

No. 23-04

Approved by the Board of Directors
at its February 14, 2024 meeting:



Executive Vice President, General
Counsel and Corporate Secretary

MINUTES OF MEETING
OF
THE BOARD OF DIRECTORS
TENNESSEE VALLEY AUTHORITY

November 9, 2023

A meeting of the Board of Directors of the Tennessee Valley Authority was held at the Cadence Bank Center, 375 E. Main Street, Tupelo, Mississippi, on November 9, 2023. The meeting was called to order at 9:00 a.m. (CT). The meeting agenda was announced to the public on November 2, 2023. The meeting was open to public observation.

Board members in attendance were Director and Chair Joe Ritch and Directors Beth Harwell, Brian Noland, Beth Geer, Robert (Bobby) Klein, Michelle Moore, William (Bill) Renick, William (Bill) Kilbride, and Wade White.

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; Tim Rausch, Executive Vice

President and Chief Nuclear Officer; Jeannette Mills, Executive Vice President and Chief External Relations Officer; Sue Collins, Executive Vice President and Chief Human Resource and Administrative Officer; and Michael McCall, Vice President, Chief of Staff. David Fountain served as the Board's parliamentarian.

Chair Ritch 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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23-04-1 Welcome

Chair Ritch thanked the Tupelo High School's Junior Reserve Officer Training Corps (ROTC) for presenting the United States and Mississippi state flags. Chair Ritch introduced Tupelo Mayor Todd Jordan, who welcomed the TVA Board to Tupelo. Chair Ritch expressed his appreciation for the hospitality the Board has received from the City of Tupelo and from former TVA Chairman Glenn McCullough. Chair Ritch thanked representatives from the office of Senator Hyde-Smith, office of Senator Wicker, office of Congressman Kelly, and office of Congressman Guest, for being in attendance as special guests.

Chair Ritch next called on Michael McCall, Vice President, Chief of Staff, to summarize the comments received during the Board's public listening session. Mr. McCall summarized that TVA heard from 28 individuals in person with many more submitting comments online.

Mr. McCall reported that comments discussed a wide range of stakeholder interests. Mr. McCall reported that a prominent theme was the Tennessee Valley public power model and

ongoing opportunities with the 153 local power companies (LPCs) that distribute TVA power. Mr. McCall reported there was discussion of the value of TVA partnerships with the LPCs, the desires of the LPCs to help TVA solve energy challenges, a desire for improved communications and collaboration between TVA and LPCs, and the need for TVA to preserve affordability, reliability, and a robust and diverse generation fleet. Mr. McCall reported another theme in the comments was TVA's use of renewable energy, including comments on the value of solar energy and the amount of land that solar installations use. Mr. McCall reported multiple people discussed TVA's usage of fossil fuel generation and future intentions of gas buildouts. Mr. McCall reported local officials recognized the value of the Red Hills mine and coal plant to the people in surrounding Mississippi communities. Mr. McCall reported several speakers spoke about TVA's use of nuclear energy and encouraged TVA's pursuit of small modular reactor technology. Mr. McCall reported that farmers discussed the impact of TVA on agriculture and the ways TVA works with and communicates with farmers concerning flood control. Mr. McCall reported multiple community organization leaders recognized the commitment and support of TVA in donating, volunteering, or sponsoring various community initiatives across north and east Mississippi, including the Cal Ripken, Sr. Foundation on Science, Technology, Engineering, and Math (STEM) education.

Chair Ritch expressed his appreciation to Mr. McCall and to the members of the public who spoke and provided comments to the Board.

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Old Business

After a motion duly made and seconded, the Board approved the minutes of its August 24,

2023, meeting.

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New Business

23-04-2 President's Report

Chair Ritch called on TVA President and Chief Executive Officer (CEO), Jeff Lyash, to provide the President's Report. Mr. Lyash discussed that Fiscal Year (FY) 2023 was both a remarkable and challenging year with TVA employees being tested and, through dedication and resiliency, delivering outstanding results to communities and customers across the region. Mr. Lyash discussed that for 90 years TVA's mission has been to serve others and build a stronger future, and that mission continues today uninterrupted. Mr. Lyash reported that on May 18th, TVA's 90th anniversary, TVA celebrated with the largest day of service in TVA's history with more than 2,000 employees volunteering across all counties in TVA's service territory. Mr. Lyash discussed how TVA has developed innovative solutions to complex challenges. Mr. Lyash discussed how TVA is monitoring the drought conditions that are affecting about half of the TVA region with the primary goal to have water for drinking, navigation, and aquatic health. Mr. Lyash thanked the TVA employees who manage the river system.

