

No. 22-02

Approved by the Board of Directors  
at its August 31, 2022, meeting:



Executive Vice President, General  
Counsel and Corporate Secretary

MINUTES OF MEETING  
OF  
THE BOARD OF DIRECTORS  
TENNESSEE VALLEY AUTHORITY  
May 11, 2022

A meeting of the Board of Directors of the Tennessee Valley Authority was held in the Rollins Campus Center at Young Harris College, 1 College Street, in Young Harris, Georgia, on May 11, 2022. The meeting was called to order at 9:30 a.m. (EST). The meeting agenda was announced to the public on May 4, 2022. The meeting was open to public observation.

Board members in attendance were: Director and Chair William (Bill) Kilbride and Directors Jeff Smith, A.D. Frazier, Beth Harwell, and Brian Noland.

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; Jeannette M. Mills, Executive Vice President and Chief External Relations Officer; Don Moul, Executive Vice President and Chief Operating Officer; John M. Thomas, Executive Vice President and Chief Financial and Strategy Officer; Tom Rice, Vice President, Financial Operations and Performance; Doug Perry, Senior Vice President, Commercial Energy Solutions;

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.

\* \* \*

#### **22-01-1                    Welcome**

Chair Kilbride welcomed those joining both in person and online and expressed appreciation for the hospitality received from the City of Young Harris and Young Harris College. Chair Kilbride noted that Covid-19 conditions have improved throughout the region and no specific safety measures are required at today's meeting. Director Kilbride expressed the Board's condolences to the family and friends of Joe Brown, a TVA lineman who recently passed away while working on a TVA transmission line in central Tennessee.

The Board then heard welcoming remarks from Dr. Drew Van Horn, president of Young Harris College, and received a video welcome from Georgia Senator Jon Ossoff.

Chair Kilbride next called on TVA's Ombudsman and Vice President, Wilson Taylor, to summarize the comments received during the Board's public listening session. Mr. Taylor opened by providing an update on the cleanup work being done in areas of Kentucky damaged by the storms that happened last winter, including work being performed by Living Lands and Waters, a

non-profit organization.

Mr. Taylor then reported that TVA heard from sixteen individuals in person and received several written comments. Mr. Taylor reported that representatives from local power companies (LPCs) and communities commented on the value of public power and on TVA's progress with electric vehicle expansion and other innovations and also praised the contributions of Director Frazier to the TVA Board and to his community. Mr. Taylor reported Brian Solsbee, who represents municipal electric systems across Tennessee, expressed support for the region's public power model, and the benefits it brings to businesses and consumers throughout the TVA region.

Mr. Taylor reported two labor representatives expressed support for energy generation opportunities in the Valley, as well as the jobs these opportunities will create. Keith McFarland of the International Association of Machinists and David Beckler of the Tennessee Valley Trades and Labor Council both expressed their support of TVA, noting the strong relationship that these unions have with TVA. Mr. Taylor reported Kent Minault of the Sierra Club and Ken Sleeper of the Climate Awareness Group in Mississippi expressed opposition to fossil fuels, including gas generation; Susan Pedigo, also from Mississippi, expressed concern about the unavailability of having energy security for all residents in the Valley; and two speakers expressed encouragement to continue to replace coal generation units with renewables. Mr. Taylor reported that TVA officials met with Ms. Pedigo and provided information about what she can do in terms of energy security in her community and across the Valley.

Mr. Taylor reported Charlie Spencer of the Tennessee Valley Robotics Group expressed thanks for TVA's support of robotics. Mr. Taylor reported The Lake Nottely Improvement Association encouraged TVA to continue to review its river operations policies and practices, asked TVA to reassess lake drawdowns in the area, and expressed concern about possible

contamination in Lake Nottely. Mr. Taylor reported Charlie Schobel, from Lake Chatuge, asked TVA to communicate better regarding events, activities and meetings across the Valley, and invited TVA to continue to protect Lake Chatuge from additional development. Mr. Taylor reported three written submissions to the Board about Lake Chatuge and wake producing boats.

