



April 8, 2019

SUBMITTED VIA EMAIL

Ashley Pilakowski
NEPA Compliance Specialist
Tennessee Valley Authority
400 West Summit Hill Drive, WT 11D
Knoxville, TN 37902-1499

RE: Tennessee Valley Authority's 2019 Draft Integrated Resource Plan and Draft Environmental Impact Statement

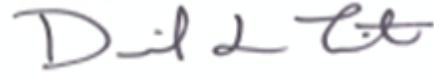
Dear Ms. Pilakowski,

Energy Alabama (EA) thanks the Tennessee Valley Authority (TVA) for its willingness to allow its participation as a member of the 2019 Integrated Resource Plan Working Group (IRPWG). IRPWG meetings contained a healthy exchange of ideas among a wide array of stakeholders from around the Tennessee Valley. Respectful dialogue and disagreement improved EA, the draft IRP, and will continue to improve TVA.

EA worked closely with the Southern Environmental Law Center (SELC) to develop the content of joint technical comments, submitted to TVA separately. Even in light of concerns about TVA's data, assumptions, and analyses, the data is clear; the strategy "Promote DER" provides the Tennessee Valley with one of the lowest revenue requirements, strongest economic development and job growth, and best environmental protection. EA asks TVA to consider said technical comments as if they were delivered by EA in person at a regularly scheduled IRPWG meeting.

EA respectfully submits independent comments regarding non-technical and process concerns and provides TVA with recommendations for improvement with its next IRP.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. L. Tait". The signature is fluid and cursive, with the first name "D." and last name "Tait" clearly distinguishable.

Daniel L. Tait

CC:

Randy Buckner, rbuckner@alcse.org

Jane Elliot, jbelliot@tva.gov

Amanda Garcia, agarcia@selctn.org

Amy Henry, abhenry@tva.gov

Joe Hoagland, jjhoagland@tva.gov

Hunter Hydas, jhhydas@tva.gov

Christina Reichert, creichert@selctn.org

COMMENTS ON DRAFT INTEGRATED RESOURCE PLAN

I. Non-Disclosure Agreements are Unnecessary and Stifle Meaningful Discussion

TVA required IRPWG members to sign a non-disclosure agreement (NDA) in order view and discuss what it said was “confidential information”. The use of an NDA is not consistent with TVA’s mission as a public power entity nor did it provide any meaningful protection to TVA. TVA claimed it used an NDA to protect information that “could reasonably be expected to have an adverse effect on TVA operations, assets or individuals.”¹ According to TVA staff, the vast majority of information classified as “confidential” was released with the draft IRP. Information could not have been reasonably expected to harm TVA in one month and not the next.

On April 3, 2019, TVA responded to a Freedom of Information Act (FOIA) request from the Southern Alliance for Clean Energy (SACE) and which time it released voluminous information to the public just days before the end of the public comment period.² TVA should have taken leadership and proactively released data rather than wait for FOIAs to compel it to act in the public’s interest.

Energy Alabama believes the public should have access to all data and analyses and have an opportunity to provide meaningful input on said items. TVA, as it did with the 2015 IRP, failed to include all its sensitivity analyses upon the publication of its draft IRP. In 2015, the Southern Environmental Law Center (SELC) noted this issue, yet TVA refused to alter its processes.³ TVA’s reluctance to provide sensitivity analyses to the public give the appearance of secrecy and lead the public to believe decisions are made behind closed doors.

Energy Alabama Recommendation: Eliminate the use of non-disclosure agreements and release all underlying data, studies, and analyses at the time of the publication of the draft IRP.

II. The IRPWG Should Be Given More Power

While Energy Alabama was pleased to participate as a member of the IRPWG, the committee holds little to no power and is unable affect the ultimate outcome of the IRP or influence the decisions of the TVA Board of Directors. The IRPWG consists of a wide array of diverse voices. When such a diverse group agrees on an action unanimously or with a clear majority, its views should be respected.

On multiple occasions throughout the IRP, TVA staff overruled the recommendations of the IRPWG. Most notably was TVA’s insistence on including a new environment metric of “Land Use”.⁴ Despite the objections of the IRPWG and its complaints about TVA’s methodology, TVA chose to ignore the IRPWG. Because the new metric disproportionately affected solar due to its flawed methodology, a reasonable observer can only conclude TVA ignored the IRPWG in order to disadvantage solar energy.

¹ TVA, 2019 IRP Working Group Meeting 1: February, 28 2018, at 18

² See <https://cleanenergy.org/blog/last-minute-transparency-tva-releases-key-planning-data-days-before-comment-deadline/>

³ Letter from Amanda Garcia, SELC, to Gary Brinkworth, TVA, Apr. 3, 2015.

