY

May 10, 2023

A meeting of the Board of Directors of the Tennessee Valley Authority was held at the Norris Middle School, 5 Norris Square, Norris, Tennessee, on May 10, 2023. The meeting was called to order at 9:00 a.m. (ET). The meeting agenda was announced to the public on May 3, 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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### **23-02-1 Welcome**

Chair Kilbride recognized Chris Mitchell, Mayor of the City of Norris, Tennessee. Mayor Mitchell then welcomed the TVA Board to Norris. Chair Kilbride then read a note from the President of the United States, Joe Biden, congratulating TVA on its 90<sup>th</sup> anniversary. Chair Kilbride thanked the President for the kind note and expressed his appreciation for the hospitality received from the City of Norris.

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 42 individuals with five high level themes.

Mr. Taylor reported that the first theme was TVA's strong history and the accomplishments of TVA over the last 90 years. Mr. Taylor reported the sentiment was shared by Anderson County, Tennessee Mayor, Terry Frank, the Association of Tennessee Valley Governments, the Tennessee Electric Cooperative Association, the Tennessee Municipal Electric

Power Association, the North America's Building Trades Unions, the Sheet Metal Workers Union, and the local power company distributors of TVA power.

Mr. Taylor reported the second theme was the potential for TVA's leadership to expand the amount of renewable and solar energy. Mr. Taylor reported this sentiment was shared by Emeren, Tennessee Solar Energy Industries Association, and Gaynor Solar Array in Pleasant Hill, Tennessee.

Mr. Taylor reported the third theme was the legacy of TVA coal plant retirements, future land use and remediation at Bull Run, and the potential of natural gas generation at the Cumberland and Kingston Fossil Plant sites. With regard to potential natural gas use, Mr. Taylor reported that individuals spoke about the potential impact on public safety and the environment. Mr. Taylor reported individuals also spoke on how TVA handles coal ash and how TVA needs to ensure that coal ash is safely handled, transmitted, and stored. Mr. Taylor reported many attending the listening session were represented by the Statewide Organizing for Community eMpowerment and the Sunrise Movement Nashville.

Mr. Taylor reported the fourth theme was TVA's opportunity to combat global warming. Mr. Taylor reported that individuals spoke on how TVA could reduce overall dependency on fossil fuels and expressed concerns raised by the Clean Up TVA coalition.

Mr. Taylor reported the final theme was encouragement of TVA to maintain a diverse generation mix and to add generation resources based on growing demand and in response to Winter Storm Elliott. Mr. Taylor reported these sentiments were highlighted by the Gallatin Department of Electricity, West Kentucky Rural Electric Cooperative Corporation, Fort Loudoun Electric Cooperative, and the Clinton Utilities Board.

Chair Kilbride expressed his appreciation to Mr. Taylor and to the members of the public

who spoke and provided comments to the Board.

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### **Old Business**

After a motion duly made and seconded, the Board approved the minutes of its February 16, 2023, meeting.

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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 spoke of all that has changed in the Norris, Tennessee region since the TVA Act was signed on May 18, 1933. Mr. Lyash described how a mostly rural, impoverished area that had few opportunities was transformed into one of the fastest growing regions of the nation. Mr. Lyash explained that Norris was the initial building block in the development of the Tennessee River system. Mr. Lyash spoke of how the founders of TVA looked beyond one asset and one river with their vision to improve the quality of life for all the people in the region. Mr. Lyash explained that focusing on a sustainable future is one aspect that makes TVA unique. Mr. Lyash discussed that TVA is acting to meet short-term needs today while investing in a secure, expandable, scalable, reliable, resilient, adaptable energy future.

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### **23-02-2 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 April 19, 2023.

### **23-02-3 BVU Authority's Wholesale Power Contract**

Director Harwell called on Jeannette Mills, Executive Vice President and Chief External Relations Officer, to present the item for consideration by the full Board. Ms. Mills reported that in February of 2023, the BVU Authority (BVUA) and the City of Bristol, Virginia, reached a settlement related to a lawsuit and, as a result of the settlement, BVUA has requested changes to its wholesale power contract with TVA. Ms. Mills then presented the context for the proposed resolution approving the requested contract changes. Copies of the slides used by Ms. Mills in her presentation are filed with the records of the Board as Exhibit 05/10/23A.