Mr. Taylor reported one comment was received from a TVA retiree, who was also the widow of a former TVA employee, along with one other comment in support of the retiree, asking for TVA's support on a life insurance matter. Mr. Taylor reported that TVA has paid all that it can legally pay in regard to the claim. Mr. Taylor reported the Tennessee Valley Farmers expressed appreciation for Director Smith, who visited them in Hardin County to assess riverbank erosion, commended TVA's River Operations Team for its work during the winter months, and urged the Board to consider the impact of solar expansion on farmland.

Director Frazier asked Jeff Lyash, President and Chief Executive Officer, for a status report on the letters the Board received related to the Allen Coal Plant cleanup. Mr. Lyash reported that over the last month, 145 letters were received expressing concern about truck traffic and operations related to moving coal ash from the Allen site to a dedicated engineered landfill in Shelby County. Mr. Lyash reported that 143 of those letters came from outside TVA's service territory, while two of the letters came from local residents. Mr. Lyash reported that TVA will follow up with the two local residents to discuss their concerns. Mr. Lyash reported coal ash is being removed from both ponds at Allen in accordance with the project plan and are transported in specially designed trucks to limit fugitive dust on routes designed to have the least impact on people and traffic, and TVA is successfully placing that ash in a dedicated, highly engineered landfill. Mr. Lyash reported the project is going well and there is very active oversight by the Tennessee Department of the Environment and Conservation along with TVA coordination with

Occupational Safety and Health Administration (OSHA).

Chair Kilbride expressed his appreciation to Mr. Taylor and to the members of the public who provided comments to the Board, noted that the Board greatly values the input received through the listening sessions, and encouraged continued participation by the public.

\* \* \*

### **Old Business**

After a motion duly made and seconded, the Board approved the minutes of its February 10, 2022 meeting.

\* \* \*

### **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 to meet with the Board and members of the public in person for the second time since the pandemic began and to attend the first meeting without masks or social distancing. Mr. Lyash reported that TVA will continue to conduct both virtual and public listening sessions. Mr. Lyash expressed his appreciation for everyone who provided comments, either in writing, or in person. Mr. Lyash expressed his appreciation to Senator Ossoff and the hospitality received from customers and community leaders in the Enchanted Valley. Mr. Lyash reported that recreation is a thriving industry in the area, as in many parts of the Tennessee valley, generating \$12 billion in economic activity across the region every year. Mr. Lyash reported that TVA works with customers and communities to ensure a strong future with clean, reliable, and low-cost energy, stewardship of the environment,

as well as economic development. Mr. Lyash reported that across the south region of TVA's service area, LPCs in north Georgia and north Alabama serve a total of 660,000 households and 130,000 businesses and industries. Mr. Lyash expressed his appreciation for Blue Ridge Mountain EMC, the LPC that serves the Young Harris, Georgia area.

Mr. Lyash reported that a year ago, the TVA Board endorsed TVA's Strategic Intent and Guiding Principles and the TVA management team will provide updates on TVA's progress on several items outlined in the Principles. Mr. Lyash reported that one area in which TVA is investing is energy efficiency. Mr. Lyash reported that even with TVA's efforts, energy burden is still a concern. Mr. Lyash detailed how TVA focuses on energy burden, including maintaining some of the lowest rates in the country, having a diverse portfolio, and targeted energy efficiency programs for low-income families, communities, and schools. Mr. Lyash reported there will be updates on TVA's energy efficiency programs in the Fiscal Year 2021 sustainability report.

\* \* \*

## **22-02-2 Report of the Audit, Finance, Risk, and Cybersecurity Committee.**

Chair Kilbride called on Director A. D. Frazier, Chair of the Audit, Finance, Risk and Cybersecurity Committee, to provide the Committee's report. Director Frazier reported that the Committee met on April 19, 2022 for its regular quarterly meeting. Director Frazier then called on John Thomas, Executive Vice President and Chief Financial and Strategy Officer, to provide an update on TVA's financial performance.

## **22-02-3 Financial Performance Update**

Mr. Thomas presented TVA's financial results for the first half of FY 2022. Mr. Thomas reviewed revenues, expenses, and TVA's summary income statement and summary cash flow

statement for the quarter and reported that TVA had favorable financial performance overall for the quarter. Mr. Thomas discussed how inflation was affecting TVA and also reported that the TVA pension fund is on track to achieve 100% funded status by 2032. Copies of the slides used by Mr. Thomas in his report are filed with the records of the Board as Exhibit 05/11/22A.

