

February 11, 2003

The Honorable Spencer Abraham  
Secretary  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585

Dear Secretary Abraham:

The Tennessee Valley Authority (TVA) supports voluntary actions to reduce greenhouse gases, and the President's goal of reducing the greenhouse gas intensity of the U.S. economy by 18 percent by 2012. As the nation's largest public power provider, TVA is committed to working with the Administration and our industry partners to reduce the power sector's carbon intensity by the equivalent of 3-5 percent over the next decade.

TVA has long been an industry leader in the effort to reduce, avoid or sequester greenhouse gases. TVA was the first utility in the nation to agree to participate in the Department of Energy sponsored Climate Challenge Program. Over the past decade, TVA has reduced, avoided or sequestered approximately 200 million tons of CO<sub>2</sub>.

TVA continues to pursue opportunities to reduce, avoid or sequester our greenhouse gas emissions. Activities currently underway include:

- Implementing and expanding the Green Power Switch program, allowing customers to purchase blocks of power generated by wind, solar or landfill gas.
- Co-firing fuels with coal including wood wastes and wastewater treatment digester gas.
- Up-rating Units 2 and 3 at our Browns Ferry Nuclear Plant and restarting Browns Ferry Unit 1.
- Increasing generation at our hydroelectric units by modernizing equipment.
- Minimizing consumption of energy and natural resources in TVA buildings and using sustainable building designs and materials.
- Managing TVA's vehicle fleet by purchasing energy efficient vehicles, reducing the number of high gas consuming vehicles, and matching vehicle use to intended purpose to improve efficiency.
- Sequestering carbon through participation in the UtiliTree program.

TVA is also participating in Power Partners, the voluntary climate partnership between the Department of Energy and the utility sector. Through this partnership, TVA is working on new initiatives designed to further reduce, avoid or sequester greenhouse gases. These initiatives include:

The Honorable Spencer Abraham  
Page 2  
February 11, 2003

- Coal Combustion Products Project, designed to divert coal combustion products from land disposal and reduce greenhouse gas emissions by increasing beneficial use of these products.
- ForesTree Carbon Company, which is pursuing additional reforestation efforts in the Lower Mississippi River Valley region.
- The Abandoned Mine Lands Project, designed to restore natural conditions to abandoned mine lands via reforestation.

TVA is also working with EPRI and other utilities on the CO<sub>2</sub> Capture and Storage Test Centers initiative, a long-term research and development program to investigate potential technologies for CO<sub>2</sub> capture and geologic storage.

TVA is well positioned to help achieve the President's goal of reducing greenhouse gas emissions intensity across the U.S. economy. TVA is focused on excellence in our business performance and in our public service, and we look forward to working with the Department of Energy, other government agencies, and our industry partners to achieve this important goal for our industry and the nation.

Very truly yours,

original signed by Glenn L. McCullough, Jr.

Glenn McCullough, Jr.

TBB:TLD

cc: Skila Harris, ET 12A-K  
Bill Baxter, ET 12A-K  
Kathryn J. Jackson, WT 11A-K  
Ellen Robinson, ET 12A-K  
John Shipp, MR 2T-C  
Linda Whitestone, OMA 1A-WDC  
Ike Zeringue, ET 12A-K  
EDMS, WT CA-K

Prepared by John B. Brellenthin (EP&P), reviewed by John Shipp (RSOE); and approved by Kathryn J. Jackson (RSOE).

CTS Number: 232936