

TVA Statement on Climate Change Adaptation

I. Background

The Tennessee Valley Authority (TVA) is a federal agency and corporation, wholly owned by the people of the United States and tasked by Congress, among other things, to:

- Provide low-cost, reliable power
- Promote economic and agricultural development
- Foster environmental stewardship
- Manage an integrated river system,
- Stimulate technological innovation

TVA operates the nation's largest public power system. It provides power to more than nine million people, through 155 distributors of TVA power and 56 directly-served customers, in an area encompassing 80,000-square-miles, including most of Tennessee and parts of Alabama, Georgia, Kentucky, Mississippi, North Carolina and Virginia.

For more than 75 years, TVA has succeeded in its unique mission of serving the region through energy, environment and economic development. TVA established integrated resource management as the means for solving the competing and often conflicting interests of its mission, such as managing the Tennessee River system for navigation, flood control, recreation and power production. While the challenges evolved and new ones developed, TVA has relied on its strategy of devising integrated solutions. In 1995, TVA was the first utility in the nation to participate in "Climate Challenge," a DOE-sponsored voluntary GHG reduction program. Over the past decade, TVA has reduced, avoided, or sequestered million tons of CO₂ under this program. TVA has also taken and continuing to take significant voluntary steps that will reduce the CO₂ emissions intensity of its electric generation and increasing its energy efficiency and demand response programs.

[TVA's Environmental Policy](#), adopted by TVA's Presidentially-appointed Board of Directors, is updated biennially and establishes a framework to guide decision-making and future strategic development in meeting TVA's environmental policy objectives, including climate change mitigation, in a manner consistent with TVA's mission to provide low-cost and reliable power.

[TVA's Integrated Resource Plan](#), adopted by TVA's Board of Directors on April 14, 2011, also evaluated alternative energy portfolios that evaluated several criteria including climate change. TVA's innovative environmental programs also incorporate applicable Executive Orders (EOs), such as EO 13514, *Federal Leadership in Environmental, Energy, and Economic Performance*.¹ Pursuant to EO 13514, and as a part of its requirements for federal agency Strategic Sustainability Performance Plans, TVA will incorporate climate change adaptation planning as part of our integrated resource management. The TVA budget for meeting the climate adaptation planning provisions will be based upon non-appropriated dollars and shall be subject to the availability of funding as TVA, in its discretion, deems appropriate and practicable.

While the scope, severity and pace of future climate change impacts are difficult to predict, climate change adaptation planning may allow TVA to:

¹ EO 13514 excludes operations associated with the production of electric power that is sold commercially to other parties in the course of regular business.

- Identify how climate change may impact TVA's ability to achieve its mission, operate its facilities, and meet its policy and program objectives.
- Assess the potential consequences of climate change and ability to mitigate negative impacts through adaptation and new opportunities.
- Develop, prioritize, implement and evaluate adaptation planning actions, as practicable, to moderate climate change risks and exploit any new opportunities that climate change may bring.
- Ensure its resources are invested wisely and its services and operations remain effective in current and future conditions.
- Contribute to the Federal Government's leadership role in sustainability and pursue the vision of a resilient, healthy, and prosperous Nation, even in the face of a changing climate.

II. Directive

a) The purpose of this statement is to:

- Engender TVA-wide recognition that climate change adaptation is a complement to climate change mitigation and that both are necessary to address the causes and potential consequences of climate change;
- Ensure that TVA executes its mission and operations safely, securely, effectively, and efficiently as the climate continues to change; and
- Establish a TVA-wide directive to integrate climate change adaptation planning and actions into existing and future planning processes.

b) TVA shall undertake Agency-wide climate change adaptation planning. Potential climate change impacts shall be considered when undertaking long-term planning, setting priorities for research, and making decisions affecting the agency's resources, programs, policies and operations. Results of that planning shall be implemented using the best available science and information.

c) TVA shall develop a Climate Adaptation Plan by June 2012 and update it periodically. At TVA's discretion, the plan may be incorporated into future updates of existing plans and processes, including TVA's Environmental Policy and Natural Resource Plan. Specifically, the Plan will:

- Identify how climate change may impact TVA's ability to achieve its mission to serve the Tennessee Valley.
- Identify and prioritize actions and establish mechanisms to evaluate progress and continue to improve TVA's capacity to effectively adapt to current and future changes in climate.

- Identify affected TVA departments, budgets and actions identified under this statement, considering that TVA will be dedicating non-appropriated funds, as practicable, at its discretion.
 - Identify for the TVA Office of General Counsel any areas where legal analysis is needed to carry out TVA's actions identified under this statement.
 - Coordinate actions with TVA's Energy and Environmental Sustainability Committee as described in Section III below.
- d) TVA shall use as guidance the climate change adaptation *Implementing Instructions* issued by the White House Council on Environmental Quality under *Executive Order 13514, Federal Leadership in Environmental, Energy, and Economic Performance*, and other applicable authorities.
- e) TVA will strive to apply the guiding principles and planning framework for climate change adaptation found in the October 5, 2010, *Progress Report of the Interagency Climate Change Adaptation Task Force: Recommended Actions in Support of a National Climate Change Adaptation Strategy*.
- f) TVA will coordinate with other agencies and interagency efforts, including the Interagency Climate Change Adaptation Task Force, on climate change adaptation issues that cut across agency jurisdictions, including areas where national adaptation plans are being or have been developed, and will identify a process for sharing climate change adaptation planning information throughout the Agency and the public.

III. *Coordination and Implementation*

- a) TVA's Senior Environmental Executive and Sustainability Officer is responsible for ensuring implementation of all aspects of this statement. This statement does not alter or affect any existing duty or authority of individual TVA business units.
- b) Through this statement, TVA's Environmental Executive and Sustainability Officer delegates authority to the Energy and Environmental Sustainability Committee to oversee and coordinate Agency-wide climate change adaptation planning and implementation. This Committee is chaired by TVA's Environmental Executive and Sustainability Officer and will include appropriate agency-wide representation.
- c) This statement is effective immediately and will remain in effect until it is amended, superseded, or revoked.

Approval of TVA Statement on Climate Change Adaptation

<p>Approved: Anda A. Ray</p> 	<p>Senior Vice President, Environment and Technology, and Sustainability Officer</p>
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