Building Tomorrow Together

Board Meeting



Knoxville, Tennessee | Nov 10, 2026

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Finance, Rates, and Portfolio Committee

Director Wade White

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Financial Update

Tom Rice

Executive Vice President and Chief Financial Officer

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Fiscal Year 2026

- Operating Revenues were $469 million favorable to budget
- Net Income was $1,389 million favorable to budget
- Cash Flow from Operating Activities was $1,013 million favorable to budget
- Total Financing Obligations (TFO) were $978 million favorable to budget

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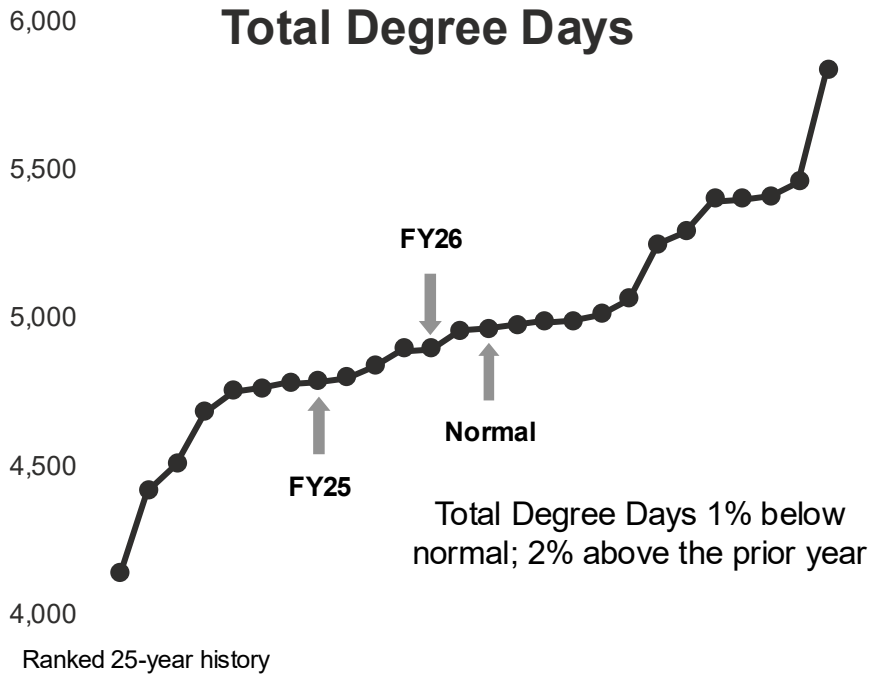
Sales and Revenue

Strong base revenue driven by peak demand despite lower than budgeted sales

	FY26			FY25	
	Actual	Budget	Variance	Actual	'26 v '25
Power Sales (GWh)	171,705	173,620	(1,915)	167,612	4,093
Total Operating Revenues ($ million)	$ 14,218	$ 13,749	$ 469	$ 13,672	$ 546
Base Revenue ($ million)	9,703	9,509	194	9,415	288
Fuel Cost Recovery ($ million)	4,305	4,065	240	4,068	237
Average Base Rate (¢/kWh)	5.7	5.5	0.2	5.6	0.1
Average Fuel Rate (¢/kWh)	2.5	2.3	0.2	2.4	0.1
Average Total Rate* (¢/kWh)	8.2	7.8	0.4	8.0	0.2

