

Report of the Tennessee Advisory Commission on Intergovernmental Relations



Tennessee Valley Authority's Payments in Lieu of Taxes *Annual Report to the Tennessee General Assembly*



January 2018



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Tennessee Valley Authority's Payments in Lieu of Taxes

Annual Report to the Tennessee General Assembly

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January 26, 2018

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The Honorable Jack Johnson
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The Honorable Pat Marsh
Chair, House Business and Utilities Committee
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Dear Chairmen:

Transmitted herewith is the Commission's annual report evaluating the effect of Section 4 of Public Chapter 475, Acts of 2009, (the Electric Generation and Transmission Cooperative Act) as amended in Public Chapter 1035, Acts of 2010, on the Tennessee Valley Authority's payments in lieu of taxes with specific attention to changes in TVA's generating system. The report was approved January 26, 2018, and is hereby submitted for your consideration.

Respectfully yours,

Senator Mark Norris
Chairman

Cliff Lippard
Executive Director



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MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard *Cliff*
Executive Director

DATE: 26 January 2018

SUBJECT: Tennessee Valley Authority Payments in Lieu of Taxes—Annual Report for Approval

The attached Commission report is submitted for your approval. The report responds to Public Chapter 475, Acts of 2009, which directed the Commission to monitor changes in the wholesale distribution of electric power by the Tennessee Valley Authority and its distributors for possible effects on the Authority's payments in lieu of taxes to the states in the Valley region and to Public Chapter 1035, Acts of 2010, which made the report an annual requirement. There are no recommended actions to be taken by the General Assembly in this year's report.

Contents

Tennessee Valley Authority's Payments in Lieu of Taxes	1
TVA's Payments in Lieu of Taxes Continue to Fluctuate	3
TVA's Efforts to Meet Power Needs and Remain Within Its Debt Limit.....	5
Short-Term System-Management Strategies	5
Long-Term System-Management Strategies	6
The Shift Away from Coal: Environmental and Business Reasons.....	11
Fossil Plant Retirements Required by Environmental Agreements.....	11
Fossil Plant Retirements for Business Reasons.....	12
The EPA's Clean Power Plan: Current Status and Potential Effect on TVA.....	14
New Energy Sources to Meet the Region's Needs	15
References	21
Appendix A: TVA's Allocation Formula	25
Appendix B: Tennessee's Allocation Formula	27
Appendix C: Distribution of Counties' Share of TVA Payments in Lieu of Taxes to Tennessee by Tennessee Fiscal Year	29
Appendix D: Distribution of Cities' Share of TVA Payments in Lieu of Taxes to Tennessee by Tennessee Fiscal Year	31
Appendix E: Payments Distributed to Counties in Areas Affected by TVA Construction by Tennessee Fiscal Year	39
Appendix F: Payments Distributed to Cities in Areas Affected by TVA Construction by Tennessee Fiscal Year	41
Appendix G: TVA 2015 IRP Recommendations by Resource Type	49

Tennessee Valley Authority's Payments in Lieu of Taxes

The Tennessee Advisory Commission on Intergovernmental Relations was directed by the Electric Generation and Transmission Cooperative Act of 2009 (Section 4 of Public Chapter 475, Acts of 2009) to monitor changes in the wholesale distribution of electric power by the Tennessee Valley Authority (TVA) and its distributors for possible effects on the Authority's payments in lieu of taxes (PILOTs) to the states in the Valley region. The Commission's report was to "include recommendations, if any, on adjustments to the state tax system that would keep the state and local governments whole from such future changes." The Act authorized the creation of nonprofit membership cooperatives to generate and transmit electricity in Tennessee. At the time, one such co-op already owned a power-generating facility in Mississippi, and the legislature was concerned that, having authorized them, they had opened the door to a potential decline in TVA's payments to the states if the co-ops began selling electricity directly to distributors.

After considering a number of options, including those developed by the Commission,¹ the Tennessee General Assembly passed Public Chapter 1035, Acts of 2010, requiring payments equivalent to TVA's Tennessee PILOT from any other entity providing wholesale electric current for resale within the state, such as the electric generation and transmission cooperatives authorized in 2009. Public Chapter 1035 was designed to ensure that revenue from power sales in the TVA region would not depend on who produced that power or who sold it. The act also renewed the requirement that the Commission monitor the effects of the 2009 act and report to the General Assembly annually. This is the Commission's report for the 2018 legislative session.

Although the 2010 law put to rest immediate concerns about the potential loss of TVA revenue created by the 2009 law, concerns about the problems created by TVA's debt ceiling, which has not been raised since 1979,² and the threat of privatization continue to reappear from time to time. Both were among the reasons given by power distributors in the region for seeking authorization to form the generation and transmission co-operatives authorized by the 2009 Act. TVA's debt ceiling remains \$30 billion, which because of inflation now has the buying power that \$10 billion would have had in 1979, but the threat of privatization has diminished at least for the time being.³ Figure 1 shows the level of TVA's debt since 2009.

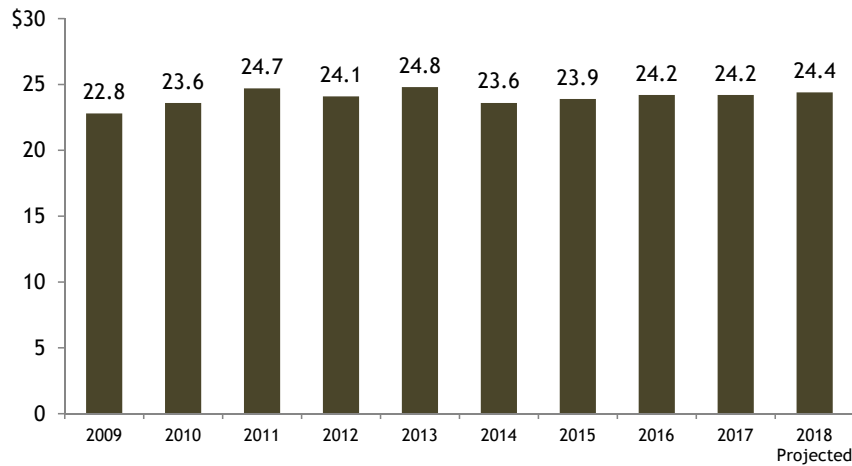
¹ Tennessee Advisory Commission on Intergovernmental Relations 2010.

² 16 United States Code 831 n-4(a).

³ Tennessee Valley Authority 2015g.

TVA's payments in lieu of taxes continue to fluctuate; payments to Tennessee are estimated to increase by \$3 million for federal fiscal year 2017-18.

**Figure 1. Tennessee Valley Authority Statutory Debt
at Federal Fiscal Year End
(in billions)**



Source: Tennessee Valley Authority 2014a; Tennessee Valley Authority 2017a; and email from Stephen Schoolfield, senior program manager-taxes, Tennessee Valley Authority, January 11, 2018.

To manage within its \$30 billion debt limit, TVA has adopted a number of innovative but by its own account costly financing techniques, some of which can alter the amount of PILOT revenue paid directly to states. The lease-and-lease-back technique used so far to finance the expansion of power production in Tennessee does not affect the amount of the PILOT paid directly to Tennessee, but the sale-and-lease-back technique used at one of its plants in Mississippi reduced the amount paid directly to that state, and the potential for the same exists throughout the region. The difference is in who owns the property and whether it is subject to state and local taxes.

Recent changes in TVA's supply system continue to affect the balance of PILOTs across the region. TVA has shifted power production away from coal in response to economic factors and environmental mandates, retiring numerous coal-fired units at its power plants since 2012, while completing a second nuclear reactor at its Watts Bar facility in Rhea County and building or acquiring several new natural gas-fired facilities. In the states where these new or retired facilities are located, the changes have affected the value of TVA power property, one of two factors determining each state's share of the PILOT. TVA's investments in nuclear and natural gas in Tennessee combined with retirements of coal-fired units in Alabama and Kentucky have more than offset coal-fired retirements in Tennessee in past years. But this year, the Authority's investments in natural gas-fired units in Kentucky, which increased the value of TVA power property in that state, caused a slight shift in the balance of the PILOT away from Tennessee. Moreover, the December 2017 retirement of the last four coal-fired units at TVA's Johnsonville plant in Humphreys County will reduce that plant's value and could reduce Tennessee's share of the PILOT going

forward, unless it too is offset by increases in the value of TVA power property elsewhere in the state or by net reductions in other states.

TVA's decision to make these changes predates but is consistent with the management strategy laid out in its 2015 Integrated Resource Plan (IRP).⁴ The IRP calls for closing a number of old coal-fired generating plants, building or acquiring plants powered by natural gas, expanding nuclear-powered facilities, and relying more on renewable energy and energy efficiency. The plan's strategies for increasing energy efficiency, if successful, could reduce TVA revenues and ultimately the PILOT for all recipients, as could other factors, such as the economy and the weather. None of these changes appear to warrant legislative action at this time but should continue to be monitored.

TVA's Payments in Lieu of Taxes Continue to Fluctuate

According to a press release issued in November 2017, TVA's actual payments in lieu of taxes for federal fiscal year 2016-17 amounted to \$517 million, of which \$344 million was paid to Tennessee governments, including \$3.4 million in direct payments to counties. Payments to all states decreased \$18 million from the previous fiscal year. TVA attributes this decrease to mild winter weather, which resulted in less electricity being used for heating, and consumers' energy efficiency efforts.⁵ Following decreases in each of the last two fiscal years, payments to all states for the current fiscal year, federal fiscal year 2017-18, are estimated to increase \$7 million to a total of \$524 million.

