

No. 19-01

Approved by the Board of Directors
at its May 9, 2019, meeting:

Original Signed by Sherry A. Quirk
Executive Vice President, General
Counsel and Secretary

MINUTES OF MEETING
OF
THE BOARD OF DIRECTORS
TENNESSEE VALLEY AUTHORITY

February 14, 2019

A meeting of the Board of Directors of the Tennessee Valley Authority was held in the Missionary Ridge Auditorium, 1101 Market Street, Chattanooga, Tennessee, on February 14, 2019. The meeting was called to order at 9:30 a.m. (EST). The meeting agenda was announced to the public on February 7, 2019. The meeting was open to public observation.

Board members in attendance were: Director and Chair Richard C. Howorth, and Directors Virginia Tyler (Gina) Lodge, Ronald A. Walter, Kenneth E. Allen, A.D. Frazier, James (Skip) Thompson, and Jeff W. Smith.

Also present were TVA officers, including William D. (Bill) Johnson, 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; Tim Rausch, Senior Vice President and Chief Nuclear Officer; and Rebecca C. Tolene, Vice President, Supply Chain and Enterprise Improvement.

Chair Howorth 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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19-01-1. Welcome

Chair Howorth welcomed those attending in person and others viewing the meeting via webcast. He then expressed the Board's appreciation for the hospitality received from the City of Chattanooga and thanked Chattanooga's Electric Power Board for hosting a breakfast on the morning of the meeting. Chair Howorth discussed the Board's new procedure of hosting a listening session on the day before the Board's business meeting and some of the feedback received regarding the listening session after the November 2018 pilot. Director Howorth stated it is the Board's intent to give voice to those who would not otherwise be heard. Chair Howorth then requested and received a report from Rebecca Tolene, Vice President, Supply Chain and Enterprise Improvement, regarding the themes of the commentary received during the February 13 listening session.

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Old Business

The Board approved the minutes of its November 14, 2018 meeting.

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New Business

19-01-2. Board Committee Charters

The Board adopted the following resolution:

WHEREAS distributed energy resources and renewable resources are playing an increasing role in TVA's generation portfolio planning; and

WHEREAS the Finance Rates and Portfolio Committee of the Board is tasked with overseeing TVA's generation portfolio planning and the Board desires for the charter of this Committee to reflect this role as it applies to distributed energy and renewable energy resources;

BE IT RESOLVED, That the Board hereby adopts the amended charters of the Finance, Rates and Portfolio Committee and the External Relations Committee, copies of which are attached as Exhibit 2/14/19A and Exhibit 2/14/19B, to reflect the alignment of distributed energy and renewable resources within the Finance, Rates, and Portfolio Committee's oversight of TVA's portfolio planning.

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19-01-3. Updated Board Practice on Use of TVA Aircraft

The Board adopted the following resolution:

WHEREAS the Board has from time to time adopted certain practices to address various Board processes and activities; and

WHEREAS at its November 30, 2006 meeting, the Board approved a practice on the use of TVA planes and the Board now believes an updated practice would be beneficial; and

WHEREAS to provide guidance on the Board's use of TVA aircraft, the Audit Risk and Regulation Committee has reviewed an updated TVA Board Practice entitled "Use of TVA Aircraft", as filed with the records of the Board as Exhibit 2/14/19C (the "Revised Practice"), and has recommended the Revised Practice to the full Board as a replacement of the existing practice;

BE IT RESOLVED, That the Board hereby adopts the Revised Practice, which together with informal guidelines approved from time to time by the Board Chair in consultation with the Board, will guide Board members in the use of TVA aircraft.