After a motion duly made and seconded, the Board adopted the following resolution, as recommended in a memorandum from the Executive Vice President and Chief External Relations Officer dated April 10, 2023, and filed with the Board as Exhibit 05/10/23B:

WHEREAS The City of Bristol (City), Virginia also known as Bristol Virginia Utilities entered into a wholesale power contract, TV-63426A, as amended (Power Contract) with the Tennessee Valley Authority (TVA) on September 29, 2006; and

WHEREAS An act of the General Assembly of the Commonwealth of Virginia, Va. Code Ann § 15.2-7201 (2010) created the BVU Authority (BVUA), a Virginia public authority; and

WHEREAS TVA and the City have previously consented to assign the Power Contract from the City to the BVUA; and

WHEREAS BVUA has requested to change terms in the Power Contract to reflect certain terms of an agreement with the City; and

WHEREAS TVA management has reviewed the requested changes and found them to be consistent with TVA policy; and

WHEREAS TVA Board approval is required to authorize TVA to change terms in the Power Contract; and

WHEREAS a memorandum from the Executive Vice President & Chief External Relations Officer, dated April 10, 2023 (Memorandum), a copy of which is filed with the records of the Board as Exhibit 05/10/23B recommends that TVA approve the requested changes to the BVUA Power Contract.

BE IT RESOLVED, That after review of said Memorandum, the Board of Directors finds it to be appropriate and in the interest of TVA, and hereby approves, the requested changes to the BVUA Power Contract.

BE IT RESOLVED, That the Vice President, Contracts and Rates Strategy, or his designee, is authorized to develop, approve, and execute the necessary contract amendment to implement the approved changes to the BVUA Power Contract.

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Director Harwell reported that the Committee received its quarterly Regional Relations update, including a discussion of key focus areas of asset strategy, workforce development, and community engagement. Director Harwell reported the Committee received a management update on TVA's South Region, highlighting relationships and community engagement.

Director Harwell reported the Committee received a regulatory update, including an orientation on TVA's regulatory role, key aspects of TVA's wholesale power contract, and regulatory policies and processes. Director Harwell reported the Committee received a management update on TVA's ongoing compliance evaluation of the Holly Springs Utility Department. Director Harwell reported TVA management is continuing to engage Holly Springs' local government to address financial, operational, and safety concerns that were identified in TVA's assessment.

Director Harwell reported the Committee received its quarterly economic development update and noted that TVA has had a role in bringing about \$5.9 billion in projected capital investment and creating or retaining more than 30,000 jobs. Director Harwell reported that the Committee received a quarterly update on TVA's communications strategy and a management update on TVA's "Do Good Here" campaign, which has seen early success, and that TVA recently released its second Diversity, Equity, Inclusion and Accessibility Report. Director

Harwell reported the Committee received an update on the work of the TVA Federal Affairs team and an annual update on supplier diversity, including the development of a “Ready Now” mentoring program designed to help small and diverse suppliers to be better prepared to bid on TVA’s projects. Director Harwell then presented a brief video on TVA’s sustainability report and called on Rebecca Tolene, Vice President, Environment, and Chief Sustainability Officer, to present the report.

### **23-02-4 Sustainability Report**

Ms. Tolene reported that TVA’s sustainability report can be accessed on TVA’s website. Ms. Tolene discussed the importance of sustainability and described TVA’s sustainability efforts. Ms. Tolene emphasized TVA’s work with partners with regard to bringing about community vitality through creation of jobs and community service. Ms. Tolene noted TVA’s work with union partners to develop the workforce of the future and with the region and nation to address climate change. Ms. Tolene discussed TVA’s environmental outreach and stewardship projects and reported that TVA averted over \$3 million in flood damage and completed 120 projects supporting biodiversity. Ms. Tolene then discussed TVA’s economic development efforts and TVA’s work on equity and fairness, including partnerships with unions and regional universities and institutions. Ms. Tolene discussed TVA’s work on reducing carbon emissions and developing advanced nuclear technologies. Ms. Tolene discussed how TVA’s sustainability program will support reliability and resilience through an integrated approach, while considering the economic, social, and environmental impacts. Ms. Tolene then reported on upcoming TVA sustainability initiatives. Copies of the slides used by Ms. Tolene in her presentation are filed with the records of the Board as Exhibit 05/10/23C.

