

No. 21-04

Approved by the Board of Directors
at its February 10, 2022, meeting:



Executive Vice President, General
Counsel and Corporate Secretary

MINUTES OF MEETING
OF
THE BOARD OF DIRECTORS
TENNESSEE VALLEY AUTHORITY

November 10, 2021

A meeting of the Board of Directors of the Tennessee Valley Authority was held by teleconference via live internet streaming, on November 10, 2021. The meeting was called to order at 10:00 a.m. (ET). The meeting agenda was announced to the public on November 3, 2021. The meeting was open to public observation.

Board members in attendance were: Director and Chair William (Bill) Kilbride (in person) and Directors Kenneth E. Allen (via teleconference), Jeff Smith (via teleconference), John Ryder (via teleconference), A.D. Frazier (via teleconference), Beth Harwell (via teleconference), and Brian Noland (via teleconference).

Also present were TVA officers, including Jeffrey J. (Jeff) Lyash, President and Chief Executive Officer; David Fountain, Executive Vice President, General Counsel and Corporate Secretary; Don Moul, Executive Vice President and Chief Operating Officer; John M. Thomas, Executive Vice President and Chief Financial and Strategy Officer; Tom Rice, Vice President,

Financial Operations & Performance; Brian Child, Vice President, Enterprise Planning; and Wilson Taylor, Vice President, People First Solution Center and Ombudsman. David Fountain served as the Board's parliamentarian.

Chair Kilbride presided over the meeting, which was duly called, notice to each Director having been delivered pursuant to section 1.2 of the Bylaws governing meetings of the Board of Directors of the Tennessee Valley Authority. A quorum was present.

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21-04-1 Welcome

Chair Kilbride 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 Kilbride noted they remain hopeful that the next Board Meeting in February will transition to be in-person.

Chair Kilbride reported that TVA provides the public with multiple opportunities and avenues to provide input and suggestions for TVA, including the NEPA review process; TVA's Integrated Resource Plans and Natural Resource Plans; the Energy Resource Council and Resource Stewardship Council; as well as directly with TVA staff in the local communities. Chair Kilbride noted that the listening session is another manner for the public to provide feedback to TVA, and the Board greatly values the input received from the public each quarter. Chair Kilbride reported that since the start of the pandemic, the Board has followed safety best practice guidelines on how to conduct listening sessions. Chair Kilbride noted the Board misses the

ability to hear directly from the public and will resume in-person listening sessions as soon as COVID conditions allow. Chair Kilbride called on TVA Ombudsman and Vice President Wilson Taylor to summarize the comments received.

Mr. Taylor reported that over the last couple of years, the number of speakers who signed up for the listening sessions in person was in the high 30s to low 40s. Mr. Taylor reported that during the COVID period where the Board meetings have been virtual, the number of participants has increased. Mr. Taylor reported that in August of 2021, 284 members of the public sent TVA comments, and for this Board meeting, TVA received over 2,000 comments. Mr. Taylor thanked the public for putting the “public” into public power with their comments. Mr. Taylor reported two advocacy groups compiled comments from their constituents and, among those constituents, over 2,000 individuals provided signatures across the southern United States. Mr. Taylor reported that the groups generally call for TVA to eliminate fossil fuels, to use more, or in some cases only, renewable energy, and to promote energy efficiency. Mr. Taylor reported the groups also encouraged TVA to have in-person listening sessions when pandemic conditions allow. Mr. Taylor reported an additional group sent the emails of 300 group members asking TVA to switch to renewable energy and to end the use of fossil fuels in its generation mix.

Mr. Taylor reported that TVA heard from 15 individuals regarding an issue on work being done on the Duck River by Volunteer Sand and Gravel. Mr. Taylor noted that this is an ongoing and serious issue and it's a concern for those living in the area and everyone who wants to protect and preserve the Duck River. Mr. Taylor noted that TVA must consider many variables when making decisions to pursue legal action and, at this time, TVA is continuing to request voluntary compliance from the Volunteer Sand and Gravel. Mr. Taylor reported that six individuals

provided comments urging TVA to end the use of natural gas, coal, and nuclear energy; to add no new gas capacity as it replaces generation from retiring coal plants; and to make a more rapid transition to 100% renewable energy. Mr. Taylor reported three individuals called for the payment of insurance benefits to the widow of a former TVA executive. Mr. Taylor discussed that the TVA staff has thoroughly examined the issue and has provided the insurance benefits TVA can legally provide. Mr. Taylor reported one individual, a TVA employee, asked about telework and when employees who are working remotely would return to their offices.

Mr. Taylor reported that once in-person listening sessions resume, TVA will continue the process of accepting written comments as well. Mr. Taylor noted that TVA will use a dual process under which the public can send written comments and may also make comments in-person. Mr. Taylor thanked the members of the public for their comments and input to TVA and for helping TVA continue the tradition of public power.

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Old Business

After a motion duly made and seconded, the Board approved the minutes of its August 18, 2021 meeting.

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New Business

Chair Kilbride called on TVA President and Chief Executive Officer, Jeff Lyash, to provide a brief overview of the meeting. Mr. Lyash expressed his appreciation to the members of the public who provided comments on TVA programs and projects and the matters coming before the Board. Mr. Lyash reported the meeting will include a report to the Board on TVA's financial and operational performance in Fiscal Year (Fiscal Year) 2021 and on TVA's plans and actions for FY 2022 and beyond. Mr. Lyash reported he is immensely proud of the accomplishments of the women and men of TVA. Mr. Lyash reported that throughout the past year, TVA employees delivered critical services and support across the region, even in extreme conditions. Mr. Lyash reported TVA's unique mission drives and inspires TVA employees daily to pursue new ideas and innovative solutions that improve TVA's service to ten million people across the region. Mr. Lyash reported that TVA is making the transition to carbon-free energy while continuing to maintain low energy costs and high reliability. Mr. Lyash reported that because of the efforts of the women and men of TVA, the region not only prospers but also offers the quality of life that makes the Tennessee Valley a great place to live, work, and to raise a family.

