



DECEMBER 2021 ATVG WINTER NEWSLETTER

TVA Tax Equivalent Payments Total Nearly \$500 Million in 2021

The Tennessee Valley Authority provided nearly \$500 million in tax equivalent payments in fiscal 2021 to state and local governments served by its energy generation or in areas supporting TVA properties.

At its quarterly business meeting, TVA's board of directors approved the final tax equivalent payments for the current fiscal year. The payments compensate state and local governments that cannot levy property or sales taxes on TVA as a federal entity.

TVA returns 5% of power sales revenues from the previous year in the form of tax equivalent payments in the eight states where it sells electricity or owns generating plants, transmission lines, substations and other assets, and directly to 150 local governments where TVA owns power property. The funds are distributed in monthly payments, with final payments approved at the end of each fiscal year.

In fiscal 2021, the following tax equivalent payments were made to states and local governments:

Alabama	\$ 79,334,127
Georgia	8,393,031
Illinois	349,709
Kentucky	29,650,381
Mississippi	38,168,308
North Carolina	3,047,470
Tennessee	339,518,090
Virginia	1,124,067
TOTAL	\$499,585,183

State and local governments distribute the funds according to their own formulas and discretion to support a variety of initiatives, including schools, fire departments and other emergency response agencies, tourism and recreation, and human service organizations.

Since 1941, TVA has made more than \$15.1 billion in tax equivalent payments, with payments in the past 10 years totaling nearly \$5.4 billion.



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TVA/Kids – A Fun Place to Learn While School’s Out

“I’m bored!” Put a stop to hearing this (again) during the holiday break. Just because they’re not in school, kids don’t have to stop learning about the world around them. Let TVA help!

Imagine its early afternoon during your children’s holiday break from school. You peep in to find them in front of a screen...again. But this time they are on [TVAkids.com](https://www.tvakids.com) reading about the different ways to make electricity. At dinner, your ten-year-old explains about TVA’s work to stop flooding and make navigation safer by building a series of dams on the Tennessee River. Later at a family gathering, your teenager brings up TVA careers in botany and archaeology. What’s up here?

With a terrific combination of education and entertainment, the TVA/Kids site might be the best gift of Christmas, and certainly the least expensive. This type of “edutainment” is especially valuable during long breaks from school, when students can get bored and may welcome the chance to learn something new. This is especially true when considering preparation for future STEM jobs, which depend on skills in science, technology, engineering and math.

“As part of the TVA.com site, TVA/Kids was created in the late 1990s to reach out to our young stakeholders with information about who TVA is and what TVA does,” says Hillari Dowdle, TVA Communications. “Students in the Tennessee Valley need to understand our overarching mission of managing the river for multiple benefits, including energy, the environment and economic development.”

In the last few years, the site has been redesigned and lots of exciting information has been added to assist students, parents and educators. Multiple animations and videos make it engaging for all elementary-age students.

The overview of the site includes: What is TVA, Electricity, Environment, Running the River, History and Homework Helpers.

Each offers a deep dive for students who are interested in these various areas. For example, the Environment section discusses the importance of using TVA public lands responsibly by protecting wildlife habitats, trails and shorelines.

TVA Earns Multiple Awards for People-Focused Culture

TVA has been recognized with 10 National Awards in 2021, each a reflection of their commitment to creating a workplace focused on people, inclusion and diversity.

“We are honored that national organizations and media outlets are taking notice of our people-focused culture at TVA,” said Sue Collins, EVP and Chief People & Communications Officer for TVA. “These awards are recognition of our employees’ continued efforts to build an environment where everyone feels included, respected and valued.”

TVA received the following recognition in 2021:

Forbes 2021 America's Best-in-State Employers: TVA ranked in the Top 5 for three consecutive years.

Forbes 2021 Best Large Employers: TVA Ranked No. 2 in Utilities.

Newsweek’s Top 100 Most Loved Workplaces in America: TVA is ranked No. 69.

2021 Diversity Impact Award: TVA chosen for the Top 10 Diversity Action Award by the Association of ERGs and Councils.

2022 Military Friendly® Employers Award:

TVA is ranked No. 3.



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2022 Military Friendly® Supplier Diversity Program Award: TVA ranked No.1 for 2022 and a Top 10 designation three years in a row.

2022 Military Friendly® Spouse Friendly Employers Award: TVA is ranked No. 8.

VETS Indexes 5-Star Employer: TVA earned a Top 20 designation.

