Congress of the United States

Washington, DC 20515

August 16, 2023

William Kilbride Chair, Board of Directors Tennessee Valley Authority 400 West Summit Hill Drive Knoxville, TN 37902 Jeffrey J. Lyash President and Chief Executive Officer Tennessee Valley Authority 400 West Summit Hill Drive Knoxville, TN 37902

Dear Chair Kilbride and President Lyash,

As the country's largest public power producer, the Tennessee Valley Authority (TVA) should be leading the nation's transition to a clean, renewable energy future, not dragging its feet. Yet, TVA continues to rely on fossil fuels that are not only supercharging the climate crisis, but are subjecting TVA customers to electric grid blackouts and energy insecurity. It is long past time for TVA to begin the transition to a renewable and reliable electric grid. We write to urge you to phase out fossil fuels and immediately chart a path to 100-percent clean energy by 2035—one that prioritizes safety, affordability, resilience, and justice. We also strongly encourage you to seize opportunities to thoughtfully re-evaluate and further develop TVA's long-term energy and decarbonization strategies, including through the upcoming Integrated Resource Plan and the Valley Pathways Decarbonization Study.

From record-breaking floods in Kentucky to Winter Storm Elliott, dangerous climate events are becoming increasingly commonplace. They pose a major risk to our electric grid, especially when blackouts ensue, caused by fossil-fuel-powered energy sources that fail in cold temperatures. As a recent United Nations report on climate change warns, without immediate concrete steps to rapidly accelerate renewable energy deployment and phase out fossil fuels, dangerous weather events will become even more frequent and devastating. As part of the Biden administration's efforts to respond to the climate crisis, it has set a target of achieving a 100-percent clean electricity system by 2035. Yet, rather than begin to make the necessary and economically achievable transition to clean, renewable energy, TVA continues to invest in polluting fossil fuels. TVA has the second-highest planned natural gas buildout of all

¹ Seth Borenstein, *The US leads the world in weather catastrophes*, AP News (Apr. 2, 2023), https://apnews.com/article/tornadoes-disasters-extreme-weather-why-af8acdcb330cff39d689efc187cd17b7; Brady Dennis, *Kentucky floodwaters receded six months ago. For many, the crisis goes on*, Wash. Post (Mar. 22, 2023), https://www.washingtonpost.com/climate-environment/2023/03/22/kentucky-flooding-disasters-housing/; Rebecca Leber, *Winter storms put the US power grid to the test. It failed*, Vox (Dec. 27, 2022), https://www.vox.com/energy-and-environment/2022/12/27/23527327/winter-storm-power-outages.

² Dave Flessner, *Chattanooga area hit with 15-minute power outages as cold weather forces rolling blackouts*, Chattanooga Times Free Press (Dec. 24, 2022), https://www.timesfreepress.com/news/2022/dec/24/power-outages-tfp/.

³ Hoesung Lee et al., *Synthesis Report of the IPCC Sixth Assessment Report (AR6)*, Intergovernmental Panel on Climate Change (Mar. 20, 2023), https://report.ipcc.ch/ar6syr/pdf/IPCC_AR6_SYR_LongerReport.pdf.

⁴ Exec. Order No. 14,008, file:///C:/Users/ac82404/Downloads/EPA-HQ-OPPT-2021-0202-0012_content.pdf86 Fed. Reg. 7619, 7622, 7624, (Feb. 1, 2021).

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major utilities in the United States.⁵ Last December, despite concerns voiced by environmental, racial justice, faith, and youth organizations, elected officials, local governments, and even the Environmental Protection Agency (EPA), TVA chose to replace a massive retiring coal plant with a new gas plant and pipeline.⁶ TVA's 20-year energy-planning outlook projects it will generate 34 million tons of carbon emissions by 2038.⁷ On that trajectory, the TVA will not achieve zero emissions until sometime after 2050.⁸

TVA's 10 million customers are shouldering the costs of its delayed transition to clean, renewable power. TVA customers experience some of the highest energy burdens in the nation, often spending an astounding 20 to 30 percent of their income on energy. A U.S. Government Accountability Office (GAO) report found that TVA's system faces several climate-related risks that could cost customers billions of dollars in outages, capacity disruptions, and infrastructure damage. This burden on ratepayers will only grow heavier as TVA's aging and vulnerable grid experiences more severe extreme weather events.