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21-04-2 Report of the Audit, Finance, Risk and Cybersecurity Committee

Chair Kilbride called on Director Frazier, Chair of the Audit, Finance, Risk, and Cybersecurity Committee, to provide the Committee's report. Director Frazier expressed his appreciation, and agreed with Mr. Lyash's comments, regarding the work of TVA's staff.

Director Frazier called on John Thomas, Executive Vice President and Chief Financial and Strategy Officer, to provide the fiscal year financial summary.

21-04-3 Fiscal Year Financial Summary

Mr. Thomas presented TVA's financial results for FY 2021. Mr. Thomas reviewed highlights, revenues, expenses, and TVA's summary income statement and summary cash flow statement. Mr. Thomas reported that TVA had a very strong performance for the fiscal year overall and has recovered from COVID from a financial perspective. Copies of the slides used by Mr. Thomas in his financial performance update are filed with the records of the Board as Exhibit 11/10/21A.

21-04-4 FY 2023 Pandemic Recovery Credit

Director Frazier introduced a video from TVA customers about how Local Power Companies used the FY 2021 Pandemic Relief Credits approved by the Board at the outset of the pandemic. Director Frazier praised Mr. Lyash, the Board, and the TVA team for delivering the results that enable TVA to provide assurance, comfort, satisfaction, and partnership support to TVA's customers. Director Frazier called on Tom Rice, Vice President of Financial Operations and Performance, to present management's proposal regarding extending the Pandemic Recovery Credit to 2023.

Mr. Rice recommended extending the Pandemic Recover Credit that the Board recently approved for FY 2022 into FY 2023 at 1.5% of base rates. Copies of the slides used by Mr. Rice in his presentation are filed with the records of the Board as Exhibit 11/10/21B.

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 Financial and

Strategy Officer dated October 18, 2021, and filed with the records of the Board as Exhibit 11/10/21C:

WHEREAS, in 2020, the World Health Organization declared COVID-19 to be a pandemic and global public health emergency (the “Pandemic”); and

WHEREAS, in August 2020, the TVA Board of Directors (the “Board”) approved for fiscal year 2021 the application of a credit designed to reduce effective wholesale rates and help address hardships that LPCs, businesses, and industries have experienced due to the Pandemic (the “Pandemic Relief Credit”); and

WHEREAS, the Valley is continuing to recover from the many impacts of the ongoing Pandemic; and

WHEREAS, TVA’s strong performance in fiscal year 2021 created an opportunity to continue to support customers during the ongoing Pandemic (the “Pandemic Recovery Credit”); and

WHEREAS, the Pandemic Recovery Credit will enable local power companies (the “LPCs”) to provide benefits to ratepayers through avoided local rate increases, direct decreases, and various necessary system upgrades and innovative improvements in LPCs’ local communities; and

WHEREAS, strengthening LPC systems, Valley industries, and local communities benefits the entire TVA system and supports TVA’s broad mission; and

WHEREAS, TVA’s continued strong operational and financial performance in fiscal year 2021 will enable TVA to extend a 1.5% bill credit to reduce wholesale and large customer charges over fiscal year 2023, in a total amount estimated to be approximately \$133 million; and

WHEREAS, the Pandemic continues to present challenges and uncertainties throughout the TVA service area, and extending the Pandemic Recovery Credit over a longer period of time will allow TVA to support its customers through this ongoing volatility; and

WHEREAS, a memorandum from the Executive Vice President and Chief Financial and Strategy Officer, dated October 18, 2021 (the “Memorandum”), a copy of which is filed with the records of the Board as Exhibit 11/10/21C, recommends that the Board approve an extension of the Pandemic Recovery Credit at the lower amount in fiscal year 2023;

BE IT RESOLVED, that the Board of Directors finds it to be appropriate and in the best interest of TVA to approve the recommendation set forth in the Memorandum and hereby approves such recommendation.

21-04-5 Financial Hedging Program

Director Frazier presented the Committee's recommendation that the Board approve an amendment to TVA's Financial Hedging program. Director Frazier noted that the program is designed to hedge or otherwise limit economic risks associated with the price of natural gas and that TVA plans to use financial transactions to accomplish this. Director Frazier described key aspects of the amendment proposed by management and recommended by the Committee and noted that the program will be reviewed annually by the Committee and the Board.

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 Financial and Strategy Officer dated October 15, 2021, and filed with the records of the Board as Exhibit 11/10/21D:

WHEREAS, as of September 11, 2003, the Board approved a pilot financial trading program under which TVA traded futures and options on futures related to natural gas and fuel oil on the New York Mercantile Exchange to hedge or otherwise limit TVA's economic risks directly associated with the cost of natural gas and fuel oil ("Pilot Program"); and

WHEREAS, as of May 17, 2005, the Board, among other things, authorized TVA to continue to hedge the risks authorized in the Pilot Program, increased the risks that could be hedged, added to the list of approved financial instruments swaps and options on swaps so long as they were entered into under International Swaps and Derivatives Association, Inc. ("ISDA") documents, and established an aggregate limit on the value at risk for the financial transactions entered into under the financial hedging program ("Financial Hedging Program"); and

WHEREAS, as of August 1, 2007, the Board, among other things, modified and expanded the Financial Hedging Program to permit TVA to hedge more effectively the economic risks associated with electricity and a larger number of fuel and fuel-related commodities; and

WHEREAS, the Executive Vice President and Chief Financial and Strategy Officer ("CF&SO"), in an October 15, 2021, memorandum to the Chief Executive Officer ("CEO"), has recommended modifying the Financial Hedging Program to eliminate the use of the Value at Risk aggregate transaction limit, and to instead utilize risk tolerances and measures which address counterparty exposure, liquidity risk, and reduction in fuel cost volatility (the "Memorandum"). As explained

in the Memorandum, these tolerances and measures will be reviewed by the Board on an annual basis in the Commercial Transactions Contracting Plan, which is approved as part of the annual TVA budget, and may be further defined by the CEO;

BE IT RESOLVED, That Section 5.d. of the August 1, 2007, resolution related to the Value at Risk aggregate transaction limit for the Financial Hedging Program is deleted, and the recommendations outlined in the Memorandum (as summarized in the final WHEREAS clause) are approved;

RESOLVED further, That the CF&SO (or successor), or the designee of such officer, must approve all transactions under the Financial Hedging Program, execute all ISDA schedules, credit support annexes, and confirmations, and execute properly approved trades through selected brokers; and

RESOLVED further, That, to the extent, and only to such extent, that anything in this resolution is inconsistent with the resolutions related to the Financial Hedging Program dated as of May 17, 2005, and August 1, 2007, the May 17, 2005 and August 1, 2007 resolutions are rescinded.

