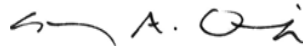


No. 20-04

Approved by the Board of Directors
at its February 11, 2021, meeting:



Executive Vice President, General
Counsel and Secretary

MINUTES OF MEETING
OF
THE BOARD OF DIRECTORS
TENNESSEE VALLEY AUTHORITY
November 13, 2020

A meeting of the Board of Directors of the Tennessee Valley Authority was held by teleconference via live internet streaming, on November 13, 2020. The meeting was called to order at 10:00 a.m. (EST). The meeting agenda was announced to the public on November 6, 2020. The meeting was open to public observation.

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

Also present were TVA officers, including Jeffrey J. (Jeff) Lyash, President and Chief Executive Officer; Sherry A. Quirk, Executive Vice President, General Counsel and Secretary; John M. Thomas, Executive Vice President and Chief Financial Officer; Jeannette M. Mills, Executive Vice President and Chief External Relations Officer; David B. Fountain, Senior Vice

President and Vice General Counsel; and Joe Hoagland, Vice President, Innovation and Research.

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

* * *

20-04-1. Welcome

Director 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. Director Kilbride then turned the meeting over to Chair Ryder.

Chair Ryder expressed the Board's empathy for those affected by the ongoing COVID-19 pandemic, and the Board's gratitude to the medical and public health professionals on the front line of the fight against the disease. Chair Ryder also stated the Board appreciates the extraordinary efforts of TVA employees and the employees of TVA's local power company (LPC) partners to maintain the reliability of the power system and the integrity of TVA's rivers and dams and noted the importance of these efforts in fighting the impact of COVID-19. Chair Ryder took a moment to note the recent elections and congratulate all of those who were recently elected across TVA's service territory. Chair Ryder recognized Senator Lamar Alexander on his retirement from the United States Senate after serving in that chamber for nearly 18 years. Chair Ryder then introduced a video message to the TVA Board from Senator Alexander. After the

video, Chair Ryder recounted Senator Alexander's many years of service and his dedication to TVA and was joined by Director Smith, who also offered praise for Senator Alexander.

Chair Ryder called on Jeannette Mills, Executive Vice President and Chief External Relations Officer, to present an update on expressions of appreciation recently shown by LPC partners. Ms. Mills shared a resolution recently passed by the Board of Commissioners of the Knoxville Utilities Board expressing appreciation for TVA's COVID-19 relief efforts in support of residents and businesses in TVA's service territory. A copy of the resolution is filed with the records of the Board as Exhibit 11/13/20A.

Chair Ryder then called on Director Kilbride, Chair of the Board's External Relations Committee, to summarize public comments received by the Board.

Director Kilbride explained that the Board was not able to hold an in-person listening session due to observance of social distancing guidelines and that, instead, the Board took online submissions from the public. He stated the Board received comments from 23 individuals. Two people commented as customers of TVA, one representing a large industrial customer, and another representing a large group of LPCs. Both emphasized the importance of public power and low-cost, reliable energy. Four members of the Sierra Club provided comments. One urged TVA to end all use of coal and another advocated for TVA approval for a solar project that is in process. A third member expressed concern about the economic effects of the pandemic and consumers falling behind in their power bills or having electricity cut off for non-payment. The fourth Sierra Club member advocated for electric vehicles. One person who submitted comments is a former TVA employee whose position was eliminated in TVA's Information Technology reorganization, and Director Kilbride asked that the appropriate TVA managers address the former employee's concerns. Director Kilbride reported that the balance of the comments dealt with a challenging situation involving life insurance and a former TVA

employee. Director Kilbride then asked CEO Jeff Lyash to respond to one listening session comment regarding TVA's sustainability report and TVA's ability to balance sustainability initiatives and still provide high reliability and low costs.

Chair Ryder thanked everyone who submitted comments and noted that the Board values the public's opinions whether presented in person or in writing. Chair Ryder stated that the Board will ask TVA staff to follow up with people who raised specific questions or concerns. Chair Ryder emphasized that the Board reviews the public's input before it meets and public input helps the Board and TVA make better decisions.

* * *

Old Business

The Board approved the minutes of its August 27, 2020 meeting.

