



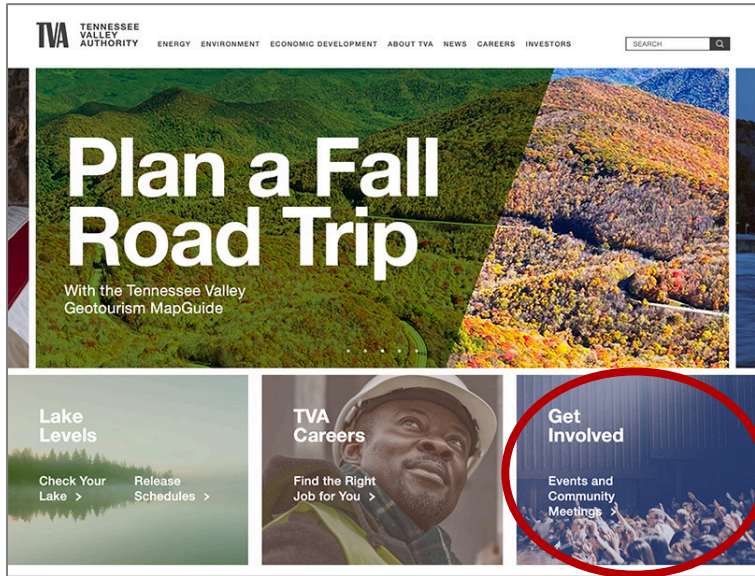
TENNESSEE
VALLEY
AUTHORITY

Board Meeting

November 10, 2021
Knoxville, Tennessee



TVA welcomes public input and participation



- Board Listening Sessions
- TVABoard.gov
- board@tva.gov
- Regional Resource Stewardship Council (RRSC)
- Regional Energy Resource Council (RERC)
- Public Land Information Line (PLIC)
- Complaint Resolution Hotline
- Social Media
- TVA Ombudsman
- NEPA Process



TENNESSEE
VALLEY
AUTHORITY

Board Meeting

November 10, 2021
Knoxville, Tennessee



Audit, Finance, Risk, and Cybersecurity Committee

A.D. Frazier, Chair

Financial Update

John Thomas, Executive Vice President
Chief Financial & Strategy Officer

November 10, 2021

Fiscal Year 2021

Base Revenue of \$7.8B was \$335M favorable to budget (preliminary)

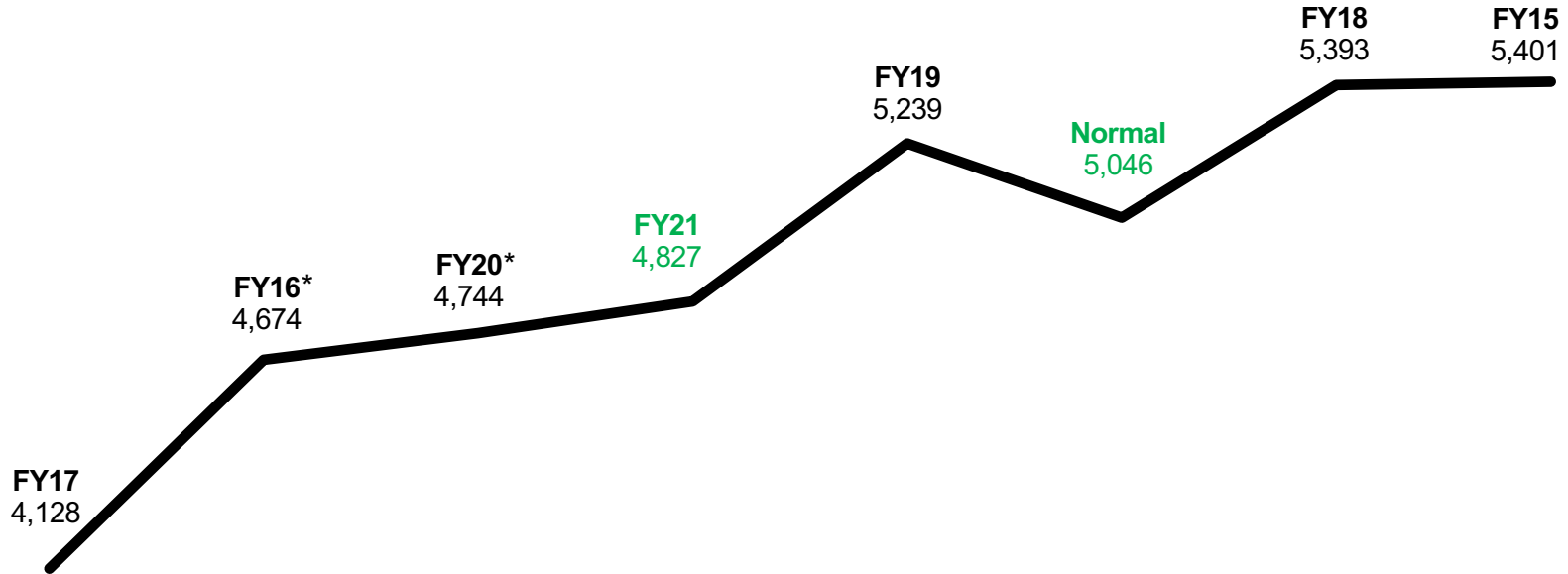
O&M is \$56M favorable to budget (preliminary)

Operating cash \$549M favorable to budget (preliminary)

Total Financing Obligations (TFO)

- \$706M favorable to budget
- \$878M lower than prior year
- Lowest debt level in over 30 years

Total Degree Days Below Normal



FY15-17 data has been adjusted in order to incorporate a change in TVA's current calculation of total degree days

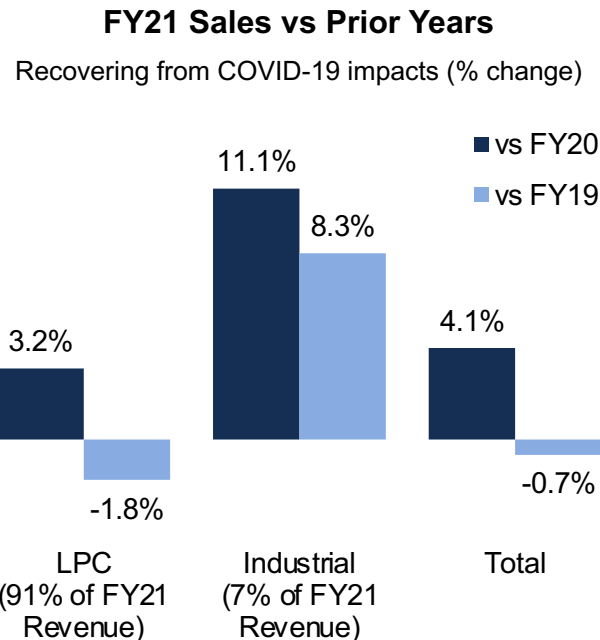
*5,060 is normal for leap years

Sales and Revenue

	FY21	FY20	Change	Percent Change
Power Sales (GWh)	157,353	151,251	6,102	4.0%
Total Operating Revenues (\$ M)	\$ 10,503	\$ 10,249	\$ 254	2.5%
Base Revenue	7,752	7,790	(38)	(0.5)%
Fuel Cost Recovery	2,601	2,310	291	12.6%
Average Base Rate (¢/kWh)	4.9	5.2	(0.3)	(5.8)%
Average Fuel Rate	1.7	1.5	0.2	13.3%
Total Effective Rate*	6.6	6.7	(0.1)	(1.5)%

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



FY21 Summary Income Statement

\$ million	FY21			FY20	
	Actual	Budget	Variance Fav/(Unfav)	Actual	'21 v '20 Fav/(Unfav)
Base Revenue	\$ 7,752	\$ 7,417	\$ 335	\$ 7,790	\$ (38)
Fuel Revenue*	2,605	2,401	204	2,314	291
Other Revenue	146	144	2	145	1
Total Operating Revenue	\$ 10,503	\$ 9,962	\$ 541	\$ 10,249	\$ 254
Fuel & Purchased Power	2,721	2,557	(164)	2,464	(257)
Total O&M	2,890	2,946	56	2,720	(170)
Taxes, Depreciation, Other	2,292	2,349	57	2,571	279
Interest	1,088	1,100	12	1,142	54
Net Income (Loss)	\$ 1,512	\$ 1,010	\$ 502	\$ 1,352	\$ 160