21-04-6 Rate Impacts Arising From Fuel Market Changes

Director Frazier called on Brian Child, Vice President of Enterprise Planning, to provide an update on recent fuel market changes, and the impact of these challenges on TVA's rates. Mr. Child discussed the price increases and volatility currently ongoing within the fuel markets, including both coal and natural gas. Mr. Child reported TVA is well positioned to meet the demands of the upcoming winter season. Mr. Child noted that TVA's renewable generation from hydro, solar, and wind is not subject to fuel price increases or volatility and that hedges are used where TVA is subject to changing prices. Mr. Child reported that TVA's portfolio as a whole is 80% hedged, has 100% of anticipated gas needs for the upcoming winter season under contract, with approximately 40% of that gas supply fixed at pricing that is roughly half of current market gas prices. Mr. Child reported TVA's end use customers will see slightly higher bills this winter, but TVA's diverse portfolio and hedges are helping to limit the impact. Copies of the slides used by Mr. Child in his presentation are filed with the records of the Board as Exhibit

11/10/21E.

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Director Frazier reported the Committee met on October 21 in an executive session with Deputy Inspector General Jill Matthews and her staff and separately with Ernst & Young, TVA's external auditor. Director Frazier reported that the Committee received a management review of TVA's corporate insurance program, certain key enterprise risks, including resiliency risks to TVA's transmission system and TVA's mitigation response to those risks, and was provided an overview of TVA's enterprise risk framework and enterprise risk assessment process. Director Frazier reported that management also provided updates on steps that TVA is taking to mitigate cybersecurity risk, with a particular focus on actions that TVA is taking to comply with Executive Order 14028, "Improving the Nation's Cybersecurity." Director Frazier reported the Committee also received a briefing on a proposed action item concerning the Kingston and Cumberland facilities, which the Operations and Nuclear Oversight Committee will address. Director Frazier reported the Committee received updates on the status of significant legal cases and on TVA's Conflict of Interest Policy.

Director Frazier reported on November 8, 2021, the Committee reviewed TVA's annual report to the SEC on Form 10-K. Director Frazier noted that after TVA's staff briefed the Committee on the report, Ernst & Young gave an independent assessment of TVA's financial reporting process. Director Frazier thanked his fellow committee members for their diligence and contribution to the committee's work.

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21-04-7 Report of the Operations and Nuclear Oversight Committee

Chair Kilbride called on Jeff Smith, Chair of the Operations and Nuclear Oversight Committee to provide the Committee's report. Director Smith reported the Committee met on October 12 and received operational performance and safety updates from management. Director Smith reported overall operational performance has been very strong and TVA's overall safety performance continued its strong trend during FY 2021. Director Smith discussed the recent fatality of a contract worker which is being investigated by the worker's employer, Williams Specialty Services, with support from TVA and the Tri-Lateral Safety Alliance. Director Smith reported the Occupational Safety and Health Administration is also conducting an investigation. Director Smith expressed the Board's and all of TVA employees' deepest sympathies to the worker's family, friends, and co-workers.

Director Smith reported that the Committee received a report on workforce engagement and development efforts, including the initiation of two transmission lineman apprentice classes and two electrician apprentice classes to strengthen the bench strength of those important roles. Director Smith reported TVA achieved the most favorable "load not served" score ever due to TVA equipment issues, which achievement was the result of TVA's recent efforts to prioritize and replace aging equipment. Director Smith reported the Committee received updates from management on several continuous improvement and innovation projects, including wireless vibration monitoring systems that have been installed at the Lagoon Creek Combined Cycle and Raccoon Mountain Pumped Storage plants, and received an update on TVA employees' support of local communities, including relief efforts during the flooding experienced in Middle

Tennessee and the provision of supplies to eighteen school districts across four states.

Director Smith reported the Committee received updates on TVA's continued actions to safely manage coal combustion residuals and TVA's role in protecting biodiversity and an overview of recently issued Presidential Executive Orders related to the pandemic and how TVA is addressing them.

Director Smith reported the Committee received its annual report regarding nuclear matters from the Nuclear Safety Review Board (NSRB). Director Smith reported Browns Ferry site leadership provided an update on the implementation of a new river intake vegetation raking system for managing the eelgrass and marine biofouling issues which system has resulted in no equipment issues caused by eelgrass since implementation. Director Smith reported the Committee then received updates on the status of ongoing and upcoming nuclear outages, including the recent Watts Bar Unit 2 mid-cycle outage in the Fall of 2021 and the Sequoyah Unit 2 refueling outage. Director Smith reported management also provided an update on the current status of the Watts Bar Unit 2 steam generator replacement project that will replace four 850,000-pound steam generators in the Spring of 2022. Director Smith noted overall TVA nuclear performance is strengthening as reported by the NSRB and the Institute of Nuclear Power Operators (INPO) and TVA's own evaluations.

21-04-8 Cumberland and Kingston Fossil Plants

Director Smith reported the Committee considered a request to the Board to delegate authority to the CEO to take actions relating to the potential retirement of the Cumberland Fossil Plant and the Kingston Fossil Plant. Director Smith called on Don Moul, Executive Vice President and Chief Operating Officer, to present the action item that is being recommended by

the Committee.

