



# **Renewable and Clean Energy Power Purchases**

## **Topic**

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TVA's goal is to have 50% of our overall power supply from clean and renewable sources by 2020

Purchasing more of these resources from the market will help us meet our goal

### **For Board Consideration**

Approve power purchases from renewable and clean energy resources



# Renewable energy guiding principles

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Renewables are one of many options to limit the impacts of climate change

Renewables and energy efficiency should be part of a clean energy portfolio featuring zero or near-zero carbon emissions

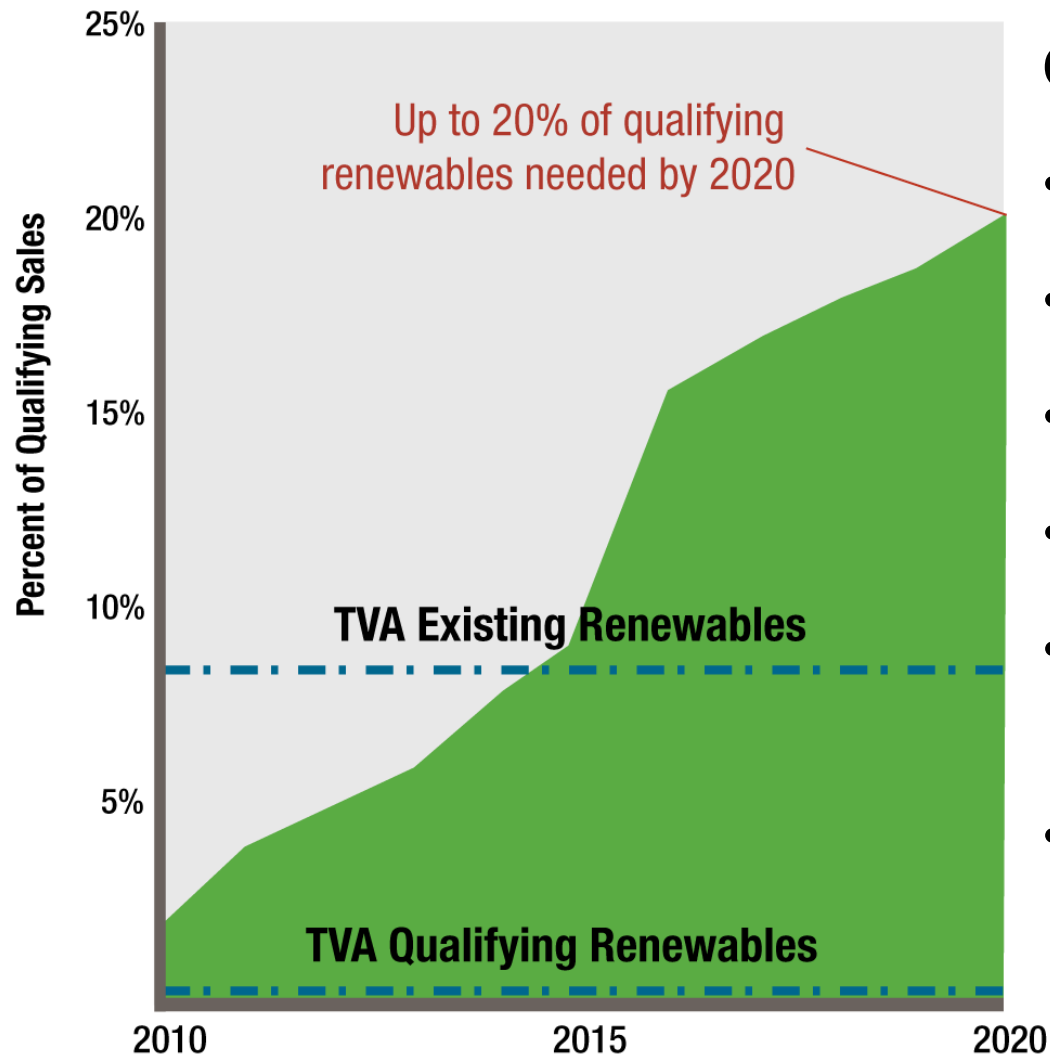
Need for more renewables will be met with the lowest cost options available

Technology innovations must address the intermittent availability of many renewables

Marketing and educational programs will encourage participation by consumers and suppliers



# Potential National Policy



## Compliance Methods

- Build Renewable Resources
- Generation Partners
- Energy Efficiency Credits
- Renewable Energy Credits
- Alternative Compliance Payments
- Purchase Renewable Power



