U.S.$1,800,000,000
Cumberland Combined Cycle Generation LLC
5.821% Secured Notes 2026 Series A Due May 15, 2056

Interest Payable May 15 and November 15

The secured notes will be payable from and secured, as described in this offering circular, by rentals under a facility lease-purchase agreement relating to the Cumberland Combined Cycle Generation Facility to be paid by the

TENNESSEE VALLEY AUTHORITY

The 5.821% Secured Notes 2026 Series A due May 15, 2056 described in this offering circular (the "secured notes") will be issued by the lessor, Cumberland Combined Cycle Generation LLC, a Delaware limited liability company (the "lessor"), as part of a lease-purchase transaction, and will be secured by collateral which includes the lessor's long-term head lease interest in the Cumberland Combined Cycle Generation Facility (the "facility") and its rights under a facility lease-purchase agreement (the "lease") with the Tennessee Valley Authority, including the right to receive rent from the Tennessee Valley Authority under the lease. The Tennessee Valley Authority, a wholly owned corporate agency and instrumentality of the United States of America, will be the lessee under the lease.

The secured notes will not be obligations of the Tennessee Valley Authority, but will be secured by rentals payable by the Tennessee Valley Authority under the lease. The obligation of the Tennessee Valley Authority to pay rent under the lease will be absolute and unconditional. These rental payments are required to be sufficient to pay principal of and premium, if any, and interest on the secured notes when due.

The principal of the secured notes will be paid in semi-annual installments commencing on November 15, 2026, and will mature on May 15, 2056. Interest on the secured notes will be paid at a rate per year equal to 5.821% on May 15 and November 15 of each year, beginning November 15, 2026. The secured notes will be subject to redemption in circumstances that are described in this offering circular. The secured notes will not be listed on any securities exchange.

Investment in the secured notes will involve a number of risks. See "Risk Factors" beginning on page 9 of this offering circular.

The secured notes are not obligations of the Tennessee Valley Authority or the United States of America, and neither guarantees the payment of the principal of or premium, if any, or the interest on the secured notes, but the secured notes are secured by rental payments payable by the Tennessee Valley Authority under the lease with the lessor. The obligation of the Tennessee Valley Authority to make rental payments under the lease is not an obligation of, or guaranteed by, the United States of America. The secured notes will not be registered with the U.S. Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended. The lessor is not required to file reports with the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Tennessee Valley Authority files annual reports, quarterly reports, and current reports with the SEC under the Exchange Act.

	Price to public[(1)]	Discount and commission to the underwriters	Net proceeds to the lessor[(1)]
Per secured note	100.000%	0.600%	99.400%
Total	$1,800,000,000	$10,800,000	$1,789,200,000

(1) Plus accrued interest, if any, from May 26, 2026, to date of delivery.

The secured notes offered by this offering circular are offered by Morgan Stanley & Co. LLC, Barclays Capital Inc., BofA Securities, Inc., J.P. Morgan Securities LLC, RBC Capital Markets, LLC, CIBC World Markets Corp., Citigroup Global Markets Inc., TD Securities (USA) LLC, U.S. Bancorp Investments, Inc., and Wells Fargo Securities, LLC, as underwriters (the "underwriters"), subject to prior sale, withdrawal, cancellation or modification of the offer without notice, to delivery to and acceptance by the underwriters, and to further conditions. The underwriters are required to purchase all of the secured notes, if they purchase any of the secured notes. The underwriters expect the secured notes will be delivered to them through the facilities of The Depository Trust Company ("DTC") on or about May 26, 2026.

Joint Book-Running Managers

Morgan Stanley ***Structuring Agent***	**Barclays**	**BofA Securities**	**J.P. Morgan**	**RBC Capital Markets**

Co-Managers

CIBC Capital Markets	**Citigroup**	**TD Securities**	**US Bancorp**	**Wells Fargo Securities**

The date of this offering circular is May 13, 2026.

STABILIZATION

THE UNDERWRITERS OF THE SECURED NOTES MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE SECURED NOTES. SPECIFICALLY, THE UNDERWRITERS MAY OVERALLOT IN CONNECTION WITH THE OFFERING AND MAY BID FOR, AND PURCHASE, SECURED NOTES IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED IN AN OVER-THE-COUNTER MARKET OR OTHERWISE AND MAY INCLUDE SHORT SALES AND PURCHASES TO COVER POSITIONS CREATED BY SHORT SALES. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "UNDERWRITING."

ABOUT THIS OFFERING CIRCULAR

This offering circular provides you with a description of the secured notes and the offering of these secured notes. This offering circular should be read in connection with TVA's SEC Filings (as defined below), each of which is incorporated in this offering circular by reference. This offering circular and the SEC Filings are collectively referred to in this offering circular as the "offering documents." In this offering circular, the words "TVA," "we," "our," "ours" and "us" refer to the Tennessee Valley Authority. See "Where You Can Find More Information about TVA" for more information about the SEC Filings.

No dealer, salesperson, or any other person has been authorized by the lessor or TVA to give any information or to make any representations on behalf of the lessor or TVA other than those contained in the offering documents or any supplement to any of the offering documents prepared by the lessor or TVA for use in connection with the offer made by this offering circular. If given or made, such information or representations must not be relied upon as having been authorized by the lessor or TVA. Neither the delivery of any offering documents nor any sale of secured notes described in this offering circular shall under any circumstances create an implication that the information provided in this offering circular is correct at any time subsequent to its date, and the lessor and TVA assume no duty to update any offering document except as they deem appropriate. This offering circular does not constitute an offer to sell or a solicitation of an offer to buy the secured notes described in this offering circular in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This offering circular has been prepared by the Tennessee Valley Authority solely for use in connection with the offering of the secured notes described in this offering circular. The lessor and TVA have taken reasonable care to ensure that the information contained in this offering circular is true and accurate in all material respects and that there are no material facts the omission of which would make misleading any statements in this offering circular in light of the circumstances under which such statements are made. The lessor and TVA accept responsibility accordingly.

In the offering documents, references to "U.S. dollars," "U.S.$," "dollars," and "$" are to United States dollars.

WHERE YOU CAN FIND MORE INFORMATION ABOUT TVA

TVA files annual, quarterly, and current reports with the SEC. TVA's SEC filings are available to the public over the Internet at the SEC's website at www.sec.gov and at TVA's website at www.tva.gov. Information contained on TVA's website shall not be deemed to be incorporated into, or to be a part of, this offering circular or the other offering documents except to the extent otherwise expressly incorporated into this offering circular or those other offering documents.

TVA incorporates by reference into this offering circular certain information that TVA files with the SEC. This means that TVA discloses important information to you by referring you to another document. The information that TVA incorporates by reference is considered to be part of this offering circular, and information that TVA subsequently files with the SEC will automatically update and, where different, supersede the information in this offering circular and in TVA's prior SEC Filings. Nothing in this offering circular shall be deemed to incorporate information furnished to, but not filed with, the SEC, including information furnished under Item 2.02 or Item 7.01 of

Form 8-K and corresponding information furnished under Item 9.01 of Form 8-K or included as an exhibit to any such Form 8-K.

TVA is incorporating by reference into this offering circular the following documents that TVA has filed with the SEC as well as any future filings that TVA makes with the SEC under Section 37 of the Exchange Act (collectively, the "SEC Filings"):

- TVA's annual report on Form 10-K for the fiscal year ended September 30, 2025 (the "Annual Report");
- TVA's quarterly reports on Form 10-Q for the fiscal quarters ended December 31, 2025 and March 31, 2026 (collectively, the "Quarterly Reports"); and
- TVA's current reports on Form 8-K filed with the SEC on December 12, 2025, December 22, 2025 (and Form 8-K/A AMENDMENT NO. 1 filed with the SEC on January 20, 2026), January 20, 2026, February 12, 2026, March 2, 2026, March 5, 2026, April 6, 2026, April 13, 2026 and April 24, 2026 (collectively, the "Current Reports").

You may request a copy of these filings at no cost by writing or calling TVA at the following address:

Tennessee Valley Authority
400 West Summit Hill Drive
Knoxville, TN 37902-1401
Attention: Investor Relations
E-mail: investor@tva.com
Telephone: 1-888-882-4975 (toll-free in the U.S.)

OFFERING AND SELLING RESTRICTIONS

No action has been (or will be) taken in any jurisdiction by the lessor, TVA or the underwriters or any of their affiliates that would permit a public offering of the secured notes, or possession or distribution of the offering circular or any other offering material, in any country or jurisdiction where action for that purpose is required (other than states of the United States in connection with securities or Blue Sky laws of such states). The distribution of this offering circular and the offering of the secured notes may, in certain jurisdictions, be restricted by law. Persons into whose possession this offering circular comes are required by the lessor, TVA and the underwriters to inform themselves of and observe all such restrictions. For further information regarding restrictions on offering and selling secured notes, see "Underwriting."

The secured notes described in this offering circular have not been registered with, recommended by or approved by the SEC or any other domestic or foreign regulatory securities commission or authority. In addition, neither the SEC nor any other regulatory commission or authority has passed upon the accuracy or adequacy of this offering circular. Any representation to the contrary is a criminal offense.

FORWARD-LOOKING STATEMENTS

The offering documents contain forward-looking statements relating to future events and future performance. All statements other than those that are purely historical may be forward-looking statements.

In certain cases, forward-looking statements can be identified by the use of words such as "may," "will," "should," "expect," "anticipate," "believe," "intend," "project," "plan," "predict," "assume," "forecast," "estimate," "objective," "possible," "probably," "likely," "potential," "speculate," "aim," "aspiration," "goal," "seek," "strategy," "target," the negative of such words, or other similar expressions.

Although TVA believes that the assumptions underlying any forward-looking statements are reasonable, TVA does not guarantee the accuracy of these statements. Numerous factors could cause actual results to differ materially from those in any forward-looking statements. These factors include, among other things:

- Significant additional costs, regulatory uncertainty, and operational risks associated with TVA's management of coal combustion residuals ("CCR") and compliance with evolving and unpredictable environmental and energy regulations, which would require closure or remediation of facilities; new or changed requirements related to air, water, or transmission; substantive and procedural costs associated with TVA's governmental status; and changes in the retirement dates of assets;

- The impact of existing, anticipated, or new federal or state legislation, regulatory actions, executive orders, or litigation, including legislative actions targeting TVA's business model, potential limits or reductions to TVA's statutory authorities such as exclusive rate-setting, disbursement authority, authority to establish compensation, or control over assets, changes to TVA's debt ceiling, or federal action or inaction in areas such as the national debt ceiling or federal funding;

- Legal, administrative, and regulatory proceedings, including those involving CCR facilities, gas plants, permitting challenges, and other litigation, which could lead to unanticipated costs, operational changes, or modifications to TVA's business or compliance obligations;

- Risks from the loss of TVA's protected service territory if federal action limits existing territorial protections or increases competition, potentially resulting in the loss of customers;

- Significant costs or operational complications from compliance with new or amended reliability standards imposed by industry or federal regulators, including the North American Electric Reliability Corporation;

- Risks to TVA's ability to implement its business strategy or achieve cost reduction, efficiency, or innovation goals, including due to technological change, customer or industry transition, macroeconomic uncertainty, or inability of local power companies ("LPCs") or directly served customers to pay their power bills;

- Delays, cost overruns, or inability to complete or gain approval for major projects, including new generation, transmission, or infrastructure, due to regulatory, legal, supply chain, stakeholder, or environmental challenges, including opposition from regulators or litigation related to environmental or other permitting requirements;

- Operational risks from TVA's aging, technologically complex, or interdependent infrastructure, and failures of generation, transmission, flood control, navigation, or related assets, including those resulting from extreme weather, deferred maintenance, or technical malfunctions;

- Specific risks associated with nuclear generation, including but not limited to nuclear incidents, changes in regulatory or insurance regimes, increased decommissioning or operational costs, delays or restrictions in licensing, long-term waste management uncertainties, and dependency on specialized supply chain and technological partners;

- Physical attacks, threats, terrorism, wars, and geopolitical events targeting critical infrastructure or suppliers, which may disrupt operations or require increased security expenditures, and which could arise from TVA's governmental status or broader geopolitical instability;

- Events at TVA facilities, which, among other things, could result in loss of life, damage to the environment, damage to or loss of the facility, or damage to the property of others;

- Events that negatively impact TVA's reliability, including problems at other utilities or at TVA facilities or the increase in intermittent sources of power;

- Disruption, delay, or increased cost of fuel, purchased power, critical services, or supplies due to supply chain difficulties, labor shortages, transportation constraints, economic conditions, inflation, tariffs or other trade restrictions, force majeure events, pandemics or health emergencies, third-party cyber incidents, intentional defaults, or contractual performance failures;

- Global conflicts, terrorist activities, or military actions by the United States government, its allies, or others;

- Cyber-attacks on TVA's assets or those of third parties, including critical vendors and cloud service providers, which may become more frequent and sophisticated as a result of advances in artificial intelligence ("AI");

- AI and machine learning risks including erroneous or biased AI decision-making, regulatory complexity, compromised data integrity, intellectual property issues, and adoption-pace disadvantages relative to other utilities;

- Volatility in customer demand for electricity, including both unexpected increases (driven by factors such as AI data centers, cryptocurrency mining, electric vehicles, population growth, and new large customer loads) and unexpectedly low demand (driven by economic downturn, efficiency gains, distributed energy resources adoption, or the loss of customers), both of which could result in stranded costs, rate actions, curtailments, or a need for unplanned capital or operational adjustments;

- Financial, capital, and liquidity constraints, including limitations imposed by TVA's debt ceiling, increasing costs or reduced availability of capital, the unavailability of funding sources, volatility or downgrades in credit ratings (including as a result of U.S. downgrades), and market liquidity or trading risks affecting TVA's bonds, notes, or other evidences of indebtedness;

- Pension, health care, and other employee benefit liabilities and funding risks that may arise due to market conditions, actuarial or demographic changes, regulatory amendments, or shifts in plan assumptions;

- Risks due to changes in technology and TVA's ability (or inability) to keep pace with private utilities or customer needs, including potential disadvantages from TVA's governmental status, delays or limits on technology adoption, and necessity for continuous innovation;

- Adverse changes in market prices for electricity, commodities (such as fuel, emissions allowances, and construction materials), liability insurance, and investments, as well as inflationary pressures and changes in interest rates and currency exchange rates, which may, among other things, impact the affordability of electricity and impede TVA's ability to recover costs;

- A limitation on the market for TVA securities, which may be influenced by the fact that the payment of principal and interest on TVA securities is not guaranteed by the U.S. government;

- Risks from failure to attract or retain key personnel, changes in TVA's compensation policies or practices that may result from, among other things, presidential memoranda regarding compensation practices at TVA, changes in senior management or TVA Board of Directors ("TVA Board") membership, or the absence of a Board quorum, which could limit TVA's ability to conduct business or adapt strategy and could increase legal and regulatory risk;

- Climate, weather, and catastrophic events (including wildfires, flooding, drought, storms, heat waves, pandemics, and other natural or health crises) that could impair operations, damage facilities, or otherwise require material changes to TVA's generation or business strategies, the frequency and severity of which may increase as a result of climate change and require significant adaptation and investment;

- Risks associated with the supply or quality of water from the Tennessee or Cumberland River systems, or elsewhere, including droughts, increased usage, or contamination, which may interfere with power generation;

- Potential failure of internal financial controls, disclosure controls, or information technology systems to prevent or detect fraud, errors, cyberattacks, or data losses, and inability to use regulatory accounting for certain costs;

- Inability of TVA to achieve or maintain its cost reduction goals, including pursuant to its Enterprise Transformation Program, which may require TVA to increase rates and/or issue more debt than planned;

- Negative impacts to TVA's reputation, which may result from operational failures, litigation, cybersecurity incidents, inability to meet strategic goals, customer relations or contractor actions, or high-profile negative publicity; or

- Other unforeseeable events or conditions which could materially impact TVA's business, operations, financial condition, or results of operations.

See also Part I, Item 1A, Risk Factors, and Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations in the Annual Report, and Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations and Part II, Item 1A, Risk Factors in the Quarterly Reports for a discussion of factors that could cause actual results to differ materially from those in any forward-looking statement. New factors emerge from time to time, and it is not possible for TVA to predict all such factors or to assess the extent to which any factor or combination of factors may impact TVA's business or cause results to differ materially from those contained in any forward-looking statement.

TVA undertakes no obligation to update any forward-looking statement to reflect developments that occur after the statement is made, except as required by law.

TABLE OF CONTENTS

Page

SUMMARY OF THE OFFERING

This summary highlights some of the information contained in this offering circular and in TVA's SEC Filings and is qualified in its entirety by the detailed information contained in TVA's SEC Filings and elsewhere in this offering circular. This summary may not contain all the information that is important to you. Therefore, you should read this information in conjunction with the detailed information contained in TVA's SEC Filings and elsewhere in this offering circular. Capitalized terms used and not defined in this summary have the respective meanings given to those terms in TVA's SEC Filings and elsewhere in this offering circular.

The Transaction

We are in the process of developing and constructing the Cumberland Combined Cycle Generation Facility in Stewart County, Tennessee. Once operational, the facility is designed to have a nominal generation capacity of approximately 1,450 megawatts. The facility consists of two General Electric 7HA.03 combustion turbine generators, together with the related General Electric heat recovery steam generator and related General Electric D600 steam turbines and General Electric H53 steam turbine generators and associated balance-of-plant systems and equipment. The facility will use natural gas as fuel and will be equipped with pollution control devices.

We are constructing the Cumberland Combined Cycle Generation Facility adjacent to an existing two unit coal-fired generating facility. Pursuant to a contract with TVA, Kiewit Power Constructors Co. is providing the engineering, procurement and construction services for the Cumberland Combined Cycle Generation Facility.

Construction of the facility commenced in 2023, and we estimate that the facility is approximately 85 percent complete as of the date of this offering circular. All of the major equipment for the facility has been delivered to the facility site and installed. The connection to the natural gas pipeline is nearly complete, and the 500 kilovolt switchyard is in service, providing power to the facility in support of commissioning activities for the new assets. We currently estimate that construction and testing of the facility will be completed and that the facility will commence commercial operation by December 2026.

We own the facility, other than portions of the facility that constitute real property under the Tennessee Valley Authority Act of 1933, as amended (the "TVA Act"). The real property related to the facility is owned by the United States of America and has been entrusted to us, as agent of the United States of America, under the TVA Act. On the closing date (as defined below), we will lease the facility, at its then-current state of completion, to Cumberland Combined Cycle Generation LLC, a single-purpose Delaware limited liability company (which we refer to as the lessor), under a head lease agreement (the "head lease"). Cumberland Generation Holdco LLC, will act as manager of the lessor (in this capacity, the "manager of the lessor"). The head lease has a term of fifty years, estimated to be approximately 143% of the facility's expected useful life. The lessor will be owned by a holding company (the "holdco") who will contribute cash equity to the lessor in an aggregate amount equal to $200,000,000 (the "equity investment") on the closing date. The holdco will fund the equity investment from funds received pursuant to documents (the "holdco note purchase documents") between the holdco and certain financial institutions (the "holdco lenders"). The holdco will be managed by GSS Holdings (Cumberland), Inc. (in this capacity, the "manager of the holdco"). The lessor will issue the secured notes described in this offering circular in an aggregate principal amount of $1,800,000,000. The lessor will issue the secured notes under an indenture of trust, deed of trust and security agreement (the "lease indenture"), entered into with Wilmington Trust, National Association, as lease indenture trustee (the "lease indenture trustee"). The lessor will make a one-time payment to us of rent in consideration for the head lease interest in the facility.

The lessor will fund the head lease rent in an amount equal to $1,700,000,000 using a portion of the proceeds from the sale of the secured notes and the proceeds from the equity investment to the lessor. The lessor will use the remainder of the proceeds of the secured notes and the equity investment to pay us $231,875,011 to perform our obligations under the construction management agreement described below and to deposit with the lease indenture trustee an aggregate amount equal to $68,124,989. The lease indenture trustee will apply this deposit to fund principal and interest due on the secured notes on the first debt service payment date following the closing date and the return on the equity investment accruing from the closing date through the first debt service payment date following the closing date. We will use the aggregate proceeds of $1,931,875,011 from the head lease rent payment and the payment

to complete the construction of the facility for the benefit of our power program and to pay transaction expenses (including the underwriters discount and commission) associated with this offering and the overall lease transaction.

The secured notes will be secured by a first priority security interest in and a mortgage lien on the lessor's head lease interest in the facility, the ground interest described below, and the lessor's rights under the construction management agreement (as defined below), the head lease, the lease, a participation agreement among us, the lessor, the manager of the lessor, the holdco, the manager of the holdco and the lease indenture trustee (the "participation agreement"), and other documents related to the transaction and other collateral. The collateral will not include some customary excepted payments and is subject to excepted rights reserved to the lessor. See "Description of the Secured Notes – Sources of Payment and Security – *Security*" for a description of the collateral, excepted payments and excepted rights.

On the closing date, we will enter into a construction management agreement with the lessor (the "construction management agreement"). Under this agreement, we will agree to use commercially reasonable efforts to achieve, or cause to be achieved, provisional acceptance of the facility by December 31, 2026 and ultimately final acceptance. See "Summary Description of the Construction Management Agreement – Obligation to Complete the Facility" for additional information regarding the nature of our obligations under the construction management agreement. The lessor will not be permitted to terminate the construction management agreement or to declare an event of default under the lease or other transaction documents (as defined below) (other than the construction management agreement) as a result of our failure to use commercially reasonable efforts to achieve provisional acceptance. The sole remedy of the lessor under the construction management agreement will be to file an action, subject to applicable law, for damages or specific performance of our obligation to use commercially reasonable efforts to complete the facility.

On the closing date, we also will enter into the lease with the lessor with respect to the facility. Although the lease will be in effect from the closing date, the term of the lease will not commence until the earlier of May 1, 2027 and the date the facility achieves provisional acceptance (as defined in the construction management agreement). See "Summary Description of the Construction Management Agreement – Obligation to Complete the Facility." The lease will terminate on the same date as the date of final maturity of the secured notes to the extent that all relevant amounts due by us under the lease and the other transaction documents have been paid, unless the lease is terminated earlier in accordance with its terms. After the commencement of the lease, we will pay periodic scheduled rent ("basic rent") to the lessor in an amount which is required to be sufficient to permit the lessor to pay the principal of, and interest on, the secured notes and to preserve the return of and on the equity investment. We will pay basic rent directly to the lease indenture trustee for so long as the secured notes are outstanding. The lease indenture trustee will first pay any principal of and premium, if any, and interest due on the secured notes issued under the lease indenture before distributing the remaining amounts to the lessor for the benefit of the holdco.

Under the lease, we will be obligated to maintain the facility in accordance with prudent industry practice and make any improvements to the facility required by applicable law. As lessee, we will be entitled to all of the electrical output of the facility. At the end of the term of the lease, upon payment of all basic rent and other amounts then due and payable, and assuming no payment defaults or bankruptcy defaults have occurred and are continuing, the lessor must transfer the facility to us and the lease will terminate. We will not be obligated to pay any amounts in connection with the transfer of the facility by the lessor to us at the end of the lease term other than basic rent and any supplemental rent or other amounts then due and payable (including obligations surviving pursuant to their express terms) under the lease and the other transaction documents.

