

No. 21-02

Approved by the Board of Directors  
at its August 18, 2021, meeting:



---

Executive Vice President, General  
Counsel and Secretary

MINUTES OF MEETING  
OF  
THE BOARD OF DIRECTORS  
TENNESSEE VALLEY AUTHORITY

May 6, 2021

A meeting of the Board of Directors of the Tennessee Valley Authority was held by teleconference via live internet streaming, on May 6, 2021. The meeting was called to order at 10:00 a.m. (EST). The meeting agenda was announced to the public on April 29, 2021. The meeting was open to public observation.

Board members in attendance were: Director and Chair John L. Ryder (in person) and Directors Kenneth E. Allen (in person), Jeff Smith (in person), William (Bill) Kilbride (in person), A.D. Frazier (via teleconference), and Beth Harwell (via teleconference). Director Brian Noland was not present due to presiding at East Tennessee State University's graduation.

Also present were TVA officers, including Jeffrey J. (Jeff) Lyash, President and Chief Executive Officer; David Fountain, Executive Vice President & General Counsel; Jeannette M. Mills, Executive Vice President and Chief External Relations Officer; John M. Thomas, Executive Vice President and Chief Financial & Strategy Officer; Doug Perry, Senior Vice President, Commercial Energy Solutions; Daniel (Dan) P. Pratt, Senior Vice President, Regional Relations; and Jeremy Fisher, Vice President and Chief Information Officer. David Fountain served as the Board's parliamentarian.

Chair Ryder 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.

\* \* \*

### **21-02-1. Welcome**

Director Ryder welcomed those joining through the live webcast and detailed the safety measures being followed by the TVA staff in attendance to ensure compliance with the guidelines of the Centers for Disease Control and Prevention. Chair Ryder noted that TVA recently celebrated National Lineman Appreciation Day and gave a special thanks to TVA's transmission crews for the work they do that allows TVA to transmit power at a 99.999% reliability rate to 153 local power companies (LPCs) and 57 directly served customers. Chair Ryder also thanked those workers at TVA and the LPCs who maintain the integrity of the regions' rivers and dams and who ensure that the needs of TVA's communities are met.

Chair Ryder reported that TVA provides the public with multiple opportunities to provide input, including the National Environmental Policy Act (NEPA) review process, the Integrated Resource Plan and natural resource plans, the energy resource and resource stewardship councils, as well as directly with TVA staff in the local communities. Chair Ryder noted that the listening session before each Board meeting is another opportunity for the public to provide feedback to TVA. Chair Ryder reported that the Board could not hold an in-person listening session due to COVID-19 pandemic protocols, but has come to appreciate receiving written comments as it gives the Directors more time to review and understand the public's perspectives on TVA. Chair Ryder also noted that the written comment process is equitable in that all interested parties may participate. Chair Ryder then summarized the public comments received by the Board in advance of the meeting, noting that TVA received comments from 30 individuals separately and an additional 53 people who submitted their comments together through TVA's online system.

Of the 30 people who commented individually, 22 expressed concern about a continuing insurance issue following the death of a longtime TVA employee and leader. Chair Ryder noted that the Board appreciates the difficult circumstances, and TVA's ombudsman, Wilson Taylor, continues to be aware of this issue. Chair Ryder noted that four individuals and a representative

of the Nature Conservancy commented on a situation on the Duck River in Tennessee where Volunteer Sand and Gravel is doing construction. Citizens in the area are concerned about flooding and water pollution. Chair Ryder noted that while the work is on private land, the company is doing the work without the required Section 26a permit from TVA for construction that affects navigation and flood control. Chair Ryder made it clear that the company is responsible for applying for a Section 26a permit, but noted that TVA does not have the authority to regulate discharges of sediment that have been a concern to many people in the Duck River community. Director Ryder noted that the Tennessee Department of Environment and Conservation (TDEC) regulates the discharge of sediment from the plant under the Clean Water Act and TVA supports TDEC's efforts in this matter. Chair Ryder made it clear that the Board understands the serious concerns around this issue and that TVA has the appropriate staff members following through on actions that are within TVA's jurisdiction.