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Director Harwell reported the Committee received an annual briefing on TVA's natural resources and stewardship activity and a management update on local power company rate adjustments and the work being done with TVA's advisory councils. Director Harwell recognized the success of the inaugural class of the Valley Public Power Leadership Academy that was established in 2022 to bring together leaders from TVA, local power companies, and association leaders, to learn more about public power leadership in the TVA service territory.

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### **23-02-5 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 reported the Committee met on April 19, 2023 and received a summary on TVA's progress to date for the fiscal year (FY). Director Ritch then called on John Thomas, Executive Vice President and Chief Financial and Strategy Officer, to provide a financial update.

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### **23-02-6 Financial Update**

Mr. Thomas presented TVA's financial results to date for FY 2023. Mr. Thomas reviewed revenues, expenses, and TVA's summary income statement and summary cash flow statement. Mr. Thomas addressed items influencing financial performance, including mild weather, coal inventory, and collateral-posting requirements. Copies of the slides used by Mr. Thomas in his report are filed with the records of the Board as Exhibit 05/10/23D.

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Director Ritch reported the Committee met in executive session with the Inspector General and his staff and also separately with TVA's external auditor, Ernst & Young. Director Ritch reported the Committee received updates on TVA's enterprise risks, including TVA's coal combustion residuals program, and on TVA's cybersecurity program, including its strategy for addressing risk. Director Ritch reported the Committee received updates on TVA's carbon-free request for proposals, significant legal matters, and ethics and compliance matters.

Director Ritch reported the Committee met again on May 1, 2023, at which time the Committee received a briefing on TVA's Form 10-Q filing with the Securities and Exchange Commission.

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### **23-02-7 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 reported the Committee toured Kingston Fossil Plant on April 10, 2023 and met on April 11, 2023. Director Klein expressed appreciation for the work of Kingston Fossil Plant employees.

### **23-02-8 Resolution Regarding Cumberland Fossil Plant and Kingston Fossil Plant**

Director Klein called on Jeff Lyash, President and Chief Executive Officer, to present a resolution regarding Cumberland Fossil Plant and Kingston Fossil Plant. Mr. Lyash explained that in November 2021, TVA was facing a potential loss of a quorum and, after management reviewed with the Board the range of alternatives for Kingston and Cumberland and the process TVA would use in evaluating those alternatives, the Board delegated authority to the Chief Executive Officer to act on decisions as time required with the understanding that he would keep the Board

fully informed. Now that the Board is not facing a loss of quorum, Mr. Lyash noted that the underlying reason for the delegation regarding the Kingston Fossil Plant is no longer a concern..

After a motion duly made and seconded, the Board adopted the following resolution, as recommended in a memorandum from the Executive Vice President and Chief Operating Officer dated April 4, 2023, and filed with the Board as Exhibit 05/10/23E.

WHEREAS at the November 10, 2021 public Board meeting, the TVA Board of Directors (“Board”) adopted a resolution (the “2021 Resolution”) delegating authority to the Chief Executive Officer (“CEO”) to (1) take Project Development Actions, (2) make a Final Decision, and (3) take the Final Decision Actions, all as defined in the 2021 Resolution and its recommending memorandum, regarding replacement generation for the Cumberland Fossil Plant (“CUF”) and the Kingston Fossil Plant (“KIF”);

WHEREAS pursuant to the 2021 Resolution, the CEO has approved, and TVA staff are implementing, various ongoing actions to advance the replacement of generation at the CUF and KIF, to include the CEO having made a Final Decision for the CUF;

WHEREAS six new members of the Board entered upon their duties of office on January 4, 2023, thereby removing uncertainty of TVA being able to secure a quorum of the Board to approve significant actions;

WHEREAS the ongoing actions of TVA staff in implementing Project Development Actions for the KIF will place TVA in a position to make a Final Decision on KIF following the completion of required environmental reviews without irreversibly and irretrievably committing TVA to a particular course of action until that Final Decision is made;

WHEREAS due to the TVA staff’s progress in such development work and the Board now having a full complement of nine Directors, TVA management is recommending, as set forth in a memorandum from the Chief Operating Officer (COO) dated April 4, 2023 (the Memorandum), that the Board show its support for all past actions taken by TVA related to the CUF and KIF and amend the 2021 Resolution to place with the Board the approval authority for the Final Decision with regard to KIF.