Calculations may be impacted by rounding

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

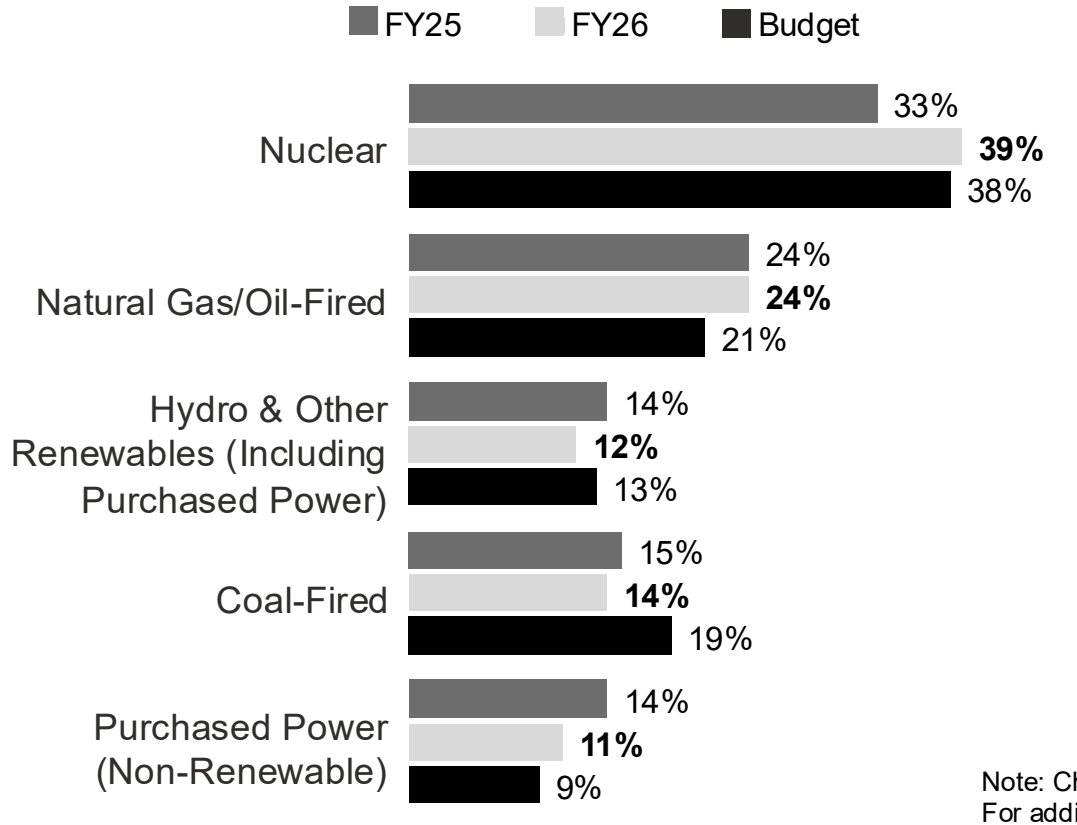


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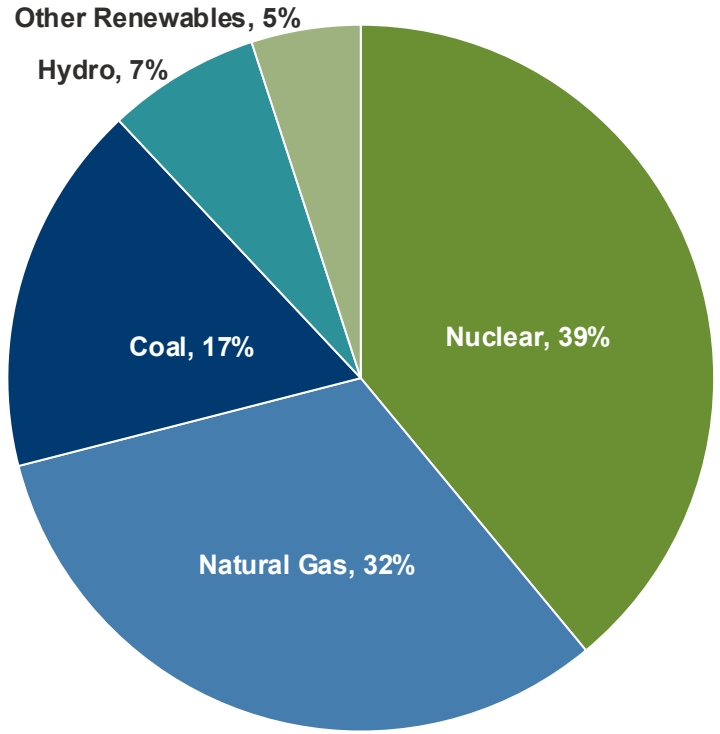
Power Supply Summary

Benefiting from a diverse power system

Power Supply by Source



Power Supply FY26



Note: Chart depicts both generated and purchased power within respective resource types. For additional information, please see Total Power Supply by Generating Source in TVA's Annual Report on Form 10-K.