Payments to Tennessee are estimated to increase \$3 million to a total of \$347 million, of which \$3.4 million will again be paid directly to counties, in federal fiscal year 2017-18. But Tennessee's percentage of the Authority's overall payments decreased for the first time since federal fiscal year 2008-09, though only slightly. This decrease is likely attributable to the construction of new natural gas-fired units at TVA's Paradise steam plant in Kentucky, which increased the value of TVA power property in that state relative to other states in the region, including Tennessee.⁶

Total payments are based on five percent of prior-year gross proceeds⁷ from power sales, and funds are divided among the eight states in which

Tennessee continues to receive more than 66% of the payments in lieu of taxes TVA distributes to states in the region, though its percentage decreased this year for the first time since 2008-09.

⁴ Tennessee Valley Authority 2015d.

⁵ Tennessee Valley Authority 2017e; see link for information on TVA's 2017 tax equivalent payments.

⁶ Email from Stephen Schoolfield, senior program manager-taxes, Tennessee Valley Authority, January 11, 2018.

⁷ TVA interprets "gross proceeds" as the proceeds from the sale of power to municipalities, cooperatives, and industries. The TVA Act specifically excludes TVA's sales to federal agencies from the PILOT calculation.

TVA owns power property⁸ based both on revenues from power sold by TVA and on the value of TVA power property located in each state. Although TVA buys power from other sources, those purchases have no effect on the amount each state receives from its PILOTs. See appendix A for an explanation of TVA's allocation formula.

Tennessee still receives more than 66% of the total distributed through TVA's formula. Past increases in this percentage helped offset what would have otherwise been larger decreases in TVA's payments to Tennessee in three of the last five federal fiscal years. See table 1.

Table 1. Tennessee Valley Authority Revenue Sharing
Distribution to Tennessee by Federal Fiscal Year (in millions)

	2017-18*	2016-17	2015-16	2014-15	2013-14	2012-13
TVA's Overall PILOT	\$ 523.7	\$ 517.1	\$ 534.8	\$ 542.0	\$ 533.1	\$ 547.4
Tennessee's Percent	x 66.33%	66.54%	65.78%	65.31%	62.83%	61.69%
Tennessee's Amount	\$ 347.3	\$ 344.1	\$ 351.8	\$ 354.0	\$ 335.0	\$ 337.7
Direct Payment to Counties	- 3.4	3.4	3.4	3.4	3.4	3.4
Tennessee's Share	\$ 344.0	\$ 340.7	\$ 348.5	\$ 350.6	\$ 331.6	\$ 334.3

* Estimate based on unaudited gross receipts. TVA distributes payments monthly from October through August based on this estimate then makes a final payment for the fiscal year in September based on audited revenue figures. It is not unusual for the final payment to be adjusted upward from the original estimated amount.

Note: Share distributed to Tennessee may not equal amount allocated to state minus direct payments to counties because of rounding.

Source: Tennessee Valley Authority

Tennessee's local governments continue to receive around 45% of the amount TVA allocates to Tennessee for distribution through the state's own formula. Under Tennessee Code Annotated, Section 67-9-101 et seq., this formula distributes a portion of Tennessee's share to cities and counties with additional payments set aside for local governments in counties with TVA construction. The rest is reserved for the state. Distributions through the formula, which are calculated on a state fiscal year basis, are directly affected by the increasing total payments to Tennessee in federal fiscal year 2017-18 and by TVA construction projects. See appendix B for an explanation of Tennessee's allocation formula.

On a state fiscal year basis, the 2017-18 allocations excluding payments set aside for local governments in counties with TVA construction will increase by \$741 thousand for counties, by \$315 thousand for cities, and by \$115 thousand for the state's own agencies. Payments related to TVA construction, however, will decrease by \$610 thousand for counties and by \$322 thousand for cities because of recent project completions. While combined these amounts result in a small overall increase, they total less than the estimated increase in payments to Tennessee for federal fiscal

⁸ TVA interprets "power property" to include facilities that generate electricity, property used to transmit electricity, coal assets, and a portion of the overall value of TVA's reservoir properties.

year 2017-18 because the state's fiscal year begins on July 1, three months earlier than the federal fiscal year. As a result, Tennessee's distribution to local governments and the state for state fiscal year 2017-18 includes TVA's payments for the last three months of federal fiscal year 2016-17, when the PILOT decreased. See appendixes C and D for the distribution to local governments within the state by county and city since state fiscal year 2010-11, excluding payments set aside for local governments in counties with TVA construction, which can be found in appendixes E and F.

TVA's Efforts to Meet Power Needs and Remain Within Its Debt Limit

To meet the region's power demand, TVA must plan for both short-term and long-term fluctuations in the use of electricity while staying within its statutory debt limit of \$30 billion. The Authority has developed a number of strategies for managing its system to meet demand within these constraints. These strategies have and will continue to affect TVA's payments to Tennessee.

Short-Term System-Management Strategies

TVA meets short-term-demand increases that result from extreme weather by operating additional facilities that are used only in times of high demand, purchasing power from other utilities, and cutting off power to customers with interruptible contracts. These strategies enabled TVA to meet record power demands on January 8, 2015, when demand hit the third highest winter peak in TVA's history at 32,723 megawatts⁹ and again on February 19, 2015, when demand set a record for that month at 32,109 megawatts.¹⁰ According to the Authority, "meeting the demand required the combined effort of TVA's employees and generating facilities, coordination with the Valley's 155 local power companies and large industrial customers, and the cooperation of businesses and households to conserve."¹¹ TVA used natural gas plants to supplement the power provided by its coal-fired, nuclear, and hydroelectric facilities and purchased additional power from the open market to manage a similar period of peak demand in 2014.¹² But managing peak demand can require temporarily cutting off power to customers that have agreed to allow TVA and its distributors to interrupt service to them during emergencies¹³ in exchange for credits on their power bills¹⁴ as happened at Murray State University in 2014.¹⁵ Although extreme

TVA must plan for both short-term and long-term fluctuations in the use of electricity while staying within its statutory debt limit of \$30 billion.

⁹ Tennessee Valley Authority 2015a.

¹⁰ Tennessee Valley Authority 2015f.

¹¹ Ibid.

¹² Tennessee Valley Authority 2014c.

¹³ Flessner 2014.

¹⁴ Tennessee Valley Authority 2011.

¹⁵ Canning, Lampe, and Null 2014.

TVA's long-term management strategies could affect the amount and distribution of its payments to the states in the future.

weather could affect the amount and distribution of TVA's payments to the states, these events were too short-lived to have a noticeable effect.

Long-Term System-Management Strategies

TVA's long-term management strategies are laid out in its updated Integrated Resource Plan, which was approved by the TVA Board in August 2015. The update, a response to changes in the utility industry including lower-cost natural gas and renewables as well as decreased demand caused by economic changes and energy efficiency efforts,¹⁶ analyzed five strategies for meeting demand.

- Traditional utility approaches for optimizing cost
- Planning to meet demand while also meeting an emissions target
- Purchasing additional power from other utilities to meet most demand increases
- Maximizing energy efficiency
- Maximizing renewables¹⁷

These strategies could affect the amount and distribution of the Authority's payments to the states in the future. TVA has been continually updating its generating system to meet the needs of the region's growing economy and tighter air-quality standards. As early as the 1960s and 1970s, TVA was investing heavily in nuclear power for both of these reasons. More recently, the Authority has invested in natural gas-powered facilities to meet periodic surges in demand caused by the weather. TVA's implementation of its long-term management strategies, which will affect the distribution of its PILOTs, will be affected by the economics of power production and the requirements of the Clean Air Act (CAA) and other environmental regulations as well as TVA's debt limit.

TVA's Debt Limit and Financing Arrangements

Earlier concerns about TVA's financing arrangements for new generating capacity in the region and their potential effects on PILOTs in the region and across the state have diminished as the Authority has modified its strategies. In order to stay within the \$30 billion debt ceiling imposed on it by the Congress in 1979,¹⁸ TVA began using new financing methods,¹⁹ some of which affected the distribution of PILOT funds for some states, including the amount those states had available to allocate to their counties and cities. One technique is the leasing of generating facilities, an approach TVA has no current plans to expand.²⁰

¹⁶ Tennessee Valley Authority 2015h.

¹⁷ Tennessee Valley Authority 2015d.

¹⁸ 16 United States Code 831 n-4(a).

¹⁹ US General Accounting Office 2003.

²⁰ For details on existing lease arrangements, see Tennessee Valley Authority 2017b.

Shortly before the Electric Generation and Transmission Cooperative Act was passed in 2009, TVA entered into an agreement with a group of its distributors organized as the Seven States Power Corporation, a nonprofit company.²¹ Seven States purchased an interest in TVA's Southaven, Mississippi, power plant with the agreement that TVA would continue to operate it. TVA later bought back all of Seven States' interest in the plant.²² Under the sale-and-lease-back arrangement, while it was active, all sales of electricity produced at Southaven were through TVA and, therefore, were accounted for as TVA revenues and subject to the PILOT allocation to states.

Leasing arrangements such as the one used in Southaven during this agreement do not change the total amount of the PILOT under the TVA formula, nor do they change the allocation across states. Section 15d(g) of the Tennessee Valley Authority Act of 1933 says that

. . . power generating and related facilities operated by the Corporation under lease and lease-purchase agreements shall constitute power property held by the Corporation within the meaning of section 13 of this Act . . .