\* \* \*

Following Mr. Thomas's report, Director Frazier noted that the Committee met in executive session with TVA's Deputy Inspector General, and separately with TVA's external auditor, Ernst & Young (E&Y). Director Frazier reported that the Committee also pre-approved a new service to be provided by E&Y related to TVA's first green bond offering, which service will be in addition to the regular audit, and which will attest that TVA is using the proceeds of the green bond for green bond projects, and in accordance with the Economic Sustainability Financing framework.

Director Frazier reported the Committee was briefed on management's decision to provide a line of credit to Mayfield Electric and Water Systems to assist Mayfield as it recovers from traumatic tornadoes in December 2021. Director Frazier reported the Committee received a quarterly update from TVA's Enterprise Risk and Assurance Team, which keeps the Committee apprised of enterprise risks affecting TVA. Director Frazier explained that each quarter, the Committee reviews in greater detail one of the enterprise risks and this quarter the Committee reviewed nuclear. Director Frazier reported the Committee reviewed the various risks that could impact nuclear operations, and the mitigation strategies employed by TVA to address those risks.

Director Frazier reported the Committee received updates from management on steps TVA is taking to identify and mitigate cybersecurity risks. Director Frazier reported management

briefed the Committee on TVA's comprehensive cybersecurity strategies and provided an update on cyber issues related to the current events in Eastern Europe. Director Frazier reported management also briefed the Committee on significant legal matters, and provided a quarterly Ethics and Compliance update.

Director Frazier reported that in a separate Committee meeting on May 9, 2022, management briefed the Committee on TVA's quarterly SEC report on form 10-Q, and E&Y provided an independent assessment of TVA's interim financial statements for the second quarter.

\* \* \*

#### **22-02-4 Report of the Operations and Nuclear Oversight Committee**

Chair Kilbride called upon Director Jeff Smith, Chair of the Operations and Nuclear Oversight Committee, to provide the Committee's report. Director Smith reported the Committee met at Norris Engineering Lab for its routine quarterly meeting on April 14, 2022. Director Smith reported the Committee was able to see recent renovations and tour Norris Dam. Director Smith then expressed his most sincere sympathies to Joe Brown's family. Director Smith reported the Committee was briefed by management on the preliminary information that has been gathered on the fatality, and TVA is still working to determine additional details. Director Smith reported that OSHA also has an investigation underway and stated the Committee's commitment to the importance of safety and that the Committee will make sure management takes the appropriate actions to support Mr. Brown's family and the co-workers that were affected by this event.

Director Smith reported the Committee reviewed operational performance for the fiscal year to date and performance overall has been strong. Director Smith reported the Committee discussed the risk of inflation and TVA's mitigating actions. Director Smith reported that the



Committee encouraged management to continue to expand methods for measuring the resiliency of the TVA system and challenged management with regard to measuring resiliency against severe weather events.

Director Smith reported the Committee discussed the status of major projects, including the successful remediation of Boone Dam. Director Smith reported the Committee discussed the extent of condition reviews of dam spillways, based on the experience of the Oroville Dam failure in California, to make sure the TVA service territory does not experience a similar event.

Director Smith reported the Committee discussed the delays associated with TVA's Lawrence County, Alabama solar project resulting from supply chain challenges in getting the required number of solar panels manufactured in the United States. Director Smith reported that another challenge the Committee will continue to monitor is the need for approximately ten acres of land for each megawatt of solar.

Director Smith reported the Committee received a quarterly update on TVA's new nuclear program and the importance of developing cost and functional objectives for the potential first small modular reactor deployment, which would take place at TVA's Clinch River Nuclear Site, and recommended management create an advisory group to specifically focus on transformational innovation for the new nuclear program. Director Smith reported the technology that is being explored by TVA is not groundbreaking, but that a way to deploy nuclear in a more cost-efficient way is needed. Director Smith explained that the Committee is challenging management to take advantage of learnings by others to see what innovation TVA can bring to that exercise.

Director Smith reported the Committee received an update from management on nuclear fleet performance. Director Smith reported the fleet successfully maintained top quartile industry performance and noted that this is a significant improvement from when he first joined the Board.

Director Smith reported the Committee discussed what is needed to increase TVA's ability to stay in the top quartile.

