

Integrated Resource Plan

TVA'S ENVIRONMENTAL AND ENERGY FUTURE





Project Scope

- TVA is conducting a study to determine how to meet the demand for electricity over the next 20 years in the Tennessee Valley region. The study is known as the *Integrated Resource Plan, TVA's Environmental and Energy Future (IRP)*.
- This evaluation will look at:
 - Availability of new electricity generating technology,
 - Technologies that support efficiency and demand side reductions,
 - Costs associated with implementing these technologies,
 - Environmental effects of these technologies,
 - How reliable the power supply will be, and
 - Their effects on electricity rates.



Energy Vision 2020

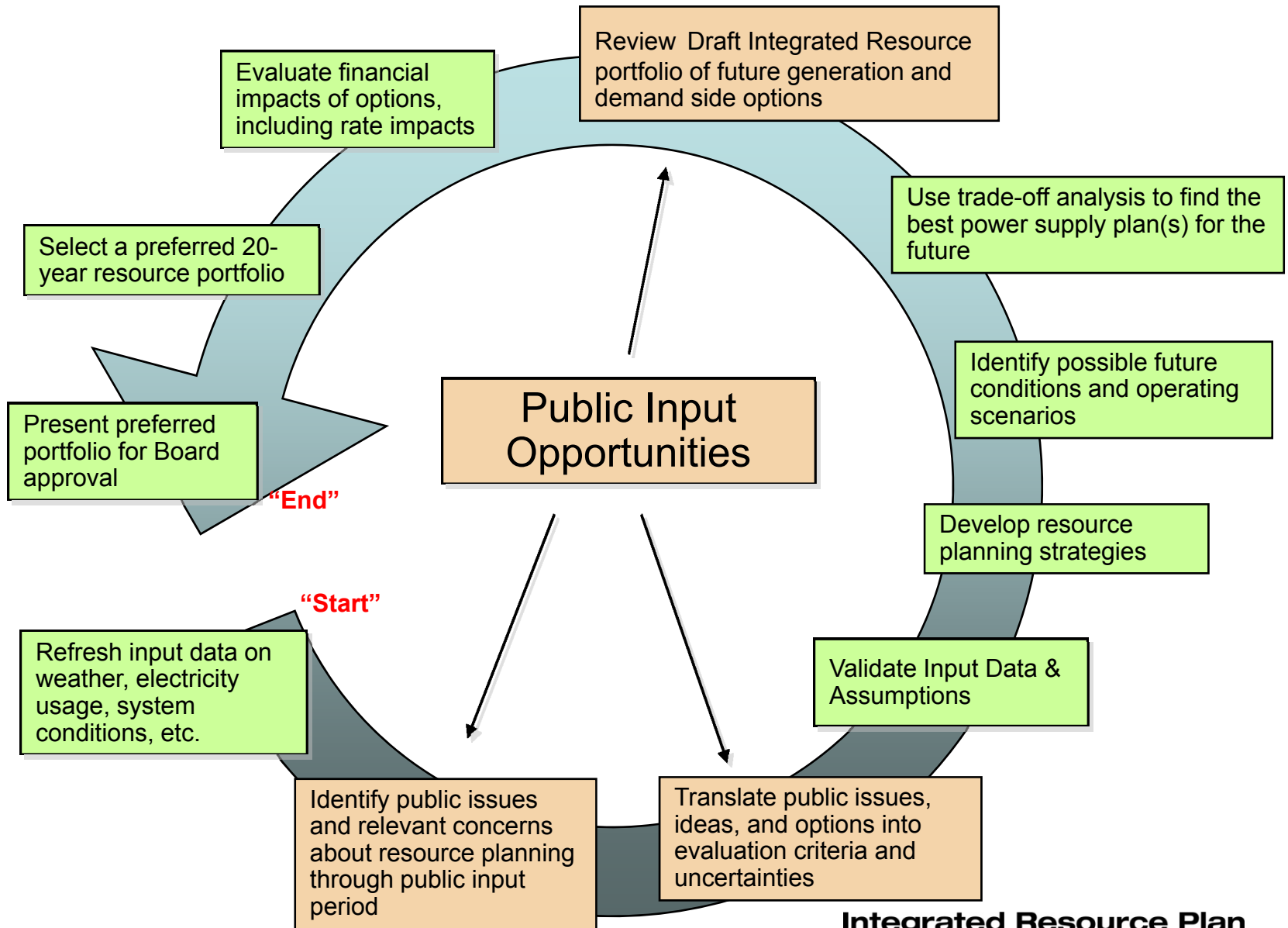
- In December, 1995, TVA completed an Integrated Resource Plan identifying and selecting a plan for TVA to meet the electricity needs of its customers from 1996 to 2020.
- TVA prepared an environmental impact statement on the portfolio of energy resource options that best met TVA's evaluation criteria of costs, rates, environmental impacts, debt, and economic development while meeting customer energy needs.
- The plan was designed to be flexible to protect TVA and its customers from the uncertainty that the electric utility industry and TVA would face in the future.
- The adopted plan relied heavily on the continued use of existing TVA generating plants. Additional needs were to be met by a combination of short-term and long-term actions including a variety of demand-side management and beneficial electrification options as well as new generation (supply-side) options.



The Environmental Review

- As required by the Board when implemented, TVA will conduct an environmental review of the principles of TVA's new Environmental Policy.
- This study specifically will review power and resource demands, generation and resource management options, and assess the environmental, economic and operating effects of these options.
- This review includes consideration of principles from the Environmental Policy – Climate Change Mitigation, Air Quality Improvement, and Waste Minimization.
- The final report will be in the form of a new Integrated Resource Plan and an associated Environmental Impact Statement (EIS)
- Extensive public involvement will be needed throughout the process.

TVA's Integrated Resource Plan Process



Extensive Public Involvement

- TVA is conducting a 60-day comment period, including through the website www.tva.gov/irp
- A questionnaire has been developed to elicit public opinion on TVA's future generation and efficiency options.
- A series of public scoping meetings is being held in July and August across the Valley.
- This external stakeholder team has been developed as a balanced cross-section of power distribution, government, industry, and environment to provide input on issues, priorities, and objectives of the IRP.



Public Meeting Schedule

- July 20: Nashville, TN
- July 21: Chattanooga, TN
- July 23: Knoxville, TN
- July 28: Huntsville, AL
- July 30: Hopkinsville, KY
- August 4: Starkville, MS
- August 6: Memphis, TN

Project Schedule and Milestones

- Early 2010: Draft IRP and EIS issued for public comment
- Late 2010: Finalize IRP and EIS and select preferred portfolio(s)
- January 2011: Present preferred portfolio(s) to Board for approval

- A robust portfolio of resource options, both energy supply and demand-side options, that could be used depending on future events.
- A preferred portfolio which will include integration of a plan for generation capacity, power purchases, transmission and energy delivery, energy conservation, energy efficiency, and renewable energy resources.

- As TVA progresses through the steps for developing a portfolio of supply side and demand side options, the Team will be asked to provide feedback
- Critical steps for review and evaluation:
 - Demand Forecasting
 - Resource Characterization
 - Plan Evaluation Criteria
 - Generation and Demand Side Options Mixes
 - Trade Off Analysis