

EXTERNAL RELATIONS COMMITTEE

# ENERGY EFFICIENCY UPDATE

NOVEMBER 15, 2012

# Our VISION



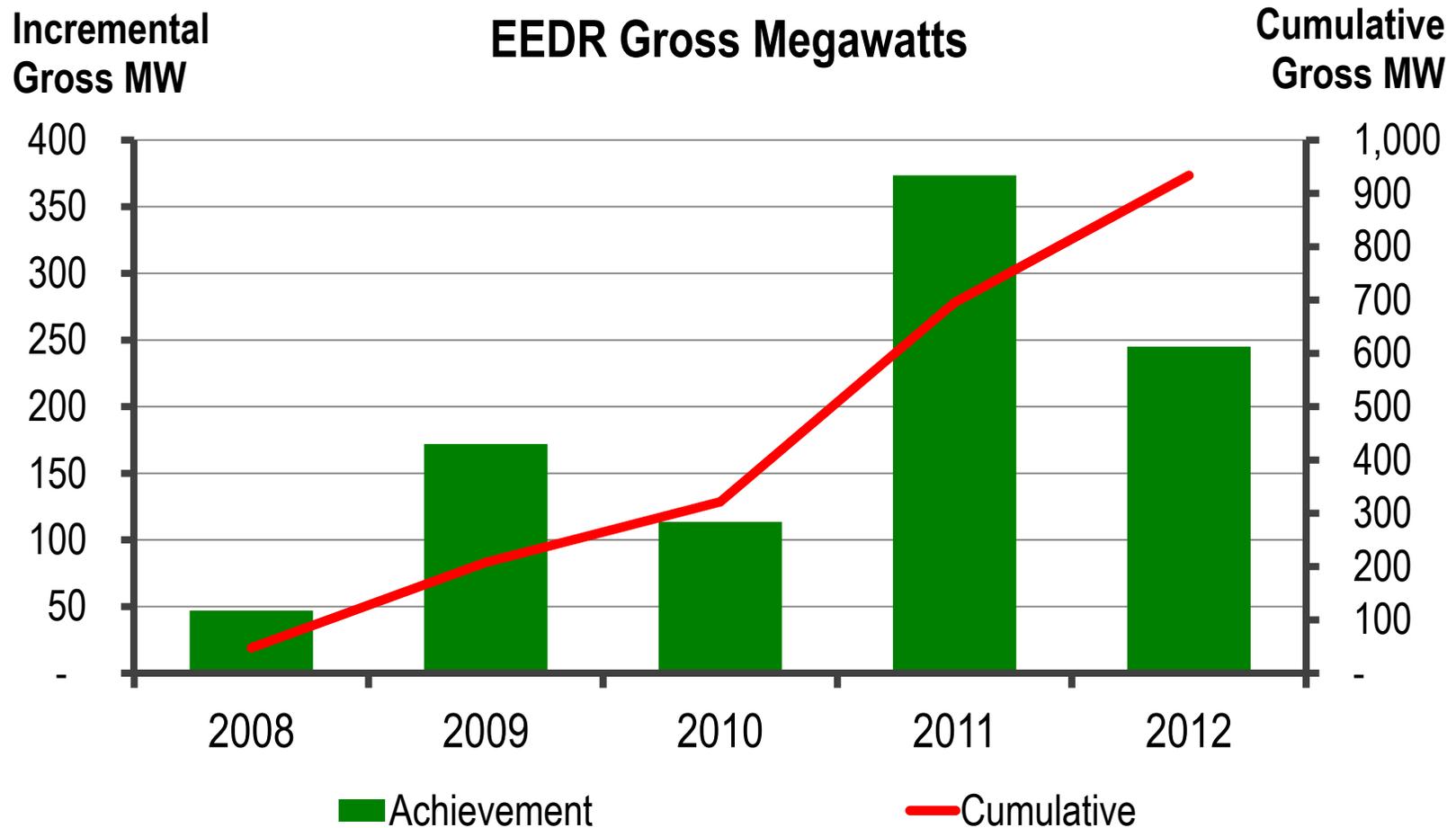
ONE OF THE NATION'S LEADING PROVIDERS OF LOW-COST  
AND CLEANER ENERGY BY 2020



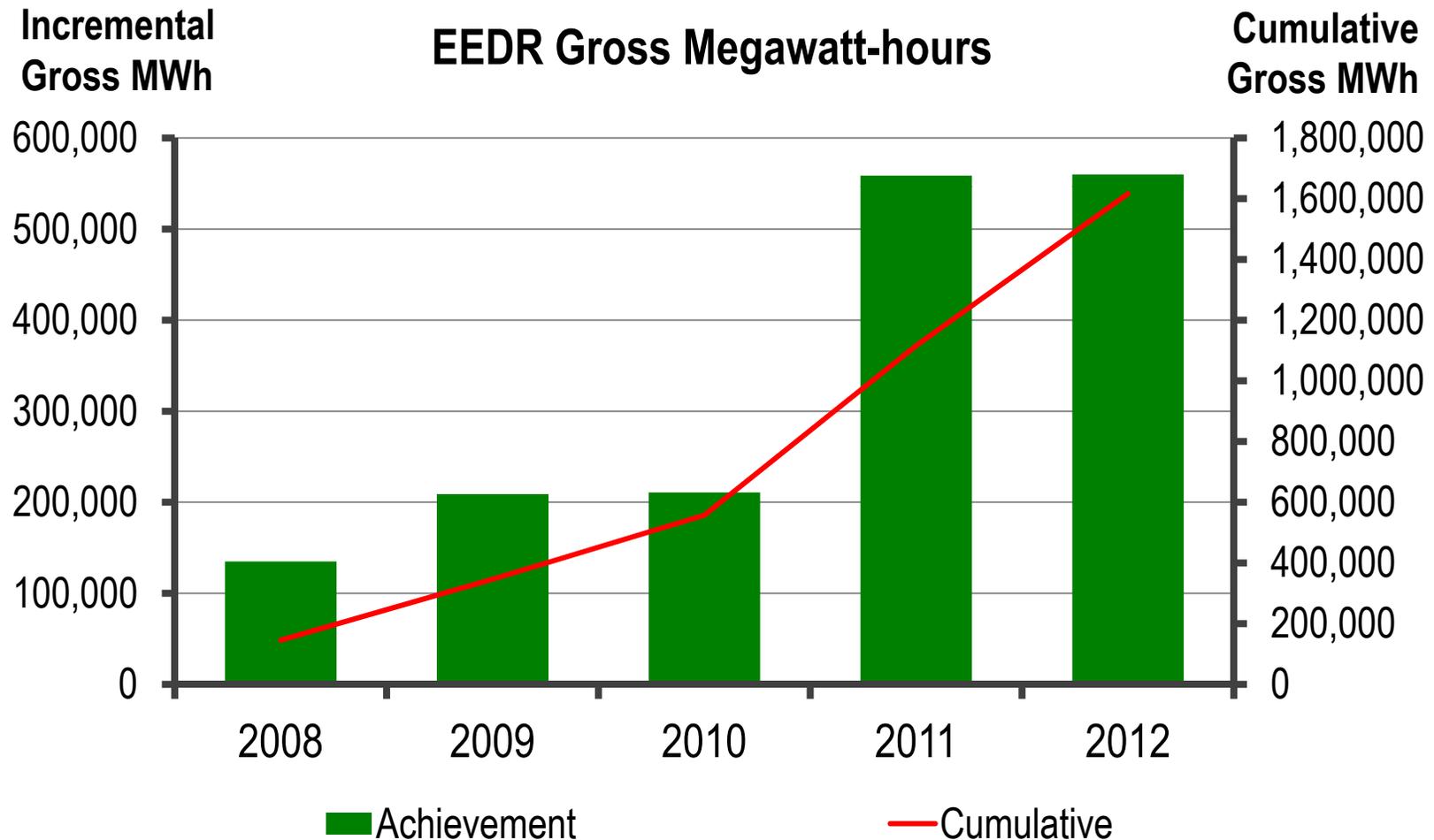
## Greater Energy Efficiency

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# EEDR PORTFOLIO EXCEEDS ANNUAL GOALS FIVE YEARS IN A ROW



## EEDR PORTFOLIO EXCEEDS ANNUAL GOALS FIVE YEARS IN A ROW



# TOP QUARTILE PERFORMANCE AT LOWER COST

## Benchmarking Results

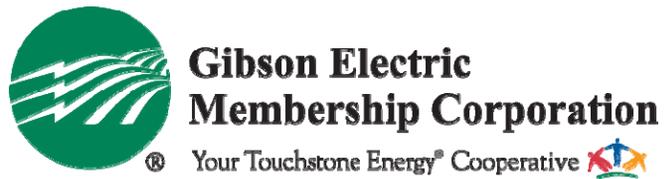
Peers: calendar year; TVA: fiscal year; Three-year averages

	Energy Savings Effects (MWh) Three-Year Average 2008 – 2010	Actual Peak Reduction (MW) Three-Year Average 2008 – 2010	Costs Per Actual Energy Effects (MWh) Three-Year Average 2008 – 2010
TVA Ranking	1 <sup>st</sup> Quartile	1 <sup>st</sup> Quartile	1 <sup>st</sup> Quartile
TVA	1,035,294	455	\$41
Top Quartile	696,400	261	\$46
Median	142,893	90	\$73
Bottom Quartile	48,061	24	\$137

- 1 Data Sources: U.S. Energy Information Administration, Form EIA-861, Annual Electric Power Industry Report, TVA Fiscal Year 2013 Benchmarking Notebook, TVA Financial Services. Note - Differences in utility valuation methods can impact results.
- 2 Decrease primarily due to timing of new and expiring agreements with TVA customers.
- 3 Three-year averages are used for leveling annual peak and capacity.