For example, the overall financial impact to TVA of Winter Storm Elliott totaled approximately \$170 million, and TVA's own After Action Report estimated that residential customers with average energy use would have seen an increase of about \$5.20 in February 2023 rates as a result of the storm. Thirty-eight of TVA's 232 generating units were negatively impacted, mostly due to instrumentation that froze as a result of plunging temperatures and high winds. Although wind and solar currently make up only three percent of TVA's current generation portfolio, this relatively small amount of solar performed consistently during the storm. In addition, TVA was

⁵ The Dirty Truth About Utility Climate Pledges, Version 2, Sierra Club (Oct. 2022), https://www.sierraclub.org/sites/www.sierraclub.org/files/2022-09/sierra_club_the_dirty_truth_report_v2_2022_0.pdf?_ga=2.250417926.169079584.1675365496-688299177.1672782519.

⁶ Hundreds of individuals and groups including Nashville and the EPA, submit comments on TVA's proposed gas power plant and pipelines, Southern Alliance for Clean Energy (Jul. 8, 2022), https://cleanenergy.org/blog/hundreds-of-individuals-and-groups-including-nashville-and-the-epa-submit-comments-on-tvas-proposed-gas-power-plant-and-pipeline/.

⁷ 2019 Integrated Resource Plan, Vol. II — Final Environmental Impact Statement at 5-27, Tennessee Valley Authority (June 2019), <a href="https://tva-azr-eastus-cdn-ep-tvawcm-prd.azureedge.net/cdn-tvawcma/docs/default-source/default-document-library/site-content/environment/environmental-stewardship/irp/2019-documents/tva-2019-integrated-resource-plan-volume-ii-final-eis.pdf?sfvrsn=99a30a7d_4.

⁸ Heather Pohnan and Maggie Shober, *Tracking Decarbonization in the Southeast: 2022 Annual Update*, Southern Alliance for Clean Energy (June 22, 2022), https://cleanenergy.org/wp-content/uploads/Tracking-Decarbonization-in-the-Southeast-Fourth-Annual-Report.pdf.

⁹ TVA's Clean Energy Future, Policy Brief, Center for Biological Diversity,_ https://www.biologicaldiversity.org/programs/energy-justice/pdfs/TVA-Clean-Energy-Roadmap_Policy-Brief.pdf. ¹⁰ Tennessee Valley Authority: Additional Steps Are Needed to Better Manage Climate-Related Risks, U.S. Government Accountability Office (Jan. 30, 2023), https://www.gao.gov/products/gao-23-105375.

¹¹ After Action Report: Winter Storm Elliott, Tennessee Valley Authority (May 5, 2023).

¹² U.S. Energy Information Administration, *Tennessee Valley Authority electricity overview (demand, forecast demand, net generation, and total interchange)* 12/22/2022-12/25/2022 (accessed June 14, 2023), https://www.eia.gov/electricity/gridmonitor/dashboard/custom/pending.

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able to pull power from the Midcontinent Independent System Operator (MISO), which was able to export power in part because its wind energy production remained high during the storm.¹³

Further, TVA's reluctance to join the clean energy revolution is not only expensive for its customers, it is further polluting communities that are already burdened with environmental health hazards. In addition to facing high energy burdens, families in the Tennessee Valley region suffer from the effects of TVA's dirty energy mix, including exposure to the arsenic, chromium, lead, and mercury present in coal ash. In one recent case, TVA proceeded to dump coal ash in a predominantly Black neighborhood in South Memphis despite strong community opposition. Additionally, EPA expressed concerns that TVA's draft environmental impact statement for its retirement of the Cumberland Fossil Plant did not sufficiently quantify or disclose the greenhouse gas emissions associated with the proposed Cumberland natural gas plant—noting that "communities with environmental justice concerns and other underserved populations are disproportionately impacted by climate change." Instead of relying on fossil fuels that unduly burden environmental justice communities, TVA should pursue clean, renewable sources of energy.

