



Draft Energy Efficiency and Demand Response Plan Presentation

TVA 2007 Strategic Plan

ENVIRONMENTAL STRATEGY OBJECTIVE SUMMARY

Support TVA's long-term success by managing environmental risk and impacts, increasing business and public value of environmental management and enhancing TVA's reputation.

Environmental Policy and Framework

ENVIRONMENTAL DIMENSIONS

Climate Change Mitigation

Air Quality Improvement

Water Resources Improvement

Waste Minimization

Sustainable Land Use

Natural Resource Management

Energy Efficiency and Demand Response Strategy

IMPLEMENTATION PLANS

Energy Efficiency and Demand Response Strategy

Renewable Energy Strategy

Land and Shoreline Strategy

Natural Resource Strategy

Recreation Strategy

Clean Air Strategy

Carbon Strategy

Water Resource Strategy

Waste Management Strategy

Hazardous Materials Strategy

TVA Facilities and Fleet Operations

Others



TVA Strategic Plan

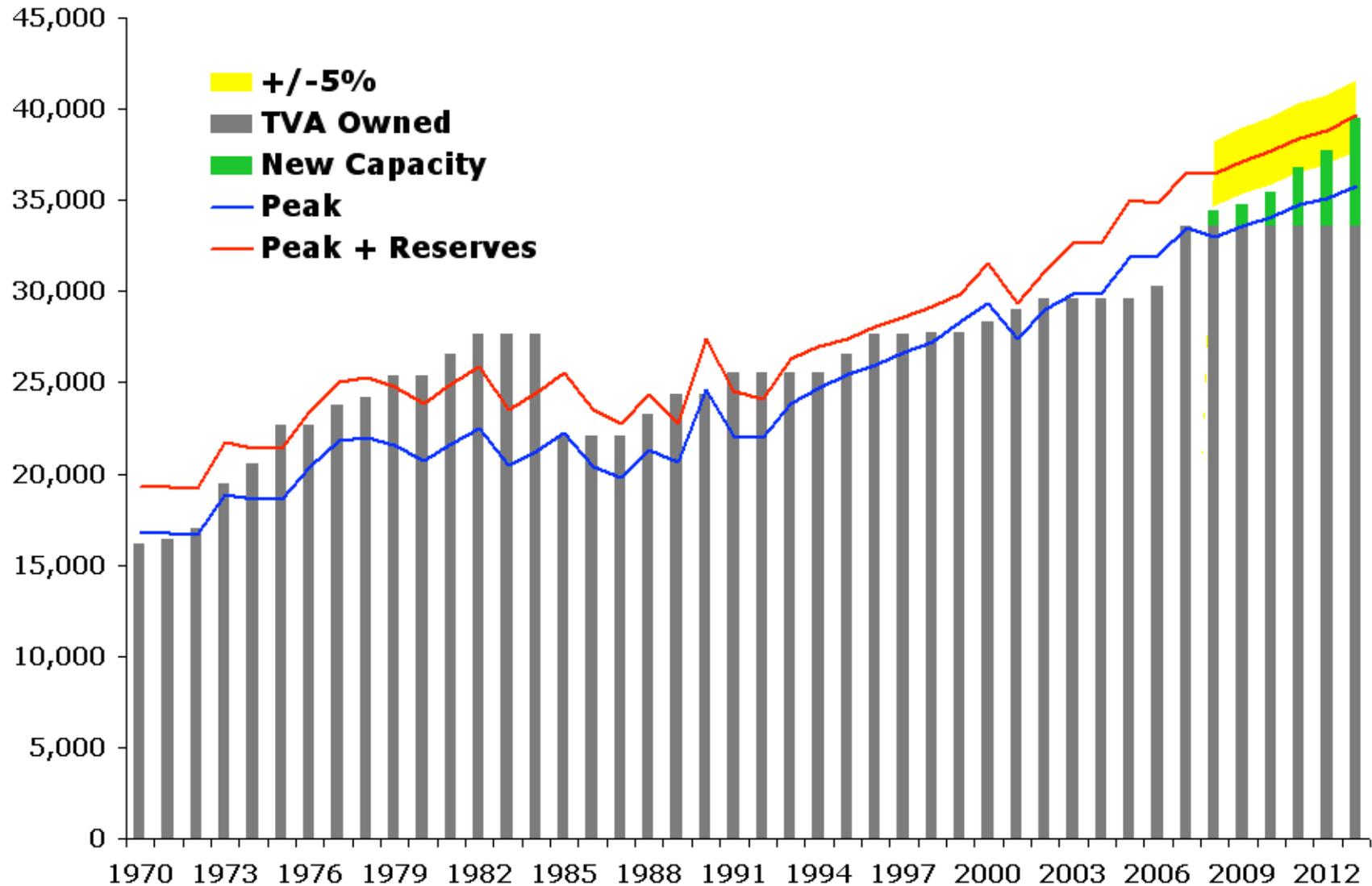
Energy Efficiency Improvement and Peak Demand Reduction

“In partnership with others, TVA will strive to be a leader in energy-efficiency improvements and peak demand reduction over the next five years.”