* * *

New Business

20-04-2. President's Report

President and Chief Executive Officer Jeff Lyash recapped Fiscal Year (FY) 2020 highlights. He outlined TVA's goals going into the FY and detailed TVA's accomplishments, including in the areas of safety, flood prevention, storm recovery, transmission reliability, low fuel costs, economic development, financial strength, low rates, agreements with labor unions, and initiatives to fight the impact of COVID-19 in the TVA service territory. Mr. Lyash also discussed the benefits of public power, the long term and flexibility agreements that TVA has entered into with many LPCs, and the projects that are now being advanced under the flexibility

initiative. Mr. Lyash then discussed TVA's efforts to retain Memphis Light Gas & Water (MLGW) as a customer. He also discussed the Board's reaffirmation of TVA's transmission access policy and the principles underlying the policy.

Mr. Lyash then turned his attention to TVA's values and goals going forward and discussed TVA's renewed focus on innovation. Mr. Lyash closed by recognizing those TVA employees who are veterans of the armed forces and noted that TVA has been recognized repeatedly as a top employer for veterans. A video highlighting veterans within TVA's workforce followed Mr. Lyash's presentation.

Copies of the slides used by Mr. Lyash in his report are filed with the records of the Board as Exhibit 11/13/20B.

* * *

20-04-3. Report of the Finance, Rates, and Portfolio Committee

Director Frazier, Chair of the Committee, reported that the Committee met on October 14, 2020, for a budget briefing and again on October 21, 2020, for its regular quarterly meeting. He then requested and received a report from John Thomas, Executive Vice President and Chief Financial Officer, regarding Minute Items 20-04-4. Following Mr. Thomas' report, Director Frazier expressed the Board's pride in TVA's employees for accomplishing such impressive financial results, especially given the challenges of the ongoing pandemic. Director Frazier then requested and received reports from Mr. Thomas regarding Minute Item 20-04-5 and from Joe Hoagland, Vice President, Innovation and Research, regarding Minute Item 20-04-6.

Following the vote on Minute Item 20-04-6, Director Frazier discussed the importance of TVA's strong FY 2020 financial results and the importance of the two items approved based on the Committee's recommendation. Director Frazier then reported that the Committee's Secretary confirmed that the Committee met all of its obligations under its charter and is expected to satisfy those obligations in the coming year as well. Director Frazier closed by reporting that the Committee conducted its annual self assessment in executive session and the results will be taken into account in planning for the coming year.

Copies of the slides used by Mr. Thomas in his financial performance update (Minute Item 20-04-4) and FY 2021 budget presentation (Minute Item 20-04-5) are filed with the records of the Board as Exhibits 11/13/20C and 11/13/20D, respectively. Copies of the slides used by Mr. Hoagland in his electric vehicle presentation (Minute Item 20-04-6) are filed with the records of the Board as Exhibit 11/13/20E.

* * *

20-04-4. Financial Performance Update

John Thomas, Executive Vice President and Chief Financial Officer, presented TVA's financial results for FY 2020. Mr. Thomas reviewed highlights, revenues, expenses, and TVA's summary income statement and summary cash flow statement. Mr. Thomas emphasized that TVA had strong financial performance overall for the fiscal year and that TVA employees deserve the credit for these results.

* * *

20-04-5. FY 2021 Budget Approval

The Board adopted the following resolution as recommended in a memorandum from the Executive Vice President and Chief Financial Officer dated October 13, 2020, and filed with the records of the Board as Exhibit 11/13/20F:

WHEREAS because of the uncertainty regarding the impacts of COVID-19 on TVA's revenues, management recommended that the Board of Directors wait until its November 2020 meeting to approve a budget for fiscal year (FY) 2021; and

WHEREAS on August 5, 2020, in lieu of approving a budget, the Board (1) authorized the Chief Executive Officer (CEO) to make operating and maintenance, capital, and other expenditures in an amount not to exceed \$6.3 billion during FY 2021 (FY 2021 Expenditure Authority) and (2) approved certain related items (collectively, Related Items) and their corresponding expenditures, including extending the FY 2020 Commercial Transactions Contracting Plan to authorize expenditures and commitments that were approved for FY 2021 based on projections in that plan (Extended Contracting Plan Authority); and