Mr. Lyash reported that safety is a core value at TVA and congratulated the TVA workforce for finishing top decile in safety metrics for FY 2023. Mr. Lyash noted that TVA's overall safety performance was overshadowed by the tragic loss of teammate Matt McPherson at the Lagoon Creek facility in September. Mr. Lyash stated that TVA mourns his loss along with his family and friends, and is committed to learning and taking actions necessary to prevent a similar accident from happening again.

Mr. Lyash reported that TVA originally served rural farms and communities, but now serves one of the fastest growing regions in the country. Mr. Lyash reported both American and global companies are building or expanding in the region. Mr. Lyash reported the region saw \$9.2 billion in new capital investment and more than 58,000 jobs created or retained in FY 2023. Mr. Lyash reported that TVA has some of the lowest industrial rates in the country and that these rates are helping to fuel the current wave of economic development success. Mr. Lyash reported TVA is developing additional program options and resiliency solutions to assist in enabling and accelerating economic growth, while maintaining a commitment to system reliability. Mr. Lyash reported that after a decade of flat growth and emerging from a pandemic, TVA has experienced unprecedented expansion in the region, with growth at approximately three times the national average and the expectation that load growth will continue at a rate of about 1,000 megawatts a year for the next three years. Mr. Lyash explained that 1,000 megawatts is enough to power 500,000 homes and, to meet this growth, TVA is aggressively investing in generation assets and is working with industry and LPCs on demand response efforts and expanding energy efficiency programs.

Mr. Lyash reported that TVA is engaged in a successful generation construction program with TVA completing ahead of schedule and under budget 750 megawatts of flexible combustion turbines at the Colbert facility in North Alabama. Mr. Lyash reported another 750 megawatts of combustion turbines at Paradise, Kentucky will be available for this winter season. Mr. Lyash reported that in FY 2023, TVA secured another 320 megawatts of new solar capacity, with a total of 3,200 megawatts of solar under contract and 1,000 megawatts in operation now. Mr. Lyash reported that the response to TVA's request for proposal seeking bids for up to 5,000 megawatts of clean energy was strong and TVA has spent the year reviewing bids and hopes to execute

contracts for the first of these projects in the near future.

Mr. Lyash reported that TVA has invested more than \$19 billion in capacity expansion to improve the reliability of the system and plans to continue the investments necessary to create an energy system that is affordable, reliable, resilient, and clean. Mr. Lyash reported that TVA's FY 2024 business plan anticipates \$15 billion in additional capital expenditures over the next three years.

Mr. Lyash reported that last December, TVA faced a once-in-a-generation storm that impacted TVA's generating facilities and surrounding neighboring markets. Mr. Lyash reported that both the Federal Energy Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC) issued reports on the storm that noted twelve electric system utilities, covering states along the entire Eastern seaboard back to the Midwest, either entered advanced energy emergency alerts or shed firm load to protect the bulk energy system. Mr. Lyash reported that all of the affected organizations experienced significant unplanned generating needs and that TVA learned from Winter Storm Elliott and identified actions for improving and hardening the TVA system. As a part of this effort, Mr. Lyash reported that TVA has completed actions to correct component design limitations with long-term engineered solutions such as built-in freeze protection enclosures, insulation, and upgraded heat tracing. Mr. Lyash reported TVA plans to invest another \$35 million in similar enhancements in FY 2024. Mr. Lyash reported that TVA met demand milestones over the summer when temperatures hit record highs.

Mr. Lyash reported that through all of the peaks in demand, TVA's nuclear fleet served as the bedrock of TVA's generation mix with all seven units online. Mr. Lyash reported that several years ago TVA set a goal to become the top performing nuclear fleet in the nation by 2025 and he is pleased to report that, for the first time in TVA's history, all seven nuclear units were

recognized for exemplary performance by the industry. Mr. Lyash stated it was an incredible accomplishment and TVA's nuclear employees deserve the credit.