“Improving energy efficiency and reducing peak demand are significant actions that help slow demand growth in a cost-effective manner while addressing air pollution and global climate change.”

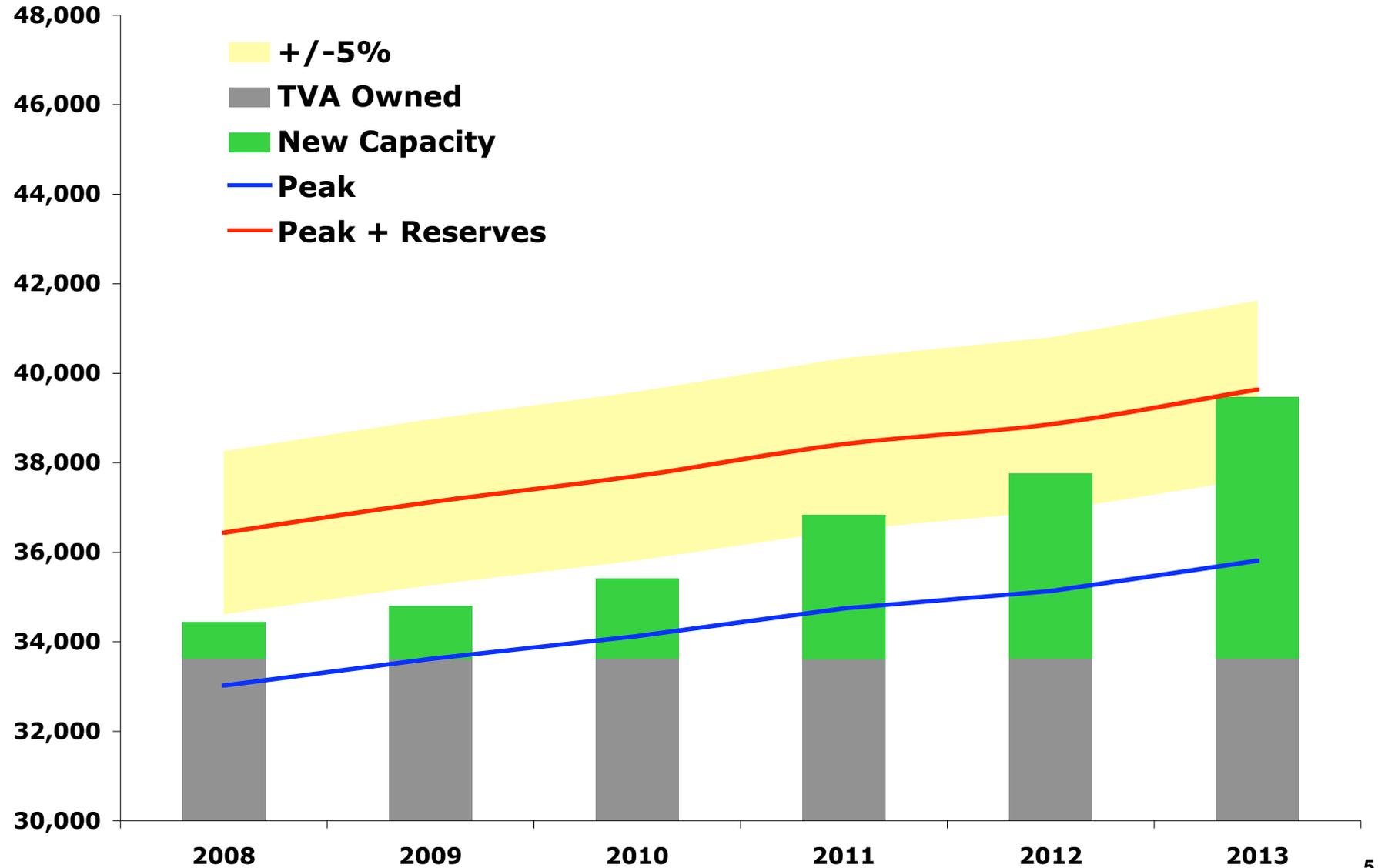
TVA Projected Peak Demand Growth

Megawatts

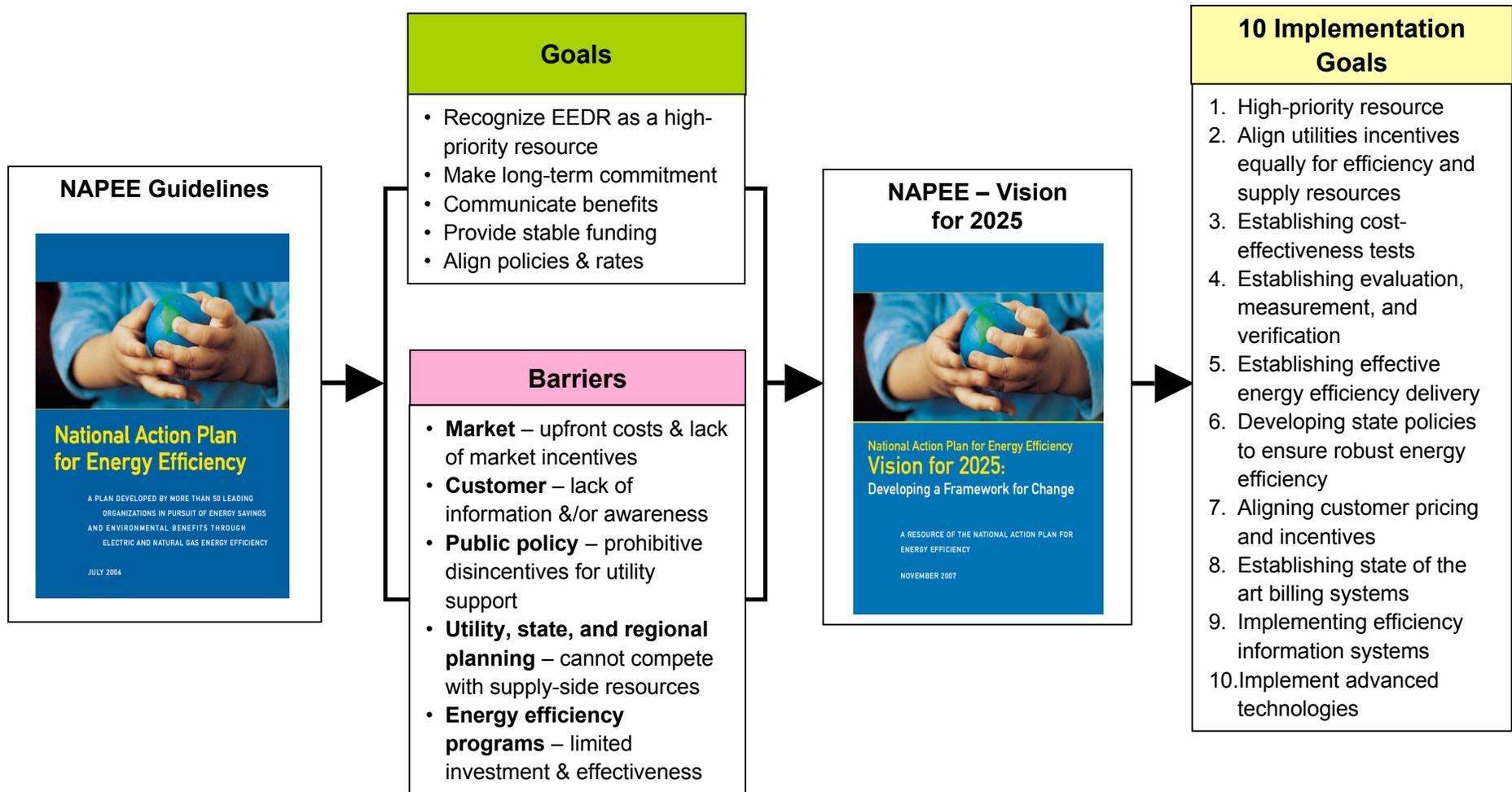


TVA Projected Peak Demand Growth

Megawatts



TVA National Action Plan for Energy Efficiency



TVA Strategic Plan

Environmental

- Lower environmental footprint
- Regulatory requirements
- Clean energy

Financial

- Debt to asset ratios
- Sound financial health
- \$/MW \$/MWh

Operational

- +/-5% TVA owned generation
- Diverse portfolio
- Energy security

Customer

- Lower cost bills
- Social responsibility
- Reliability
- Rapid deployment

Policy and Framework

Guiding Principles

Goals

EE/DR Action Plans

- ▶ Recognize as high-priority resource
- ▶ Communicate benefits
- ▶ Policy & rate alignment

