

Attachment 9

**Tennessee Valley Authority
Compliance Strategy
for E.O. 13149**

Original: October 4, 2002
Revised: November 4, 2004
Revised: November 30, 2005

Tennessee Valley Authority Compliance Strategy for E.O. 13149

Executive Summary

TVA's mission includes generating and transmitting electric power to fulfill the needs of almost eight million users throughout TVA's seven-state service territory, and specifically includes the major objective of selling the power at rates as low as feasible. All TVA operations (including but not limited to 29 hydroelectric plants, 15 fossil-fueled plants, three nuclear plants, and 17,000 miles of transmission lines and facilities) are independently funded by power sales and by power revenue bonds (which are not obligations of, nor backed by, the United States); TVA receives no appropriated funds. Consistent with its mission requirements and its independent corporate status, TVA intends to comply with E.O. 13149 to the extent feasible. TVA has a long history of demonstrating stewardship toward energy reduction and fuel efficiency and will continue to work toward meeting fuel reduction and vehicle efficiency.

TVA's fleet strategy is to examine current vehicle use and replacement and where possible, choose replacement vehicles that are most efficient. TVA, as a major provider of electricity will continue to make use of alternative fueled vehicles (AFVs) including those that use electric power and acquire additional vehicles to meet requirements under EPAct92. TVA has recognized the value of hybrid electric vehicle technology in reducing fuel consumption, increasing versatility, and promoting electric propulsion and has included these vehicles in its fleet. TVA created a hybrid-fleet program in FY 2002 which is a partnership effort between TVA's Energy Management and Fleet Management organizations. In FY 2005, TVA added five hybrid gas/electric vehicles and 20 AFV's to its fleet, bringing the total number of hybrid vehicles to 25 and AFV's to 54.

In FY 2005 TVA reported in its "Federal Agency Annual Report on Energy Management" the following data:

- Annual MPG Sedans – 27.3
- Annual MPG Light Trucks (4x2) – 14.8
- Annual MPG Light Trucks (4x4) – 13.4

I-1. TVA Petroleum Use

Petroleum use for covered vehicles will continue to be reported in FAST; however, gasoline and diesel fuel usage for FY 2005 and associated cost is listed below. This data includes fuel used by light duty, medium duty and heavy duty vehicles. The source of this data is the "TVA Energy Management Annual Report for FY 2005."

- Gasoline – 2,412,954 gallons. Cost: \$4,511,774
- Diesel Fuel – 807,082 gallons. Cost: \$1,597,886

To increase MPG for FY 2006, TVA plans to purchase more fuel efficient vehicles where possible, including additional hybrid vehicles. Fuel saving activities will be reported each year in the TVA Energy Management Annual Report.

I-2. TVA Fleet Characteristics and AFVs

TVA vehicles are spread across its seven-state service area. The TVA service area covers all of Tennessee and portions of six other states; therefore, employees are widely dispersed and often travel significant distances to attend meetings and presentations. TVA vehicles are used primarily outside of metropolitan statistical areas as described in EPAAct92. Also, significantly for purposes of EPAAct92 Alternative Fueled Vehicle requirements, TVA has no central fueling facilities in metropolitan statistical areas. Further, as coordinated with DOE, TVA vehicles used in maintaining the reliable operation of the power system appear to be within the intent of EPAAct92 exemptions such as for emergency or off-road vehicles. Based on these facts, EPAAct92 does not impose significant AFV purchase requirements on TVA but, TVA nonetheless does intend to continue to add to its current fleet of AFVs. Annual fleet characteristics for vehicles covered under EPAAct92 will be reported in FAST.

I-3. TVA Fleet Strategy to Reduce Fuel Use and Increase Efficiency

TVA's fleet strategy is to replace vehicles with those that are more efficient where practical. To facilitate this effort TVA has produced several guides accessible to employees as needed, which graphically compare the fuel use and operating costs of various types of vehicles.

TVA will continue to utilize various transportation options related to increasing efficiency including the use of personal vehicles, short term rental cars, short term leases and assigned vehicles. This information will also be made available to employees to determine the best method of transportation based on trip duration and miles driven.

TVA examines current vehicle use and replacement and where possible, chooses replacement vehicles that are most efficient. TVA, as a major provider of electricity, will continue to make use of alternative fueled vehicles that use electric power and acquire additional vehicles to meet requirements under EPAAct92. TVA recognizes the value of hybrid electric vehicle technology in reducing fuel consumption, increasing versatility, and promoting electric propulsion. TVA has added hybrid vehicles to its fleet and will continue to do so.

TVA's Agency Energy Management Committee (AEMC) facilitates compliance with federal statutes, Executive Orders, federal regulations, TVA energy and related environmental management objectives, and obligations under the Environmental Protection Agency's (EPA) Green Lights Program (GL), EPA's Energy Star Buildings Program (ESB) and EPA's Energy Star Program (ESP). The AEMC serves as the agency energy team. This committee is comprised of representatives from each TVA organization responsible for energy management and associated environmental considerations in facility and general operations inside the agency. The AEMC provides an avenue for sharing lessons learned and replicating success, including fuel use and increased vehicle efficiency. This committee meets every other month.