Chair Ryder reported that other public comments called for more renewable energy on the TVA system; called for TVA to stop using fossil fuel and nuclear energy; expressed concern about coal ash management and worker safety; and encouraged TVA to support decarbonization and a more modern power grid. Chair Ryder noted that a TVA employee wrote to ask about the feasibility of employees returning at least part-time to their offices. Chair Ryder reported that TVA's leadership team intends to begin reopening offices as public health conditions allow, but TVA is still dealing with many of the constraints that have been brought on by the pandemic. Chair Ryder reported that of the 53 people who submitted comments together, more than 40 encouraged the Board to resume in-person listening sessions or conduct listening sessions virtually.

Chair Ryder stated the Board appreciates the expression of interest in the work TVA does and the importance that members of the public place on TVA's responsibilities and impact. Chair Ryder reported that the Board will ask TVA staff to follow up with people who raised specific questions or concerns. Chair Ryder emphasized that the public's input helps the Board and TVA to make better decisions. Chair Ryder explained that he has asked TVA staff to work on options for future listening sessions and that the staff will provide the Board with recommendations for review and implementation during TVA's next fiscal year, which begins October 1, 2021.

\* \* \*

## **Old Business**

After a motion duly made and seconded, the Board approved the minutes of its February 11, 2021 meeting.

\* \* \*

## **New Business**

Chair Ryder called on TVA President and Chief Executive Officer, Jeff Lyash, to make a few opening remarks prior to the Committee reports. Mr. Lyash discussed TVA's innovation and expertise that has characterized TVA's work since its early days and is making it possible for TVA to tackle new challenges and develop new technologies. Mr. Lyash then discussed the nomination and approval process for TVA Directors and reported that the President recently nominated four individuals to serve on the TVA Board. Mr. Lyash noted that Chair Ryder's and Director Allen's terms end in 2021, possibly as early as May 18 depending on when their successors are approved, and he expressed his appreciation for the insights and perspective that Chair Ryder and Director Allen bring to TVA. Mr. Lyash provided a detailed President's Report later in the meeting.

\* \* \*

### **21-02-2. Report of the People and Performance Committee**

Chair Ryder called on Director Allen, Chair of the People and Performance Committee, to provide that Committee's report. Director Allen reported that the People and Performance Committee met on April 15, 2021 by video conference and received several updates from management. Director Allen reported that the Committee reviewed TVA's performance for the second quarter of fiscal year (FY) 2021 against TVA's corporate goals and key performance measures, and that the Committee received an update from TVA's Chief Operating Officer and TVA's Chief Nuclear Officer on TVA's operational performance.

Director Allen reported the Committee reviewed TVA's performance during the extreme winter weather event in February 2021, which resulted in large-scale failures in several other power systems across the country. Director Allen noted TVA was able to deliver power reliably

to its customers throughout the event and that TVA's performance during the weather event is a demonstration of the foundational advantage of TVA's public power model. Director Allen called on Aaron Melda, Senior Vice President of Transmission and Power Supply, who provided a report on TVA's performance during the winter storms in mid-February.

### **21-02-3. TVA's Winter Weather Response**

Mr. Melda provided a report on the response by TVA and LPCs to the extreme winter weather events of February 2021 and noted the success of the TVA public power model from both an operational and price standpoint. For context, Mr. Melda detailed the operational difficulties and price spikes experienced in other regions, particularly to the west of TVA's service territory. Copies of the slides used by Mr. Melda are filed with the records of the Board as Exhibit 05/06/21A.

