



Serving the Valley for a Better Life

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What is TVA?

A power company and so much more...



What We Are

- Provider of affordable, reliable power
- Steward of the Valley's natural resources
- Partner for economic growth

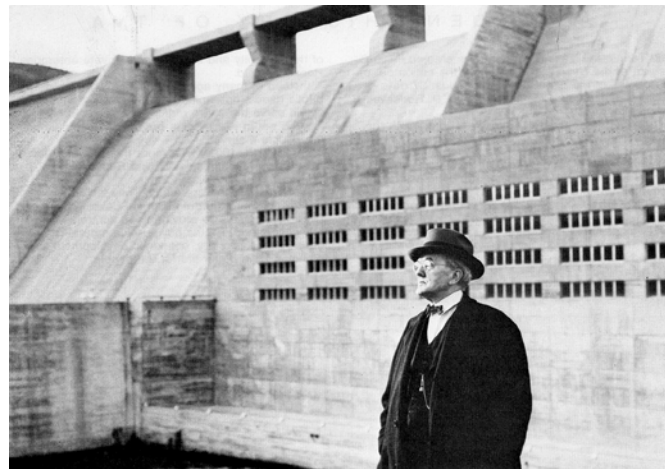


"Power is really a secondary matter.... TVA is primarily intended to change and to improve the standards of living of the people of that valley. Power is, as I said, a secondary consideration. Of course, it is an important one because, if you can get cheap power to those people, you hasten the process of raising the standard of living."

President Franklin D. Roosevelt

What We Do

- Generate \$10.9 billion annual revenue
- Serve 7 states, 59 directly served customers, 155 local power companies and 80,000 square miles
- Federal customers include 6 large directly served facilities and numerous local power company served facilities
- Manage the Valley's river systems and environmental resources



“Father of TVA,” Senator George Norris

Why We Are Unique

**Owned by
the people**

**Direct Serve
Industrials**

**Direct Serve
Federals**

**No
Stockholders**

**Focus on
Service, not
profit**

**Presidentially
appointed
board**

**LPC
Partnerships**

**Paid
original
investment**

**No
taxpayer
support**



Our Mission



Energy



Environment



Economic Development

Our 2015 Priorities



- **Align spending and revenue for financial health**
- Improve operational performance
- Stimulate economic development and investment
- Improve customer communication and collaboration
- Manage the Valley's river system

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- **Improve customer communication and collaboration – FUPWG is an example**
- Manage the Valley's river system

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- **Manage the Valley's river system**

Our Community Involvement

- A focus on education, human services and civic business partnerships:
 - Science Technology Engineering and Math (STEM) and *Partners in Education*
 - More than \$2 million raised through the Combined Federal Campaign
 - Day of Caring events with non-profit and charities
 - Team TVA volunteerism
 - Monetary and in-kind contributions





