TVA Business Update



“Safe Harbor” Statement

This document contains 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,” the negative of such words, or other similar expressions. Although TVA believes that the assumptions underlying the 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 the forward-looking statements. For a discussion of these factors, please see the annual, quarterly, and periodic reports that TVA files with the Securities and Exchange Commission. New factors emerge from time to time, and it is not possible for management 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.

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TENNESSEE VALLEY AUTHORITY

TENNESSEE VALLEY AUTHORITY

Business Highlights



TVA Restricted Information – Deliberative and Pre-decisional Privileged

America’s Largest Public Power Company

90+
Years in operation

16,000+
Miles of transmission system

3rd
Largest nuclear owner in the U.S.

40,494
MW diverse power system capacity*

80,000
Square miles service area

$12.3 Billion
Revenues

10 Million
Service area population

$57.7 Billion
Total assets



*Includes 8,304 megawatts of operating capacity under power purchase agreements. Information based on FY2024 data.

TENNESSEE VALLEY AUTHORITY

Delivering on TVA's Mission of Service

Energy



Provide low-cost, reliable, and cleaner energy

Environment



Protect our natural resources – land, water, and air

Economic Development



Help attract jobs and capital investment

TENNESSEE VALLEY AUTHORITY

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Strategic Priorities

- People Advantage
- Operational Excellence
- Financial Strength
- Powerful Partnerships
- Igniting Innovation

Core Values

- Safety
- Integrity
- Inclusion
- Service

Priority: People Advantage

Amplifying the energy, passion, and creativity within each TVA employee







Best safety record in TVA history (2024)

Named to Forbes' 2024 list – America's Best Employers

Approximately 11,300 employees

Approximately 57% of employees represented by (17) unions*

*Includes TVA contractors

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Priority: Operational Excellence

Building on TVA's best-in-class reputation for reliable service and competitively priced power







Meeting extreme weather power demand

New TVA record peak of 35,430 megawatts in January 2025

Over half of power supply carbon-free in FY2024

58% reduction in mass carbon emissions*

Investing in resiliency and capacity

Nuclear life extensions

*Since 2005. CO_2 emissions are reported on a CY basis.

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Priority: Financial Strength

Investing in the future, while keeping energy costs as low as possible





Strongest financial health in decades

Competitive power rates – among the lowest in the nation

Responsible power rate increases to maintain health

Diverse power system helps keep costs lower for customers

Higher financing needs – driven by new capital needs and refinancing

Lowest debt in over 30 years – provides headroom for capital needs

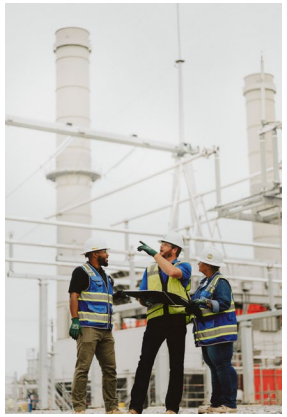
TVA will remain active in the financing markets

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Priority: Powerful Partnerships

Promoting progress through the shared success of TVA's customers and stakeholders







Providing affordable, reliable power

148 of 153 (97%) LPCs on 20-year agreements*

20-year LPCs represent 79% of total revenues*

20-year LPC >$190 billion implied future contract revenue*

Supporting federal funding opportunities

Top utility for economic development

*As of December 31, 2024. Implied future contract revenues based on FY24 revenues.

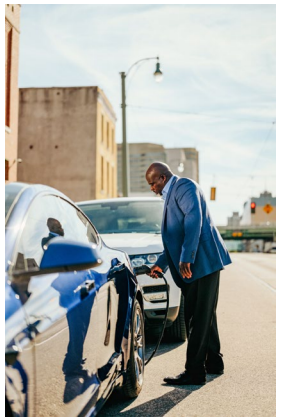
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Priority: Igniting Innovation

Pursuing innovative solutions for TVA and its customers and communities







Exploring advanced nuclear technology to provide a reliable, affordable, flexible, and clean generation option

Creating an interconnected, intelligent grid through Regional Grid Transformation

Developing feasible technology pathways to achieve the next phases of carbon reduction and offsets

Implementing a long-term strategy to integrate energy storage

Expanding smart technologies within communities

Igniting Innovation: Accelerating Advanced Nuclear

Leading America's Nuclear Renaissance





Images are for illustrative purposes only

3rd largest nuclear fleet in the U.S.

Over 8,000 MW clean energy capacity (7 units)

NRC Early Site Permit for an SMR (Clinch River)

