



Renewable, sustainable, environmentally-friendly initiatives, as well as consumer education regarding energy efficiency in the home and at work are all key components of TVA's future strategy for the Tennessee Valley.



9 Next Steps	169
9.1 Path Forward	169
9.2 Application	170
9.3 Areas That Require Further Work	170
9.4 Conclusion	171



Implementing this strategy will help TVA meet its renewed vision—to be one of the nation's leading providers of low-cost and cleaner energy by 2020.

Elements of Vision 2020



Low Rates



High Reliability



Responsibility



Cleaner Air



More Nuclear Generation



Greater Energy Efficiency

9 Next Steps

After two years of extensive analysis and the issuance of the Draft IRP, the final IRP has been completed. Another key piece of the puzzle is defining the next steps that follow this IRP's completion. For that reason, it is important to remember that this IRP is meant to serve as a roadmap for making future asset decisions and not meant to define specific decisions.

Approval of this IRP provides an updated strategic direction that will help TVA fulfill its renewed vision and set the direction for many decisions that will be proposed in the future. This chapter defines some of the key areas that need additional work or investigation to help determine TVA's "next steps" in these specific areas.

9.1 Path Forward

TVA formulated this IRP to help prepare for a wide range of future conditions and ensure a sustainable future for the Tennessee Valley region. This IRP will serve as a guide to achieve TVA's renewed vision – to become one of the nation's leading providers of low-cost and cleaner energy by 2020. TVA takes great pride in the reliable service it provides to its customers. Transmission reliability will remain a key focus of all future operations. TVA will also strive to maintain the proper generation mix in order to ensure reliable and flexible power system operation.

Furthermore, TVA remains committed to reducing air emissions from its power generation facilities. Emissions reduction will help TVA plan for and promote a sustainable future. Coal-fired plant idling and the addition of scrubbers and other emissions control equipment are essential for TVA to provide cleaner energy.

The reputation of delivering reliable, competitively priced power makes the Tennessee Valley region an attractive place to start or expand a business. Therefore, TVA will continue to support and encourage economic development in the region. TVA offers an array of services that include capital investment loans for new or growing businesses, site-selection assistance and other business support services. These services help attract companies to the region and provide more jobs to aid in economic stability of the region, which is especially important with the current sluggish economy.

TVA President and CEO Tom Kilgore stated, "TVA's basic missions have not changed, but the times have changed and requirements are changing for the energy industry." The analysis performed within this IRP will help TVA prepare for future uncertainties and properly position itself to effectively continue its mission to serve the people of the Tennessee Valley.

9.2 Application

While this strategy will help guide TVA in making important decisions in the years to come, this IRP does not dictate a specific series of actions. It is important to understand what analysis was considered to be within the scope of this IRP and what areas may require more analysis. Figure 9-1 lists what was considered in-scope versus outside-of-scope in this IRP.

This IRP Does	This IRP Does Not
Articulate a 20-year planning direction	<ul style="list-style-type: none"> • Finalize specific asset decisions • Serve as a substitute for the “fine-tuning” of the annual planning and budgeting processes
Present recommended strategy alternatives	<ul style="list-style-type: none"> • Narrow the breadth of NEPA coverage established in the Draft IRP and the associated EIS • Does not discard analyses done for alternative strategies
Describe guideline ranges for key components of the Recommended Planning Direction (i.e., EEDR, idling of coal-fired units, etc.)	<ul style="list-style-type: none"> • Make specific commitments for key components of the Recommended Planning Direction
Present illustrative portfolio(s) that show potential asset additions by year	<ul style="list-style-type: none"> • Commit to a specific 20-year capacity addition schedule
Highlight key asset additions by showing a specific value within the guideline range in the illustrative portfolio	<ul style="list-style-type: none"> • Imply that any asset addition or in-service date shown in the illustrative portfolio represents a formal decision or is not subject to change
Discuss other strategic considerations and non-quantified risk considerations	<ul style="list-style-type: none"> • Quantify all risks in the analysis or imply all decision criteria are within the IRP scope
Commit to beginning the next IRP by 2015	<ul style="list-style-type: none"> • Expect to provide NEPA coverage for the same duration as EV2020 • Limit TVA’s ability to continue to do analysis and amend this IRP in the future

Figure 9-1 – Scope of the IRP

9.3 Areas That Require Further Work

By closely evaluating the areas that require more analysis, a number of recommendations have been identified and summarized on the next page. This list is not designed to be exhaustive but does provide insight into additional work that TVA will consider undertaking.

Issue	Recommendation
Idling coal-fired units	<ul style="list-style-type: none"> • Perform detailed optimization analyses to determine both the optimum level of idling and the best units for idling after accounting for risks, uncertainty and all known costs
Renewables	<ul style="list-style-type: none"> • Analyze renewable technologies and business models and monitor market trends for strategic options to develop cost-effective renewable resources
Nuclear power	<ul style="list-style-type: none"> • Complete project specific evaluation of B&W technology at Bellefonte site and refine timing • Continue to study development of small modular reactors as part of the continuing effort to advance carbon-free, baseload power generation alternatives
EEDR	<ul style="list-style-type: none"> • Proactively pursue the Southeast leadership goal, monitor results and evaluate programs
Gas-fired supply	<ul style="list-style-type: none"> • Analyze gas-fired supply opportunities to cost effectively fill short lead time capacity gaps
Pumped-storage	<ul style="list-style-type: none"> • Study more detailed project economics of and justification for additional pumped-storage with a goal of making a recommendation on how to proceed
Stakeholder involvement	<ul style="list-style-type: none"> • Continue to solicit input from external stakeholders and incorporate that input into future IRP planning and decision making processes
Next IRP	<ul style="list-style-type: none"> • TVA has committed to begin the next IRP effort by 2015

Figure 9-2 – Areas That Require Further Work

9.4 Conclusion

Fifteen years separated the completion of this IRP and the 1995 IRP, EV2020. Comments TVA received from SRG members and the public recommend that TVA needs to regularly update its IRP. Frequently updating this IRP would enhance TVA’s ability to effectively respond to future developments. For that reason, TVA is committed to begin the next IRP effort by 2015.

TVA’s IRP has produced an energy resource strategy that will help TVA meet the Tennessee Valley region’s energy demands in the future in a sustainable manner. Implementing this strategy will also help TVA meet its renewed vision – to be one of the nation’s leading providers of low-cost and cleaner energy by 2020. More specifically, this IRP will help TVA lead the nation in improved air quality and increased nuclear production, and lead the Southeast in increased energy efficiency.

**This concludes the 2011 TVA Integrated Resource Plan,
TVA’s Environmental and Energy Future.**