# SUCCESSSES WITH OUR PARTNERS

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# RESIDENTIAL VALUE

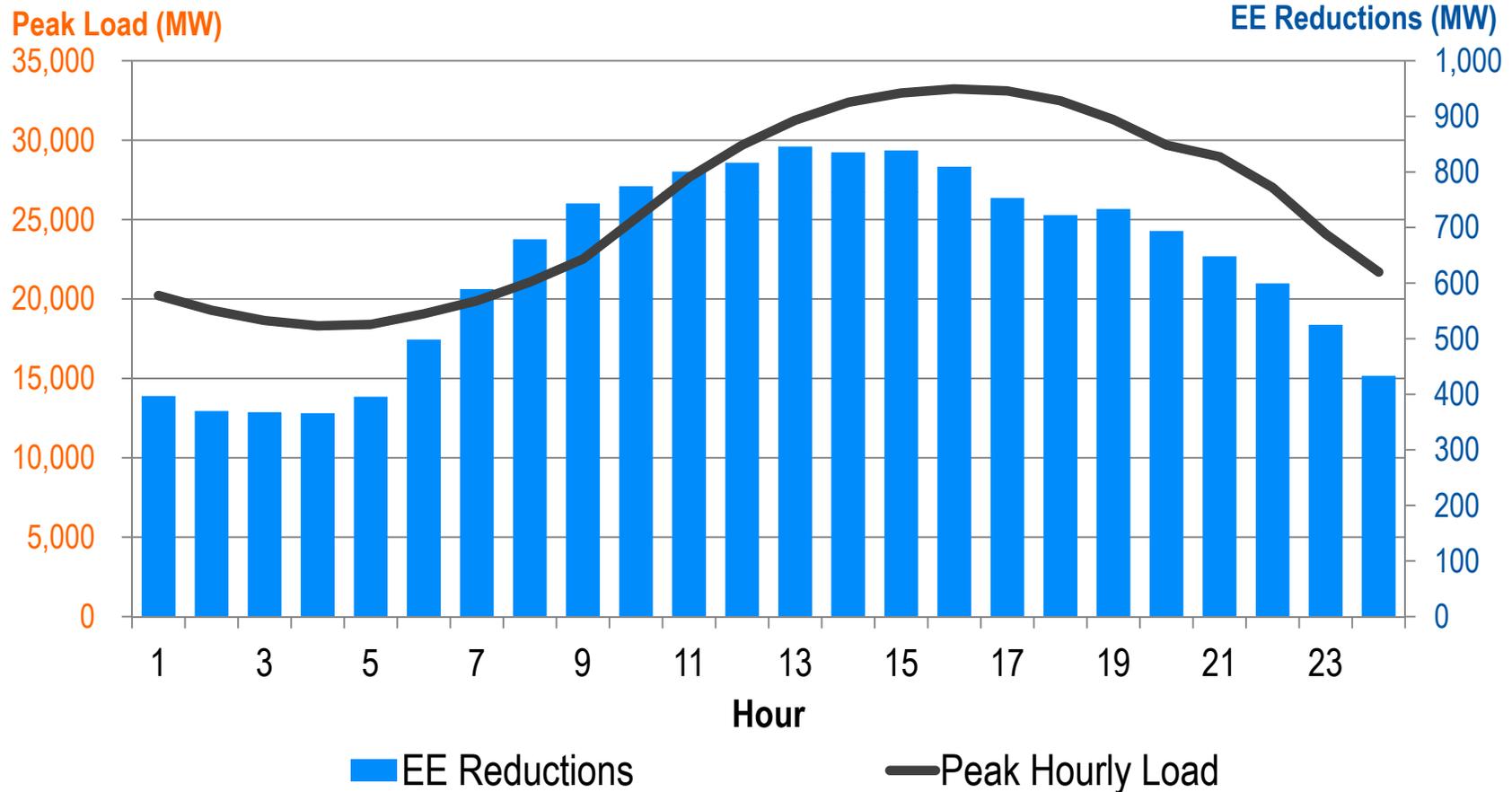
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- Lower bill
- Greater individual control
- Potential to use more electric devices

With devices like Nest T-stat and Blue Line monitors, residential consumers can access their energy use data



# HOURLY PEAK LOAD REDUCTION FROM ENERGY EFFICIENCY



Note: Energy efficiency includes non-dispatchable demand response.

# CONTINUOUS COMMITMENT FOR EEDR

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- Maintain top quartile leadership in key benchmarks
  - Energy Savings Effects (MWh)
  - Actual Peak Reduction (MW)
  - Costs per Actual Energy Effects (\$/MWh)
- Demonstrate Value of EEDR
  - Establish cost competitive 1,000 MW virtual power plant
  - Integral part of TVA generation portfolio
  - Build awareness Valley wide
  - Influence stakeholders, change standards upstream and down