Upon the occurrence of a lease event of default and at any time thereafter so long as the lease event of default is continuing, the lessor may, at its option, declare the lease to be in default by written notice to us, and at any time afterwards if we have not remedied all outstanding lease events of default, the lessor may, in its sole discretion, elect to proceed by appropriate court action or actions, either at law or in equity, to enforce performance of the lease, at our sole cost and expense, and to recover damages for breach of the lease, including recovery of all rent payments then due and unpaid. The lessor may not seek termination of the lease or any other transaction document, dispossession of the facility or acceleration of amounts not yet due and payable under the lease or any other transaction document in connection with these court actions. The lessor may seek to exercise those termination, dispossession and acceleration remedies on a date no earlier than 180 days after the occurrence of a lease event of default resulting (in whole or in part) from our failure to pay basic rent or supplemental rent when due and payable. The lessor also may immediately

seek such remedies following an unremedied lease event of default resulting from customary events of bankruptcy, insolvency or other similar events with respect to us or resulting from our repudiation or disaffirmation of the validity or enforceability of the head lease, the ground lease or the lease. See "Summary Description of the Lease and Other Transaction Documents – Remedies" for more information regarding the remedies available under the lease.

We also will enter into a ground lease agreement (the "ground lease") with the lessor with respect to the ground interest underlying the facility. The "ground interest" consists of a leasehold interest in the site on which the facility is located (the "facility site"). The ground interest is entrusted to us, as agent of the United States of America, under the TVA Act. The ground lease will have a term coterminous with the head lease. On the commencement of the term of the lease, we will sublease the ground interest from the lessor under a ground sublease agreement (the "ground sublease"). The term of the ground sublease will commence on the lease commencement date and end on the last day of the term of the lease. The term "closing date" as used in this offering circular refers to the date that the head lease and lease are executed and delivered by the parties. The term "transaction documents" as used in this offering circular refers to, among other documents, the head lease and the lease relating to the facility, the ground lease and the ground sublease, the construction management agreement, the participation agreement, the limited liability company agreement of the lessor, and the holdco note purchase documents.

TVA's Business

TVA was created by an act of the U.S. Congress and is a wholly owned corporate agency and instrumentality of the United States. We were initially created to, among other things, improve navigation on the Tennessee River, reduce the damage from destructive flood waters within the Tennessee River system and downstream on the lower Ohio and Mississippi Rivers, further the economic development of our service area in the southeastern United States, and sell the electricity generated at the facilities we operate. Today we operate the nation's largest public power system and supply power in most of Tennessee, northern Alabama, northeastern Mississippi and southwestern Kentucky and in portions of northern Georgia, western North Carolina and southwestern Virginia to a population of approximately ten million people. In the fiscal year ended September 30, 2025, the revenues generated from TVA's electricity sales were $13.5 billion and accounted for virtually all of our revenues.

We sell power in a service area defined by the TVA Act. Under the TVA Act, subject to minor exceptions, we may not, without specific authorization from the U.S. Congress, enter into contracts that would have the effect of making us, or our LPC customers, a source of power supply outside of the area for which we or our LPC customers were the primary source of power supply on July 1, 1957. In addition to this limitation, an amendment to the Federal Power Act includes a provision that protects our ability to sell power within our service area. This provision, called the anti-cherry picking provision, prevents the Federal Energy Regulatory Commission from ordering us to provide access to our transmission lines to others for the purpose of using our transmission lines to deliver power to customers within substantially all of our defined service territory. This provision reduces our exposure to loss of customers.

We are primarily a wholesaler of power. We sell to LPC customers which then resell power to their customers at retail rates. Our LPC customers consist of municipalities and other local government entities and cooperative organizations of citizens. These municipalities and cooperatives operate public power electric systems that are not doing business for profit but are operated primarily for the purpose of supplying electricity to their own citizens or members. We also sell power to directly served customers, consisting primarily of federal agencies and customers with large or unusual loads. We sell power to our LPC customers under wholesale power contracts that require our LPC customers to purchase from us all of their electric power and energy used within the TVA service area. Each of these contracts requires the LPC to purchase from TVA all of the electric power required for service to the LPC's customers; however, power supply flexibility agreements available to LPCs that have executed long-term partnership agreements with TVA allow LPCs to locally generate or purchase up to approximately five percent of their average total hourly energy sales over a certain time period in order to meet their individual customers' needs. The TVA Board sets the rates that we charge for power. In setting rates, the TVA Board must have due regard for the objective that power be sold at rates as low as are feasible. These rates are not subject to judicial review or review by any regulatory body. The transaction documents require us, however, to establish and collect rates, rents, charges, fees and other compensation that, together with other moneys available to us, produce moneys sufficient to enable us to pay all charges relating to our power program (as defined in the Basic Tennessee Valley Authority Power Bond Resolution adopted by the TVA Board on October 6, 1960, as amended (the "Bond Resolution")), including basic rent

and supplemental rent under the lease and other rent payments due under our other leases with respect to our power properties (as defined in the Bond Resolution).

The Offering

Lessor	Cumberland Combined Cycle Generation LLC is a Delaware single-purpose limited liability company.
Lessee	We are a wholly owned corporate agency and instrumentality of the United States of America established by the TVA Act.
Securities offered	U.S.$1,800,000,000 in aggregate principal amount of 5.821% Secured Notes 2026 Series A due May 15, 2056.
Price to public	100.00% of the principal amount of the secured notes and accrued interest, if any.
Interest on the secured notes	Interest on the secured notes will accrue at a rate of 5.821% per year and will be payable semiannually in arrears on May 15 and November 15 of each year, beginning on November 15, 2026. Interest shall accrue from May 26, 2026.
Principal payments on the secured notes	Principal payments will be made on the secured notes according to the amortization schedule set forth under "Description of the Secured Notes – Source of Payment and Security – *Source of Payment*."
Initial average life	The initial average life of the secured notes will be approximately 20 years.
Listing	The secured notes will not be listed on any securities exchange.
Use of proceeds	The aggregate proceeds from the sale of the secured notes will be $1,800,000,000. The lessor will use the proceeds from the sale of the secured notes, together with $200,000,000 of equity contributed by the holdco to the lessor in respect of the equity investment, to: • lease the facility from us on the closing date for a one-time payment of rent under the head lease in an amount equal to $1,700,000,000; • pay us an amount equal to $231,875,011 to complete construction of the facility pursuant to the construction management agreement; and • deposit with the lease indenture trustee an amount equal to $68,124,989 to pay the first payment of principal and interest due on the secured notes and a return on the equity investment, each accruing from

	the closing date through the first debt service payment date.
	We will use the aggregate proceeds of $1,931,875,011 from the head lease rent payment and the payment to complete the construction of the facility in each case paid by the lessor for the benefit of our power program and to pay transaction expenses (including the underwriters discount and commission) associated with this offering and the overall lease transaction.
Rate covenant	The transaction documents require us to establish and collect rates, rents, charges, fees and other compensation that, together with other moneys available to us, produce moneys sufficient to enable us to pay all charges relating to our power program (as defined in the Bond Resolution), including basic rent and supplemental rent under the lease and other rent payments due under our other leases with respect to our power properties (as defined in the Bond Resolution).
Lease indenture trustee	Wilmington Trust, National Association will act as the lease indenture trustee for the secured notes under the lease indenture.
Source of payment	Principal of and interest on the secured notes payable on the first debt service payment date will be capitalized with a portion of the proceeds from the sale of the secured notes and the equity investment.
	Our obligation to pay rent under the lease to the lease indenture trustee, as assignee of the lessor, provides the source of payment for the secured notes from the second debt service payment date through the maturity of the secured notes. The schedule for our payment of rent is structured to match in timing and amount the payment schedule of the secured notes.
Collateral for the secured notes	The secured notes will be secured by a security interest in all of the rights and interests of the lessor in the collateral, including the facility and the transaction documents, including the lessor's right to receive rent under the lease.
	The collateral for the secured notes excludes specified excepted payments and is subject to rights reserved to the lessor and the holdco.
Redemption with premium	The lessor is required to redeem the secured notes with premium in whole at any time in connection with a refinancing of the secured notes or in whole or in part if we elect to terminate the lease by exercising an early buy out or a partial early buy out of the lease (other than as a result of an event of loss (as long as, in connection with an event of loss caused by damage to or destruction of the

facility, we certify that we have no current intention to rebuild the facility) or a regulatory event of loss).

In lieu of redeeming the secured notes in connection with an early buy out of the lease, however, we may elect to replace and exchange in whole the secured notes for TVA power bonds (as defined below). See "Description of the Secured Notes – Exchange of Secured Notes" for a description of the conditions to our replacing and exchanging the secured notes for TVA power bonds.

Upon a refinancing of the secured notes or an early buy out of the lease (other than as a result of an event of loss (as long as, in connection with an event of loss caused by damage to or destruction of the facility, we certify that we have no current intention to rebuild the facility) or a regulatory event of loss), the redemption price of the secured notes will equal:

- 100% of the principal amount of the secured notes being redeemed, *plus*
- all accrued and unpaid interest, if any, on the secured notes being redeemed, *plus*
- a make whole premium on the secured notes being redeemed and calculated as described under "Description of the Secured Notes – Redemption of Secured Notes – *Redemption with Premium*."

Redemption without premium ..... The lessor is required, upon our election, to redeem the secured notes without premium in whole in connection with an early buy out following an event of loss of the entire facility or in part following an event of loss of a portion of the facility. If we elect to terminate the lease by exercising an early buy out in connection with an event of loss caused by destruction or damage to the facility, we are required to certify that we have no current intention to rebuild the facility.

The lessor is also required, upon our election, to redeem the secured notes without premium in whole in connection with an early buy out resulting from a regulatory event of loss.

In either case, however, we may elect to replace and exchange the secured notes for TVA power bonds issued under the Bond Resolution. See "Description of the Secured Notes – Exchange of Secured Notes" for a description of the conditions to our replacing and exchanging the secured notes for TVA power bonds.

In the case of an early buy out resulting from an event of loss or regulatory event of loss, the outstanding secured notes will be redeemed at a redemption price equal to

	100% of the principal amount of the secured notes being redeemed plus all accrued and unpaid interest, if any, on the secured notes being redeemed to the redemption date. See "Summary Description of the Lease and Other Transaction Documents – Early Termination of the Lease, Events of Loss, and Regulatory Events of Loss – *Events of Loss*" and "– *Regulatory Events of Loss*" for a description of the events of loss and regulatory events of loss that may result in our exercise of an early buy out of the lease with respect to an event of loss or regulatory event of loss.
Assignment	We may not assign our interest in the lease and the other transaction documents and be released from our obligations under such documents without the consent of the lessor and the lease indenture trustee. See "Summary Description of the Lease and Other Transaction Documents – Covenants – *Assignment*."
Sublease	We may, upon satisfaction of specified conditions, sublease our interest in the facility without the consent of the lessor, the holdco, the manager of the holdco, the holdco lenders or the lease indenture trustee if we remain liable for all of our obligations under the transaction documents, including, but not limited to, the timely payment of our obligations. Any sublease must be subject and subordinate to the terms of the lease. See "Summary Description of the Lease and Other Transaction Documents – Covenants – *Sublease*."
Governing law	Each of the transaction documents (other than the ground lease, the ground sublease, the lessor mortgage and the limited liability agreements of the lessor and the holdco) will be governed by, and construed and interpreted in accordance with, the laws of the State of New York (without regard to conflicts of laws principles other than as provided in Section 5-1401 of the New York General Obligations Law), except to the extent that U.S. federal law or the law of the State of Tennessee applies. The lessor mortgage, the ground lease and the ground sublease will each be governed by the laws of the State of Tennessee, except to the extent that U.S. federal law applies. The limited liability company agreements of the lessor and the holdco will be governed by the laws of the State of Delaware.
Form, denomination, and registration of the secured notes	The secured notes will be issued in book-entry form and will be represented by one or more fully registered global certificates. Each global certificate will be deposited with, or on behalf of, DTC and registered in its name or in the name of Cede & Co., its nominee (or such other nominee as may be requested by an authorized representative of DTC). The secured notes will be

	issuable in denominations of $2,000 or any integral multiple of $1,000 in excess of $2,000.
ERISA considerations	In general, employee benefit plans subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), or any entity whose underlying assets include "plan assets" by reason of such an employee benefit plan's and/or plan's investment in such entity, will be eligible to acquire secured notes, subject to certain conditions. Each person acquiring or accepting a secured note will be deemed to have made specified representations and warranties. See "Certain ERISA Considerations" in this offering circular. Each fiduciary of such a plan (and each fiduciary of a governmental or church plan which is subject to any federal, state, local, or other laws or regulations that are substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code) should consult with its legal advisor concerning the secured notes.
Taxation.....	Interest on the secured notes will not be exempt from state, local, or federal taxation. See "Certain U.S. Federal Income Tax Considerations" for a summary discussion of certain U.S. federal income tax considerations generally applicable to holders of the secured notes that acquire their secured notes in the initial offering.
CUSIP number of the secured notes.....	The secured notes will be assigned the following CUSIP number: 229917 AA7.

RISK FACTORS

Your investment in the secured notes will involve a number of risks. Before you decide that an investment in the secured notes is suitable for you, you should carefully consider the risk factors described below, together with the other information in this offering circular, as well as the risks set forth in Item 1A, Risk Factors, and Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, in the Annual Report and in Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations, and Part II, Item 1A, Risk Factors, in the Quarterly Reports. The risks and uncertainties described below and incorporated by reference in this offering circular could also cause future results of TVA operations to differ materially from historical results as well as from the results anticipated in forward-looking statements. Although the risk factors described below are the ones that TVA considers material, additional risk factors that are not presently known to TVA or that TVA presently does not consider material may also impact TVA's business operations. See "Forward-Looking Statements" above for a description of some matters that could affect the below risks or generate new risks. References to past events are provided by way of example only and are not intended to be a complete listing or representation as to whether or not such factors have occurred in the past or their likelihood of occurring in the future. In addition, you should consult your own financial and legal advisors regarding the risks and suitability of an investment in the secured notes.

It may be difficult to realize the value of the collateral supporting the secured notes and the proceeds received from the sale of the collateral may be insufficient to pay amounts due on the secured notes.

The secured notes issued by the lessor will be secured by the collateral which will include an assignment of the lessor's head lease interest in the facility, the ground interest, and the lessor's interest in the transaction documents, including its right to receive basic rent and supplemental rent under the lease. See "Description of the Secured Notes – Source of Payment and Security – *Security*." The exercise of remedies by a secured party inherently includes risks. Foreclosure of large generation facilities is complicated and often time consuming, which may delay the receipt of proceeds from any exercise of remedies which would be available for the repayment of principal of and premium (if any) and interest on the secured notes. Third party consents and governmental approvals or permits may be required. In addition, the lease indenture trustee's efforts to foreclose and sell the facility may require additional third party consents and governmental approvals by the purchaser. Further, even if the facility is foreclosed upon and sold, there can be no assurance that the price received in any sale of the facility would be sufficient to repay principal of and premium (if any) and interest on the secured notes. This could be due to, among other things, the facility not having achieved provisional acceptance, as the facility likely would be worth less than a similar facility that is capable of commercial operation.

Although we are currently not aware of any factor preventing completion of the facility as designed and commencement of commercial operation of the facility within the anticipated time frame, construction of electric generation facilities involves several risks. Some of the factors that could impact completion of construction include adverse weather conditions, synchronization of components and systems and other engineering problems, fires and other natural disasters, labor disputes, permitting and other regulatory matters and environmental and geological problems. Any of these matters could give rise to a delay in commercial operation or affect the operability or efficiency of the facility. Under the construction management agreement, we agree to use commercially reasonable efforts to cause the facility to achieve provisional acceptance by December 31, 2026, or as soon thereafter as commercially practicable. See "Summary Description of the Construction Management Agreement – Obligation to Complete the Facility." While we estimate that the facility is approximately 85 percent complete as of the date of this offering circular, we do not guarantee that the facility will achieve provisional acceptance or commence commercial operation or that the facility will operate at any particular level of output or efficiency. As a result, there is no certainty that the fair market value of the facility or the price received in any sale of the facility will exceed any amounts outstanding with respect to the secured notes if we for whatever reason were to fail to perform our obligations under the transaction documents. Our obligations under the transaction documents, including our obligation to pay basic rent and supplemental rent for the term of the lease, remain unchanged without regard to the status of the construction of the facility, the facility's operational performance, or the fair market value of the facility.

Lease events of default and remedies under the lease and other transaction documents are limited in significant respects, which will affect the timing and extent of the enforcement of our rent payment and other obligations under the transaction documents.

Events of default and remedies under the lease and other transaction documents are limited in significant respects. See "Summary Description of the Lease and Other Transaction Documents – Lease Events of Default" and "– Remedies" for a description of lease events of default and remedies. If a lease event of default occurs, the lessor (or the lease indenture trustee, as its assignee) may seek damages or seek to enforce our obligations under the transaction documents by appropriate court action. There are no additional remedies for lease events of default related to breaches of covenants (other than in respect of our obligation to pay basic rent or supplemental rent) and material inaccuracies of our representations and warranties. For these lease events of default, the lessor or the lease indenture trustee, as its assignee, will not have the right to terminate the lease, accelerate our rent payment obligations or dispossess us of the facility. As a result, holders of the secured notes will be limited to suing for damages with respect to, or specific enforcement of, these covenants and material inaccuracies of our representations and warranties. Any process to seek damages or enforce these covenants likely would involve legal proceedings, which could be time consuming and costly.

The lease also limits remedies for lease events of default resulting from our failure to pay basic rent or supplemental rent due under the lease and other transaction documents, bankruptcy or similar insolvency events, or repudiation of specified transaction documents. See "Summary Description of the Lease and Other Transaction Documents – Remedies." The lessor or the lease indenture trustee, as its assignee, may seek to terminate the lease and other transaction documents, accelerate our rent payment obligations under the lease, or dispossess us of the facility following an event of default related to our failure to pay basic rent or supplemental rent. However, other than in connection with bankruptcy, insolvency or other similar event or a repudiation of the lease, head lease or ground lease, none of these measures may be taken by the lessor or lease indenture trustee earlier than 180 days after the occurrence of the payment default, so long as the event of default is continuing. As a result, our payment of basic rent and supplemental rent, and the payments of principal of and premium, if any, and interest on the secured notes, may be delayed for that 180-day period without other remedies (other than court action) being available to the lessor or lease indenture trustee.

If our rent payments under the lease are accelerated, we will only be obligated to pay (in addition to all then unpaid rent and interest thereon) the amount by which the applicable termination value as of the time of termination exceeds (i) the fair market value of the lessor's interest in the facility, if holders of the secured notes holding seventy-five percent or more of the aggregate unpaid principal amount of the secured notes have consented to the payment of this amount, or (ii) the net proceeds from a sale of the lessor's interest in the facility. In addition, we may elect to pay this net amount in three equal annual installments, with interest, if we certify that the issuance of "evidences of indebtedness" under the Bond Resolution is legally impossible or commercially unreasonable at such time in an amount sufficient to pay net termination value when due. See "Summary Description of the Lease and Other Transaction Documents – Termination Payment Term Out." As a result, we may elect to pay accelerated amounts over a three year period even if we fail to pay basic rent or supplemental rent, so long as we are able to deliver the certificate described above.

We may direct the lessor to incur additional debt, which may reduce the benefits of the collateral to pre-existing holders of the secured notes.

Subject to the satisfaction of conditions in the participation agreement and the lease indenture, we are permitted to direct the lessor to incur additional indebtedness, including through the issuance of additional secured notes, in connection with the financing of modifications to the facility. See "Summary Description of the Lease and Other Transaction Documents – Covenants – *Modifications and Improvements*" and "– *Financing Modifications through the Lease*." Any such additional indebtedness incurred would rank equally with the secured notes and would share ratably in the collateral for the secured notes. As a result, the benefits of the collateral to the then-existing holders of the secured notes may be diluted due to any such issuance of additional secured notes, although any improvements to the facility financed with the proceeds of any additional indebtedness would become additional collateral for all secured indebtedness (including the secured notes). Further, after any such issuance of additional secured notes, the ability of the then-existing holders of the secured notes to control actions taken with respect to the collateral would be affected following the occurrence of a lease indenture event of default that would permit an enforcement of remedies with respect to the collateral.

If the lessor takes possession of the facility, the principal permits and licenses necessary for the operation of the facility might not be issued, might not be issued without significant delay or might include restrictions.

The principal permits and licenses necessary for the operation of the facility are being issued in our name, as owner and operator. These permits and licenses might not be transferrable, particularly those that relate to the adjacent two unit coal-fired generating facility. If the lessor takes possession and control of the facility, new or amended permits and licenses may be required to operate the facility. However, these new or amended permits and licenses may not be issued, may not be issued without significant delay, or may include restrictions on the lessor's ability to operate the facility or to operate at full capacity. We may be asked to consent to the issuance or amendment of these permits and licenses, and, at the time so requested, it might not be in our interest to provide such consent.

There is no existing market for the secured notes and there is no assurance that an active trading market will develop for the secured notes.

The secured notes are a new issue of securities without an established trading market and will not be listed on any securities exchange. There can be no assurance as to the liquidity of any market that may develop for the secured notes, the ability of the holders of the secured notes to sell the secured notes or the price at which the holders of the secured notes will be able to sell the secured notes. Future trading prices will depend on numerous factors including, among other things, prevailing interest rates and the market for similar securities.

The underwriters have advised us and the lessor that they intend to make a market in the secured notes. However, the underwriters are not required to do so, and any market-making activity may be terminated at any time without notice to the holders of the secured notes. If a market for the secured notes does not develop, a holder of the secured notes may be unable to resell the secured notes for an extended period of time, if at all. Consequently, a holder of the secured notes may not be able to liquidate its investment readily, and the secured notes may not be readily accepted as collateral.

TVA AND THE FACILITY

Overview

In response to a request by President Franklin D. Roosevelt, the U.S. Congress in 1933 enacted legislation that created us, a wholly owned corporate agency. We were initially created to, among other things, improve navigation on the Tennessee River, reduce the damage from destructive flood waters within the Tennessee River system and downstream on the lower Ohio and Mississippi Rivers, further the economic development of our service area in the southeastern United States, and sell the electricity generated at the facilities we operate.

Today, we operate the nation's largest public power system and supply power in most of Tennessee, northern Alabama, northeastern Mississippi, and southwestern Kentucky and in portions of northern Georgia, western North Carolina, and southwestern Virginia to a population of approximately ten million people. In the fiscal year ended September 30, 2025, the revenues generated from our electricity sales were $13.5 billion and accounted for virtually all of our revenues.

We also manage the Tennessee River, its tributaries and certain shorelines to provide, among other things, year-round navigation, flood damage reduction, and affordable and reliable electricity. Consistent with these primary purposes, we also manage the river system to provide recreational opportunities, adequate water supply, improved water quality, natural resource protection, and economic development. We perform these management duties in cooperation with other federal and state agencies which have jurisdiction and authority over certain aspects of the river system. Our stewardship responsibilities are conducted within the Tennessee Valley watershed, whose boundaries are similar to, though not exactly the same as, our service area.

Initially, all of our operations were funded by federal appropriations. Direct appropriations for our power program ended in 1959, and appropriations for our stewardship, economic development, and multipurpose activities ended in 1999. Since 1999, we have funded all of our operations almost entirely from the sale of electricity and power system financings.