WHEREAS a memorandum from the Chief Financial Officer (CFO), dated October 13, 2020 (Memorandum), a copy of which is filed with the records of the Board of Directors as Exhibit 11/13/20F, recommends the approval of (1) the operating and capital budgets for FY 2021 (FY 2021 Budget) and (2) the FY 2021 Commercial Transactions Contracting Plan (FY 2021 Contracting Plan); and

WHEREAS with the Board's approval of the FY 2021 Budget and the FY 2021 Contracting Plan, the FY 2021 Expenditure Authority and the Extended Contracting Plan Authority are no longer necessary;

BE IT RESOLVED, That the Board of Directors hereby approves the FY 2021 Budget attached to the Memorandum as Attachment 1;

RESOLVED further, That the Board of Directors hereby approves the FY 2021 Contracting Plan attached to the Memorandum as Attachment 2;

RESOLVED further, That the Board of Directors hereby rescinds the FY 2021 Expenditure Authority and the Extended Contracting Plan Authority and ratifies all expenditures, commitments, and contracts that TVA made pursuant to those authorities; and

RESOLVED further, That the Board of Directors reaffirms its approval of all of the other Related Items and their corresponding expenditures.

20-04-6. Electric Vehicle Charging Regulation and Pricing

The Board adopted the following resolution as recommended in a memorandum from the Executive Vice President and Chief Financial Officer dated October 13, 2020, and filed with the records of the Board as Exhibit 11/13/20G:

WHEREAS pursuant to Section 10 of the TVA Act, TVA establishes the terms and conditions under which TVA power is sold, regulates the resale rates of the local power companies (LPCs) that distribute TVA power, and provides for rules and regulations that the Board determines to be necessary or appropriate for carrying out the purposes of the Act; and

WHEREAS TVA recognizes an increased interest in electric vehicles (EV) in the Tennessee Valley (Valley) and the benefits that expanded EV usage and EV charging could provide for the TVA electric system and the Valley. TVA can support increased use of EVs in the Valley by adopting clear regulatory policies that (i) allow LPCs to remove potential barriers created by the wholesale power contract's prohibition on the resale of power, (ii) allow LPCs to use revenues for investment in EV charging stations; and (iii) establish rates that encourage EV investment and adoption; and

WHEREAS the current rate schedules were not designed with EV charging impacts in mind and the only current option for charging such vehicles is to pay standard resale rate schedule charges that do not take into account the unique load characteristics of EV charging stations and are thus cost prohibitive and dampen EV adoption; and

WHEREAS TVA finds it necessary to enable LPCs to provide non-discriminatory electric service pricing for direct current fast-charging (DCFC) stations through an optional wholesale rate classification that is fair to both this new rate class and all of TVA's customers and also supports developing greater access to EV charging infrastructure; and

WHEREAS TVA developed certain recommendations that will enable investment by LPCs and the provision of EV charging services by LPCs and entities that are not a public utility, which will enable expansion of EV adoption throughout the Valley, thereby creating enhanced opportunities for competition that will benefit EV users and other electric consumers in the Valley; and

WHEREAS a memorandum from the Executive Vice President and Chief Financial Officer, dated October 13, 2020 (Memorandum), a copy of which is filed with the records of the Board as Exhibit 11/13/20G, recommends that the Board of Directors approve rates, regulatory policy, and contract terms and conditions by adopting the Determination on Electric Vehicle Charging (Determination) described in the Memorandum.

BE IT RESOLVED, That after review of the Memorandum, the Board of Directors find it to be appropriate for carrying out the purposes of the TVA Act to adopt the Determination attached to and described in the Memorandum.

RESOLVED further, That the Board hereby authorizes and directs the Chief Executive Officer (CEO), or that officer's designee, to take all actions necessary or appropriate to implement the Determination, including, but not limited to (i) modifying wholesale rates applicable to the EV wholesale rate classification as described in the Determination, and (ii) further development of regulatory policy and contract terms and conditions as described in the Determination.

RESOLVED further, That the Board hereby authorizes and directs the Vice President, Pricing and Contracts, or that officer's designee, to enter into agreements to implement (i) wholesale rate schedules and such EV charging rate schedules as may be proposed by individual LPCs in a manner consistent with the Revised Rate Review Process, and (ii) the terms and conditions of the Power Contract applicable to EV charging. Board oversight of implementation is provided for in the Determination.