* Includes off-system sales

FY21 Summary Cash Flow Statement

\$ million

	FY21			FY20	
Net Cash Provided by / (Used in)	Actual	Budget	Variance	Actual	'21 v '20
Operating Activities	\$ 3,256	\$ 2,707	\$ 549	\$ 3,636	\$ (380)
Investing Activities	(2,338)	(2,649)	311	(2,015)	(323)
Financing Activities	(921)	(258)	(663)	(1,422)	501
Net Change in Cash	\$ (3)	\$ (200)	\$ 197	\$ 199	\$ (202)
Beginning Total Financing Obligations	\$ 21,421	\$ 21,475	\$ 54	\$ 22,818	\$ 1,397
Change in Debt and Financing Obligations	(878)	(226)	652	(1,397)	(519)
Ending Total Financing Obligations	\$ 20,543	\$ 21,249	\$ 706	\$ 21,421	\$ 878

Recap of Financial Results

For twelve months ended September 30, 2021 - comparison to prior year

Recovering from COVID-19 impacts

\$221M of Pandemic Relief Credit returned to customers

Lower effective wholesale rates

Continuing to benefit from lower debt

Best financial health in decades

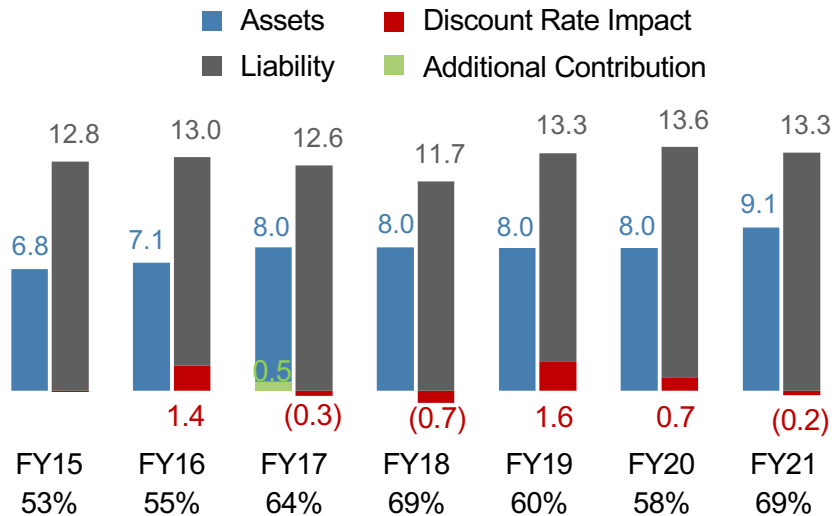
~\$220M of Pandemic Recovery Credit to customers in FY22 (2.5% base revenue)

~\$133M of Pandemic Recovery Credit to customers in FY23 (1.5% base revenue)

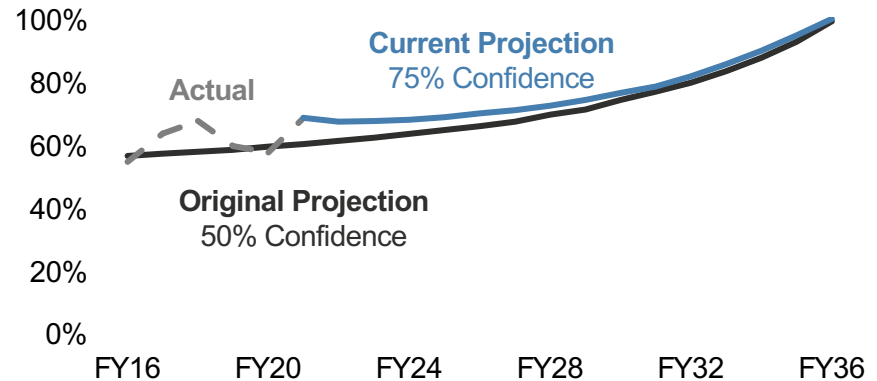
Retirement System

Strong asset performance and TVA's additional \$500M contribution have the TVA Retirement System on track to achieve full funding by the target date of 2036 with higher confidence than the original plan

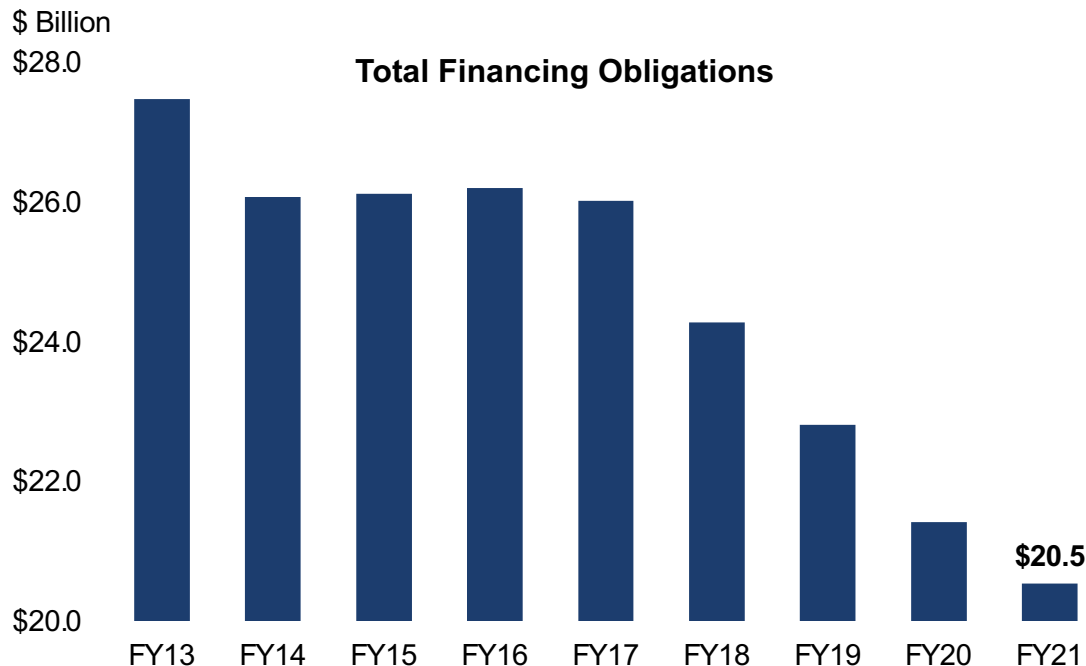
Change in FY21 funded status (% shown below) was driven by asset returns (in \$ billions) of over 20%



Funded status projections show the TVA Retirement System remains on track to achieve full funding in FY36 with higher confidence than the original plan



Continued Progress on Financial Health

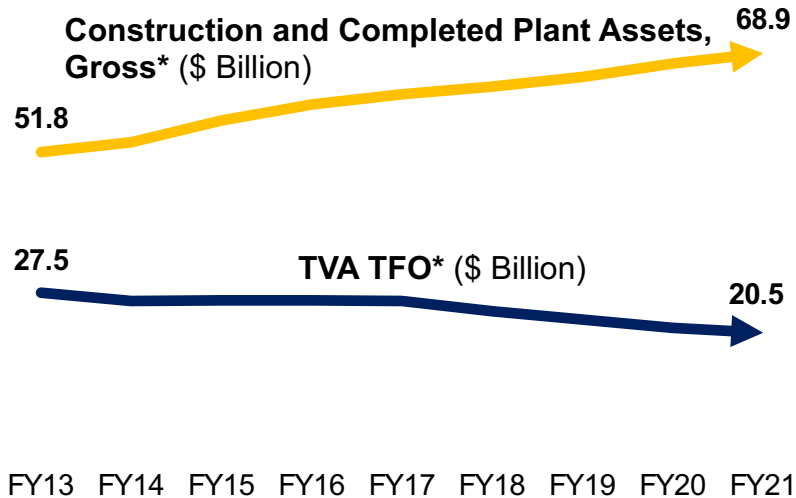


- 2023 debt reduction commitment exceeded by three years and \$400M in 2020
- Further debt reduction of \$878M in 2021
- Debt and financing obligations of \$20.5B are the lowest in over 30 years

