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TVA president compensated \$10.5 million in 2023, highest for a federal employee

November 14, 2023 at 9:57 a.m.

by [Dave Flessner](#)



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Staff photo by Olivia Ross / TVA President Jeff Lyash listens to the various speakers. Tennessee Valley Authority boards public listening session took place on Aug. 23 at the Chattanooga Convention Center. Lyash is the highest paid federal employee and last year his total compensation topped \$10.5 million.

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America's highest paid federal employee isn't getting a raise this year, and his performance pay for fiscal 2023 has been rolled back by the governing board for the nation's biggest public power utility.

But total compensation for Tennessee Valley Authority President Jeff Lyash in the past year still rose to a record high of more than \$10.5 million, primarily due to higher pension and other deferral income payments. Lyash was given a \$74,750 increase in his base salary in 2023, but direct payments from TVA's Winning Performance Plan last year totaled just under \$8 million, down \$206,818 from the \$8.2 million paid to the TVA president in 2022.

Lyash, the 62-year-old CEO of TVA who has headed the federal utility since 2019, was paid in fiscal 2023 nearly 20 times more than the \$400,000 salary given President Joe Biden.

([READ MORE: President Trump wants to cut TVA CEO pay "by a lot"](#))

But TVA's pay consultants estimated Lyash was still paid 29% below the median compensation for CEOs at comparably sized utilities in the past year. TVA Director Brian Noland, the president of East Tennessee State University who chairs TVA's people and governance committee, said the lower relative pay for Lyash "reflects the federal agency status and mission in a service-oriented organization."

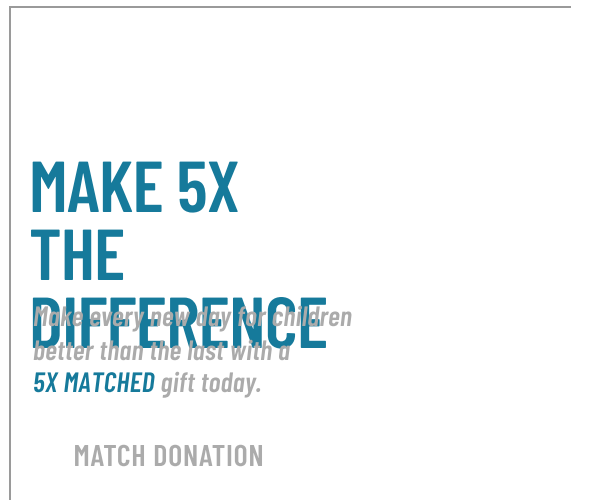
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Two-thirds of Lyash's pay is at risk, and TVA directors voted Thursday to scale back the winning performance payments to Lyash and other executives from the record-high levels reached for fiscal 2023.

TVA directors reduced the management payout by 15% "to account for the significance and the reputational impact on TVA's performance during Winter Storm Elliott" last December and the accidental death of a TVA electrical foreman in September at TVA's Lagoon Creek Combined Cycle Plant near Brownsville, Tennessee.

Top pay at TVA

The highest paid officers at the Tennessee Valley Authority all received higher total compensation in 2023 than in 2022:

1. Jeff Lyash, president and CEO, \$10.5 million, up 8%.
2. John Thomas, chief financial officer, \$4.6 million, up 30%.

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4. Tim Rausch, chief nuclear officer, \$2.8 million, up 15.8%.

5. David Fountain, general counsel, \$2.5 million, up 20.7%.

Source: Tennessee Valley Authority, 10K report, November 2023. Compensation includes salary, pension and incentive pay.

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The board action represented the biggest reduction of an executive performance payout since the program was launched at TVA more than a decade ago. But it came in response to what was still be biggest winning performance payment calculation in TVA history.

The multi-million-dollar pay plans for TVA executives drew attacks from former President Donald Trump when he was in the White House and urged the TVA board to cut executive pay for TVA top managers "by a

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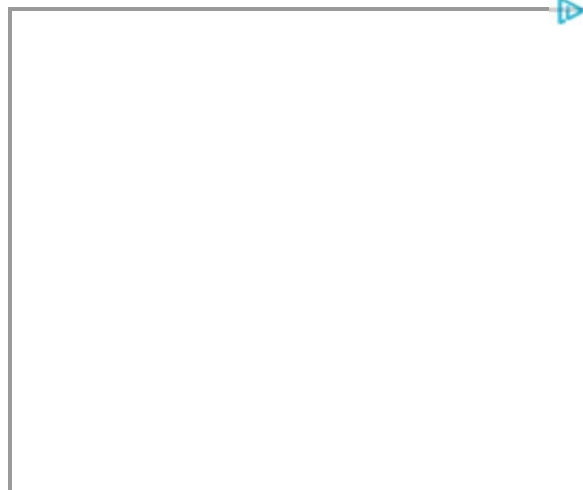
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lot." Trump called Lyash's pay "ridiculous" for a federal employee and he fired both a current and a former TVA board chair when they defended TVA's multi-million-dollar pay plans.

The TVA board refused to cut its top executive pay in response to Trump's appeal, noting that the TVA Act as amended in 2005 requires that the federal utility pay competitive wages in line with other electric utilities. But the TVA board in 2020 did conduct a review of its executive compensation procedures.

The TVA board voted last week to approve the performance payments for Lyash and other top executives, but three of the nine directors voted against such extra pay. Three of the newest directors on the TVA board -- Bobby Klein, Wade White and Bill Renick -- said they don't want to make extra payments to officers until a new study on TVA is completed.

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Klein said TVA's management "has my full support" but he said he wants to re-evaluate TVA's executive

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said his support of public power "is for the employees, stakeholders and hard-working families in this Valley."

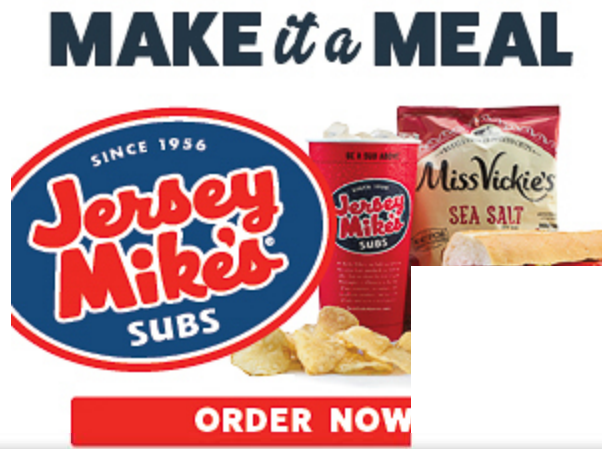
TVA Director Wade White also said he wants to restudy TVA's executive pay.

"Until we can complete a full evaluation of the executive pay compensation and structure, I'm going to have to be opposed to this structure," White said during last week's board meeting.

In its financial filings for fiscal 2023 released Tuesday, TVA said its pay levels must be comparable to other utilities in the industry, whether or not TVA is a government-owned utility.

"To effectively fulfill its public power mission, TVA must provide market-based, competitive compensation levels to drive superior performance and execution of multi-year objectives, aligned with TVA's public power mission," TVA said in its quarterly earnings report.

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More than two thirds of TVA's top managers previously worked at other investor-owned utilities in the past five years.

"TVA's ability to compete with these organizations for talent has yielded success for TVA and its stakeholders," TVA said in its filing Tuesday with the U.S. Securities and Exchange Commission..

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