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19-01-4. Selection of Board Chair

The Board adopted the following resolution:

WHEREAS in accordance with Section 2(a)(2) of the Tennessee Valley Authority Act of 1933, as amended, the Board selects one of its members to act as Chairman of the Board; and

WHEREAS Section 1.1 of the Bylaws of the Tennessee Valley Authority (“Bylaws”) provides that the Board shall select a new Chair within thirty calendar days after the date upon which a vacancy occurs; and

WHEREAS Section 1.1. of the Bylaws further provides that the term of the first Chair selected under the provisions of Section 2(a)(2) of the TVA Act shall expire on May 18, 2008, and each subsequent term of a Chair of the Board shall expire on May 18 of each subsequent even-numbered calendar year, unless the Board decides otherwise; and

WHEREAS the *TVA Board Practice Board Chairman Selection Process* provides that the Board reserves the authority to select the Chair of the Board in the manner it deems appropriate; and

WHEREAS the term of the Chair, Richard C. Howorth, will expire on May 18, 2019; and

WHEREAS the People and Performance Committee has considered the selection decision and recommends that Director James (Skip) Thompson should be appointed Board Chair for a term of two years, running from May 19, 2019, through May 18, 2021;

BE IT RESOLVED, That the Board selects Director James (Skip) Thompson to serve as Chair of the TVA Board from May 19, 2019, through May 18, 2021.

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19-01-5. President’s Report

President and Chief Executive Officer William D. (Bill) Johnson thanked Chattanooga for its hospitality, noting that it is the center of TVA’s operations, home to the Electric Power Board, one of TVA’s largest customers, and also home to the Tennessee Valley Public Power Association (TVPPA), the association of local power companies distributing TVA power.

Mr. Johnson then expressed his appreciation for those who spoke during the February 13 listening session, stating that TVA's mission is to make life better for the people it serves.

Mr. Johnson discussed TVA's strategic imperatives, stating that TVA's goal is to provide the greatest value to those it serves, and acknowledging that people in different areas of the Valley have different perspectives and preferences regarding how TVA accomplishes that goal. Mr. Johnson stated that TVA respects those differing views, and searches for common ground as it strives to serve all of the people of the Valley. Mr. Johnson stated that TVA's consistent execution of its long-range financial plan continues to benefit TVA's customers in both the short and long term, then recapped various financial highlights and briefly discussed rates.

With regard to energy, Mr. Johnson reported TVA is taking action to adapt to fundamental changes across the industry, stating that TVA must adapt if it is to perform its mission successfully. Mr. Johnson reported that in Fiscal Year (FY) 2018, more than half of the energy TVA supplied to the Valley came from carbon-free sources, including nuclear energy. He then discussed the nuclear uprate program at TVA's Browns Ferry Nuclear Plant, TVA's hydro modernization program, and TVA's efforts to partner on construction of the largest solar facilities in Tennessee and Alabama and bring new community solar facilities to the Valley in addition to those already in place. Mr. Johnson also announced that during the first quarter of FY 2019, for the first time since the early 1950's, TVA supplied more energy to the Valley from hydropower and other renewables than from coal. Following this, Mr. Johnson discussed the growing role of distributed energy resources and TVA's efforts to accommodate them, including two proposed demonstration projects with local power companies to be voted on later in the meeting.

Mr. Johnson stated that it is TVA's goal and responsibility to its customers and ratepayers across the Valley to have the best energy portfolio for the Valley providing safe, clean, reliable energy at the lowest feasible cost. He stated that in order to achieve this goal TVA is continually reviewing and assessing its generating plants with regard to multiple operational, economic, and environmental factors, taking into account public input. Mr. Johnson stated that TVA is required to do least cost planning for new and existing resources in order to achieve lowest system cost, and this process has resulted in significant changes to TVA's fleet during the last decade. Mr. Johnson acknowledged that decisions regarding TVA's generating portfolio are difficult as they affect local communities, families, and TVA employees. He stated that TVA appreciates the input received from speakers on this subject during the February 13 listening session, but added that TVA's fundamental obligation is to make decisions in the best interest of all residents of the Valley. Mr. Johnson then announced that analysis indicates the closure of two additional fossil plants is the right action for TVA to take at this time financially and operationally, and he discussed various factors contributing to that conclusion. Mr. Johnson indicated the fossil plants under consideration for closure are Bull Run and Paradise 3, and he emphasized that this decision is not about coal, but about economics and the fit of these plants in TVA's current generating portfolio. Mr. Johnson then discussed at length the various factors considered by TVA in performing its evaluation of the two plants. Following this, he discussed the sale and potential re-use of the plant sites, and efforts TVA will make to mitigate negative impacts on the affected communities and employees, if the Board approves the recommendation to close the two plants.

