

8 FEBRUARY 2021

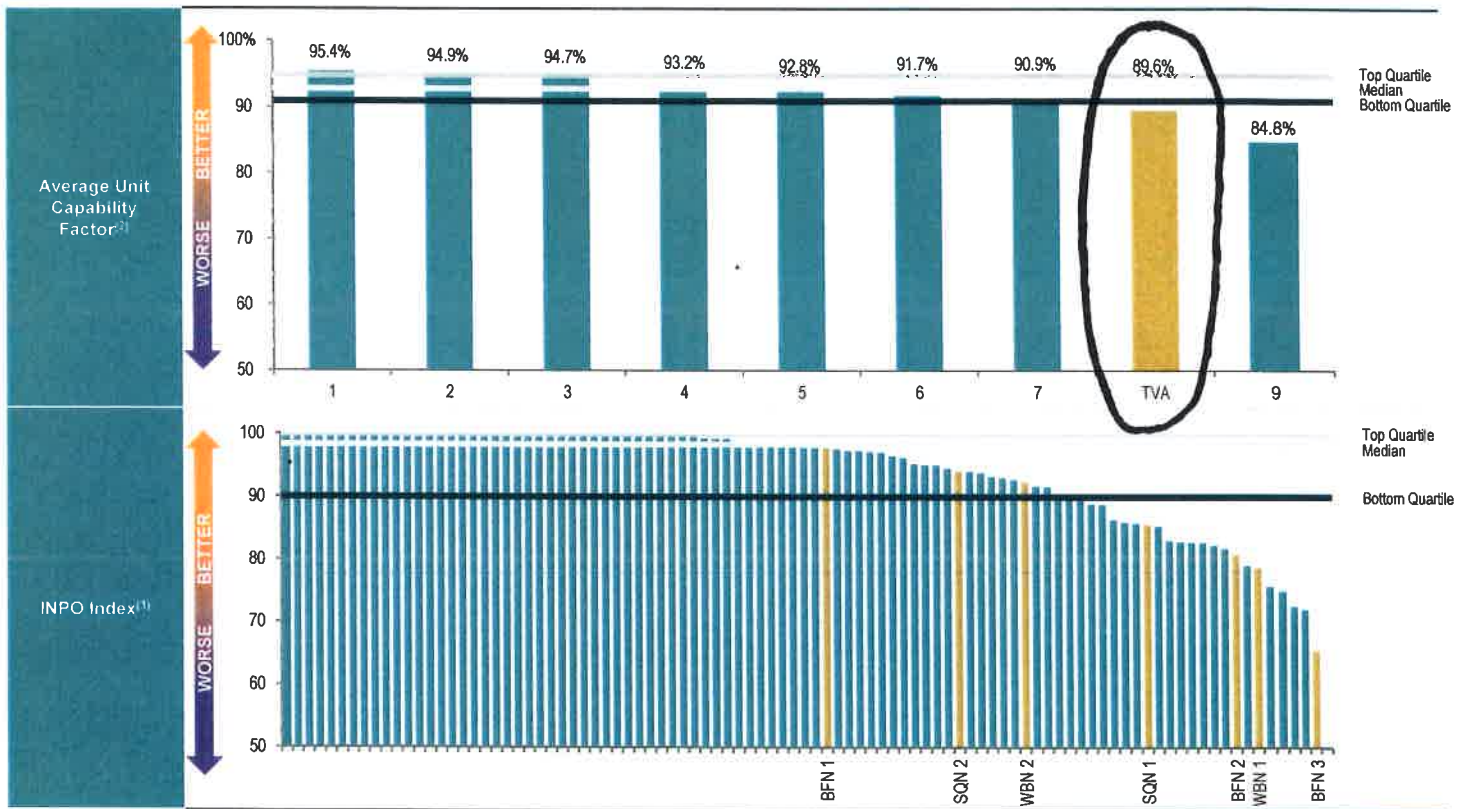
LAZARD REPORT TO THE TENNESSEE VALLEY AUTHORITY



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Benchmarking—Nuclear Generation Operational Performance

TVA appears to be relatively low performing among its peers in ensuring the availability of nuclear generation; additionally, many of TVA's individual nuclear units rank relatively low on the Institute of Nuclear Power Operations (“INPO”) Index⁽¹⁾



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Source: TVA Benchmarking Notebook.

Note: Peer sets are confidential.