\* \* \*

Following Mr. Melda's report, Director Allen reported that the Committee reviewed a preview of TVA's corporate goals for FY 2022 with the final proposed goals to be brought to the Committee and the Board next quarter. Director Allen reported that the Committee received an annual update on the status and progress of TVA's safety program. Director Allen noted that in 2020, TVA achieved its best safety performance ever and that TVA will continue to focus on improvement in this area and is on track to be in the top decile in safety performance in 2021. Director Allen reported that the Committee also discussed the results of TVA's recent February 2021 engagement survey, with 74% of TVA employees participating in the survey. Director Allen noted that TVA's engagement score of 82 was positive with an increase of two points since the last survey in August 2020. Overall, TVA's scores increased in all 33 engagement categories from the last survey, showing that TVA's efforts in developing and executing strategies based on feedback from the last survey are succeeding.

Director Allen reported that the Committee reviewed the performance of the Committee's compensation consultant, F.W. Cook, Inc., and received an annual update on TVA's well-being and benefits strategy. Director Allen noted that TVA's benefits plans remain competitive and costs have continued to decrease for the fifth straight year. Going forward, TVA will be focusing on opportunities in the areas of employee choice, innovative solutions, and well-being

support, with the aim of continuing to strengthen the benefits and well-being options available to employees.

Director Allen reported that the Committee next discussed and recommended a revision to the external nuclear performance indicator contained within TVA's long-term incentive plan performance goals. Director Allen reported the Board has already approved the recommended revision through a notational vote, and that Chair Ryder will ask for the Board's ratification of the revision later in the meeting.

Director Allen reported that the Committee conducts an annual review of TVA's compensation plan and also conducts peer group benchmarking for compensation purposes. Director Allen explained the compensation plan is a guiding document for managing compensation matters for all TVA employees and the Board approves the plan to ensure it is consistent with the TVA Act and supports TVA's strategic goals. Director Allen reported that the Committee has recommended several proposed changes in the plan to enhance plan governance, provide clarification of current practices in the areas of philosophy, relevant labor market, and pay for performance, and address several administration items. Director Allen stated that the Committee is not recommending changes to the benchmarking peer group at this time. Director Allen reported that the Board had approved the compensation plan items through a notational vote, and that Chair Ryder will ask for the Board's ratification of that approval later in the meeting.

Director Allen thanked his fellow directors, Director Frazier and Director Nolan, for their hard work on the Committee, and also thanked all TVA employees for their performance and hard work during a difficult year.

\* \* \*

#### **21-02-4. Report of the External Relations Committee**

Chair Ryder then called on Director Harwell, Chair of the External Relations Committee, to provide that Committee's report. Director Harwell reported that the External Relations Committee met on April 15, 2021 by video conference and received several updates from management, including briefings on consumer engagement and an update on efforts in the Memphis area. Director Harwell called on Jeannette Mills, Executive Vice President and Chief External Relations Officer, to provide an update on TVA's economic development efforts.

**21-02-5. Economic Development Update**

Ms. Mills provided an overview of TVA's economic development efforts and of TVA's related strategic initiatives and highlights from the previous year. Ms. Mills introduced a video message from Bob Rolfe, Commissioner of the State of Tennessee Department of Economic and Community Development, in which Mr. Rolfe summarized and expressed appreciation for TVA's role in Tennessee's economic development. Copies of the slides used by Ms. Mills are filed with the records of the Board as Exhibit 05/06/21B.

\* \* \*

Following Ms. Mills' report, Director Harwell called on Rebecca Tolene, Vice President and Chief Sustainability Officer, to provide an update on TVA's 2020 Sustainability Report.

**21-02-6. TVA Sustainability Efforts**

Ms. Tolene provided an overview of TVA's 2020 Sustainability Report and TVA's approach to sustainability. Ms. Tolene also gave an update on TVA's carbon performance and approach to carbon reduction. Ms. Tolene thanked TVA's Federal advisory committees for their feedback in creating the Sustainability Report and their work on sustainability in general. She also thanked TVA employees for their sustainability efforts. Copies of the slides used by Ms. Tolene are filed with the records of the Board as Exhibit 05/06/21C.