Mr. Moul discussed that in keeping with TVA's commitment to generate safer, cleaner energy, TVA began conducting end-of-life evaluations of its coal fleet to inform long-term planning following the publication of TVA's 2019 Integrated Resource Plan. Mr. Moul reported that TVA's coal fleet is among the oldest in the nation and is experiencing deterioration of material condition and performance challenges which are projected to increase because of the coal fleet's advancing age and the difficulty of adapting the fleet's generation within TVA's changing generation profile, resulting in environmental, economic, and reliability risks.

Mr. Moul described TVA's environmental impact statement process and the alternatives identified under that process. Mr. Moul reported the requested action enhances the efficiency of the decision making process and enables flexibility, which is essential as TVA continues to seek public input through the National Environmental Policy Act process. Mr. Moul reported that, following completion of the environmental review process, TVA will need to make a final decision on an alternative that will address plant retirement and replacement generation. Mr. Moul discussed market conditions driving high levels of competition for new energy resources. Mr. Moul reported that for TVA to meet the earliest possible retirement date for each plant, certain actions need to be taken now to preserve replacement generation options. Mr. Moul noted that any actions taken prior to the completion of the National Environmental Policy Act process will not irreversibly and irretrievably commit TVA to a particular course of action before a final decision is made.

Mr. Moul reported the final decisions will address plant retirement and replacement generation, will align with TVA's Integrated Resource Plan, will be informed by the

environmental review process, and will best support TVA's mission of service. Mr. Moul requested the Board approve the budget for each of the sites, Cumberland Fossil Plant and Kingston Fossil Plant, and delegate to the Chief Executive Officer the authority to take project development actions, make final decisions, and take final decision actions.

Mr. Moul reported that given supply chain issues and the anticipated market demand for similar energy resources, a concern exists that if TVA does not have the flexibility to take some limited preparatory actions now, TVA will not be able to obtain the equipment needed in a timely manner to maintain the schedule when a final decision is made. Mr. Moul explained the delegation allows management the flexibility to purchase some equipment now if it is available and to do so on terms and at prices that are likely to be more favorable than if such purchases were delayed. Copies of the slides used by Mr. Moul in his presentation are filed with the records of the Board as Exhibit 11/10/21F.

After a motion duly made and seconded, the Board adopted the following resolution, as recommended in a memorandum from Executive Vice President and Chief Operating Officer dated October 25, 2021, and filed with the records of the Board as Exhibit 11/10/21G:

WHEREAS TVA's Strategic Intent and Guiding Principles recognize that the next phase of TVA's asset strategy is planning for emerging issues with asset performance, technology developments and environmental risks, including the development of plans for TVA's remaining coal plants that are approaching the end of their cost-effective service to the power system;

WHEREAS in May 2021, the Board endorsed TVA's Strategic Intent and Guiding Principles subject to compliance with all required environmental reviews before making any decisions that are subject to such required reviews;

WHEREAS the Cumberland Fossil Plant and the Kingston Fossil Plant (the “Plants”) are nearing the end of their economic life and any retirement decisions regarding the Plants will require careful analysis of operational, financial, environmental, regulatory, and personnel considerations;

WHEREAS pursuant to the National Environmental Policy Act (“NEPA”), TVA is preparing a separate Environmental Impact Statement (“EIS”) to assess the impacts associated with the potential retirement of each Plant and the construction and operation of facilities to replace part or all of the potentially retired generation;

WHEREAS prior to any retirement of a Plant, the replacement generating facilities will need to be fully scoped, designed, constructed, and operational in order to avoid a gap in fulfilling TVA’s statutory responsibility to supply adequate and reliable electric power to meet the needs of the TVA service territory;

WHEREAS TVA, in addition to considering a no-action alternative that would allow for continued operation of the Plants, is considering three potential action alternatives in each EIS, each alternative providing for retirement of the respective Plant and construction and operation of facilities to replace part or all of the retired generation, and the scope of those potential alternatives may increase, decrease, evolve or change over the course of the NEPA process and development of each EIS;

WHEREAS in order to meet the earliest possible retirement date for each Plant, TVA must take actions now to develop and preserve the replacement generation options identified during the NEPA process for that Plant, including conducting preliminary studies, project scoping, engineering, and long lead procurement actions (the “Project Development Actions”);

WHEREAS following completion of the NEPA and other environmental reviews for each Plant, TVA will need to make a final decision on adopting an alternative identified in the EIS that will address Plant retirement and replacement generation, comport with TVA’s 2019 Integrated Resource Plan, and best support TVA’s mission of service (the “Final Decision”);

WHEREAS as recommended in a memorandum from the Chief Operating Officer (COO) dated October 25, 2021 (the Memorandum), which is filed with the records of the Board as Exhibit 11/10/21G, the Board concludes that it is in the best interest of TVA to delegate authority to the Chief Executive Officer (CEO) to approve Project Development Actions for each Plant in order to preserve the option of having replacement generation facilities in place by any retirement dates selected by the CEO, provided that any such Project Development Actions taken prior to completion of the NEPA process for each Plant do not irreversibly and irretrievably commit TVA to a particular course of action prior to a final decision by the CEO;

WHEREAS as further recommended in the Memorandum, the Board concludes that it is in the best interest of TVA to delegate authority to the CEO to make the Final Decision, along with the authority to implement the Final Decision, including the authority to approve any capital projects, retirement and new construction schedules, and contractual commitments, including securing any necessary firm gas transportation rights, related to the Final Decision (the “Final Decision Actions”); and

BE IT RESOLVED, That, with regard to each Plant, the Board hereby approves the budgets as outlined in the Memorandum and delegates authority to the CEO (1) to take the Project Development Actions, (2) to make the Final Decision, and (3) to take the Final Decision Actions, all of which are subject to the limitations described above and in the Memorandum and all of which are subject to the requirement that the CEO periodically report to the Board on any actions taken in accordance with the delegations granted in this Resolution and that the CEO inform the Board prior to making the Final Decision.

