Tennessee Valley Authority Statement
EPA Public Hearings: Clean Power Plan Proposed Rule
Atlanta, Georgia
July 30, 2014

Good Morning, my name is John Myers, Director of Environmental Policy with the Tennessee Valley Authority. We appreciate the opportunity to be among the many voices at this public hearing. Congress tasked TVA with promoting the social and economic well-being of the residents of the Tennessee Valley. Reliable and affordable energy, economic development, and environmental stewardship are tools TVA uses to achieve this mission. TVA operates the nation’s largest public power system serving parts of Tennessee, Alabama, Mississippi, Kentucky, Georgia, North Carolina, and Virginia with a population of over nine million people. Although the region has progressed far in attaining a better quality of life, many of our residents and their communities still are struggling economically and have yet to recover from the economic recession. It is important to TVA that the proposed rule not undermine the progress that has been made.

We are continuing to review and analyze this complex rulemaking and will be providing EPA detailed comments. Today I want to talk about Building Block 3, “Using an Expanded Amount of Less Carbon-Intensive Generating Capacity.” It is appropriate that we deliver these comments here in Atlanta because the Southeast is uniquely impacted by this building block and the treatment of nuclear units under construction. Generation fleets across the Southeast have been transitioning to supplying electricity with lower carbon emissions. For TVA, this means relying more on renewable energy resources, natural-gas fired generation and, importantly, nuclear energy.

TVA is completing construction of a second unit at its Watts Bar Nuclear Plant in Tennessee. We have invested billions of dollars in this carbon-free resource and when Watts Bar Unit 2 comes on line in late 2015, it will be the first new nuclear unit in the 21st century and provide nearly 10,000 GWh of emission-free generation per year. Watts Bar Unit 2 is an integral component of TVA’s goal to achieve a more balanced, cleaner portfolio of energy resources. We expected this investment to give TVA a good start toward complying with any carbon emission regulations. Under EPA’s rule as proposed, that does not happen. Rather, TVA and other utilities with nuclear units under construction are handicapped because generation from these units is used to set more stringent limits on affected fossil fleets in our States. Rather than gaining compliance margin under the proposed rule, TVA’s and Tennessee’s compliance risks are increased. That is not right. That is poor environmental policy.

EPA asserts that there is flexibility for a state to use some, none, or all of the building blocks in crafting State Plans, but States with nuclear under construction have no valid options to assuage the impact of this block due to its size. Any single source making this much contribution to a state’s reduction provides a compliance risk to the region. The proposed rule effectively punishes this early action and investment by our ratepayers by creating a big compliance risk.

We wanted to bring this to EPA’s attention and appreciate the opportunity to make these brief comments.

Thank You.