* * *

20-04-7. Report of the People and Performance Committee

Director Allen, Chair of the Committee, reported that the Committee met on October 22, 2020, and November 5, 2020, via video conference and that there are several action items the Committee would like the Board to consider. Before moving to the action items, Director Allen reported that the Committee approved a revised analysis of CEO compensation and commissioned a new benchmarking survey of CEO compensation to be delivered by the Board's independent compensation consultant. Director Allen then asked Chair Ryder to make a few remarks about the CEO compensation analysis.

Chair Ryder provided an update on the actions taken to date by the Board's independent consultant on CEO compensation. Chair Ryder noted that, at the recommendation of the independent consultant, the Board is taking a number of actions to increase consideration of pay practices from an expanded pool of government agencies and non-profits. Chair Ryder stated that the Board is also obtaining a legal opinion based on the findings of the independent consultant, to ensure that the Board is in full compliance with the TVA Act and its specific requirements on compensation. Chair Ryder stated that it would be premature for the Board to make any new decision about CEO compensation before the independent review is complete and

the findings have been reviewed with the Board. In closing his remarks, Chair Ryder emphasized that questions about CEO compensation do not reflect questions about Mr. Lyash's performance and noted that Mr. Lyash is committed to delivering excellent performance for the 10 million people served by TVA.

Director Allen then discussed TVA's FY 2020 performance and noted that TVA had some of its best performance ever this year and specifically addressed reduced debt, net income, stable rates, reliability of the power supply, industry-leading safety performance, successful flood control efforts, and strengthened customer partnerships. Director Allen stated that a portion of every TVA employee's pay is at risk, and this pay is only earned when performance for any year meets goals established at the outset of each year. This program is known as the Winning Performance Team Incentive Plan. Director Allen then noted that the Board has the authority to reduce this at-risk pay if any performance gaps are identified. Director Allen reported that, after assessing TVA's performance and discussing it with Mr. Lyash, the Committee did not find any qualitative factors warranting a reduction in quantitative scores, and as a result Director Allen stated the Committee recommended paying employees the full amount of their at-risk pay, reflecting a corporate multiplier of 1.

Director Allen then reported that for TVA's long-term and sustainable success, there is also a set of incentives that apply to executives and officers using metrics measuring key performance over a three-year horizon to reflect long-term results. This long-term incentive plan is also at-risk compensation. Director Allen reported that TVA has delivered strong results as measured by the long-term incentive metrics, and that the Committee is recommending an incentive payout of 129% under the long-term plan.

At this point Director Allen introduced, recommended approval of, and moved for votes on the FY 2020 multiplier for the performance plans (Minute Item 20-04-8) and the Long-Term Incentive Plan payout for the cycle ending in FY 2020 (Minute Item 20-04-9).

Director Allen then discussed approval of TVA salaries that will exceed Executive Schedule Level IV, which is defined by the federal government, and noted that this item requires the Board's annual approval. Director Allen stated that the Committee recommends that the Board continue to delegate to the CEO the authority to approve the salaries of these employees. At this point, Director Allen introduced, recommended approval of, and moved for a vote on the FY2021 salaries in excess of executive schedule level IV (Minute Item 20-04-10).

Director Allen next addressed performance goals for the at-risk compensation programs for Fiscal Year 2021. Director Allen reported that the Committee reviewed TVA's year-to-date performance against current goals and spent time discussing the proposed goals for next year, especially to ensure that those goals aligned with TVA's new strategic priorities. Director Allen noted that the Committee wants the corporate goals to support the achievement of TVA's long-term strategy and provide the alignment for people to work together for desired performance results. Director Allen stated that the recommended measures and goals will provide the appropriate direction for next year and also support TVA's long-term plan. At this point, Director Allen introduced, recommended approval of, and moved for votes on both the annual incentive measures and goals for fiscal year 2021 (Minute Item 20-04-11), and the Long-Term Incentive Plan for the period of 2021 to 2023 (Minute Item 20-04-12).