Our Current Portfolio



Hydro

4,200 MW
conventional

1,600 MW
pumped storage

Nuclear

6,700 MW

Renewables

1,500 MW wind

120 MW
solar/biomass

EEDR

1,300 MW
avoided
capacity

Gas

5,500 MW CT
and diesels

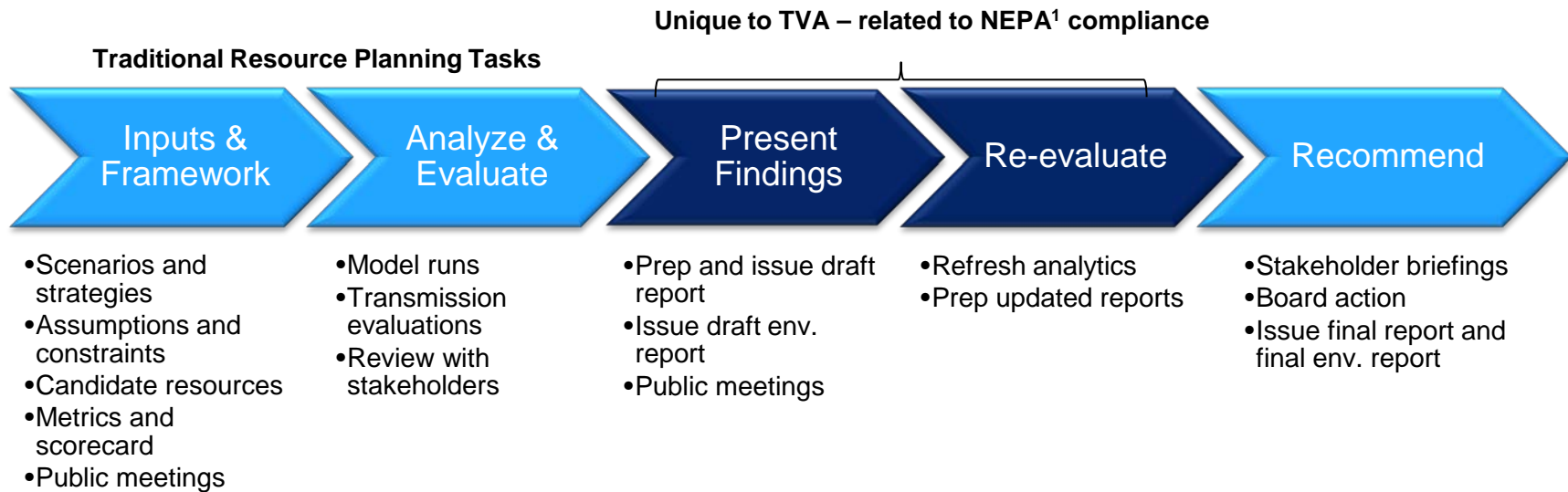
4,500 MW CC

Coal

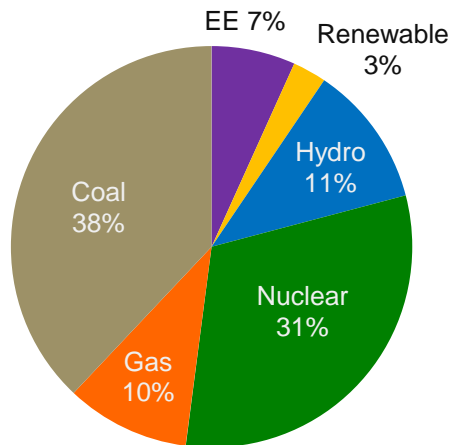
12,400 MW

Approximately 37 percent of TVA's capacity is emission-free

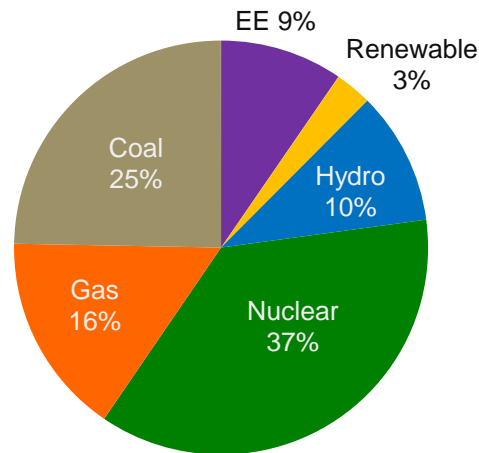
The Integrated Resource Plan (IRP)



Our Ongoing Diversification



2015



2020

Key Assumptions in Long-Range Plan

Watts Bar Unit 2

- Additional 1,150 MWs
- More than 95 percent complete
- Completion by the end of 2015
- On track to be first nuclear power in the 21st Century
- A cleaner, more diverse and cost-effective portfolio
- Project being completed safely with superior quality
- Watts Bar Unit 1 was the last commercial nuclear unit in the United States to come online in the 20th Century





EnergyRight® and Renewable Solutions

FISCAL YEAR 2014 HIGHLIGHTS

553 GWh = 33,897 homes

ENOUGH ENERGY TO POWER

ENERGY SAVINGS ACHIEVED



\$68 million

INVESTED BY BUSINESSES, INDUSTRIES
AND HOMEOWNERS IN ENERGY
EFFICIENCY MEASURES

\$358 million

IN INCENTIVES BENEFITING HOMEOWNERS,
LOCAL POWER COMPANIES, BUSINESSES
AND INDUSTRIES

3,408 = 8 jobs

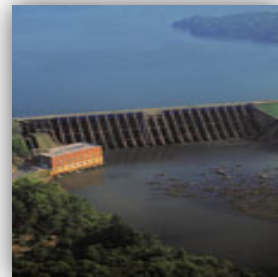
JOBS CREATED IN THE VALLEY

PER EVERY MILLION
INVESTED

7 CONSECUTIVE
YEARS OF
EXCEEDING
PERFORMANCE
TARGET

Renewable Energy

Resource	Capacity (MW)
Hydroelectric	4,655
Wind	1,542
Solar	87
Biomass	64
Total Operating	6,348
Total additional committed	140
Total	6,488



Hydro remains backbone of renewable supply

TVA Renewable Energy Portfolio through September 2014

1. Also known as executed or installed projects.
2. Includes contracted and approved projects, including hydromodernization projects included in current FY budget, but not all applications in progress.
3. The owner of a 300 MW facility is retaining the renewable attributes, but TVA has the option to purchase those attributes in the future.

Our Transmission System



- **99.999** reliability for 15 years
- More than **16,000** circuit miles of transmission line
- Over **400** substations and switchyards (100-kV and above)
- Over **104,000** transmission structures on **236,000** right-of-way acres
- Over **1,200** customer connection points (includes customer delivery points, generators, and neighboring systems)
- **2** fully-operational Control Centers

Our Economic Development Efforts



Services are in three broad areas:

- Attract new businesses to the Valley
- Retain existing companies in the region
- Prepare communities for growth

Across the Valley

- Our federal customers contribute greatly to the local economy
- More than 300,000 jobs and \$35 billion invested in the last five years
- A record-breaking 60,300 jobs and \$8.5 billion invested in fiscal year 2014
- Nine consecutive years as a “Top Utility in North America” by *Site Selection* magazine

An Evolving Industry

- Traditional business model may no longer be effective
- More emphasis on renewable energy, energy efficiency, distributed generation and demand response
- IRP will help, but key questions remain:
 - How much do we grow revenue?
 - How much risk should we take?
- Evolution is in its early stages, but preparations must begin now





Nine

Decades of Service

Still a Shining Light