TVA Addressing Higher Winter Energy Costs

Utilities across the nation are warning customers to prepare for high energy bills this winter. In fact, the U.S. Energy Information Administration said with prices surging worldwide for heating oil, natural gas, propane, and electricity, you could see your heating bills jump dramatically compared to last winter. Propane users are projected to see the largest increase at 54 percent, while the smallest increase is projected at 6 percent for electricity users. Natural gas is used to heat homes, water, and stoves and to generate over 40 percent of America's electricity.

“We’ve seen natural gas prices increase by 400 percent since the lowest pricing in June 2020,” said Doug Perry, Tennessee Valley Authority senior vice president Commercial Energy Solutions. “We’re proactively working to reduce the impact of higher fuel prices on folks’ electric bills.” Perry believes TVA is well positioned to manage challenges such as fuel pricing increases through its mission of service and generation diversification. “TVA is America’s largest public power provider, which means every dollar we make is reinvested into the power system and our communities instead of going to shareholders.”

Over the last 10 years, TVA invested over \$14 billion to build an Energy System of the Future that is less dependent on fossil fuel. TVA’s large nuclear and hydro fleets plus increasing renewable sources provide more than half of TVA’s energy needs and have stable or zero-cost fuel supplies. “We proactively monitor and prepare for changing market conditions to maintain high reliability at the lowest possible rates,” Perry said.

TVA engages in actions to limit its exposure to fuel market volatility, including securing long-term natural gas contracts, building fuel storage inventories, and strategically using its hydro and nuclear units to lessen the impact of fuel pricing increases to customers. Perry explained that TVA also has a geographic advantage that allows the utility to source natural gas from six major pipelines.

“Everything we do at TVA puts people before profits,” said Perry. “Over the past 10 years we have been able to keep electric rates flat, and we plan to keep base wholesale rates flat well into the future. This is how we will continue supplying our region with reliable energy at some of the lowest rates in the nation.”

TVA's effective wholesale rate has dropped more than 6 percent over the past two years and is lower than 10 years ago due to improved performance, lower fuel costs, and TVA's proactive efforts to support pandemic recovery. TVA and local power companies have worked together to deliver residential rates that are lower than 80 percent of the top 100 largest utilities in the nation. “Rising fuel costs will cause an increase to consumer bills this winter, but we are doing everything we can to minimize the increase,” said Perry. “The team has done an excellent job identifying the risks and taking actions to minimize the impacts, so consumers can keep money where it belongs – in their pockets.”



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TVA and Local Power Companies Extend Community Care Funds

The Tennessee Valley Authority and local power companies are continuing their partnership in addressing hardships created by the COVID-19 pandemic by extending the Community Care Fund program in 2022. TVA will begin matching funds to selected organizations November 1, 2021.

Since the program began in April 2020, the Community Care Fund has helped 637 local charitable organizations across the Tennessee Valley region provide assistance to those most impacted by the ongoing pandemic.

“I view the Community Care Fund as the Valley Public Power Model in action,” said Jeannette Mills, TVA executive vice president and chief external relations officer. “Public Power means we put people over profits, and it underscores our partnerships with local power companies to deliver on our mission of service to those most in need. “This announcement of the continuation of the fund corresponds perfectly as we celebrate the benefits we can offer in addition to clean, low-cost reliable power through our community-focused operating model,” she added. She also pointed out that local power companies have the best understanding of the immediate needs of the people they serve, so TVA is partnering with them to select local organizations for the matching donations.

“The team at CDE Lightband works and lives here in Clarksville, Tennessee, and we know where the most help is needed,” said Brian Taylor, general manager of CDE Lightband. “One of the reasons the Community Care Fund has been so successful is that local power companies have the ability to select the charities and organizations locally that will most effectively reach people who are still struggling with pandemic impacts.”

TVA will be providing \$5 million in matching funds through FY22. Since the program began in April 2020, TVA and local power companies have contributed nearly \$9 million in funds. The COVID-19 Community Care Fund is part of a broader effort by TVA and local power companies to support communities with resources, programs and assistance and reinforce the strength of public power in the Tennessee Valley.

TVA and Eelgrass

Over the past few years, there has been a significant increase in growth of eelgrass (*Vallisneria Americana*) in several TVA reservoirs, including the Gunterville Reservoir. Unfortunately, along with the significant propagation of eelgrass, comes a substantial increase in the amount of floating vegetative debris. The debris primarily consists of up-rooted eelgrass plants, leaves and fragments created mostly by wind/wave action and boat traffic. Eelgrass is a naturally fragile plant that uses displacement and fragmentation as its primary form of propagation. Since floating plants are free to move with wind and current, herbicide treatments do little to resolve this issue. Herbicide treatments only manage the vegetation that is actively growing in the treatment zone. Once these plants take up the herbicide they drop to the lakebed and degrade. Few, if any, fragments are created through herbicide treatments. The other recognized management method is the removal of aquatic plants with mechanical harvesters. While this method has been effective in past years, the large amount of floating eelgrass and debris makes this approach no longer feasible.

