



NEWS RELEASE

TVA's 2019 Accomplishments Strengthen Future of Public Power

MEMPHIS, Tenn. — The Tennessee Valley Authority Board of Directors recognized the accomplishments of TVA employees in fiscal year 2019 that further strengthen public power's ability to serve the nearly 10 million people in the Tennessee Valley during its quarterly meeting Thursday.

"Public power is about putting those we serve first through delivering safe, reliable energy at the lowest cost possible while protecting the environment and creating new economic opportunities" said TVA President and CEO Jeff Lyash. "Together with our local power company partners, TVA employees delivered on each of those priorities and, perhaps more important, placed TVA in a strong position to continue our mission of public service in the future."

Among the past year's achievements highlighted by the board, the TVA team:

- Supplied 54 percent of the Valley's energy from carbon-free sources for the entire fiscal year.
- Continued to lead regional utilities in carbon reduction with a 60 percent reduction in carbon emissions from 2005 levels projected by the end of 2020 – almost twice the national average and on track for a 70 percent reduction by 2030.
- Achieved its 20th consecutive year of 99.999 percent transmission reliability.
- Provided reliable energy through the highest peak demand day for August (29,569 megawatts) since 2012 and unseasonably warm weather in September that produced a record nine days of 28,000+ megawatt demand days.
- Completed the extended power uprate at Browns Ferry Nuclear Plant, which will add 465 megawatts of additional carbon-free energy to the Valley and earned finalist status in S&P Global Platts' Global Energy Awards.
- Updated TVA's Integrated Resource Plan, providing planning direction for adding substantial new renewable generation over the next 20 years without impacting reliability or low cost.
- Effectively managed the Tennessee River system to prevent almost \$1.6 billion in flood damage during record-setting February rainfall while generating \$12 billion in annual economic benefit from recreational opportunities.
- Helped add or retain more than 66,000 jobs and almost \$9 billion in capital investment to the area, earning TVA its 14th consecutive "Top 10 Utilities" economic development honors from Site Selection magazine.

"Due to this high performance over the past several years, we were able to maintain flat rates for the coming year and take additional actions, including the long-term partnership program with local power companies and a new 10-year strategic financial plan, that should extend those stable rates for the next decade," said Lyash.

Announced at the Board's August meeting, the long-term partnership program provides participating local power companies with a monthly 3.1% rebate on wholesale power rates, the

flexibility to provide a portion of their own generation through locally-sourced generating sources, and gives them greater strategic input to future planning. To date, more than 85 percent of local power companies have signed on to participate.

“The new 10-year strategic financial plan builds on the success the TVA team has achieved over the past six years in reducing operating costs, lowering debt and investing in our generating and transmission system,” said TVA Chief Financial Officer John Thomas. “Our effective wholesale rate today is actually less than it was when we started in 2013, and our debt now stands at its lowest level in nearly 30 years.”

In fiscal year 2019 alone, TVA also achieved a net income of about \$1.4 billion while reducing its debt by nearly \$1.5 billion. Detailed financial results will be included in TVA’s Securities and Exchange Commission 10-K filing, which will be publicly available on the morning of Nov. 15 on TVA’s website. TVA will conduct a call on Nov. 15 with investors and news media to review the 10-K and the year’s performance.

In recognition of the collective work of employees, the board approved the FY19 performance and compensation package, including “at-risk” pay earned through achieving specific performance goals in TVA’s short-term incentive programs, and approved CEO compensation for FY20.

In other business, the board:

- Approved the delegation for individual contract approvals to the CEO.
- Recognized the service of Board Directors Virginia Lodge and Ron Walter, whose terms end this year.

The Tennessee Valley Authority is a corporate agency of the United States that provides electricity for business customers and local power distributors serving nearly 10 million people in parts of seven southeastern states. TVA receives no taxpayer funding, deriving virtually all of its revenues from sales of electricity. In addition to operating and investing its revenues in its electric system, TVA provides flood control, navigation and land management for the Tennessee River system and assists local power companies and state and local governments with economic development and job creation.

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