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Chair Kilbride requested Jeff Lyash, President and Chief Executive Officer, to provide an update on how TVA is filling open positions. Mr. Lyash reported that both the 10,000 TVA employees as well as the nearly 15,000 contract partners are very committed to TVA’s mission. Mr. Lyash reported that there is currently a challenging labor market. Mr. Lyash reported TVA has a strategic need to focus on long-term workforce development, both to meet TVA's needs and also across TVA’s service territory to make sure there is a solid workforce to help TVA continue to drive economic development. Mr. Lyash reported that in the coming months the Board will see an increased TVA focus on long-term workforce development.

21-04-9 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 October 20 and received several updates from management.

Director Harwell then called on Jeannette Mills, Executive Vice President and Chief External Relations Officer, to present a resolution honoring Alcorn County Electric Power Association.

21-04-10 Resolution Honoring Alcorn County Electric Power Association

Ms. Mills acknowledged Alcorn County Electric Power Association, which was formed in 1934 in Corinth, Mississippi, as the first rural electric cooperative in the nation. Ms. Mills reported that in October an event was held where a marker was unveiled to recognize the 87 years of partnership between TVA and Alcorn County Electric Power Association and the fact that Alcorn County Electric Power Association was the country's first rural electric cooperative. Copies of the slides used by Ms. Mills in her presentation are filed with the records of the Board as Exhibit 11/10/21H. Ms. Mills read the resolution and recommend its approval to the Board.

After a motion duly made and seconded, the Board adopted the following resolution, as recommended by the Executive Vice President and Chief External Relations Officer:

WHEREAS Alcorn County Electric Power Association (EPA) was the first rural electric cooperative in the nation, putting into practice a unique public power model that would serve its members well and inspire the growth of public power across the Nation; and

WHEREAS in 1934 Alcorn County EPA became the first cooperative in the Tennessee Valley to purchase reliable, low-cost power from the newly created Tennessee Valley Authority (TVA); and

WHEREAS in the nearly nine decades since, Alcorn County EPA and TVA have worked closely together to deliver the Tennessee Valley public power model to the people of the Valley; and

WHEREAS this model has grown to encompass 49 independent, not-for-profit local electric cooperatives across the Valley organized under the laws of the states in which they operate, established to provide reliable power at the lowest feasible cost, and governed by boards of directors elected from their members; and

WHEREAS Alcorn County EPA played a fundamental role in the creation of this model; and

WHEREAS Alcorn County EPA is sustaining this model through its long-term partnership with TVA that provides lower rates, greater flexibility, and effective planning to address future challenges and opportunities; and

WHEREAS this partnership has recently helped attract more than 175 jobs and more than \$300 million in investment to Alcorn County and provided more than \$800,000 in Pandemic Relief Credit to customers throughout Alcorn County EPA's service area; and

WHEREAS Alcorn County EPA is blazing new trails with its customers through innovations that include providing world-class broadband internet service to even its most rural customers; and

BE IT RESOLVED, That the Board honors and commends Alcorn County Electric Power Association for its outstanding service to its members and its historic and long-standing leadership in public power; and

RESOLVED further, The Board congratulates Alcorn County EPA on its decades of service to its members and extends to Alcorn County EPA and the communities it serves best wishes for decades of future success through public power.

21-04-11 Fiscal Year 2021 Economic Development Update

Director Harwell called on Jeannette Mills, Executive Vice President and Chief External Relations Officer, to provide an update on TVA's FY 2021 economic development activities. Ms. Mills reported that TVA's economic development team has delivered extraordinary results in FY 2021 with almost 81,000 jobs secured and approximately \$9 billion in capital investment. Ms. Mills reported that, for the sixteenth year in a row, TVA was selected by "Site Selection" magazine as the top utility. Ms. Mills reported that in a typical year, TVA will have about 200 projects select TVA's service territory for location. For FY 2021, Ms. Mills reported that TVA was able to win over 270 projects. Ms. Mills summarized TVA's economic development activities, including impactful investments and TVA's work in the electric vehicle space, including the announcement of Ford Motor Company to develop facilities at the regional megasite in West Tennessee. Ms. Mills reported that in the last ten years, TVA has brought over

10,000 new jobs and almost \$14 billion in investment through its focus on the electric vehicle sector. Ms. Mills played a video from Ford's North America's Chief Operating Officer, Lisa Drake, celebrating the future home of Ford's "Blue Oval City" to be located at the megasite. Copies of the slides used by Ms. Mills in her presentation are filed with the records of the Board as Exhibit 11/10/21I.

Following the video, Director Ryder expressed his appreciation to the team, including local governments, local power companies, local Chambers of Commerce, in securing Ford's new plant in Haywood County. Director Ryder noted that the impact of the new plant will be enormous, and expressed his pride in TVA's participation and leadership in bringing the project about.

21-04-12 Biodiversity Policy

Director Harwell reported the Committee received an update from management on TVA's environmental performance in fiscal year 2021. Director Harwell next played a video on TVA's biodiversity efforts. Following the video, Director Harwell introduced Rebecca Tolene, Vice President & Chief Sustainability Officer, who presented TVA's Biodiversity Policy for approval by the Board. Ms. Tolene's presentation was provided via video. Ms. Tolene discussed TVA's sustainability framework and the five lenses through which TVA considers its sustainability mission, including environment, social impacts, governance, employees, and economic impact. Ms. Tolene reported TVA continues to find ways to mitigate negative impacts and works to proactively improve habitat and biodiversity. Ms. Tolene reported that the Policy recognizes the importance of biodiversity to the Tennessee Valley region's quality of life and directs TVA to

work proactively through the stewardship of public lands, management of the river system, local and regional partnerships, and its operations to take steps to protect and improve biodiversity wherever feasible. Ms. Tolene reported TVA sought external input on the Policy from the Regional Resource Stewardship Council (RRSC). Ms. Tolene reported the RRSC is in support of adoption and implementation of the Policy and encouraged TVA to seek out strong partnerships in implementing the Policy. Copies of the slides used by Ms. Tolene in her presentation are filed with the records of the Board as Exhibit 11/10/21J. Following Ms. Tolene's presentation, Director Harwell noted the Committee is recommending Board approval of the Biodiversity Policy.