Director Smith reported on TVA's progress in replacing the steam generators at Watts Bar Unit 2 and on the safety measures and labor availability for the project. Director Smith reported the Committee received updates from management on the Browns Ferry Unit 3 refueling outage, which was completed in spring 2022 and ahead of schedule. Director Smith reported the Committee discussed TVA's progress in reaching reliability targets using funds approved earlier by the Board. Director Smith reported the Committee received a written update on TVA's natural resources and stewardship efforts.

Director Smith asked Jeff Lyash to discuss the delay in receiving solar panels and solar equipment. Mr. Lyash then discussed TVA's solar power goals and current challenges and noted that TVA continues to have a long-term commitment to solar. Mr. Lyash reported that energy storage is also being assessed and is needed to integrate large-scale solar expansion.

\* \* \*

#### **22-02-5 Report of the External Stakeholders and Regulation Committee**

Chair Kilbride called on Director Harwell, Chair of the External Stakeholders and Regulation Committee, to provide the Committee's report. Director Harwell reported that the Committee met virtually on April 19, 2022 and received several updates from management.

#### **22-02-6 Power Arrangements Regarding A New Industrial Facility**

Director Harwell reported the Committee has one action item which relates to firm power availability for a new industrial customer. Director Harwell reported Board action is required

when a potential new load exceeds 100 megawatts to ensure that the reliability of the power system can be maintained.

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 May 3, 2022 (Confidential Memorandum), and filed with the records of the Board as Exhibit 05/11/22B:

WHEREAS a prospective industrial customer intends to locate within the service territory of the Tennessee Valley Authority (TVA); and

WHEREAS the prospective customer would be served by a local power company (LPC) that distributes TVA power and the company projects that firm power requirements will exceed 100 megawatts; and

WHEREAS TVA Board approval is required to authorize TVA to make available new amounts of firm power exceeding 100 megawatts; and

WHEREAS TVA expects to have sufficient generating and transmission capacity to supply the projected firm power requirements; and

WHEREAS a memorandum, which contains information that the customer considers confidential and business sensitive, from the Executive Vice President & Chief External Relations Officer, dated May 3, 2022 (Confidential Memorandum), a copy of which is filed with the records of the Board as Exhibit 05/11/22B recommends that TVA make available firm power to meet the customer's power requirements.

BE IT RESOLVED, That after review of said Confidential Memorandum, the Board of Directors finds it to be appropriate and in the interest of TVA, and hereby approves, making available over 100 megawatts of firm power to meet the power requirements of the customer as set forth in the attached Confidential Memorandum.

\* \* \*

Director Harwell reported management briefed the Committee on TVA's powerful

partnerships strategic priority, including TVA's progress in increasing engagement throughout the region through TVA's external relations model. Director Harwell reported the Committee received an update from management about projects across the region, significant activity in advanced manufacturing, and the automotive and electric vehicle industry.

Director Harwell reported the Committee received a federal affairs update on national policy priorities, and TVA's continued efforts to proactively engage on matters affecting TVA and the region. Director Harwell reported the Committee received an overview of TVA's approach to facilitating stakeholder engagement to close gaps in broadband availability across the region.

Director Harwell reported the Committee received an update from management in which management reported that, since August 2019, TVA has reviewed and authorized 15 LPC broadband proposals, and others are currently under review. Director Harwell reported the Committee received a quarterly regional relations update in which management highlighted the success of the Valley partner model, TVA's continued engagement with the seven LPCs that have not yet signed the long-term partnership agreement, and an overview of TVA's key focus areas in Alabama.

Director Harwell reported the Committee received its annual update on TVA's natural resources and stewardship activities and on supplier diversity. Director Harwell reported TVA has enhanced its supplier diversity program to align with TVA's strategic goal of inclusion with diversity and held its annual supplier diversity outreach summit in Memphis on April 5, 2022. Director Harwell reported management has created a supplier stakeholder advisory council to increase responsibility and accountability across TVA for inclusion in its supply base and is committed to reaching top quartile performance in supplier diversity and increasing its presence in underserved communities. Director Harwell then reported the Committee received an update on

TVA's communications strategy.

## **22-02-7 Sustainability Report**

Director Harwell called on Rebecca Tolene, TVA's Vice President of Environment and Chief Sustainability Officer, to provide a report on TVA's efforts. A video on sustainability was shown in conjunction with Ms. Tolene's presentation.