Director Allen reported that the Committee considered several other items during the quarter. First, as Chair Ryder previously discussed, the Committee approved a full review of CEO compensation by the Board's independent compensation advisor F.W. Cook. Director Allen also reported that the Committee recommended, and the Board approved by notation, the

commission of a follow-up study by Lazard Freres & Co. LLC (Lazard) of its 2014 strategic assessment of TVA's financial plan. Among other things, Lazard's 2014 study made recommendations regarding a 10-year financial plan for TVA. Director Allen reported that the new study will review whether or not the recommendations of the 2014 report have been implemented, and will provide a strategic assessment of TVA's financial situation moving forward. The review of TVA's progress since the 2014 report will be helpful information as the Committee and the Board consider matters regarding alignment of compensation to strategy and performance in 2021.

Director Allen noted that certain actions recommended by the Committee and approved by the Board during the meeting will be reflected in TVA's 2020 Form 10-K under the section titled Compensation Discussion and Analysis, or CD&A. Director Allen reported that the Committee has reviewed and discussed the CD&A with management, and based on the review and discussions, the Committee recommends to the full Board that the CD&A be included in the Form 10-K.

Director Allen then reported that the Committee's Secretary confirmed that the Committee met all of its obligations under its charter and is expected to satisfy those obligations in the coming year as well. Director Allen closed by reporting that the Committee conducted its annual self assessment in executive session and the results will be taken into account in planning for the coming year.

* * *

20-04-8. Winning Performance Team Incentive Plan and Executive Annual Incentive Plan and Corporate Multiplier Approval for Fiscal Year 2020

The Board adopted the following resolution as recommended in a memorandum from the President and Chief Executive Officer dated October 20, 2020, and filed with the records of the Board as Exhibit 11/13/20H:

WHEREAS in a memorandum dated October 20, 2020, a copy of which is filed with the records of the Board as Exhibit 11/13/20H (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 2020 as set out in that Memorandum and its attachment; and

WHEREAS on August 22, 2019, the TVA Board approved the WPTIP and EAIP Corporate Multiplier measures and goals for FY 2020; and

WHEREAS the People and Performance Committee has reviewed the proposed WPTIP and EAIP Corporate Multiplier for FY 2020, 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 2020.

* * *

20-04-9. Long-Term Incentive Plan Payout Approval for Cycle Ending in Fiscal Year 2020

The Board adopted the following resolution as recommended in a memorandum from the President and Chief Executive Officer dated October 20, 2020, and filed with the records of the Board as Exhibit 11/13/20I:

WHEREAS in a memorandum dated October 20, 2020, a copy of which is filed with the records of the Board as Exhibit 11/13/20I (Memorandum), the Chief Executive Officer (CEO) recommended approval of the Long-Term Incentive Plan (LTIP) payout percentage for the cycle ending in FY 2020; and

WHEREAS on August 23, 2017, the TVA Board approved the LTIP measures and goals for the cycle ending in FY 2020, and on August 22, 2018, the TVA Board approved the replacement of the Wholesale Rate Excluding Fuel measure and related goals with the Non-Fuel Delivered Cost of Power measure and related goals; and

WHEREAS the People and Performance Committee has reviewed the LTIP payout percentage for the cycle ending in FY 2020 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 2020, the Board approves the LTIP payout percentage as set out in the Memorandum and its attachment.

* * *

20-04-10. Fiscal Year 2021 Salaries in Excess of Executive Schedule Level IV

The Board adopted the following resolution as recommended in a memorandum from the Senior Vice President and Chief Human Resources and Communications Officer dated October 7, 2020, and filed with the records of the Board as Exhibit 11/13/20J:

WHEREAS the People and Performance 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 2020; 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 2021;

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 2021 other than the Chief Executive Officer and the Deputy Inspector General Performing the Duties of the Inspector General.