TVA is conducting research on Wheeler Reservoir to identify factors that influence eelgrass growth and the conditions that cause up-rooting and the formation of floating debris. Results from the research will be applicable to other reservoirs, including Gunterville. The research began last spring and will continue

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over the next few years. TVA has committed resources, including equipment, TVA personnel and contractor time, to study current eelgrass issues and develop methodologies for mitigation.

TVA is committed to continuing eelgrass research and the implementation of their current Aquatic Plant Management Program (APMP). Under APMP, TVA manages aquatic plants at all public reservoir access sites on an as needed basis throughout the Valley. TVA will continue their partnership with Lake Guntersville Stakeholders Board to manage and control nuisance and invasive species in Guntersville Reservoir from mid-May to September in accordance with the Guntersville Stakeholder Plan, which you can find on the internet at <http://www.lakeguntersvillestakeholders.org/index.php/plan>.

TVA and Tribal Archeologists Reconstruct Ancient Native American Village via Unique Map

Electromagnetic radiation and millions of magnetic frequencies are helping TVA, state and tribal Archeologists build a nonintrusive, subsurface map of a Native American archeological site that was first recorded in the 1930s.

Located in Jackson County, Alabama, the site was originally recorded before TVA built Guntersville Dam and inundated the reservoir. As part of a large-scale survey to assess the impacts the rising waters would have on the area, some of TVA's earliest archeologists determined this to be a significant site to be excavated before it went underwater.

"Some excavation was performed in the '30s, but it actually wasn't inundated like they thought it would be," says TVA Senior Archeology Specialist Erin Dunsmore. "Due to the types of excavation performed, their report didn't offer us as much about the site as we preferred. We didn't fully know its story. So, the point of this project was to perform a noninvasive geophysical survey that would allow us to build on our knowledge from the original report, but also respect and protect the integrity of the site."

In partnership with New South Associates Incorporated (NSA) in Greensboro, North Carolina, TVA's cultural compliance and archeology teams were able to use ground penetrating radar (GPR) and a magnetic gradiometer (MAG) in August of this year to take readings of what's below the surface. GPR uses radar pulses, or electromagnetic radiation, to image the subsurface and allows archeologists to detect the depth of buried objects, voids and even architecture. A MAG allows archeologists to take a magnetic reading of a site – revealing differences in the magnetic field of the ground and ultimately registering changes that show the defining features of objects within the subsurface.

Due to their ancestral connection to the site, two representatives from the federally recognized Indian tribe known as the Muscogee Nation participated in and assisted with the site survey.



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ATVG Meeting

Winter 2022

January 27th & 28th (Eastern Time Zone)

Crowne Plaza Knoxville

865-522-2600

(ATVG Block Room Rate of \$102 on the 26th & 27th)

January 27th

- 11:00 a.m. Board Meeting
- Noon: Box Lunches and Networking
- 1:00 p.m. Welcome and Introductions *- Bill Newman; ATVG Board President*
- 1:15 p.m. TVA Update, including latest on Ford Motor Plant
- 1:45 p.m. TVA Payment In-Lieu of Taxes (PILOT) Presentation
- 2:15 p.m. TVA Environmental Stewardship Programs
- 2:45 p.m. Break
- 3:00 p.m. Cyber Security: An Ongoing Threat
- 3:45 p.m. Multi-Use Stadium Project: A Public/Private Partnership (Future home of the Tennessee Smokies)
- 4:45 p.m. Wrap-up and Announcements
- 5:30 p.m. Social Hour at East Tennessee History Center
- 6:00 p.m. Dinner (see easttnhistory.org)

January 28th

- 8:00 – 9:30 a.m. Buffet Breakfast at Crown Plaza (ATVG Breakfast ticket will be provided)
- 10:00 a.m. Tour of Women's Basketball Hall of Fame (see www.wbhof.com)

Plan Ahead: April 20th & 21st ATVG Meeting in Paris, TN (World's Biggest Fish Fry)

July 27th & 28th, ATVG Meeting in Oxford, MS at "Inn at Ole Miss"

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

Registration Form is on next page



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Association of Tennessee Valley Governments Meeting Registration For

Registration Fee: \$175.00 for members and affiliates; \$300.00 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



*Merry Christmas
And
Happy New Year
From your friends at ATVG*

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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*