2024 IRP Working Group

Meeting 9: March 25, 2024
Nashville, TN

TVA TENNESSEE VALLEY AUTHORITY

Welcome and Safety Moment

Jo Anne Lavender; IRP Facilitator
Hunter Reed, IRP Project Manager

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Safety Moment

EMERGENCY ACTIONS

In case of Building Emergency

Exit right out of the conference room doors, go down the hall and down the stairs to the lobby, and gather in the parking lot

In case of Severe Weather

Exit right out of the conference room doors, go down the hall and down the stairs to the basement

Agenda – March 25, 2024

Topic	Time (CT)	Presenter(s)	Notes
Lunch	11:00-12:00		
Welcome	12:00-12:15	Jo Anne Lavender	Welcome, safety moment, agenda review
Opening Remarks	12:15-1:15	Brian Child; Melanie Farrell	
Contextualizing Potential Project Build-outs	1:15-1:45	Hunter Reed	Exploration of the potential project requirements of select portfolios
Break	1:45-2:15		
Stochastic Analysis and Metrics Updates	2:15-3:00	Shane Downey	
Preliminary Draft Public Materials	3:00-3:30	Hunter Reed	
Break	3:30-3:50		
EPA GHG Rule Discussion	3:50-4:30	Candy Kelly	
Wrap-up	4:30-4:45	Jo Anne Lavender	
Off-site dinner	6:00-8:00		

Opening Remarks

Brian Child; Vice President, Enterprise Planning
Melanie Farrell; Vice President, External Stakeholder and Regulatory Oversight

Contextualizing Potential Project Build-outs

Hunter Reed; IRP Project Manager

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Break

Stochastics and Metrics Updates

Shane Downey; Sr. Specialist, Resource Strategy

Analysis Tools within the IRP

Scenarios

Describe potential outcomes due to a combination of factors outside TVA's control.

Strategies

Test various business options within TVA's control.

Stochastics

Evaluate risk of uncertainties around key planning assumptions within each portfolio.

Sensitivities

Test a change in a key assumption for a particular portfolio to isolate its impact.

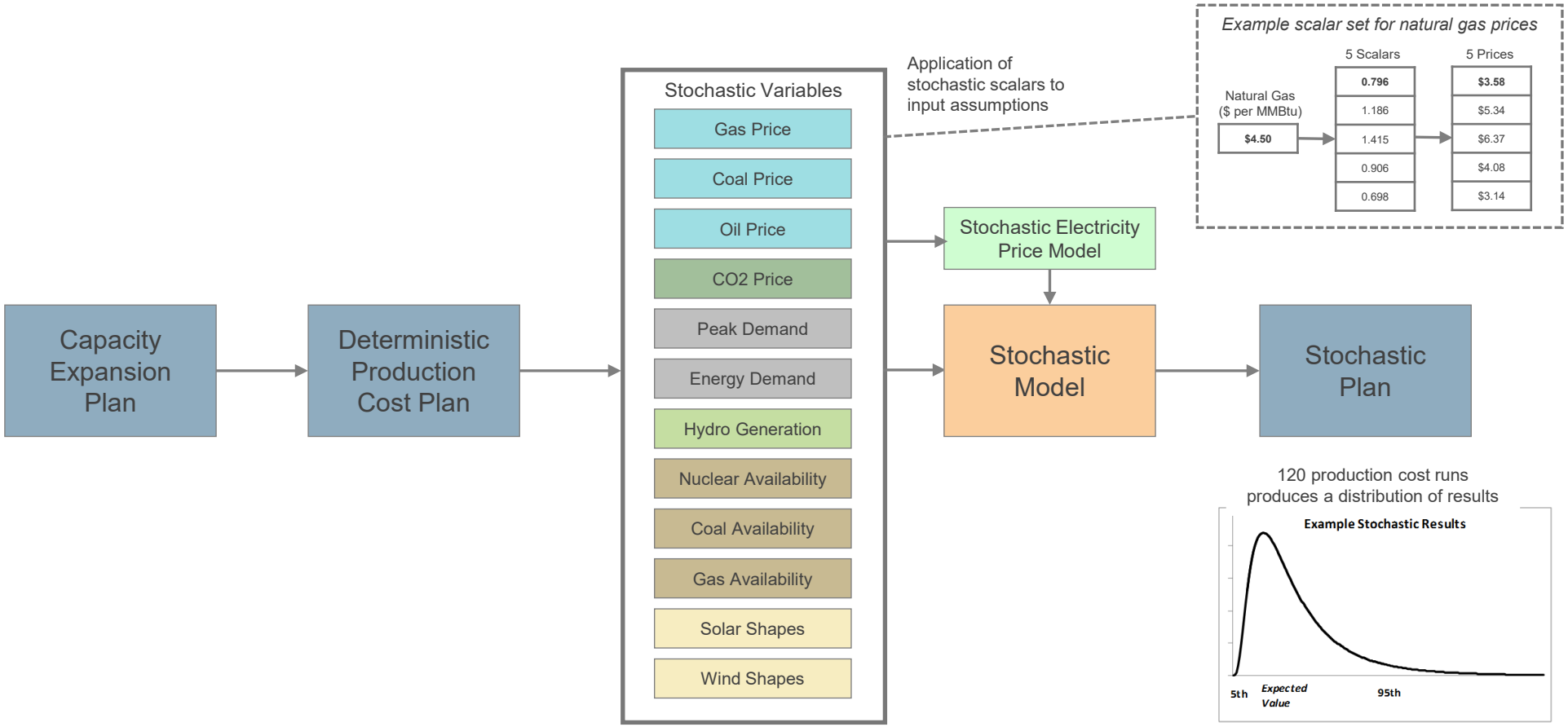
The Purpose of Stochastic Analysis

While scenarios explore step changes in possible futures, stochastic analysis evaluates risk of uncertainty around key planning assumptions for each portfolio.

A stochastic model estimates probability distributions of potential outcomes by allowing for simultaneous random-walking variation of many correlated inputs over time.

Stochastic distributions are created using Latin Hypercube sampling of the variables that have the most impact on production cost and financial results.

The Stochastic Process



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Draft Public Materials

Hunter Reed; IRP Project Manager

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Break

EPA GHG Rule Discussion

Candy Kelly; Sr. Manager, Resource Strategy

EPA GHG Rule Background

In May of 2023, the US Environmental Protection Agency proposed new greenhouse gas standards and guidelines for fossil fuel-fired power plants under section 111 of the Clean Air Act (“GHG Rule”).

These proposed rules would require significant changes in the operation and/or installation of control technologies at coal, gas, and oil-fired power plants.

Over the past year, the EPA has received comments on these proposed rules and is preparing to issue a final version of these standards and guidelines.

Based on recent reporting, expectations for the forthcoming final rule include:

- A delay in rules applying to **existing** natural gas-fired plants
- Continued inclusion of rules applied to existing coal and new gas-fired plants
- Issuance of the final rule in the spring of 2024

EPA delays rules for existing natural gas power plants until after the November election | AP News

Treatment of Final GHG Rule in IRP

Considerations for discussion:

- Potential for the creation of a sixth scenario based on the final GHG rule
- Potential for adjustments to regulatory requirements in Scenarios 4 or 5

Wrap-up

Jo Anne Lavender; IRP Facilitator