$350 million Board approved New Nuclear Program

Technology Collaboration Agreement

Collaborative partners for SMR cost and schedule estimate

DOE Gen III+ Grant Application with coalition partners

Construction Permit Application

Stage gate approach for potential SMR development

TVA TENNESSEE VALLEY AUTHORITY

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Financial Highlights



Delivering Value through Financial Strength

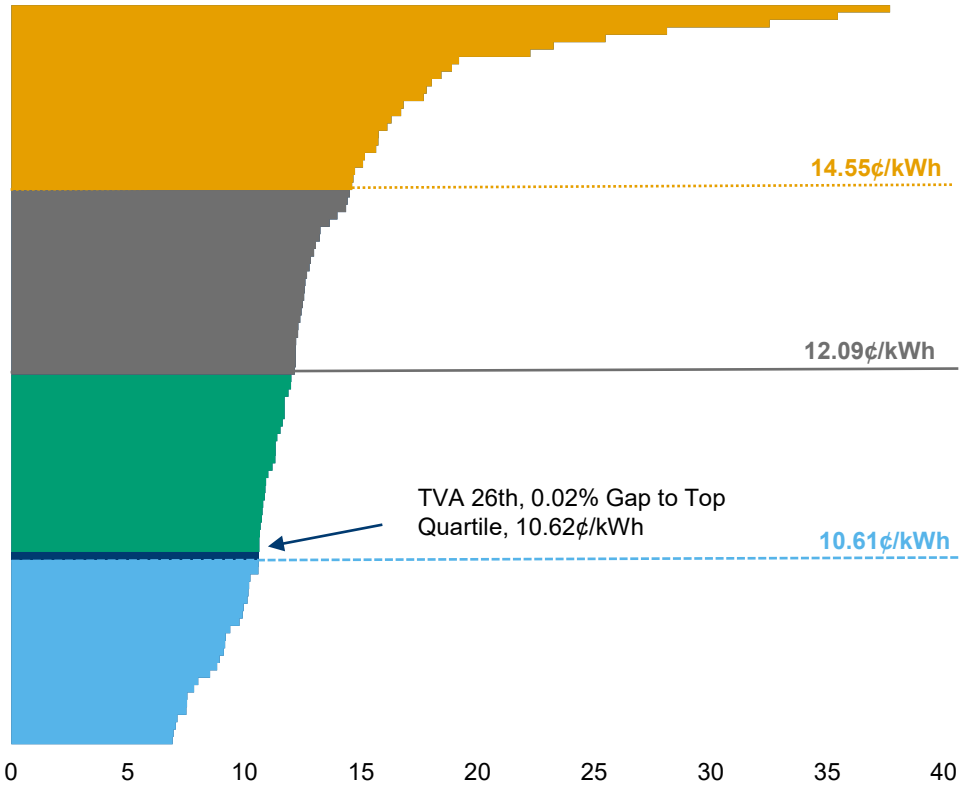
Financial Discipline	Maintaining Financial Health	Cost Optimization Initiative
TVA remains in the **strongest financial health** in decades	Responsible power rate increases to maintain health while **keeping rates among the lowest in the nation**	Dampening the impacts of inflation, **reducing planned costs**, and keeping power rates low
Capital Plan on Track	**Higher Financing Needs**	**Strong Balance Sheet**
Supporting TVA's **asset strategy and investments in energy innovations**	Expanding power generation capacity and **building America's energy future**	**Supporting capital expansion** and planning for **additional power demand growth**

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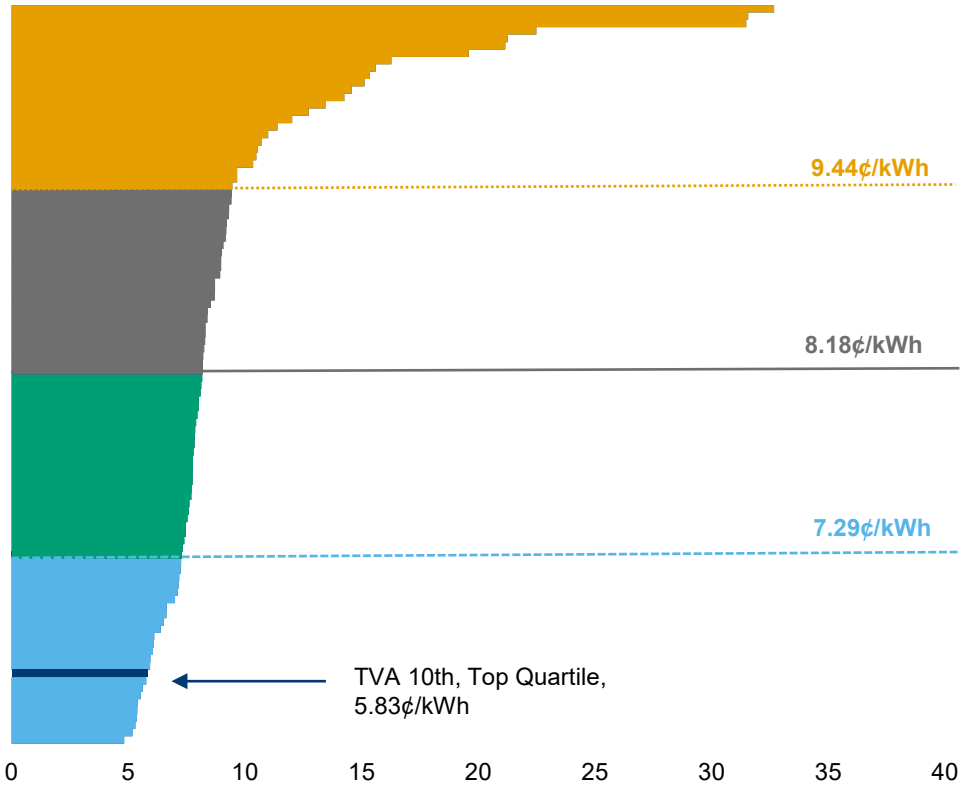
Power Rates Among the Lowest in the Nation

Retail rates in the TVA service area are lower than most of the top 100 largest power utilities