At this point Mr. Johnson briefly reported on progress being made on TVA's new Integrated Resource Plan (IRP). He then discussed recent record-breaking precipitation and TVA's management of the Tennessee River system to provide various benefits to different stakeholders. Mr. Johnson then provided a brief report on economic development, stating that in the first quarter of FY 2019 TVA helped create or retain more than 25,000 jobs and attract more than \$4.3 billion in capital investment to the Valley, including an additional \$800 million investment by Volkswagen in the Chattanooga area.

Mr. Johnson concluded his report by presenting TVA's 2019 Engineer of the Year award to Marjorie Parsons, Senior Program Manager, NERC Planning Coordinator, Transmission & Power Supply.

Copies of the slides used by Mr. Johnson in his report are filed with the records of the Board as Exhibit 02/14/19D.

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Following the completion of the President's Report, Chair Howorth, on behalf of the Board, expressed his congratulations to Ms. Parsons on her receipt of the 2019 Engineer of the Year Award. Following Chair Howorth's remarks Director Walter queried and received information from Mr. Johnson regarding costs that could potentially be incurred by TVA in association with the Jacobs Engineering litigation arising from their clean-up work following the Kingston ash spill.

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19-01-6. Resolution Honoring William D. “Bill” Johnson, Chief Executive Officer of the Tennessee Valley Authority 2013-2019

The Board adopted the following resolution:

WHEREAS the Consolidated Appropriations Act, 2005, amended the TVA Act by creating the position of Chief Executive Officer; and

WHEREAS the Chief Executive Officer is responsible for, among other things, achieving the broad goals, objectives, and policies for TVA and ensuring the continuity and reliability of TVA’s operations; and

WHEREAS William D. Johnson was appointed Chief Executive Officer in January 2013 and is now nearing retirement; and

WHEREAS as Chief Executive Officer, he has worked tirelessly to further TVA’s mission, including the objectives of providing reliable, low-cost electricity, economic development, and environmental stewardship; and

WHEREAS William D. Johnson has earned respect for his strong leadership of TVA and enduring integrity; and

WHEREAS William D. Johnson has diligently worked as Chief Executive Officer for the benefit of the people of the Tennessee Valley and the United States;

BE IT RESOLVED That the Board of Directors of the Tennessee Valley Authority honors William D. Johnson for his TVA service.

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19-01-7. Report of the Finance, Rates, and Portfolio Committee

Director Walter, Chair of the Committee, reported the Committee met on January 23 and by teleconference on February 11, after which he requested and received a report from John Thomas, Executive Vice President and Chief Financial Officer, regarding Minute Item 19-01-8. Following Mr. Thomas’s report on Minute Item 19-01-8, Director Walter reported that during the Committee’s last meeting it received a briefing on year-to-date performance, and

management reviewed TVA's long-range plan as well as the modeling underlying the new IRP soon to be released by TVA for public comment. Management also reported to the Committee on feedback received from the various participants in the IRP working group, and Director Walter expressed the Committee's appreciation for the input of those stakeholders. Director Walter stated management also provided the Committee with an update on pension fund investment performance. He reported that TVA has a plan to provide for full funding of the TVA Retirement System, the Committee is pleased with improvements made to the pension system during recent years, and funding is currently ahead of the 20-year plan established by the Board in 2016.

Director Walter next requested and received reports from Mr. Thomas on Minute Items 19-01-9 and 19-01-10, involving the recommended closure of Bull Run and Paradise 3 fossil plants. Following Mr. Thomas' report on Minute Items 19-01-9 and 19-01-10, Director Allen offered comments and made a motion that received a second to postpone the vote on these items. Director Allen's motion to postpone was then voted on and failed, after which there was further discussion primarily focusing on mitigation of the human impact of the plant closures on communities and TVA employees.