Ms. Tolene reported sustainability serves as the foundation of TVA's climate strategy, and underpins TVA's approach to environmental, social, and governance (ESG) practices. Ms. Tolene discussed how TVA is stimulating a clean energy economy by attracting electric vehicle and electric battery manufacturers, partnering with LPCs to build a network of electric charging stations, and implementing a commitment to electrify its own fleet.

Ms. Tolene reported TVA advanced a variety of sustainability initiatives in 2021 including deployment of solar, pursuit of new nuclear, and enhanced energy efficiency of schools and homes through the uplift programs to alleviate energy burden. Ms. Tolene reported that to fund these clean energy investments, TVA launched its first sustainability focused financial instrument. Ms. Tolene reported TVA has established the One Million Trees program for reforestation, invested to improve water quality, protect aquatic biodiversity, and sequester carbon through the Riparian Incentive Program. Ms. Tolene reported TVA's operations had strong environmental performance in all compliance areas in 2021, prevented an estimated \$170 million in flood damage, and worked with partners to establish and maintain native habitats on about 1,500 acres of grass land to support pollinator species.

Ms. Tolene reported TVA has elevated the Chief Diversity and Inclusion Officer position internally, intensified efforts around diversity and inclusion, and established a framework to allow

candid, meaningful conversations within the TVA workplace. Ms. Tolene reported TVA accelerated funding and programming through connected communities to help local areas gain the technology, training, and infrastructure needed to engage with the flexible grid of the future, and TVA assisted communities after devastating storms swept through portions of the TVA service area. Ms. Tolene reported TVA has added reports to provide stakeholders, bondholders, customers, and TVA employees with more information.

Ms. Tolene noted that the key takeaways of the sustainability report are that TVA's carbon emissions are 57% below a 2005 baseline, whereas the overall electric power sector's carbon emissions were down 36% from the 2005 baseline, and the immense amount of innovation, new approaches, and new thoughts that TVA is bringing to the clean energy area. Copies of the slides used by Ms. Tolene in her presentation are filed with the records of the Board as Exhibit 05/11/2022C.

\* \* \*

Director Harwell reported the Committee received a written update from TVA's Regulatory Assurance group on LPC local rate adjustments, and the Committee received a report on upcoming engagements with TVA's federal advisory committees.

\* \* \*

## **22-02-8                      Report of the People and Governance Committee**

Chair Kilbride then called on Brian Noland, Chair of the People and Governance Committee to provide the Committee's report. Director Noland reported the Committee met virtually on April 20, 2022. Director Noland reported the Committee reviewed TVA's performance for the second quarter of 2022 against its goals and key performance measures and the majority of the measures and metrics are above target. Director Noland reported the

Committee received a fiscal year-to date people report that focused on TVA's effort to reimagine the workplace, current employee demographics, insights on today's labor market, workforce trends, and the publication of TVA's first diversity, equity, inclusion, and accessibility report.

Director Noland reported that the Committee received an annual labor relations update and is pleased to report that TVA's relationships with the trades and union councils are the strongest that they have ever been, which is critical to TVA's ability to execute its labor relations strategy moving forward.

Director Noland reported the Committee received an annual update on TVA's well-being and benefits strategy, as well as the performance of TVA's benefits plans. Director Noland reported TVA's health plans are performing well and have minimal cost increases and that increases are lower than typical medical plan inflation, and that telehealth utilization continues to rise and is contributing to the cost-effectiveness of TVA's benefits plans.

#### **22-02-9 Board Conflict of Interest Policy**

Director Noland reported the Committee is presenting to the Board a recommendation to approve the Board Code of Conduct. Director Noland explained that the proposed Board Code of Conduct will provide more definitive guidance regarding conduct by Board members while serving in an official capacity, will not change the existing obligations to comply with applicable laws and regulations, but will provide additional clarity around public statements, political activity, participation in not-for-profit organizations, fair dealing, and reporting illegal and unethical behavior.