- ▶ Long-term commitment
- ▶ Provide stable funding

EE/DR PLAN

Energy Efficiency Programs

Demand Response

End Use Generation

Internal Reductions

EE/DR Plan Goals

Inform and educate all stakeholders

Stimulate and transform marketplace

Support development of standards and regulations

Provide proper pricing signals

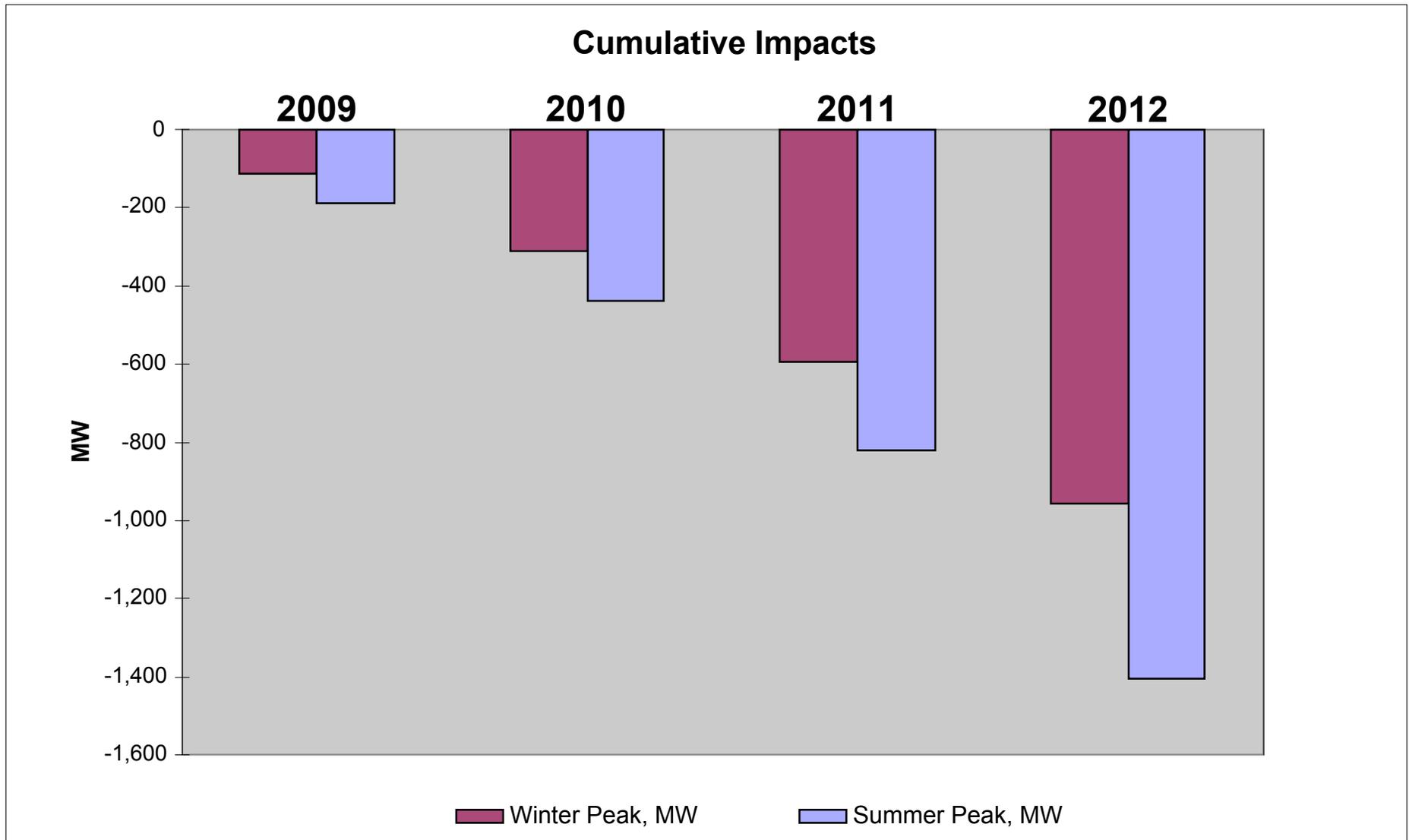
Enable automatic metering and direct load control

