

Third Quarter Fiscal Year 2022 Investor Webcast

August 2, 2022

Introduction



Tammy Wilson
Vice President, Treasurer &
Chief Risk Officer

Agenda

Third Quarter Fiscal Year 2022 Review

- Jeff Lyash, President & Chief Executive Officer

Review of Financial Performance

- John Thomas, Executive Vice President & Chief Financial and Strategy Officer

Question and Answer Session

Closing Remarks

“Safe Harbor” Statement

This document contains forward-looking statements relating to future events and future performance. All statements other than those that are purely historical may be forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as “may,” “will,” “should,” “expect,” “anticipate,” “believe,” “intend,” “project,” “plan,” “predict,” “assume,” “forecast,” “estimate,” “objective,” “possible,” “probably,” “likely,” “potential,” “speculate,” the negative of such words, or other similar expressions. Although TVA believes that the assumptions underlying the forward-looking statements are reasonable, TVA does not guarantee the accuracy of these statements. Numerous factors could cause actual results to differ materially from those in the forward-looking statements. For a discussion of these factors, please see the annual, quarterly, and periodic reports that TVA files with the Securities and Exchange Commission. New factors emerge from time to time, and it is not possible for management to predict all such factors or to assess the extent to which any factor or combination of factors may impact TVA’s business or cause results to differ materially from those contained in any forward-looking statement. TVA undertakes no obligation to update any forward-looking statement to reflect developments that occur after the statement is made.

Third Quarter Fiscal Year 2022 Review



**Jeff Lyash
President &
Chief Executive Officer**

FY22 Strategic Priorities

Focused on key priorities that will help TVA continue to achieve its mission



**Powerful
Partnerships**



**People
Advantage**



**Operational
Excellence**



**Igniting
Innovation**



**Financial
Strength**

Powerful Partnerships

TVA and Local Power Companies - delivering low cost, reliable power

95% of LPCs on 20-year agreements *

77% of revenues FYTD

\$141 million partner credits FYTD

Cumulative partner credits **total over \$500 million**

79 partners with flexibility agreements *

\$161 million pandemic credits for all customers FYTD

Cumulative pandemic-related credits **total over \$380 million**



*As of August 1, 2022

People Advantage

Amplifying the energy, passion, and creativity within each TVA employee



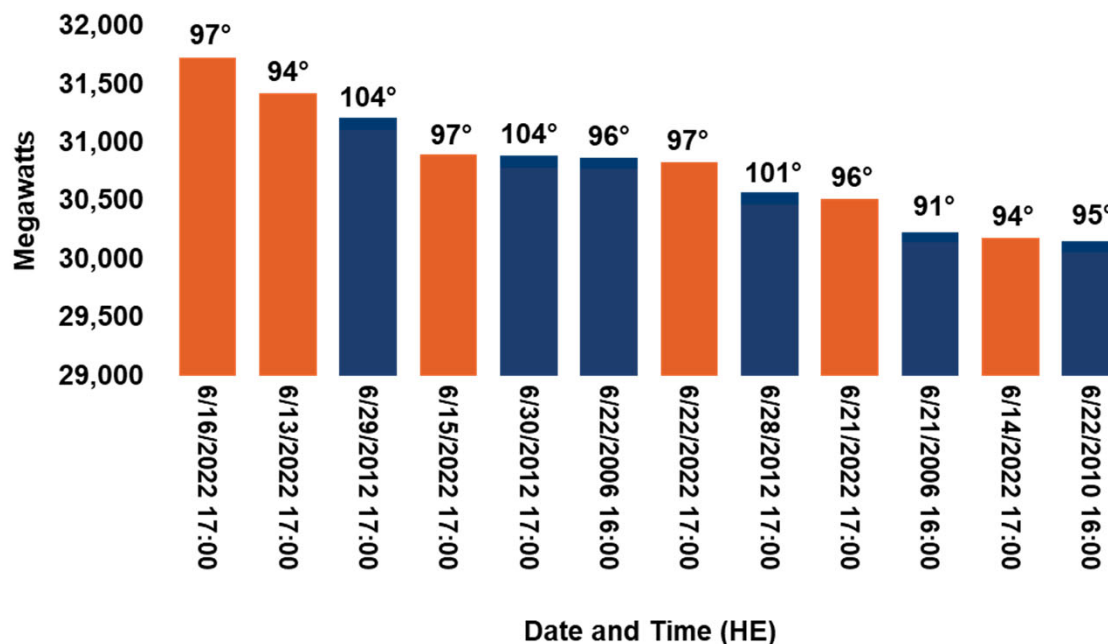
Operational Excellence: Meeting Summer Demand