Although we are similar to other power companies in many ways, there are many features that make us different. Some of these features include:

- We were created by an act of the U.S. Congress and are a wholly owned corporate agency and instrumentality of the United States.
- Each member of our board of directors is appointed by the President of the United States with the advice and consent of the U.S. Senate.
- We do not own real property; we hold the real property we use or manage as an agent for the United States.
- We are required to make payments to the U.S. Treasury as a return on the appropriation investment that the United States provided us for our power program (the "Appropriation Investment").
- As a wholly owned corporate agency, we are not authorized to issue equity securities such as common or preferred stock. Accordingly, we finance our operations primarily with cash flows from operations and power system financings – primarily, the sale of debt securities and secondarily, alternative financings such as lease and lease-purchase financings.
- The TVA Board sets the rates we charge for power. In setting rates, the TVA Board must have due regard for the objective that power be sold at rates as low as are feasible. These rates are not subject to judicial review or review by any regulatory body.
- We are exempt from paying U.S. federal income taxes and state and local taxes, but we must pay some states and counties an amount in lieu of taxes equal to five percent of our gross revenues from the sale of power during the preceding year, excluding sales or deliveries to other federal agencies and off-system sales with other utilities, with a provision for minimum payments under some circumstances.

- We perform stewardship activities in connection with the Tennessee River and its tributaries and are required by federal law to fund these activities primarily with revenues from the power system and to a lesser extent with revenues from other sources.

Recent Developments

During April 2026, net current liabilities increased by $331 million as a result of a $194 million increase in total current liabilities and a $137 million decrease in total current assets. The increase in total current liabilities resulted primarily from a $224 million increase in accounts payable and accrued liabilities, partially offset by a $33 million decrease in accrued interest. The decrease in total current assets resulted primarily from a $86 million decrease in regulatory assets and a $60 million decrease in net accounts receivable. The numbers in this paragraph have been derived from TVA's accounting records, are unaudited, and remain subject to adjustment.

The Facility

We are in the process of developing and constructing the Cumberland Combined Cycle Generation Facility in Stewart County, Tennessee. The facility is designed to have a nominal generation capacity of approximately 1,450 megawatts. The facility includes two General Electric 7HA.03 combustion turbine generators, together with the related General Electric heat recovery steam generator and related General Electric D600 steam turbine and General Electric H53 steam turbine generator and associated balance-of-plant systems and equipment. We will refer to each of the combustion turbines (along with the heat recovery steam generators relating to the respective combustion turbines) as a "unit" and collectively as the "units." The facility also consists of facilities and balance of plant systems and equipment that are required for the operation of all of the units of the facility, and which we will refer to as "common facilities" in this offering circular. The facility will be capable of operating in simple cycle or combined cycle operation, will use natural gas as fuel, and will be equipped with pollution control devices.

We are constructing the facility adjacent to a two unit coal-fired generating facility. Pursuant to a contract with TVA, Kiewit Power Constructors Co. is providing the engineering, procurement and construction services for the Cumberland Combined Cycle Generation Facility.

Construction of the facility commenced in 2023, and we estimate that the facility is approximately 85 percent complete as of the date of this offering circular. All of the major equipment for the facility has been delivered to the facility site and installed. The connection to the natural gas pipeline is nearly complete, and the 500 kilovolt switchyard is in service, providing power to the facility in support of commissioning activities for the new assets. We currently estimate that construction and testing of the facility will be completed and that the facility will commence commercial operation by December 2026.

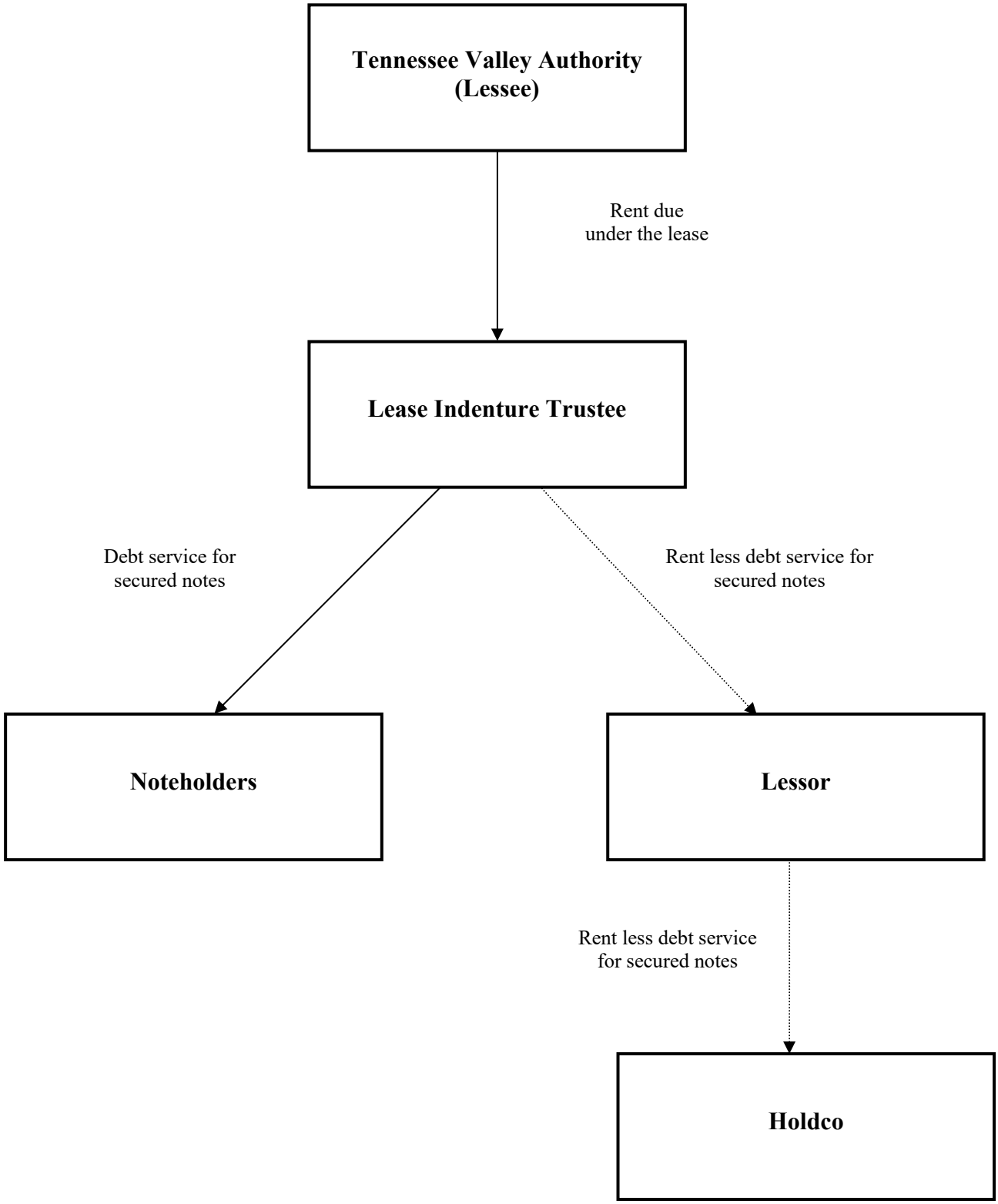
USE OF PROCEEDS

The aggregate proceeds from the sale of the secured notes will be $1,800,000,000. The lessor will use the proceeds from the sale of the secured notes, together with $200,000,000 of equity contributed by the holdco to the lessor in respect of the equity investment, to lease the facility from us for a one-time payment of rent under the head lease in an amount equal to $1,700,000,000, to pay us an amount equal to $231,875,011 to perform our obligations under the construction management agreement, and to deposit an aggregate amount equal to $68,124,989 with the lease indenture trustee to pay the first payment of principal of and interest on the secured notes due on the first debt service payment date and interest on the equity investment accruing from the closing date through the first debt service payment date.

We will use the aggregate proceeds of $1,931,875,011 from the head lease rent payment and the payment to complete the construction of the facility, in each case paid by the lessor, for the benefit of our power program and to pay transaction expenses (including the underwriters discount and commission) associated with this offering and the overall lease transaction.

FLOW OF FUNDS FOR DEBT SERVICE PAYMENTS OF THE SECURED NOTES

The following diagram illustrates the payment flows in the lease transaction among us, the lease indenture trustee, the noteholders, the lessor and the holdco.



DESCRIPTION OF THE SECURED NOTES

The statements under this caption are a summary only. This summary may not contain all the information that is important to you. For additional or more specific information, refer to the secured notes, the lease indenture, and the other transaction documents. This summary makes use of terms defined in the participation agreement. Forms of the transaction documents may be obtained free of charge upon written request directed to Tennessee Valley Authority, 400 West Summit Hill Drive, Knoxville, Tennessee 37902-1401, Attention: Investor Relations, by sending an e-mail to investor@tva.com, or by calling 1-888-882-4975.

General

The lessor will issue secured notes in an aggregate principal amount of $1,800,000,000 under the lease indenture with Wilmington Trust, National Association, as the lease indenture trustee. The secured notes are scheduled to mature on May 15, 2056. Interest on the secured notes will accrue at a rate of 5.821% per year and will be payable semiannually in arrears on May 15 and November 15 of each year, commencing on November 15, 2026. The secured notes will be issued in minimum denominations of $2,000 or integral multiples of $1,000 in excess thereof, and in fully registered form without coupons.

Persons owning a beneficial interest in the secured notes, referred to as "beneficial owners," will not be entitled to receive a definitive certificate representing such person's interest in the secured notes, except as described below under "– Book-Entry; Delivery and Form." Unless definitive certificates are issued under the limited circumstances described below, all references to actions by registered holders of secured notes, or noteholders, mean actions taken by DTC upon instructions from its participants, and all references made in this offering circular to distributions, notices, reports and statements to noteholders will refer, as the case may be, to distributions, notices, reports and statements to DTC or its nominee, Cede & Co. (or such other name as may be requested by an authorized representative of DTC), as the registered holder of the secured notes, or to DTC participants for distribution to beneficial owners in accordance with DTC procedures. See "– Book-Entry; Delivery and Form" below. You should consult with each bank or broker through which you hold a beneficial interest in a secured note for information on how you will receive notices and payments with respect to the secured notes.

Source of Payment and Security

Source of Payment

The first payment of principal of and interest on the secured notes due and payable to the holders of the secured notes on the first debt service payment date will be payable out of the construction period financing account established and held by the lease indenture trustee exclusively for this purpose. For more information on the construction period financing account, see "– Construction Period Financing Costs" below.

From and after the second debt service payment date, our basic rent payments under the lease will be the principal source of payment for the principal of and interest on the secured notes. The term of the lease of the facility will commence on the earlier of May 1, 2027 and the date the facility achieves provisional acceptance. The term of the lease will commence prior to the second debt service payment date and is scheduled to expire coterminous with the final maturity of the secured notes.

Under the lease, we are unconditionally obligated to pay rent and other amounts to the lessor that will be sufficient for the lessor to pay the principal of and premium, if any, and interest on the secured notes when and as due and payable. However, the secured notes are not obligations of, or guaranteed by, us or the United States of America. In some circumstances described below, we may replace and exchange the secured notes for TVA power bonds issued under the Bond Resolution.

The payment schedule for the secured notes is structured to match in timing and amount the payment schedule for the basic rent payable by us under the lease. The initial aggregate principal amount of the secured notes is $1,800,000,000. Scheduled payments of principal on the secured notes, in the aggregate, are as follows:

Payment Dates	Scheduled Payments of Principal of Secured Notes	Approximate Cumulative Percentage Paid on the Initial Balance of the Secured Notes
November 15, 2026	13,229,094	1%
May 15, 2027	10,412,577	1%
November 15, 2027	10,715,635	2%
May 15, 2028	11,027,514	3%
November 15, 2028	11,348,470	3%
May 15, 2029	11,678,767	4%
November 15, 2029	12,018,677	4%
May 15, 2030	12,368,481	5%
November 15, 2030	12,728,465	6%
May 15, 2031	13,098,927	7%
November 15, 2031	13,480,172	7%
May 15, 2032	13,872,512	8%
November 15, 2032	14,276,272	9%
May 15, 2033	14,691,782	10%
November 15, 2033	15,119,387	11%
May 15, 2034	15,559,437	11%
November 15, 2034	16,012,294	12%
May 15, 2035	16,478,332	13%
November 15, 2035	16,957,934	14%
May 15, 2036	17,451,494	15%
November 15, 2036	17,959,420	16%
May 15, 2037	18,482,129	17%
November 15, 2037	19,020,051	18%
May 15, 2038	19,573,630	19%
November 15, 2038	20,143,320	20%
May 15, 2039	20,729,592	22%
November 15, 2039	21,332,927	23%
May 15, 2040	21,953,821	24%
November 15, 2040	22,592,787	25%
May 15, 2041	23,250,350	27%
November 15, 2041	23,927,052	28%
May 15, 2042	24,623,449	29%
November 15, 2042	25,340,114	31%
May 15, 2043	26,077,638	32%
November 15, 2043	26,836,628	34%
May 15, 2044	27,617,708	35%
November 15, 2044	28,421,521	37%
May 15, 2045	29,248,730	38%
November 15, 2045	30,100,014	40%
May 15, 2046	30,976,075	42%
November 15, 2046	39,406,001	44%
May 15, 2047	40,552,912	46%
November 15, 2047	41,733,205	48%
May 15, 2048	42,947,850	51%
November 15, 2048	44,197,847	53%
May 15, 2049	45,484,225	56%
November 15, 2049	46,808,043	58%
May 15, 2050	48,170,392	61%
November 15, 2050	49,572,391	64%
May 15, 2051	51,015,195	67%
November 15, 2051	52,499,993	70%
May 15, 2052	54,028,005	73%

Payment Dates	Scheduled Payments of Principal of Secured Notes	Approximate Cumulative Percentage Paid on the Initial Balance of the Secured Notes
November 15, 2052	55,600,490	76%
May 15, 2053	57,218,742	79%
November 15, 2053	58,884,094	82%
May 15, 2054	60,597,915	86%
November 15, 2054	62,361,617	89%
May 15, 2055	64,176,652	93%
November 15, 2055	66,044,514	96%
May 15, 2056	67,966,739	100%

Payments under the lease in excess of the amounts needed to make required payments on the secured notes generally will be paid by the lease indenture trustee to the lessor for distribution to the holdco and will not be available for distribution to the noteholders so long as no lease indenture event of default has occurred and is continuing.

Construction Period Financing Costs

The first payment of principal of and interest on the secured notes (and an amount payable to the lessor as a return on the equity investment) will be funded on the closing date with a portion of the proceeds from the issuance of the secured notes and of the equity investment. The lease indenture trustee will establish and maintain a construction period financing account exclusively for this purpose, which will be funded on the closing date by the lessor in an aggregate amount equal to $68,124,989. The lease indenture trustee will use amounts in the construction period financing account to first pay the principal of and interest on the secured notes due and payable on the first payment date set forth in the table under "– *Source of Payment*" above. Following the payment of these amounts, so long as no lease indenture event of default has occurred and is continuing, the lease indenture trustee will pay an amount equal to $5,708,444 to the lessor to be distributed to the holdco in accordance with the lessor's limited liability company agreement and any remaining amounts (consisting, primarily, of earnings on the funds held in the construction period financing account) will be distributed to us. We (or the lessor or the lease indenture trustee if a lease event of default has occurred and is continuing) may direct the lease indenture trustee to invest amounts on deposit in the construction period financing account in investments permitted under the transaction documents.

Priority of Payments under TVA's Bond Resolution

We have covenanted in the transaction documents to charge rates that, together with other monies available to us, will be sufficient to pay all charges relating to our power program (as defined in the Bond Resolution), including rent under our lease transactions with respect to our power properties (as defined in the Bond Resolution), including the lease. We are not subject to rate regulation by any federal or state governmental authority. The TVA Board has exclusive authority to establish the rates that we charge for power to our customers within the parameters established under the TVA Act, which includes the objective that power be sold at rates as low as feasible.

Under the Bond Resolution, payments of the costs of operating, maintaining and administering our power properties and payments to states and counties in lieu of taxes are made from the gross revenues of our power program. Amounts remaining after deducting such payments, together with the net proceeds from sale or disposition of any power facility or interest in any power facility, constitute net power proceeds. The Bond Resolution requires that net power proceeds be applied first to pay interest on bonds ("TVA power bonds"), bond anticipation notes and other evidences of indebtedness, each issued under the Bond Resolution, which rank on a parity with TVA power bonds as to interest, to pay the principal due on TVA power bonds and other evidences of indebtedness issued under the Bond Resolution which rank on a parity with TVA power bonds as to principal and to satisfy sinking funds or similar obligations under any supplemental resolution under the Bond Resolution. The remaining net power proceeds may be used only for:

- required interest payments on any evidences of indebtedness under the Bond Resolution which do not rank on a parity with TVA power bonds as to interest;
- required payments of or on account of principal of any evidences of indebtedness which do not rank on a parity with TVA power bonds as to principal;
- minimum payments required to be made to the U.S. Treasury as required by the TVA Act; and
- investment in assets relating to our power program, additional reductions of our capital obligations and other lawful purposes relating to our power program.

Importantly, the Bond Resolution does not permit obligations issued thereunder to be accelerated following an event of default. In addition, we cannot be a debtor under the U.S. Bankruptcy Code or other federal or state debtor relief proceedings absent a change in federal law.

While we intend that scheduled periodic, basic rent payments under the lease be treated as costs of operating, maintaining and administering our power properties (as defined in the Bond Resolution), neither the TVA Act nor the Bond Resolution defines or clarifies what costs or activities constitute "operating, maintaining and administering" power properties for purposes of the Bond Resolution, and no court has construed this phrase. Therefore, no assurance can be given that a court would conclude that our payment of basic rent under the lease constitutes the costs of "operating, maintaining and administering" our power properties.

If our payments of scheduled periodic "basic" rent under the lease constitute costs of operating, maintaining and administering our power properties under the Bond Resolution, we would be obligated to pay basic rent out of gross revenues of our power program and prior to principal and interest on TVA power bonds and other amounts referred to above that are payable out of net power proceeds. If our payments of basic rent do not constitute the costs of operating, maintaining and administering our power properties under the Bond Resolution, basic rent under the lease would constitute payments for "other lawful purposes" and thus would be payable on a parity with other amounts at the end of the priority of payments to be applied out of net power proceeds.

We do not believe that additional, or "supplemental," rent paid by us under the lease (which includes termination value) would constitute costs of operating, maintaining and administering our power program. As a result, supplemental rent will constitute payments for "other lawful purposes" and be payable on a parity with other amounts at the end of the priority of payments under the Bond Resolution to be applied out of net power proceeds.

Security

The secured notes will be secured by a lien on and first priority security interest in the rights and interests of the lessor in and to the collateral, which will include the lessor's interest in the facility created by the head lease and the ground interest created by the ground lease which the lessor leases from us under the head lease and the ground lease, respectively, and the lessor's interests in the following:

- the participation agreement, the head lease, the lease, the ground lease, the ground sublease, the construction management agreement and the support agreement (collectively the "assigned agreements"), including the right to receive payments of basic rent, supplemental rent, termination value and other payments under the lease and condemnation, requisition and other awards and payments and all rights of the lessor to exercise any rights or options, make any determination or give or receive any notice, consent, waiver or approval or to take any other action under the assigned agreements, as well as rights, powers and remedies of the lessor, whether arising out of the assigned documents or by statute or at law or equity or otherwise;
- all rents (including basic rent and supplemental rent), issues, profits, royalties, products, revenues and other income of all property subject to the lien of the lease indenture, including payments or proceeds payable to the lessor with respect to the sale of the facility or the ground interest (including after the termination of the lease);
- all moneys, securities and other investment property paid to or deposited with the lease indenture trustee under the lease indenture or any other assigned agreement (including the construction period financing costs);

- all restitution we are required to pay resulting from a determination that any of the assigned agreements are invalid;
- amounts paid or payable by us to the lessor under the participation agreement and any of the lessor's rights to enforce payment of those amounts;
- all other property, rights, and privileges of every kind, real, personal and mixed, tangible and intangible, now held or to be acquired by the lessor under the assigned agreements; and
- all proceeds of all of the foregoing.

The collateral will not include specified excepted payments, including the following:

- payments relating to indemnification by us of the manager of the lessor, the holdco, the manager of the holdco, any holdco lender or their respective successors and permitted assigns (other than the lease indenture trustee);
- reimbursement of the costs and expenses of the lessor, the holdco, the manager of the lessor, the manager of the holdco, or any holdco lender related to exercising their respective rights under the transaction documents;
- any insurance proceeds under any insurance maintained by the lessor or the holdco in respect of the facility;
- amounts payable to the holdco as the purchase price of its membership interest in the lessor in connection with any permitted sale or transfer of the holdco's membership interest in the lessor under the transaction documents;
- amounts payable to the holdco upon our exercise of a special lessee transfer under the terms of the transaction documents;
- all fees expressly payable to the lessor, the holdco, the manager of the lessor, the manager of the holdco, or any holdco lender under the transaction documents;
- amounts payable by us to the lessor in connection with a regulatory event of loss; and
- any payment of interest attributable to the foregoing payments.

The lessor also will reserve rights to cure specified lease events of default. The collateral will be subject to other rights of the lessor, including, among others, the right to demand and receive excepted payments (except for rights to pursue those payments as against the lease indenture estate), rights to adjust basic rent and termination value in accordance with the lease (so long as after any adjustments basic rent and termination values are sufficient to pay the principal of and interest on the secured notes) and rights to declare us to be in default with respect to any excepted payments (but not to exercise any remedies under the lease).

If no lease indenture event of default or significant lease default (as defined under "Summary Description of the Lease and Other Transaction Documents – Covenants – *Financing Modifications through the Lease*") has occurred and is continuing under the lease indenture, the lessor may exercise all of the rights of the lessor under the transaction documents, subject to specific exceptions (including with respect to amendments, waivers, modifications and consents under specified provisions of the transaction documents). The lessor's rights, however, will not include the right to receive payments of basic rent and certain other amounts due under the lease, all of which will be made directly to the lease indenture trustee until the secured notes are paid in full. For a description of other rights of the lessor, see "Summary Description of the Lease and Other Transaction Documents – Lease Events of Default."

Except for funds in the construction period financing account, funds held from time to time by the lease indenture trustee under the lease indenture will be invested by the lease indenture trustee in permitted investments selected by the lessor. The lessor is required to pay to the lease indenture trustee the amount of any loss resulting from any investment of these funds held by the lease indenture trustee. Funds in the construction period financing account will be invested at our direction, or, if a lease event of default has occurred and is continuing, at the direction of the lessor, in permitted investments.

Limitation of Liability

The secured notes are not obligations of, or guaranteed by, us, the holdco, the manager of the holdco, or the manager of the lessor. Neither the manager of the lessor, the holdco, the manager of the holdco or the lease indenture trustee, nor any of their respective affiliates, will be personally liable to any noteholder or, in the case of the manager of the lessor, the manager of the holdco, and the holdco, to the lease indenture trustee for any amounts payable under any secured notes or, except as provided in the lease indenture, for any liability under the lease indenture. All payments of principal of and premium, if any, and interest on the secured notes (other than payments made by the lessor) will be made only from the assets subject to the lien of the lease indenture or the income and proceeds received by the lease indenture trustee relating to the transaction, including basic rent payable by us under the lease.

Redemption of Secured Notes

Redemption with Premium

The lessor is required to redeem the secured notes, in whole but not in part, at the principal amount of the secured notes being redeemed together with all interest accrued to and unpaid, if any, on the secured notes being redeemed to the date of redemption plus a make whole premium (calculated as described in the second succeeding paragraph) in connection with a refinancing of the secured notes. See "Summary Description of the Lease and Other Transaction Documents – Covenants – *Optional Refinancings*."