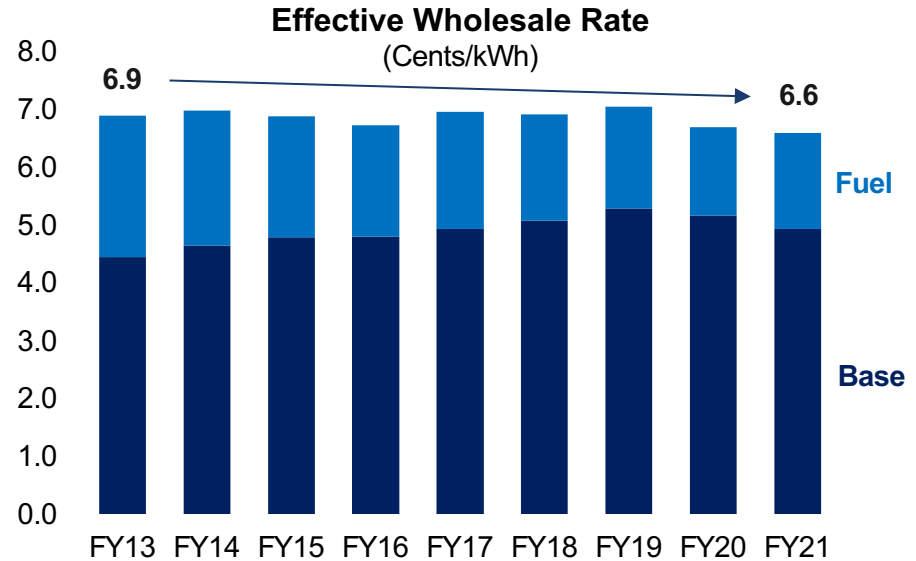
* See Appendix – Regulation G Reconciliation

Progress on Financial Health

TVA has invested over \$17B in its asset base, while reducing debt by \$7B, and reducing effective rates

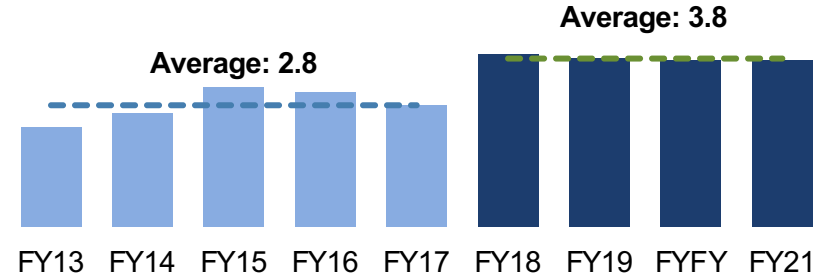
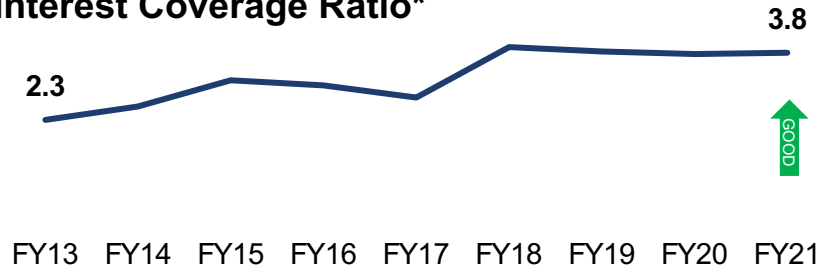


* See Appendix – Regulation G Reconciliation

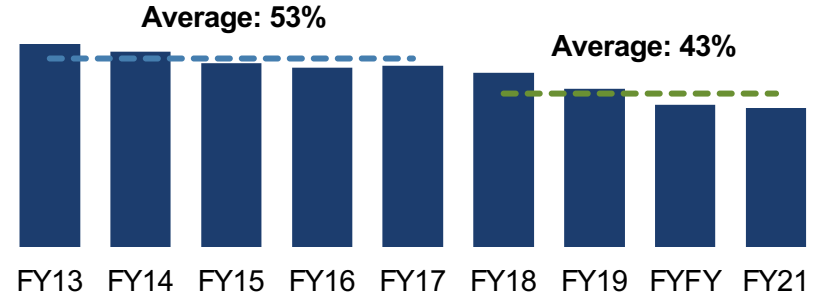
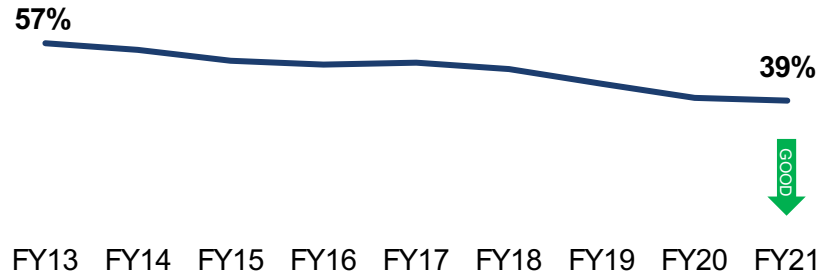


Financial Health Trends

Interest Coverage Ratio*



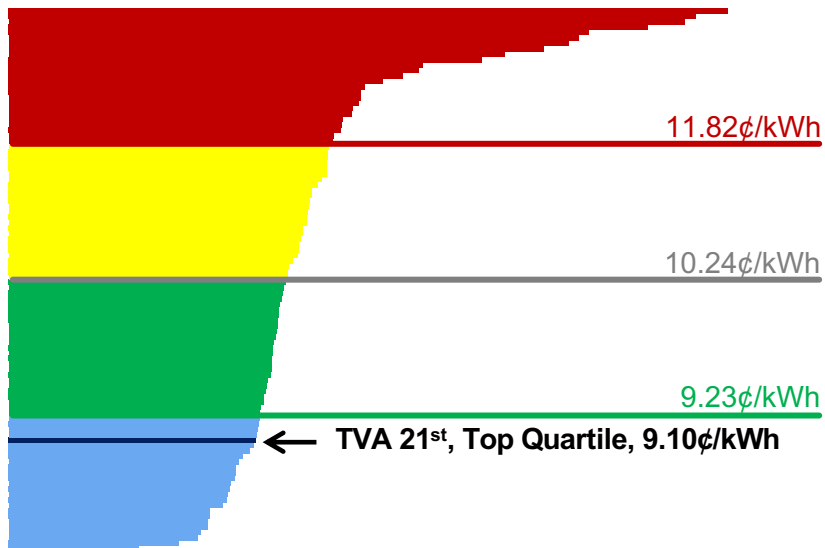
Debt to Assets Ratio*



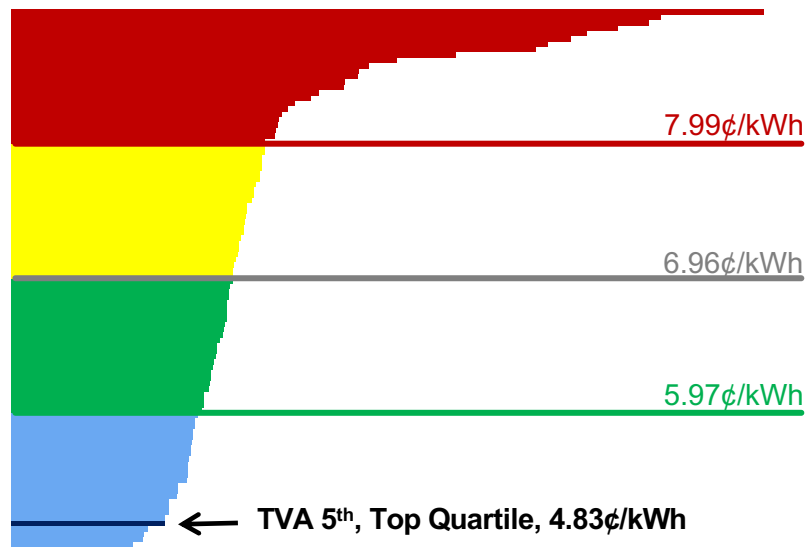
* See Appendix – Regulation G Reconciliation

Rate Competitiveness

Average Retail Rate (¢/kWh)
Top 100 U.S. Utilities



Average Industrial Rate (¢/kWh)
Top 100 U.S. Utilities



12-Month Rolling Average (¢/kWh); Sources: U.S. Energy Information Administration-861M and Electricity Sales Statistics: August 2020 – July 2021

Financial Health Highlights

Success to date:

- Best financial health in decades
- Lower effective wholesale rates
- \$7B reduction in debt – lowest debt in over 30 years

Forward-looking:

- Maintain flat rates
- Stabilize debt
- Balance net portfolio position
- Drive efficiencies into the business
- Advance the public power model

Audit, Finance, Risk, and Cybersecurity Committee

A.D. Frazier, Chair

FY23 Pandemic Recovery Credit

Tom Rice, Vice President
Financial Operations & Performance

November 10, 2021

Purpose and Background

Purpose: Action Item. Seek Board approval of an extension of the Pandemic Recovery Credit.

Background: In August 2021, the Board of Directors approved a 2.5 percent monthly base rate Pandemic Recovery Credit for FY22, expected to approximate \$220M. Based on continued strong performance in FY21, TVA is positioned to extend the Pandemic Recovery Credit into FY23. The proposed extension is estimated to be approximately \$133M and will be applied as 1.5 percent base rate credit to local power companies (LPC) and directly-served (DS) customers beginning in October 2022 through the end of FY23.