Mr. Lyash reported that in August, TVA raised its rates for the first time in four years by 4.5%. Mr. Lyash explained the increase was a result of increasing costs and interest rates, the need to expand the system, and the need to invest in building generating stations. Mr. Lyash reported that TVA continues to maintain some of the lowest rates in the country, with rates lower than 75% of utilities. Mr. Lyash discussed the need for TVA to continue to help those customers who have the least amount of resources. Mr. Lyash reported that TVA announced a \$1.5 billion investment through 2027 to help homeowners and businesses save money on their power bills through energy efficiency incentives and demand response programs. Mr. Lyash reported the initiative's goal is to offset 30% of new load growth over the next ten years.

Mr. Lyash discussed TVA's 2024 Integrated Resource Plan that includes engagement and input from a wide, diverse group of partners, including customers, regional officials, community organizations, research facilities, government agencies, and environmental organizations. Mr. Lyash discussed Valley Vision 2035, which is a joint effort with LPCs, federal customers, consumer associations, and TVA to develop a collective vision to evolve the region's public power model to continue to provide value to customers in the future energy marketplace. Mr. Lyash reported TVA is collaborating with LPCs and industries on creative ways to support economic growth by developing additional energy efficiency and demand response programs. Mr. Lyash discussed the Valley Pathway Study, where TVA is working closely with the Baker Center for Public Policy and the University of Tennessee, as well as stakeholders around the region. Mr. Lyash explained the Valley Pathway Study will look at all sectors of the economy, not just utilities, and analyze ways the region can achieve a net-zero carbon economy.

Mr. Lyash discussed his pride in how TVA employees are delivering results for the region. Mr. Lyash explained that TVA is in a great time of change, and employees are at the forefront to deliver the energy needed to power the region's economy, along with employees of the LPCs and direct-serve customers and local officials. Mr. Lyash introduced a video that features accomplishments of TVA employees in FY 2023.

In response to a question from Director Moore, Mr. Lyash discuss the historical significance of the nuclear fleet's exemplary performance rating and provided background on the Institute of Nuclear Power Operations (INPO), which is the independent organization that evaluated TVA's fleet and assigned the rating. Copies of the slides used by Mr. Lyash in his report are filed with the records of the Board as Exhibit 11/09/23A.

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23-04-3 Recognition of Barbara Haskew

Chair Ritch called on Director Klein to recognize former TVA Director Barbara Haskew, who recently passed away. Director Klein discussed that Director Haskew is the only part-time Board Member who was a former TVA staff member. Director Klein discussed how Director Haskew was the first female to earn an economics Ph.D. from the University of Tennessee, the first female dean of Middle Tennessee State University, and the first female manager for TVA. Director Klein discussed that Director Haskew was a champion of gender equality and believed a diverse society was much stronger in treating everyone equally and, from drawing on the strengths of all people, would accomplish more than they would separately.

After a motion duly made and seconded, the Board adopted the following resolution, as recommended by Director Klein.

WHEREAS, Dr. Barbara Haskew served as a member of the TVA Board of Directors from 2010 to 2014 and, prior to that, she served as a TVA employee from 1980 to 1988, during which time she made significant contributions to the development of new and innovative rate designs;

WHEREAS, Dr. Haskew worked determinedly to support gender equality at TVA and beyond, including her successful efforts moving her colleagues on the TVA Board in November 2014 to adopt a gender neutral terminology policy for TVA's Bylaws and other TVA Board governance documents;

WHEREAS, in part due to Dr. Haskew's efforts, the TVA Board expressly recognized in 2014 that supporting diversity is an important role of the TVA Board and using inclusive language is imperative to encourage diversity;

WHEREAS, in addition to her work at TVA and service as a member of the TVA Board, Dr. Haskew had a long and successful career as a professor, first at the University of Memphis and then a 40-year career at Middle Tennessee State University, through which she mentored countless students and sought to provide learning opportunities so that Tennesseans had an opportunity to gain the skills they needed to succeed in the workforce;

WHEREAS, in addition to her service at TVA and public universities, Dr. Haskew served on many national and local boards of directors, unselfishly giving her time and talents for public service;

BE IT RESOLVED, That the Board of Directors recognizes and honors the life of Dr. Barbara S. Haskew and the many contributions she made to TVA and the people who live in TVA's service territory.

