

August TVA Board Meeting Results

The following is a summary of actions taken by The Tennessee Valley Authority Board of Directors at their August 20th meeting in Knoxville, Tennessee:

Vision & Strategic Direction

Adopted a renewed vision for TVA's future, focusing on cleaner air and greater energy efficiency and eventually replacing some of its older coal-fired generation units with low-carbon or carbon-free sources such as nuclear power. TVA must lead with continued focus on key critical issues, including keeping bills low, maintaining power system reliability and strengthening the company's reputation in order to continue to achieve TVA's mission in today's economic climate.

TVA's vision of providing cleaner energy will be guided by its Integrated Resource Plan, a broad assessment of the utility's options for fulfilling its mission over the next 20 years. A draft of the Integrated Resource Plan is expected to be released for public comment in September, and the plan should be finalized in the spring.

Bellefonte Site

Approved TVA's budget for fiscal year 2011, which includes \$248 million for work at the Bellefonte nuclear site in North Alabama to maintain the option for future power generation. Next year, the TVA Board will consider whether to complete construction of the nuclear power generating unit there. Construction was halted several years ago, but studies show new generation capacity will be needed by 2020, and nuclear energy provides power generation with no carbon emissions.

Wholesale Rate Change

As part of the move toward greater demand response and energy efficiency, the TVA Board also approved a change in the wholesale rate structure. The new structure, to be implemented in April 2011, will include options for time-of-use rates that more closely reflect the cost of electricity production, which can be significantly higher on hot summer afternoons and cold winter mornings than at other times.

Fiscal Year 2011 Budget

Approved the fiscal year 2011 budget, which includes no base rate increase for the fiscal year, also includes \$635 million for construction of the Watts Bar 2 nuclear facility in East Tennessee, scheduled for completion in 2013; \$314 million for construction of natural gas-fired power generation at the John Sevier plant site near Rogersville, Tennessee; and \$351 million for environmental improvements at coal-fired plants, including converting wet ash storage facilities to dry. In addition, the budget contains \$135 million for energy efficiency and demand-response programs and \$70 million for economic development.