

February 16, 2023

Tennessee Valley Board of Directors

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

Re: Tennessee Valley Authority Board Must Advance an Affordable, Resilient, and Fossil Fuel-Free Energy Future

Dear Board of Directors,

We, the undersigned organizations, want to first welcome the new members to the Tennessee Valley Authority (TVA) Board of Directors. 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, fossil fuel-free, resilient and accessible energy future for all. As board members, and TVA's sole regulators, you have a profound role to play in improving the quality of life of TVA's 10 million customers. **We believe you can transform TVA into one of the nation's model utilities.**

TVA has a proud history of serving the nation and people of the Tennessee Valley through ambitious missions around rural electrification, flood control, environmental stewardship, and job creation. TVA is well suited to repeat its earlier success as a renewable energy pioneer and innovator to lead the country once again towards a just and clean, renewable energy transition.

Though TVA has taken important steps towards carbon neutrality in recent years, including announcing aspirational goals to become carbon neutral by 2050, unfortunately, today the utility is still 45% fossil-fueled and the current Integrated Resource Plan is extremely weak in plans to retire coal, cease new gas plant construction, and build renewable energy within the next decade. TVA's current IRP provides that the utility will still be generating more than 34 million tons of CO₂ annually in 2038, and just recently the utility decided to add 1,450 MW of new gas to replace the Cumberland coal plant, despite ardent public and federal opposition.

You have an opportunity to lead this generational change that communities in the Valley and our country so desperately need, and champion a future that truly serves the public good. To do so we urge you to:

1. **Emphasize Board Authority & Decision-Making.** The Board has a fiduciary duty of due diligence to make sure that TVA's actions are in the best interest of the public it is meant to serve. The previous board simply delegated authority over the retirement and replacement of the Cumberland and Kingston coal plants to President & CEO Jeff Lyash. Given the urgency of rapid emissions reductions to tackle the climate crisis, rising methane gas prices, and the disproportionate impact of fossil fuel reliance on

communities of color and low-wealth communities, we believe it is critical that the Board takes more responsibility in guiding TVA towards a fossil fuel-free, affordable, reliable, equitable and resilient energy future.

2. **Prioritize Transparency.** The TVA Act mandates that the utility engage in meaningful public participation. For a public power utility, that commitment should permeate all decision-making processes. However, in recent years TVA has failed to meet this standard, further limiting the public's input. In fact, for more than 2 years during the COVID-19 pandemic, TVA failed to hold any public input sessions, even though entities around the country were able to hold virtual meetings to allow meaningful public participation.

To correct this and ensure greater transparency, the board should hold meaningful public hearings on key decisions such as rate-making, open committee meetings to the public, and move public listening sessions back to the day of the board meeting, requiring all board members to be in attendance.

3. **Comprehensively Investigate Winter Storm Elliot.** Thousands of customers around the TVA service territory suffered without reliable electricity and heat after several fossil fuel plants failed under extreme weather conditions in December. To better understand how this crisis unfolded, TVA must transparently and comprehensively investigate the failure of its fossil fuel assets that led them to impose rolling blackouts. The board must ensure that the team reviewing the system failures includes individuals with expertise in risk management and technical analysis of energy systems, and who are fully independent of TVA and any fossil fuel interests.

TVA should also analyze the role alternatives like energy efficiency, demand response, and distributed solar, could play in preventing future disasters. Winter Storm Elliot is just one of many events that will challenge TVA's system in the years to come. More than anything, this should serve as a turning point in TVA's energy planning to re-evaluate status quo fossil fuel dependence and move toward a more resilient system.

4. **Immediately Begin the IRP Process.** The current IRP is woefully inadequate both in terms of TVA's current stated aspirations, and in terms of the Biden Administration's climate and clean energy goals. The current IRP largely dismisses solar, wind, storage, and energy efficiency in its long-term energy planning, despite extensive research and modeling pointing to these technologies as reliable and resilient solutions. A quality IRP is essential for evaluating both any build outs of new generation and to effectively plan for a fossil fuel-free and resilient energy future.

5. **Invest in Efficient, Low-Cost, Fossil Fuel-Free Energy.** Households in the TVA region, and particularly low-income families, experience some of the highest energy burdens in the country. Volatile fossil fuel prices and TVA's deficient investment in energy efficiency aggravate this crisis. Robust investment in energy efficiency and resilient renewable energy can help to address that.

TVA was once a leader in energy efficiency programs but over the past decade has severely cut back on these programs. Currently, energy efficiency makes up 1% of TVA's portfolio. To alleviate rising energy burdens, reduce energy costs, and protect families from extreme weather events, it is crucial the board prioritize energy efficiency across the Valley.

At the same time, TVA should take advantage of clean energy incentives under the Inflation Reduction Act (IRA) to boost investment in a distributed energy buildout, including rooftop solar and demand response. These technologies could reinvigorate local economies, lower hazardous emissions, and improve reliability and resilience to make communities truly energy secure in a time of increasing price volatility and extreme weather.

TVA also should encourage rural electric cooperatives and municipal utilities who have Power Purchase Agreements (PPAs) with TVA to take advantage of clean energy incentives available to them. At the same time, TVA should promote the federal incentives available to residential and business customers and reward those utilities and cooperatives that do so.

As the regulators and leaders of this legacy utility, you have a profound role to play in improving the quality of life of TVA's 10 million customers. We urge you to take immediate action on these 5 priorities, and to work with us, impacted communities, and the Biden Administration in advancing an affordable, resilient, and fossil fuel-free energy future.

Sincerely,

CLEAN UP TVA COALITION

SUNRISE MOVEMENT NATIONAL

SIERRA CLUB

SOUTHERN ALLIANCE FOR CLEAN ENERGY

APPALACHIAN VOICES

CENTER FOR BIOLOGICAL DIVERSITY

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

CLIMATE REALITY PROJECT: TENNESSEE STATE COALITION