*** * *23-04-4 Report of the Audit, Finance, Risk, and Cybersecurity Committee**

Chair Ritch called on Director Bill Renick, who serves on the Audit, Finance, Risk, and Cybersecurity Committee, to provide the Committee's report. Director Renick reported the Committee met for its quarterly meeting on October 18, 2023, and on November 8, 2023 to review TVA's annual Form 10-K.

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23-04-5 Financial Update

Director Renick called on John Thomas, Executive Vice President and Chief Financial and Strategy Officer, to provide an FY 2023 financial summary. Mr. Thomas reviewed revenues, expenses, and TVA's summary income statement and summary cash flow statement. Mr. Thomas

addressed items influencing financial performance, including mild weather and lower industrial power sales. Mr. Thomas discussed fuel cost, operating and maintenance (O&M) expenses, and interest expenses.

Mr. Thomas discussed the competitiveness of TVA retail and industrial rates and the contribution they make to economic development in the region. Mr. Thomas discussed progress on fully funding TVA's pension plan. Mr. Thomas discussed how the combination of capital spending, O&M, inflation pressure, and borrowing money at current interest rates will create rate pressures for some time. Mr. Thomas reported that TVA is in the best financial health in decades and is in a good position to deal with challenges when planning for new growth and investing in new assets. Copies of the slides used by Mr. Thomas in his financial update are filed with the records of the Board as Exhibit 11/09/23B.

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Director Renick reported the Committee has two action items regarding the Securities and Exchange Commission's new rules applicable to insider trading and recovery of compensation policies.

23-04-6 Insider Trading 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 General Counsel dated October 12, 2023, and filed with the Board as Exhibit 11/09/23C.

WHEREAS a memorandum from the Executive Vice President and General Counsel dated October 12, 2023 (Memorandum), a copy of which is filed with the records of the Board of Directors as Exhibit 11/09/23C, recommends approval of the attached Insider Trading Policy;

WHEREAS in December 2022, the Securities and Exchange Commission (SEC) published final regulations that require companies that file reports with the SEC to disclose in their annual reports

on Form 10-K whether they have adopted an insider trading policy and, if they have not, to explain why not;

WHEREAS this requirement will be applicable to TVA beginning with TVA's FY 2023 annual report on Form 10-K; and

WHEREAS adopting an insider trading policy would supplement ethical requirements for TVA directors, officers, employees, and contractors and would enhance the already strong ethical culture at TVA;

BE IT RESOLVED, That the Board hereby approves the attached Insider Trading Policy.

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23-04-7 Policy for the Recovery of Erroneously Awarded Compensation

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 12, 2023, and filed with the Board as Exhibit 11/09/23D.

WHEREAS a memorandum from the Executive Vice President and General Counsel dated October 12, 2023 (Memorandum), a copy of which is filed with the records of the Board of Directors as Exhibit 11/09/23D, recommends approval of the attached Policy for the Recovery of Erroneously Awarded Compensation;

WHEREAS in October 2022, the Securities and Exchange Commission (SEC) adopted a new rule that directs national securities exchanges, including the New York Stock Exchange (NYSE), to establish listing standards that require listed companies to develop and implement a policy providing for the recovery, in the event of a required accounting restatement, of incentive-based compensation received by current or former executive officers to the extent that the compensation is based on the erroneously reported financial information (Recovery Policy);

WHEREAS the NYSE issued proposed listing standards to implement the SEC's new rule, and the SEC approved the listing standards in June 2023;

WHEREAS the listing standards require listed companies to have a compliant Recovery Policy in place by December 1, 2023;

WHEREAS TVA has bonds listed on the NYSE and is subject to these listing standards; and

WHEREAS the attached Recovery Policy complies with the requirements of the listing standards;

BE IT RESOLVED, That the Board hereby approves the attached Recovery Policy;

RESOLVED further, That the Vice President, Total Rewards, Digital Solutions & Data, or that officer's designee, is authorized and directed to provide notice and seek acknowledgement of the Recovery Policy from all covered Executive Officers and to take all actions that are necessary and appropriate to promptly recover any erroneously awarded compensation in accordance with the provisions of the Recovery Policy.

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Director Renick reported the Committee received management updates on TVA's enterprise risk and assurance activities, including a summary of risks affecting TVA's workforce strategies and the steps TVA is taking to mitigate those risks. Director Renick reported the Committee was pleased to learn TVA has determined its long-term workforce needs and is developing data-driven strategies in concert with labor partners, local schools, and others so TVA can continue to fulfill its mission.