# Renewable Purchase Status

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TVA asked for proposals from qualified providers in December 2008:

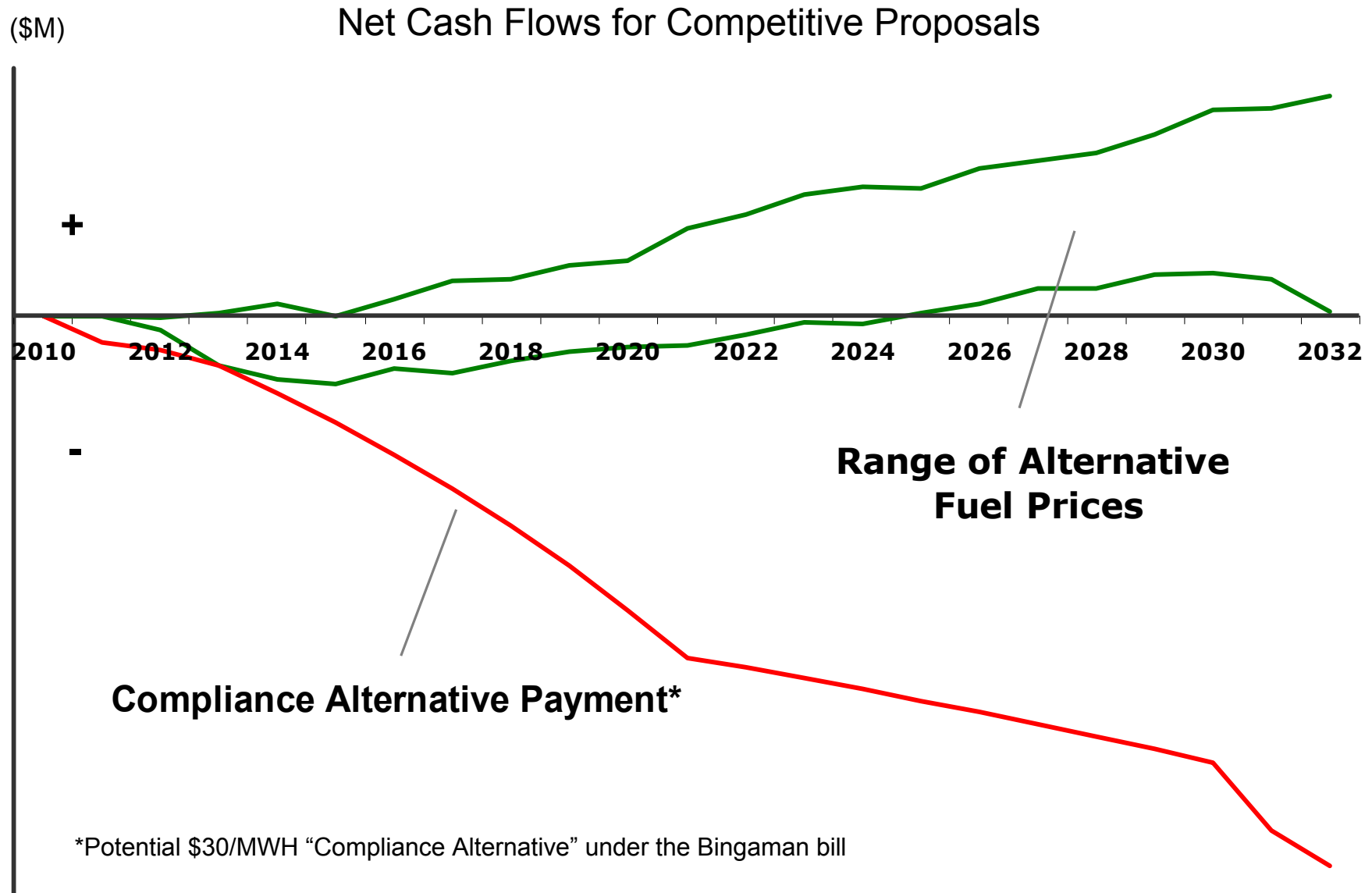
- Available energy from up to 2,000 megawatts of generating capacity (as early as June 2009)
- Sources must be wind, hydro, solar or biomass

## Results:

- More than 60 responses received
- Discussions are continuing with competitive responders



# Financial Impacts





## Recommendation

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Authorize the CEO to approve power purchase agreements and related contracts for renewable and clean energy resources:

- Prices must be competitive with forecasted electricity market prices over term of contract
- Available energy from up to 2,000 megawatts of renewable generating capacity
- Contract term not to exceed 20 years