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

WHEREAS Tennessee Valley Authority (TVA) is committed to governance and business practices in accordance with the highest standards of integrity, honesty, and ethical conduct; and

WHEREAS the TVA Board of Directors (Board) is accountable for establishing the framework that creates TVA's culture of integrity; and

WHEREAS members of the Board (Directors) are responsible for complying with all laws, regulations, and policies that govern their business and personal conduct, including, but not limited to, the TVA Act (16 U.S.C. § 831, *et seq.*), the Bylaws of TVA, the TVA Code of Conduct, the general federal conflict of interest statute (18 U.S.C. § 208), and the Standards of Ethical Conduct for Employees of the Executive Branch (5 C.F.R. Part 2635); and

WHEREAS to further demonstrate its commitment to the highest standards of ethical conduct, the Board, at the recommendation of the People and Governance Committee, has reviewed and considered the adoption of a Code of Conduct for members of the TVA Board of Directors (Code), a copy of which is filed in the records of the Board as Exhibit 05/11/22D; and

WHEREAS the Board has determined that the Code represents a positive additional set of guiding principles for ensuring the continued integrity of the Board;

BE IT RESOLVED, That the Board hereby approves and adopts the Code.

\* \* \*

## **22-02-10 Amended and Restated Compensation Plan**

Director Noland reported the Committee is presenting to the Board recommended changes to TVA's Compensation Plan to streamline administration, primarily by incorporating provisions into the Plan that authorize the CEO to approve salaries greater than Executive Schedule Level IV and that this delegation will replace an annual Board action item.

After a motion duly made and seconded, the Board adopted the following resolution, as recommended in a memorandum from Director Brian Noland, Chair of the People and Governance Committee, dated April 20, 2022, and filed with the records of the Board as Exhibit 05/11/22E:

WHEREAS Section 2(g)(1)(F) of the TVA Act, as amended, states that the Board shall establish a compensation plan for employees of the Corporation; and

WHEREAS the Charter of the Board's People and Governance Committee (Committee) states that the Committee shall review such a compensation plan and make recommendations to the full Board for revisions; and



WHEREAS the Committee has reviewed, with its independent consultant (FW Cook), the TVA Compensation Plan approved by the Board in 2007 and amended by the Board in 2016, 2019, and 2021, and in a memorandum dated April 20, 2022, a copy of which is filed with the records of the Board as Exhibit 05/11/22E (Memorandum), recommends approval of an amended and restated TVA Compensation Plan and amended and restated TVA Compensation Delegations;

BE IT RESOLVED, That the Board hereby approves the amended and restated TVA Compensation Plan and amended and restated Compensation Delegations recommended by the Committee, as set out in the Memorandum and its attachments.

\* \* \*

## **22-02-11 Corporate Goals Approval**

Director Noland reported the Committee is presenting to the Board for approval proposed corporate goals for TVA's at-risk compensation programs. Director Noland reported the Committee reviewed TVA's year-to-date performance against current goals and discussed the proposed corporate goals for the next year to ensure the goals are aligned with strategic priorities.

After a motion duly made and seconded, the Board adopted the following resolutions, each as recommended in a memorandum from the Chief Executive Officer referenced therein:

Winning Performance Team Incentive Plan and  
Executive Annual Incentive Plan Corporate Multiplier Performance Measures and  
Goals for Fiscal Year 2023

WHEREAS in a memorandum dated April 15, 2022, a copy of which is filed with the records of the Board as Exhibit 05/11/22F (Memorandum), the Chief Executive Officer (CEO) recommended approval of measures and goals to assess performance for purposes of the Corporate Multiplier under the Winning Performance Team Incentive Plan (WPTIP) and Executive Annual Incentive Plan (EAIP) for FY 2023; and

WHEREAS the People and Governance Committee has reviewed the Corporate Multiplier performance measures and goals for FY 2023, as described above, and recommends their approval;

BE IT RESOLVED, That the Board approves the WPTIP and EAIP Corporate Multiplier

performance measures and goals for FY 2023 as set out in the Memorandum and its attachments;

RESOLVED further, That the Board hereby authorizes and directs the CEO to set and approve the Enterprise performance measures and goals for FY 2023 to be used with the Corporate Multiplier in determining incentive awards under the WPTIP and EAIP.