Average Retail Rate (¢/kWh)
Among Top 100 U.S. Utilities



Average Industrial Rate (¢/kWh)
Among Top 100 U.S. Utilities

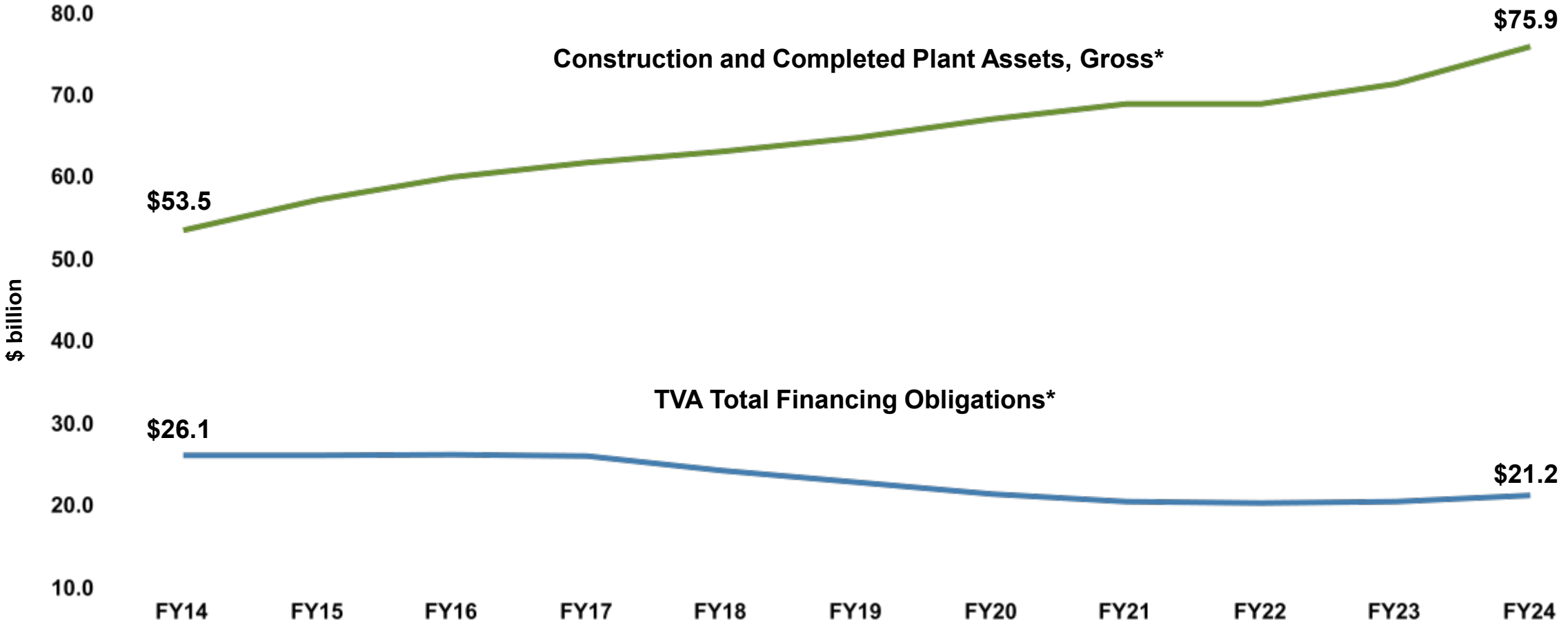


12-Month Rolling Average (¢/kWh) – Sources: U.S. Energy Information Administration-861M and Electricity Sales Statistics – May 2024 – April 2025

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Maintaining Financial Health

Over $22 billion invested in TVA's asset base since 2014

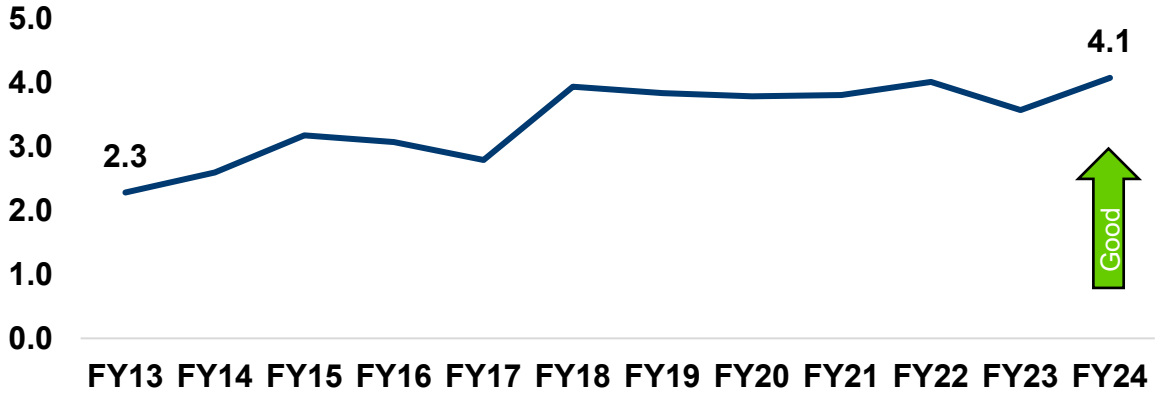


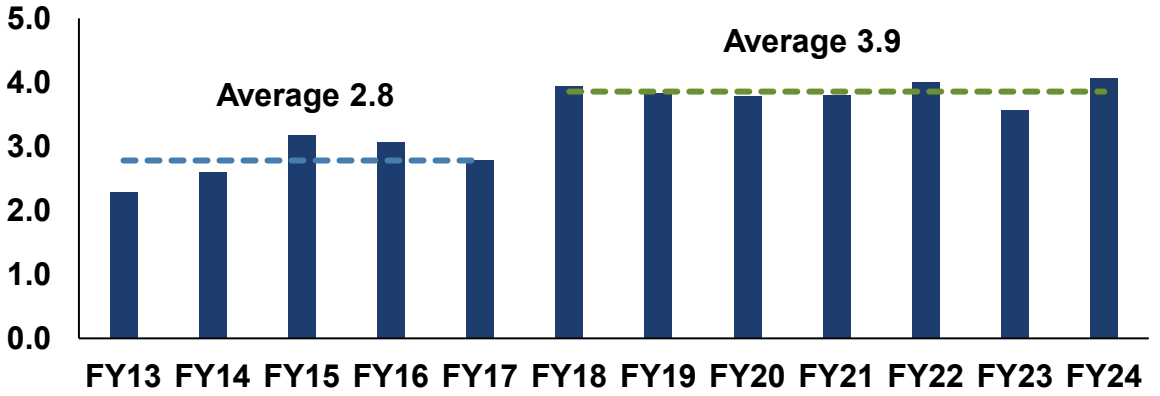
*See Appendix - Regulation G Reconciliation

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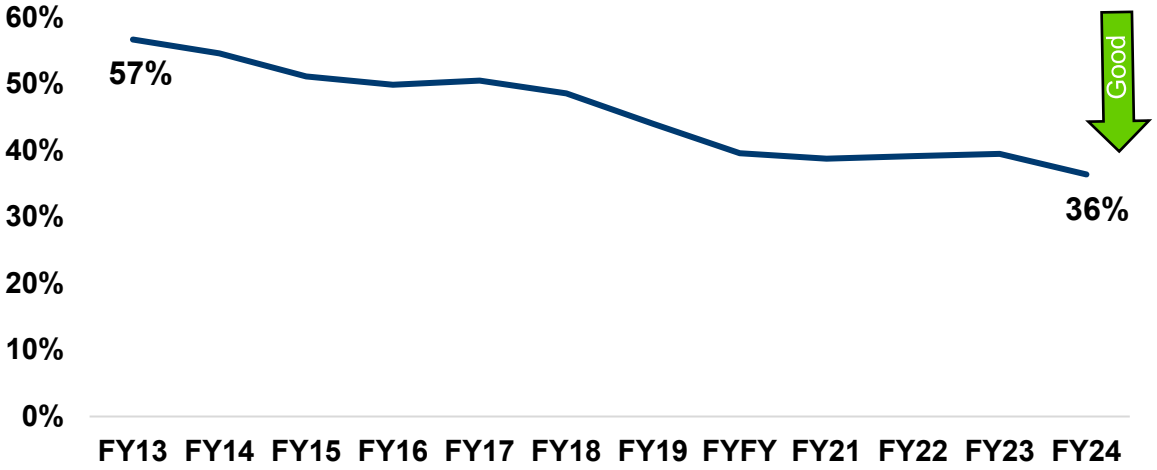
Maintaining Financial Health