Director Renick reported the Committee received updates on TVA's cybersecurity programs, risk, and mitigation measures, along with an update on pending legal matters. Director Renick reported the Committee completed its annual review of the Board's Conflict of Interest Policy and Things of Value Protocol. Director Renick reported the Committee also performed its annual self-assessment. Director Renick reported the Committee was briefed by staff at its November 8th meeting on TVA's annual Form 10-K filing and Ernst & Young provided an independent assessment of TVA's financial reporting process.

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23-04-8 Report of the Operations and Nuclear Oversight Committee

Chair Ritch called on Director Bobby Klein, Chair of the Operations and Nuclear

Oversight Committee, to provide the Committee's report. Director Klein reported the Committee held its quarterly meeting on October 11, 2023. Director Klein reported that the day before the meeting, the Committee toured the Shawnee Fossil Plant in Paducah, Kentucky and was impressed by the dedication of the Shawnee employees. Director Klein expressed the Committee's sincere sympathies to the family of Matt McPherson, who passed away after suffering injuries while preparing for maintenance activities at the Lagoon Creek combustion turbine facility. Director Klein reported he is encouraged to hear management is focused on identifying and addressing the causes of the accident and that management and TVA's union partners are working to provide support to the worker's family, his co-workers, and the broader workforce that suffers from the loss. Director Klein reported the Committee reviewed safety performance at the quarterly meeting and, while safety performance is overall strong, the death stresses the need to maintain a sharp focus on safety.

Director Klein reported the Committee reviewed operational performance for FY 2023, which was strong and resulted in high reliability to TVA's customers. Director Klein reported the Committee received a management update on TVA's role as an industry leader in the safe and secure management of coal ash and discussed the status of several major projects, including projects for providing capacity and the implementation of environmental controls at Shawnee Fossil Plant. Director Klein reported the Committee received information on management's effort to preserve the option of deploying natural gas generation to meet demand and the current status of TVA's potential deployment of new nuclear generation.

Director Klein reported the Committee received an update on nuclear fleet performance and, for the first time in TVA's history, all seven nuclear units have simultaneously received an exemplary performance rating by INPO. Director Klein spoke for the Committee in commending

the nuclear fleet's employees for this achievement and improvement over the past five years. Director Klein reported the Committee discussed the role of the Nuclear Quality Assurance department, including the focus areas identified and actions management is implementing to improve plant reliability. Director Klein reported the Committee discussed the upcoming outages at Watts Bar Unit 2, Browns Ferry Unit 3, and Sequoyah Unit 1. Director Klein reported the Committee received a management update on the People Advantage portion of the Nuclear Business Plan with a highlight on management's focus on shaping an inclusive workforce environment. Director Klein then called on Jeff Lyash, President and Chief Executive Officer, to discuss what is involved in a scheduled nuclear outage.

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23-04-9 Report of the People and Governance Committee

Chair Ritch called on Director Brian Noland, Chair of the People and Governance Committee, to provide the Committee's report. Director Noland reported the Committee met on October 19th, October 30th, and again on November 1, 2023, and that the Committee has four action items for consideration by the Board.

23-04-10 Winning Performance Team Incentive Plan Corporate Multiplier

Director Noland reported the Committee considered TVA's performance over the last fiscal year in relation to the goals established under the Winning Performance Team Incentive Plan and the Executive Annual Incentive Plan. Director Noland reported the Committee assessed TVA's performance over the past fiscal year, including identification of any factors that would warrant the reduction of the annual performance incentive payouts. With regard to the Winning Performance plan, Director Noland reported that all five of the measures on the corporate scorecard exceeded targets with three of the five exceeding stretch goals. Director Noland

reported that, for the corporate multiplier measures, TVA met or exceeded targets for three out of six corporate multiplier measures. Director Noland reported that the Committee recognized there are extenuating circumstances to TVA's performance last year, most importantly the loss of a team member, Matt McPherson. Director Noland reported that TVA strives to have a best-in-class safety performance and a loss of life is unacceptable. Director Noland reported that, as a result of this loss, the Committee is recommending a corporate multiplier of 0.95 applicable to the calculated payout for Winning Performance.

