

# SOUTHERN ENVIRONMENTAL LAW CENTER

Telephone 615-921-9470

1033 DEMONBREUN STREET, SUITE 205  
NASHVILLE, TN 37203

Facsimile 615-921-8011

June 4, 2020

*SUBMITTED VIA EMAIL with attachments*

Matthew Higdon  
NEPA Specialist  
Tennessee Valley Authority  
400 West Summit Hill Drive, WT 11B  
Knoxville, TN 37902  
mshigdon@tva.gov

**RE: Additional Information Regarding TVA Power Supply Flexibility Proposal  
Draft Environmental Assessment: MLGW Draft IRP and Related  
Documents**

Dear Mr. Higdon:

The Southern Environmental Law Center (SELC) respectfully submits additional comments regarding the Tennessee Valley Authority (TVA) Power Supply Flexibility Proposal Draft Environmental Assessment (Draft Flexibility EA) based on new information.<sup>1</sup> The information was provided by Siemens Industry, Inc., Siemens Power Technologies (Siemens), in a Draft Integrated Resource Plan (Draft IRP) published on May 29, 2020, to aid Memphis Light, Gas and Water (MLGW) in deciding whether to terminate its power supply contract with TVA.

The Draft IRP includes analysis of the Long-term Contract and confirms the significant environmental impacts associated with it, underscoring the inadequacy of TVA's environmental review of both the Long-term Contract and the Flexibility Proposal. Siemens analyzed ten energy portfolios, each with a different mix of local generation and market purchases from the neighboring Midcontinent Independent System Operator.<sup>2</sup> Siemens evaluated the portfolios based on reliability, affordability, price risk, sustainability, market risk, economic growth, and

---

<sup>1</sup> Draft Flexibility EA, available at [https://www.tva.gov/file\\_source/TVA/Site%20Content/Environment/Environmental%20Stewardship/Environmental%20Reviews/Flexibility%20Proposal/TVA%20Power%20Supply%20Flexibility%20Proposal%20Draft%20EA%20April%203.2020.pdf](https://www.tva.gov/file_source/TVA/Site%20Content/Environment/Environmental%20Stewardship/Environmental%20Reviews/Flexibility%20Proposal/TVA%20Power%20Supply%20Flexibility%20Proposal%20Draft%20EA%20April%203.2020.pdf).

<sup>2</sup> Att. 1, DRAFT: Integrated Resource Plan Report, Memphis Light, Gas, and Water, Part I at 1 (May 2020) (MLGW Draft IRP), available at <http://www.mlgw.com/about/IRPDraftDocument>; *see generally* Att. 1-3 (MLGW Draft IRP Parts I, II, and III); *see also* Att. 4, Siemens, Presentation, Integrated Resource Plan—Draft Results, PSAT Meeting (May 29, 2020).

resiliency.<sup>3</sup> Siemens' preferred portfolios would decrease CO<sub>2</sub> emissions by more than 50% relative to the Long-term Contract.<sup>4</sup> All of the top four portfolios reduce emissions by at least 25% relative to the Long-term Contract.<sup>5</sup> In MLGW's top two portfolios, over 75% of energy is from non-hydro renewable sources.<sup>6</sup> In contrast, TVA would generate merely 6.5% of its energy from non-hydro renewable sources.<sup>7</sup>

Not only would these alternatives potentially substantially decrease local and global environmental impacts, but they would also save Memphians millions of dollars. Compared with the Long-term Contract, the top two portfolios would save MLGW \$122 million per year.<sup>8</sup> Those savings mean MLGW could substantially decrease costs for Memphis, whose citizens bear the worst energy burden in the country. By analyzing MLGW's alternatives, the Draft IRP makes clear the significant socioeconomic, energy, air, and climate impacts of the Long-term Contract that should have been studied by TVA before implementing it. These impacts must be studied by TVA before entering into any additional Long-term Contracts with local power companies and before implementing the Flexibility Proposal. Further, the exhaustive technical study in the Draft IRP has intensified the controversy over whether Memphis should sign the Long-term Contract by making its financial and environmental impacts clear.<sup>9</sup> TVA must conduct an Environmental Impact Statement to take a hard look at the significant environmental impacts the Long-term Contract will have—not only in Memphis but throughout the Tennessee Valley.

Sincerely,



Trey Bussey  
Associate Attorney

---

<sup>3</sup> MLGW Draft IRP at 8–9.

<sup>4</sup> *Id.* at Part II, 223.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at Part II, 224.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at Part I, 18.

<sup>9</sup> *See id.*; see also Att. 5, Samuel Hardiman, *Memphis could see more than \$100M in annual savings if it leaves TVA, draft of power supply report shows*, MEMPHIS COMMERCIAL APPEAL (May 29, 2020), <https://www.commercialappeal.com/story/news/2020/05/29/mlgw-could-save-millions-leaving-tva-joining-miso/5282548002/>.

**List of Attachments**

Att. 1, DRAFT: Integrated Resource Plan Report, Memphis Light, Gas, and Water Part I (May 2020)

Att. 2, DRAFT: Integrated Resource Plan Report, Memphis Light, Gas, and Water Part II (May 2020)

Att. 3, DRAFT: Integrated Resource Plan Report, Memphis Light, Gas, and Water Part III (May 2020)

Att. 4, Siemens, Presentation, Integrated Resource Plan—Draft Results, PSAT Meeting (May 29, 2020)

Att. 5, Samuel Hardiman, *Memphis could see more than \$100M in annual savings if it leaves TVA, draft of power supply report shows*, MEMPHIS COMMERCIAL APPEAL (May 29, 2020)