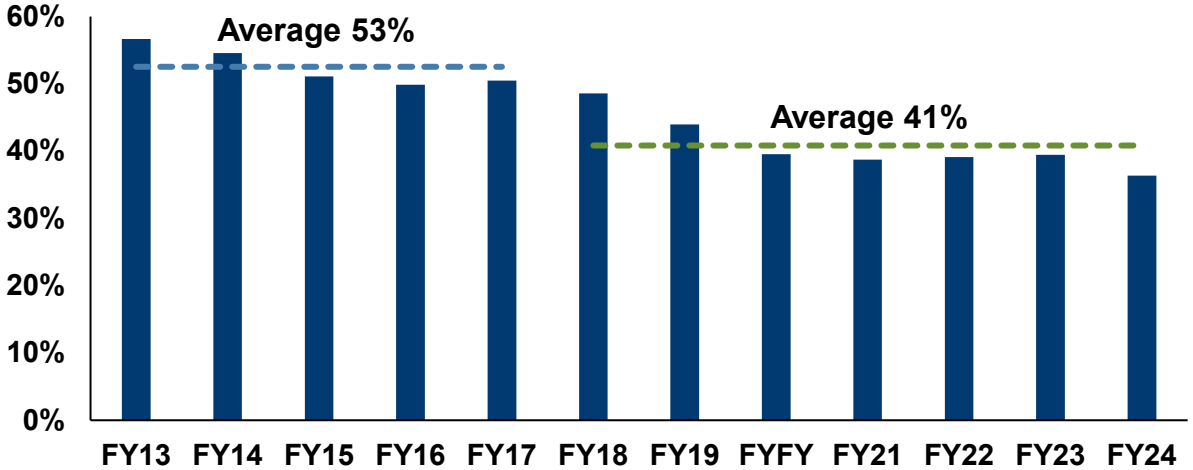
Interest Coverage Ratio*





Debt to Assets Ratio*





*See Appendix - Regulation G Reconciliation

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Investing in TVA's Power System

Building America's Energy Future



System Operations Center



Renewables



Coal Retirements and CCR



Natural Gas



Nuclear



Hydroelectric

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Building America's Energy Future



NEW GENERATION SINCE 2023

Paradise, Kentucky
681 MW, frame combustion turbine

Colbert, Alabama
681 MW, frame combustion turbine

Johnsonville, Tennessee
500 MW, aeroderivative combustion turbine

NEW GENERATION UNDER CONSTRUCTION

Vonore, Tennessee
20 MW / 40 MWh battery storage

Cumberland, Tennessee
1,450 MW, combined cycle

Kingston, Tennessee
1,500 MW, natural gas generation (energy complex)

Shawnee, Kentucky
100 MW solar

Steens, Mississippi (New Caledonia)
500 MW, frame combustion turbine

Memphis, Tennessee (Allen)
200 MW, aeroderivative combustion turbine

POTENTIAL NEW GENERATION

Middle Tennessee
900 MW, proposed gas generation

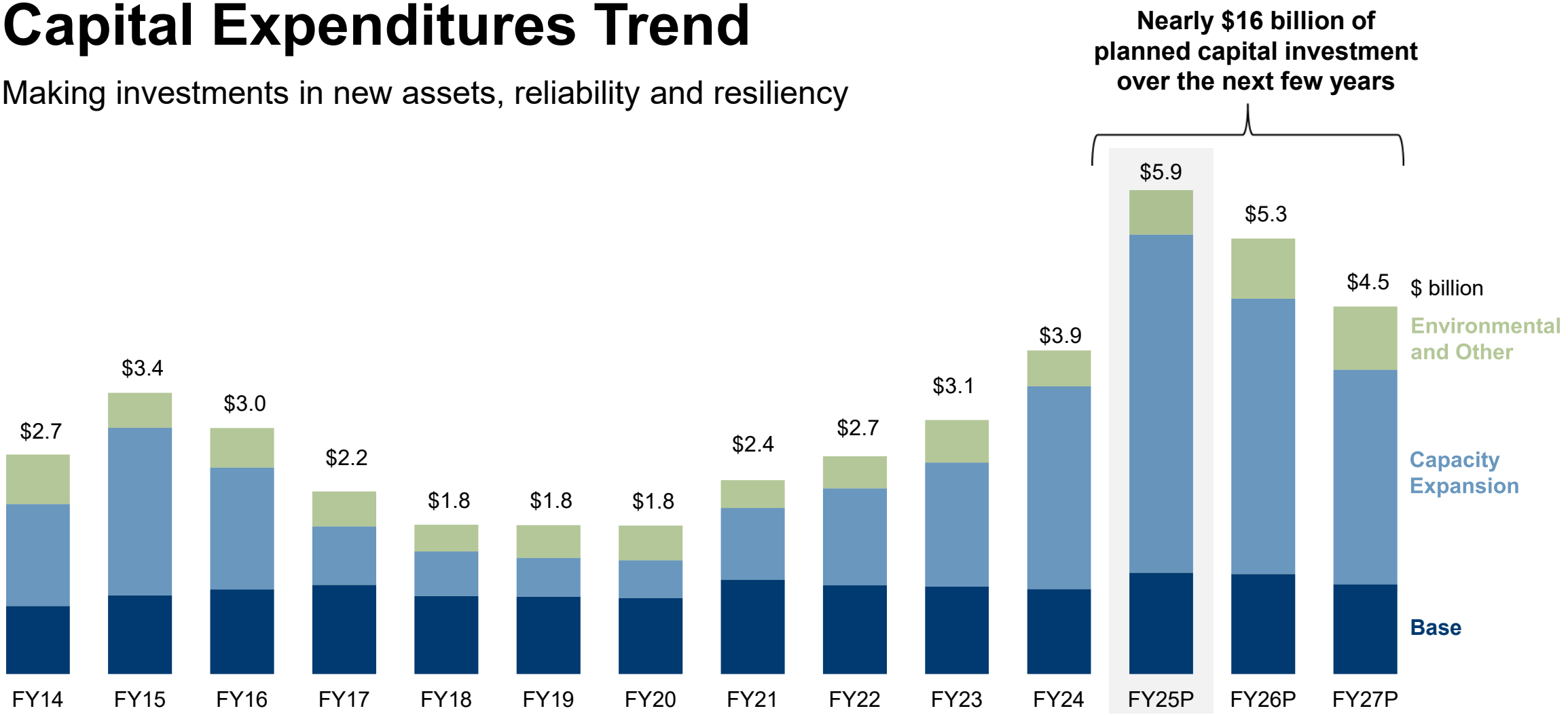
Brownsville, Tennessee (Lagoon Creek)
350 MW energy complex

North Alabama
1,200 MW hydro pumped storage

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Capital Expenditures Trend

Making investments in new assets, reliability and resiliency



Includes assumptions for potential projects that may have not yet received required internal TVA approvals and are subject to various legal requirements before they may be presented for approval. Totals include ARO and decommissioning costs but exclude nuclear fuel capital expenditures.

