TVA's Commitment to Deliver A Cleaner Energy Future

While being interviewed for the position of CEO and president of the Tennessee Valley Authority earlier this year, Jeff Lyash was asked why he would want to come to TVA. “For me, the answer was easy. The strength of TVA is its people. We have an experienced and talented workforce committed each and every day to improving the quality of life for the 10 million people we serve.”

Working together with the local power companies, TVA has achieved exceptional results. Today, nearly 60% of the energy produced comes from carbon-free sources. TVA is also a national leader in carbon reduction, double the national utility average, but they aren’t satisfied. They are committed to increasing their carbon reduction while maintaining their focus on delivering the reliable, low-cost energy customers expect and deserve.

They’ve worked to significantly lower their operating and maintenance costs, improving both productivity and efficiency. These savings are passed on to the customers in terms of lower energy costs. About 75% of the nation pays more for energy than those served by TVA. Energy costs will remain flat in 2020, and TVA’s commitment is to keep them stable for the next 10 years. In partnership with local power companies, their Home Energy Uplift program works to make homes across the region more energy efficient. This program assists low-income residents, saving them more than 25% on their energy bills.

Over the past 20 years, TVA has helped build the region’s solar industry in a sustainable, cost-effective way. They have added more solar as the price comes down, so the solar energy they deliver is a good buy for their customers, and they are continuing to add solar as prices become more competitive. Today, TVA gets renewable energy from about 4,000 locations across seven states. They produce twice as much renewable energy as other utilities in the region. They also aspire to and are committed to do even more. In the next two decades, TVA expects to add up to 14 gigawatts of solar generation and 5 gigawatts of battery storage through a structured, cost-effective strategy.

Today, the Tennessee Valley region has the cleanest air on record, and more companies are choosing to locate here. In 2019 TVA helped add or retain more than 66,000 jobs and nearly $9 billion in capital investment to the region.

This fall, they announced a long-term partnership proposal with local power companies that allow them to fully leverage the capability of the public power model across the region. The long-term partnerships support the long-term investments TVA is making in the power system as they continue to retire coal-burning plants, add more renewables and modernize the transmission system to keep TVA energy reliable. And the agreements include the flexibility for local power companies to add local renewable generation to their systems. Together with the public power partners in communities across the region, TVA is committed to building a cleaner, brighter energy future in 2020 and beyond.
Preservation Society Hosts First in Series of Workdays at Lock A

In Moulton, AL the Lawrence County History and Preservation Society’s community cleanup day at old Lawrence County Park, also known as Lock A, was just the beginning of more workdays to come, according to the Society.

“We will schedule other workdays at Lock A during our next meeting,” the group posted to their Facebook page following the cleanup. The Society hosted a cleanup day at the park in North Courtland and their first objective was to pick up litter and clear overgrowing Chinese Privet from the main entrance to the park.

LCHPS President Ann Britnell said many volunteers showed up for the effort, District 1 Commissioner Jesse Byrd, members of the Forestry Service, members of the Sons of the Confederacy, LCHPS members, and TVA Recreationalist Derek South and his wife, Emma.

South met with the Society on the work site to map out an area and scope of work. Britnell said the group had planned to eradicate as much of the Privet as possible, but South also intends to research the best way to control the English Ivy growing in the park.

“Chinese Privet and English Ivy are both aggressive plants,” Britnell said. “Miss Annie Wheeler planted the Ivy; that was her trademark. She planted it on the monument (inside the park), it’s been left growing for years, and now it’s growing on the trees.”

The group intends to keep some of the Ivy growing because it was a signature planted by General Joe Wheeler’s daughter, but Britnell said it will need to be controlled to keep it from harming the trees and other plant life. She said the volunteers helped clear much of the Privet as well as a couple of dead trees in the area.

The group also collected 29 bags full of trash and litter. The Lawrence County Solid Waste collected the bags from the site Britnell added.

“We’ll have a meeting in December, to decide when our next workday will be,” she said. “Derek, (Linda) Peebles, and I were all very pleased with the work we accomplished. We were pleased we had so many turn-outs.”

TVA has offered to place picnic tables in the park, and South is working to have a sign erected to show the park is being maintained by LCHPS, according to Britnell.

LCHPS is a non-profit formed for the protection and preservation of Lawrence County’s historic sites and structures.
IAMAW Signs 10 Students Into Machinist Apprenticeship

In Muscle Shoals, AL, The Northwest-Shoals Community College department of Workforce Solutions partnered with the International Association of Machinists and Aerospace Workers (IAMAW) District 711, Local 65, to sign ten machinist apprentices into the second class of the Machinist Apprenticeship Program last week on the Shoals campus.