At this point, Director Walter requested and received reports from Mr. Thomas on Minute Items 19-01-11 and 19-01-12. Prior to the vote on these items Directors Frazier and Smith queried Mr. Thomas regarding, respectively, ownership of the contemplated projects and the term of the associated power purchase contracts.

Copies of the slides used by Mr. Thomas in his reports on Minute Items 19-01-9, 19-01-10, 19-01-11, and 19-01-12 are filed with the records of the Board as Exhibit 02/14/19E, Exhibit 02/14/19F, and Exhibit 02/14/19G.

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19-01-8. Financial Performance Update

John Thomas, Executive Vice President and Chief Financial Officer, reported on TVA's financial results for the first quarter of FY 2019, starting with a review of highlights including operating income, interest income, and net income. Mr. Thomas next reviewed the Summary Income Statement and the Summary Cash Flow Statement, discussing various factors affecting results reported in each. Mr. Thomas concluded his report with a brief discussion of actual results versus the plan for the quarter.

Copies of the slides used by Mr. Thomas in his report are filed with the records of the Board as Exhibit 02/14/19H.

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19-01-9. Asset Portfolio Evaluation: Paradise 3 Fossil Plant

The Board, with Director Allen voting in opposition, adopted the following resolution as recommended in a memorandum from the Executive Vice President and Chief Financial Officer, dated February 8, 2019, and filed with the records of the Board as Exhibit 02/14/19I:

WHEREAS TVA has assessed the continuing cost of operating Paradise Fossil Plant Unit 3 (PAF) against the power demand projections and TVA's statutory objective to provide reliable electric service at the lowest system cost; and

WHEREAS PAF was designed to provide base load generation, and increases in nuclear generation which produces power at a lower cost per MWh has displaced PAF as baseload generation; and

WHEREAS PAF was not designed to follow load or frequently cycle on and off, and as such, is more costly and less effective operating in this manner than other gas and coal units in the portfolio; and

WHEREAS PAF has experienced material condition deterioration not uncommon in an aging coal plant, resulting in reliability challenges and the need for large investments, including significant expenditures necessary to replace a steam turbine rotor; and

WHEREAS PAF has significant future capital needs to support compliance with the United States Environmental Protection Agency's Coal Combustion Residuals rule and potential for significant future capital needs to comply with Effluent Limitation Guidelines when finalized; and

WHEREAS the target supply mix approved by the TVA Board through the 2015 Integrated Resource Plan (IRP) included the potential retirement of up to 2,600 MW of coal-fired generation by 2033; and

WHEREAS TVA has prepared an Environmental Assessment (EA) pursuant to the National Environmental Policy Act, and the EA indicates the retirement of PAF would have minor cumulative impacts overall, with negligible or beneficial impacts in all areas except for local socioeconomics; and

WHEREAS TVA has conducted resiliency assessments, and these assessments indicate minimal material impacts from PAF retirement; and

WHEREAS as set forth in a memorandum dated February 8, 2019, which is filed with the records of the Board as Exhibit 02/14/19I, the Chief Financial Officer (CFO) has recommended, after considering TVA's operational needs and the economic, environmental and resiliency assessments, that the Board approve the retirement of PAF by December 31, 2020, an action that is consistent with TVA's 2015 IRP and supports a low cost, reliable, risk-informed, diverse, environmentally responsible, and flexible power system;

BE IT RESOLVED, that the Board of Directors hereby approves the retirement of PAF, as recommended in the CFO's February 8, 2019 memorandum, with such retirement to be effective on a date to be determined by the Chief Executive Officer based on TVA's fiscal and operational needs and TVA's environmental compliance obligations.

