

Meeting Purpose and Recap of October Meeting

Agenda

- ◆ Agenda prepared and approved by the Designated Federal Officer (DFO) in consultation with Council Chair
- ◆ Agenda distributed to Council and published in the Federal Register prior to each meeting
- ◆ Topics may be submitted to the DFO by any member of the Council, or non-members, including members of the public

Meeting Minutes

- ◆ DFO will ensure that minutes are prepared for each meeting, approved by the Chair, and made available to Council members

Voting

- ◆ Any member of the Council may make a motion for a vote
- ◆ Recommendations to TVA Board shall require an affirmative vote of at least a simple majority of the total Council members present on that date
- ◆ Council members may include minority or dissenting views

Discussion

- ◆ DFO (or his designee) will facilitate and ensure good order during all open discussions
- ◆ Only one speaker or attendee is permitted to comment at a time
- ◆ To be recognized by the Chair (or meeting facilitator) in order to provide comment, please turn your name card on its side



October 2013 Meeting Recap

The inaugural meeting of the TVA Regional Energy Resource Council (RERC) was held on October 23, 2013 in Scottsboro, Alabama. Topics covered included:

Agenda

- ◆ Federal Advisory Committee Act (FACA) Training
- ◆ Regional Energy Resource Council (RERC) Overview
- ◆ Introduction to TVA
- ◆ Orientation on Upcoming TVA IRP Process
- ◆ Challenges and Opportunities
- ◆ Public Comments
- ◆ Council Discussion – Opinions on Challenges



Common Themes

- ◆ Competitive Rates
- ◆ Declining Demand
- ◆ Environmental Regulation
- ◆ Multi-Directional Grid and Supply/Demand Balance

Competitive Rates

- ◆ TVA presented data that showed its current rates are not as competitive as they historically have been
- ◆ Council members noted that TVA commercial rates are not considered competitive and are becoming an impediment to attracting new economic development and retaining business and industry in the region
- ◆ Members voiced the opinion that while TVA had been a great partner for economic development in the past, higher rates are now hurting this activity

Declining Demand

- ◆ The current and near future trend of declining demand will influence the IRP process which is being conducted in a very different environment than when the last IRP was conducted
- ◆ Coal generating capacity will and should be directly affected by the realities of declining electricity demand
- ◆ Is it okay for TVA “to watch demand decline” considering part of its mission is to encourage economic development?
- ◆ Should TVA to be concerned with economic development in a period of demand decline or shift focus to optimizing the system to manage cash flow, limit debt, and make the system as efficient as possible?

Environmental Regulation

- ◆ Certain states may be unequally impacted by 111(d) considering the generation mix in each state.
- ◆ TVA may be uniquely qualified to respond to the EPA on section 111(d) of the Clean Air Act due to its regional nature
- ◆ Concern that environmentally-driven changes are being pushed too quickly without regard to voltage support
- ◆ Economic concerns should not preempt concerns about climate change and its effects

Multi-Directional Grid and Supply/Demand Balance

- ◆ Agreement that this topic should be a focus area for the RERC and requires more discussion, particularly around energy efficiency and demand response (EEDR) programs
- ◆ Individual member views included:
 - Incentives should not result in payments above the wholesale or retail rates
 - Incentives should be structured to ensure more affluent customers are not subsidized through higher rates paid by less affluent customers unable to participate
- ◆ Members views on multi-directional flow are influenced by conditions of each state