The outstanding secured notes will also be redeemed, in whole or in part, at the principal amount of the secured notes being redeemed, together with all accrued and unpaid interest, if any, on the secured notes being redeemed to the redemption date, plus a make whole premium (calculated as described in the succeeding paragraph), upon our election to terminate the lease by exercising an early buy out or a partial early buy out (other than as a result of an event of loss (as long as, in connection with an event of loss caused by damage to or destruction of the facility, we certify that we have no current intention to rebuild the facility) or a regulatory event of loss) unless, in the case of redemption in whole, we elect to replace and exchange the secured notes for TVA power bonds issued under the Bond Resolution. See "– Exchange of Secured Notes" below for a description of the conditions to replace and exchange the secured notes for TVA power bonds issued under the Bond Resolution.

The make whole premium for any secured notes subject to redemption with a make whole premium is an amount equal to the discounted present value of the secured notes less the unpaid principal amount of such secured notes, except that the make whole premium will not be less than zero. For these purposes, the discounted present value of any secured notes subject to redemption under the lease indenture will be equal to the discounted present value of all principal and interest payments scheduled to become due in respect of the secured notes after the date of such redemption, calculated using a discount rate equal to the sum of the yield to maturity on the U.S. Treasury security having a life equal to the remaining average life of the secured notes, *plus* 15 basis points. If there is no U.S. Treasury security having a life equal to the remaining average life of the secured notes, the discount rate will be calculated using a yield to maturity interpolated or extrapolated on a straight-line basis (rounding to the nearest calendar month, if necessary) from the yields to maturity for two U.S. Treasury securities having lives most closely corresponding to the remaining average life of the secured notes. The make whole premium will be determined by an investment banking institution of national standing in the United States selected by us (and reasonably acceptable to the lease indenture trustee). If the lessor or the lease indenture trustee does not receive notice of such selection within twenty days prior to a scheduled payment date or if a significant lease default under the lease has occurred and is continuing, the investment banking institution will be selected by the lease indenture trustee.

Redemption without Premium

The outstanding secured notes will be redeemed without premium in connection with our election to terminate the lease by exercising an early buy out in connection with an event of loss (as long as, in connection with an event of loss caused by damage to or destruction of the facility, we certify that we have no current intention to rebuild the facility) or a regulatory event of loss. In this case, the redemption price will be equal to the principal amount of the secured notes being redeemed, together with all accrued and unpaid interest on the secured notes being redeemed, if any, to the redemption date, without any premium.

The outstanding secured notes will be redeemed in whole in connection with our early buy out of the lease resulting from a regulatory event of loss. The outstanding secured notes also will be redeemed in whole in connection with our early buy out of the lease resulting from an event of loss relating to the entire facility, and will be redeemed

in part in connection with our early buy out of the lease resulting from an event of loss relating to less than all of the units of the facility. For a description of the conditions that would allow us to exercise an early buy out resulting from an event of loss or a regulatory event of loss, see "Summary Description of the Lease and Other Transaction Documents – Early Termination of the Lease, Events of Loss, and Regulatory Events of Loss – *Events of Loss*" and "– *Regulatory Events of Loss*." Under the lease, we may elect to replace and exchange the secured notes for TVA power bonds issued under the Bond Resolution in connection with an early buy out. As a result, the secured notes would not be redeemed if we elect to effect a replacement and exchange of the secured notes in connection with an early buy out resulting from an event of loss or a regulatory event of loss. See "– Exchange of Secured Notes" below for a description of the conditions under which we may replace and exchange the secured notes for TVA power bonds issued under the Bond Resolution.

Lease Indenture Events of Default

An event of default under the lease indenture (each, a "lease indenture event of default") will consist of any of the following:

- a lease event of default occurs subject to respective grace or cure periods applicable to lease events of default, except that our failure to pay any amount of the equity portion of basic rent (as defined under "Summary Description of the Lease and Other Transaction Documents – Lease Term, Rent and Termination Values") will not constitute a lease indenture event of default if the lease event of default is waived by the lessor, and so long as our failure to make that payment is not the fourth consecutive or seventh cumulative failure to pay any amount of the equity portion of basic rent;

- the lessor fails to pay principal, premium (if any) and interest or any other amounts due with respect to the secured notes or the lease indenture that continues unremedied for five business days (other than a failure resulting from a lease event of default);

- the lessor fails to perform or observe any of its covenants, obligations or agreements under the lease indenture (other than a failure to pay amounts when due as described under the preceding bullet) or the lessor or the manager of the lessor fails to perform or observe any of their respective covenants, obligations or agreements under the transaction documents, or the holdco fails to perform or observe any of its covenants, obligations or agreements under the transaction documents (other than any holdco note purchase document), in each case in any material respect, and this failure continues unremedied for a period of thirty days after receipt by such party of written notice of such failure; *provided, however*, that if such failure is not capable of being remedied within the thirty-day period, such thirty-day period will be extended for up to an additional 180 days, if such party diligently pursues a remedy and such failure is reasonably capable of being remedied within such extended period;

- specified representations or warranties made by the lessor, the manager of the lessor or the holdco in the participation agreement will prove at any time to have been incorrect as of the date made in any material respect and continue to be material and unremedied for a period of thirty days after the receipt by the lessor, the manager of the lessor or the holdco, as applicable, of written notice of the inaccuracy*; provided, however*, that if such breach is not capable of being remedied within the thirty-day period, the thirty-day period will be extended for up to an additional 180 days, if such party diligently pursues such remedy and such incorrectness is reasonably capable of being remedied within such extended period; and

- customary events of bankruptcy and insolvency, whether voluntary or involuntary, or other similar events occur with respect to the holdco or the lessor.

Acceleration, Rescission and Remedies

Subject to rights of the lessor and the holdco described below, if a lease indenture event of default has occurred and is continuing, the lease indenture trustee may exercise specified rights and remedies available to it. These remedies include, if a lease event of default has occurred and is continuing, one or more of the remedies with respect to the facility and ground interest afforded to the lessor by the lease or the other transaction documents for lease events of default. See "Summary Description of the Lease and Other Transaction Documents – Lease Events of Default."

The lease indenture trustee's remedies may be exercised by the lease indenture trustee without the consent of or any required action by the lessor and the holdco. A sale of the lessor's rights in the facility and the ground interest, upon the exercise of the lease indenture trustee's remedies, will be free and clear of any rights of those parties (other than applicable rights of redemption provided by law). No exercise of any remedies by the lease indenture trustee, however, may affect our rights under the lease unless a lease event of default has occurred and is continuing under the lease.

If a lease indenture event of default occurs and is continuing, the lease indenture trustee in its discretion may, and at the direction of a majority in interest of the noteholders will, declare, by written notice to the lessor and the holdco, the unpaid principal of and accrued interest and premium, if any, on the secured notes immediately due and payable, except that no declaration or notice will be required in the case of a lease indenture event of default or a lease event of default resulting from the commencement of bankruptcy, liquidation or similar proceedings of the lessor, the holdco or us, respectively. In that case, the principal of and interest and premium, if any, on the secured notes will automatically become due and payable immediately. If no lease indenture event of default exists (other than one caused by a lease event of default), however, the lease indenture trustee will not be permitted to declare the unpaid principal amount of the secured notes, together with interest and premium, if any, on the unpaid principal amount, immediately due and payable unless the lease indenture trustee is also permitted to exercise remedies intended to dispossess us of our interest in the facility under the lease. See "Summary Description of the Lease and Other Transaction Documents – Lease Events of Default."

If a lease indenture event of default caused by a lease event of default has occurred and is continuing and no other lease indenture event of default exists, the lease indenture trustee may not exercise any remedy under the lease indenture to divest the lessor of its ownership interest in any of the collateral, unless the lease indenture trustee is entitled to exercise one or more remedies under the lease intended to dispossess us of our interest in the facility. The lease indenture trustee must also have commenced the exercise of one or more of the dispossessory remedies permitted in the lease and be using good faith efforts to exercise those remedies (and not merely asserting a right or claim to do so). So long as no lease indenture event of default (other than a lease indenture event of default caused by a lease event of default) has occurred and is continuing, neither the lease indenture trustee nor any holder of secured notes may take affirmative action to divest the lessor of its interest in:

- the lease and its right to assert claims thereunder; or

- any portion of the collateral (other than the lease and rights to assert claims thereunder) prior to the time at which it is necessary to deliver to a third party the lessor's ownership interest in such collateral pursuant to a sale or other disposition of such collateral, provided that the lessor has delivered to the lease indenture trustee, promptly upon request, all instruments of title (or of other interest) and other documents required to be delivered to the lease indenture trustee to enable the lease indenture trustee to obtain possession of all or any part of the collateral, which instruments and documents will be held by the lease indenture trustee for release and delivery at, or immediately prior to, a sale or disposition to a third party.

If a lease indenture event of default caused by a lease event of default has occurred and is continuing and no other lease indenture event of default exists, the lease indenture trustee may not exercise remedies under the lease indenture unless it has given at least ten days notice of the lease indenture event of default to the lessor, the holdco, and the holdco lenders. Furthermore, if a lease indenture event of default caused by a lease event of default has occurred and is continuing, the lease indenture trustee may only exercise the remedy that requires us to pay FMV net termination value with the consent of holders of the secured notes holding not less than seventy-five percent of the unpaid principal amount of the secured notes. See "Summary Description of the Lease and Other Transaction Documents – Remedies."

If a lease event of default has occurred that permits the lessor to dispossess us of the facility and the lessor (or the lease indenture trustee acting as its assignee) elects to exercise the remedies that provide for dispossession, and we are required to pay amounts in respect of termination value, we may elect to pay those amounts in three equal annual installments together with interest, subject to certain conditions. See "Summary Description of the Lease and Other Transaction Documents – Termination Payment Term Out." If the secured notes remain outstanding, we will pay these annual installments to the lease indenture trustee.

If, at any time after acceleration of the secured notes has occurred under the lease indenture:

- all amounts of principal, premium, if any, and interest which are then due and payable in respect of all the secured notes other than as a result of the acceleration are paid in full, together with interest on all overdue principal and (to the extent permitted by applicable law) overdue interest at the rate or rates specified in the secured notes, and an amount sufficient to cover all costs and expenses of collection incurred by or on behalf of the holders of the secured notes (including, without limitation, counsel fees and expenses and all expenses and reasonable compensation of the lease indenture trustee); and

- every other lease indenture event of default is remedied,

then, a majority in interest of the holders of the secured notes may, by written notice or notices to the lessor, the lease indenture trustee and us, rescind and annul the acceleration and any related declaration of default under the lease and their respective consequences. No rescission and annulment will extend to or affect any subsequent lease indenture event of default or impair any resulting right; no rescission and annulment will require any holder of a secured note to repay any principal or interest paid as a result of the acceleration; and no rescission or annulment will be effective unless the lease and the other transaction documents will continue to be in full force and effect or will be reinstated (to the extent terminated prior to the reinstatement).

Lessor Cure Rights

If we fail to make a payment of basic rent due on any rent payment date, and our failure does not constitute the fourth consecutive failure to pay basic rent, or the seventh cumulative failure to pay basic rent, the lessor may (but need not) pay the lease indenture trustee an amount equal to the principal of and premium, if any, and interest on the secured notes then due (otherwise than by declaration of acceleration) on the relevant rent payment date, together with any interest due as a result of the delayed payment. The lessor, however, will not be permitted to pay those amounts if a lease indenture event of default other than a lease indenture event of default resulting from a lease event of default has occurred and is continuing or the lease indenture trustee has commenced the exercise of remedies under the lease. The payment of those amounts by the lessor will be deemed for purposes of the lease indenture to cure any lease indenture default that arose or would have arisen from our failure to pay basic rent. If any lease event of default relating to our failure to pay supplemental rent has occurred and is continuing and no lease indenture event of default (other than one resulting from a lease event of default) has occurred and is continuing, and if the lease indenture trustee has not commenced the exercise of remedies under the lease, the lessor may (but need not) cure the lease event of default.

Lessor's Right to Purchase Secured Notes

The lessor has the right to purchase the secured notes outstanding under the lease indenture, without any premium (except as described below), at a price equal to the outstanding principal amount of those secured notes, together with accrued and unpaid interest to the date of purchase, if any, and all sums which, if any payments after a lease indenture event of default under the lease indenture was then applicable, the holders of those secured notes would have been entitled to be paid before any payments were made to the lessor, if all of the following circumstances occur:

- a lease indenture event of default in consequence of a lease event of default, has occurred and is continuing without the acceleration of the secured notes or the exercise of any remedy under the lease by the lease indenture trustee intended to dispossess us of our interest in the facility, or the lease indenture trustee has provided us and the lessor written notice that it intends to exercise remedies available under the lease indenture intended to divest the lessor of its interest, or us of our interest, in the facility as the result of the occurrence of a lease indenture event of default or a lease event of default;

- no lease indenture event of default (other than solely as the result of the occurrence of a lease event of default) has occurred and is continuing under the lease indenture; and

- the lessor has notified the lease indenture trustee in writing of its intention to purchase the secured notes.

If the lessor's purchase of the secured notes occurs within 180 days of a lease indenture event of default caused by a lease event of default (but without the lease indenture trustee notifying us that it intends to exercise

dispossessory remedies or the secured notes being accelerated), the purchase price will include a premium equal to the make whole premium. See "Description of the Secured Notes – Redemption of Secured Notes – *Redemption with Premium*."

Modification of the Transaction Documents

The lease indenture trustee may, without the consent of the holders of the secured notes, enter into any indenture or indentures supplemental to the lease indenture or execute any amendment, modification, supplement, waiver or consent with respect to any other transaction document to:

- evidence the succession of another person as manager of the lessor or to evidence the succession of a successor as the lease indenture trustee under the lease indenture, the removal of the lease indenture trustee or the appointment of any separate or additional lease indenture trustee or trustees, in each case in accordance with the terms of the lease indenture, and to define the rights, powers, duties and obligations conferred upon any separate lease indenture trustee or trustees or co-trustees;

- correct, confirm or amplify the description of any property at any time, subject to the lien of the lease indenture, or to convey, transfer, assign, mortgage or pledge any property to or with the lease indenture trustee;

- provide, in accordance with the lease indenture, for any evidence of the creation and issuance of any additional secured notes in accordance with the lease indenture or supplemental lease indenture and to establish the form and terms of such additional secured notes issued in connection with any refinancing or supplemental financing (see "– Refinancing the Secured Notes and Additional Secured Notes" below);

- cure any ambiguity in, to correct or supplement any defective or inconsistent provision of, or to add to or modify any other provisions and agreements in, the lease indenture or any other transaction document, in any manner that will not, in the judgment of the lease indenture trustee, materially adversely affect the interests of the noteholders;

- grant or confer upon the lease indenture trustee for the benefit of the noteholders any additional rights, remedies, powers, authority or security which may be lawfully granted or conferred and which are not contrary to or inconsistent with the lease indenture;

- add to the covenants or agreements to be observed by us or the lessor and which are not contrary to the lease indenture, to add lease indenture events of default for the benefit of the noteholders or to surrender any right or power of the lessor; or

- effect the replacement and exchange, refinancing or refunding of any or all of the secured notes by us, in a manner consistent with the lease indenture.

The lease indenture trustee may also amend, modify, supplement, consent or waive the provisions of the lease indenture or any other transaction document, without the consent of the holders of the secured notes, so long as the amendment, modification, supplement, waiver or consent will not, in the judgment of the lease indenture trustee, materially adversely affect the interests of the noteholders. An amendment, modification, supplement, waiver or consent will be presumed not to materially adversely affect the interests of the noteholders if the lease indenture trustee is furnished with written evidence from one or more nationally recognized rating organizations then rating the secured notes that their respective ratings of the secured notes will not be withdrawn or reduced as a result of the supplemental lease indenture, amendment, modification, supplement, waiver or consent. However, the failure to qualify for this presumption will not create any presumption to the contrary or be used to question the judgment of the lease indenture trustee. These rights of the lease indenture trustee to amend, modify, supplement, consent or waive the provisions of the lease indenture or any other transaction document may not be used to amend, modify, supplement, consent or waive the lease indenture or other transaction document in a manner that is permitted only with the consent of the noteholders described in the following paragraph.

Except as described in the preceding two paragraphs, the lease indenture trustee will not be permitted to agree to any supplement to or amendment of the lease indenture or the lease or other transaction documents or any waiver

or modification of or consent to the terms of the lease indenture, the lease or the other transaction documents, without the consent of the holders representing a majority of the outstanding principal amount of the secured notes. In addition, the consent of the holders representing 100% of the outstanding principal amount of the secured notes will be required to:

- modify the definition of the term "majority in interest of noteholders" in the transaction documents or reduce the percentage of noteholders required to take or approve any action under the lease indenture;

- change the amount or the time of payment of any amount owing or payable with respect to any secured notes or change the rate or manner of calculation of interest or premium payable with respect to any secured notes;

- alter or modify the provisions of the lease indenture relating to the manner of payment or the order of priorities in which distributions will be made as between the noteholders and the lessor and the remedies available to the lessor under the lease;

- reduce the amount (except to any amount as will be sufficient to pay the aggregate principal of and interest on all the secured notes) or extend the time of payment of basic rent or termination value, except as expressly provided in the lease, or change any of the circumstances under which basic rent or termination value is payable; or

- consent to any assignment of the lease if we would be released from our obligation to pay basic rent or termination value or otherwise release us from our obligations to pay basic rent or termination value or change the absolute and unconditional character of those obligations.

Except as described in the preceding three paragraphs, the lease indenture trustee may not execute any amendment, modification, supplement, waiver, or consent with respect to any transaction document.

In connection with the execution and delivery of any amendment or supplement, the lease indenture trustee will be entitled to receive an opinion of counsel that such amendment or supplement is permitted by the lease indenture and an officer's certificate of the lessor that all conditions precedent to the execution and delivery of such amendment or supplement have been satisfied.

Refinancing the Secured Notes and Additional Secured Notes

Additional notes of the lessor ("additional secured notes") may be issued from time to time in connection with a refinancing or for the purpose of financing modifications of the facility through the lease. Prior notice of and a request for the authentication of the issuance of additional secured notes, legal opinions, and officer's certificates related to defaults, satisfaction of conditions, and the sufficiency of basic rent must be delivered to the lease indenture trustee in connection with a refinancing of the secured notes and any additional secured notes or the issuance of any additional secured notes. See "Summary Description of the Lease and Other Transaction Documents – Covenants – *Optional Refinancings*" and "– *Financing Modifications through the Lease*," respectively.

Exchange of Secured Notes

Unless a significant lease default (as defined under "Summary Description of the Lease and Other Transaction Documents – Covenants – *Financing Modifications through the Lease*") or lease event of default has occurred and is continuing after giving effect to an exchange of the secured notes for TVA power bonds, upon the termination of the lease in whole (but not in part) as a result of our election of an early buy out of the lease (including in connection with an event of loss or a regulatory event of loss) in accordance with the terms of the lease, we may, at our option, in lieu of paying the debt portion of the termination value, replace and exchange the secured notes with TVA power bonds which are issued under the Bond Resolution. To effect this exchange and replacement, we will execute and deliver to each holder of the secured notes a TVA power bond in exchange for the secured notes in an aggregate outstanding principal amount and with identical maturity, interest rates (which will be calculated in the same manner as the interest payable with respect to the secured notes being exchanged), amortization schedule, and premium (including the make whole premium), if any, as the secured notes being exchanged. No later than the date of the exchange, and subject to our delivery of replacement TVA power bonds to the lease indenture trustee, acting as

exchange agent, the holders of the secured notes will be required to tender their secured notes to the lease indenture trustee in exchange for TVA power bonds then held by the lease indenture trustee. Upon the lease indenture trustee's receipt of the secured notes being replaced and exchanged, the lease indenture trustee will cancel the secured notes. Subject to these conditions, upon the date of the exchange, the lessor will be released and discharged without further act from all obligations and liabilities assumed by us; the lien of the lease indenture upon the lessor's interest in the facility and any other collateral will be deemed released; and the holdco and the lessor will be deemed released from any and all future obligations in respect of the secured notes and the other transaction documents. In connection with the replacement and exchange, we will be obligated to pay the equity portion of the termination value to the lessor in connection with the equity investment. As a condition to the replacement and exchange of the secured notes, the lease indenture trustee will receive:

- an opinion of counsel reasonably acceptable to the lease indenture trustee to the effect that, among other things, no regulatory approval is required (or if any regulatory approval is necessary or required, that the same has been duly obtained and is in full force and effect) and that the TVA power bonds issued in connection with a replacement and exchange are duly authorized, executed and delivered and constitute our legal, valid and binding obligations, enforceable against us in accordance with their terms;

- an opinion of counsel reasonably satisfactory to the lease indenture trustee to the effect that the replacement and exchange of the secured notes with TVA power bonds will not result in a direct or indirect holder of the secured notes (including any beneficial owner) being subject to U.S. federal income tax on a different amount, in a different manner or at a different time as would have been the case if such exchange had not occurred, unless we have delivered a copy of a private letter ruling from the U.S. Internal Revenue Service (the "IRS") to that effect or delivered a tax indemnity undertaking for the benefit of the holders of the secured notes, in each case reasonably satisfactory to the lease indenture trustee; and

- confirmation from the nationally recognized rating agencies then rating TVA power bonds that the TVA power bonds issued in connection with the replacement and exchange will have no lower ratings than the ratings then assigned to outstanding TVA power bonds.

If we elect to effect an exchange of the secured notes, the lease indenture trustee will provide notice to each holder of the secured notes at the noteholder's registered address at least twenty days but not more than sixty days before the exchange date. The notice will include the date of the exchange, a detail of any other amounts due and owing by us under the transaction documents, the address of the lease indenture trustee, and a statement that the secured notes must be surrendered to the lease indenture trustee to be exchanged for TVA power bonds, and unless we fail to deliver TVA power bonds to the lease indenture trustee together with the opinions and other items described above, the interest on the secured notes will cease to accrue on the date of the exchange.

Lease Indenture Trustee

Wilmington Trust, National Association will be the lease indenture trustee under the lease indenture. If a lease indenture event of default occurs and is continuing, any sums held or received by the lease indenture trustee may be applied to the payment of obligations incurred by the lease indenture trustee prior to any payments to the noteholders. The lease indenture will provide that the lease indenture trustee will not be answerable or accountable under any circumstances, unless for its own willful misconduct, gross negligence or simple negligence in the handling of funds, and except for liabilities on account of representations, warranties or covenants made by it in its individual capacity. The lease indenture will further provide that, in the case of any lease indenture event of default, the lease indenture trustee will exercise the rights and remedies vested in it by the lease indenture and will use the same degree of care in its exercise as a prudent person would exercise or use in the circumstances in the conduct of its own affairs.

Wilmington Trust, National Association ("WTNA") — also referred to herein as the "Lease Indenture Trustee" is a national banking association with trust powers incorporated under the federal laws of the United States. WTNA's principal place of business is located at 1100 North Market Street, Wilmington, Delaware 19890. WTNA is an affiliate of Wilmington Trust Company and both WTNA and Wilmington Trust Company are subsidiaries of M&T Bank Corporation. On February 3, 2026, certain investors served WTNA with a civil complaint, filed in the Supreme Court of the State of New York, County of New York, for an unspecified amount of damages arising from alleged breaches of contract and duties related to WTNA's roles as custodian and indenture trustee for certain Tricolor

Holdings, LLC asset-backed securitization transactions. The plaintiffs generally assert causes of action related to WTNA's purported failure to comply with certain provisions related to waterfall payments, servicing transition costs and post-event of default duties and related to WTNA's purported failure to perform certain actions as custodian with respect to the related receivables. WTNA intends to vigorously defend itself against this legal action. WTNA is subject to various other legal proceedings that arise from time to time in the ordinary course of business, and WTNA does not believe that the ultimate resolution of any of these proceedings will have a materially adverse effect on its services as lease indenture trustee.

