

January 6, 2023

Tennessee Valley Board of Directors

Chairman Bill Kilbride and Directors L. Michelle Moore, Robert Klein, William Renick, Adam Wade White, Joe Ritch, Beth Pritchard Geer, Brian Noland, and Beth Harwell

RE: TENNESSEE VALLEY AUTHORITY MUST RECONSIDER PROPOSED ALTERNATIVE TO CUMBERLAND FOSSIL PLANT

Dear Board of Directors,

We, the undersigned organizations, as part of the Clean Up TVA Coalition, first want to welcome the new board members to the Tennessee Valley Authority (TVA). Given the agency's legacy in the Valley, and across the country, we look forward to working with you to transform TVA into a leader in achieving a low-cost, clean, and accessible future for all. **We therefore urge you to advise CEO Jeff Lyash to delay a final decision on replacing the Cumberland Fossil Plant.**

The mandatory National Environmental Policy Act (NEPA) process dictates TVA cannot make precommitments to one resource, and the Environmental Protection Agency (EPA) supported this in its comments to TVA on its draft Environmental Impact Statement for the Cumberland Fossil Plant.¹ *The trajectory of this decision is reversible and at the very least needs to be paused, especially considering recent events.*

The recent winter storm that left millions of Tennessee Valley Authority (TVA) customers without reliable electricity and heating puts on full display the tremendous hazards and risk associated with continued overreliance on fossil fuels and outdated grid components. It is therefore unconscionable that TVA would further entrench the very fossil fuel resources that led to this massive energy crisis and will burden families with a volatile and insecure energy future. Instead, TVA should realize the very clear opportunity – and need – this crisis poses to immediately transition off volatile fossil fuels and onto lower cost, and resilient clean and renewable energy.

Importantly, as TVA board members and regulators of this federal agency, we urge you to investigate meaningfully and transparently: (1) what caused the gas and coal plant failures during winter storm Elliot, and (2) the role renewable energy alternatives, instead of more gas development, could play in mitigating such disasters.

¹ See U.S. EPA [U.S. Environmental Protection Agency, Region 4], "EPA Comments on the Draft Environmental Impact Statement for the Cumberland Fossil Plant Retirement, Stewart County, Tennessee; CEQ No: 20220059," June 30, 2022, <https://cleanenergy.org/wp-content/uploads/2022-06-30-EPA-comments-on-Cumberland-CUF-DEIS.pdf>.

In just a few days, Mr. Lyash could make a decision over the replacement of the Cumberland Plant, based on flawed NEPA analysis that even the EPA took severe issue with. The flaws in TVA’s final environmental impact statement cannot be overstated and **necessitate an immediate re-evaluation to not only meaningfully consider the respective impacts of the proposed alternatives, but to expand the suite of reasonable and viable alternatives considered to include energy efficiency, demand response, and distributed energy resources, especially in light of the recent gas and coal reliability issues that contributed to the blackouts.**

The rolling blackouts witnessed throughout the TVA region expose the fragility of TVA’s grid and especially the unreliability of its fossil assets. The utility’s own 2019 Integrated Resource Plan (“IRP”) showed that energy efficiency, demand response, and storage have the current capability to cost effectively reduce winter peaks, which are primarily driven by inefficient homes and electric resistance heating.² Had TVA made these investments – instead of in new fossil infrastructure – we could have seen a very different scene. As climate disasters intensify, we can only expect more devastating and frequent extreme weather events. This is the moment for TVA to prioritize replacing fossil fuel resources with distributed energy resources (“DER”), storage, and energy efficiency - a transition that carries innumerable benefits.

An analysis from Vibrant Clean Energy demonstrates that significant investment in distributed energy results in cumulative system-wide savings of \$301 billion by 2050 compared to a business-as-usual energy system.³ In addition to cost savings, DERs bring several additional benefits including grid management, demand response, and transmission benefits.⁴ DER can also minimize peak demand by about 17 percent and effectively shift demand to meet variable supply rather than forcing supply to meet demand.⁵

Additionally, distributed solar generation can provide benefits to communities and ecosystems including reduced water use, improved wildlife habitat, and even reduced land use.⁶ In the Cumberland EIS, one of TVA’s arguments against the renewable alternative was the estimated 22,540 acres of land that would be converted from agricultural to industrial land to accommodate 4,700 MW of new solar and storage. However, alternatives with distributed energy, storage and energy efficiency could address this concern while also reducing demand for large-scale energy

² TVA 2019 Integrated Resource Plan, Final IRP, available at https://tva-azr-eastus-cdn-ep-tvawcm-prd.azureedge.net/cdn-tvawcma/docs/default-source/default-document-library/site-content/environment/environmental-stewardship/irp/2019-documents/tva-2019-integrated-resource-plan-volume-i-final-resource-plan.pdf?sfvrsn=44251e0a_4.