After a motion duly made and seconded, the Board adopted the following resolution, as recommended in a memorandum from the Executive Vice President and Chief Operating Officer dated October 1, 2021, and filed with the records of the Board as Exhibit 11/10/21K:

WHEREAS in May 2020, the Board of Directors approved an update of the TVA Environmental Policy, which provides high-level direction for TVA's environmental activities; and

WHEREAS in recognition of the importance of biodiversity to the quality of life of the residents of the region and the continued sustainable development of the Tennessee Valley, TVA has developed a new Biodiversity Policy that tiers from the Environmental Policy; and

WHEREAS the Board, through the External Stakeholders and Regulation Committee, has reviewed the proposed Biodiversity Policy and has recommended it be adopted; and

WHEREAS a memorandum from the Chief Operating Officer, dated October 1, 2021, (Memorandum) a copy of which is filed with the records of the Board as Exhibit 11/10/21K, recommends that the Board of Directors approve the TVA Biodiversity Policy, a copy of which is attached to the Memorandum; and

BE IT RESOLVED, That the Board of Directors hereby adopts and approves the TVA Biodiversity Policy and authorizes TVA's Environment Group to lead the implementation of this Policy.

21-04-13 Green Bond Offering

Director Harwell called on Tammy Wilson, Vice President, Treasurer and Chief Risk Officer, to discuss a recent Green Bond offering. Ms. Wilson provided an overview of TVA's inaugural Green Bond offering, including providing information on the term, interest rate, offering amount, and demand by investors. Ms. Wilson noted that TVA's first Green Bond offering highlights TVA's investments in cleaner energy and is in accordance with TVA's sustainable financing framework. Copies of the slides used by Ms. Wilson in her presentation are filed with the records of the Board as Exhibit 11/10/21L.

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Director Harwell reported the Committee received a regional relations update; discussed TVA's efforts to increase local engagement in the communities that it serves; and received an update on TVA's local power company (LPC) regulatory oversight role and actions TVA is taking to support LPC investment in commercial broadband. Director Harwell reported TVA has authorized seven LPC broadband proposals to date, and management recently introduced a modified review process to speed up TVA's approval of qualified proposals. Director Harwell reported management provided a written quarterly report on LPC local rate adjustments and that management briefed the Committee on TVA's communications strategy. Director Harwell then reported that the Committee received updates on TVA's federal affairs efforts and TVA's policies on interbasin water transfers.

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21-04-14 Report of the People and Governance Committee

Chair Kilbride called on Director Allen, Chair of the People and Governance Committee,

to provide that Committee's report. Director Allen reported the Committee met virtually on October 20, 2021 and again November 3, 2021.

21-04-15 FY 2021 Corporate Multiplier

Director Allen reported the Committee considered TVA's performance over the last fiscal year in relation to the goals established under the Winning Performance and Executive Annual Incentive Plan metrics and did not find any qualitative factors that warrant a reduction to the quantitative scores. Director Allen reported that TVA continued its strong fiscal responsibility, exhibited strong operational performance, and advanced its important economic development mission. Director Allen reported the Committee recommends to pay employees the full amount of their "at risk" pay and pay as calculated by the approved metrics.

After a motion duly made and seconded, the Board adopted the following resolution, as recommended in a memorandum from the President and Chief Executive Officer dated October 25, 2021, and filed with the records of the Board as Exhibit 11/10/21M:

WHEREAS in a memorandum dated October 25, 2021, a copy of which is filed with the records of the Board as Exhibit 11/10/21M (Memorandum), the Chief Executive Officer (CEO) recommended approval of TVA's Winning Performance Team Incentive Plan (WPTIP) and Executive Annual Incentive Plan (EAIP) Corporate Multiplier for FY 2021 as set out in that Memorandum and its attachment; and

WHEREAS on November 13, 2020, the TVA Board approved the WPTIP and EAIP Corporate Multiplier measures and goals for FY 2021; and

WHEREAS the People and Governance Committee has reviewed the proposed WPTIP and EAIP Corporate Multiplier for FY 2021, as described above, and recommends its approval;

BE IT RESOLVED, That the Board approves the WPTIP and EAIP Corporate Multiplier as set out in the Memorandum and its attachment effective for FY 2021.

21-04-16 FY 2021 LTIP Payout Percentage

Director Allen reported the Committee considered long-term and sustainable success incentives that apply to executives and officers and, based on performance against the applicable measures and goals, is recommending an incentive payout of 132% under the long-term plan.

After a motion duly made and seconded, the Board adopted the following resolution, as recommended in a memorandum from the President and Chief Executive Officer, dated October 25, 2021, and filed with the records of the Board as Exhibit 11/10/21N:

WHEREAS in a memorandum dated October 25, 2021, a copy of which is filed with the records of the Board as Exhibit 11/10/21N (Memorandum), the Chief Executive Officer (CEO) recommended approval of the Long-Term Incentive Plan (LTIP) payout percentage for the cycle ending in FY 2021; and

WHEREAS on August 22, 2018, the TVA Board approved the LTIP measures and goals for the cycle ending in FY 2021, and on April 29, 2021, the TVA Board approved revised performance goals to account for the impacts of eelgrass intrusion at Browns Ferry Nuclear Plant and steam generator degradation at Watts Bar Nuclear Plant Unit 2, both of which were beyond the control of management; and

WHEREAS the People and Governance Committee has reviewed the LTIP payout percentage for the cycle ending in FY 2021 and recommends its approval at the percentage set forth in the Memorandum and its attachment;

BE IT RESOLVED, That, with regard to the LTIP performance cycle ending in FY 2021, the Board approves the LTIP payout percentage as set out in the Memorandum and its attachment.

21-04-17 Salaries in Excess of Executive Schedule Level IV

Director Allen reported the Committee also performed its annual review of authority to approve TVA salaries that will exceed Executive Schedule Level IV, which is defined by the federal government. Director Allen reported the Committee recommends that the Board

continue to delegate to the CEO the authority to approve the salaries of these employees.