This provision causes facilities operated by TVA under leases to be included in the calculation of the value of power property under Section 13, which means that the value of TVA property in a state does not change when TVA sells a facility and then leases it back as the Authority did with Southaven.²³

Although the change in ownership of the Southaven plant did not affect the amount of TVA's PILOT allocated to each state, it did affect the PILOT distribution to the state of Mississippi. When TVA leases power property owned by other entities, it reduces the PILOT distributed to the state in which the property is located to the extent that it reimburses the plant owners for taxes they must pay to the state or local governments. This reduces the amount of TVA PILOT that goes through the state's own allocation formula. Section 15d(g) of the 1933 act goes on to say

. . . that portion of the payment due for any fiscal year under said section 13 to a state where such facilities are located which is determined or estimated by the Board to result from holding such facilities or selling electric energy generated thereby shall be reduced by the amount of any taxes or tax equivalents applicable

²¹ Tennessee Valley Authority 2009.

²² Tennessee Valley Authority 2013a.

²³ Moreover, this means that when TVA leases a facility that it did not previously own, such as the Caledonia plant in Mississippi, the value of TVA power property in the state where the facility is located actually increases.

The sale-and-lease-back technique used at one of TVA's plants in Mississippi reduced the amount paid to that state, and the potential for similar arrangements exists throughout the region.

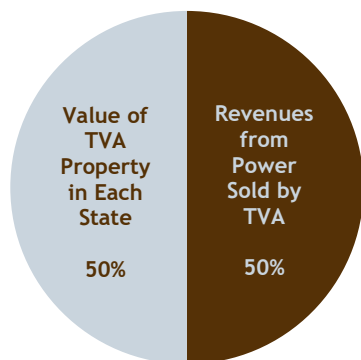
to such fiscal year paid by the owners or others on account of said facilities to said state and to local taxing jurisdictions therein.

The initial sale-and-lease-back arrangement at the Southaven plant and the Authority's current lease arrangement at the privately owned Caledonia plant, also in Mississippi, illustrate the effect of this second provision. Privately owned plants are, of course, subject to state and local taxes. Consequently, the portion of the TVA PILOT paid directly to Mississippi, related to Caledonia, was reduced by approximately \$1 million in 2016-17 and will again be reduced by an estimated \$1 million in 2017-18.²⁴ This works much like the \$3+ million in direct payments TVA makes to counties in Tennessee. Direct payments are taken off the top of TVA's PILOT to each state, reducing the amount allocated through the state's statutory formula.

The amount allocated through Tennessee's formula, including the amount retained by the state in its general fund, would be reduced by any taxes paid on account of any plant operated through a sale-and-lease-back arrangement if that were to occur. Tennessee might want to mitigate that reduction by modifying its allocation formula to offset the direct payments of taxes by, for example, reducing the allocation to any particular jurisdiction by the amount of the reimbursement TVA made to the plant owners. It is possible, of course, that the reimbursement amount to those jurisdictions could be greater than the allocation through the state formula, so considerable thought would need to go into making such a change.

TVA chose a somewhat different leasing strategy to raise funds for generating expansions in Tennessee without approaching its debt ceiling. Thus far, arrangements in Tennessee have been lease-and-lease-back agreements, which do not jeopardize the amount of the PILOT controlled by Tennessee's allocation formula. An example is the natural gas combined-cycle plant built between 2010 and 2012 in Hawkins County next to the John Sevier fossil plant and leased to a private company in January 2012. The company paid TVA \$1 billion for the lease and then leased the plant back to TVA for 30 years.²⁵ This lease arrangement changes neither the ownership of the property nor TVA revenues and thus has no effect on the PILOT allocation across states or the amount distributed to Tennessee. Similarly, after repurchasing Seven States' 90% share of the Southaven plant, TVA then entered into a leasing arrangement with Southaven Combined Cycle Generation LLC in which the facility is leased to the company and, in turn, the facility is leased back to TVA.²⁶

5% of TVA's Gross Proceeds is Distributed to States Based on



²⁴ Email from Stephen Schoolfield, senior program manager-taxes, Tennessee Valley Authority, September 28, 2017; and Schoolfield 2017.

²⁵ Tennessee Valley Authority 2013a.

²⁶ Tennessee Valley Authority 2013c.

Currently, TVA has no reported plans for any new lease arrangements in Tennessee, including sale-lease-back arrangements that would affect the state's share of the Authority's PILOT, in the short-term.²⁷ However, the possibility exists that TVA could use leasing strategies in the future to finance new construction if its debt limit remains capped at \$30 billion. In its most recent *Form 10-K* filed with the US Securities and Exchange Commission, TVA acknowledges its use of these innovative financing techniques and says that it may eventually seek similar arrangements. But it mentions no immediate plans to do so.²⁸

In the past, TVA has said that

while such leasing transactions allow TVA to diversify its asset financing program, financing an asset by using the proceeds of leasing transactions is typically more costly to TVA than financing an asset with the proceeds of Bonds.²⁹

In April 2015, TVA purchased Quantum Utility Generation's Choctaw combined-cycle natural gas plant near Ackerman, Mississippi. Although the purchase used traditional forms of financing, the acquisition allows for future ownership by Seven States Power Corporation, which could affect the PILOT depending on the type of sale or lease arrangement adopted.³⁰

Rebalancing Power Sources and Increasing Efficiency Could Affect PILOTs

As TVA continues to rebalance its generating fleet, the resulting changes could cause shifts in the value of power property from state to state and from county to county, which could affect each state's and county's share of TVA's PILOT. Many of these changes—consistent with environmental mandates, the economics of power production, and the recommendations in TVA's 2015 IRP—involve the retirement of existing coal-fired units at TVA power plants. Because retired units are no longer used to produce power, TVA accelerates their depreciation so that only their residual value is included in the PILOT distribution formula.³¹

Changes in TVA's generating fleet in recent years have generally increased the value of TVA power property in Tennessee relative to other states in the region.³² Although TVA retired coal-fired units at its John Sevier

TVA has no current plans for any sale-lease-back arrangements in Tennessee that would affect the state's share of TVA's PILOT.

²⁷ Email from Stephen Schoolfield, senior program manager-taxes, Tennessee Valley Authority, January 11, 2018.

²⁸ Tennessee Valley Authority 2017b.

²⁹ Tennessee Valley Authority 2013a.

³⁰ Tennessee Valley Authority 2015e.

³¹ Email from Stephen Schoolfield, senior program manager-taxes, Tennessee Valley Authority, January 6, 2016.

³² Email from Stephen Schoolfield, senior program manager-taxes, Tennessee Valley Authority, September 28, 2017.

TVA continues to rebalance its generation fleet, which could cause shifts in the value of power property from state to state and in each state's share of TVA's PILOT.

plant in Hawkins County between 2012 and 2014 and at its Johnsonville plant in Humphreys County in 2015, the resulting reductions in these plants' values have been more than offset both by TVA's investments in its Tennessee facilities and by its retirement of additional coal-fired units in other states. Recent investments in TVA's Tennessee facilities include natural gas-fired units completed in 2012 at its John Sevier plant, a second nuclear unit completed in 2016 at its Watts Bar plant in Rhea County, and ongoing construction begun in 2015 at Boone Dam on the border of Sullivan and Washington counties. TVA also retired coal-fired units at its Colbert and Widows Creek plants in Alabama between 2013 and 2016 and at its Shawnee plant in Kentucky in 2014.³³

But as discussed above, Tennessee's share of TVA power property decreased in federal fiscal year 2016-17 for the first time since federal fiscal year 2008-09. The decrease this year is likely attributable to investments in natural gas-fired units completed in 2017 at TVA's Paradise plant in Kentucky, which increased the value of TVA power property in that state despite the subsequent retirement of two of the plant's three coal-fired units.³⁴ Moreover, TVA's retirement of the last four coal-fired units at its Johnsonville plant in December 2017 could reduce Tennessee's share of TVA power property and the PILOT in future years unless it too is offset by increases in the value of TVA power property elsewhere in the state or by net reductions in other states.³⁵ TVA is currently building natural gas-fired units and a solar power facility at its Allen plant in Memphis, but it plans to retire all three coal-fired units at the plant once the new gas-fired units become commercially operational. The 2016 sale of TVA's partially finished Bellefonte nuclear plant in Alabama will reduce the value of TVA power property in that state, though only slightly.³⁶

TVA's 2015 IRP also calls for energy efficiency savings of between 900 and 1,300 megawatts by 2023 and between 2,000 and 2,800 megawatts by 2033.³⁷ Some of that improved efficiency will occur through upgrading power transmission and distribution systems; some will occur in private homes and businesses. As customers update their homes, commercial and industrial facilities, and electrical appliances and equipment, those changes reduce existing power demand, which could reduce TVA revenues and

³³ Tennessee Valley Authority 2017b; and Flessner 2017.

³⁴ Email from Stephen Schoolfield, senior program manager-taxes, Tennessee Valley Authority, January 11, 2018.

³⁵ Tennessee Valley Authority 2018.

³⁶ Tennessee Valley Authority 2017b; and email from Stephen Schoolfield, senior program manager-taxes, Tennessee Valley Authority, January 17, 2018.