The IAMAW Machinist Apprenticeship Program at NW-SCC is a non-credit pathway to a challenging and well-paying career as a machinist for the Tennessee Valley Authority (TVA) and its partner contractors. Program apprentices will begin a four year training program that includes 1,200 hours of classroom training and 6,400 hours of on-the-job training. This is the second class of students to start this apprenticeship.

“It is so exciting to continue our partnership with IAMAW,” said NW-SCC President Dr. Glenda Colagross. “The investment they are making into these students will make a tremendous impact toward filling the skills gap in the machining industry.”

Apprentices take classes two nights a week at NW-SCC and work for the TVA Power Service Shop during the day. According to Wendell Dean, administrator of the apprenticeship program, the program has been in the works for several years. “The IAMAW has been working toward an apprenticeship program for machinists for several years, and it is great to see it come to fruition and successful,” said Dean. “The first class was selected in December of last year and we hope this pipeline of machinists through Northwest-Shoals continues for many years to come.”
The ATVG REPORT Is:

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ATVG is a 501(c) (4), not-for-profit, public interest organization.
ATVG advocates for the interests of county and city/town governments residing within the seven-state TVA region and their partners in the public and private sectors.

For details about ATVG’s mission and program of work, visit us on line at:  www.atvg.org
TVA Delivers Strong Financial Results, Strengthens Partnerships in FY 2019

The Tennessee Valley Authority reported $11.3 billion in operating revenues for fiscal year 2019, a one percent increase over fiscal year 2018. The financial performance reflected lower sales based on overall milder weather in 2019 than in 2018, and lower fuel cost recovery revenues, offset by higher base rates.

“TVA’s success at reducing costs and reducing debt while investing in cleaner generation is paying off”, said Jeff Lyash, TVA’s president and chief executive officer. “TVA delivered another year of financial and operational successes, maintaining high reliability for our customers in 2019 while making important investments for the future.”

TVA’s total operating expenses in fiscal year 2019 were two percent lower in 2019 than in 2018, driven by lower fuel expense and lower depreciation and amortization expense. TVA’s fuel and purchased power expense was four percent lower in 2019 than in 2018, due to a $153 million decrease in fuel expense. Lower natural gas prices and increased hydroelectric generation helped lower fuel expenses. TVA’s depreciation and amortization expense was $554 million lower in 2019 than in 2018, primarily due to a $1.1 billion decrease in amortization of deferred nuclear generating units and nuclear training costs regulatory assets from the previous year.

Operating and maintenance expense was $492 million higher in 2019 than in 2018, primarily due to:
• $266 million of accelerated recovery of deferred environmental costs.
• $170 million of project write-offs and inventory write-offs and reserves related to the anticipated retirement of certain generating units.
• $39 million of increased outage expense due to additional planned nuclear outage days.

Interest expense was $45 million, or four percent, lower in 2019 than in 2018, reflecting lower short-term and long-term debt balances. “TVA’s debt is the lowest level in almost 30 years, and we have taken the actions necessary to keep power rates stable for customers going forward,” said John Thomas, TVA’s chief financial officer. “Our success in recent years is inspiring our customers to enter long-term partnership agreements with TVA, demonstrating strong confidence in our shared future and the public power model.”

Additional highlights of TVA’s fiscal year 2019 include: Net income of $1.4 billion, an increase of 27 percent from 2018. At its August 2019 meeting, the TVA Board approved a 20-year Partnership Agreement option that better aligns the length of local power company contracts with TVA’s long-term commitments. Participating LPCs will receive benefits including a 3.1 percent wholesale bill credit in exchange for their long-term commitment, which enables TVA to recover its long-term financial commitments over a commensurate period. Also at that meeting, the TVA Board also approved TVA’s new Integrated Resource Plan, which will provide direction on how to best meet future electricity demand so that TVA can continue to provide low-cost, reliable electricity, support environmental stewardship, and spur economic development in the Tennessee Valley over the next 20 years.

TVA’s economic development efforts continue to attract and encourage the expansion of business in the Tennessee Valley, with over $8.9 billion in investments and approximately 66,500 jobs created or retained in fiscal year 2019.
Merry Christmas
And
Happy New Year
From your friends at ATVG
**Association of Tennessee Valley Governments**
Winter Meeting January 29, 2020

Murfreesboro Embassy Suites *(Hotel Room Rate: $144.00)*
615-890-4464

**Wednesday, January 29, 2020 (Central Time Zone)**

11:45 a.m.: Opening Lunch

**Program:** 1:00 – 4:30 p.m.

- **Welcome**   
  Larry Chesser; ATVG Board President
- **TVA Update**   
  Bert Robinson; TVA
- **TVA Payment in Lieu of Taxes**   
  Bryan Johnson; TVA
- **TVPPA and Seven States Power**   
  Betsy McCall; VP TVPPA and 7 SPC
- **Local Flooding Issues: A Case Study**   
  Jessie Fears; Geosyntec
- **Bringing Energy Sustainability to Small Towns: A Case Study**   
  Becky Ruppe: City of Rockwood

4:30  ATVG Board Meeting – separate agenda will be provided

6:00  Dinner at Five Senses Restaurant

___________________________________________________________________

Please help us make necessary arrangements by letting us know if you will be attending. Send the enclosed registration form by email to: registration@atvg.org or by U.S. mail to: ATVG, P.O. Box 3578, Clarksville, TN 37043.