\* \* \*

Following Ms. Tolene's presentation, Director Harwell reported that the Committee also received briefings on TVA's communication strategy, the SolarWinds cyber event, and TVA's program to identify and manage insider threats.

\* \* \*

**21-02-7. Report of the Audit, Risk, and Regulation Committee**

Chair Ryder called on Director Kilbride, chair of the Audit, Risk, and Regulation Committee, to provide that Committee's report. Director Kilbride reported that the Audit, Risk, and Regulation Committee met twice during the quarter, once on April 14, 2021 for its regular quarterly meeting, and then again on May 3, 2021 to review TVA's second quarter report to the Securities and Exchange Commission (SEC). Director Kilbride reported that management updated the Committee on a number of topics during the April 14 meeting, including regulatory assurance, electric vehicle (EV) charging rates, cybersecurity, and the status of ongoing litigation.

Director Kilbride reported that management provided an update on LPC commercial broadband initiatives and the financial health of the LPCs and a recommendation that the Committee allow the three-year EV pilot rate offering to expire effective May 31, 2021, because no LPCs have participated in that offering, and because the Board approved an innovative new EV rate offering in November of 2020. Director Kilbride reported that the Committee concurred with management's recommendation.

Director Kilbride reported that the Committee also received cybersecurity updates, including an update on TVA's cybersecurity workforce strategy. Director Kilbride noted that, in addition to review by the Committee, TVA's cybersecurity program is subject to regular internal and external reviews which indicate that TVA's cybersecurity program is effective. Director Kilbride discussed that to help mitigate the consequences of cyber attacks, TVA closely collaborates with government and industry partners and these partners were instrumental in helping TVA respond effectively and efficiently to the recent SolarWinds cyber attack.

Director Kilbride reported that TVA's Office of the General Counsel provided the Committee with an update on the status of significant lawsuits and legal issues.

Director Kilbride reported that the Committee also met with TVA's Deputy Inspector General and her staff for a quarterly update on ongoing audits and investigations and then separately met with Ernst & Young, TVA's external auditor. Director Kilbride expressed appreciation for the Office of Inspector General's and TVA's external auditor's reviews and feedback on opportunities to improve. Director Kilbride advised that several written documents were provided to the Committee for review, including an enterprise risk and assurance update, an LPC local rate adjustment quarterly report, a broadband study, and the meeting minutes of TVA's Disclosure Control Committee.

Director Kilbride reported that on May 3, 2021, the Committee reviewed TVA's quarterly report to the SEC on Form 10-Q. Director Kilbride noted that after TVA staff briefed the Committee on the report, Ernst & Young gave an independent assessment of TVA's financial reporting process. TVA filed the Form 10-Q on May 3, 2021 after the close of business. Director Kilbride thanked the Committee members for their diligence and contributions to the Committee's work.

\* \* \*

### **21-02-8. Report of the Nuclear Oversight Committee**

Chair Ryder called on Jeff Smith, Chair of the Nuclear Oversight Committee, to provide that Committee's report. Director Smith reported that the Nuclear Oversight Committee met on April 6, 2021 virtually and discussed the overall performance of the nuclear fleet, recent and upcoming outages, and the progress of the fleet's business plan initiatives. Director Smith reported that in addition to the Committee's standing agenda items, several leaders from the Institute of Nuclear Power Operation (INPO) provided INPO's perspective on TVA's nuclear performance. INPO is one of several independent organizations that review and help improve the operational and safety performance of the nuclear industry through regular assessments of nuclear power sites, and INPO uses a detailed set of performance criteria for these assessments. Director Smith reported that INPO informed the Committee that the TVA nuclear fleet has shown steady improvement in recent months. Director Smith noted, however, that the rest of the industry is also focused on performance improvement. Director Smith reported that after hearing from INPO, the Committee received a fleet performance update from management and an update from the Watts Bar site leadership.