The Audit, Finance, Risk, and Cybersecurity Committee recommends the above listed item to the full Board for approval.

Pandemic Recovery Credit

Public Power Benefit

- In FY21, TVA employees delivered positive results as the Valley continues to recover from the pandemic. This strong performance enables us to extend our support of the ongoing recovery and infrastructure needs in the Valley.
- The FY23 credit extension, expected to approximate \$133M, is in addition to the FY22 Pandemic Recovery Credit, estimated at \$220M, approved by the Board in August.

The FY23 Pandemic Recovery Credit will apply as follows:

- Wholesale non-fuel rate credit of 1.5 percent for all customers
- The credit will be applied beginning in October 2022 and will remain in effect through the end of FY23

LPCs will be encouraged to pass through the credit to consumers and TVA will support a convenient process to do so

Recommendation

Recommend the Board approve the extension of the Pandemic Recovery Credit

Audit, Finance, Risk, and Cybersecurity Committee

A.D. Frazier, Chair

Recent Fuel Market Challenges & Rate Impacts

Brian Child, Vice President
Enterprise Planning

November 10, 2021

Agenda

What caused industry-wide fuel impacts?

What are we doing?

What is the impact?

How is TVA positioned?

What are the talking points?

What caused industry-wide fuel impacts?

Industry-wide fuel supply impacts

Coal and gas price appreciation

TVA's current state: loads

Industry-wide Fuel Supply Impacts

2020: Demand loss led to record low gas prices resulting in coal industry disruption

2021: Demand spike led to pricing volatility and winter fuel supply concerns

Coal: Coal conservation efforts initiated to ensure winter readiness

Natural Gas: Geographic location, contracting strategies, and hedging reduce risk

Coal and Gas Price Appreciation

Significant fuel price increases over past two months

	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21
Natural Gas (HH \$MMBtu)	\$3.00	\$2.90	\$2.47	\$2.76	\$2.85	\$2.59	\$2.93	\$2.98	\$3.62	\$4.04	\$4.37	\$5.84
ILB Coal (\$/ton)	\$31.88	\$32.03	\$32.73	\$33.46	\$33.89	\$34.50	\$34.93	\$38.45	\$47.47	\$55.01	\$62.76	\$93.00
PRB Coal (\$/ton)	\$11.69	\$11.85	\$11.87	\$11.90	\$11.95	\$11.99	\$11.95	\$12.22	\$12.81	\$13.59	\$17.12	\$34.50

Natural Gas amounts shown are monthly settle price. Coal amounts are monthly average. Oct 21 as of 10/13/2021.

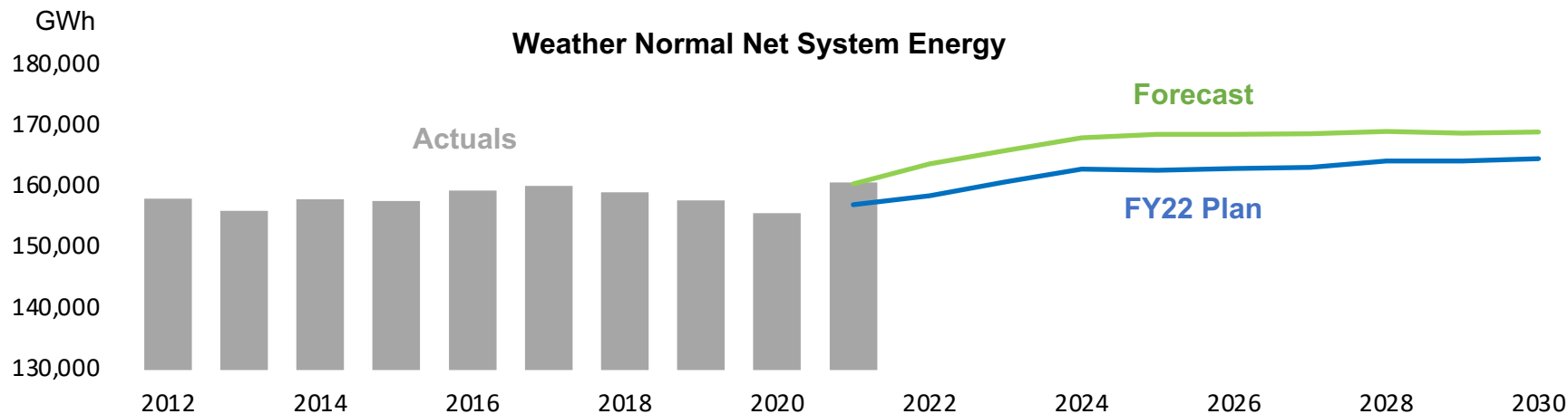
TVA's Current State: Loads

2021 had highest annual energy sales since 2008

~70K residential customers added June 2020-May 2021, ~75% above 2016-2020 average

Strong economic recovery driving higher commercial and industrial loads

Recent major economic development announcements driving near-term load growth



What are we doing?

System resiliency actions

System Resiliency Actions

Coordinating coal conservation efforts to ensure winter preparedness

- Curtailing coal generation to build coal inventories
- Monitoring actual performance against established targets

Proposing financial incentives to transportation providers to meet contracted coal needs

Adding firm transport for simple cycle CT supply

Actively exploring all viable coal supply options including non-traditional sources

Assessing feasibility of off-system energy and capacity purchase opportunities

Utilizing industry peer network to explore benchmarking and synergies

Leveraging longer-term natural gas products in lieu of daily if supply surety will benefit

Fuel oil inventory at gas plants

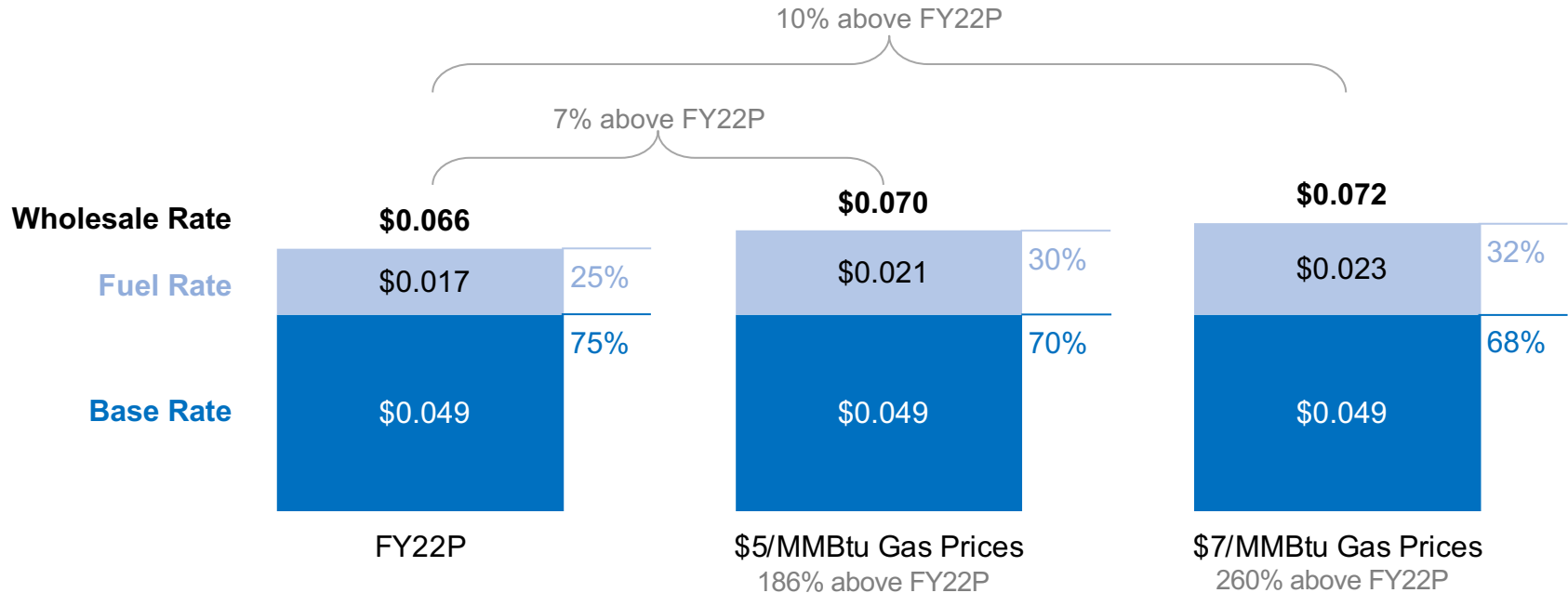
- Maintaining higher than seasonal normal levels of fuel oil at key sites
- Evaluating topping off tanks for ~three to five days of run at maximum storage capacity

What is the impact?

