

USDA REAP Presentation

February 9, 2021



Green



Tennessee Valley & Public Power

TVA Mission

Energy



TVA delivers safe, reliable, cleaner, competitively priced electricity

Environment

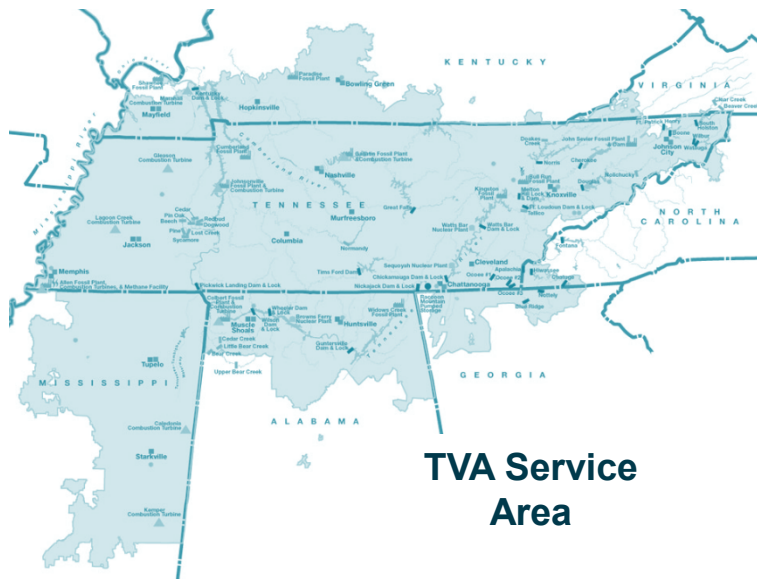


TVA is committed to limiting the environmental impact of our operations

Economic Development



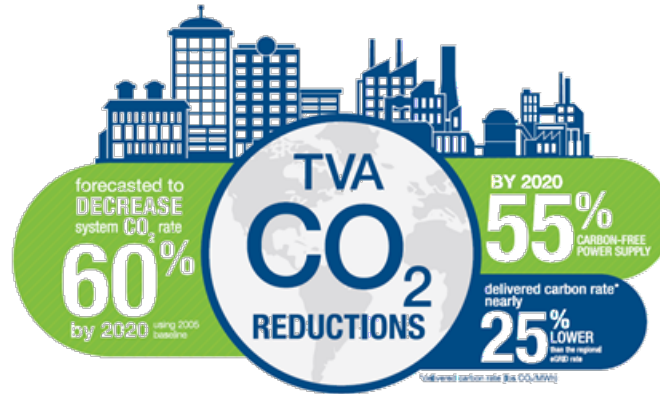
Economic Development is a cornerstone of TVA's mission to make life better for Valley residents



TVA Service Area

- 1 As the largest public power company in the nation, TVA is doing everything possible to **keep more money in customers' wallets**.
- 2 Right now TVA has the **lowest industrial electric rates among our peers**—this is a tremendous competitive advantage that makes the Valley an attractive place to do business.
- 3 From a financial perspective, TVA does not have shareholders whose dividends are paid through rates. **Every penny is reinvested into furthering the mission of Energy, Environment, and Economic Development.**

Delivering a Cleaner Energy Grid



TVA system carbon emissions rate is forecasted to approach a **60% reduction by 2020** and a **70% reduction by 2030** from a 2005 baseline.

1

Lighting Upgrades

2

Compressed Air Optimization

3

Energy Management Systems/Programmable Thermostats

4

HVAC Upgrades






5

Electric Forklifts – EPRI Forklift Calculator

6

Heat recovery opportunities

2020 TVA Renewable Solutions

ONSITE SOLUTIONS		OFFSITE SOLUTIONS			
		DISPERSED POWER PRODUCTION	GREEN INVEST	GREEN SWITCH	GREEN FLEX
	LOCATION	On-site	In the Valley	In the Valley	Out of the Valley
	COMMITMENT	5 Years	Up to 20 years	Short term	1 Year
	PRICE / CREDIT	~\$25/ MWh Credit	Market-based	\$10/ MWh	\$1.50/ MWh
	SIZE	Varies	Large Scale	Small Scale	Mid to Large Scale
	CERTIFICATION	NA	NA	Green-e certified	Green-e certified
 TECHNOLOGY	WIND	✓	TVA procures renewables to meet up to 100% of customer's load	✓	✓
	SOLAR	✓		✓	
	BIOMASS	✓		✓	
	OTHER	Co-generation			



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Dispersed Power Production



Dispersed Power Production (DPP) Overview



Key Principles:

- **5-year Power Purchase Agreement (PPA)** between TVA and Qualified Facility
 - *No contract with LPC for DPP*
- Guidelines Posted on TVA's external DPP website
- Pricing set monthly and published on TVA's external DPP website
 - *Based on **TVA's short-term forecasted avoided costs***
- Qualifying Facilities – Small Power Producers (**Up to 80MW**) or Cogeneration Facility



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Green Invest



Green Invest

Replacing Renewable Investment Agreement (RIA)



Key Principles:

- **NEW**-to-the-world, in-Valley Utility-Scale Renewables
- Customer will have a load commitment commensurate with renewable supply being procured
- The Power Purchase Agreements will be for energy delivered terms of up to **20 years**
- Collaborative, competitive procurement
- **Fixed product pricing** set to cover the additional cost of renewable power

TOTAL ENERGY SOLUTION | REC MANAGEMENT | TURN KEY SOLUTION



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Green Flex



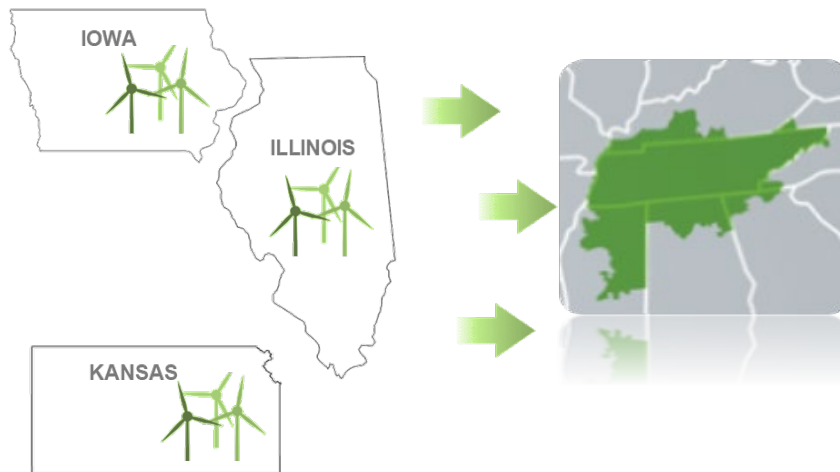
Green Flex

Replacing Southeastern RECs

Green Flex allows business and industry customers to **reduce their environmental impact**.

OUT OF VALLEY WIND ENERGY

- CY20 Price: **\$1.50/MWh***
- 1-year contract
- Program operates on a calendar year basis i.e. January 2020 – December 2020
- Annual Minimum – 2,000 RECs
- 100% wind located outside of the Valley; Wind energy is delivered to the Valley via existing PPAs



NO LONG TERM COMMITMENT | NO UPFRONT COST | NO ADDITIONAL INFRASTRUCTURE NEEDED

*Price subject to change annually



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THANK YOU!