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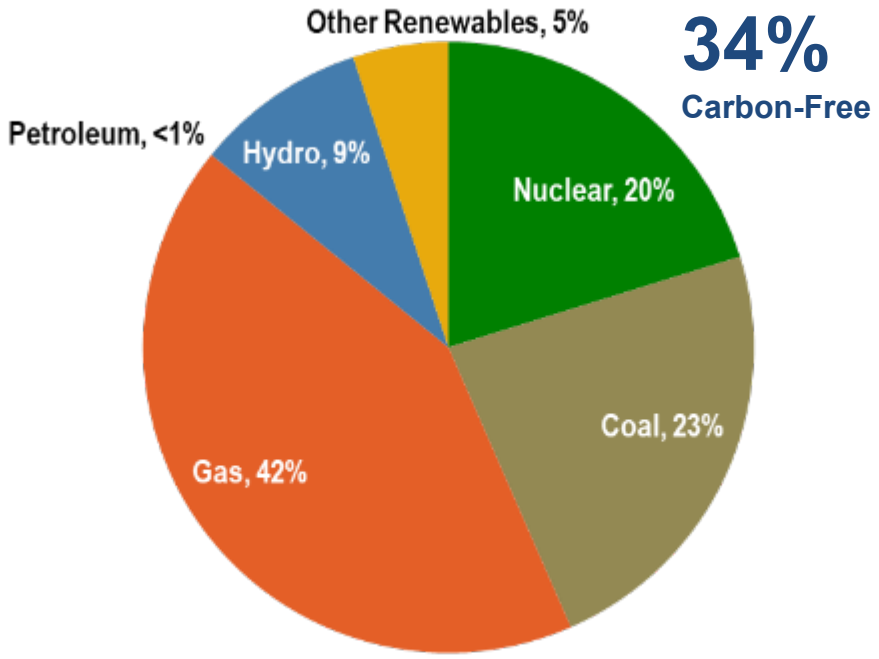
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Strategic Overview



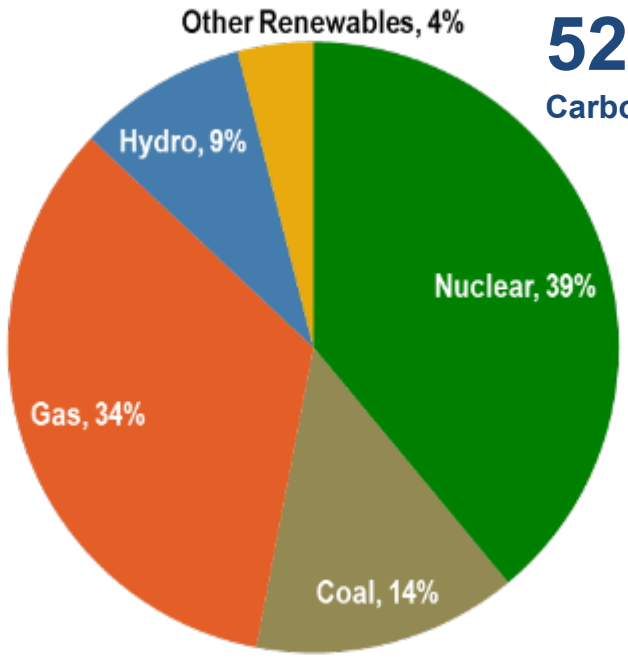
TVA's Power System is Cleaner than the U.S. Average

National Average



34%
Carbon-Free

TVA Total Power Supply FY2024



52%
Carbon-Free

Note: Chart depicts both generated and purchased power within respective resource types. For additional information, please see Total Power Supply by Generating Source in TVA's Annual Report on Form 10-K. National average data from U.S. EIA Electricity Data Browser (2024).

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Draft 2025 Integrated Resource Plan

A collaborative, external stakeholder-focused effort, working with a variety of organizations. The IRP provides the basis for TVA's asset strategy, including a recommended target power supply mix.



Draft IRP preliminary observations:

- New capacity will be needed in all scenarios
- Firm, dispatchable generation technologies will be needed to ensure reliability
- Solar expansion plays substantial role
- Natural gas expansion serves broad system needs
- Energy efficiency deployment reduces energy needs
- Storage expansion accelerates
- Wind additions add diversity
- New nuclear technologies supports load growth

TVA TENNESSEE VALLEY AUTHORITY

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Financing Program Overview



TVA's U.S. Government Agency Status

Legal Status: Wholly-Owned Government Corporation (U.S. Code)

Not a "Government Sponsored Enterprise"

U.S. Government is TVA's sole equity holder

TVA debt comprises the majority of U.S. federal agency debt

TVA holds real property as an agent of the U.S.