Illustrative impact of fuel volatility

Illustrative Impact of Fuel Volatility

Gas price ranges of \$5-\$7/MMBtu result in wholesale rates 7%-10% higher than FY22P



FY22P gas price is \$2.69/MMBtu

How is TVA positioned?

Generation mix and percent hedged

Movement in fuel prices

Natural gas generation and retail rates

TVA Well Positioned

TVA's Portfolio Diversity

- 80% hedged

Natural Gas Hedging

- 100% of anticipated burn for winter season is volumetrically contracted
- 35-40% of anticipated burn for winter season is at a fixed price sub \$3/MMBtu

Natural Gas Price Forecast

- Backwardation and collapses toward budget levels in the 2024-2025 timeframe which will directly impact fuel rate
- Financial hedging can reduce volatility risk in out years

Natural Gas Physical Supply

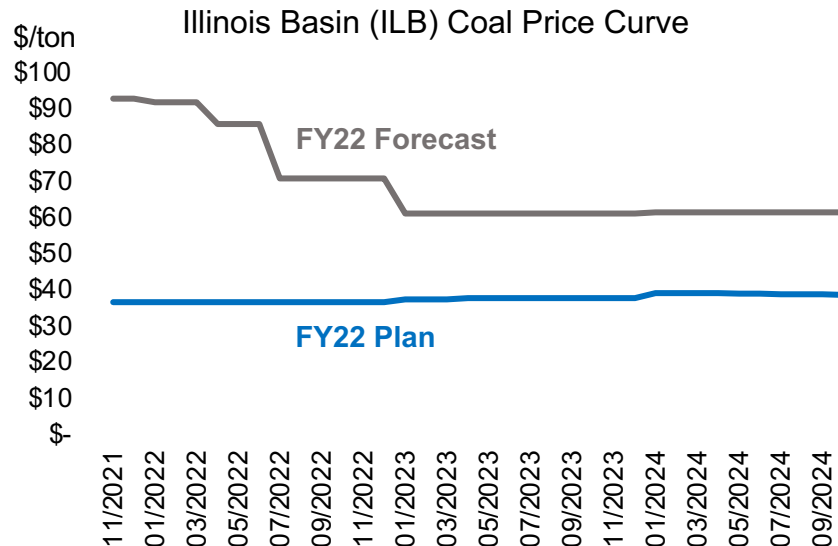
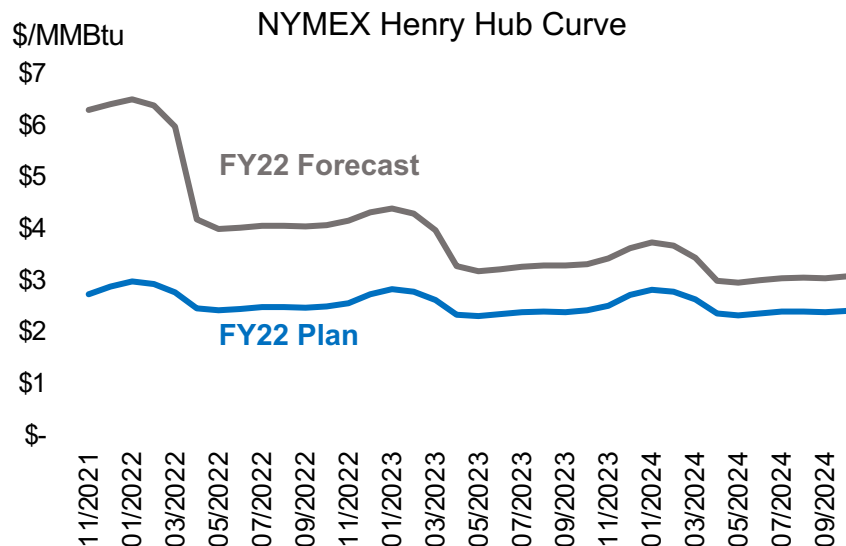
- Six major pipelines, plus the East Tennessee Gas pipeline, pass near or through TVA's service territory providing access to some of the largest, most liquid markets in the United States
- Storage allows TVA to shift dispatch options in order to conserve coal supply heading into winter

Generation Mix and Percent Hedged

FY22F

Fuel	Generation Mix	Price Hedged
Hydro	7%	100%
Nuclear	40%	100%
Purchased Power	18%	89%
Coal	13%	89%
Natural Gas	22%	24%
Total/Weighted Average	100%	80%

Movement in Fuel Prices



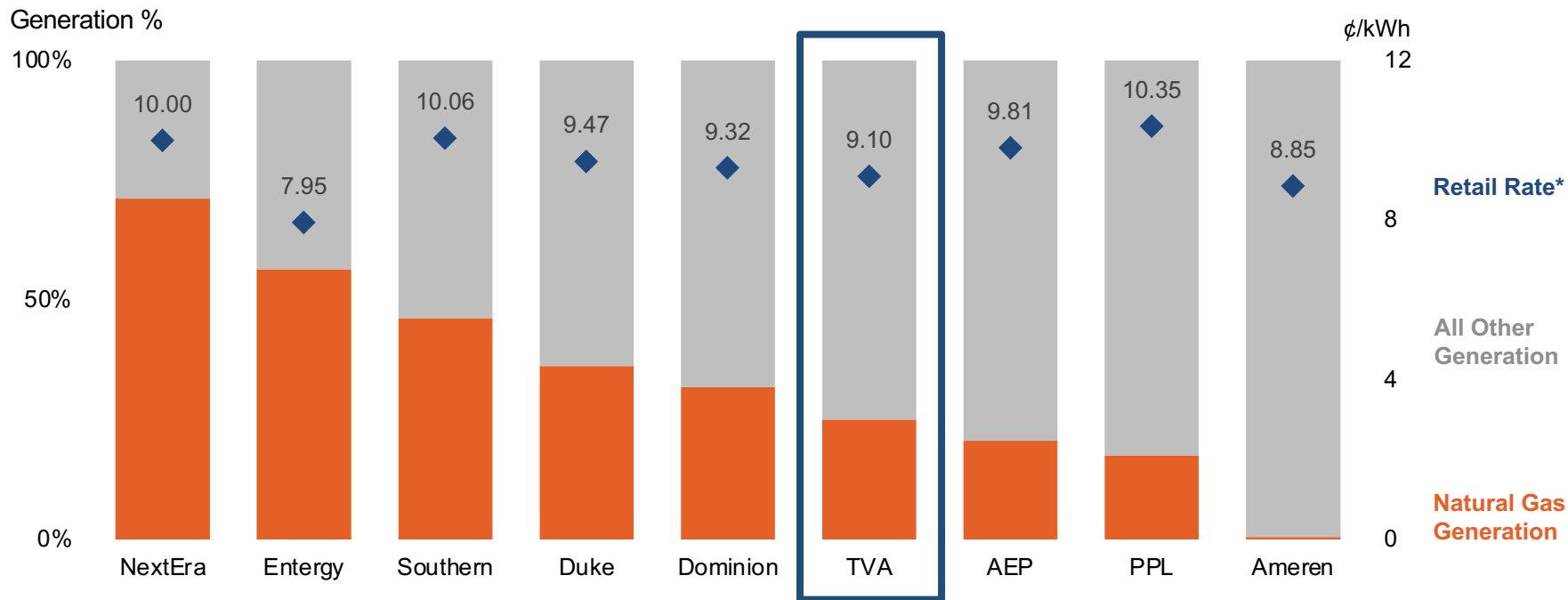
Volatility highlighted by price increases in the short- and mid-term on both natural gas and coal

Commodity curves in backwardation; stabilizing commodity costs and resulting fuel rates

Note: FY22 plan prices as of 04/06/2021 and FY22 forecast prices as of 10/05/2021.

Powder River Basin Coal Price Curve is similar trend to the ILB Curve.

Natural Gas Generation and Retail Rates



*12-month rolling average as of July 2021

Sources: FERC Form 1, ABB Hitachi Velocity Suite, EIA-861M, ESS

Talking Points

TVA and the utility industry are experiencing fuel-market challenges in the face of high natural gas and coal prices, winter fuel supply concerns, and an increase in electricity demand.

The combination of reductions in coal and gas production and increases in coal and gas demand and prices will result in TVA having a higher than budgeted total monthly fuel cost.