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FY26 Summary Income Statement

	FY26			FY25	
$ million	Actual	Budget	Variance	Actual	'26 v '25
Base Revenue	$ 9,703	$ 9,509	$ 194	$ 9,415	$ 288
Fuel Revenue	4,305	4,065	240	4,068	237
Other Revenue*	210	175	35	189	21
Total Operating Revenue	**14,218**	**13,749**	**469**	**13,672**	**546**
Fuel & Purchased Power	4,811	4,722	89	4,482	329
Operations & Maintenance	3,453	3,844	(391)	3,717	(264)
Taxes, Depreciation, Other	2,572	3,115	(543)	2,917	(345)
Interest Expense	1,261	1,336	(75)	1,196	65
Net Income	**$ 2,121**	**$ 732**	**$ 1,389**	**$ 1,360**	**$ 761**

*Includes off-system sales and pre-commercial operations

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FY26 Summary Cash Flow Statement

$ million	FY26			FY25	
Net Cash Provided by / (Used in)	**Actual**	**Budget**	**Variance**	**Actual**	**'26 v '25**
Operating Activities	$ 3,543	$ 2,530	$ 1,013	$ 3,324	$ 219
Investing Activities	(3,861)	(4,680)	819	(4,661)	800
Financing Activities	463	1,446	(983)	2,411	(1,948)
Net Change in Cash	**145**	**(704)**	**849**	**1,074**	**(929)**
Beginning Cash, Cash Equivalents, and Restricted Cash	1,597	**1,224**	**373**	523	1,074
Net Change in Cash, Cash Equivalents, and Restricted Cash	145	(704)	849	1,074	(929)
Ending Cash, Cash Equivalents, and Restricted Cash	1,742	**520**	**1,222**	1,597	145
Beginning Debt and Financing Obligations	**23,770**	**23,770**	**—**	**21,203**	**2,567**
Change in Debt and Financing Obligations	580	1,558	(978)	2,567	(1,987)
Ending Debt and Financing Obligations	**$ 24,350**	**$ 25,328**	**$ (978)**	**$ 23,770**	**$ 580**

FY26 Summary and Updates

- Overall strong financial performance for the year
- Favorable operating revenues and operating cash flow
- Affordability and reliability supported by a diverse power system
- Favorable operating expenses to budget from enterprise transformation efforts
- Executing capital investment program

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Finance, Rates, and Portfolio Committee

Director Wade White

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People and Governance Committee

Director Jeff Hagood

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Audit, Risk, and Cybersecurity Committee

Director Mitch Graves

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Operations and Nuclear Oversight Committee

Director Bobby Klein

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Watts Bar Nuclear License Renewal

Matt Rasmussen

Senior Vice President & Chief Nuclear Officer

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Request

Request Board delegation of authority to Chief Executive Officer (CEO) to determine whether to submit license renewal applications following completion of NEPA review

Background

- Watts Bar Unit 1 licensed 1996; expires 2036
- Watts Bar Unit 2 licensed 2015; expires 2055
- NRC allows renewal for 20-year periods; TVA received a one-time exemption permitting early filing for Unit 2
- Target submittal: end of 2026, enabling continued operation during NRC review

Considerations

- Significant Aging Management Program (AMP) inspections required before entering Period of Extended Operation
- Several inspections only possible during outages with limited vendor availability
- Optimal planning requires license renewal ~10 years ahead of the PEO
- Delay risks losing outage windows and jeopardizing completion of mandatory inspections for Unit 1 by 2036

Board Action Recommendation

- Delegate authority to CEO to decide whether to submit NRC license renewal applications for Units 1 & 2 after environmental review is complete
- Authorize CEO to take necessary actions to prepare and submit the application
- CEO to provide periodic updates to the Board on all actions taken under this delegation
- Total cost for the application process not to exceed $40M

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Operations and Nuclear Oversight Committee