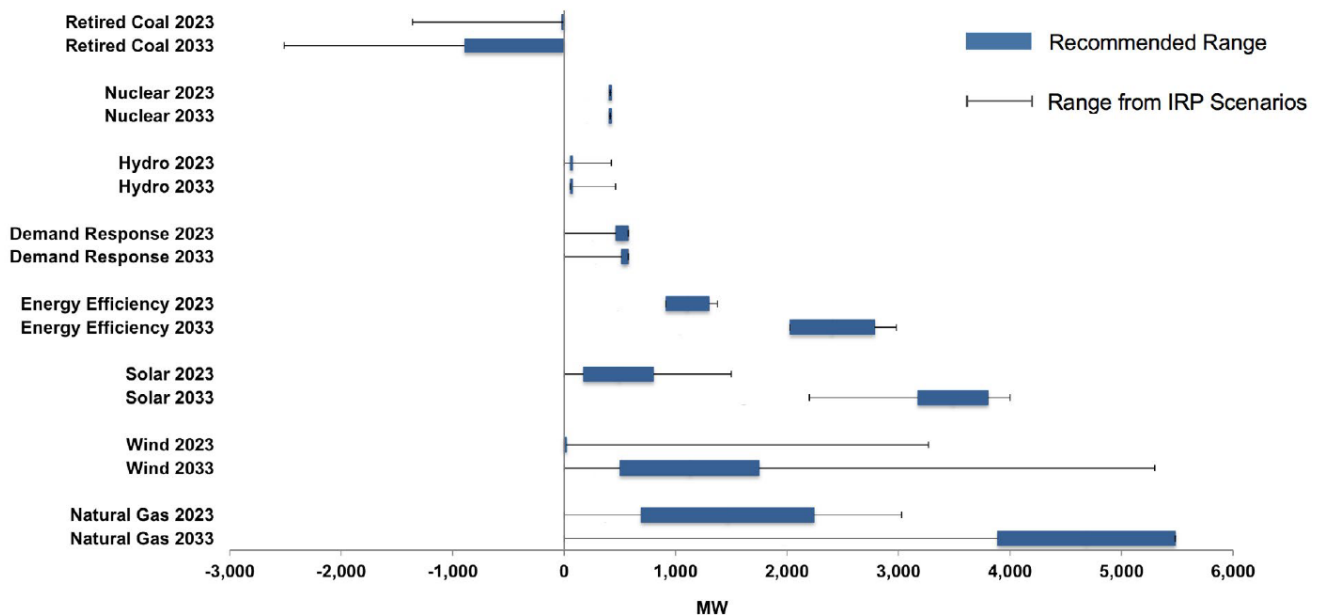
³⁷ Tennessee Valley Authority 2015d. By way of comparison, TVA's combined-cycle natural gas plant in Ackerman, Mississippi is capable of producing 705 megawatts of electricity, enough to power more than 400,000 homes; see, <https://www.tva.gov/Energy/Our-Power-System/Natural-Gas/Ackerman-Combined-Cycle-Plant>.

ultimately the PILOT for all recipients if the amount of electricity consumed does not continue to grow with the population and the economy.

The Shift Away from Coal: Environmental and Business Reasons

Since the 1950s, coal-fired plants have been TVA's largest single source of power, but because of their age and changing air-quality requirements, the Authority is shifting emphasis from coal to other power sources (see figure 2 from the 2015 IRP and appendix G). As its coal-fired power plants age, TVA must either retire them or install costly upgrades to meet new air-quality standards that tighten restrictions on the emission of particulates, sulfur dioxide, nitrogen oxides, mercury, lead, and carbon—the major byproducts of burning coal. The cost of upgrading existing coal-fired facilities, the relative cleanliness of other fuels, and the decreasing cost of natural gas have also resulted in a competitive advantage for other methods of generating electricity.

Figure 2. TVA Capacity Changes in Megawatts by 2023 and 2033



Source: Tennessee Valley Authority 2015d.

Fossil Plant Retirements Required by Environmental Agreements

To resolve a series of legal challenges brought under the Clean Air Act by several states, including Tennessee, and environmental groups, TVA entered into two settlements in April 2011 in which it agreed to retire 18 of its 59 coal-fired units before 2018. Those retired prior to last year's report

include two of four coal-fired units at TVA's John Sevier plant in Hawkins County, which as noted above were replaced by a combined-cycle gas plant on an adjacent site, six of the ten coal-fired units at its Johnsonville plant in Humphreys County, and six of eight coal-fired units at its Widows Creek plant in Alabama.³⁸ With the retirement of the last four units at the Johnsonville plant in December 2017, all 18 affected units have now been retired.³⁹ See table 2.

Table 2. Tennessee Valley Authority Coal-Fired Units to be Retired Under Environmental Agreements

Fossil Plant	Units Affected	Existing Scrubbers and SCRs*	Requirements Under Environmental Agreements	Retirements Implemented or Planned to be Implemented by TVA as a Result of Environmental Agreements
John Sevier	2 of 4	None	<ul style="list-style-type: none"> Retire two units no later than December 31, 2012 	<ul style="list-style-type: none"> Retired Units 1 and 2 on December 31, 2012
Johnsonville	10 of 10	None	<ul style="list-style-type: none"> Retire six units no later than December 31, 2015 Retire four units no later than December 31, 2017 	<ul style="list-style-type: none"> Retired Units 5-10 on December 31, 2015 Retired Units 1-4 on December 31, 2017
Widows Creek	6 of 8	None	<ul style="list-style-type: none"> Retire two of Units 1-6 no later than July 31, 2013 Retire two of Units 1-6 no later than July 31, 2014 Retire two of Units 1-6 no later than July 31, 2015 	<ul style="list-style-type: none"> Retired Units 3 and 5 on July 31, 2013 Retired Units 1, 2, 4, and 6 on July 31, 2014

* Selective catalytic reduction systems ("SCR")

Source: Tennessee Valley Authority 2014b; Tennessee Valley Authority 2017b; and Tennessee Valley Authority 2018.

Fossil Plant Retirements for Business Reasons

Because of the competitive advantage over coal of other methods of generating electricity, TVA has retired 12 additional coal-fired units since 2013 and plans to retire three more by the end of 2018. The units retired for business reasons include the two remaining coal-fired units at TVA's John Sevier plant in Hawkins County and one of the ten units at its Shawnee plant in Kentucky in 2014, the last two units at its Widows Creek plant in Alabama in 2015, and all five coal-fired units at its Colbert plant in Alabama in 2016. Following the completion of new natural gas-fired units at its Paradise plant in Kentucky, TVA also retired two of the three coal-fired units at that facility in April 2017. Similarly, the Authority plans to retire all three coal-fired units at the Allen plant in Memphis and replace them with gas-fired units on an adjacent site before 2019.⁴⁰ See table 3.

³⁸ Tennessee Valley Authority 2014b; and Tennessee Valley Authority 2017b.

³⁹ Tennessee Valley Authority 2018.

⁴⁰ Tennessee Valley Authority 2014b; Tennessee Valley Authority 2017b; and Tennessee Valley Authority 2017c.

Table 3. Tennessee Valley Authority Coal-Fired Units to be Retired for Business Reasons

Fossil Plant	Units Affected	Existing Scrubbers and SCRs*	Requirements Under Environmental Agreements	Retirements Implemented or Planned to be Implemented by TVA for Business Reasons
Allen	3 of 3	SCRs on all three units	<ul style="list-style-type: none"> • Install scrubbers or retire no later than December 31, 2018 	<ul style="list-style-type: none"> • The Board approved the construction of a gas-fired plant at the current location of the Allen coal-fired site • Retire Units 1-3 after completion of the gas-fired plant before December 31, 2018
Colbert	5 of 5	SCR on Unit 5	<ul style="list-style-type: none"> • Remove from service, control, convert, or retire Units 1-4 no later than June 30, 2016 • Remove from service, control, or retire Unit 5 no later than December 31, 2015 • Control or retire removed from service units within three years 	<ul style="list-style-type: none"> • Retired Units 1-5 on April 16, 2016
John Sevier	2 of 4	None	<ul style="list-style-type: none"> • Remove from service two units no later than December 31, 2012 and control, convert, or retire those units no later than December 31, 2015 	<ul style="list-style-type: none"> • Retired Units 3 and 4 on June 25, 2014
Paradise	2 of 3	Scrubbers and SCRs on all three units	<ul style="list-style-type: none"> • Upgrade scrubbers on Units 1 and 2 no later than December 31, 2012 • Continuously operate emission control equipment on Units 1-3 	<ul style="list-style-type: none"> • New gas-fired plant built at the current location of the Paradise coal-fired plant began operation on April 7, 2017 • Retired Units 1 and 2 of coal-fired plant on April 15, 2017
Shawnee	1 of 10	None	<ul style="list-style-type: none"> • Control, convert, or retire Units 1 and 4 no later than December 31, 2017 	<ul style="list-style-type: none"> • Retired Unit 10 on June 30, 2014
Widows Creek	2 of 8	Scrubbers and SCRs on Units 7 and 8	<ul style="list-style-type: none"> • Continuously operate existing emissions control equipment on Units 7 and 8 	<ul style="list-style-type: none"> • Retired Units 7 and 8 on September 30, 2015

* Selective catalytic reduction systems ("SCR")

Source: Tennessee Valley Authority 2014b; Tennessee Valley Authority 2017b; and Tennessee Valley Authority 2017c.

TVA plans to continue operating 26 other coal-fired units. These include the lone unit at its Bull Run plant in Anderson County, both units at its Cumberland plant in Stewart County, all four units at its Gallatin plant in Sumner County, all nine units at its Kingston plant in Roane County, the nine remaining units at its Shawnee plant in Kentucky, and the lone remaining unit at its Paradise plant also in Kentucky. TVA decided to add pollution control devices to two of the units at Shawnee and all four units at Gallatin rather than retire them—TVA had the option to control or retire these units under the environmental settlements it agreed to in 2011.⁴¹ See table 4.

