



Board Meeting

May 9, 2024

Nashville, Tennessee



May 8th Weather Event





Board Meeting

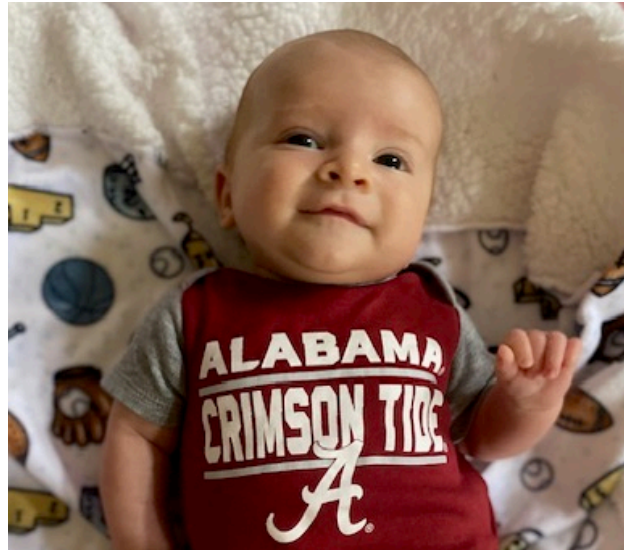
May 9, 2024

Nashville, Tennessee





August 2023



November 2023



February 2024



Current

Opening Remarks

Jeff Lyash
President and CEO

May 9, 2024



 **LIPSCOMB**
UNIVERSITY

5:10 PM
Sharing Key T J F F P H
LIPSCOMB
UNIVERSITY

Zoom Ezell 147
5:10 PM
Sharing Key T J F F P H
LIPSCOMB
UNIVERSITY

Local Power Companies



NES

mte Middle
Tennessee
Electric

In Memoriam



Chuck Bowlin
CEO, Greeneville Energy Authority



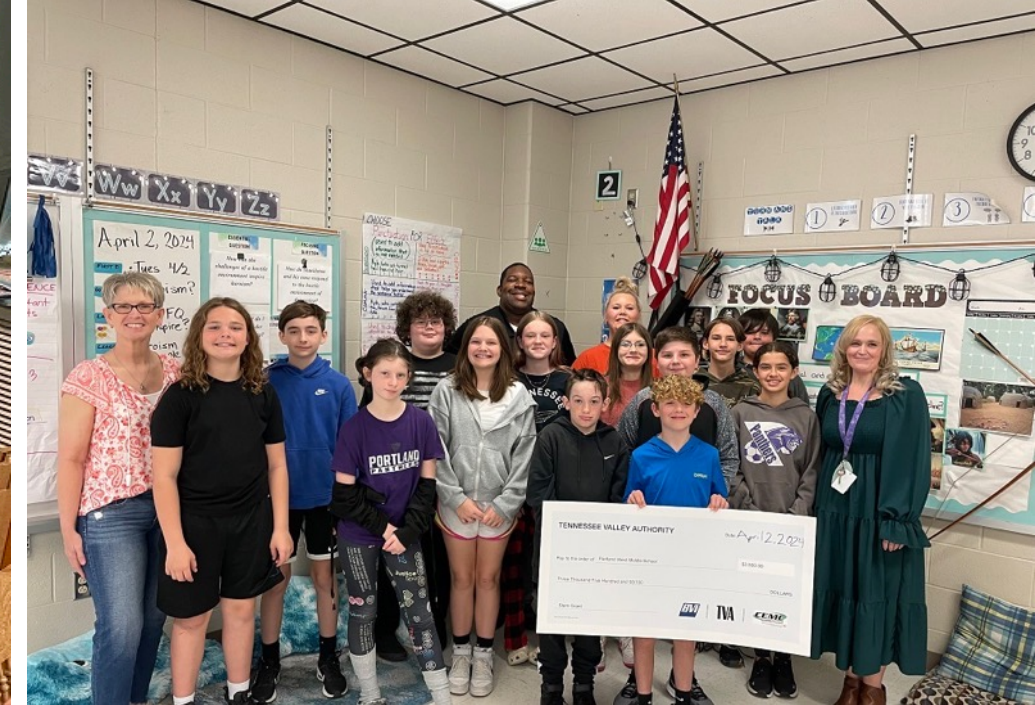


Lipscomb University Investment Challenge Team



TVA's 2023 Investment Challenge Program Participants







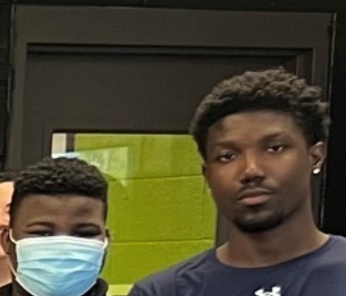
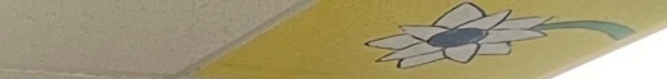
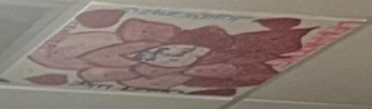


TVA GREAT FUTURES START HERE. **TVA** TENNESSEE VALLEY AUTHORITY **TVA** TENNESSEE VALLEY AUTHORITY **TVA** TENNESSEE VALLEY AUTHORITY **TVA** TENNESSEE VALLEY AUTHORITY **TVA** TENNESSEE VALLEY AUTHORITY **TVA** TENNESSEE VALLEY AUTHORITY