Meeting record demand - half of TVA's highest June peaks on record met in June 2022

June 2022 Power Demand Statistics:

- Only 12 TVA June peaks above 30,000 megawatts on record - *half were in June 2022*
- Set a new TVA all-time June peak of 31,626 megawatts
- TVA recorded the four highest June energy days during June 2022, over consecutive days
- System average temperature of 99 degrees on June 21st was the highest system average since 2012

Top 12 TVA June Peaks



Operational Excellence: Meeting Summer Demand

TVA's power system remains stable, reliable, and resilient

TVA Tennessee Valley Authority
@TVANews

Wednesday's peak power demand was 30,725 megawatts at 6:00 PM ET at a regional average temperature of 97°. It was the seventh-highest June peak in TVA history. Another hot day today! 🌡️💧 Money and energy saving tips . 📌
tva.me/3Wue50JFCHO
#Heatwave

TVA Tennessee Valley Authority
@TVANews

It's another hot day which means high power demand. Our Raccoon Mountain Pump Storage facility can be called into action to deliver 1,600 megawatts to help meet demand. When demand spikes, water is released down a thousand-foot shaft, turning the generators to create electricity!

TVA Tennessee Valley Authority
@TVANews

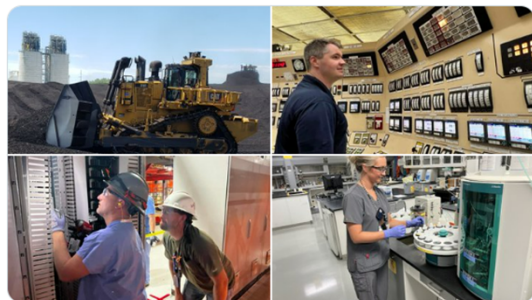
At 6 pm ET on Wednesday, the average temperature across the region was 97°, which drove power demand to 30,784 MW — the third highest June peak in TVA history. Companies that participate in our demand response programs helped reduce system load.



9:30 AM · Jun 23, 2022 · Hootsuite Inc.

TVA Tennessee Valley Authority
@TVANews

June has been hot as a 🌡️
The highest June energy usage days in TVA history occurred June 13-16, totaling over 2,420 gigawatt-hours of energy. That's enough to power NYC for almost 9 days!
How did our generating fleet, employees & partners meet demand? 📌 tva.me/vlk150JKvYf



10:00 AM · Jun 29, 2022 · Hootsuite Inc.



2 · Hootsuite Inc.

TVA Tennessee Valley Authority
@TVANews

Breaking a new record for June, Thursday's peak power demand was 31,617 MW at 6 pm ET at an avg. temp of 97°. The previous record was 31,311 MW, set on Monday. Operators in our System Operations Center dispatch generation and watch over the power & transmission system. #Heatwave



10:20 AM · Jun 17, 2022 · Hootsuite Inc.



ite Inc.

Operational Excellence

Meeting customer energy needs with industry-leading reliability and resiliency

99.999% power system reliability

Diverse fleet keeping costs lower

53% of power from carbon-free sources FYTD

5,000 MW Clean Energy RFP

Nuclear Energy Institute Top Innovative Practice Award

Completed WBN Unit 2 Steam Generator Replacement

Executing Asset Strategy

57% carbon reduction from 2005 levels*

*CO2 emissions are reported on a CY basis

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TVA TENNESSEE
VALLEY
AUTHORITY

Clean Energy RFP

One of the nation's largest carbon-free energy RFPs - up to 5,000 Megawatts by 2029

"We applaud TVA for recognizing the significant role nuclear energy will have alongside wind, solar and other low-carbon technologies to meet customer demand and grow economic development across the region."

– Maria Korsnick, President and Chief Executive Officer, Nuclear Energy Institute

"We applaud TVA for its continued leadership in transforming the nation's energy mix and for its forward-looking efforts to meet the evolving needs and expectations of the many communities that it serves."

– Tom Kuhn, President, Edison Electric Institute



Igniting Innovation: Nuclear Partnerships

Pioneering partnerships to develop advanced nuclear technology

Jointly working to develop advanced technologies:

- TVA-GEH Agreement (June 2022)
- TVA-OPG Agreement (April 2022)

Advantages of Partnerships:

- Reduce financial risks
- Share development costs and regulatory approval process
- Reduce deployment costs

Evaluate BWRX-300 SMR design for possible deployment:

- Darlington (OPG)
- Clinch River (TVA)