TVA debt not guaranteed by the U.S. (per TVA Act)

TVA debt not counted against U.S. Treasury debt limit

All TVA board members appointed by U.S. President, confirmed by U.S. Senate

Financing Program Summary

Primary Financing Instruments Issued	Debt	Bonds and Notes
Short-term discount notes, long-term bonds, selective use of alternative financing	Issued to finance TVA's power program	Subject to a $30 billion limit
Bond Maturities	**Power Revenues**	**Bondholders**
Maximum of 50 years	Must cover debt service as required by the TVA Act	Given first pledge of payment from net power proceeds

Key Credit Support Factors

Credit Profile Highlights

U.S. government ownership

TVA Board power rate-setting authority

Service area protections

TVA's Senior Unsecured Credit Ratings

Moody's	Fitch	S&P
Aa1	AA+	AA+

Highest ratings of any U.S. power utility

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Financial Liquidity Profile

100

Days liquidity on hand

$500M

Cash and equivalents target balance

$2.65B

Commercial credit facilities with high credit quality banks

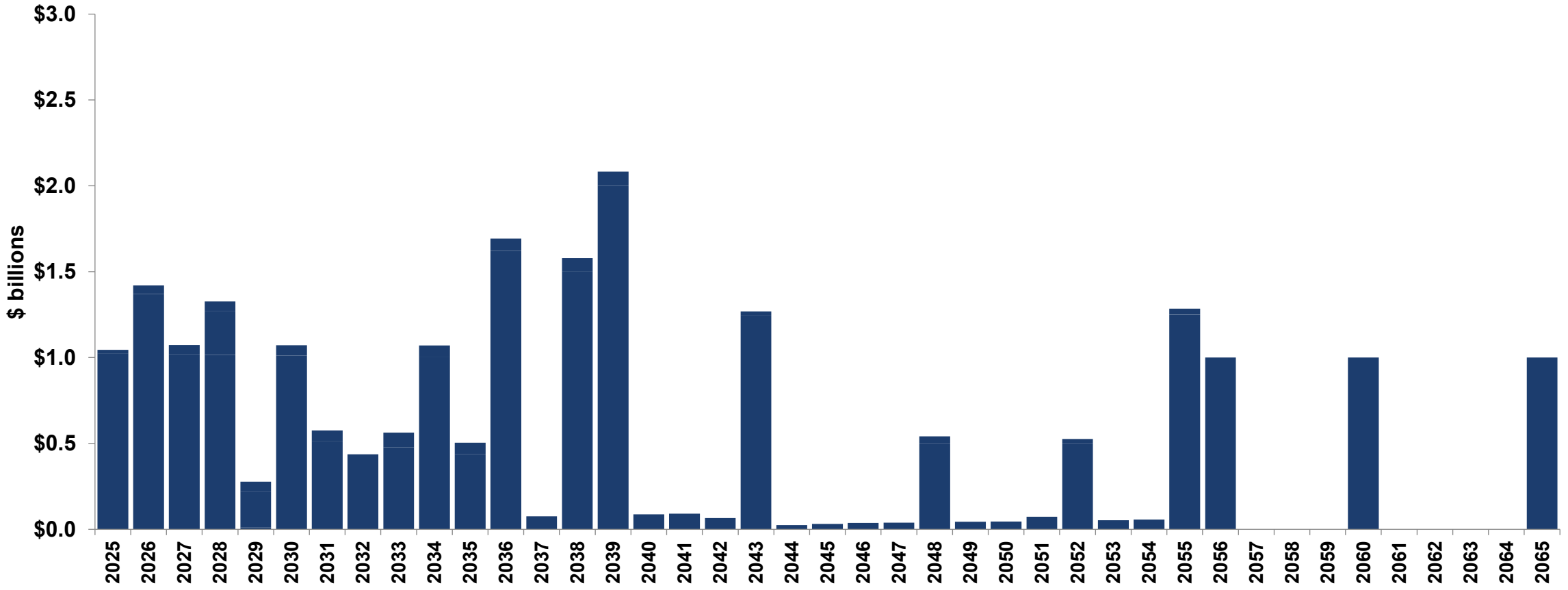
- ✓ Staggered, multi-year maturities
- ✓ Two $1 billion syndicated facilities
- ✓ One $500 million bi-lateral facility
- ✓ One $150 million community bank facility

$150M

Memorandum of understanding with U.S. Treasury

Debt Maturities Profile

Steady pipeline of bond maturities will drive refinancing, in addition to new funding needs



LT bonds and other long-term financing obligations outstanding shown are as of February 28, 2025. Excludes Short-Term Debt.

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Appendix – FY25 Financial Results

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Summary of Financial Results

For Twelve Months Ended September 30, 2025 - Comparison to Prior Year

- Higher sales volume for LPCs and Industries Directly Served
- Increased operating revenue driven by higher rates and sales volume
- Stronger operating cash flow supported by higher revenue collections
- Higher net income