CAL RIPKEN, SR.
Foundation
CHANGE KIDS' LIVES

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CHANGE KIDS' LIVES





TECHNOLOGY ENGINEERING FOUNDATION

TVA TENNESSEE VALLEY AUTHORITY

CAL RIPKEN SR. FOUNDATION CHANGE RIBBON LIVES

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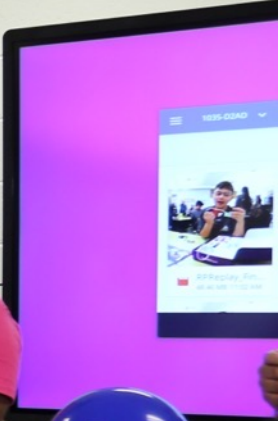
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CAL RIPKEN, SR. FOUNDATION
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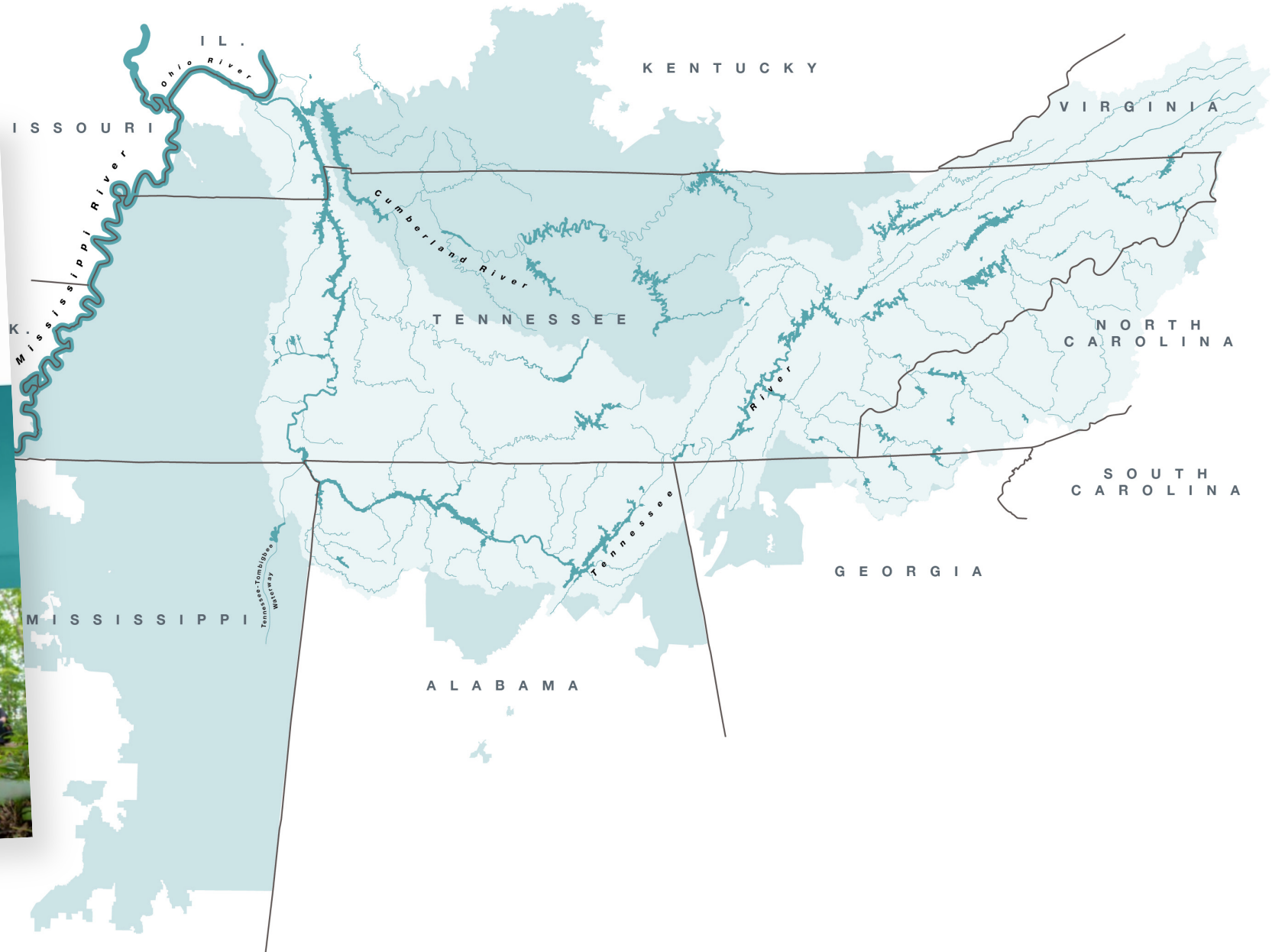