WTNA has provided the above paragraph and has not participated in the preparation of, and is not responsible for, any other information contained in this offering circular.

TVA has included the two paragraphs above solely at the request of WTNA. TVA and lessor are not a party to the proceedings, and TVA and lessor do not expect the proceedings to have any bearing whatsoever on the secured notes, or TVA's obligations to pay basic rent under the lease or WTNA's ability to deliver rent payments to holders of the secured notes.

Defeasance of Secured Notes

The secured notes may be defeased under the lease indenture prior to redemption or maturity. A secured note will be deemed to have been paid if there shall have been deposited with the lease indenture trustee either cash in an amount sufficient, or U.S. government obligations, the principal of and interest on which when due (and without any reinvestment), will provide cash in an amount sufficient, in either case together with any other amounts held by the lease indenture trustee, to pay when due the principal of and premium, if any, and interest due and to become due on such secured note on or prior to the redemption date or maturity date, as the case may be, of such secured note. An independent public accountant will establish the sufficiency of the defeasance by the delivery of a certificate. If any secured notes do not mature or are not redeemed within the next forty-five days, the lease indenture trustee is required to have been given irrevocable instructions to give notice, as soon as practicable, of defeasance to the holders of such secured notes that such secured notes have been deemed to have been paid and stating the maturity or redemption date on which amounts are to be available for payment of principal of and premium, if any, and interest on the secured notes. Any amounts on deposit (including principal and interest payments on any U.S. government obligations) with the lease indenture trustee for the purposes described in this paragraph may not be withdrawn and may not be used for any purpose other than, and are required to be held in trust for, the payment of principal of and premium, if any, and interest on such secured notes, except that cash received from principal and interest payments on any U.S. government obligations deposited with the lease indenture trustee will be reinvested in accordance with the lease indenture. Any defeased secured note that is deemed paid will, with limited exceptions, no longer be secured by the lease indenture or entitled to the benefits of the lease indenture estate or the lease indenture. The lessor must deliver an opinion of counsel in connection with any defeasance reasonably acceptable to the lease indenture trustee to the effect that the defeasance of the secured notes will not result in a holder of such secured notes being subject to U.S. federal income tax on a different amount, in a different manner or at a different time as would have been the case if such defeasance had not occurred and all conditions to defeasance have been complied with.

Release of the Lien of the Lease Indenture

If a component of the facility is replaced or removed because it is surplus or obsolete and not necessary for the operation of the facility in accordance with the lease, the lien of the lease indenture in that component will be released without any further act of any person. In connection with the release, the lease indenture trustee will, upon written request and by appropriate instrument, release the interest in the component from the lien of the lease indenture. Any component of the facility that is used to replace a component of the facility will automatically become subject to the lien of the lease indenture. See "Summary Description of the Lease and Other Transaction Documents – Covenants – *Use, Maintenance and Removal and Replacement of Components*" for a description of lease provisions relating to components of the facility.

If we are at any time entitled under the lease to acquire or have transferred to us a relevant portion of the facility, the lessor's interest in that relevant portion will automatically and without any additional act of any person be released from the lien of the lease indenture. The lease indenture trustee will, upon written request and by appropriate instrument, release the relevant portion from the lien of the lease indenture, so long as any amounts then due and payable under the lease indenture have been paid to the person entitled to those amounts. See "Summary Description

of the Lease and Other Transaction Documents – *Early Termination of the Lease, Events of Loss, and Regulatory Events of Loss*" for circumstances where we may be entitled to have a relevant portion of the facility transferred to us.

If we are at any time entitled under the lease to acquire or otherwise have the facility transferred to us, the lease indenture trustee will release the lease indenture estate from the lien of the lease indenture and will execute and deliver, as directed in writing by us or the lessor, an appropriate instrument releasing the lease indenture estate from the lien of the lease indenture, so long as any amounts then due and payable under the lease indenture have been paid to the person entitled to those amounts.

If we are at any time entitled under the ground lease to release a portion of the ground interest, the lease indenture trustee will release such portion of the ground interest from the lien of the lease indenture and will execute and deliver, as directed in writing by us or the lessor, an appropriate instrument releasing such portion of the ground interest from the lien of the lease indenture, so long as any amounts then due and payable under the lease indenture have been paid to the person entitled to those amounts.

Book-Entry; Delivery and Form

The secured notes will be represented by one or more global certificates, in definitive fully registered form without interest coupons and registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC. All payments made by us under the lease to the lease indenture trustee (as assignee of the lessor) will be in immediately available funds and will be transferred to DTC in immediately available funds.

Secondary trading in long-term notes and debentures of corporate issuers generally is settled in clearinghouse or next-day funds. The secured notes will trade in DTC's Same-Day Funds Settlement System until maturity, and secondary market trading activity in the secured notes will therefore be required by DTC to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the secured notes.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that DTC's participants ("direct participants") deposit with DTC. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations.

DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. As of the date of this offering circular, DTC has a rating of AA+ from Standard & Poor's Ratings Services. The DTC rules applicable to its participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The contents of such website do not constitute part of this offering circular.

Purchases of secured notes under the DTC system must be made by or through direct participants, which will receive a credit for the secured notes on DTC's records. The ownership interest of each actual purchaser of each secured note (a "beneficial owner") is then in turn to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the secured notes are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates

representing their ownership interests in the secured notes, except in the event that use of the book-entry system for the secured notes is discontinued.

SO LONG AS CEDE & CO. (OR ANY OTHER NOMINEE REQUESTED BY DTC) IS THE REGISTERED OWNER OF THE SECURED NOTES, AS NOMINEE FOR DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OR OWNERS OF THE SECURED NOTES SHALL MEAN CEDE & CO. (OR SUCH OTHER NOMINEE), AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

To facilitate subsequent transfers, all secured notes deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or another nominee as may be requested by an authorized representative of DTC. The deposit of the secured notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the secured notes. DTC's records reflect only the identity of the direct participants to whose accounts the secured notes are credited, which may or may not be the beneficial owners. Direct and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements in effect.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the secured notes unless authorized by a direct participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to an issuer as soon as possible after the "record date." The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose account securities, such as the secured notes, are credited on the record date (identified in a listing attached to the omnibus proxy).

Redemption notices will be sent to DTC. If less than all of the secured notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in the issue to be redeemed.

Principal of and interest on the secured notes will be paid to Cede & Co., or another nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts upon DTC's receipt of funds and corresponding detail information from an issuer in accordance with direct participants' respective holdings shown on DTC's records. Payments by direct and indirect participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name." These payments will be the responsibility of direct participants and indirect participants only and not of DTC, the lessor, the lease indenture trustee or us, subject to any statutory or regulatory requirements in effect. Payment of distributions to Cede & Co. (or another nominee as may be requested by an authorized representative of DTC) is the responsibility of the lease indenture trustee. Disbursement of these payments to direct participants shall be the responsibility of DTC. Disbursement of these payments to the beneficial owners shall be the responsibility of direct participants and indirect participants.

DTC may discontinue providing its services as depository of the secured notes at any time by giving reasonable notice to us or the lease indenture trustee. Under these circumstances, if a successor depository is not obtained, the secured notes are required to be delivered and printed. Under the lease indenture, the secured notes will remain in book-entry form, except that if DTC or any successor depository is no longer able to act as, or is no longer satisfactorily performing its duties as, securities depository for the secured notes, the lease indenture trustee may, at its discretion, designate a substitute securities depository for DTC and reregister the secured notes as directed by the substitute securities depository or terminate the book-entry registration system and reregister the secured notes in the names of the beneficial owners of the secured notes provided to it by DTC.

We have provided the description of the operations and procedures of DTC in this offering circular solely as a matter of convenience. These operations and procedures are solely within the control of DTC and are subject to change by DTC from time to time. Neither we, nor the underwriters, nor the lease indenture trustee will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations, and you are urged to contact DTC or its participants directly to discuss these matters. The information in this section "– Book-Entry; Delivery and Form" concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy of the information contained in this section "– Book-Entry; Delivery and Form."

SUMMARY DESCRIPTION OF THE CONSTRUCTION MANAGEMENT AGREEMENT

The statements under this caption are a summary only. This summary may not contain all the information that is important to you. For additional or more specific information, refer to the construction management agreement and the other transaction documents.

Design, Construction, and Completion of the Facility

Subject to the terms and conditions of the construction management agreement, we will, as contractor for the lessor, perform or cause to be performed all the work necessary to design, engineer, procure, construct, license, start-up, test, commission and complete the facility in accordance with the requirements of the construction management agreement. On the closing date, the lessor will pay us $231,875,011 for our performance under the construction management agreement. We will not be required to return this payment or any portion of this payment to the lessor or the holders of the secured notes for any reason, including the failure of the facility to achieve provisional acceptance or final acceptance or to become commercially operational, but we would be subject to court action if we fail to perform our obligations under the construction management agreement.

The work under the construction management agreement includes, among other things, designing the facility, procuring and handling the labor, plant, materials and equipment, preparing and securing the facility site and securing rights of way necessary to complete the work, relocating utility services, procuring applicable permits, installment of all temporary utilities, handling of all safety and industrial relations matters and commissioning of the facility in accordance with our performance, testing and commissioning procedures. We will provide, at our own expense, all power system components on the facility site, including all transformation, switching and auxiliary equipment, such as synchronizing and protection and control equipment. We may not modify the work to be performed under the construction management agreement in any material respect without the consent of the lessor, except for modifications required to comply with prudent industry practice, including modifications resulting from a force majeure event or a change in applicable law.

Obligation to Complete the Facility

Under the construction management agreement, we are obligated to use commercially reasonable efforts to cause the facility to achieve "provisional acceptance" (as defined below) by December 31, 2026, or as soon thereafter as commercially practicable. Plant construction began in 2023 and, as of the date of this offering circular, we estimate that the facility is approximately 85 percent complete. All of the major equipment for the facility has been delivered to the facility site and installed. The connection to the natural gas pipeline is nearly complete, and the 500 kilovolt switchyard is in service, providing power to the facility in support of commissioning activities for the new assets. Completion of an electric generation facility like the facility inherently involves numerous development, construction, engineering, execution and other risks that could give rise to construction delays or affect the operation of the facility. Although we expect to achieve provisional acceptance of the facility under the construction management agreement, and are required by the construction management agreement to use commercially reasonable efforts to do so, there can be no assurance that the facility will achieve provisional acceptance or final acceptance by December 31, 2026 or otherwise. However, if we anticipate that provisional acceptance will not be achieved by December 31, 2026, we will promptly provide notice of any anticipated delay to the lessor, together with a corrective action plan we intend to adopt to achieve provisional acceptance as soon after December 31, 2026 as commercially practicable.

Our failure to achieve provisional acceptance by December 31, 2026 or our failure to achieve final acceptance of the facility by any particular date will not:

- in and of itself constitute a default under the construction management agreement or other transaction documents;
- permit the lessor to terminate the construction management agreement or any other transaction document;

- be deemed a repudiation, or give rise to remedies for anticipatory repudiation, of the construction management agreement or other transaction documents; or

- make us liable for any liquidated damages under the construction management agreement.

The lessor's sole remedy for a breach of our obligations under the construction management agreement, including our obligation to use commercially reasonable efforts to cause the facility to achieve provisional acceptance by December 31, 2026 or otherwise, will be, at the lessor's option, to file an action to specifically enforce performance by us of our obligations under the construction management agreement and/or to recover damages for breach by us of our obligations under the construction management agreement.

The term of the lease will commence on the earlier of the date that provisional acceptance is achieved or May 1, 2027. Our obligations under the lease will continue regardless of whether the facility achieves provisional acceptance or final acceptance under the construction management agreement. We will continue to be obligated to pay rent under the lease and all of our obligations will remain in effect subject to the provisions of the lease in all cases, even if the facility never achieves provisional acceptance or final acceptance or never becomes operational. Except as described in the last sentence of the previous paragraph, the lessor, the holdco, and the holders of the secured notes will not be entitled to any additional compensation under the lease or the other transaction documents solely as a result of any such failure, although their rights in respect of our obligations under the construction management agreement as described above will remain. In addition, consequential losses or damages will not be payable in connection with the construction management agreement (except if so required pursuant to an indemnity claim payable by us), including for loss of use or loss of profit.

As used in the construction management agreement and the transaction documents, "provisional acceptance" will be achieved if we determine in our reasonable discretion that:

- the facility and all work required to be performed on or prior to provisional acceptance has been completed in all material respects (except for punch list items that do not materially and adversely affect the facility's ability to operate in accordance with prudent industry practice);

- the facility has commenced commercial operations in combined cycle mode with an aggregate net output that we determine to be commercially reasonable for an electric generation facility with the structure and components of the facility in light of, and taking into account, the documents that we have entered into with contractors in connection with the design, procurement and construction of the facility, and the results of any performance tests under those contracts;

- interconnection and synchronization of the facility to the electrical grid has been achieved;

- we have obtained all applicable permits required for the operation of the facility by us under the lease;

- the facility is performing in accordance with all applicable permits (including all air permit emissions limitations);

- we have developed the punch list; and

- we have received from each of the construction contractors engaged to construct the facility all documentation deemed necessary by us for the safe and reliable operation of the facility and such documentation is satisfactory to us (in our sole discretion).

Although the facility is designed to have a net capacity of approximately 1,450 megawatts, we may achieve provisional acceptance so long as, among other things, the facility has commenced commercial operation in combined cycle mode and the facility has a net output that we determine is commercially reasonable for an electric generation facility with the structure and components of the facility, in light of, and taking into account, the documents that we have entered into with contractors in connection with the design, procurement and construction of the facility, and the results of any performance tests under those contracts. Thus, although the facility is designed to achieve a net capacity of approximately 1,450 megawatts, we may declare that provisional acceptance has been achieved if the facility has

an aggregate net output of less than 1,450 megawatts and the actual output of the facility is commercially reasonable for an electric generation facility with the structure and components of the facility.

We may suspend all or a portion of the work as a result of a force majeure event, a change in law that has a material adverse impact on the performance of the work, the discovery of preexisting hazardous materials on or under the facility, a request by a governmental authority having jurisdiction over the facility or us to utilize one or all of the units to meet electrical demand, or circumstances under which any of our subcontractors has the right to suspend the work or any portion of the work under our contracts with those subcontractors. We will notify the lessor of any such suspension and will recommence the work as soon as reasonably practicable thereafter, to the extent consistent with applicable law and permitted under our contracts with those subcontractors.

Following achievement of provisional acceptance, we will use commercially reasonable efforts to achieve final acceptance in a timely manner. "Final acceptance" will be achieved if:

- provisional acceptance has been achieved;
- all items on the punch list have been completed to our satisfaction;
- we have prepared final drawings, specifications and other documentation that represents the physical placement of all facility components and systems as installed or constructed at completion or obtained any such documents that have been prepared on our behalf;
- we have received all quality assurance documentation with respect to the commissioning and testing of the facility, to the extent we deem necessary for the safe and reliable operation of the facility; and
- we have delivered to the lessor any customary releases of mechanic's liens received from our subcontractors.

Hazardous Substances and Facility Site Responsibility

We will be responsible for any hazardous substances discovered in, on, under, emanating from, or brought onto the facility site and for the proper testing, handling, removal, transportation, and disposal of hazardous substances, except for hazardous substances introduced by the lessor or its affiliate or agents (other than us or our subcontractors). We will store and use hazardous substances according to applicable law and applicable permits and will use reasonable commercial efforts to minimize the use of hazardous substances in the construction of the facility. We will also be responsible for all clean-up and mitigation of hazardous substances on, at or from the facility site other than hazardous substances introduced by the lessor or any of its affiliates or agents (other than us and our subcontractors). We will also use our reasonable commercial efforts to protect the facility, the facility site and any equipment at the facility site from damage as a result of the work by us or our subcontractors, and we will rebuild, restore or replace such property at our expense. We will make construction documents, design submittals, applicable permits, safety, operation and construction manuals and other similar documents including books and records pertaining to the facility and the work available to the lessor upon lessor's request at the facility site. We will also comply and use commercially reasonable efforts to cause subcontractors to comply with safety procedures and requirements.

Standard of Performance

We will comply with, and cause the work and the facility and all components of the facility to comply with, prudent industry practice, applicable law, applicable permits, applicable codes and standards, the requirements of any relevant insurance policies and the requirements of the construction management agreement. We will also agree to use the degree of care, skill and diligence that would be expected to be exercised by a prudent, skilled and experienced contractor engaged in the same types of undertakings as the construction of the facility under the same or similar circumstances and conditions as those applying to the design, development and construction of the facility.

Subcontracts

We may subcontract any of the work required under the construction management agreement, in whole or in part, without the consent of any person, including the lessor. However, we will remain solely responsible for the work and payments to subcontractors due from us in connection with the performance of the work and we will indemnify the lessor, the manager of the lessor and the lease indenture trustee and their respective affiliates, successors, assigns, agents, directors, officers or employees from and against any and all claims of any subcontractor imposed on or asserted against any such indemnified party for any amount due from us in connection with the performance of the work. The lessor will not be deemed to have any contractual obligations to or relationship with any subcontractors. We will not assign to the lessor any construction documents that we have entered into with subcontractors in connection with performance of the work, and we will have the right to amend, modify, terminate or waive any requirement of those construction documents; except that no amendment, modification, termination or waiver of the construction documents will materially adversely affect our ability to comply with our obligations under the construction management agreement.

Warranties

We will warrant to the lessor that, from the period commencing with provisional acceptance and, if later, the installation of any property or the performance of any service constituting part of the work, and ending one day prior to the first anniversary of provisional acceptance or such later date, all work furnished under the construction management agreement will comply with the terms of the construction management agreement, will be free from latent and patent defects and will be suitable and adequate for its intended purpose as reasonably inferable from the terms of the construction management agreement. During this period, we will agree, at our own expense, to re-perform, remove, replace, repair or reinstall any of the work or portions of the work that fail to comply with this warranty. Except for the warranties described in this paragraph, we will not make any other warranties, express or implied, and we expressly disclaim all implied warranties (including warranties of merchantability or fitness for a particular purpose).

SUMMARY DESCRIPTION OF THE LEASE AND OTHER TRANSACTION DOCUMENTS

The statements under this caption are a summary only. This summary may not contain all the information that is important to you. For additional or more specific information, refer to the lease and the other transaction documents.

Head Lease

We will retain title to the facility, including the portions of the facility that constitute real property, which portions will be held by us under the TVA Act, as agent, for the benefit of the U.S. federal government. We will lease the facility to the lessor (as "head lessee") under a long-term head lease for a term beginning on the closing date and ending on the fiftieth anniversary of the closing date. In exchange, the head lessee will make a one-time payment to us of head lease rent on the closing date. The head lessee will surrender to us its interest in the head lease upon an early buy out of the lease in whole (as described below), upon the expiration of the lease term where the facility is returned to us or upon expiration or termination of the head lease by its terms. If the lease is terminated in part with respect to a partial early buy out, the head lease will terminate with respect to the relevant portion of the facility subject to the partial early buy out on the same date as the relevant portion of the facility is no longer subject to the lease. At any time after the expiration of the lease in circumstances where we are required to deliver possession of the facility to the lessor or after a termination of the lease as provided under "– Remedies" below, the head lessee, at its option, may also elect to terminate the head lease without any obligation or liability to us.

Lease Term, Rent and Termination Values

The lease will be executed and delivered by, and will be binding on, and enforceable against, us and the lessor on and as of the closing date. The term of the lease will commence on the earlier of May 1, 2027 and the date the facility achieves "provisional acceptance" as defined in the construction management agreement. See "Summary Description of the Construction Management Agreement – Obligation to Complete the Facility." The lease term will be coterminous with the maturity of the secured notes. However, if a significant lease default has occurred and is continuing on or prior to the scheduled expiration of the lease term, the term of the lease will be extended until such time as either the significant lease default has been cured and all relevant amounts due and payable by us under the lease and other transaction documents have been paid or we have delivered possession of the facility and the facility site to the lessor in accordance with the terms of the lease. Because the facility will not have achieved provisional acceptance as of the closing date, the head lease, the lease and, so long as the lien of the lease indenture has not been terminated or discharged, the lien of the lease indenture each provide for the automatic addition to the coverage of such documents of portions of the facility added to or otherwise becoming part of the facility after the closing date.

As noted above, scheduled periodic rent payable under the lease is referred to as "basic rent." During the lease term, basic rent will be paid on each May 15 and November 15 (the "rent payment dates"), commencing on November 15, 2026 and ending on May 15, 2056. The amount of basic rent payable on each rent payment date will be listed in a schedule to the lease. Basic rent will be further subdivided on this schedule into the "basic rent (debt portion)," which will correspond in amount and timing to the principal and interest payments due on the secured notes, and the remainder of basic rent which will constitute the "equity portion of basic rent." These amounts are designed to be sufficient for the lessor to pay both the principal of and interest on the secured notes and an agreed return of and on the equity investment, except that payments of those amounts payable on the first debt service payment date are to be paid from amounts on deposit in the construction period financing account. We will make basic rent payments directly to the lease indenture trustee for so long as the secured notes are outstanding. Upon receipt of basic rent payments, the lease indenture trustee will first pay any principal of and premium, if any, and interest due on the secured notes issued under the lease indenture. As long as no event of default has occurred and is continuing, the lease indenture trustee will then forward remaining amounts to the lessor for the benefit of the holdco.

Under the lease and other transaction documents, we may also be obligated to make additional payments from time to time, referred to in this offering circular as "supplemental rent." Supplemental rent includes any and all amounts, liabilities and obligations (other than basic rent) that we assume, agree to or are required to pay under the lease and the other transaction documents (whether or not identified as supplemental rent) to the lessor or any other person. Supplemental rent includes termination value (as described below) and our payment (if any) of make whole premium with respect to the secured notes and equity breakage with respect to the equity investment.

The lease will also contain a schedule listing termination values that will correspond to monthly termination dates. As described in more detail below, we will be required to pay these termination values or amounts determined with reference to termination values in connection with an early buy out of the lease (including resulting from events of loss and regulatory events of loss). We will also be required to pay termination values or amounts determined with reference to termination values in connection with a termination of the lease resulting from an event of default and the exercise of remedies by the lessor or the lease indenture trustee. With respect to each termination date, the corresponding termination value is intended to be an aggregate amount equal to the sum of the outstanding principal amount of the secured notes as of such date and accrued but unpaid interest on such principal amount, *plus* the unreturned portions of the equity investment and accrued but unpaid returns on such unreturned portions. We will refer to these two amounts as the "debt portion of the termination value" and the "equity portion of the termination value," respectively, in this offering circular.

Basic rent and termination values will be adjusted to reflect:

- a reduction in basic rent in connection with a partial termination of the lease following a partial early buy out (including, but not limited to, an early buy out resulting from a partial event of loss);

- a reduction in basic rent in connection with the prepayment by the holdco of one or more of the holdco notes in connection with a regulatory event of loss, as described under "– Early Termination of the Lease, Events of Loss, and Regulatory Events of Loss – Regulatory Event of Loss" below; and

- a reduction or an increase in basic rent to reflect the principal amount, amortization and interest rates of any additional secured notes issued as a result of a refinancing of the secured notes or the issuance of additional secured notes in connection with the financing of modifications under the terms of the lease. See "Description of the Secured Notes – Redemption of Secured Notes – *Redemption with Premium*" and "Summary Description of the Lease and Other Transaction Documents – Covenants – *Financing Modifications through the Lease*."