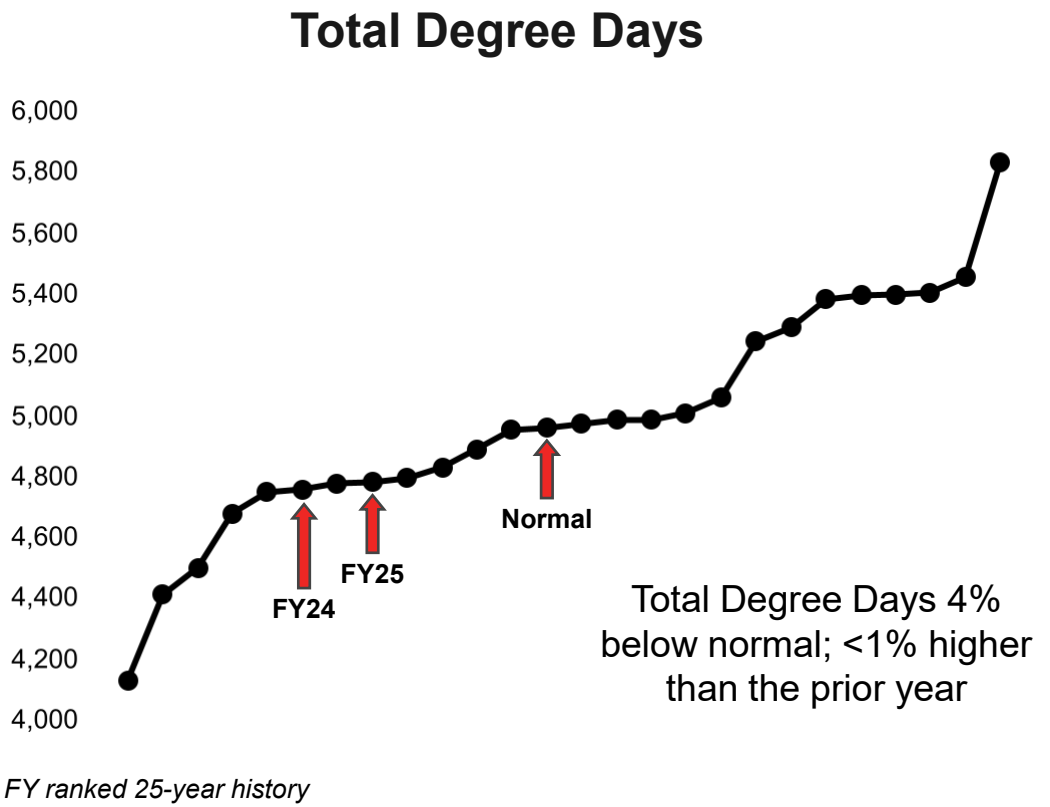
Sales & Revenue

Power sales higher due to system growth

	FY25	FY24	Change	Percent Change
Power Sales (GWh)	167,612	162,933	4,679	3 %
Total Operating Revenues ($ million)	$ 13,672	$ 12,314	$ 1,358	11 %
Base Revenue	9,415	8,725	690	8 %
Fuel Cost Recovery	4,068	3,398	670	20 %
Average Base Rate (¢/kWh)	5.6	5.4	0.2	4 %
Average Fuel Rate	2.4	2.1	0.3	14 %
Total Effective Rate*	8.0	7.5	0.5	7 %

Calculations may be impacted by rounding

*Excludes other revenue and off-system sales impact; total effective rate numbers based on unrounded base and fuel rates



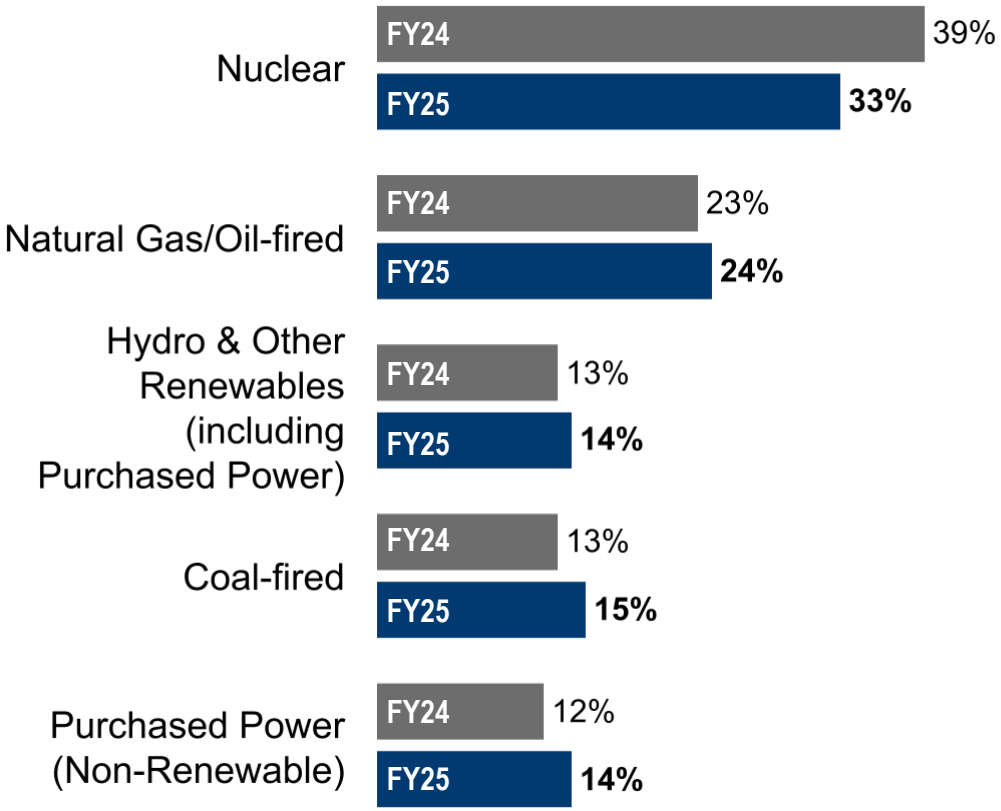
FY ranked 25-year history

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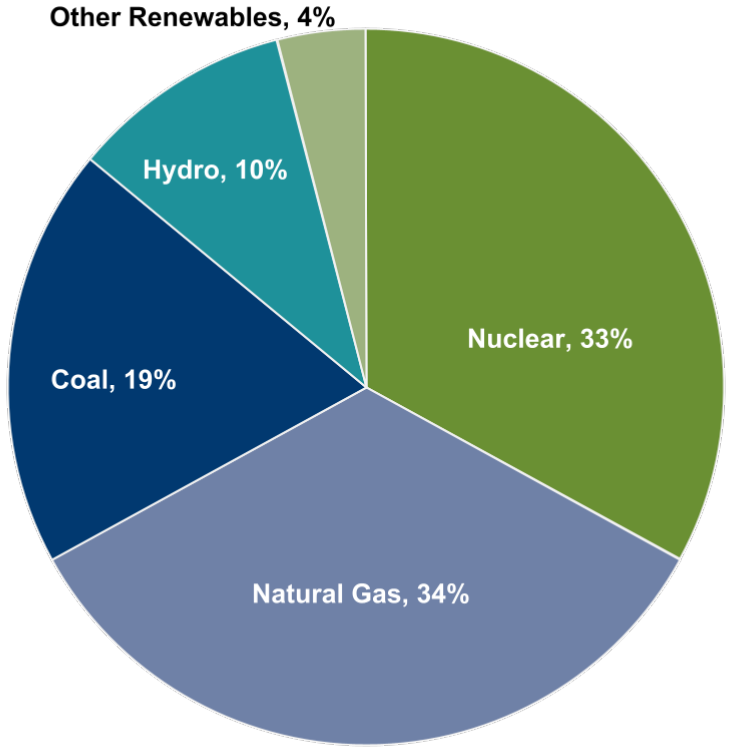
Power Supply Summary - FY25

Benefiting from a diverse power system

Power Supply by Source



Power Supply FY25



Note: Chart depicts both generated and purchased power within respective resource types. For additional information, please see Total Power Supply by Generating Source in TVA's Annual Report on Form 10-K.