Sustainability

FY 2023

Building a Sustainable Future

TVA TENNESSEE VALLEY AUTHORITY





90TH

ANNIVERSARY

1933 **TVA** 2023



Opening Remarks

Jeff Lyash
President and CEO

May 9, 2024



Board Meeting

May 9, 2024

Nashville, Tennessee



Operations and Nuclear Oversight Committee

Bobby Klein, Chair

Operations Quarterly Update

Don Moul
Executive Vice President and Chief Operating Officer

May 9, 2024

Operations and Nuclear Oversight Committee

Bobby Klein, Chair

Nuclear Quarterly Update

Tim Rausch
Executive Vice President and Chief Nuclear Officer

May 9, 2024

Operations and Nuclear Oversight Committee

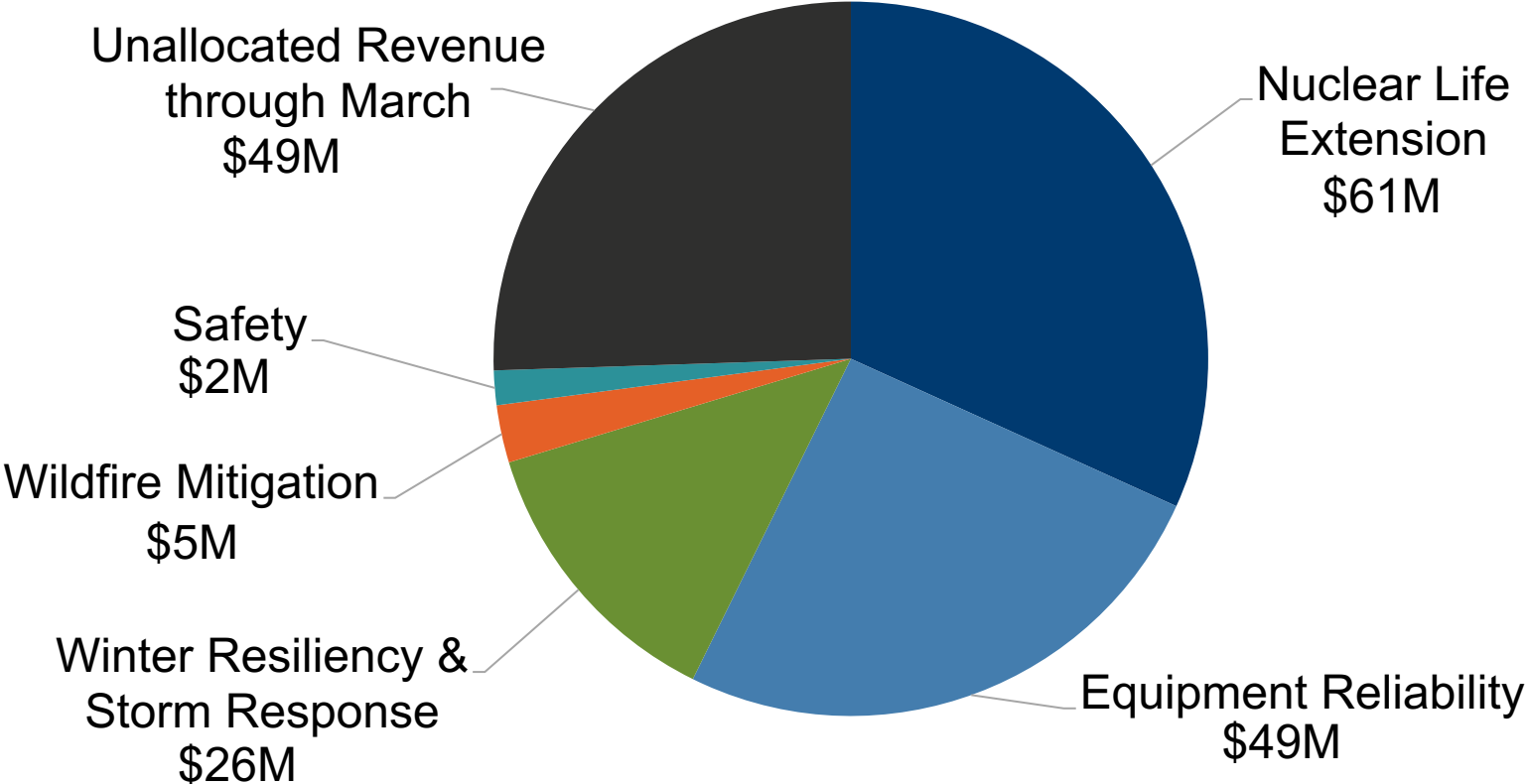
Bobby Klein, Chair

Finance, Rates, and Portfolio Committee

Wade White, Chair

Summary of Strategic Initiatives Funding Request

\$192 million of incremental base revenue generated from the FY24 rate adjustment as of March 2024



Finance, Rates, and Portfolio Committee

Wade White, Chair

Financial Update

John Thomas
Executive Vice President
Chief Financial & Strategy Officer

Summary of Financial Results

For six months ended March 31, 2024 (comparison to prior year)

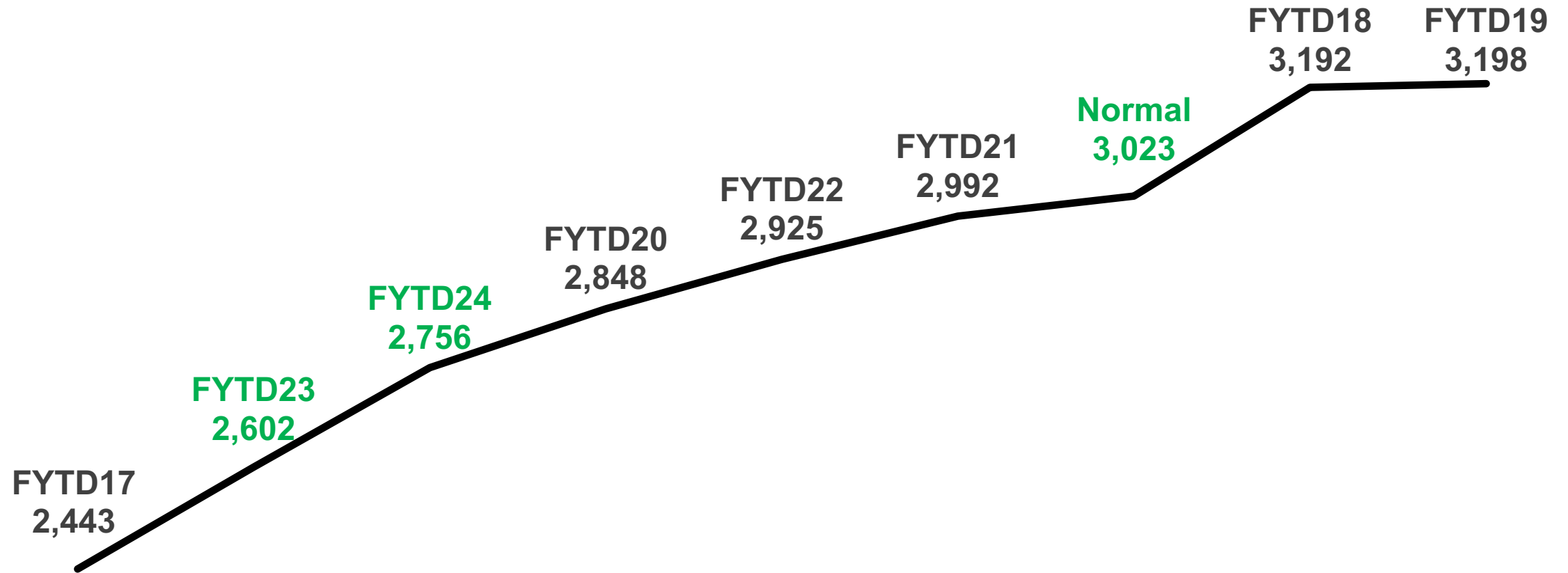
Lower effective power rate benefiting from system diversity and lower fuel and purchased power costs