#### Long-Term Incentive Plan Measures and Goals

WHEREAS in a memorandum dated April 15, 2022, a copy of which is filed with the records of the Board as Exhibit 05/11/22G (Memorandum), the Chief Executive Officer (CEO) recommended approval of the following Long-Term Incentive Plan (LTIP) performance measures and goals for the FY 2023 – FY 2025 performance cycle: Non-Fuel Delivered Cost of Power, Load Not Served, Institute of Nuclear Power Operations (INPO) Index, and Powerful Partnerships Survey; and

WHEREAS the People and Governance Committee has reviewed the proposed LTIP measures, as described above, and related goals, and recommends their approval;

BE IT RESOLVED, That, with regard to LTIP measures and goals for the performance cycle for FY 2023 - FY 2025, the Board approves the Non-Fuel Delivered Cost of Power, Load Not Served, INPO Index, and Powerful Partnerships Survey metrics and goals (including accompanying definition sheets) as set forth in the Memorandum and Attachment A thereto.

\* \* \*

#### **22-02-12                    Governance and Ratification Items**

Chair Kilbride noted the Board performed a self-assessment, which will assist the Board in identifying opportunities for continuous improvement in the year ahead.

Chair Kilbride then introduced for ratification two items previously approved by notation. After a motion duly made and seconded, the following items were ratified unanimously by the Directors present.

#### **22-02-13                    Power Arrangements Regarding A New Industrial Facility**

As recommend in an application for Notational Board Approval from the Executive Vice

President and Chief External Relations Officer dated March 7, 2022, a copy of which is filed with the records of the Board as Exhibit 05/11/22H the individual Board Members notationally approved arrangements with a new industrial customer.

#### **22-02-14      Transmission Service**

As recommend in an application for Notational Board Approval from the Executive Vice President and Chief Operating Officer dated March 7, 2022, a copy of which is filed with the records of the Board as Exhibit 05/11/22I, the individual Board Members notationally approved the creation of a new non-firm transmission service.

#### **22-02-15      Energy Burden Report**

Chair Kilbride called on Tom Rice, Vice President of Financial Operations and Performance, and Doug Perry, Senior Vice President of Commercial Energy Solutions, to brief the Board on what TVA is doing to address energy burden costs, and specifically, what progress TVA has made in its energy efficiency programs.

Mr. Rice discussed the definition of energy burden and noted that the region TVA serves experiences some of the highest energy burdens in the nation. Mr. Rice discussed the key drivers of income, energy usage, housing stock, building codes and standards, weather, and price. Mr. Rice discussed how TVA is adding value in solving energy burden issues by economic development efforts, energy efficiency efforts, and keeping rates as low as feasible. Copies of the slides used by Mr. Rice in his report are filed with the records of the Board as Exhibit 05/11/22J.

Mr. Perry then discussed the specific programs in place that target the energy burdens of low-income customers. Mr. Perry played a video demonstrating TVA's efforts and also discussed TVA's School Uplift program, an energy efficiency program that has benefited 50 community schools in the past year. Mr. Perry reported the schools are saving an average of 12% to 14% on

their power bill, which allows more money for hiring teachers, and which is also a living laboratory for Science, Technology, Engineering, and Math (STEM) education. Mr. Perry reported that in 2022, TVA will expand the School Uplift program to assist 100 schools. Mr. Perry reported that since 2018, TVA has invested \$50 million and assisted 10,000 families and 100 businesses to reduce their energy burdens. Mr. Perry discussed Home Uplift, a partnership with LPCs with potential opportunities to receive state and federal funding. Mr. Perry reported the goal is over the next five years to reduce energy expenses in underserved communities by \$200 million. Mr. Perry then played a video featuring an individual who benefited from the Home Uplift program. Mr. Perry discussed how individuals in rentals and manufactured homes are now able to participate in the Home Uplift Program. Copies of the slides used by Mr. Perry in his report are filed with the records of the Board as Exhibit 05/11/22K.

## **22-02-16                      President's Report**

Chair Kilbride then called on President and Chief Executive Officer, Jeff Lyash, to provide the President's report. Mr. Lyash reported TVA cannot meet the energy needs of tomorrow with the energy system that it has today and discussed the opportunity and the obligation that TVA has to accelerate a clean energy future for the region and nation, while maintaining a critical balance with affordability, reliability, and resilience. Mr. Lyash discussed how TVA employees are engaged in developing the technologies of tomorrow which will be essential components of TVA's and the nation's decarbonization effort. Mr. Lyash discussed the principles followed to achieve deep decarbonization. Mr. Lyash discussed the need to use the best available science and research that further carbon-free dispatchable energy technologies. Mr. Lyash reported TVA is on a plan to reduce carbon by 70% by 2030 without raising base rates or impacting reliability, and

has a plan to reduce carbon by 80% by 2035. Mr. Lyash reported that the aspiration of achieving net zero carbon emissions will take the deployment of technologies that are not currently available at commercially competitive prices. Mr. Lyash discussed the need to partner with long-term LPCs and other stakeholders, to maintain nuclear and hydro generation, and a robust, reliable transmission grid, and to be transparent with stakeholders in measuring and sharing TVA's progress.