Any adjustment of basic rent and termination values will be determined in a manner to ensure that basic rent payable under the lease is sufficient to pay the principal of and interest on the secured notes (after taking into account any refinancing or additional secured notes, as applicable) and to preserve a return on the holdco's investment. Adjustment of basic rent and termination values will be subject to verification under procedures described in the lease at the request of the lessor.

Payment Priority and Rate Covenant

The Bond Resolution sets forth a priority of payments to be made out of our gross power proceeds and our net power proceeds, which are the sum of (1) our power proceeds remaining after deducting from our gross power proceeds the costs of operating, maintaining and administering our power properties and payments to states and counties in lieu of taxes, and (2) the net proceeds from sale or disposition of any power facility or interest in any power facility. We intend that basic rent payments under the lease will be treated as costs of operating, maintaining and administering our power properties payable out of gross power proceeds for purposes of the Bond Resolution. No assurance, however, can be given that a court would conclude that basic rent constitutes a cost of operating, maintaining and administering our power properties. Supplemental rent will not be treated as a cost of operating, maintaining and administering our power properties. For more information on the priority of payments under the Bond Resolution, see "Description of the Secured Notes – Source of Payment and Security – *Priority of Payments under TVA's Bond Resolution*." We have covenanted to charge rates that, together with other monies available to us, will be sufficient to pay all charges relating to our power program, including rent under our lease transactions with respect to our power properties, including the lease.

Ground Interest and Real Estate Arrangements

Under the TVA Act, we hold title to real property (including the ground interest) as agent of the U.S. federal government. On the closing date under the ground lease, we will lease and convey to the lessor the ground interest underlying the facility. The "ground interest" consists of a leasehold interest in the facility site as will be reasonably necessary or advisable for the commercial operation of the facility. The ground lease will have a term that is coterminous with the term of the head lease (but will be subject to termination upon our exercise of our early buy out

option as described in this offering circular or transfer of the lessor's interest in the facility to us at the end of the term of the lease). See "Summary Description of the Lease and Other Transaction Documents — Head Lease."

Under the ground lease, we will reserve some rights relating to the ground interest. These rights include, among others, our right to sell or convey an interest to, easements in or leasehold interests in all or a portion of the facility site, subject to some conditions. Our right to effect any such sale or conveyance must be expressly subject to the interests of the lessor, as ground lessee under the ground lease, and must not materially impair the use or operation of, or the ability to maintain, improve or rebuild, the facility. Any property, interest, right of way, easement or leasehold interest so sold, granted, released, leased or conveyed by us will no longer be a part of the ground interest and will be deemed to be released from the scope of the ground lease and any lien of the ground lease on the ground interest upon the recordation of appropriate instruments. Any grant, sublease, assignment, encumbrance or conveyance by the lessor will expressly provide that the lessor's interest under the ground lease is subject to these release rights.

We also reserve the right, subject to some conditions, to use the ground interest in connection with our construction of the facility under the construction management agreement and to use, operate and maintain any relevant portion of the facility released from the lease as a result of an early buy out of the lease, and any other facilities that we construct adjacent to the facility site so long as this use does not conflict with the provisions of the support agreement or the head lease or the use, operation or maintenance of the facility as contemplated thereby.

We further reserve the right to use the ground interest during the term of the ground lease to evaluate, monitor, test, remedy or remediate any environmental conditions at the facility site or violations of environmental law. If we exercise such rights following the expiration or early termination of the ground sublease term, we are required to coordinate any excavation, remediation or similar activities on the facility site with the lessor. We are also required to use commercially reasonable efforts to cause that work to be undertaken in a manner so as to minimize interference with the operation and maintenance of the facility to the extent consistent with the requirements of the United States Environmental Protection Agency or any other applicable governmental entity and our obligations under applicable law, including any environmental laws. In addition, while we are required to give reasonable advance notice to the lessor prior to commencing any excavation, remediation or similar activities on the facility site which could reasonably be expected to interfere with the operation or maintenance of the facility in any material way, we are only required to give prompt notice in the case of an emergency where health or property is at risk.

We also reserve the right, subject to some conditions and limitations, to construct, own and operate, or grant another person or entity the right to construct, own and/or operate, additional electric generating units adjacent to the facility site. This right includes our right to construct or install additional facilities such as sanitary sewers, storm drains, water and gas mains, waste disposal systems, electric power lines and/or telephone and telecommunication lines on, under, across or over the facility site as may be reasonably necessary or advisable for the commercial operation of the additional electric generating units.

Rent payable under the ground lease will be offset against rent payable under the ground sublease, as described below, during the ground sublease term. After the expiration or early termination of the ground sublease, the rent payable by the lessor under the ground lease will be the fair market rental value (as defined in the ground lease) of the ground interest. After the expiration or early termination of the ground sublease, the lessor will have the right to offset against the rental payments under the ground lease amounts (other than amounts disputed in good faith by us) then due and payable by us to the lessor under the transaction documents.

On the lease commencement date, we will sublease the ground interest from the lessor. The sublease of the ground interest will have a term commencing on the lease commencement date and ending on the last day of the term of the lease (including upon early termination of the lease). However, if a significant lease default (as defined under "Covenants – *Financing Modifications through the Lease*") has occurred and is continuing on or prior to the scheduled expiration of the ground sublease term, the term of the ground sublease will be extended until the significant lease default has been cured and all relevant amounts due and payable by us under the lease and other transaction documents have been paid or we have delivered possession of the facility and the facility site to the lessor in accordance with the lease. Thus, the ground sublease may terminate before the ground lease if the lease is terminated early or the facility is not returned to us upon expiration of the lease as a result of the exercise of dispossessory remedies under the lease.

Covenants

Use, Maintenance, and Removal and Replacement of Components

We will covenant to cause, at our cost and expense, the facility to be maintained in accordance with prudent industry practice (as defined below). We also will covenant not to operate the facility other than in compliance with all applicable laws of any governmental authority having jurisdiction, although we may contest, in good faith and by appropriate proceedings, the validity or applicability of such laws. We also will make or cause to be made all necessary repairs, renewals and replacements of the facility in accordance with prudent industry practice. Nothing in the lease or other transaction documents will require us to operate the facility. However, if we do operate the facility, the facility will be operated in accordance with prudent industry practice.

In the ordinary course of maintenance, service, repair or testing, we may, at our own cost and expense, remove or cause or permit to be removed any component of the facility. We will cause any removed component to be replaced by a replacement component that is free and clear of all liens (other than permitted liens, as defined under " *– Liens"* below) and in as good an operating condition as that of the component replaced (assuming that the component replaced was maintained in accordance with the lease). Upon incorporation into the facility, each replacement component will automatically be deemed a part of the facility for all purposes of the lease and the head lease, and the component will become subject to the lease, the head lease and, so long as the lien of the lease indenture has not been terminated or discharged, the lien of the lease indenture. However, if we determine that a component of the facility is surplus or obsolete and not necessary for the operation of the facility in accordance with the lease, we may remove or cause to be removed such surplus or obsolete component without replacing the removed component. Any removed (and replaced) component and any surplus or obsolete component that has been removed will no longer be subject to the head lease, the lease or the lien of the lease indenture.

For purposes of the lease and the other transaction documents, "prudent industry practice" means, at a particular time, either any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry with respect to facilities similar in nature to the facility, or any of the practices, methods and acts which, in the exercise of reasonable judgment at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. "Prudent industry practice" is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts.

Modifications and Improvements

We are required, at our cost and expense, to make or cause or permit to be made all modifications, alterations, additions or improvements to the facility as are required by applicable law or any governmental entity having jurisdiction (collectively, "required modifications"). We may in good faith and by appropriate proceedings contest the validity or applicability of such law in any reasonable manner subject to specified limitations. We may, at our own cost and expense and without the consent of any other person, make or cause or permit to be made all modifications, alterations, additions or improvements (collectively, "optional modifications") to the facility as we consider desirable in conducting our business. Required modifications and optional modifications are referred to collectively in this offering circular as "modifications."

We will retain title to all modifications. All required modifications, all modifications that cannot be removed without causing material damage to the facility that cannot be readily repaired ("non-severable modifications") and all modifications financed through the lease will automatically upon incorporation into the facility become subject to the head lease, the lease, and, so long as the lien of the lease indenture has not been terminated or discharged, the lien of the lease indenture, and will be deemed a part of the facility for all purposes of the head lease and the lease.

Optional Refinancings

During the term of the lease and so long as no significant lease default (as defined under "*– Financing Modifications through the Lease*" below) or lease event of default has occurred and is continuing, we will have the right to require the lessor to redeem or refinance the secured notes, in whole but not in part, through the issuance of additional secured notes subject to specified conditions in the lease indenture and the participation agreement. In connection with such a refinancing,

- the additional secured notes may not have a final maturity that is later than the last day of the lease term, unless the holdco consents to a later date;

- the additional secured notes must be in amounts sufficient to redeem all of the secured notes;

- appropriate adjustments to basic rent and termination value will be made to ensure that the amounts of basic rent and termination value are sufficient to pay principal and interest on the additional secured notes when the principal and interest become due and payable; and

- appropriate legal opinions must be delivered.

For more information about the redemption price of the secured notes, see "Description of the Secured Notes – Redemption of Secured Notes – *Redemption with Premium*."

Financing Modifications through the Lease

Upon our request, the lessor and the lease indenture trustee agree to cooperate with us to finance the cost of any non-severable modifications or required modifications, and, with the consent of the lessor, any severable modifications, through the issuance of additional secured notes under the lease indenture. These additional secured notes will rank *pari passu* with the secured notes and any additional secured notes then outstanding. The holdco will have the opportunity, but not the obligation, to provide up to ten percent of the funds required to finance the cost of the modification by making an additional equity investment in the lessor, but we will not be obligated to accept such additional equity investment.

The lessor's obligation to finance modifications, however, will be subject to, among others, the following conditions:

- such additional secured notes will not have a final maturity date that is later than the last day of the term of the lease unless the holdco consents to a later date;

- basic rent and termination values will be appropriately adjusted in accordance with the lease to ensure that basic rent payments and termination values will be sufficient to pay principal and interest on the additional secured notes when the principal and interest become due and payable;

- no significant lease default or lease event of default will have occurred and be continuing unless the modifications are being constructed in order to cure such lease event of default;

- such additional secured notes will be issued in an amount not less than $10 million and will not exceed 100% of the cost of the modification being financed; and

- appropriate legal opinions will be delivered.

As used in this offering circular, a "significant lease default" means any of the following: a failure by us to pay basic rent or termination value after the same is due and payable; a failure by us to pay supplemental rent due and payable under the transaction documents (other than excepted payments and termination value) in excess of $350,000 after the same is due and payable, except to the extent such amounts are the subject of a good faith dispute and have not been established to be due and payable; or customary events of bankruptcy, insolvency, whether voluntary or involuntary, or other similar events with respect to us which are, or with the passage of time would be, a lease event of default.

Sublease

We may further sublease our interest in the facility without the consent of the lessor, the manager of the lessor, the lease indenture trustee, the holdco, the holdco lenders or the manager of the holdco under the following conditions:

- the sublessee must be a solvent corporation, partnership, business trust, limited liability company or other person or entity not subject to bankruptcy proceedings, and that is, or has engaged a third party that is, experienced in the operation of facilities similar to the facility;

- the sublease must be subject to and subordinated to the head lease, the lease, the ground lease and the ground sublease;

- all terms and conditions of the lease and the other transaction documents must remain in effect and we must remain fully and primarily liable for our obligations under the transaction documents;

- no significant lease default or lease event of default will have occurred and be continuing at the time of such sublease;

- the sublease prohibits further subletting; and

- the lien of the lease indenture will not be impaired by the sublease.

We will be responsible for paying all reasonable documented out-of-pocket expenses of the lessor, the holdco, the manager of the holdco, the manager of the lessor and the lease indenture trustee in connection with such sublease.

Assignment

We may not assign our interest in the facility under the lease and our ground interest under the ground sublease and be released from our obligations under the lease and the transaction documents without the consent of the lessor and, so long as the lien of the lease indenture has not been terminated or discharged, the lease indenture trustee.

Insurance

If we are rated less than BBB+ by Standard & Poor's Ratings Services or Baa1 by Moody's Investors Service, Inc., we will maintain (or cause to be maintained) property and commercial general liability insurance coverage for the facility customarily carried by other operators of similar facilities of comparable size as the facility and against such loss, damage or liability and with such deductibles as are customarily insured against. If we are required to maintain this insurance, so long as the lien of the lease indenture has not been terminated or discharged, this insurance will name the lease indenture trustee as loss payee for claims in excess of $10 million and such amounts will be paid to us as and when needed to pay or reimburse us for any construction costs to repair the damage to which such claim relates. The balance of these proceeds, if any, will be paid to us upon completion of such repairs, or applied at our direction to pay termination value or any other amounts payable by us in connection with an early buy out in connection with an event of loss.

Notwithstanding the previous paragraph, if we are insuring other gas-fired, combined cycle generating facilities similar to the facility which we own or lease or are self-insuring for third party liability in connection with our operation of other facilities owned or leased by us, we will provide property damage or third party liability insurance coverage with respect to the facility with terms comparable to the insurance maintained by us for those other gas-fired, combined cycle generating facilities.

Liens

We will agree not to, directly or indirectly, create, incur, assume or suffer to exist any liens or other encumbrances on the facility, the facility site, the ground interest or our interest in the facility, the facility site or the ground interest or in any transaction document, except for permitted liens and encumbrances which include, but are not limited to, the following:

- our interests and the interests of the holdco, the lessor and the lease indenture trustee under any of the transaction documents;

- liens of the lessor, the holdco and lease indenture trustee described below;

- subject to some conditions, liens for taxes not delinquent or being contested in good faith in appropriate proceedings;

- materialmen's, mechanics', workers', repairmen's, employees' or other like liens arising in the ordinary course of business for amounts either not delinquent or being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on our books if required by generally accepted accounting principles and such proceeding will not involve any danger of the sale, forfeiture or loss of any part of the facility or the facility site;

- liens arising out of judgments or awards against us with respect to which at the time an appeal or proceeding is being prosecuted in good faith and will not involve any danger of the sale, forfeiture or loss of any part of the facility or the facility site;

- our reserved rights in the ground interest and release rights in respect of the facility site set forth in the ground lease;

- utility rights of way and easements; and

- specified other encumbrances specified on the closing date.

The holdco, the manager of the holdco, the lessor, the manager of the lessor and the lease indenture trustee will agree not to, directly or indirectly, create, incur, assume or suffer to exist any lien or other encumbrance on the facility, the facility site or the lessor estate arising as a result of the following:

- claims against or any act or omission of such person or any holdco lender that is not related to, or is in violation of, any transaction document or the transactions contemplated thereby or that are in breach of any covenant or agreement of such person or any holdco lender;

- taxes against such person, any holdco lender or any affiliate of such person that are not indemnified by us under the transaction documents of such person; or

- claims against or affecting such person, any holdco lender or any affiliate of such person arising out of the voluntary or involuntary transfer by such person (other than transfers required by the transaction documents), (i) with respect to the holdco, the manager of the holdco and the holdco lenders, of any portion of the holdco's membership interest in the lessor, (ii) with respect to the lessor and the manager of the lessor, of any portion of the interest of the manager of the lessor or the lessor in the lessor's interest in the facility, the ground interest and the support agreement, other than pursuant to the transaction documents, and (iii) with respect to the lease indenture trustee, of any portion of the interest of the lease indenture trustee in the lessor estate.

The holdco, the manager of the holdco, the manager of the lessor and the lessor will not be in breach of this covenant so long as such person is diligently contesting the imposition or existence of such lien and such lien or contest will not present any material risk of the sale, foreclosure or loss of, or loss of priority of the lien on, the lessor estate or any part of the lessor estate or to our rights or, so long as the lien of the lease indenture has not been terminated or discharged, the rights of the lease indenture trustee, under the transaction documents.

The lessor and the manager of the lessor also will each agree not to, directly or indirectly, create, incur, assume or suffer to exist any lien or other encumbrance on the facility, the facility site or the lessor estate arising as a result of taxes against or affecting the manager of the lessor or the lessor, or any affiliate of such person that is not related to, or is in violation of, the transaction documents or the transactions contemplated thereby.

The lease indenture trustee also will agree not to, directly or indirectly, create, incur, assume or suffer to exist any lien or other encumbrance on the facility, the facility site or the lessor estate arising as a result of taxes against or

affecting the lease indenture trustee, or any affiliate thereof that is not related to, or that is in violation of, the transaction documents or the transactions contemplated thereby.

Early Termination of the Lease, Events of Loss, and Regulatory Events of Loss

Early Buy Out of the Lease

We may elect to exercise an early buy out of the lease in whole, with respect to the entire facility, or in part, with respect to only a relevant portion of the facility (as defined below). We may exercise an early buy out at any time, including after an event of loss or regulatory event of loss and during the occurrence and continuance of a significant lease default (as defined under "– Covenants – *Financing Modifications through the Lease*" above) or lease event of default if the lease has not been terminated by the lessor. In connection with a regulatory event of loss, we may exercise an early buy out of the lease in whole but not in part. If we elect to buy out the lease, we will pay the lessor the following:

- the applicable termination value (or portion of the termination value if we exercise a partial early buy out with respect to the relevant portion of the facility) on the relevant termination date;
- any supplemental rent then due and payable;
- any basic rent due on or before the date of the early buy out; and
- other than in respect of an early buy out in connection with an event of loss or a regulatory event of loss (subject to the last paragraph of this section "– *Early Buy Out of the Lease*"), the make whole premium due on the secured notes. Equity breakage will be due in respect of the equity investment for all early buy outs of the lease.

Upon payment of these amounts:

- basic rent will cease to accrue, in whole, in the case of an early buy out with respect to the entire facility, or in part, in the case of a partial early buy out with respect to the relevant portion of the facility;
- our obligations under the lease will terminate, in whole, in the case of an early buy out with respect to the entire facility, or in part, in the case of a partial early buy out with respect to the relevant portion of the facility (except for our obligations under the transaction documents that expressly survive termination of the lease);
- the lease and the head lease will terminate, in whole, in the case of an early buy out with respect to the entire facility, or in part, in the case of a partial early buy out with respect to the relevant portion of the facility;
- the lessor will, at our cost and expense, execute and deliver to us a release or termination of the lease, in whole, in the case of an early buy out with respect to the entire facility, or in part, in the case of a partial early buy out with respect to the relevant portion of the facility;
- the lessor will transfer to us (on an "as is," "where is" and "with all faults" basis) the ground interest and lessor's interest in the facility under the head lease and in the support agreement, in whole, in the case of an early buy out with respect to the entire facility, or in part, with respect to the relevant portion of the facility, in the case of a partial early buy out with respect to the relevant portion of the facility; and
- the lessor will discharge the lien of the lease indenture, in whole, in the case of an early buy out with respect to the entire facility, or in part, with respect to the relevant portion of the facility, in the case of a partial early buy out with respect to the relevant portion of the facility.

In connection with an early buy out resulting from an event of loss, a relevant portion of the facility will be the unit or units of the facility that suffer an event of loss (as described under "– *Events of Loss*" below) or the unit or

units of the facility that are subject to our election to exercise an early buy out, in either case with respect to a termination of the lease with respect to less than the entire facility. In connection with an early buy out with respect to the entire facility, we may also elect to replace and exchange the secured notes for TVA power bonds issued under the Bond Resolution as described under "Description of the Secured Notes – Exchange of Secured Notes." If we elect to replace and exchange the secured notes, we will remain obligated to pay the equity portion of the applicable termination value to the lessor for distribution to the holdco.

For an early buy out to be considered an early buy out in connection with an event of loss or a regulatory event of loss, we must certify that our early buy out is in connection with one of the following:

- a regulatory event of loss or an event of loss resulting from the seizure, condemnation or taking of or requisition of title to the facility (as described under "– *Events of Loss*" below); or

- an event of loss related to loss of or damage to the facility or an insurance settlement based on total loss (as described under "– *Events of Loss*" below) and we have no current intention to rebuild the facility or the relevant portion of the facility affected by the event of loss.

If we deliver this certificate, then the early buy out will constitute an early buy out of the lease in connection with an event of loss or a regulatory event of loss, and we will not be required to pay the lessor the make whole premium on the secured notes. Equity breakage will be due in respect of the equity investment for all early buy outs of the lease.

Events of Loss

The following events or occurrences will constitute an "event of loss" with respect to any unit or units of the facility:

- loss of a unit or units or use of a unit or units due to destruction or damage to such unit or units or the common facilities that is beyond economic repair or that renders such unit or units permanently unfit for normal use;

- damage to the unit or units or the common facilities that results in an insurance settlement with respect to such unit or units on the basis of a total loss, or an agreed constructive loss or a compromised total loss of such unit or units; and

- seizure, condemnation, confiscation or taking of, or requisition of title to or use of, all or substantially all of a unit or units or the common facilities by a governmental entity, which in the case of a requisition of use prevents us from operating or maintaining all or substantially all of the facility, such unit or units, or the facility site for a period of 365 days or more following exhaustion of all permitted appeals or an election by us not to pursue such appeals.

We will promptly notify the lessor and, so long as the lien of the lease indenture has not been terminated or discharged, the lease indenture trustee of any damage to, or other event with respect to, any portion of the facility which we reasonably anticipate will cause an event of loss. If an event of loss occurs we must, no later than eighteen months thereafter, notify the lessor and, so long as the lien of the lease indenture has not been terminated or discharged, the lease indenture trustee, that we elect to either terminate the lease (in whole or in part) by exercising an early buy out of the lease, or, subject to specified conditions, rebuild or replace the facility or relevant portion of the facility. We may only elect to rebuild or replace the facility or relevant portion of the facility in connection with an event of loss other than a seizure, condemnation, confiscation, taking or requisition of the facility. We may only elect to terminate the lease with respect to a relevant portion of the facility if the remaining units of the facility will continue to be commercially viable in accordance with prudent industry practice. We may elect to terminate the lease regardless of whether we rebuild the facility. If we fail to make this election, we will be deemed to have elected to terminate the lease, in whole, if the event of loss relates to the entire facility, or in part, if the event of loss relates to a relevant portion of the facility. We will be required to pay a make whole premium in connection with a termination with respect to an event of loss resulting from damage to or destruction of the facility if we do not make the certification that we have no current intention to rebuild the facility (as described under "– *Early Buy Out of the Lease*" above). Equity breakage will be due in respect of the equity investment for all early buy outs of the lease.

If we elect, or are deemed to have elected, to terminate the lease by electing to effect an early buy out of the lease, in whole or in part, then on the relevant termination date we will be obligated to pay the corresponding termination value (or portion of the termination value if the event of loss only relates to a relevant portion of the facility) and other amounts then due and owing as described under "– *Early Buy Out of the Lease*" above. If we elect to rebuild or replace the facility or affected units, we must begin doing so as soon as reasonably practicable after notifying the lessor and, if applicable, the lease indenture trustee of such election and in any event within thirty-six months after the event that caused such event of loss. We must proceed diligently with rebuilding or replacing the facility, and within thirty days of the rebuilding or replacement of the facility, we agree to complete the documentation that evidences that such rebuilding or replacement is subject to the head lease, the lease and the lien of the lease indenture.