Higher base rate offset by lower fuel rate

Higher net income from lower operating expenses

Total Degree Days Below Normal

FYTD weather was 9% below normal and 6% higher than last year



FY17 data has been adjusted to incorporate a change in TVA's current calculation of total degree days

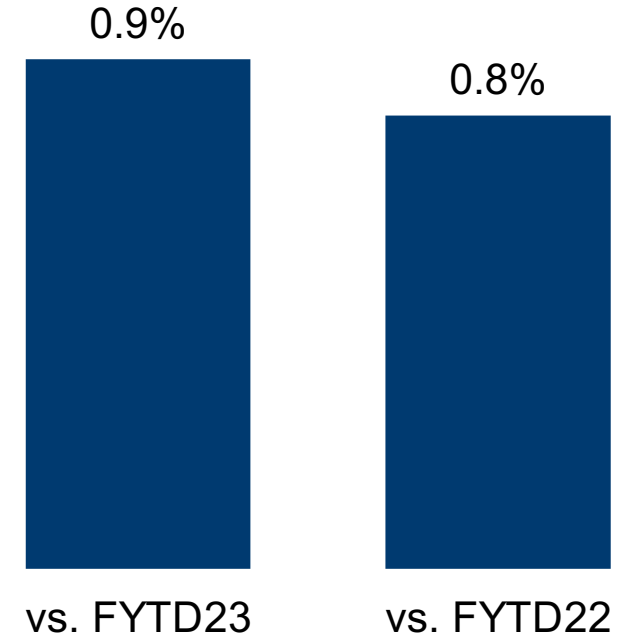
Sales and Revenue

	FYTD24	FYTD23	Change	Percent Change
Power Sales (GWh)	77,971	75,659	2,312	3.1 %
Total Operating Revenues (\$ millions)	\$5,919	\$5,974	\$(55)	(0.9)%
Base Revenue	4,108	3,731	377	10.1 %
Fuel Cost Recovery	1,712	2,149	(437)	(20.3)%
Average Base Rate (¢/kWh)	5.3	4.9	0.4	8.2 %
Average Fuel Rate	2.2	2.9	(0.7)	(24.1)%
Total Effective Rate*	7.5	7.8	(0.3)	(3.8)%

Calculations may be impacted by rounding

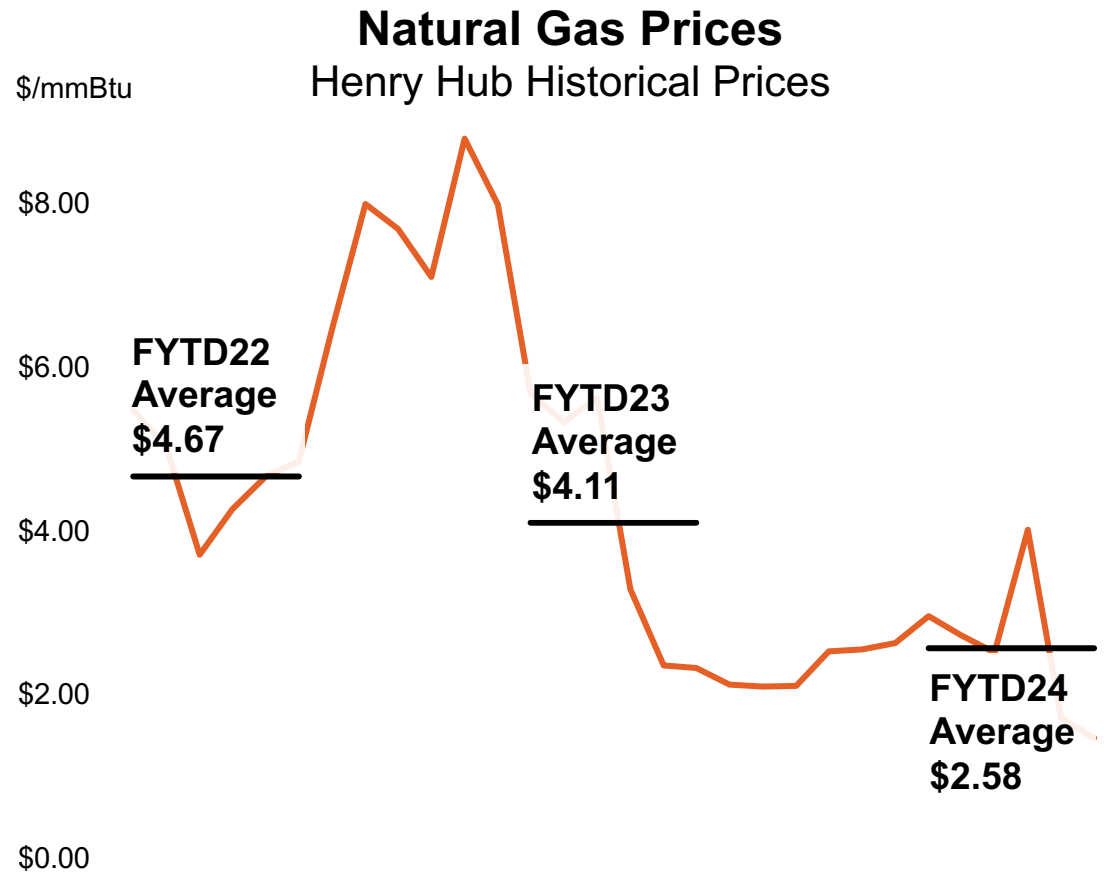
* Excludes other revenue and off-system sales impact; total effective rate numbers based on unrounded base and fuel rates