⁴ TVA, draft IRP Figure 6-9,

https://www.tva.com/file_source/TVA/Site%20Content/Environment/Environmental%20Stewardship/IRP/2019%20Documents/TVA%20Draft%20IRP%20Vol%20I-reduced.pdf

Energy Alabama Recommendation: Increase the voting weight of the IRPWG to 60% and allow the IRPWG to independently present its recommendations to the TVA Board of Directors.

III. TVA Should Refrain from Changing Programs During an IRP

TVA has embarked on a multi-year effort to eviscerate its energy efficiency and renewable energy programs, most recently eliminating its Green Power Providers program without a replacement.⁵ Further, it introduced a new “Grid Access Charge”, which Energy Alabama is currently challenging in federal court.⁶ TVA’s actions belie the stated purpose of its 2019 IRP, flexibility. Observers are left to conclude that TVA is, at worst, completely hostile to energy efficiency and renewable energy, and at best, hostile to customer savings and ownership of generation assets.

IRPs are intended to be useful planning tools for utilities but when substantive programmatic changes are made after the base case has been modeled, the IRP loses its usefulness, perhaps by intent. TVA updated its base case after the Board of Directors decided to close the Bull Run and Paradise coal-fired power plants.⁷ However, TVA did not update the base case when it changed energy efficiency and renewable energy programs. As a result, the IRP shows energy efficiency and renewable energy in many runs of the model that will no longer occur, leaving the IRP misleading at best.

Energy Alabama Recommendation: TVA should not change any customer facing program while undergoing an IRP planning process.

IV. TVA Should Have Explicitly Shown the IRPWG Material Changes Between 2015 IRP and the 2019 Draft IRP

The IRPWG consists of individuals and organizations of varying levels of background in energy. As such, TVA has a responsibility to explain the intricacies of electricity planning and operations so that all committee members, and the public, have an opportunity to provide meaningful input. TVA did provide context for some changes when discussing the modeling inputs, but TVA did not fully explain the differences in results between IRPs.

For example, in the 2019 draft IRP, TVA instituted a seasonal reserve margin, a new practice compared to the 2015 IRP.⁸ Although Energy Alabama disagrees with this practice, the IRPWG received an explanation about why TVA staff chose to adopt this system. TVA failed however, to adequately explain how the new practice changed the outcome of the 2019 draft IRP in comparison to the old practice. In other words, TVA should have shown the IRPWG what the draft IRP would have looked like had they used 2015 assumptions about reserve margins, so that the IRPWG could have debated the merits of its use. Total resource costs and “blocks” for energy efficiency programs were new additions the draft 2019 IRP compared to the 2015 IRP and neither was sufficiently explained to the IRPWG.

Energy Alabama Recommendation: Before publication of the draft IRP, TVA staff should brief the IRPWG on all material changes between the most recent IRP and the upcoming IRP draft.

⁵ See <https://www.tva.com/Energy/Valley-Renewable-Energy/Green-Power-Providers>, last accessed April 4, 2019.

⁶ See <https://www.timesfreepress.com/news/business/aroundregion/story/2018/sep/06/environmental-groups-sue-tva-overtake-rate-change-made-without-environmental-review/478519/>

⁷ See <https://www.knoxnews.com/story/money/business/2019/02/14/tva-close-paradise-bull-run-coal-plants/2847548002/>, last accessed April 5, 2019

⁸ TVA, draft IRP Section 4.2

V. TVA Should Pursue a Distributed IRP With All Possible Speed

TVA stated from the beginning of the 2019 IRP process they would not be embarking on a distributed IRP (DIRP) until an undefined time in the future. The Tennessee Valley hosts a unique relationship to public power with more than 150 local power companies who are contractually obligated to purchase their power from TVA.

The 2019 IRP process laid bare the divisions between the historic business model involving TVA and local power companies and the business model of the future, which will require more input, flexibility, and control on the part of local power companies and regular consumers. A DIRP, done correctly, would allow resources sited by customers and local power companies to compete against central generation owned or operated by TVA.

TVA's current IRP planning process is not equipped to deal with these business model changes and is inadequate for planning TVA's future. Every year TVA does not embark on a distributed IRP is another year TVA falls behind on the economic growth and system savings that can come from joint planning of the distribution system for distributed energy resources.

Energy Alabama Recommendation: As soon as possible, TVA, TVPPA, and Valley stakeholders should embark on a first of its kind distributed IRP.