Table 4. Tennessee Valley Authority Coal-Fired Units That Will Continue to be Operated and Other Actions to be Taken

Fossil Plant	Units Affected	Existing Scrubbers and SCRs*	Requirements Under Environmental Agreements	Other Actions Taken or Planned
Bull Run	1 of 1	Scrubber and SCRs on unit	• Continuously operate existing emission control equipment	• Continuously operate existing emission control equipment
Cumberland	2 of 2	Scrubbers and SCRs on both units	• Continuously operate existing emission control equipment	• Continuously operate existing emission control equipment
Gallatin	4 of 4	None	• Control, convert, or retire all four units no later than December 31, 2017	• Added scrubbers and SCRs on all four units
Kingston	9 of 9	Scrubbers and SCRs on all nine units	• Continuously operate existing emission control equipment	• Continuously operate existing emission control equipment
Paradise	1 of 3	Scrubbers and SCRs on all three units	• Upgrade scrubbers on Units 1 and 2 no later than December 31, 2012 • Continuously operate emission control equipment on Units 1-3	• Continuously operate existing emission control equipment on Unit 3
Shawnee	9 of 10	None	• Control, convert, or retire Units 1 and 4 no later than December 31, 2017	• Added scrubbers and SCRs on Units 1 and 4

* Selective catalytic reduction systems (“SCR”)

Source: Tennessee Valley Authority 2014b; Tennessee Valley Authority 2017b; and telephone interview with Don Houston, senior air program manager, Environmental and Energy Policy Department, Tennessee Valley Authority, January 11, 2018.

The EPA’s Clean Power Plan: Current Status and Potential Effect on TVA

In its Clean Power Plan (CPP), the US Environmental Protection Agency (EPA) sets carbon-pollution reduction goals for each state. The CPP rule establishes interim and final carbon dioxide (CO2) emission standards for

⁴¹ Tennessee Valley Authority 2017b.

fossil fuel-fired electric steam generating units (generally, coal- and oil-fired power plants) and natural gas-fired combined-cycle generating units. The rule requires each state to develop and implement plans that ensure the power plants in it—either individually, together, or in combination with other measures—achieve interim CO₂ emission standards between 2022 and 2029 and final CO₂ emission standards by 2030. Each state may select the measures it prefers “to shape [its] own emissions reduction pathways over the 2022-29 period.” The rule also allows states to work on “multi-state approaches, including emissions trading.”⁴²

Although finalized in August 2015, the CPP has not been implemented, and whether it will be implemented remains unclear. More than two dozen states—joined by industry and trade groups, utilities, and several policy organizations—sued to block the CPP, and the US Supreme Court granted a request to halt its implementation while the case is ongoing.⁴³ Further, in October 2017, the EPA issued a proposal to repeal the rule.⁴⁴ But the process for finalizing the repeal could take approximately a year, according to news reports. Several states and environmental groups have also indicated that they will challenge the repeal in court.⁴⁵

If the CPP were to become effective, then complying with it could result in further shifts away from coal-fired power in TVA’s generating network. But it is too early to tell whether the Authority would have to retire coal-fired units in addition to those already scheduled to be retired for environmental or business reasons. According to TVA, “the impact of these rules on TVA and the states in TVA’s service territory cannot be determined until the state plans are developed and approved by the EPA, but the impact on TVA could be significant.”⁴⁶

New Energy Sources to Meet the Region’s Needs

As TVA retires existing coal-fired units, new energy sources—including natural gas, nuclear, wind, and solar—are being developed to meet the region’s electricity needs. As noted above, new natural gas-fired units at TVA’s Paradise plant in Kentucky became commercially operational in April 2017, and construction continues on natural gas-fired units at its Allen plant in Memphis—planned to be completed before 2019. A second nuclear reactor at TVA’s Watts Bar plant in Rhea County also became commercially operational in October 2016.⁴⁷ While TVA sold its unfinished Bellefonte nuclear plant in Alabama in November 2016 citing

TVA is gradually moving from coal to other power sources because of the age of its coal-fired power plants, air quality requirements, and the changing economies of power production.

⁴² US Environmental Protection Agency 2017a.

⁴³ Tsang and Wyatt 2017.

⁴⁴ US Environmental Protection Agency 2017b.

⁴⁵ Volcovici 2017; The New York Times 2017; and Henry 2017.

⁴⁶ Tennessee Valley Authority 2015c.

⁴⁷ Tennessee Valley Authority 2016d.

New energy sources, including nuclear, natural gas, wind, and solar, are being developed to meet the region's electricity needs.

no need for another large nuclear facility,⁴⁸ it submitted an application to the US Nuclear Regulatory Commission in May 2017 for the future placement of so-called “small modular reactor” units at a site near Oak Ridge, though TVA acknowledges it is “still several years away from any potential construction decision.”⁴⁹ TVA has contracts to purchase electricity from eight wind farms.⁵⁰ It recently entered contracts for solar power from projects being developed in Shelby County⁵¹ and Alabama,⁵² and in 2017, it announced the construction of a solar facility at its Allen plant in Memphis.⁵³

TVA continues to modify its renewable energy incentive programs both within the changing market for renewables, such as wind, solar, and hydroelectric, and as part of its ongoing effort to rebalance its generating system. These programs have no effect on TVA's gross revenues, nor do they affect power sales in any state, and so have little to no effect on PILOTs to the several states. Participants continue to buy power from their local power companies and sell all of the power they generate through a system called dual metering to TVA. Their only potential effect would be the extent to which they reduce the Authority's acquisition of new power property in any particular state.

TVA is making substantial changes in these incentive programs as it implements its 2015 IRP. The Authority has said in the past that

as renewable energy system costs continue to decrease and become more affordable, there is less need for subsidies for small-scale renewable generation. TVA wants to promote sustainable growth in small-scale renewable generation while continuing to support local industry and provide a smooth path to grid parity.⁵⁴

TVA has been encouraging the private sector to develop small and medium renewable energy projects by buying electricity from participants in several programs, two of which remain open to new applicants in 2018. The Green Power Providers program buys power from homeowners and businesses who install small renewable energy projects—including solar, wind, biomass, and hydro—with individual capacities of 50 kilowatts or less.⁵⁵ A 50-kilowatt solar installation can provide enough power for approximately

⁴⁸ Tennessee Valley Authority 2016a.

⁴⁹ Tennessee Valley Authority 2017f.

⁵⁰ Tennessee Valley Authority 2017b.

⁵¹ Tennessee Valley Authority 2016c.

⁵² Tennessee Valley Authority 2016b.

⁵³ Tennessee Valley Authority 2017d.

⁵⁴ Tennessee Valley Authority 2013b.

⁵⁵ Tennessee Valley Authority “Green Power Providers.”

five average-sized homes in Tennessee.⁵⁶ The Green Power Providers program will continue adding new projects in 2018.⁵⁷ Distributed Solar Solutions (DSS) is a pilot program that buys power from medium-sized solar projects directed by local power companies.⁵⁸ Eligible projects were initially required to have capacities greater than 50 kilowatts but no more than five megawatts;⁵⁹ the maximum individual capacity for new projects was reduced to two megawatts in 2017.⁶⁰ Currently, TVA plans to continue accepting new applicants for the DSS pilot but has not yet finalized program details for 2018.⁶¹ The Renewable Standard Offer (RSO) program, which stopped accepting new applicants after 2015,⁶² buys power from owners of medium-sized projects—including solar, wind, biomass, or methane—with individual capacities greater than 50 kilowatts but no more than 20 megawatts.⁶³ The RSO offering remains open to projects that have existing capacity allocations and are in the process of being completed.⁶⁴

TVA has controlled the cost of its renewable energy programs by limiting participation and capacity and by reducing subsidies over time. The Authority limited the RSO to 100 megawatts of new capacity per year from 2011 when the program began through 2015,⁶⁵ though it increased its annual limit on the RSO's Solar Solutions Initiative—and access to the initiative's premium rate—to 20 megawatts of new capacity in 2015⁶⁶ up from 10 megawatts when the initiative began in 2012.⁶⁷ TVA has limited Distributed Solar Solutions to a total of 10 megawatts of new capacity per year since introducing the pilot program in 2016.⁶⁸ TVA has also limited Green Power Providers to 10 megawatts of new capacity per year since it first placed a cap on the program in 2012.⁶⁹ Half of the Green Power Providers program's total allocation of 10 megawatts will be reserved for residential and smaller non-residential customers in 2018, while the other half will be reserved for larger non-residential customers.⁷⁰ This is

TVA has controlled the cost of its renewable energy programs by limiting participation and capacity and by reducing subsidies over time.

⁵⁶ Email from Grace Robertson, marketing manager, Lightwave Solar, February 23, 2015.

⁵⁷ Tennessee Valley Authority "Green Power Providers."

⁵⁸ Tennessee Valley Authority "Distributed Solar Solutions."

⁵⁹ Tennessee Valley Authority "Guidelines for Distributed Solar Solutions (2016)."

⁶⁰ Tennessee Valley Authority "Guidelines for Distributed Solar Solutions (2017)."

⁶¹ Telephone interview with Steve Noe, manager, midscale renewables, Business Development and Renewables Group, Tennessee Valley Authority, January 16, 2018.

⁶² Tennessee Valley Authority 2017b.

⁶³ Tennessee Valley Authority "Guidelines for Renewable Standard Offer."

⁶⁴ Tennessee Valley Authority 2017b.

⁶⁵ Tennessee Valley Authority "Guidelines for Renewable Standard Offer."

⁶⁶ Tennessee Valley Authority "Solar Solutions Initiative: Frequently Asked Questions."

⁶⁷ Telephone interview with Neil Placer, senior manager, Renewable Energy Solutions, Tennessee Valley Authority, February 20, 2015.

⁶⁸ Tennessee Valley Authority "Guidelines for Distributed Solar Solutions (2016)."

⁶⁹ Telephone interview with Neil Placer, senior manager, Renewable Energy Solutions, Tennessee Valley Authority, February 20, 2015.