TVA has a resilient, diverse portfolio that provides numerous structural advantages in securing fuel supply and minimizing the impact of fuel price volatility.

TVA hedges a portion of its coal and natural gas needs to further insulate its customers from price volatility.

With its well-diversified portfolio and a fuel supply position that is among the most resilient in the industry, TVA currently has top quartile retail rates, and our rate competitiveness will remain strong as all utilities with natural gas or coal generation are dealing with similar challenges.

Audit, Finance, Risk, and Cybersecurity Committee

A.D. Frazier, Chair

Operations and Nuclear Oversight Committee

Jeff Smith, Chair

Cumberland and Kingston – Plant Retirement and Generation Alternatives Delegation

Don Moul, Executive Vice President
and Chief Operating Officer

November 10, 2021

For Board Consideration

Approve the budget and delegate authority to the Chief Executive Officer to take specified actions, as appropriate, to support the potential future retirement of Cumberland Fossil Plant and Kingston Fossil Plant and the construction and operation of facilities necessary to replace part or all of any retired generation

Background

Began conducting end-of-life evaluations of the coal fleet following the publication of TVA's Integrated Resource Plan in 2019

Started the National Environmental Policy Act Environmental Impact Statement process last spring in accordance with TVA's 2021 Strategic Intent and Guiding Principles

- Evaluating the no-action alternative and three potential action alternatives

Maintaining flexibility to evaluate reasonable alternatives

Basis for the Request

Market conditions are driving high-levels of competition.

Major equipment manufacturing is expected to take approximately 18 months.

Supply chain conditions are volatile.

Project Development Actions

Actions need to be taken now to develop and preserve the replacement generation options identified during the Environmental Impact Statement process for each plant.

- Will allow TVA to meet the earliest possible retirement dates being considered

Project development actions may include conducting preliminary studies, project scoping, engineering, and long-lead procurement actions.

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 prior to a final decision.

Final Decision

TVA will need to make a final decision on an alternative following the completion of the National Environmental Policy Act process for each plant.

- Will address plant retirement and replacement generation
- Align with TVA's Integrated Resource Plan
- Best support TVA's mission of service

Final decision authority should include the authority to approve any capital projects, retirement and new construction schedules, and final decision actions.

- Will facilitate the timely selection and implementation of an alternative for each plant that meets these criteria

Decisions must support TVA's mission of service and be based on a careful analysis of operational, financial, environmental, regulatory, and personnel considerations.

Recommendation

Approve the budget for each site and delegate to the Chief Executive Officer the authority to take project development actions, make final decisions, and take final decision actions

The Chief Executive Officer will periodically report to the Board on actions taken in accordance with the delegations granted and will inform the Board prior to making any final decisions.

Operations and Nuclear Oversight Committee

Jeff Smith, Chair

External Stakeholders and Regulation Committee

Beth Harwell, Chair

Acknowledgement of Alcorn County Electric Power Association

Jeannette Mills, Executive Vice President
& Chief External Relations Officer

November 10, 2021

Background

Purpose: Acknowledge Alcorn County Electric Power Association, 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.

Nation's First Rural Electric Power Cooperative



A Resolution Honoring Alcorn County Electric Power Association

Resolution Honoring Alcorn County Electric Power Association

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.

William B. Kilbride, Board Chair

Jeff Lyash, President & CEO

Signed on November 10, 2021

Recommendation

- Approval of the resolution honoring the Nation's first rural electric cooperative
- Resolution to be presented to Board and leadership of Alcorn County Electric Power Association by West region staff

Economic Development FY21 Performance

Jeannette Mills, Executive Vice President
& Chief External Relations Officer

November 10, 2021

Background

Purpose: Provide an annual update of Economic Development performance

Background: Economic Development is fundamental to TVA's mission of service to provide low-cost, reliable, clean energy; environmental stewardship; and economic development to improve the quality of life for the people of the Valley. Economic Development has met and exceeded its jobs and investment goals in FY21 and continues to attract new jobs and investment to the Valley, engage with existing industries, and serve with its partners to help foster economic growth.

Economic Development: Jobs & Investments

FY21

80,900 jobs

created & retained
record year for job creation

\$8.8 billion

capital investment
third largest year for capital investment

- **3 projects exceeding \$1 billion announced in FY21** : GM, Ultium Cells, Oracle
- TVA named a Top Utility in Economic Development for the **16th consecutive year** by Site Selection magazine
- 270 projects won – **43% increase from last year**
- Actively working **26 EV projects**
- **73 Training and Development** services provided
- **324 Technical Services** offerings provided
- **463 Research** requests fulfilled

Economic Development: Impactful Announcements

FY21



Hydro-Gear
Carroll Co., TN
375 jobs

\$10M capital investment
manufacturer of power drive systems



Barrette Outdoor Living
Hawkins Co., TN
162 jobs

\$33M capital investment
*fencing and exterior
products manufacturer*



Kairos Power
Roane Co., TN
55 jobs

\$100 million capital investment
*advanced nuclear engineering
company*



New Way Trucks
Prentiss Co., MS
120 jobs

\$4 million capital investment



Martinrea Hopkinsville, LLC
Christian Co., KY
33 jobs

\$31 million capital investment
automotive supplier

Economic Development: EV Announcements



Electric Vehicle manufacturer
Spring Hill, TN
4,200 retained jobs
\$1.7B capital investment



General Motors and LG Chem Solution
joint venture EV battery manufacturer
Spring Hill, TN
1,300 jobs
\$2.3B capital investment



EV battery manufacturer
Clarksville, TN
300 new jobs
\$220M capital investment



Electric Vehicle manufacturer
Memphis, TN
430 new jobs
\$360M capital investment



Automotive supplier to
Volkswagen Electric Vehicle
Chattanooga, TN
240 new jobs
\$42M capital investment



Automotive supplier for combustion
engine, hybrid and battery
Electric Vehicles
Hopkinsville, KY
97 new jobs

Ford EV Announcement

Jeannette Mills, Executive Vice President
& Chief External Relations Officer

November 10, 2021

Memphis Regional Megasite: Project Aurora

2003

Site Identified

TVA spotted site in TVA helicopter while looking for large-scale sites to target automotive assembly

2004

Megasite program was developed

Site certification started
Site and environmental due diligence; solutions for deficiencies

2006

Site Certified TVA Megasite

McCallum Sweeney consulting firm

Continued prospect interest

MRM remained focused on positioning itself for the right original equipment manufacturer (OEM), like Ford

2009

State of TN purchased 4,000 acre site

State invested \$170M for interchange improvements, roadways and water infrastructure to develop site for major auto assembly

The transformation of auto industry and electrification further solidified TVA's partnership for the development of this site

Worked in partnership with Southwest Electric and Chickasaw Electric

Project Aurora

Started early **2021**

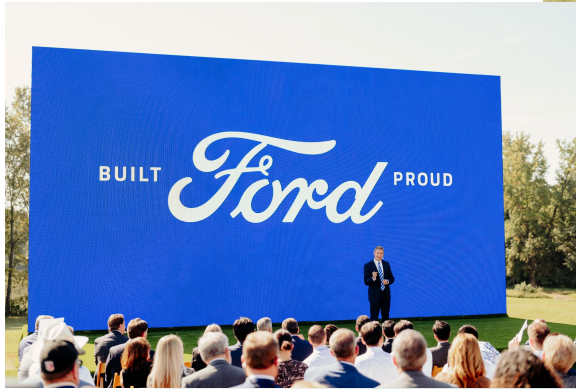
March-Sept. 21 - worked closely with State of TN on recruitment aspects of project

Worked closely with Ford to deliver solutions to meet project needs

TVA's carbon strategy goals align with Aurora

Largest Capital Investment in TVA and TN History

5,800 jobs | \$5.6 billion capital investment



External Stakeholders and Regulation Committee

Beth Harwell, Chair

TVA's Biodiversity Policy

Rebecca Tolene, Chief Sustainability Officer

November 10, 2021

For Board Consideration

Approve the TVA Biodiversity Policy

Authorize the TVA Environment organization to lead implementation of this Policy in alignment with the TVA Environmental Policy and Sustainability Program



What Is Sustainability at TVA?



Environment

- Climate Change and Resilience
- Air Quality
- Water Quality and Availability
- Waste Management
- Habitat and Biodiversity Protection
- Cultural Resource Management

Governance

- Transparency
- Board and Executive Diversity
- Systemic Risk Management
- Ethics
- Cyber and Physical Security

Social

- Public Health and Safety
- Environmental Justice
- Community Vitality and Engagement
- Reservoir and Stewardship Benefits
- Local Power Company Partnerships

Economic Impact

- Energy Affordability
- Reliability and Resiliency
- Jobs Created and Retained
- Flood and Drought Management
- Energy Innovations
- Investor Relations
- Supplier Partners

Employees

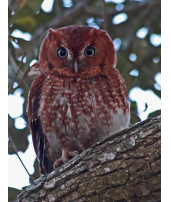
- Safety
- Diversity and Inclusion
- Labor Relations
- Recruitment, Development, and Retention
- Skilled Workforce Availability

What Is Biodiversity?