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 19, 2023, and filed with the Board as Exhibit 11/09/23E.

WHEREAS in a memorandum dated October 19, 2023, a copy of which is filed with the records of the Board as Exhibit 11/09/23E (Memorandum), the Chief Executive Officer (CEO) recommended approval of TVA's Winning Performance Team Incentive Plan (WPTIP) Corporate Multiplier for FY 2023 as set out in that Memorandum and its attachment; and

WHEREAS on May 11, 2022, the TVA Board approved the WPTIP Corporate Multiplier measures and goals for FY 2023; and

WHEREAS the People and Governance Committee has reviewed the proposed WPTIP Corporate Multiplier for FY 2023, as described above, and recommends its approval;

BE IT RESOLVED, That the Board approves the WPTIP Corporate Multiplier as set out in the Memorandum and its attachment effective for FY 2023.

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23-04-11 Executive Annual Incentive Plan

Director Noland turned his attention to the Committee's assessment of performance under the Executive Annual Incentive Plan (EAIP). Director Noland explained that the EAIP shares the same corporate multiplier scorecard performance with Winning Performance, but is applicable only to approximately 70 members of TVA's management team in positions of Vice President and

above, while the Winning Performance applies to nearly 10,000 employees in positions below Vice President. Director Noland reported that, in the Committee's assessment of the corporate multiplier for EAIP, the Committee considered the safety incident at Lagoon Creek and TVA's performance during Winter Storm Elliott and resulting reputational impacts. Director Noland reported that, based on these factors along with management's higher level of accountability for performance, the Committee recommends a corporate multiplier of 0.85 for the applicable EAIP payouts.

Director Klein, in explaining how he intended to vote on the EAIP item, stated that he fully supports the front-line leaders and the broader leadership team at TVA, but believes some of the top TVA executives' compensation is out of line with the public power model. Director Klein stated he fully supports the People and Governance Committee undertaking a review of executive compensation during FY 2024.

After a motion duly made and seconded, the majority of the Board, with Directors Klein, Renick, and White voting in opposition, voted to adopt the following resolution as recommended in a memorandum from the President and Chief Executive Officer dated October 30, 2023, and filed with the Board as Exhibit 11/09/23F.

WHEREAS in a memorandum dated October 30, 2023, a copy of which is filed with the records of the Board as Exhibit 11/09/23F (Memorandum), the Chief Executive Officer (CEO) recommended approval of TVA's Executive Annual Incentive Plan (EAIP) Corporate Multiplier for FY 2023 as set out in that Memorandum and its attachment; and

WHEREAS on May 11, 2022, the TVA Board approved the EAIP Corporate Multiplier measures and goals for FY 2023; and

WHEREAS the People and Governance Committee has reviewed the proposed EAIP Corporate Multiplier for FY 2023, as described above, and recommends its approval;

BE IT RESOLVED, That the Board approves the EAIP Corporate Multiplier as set out in the Memorandum and its attachment effective for FY 2023.

23-04-12 Long-Term Incentive Plan

Director Noland explained the next item for consideration by the Board is the payout under TVA's Long-Term Incentive Plan (LTIP), which applies to TVA's executives and is designed to support TVA's long-term and sustainable success. Director Noland explained the metrics under the LTIP measure key performance over a three-year period to reflect longer-term results. Director Noland reported that although TVA has had high-level performances over the three-year period, the Committee recognizes the reputational impact of Winter Storm Elliott and this impact is reflected in this year's recommended LTIP payout.

After a motion duly made and seconded, the majority of the Board, with Directors Klein, Renick, and White voting in opposition, voted to adopt the following resolution as recommended in a memorandum from the President and Chief Executive Officer dated October 19, 2023, and filed with the Board as Exhibit 11/09/23G.

WHEREAS in a memorandum dated October 19, 2023, a copy of which is filed with the records of the Board as Exhibit 11/09/23G (Memorandum), the Chief Executive Officer (CEO) recommended approval of the Long-Term Incentive Plan (LTIP) payout percentage for the cycle ending in FY 2023; and

WHEREAS on November 13, 2020, the TVA Board approved the LTIP measures and goals for the cycle ending in FY 2023, and on August 18, 2021, the TVA Board approved revised performance goals for the External Performance Indicators for the TVA Nuclear Fleet to align with newly established nuclear industry performance indicators; and

WHEREAS the People and Governance Committee has reviewed the LTIP payout percentage for the cycle ending in FY 2023 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 2023, the Board approves the LTIP payout percentage as set out in the Memorandum and its attachment.