³ Clack et al., *Technical Report: Why Local Solar For All Costs Less- A New Roadmap for the Lowest Cost Grid*, Vibrant Clean Energy (2020), https://www.vibrantcleanenergy.com/wp-content/uploads/2020/12/WhyDERs_TR_Final.pdf.

⁴ Armstrong et. al., *Techno-Ecological Synergies of Solar Energy for Global Sustainability*, 2 Nature Sustainability 560 (July 2019).

⁵ Vibrant Clean Energy Technical Report (2020) at 48.

⁶ *Techno-Ecological Synergies of Solar Energy for Global Sustainability* (2019) at 563.

projects like fossil gas that carry significant environmental, community, and public health hazards.⁷

A study by Synapse Energy Economics demonstrates that TVA can reliably and effectively meet energy demand without coal or new gas, and while still saving customers nearly \$9 billion over the next two decades.⁸ A resource portfolio that avoids investments in new gas capacity results in significant emissions reductions over the next 20 years.

A new gas plant not only defies financial logic and climate science, it contravenes President Biden's Executive Order to transform the entire U.S. electricity sector to be carbon-free by 2035.⁹ With increased reliance on gas as a replacement for coal, TVA is currently planning that it will *generate more than 34 million tons of CO₂ each year in 2038.*¹⁰

The impact further gas development will have on communities, especially frontline communities who have been disproportionately burdened by TVA's reliance on fossil fuels, is especially concerning. Like coal, fossil gas disproportionately harms communities of color and low-wealth.¹¹ Gas generation produces especially potent methane emissions, on top of over 60 hazardous air pollutants – including volatile organic compounds, carcinogens, and endocrine disrupting chemicals.¹² And gas generation exposes communities within proximity to gas facilities to elevated ozone levels which can exacerbate asthma and other diseases.¹³

Simply put, proceeding with Alternative A is untenable. It fails to address the most pressing issue today: the urgent need to rapidly transition away from all fossil fuels toward a clean, renewable, and just energy economy to avoid the worst impacts of the climate emergency and volatile energy prices, and address the disproportionate harm experienced by frontline communities from continued reliance on fossil fuels.

As the regulators and leaders of this legacy utility, we implore you to urge Mr. Lyash to go back to the drawing board and consider energy efficiency, demand response, and distributed energy

⁷ See Environmental Protection Agency, "Distributed Generation of Electricity and its Environmental Impacts", <https://www.epa.gov/energy/distributed-generation-electricity-and-its-environmental-impacts>.

⁸ Rachel Wilson, Iain Addleton, and Jon Taberero, Synapse Energy Economics, Inc., *Clean Portfolio Replacement at Tennessee Valley Authority: Economic and Emissions Benefits for TVA Customers*, May 2022, https://drive.google.com/file/d/1rgB3Apa3C-1PF0CyVMHqdq_t4NX85VCL/view.

⁹ See President Biden Executive Order on Tackling the Climate Crisis at Home and Abroad, Sections 201 and 205(b)(i) ("Biden Order") (Jan. 27, 2021), <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/>.

¹⁰ TVA 2019 Environmental Impact Statement, Final EIS at 5-27.

¹¹ Greenpeace, *Fossil Fuel Racism: How Phasing Out Oil, Gas, and Coal Can Protect Communities* (2021), <https://www.greenpeace.org/usa/wp-content/uploads/2021/04/Fossil-Fuel-Racism.pdf>.

¹² *Id.* at 17.

¹³ *Id.* at 17-18.

resources to ensure that TVA does its part in improving the quality of life of its 10 million customers.

Sincerely,

[Signatures On Next Page]

CLEAN UP TVA COALITION

APPALACHIAN VOICES

SIERRA CLUB

SOUTHERN ALLIANCE FOR CLEAN ENERGY

CENTER FOR BIOLOGICAL DIVERSITY

SUNRISE MOVEMENT

NAACP-MEMPHIS CHAPTER

SOWING JUSTICE

STATEWIDE ORGANIZING FOR COMMUNITY
EMPOWERMENT

ENERGY ALABAMA

TENNESSEE INTERFAITH POWER & LIGHT

ONE KNOX LEGACY COALITION

KNOXVILLE DEMOCRATIC SOCIALISTS OF
AMERICA

THE CLIMATE REALITY PROJECT: TENNESSEE STATE COALITION

