TVA NEWS RELEASE

TVA Board Approves Additional $150 Million in Advanced Nuclear Funding

- The TVA Board has now approved a total of $350 million for the development of small modular reactors at its Clinch River site in Oak Ridge, Tennessee.
- The TVA Board took action to advance the agency's clean energy leadership by accelerating the deployment of clean technologies, that includes 10,000 megawatts of solar by 2035.
- The TVA Board approved the FY25 budget which includes a rate increase to support sustained growth and ongoing construction of ~3,500 megawatts of additional generation.
- **DOWNLOAD**: Click for a rate chart, SMR support quotes and downloadable video and audio of TVA President and CEO Jeff Lyash. (Password: TVAaugustboard)

KNOXVILLE, Tenn. — The Tennessee Valley Authority Board of Directors, on Thursday, approved $150 million in additional advanced nuclear funding to support continued design work and TVA's development of potential small modular reactors (SMRs) at its Clinch River site near Oak Ridge, Tenn.

The Board, which approved an initial $200 million at its February 2022 board meeting, has now approved $350 million in total for the project. At nearly 60% carbon-free, this investment to build clean generation accelerates TVA's transition to clean energy to power the region's growing population and economy.

"We believe advanced nuclear technologies will play a critical role in our region and nation's drive toward a clean energy future," said Jeff Lyash, TVA President and CEO. "Today's Board decision demonstrates TVA's commitment to continue leading in this effort.

"Small modular reactors are an energy innovation technology that America must dominate – for our energy security, which is really our national security."

Addressing Growth Challenge

According to TVA, the region's population is growing three times faster than the national average, and in 2023, GDP in TVA's service territory grew 0.5% faster than the national average. To address the need for more electricity, TVA is investing nearly $16 billion through FY27 to build new generation and infrastructure and enhance the reliability of existing assets. The agency is building ~3,500 megawatts and has made great progress by completing 1,400 megawatts and securing 800 megawatts of solar this year.

“As energy demand grows due to greater reliance on electricity, new residents moving to this region and new economic investment, we need a diverse fleet that leverages multiple generation sources,” said Lyash. “The answer to keeping our energy secure, affordable and reliable is a well-rounded portfolio that is increasingly carbon-free and substantially expandable – and TVA’s portfolio is one of the most diverse in the nation.”

To fund ongoing construction and energy development, the TVA Board approved a 5.25% base rate increase that will take effect October 1, 2024. An average residential bill in FY23 was about $138, so this increase will translate to about an additional $4.35 each month.

“We recognize that people don’t pay rates, they pay bills, and that matters,” said Lyash. “We know this is a kitchen table issue for many families across our region. At TVA, we don’t like price increases any more than you do, and that’s why we continually work to reduce expenses by hundreds of millions of dollars each year. We have done everything possible to absorb costs as we invest in the reliability of our existing plants, construct new generation to keep up with growth and maximize solar to produce more carbon-free energy.”

In August 2023, the TVA Board of Directors approved a 4.5% base rate increase for FY24. These funds helped support the completion of Paradise and move forward with construction of additional generating resources at Cumberland, Kingston, Johnsonville, and Shawnee.

Lyash pointed out that because of TVA’s diverse generation resources, reduced fuel costs have kept residential rates lower than 75% of top 100 U.S. utilities and through the first nine months of this fiscal year power rates were three percent lower than the same period last year despite the rate increase.

“Through our employees’ efforts, innovation and diverse generation TVA continues to have some of the lowest electric rates in the nation,” said Lyash. “We are keeping power affordable by investing in energy efficiency to lower consumers’ power bills, while generating electricity at the right time, with the cleanest fuel, at the lowest possible cost.”

Lowering Energy Bills

The board received an update on TVA’s $1.5 billion effort to help offset 30% of anticipated load growth over the next 10 years by investing in energy efficiency and demand response.

In the first 10 months of the program, TVA has helped businesses and residents reduce their energy use, resulting in over 320,910 tons of CO2 avoided, which is equivalent to the carbon emissions of 35,072 homes powered for a year.

In fiscal year 2024, TVA has helped more than 653 businesses reduce their energy use, resulting in over $121 million in savings on their electric bills over the life of their energy improvements. Over 42,477 homeowners have taken advantage of energy efficiency upgrades, receiving more than $5.2 million in rebates and helping them to save nearly $51.6 million on their electric bills over the life of their energy improvements.

“TVA is investing in your home and business to help you save energy and money,” said Lyash. “We encourage everyone to take advantage of our energy-saving programs at energyright.com to save money and be a smarter energy consumer."

Other Board Action

- Board approved a set of strategic elements including an initiative to accelerate TVA’s clean energy programs.
- Approved TVA’s Fiscal Year 2025 budget.
- Accelerated TVA’s deployment of clean technologies, that includes 10,000 megawatts of solar by 2035.
- Reviewed incentive plan measures and goals.

TVA places a high priority on transparency. Learn more about TVA’s diversity and inclusion efforts, sustainability, strategic planning, financial health, and new nuclear program at tva.com/about-tva/reports.

About TVA

The Tennessee Valley Authority is the nation’s largest public power supplier, delivering energy to 10 million people across seven southeastern states. TVA was established 90 years ago to serve this region and the nation by developing innovative solutions to solve complex challenges. TVA’s unique mission focuses on energy, environmental stewardship, and economic development. With one of the largest, most diverse, and cleanest energy systems – including nuclear, hydro, solar, gas, and advanced technologies – TVA is a leader in our nation’s drive toward a clean energy future.

TVA is a corporate agency of the United States, receiving no taxpayer funding, deriving virtually all of its revenues from sales of electricity. In addition to operating and investing its revenues in its electric system, TVA provides flood control, navigation, and land management for

the Tennessee River system, and assists local power companies and state and local governments with economic development and job creation.

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Media Contact: Melissa Greene, TVA Media Relations, Knoxville, 865-632-6000
www.tva.com/news

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