TVA



HITACHI

ONTARIO **POWER**
GENERATION

Leadership in Economic Development

FYTD 2022 Results



57,200+ Jobs
Created & Retained



\$9.6+ Billion
Capital Investment



Review of Financial Performance



John Thomas
Executive Vice President &
Chief Financial and
Strategy Officer

Summary of Financial Results

For Nine Months Ended June 30, 2022 - Comparison to Prior Year

Higher sales primarily due to economic growth and weather

Operating revenues 14% higher

Driven by higher fuel cost recovery revenue

Total effective power rates remain on trend

Effective rates reflect customer credits

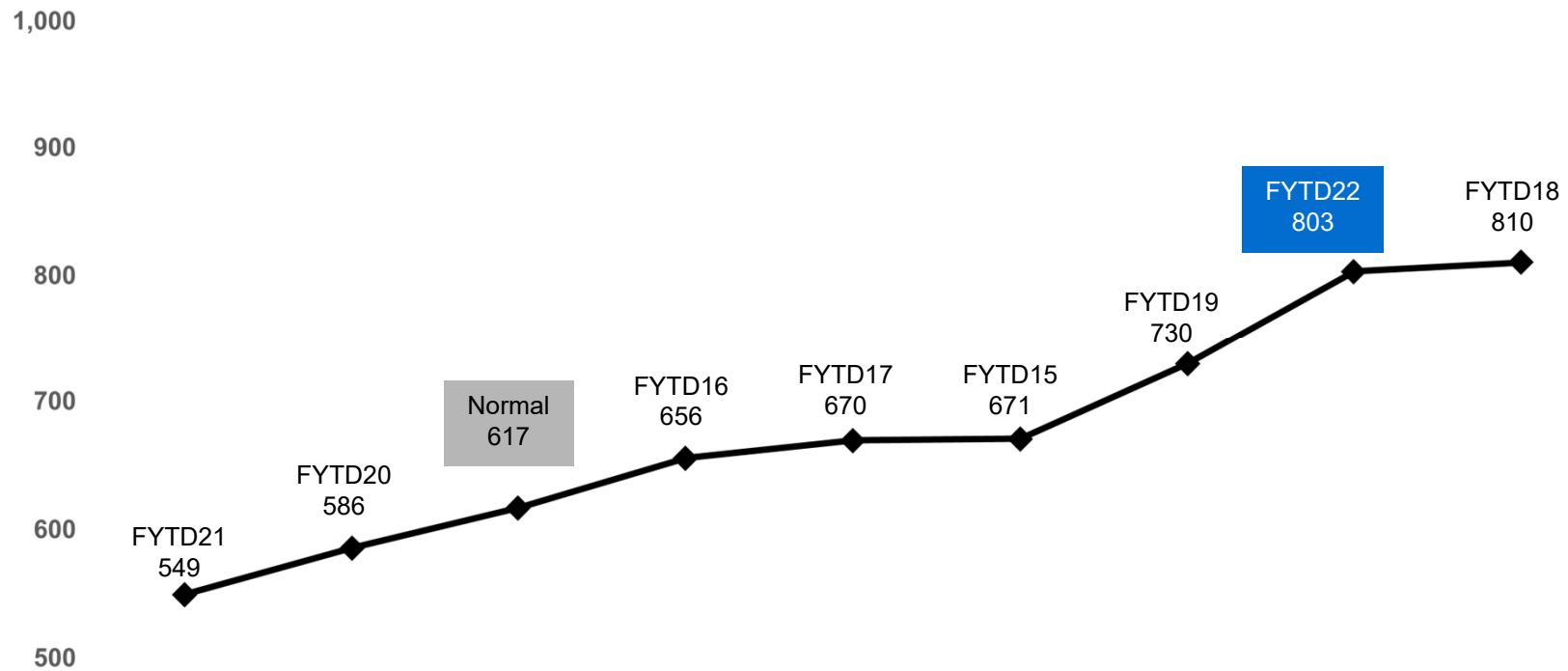
Diverse power system helping keep energy costs lower