Director Bobby Klein

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Nuclear Quarterly Update

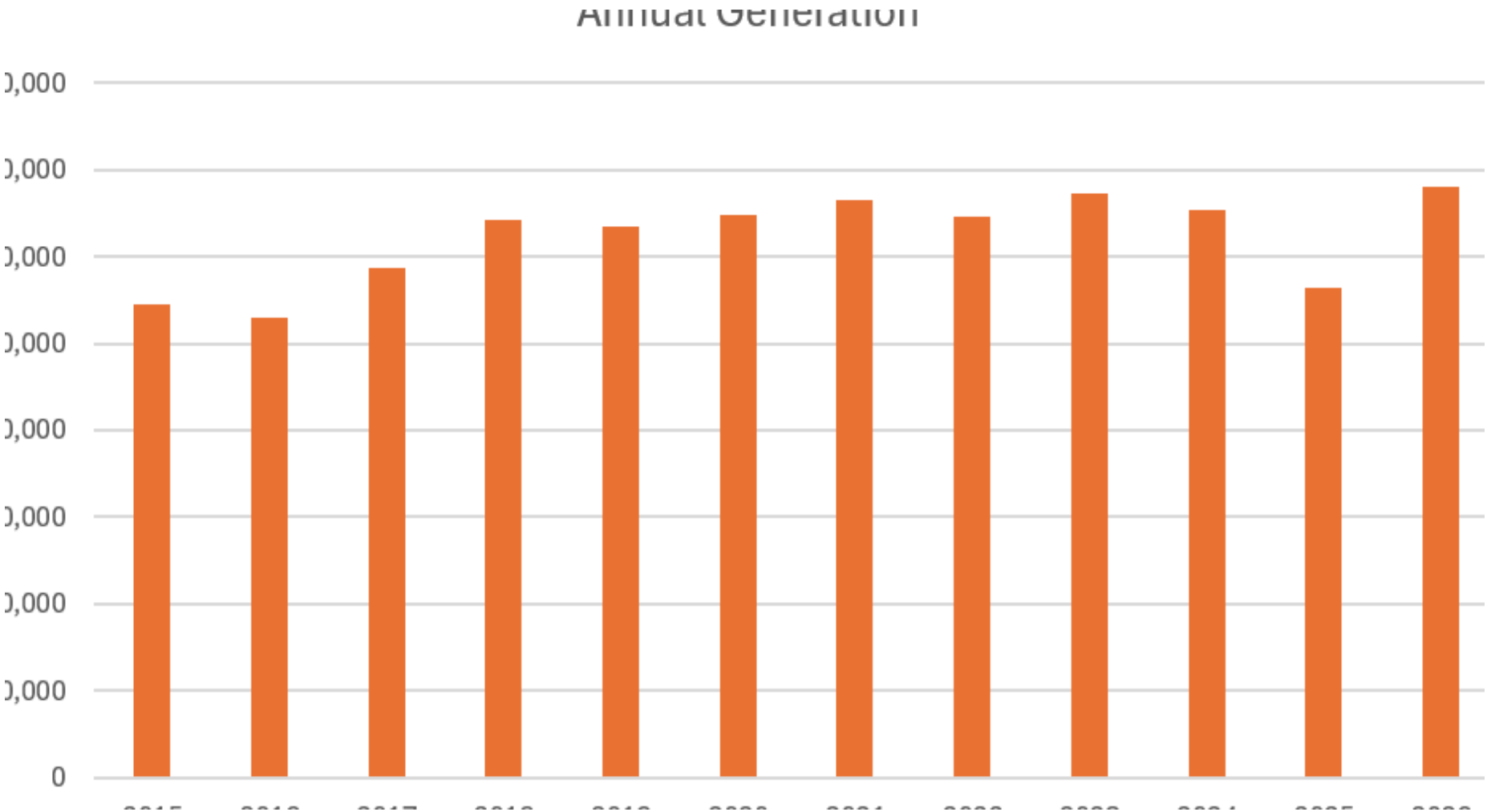
Matt Rasmussen

Senior Vice President & Chief Nuclear Officer

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Nuclear Fleet Performance



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Outage Performance

Browns Ferry Unit 1

- 1B Reactor Feed Pump Turbine Refurbishment
- 1A Reactor Recirculation Pump Motor Replacement