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FY25 Summary Income Statement

$ million	FY25	FY24	Variance
Base Revenue	$ 9,415	$ 8,725	$ 690
Fuel Revenue	4,068	3,398	670
Other Revenue*	189	191	(2)
Total Operating Revenue	**$ 13,672**	**$ 12,314**	**$ 1,358**
Fuel & Purchased Power	4,482	3,750	732
Operations & Maintenance	3,717	3,641	76
Taxes, Depreciation, Other	2,917	2,722	195
Interest Expense	1,196	1,066	130
Net Income (Loss)	**$ 1,360**	**$ 1,135**	**$ 225**

* Includes off-system sales and pre-commercial operations

FY25 Summary Cash Flow

Net Cash Provided by / (Used in) ($ million)	FY25	FY24	Variance
Operating Activities	$ 3,324	$ 3,003	$ 321
Investing Activities	(4,661)	(3,591)	(1,070)
Financing Activities	2,411	590	1,821
Net Change in Cash	**$ 1,074**	**$ 2**	**$ 1,072**
Beginning Cash, Cash Equivalents, and Restricted Cash	**$ 523**	**$ 521**	**$ 2**
Net Change in Cash, Cash Equivalents, and Restricted Cash	1,074	2	1,072
Ending Cash, Cash Equivalents, and Restricted Cash	**$ 1,597**	**$ 523**	**$ 1,074**
Beginning Debt and Financing Obligations	**$ 21,203**	**$ 20,525**	**$ 678**
Change in Debt and Financing Obligations	2,567	678	1,889
Ending Debt and Financing Obligations	**$ 23,770**	**$ 21,203**	**$ 2,567**

FY25 Summary and Updates

- Higher sales driven by system growth
- Increased operating revenue and operating cash flow
- Enterprise Transformation Program successful in planned cost reductions
- Balanced portfolio supporting reliability
- Increased financing to support investment in America's energy future

Appendix – Additional Materials

TENNESSEE VALLEY AUTHORITY

Appendix – Regulation G Reconciliation

		March 31, 2025		September 30, 2024	March 31, 2024
Total Outstanding Debt	**$**	**22,155**	**$**	**20,990**	**$20,658**
Exchange Gain - LT		80		62	92
Unamortized Discounts, Premiums, Issue Costs and Other		165		134	127
Debt of Variable Interest Entities		(1,721)		(939)	(957)
Bonds and Notes, Gross	**$**	**20,679**	**$**	**20,247**	**$19,920**
Membership Interests of Variable Interest Entity Subject to Mandatory Redemption		16		17	17
Debt of Variable Interest Entities		1,721		939	957
Total Debt and Other Financing Obligations, Gross ("TFO")	**$**	**22,416**	**$**	**21,203**	**$20,894**

Note numbers may be adjusted for rounding

Interest Coverage Ratio: (Net Income + Interest Exp., net + Depreciation Exp.) / (Interest Exp., gross)

Debt to Assets Ratio: (Short-term debt, net + Current maturities of power bonds + Current maturities of long-term debt of variable interest entities + Total long-term debt, net) / Total Assets

Construction and Completed Plant Assets, Gross: Completed plant + Construction in progress

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Appendix – Regulation G Reconciliation

	September 30, 2024	September 30, 2023
Total Outstanding Debt	**$20,990**	**$20,266**
Exchange Gain - LT	62	109
Unamortized Discounts, Premiums, Issue Costs and Other	134	132
Debt of Variable Interest Entities	(939)	(974)
Bonds and Notes, Gross	**$20,247**	**$19,533**
Membership Interests of Variable Interest Entity Subject to Mandatory Redemption	17	18
Debt of Variable Interest Entities	939	974
Total Debt and Other Financing Obligations, Gross ("TFO")	**$21,203**	**$20,525**

TVA Weather-Normalized Sales* (millions of kWh)	**FY24**	**FY23**	**FY22**
Normalized Total LPC Power Sales	141,353	140,117	140,060
Normalized Total Directly Served	** 19,452	18,905	19,520
Total Normalized Weather Adjustment	**162,933**	**161,253**	**161,764**

***TVA Weather-Normalized Sales**: TVA's expected power sales for a period based on normal weather. Normal weather estimates are based on long-term typical values of a meteorological parameter (i.e., temperature) for the Tennessee Valley region. Actual sales, as reported, differ from Weather-Normalized Sales based on the difference in actual weather from normal weather over the same time period.

**Data adjusted to scale February to 28 days

Construction and Completed Plant Assets, Gross: Completed Plant + Construction in progress

Note numbers may be adjusted for rounding

TENNESSEE VALLEY AUTHORITY

Appendix – Regulation G Reconciliation

TVA Capital Expenditures	FY24	FY25P	FY26P	FY27P
Total 10-K Cash Requirement Capital Expenditures	$ 3,923	$ 5,776	$ 5,082	$ 4,237
Less: Nuclear fuel	(281)	(265)	(216)	(231)
Add: Asset Retirement Obligation/Decommissioning	301	386	439	471
Total Capital Expenditures Enclosed	$ 3,943	$ 5,897	$ 5,305	$ 4,477

Note numbers may be adjusted for rounding

TVA Quick Facts

Mission	Governance and Oversight	Operations	Financial
• Three-Part Mission: ➢ Affordable Energy ➢ Environmental Stewardship ➢ Economic Development • 10 Million Service Area Population • 153 Local Power Companies • Various Directly-Served Customers	• U.S. Agency (not a GSE) • "Wholly-Owned Government Corporation" under U.S. Code • Holds Real Property as Agent of the United States • 9-Member Board of Directors • Board Sets Power Rates • Board Members Appointed by U.S. President (Confirmed by U.S. Senate) • CEO Oversees Daily Operations • Oversight by Independent Inspector General • Congressional Jurisdiction: ➢ U.S. Senate Environment and Public Works Committee ➢ U.S. House Transportation and Infrastructure Committee	• Among the Largest Power Providers in the U.S. • Power to Seven States • 40,494 MW Total Power Capacity • 32,190 MW Owned Power Capacity • Over 16,000 Miles Transmission • 80,000 Square Mile Service Area • 99.999% Reliability • 3rd Largest Nuclear Owner • Approximately 11,300 Employees • TN River System Managed by TVA for: Power, Navigation, Recreation, Flood Control	• $12.3 Billion Annual Revenue • $57.7 Billon Total Assets • Profit-Neutral • Self-Funded - No Federal Appropriations • Power Bonds: ➢ Backed by Power Revenues ➢ $30 Billion Limit (TVA Act) ➢ Max Maturity of 50 Years • Power Revenues Must Cover Debt Service (TVA Act) • High Credit Ratings - Same as U.S. Government: ➢ Aa1 by Moody's ➢ AA+ by Fitch ➢ AA+ by S&P • Annual, Quarterly, Current Reports Filed with SEC • Sarbanes-Oxley Compliant

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