**Weather Normalized
FYTD24 Sales vs. Prior FYTD
(% change)**



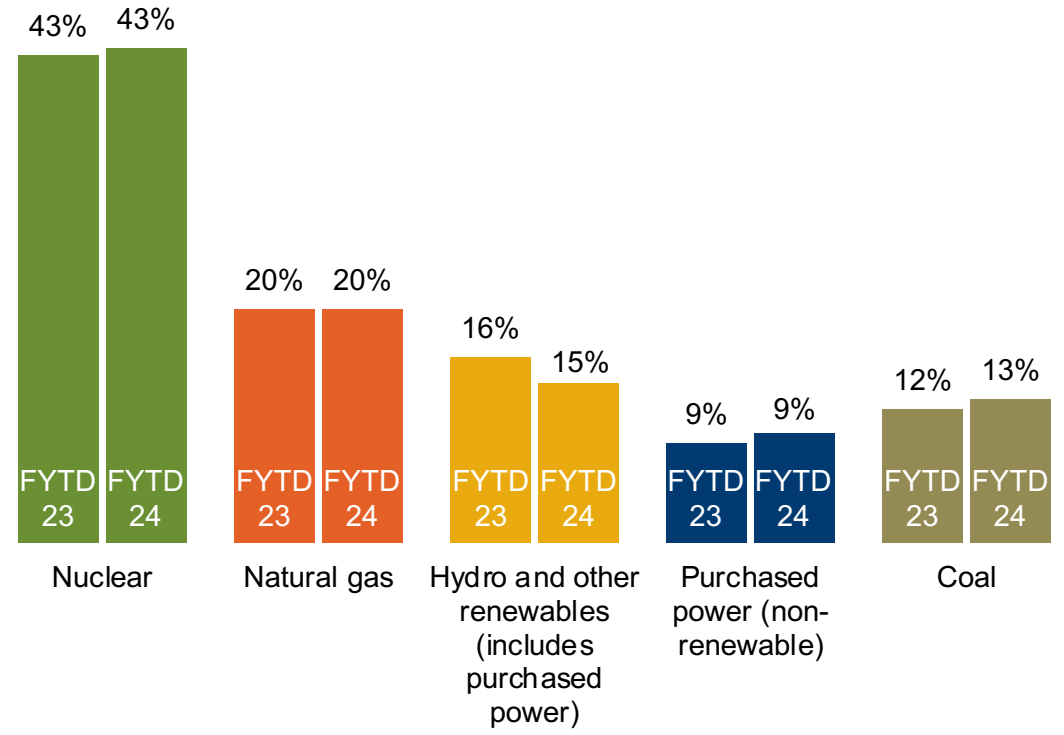
Power Supply Summary

Benefiting from a diverse power system and lower fuel costs



Power Supply by Source

FYTD23 vs. FYTD24



Q2 Summary Income Statement

\$ million	FYTD24			FYTD23	
	Actual	Budget	Variance Fav/(Unfav)	Actual	'24 v '23 Fav/(Unfav)
Base Revenue	\$ 4,108	\$ 4,058	\$ 50	\$ 3,731	\$ 377
Fuel Revenue	1,712	1,715	(3)	2,149	(437)
Other Revenue*	99	86	13	94	5
Total Operating Revenue	\$ 5,919	\$ 5,859	\$ 60	\$ 5,974	\$ (55)
Fuel & Purchased Power	1,868	1,894	26	2,199	331
Total O&M	1,756	1,710	(46)	1,650	(106)
Taxes, Depreciation, Other	1,333	1,452	119	1,446	113
Interest	528	545	17	530	2
Net Income (Loss)	\$ 434	\$ 258	\$ 176	\$ 149	\$ 285

* Includes off-system sales

Q2 Summary Cash Flow Statement

\$ million	FYTD24			FYTD23	
	Actual	Budget	Variance	Actual	'24 v '23
Net Cash Provided by / (Used in)					
Operating Activities	\$ 1,431	\$ 1,187	\$ 244	\$ 1,154	\$ 277
Investing Activities	(1,772)	(1,872)	100	(1,495)	(277)
Financing Activities	348	685	(337)	342	6
Net Change in Cash	\$ 7	\$ -	\$ 7	\$ 1	\$ 6
Beginning Total Financing Obligations	\$ 20,525	\$ 20,599	\$ 74	\$ 20,336	\$ (189)
Change in Debt and Financing Obligations	369	723	354	375	6
Ending Total Financing Obligations	\$ 20,894	\$ 21,322	\$ 428	\$ 20,711	\$ (183)

Recap of Financial Results

For six months ended March 31, 2024 (comparison to prior year)

Lower effective power rate for customers

Lower fuel and energy costs offsetting base rate increase FYTD

Higher sales due to weather and growth

Operating cash flow remains strong

Capital plan on track with lower debt than plan

Finance, Rates, and Portfolio Committee

Wade White, Chair

People and Governance Committee

Brian Noland, Chair

External Stakeholders and Regulation Committee

Beth Harwell, Chair



Progress in Building a Sustainable Future

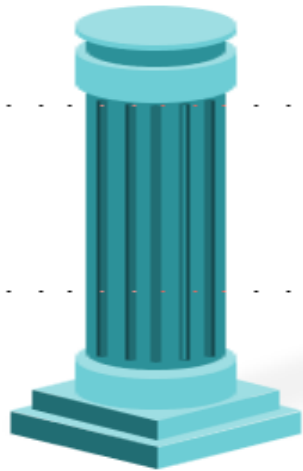
Michael McCall
Vice President,
Environment & Sustainability

May 9, 2024

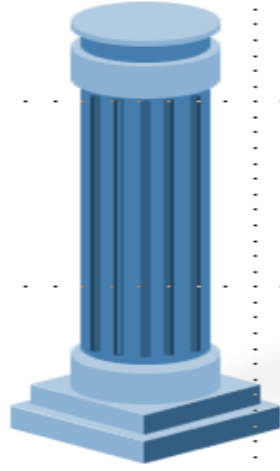


What Is Sustainability at TVA?