Director Smith highlighted a milestone that Watts Bar has reached since the beginning of the year, which is the decision of the Nuclear Regulatory Commission to close the chilled work environment letter that was issued in 2016. Director Smith noted the decision is a testament to the hard work put in by all levels of the organization from craft workers through the leadership team to build trust and to improve the site's nuclear safety culture. Director Smith commented that the Committee recognizes that this improvement is one that requires constant attention and commitment to maintain and congratulated everyone at Watts Bar for reaching this milestone.

Director Smith reported that the Committee was briefed about the status of ongoing and upcoming outages, including an update on emergent repair work at Browns Ferry Unit 2 and a

preview of three consecutive refueling outages at Watts Bar and Sequoyah. Director Smith noted that a significant project will be to inspect the Watts Bar Unit 2 steam generators as part of the preparation to replace the steam generators in 2022, which replacement will result in the unit being taken offline for an extended period of time when the work begins in the spring.

Director Smith reported that the Committee has heard consistent messages from Jeff Lyash and Tim Rausch and the TVA nuclear leadership team, echoed in the update from INPO, about the focus areas for TVA nuclear to achieve sustainable performance. Director Smith noted that TVA is investing the resources necessary to make significant equipment improvements and a plan is in place to close the gaps in performance and behavioral accountability that should allow the nuclear fleet to achieve a higher and sustainable level of performance. Director Smith noted the Committee believes that the nuclear team needs time to execute the plans that have been put in place, but the fleet, in the Committee's view, is on the right track. In closing, Director Smith thanked the Committee members and Dennis Cole, the Committee's independent advisor.

#### **21-02-9. Report of the Finance, Rates, and Portfolio Committee**

Chair Ryder called on Director A.D. Frazier, chair of the Finance, Rates, and Portfolio Committee, to provide that Committee's report. Director Frazier reported that the Finance, Rates, and Portfolio Committee met on April 14, 2021 and again on May 4, 2021. Director Frazier reported the Committee received reports from management on TVA's fiscal year performance through March, TVA's pension liabilities, opportunities for eliminating funding risk in the pension system, and TVA's flexibility program with its customers. Director Frazier called on John Thomas, Executive Vice President and Chief Financial Officer, who provided a report on TVA's financial results.

#### **21-02-10. Financial Performance Update**

Mr. Thomas presented TVA's financial results for the first six months of FY 2021. Mr. Thomas reviewed revenues, expenses, and TVA's summary income statement and summary cash flow statement for the period and reported that TVA had favorable financial performance overall. Copies of the slides used by Mr. Thomas in his report are filed with the records of the Board as Exhibit 05/06/21D.

\* \* \*

Following Mr. Thomas's report, Director Frazier reported that the Committee received a report from management on the TVA Retirement System (TVARS) indicating that TVA's pension plan is on track to be fully funded by 2036, consistent with plan amendments that were approved in 2016. Director Frazier noted TVA continues to work with the TVARS's board of directors to plan for future benefit payments to TVA's retirees who are entitled to benefits under the plan. Director Frazier then called on Doug Perry, Senior Vice President for Commercial Energy Solutions, who provided a report on TVA's commercial energy solutions programs.

#### **21-02-11. Commercial Energy Solutions Update**

Mr. Perry provided an overview of TVA's renewable energy programs, highlighted particular renewables projects with industry and LPC partners, and explained how TVA's Green Invest Program structure allows TVA to maintain low rates and transmission reliability. Copies of the slides used by Mr. Perry in his update are filed with the records of the Board as Exhibit 05/06/21E.

\* \* \*

#### **Ratification Items**

Chair Ryder conducted a voice vote regarding ratification of the Board's prior notational approval of the items set forth in Minute Items No. 21-02-12 and No. 21-02-13. After a motion duly made and seconded, the following items were ratified unanimously by the directors present:

#### **21-02-12. Long-Term Incentive Plan Performance Goals**

As recommend in an application for Notational Board Approval from Director Kenneth Allen, Chair of the People and Performance Committee, a copy of which is filed with the records of the Board as Exhibit 05/06/21F, the individual Board Members notationally approved the long-term incentive plan performance goals.