⁷⁰ Tennessee Valley Authority "Green Power Providers." Under the program, smaller non-residential customers are those subject to the GSA-1 rate schedule. In general, the GSA-1 rate schedule is for businesses that not only have contracted demand or actual demand no greater than 50 kilowatts but also have used no more than 15,000 kilowatt-hours of electricity in any of the last 12 months.

a change from past years when the program's 10-megawatt allocation was split equally between residential and non-residential customers.⁷¹

TVA pays RSO participants a base rate that varies seasonally and with time of day and that increases each year a participant remains in the program. The base rate for new RSO participants in 2015 varied from less than three cents per kilowatt-hour to more than five cents per kilowatt-hour when it was introduced, with participants receiving a 5% increase each year.⁷² Within the RSO program, participants who generate no more than one megawatt of solar power may earn a premium of four cents per kilowatt-hour through the Solar Solutions Initiative for the first 10 years they participate in the RSO,⁷³ down from eight cents when the initiative began in 2012.⁷⁴ Similar to its RSO participants, TVA pays Distributed Solar Solutions participants a base rate that varies seasonally and with time of day and that increases each year a participant remains in the program. The base rate for new DSS participants in 2017 ranged from less than three cents per kilowatt-hour to almost five cents per kilowatt-hour, a decrease from 2016 when it ranged from less than four cents per kilowatt-hour to almost seven cents per kilowatt-hour. But the annual percentage increase doubled to 3% from 1.5%. Similar to RSO participants who qualify for the Solar Solutions Initiative, DSS participants also earn a premium of almost three cents per kilowatt-hour in addition to the escalated base rate.⁷⁵ TVA has not finalized a rate schedule for new participants in 2018.⁷⁶ TVA continues to alter the rates paid to new Green Power Providers participants. New residential and smaller non-residential participants in 2018 with systems greater than 500 watts but no greater than 10 kilowatts will receive nine cents per kilowatt-hour; all other new participants will receive 7.5 cents per kilowatt-hour.⁷⁷ New Green Power Providers participants had previously received at least the retail rate,⁷⁸ which on average in Tennessee is approximately 10.5 cents per kilowatt-hour for residential customers, 10.3 cents per kilowatt-hour for commercial customers, and 5.9 cents per kilowatt-hour for industrial customers, according to the US Energy Information Administration.⁷⁹ Prior to 2016, new participants also received an additional premium above the retail rate for the first 10 years they participated in the program, though

⁷¹ Tennessee Valley Authority "Green Power Providers Program Participation Guidelines (2017)."

⁷² Tennessee Valley Authority "Renewable Standard Offer Contract."

⁷³ Tennessee Valley Authority "Solar Solutions Initiative: Frequently Asked Questions."

⁷⁴ Roy 2013.

⁷⁵ Tennessee Valley Authority "Distributed Solar Solutions Contract (2016)"; Tennessee Valley Authority "Distributed Solar Solutions Contract (2017)"; and Tennessee Valley Authority "Guidelines for Distributed Solar Solutions (2017)."

⁷⁶ Telephone interview with Steve Noe, manager, midscale renewables, Business Development and Renewables Group, Tennessee Valley Authority, January 16, 2018.

⁷⁷ Tennessee Valley Authority "Green Power Providers."

⁷⁸ Tennessee Valley Authority "Green Power Providers Program Participation Guidelines (2017)."

⁷⁹ US Energy Information Administration 2017.

TVA had reduced this premium over the years to two cents per kilowatt-hour for new participants in 2015⁸⁰ from its original twelve cents in 2012.⁸¹

According to TVA's October 2015 report on efforts to develop a method for assessing the benefits and costs associated with various forms of distributed power-generation like the ones supported by these programs, the average value for solar generation for TVA was just over seven cents per kilowatt-hour, which was less than the average retail rate charged in 2015.⁸² In order to develop the method, TVA assembled a cross-section of participants from the Tennessee Valley region, including local power companies, the Tennessee Valley Public Power Association, various environmentally focused non-governmental entities, solar industry representatives, academia, state governments, and national research institutions. Response to the report has been mixed. Among participants who were critical of the report, while generally complimentary of the process and the effort, the Southern Environmental Law Center said the analysis did not properly consider solar power's environmental and health benefits,⁸³ and the Southern Alliance for Clean Energy, agreeing with that assessment, expressed concern that TVA already "lags behind neighboring states like Georgia and North Carolina in developing a strong solar market."⁸⁴ But others urged TVA to pursue the least cost source of power to keep its electric rates as low and competitive as possible.⁸⁵

⁸⁰ Tennessee Valley Authority "Green Power Providers Program Participation Guidelines (2015)."

⁸¹ Smith and Coggeshall 2013.

⁸² Flessner 2015; and Tennessee Valley Authority 2015b.

⁸³ Southern Environmental Law Center 2015.

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Appendix A: TVA's Allocation Formula

Section 13 - In Lieu of Tax Payments Overview

Overview:

Section 13 of the TVA Act requires TVA to pay 'tax equivalent payments' to states in which its power operations are carried out and to counties in which it has acquired reservoir land, allocable to power purposes, or power properties that were formerly subject to local ad valorem taxation. Power operations are determined to be carried out if TVA has power sales and/or holds power property in a given state.

Calculation:

The total tax equivalent payments to be paid to the states and counties is determined by taking 5 percent of gross proceeds from the sale of power, from the prior fiscal year, (excluding sales to federal agencies, off-system sales, and interdivisional sales). The resulting amount is essentially the "bucket" of tax equivalent payments that are to be distributed to the states and counties which TVA carries out its power operations. Currently, the eight states in which TVA carries out its power operations are: Alabama, Georgia, Illinois, Kentucky, Mississippi, North Carolina, Tennessee, and Virginia. The percentage amount to be allocated to each state is determined by a two-part calculation; **1.)** 50 percent is based on the ratio of TVA power property within the respective state, compared to TVA's total net book value of power properties for the prior fiscal year, and **2.)** 50 percent is based on the ratio of power sales within the respective state, compared to TVA's total power sales for the prior fiscal year. The two percentages, calculated above, are then averaged and the resulting percentage is multiplied by the total "bucket" of tax equivalent payments to be distributed, and the resulting dollar amount represents the payments to be distributed to the respective state during TVA's fiscal year.

Direct Payments to counties:

The TVA Act also requires TVA to directly make payments to counties in which TVA has acquired/purchased reservoir land, allocable to power purposes, or power property from a privately owned and operated utility company. (E.g. TVA purchases a power plant from Southern Company in order to serve a given load in the TVA service territory. Whereas Southern Company has historically paid property taxes to the county in which this power property is located, TVA is not subject to taxation and therefore the county cannot levy property taxes for this power property. However, in an effort to keep the county whole, the TVA Act requires TVA to make payments "in-lieu" of taxes to the county.) The amount to be paid to the county is determined by taking the average of the prior two years property tax bills and the resulting amount is paid, annually, to the county for as long as TVA owns the property. In addition, any direct payments to a county reduce the amount paid directly to the state by TVA. While this reduces the total amount paid directly to the state, it doesn't change the overall tax equivalent payments that the state is due, determined above.

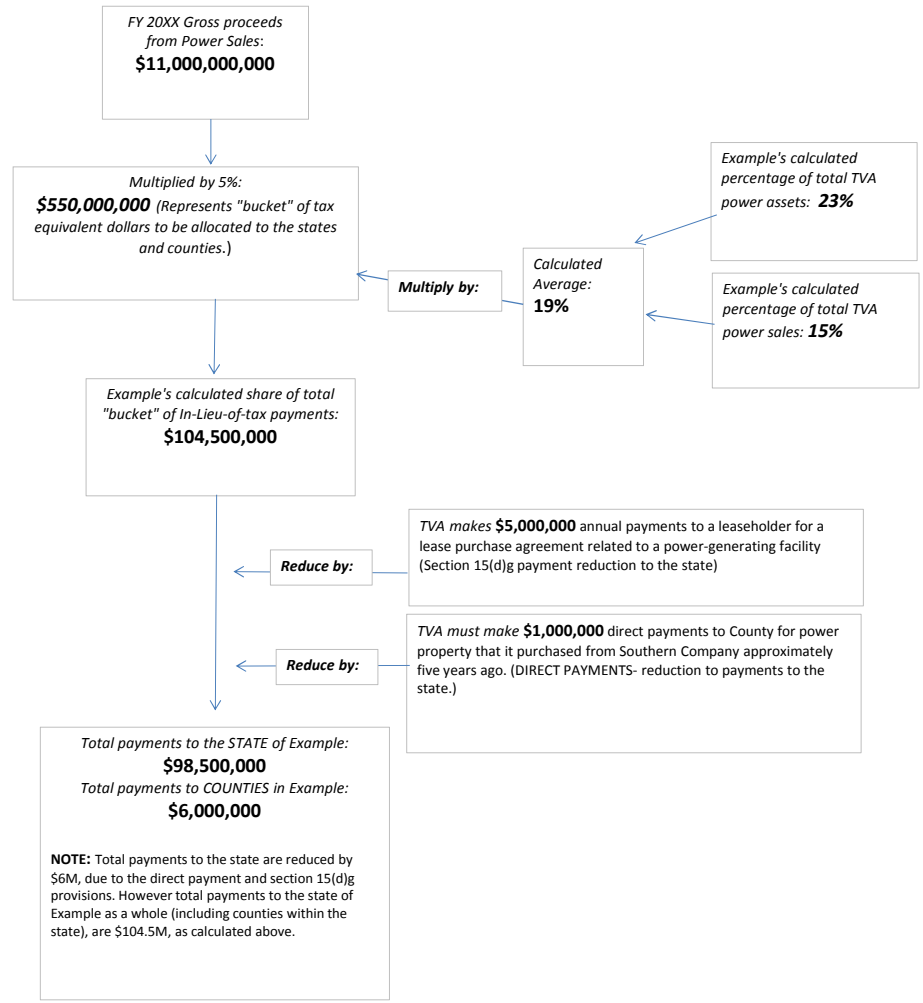
Section 15(d)g of the TVA Act:

This section recognizes that generating facilities operated by TVA under lease or lease purchase agreements constitute power property held by TVA within the meaning of Section 13. As such, any property taxes reimbursed by TVA to the leaseholder, as a result of the negotiated lease agreement, will reduce the overall amount owed to the state by TVA. This section essentially prevents a "double-dipping" on the tax payments to the county/state since TVA has already reimbursed the leaseholder for the property taxes.