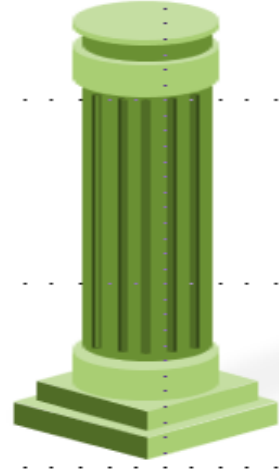
Energy | Environmental Stewardship | Economic Development



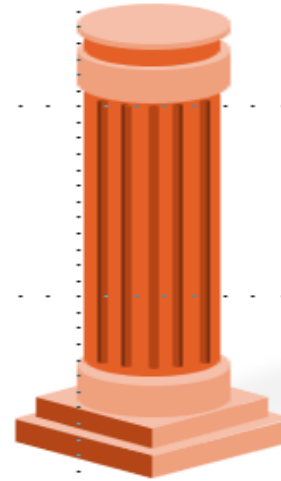
**Climate and
Clean Energy**



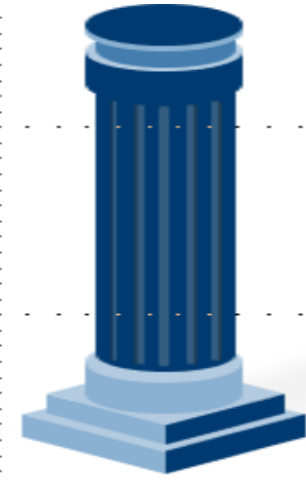
**Economic
Impact**



**Environmental
Stewardship**



Governance



**Social
Responsibility**

TVA Progress



Delivered 55% carbon free energy while maintaining rates lower than 75% of the nation's top 100 largest utilities



Created more than 100,000 new jobs and retained more than 235,000 jobs with \$45.9 billion in projected capital investment in the past five years



Environmental Policy and Natural Resources Plan maturity
Air emissions continue trending down



TVA Strategic Priorities and Values alignment
Selected as one of the nations most ethical companies by Ethisphere®



Top 15 employer in Tennessee by Forbes Magazine 5 years in row
Strengthened Tribal relationships and increased STEM support

Key Fiscal Year 2023 Successes

Resiliency



Community Support



Home Uplift® / School Uplift



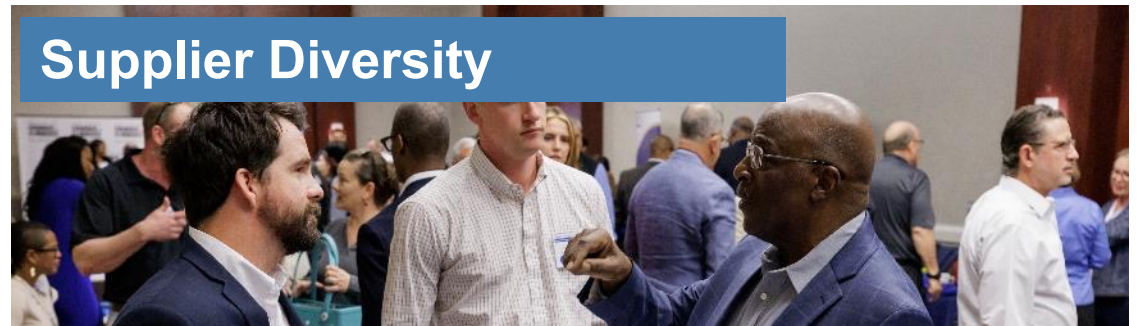
Federal Funding



Biodiversity Policy



Supplier Diversity



Opportunities



Load Growth



Energy Equity



Stewardship Partnerships

Walking the Talk

Top quartile performance in federal agency sustainability metrics



SINCE 2008:

SAVED 950+GWh

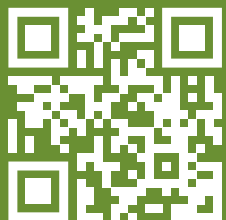
SAVED \$76M

FY 23 Sustainability Report

- Providing resilient and affordable energy and protecting the environment
- Partnering to ensure progress today
- Building the energy system of the future through investment, innovation, and collaboration



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View the Sustainability Report online at: tva.com/sustainabilityreport

Connect with TVA's Sustainability team: sustainability@tva.gov

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External Stakeholders and Regulation Committee

