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United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

RICHARD M. RUSSELL, MAJORITY STAFF DIRECTOR
MARY FRANCES REPKO, MINORITY STAFF DIRECTOR

February 13, 2019

The Honorable Richard Howorth
Chair of the Board of Directors
Tennessee Valley Authority
400 W. Summit Hill Dr. SW
Knoxville, TN 37902

Dear Chairman Howorth:

I write concerning the Tennessee Valley Authority's (TVA) upcoming vote on the potential phase out and retirement of the Paradise Fossil Plant and Bull Run Fossil Plant. I encourage the TVA Board to do what is right for the TVA ratepayers.

During my service on the Senate Environment and Public Works Committee, which oversees TVA, I have long encouraged TVA to be an industry leader, not a laggard, when it comes to energy reliability, energy costs and protecting public health. I expressed this sentiment to you personally when you were last before the committee, as I did to your other TVA Board Members. I believe TVA has made great strides on all of these fronts, especially when it comes to increasing energy efficiency and reducing pollution that effects the valley's air and water. My hope is that TVA continues on this path, which has been good for the environment and for ratepayers.

It is my understanding that as far back as 2004, TVA decided to invest more dollars in diversifying its energy portfolio, which meant divesting away from older coal plants and more into clean energy, most notably nuclear power. TVA knew then, as it knows now, that the costs of running TVA's oldest coal plants did not make sense long-term for TVA ratepayers. Today, with Watts Bar Plant running at full capacity and other investments in clean energy, TVA must make additional changes in its portfolio to keep ratepayer costs low and meet lower energy demands.

As a former Governor, I know it is never easy on a community to close a local industrial plant, much less a local coal plant which provides good-paying jobs for hundreds of workers. Fortunately when creating TVA, Congress directed the agency to keep electricity rates "as low as feasible" and encourage economic development in the area it serves. TVA has been successful at meeting both of these objectives in the last decade by bringing in new economic opportunities to closing facilities. For example, TVA's investments in a co-generation facility at the retired Johnsonville Fossil Plant outside Nashville, TN preserved 1,100 jobs in the area. TVA also successfully attracted Google to build a \$600 million data center at the site of retired coal units at the northern Alabama Widows Creek Fossil Plant. Google broke ground on the Widows Creek data center last year and beyond the construction jobs, hopes to employ up to a hundred plus employees long term. I strongly encourage TVA to continue to replicate these economic development successes and hope the Board will commit to finding new economic opportunities for any community that may face job losses as a result of a TVA plant closure.

With regards to Thursday's vote, I would appreciate it if you would provide me with answers to the following questions, along with related information:

1. If the Paradise Fossil Plant and Bull Run Fossil Plant are kept open beyond 2020 and 2023 respectively, would there be an additional cost to TVA ratepayers? If so, are there estimates of those additional costs per household?
2. It is my understanding that the recent investments in nuclear power have been able to help cover the power needs of the two coal-fired facilities in question. Is that true? If so, please elaborate.
3. Have you or any of your fellow TVA Board Members been approached by anyone that represents Murray Energy to discuss Mr. Murray's views on this issue or discuss the Murray Energy Plan? If so, please describe the time and who participated in these meetings.
4. If TVA is forced to continue to invest the millions of dollars to keep these aging coal plants operationally, could these costs potentially derail or stall investments that would have otherwise gone into small module reactors and other advanced nuclear reactors?
5. Are either of these facilities critical to reliability or resiliency of the electric grid, either in the TVA service area or national grid?
6. Does TVA have an economic development plan to help ease any economic burden the local communities may experience with these closures? If TVA does not have a plan, as part of your vote on Thursday, would you consider directing staff to develop such a plan?

My hope is that you and your fellow TVA Board Members will continue to keep your commitment to ensure TVA is an industry leader that keeps rates "as low as feasible," while also improving the valley's air and water. I thank you in advance for your answers and will be watching Thursday's vote closely. If you or your staff have questions about this letter, please contact me directly or you can contact Laura Gillam of my Environment and Public Works Committee staff at laura_gillam@epw.senate.gov.

With best personal regards, I am,

Sincerely yours,


Tom Carper
Ranking Member

cc: Bill Johnson, CEO and President
Kenneth Allen, Board Member
A.D. Frazier, Board Member
Virginia Lodge, Board Member
Jeff Smith, Board Member
James Thompson, Board Member
Ronald Walter, Board Member