Additional Facts:

- The TVA Board, each November, approves the estimated (based on unaudited financial numbers) payments, for the current fiscal year, to be paid during the months of October through August.
- In addition, the Board approves the "final" payment for September of the prior fiscal year which is based off audited financial data.
- Each state redistributes the tax equivalent payments to the counties based upon each state's individual legislation.
- Once TVA has remitted the tax equivalent payments to the individual states it has no authority to dictate how the monies are redistributed.

Example: State of Example's Tax Equivalent Payments for FY20XX



NOTE: Amounts above are for illustrative purposes only and do NOT represent actual amounts for a specific fiscal year.

Source: Schoolfield 2017.

Appendix B: Tennessee's Allocation Formula

The TVA Act of 1933 (TVA Act) specifically directs that 5% of the Authority's "gross proceeds" be paid as payments in lieu of taxes (PILOTs) to states and local governments where the authority owns and operates property. (48 Stat. 58-59, 16 USC. § 831.) TVA interprets "gross proceeds" as their operating revenues from the sale of power to municipalities, cooperatives, and industries. The TVA Act specifically excludes sales to federal agencies from the PILOT calculation. Payments to each state are based on the amount of TVA-owned property and sales in each state. Tennessee's share based on those two factors has been more than 60% of the total each year since federal fiscal year 2010-11.

Each state determines its own method of distributing the payments. The following chart shows the formula used by the State of Tennessee in distributing the funds among the state government, its agencies, counties, and cities.

Tennessee Valley Authority (Tennessee State Revenue Sharing Act)

Title 67, Chapter 9, Part 1

From the Allocation of TVA Payments in Lieu of Taxes in Tennessee

(after direct payments to counties and 1977-78 base payment to state, counties, and cities)

	Basis of Apportionment (\$67-9-101)	Proration to Counties and Municipalities (\$67-9-102)
Paid to areas with TVA construction <i>(remainder allocated to CTAS, TACIR and Tennessee Central Economic Authority)</i>	3%	
Retained by the State	48.5%	
Paid to Local Governments	48.5%	
<i>Counties—70% of Local Share</i>		
·Based on Percent of State Population		30% <i>(14.55% of total)</i>
·Based on Percent of State Land		30% <i>(14.55% of total)</i>
·Based on County's Percent of TVA Acreage in Tennessee		10% <i>(4.85% of total)</i>
<i>Municipalities—30% of Local Share Based on Percent of State Population</i>		30% <i>(14.55% of total)</i>
Total Allocated by State	100%	

Appendix C: Distribution of Counties' Share of TVA Payments in Lieu of Taxes to Tennessee by Tennessee Fiscal Year

County	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Anderson	\$ 1,148,257	\$ 1,140,471	\$ 1,173,627	\$ 1,157,568	\$ 1,107,511	\$ 1,136,571	\$ 1,147,126	\$ 1,100,866
Bedford	806,433	800,352	826,171	813,673	774,647	797,382	806,367	732,398
Benton	1,725,938	1,714,385	1,766,920	1,741,324	1,662,030	1,708,401	1,727,685	1,633,032
Bledsoe	496,430	492,676	508,555	500,872	476,869	490,848	496,357	468,146
Blount	1,454,729	1,443,998	1,489,557	1,467,505	1,398,641	1,438,757	1,454,611	1,326,878
Bradley	1,059,194	1,051,291	1,084,953	1,068,668	1,017,788	1,047,433	1,058,574	981,379
Campbell	1,316,850	1,307,542	1,348,530	1,328,569	1,266,520	1,302,746	1,317,495	1,254,904
Cannon	370,065	367,340	378,865	373,289	355,867	366,014	370,013	348,509
Carroll	786,049	780,040	805,454	793,157	754,741	777,115	785,932	758,072
Carter	831,239	825,098	851,393	838,655	798,916	822,077	831,293	810,761
Cheatham	558,137	553,870	571,916	563,184	535,905	551,793	558,053	525,121
Chester	400,739	397,676	410,633	404,364	384,777	396,185	400,680	374,276
Claiborne	950,425	943,604	973,360	958,919	913,968	940,195	950,780	895,244
Clay	278,249	276,122	285,118	280,766	267,166	275,086	278,207	265,325
Cocke	754,642	749,426	771,553	760,844	727,398	746,880	754,576	718,123
Coffee	969,841	962,603	993,854	978,703	931,481	959,016	970,045	908,690
Crockett	361,141	358,381	370,056	364,407	346,771	357,050	361,100	346,011
Cumberland	1,050,235	1,042,213	1,076,151	1,059,729	1,006,632	1,036,458	1,048,212	952,613
Davidson	4,628,778	4,593,798	4,741,771	4,670,173	4,446,488	4,576,766	4,628,107	4,361,282
Decatur	624,479	620,217	638,793	629,779	601,716	618,088	624,690	593,986
DeKalb	413,787	410,625	424,001	417,529	397,308	409,085	413,726	389,484
Dickson	816,079	809,854	836,184	823,445	783,642	806,824	816,097	813,609
Dyer	769,896	764,011	788,979	776,934	739,302	761,219	769,856	736,296
Fayette	955,036	947,735	978,614	963,673	916,995	944,181	954,893	851,112
Fentress	615,119	610,417	630,305	620,682	590,617	608,127	615,027	576,256
Franklin	1,120,924	1,113,088	1,147,012	1,130,560	1,079,303	1,109,196	1,121,190	1,043,522
Gibson	925,401	918,328	948,247	933,771	888,542	914,884	925,264	885,645
Giles	808,090	801,957	827,896	815,345	776,135	798,972	807,970	773,003
Grainger	983,113	976,602	1,005,707	991,550	947,604	973,279	983,827	926,382
Greene	1,107,440	1,099,096	1,134,480	1,117,355	1,063,869	1,095,024	1,107,326	1,039,792
Grundy	454,442	450,999	465,559	458,514	436,505	449,323	454,374	437,177
Hamblen	895,606	889,305	916,902	903,504	861,818	886,145	895,993	851,911
Hamilton	3,458,866	3,433,751	3,542,017	3,489,550	3,326,019	3,421,361	3,459,494	3,270,907
Hancock	267,569	265,524	274,174	269,989	256,913	264,528	267,529	253,632
Hardeman	848,556	842,070	869,506	856,231	814,757	838,912	848,431	814,763
Hardin	1,085,003	1,077,274	1,110,917	1,094,593	1,043,767	1,073,418	1,085,365	1,030,245
Hawkins	1,291,118	1,282,909	1,318,698	1,301,342	1,247,268	1,278,803	1,291,456	1,233,682
Haywood	668,267	663,010	684,599	674,151	641,516	660,525	668,026	642,046
Henderson	843,627	837,362	864,648	851,486	810,501	834,487	844,041	791,075
Henry	1,682,427	1,670,799	1,722,705	1,697,459	1,619,085	1,664,871	1,683,664	1,591,410
Hickman	788,690	782,792	807,737	795,667	757,959	779,742	788,395	736,402
Houston	417,012	414,070	426,986	420,714	401,205	412,591	417,208	393,999
Humphreys	1,562,903	1,552,477	1,599,168	1,576,452	1,505,955	1,547,147	1,564,093	1,477,349
Jackson	383,846	380,911	393,322	387,317	368,556	379,483	383,788	361,090
Jefferson	1,006,702	1,000,580	1,027,208	1,014,289	974,060	997,527	1,006,976	938,892
Johnson	494,271	490,759	505,769	498,499	475,815	489,034	494,287	470,204
Knox	3,532,625	3,506,590	3,617,045	3,564,161	3,397,172	3,493,517	3,531,930	3,256,384
Lake	220,157	218,474	225,592	222,148	211,388	217,655	220,124	211,242
Lauderdale	655,321	650,313	671,477	661,229	629,212	647,859	655,207	624,612
Lawrence	892,645	885,845	914,610	900,692	857,208	882,533	892,513	847,209
Lewis	364,473	361,711	373,390	367,739	350,084	360,367	364,419	342,683

Tennessee Valley Authority's Payments in Lieu of Taxes
Annual Report to the Tennessee General Assembly

Distribution of Counties' Share of TVA Payments in Lieu of Taxes to Tennessee by Tennessee Fiscal Year