Beth Harwell, Chair

Audit, Risk, and Cybersecurity Committee

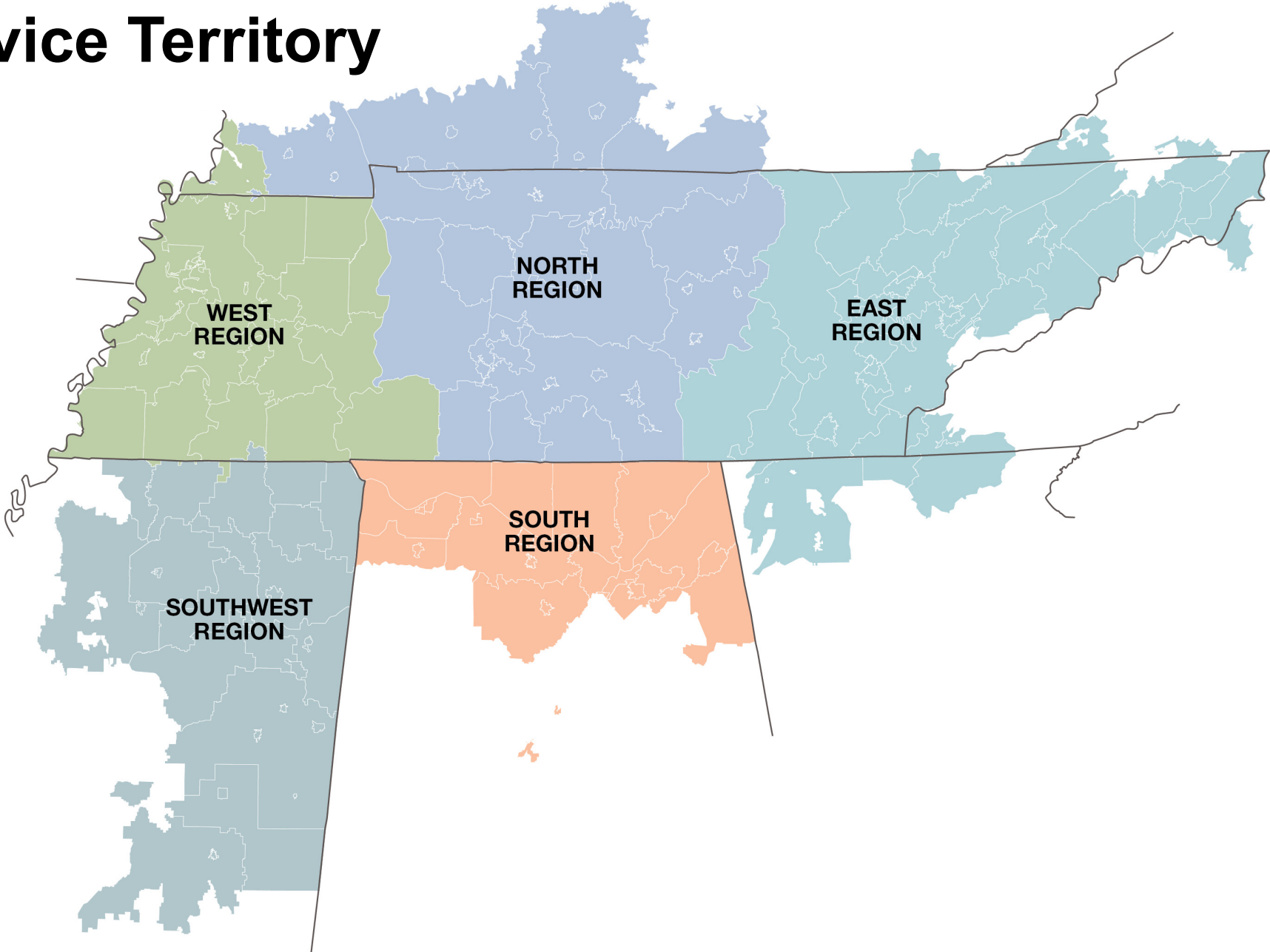
Michelle Moore, Chair

President's Report

Jeff Lyash
President and CEO

May 9, 2024

TVA Service Territory



Need for Energy

Tennessee counties in 2023 had most growth since mid-1990s

Nashville Growth

3,227

People Per Month

Valley Pathways Study Predicts

22%

Population increase

Economic Growth

Clean energy jobs of the future

Oracle

Ford Motor Company

General Motors

Google

SK Battery

LG Chem

Steel Dynamics

First Solar

Novonix

President's Report

Jeff Lyash
President and CEO

May 9, 2024

January 2024

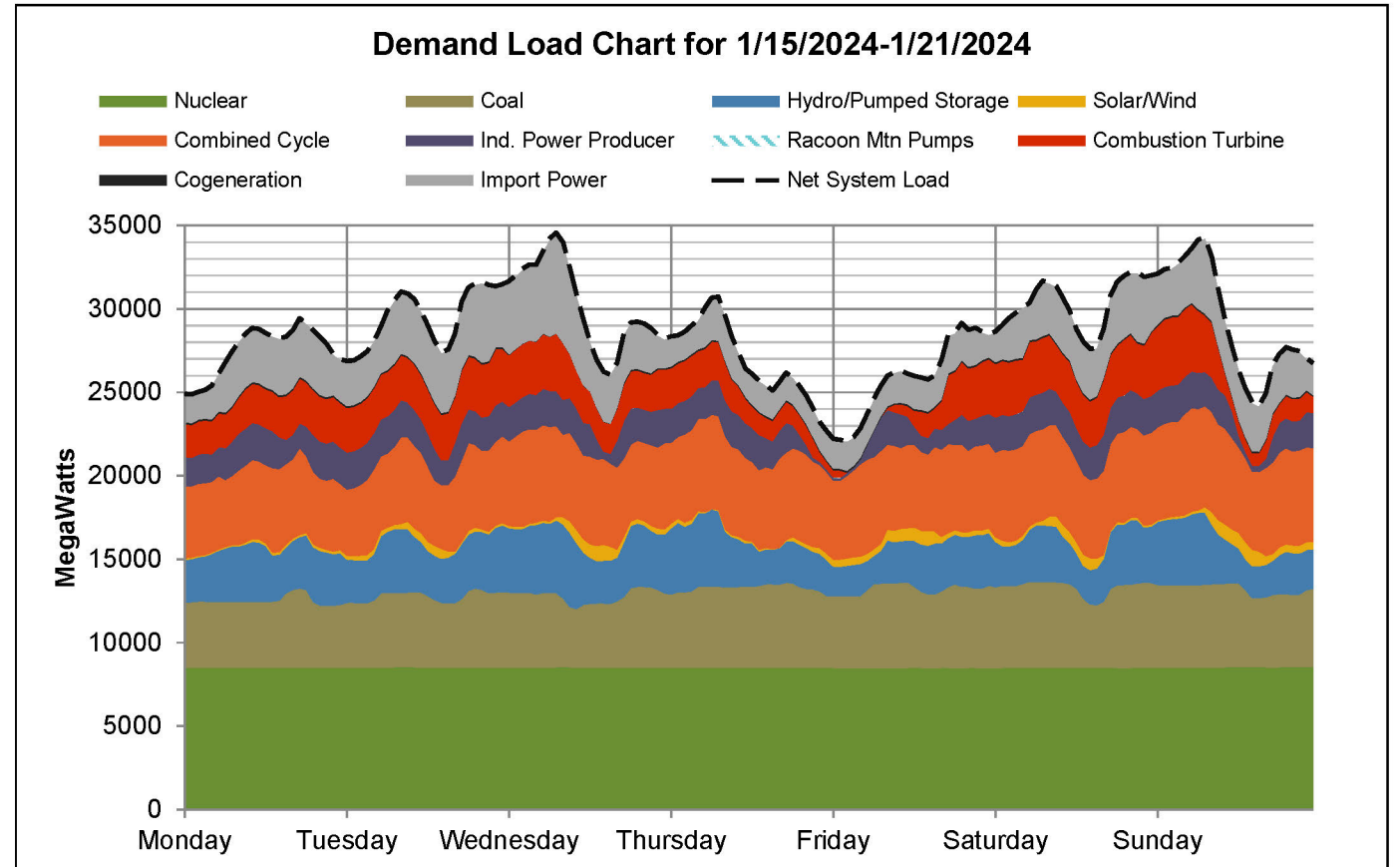
TVA saw the highest total energy for one week in our history, delivering 4,792 GWh