Interest expense 4% lower

Driven primarily by lower debt balances and lower average long-term rates

Cooling Degree Days Above Normal

Higher Sales Due to Load Growth and an Increase in Cooling Degree Days



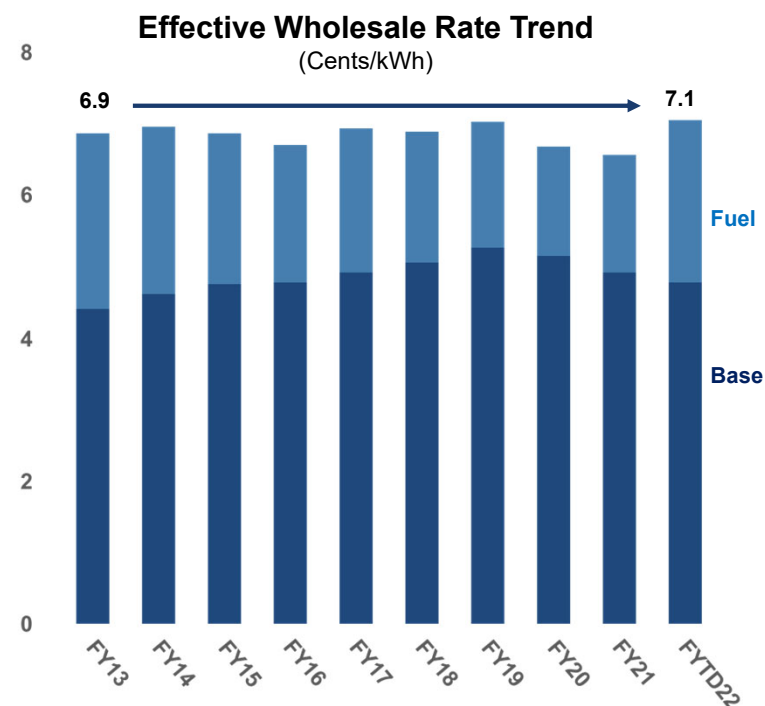
FY15 - FY17 data has been adjusted in order to incorporate a change in TVA's current calculation of total degree days

Sales & Revenue

Nine Months Ended June 30, 2022	2022	2021	Change	Percent Change
Power Sales (GWh)	117,547	113,606	3,941	3.5 %
Total Operating Revenues (\$ millions)	\$8,437	\$7,403	\$1,034	14.0 %
Base Revenue	5,649	5,486	163	3.0 %
Fuel Cost Recovery	2,657	1,803	854	47.4 %
Average Base Rate (¢/kWh)	\$4.8	\$4.8	\$0.0	— %
Average Fuel Rate	2.3	1.6	0.7	43.8 %
Total Effective Rate*	\$7.1	\$6.4	\$0.7	10.9 %

Calculations may be impacted by rounding

* Excludes other revenue and off-system sales impact; total effective rate numbers based on unrounded base and fuel rates