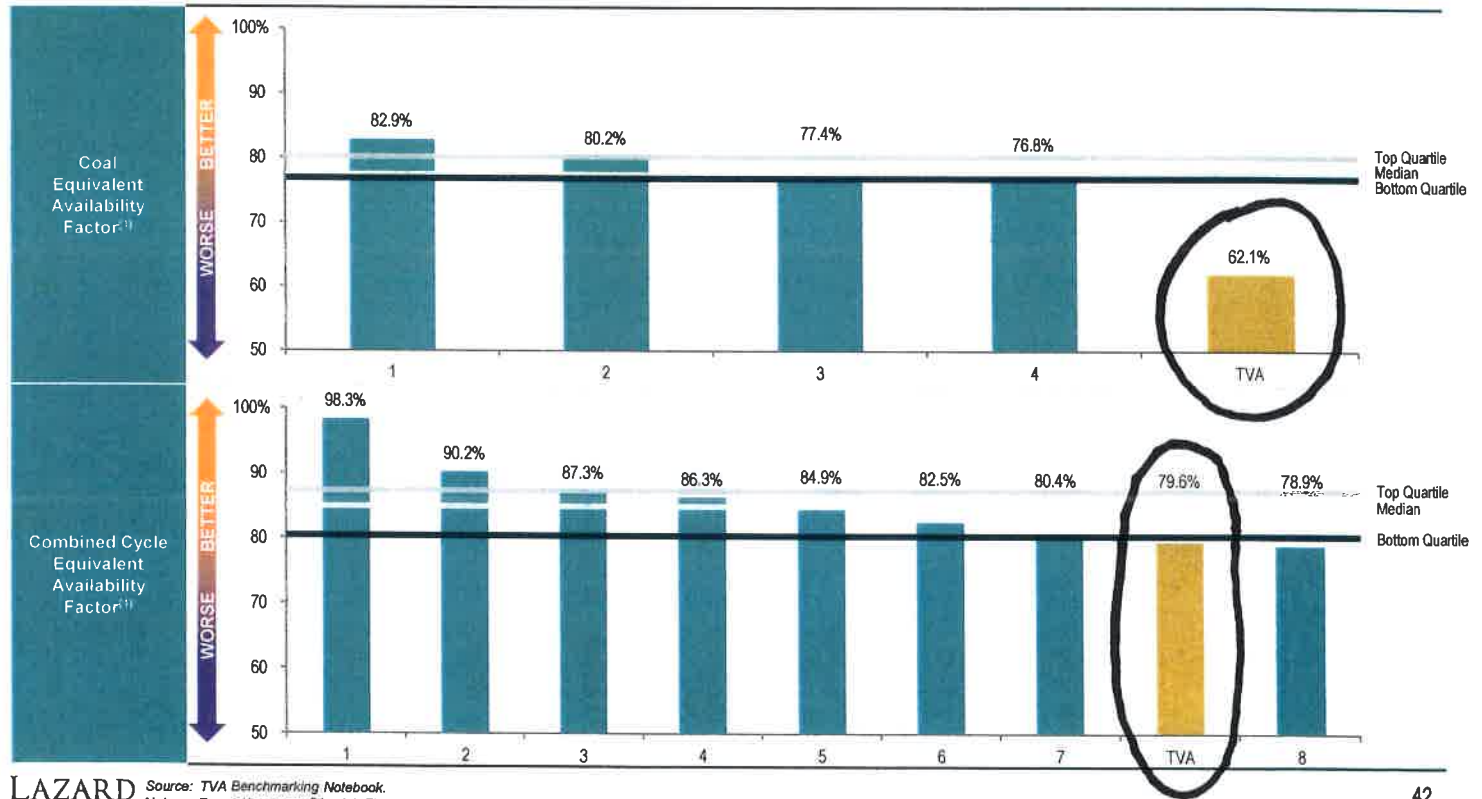
(1) The INPO Index is a weighted combination of several key safety and performance indicators in the nuclear industry. Figures reflect data as of 2Q 2020.

(2) Represents the ratio of energy generated to the potential energy generation over a given time period. Figures reflect data as of 2Q 2020.

Benchmarking—Non-Nuclear Generation Operational Performance

TVA's average coal and combined cycle equivalent availability factors were in the bottom quartile over the last three years, reflecting TVA's lower availability of non-nuclear generation capacity relative to peers

- TVA's coal fleet is the oldest in the nation—TVA has made changes in maintenance prioritization as well as recent investments in combined cycle units to address key drivers of unavailability; in FY20, performance improvement actions positively impacted both coal and combined cycle equivalent availability factor



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Source: TVA Benchmarking Notebook.
 Note: Peer sets are confidential. Figures represent the average over 2017 – 2019.
 (1) Reflects the percentage of available capacity within the defined period.