* * *

20-04-11. Winning Performance Team Incentive Plan and Executive Annual Incentive Plan Corporate Multiplier Performance Measures and Goals for Fiscal Year 2021

The Board adopted the following resolution as recommended in a memorandum from the President and Chief Executive Officer dated October 20, 2020, and filed with the records of the Board as Exhibit 11/13/20K:

WHEREAS in a memorandum dated October 20, 2020, a copy of which is filed with the records of the Board as Exhibit 11/13/20K (Memorandum), the Chief Executive Officer (CEO) recommended approval of measures and goals to assess performance for purposes of the Corporate Multiplier under the Winning Performance Team Incentive Plan (WPTIP) and Executive Annual Incentive Plan (EAIP) for FY 2021; and

WHEREAS the People and Performance Committee has reviewed the Corporate Multiplier performance measures and goals for FY 2021, as described above, and recommends their approval;

BE IT RESOLVED, That the Board approves the WPTIP and EAIP Corporate Multiplier performance measures and goals for FY 2021 as set out in the Memorandum and its attachments;

RESOLVED further, That the Board hereby authorizes and directs the CEO to set and approve the Enterprise performance measures and goals for FY 2021 to be used with the Corporate Multiplier in determining incentive awards under the WPTIP and EAIP.

* * *

20-04-12. Long-Term Incentive Plan Measures and Goals

The Board adopted the following resolution as recommended in a memorandum from the President and Chief Executive Officer dated October 20, 2020, and filed with the records of the Board as Exhibit 11/13/20L:

WHEREAS in a memorandum dated October 20, 2020, a copy of which is filed with the records of the Board as Exhibit 11/13/20L (Memorandum), the Chief Executive Officer (CEO) recommended approval of the following Long-Term Incentive Plan (LTIP) performance measures for the FY 2021 – FY 2023 performance cycle: Non-Fuel Delivered Cost of Power, Load Not Served, INPO Index, Stakeholder Survey and Customer Survey; and

WHEREAS the People and Performance Committee has reviewed the proposed LTIP measures, as described above, and related goals, and recommends their approval;

BE IT RESOLVED, That, with regard to LTIP measures and goals for the performance cycle for FY 2021 - FY 2023, the Board approves the Non-Fuel Delivered Cost of Power, Load Not Served, INPO Index, Stakeholder Survey and Customer Survey metrics and goals (including accompanying definition sheets) as set forth in the Memorandum and Attachment A thereto.

* * *

20-04-13. Report of the Audit, Risk, and Regulation Committee

Chair Ryder, who also serves as Chair of the Audit, Risk, and Regulation Committee, reported that the Committee met on October 21, 2020, for its regular quarterly meeting, and again on November 10, 2020 to review TVA's annual 10-K report to the SEC. He then requested and received a report from Jeannette Mills, Executive Vice President and Chief External Relations Officer, regarding Minute Item 20-04-14.

Following Ms. Mills' report, Chair Ryder reported that, in connection with TVA's upcoming annual filing with the SEC, TVA is required to state whether or not there is a financial expert on the Committee. Chair Ryder reported that the Committee determined that Director Kilbride will serve as the Audit Committee financial expert and that the designation will be stated in TVA's 10-K report.

Chair Ryder reported that at the Committee's regular quarterly meeting on October 21, the Committee received reports from management on significant legal matters, regulatory assurance matters, and TVA's cybersecurity strategy. The Committee also conducted an annual review of the Board-approved Conflict of Interest Policy, which applies to the Board, the CEO, and TVA employees.

Chair Ryder reported that, during its November 10 meeting, staff briefed the Committee on TVA's 2020 annual 10-K report, and TVA's external auditors Ernst & Young (EY) provided an independent assessment of TVA's financial reporting process. After review, the Committee

recommended the inclusion of financial statements in TVA's 10-K report, and Chair Ryder stated that the 10-K report will be filed on November 16, 2020.

Chair Ryder stated the Committee also met in executive session with the Deputy Inspector General and her staff, as well as TVA's external auditor, and that the Committee appreciates the independent views of both groups and their support of the Committee's oversight responsibilities.

Chair Ryder reported that the Committee's Secretary concluded that the Committee satisfied its obligations under its charter and is expected to do so in the coming year. Chair Ryder also reported that the Committee conducted its annual self-assessment during an executive session. Chair Ryder reported that several written documents were provided to the Committee, including updates on enterprise risk and assurance, corporate insurance, regulatory assurance, Board and CEO expenditures, and the meeting minutes of TVA's Disclosure Control Committee.

Copies of the slides used by Ms. Mills in her report on extension of the pandemic relief delegation (Minute Item 20-4-14) are filed with the records of the Board as Exhibit 11/13/20M.