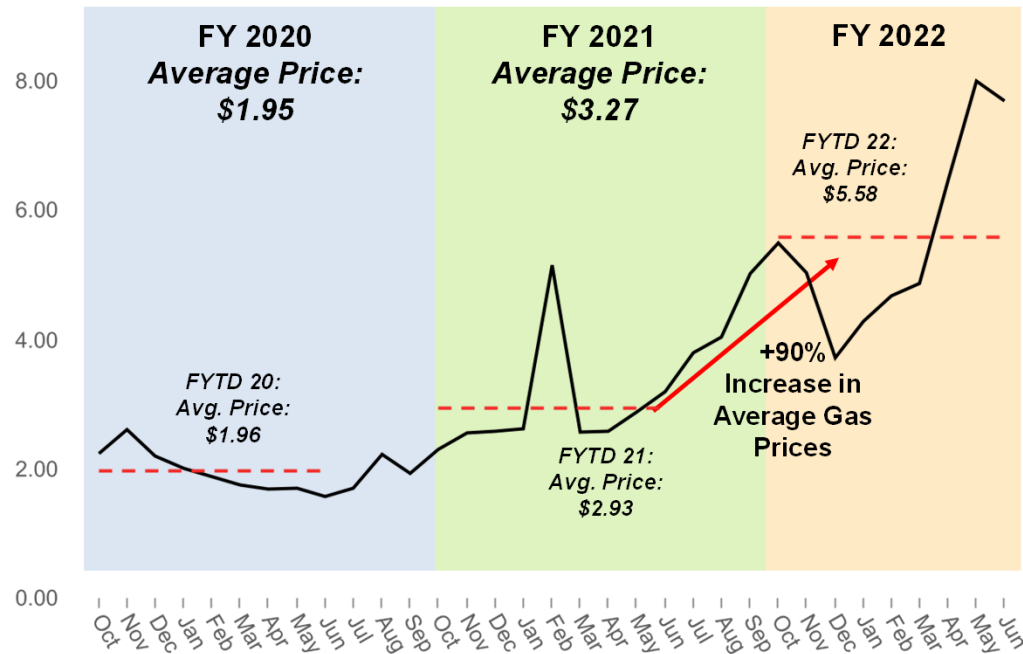


Power Supply Summary – FYTD 2022

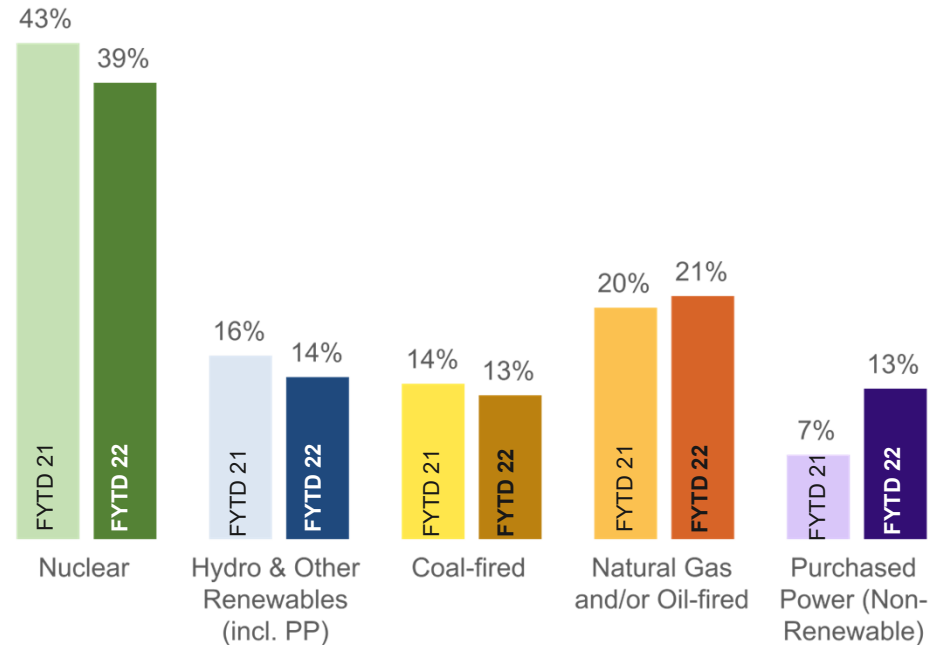
53% of TVA power from nuclear, hydroelectric, and other renewables – providing stability against rising energy prices

\$/mmBtu

Natural Gas Prices



Power Supply by Source



Source: Henry Hub Historical Prices

Expenses & Net Income

Nine Months Ended June 30, 2022	2022	2021	Change	Percent Change
Total Operating Revenues (\$ millions)	\$8,437	\$7,403	\$1,034	14.0 %
Base Revenue	5,649	5,486	163	3.0 %
Fuel Cost Recovery	2,657	1,803	854	47.4 %
Fuel & Purchased Power Expense	2,771	1,892	879	46.5 %
Operating & Maintenance Expense	2,269	2,106	163	7.7 %
Depreciation & Amortization	1,535	1,144	391	34.2 %
Tax Equivalents	412	371	41	11.1 %
Interest Expense	791	824	(33)	(4.0)%
Net Income*	\$476	\$909	\$(433)	(47.6)%

* Net income includes Other income (expense), net and Other net periodic benefit cost

Cash Flow & Balance Sheet Metrics

Nine Months Ended June 30, 2022

Net Cash Provided by / (Used in) (\$ millions)	2022	2021	Change
Operating Activities	\$1,834	\$2,227	\$(393)
Investing Activities	(1,978)	(1,698)	(280)
Financing Activities	147	(531)	678

Select Balance Sheet Metrics⁽¹⁾ (\$ millions)

	Jun. 30 2022	Sept. 30 2021	Change
Total Debt and Other Financing Obligations	\$20,720	\$20,543	\$177
Cash and Cash Equivalents	501	499	2
Total Debt and Other Financing Obligations Net of Cash and Cash Equivalents	20,219	20,044	175

(1) See Appendix - Regulation G Reconciliation

Recap of Financial Results

For Nine Months Ended June 30, 2022 - Comparison to Prior Year

Higher sales primarily due to economic growth and weather

All customers benefiting from Pandemic Recovery Credit

Partners realizing significant savings from credits

Diverse power system helping to offset rising energy prices

Continuing to benefit from lower debt balances

Question & Answer Session





Appendix – Regulation G Reconciliation

	June 30, 2022	September 30, 2021
Total Outstanding Debt	\$20,475	\$20,314
Exchange Gain - LT	110	58
Unamortized Discounts, Premiums, Issue Costs and Other	114	122
Debt of Variable Interest Entities	(1,035)	(1,056)
Bonds and Notes, Gross	\$19,664	\$19,438
Leaseback Obligations	—	25
Membership Interests of Variable Interest Entity Subject to Mandatory Redemption	21	24
Debt of Variable Interest Entities	1,035	1,056
Total Debt and Other Financing Obligations, Gross ("TFO")	\$20,720	\$20,543

Note numbers may be adjusted for rounding