BE IT RESOLVED, That the Board hereby endorses all actions taken by TVA related to the CUF and KIF and amends the 2021 Resolution to place with the Board the authority to make the Final Decision regarding the KIF. [The proposed edits to the resolution are designed to make the resolution consistent with the resolution included in Exhibit 05/10/23E.]

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Director Klein reported the Committee received a management update on operational and safety performance. Director Klein reported TVA is currently in the top decile of the industry for serious injuries and Occupational Safety and Health Administration (OSHA) recordable injuries. Director Klein reported management highlighted the continuing value of TVA's union partnerships in continuously improving safety performance. Director Klein reported the Committee discussed TVA's business plan initiative to lead the industry in reliable, resilient, and cost-effective carbon reduction.

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### **23-02-9 Winter Storm Elliott After-Action Review**

Director Klein reported the Committee received a management update on the results and recommendations of TVA's Winter Storm Elliott review. Director Klein called on Don Moul, Executive Vice President and Chief Operating Officer, to provide details on the results of the review.

Mr. Moul reported that Winter Storm Elliott was a once-in-a-generation storm that created unprecedented energy demand and strained power grids across the nation. Mr. Moul reported on TVA's preparation actions and after-action review, including the factors leading to curtailments. Mr. Moul reported that TVA's after-action review has identified improvement opportunities, including with regard to forecasting, coordination, and implementation. Mr. Moul noted that there were no safety incidents during the storm, that TVA's emergency load curtailment program was executed as designed, that customers responded quickly to successfully maintain grid stability and reliability, and that interruptible products outperformed expectations. Mr. Moul discussed TVA's ongoing efforts to address gaps and improve seasonal readiness. Mr. Moul then discussed TVA's plans to add 10,000 to 14,000 megawatts to the system. Copies of the slides used by Mr. Moul in his report are filed with the records of the Board as Exhibit 05/10/23F.

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Director Klein reported the Committee received a management update on efforts to improve system reliability for several local power companies and extension of this effort to eligible industrial customers. Director Klein reported the Committee received an update on the Clinch River Small Modular Reactor (SMR) project and discussed the related technical collaboration agreement with Ontario Power Generation, Synthos Green Energy, and GE Hitachi Nuclear Energy. Director Klein expressed appreciation for support for the initiative from Representative Chuck Fleischmann, U.S. Senators Marsha Blackburn, Bill Hagerty, and Thom Tillis, and the Department of Energy. Director Klein then played a video related to the SMR project.

Director Klein reported the Committee received an update on recent nuclear plant refueling outages and the TVA nuclear fleet's business plan. The update highlighted actions to improve culture, influence workforce behavior, and support sustainable performance. Director Klein commended management for significant improvements in TVA's nuclear fleet performance.

### **23-02-10 Report of the People and Governance Committee**

Chair Kilbride called on Brian Noland, Chair of the People and Governance Committee, to provide the Committee's report. Director Noland reported the Committee met on April 20, 2023. Director Noland reported the Committee received a fiscal year-to-date people report that highlighted TVA's inclusion with diversity efforts to diversify its trades and labor job selections. Director Noland reported the Committee received an update on TVA's Labor Relations program, noted that relationships with TVA's union partners are strong and stable, and expressed gratitude to TVA's union partners for their recent engagement with inclusion and equity diversity initiatives. Director Noland reported the Committee received an update on similar efforts that

TVA is taking with another of its union partners, the Engineering Association.