Regulatory Events of Loss

A regulatory event of loss means the following: a condition or circumstance where, if elected by the lessor, the holdco or one or more affected holdco lenders (by notice to us) within twelve months of obtaining knowledge of the event or circumstance causing a regulatory event of loss, the lessor, the holdco or such affected holdco lender or holdco lenders become subject to rate of return regulation or other applicable public utility law or regulation of a governmental authority that, in the reasonable opinion of the lessor, the holdco or such affected holdco lender or holdco lenders, is materially burdensome to the lessor, the holdco or such affected holdco lender or holdco lenders and cannot be remedied by cooperation among the parties and the taking of reasonable measures to alleviate the source or consequence of any such regulation or law.

Despite the immediately preceding paragraph, a regulatory event of loss will not have occurred if:

- the relevant regulation or law is not applicable solely as a result of the participation of the lessor, the holdco or such affected holdco lender or holdco lenders in the transactions contemplated by the transaction documents and instead is a result of other investments, loans, or other business activities of the lessor, the holdco or such affected holdco lender or holdco lenders or their affiliates or the nature of properties or assets owned, held or otherwise available to the lessor, the holdco or such affected holdco lender or holdco lenders or their affiliates;

- the relevant regulation or law is applicable because the lessor, the holdco or such affected holdco lender or holdco lenders or their affiliates failed to perform routine, administrative or ministerial actions which would not have a material adverse consequence on the lessor, the holdco or such affected holdco lender or holdco lenders or their affiliates; or

- the lessor or the holdco or such affected holdco lender or holdco lenders would continue to be subject to such law or regulation even if the lessor terminated the head lease and the lease and transferred the facility to us, the holdco disposed of its membership interest or such affected holdco lender or holdco lenders disposed of its or their equity notes.

We agree to cooperate with the lessor, the holdco and such affected holdco lender or holdco lenders to take reasonable measures to alleviate the source or consequence of such regulatory event of loss at the cost and expense of the party requesting cooperation.

If a regulatory event of loss occurs, within sixty days of receiving notice of the regulatory event of loss, we must elect one of the following:

- If the event or occurrence giving rise to the regulatory event of loss would be alleviated by transferring to us one or more notes issued to the holdco lenders by the holdco (the "holdco notes"), we may purchase the holdco notes on the next succeeding termination date. The purchase price will be an amount equal to the product of the equity portion of the termination value as of such termination date *plus* equity breakage multiplied by the percentage of applicable holdco notes being purchased. Upon payment, those holdco notes will be transferred by appropriate instruments of transfer without representations (other than that the note is free and clear of any liens) to us or another person designated by us.

- If the event or occurrence giving rise to the regulatory event of loss would be alleviated by transferring one or more holdco notes to another person, we may pay the holdco lender holding the holdco note on the next succeeding termination date the amount, if any, by which (i) the equity portion of the termination value *plus* equity breakage, *multiplied by* the applicable percentage of the holdco notes being purchased, *exceeds* (ii) the net proceeds of the sale of the holdco note received by the holdco lender holding the holdco note. If we elect to make this payment, then the holder of the applicable holdco note will sell the holdco note in such manner, to such person or entity and at such price as we direct, at our cost and expense. If such sale does not occur on or before the next succeeding termination date, then we will be deemed to have elected to purchase the holdco note as provided in the preceding paragraph.

- If the event or occurrence giving rise to such regulatory event of loss would be alleviated by causing the holdco to prepay one or more of the holdco notes, we may cause the holdco to prepay the applicable holdco notes by paying to the lessor for distribution to the holdco for prepayment of such holdco notes on the next succeeding termination date an amount equal to the equity portion of the termination value *plus* equity breakage, *multiplied by* the applicable percentage of the holdco notes being purchased. As a result, the equity portion of basic rent and termination value will be reduced by the product of the equity portion of basic rent or termination value, as applicable, *multiplied* by the applicable percentage of the holdco notes being purchased. We may only make an election under this paragraph if the total number of holdco lenders holding holdco notes being prepaid under this paragraph is less than a majority of the aggregate number of all holdco lenders to the holdco and the holdco notes held by those holdco lenders are less than a majority of the aggregate outstanding amount of holdco notes of the holdco.

- If the event or occurrence giving rise to such regulatory event of loss would be alleviated by transferring the membership interests of the lessor in whole or in part to another person or entity, we may pay the holdco on the next succeeding termination date the amount, if any, by which the equity portion of termination value *plus* equity breakage *exceeds* the net proceeds of the sale of membership interests of the lessor received by the holdco. If we elect to make this payment, then the holdco will sell the membership interests of the lessor in such manner, to such person or entity (which, subject to applicable law, may be us) and at such price as we direct, at our cost and expense. If such sale does not occur on or before the next succeeding termination date, then we will be deemed to have elected to purchase the membership interests of the lessor and will pay the holdco an amount equal to the equity portion of the termination value, in which case the holdco will transfer all of its right, title and interest in the membership interests of the lessor to us or our designee by appropriate instruments of transfer without representations to us or any other person.

- We may terminate the lease (in whole but not in part) by electing an early buy out of the lease as described under "– *Early Buy Out of the Lease*" above.

Special Lessee Transfer

We may, in connection with our exercise of an early buy out of the lease in whole, in lieu of paying the equity portion of termination value, upon not less than thirty days' written notice to the holdco and the lease indenture trustee, require all of the holdco's membership interests in the lessor to be transferred to our designee on the applicable termination date specified in such notice (a "special lessee transfer"). Any such special lessee transfer will be subject to the membership interest transfer restrictions applicable to the holdco in the participation agreement.

If we elect to exercise such special lessee transfer option, we will pay the holdco the sum of the following: the equity portion of termination value due on such termination date, *plus* any unpaid equity portion of basic rent due on or before such termination date, *plus* equity breakage, *plus* all rent payments then due and payable to the holdco on such termination date. Upon payment of these amounts, we will cease to have any liability to the holdco with respect to the transaction documents, except for obligations (including indemnity obligations) that expressly survive under the transaction documents or have accrued but are unpaid, and the holdco will transfer its membership interest in the lessor to our designee.

At the time of the special lessee transfer, the following must be satisfied:

- The holdco and the holdco lenders must not suffer any economic detriment as a result of such special lessee transfer (as compared to the economic detriment had we exercised our right to an early buy out in accordance with the lease).

- The lease indenture trustee must receive an opinion from legal counsel reasonably acceptable to the lease indenture trustee to the effect that following the special lessee transfer, our obligations under the lease remain our legal, valid and binding obligations and the special lessee transfer does not adversely affect the payment priority of basic rent under the Bond Resolution.

- The lease indenture trustee must receive an opinion from legal counsel reasonably acceptable to the lease indenture trustee, addressed to the lease indenture trustee, to the effect the special lessee transfer would not result in a holder of the secured notes (including any beneficial owner) being subject to U.S. federal income tax on a different amount, in a different manner or at a different time as would have been the case if such exchange had not occurred unless we have delivered a copy of an IRS private letter ruling to that effect or delivered a tax indemnity undertaking for the benefit of the holders of the secured notes, in each case reasonably satisfactory to the lease indenture trustee.

- The rating agencies that then rate the secured notes must confirm that such special lessee transfer will not result in the secured notes having a rating less than the rating of the secured notes immediately prior to such special lessee transfer.

- We will pay all reasonable costs and expenses of the transaction parties (including reasonable attorneys' fees and disbursements) in connection with any special lessee transfer.

Subsequent to a special lessee transfer, the lease will continue in full force and effect in accordance with its terms.

Lease Events of Default

Events of default under the lease will include only the following events (each, a "lease event of default"):

- We fail to make a payment of basic rent or termination value after the same is due and such failure has continued for five business days after the same becoming due and payable.

- We fail to pay any amount of supplemental rent (other than termination value and, unless the holdco declares a default with respect to excepted payments, excepted payments) after such supplemental rent is due and such failure has continued for a period of thirty days after our receipt of written notice of such default from the manager of the lessor, the lessor or the lease indenture trustee.

- We fail to perform or observe in any material respect any covenants, obligations or agreements to be performed by us under the lease, participation agreement, ground lease, ground sublease and head lease and that failure continues for sixty days after receipt by us of written notice of such failure from the manager of the lessor (acting at the direction of the holdco) or the lease indenture trustee, except that if such failure cannot be remedied within such sixty-day period, the period within which to remedy such failure will be extended for up to an additional 270 days so long as we diligently pursue a remedy and such failure is capable of being remedied within such additional 270-day period. However, in the case of our obligation to maintain the facility in accordance with prudent industry practice and in compliance with applicable law, if, to the extent and for so long as a test, challenge, appeal or proceeding is prosecuted in good faith by us, our failure to comply with such requirement will not constitute a lease event of default if such test, challenge, appeal or proceeding does not involve any material risk of foreclosure, sale, forfeiture or loss of, or imposition of a lien on, the facility, the impairment of the use, operation or maintenance of the facility in any material respect, or any criminal liability being incurred by, or any material adverse effect on the interests of, the manager of the lessor, any noteholder, the holdco, the holdco lenders, the manager of the holdco, the lessor, or the lease indenture trustee, including, subjecting the holdco or the lessor to regulation as a public utility under applicable law. In addition, in the case of our maintenance obligation under the lease, if the noncompliance is not of a type that can be immediately remedied, the failure to comply will not be a lease event of default if we are taking all

reasonable action to remedy such noncompliance and if such noncompliance will not involve any material risk described in the preceding sentence.

- Any representation or warranty made by us in the transaction documents (other than the construction management agreement and the holdco note purchase documents) proves to have been incorrect in any material respect when made and continues to be material and unremedied for a period of sixty days after receipt by us of written notice of such incorrectness from the holdco or the lease indenture trustee. However, if such condition cannot be remedied within such sixty-day period, then the period within which to remedy such condition will be extended up to an additional 270 days, so long as we diligently pursue such remedy and such condition is reasonably capable of being remedied within such additional 270-day period.

- A customary event of bankruptcy, insolvency or other similar event has occurred with respect to us.

- We repudiate or disaffirm the validity or enforceability of the lease, the head lease or the ground lease.

Remedies

Upon the occurrence and continuance of any lease event of default, the lessor may, at its option, declare the lease to be in default by written notice to us (except that the lease will automatically be in default if a bankruptcy default occurs). The lessor may at any time thereafter, so long as we have not remedied all outstanding lease events of default, exercise one or more of the remedies set forth in the lease, either at law or in equity, including seeking specific performance of our obligations under the lease and the other transaction documents by appropriate court actions, or recovering damages for breach of our obligations under the transaction documents, including recovery of all rent then due and unpaid. However, in connection with such action or actions, except as provided in the paragraph immediately below, the lessor may not seek termination of the lease or any other transaction document, dispossession of the facility or acceleration of amounts not yet due and payable under the lease or any other transaction document.

On a date no earlier than 180 days after the occurrence of a lease event of default resulting (in whole or in part) from a failure by us to pay basic rent or termination value or make any payment of supplemental rent under the transaction documents (other than excepted payments unless the holdco declares a default with respect to excepted payments) when due and payable, as described in the first and second bullets under " – Lease Events of Default" above, or immediately upon the occurrence of a lease event of default relating to customary events of bankruptcy, insolvency or similar events with respect to us or repudiation by us of the head lease, the lease, or the ground lease, as described in the fifth and sixth bullets under "– Lease Events of Default" above, and for so long as such event of default has not been remedied, the lessor may, subject to applicable law, undertake any of the following:

- The lessor may terminate the lease, by written notice to us, whereupon all our right to the possession and use of the facility will cease and terminate, and may demand that, at our expense, we deliver possession of the facility to the lessor in accordance with the return provisions of the lease; and the lessor may then hold, possess and enjoy the facility, free from any of our rights, or the rights of any of our successors or assigns, to use the facility for any purpose whatsoever.

- The lessor may sell its interest in the facility at a public or private sale, as the lessor may determine, free and clear of any of our rights and without any duty to account to us with respect to such sale or for the proceeds of such sale (unless the lessor elects to exercise its rights under the last bullet in this paragraph and as required by applicable law). In the case of a sale, our obligation to pay basic rent for any subsequent periods will terminate (except to the extent that basic rent is to be included in computations relating to the remedies in the fourth and fifth bullets below in this paragraph if the lessor elects to exercise its rights under those paragraphs).

- The lessor may hold, keep idle or lease to others the facility as the lessor in its sole discretion may determine, free and clear of any of our rights under the lease and without any duty to account to us with respect to its action or inaction or for any proceeds with respect thereto. However, our obligation to pay basic rent due for any subsequent periods will be reduced by the net proceeds, if any, received by the lessor from subleasing the facility to any person other than us.

- Whether or not the lessor has exercised, or thereafter at any time exercises, any of its rights under the first bullet in this paragraph, the lessor may specify, by written notice to us, a termination date that is not earlier than thirty days after the date of such notice and require us to pay on the termination date any unpaid basic rent due on or before the termination date, any supplemental rent due and payable as of the termination date, plus, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the basic rent due after the termination date), an amount equal to the excess, if any, of the termination value computed as of the applicable termination date over the fair market sales value of the lessor's interest in the facility as of the applicable termination date (the "FMV net termination value"). Upon payment of the FMV net termination value, the lease and our obligation to pay basic rent for any periods subsequent to the date of such payments will terminate.

- If the lessor sells its interest in the facility pursuant to the second bullet in this paragraph, the lessor may demand that we pay it, and we will pay to the lessor, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the basic rent due after the date of such sale), an amount equal to (i) any unpaid basic rent and supplemental rent due on or before the date of such sale, (ii) if that date is not a termination date, the daily equivalent of basic rent for the period from the preceding termination date to the date of such sale, and (iii) the amount, if any, by which the termination value for the facility computed as of the termination date next preceding the date of such sale or, if such sale occurs on a rent payment date or a termination date then computed as of such date, exceeds the proceeds of the sale of the facility net of all the costs and expenses incurred by or on behalf of the lessor or the lease indenture trustee in connection with or otherwise attributable to such sale (the "sale net termination value"). Upon payment of such amount, the lease and our obligation to pay basic rent for any periods subsequent to the date of such payment will terminate.

Termination Payment Term Out

As set forth in the fourth and fifth bullets in the second paragraph under "– Remedies" above, we may be required to pay either the FMV net termination value or the sale net termination value as a result of specified events of default related to our failure to pay basic rent or other supplemental rent or bankruptcy events. We refer to these amounts, as applicable, as "net termination value." If the lessor elects the remedies in the fourth or fifth bullet in the second paragraph under "– Remedies" above, and we are required to pay net termination value (along with other amounts due and owing as a result of an event of default), we may elect (by notice to the lessor, manager of the lessor and lease indenture trustee, given as described below) to pay the lessor the net termination value in three equal installments payable on the first, second and third anniversaries of the date of such notice (each a "term-out payment date"). We will also be required to pay interest on the net termination amount accruing from the date on which the net termination value was due and payable at a rate on the debt portion of the net termination value equal to the "debt rate" and at the rate on the equity portion of the net termination value equal to 8.08%.

To determine the "debt rate," the debt portion of the net termination value will be divided proportionally into amounts corresponding to each of the secured notes and any series of additional secured notes. Such amounts will be determined by multiplying the debt portion of net termination value by a fraction the numerator of which is the outstanding principal amount of the secured notes or series of additional secured notes, as applicable, and the denominator of which is the aggregate outstanding principal amount of the secured notes and each series of additional secured notes. The debt rate with respect to each portion of the debt portion of net termination value will be the interest rate of the secured notes or any series of additional secured notes that corresponds to each such portion of the debt portion of net termination value *plus* 2.00%.

We may only elect to pay net termination value in installments within thirty days of the lessor's notice of its intent to exercise the remedies set forth in the fourth or fifth bullet in the second paragraph under "– Remedies" above, as applicable, and upon delivery of a notice in which we certify that the issuance of "evidences of indebtedness" under the Bond Resolution is legally impossible or commercially unreasonable at such time in an amount sufficient to pay net termination value when due. Upon the delivery of this notice, we must pay the net termination value as provided above, and the lease and our obligation to pay basic rent for any periods subsequent to the date of the delivery of our notice will terminate.

If we fail to timely deliver the notice of our election to pay the net termination value in installments, fail to certify that the issuance of evidences of indebtedness under the Bond Resolution remains legally impossible or

commercially unreasonable concurrently with our payment of an installment then due and payable on any term-out payment date or fail to pay any installment of the net termination value then due and payable within ten business days of the applicable term-out payment date, then in each case any unpaid net termination value will immediately become due and payable and the lessor may exercise any remedies available to it in accordance with applicable law. Our obligation to pay net termination value will survive termination of the lease.

So long as the lien of the lease indenture has not been discharged, we will pay all installments of net termination value to the lease indenture trustee. Under the lease indenture, if the amounts we pay with respect to an installment of net termination value equal or exceed the amounts that we are required to pay, the lease indenture trustee will pay to each holder of the secured notes, ratably and without preference, an amount equal to the debt portion of the net termination value in the proportion that the aggregate amount of secured notes held by a holder and any unpaid interest thereon bears to the aggregate unpaid principal amount of the secured notes and the aggregated unpaid interest thereon. The lease indenture trustee will then pay the lessor, for distribution to the holdco, the equity portion of the net termination value with any excess held by the lease indenture trustee as security.

If the amounts we pay with respect to an installment of net termination value are less than the amounts that we are required to pay, the lease indenture trustee will pay to each holder of the secured notes, ratably and without preference, an amount equal to the debt portion of the net termination value in the proportion that the aggregate amount of secured notes held by a holder and any unpaid interest thereon bears to the aggregate unpaid principal amount of the secured notes and the aggregate unpaid interest thereon. The lease indenture trustee will then pay the lessor the balance, except that if the relevant term out payment date relates to the first or second installment of net termination value, the lease indenture trustee will hold the balance of the net termination value payment as security for the payment of all the remaining installments and will only be required to pay such balance to the lessor if the lease indenture trustee fails to begin exercising dispossessory remedies within ninety days from receipt of such payment under the lease indenture.

Lessor's Right to Perform

Subject to the provisions of the last sentence of this paragraph, if we fail to make any payment required to be made under the lease or to perform or comply with any other obligations under the lease and such failure continues for ten days after notice of our failure, the lessor may make such payment or perform or comply with such obligation in a reasonable manner. If we fail to make any payment of basic rent when due, and if such failure will not constitute the fourth consecutive such failure or the seventh cumulative failure, the lessor may, at its option, subject to the terms of the lease indenture, pay to the lease indenture trustee an amount equal to the principal of and premium, if any, and interest on the secured notes then due together with any past due interest, and such payment will be deemed to have cured any lease indenture event of default that would have otherwise arisen.

Support Agreement

On the closing date, we will enter into an agreement with the lessor referred to as the "support agreement," which is designed to provide the lessor (or its assignee or transferee or any other person having possession or control of the facility) (the "facility user") the additional rights and services that are necessary for the lessor to operate and maintain the facility in the event that the lease is terminated and possession of the facility is returned to the lessor. In addition, the support agreement will allow the facility user to designate us as operator of the facility during that period and will also establish our obligations to operate and maintain, modify, insure, schedule and provide access to the facility, as well as the facility user's share of costs in connection with the operation and maintenance of the facility by us. In connection with the lessor's operation of the facility under the support agreement, we will also agree in the support agreement to provide transmission service over our transmission facilities to points of interconnection in accordance with our then effective TVA Transmission Service Guidelines or successor tariff of general applicability governing transmission services over our transmission system. We will also agree to negotiate in good faith an interconnection agreement, subject to specified conditions, to provide for the continued safe and reliable interconnection of the facility with our transmission system on a non-discriminatory basis under our then current transmission tariff. If at any time we cease to be the operator of the facility, we will use commercially reasonable efforts to transfer, sublicense or otherwise convey to the facility user the right to use any and all intellectual property in our possession which is necessary for the operation and maintenance of the facility, subject to any restrictions on our ability to transfer, sublicense or otherwise convey such intellectual property.

The support agreement will terminate upon the expiration or earlier termination of the ground lease or, if earlier, the final shutdown of the facility in accordance with the terms set forth in the support agreement.

Effect of the Federal Bankruptcy Code

As a corporate agency and instrumentality of the United States of America, we may not be a debtor for purposes of the Bankruptcy Reform Act of 1978. As a result, a claim for damages in the event of a default by us under the lease is not subject to the claims limitations imposed by the Bankruptcy Reform Act of 1978.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to holders of the secured notes that acquire their secured notes in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date of this offering circular, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further and except as otherwise provided under this section "Certain U.S. Federal Income Tax Considerations," the following discussion does not deal with all U.S. federal income tax consequences applicable to any given investor, nor does it address estate and gift tax laws, and any applicable state, local, or non-U.S. tax laws. In addition, the following discussion does not address the U.S. federal income tax considerations applicable to categories of investors some of which may be subject to special taxing rules (regardless of whether or not such persons constitute U.S. Holders) (as defined below), such as certain U.S. expatriates, banks and certain other financial institutions, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, certain accrual method taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies, estates and trusts, investors that hold their secured notes as part of a hedge, wash sale, constructive sale, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a holder. In addition, this summary generally is limited to investors that acquire their secured notes pursuant to this offering for the issue price that is applicable to such secured notes (i.e., the price at which a substantial amount of the secured notes are sold to the public for money) and who will hold their secured notes as "capital assets" within the meaning of Section 1221 of the Code.

As used in this section "Certain U.S. Federal Income Tax Considerations," "U.S. Holder" means a beneficial owner of a secured note that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state of the United States (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source, or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust, or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust. As used in this section "Certain U.S. Federal Income Tax Considerations," "Non-U.S. Holder" generally means a beneficial owner of a secured note (other than a partnership or other entity treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder. If a partnership (or an entity that is treated as a partnership) holds secured notes, the tax treatment of such partnership (or entity treated as a partnership) or a partner in such partnership (or entity treated as a partnership) generally will depend upon the status of the partner and upon the activities of the partnership (or entity treated as a partnership). Partnerships and entities treated as partnerships holding secured notes, and partners in such partnerships (or entities treated as partnerships), should consult their own tax advisors regarding the tax consequences of an investment in the secured notes (including their status as U.S. Holders or Non-U.S. Holders).

U.S. Holders

Contingent Payments

In certain circumstances the lessor may be required to redeem the secured notes, in whole but not in part, by paying the aggregate principal amount plus accrued and unpaid interest plus a make whole premium. See "Description of the Secured Notes – Redemption of Secured Notes – *Redemption with Premium.*" Under U.S. Treasury Regulations regarding notes issued with original issue discount ("OID"), if based on all the facts and circumstances as of the date on which the secured notes are issued there is a remote likelihood that a contingent redemption option will be exercised, it is assumed that such redemption will not occur. The lessor believes for this purpose, that as of the expected issue date of the secured notes, the likelihood of such events occurring is remote. The lessor's determination is not binding on the IRS, and if the IRS were to challenge this determination, U.S. Holders may be required to accrue income on secured notes that they own in excess of stated interest, and to treat as ordinary income rather than capital gain any income realized on the taxable disposition of secured notes before the resolution of the contingency. In the event that any of these contingencies were to occur, it would affect the timing and character of the income that such

U.S. Holders recognize. U.S. Holders should consult their tax advisors regarding the potential application to the secured notes of the contingent payment debt instrument rules and the consequences of those rules.