23-04-13 CEO Fiscal Year 2024 Compensation

Director Noland reported the Committee worked with an independent compensation consultant to review market competitive data and the CEO's performance to set his compensation

structure for 2024. Director Noland reported the Committee focused on TVA's and the CEO's 2023 performance along with the complex task of leading a large utility with a broad mission. Director Noland reported the Committee recommends the CEO's compensation remain the same as the prior year, which positions him 29% below the median market of CEO compensation with 66% of his compensation being performance based and at-risk and unchanged from 2023.

During the Board's discussion of the recommendation, Director White stated that he opposes the passing of the same structure for 2024 until a full evaluation and possible overhaul of the executive compensation structure is completed.

After a motion duly made and seconded, the majority of the Board, with Directors Klein, Renick, and White voting in opposition, voted to adopt the following resolution as recommended in a memorandum from the Chair of the People and Governance Committee dated November 9, 2023, and filed with the Board as Exhibit 11/09/23H.

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 no compensation adjustments for TVA's Chief Executive Officer ("CEO") beginning in Fiscal Year 2024 consisting of no change in target total direct compensation, as set forth in the November 9, 2023, memorandum from Brian Noland to the Board, a copy of which is filed with the records of the Board as Exhibit 11/09/23H; and

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

BE IT RESOLVED, That the Board hereby approves the CEO's compensation beginning in Fiscal Year 2024 consisting of no change to base salary, no change in annual incentive opportunity, and a performance grant and retention grant under the LTIP in the same amounts as provided in Fiscal Year 2023, as set out in Exhibit 11/09/23H; previously approved components of total compensation will remain unchanged.

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Director Noland noted that the actions recommended by the Committee and approved by the Board will be reflected in TVA's 2023 Form 10-K annual report. Director Noland reported

that in FY 2024 the Committee will undertake a review of pay for performance and severance plans applicable to several executives and, based upon the results, will consider updates to the compensation plans.

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23-04-14 Report of the External Stakeholders and Regulation Committee

Chair Ritch called on Director Beth Harwell, Chair of the External Stakeholders and Regulation Committee, to present the Committee's report. Director Harwell reported the Committee met on October 18, 2023 and received several updates from management and that the Committee has one action item for the Board to consider.

23-04-15 Determination of Public Utility Regulatory Policies Act Standards

Director Harwell reported the Committee reviewed management's recommendations regarding two standards that TVA was required to consider under the Public Utility Regulatory Policies Act of 1978. These standards, related to demand response practices and electric vehicle charging programs, were included in the Infrastructure Investment and Jobs Act of 2021. Director Harwell reported that TVA staff, in developing a recommended action, sought comments from the public and the Regional Energy Resource Council, and management's recommendation takes into consideration the work that TVA, LPCs, directly served customers, and other stakeholders are already doing in the areas of demand response and electric vehicle charging.

After a motion duly made and seconded, the Board adopted the following resolution, as recommended in a memorandum from the Vice President, Contracts & Rates Strategy dated October 4, 2023, and filed with the Board as Exhibit 11/09/23I.

WHEREAS TVA, pursuant to the provisions of the Infrastructure Investment and Jobs Act of 2021 (IIJA) amending the Public Utility Regulatory Policies Act of 1978 (PURPA), is required to consider and make determinations concerning the adoption of two new standards promulgated by the IIJA; and

WHEREAS the standards being considered were set out in a notice published in the Federal Register on November 15, 2022, which notice solicited public input on the standards; and

WHEREAS TVA has received various comments from the public, including comments from the Tennessee Valley Public Power Association (TVPPA), the Tennessee Valley Industrial Committee (TVIC), local power companies that distribute TVA power, and EV Charging Companies; and

WHEREAS the Board has considered the standards in light of the record developed during proceedings on the standards, including public input and TVA staff recommendations, as well as the requirements of PURPA and the TVA Act;

BE IT RESOLVED, That the Board hereby makes the determinations as set forth in Attachment A to the Memorandum from the Vice President of Contracts and Rates Strategy dated October 4, 2023 (Memorandum) a copy of which is filed with the records of the Board as Exhibit 11/09/23I.