Director Noland reported the Committee reviewed TVA's performance for the second quarter of FY 2023 against its goals and performance measures. Director Noland reported TVA's programs are on target with most measures favorable. Director Noland reported the Committee previewed the next FY's goals, which will be finalized and approved later this year. Director Noland reported the Committee received an update on TVA's well-being benefits strategy and performance. Director Noland reported TVA was able to renegotiate its BlueCross BlueShield of Tennessee contract for significant savings over the life of the contract. Director Noland reported the Committee conducted its annual review of TVA's compensation plan and peer group with input from the Committee's independent consultant, FW Cook. Director Noland reported no changes were recommended to the compensation plan, but that an update was made to the composition of the peer group. Director Noland reported the Committee received an update from TVA's Equal Opportunity Compliance Program.

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### **23-02-11 President's Report**

Chair Kilbride called on Jeff Lyash, President and Chief Executive Officer, to provide the President's Report. Mr. Lyash opened by discussing the progress the region has made since TVA's inception. Mr. Lyash discussed how the region has gone from the poorest in the nation to having some of the fastest growing parts of the country, and is leading in manufacturing in industries that will decarbonize the economy. Mr. Lyash discussed that there are still communities and families that need assistance and noted TVA's commitment to keep energy costs as low as possible.

Mr. Lyash recognized Dr. Stephen Craven, who was previously named TVA's Ike

Zeringue Engineer of the Year. Mr. Lyash noted that Dr. Craven was also chosen as the Federal Engineer of the Year and received a standing ovation for this accomplishment.

Mr. Lyash discussed sustainability and the need for TVA to maintain energy security by supporting a stable, affordable price, preserving reliability, generating sustainable power that is increasingly carbon free, and investing and expanding the TVA system to meet demand growth. Mr. Lyash discussed Winter Storm Elliott and noted that TVA has already taken more than 250 specific actions to harden assets so that they are more robust in the face of extreme weather. Mr. Lyash reported that TVA is bringing more generation online including solar, energy storage, combustion turbines, and combined cycle natural gas, along with investments in the transmission system.

Mr. Lyash reported TVA is focusing on energy efficiency and demand response initiatives where TVA can help families, schools, and businesses reduce their energy use and noted that these initiatives could offset energy growth in the region by 40%. Mr. Lyash reported there are plans to meet growth with increasingly clean energy, including expanded solar capacity. Mr. Lyash reported TVA is in the final reviews of bids submitted under TVA's 5,000 megawatt clean energy request for proposals, and that TVA intends on pursuing contracts in the near future. Mr. Lyash reported TVA is also actively pursuing solar capacity through other initiatives. Mr. Lyash reported some communities are becoming concerned with taking farmland or land that could be used for economic development purposes to use for solar. Mr. Lyash reported that TVA is working to find acceptable land uses to deploy solar technology, including installing solar generation on the closed coal ash site at Shawnee Fossil Plant.

Mr. Lyash reported sustainability also includes energy innovation and noted that TVA is exploring more hydro pumped storage and new nuclear technology. Mr. Lyash reported that all of

the projects noted are within the bounds of TVA's 2019 Integrated Resource Plan (IRP). Mr. Lyash noted that, given the pace of change that is occurring in the Tennessee Valley region, TVA is preparing to launch its next IRP this summer. Mr. Lyash reported that TVA has partnered with the Baker Center for Public Policy at the University of Tennessee to better understand what drives carbon emissions in the economy and align TVA's actions to make an economy-wide difference. Mr. Lyash discussed partnering with others to add solar resources, including through the generation flexibility 2.0 effort currently under consideration, and TVA's Dispersed Power Production Program.

Mr. Lyash noted that he is confident TVA will deliver on all efforts because he has seen 90 years' worth of remarkable progress that TVA has already delivered and believes TVA is well positioned through a diverse energy portfolio, dedicated people, and a very clear mission of service to deliver another 90 years of growth and prosperity to the region. Copies of the slides used by Mr. Lyash in his report are filed with the records of the Board as Exhibit 05/10/23G.

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Chair Kilbride closed the meeting by noting that TVA remembers on Memorial Day the service and sacrifice of those who gave all and thanked those who continue to serve. Chair Kilbride expressed his appreciation for TVA's veteran workforce. Chair Kilbride then introduced a video recognizing and celebrating Norris Dam.

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The meeting was adjourned at 11:10 a.m. (ET).