**21-02-13. Compensation Plan**

As recommend in an application for Notational Board Approval from Director Kenneth Allen, Chair of the People and Performance Committee, a copy of which is filed with the records of the Board as Exhibit 05/06/21G, the individual Board Members notationally approved the compensation plan.

\* \* \*

Chair Ryder reported that TVA is working to develop the energy system of the future, including partnering with the Oak Ridge National Laboratory (ORNL). Chair Ryder introduced a video that highlights the work that TVA's employees are doing to build the energy system of the future. Chair Ryder then introduced Dr. Thomas Zacharia, the Director of ORNL, and asked him to share the administration's views on carbon reduction and technology. Chair Ryder also thanked Dr. Zacharia for letting TVA have the services of Director Jeff Smith, who has been a valuable addition to the TVA Board.

**21-02-14. Remarks of Dr. Zacharia of Oak Ridge National Laboratory**

Dr. Zacharia discussed three topics of interest to the TVA Board: the administration's priorities, the administration's focus on regional sector-based demonstration projects, and place-based innovation and job creation. Dr. Zacharia reported the administration has a target of net-zero commitment by the electricity sector by 2035 and economy wide net-zero commitment by 2050. Dr. Zacharia noted that these are ambitious goals. ORNL has an important opportunity to contribute to that goal by trying to be a net-zero carbon campus. Dr. Zacharia noted that as ORNL is a direct-served power customer of TVA, ORNL cannot achieve this goal without partnering with TVA. Dr. Zacharia discussed a number of areas where ORNL can partner with TVA, both to develop technology and to demonstrate technology at scale, including the opportunity of partnering with TVA in the deployment of a small modular reactor at the Clinch River site. Other opportunities noted by Dr. Zacharia for developing and demonstrating technology at scale include energy storage, carbon capture, and reuse at scale, electrification of the transportation sector, and achieving a net-zero carbon agriculture sector.

Dr. Zacharia then discussed the administration's recognition that there needs to be additional place-based innovation opportunities and noted that the administration's current

budget has requested about \$50 billion for creating new innovation and place-based innovation communities. Dr. Zacharia described the collaboration of TVA, ORNL, and the University of Tennessee in bringing a technology business accelerator to the region, to be managed by Techstars. The Techstars accelerator will be focused on the industries of the future and will involve 30 companies over the next three years, sourced from all over the nation and the world. Dr. Zacharia reported that these companies will come to the Tennessee Valley, create jobs, and foster the entrepreneurial ecosystem.

Dr. Zacharia advised that the next area of potential cooperation for ORNL and TVA is an innovation district, which will create additional opportunities for new technology companies to co-locate. The district would present a unique opportunity for technological and economic development, particularly at a time when there is an intense focus on net-zero carbon technologies.

\* \* \*

## **21-02-15. President's Report**

Chair Ryder then called on President and Chief Executive Officer, Jeff Lyash, to provide the President's report. Mr. Lyash emphasized the value of TVA's partnership with ORNL and reported that TVA is working on a number of initiatives to deliver a better and stronger future for the people of the Tennessee Valley. Mr. Lyash recapped TVA's performance for the fiscal year to date and TVA's strong performance as the extreme winter weather in February overwhelmed other power providers outside the TVA region. Mr. Lyash discussed TVA's continuing support to customers and communities during the pandemic and noted that TVA is helping the Valley's economy recovery through programs like the Back to Business incentive and by supporting long-term economic growth in the region. Mr. Lyash reported that if TVA's financial performance continues for the remainder of the fiscal year, TVA is evaluating the possibility of another credit to customers in FY 2022. Mr. Lyash advised that he expects to speak more to this topic at the August Board meeting. Mr. Lyash reported on certain aspects of TVA's recent operational performance, including progress in nuclear operations, investments in hydro assets, the addition of solar resources, and progress on natural gas simple cycle capacity upgrades.