Expand and support clean end-use generation

Continue premium Green Power Switch Program

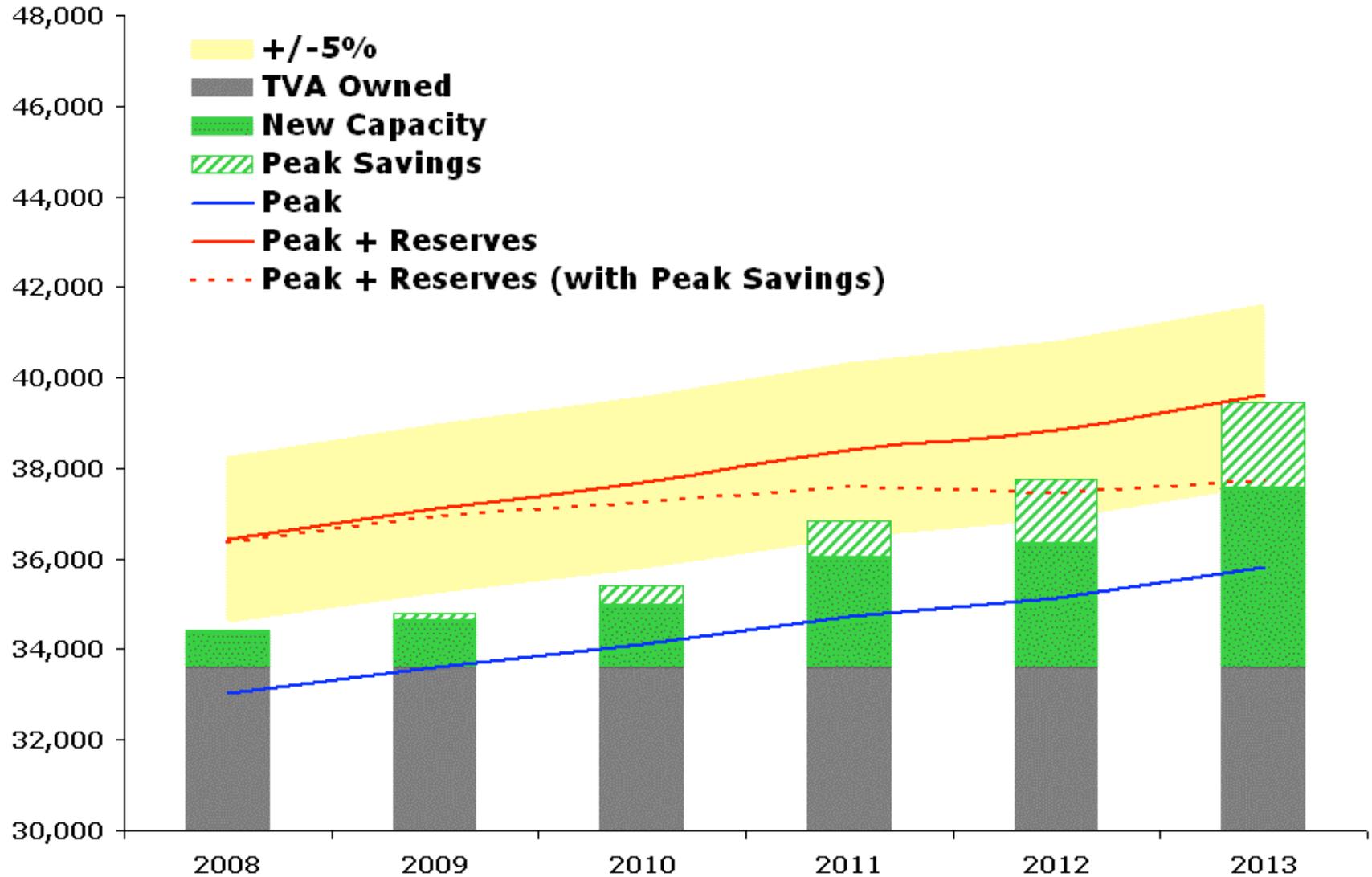
Define quantity and cost goals

TVA Potential Program Impacts Through 2012



TVA Projected Peak Demand Growth

Megawatts



Next Steps

Public input

Power distributor input

Guiding principles considered by Board at May meeting

Finalize plan (subject to environmental review)

Product development and education campaign

Begin implementation