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19-01-10. Asset Portfolio Evaluation: Bull Run Fossil Plant

The Board adopted the following resolution as recommended in a memorandum from the Executive Vice President and Chief Financial Officer, dated February 8, 2019, and filed with the records of the Board as Exhibit 02/14/19J:

WHEREAS TVA has assessed the continuing cost of operating Bull Run Fossil Plant (BRF) against the power demand projections and TVA's statutory objective to provide reliable electric service at the lowest system cost; and

WHEREAS BRF was designed to provide base load generation, and increases in nuclear generation which produces power at a lower cost per MWh has displaced BRF as baseload generation; and

WHEREAS BRF was not designed to follow load or frequently cycle on and off, and as such, is more costly and less effective operating in this manner than other gas and coal units in the portfolio; and

WHEREAS BRF has experienced material condition deterioration not uncommon in an aging coal plant, resulting in reliability challenges and need for large investments, and also has the highest fuel cost in TVA's coal fleet; and

WHEREAS BRF has the potential for significant future capital needs to support compliance with the United States Environmental Protection Agency's Effluent Limitation Guidelines when finalized; and

WHEREAS the target supply mix approved by the TVA Board through the 2015 Integrated Resource Plan (IRP) included the potential retirement of up to 2,600 MW of coal-fired generation by 2033; and

WHEREAS TVA has prepared an Environmental Assessment (EA) pursuant to the National Environmental Policy Act, and the EA indicates the retirement of BRF would have minor cumulative impacts overall, with negligible or beneficial impacts in all areas except for local socioeconomics; and

WHEREAS TVA has conducted resiliency assessments, and these assessments indicate minimal material impacts from BRF retirement; and

WHEREAS as set forth in a memorandum dated February 8, 2019, which is filed with the records of the Board as Exhibit 02/14/19J, the Chief Financial Officer (CFO) has recommended, after considering TVA's operational needs and the economic, environmental and resiliency assessments, that the Board of Directors approve the retirement of BRF by December 1, 2023, an action that is consistent with TVA's 2015 IRP and supports a low cost, reliable, risk-informed, diverse, environmentally responsible, and flexible power system;

BE IT RESOLVED, that the Board of Directors hereby approves the retirement of BRF, as recommended in the CFO's February 8, 2019 memorandum, with such retirement to be effective on a date to be determined by the Chief Executive Officer based on TVA's fiscal and operational needs and TVA's environmental compliance obligations.

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19-01-11. Research and Renewable Projects to Support Distributed Energy Resources

The Board adopted the following resolution as recommended in a memorandum from the Executive Vice President and Chief Financial Officer, dated January 15, 2019, and filed with the records of the Board as Exhibit 02/14/19K:

WHEREAS, for several months, TVA management has worked with representatives of the Tennessee Valley Public Power Association (TVPPA) to develop flexible options to allow LPCs to meet their own distributed energy resource (DER) challenges while also honoring their all-requirements wholesale power contracts with TVA;

WHEREAS, a memorandum from the Executive Vice President and Chief Financial Officer (CFO) dated January 15, 2019 (Memorandum), a copy of which is filed with the records of the Board of Directors as Exhibit 02/14/19K, recommends and requests that the Board of Directors delegate to the Chief Executive Officer (CEO) authority to enter into certain contractual arrangements, defined in the memo as Flexibility Research Projects and Flexible Renewable Options, that will allow TVA and LPCs to better evaluate and analyze market conditions driving adoption of DER, gain valuable insight and operational experience regarding the ability of distributed projects to meet consumer demand, and continue to develop the portfolio of cost-effective renewable solutions as technology and consumer demand evolve; and

WHEREAS, management will provide quarterly updates on the progress and status of transactions entered into under the Flexibility Research Projects and Flexible Renewable Options to the board committee with responsibility for oversight of the budget ("Committee") unless and until the Committee determines that reporting is no longer necessary.

BE IT RESOLVED, That the Board of Directors hereby delegates to the CEO, as set out in the Memorandum, authority to enter into contractual arrangements with local power customers (LPCs) to purchase energy in an amount not to exceed 300 MW peak generation or 100 MW equivalent base-load delivered energy with durations of up to 20 years and terms of up to 25 years (referred to as "Flexibility Research Projects"); and

BE IT FURTHER RESOLVED, That the Board of Directors hereby delegates to the CEO, as set out in the Memorandum, authority to enter into contractual arrangements to purchase and sell renewable energy and renewable energy credits (RECs) in quantities sufficient to meet the needs of LPC-served and TVA directly served customers. These contractual arrangements will

be limited to 100 MW (equivalent base-load) for existing load, 250 MW (equivalent base-load) for new load, and will have delivered energy durations of up to 20 years and terms of up to 25 years (referred to as “Flexible Renewable Options”).