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 People and Communications Officer dated October 5, 2021, and filed with the records of the Board as Exhibit 11/10/21O:

WHEREAS the People and Governance Committee has reviewed and made information available to other Board members regarding the employees with salaries in excess of Executive Schedule Level IV other than the Chief Executive Officer and the Deputy Inspector General Performing the Duties of the Inspector General; and

WHEREAS the Board previously delegated to the Chief Executive Officer the authority to approve lists of TVA employees whose salaries would exceed Executive Schedule Level IV for Fiscal Years 2008 through 2021; and

WHEREAS the Board does not desire to alter the previously approved guidance as part of any delegation related to Executive Schedule Level IV for Fiscal Year 2022;

BE IT RESOLVED, That the Board hereby delegates to the Chief Executive Officer the authority to approve a list of TVA employees whose salaries will exceed Executive Schedule Level IV for Fiscal Year 2022 other than the Chief Executive Officer and the Deputy Inspector General Performing the Duties of the Inspector General.

21-04-18 FY 2022 CEO Compensation

Director Allen reported that, in considering the CEO's compensation for the coming fiscal year, the Committee worked with an independent compensation consultant in reviewing market competitive data and the reviewed the CEO's performance. Director Allen discussed how the Committee focused on the CEO's increased tenure with TVA and 2021 performance, the complex task of leading a large utility, and an intent to balance providing competitive compensation with TVA's conservative CEO compensation philosophy. Director Allen reported that the Committee recommends an increase to the CEO's compensation which still positions him 20% below the

market median of CEO compensation. Director Allen discussed that nearly two-thirds of the CEO's total direct compensation, or 66%, is performance-based and "at risk", which is unchanged from 2021.

After a motion duly made and seconded, the Board adopted the following resolution, as recommended in a memorandum from the Chair of the People and Governance Committee dated November 10, 2021, and filed with the records of the Board as Exhibit 11/10/21P:

WHEREAS in accordance with the TVA Act, as amended, and the TVA Compensation Plan, as approved by the Board, the People and Governance Committee ("Committee") has considered and recommends proposed compensation adjustments for TVA's Chief Executive Officer ("CEO") beginning in Fiscal Year 2022 consisting of an increase in base salary and a performance grant and a retention grant under TVA's Long-Term Incentive Plan ("LTIP"), as set forth in the November 10, 2021, memorandum from Kenneth E. Allen to the Board, a copy of which is filed with the records of the Board as Exhibit 11/10/21P; and

WHEREAS FW Cook, the Committee's independent executive compensation consultant, has reviewed and concurred in this recommendation;

BE IT RESOLVED, That the Board hereby approves adjustments to the CEO's compensation beginning in Fiscal Year 2022 consisting of an increase in base salary and a performance grant and a retention grant under the LTIP, as set out in Exhibit 11/10/21P; previously approved components of total compensation will remain unchanged.

* * *

Director Allen noted that the actions recommended by the Committee and approved by the Board will be reflected in TVA's 2021 Form 10-K annual report under the section titled Compensation Discussion and Analysis, or CD&A.

Director Allen next introduced a video of Matt Lovitt, Director of Plant Support at Sequoyah Nuclear Plant and veteran of the United States Navy. Director Allen thanked the

veterans at TVA and all the veterans around the country for their service and noted how proud TVA is of the 2,000 veterans at TVA. Director Allen also expressed his appreciation to all TVA employees in how they handled a trying year.

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Governance Item

21-04-19 Corporate Assistant Secretaries

Chair Kilbride reported that previously, the Board has approved individual appointments and removals of assistant corporate secretaries. Chair Kilbride discussed that delegating authority to the General Counsel and Corporate Secretary to designate employees to serve as assistant corporate secretary, and also to remove such designations as necessary, will promote efficiency and allow more flexibility to the General Counsel and Corporate Secretary to determine TVA's need for assistant corporate secretaries as circumstances warrant, without the requirement to obtain Board approval for each designation and removal.

After a motion duly made and seconded, the Board adopted the following resolution, as recommended in a memorandum from the Executive Vice President and General Counsel dated October 29, 2021, and filed with the records of the Board as Exhibit 11/10/21Q:

WHEREAS the TVA Board has determined that the TVA General Counsel will also hold the position of Corporate Secretary, pursuant to a resolution dated February 12, 2015;

WHEREAS from time to time, it is necessary to designate employees to serve as an Assistant Secretary of TVA, with full authority to affix the corporate seal to approved documents, to attest to the seal and signatures of persons authorized to sign such documents on behalf of TVA, and to serve as Assistant Secretaries of the various Committees of the Board; and

WHEREAS in the past, the Board has approved, based on the recommendation of the General Counsel, the designation of individuals to serve as Assistant Secretary of TVA; and

WHEREAS from time to time, TVA employees, who have previously been designated as an Assistant Secretary of TVA, no longer perform duties associated with that role due to retirement or other reasons and it is necessary to terminate the Assistant Secretary designation for certain employees and to appoint and designate new Assistant Secretaries; and

WHEREAS pursuant to a memorandum dated October 29, 2021 (“Memorandum”), the President and Chief Executive Officer and the Executive Vice President and General Counsel have recommended that the Board delegate authority to the Corporate Secretary to appoint individuals to serve as Assistant Secretary and to terminate any prior appointments;

BE IT RESOLVED, That effective immediately, the Board delegates authority to the Corporate Secretary to designate employees to serve as Assistant Secretary and to terminate prior appointments.

* * *

Ratification Items

Chair Kilbride introduced for ratification two items the Board previously approved by notation (Minute Entry No. 21-04-20 and Minute Entry 21-04-21). The first item is the approval of Board Committee charters. Chair Kilbride reported that the first item is a follow-on action to the Board’s earlier approval of a revised committee structure composed of four committees. Chair Kilbride noted that the second item approves making available firm power exceeding 100 megawatts under two industrial power contracts and approves a capital project related to one of the contracts.