Interest

Interest on the secured notes will not be exempt from federal taxation. If you are a U.S. Holder, interest paid on a secured note will be includible in your gross income as ordinary interest income in accordance with your usual method of tax accounting.

Sale, Exchange, or Retirement

If you are a U.S. Holder, upon the sale, exchange or retirement of a secured note, you will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or retirement (other than accrued but unpaid interest which will be taxable as ordinary interest income and your adjusted U.S. federal income tax basis in the secured note). A U.S. Holder's adjusted U.S. federal income tax basis in a secured note generally will equal the cost of the secured note to such U.S. Holder. Any such gain or loss generally will be capital gain or loss. If you are a noncorporate U.S. Holder, the maximum marginal U.S. federal income tax rate applicable to the gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if your holding period for the secured notes exceeds one year. The deductibility of capital losses is subject to limitations.

As noted under "Description of the Secured Notes – Exchange of Secured Notes," if no significant lease default (as defined under "Summary Description of the Lease and Other Transaction Documents – Covenants – *Financing Modifications through the Lease*") or lease event of default has occurred and is continuing after giving effect to the assumption, upon the termination of the lease as a result of the election by us of any early buy out of the lease, or an event of loss or a regulatory event of loss (as defined above), we will have the option to assume the lessor's obligations under the lease indenture, including the secured notes, on a fully recourse basis by exchanging TVA power bonds for the secured notes, but any such assumption is conditioned on the lease indenture trustee receiving an opinion of our counsel reasonably satisfactory to the lease indenture trustee to the effect that the replacement and exchange of TVA power bonds for the secured notes would not result in a direct or indirect holder of the secured notes (including any beneficial owner) being subject to U.S. federal income tax on a different amount, in a different manner or at a different time as would have been the case if such exchange had not occurred unless we have delivered a copy of an IRS private letter ruling to such effect or delivered a tax indemnity undertaking for the benefit of the holders of the secured note (as further described in the lease indenture), in each case reasonably satisfactory to the lease indenture trustee.

Certain non-corporate U.S. beneficial owners of secured notes will be subject to a 3.8 percent tax on the lesser of (1) the U.S. beneficial owner's "net investment income" (in the case of individuals) or "undistributed net investment income" (in the case of estates and certain trusts) for the relevant taxable year and (2) the excess of the U.S. beneficial owner's "modified adjusted gross income" (in the case of individuals) or "adjusted gross income" (in the case of estates and certain trusts) for the taxable year over a certain threshold (which in the case of individuals will be between $125,000 and $250,000, depending on the individual's circumstances). A U.S. beneficial owner's calculation of net investment income generally will include its interest income on the secured notes and its net gains from the disposition of the secured notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. beneficial owner that is an individual, estate, or trust, you are urged to consult your tax advisors regarding the applicability of this tax to your income and gains in respect of your investment in the secured notes.

Non-U.S. Holders

Subject to the discussions below under the headings "– U.S. Backup Withholding Tax and Information Reporting" and "– FATCA" if you are a Non-U.S. Holder that is not (i) a controlled foreign corporation, as such term is defined in the Code, which is related to Cumberland Combined Cycle Generation LLC through stock ownership, (ii) a person owning, actually or constructively, ten percent or more of the capital or profits interests in Cumberland Combined Cycle Generation LLC or (iii) a bank which acquires its secured note in consideration of an extension of credit made under a loan agreement entered into in the ordinary course of business, payments of principal of, and interest on, any secured note to you will not be subject to U.S. withholding tax provided that you are the beneficial owner of the secured note and you provide certification completed in compliance with applicable statutory and

regulatory requirements, which requirements are discussed below under the heading "U.S. Backup Withholding Tax and Information Reporting," or an exemption is otherwise established.

Subject to the discussions below under the headings "– U.S. Backup Withholding Tax and Information Reporting" and "– FATCA" if you are a Non-U.S. Holder, any gain realized by you upon the sale, exchange or retirement of a secured note generally will not be subject to U.S. federal income tax, unless such gain is effectively connected with your conduct of a trade or business in the United States (and, if an applicable income tax treaty so requires, is attributable to a permanent establishment or fixed base maintained by you in the United States); or if you are an individual, you are present in the United States for 183 days or more in the taxable year of such sale, exchange or retirement and certain other conditions are met.

U.S. Backup Withholding Tax and Information Reporting

U.S. information reporting and "backup withholding" requirements apply to certain payments of principal of, and interest on, the secured notes, and to proceeds from the sale, exchange, redemption, retirement or other disposition of a secured note, to certain noncorporate holders of secured notes that are United States persons. Under current U.S. Treasury Regulations, payments of principal and interest on any secured note to a holder that is not a United States person will not be subject to backup withholding tax requirements if the beneficial owner of the secured note or a financial institution holding the secured note on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. However, information reporting on IRS Form 1042-S may still apply with respect to interest payments. Copies of these information returns may be made available to the tax authorities of the country in which the holder that is not a United States person resides under the provisions of various treaties or agreements for the exchange of information. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. If a financial institution, other than a financial institution that is a qualified intermediary, provides the certification, the certification must state that the financial institution has received from the beneficial owner the certification set forth in the preceding sentence, set forth the information contained in such certification, and include a copy of such certification, and an authorized representative of the financial institution must sign the certificate under penalties of perjury. A financial institution generally will not be required to furnish to the IRS the names of the beneficial owners of the secured notes that are not United States persons and copies of such owners' certifications where the financial institution is a qualified intermediary that has entered into a withholding agreement with the IRS under applicable U.S. Treasury Regulations.

In the case of payments to a foreign partnership, foreign simple trust or foreign grantor trust, other than payments to a foreign partnership, foreign simple trust or foreign grantor trust that qualifies as a withholding foreign partnership or a withholding foreign trust within the meaning of applicable U.S. Treasury Regulations and payments to a foreign partnership, foreign simple trust or foreign grantor trust that are effectively connected with the conduct of a trade or business within the United States, the partners of the foreign partnership, the beneficiaries of the foreign simple trust or the persons treated as the owners of the foreign grantor trust, as the case may be, will be required to provide the certification discussed above in order to establish an exemption from withholding and backup withholding tax requirements. The current backup withholding tax rate is twenty-four percent (subject to future adjustment).

In addition, if the foreign office of a foreign "broker," as defined in applicable U.S. Treasury Regulations, pays the proceeds of the sale of a secured note to the seller of the secured note, backup withholding and information reporting requirements will not apply to such payment provided that such broker derives less than fifty percent of its gross income for specified periods from the conduct of a trade or business within the United States, is not a controlled foreign corporation, as such term is defined in the Code, and is not a foreign partnership (i) one or more of the partners of which, at any time during its tax year, are U.S. persons (as defined in U.S. Treasury Regulations Section 1.441-1(c)(2)) who in the aggregate hold more than fifty percent of the income or capital interest in the partnership or (ii) which, at any time during its tax year, is engaged in the conduct of a trade or business within the United States. Moreover, the payment by a foreign office of other brokers of the proceeds of the sale of a secured note will not be subject to backup withholding unless the payer has actual knowledge that the payee is a U.S. person. Principal and interest so paid by the U.S. office of a custodian, nominee or agent, or the payment by the U.S. office of a broker of the proceeds of a sale of a secured note, is subject to backup withholding requirements unless the beneficial owner provides the nominee, custodian, agent or broker with an appropriate certification as to its non-U.S. status under

penalties of perjury or otherwise establishes an exemption. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

FATCA

Sections 1471 through 1474 of the Code ("FATCA") impose a 30 percent withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury Department to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30 percent on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30 percent withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting, and other specified requirements imposed under FATCA could result in the 30 percent withholding tax being imposed on payments of U.S. source interest (including OID, when applicable). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. Withholding under FATCA currently applies to payments of U.S. source interest (including OID, when applicable). Additionally, pursuant to current guidance, withholding under FATCA generally will apply to certain "pass-thru" payments no earlier than the date that is two years after the publication of final U.S. Treasury Regulations defining the term "foreign pass-thru payments." As of the date hereof, no such final regulations have been issued. An intergovernmental agreement between the United States and the applicable foreign country or future U.S. Treasury Regulations or other guidance may modify these requirements. In many cases, non-U.S. beneficial owners may be able to indicate their exemption from, or compliance with, FATCA by providing a properly executed and applicable IRS Form W-8 to the applicable withholding agent certifying as to such status under FATCA; however, it is possible that additional information and diligence requirements will apply in order for a holder to establish an exemption from withholding under FATCA to the applicable withholding agent. Prospective investors should nonetheless consult their own tax advisors regarding FATCA and its effect on them.

THE FOREGOING SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF SECURED NOTES IN LIGHT OF THE HOLDER'S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO ANY TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF SECURED NOTES, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS.

CERTAIN ERISA CONSIDERATIONS

Any person who intends to use "plan assets" (as discussed below) to purchase the secured notes should consult with its counsel with respect to the potential consequences of such investment under the fiduciary responsibility provisions of ERISA, and the prohibited transaction provisions of ERISA and the Code.

ERISA and the Code impose requirements on employee benefit plans, certain other retirement plans and arrangements, including individual retirement accounts and annuities, and any entity holding the assets of any such plan, account, or annuity (such as a bank common investment fund or an insurance company general or separate account) that are subject to Title I of ERISA or Section 4975 of the Code (collectively, the "Plans"). Generally, a person who exercises discretionary authority or control with respect to the assets of a Plan will be considered a fiduciary of the Plan under ERISA. Before investing in a secured note (or any interest therein), a Plan fiduciary should determine whether such investment is permitted under the Plan document and the instruments governing the Plan and is appropriate for the Plan in view of its overall investment policy and the composition and diversification of its portfolio, taking into account the limited liquidity of the certificates.

In addition, Section 406 of ERISA and Section 4975(c) of the Code prohibit a wide range of transactions ("Prohibited Transactions") involving the assets of a Plan and persons who have specified relationships to the Plan ("parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code). Thus, a Plan fiduciary considering an investment in the secured notes (or any interest therein) should also consider whether such investment might constitute or give rise to a Prohibited Transaction under ERISA or Section 4975 of the Code for which no exemption (as discussed below) is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code, and fiduciaries that cause a Plan to engage in such prohibited transactions may be subject to certain penalties and liabilities.

Under Section 2510.3-101 of the U.S. Department of Labor (the "DOL") regulations, as modified by Section 3(42) of ERISA (the "DOL Regulations"), in general, when a Plan acquires an "equity interest" in an entity and such interest does not represent a "publicly offered security" or a security issued by an investment company registered under the Investment Company Act of 1940, as amended, the Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that either the entity is an "operating company" or equity participation in the entity by benefit plan investors is not "significant" within the meaning of the DOL Regulations. In general, an "equity interest" is defined under the DOL Regulations as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although there is no direct authority on point, we believe that the secured notes should not be treated as equity interests in the lessor under the DOL Regulations.

A Prohibited Transaction could be treated as exempt under ERISA and Section 4975 of the Code if the secured notes were acquired, held or disposed of pursuant to and in accordance with one or more statutory or administrative exemptions. Among the administrative exemptions (each, a "Prohibited Transaction Class Exemption" or "PTCE") are PTCE 75-1, Part II (an exemption for principal transactions involving securities between Plans and registered broker dealers (such as the initial purchaser)), PTCE 84-14 (an exemption for transactions effected by a "qualified professional asset manager"), PTCE 90-1 (an exemption for investments by insurance company pooled separate accounts), PTCE 91-38 (an exemption for investments by bank collective investment funds), PTCE 95-60 (an exemption for investments by insurance company general accounts) and PTCE 96-23 (an exemption for transactions effected by in-house asset managers). In addition to the class exemptions listed above, there is a statutory exemption under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain Prohibited Transactions between a Plan and a person or entity that is a party in interest or disqualified person to such Plan solely by reason of providing services to the Plan (other than a party in interest or disqualified person that is a fiduciary, or its affiliate, that has or exercises discretionary authority or control or renders investment advice with respect to the assets of the Plan involved in the transaction); provided that there is "adequate consideration" (within the meaning of Section 408(b)(17) and Section 4975(f)(10) of the Code), (the "Service Provider Exemption") for the transaction. These exemptions, however, generally do not afford relief from the prohibitions on self-dealing contained in Section 406(b) of ERISA and Section 4975(c)(1)(E) or (F) of the Code. Any purchaser that is a Plan is encouraged to consult with counsel regarding the application of any exemptions, including the Service Provider Exemption. In addition, there can be no assurance that any of these administrative exemptions, including the Service Provider Exemption, will be available with respect to any particular transaction involving the secured notes (or any interest

therein). Thus, a Plan fiduciary considering an investment in the secured notes (or any interest therein) should consider whether the acquisition, the continued holding, or the disposition of a secured note might constitute or give rise to a nonexempt Prohibited Transaction.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) while not subject to the fiduciary responsibility provisions or the Prohibited Transaction provisions of ERISA or Section 4975 of the Code, may nevertheless be subject to state, local or other federal laws or rules, non-U.S. laws or other applicable laws or non-U.S. laws or regulations that are substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code ("Similar Laws"). Fiduciaries of any such plans should consult with their counsel before purchasing a secured note, or any interest in a secured note.

Any insurance company proposing to invest assets of its general account in the secured notes (or any interest therein) should consider the extent to which such investment would be subject to the requirements of ERISA in light of the U.S. Supreme Court's decision in *John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank*, 510 U.S. 86 (1993), and the enactment of Section 401(c) of ERISA. In particular, such an insurance company should consider (i) the retroactive and prospective exemptive relief granted by the DOL for transactions involving insurance company general accounts in PTCE 95-60 and (ii) if such exemptive relief is not available, whether its investment in the secured notes will be permissible under the final regulations issued by the DOL under Section 401(c) of ERISA.

Each person who acquires or accepts a secured note or an interest in a secured note will be deemed by such acquisition or acceptance to have represented, warranted and agreed that (a) either: (i) no "plan assets" of any Plan or any governmental, church, non-U.S. or other plan that is subject to any Similar Laws have been or will be used to acquire such secured note or an interest in a secured note; or (ii) the acquisition and disposition of such secured note or interest in a secured note are exempt from the Prohibited Transaction restrictions of ERISA and Section 4975 of the Code pursuant to one or more Prohibited Transaction Class Exemptions, or another applicable prohibited transaction exemption, or will not constitute a Prohibited Transaction under ERISA and Section 4975 of the Code (or, in the case of any governmental, church, non-U.S. or other plan, will not constitute a violation of any Similar Laws) and (b) it will not transfer such secured note or an interest in a secured note otherwise than to a person that is deemed to make the same representations, warranties and agreements set forth in this sentence with respect to its acquisition and disposition of such secured note or interest in a secured note.

A Plan fiduciary (and each fiduciary for a governmental, church, non-U.S. or other plan subject to Similar Laws) considering the purchase of secured notes (or any interest therein) should consult its tax and/or legal advisors regarding the circumstances under which the assets of the lessor would be considered "plan assets" under the DOL regulations, the availability, if any, of exemptive relief from any potential Prohibited Transaction and other fiduciary issues and their potential consequences.

The sale of the secured notes (including any interest in a secured note) to a Plan or to a plan that is subject to Similar Laws is in no respect a recommendation that such an investment meets any or all relevant legal requirements with respect to investments by Plans or plans subject to Similar Laws generally or any particular Plan or other such plan, or that such an investment is appropriate or advisable for Plans or plans subject to Similar Laws generally or any particular Plan or other such plan. Purchasers of secured notes (including any interest in a secured note) have the exclusive responsibility for ensuring that their investment in the secured notes complies with the fiduciary responsibility rules of ERISA or any applicable Similar Laws and does not violate the prohibited transaction rules of ERISA, the Code or any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all inclusive, and should not be construed as legal advice or a legal opinion. Further, no assurance can be given that future legislation, administrative rulings, court decisions or regulatory action will not modify the conclusions set forth in this discussion. Any such changes may be retroactive and thereby apply to transactions entered into prior to the date of their enactment or release. Due to the complexity of these rules and the excise taxes, penalties and liabilities that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that each Plan fiduciary (and each fiduciary for a plan subject to Similar Laws) considering acquiring and holding the secured notes (including any interest in a secured note) on behalf of, or with the assets of, any Plan, should consult with its legal advisor concerning the potential consequences to the Plan or plan under ERISA, Section 4975 of the Code or Similar Laws of an investment in the secured notes (including

any interest in a secured note). This summary is based on the provisions of ERISA and the Code (and the related regulations and administrative guidance and judicial interpretations) as of the date hereof. The information presented herein is not directed to any particular investor and does not address the investment needs of any particular investor.

UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement (the "underwriting agreement"), among us, the lessor, as issuer, and the underwriters, the lessor has agreed to sell to the underwriters and the underwriters have agreed, severally and not jointly, to purchase from the lessor, the principal amount of secured notes indicated below:

Underwriter	Principal amount of secured notes
Morgan Stanley & Co. LLC	$324,000,000
Barclays Capital Inc.	$324,000,000
BofA Securities, Inc.	$324,000,000
J.P. Morgan Securities LLC	$324,000,000
RBC Capital Markets, LLC	$324,000,000
CIBC World Markets Corp.	$36,000,000
Citigroup Global Markets Inc.	$36,000,000
TD Securities (USA) LLC	$36,000,000
U.S. Bancorp Investments, Inc.	$36,000,000
Wells Fargo Securities, LLC	$36,000,000
Total	$1,800,000,000

The underwriting agreement provides that the obligations of the underwriters to pay for and accept delivery of the secured notes are subject to approval of specified conditions precedent. The underwriters are committed to purchase all of the secured notes if any are purchased.

The following table shows the underwriting discount and commission to be paid to the underwriters by the lessor in connection with the offering.

	Price to public[(1)]	Discount and commission to the underwriters	Net proceeds to the lessor[(1)]
Per secured note	100.000%	0.600%	99.400%
Total	$1,800,000,000	$10,800,000	$1,789,200,000

(1) Plus accrued interest, if any, from May 26, 2026, to date of delivery.

The secured notes are a new issue of securities with no established trading market and they will not be listed on any securities exchange. No assurance can be given as to the liquidity of, or the existence of a trading market for, the secured notes. See also "Risk Factors – There is no existing market for the secured notes and there is no assurance that an active trading market will develop for the secured notes."

The underwriters have advised us and the lessor that they intend to make a market in the secured notes, but are not obligated to do so and may discontinue making a market at any time, without notice. In order to facilitate the offering of the secured notes, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the secured notes. Specifically, the underwriters may overallot in connection with the offering, creating a short position in the secured notes for their own accounts. In addition, to cover overallotments or to stabilize the price of the secured notes, the underwriters may bid for, and purchase, the secured notes in the open market or impose penalty bids. Such transactions may be effected in the over-the-counter market or otherwise and may include short sales and purchases to cover positions created by short sales. Any of these activities may stabilize, maintain or otherwise affect the market price of the secured notes above independent market levels. The underwriters are not required to engage in these activities and may end any of the activities at any time, without notice.

European Economic Area

Pursuant to the underwriting agreement, each underwriter represents, warrants, and agrees to and with TVA that such underwriter has not offered, sold, or otherwise made available and will not offer, sell, or otherwise make available any secured notes to any retail investor in the European Economic Area (the "EEA").

For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II");

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the secured notes to be offered so as to enable an investor to decide to purchase or subscribe for the secured notes.

The secured notes are not intended to be offered, sold, or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the EEA. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "EU PRIIPS Regulation") for offering or selling the secured notes or otherwise making them available to retail investors in the EEA has been prepared, and therefore offering or selling the secured notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPS Regulation.

United Kingdom

In relation to the United Kingdom of Great Britain and Northern Ireland (the "UK"), pursuant to the underwriting agreement, each underwriter represents, warrants, and agrees to and with TVA that such underwriter has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any secured notes to any retail investor in the UK.

For the purposes of this provision:

(a) the expression retail investor means a person who is either one (or both) of the following:

(i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or

(ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the "POAT Regulations"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the secured notes to be offered so as to enable an investor to decide to buy or subscribe for the secured notes.

Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("DISC") for offering, selling or distributing the secured notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the secured notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

This offering circular has been prepared on the basis that any offer of secured notes in the UK will be made pursuant to an exemption under the POAT Regulations from the requirement to publish a prospectus for offers of securities. This offering circular is not a prospectus for the purposes of the POAT Regulations.

This offering circular and any other material in relation to the secured notes are being distributed only to, and are directed only at, and any offer subsequently made may only be directed at, persons who are "qualified investors" (as defined in paragraph 15 of Schedule 1 of the POAT Regulations), who also (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), and/or (ii) are high net worth entities falling within Article 49(2)(a) to (d) of the Order or persons to whom it may otherwise be lawfully communicated (all such persons together being referred to as "relevant persons"). This offering circular must not be acted on or relied on in the UK by persons who are not relevant persons. In the UK, any investment or investment activity to which this offering circular relates is only available to, and will be engaged in with, relevant persons.

Each underwriter represents, warrants and agrees to and with TVA that: (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the "FSMA")) received by it in connection with the issue or sale of the secured notes in circumstances in which Section 21(1) of the FSMA does not apply to the lessor or TVA; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the secured notes in, from or otherwise involving the United Kingdom.

Canada

The secured notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the secured notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

General

We have agreed to indemnify the underwriters against certain civil liabilities or to contribute to payments the underwriters may be required to make in respect of such civil liabilities.

The underwriters and/or their respective affiliates have performed, and may in the future perform, services for us in the normal course of business. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities or instruments of TVA. If any of the underwriters or their respective affiliates have a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their respective affiliates may hedge, their credit exposure to TVA consistent with their customary risk management policies. Typically, these underwriters and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in TVA's securities. Any such credit default swaps or short positions could adversely affect future trading prices of the secured bonds offered hereby. The underwriters and their respective affiliates may also

make investment recommendations or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

LEGAL MATTERS

Certain legal matters, including the validity of the secured notes, will be passed upon for us by Edward C. Meade, Esq., Interim Executive Vice President and General Counsel, or his designee, for TVA, and Orrick, Herrington & Sutcliffe LLP, New York, New York. Certain legal matters will be passed upon for the lessor by Clifford Chance US LLP, New York, New York and Morris James LLP, Wilmington, Delaware. The validity of the secured notes will be passed upon for the underwriters by White & Case LLP, New York, New York.

PRINCIPAL EXECUTIVE OFFICE OF TVA

400 West Summit Hill Drive
Knoxville, TN 37902
U.S.A.

PRINCIPAL EXECUTIVE OFFICE OF THE LESSOR

c/o Cumberland Generation Holdco LLC
68 South Service Road
Suite 120
Melville, NY 11747
U.S.A.

LEASE INDENTURE TRUSTEE

Wilmington Trust, National Association
Rodney Square North
1100 North Market Street
Wilmington, DE 19890
U.S.A.

U.S. TAX AND LEGAL ADVISORS TO TVA

Orrick, Herrington & Sutcliffe LLP
51 West 52nd Street
New York, NY 10019
U.S.A.

LEGAL COUNSEL FOR TVA

Edward C. Meade, Esq.
Interim Executive Vice President and General Counsel
Tennessee Valley Authority
400 West Summit Hill Drive
Knoxville, TN 37902
U.S.A.

LEGAL ADVISORS TO THE UNDERWRITERS

White & Case LLP
1221 Avenue of the Americas
New York, NY 10020
U.S.A.

AUDITORS TO TVA

Ernst & Young LLP
Republic Centre
1110 Market Street, Suite 216
Chattanooga, TN 37450
U.S.A.