

**Regional Energy Resource Council**  
**January 23, 2014**  
**Advice approved unanimously by the Council**

While never sacrificing reliability and safety, the Council recognizes and endorses TVA's focus on financial discipline, and providing for affordable costs based on efficient consumption of electricity. In addition, the Council makes the following preliminary observations:

1. The utility business model is clearly changing. Given its unique position, the Council believes that TVA should embrace this change in a leadership role, particularly related to adoption of innovative technologies. It is critical that TVA work with its customers (e.g., Local Power Companies, Direct Serve customers, etc.) in addressing these technologies.
2. The Council believes that TVA must balance certain priorities, including environmental stewardship, competitive rates, system reliability, economic development, and workforce impact. TVA must not allow focus on near-term cost reduction to undermine its essential priorities of technology innovation in both supply-side and demand-side technologies.
3. Given TVA's responsibilities as articulated in the TVA Act, it has a broader imperative than investor-owned utilities. Business decisions should reflect the interest of all stakeholders in the Tennessee Valley. An important consideration should be the impact of decisions on local communities
4. The Council recommends the TVA Board considers, in its deliberations, the importance of ensuring system reliability, including voltage impacts, in addition to economic analysis when making asset decisions.
5. The Council believes it is critical for TVA to engage with stakeholders when making business decisions. To ensure transparency, Council recommends that TVA consider opening Board committee meetings.