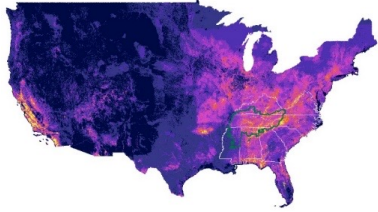
The variety of all life (plants, animals, microorganisms)

Includes how these species interact and survive, and where/how they live

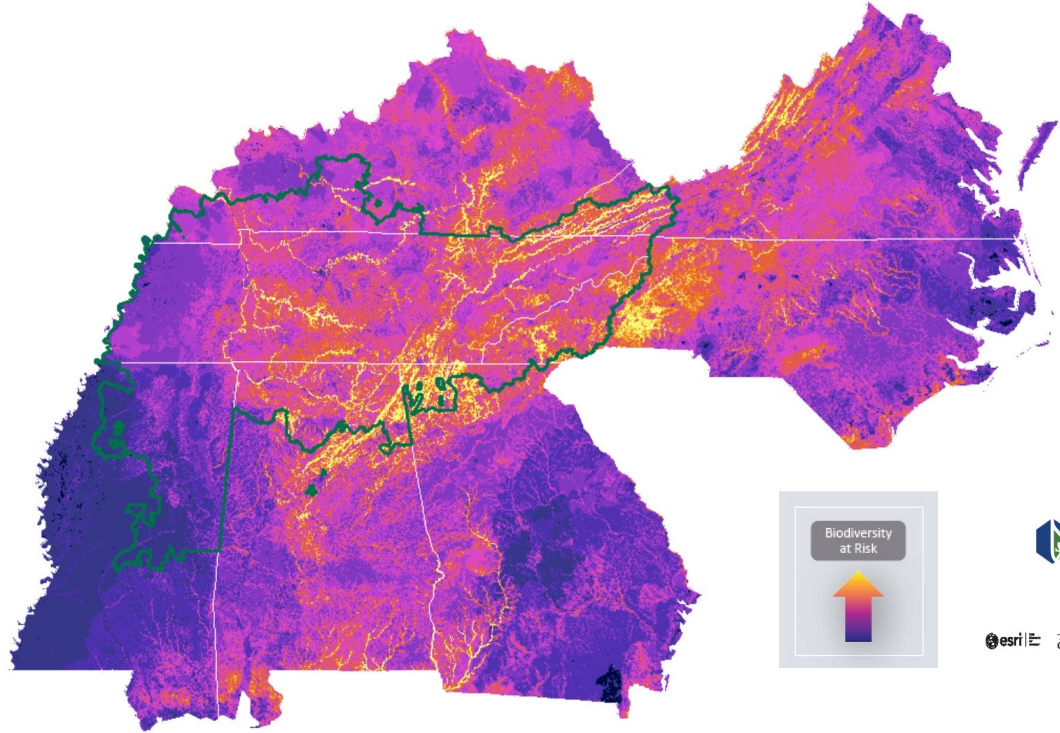
Integral to ecosystem services that contribute to human well-being



Biodiversity in the TVA Region



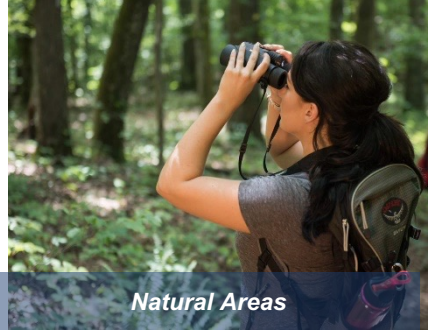
The TVA operating footprint, combined with the biodiversity of the region, positions TVA as a potential regional leader in biodiversity conservation.



With Support From:



TVA Contributions to Biodiversity



TVA Biodiversity Policy Statement

“TVA continues to recognize the importance of biodiversity to the quality of life of the region’s residents and we work to proactively protect biodiversity through stewardship of public lands, management of the Tennessee River system, local and regional partnerships, and integration of species and habitat conservation in project planning.”



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Regional Resource Stewardship Council Advice

The Regional Resource Stewardship Council appreciates that this policy proactively supports the mission of TVA and recommends that TVA should be a leader in this effort nationally, as well as regionally.

TVA's clear expertise already in this area should be used to build local, state, regional, and national partnerships that should be highlighted and shared with companies being recruited to the region.

The Regional Resource Stewardship Council has reviewed the proposed Biodiversity Policy and is in support of the adoption and implementation of the Policy.

Meeting held September 22, 2021, www.tva.com/rrsc

Recommendation

Adopt and approve the TVA Biodiversity Policy and authorize TVA's Environment Group to lead the implementation of this Policy

External Stakeholders and Regulation Committee

Beth Harwell, Chair

Green Bond

Tammy Wilson, Vice President,
Treasurer, and Chief Risk Officer

November 10, 2021

Purpose and Background

Purpose: Provide an update on TVA's recent Green Bond offering.

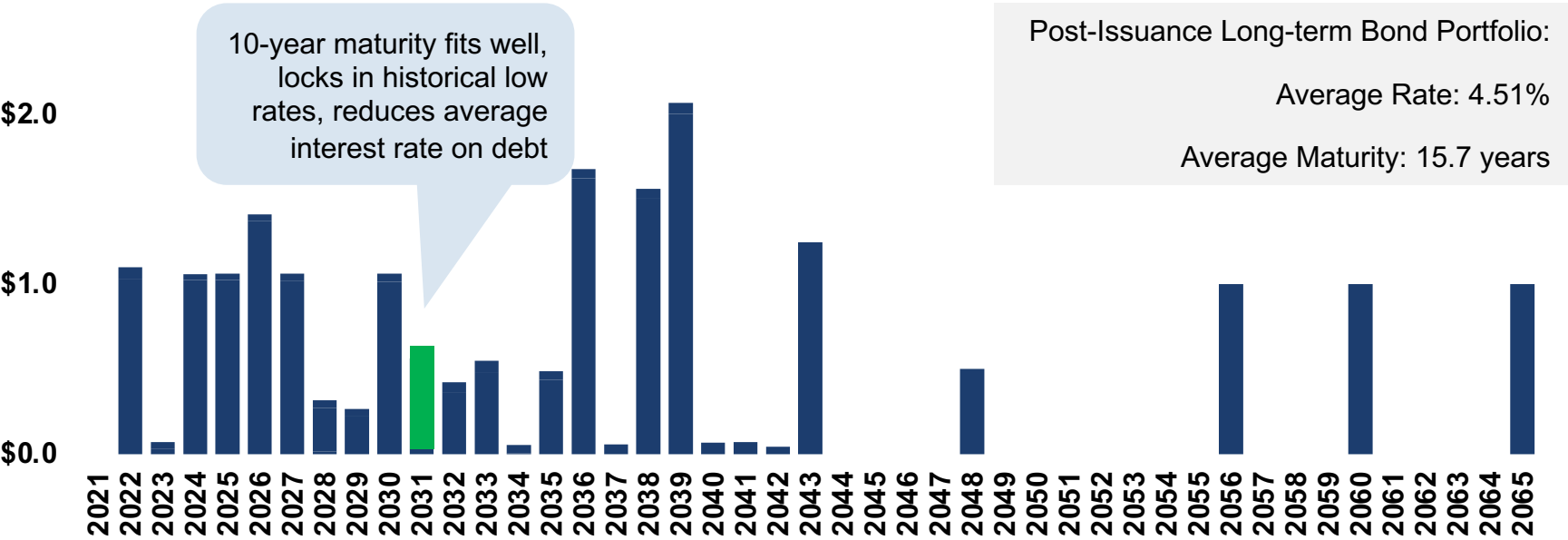
Background: TVA's inaugural green bond highlights TVA's Environmental, Social, Governance (ESG) progress and goals. TVA issued \$500M of 10-year maturity Green Global Power Bonds in September 2021. The bonds carry a coupon interest rate of 1.50%, which set a new low record for TVA 10-year financing. The bonds were issued in accordance with TVA's new Sustainable Financing Framework. Proceeds are aligned with TVA strategic capital projects.