Mr. Lyash discussed TVA commitments to serve its communities, continue investing in its clean-energy diverse portfolio and being a leader in low carbon energy, and maintaining financial strength and stability. Mr. Lyash discussed that developing a clean energy future is a common goal shared with LPCs, industries served by TVA, environmental groups and stakeholders. Mr. Lyash explained TVA's objective is not to rely only on intermittent renewable sources of generation, but is a zero carbon, affordable, reliable and resilient system. Mr. Lyash discussed TVA's renewable energy sources, including hydroelectric dams, and facilitation of 4,000 megawatts of solar installations. Mr. Lyash discussed how TVA has increased committed solar resources by 77% over the last year and is targeting 10,000 megawatts of solar by 2035, enough power for more than 1.6 million single-family homes across the system. Mr. Lyash discussed how the Green Invest Program which, since 2018, has generated nearly three billion in solar investment in TVA's service territory, supports sustainability goals and economic development activities. Mr. Lyash discussed the Generation Flexibility option with LPC partners, which was designed to drive technology, including distributed renewable resources, into communities at the local level and to find ways to accelerate LPC adoption of solar.

Mr. Lyash discussed how natural gas plays a role in the need for reliable, resilient energy and explained that natural gas is a bridge fuel within a diverse portfolio designed to ensure

reliability. Mr. Lyash discussed the options for the Cumberland Fossil Plant, where a draft environmental impact statement was provided for public comment. Mr. Lyash explained that no decision has been made yet for replacement generation options at the Cumberland site, and the environmental impact statement is currently out for public comment.

Mr. Lyash discussed TVA's work in exploring and developing new technologies in order to decarbonize the future energy supply, including carbon capture and use. Mr. Lyash discussed six transformative technologies that TVA sees as being important, including decarbonization, solar, connected communities, advanced nuclear, and electric vehicles. Mr. Lyash explained that TVA is working in partnership with customers, communities, public officials, and businesses in accelerating progress toward a clean energy economy. Mr. Lyash then touched on TVA's efforts to address energy burden, including TVA's expanded Home Energy Uplift and School Uplift programs that Mr. Perry addressed during his presentation.

Mr. Lyash discussed workforce issues noting that TVA has a significant number of job vacancies and is focused on partnering with high schools, colleges, trade schools, and local communities to help develop the TVA workforce of the future. Mr. Lyash noted that one of TVA's strongest partners are labor unions, which share TVA's concerns with the availability of a skilled workforce. Mr. Lyash discussed that TVA is also viewing labor availability and development as an economic development issue. Mr. Lyash also discussed TVA's commitment to inclusion with diversity.

With respect to increasing electric vehicle adoption, Mr. Lyash discussed the ultimate need to replace the highway gas tax to provide base funding for highway maintenance. .

Mr. Lyash explained that TVA is striking the right balance toward clean energy initiatives while maintaining flexibility and balance to ensure that the electric system is affordable, reliable,

and resilient; and that carbon reduction efforts do not jeopardize that balance.. Mr. Lyash discussed TVA's focus on leveraging the performance of the nuclear fleet, the hydro fleet, retiring coal units with a focus on how employees and communities are affected, building out the maximum amount of solar, deploying the right amount of gas resources to balance affordability, reliability and resiliency, while maintaining optionality and flexibility as technology develops. Copies of the slides used by Mr. Lyash in his report are filed with the records of the Board as Exhibit 05/11/22L.

\* \* \*

Chair Kilbride expressed appreciation to TVA's veteran workforce, encouraged the public to safely enjoy TVA's public lands and reservoirs, and introduced a video showing an architectural overview of TVA's dams.

\* \* \*

The meeting was adjourned at 11:22 a.m. (ET).