

TVA — An Overview

TVA is the nation's largest supplier of public power, delivering more electricity than any other public utility in the nation. It provides reliable, competitively priced electricity to 158 local utilities that serve 8.8 million people and 650,000 businesses and industries in a seven-state region. TVA's region includes almost all of Tennessee and parts of Alabama, Georgia, Kentucky, Mississippi, North Carolina, and Virginia.

TVA's mission focuses on energy, the environment, and economic development.

Key Facts

- **History:** TVA was established in 1933 to develop and manage the resources of the Tennessee Valley region — a region ravaged by flooding, eroding farmland, malaria and extreme poverty. TVA built a network of multi-purpose dams that reduce flooding and support navigation, power production, water quality and supply, increased recreation, and public land use. In a short time, TVA became an international model for resource development.
- **Energy:** TVA's power system uses a diverse mix of fuel sources, including fossil, nuclear, hydro, and renewables. TVA has 11 coal-fired plants and 11 combustion-turbine sites; three nuclear plants; 29 hydroelectric dams and one pumped-storage hydro plant; 16 solar power sites; one wind-power site; and one methane gas facility.
- **Environmental Stewardship:** TVA manages the Tennessee River system — the nation's fifth largest river system — and other Valley resources in a responsible manner. TVA's program to reduce emissions from its coal-burning plants is one of the most aggressive in the nation.
- **Economic Development:** TVA works in partnership with communities, business, and industry to attract investments that bring good jobs to the region and keep them here. In 2007, TVA economic development investments helped attract or keep about 45,000 jobs in the region.
- **Financial Model:** TVA is financially self-supporting. It receives no funding from tax dollars.

Additional Facts about TVA

- **Environmental Achievements:** TVA has a long record of improving air quality and is continuing to make the air cleaner. TVA has invested more than \$4.8 billion to reduce emissions since 1977, plans to invest another \$1.0 billion by 2010, and expects to invest an additional \$3 billion to \$3.6 billion through the decade beginning in 2011.

Today, air quality in the Tennessee Valley region is the best it has been in decades. Improvements in air quality include:

- An 82-percent reduction in sulfur dioxide emissions since 1977.
- An 81-percent reduction in nitrogen oxide emissions during the summer ozone season since 1995.
- **TVA's Ongoing Commitment to Air Quality:** TVA has a long-term commitment to improving air quality. TVA has installed scrubbers on seven of its largest coal-fired units. Additional scrubbers will go into operation at Bull Run Fossil Plant in 2009, Kingston Fossil Plant in 2010 and 2011, and John Sevier Fossil Plant in 2012 – the TVA fossil plants closest to the Great Smoky Mountains National Park. All TVA coal-fired units have some form of nitrogen oxide controls.

TVA also is increasing its efforts to reduce growth in the demand for electricity, invest in lower-carbon generating sources to meet any additional growth, and further reduce emissions from its current generating plants.

In 2000, TVA was the first utility in the Southeast to launch a commercial Green Power program, offering consumers the option of purchasing electricity from renewable sources.

- Nearly 13,000 residential and business customers are purchasing blocks of electricity from generating sites fueled by the wind, sun and methane gas.
- The Green Power Switch® program led to the construction of the first wind energy park in the Southeast, which is located on Buffalo Mountain near Knoxville.
- **Profile of TVA Power Generation:** In 2007, TVA generated about 37 percent of its power from sources that do not emit carbon dioxide. These sources include nuclear, hydro, and renewable energy. TVA forecasts that 50 percent of its power will be from low-carbon and zero-carbon sources by 2020.
- **Contributing Billions to Local Communities:** TVA has paid nearly \$2.5 billion in tax-equivalent payments to communities in the Tennessee Valley since 2000, including \$452 million in tax-equivalent payments in 2007.