Sequoyah Unit 2

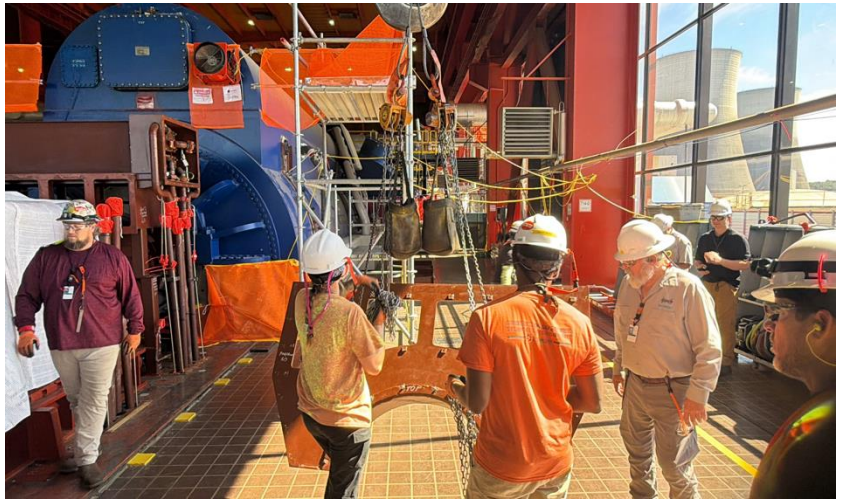
- Reactor Coolant Pump 2 Motor Replacement
- Main Generator Current Transformer Replacements

Watts Bar Unit 1

- Reactor Coolant Pump 2 Motor Replacement
- 2A Residual Heat Removal Pump Motor Replacement

Fall outage season total person-hours are 433,933





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Browns Ferry – 3rd Consecutive Exemplary Rating













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Operations and Nuclear Oversight Committee

Director Bobby Klein

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Operations Quarterly Update

Allen Clare

Senior Vice President, Generation

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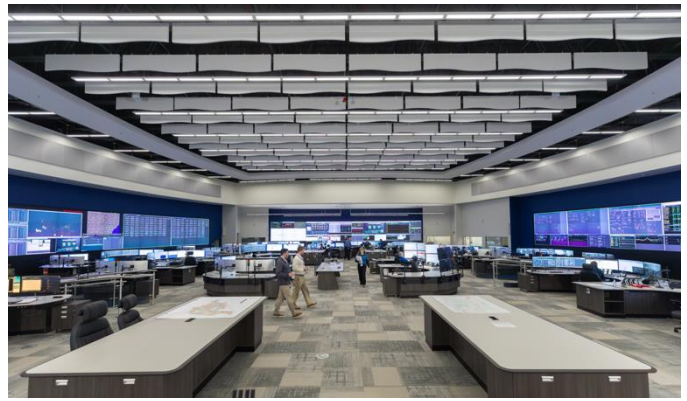
Operations Update



Generation



Generation
Projects & Fleet
Services



Transmission

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Operations and Nuclear Oversight Committee

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External Stakeholders and Regulation Committee

Director Randy Jones

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Load Greater than 100 MW

Dan Pratt

Senior Vice President, Customer Relations & Economic Development

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Purpose

- Action Item. Seek TVA Board approval to make available firm power greater than 100 MW to Crucible Zinc, a subsidiary of Korea Zinc, a TVA directly served customer expanding in the Valley.

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Background

- TVA Board approval is required to authorize TVA to make available requested amounts of firm power that exceed 100 MW.

In April 2026, Korea Zinc (KZ) announced the acquisition of Nyrstar's Tennessee operations which includes the directly served zinc smelting operation in Clarksville, TN. KZ intends to expand the existing operation to support production of zinc, copper, lead and other critical minerals.

With the announcement, KZ will retain 340 employees while creating 400 new jobs and investing more than $6.5 billion. The KZ project includes partnerships with the US government through the Department of War and the Department of Commerce who jointly invested in the construction of this domestic smelting capacity to strengthen national security.

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Board Action Recommendation

- Recommend Board approval to make available greater than 100 MW of additional power supply.

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External Stakeholders and Regulation Committee

Director Randy Jones

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President's Report

Mike Skaggs

President and CEO

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Meeting Record Demand

TVA is serving unprecedented power needs while preparing the system for continued regional growth.



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Strong Performance in FY26

Safety, operational excellence and strong asset performance helped TVA reliably serve a growing region.



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Excellence by Design

TVA's results are driven by disciplined planning, financial strength and employees focused on serving the region.



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Focused on the 3Es

Energy, economic development and environmental stewardship continue to guide TVA's priorities across the region.



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Building for Growing Demand

New generation and near-term investments are expanding TVA's ability to meet the region's increasing energy needs.



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Planning for the Decades Ahead

TVA is aligning generation, nuclear and transmission investments around the Valley's long-term energy future.



For illustrative purposes only

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Building for Tomorrow

Operational excellence and continued investment are keeping the region’s energy reliable, competitive and ready for growth.



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President's Report

Mike Skaggs

President and CEO

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Thank you!