**Association of Tennessee Valley Governments Meeting Registration Form**

**Registration Fee:** $100.00 for members and affiliates; $200.00 for non-members

Name: ________________________________________________________________

E-Mail: ________________________________________________________________

Spouse’s Name: ________________________________________________________  
*Registration Fee for spouse is included/No additional charge*

Company/Organization: ________________________________________________

Full Address: _________________________________________________________

Make checks payable to: Association of Tennessee Valley Governments- P.O. Box 3578 – Clarksville, TN 37043
Dear ATVG members and friends,

I want to welcome you to the Association of Tennessee Valley Governments (ATVG). We are a not-for-profit 501c (4) corporation chartered in 1981. Our primary purpose is to improve communication and understanding between local governments and the Tennessee Valley Authority (TVA). With nearly 1,000 local governments being served by TVA, we strive to advocate on behalf of our membership. ATVG represents local governments in Alabama, Georgia, Kentucky, Mississippi, North Carolina, Tennessee and Virginia.

ATVG has studied and often taken an active role in issues related to:

1) TVA’s Integrated Resource Plan
2) Emergency Management Preparedness
3) Small Modular Nuclear Reactors (SMR)
4) Tax Equivalent Payments to local governments
5) Economic Impacts of closing coal facilities and conversion to natural gas plants
6) Confirmation of TVA’s Board of Directors
7) Restructuring Park and Recreation Marine Contracts
8) Start-up of Watts Bar Unit 2 nuclear reactor
9) TVA’s Economic Development Activities
10) Addressing invasive aquatic life in the TVA reservoirs
11) Importance of Chickamauga and Kentucky Lock replacement.
12) Purchasing of coal and natural gas from within the valley
13) Future use of the Bellefonte site
14) TVA’s Solar Strategy Initiative

ATVG meets quarterly within the TVA region for educational sessions and to conduct the organization’s business affairs. This year we will meet in Murfreesboro, TN in January, in Tunica, MS in April, in Huntsville, AL in July and in Gatlinburg, TN in October.

We recognize TVA as a major economic driver within our communities through its role as the provider of reliable, reasonably priced power, along with economic development initiatives for recreation and industrial activities. We further recognize TVA must be an active environmental steward of our natural resources.

ATVG will continue to advocate policies for our local governments and communities. We recognize that we can both support and be in opposition to various TVA policies; while fully understanding that it is through our education on the issues that we all make better decisions.

Learn more about ATVG at www.atvg.org including information on our quarterly meetings.

Sincerely,

Larry Chesser
2020 ATVG President
Fort Payne, AL
TVA Campgrounds and Visitor Centers Closed After Another "Successful Season"

After what officials are calling another successful recreation season in 2019, the Tennessee Valley Authority managed campgrounds and visitor centers are closed for the winter months. The campgrounds and visitor centers will reopen in spring 2020. During this year’s recreation season, the campgrounds hosted over 96,000 total visitor nights.

TVA campgrounds closed are:
* Cherokee Dam — Cherokee Reservoir in Jefferson City.
* Douglas Dam — Headwater — Douglas Reservoir near Sevierville.
* Douglas Dam — Tailwater — Douglas Reservoir near Sevierville.
* Melton Hill Dam — Melton Hill Reservoir near Lenoir City.
* Pickwick Dam — Pickwick Reservoir near Savannah.
* Watauga Dam — Watauga Reservoir near Elizabethton.

While the campgrounds are closed, TVA and Recreation Resource Management will perform maintenance such as tree trimming, parking lot striping and the replacement of amenities such as grills and picnic tables. Employees will also assess them for possible upgrades such as bathroom improvements, renovating camp stores and upgrading electrical service. Work to repair flood damage will continue at Pickwick with the goal of having the campgrounds completely open by spring.

TVA’s day-use recreation areas on dam reservations remain open year-round. These recreation areas are used for hiking, fishing, boating, picnicking, wildlife viewing and swimming. Visitor centers at Norris, Fontana and Kentucky Dams are closed and will reopen the first weekend of April. Visitor centers at the Raccoon Mountain Pumped Storage facility near Chattanooga, and unstaffed centers at South Holston and Fort Patrick Henry dams in northeast Tennessee remain open year-round.