Green Bond Highlights

- TVA's first-ever Green Bond offering
- Highlights TVA's investments in cleaner energy
- Strong demand: \$2.2B in total orders, 4.4 times over-subscribed
- Large, high-quality order book from a diverse investor base
- More than 40% to green or ESG-oriented investor accounts
- Consistent with TVA's Sustainable Financing Framework
- Favorable timing and strong demand helped set TVA record low interest rate
- Locks in over \$15M in annual interest savings
- TVA has the highest credit ratings - AAA/Aaa/AA+

New Green Bond Fits Well in TVA's Portfolio

\$ billion
\$3.0



As of September 30, 2021

External Stakeholders and Regulation Committee

Beth Harwell, Chair

People and Governance Committee

Kenny Allen, Chair



TENNESSEE
VALLEY
AUTHORITY

Board Meeting

November 10, 2021
Knoxville, Tennessee



President's Report

Jeff Lyash
President and CEO

November 10, 2021



Performance Highlights

Power Demand

Thursday, July 29, 2021

30,340 Megawatts

Highest summer peak since 2012

Four days this summer with
peak demand above 30,000 MW



Economic Development FY2021

In partnership with local power companies, and state, regional and local development agencies, TVA's Economic Development team helped create or retain nearly 81,000 jobs, bringing capital investment of \$8.8 billion across TVA's seven-state service territory.

Created or retained nearly

81,000 Jobs

and attracted over

\$8.8 Billion

in capital investment



Performance Highlights

Carbon Reduction Leadership


TVA is a national leader in carbon reduction

63%
Accomplished

70%
Plan by 2030

~80%
Path by 2035

Net-Zero
Aspiration by 2050



Solar Generation Expansion

Targeting
10,000 MW
by 2035

Integrated River Management

Prevents about

\$300 million

in flood damages every year

Totaling about

\$10 billion

since TVA's earliest days





Performance Highlights

A photograph of three people hiking through a dense forest. In the foreground, two women are walking away from the camera, wearing backpacks and outdoor gear. One woman's backpack has a bag with the text 'SERVING PEOPLE' on it. In the background, another person is visible, also hiking. The forest is lush with green trees and undergrowth. A large white diagonal slash is positioned to the left of the text.

Employer Awards

Employer Awards

Forbes America's

Best Large Employers

#2 in Utility Industry Top 25% Overall

Best-In-State Employers

3rd consecutive year Top 5 in Tennessee

Leading Disability Employer

Newsweek

Top 100

Most Loved Workplaces®

Diversity Impact

Award Winner

Employer Awards



Military Friendly Company

Military Friendly Employer

Military Spouse-Friendly Employer

**Top Military Friendly Diversity
Supplier Program**

A photograph of two utility workers in safety gear (hard hats, safety harnesses, and gloves) working on a power line tower. They are positioned on a white metal structure, likely a bucket or platform, and are handling a thick steel cable. The background shows a dense green forest. The text "Public Power" is overlaid on the left side of the image, preceded by a large white diagonal slash.

Public Power

Public Power Model



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

A photograph of two men in an industrial setting, likely a factory or construction site. The man on the left is wearing a white hard hat, safety glasses, a white long-sleeved shirt, and a yellow high-visibility safety vest. He is pointing his right hand towards a bright welding area in the background. The man on the right is wearing a yellow hard hat, safety glasses, a dark blue short-sleeved shirt, and an orange high-visibility safety vest. He is holding a large sheet of paper, possibly a blueprint or set of plans. The background shows a large industrial space with steel beams, pipes, and a bright welding area with sparks flying. The overall lighting is somewhat dim, with the primary light source being the welding process.

Economic Development

Economic Development

Over Last 5 Years

Attracted or retained

350,000 Jobs

and almost

\$46 Billion

in capital investment



Economic Development Wins in the Valley

Highlights of recent companies locating in the Tennessee Valley, thanks to partnership with local power companies and state, regional and local development agencies

Boeing

Volkswagen

Amazon

Bridgestone

Facebook

Google

Mazda-Toyota

Nissan

Phillips Healthcare

U.S. Space Command

BUILT

Ford

PROUD

Nearly

6,000 Jobs

\$5.6 Billion

Capital Investment



Community Support

Long-Term Partners

145 LPCs

Nearly 95% of LPCs

Multiple Benefits Including

3.1% Bill Credit & Self Generation

Long-Term Alignment

Direct Engagement

in TVA Business planning
process and decision making

Community Support

\$9 Million

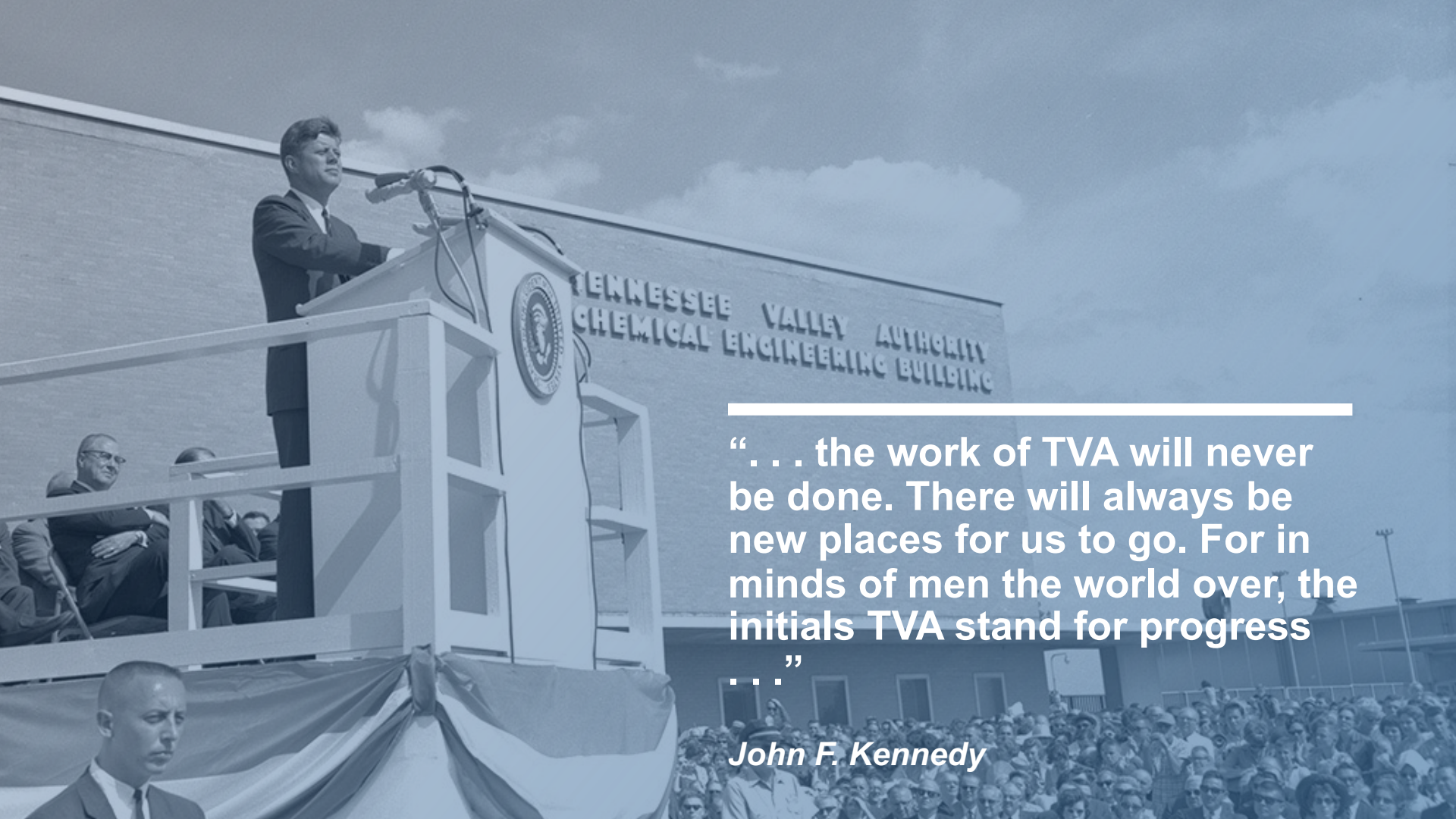
Community Care Fund

Benefited more than 600 local charitable groups

President's Report

Jeff Lyash
President and CEO

November 10, 2021



TENNESSEE VALLEY AUTHORITY
CHEMICAL ENGINEERING BUILDING

“... the work of TVA will never be done. There will always be new places for us to go. For in minds of men the world over, the initials TVA stand for progress ...”

John F. Kennedy

President's Report

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