20-04-14. Extension of Pandemic Relief Delegation

The Board adopted the following resolution as recommended in a memorandum from the Executive Vice President and Chief External Relations Officer dated October 14, 2020, and filed with the records of the Board as Exhibit 11/13/20N:

WHEREAS, the World Health Organization has declared the 2019 novel coronavirus, which it named COVID-19, to be a pandemic and global public health emergency (the "Pandemic"); and

WHEREAS, subject to the parameters and authorizations set forth in a memorandum dated March 25, 2020, the TVA Board of Directors (Board) delegated authority to the Chief Executive Officer (CEO) to implement certain regulatory changes to enable LPCs to take swift local revenue-related rate actions to ensure their financial integrity during the Pandemic; and

WHEREAS, the delegated authority will terminate on December 31, 2020, unless further extended by the Board; and

WHEREAS, a memorandum from the Executive Vice President and Chief External Relations Officer, dated October 14, 2020 (Memorandum), a copy of which is filed with the records of the Board as Exhibit 11/13/20N, recommends that the Board approve extending the delegation through June 30, 2021 in order to continue to provide flexibility in reviewing LPC rate actions.

BE IT RESOLVED, that the Board approves extending delegation of authority to the CEO through June 2021, subject to all other parameters and authorizations set forth in the previously approved memorandum dated March 25, 2020.

* * *

20-04-15. Report of the Nuclear Oversight Committee

Director Smith, Chair of the Committee, reported that the Committee met on October 8, 2020, by videoconference. Director Smith reported that the Committee discussed the overall performance of the nuclear fleet with a focus on the Sequoyah Plant, and reviewed outages and the progress of business plan initiatives. Director Smith expressed appreciation for TVA's employees and contractors who continue to work in challenging circumstances to keep TVA's nuclear plants operating safely and noted that, since the pandemic began, TVA has safely completed several refueling outages and addressed other operational issues in order to keep the lights on.

Director Smith reported that the Committee received its annual update from the chair of TVA's Nuclear Safety Review Board, or NSRB, a group of experienced, independent nuclear professionals that periodically reviews the performances of TVA's nuclear fleet. Director Smith noted that the update was informative and thorough and expressed the Committee's appreciation of the efforts of the NSRB to help TVA Nuclear make sustainable improvements in performance.

Director Smith reported that the Committee continued its review of the nuclear business plan initiatives, covering in this quarter the “People” initiative and the effort to develop managers and supervisors and the focus on improving TVA Nuclear’s culture of inclusion.

Director Smith reported that the Committee’s Secretary concluded that the Committee had satisfied its obligations under its charter and is expected to do so in the coming year and that the Committee conducted an annual self-assessment in executive session.

* * *

20-04-16. Report of the External Relations Committee

Director Kilbride, Chair of the Committee, reported that the Committee met on October 22, 2020, by videoconference and received updates from management on the status of TVA’s external COVID-19 response efforts, the long-term partnership with LPCs, and the flexibility proposal. Director Kilbride reported that the comprehensive response efforts of TVA and LPCs have provided more than \$15 million in support to ratepayers and local communities. The Board’s actions in August in approving the Pandemic Relief Credit and the additional funds that have been added to the Community Care Fund will allow TVA’s customers to continue to provide much needed support throughout TVA’s service territory.

Director Kilbride praised the level of commitment demonstrated by the leadership and staff of the LPCs in dealing with COVID-19 and requested TVA leadership to develop some type of formal acknowledgment of those efforts at, or before, TVA’s next Board meeting in February. Director Kilbride then reported that 142 LPCs have signed the long-term partnership, which represents 93% of all LPCs, and that TVA management and staff continue to strengthen the engagement with LPCs to find opportunities to work together to meet the needs of the people that TVA and the local power partners serve. Director Kilbride further noted that 63 partners

have signed flexibility agreements that will enable the growth of local renewable generation projects, and several projects are in some stage of development.

Director Kilbride reported that management provided the Committee with an update on TVA's coal combustion residual management activities, including TVA's regulatory compliance efforts, long-term plans at each site, and efforts to improve engagement in local communities, including virtual open houses that have permitted outreach efforts to continue during the pandemic.