21-04-20 Committee Charters

As recommended in an application for Notational Board Approval, a copy of which is filed with the records of the Board as Exhibit 11/10/21R, the individual Board members notationally approved charters for the Board’s four committees.

21-04-21 Arrangement with Direct-Serve Customers

As recommended in an application for Notational Board Approval, a copy of which is filed with the records of the Board as Exhibit 11/10/21S, the individual Board members notationally approved making available firm power exceeding 100 watts under two industrial power contracts and approved a capital project related to one of the contracts.

21-04-22 President's Report

Chair Kilbride called on President and Chief Executive Officer, Jeff Lyash, to provide the President's report. Mr. Lyash recapped TVA's performance in FY 2021 and noted that TVA maintained historic reliability through extreme weather in both winter and summer; maintained low, stable energy costs; and helped to create or retain nearly 81,000 jobs and attract over \$8.8 billion in capital investment. Mr. Lyash noted that TVA has improved productivity and efficiency through a diverse generation portfolio. Mr. Lyash discussed TVA's decarbonization plan to increase carbon reduction from the current 63% to 70% by 2030, to about 80% by 2035, with existing technology and without impacting reliability or costs. Mr. Lyash discussed optimization of the TVA nuclear fleet, evaluation of the retirement of TVA's remaining coal generation by 2035, and addition of significant renewable energy to the TVA system.

Mr. Lyash discussed TVA's flood damage reduction efforts, that on average prevents about \$300 million in flood damage every year. Mr. Lyash discussed partnering with Oak Ridge National Lab, the University of Tennessee, other universities and research institutes, and other utilities in developing innovative solutions to meet energy and environmental challenges facing the region.

Mr. Lyash discussed TVA's effort to build a culture based on collaboration and teamwork and noted that TVA is committed to being a leader in recruiting and retaining the talented and skilled employees necessary to carry out TVA's long-standing mission. Mr. Lyash noted that TVA has been recognized with several national awards this year, including being named the number two utility on Forbes' list of America's top large employers; the number two employer among the best in the State of Tennessee; included among the top 5 on Forbes' list of best employers in Tennessee, something no other employer has done; selected among "Newsweek" magazine's inaugural ranking of the 100 most loved workplaces, with TVA being the only utility and the only Tennessee employer on the list; and recognized as a leading disability employer plus a diversity impact award winner. Mr. Lyash reported that TVA is proud to be recognized as a top military friendly company, military friendly employer, military spouse-friendly employer and to have the top military friendly diversity supplier program. Mr. Lyash reported that TVA has lowered the flags at its facilities to honor the memory of retired Gunnery Sergeant Charles Sweeney, a TVA retiree and one of the nation's most decorated veterans, receiving over 65 awards and decorations in his military career and assigned to the White House to protect two presidents and first families.

Mr. Lyash reported that in recognition of TVA retirees, TVA has made contributions this year to 18 charitable agencies recommended by our retirees for service to local communities across the region. Mr. Lyash discussed TVA's public power model and noted that about 80% of the people served by the nation's top 100 utilities pay more for energy than people in the TVA service area and that TVA's industrial rates are lower than 95% of the nation's top utilities.

Mr. Lyash recapped that FY 2021 was a record year for TVA in terms of job creation and

one of the strongest years ever for TVA's economic development efforts. Mr. Lyash noted that over the past five years, TVA has worked with our state and local partners to attract or retain 350,000 jobs and attract almost \$46 billion in capital investment. Mr. Lyash noted that Ford Motor Company's announcement of its new manufacturing facility at the megasite in west Tennessee, near Memphis, will transform that region for the better by creating almost 6,000 jobs and \$5.6 billion in capital investment. Mr. Lyash reported that this project is the single largest economic development investment in Tennessee history and expressed appreciation for the working relationship between TVA, the State of Tennessee and other state partners, plus everyone who helps attract industry to the region.

Mr. Lyash reported 145 of the 153 local power companies served by TVA, nearly 95%, have entered into a long-term partnership agreement with TVA. Mr. Lyash noted that these local power companies have received a 3.1% credit on their monthly wholesale bills, totaling about \$189 million in 2021. Mr. Lyash recapped that the Pandemic Relief Credit and the long-term partner credits provided by TVA put \$410 million back into local communities in FY 2021. Mr. Lyash reported TVA and local power companies are extending the Community Care Fund that TVA established early in the pandemic to help address hardships on individuals and families. Mr. Lyash noted that TVA and local power companies together have contributed nearly \$9 million in funds for these local efforts.

Mr. Lyash reported that resiliency in the face of rising or volatile fuel prices is something that TVA planned for long before such volatility materialized. Mr. Lyash reported TVA is investing in a diverse and robust generating fleet and transmission system and employs physical and financial hedging to take volatility out of fuel prices. Mr. Lyash reported that TVA is

currently considering how to manage fuel prices on an ongoing basis in future years.

Mr. Lyash commended the ability of TVA employees to deliver a high level of performance during the pandemic. Mr. Lyash reported that lessons learned during the pandemic will make TVA more productive, safer, and able to deliver higher levels of value. Copies of the slides used by Mr. Lyash in his report are filed with the records of the Board as Exhibit 11/10/21T.

* * *

Chair Kilbride, on behalf of the Board, expressed appreciation for the outstanding performance of TVA's employees, contractors, and the many TVA partners that worked to make life better for all in TVA's seven state service territory. Chair Kilbride also recognized the contributions of Director Ryder and Director Allen, whose terms will end with the current Congressional session at the end of this year. Chair Kilbride noted they have made tremendous contributions to the Board's work, and their commitment and dedication to TVA and to the Board are second to none. Director Noland, Director Smith, Director Frazier all expressed their appreciation and recognition of Directors Allen's and Ryder's service to TVA. Directors Ryder and Allen expressed their appreciation for the recognition and for the opportunity to serve.

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The meeting was adjourned at 12:51 p.m. (EST).