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19-01-12. Dual Metering Standard Changes and Design Exploration for Green Power Providers

The Board adopted the following resolution as recommended in a memorandum from the Executive Vice President and Chief Financial Officer, dated January 15, 2019, and filed with the records of the Board as Exhibit 02/14/19L:

WHEREAS, a memorandum from the Executive Vice President and Chief Financial Officer (CFO) dated January 15, 2019 (Memorandum), a copy of which is filed with the records of the Board of Directors as Exhibit 02/14/19L, recommends approval of:

- (1) a revised net metering standard to replace the standard adopted by the TVA Board in 2007 under the provisions of the Public Utility Regulatory Policies Act of 1978;
- (2) closure of the Green Power Providers program (GPP) to new customers effective January 1, 2020, and the phasing out of the GPP program completely as existing contracts with retail electric consumers expire; and
- (3) a delegation of authority to the Chief Executive Officer (CEO) to provide for the design and implementation of one or more new programs that are consistent with the terms of the revised TVA net metering standard.

BE IT RESOLVED, That the Board of Directors hereby approves the recommendation of the CFO, as set out in the Memorandum, that TVA’s net metering standard as adopted in 2007 under the provisions of the Public Utility Regulatory Policies Act of 1978 and the TVA Act be revised to state as follows:

Any compensation for electricity produced by an electric consumer from an eligible on-site generation source that is delivered to the local distribution facilities, or otherwise to TVA, may only be made under, and in accordance with, rates, metering, and billing arrangements approved by TVA and determined by TVA to be consistent with its regulatory and wholesale power contract requirements.

BE IT FURTHER RESOLVED, That the Board of Directors hereby approves the recommendation of the CFO that the Green Power Providers program be closed to new customers effective January 1, 2020, and will be phased out as existing contracts with retail electric consumers expire; and

BE IT FURTHER RESOLVED, That the Board of Directors hereby approves the recommendation of the CFO that authority be delegated to the Chief Executive Officer (CEO) under which the CEO may provide for the design and implementation of one or more new programs that are consistent with the revised TVA net metering standard approved by the Board above; and

BE IT FURTHER RESOLVED, That the approval by the Board of Directors of each item above is contingent upon the satisfactory completion of any environmental reviews determined to be required by federal law.

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19-01-13. Report of the Audit, Risk, and Regulation Committee

Director Thompson, Chair of the Committee, reported the Committee met January 23, and again on January 29, to review TVA's quarterly 10-Q report to be filed with the Securities and Exchange Commission (SEC). At the Committee's January 23 meeting, staff provided the Committee with updates on a number of topics including regulatory assurance and enterprise risk management. The Committee also reviewed the activities of TVA's Disclosure Control Committee and TVA's Sarbanes-Oxley 302 certification process with Diane Wear, TVA's Vice President and Controller. In addition, the Committee received a presentation from Ernst & Young (E&Y), TVA's external auditor, on their annual audit plan, and was briefed on the involvement of local power companies in broadband development. Director Thompson explained that part of the Committee's regulatory function is to ensure that local power company system revenues are not used for non-electric purposes. Director Thompson reported that in executive session the Office of Inspector General provided updates on ongoing audits and investigations, and he expressed the Committee's appreciation for the work of Acting Inspector General Jill Matthews and her staff.

Director Thompson stated that the Committee's January 29 meeting was via conference call, and the Committee focused solely on reviewing TVA's quarterly 10-Q report. TVA staff briefed the Committee on the report, and E&Y provided an independent assessment of TVA's financial reporting process.

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19-01-14. Report of the Nuclear Oversight Committee

Director Smith, Chair of the Committee, reported the Committee met January 23 and was introduced to TVA's new Senior Vice President and Chief Nuclear Officer, Tim Rausch.