RESOLVED further, That the Vice President of Contracts and Rates Strategy shall cause a notice of the Board's determination to be published in the Federal Register.

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Director Harwell reported the Committee received a management update on economic development performance for FY 2023. Director Harwell reported TVA had a successful year, including having a role in bringing \$9.2 billion in projected capital investment to the region with expectations to create 12,000 jobs while retaining over 46,000 jobs. Director Harwell reported management also updated the Committee on steps TVA is taking to balance new load commitments and capacity challenges. Director Harwell reported the Committee received its quarterly update on the work of TVA's Federal Affairs team and federal funding opportunities that could benefit the TVA region. As a part of her discussion on federal funding opportunities and related cooperation with external parties, Director Harwell reported TVA is playing a role in pursuing a number of projects that address issues including grid modernization, electrification, energy burden, and carbon-free energy supply. Director Harwell reported the Committee received an update on customer and stakeholder engagement, including receiving the results from the FY

2023 Voice of the Customer and Powerful Partnerships surveys. Director Harwell reported the results indicate TVA's partnerships are strong, but concerns exist related to reliability during extreme weather, generation supply, and future asset planning. Director Harwell reported that management highlighted key regional focus areas, including an update on the Holly Springs Utility Department regulatory compliance assessment. Director Harwell expressed the Committee's appreciation for management's continued work on this matter and related efforts to improve utility operational performance.

Director Harwell reported the Committee received an update on TVA's strategic communication priorities and an annual update on community engagement, including community contributions. Director Harwell reported management reviewed with the Committee TVA's contributions strategy and provided an overview on how funds were spent in FY 2023, highlighting TVA's support for STEM in schools across the Valley. Director Harwell reported the Committee received written updates on LPC regulatory matters and TVA's engagement with its federal advisory committees, received a quarterly LPC rate adjustment report, and conducted its annual self-assessment.

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23-04-16 Closing Remarks

Chair Ritch called on Jeff Lyash, President and Chief Executive Officer, to provide closing remarks. Mr. Lyash stated that in terms of performance, while TVA's performance was quite strong for the year, there were gaps in performance, and stated further that he fully supports the progressive accountability workforce, higher accountability for leadership, higher accountability for executives, and higher accountability for the CEO. Mr. Lyash then thanked

Director Kilbride for his service on the Board.

Mr. Lyash expressed his and TVA's appreciation of TVA employees who are military veterans. Mr. Lyash reported that in FY 2023, TVA employees produced outstanding accomplishments in an environment of extreme weather, extraordinary regional growth, and unique challenges across the globe and within the electric industry. Mr. Lyash reported that TVA's leadership team is focused on TVA's essential role in lifting and growing the region; supporting employees in delivering the highest possible value for the 10 million people TVA serves; and carrying forward TVA's legacy of tackling the challenges the region faces. Mr. Lyash reported TVA and the public power model will continue to build a diverse, flexible, clean, expandable generation fleet that delivers energy security. Mr. Lyash reported TVA will invest in intelligent, proactive, and resilient transmission systems that extend capacity, help identify issues, and prevent outages. Mr. Lyash reported that, through partnerships, TVA will closely integrate TVA and LPC systems to reduce peak demand, shape the load, and deliver dependable reliable energy to all customers.

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With regard to Director Kilbride's pending departure from the Board, individual directors expressed their appreciation for his leadership, integrity, and service, and Chair Ritch expressed his appreciation of Director Kilbride's service in leading TVA in making pandemic recovery funds available to customers and communities, overseeing TVA's improved role in nuclear industry leadership, and driving focus on economic opportunities across a seven-state region. Chair Ritch stated he will do his best to carry on Director Kilbride's commitment and dedication to TVA and its employees.

Chair Ritch closed the meeting by expressing his appreciation for all veterans, including

the 1,900 veterans serving at TVA, for the City of Tupelo for hosting the Board, and for all of the TVA staff that assist the Board in conducting meetings, including the TVA Police, Mary Margaret Painter, Michael McCall, and Abby Overstreet Neal. Chair Ritch then introduced a video highlighting TVA right-of-way specialist and veteran Tony Clampet.

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The meeting was adjourned at 10:42 a.m. (CT).