Mr. Lyash discussed TVA's strategy in building the energy system of the future. Mr. Lyash noted that TVA conducts a range of analyses to evaluate changing customer demands, evolving regulatory requirements, emerging economic development opportunities, technological

progress, and other factors. Mr. Lyash noted as an example the integrated resource planning process, which is typically conducted every few years, and also an annual strategic planning program to set the overall direction of TVA. Those efforts are followed by a well-defined business planning process to turn that strategy into executable plans. Mr. Lyash reported that, as part of the strategic planning process, management met with TVA's LPC partners and direct served customers to collect their thoughts and inputs on the collective path forward. Mr. Lyash reported that the TVA Board reviewed TVA staff's analysis of the energy landscape, available strategic options, and customer input, and engaged with the Department of Energy's Secretary Jennifer Granholm about the energy priorities of the nation. TVA management has reflected on the Board's input, and summarized it in a document entitled TVA's Strategic Intent and Guiding Principles. Mr. Lyash noted that this document will be used by management as guidance while revising TVA's strategic plan, which will be presented to the Board in the future.

Mr. Lyash noted that the Strategic Intent and Guiding Principles document does not replace more formal assessment and approval processes, like the integrated resource planning process, or NEPA process, but it does help to provide clarity to TVA's direction and supports management efforts to revise and update TVA's strategic plan for future presentation to the Board. Mr. Lyash recapped TVA's success in meeting the goals of its current strategic plan, including in the areas of debt reduction and stronger partnerships with LPCs. Mr. Lyash then discussed the Strategic Intent and Guiding Principles document and detailed how it connects with TVA's mission of service to the people in TVA's service territory; the four TVA core values of safety, integrity, inclusion, and service; and TVA's strategic priorities of people advantage, operational excellence, financial strength, powerful partnerships, and igniting innovation. Mr. Lyash then described the commitments and guiding principles that are set forth in the Strategic Intent and Guiding Principles document.

Mr. Lyash discussed particular initiatives that TVA is undertaking to advance its strategic priorities, including the further reduction of carbon dioxide emissions; the addition of EV charging stations and the recruitment to the region of EV battery and car manufacturers; and efforts to position TVA to lead the nation in the development and demonstration of small modular reactors, if called upon to do so and in a manner that will not place undue burdens on TVA customers. In connection with TVA's small modular reactor initiative, Mr. Lyash announced an arrangement with Kairos Power to collaborate on deploying a low-power demonstration reactor at the East Tennessee Technology Park in Oak Ridge and noted that TVA will gain experience from the collaboration, but is not committing to build a reactor. Mr. Lyash

closed by recapping the Strategic Intent and Guiding Principles document. Copies of the slides used by Mr. Lyash in his report are filed with the records of the Board as Exhibit 05/06/21H.

\* \* \*

**21-02-16. Strategic Intent and Guiding Principles**

Following the President's Report and after a motion duly made and seconded, the Board adopted the following resolution endorsing TVA's Strategic Intent and Guiding Principles document, a copy of which is filed with the records of the Board as Exhibit 05/06/21I.

WHEREAS TVA management has prepared a document titled TVA's Strategic Intent and Guiding Principles, a copy of which is filed with the records of the Board as Exhibit 05/06/21I ("Strategic Intent document"); and

WHEREAS the Board has reviewed the Strategic Intent document and recognizes that it reflects a broad strategy for achieving TVA's long-term goals related to TVA's generation and transmission portfolio and carrying out TVA's mission of making life better for the people of the TVA service territory;

BE IT RESOLVED, That the Board endorses the Strategic Intent document, subject to management's compliance with all required environmental reviews before making any decisions that are subject to such required reviews.

\* \* \*

Before closing the meeting, Chair Ryder noted that TVA celebrates its 88th anniversary on May 18, 2021. Chair Ryder advised it is a great honor to be part of an organization that works tirelessly to fulfill the mission that Congress gave it in the TVA Act.

The meeting adjourned at 12:15p.m (EST).