Director Smith stated that Mr. Rausch provided a report on the overall performance of TVA's nuclear fleet, along with an initial assessment of the fleet's strengths and improvement opportunities, and then walked the Committee through the improvement plan he and his team developed. Director Smith stated that the improvement plan will help strengthen TVA's safety culture, employee engagement, and leadership development. Following progress reports on major projects at each of TVA's nuclear plants, management updated the Committee on the Nuclear Employee Concerns Program and the First Line Supervisor Training Program.

Mr. Rausch also briefed the Committee on several leadership changes implemented at each of TVA's nuclear plants, and Director Smith stated the Committee is encouraged by the changes that have taken place. In addition, Mr. Rausch briefed the Committee on meetings he has had with the Institute of Nuclear Power Operations (INPO) and the Nuclear Regulatory Commission (NRC).

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19-01-15. Report of the External Relations Committee

Director Frazier, Acting Chair of the Committee, reported the Committee met January 24, at which time the Committee received various updates on government relations, customer relations, renewable energy, and the joint efforts of TVA and local power companies related to distributed energy. During the update on renewable energy the Committee was informed of 1,400 MW of solar capacity in the Valley already under contract with TVA, and Director Frazier stated that total solar capacity in the Valley will continue to grow, driven especially by large industrial customers that come into the Valley wanting to be powered by renewable energy.

Director Frazier stated that Committee members took the opportunity to reflect on the new pilot Board listening session schedule implemented at its November 2018 meeting; reviewed comments received about the effectiveness of the new listening session schedule; and discussed the need to extend the pilot program before deciding on whether to recommend any permanent change to the full Board.

Along with a written report on economic development and a progress update on the 2019 IRP, Director Frazier reported the Committee received written comments from the Regional Resource Stewardship Council (RRSC) and the Regional Energy Resource Council (RERC), TVA's two federal advisory committees, and he expressed the Committee's appreciation for the service of the members of these committees in advising TVA on its policies and efforts.

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19-01-16. Report of the People and Performance Committee

Director Lodge, Chair of the Committee, reported the Committee met January 24 and spent time reviewing TVA's performance during the last fiscal quarter against goals measuring key financial and operational performance. Director Lodge stated the Committee also received information on TVA's diversity program as part of an annual update on implementation of TVA's multi-year strategy and reported the Committee is pleased to see progress. The Committee also reviewed the performance of its independent consultant and, in accordance with its charter, the Committee served as an initial search committee to identify a successor to outgoing President and CEO Bill Johnson. At this point, Director Lodge deferred to Chair Howorth who announced that TVA's new President and CEO will be Jeffrey Lyash, currently CEO of Ontario Power Generation, one of the largest electric generating companies in Canada and a public power entity like TVA. Chair Howorth then provided additional detail on Mr. Lyash's employment history, discussed the proposed transition period, and advised that the Board ratified contracts with an executive search firm and the appointment of Mr. Lyash through written, notational Board approvals accomplished outside of the Board's regular meeting schedule.

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Information Items**19-01-17. Execution of CEO Market Assessment and Search Process Contracts**

As recommended in a confidential application for Notational Board Approval, a copy of which is filed with the records of the Board as Exhibit 02/14/19M, and in accordance with the TVA Board Practice, Notational Approvals, on February 8, 2019, the individual Board members

ratified the execution of both the September 2, 2018, contract for CEO market assessment work and the November 15, 2018, contract for the CEO search process with the McAulay Smith Firm.

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19-01-18. Appointment of New CEO

As recommended in an application for Notational Board Approval, a copy of which is filed with the records of the Board as Exhibit 02/14/19N, and in accordance with the TVA Board Practice, Notational Approvals, on February 13, 2019, the individual Board members approved the appointment of Jeffrey L. Lyash as President and Chief Executive Officer of TVA effective February 14, 2019, with commencement of employment to occur no later than August 14, 2019.

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The meeting was adjourned at 11:36 a.m. (EST).