Director Kilbride reported that the Committee received a briefing on TVA's communications strategy and noted that TVA has become an industry leader in social media, with a significant emphasis on personal stories of TVA's employees and the great work that they do every day and night. Director Kilbride then reported that the Committee received written updates on the electric vehicle charging item approved earlier in the meeting, and the activity of TVA's Federal Advisory Committees, the Regional Energy Resources Council and the Regional Resources Stewardship Council. Finally, Director Kilbride reported that the Committee reviewed its activities in 2020 and planning calendar for 2021, its compliance with the obligations under its charter, and conducted an annual self-assessment in executive session.

* * *

Following the report of the External Relations Committee, Chair Ryder discussed three items that the Board has approved by notation since the last board meeting on August 27, 2020. Chair Ryder noted that all three actions were taken validly by notation due to challenges created by the current pandemic. Chair Ryder described each item.

Chair Ryder elaborated further on the third item noting that TVA recently received letters from three LPCs requesting that TVA agree to provide transmission service for the delivery of power from a new supplier if the LPC decided to provide notice and terminate its wholesale power contract with TVA. He also noted that a number of other LPCs have expressed their opposition to use of the TVA transmission system to deliver alternative power supplies to LPCs wishing to terminate their contracts with TVA. Chair Ryder explained that, because of the significance of this issue to all of the LPCs served by TVA and in keeping with its obligations to the ratepayers, the Board wishes to make its position on the issue clear. Having carefully considered the issues raised by recent requests for transmission service to LPC load, Chair Ryder stated that the Board reaffirmed TVA's long-standing policy regarding access to TVA's transmission system. Chair Ryder noted that to do otherwise would threaten to shift fixed costs from departing LPCs to remaining LPCs, over 140 of which have signed long-term contracts and would result in increased rates for remaining customers and would conflict with the TVA Act's statutory mandate to keep rates as low as feasible.

Chair Ryder conducted a voice vote regarding the ratification of the Board's prior notational approval of the items set forth in Minute Items 20-04-11, 20-04-12, and 20-04-13. All of the aforementioned items were ratified unanimously.

* * *

Information Items

20-04-17. Executive Order 13950

As recommended in an application for Notational Board Approval, a copy of which is filed with the records of the Board as Exhibit 11/13/200, on October 22, 2020, the individual

Board members approved taking the following actions necessary to meet the requirements of Executive Order 13950 on Combating Race and Sex Stereotyping (“EO 13950”): (i) order incorporation of the requirements of EO 13950 into TVA’s operations, to the extent such requirements apply to TVA, and directs as a matter of policy that all TVA diversity and inclusion training be fully compliant with EO 13950 with the exception of Section 7(a) of EO 13950; (ii) request that the TVA Inspector General, or the individual performing the duties of the TVA Inspector General, review and assess, by December 31, 2020, TVA’s compliance with the requirements of EO 13950 in the form of a report to OMB; and (iii) appoint the Chair of the People and Performance Committee (or any successor Committee), which is currently Director Kenneth E. Allen, as the TVA Board member responsible for ensuring TVA compliance with EO 13950.

* * *

20-04-18. Strategic Assessment Review

As recommended in an application for Notational Board Approval, a copy of which is filed with the records of the Board as Exhibit 11/13/20P, on November 8, 2020, the individual Board members approved entering into a contract with Lazard Freres & Co. LLC (Lazard) to (1) evaluate TVA’s performance to date, starting from Lazard’s strategic review of TVA in 2014, and (2) reassess Lazard’s 2014 recommendations that the public power model and TVA’s existing business structure is the preferred approach to support its overall mission as defined in the TVA Act.

* * *

20-04-19. Policy on Requests to Use the TVA Transmission System

As recommended in an application for Notational Board Approval, a copy of which is filed with the records of the Board as Exhibit 11/13/20Q, on November 7, 2020, the individual Board members approved a resolution reaffirming TVA's long-standing policy on the use of the TVA transmission system to serve local power company loads, which policy treats an entity requesting transmission to serve load within TVA's service territory, or within "the fence" as it is sometimes called, as ineligible for transmission service.

* * *

The meeting was adjourned at 12:42 p.m. (EST).