

December 19, 2018

Congress of the United States

Washington, DC 20510

Mr. William Johnson
Chief Executive Officer
Tennessee Valley Authority
400 West Summit Hill Drive
Knoxville, TN 37902

Dear Mr. Johnson:

We write to express our deep concern over the Tennessee Valley Authority's (TVA) November 19, 2018, Potential Paradise Fossil Plant Retirement Draft Environmental Assessment (EA) and the potential retirement of Paradise Fossil Plant (Paradise) Unit Three. Retirement of Unit Three would hurt our constituents and the region, and we call on TVA to suspend any decision to take this action.

We wholeheartedly disagree with TVA's assessment that the retirement of Unit Three would have "minor direct adverse economic impacts." For our constituents, the loss of jobs, both directly at the facility and in supporting industries, will be far from minor. Unit Three directly employs 131 Kentuckians and supports approximately 135 Kentucky coal miners who supply the necessary resources. While the assessment suggests these employees may find employment in other fields in the area, it also clearly states that earnings in those industries are \$16,000 to \$29,000 less than earnings in the utilities industry. This loss of jobs and earnings would be an economic blow to the region. Were TVA to do a more robust assessment and provide projections on the impact to indirect employment the retirement of Unit Three could have, the agency would likely find that this decision could lead to the loss of hundreds of jobs and a significant decrease in local revenue in a rural part of the Commonwealth. It is disingenuous and alarming that TVA would find the economic impacts to the surrounding area to be "minor."

Furthermore, in the 2015 Integrated Resource Plan, TVA clearly stated the objective to, "Manage risk by utilizing a diverse portfolio of supply and demand-side resources." While we agree that a diversified portfolio of generating capacity is important to fulfilling TVA's mission, we also feel TVA's continued actions to retire coal generation units in an accelerated fashion undermines that objective. In fiscal year (FY) 2007, coal accounted for 58 percent of TVA's energy portfolio, but by FY 2018, coal only accounted for 26 percent of the portfolio while energy from gas sources had risen dramatically. The potential retirement of Paradise, as well as the simultaneously proposed closure of the Bull Run Fossil Plant, will leave TVA with only four remaining coal-fired power plants. By reducing investment in coal-fired power and increasing capacity from other sources, TVA limits, not diversifies, its energy portfolio.


Additionally, TVA has made significant investments to upgrade pollution control technology to Unit Three over the past several years, and rather than continuing to capitalize on those plant upgrades—presumably funded by ratepayers—the authority seems poised to retire Unit Three prematurely, thereby squandering those recent investments. Meanwhile, TVA has stated it still intends to move forward with spending approximately \$8 billion on renewable energy generation over the next twenty years. To prematurely retire a recently updated unit, which has a capacity

of 1,150 MW, while acquiring additional generation, does not appear to be in the best interest of ratepayers.

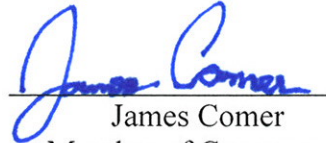
We also fear that this decision is being rushed, and TVA is foregoing the proper formal channels for reviewing such an important decision that will have lasting impact on hundreds of our constituents and the region. To retire Unit Three without undergoing a more thorough review and providing an environmental impact statement, as required by the National Environmental Policy Act (NEPA), is short-sighted and unfair to TVA's ratepayers and employees who will be directly impacted by this decision. The EA fails to provide adequate data to justify its claims and provides little avenue for impacted stakeholders to engage with the agency. To release an EA during the holiday season and provide the general public with a mere thirty-day comment period as the only mode of engagement on something so impactful begs the question of whether TVA is genuinely interested in weighing alternatives.

Kentuckians count on not only the reliable, affordable power that TVA provides, but also on the economic opportunities the agency provides. Retiring Unit Three—particularly without further engagement from local stakeholders—would call into question the credibility of TVA's commitment to meeting its mission and statutory mandate. We ask you to suspend any actions to retire Paradise Unit Three and reconsider TVA's continued shift away from coal.

Sincerely,



Mitch McConnell
United States Senator



James Comer
Member of Congress

CC: Richard Howorth, Chair of the Board
Kenneth Allen, Board Member
A.D. Frazier, Board Member
Virginia Lodge, Board Member
Eric Satz, Board Member
Jeff Smith, Board Member
James Thompson, Board Member
Ronald Walter, Board Member