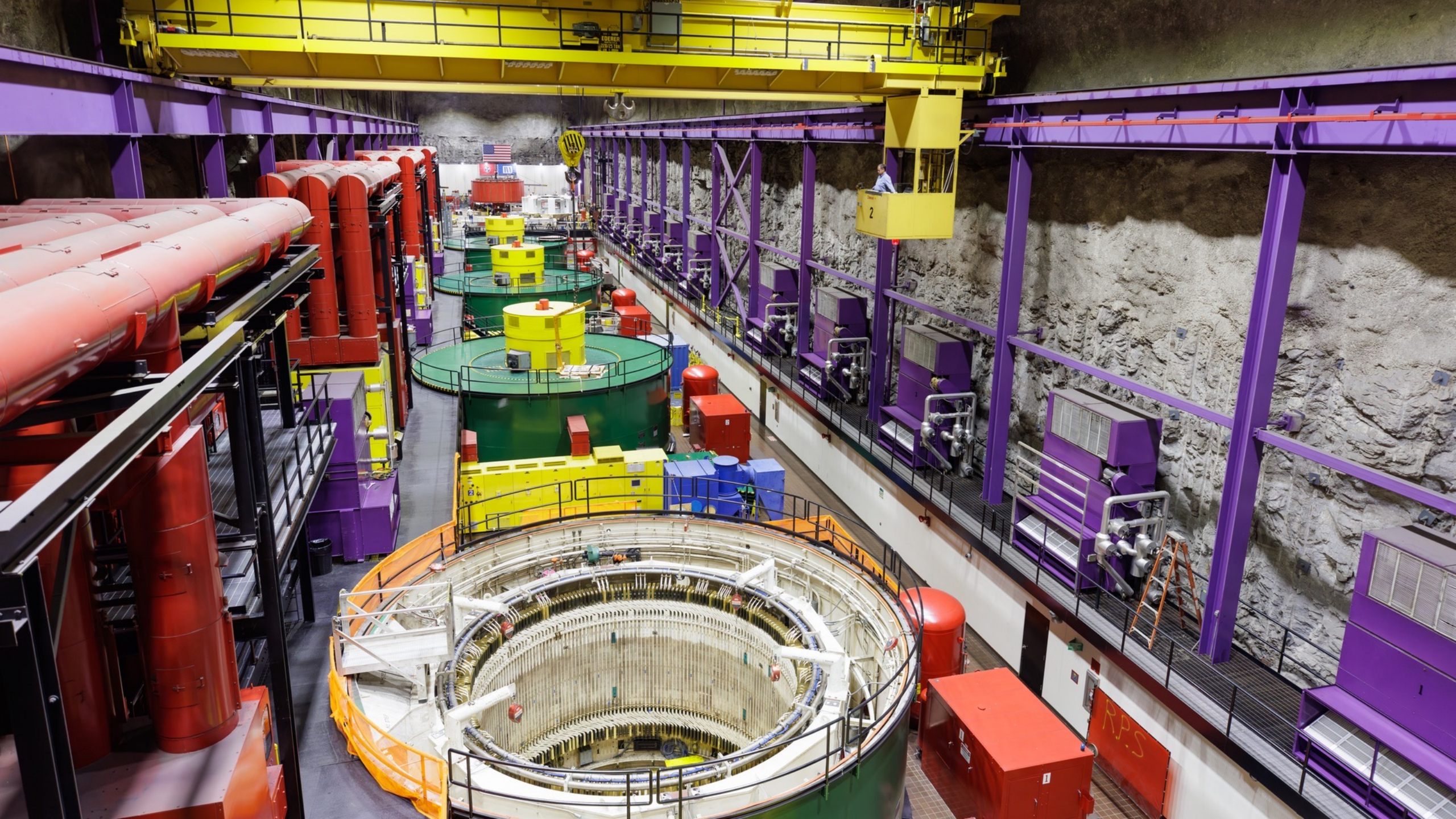
Four of the top 7 energy days in TVA history occurred during this cold wave

From January 15-22, 2024, TVA served 8 consecutive days of peak load above 29,000 MW

Set records for

- Highest Peak: Jan 17, 2024
- Second Highest Peak: Jan 21, 2024
- Highest Saturday Peak: Jan 20, 2024
- Highest Holiday Peak: Jan 15, 2024 (MLK)









Solar Generation Expansion

4,000 MW
in commercial operation
or in development

10,000 MW
by 2035



**One of the nation's largest,
most diverse and cleanest
power systems**

Nearly

60%

Of energy from
carbon-free sources



\$20 Billion
Capacity Expansion
Since 2014



Energy Efficiency & Demand Response

Helping families, schools and businesses reduce their energy use and working with businesses and industries to reduce or shift their energy use during periods of high demand.

\$1.5 Billion

Initiative to offset

30%

of future load growth

Nuclear Leadership

A foundational source of carbon-free energy

Critical role in meeting electricity needs
and carbon reduction goals

Today

43%

Of power supply







President's Report

Jeff Lyash
President and CEO

May 9, 2024

Public Power



Public power exists to serve and benefit the public good at the local levels – families, communities, businesses and industries.

Partnerships

Integrated Resource Plan

The background image shows a large steel lattice tower under construction against a blue sky with light clouds. A crane is positioned in the foreground, with its arm extending across the frame. The scene is set in an open area, possibly a construction site for a power line. The overall color palette is dominated by blues and greys, giving it a professional and industrial feel.

Partnerships

Integrated Resource Plan

The Valley Pathways Study

Partnerships

Integrated Resource Plan

The Valley Pathways Study

Valley Vision 2035

President's Report

Jeff Lyash
President and CEO

May 9, 2024



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Nashville, Tennessee



TVA

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**Due to inclement weather,
please follow instructions
from TVA Police to safely
exit the auditorium.**

**Lost connection with
Director Noland.
Reconnection in progress.**

TVA

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