In sum, TVA's decision to stick with fossil fuels fails on several fronts. It undermines President Biden's executive order to reach carbon-free electricity by 2035. It is contrary to global calls to fight climate change as well—including UN Secretary General António Guterres recently imploring the United States and other wealthy nations to reach net-zero emissions by 2040 to avoid the worst climate consequences. ¹⁶ It is expensive. And it disproportionately impacts communities of color and low wealth. TVA can no longer delay action on the climate emergency and growing energy injustice.

TVA can, and should, immediately begin a transition to 100-percent clean energy. According to a new report—*TVA's Clean Energy Future: Charting a Path Toward Decarbonization in the Tennessee Valley*—an "100% Clean Energy' scenario shows that by completely switching away from fossil fuels in the electric sector by 2035, and by pursuing ambitious levels of electrification in the transportation, buildings, and industrial sectors, consumers in TVA's service territory can experience savings of \$255 billion, compared to a status quo 'TVA Baseline' scenario." This

https://www.biologicaldiversity.org/programs/energy-justice/pdfs/TVAs-Clean-Energy-Future.pdf.; TVA's Clean

¹³ Overview of Winter Storm Elliott December 23, Maximum Generation Event Reliability Subcommittee Presentation, Midcontinent Independent System Operator (January 17, 2023).

¹⁴ Darryl Fears, *The TVA is dumping a mountain of coal ash in Black south Memphis*, Wash. Post (Aug. 19, 2022), https://www.washingtonpost.com/climate-environment/2022/08/19/tennessee-valley-authority-memphis-coal/.

¹⁵ Comments from Mark Frite, Dir. Strategic Programs Office, EPA, to Ashley Pilakowski, NEPA Specialist, TVA (Jun. 30, 2022),

https://cdxapps.epa.gov/cdx-enepa-II/public/action/eis/details;jsessionid=23D654857B7CEDF1D2C86F3053347159 ?downloadAttachment=&attachmentId=370843 (p. 3).

¹⁶ United Nations, Secretary-General's video message for press conference to launch the Synthesis Report of the Intergovernmental Panel on Climate Change (Mar. 20, 2023), https://www.un.org/sg/en/content/sg/statement/2023-03-20/secretary-generals-video-message-for-press-conference-launch-the-synthesis-report-of-the-intergovernmental-panel-climate-change.

¹⁷ Pat Knight et al., *TVA's Clean Energy Future: Charting a course to decarbonization in the Tennessee Valley*, Synapse Energy Economics, Inc. (Mar. 8, 2023),

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transition will put TVA in line with President Biden's clean energy targets, create thousands of new jobs annually, reduce household energy costs, improve public health, save customers billions of dollars, and mitigate harm from climate change. With the *Inflation Reduction Act's* clean energy tax credits and direct pay option, TVA is uniquely positioned to bring the economic, social, and health benefits of clean electricity generation to customers throughout its seven-state region.

It is your duty to lead TVA's shift from its heavy reliance on fossil fuels to a resilient, safe, and 100-percent clean energy future. In the upcoming Integrated Resource Plan, as well as the new Valley Pathways decarbonization study, TVA will begin the important process of re-evaluating its long-term energy strategy. It is imperative that this strategy include a concrete plan to achieve 100-percent clean energy by 2035 that maximizes distributed renewable energy, energy storage, and energy efficiency, and prioritizes equity and environmental justice. Only in doing so will TVA meet its federal obligation to provide reliable, low-cost, clean electricity and fulfill its purpose as a pioneer for our energy future.

Thank you for your consideration.

Sincerely,

Edward J. Markey

United States Senator

Steve Cohen

Member of Congress

we Cohen

Alexandria Ocasio-Cortez

Member of Congress

Nanette Diaz Barragán

Member of Congress

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Sheldon Whitehouse United States Senator Adriano Espaillat
Member of Congress

Jeffrey A. Merkley

United States Senator

Elizabeth Warren

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James P. McGovern Member of Congress

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Wade White, TVA Board of Directors

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United States Senator