County	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Lincoln	794,397	788,370	813,863	801,528	762,990	785,435	794,280	749,557
Loudon	1,137,478	1,131,078	1,159,187	1,145,537	1,103,081	1,127,861	1,137,769	1,049,161
Macon	452,186	448,729	463,349	456,275	434,174	447,046	452,119	423,871
Madison	1,204,133	1,194,946	1,233,824	1,214,961	1,156,193	1,190,421	1,203,913	1,145,433
Marion	1,180,630	1,172,933	1,206,616	1,190,264	1,139,383	1,169,001	1,181,424	1,127,850
Marshall	585,272	580,870	599,491	590,481	562,331	578,726	585,187	540,818
Maury	1,180,372	1,171,466	1,209,217	1,190,947	1,133,882	1,167,122	1,180,242	1,078,721
McMinn	895,732	889,511	915,988	903,169	863,151	886,466	895,699	853,788
McNairy	732,372	726,774	750,453	738,589	702,813	723,650	731,860	690,053
Meigs	789,534	779,845	803,409	791,935	756,365	777,159	785,769	741,479
Monroe	1,596,020	1,585,671	1,630,983	1,608,999	1,540,592	1,580,511	1,596,657	1,495,898
Montgomery	1,661,232	1,648,543	1,702,216	1,676,246	1,595,111	1,642,365	1,660,987	1,412,457
Moore	204,769	203,279	209,673	206,575	196,911	202,544	204,788	183,409
Morgan	670,131	664,854	686,398	675,974	643,406	662,374	669,848	624,298
Obion	757,329	751,541	776,021	764,176	727,170	748,723	757,216	731,502
Overton	577,016	572,606	591,262	582,235	554,033	570,458	576,930	539,338
Perry	665,771	661,077	681,478	671,581	640,758	658,738	665,973	627,042
Pickett	192,111	190,643	196,854	193,849	184,459	189,928	192,082	181,526
Polk	794,851	790,102	810,455	800,594	769,837	787,770	794,908	758,495
Putnam	870,259	863,646	891,761	878,158	835,657	860,410	870,164	792,789
Rhea	1,157,939	1,150,431	1,183,879	1,167,614	1,117,108	1,146,610	1,158,702	1,089,000
Roane	1,604,918	1,594,781	1,639,940	1,620,023	1,551,797	1,591,648	1,607,852	1,535,851
Robertson	908,258	901,323	930,656	916,354	872,017	897,839	908,015	811,532
Rutherford	2,338,930	2,321,247	2,396,046	2,359,854	2,246,782	2,312,637	2,338,588	1,817,568
Scott	672,904	667,760	689,517	678,990	646,101	665,256	672,804	634,567
Sequatchie	367,092	364,355	375,932	370,330	352,829	363,022	367,039	333,743
Sevier	1,249,557	1,240,164	1,280,090	1,260,762	1,200,413	1,235,571	1,249,480	1,100,751
Shelby	7,016,977	6,964,888	7,185,270	7,078,634	6,745,491	6,939,521	7,015,996	6,980,900
Smith	482,866	479,384	494,172	487,014	464,662	477,683	482,832	454,953
Stewart	2,791,312	2,772,961	2,857,324	2,816,181	2,688,874	2,763,366	2,783,192	2,590,836
Sullivan	1,788,290	1,775,264	1,831,340	1,804,161	1,719,425	1,768,826	1,788,563	1,753,034
Sumner	1,642,536	1,624,332	1,676,777	1,651,393	1,572,119	1,618,297	1,636,538	1,432,404
Tipton	852,219	845,712	873,233	859,917	818,315	842,544	852,092	769,609
Trousdale	211,912	210,501	216,542	213,616	204,485	209,807	211,923	200,505
Unicoi	305,365	303,033	312,896	308,124	293,214	301,897	305,319	292,625
Union	1,069,374	1,062,503	1,093,583	1,078,448	1,031,532	1,058,960	1,070,325	1,012,221
Van Buren	333,888	331,407	341,952	336,847	320,909	330,195	333,869	315,160
Warren	754,461	749,031	772,074	760,921	726,089	746,379	754,395	722,461
Washington	1,163,691	1,155,001	1,191,801	1,173,993	1,118,365	1,150,766	1,163,545	1,063,613
Wayne	855,624	849,097	876,736	863,361	821,581	845,916	855,513	807,521
Weakley	815,671	809,450	835,781	823,040	783,237	806,419	815,559	782,975
White	583,823	579,453	598,047	589,045	560,941	577,315	583,797	563,790
Williamson	1,796,604	1,783,034	1,840,433	1,812,660	1,725,892	1,776,427	1,796,341	1,419,606
Wilson	1,329,458	1,319,411	1,361,917	1,341,350	1,277,095	1,314,518	1,329,268	1,147,797
Total	\$ 99,936,128	\$ 99,201,346	\$ 102,309,124	\$ 100,805,418	\$ 96,107,481	\$ 98,843,609	\$ 99,921,756	\$ 93,348,135

Source: Tennessee Department of Revenue

Appendix D: Distribution of Cities' Share of TVA Payments in Lieu of Taxes to Tennessee by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Adams	\$ 7,178	\$ 7,142	\$ 7,428	\$ 7,337	\$ 7,003	\$ 7,219	\$ 7,314	\$ 6,370
Adamsville	25,139	25,015	26,012	25,693	24,530	25,281	25,615	22,429
Alamo	27,912	27,773	28,886	28,529	27,233	28,071	28,443	26,925
Alcoa	95,807	95,330	99,149	97,925	93,477	96,351	97,629	87,037
Alexandria	10,954	10,899	11,336	11,196	10,687	11,016	11,162	9,161
Algood	39,632	39,434	41,014	40,508	38,667	39,856	40,385	35,450
Allardt	7,189	7,153	7,440	7,348	7,014	7,230	7,326	7,225
Altamont	11,850	11,791	12,263	12,112	11,561	11,917	12,075	12,784
Ardmore	13,755	13,686	14,235	14,059	13,420	13,833	14,016	13,392
Arlington	137,094	136,411	141,876	140,125	133,759	131,338	133,080	109,241
Ashland City	51,493	51,236	53,289	52,631	50,240	51,785	52,472	45,578
Athens	152,751	151,990	158,074	156,125	149,039	153,617	155,653	150,203
Atoka	107,430	94,630	98,422	97,207	92,791	95,644	96,912	94,566
Atwood	10,636	10,583	11,007	10,872	10,378	10,697	10,839	11,254
Auburntown	3,050	3,035	3,157	3,118	2,976	3,068	3,108	2,836
Baileyton	4,887	4,863	5,058	4,995	4,768	4,915	4,980	5,672
Baneberry	5,466	5,438	5,656	5,586	5,333	5,497	5,570	5,278
Bartlett	640,545	637,351	662,887	654,705	604,217	622,796	631,057	528,413
Baxter	15,478	15,401	16,018	15,821	15,102	15,566	15,773	14,394
Bean Station	34,631	34,458	35,839	35,257	33,656	34,303	32,655	29,249
Beersheba Spring	5,409	5,382	5,598	5,529	5,277	5,440	5,512	6,223
Bell Buckle	5,670	5,641	5,868	5,795	5,532	5,702	5,778	4,558
Belle Meade	33,021	32,856	34,172	33,751	32,217	33,208	33,648	33,120
Bells	27,634	27,497	28,598	28,245	26,962	27,791	28,160	26,030
Benton	15,705	15,627	16,253	16,052	15,323	15,794	16,004	15,148
Berry Hill	10,920	10,865	6,302	6,224	5,941	6,124	6,205	7,585
Bethel Springs	8,142	8,101	8,426	8,322	7,944	8,188	8,297	8,587
Big Sandy	6,996	6,964	7,216	7,135	6,842	7,032	7,116	6,509
Blaine	21,046	20,941	21,780	21,511	20,534	21,165	21,446	18,974
Bluff City	20,101	20,003	20,787	20,536	19,623	20,213	20,475	17,995
Bolivar	61,426	61,120	63,569	62,784	59,932	61,774	62,594	65,295
Braden	3,198	3,182	3,309	3,268	3,120	3,216	3,259	3,050
Bradford	11,907	11,848	12,322	12,170	11,618	11,975	12,133	12,549
Brentwood	458,127	455,842	474,106	429,531	410,018	422,625	428,231	396,833
Brighton	31,013	30,859	32,095	31,699	30,259	31,189	31,603	29,665
Bristol	306,349	304,839	316,910	313,042	298,983	308,066	312,105	291,356
Brownsville	116,871	116,289	120,942	119,451	114,032	117,533	119,090	121,121
Bruceston	16,760	16,676	17,344	17,130	16,352	16,855	17,078	17,488
Bulls Gap	8,369	8,327	8,660	8,554	8,165	8,416	8,528	8,035
Burlison	4,819	4,795	4,987	4,926	4,702	4,847	4,911	5,098
Burns	16,646	16,563	17,227	17,014	16,241	16,741	16,963	16,194
Byrdstown	9,106	9,060	9,423	9,307	8,884	9,157	9,279	10,162
Calhoun	5,556	5,529	5,750	5,679	5,421	5,588	5,662	5,582
Camden	40,618	40,416	42,035	41,516	39,630	40,848	41,390	43,080
Carthage	26,149	26,018	27,061	26,727	25,513	26,297	26,646	25,332
Caryville	26,047	25,917	26,955	26,623	25,413	26,195	26,542	25,411
Cedar Hill	3,561	3,543	3,685	3,639	3,474	3,581	3,628	3,354
Celina	16,953	16,868	17,544	17,327	16,540	17,049	17,275	15,519
Centertown	2,755	2,742	2,852	2,816	2,688	2,771	2,808	2,892
Centerville	41,479	41,273	42,921	42,393	40,474	41,714	42,265	42,844

Distribution of Cities' Share of TVA Payments in Lieu of Taxes to Tennessee by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Chapel Hill	16,386	16,304	16,957	16,748	15,987	16,479	16,697	13,302
Charleston	7,382	7,345	7,639	7,545	7,202	7,424	7,522	7,090
Charlotte	14,004	13,934	14,493	14,314	13,664	14,084	14,271	18,580
Chattanooga	1,944,355	1,934,875	2,010,675	1,986,387	1,898,099	1,955,139	1,980,503	1,793,597
Church Hill	76,394	76,013	79,059	78,083	74,536	76,827	77,847	66,578
Clarksburg	4,456	4,434	4,612	4,555	4,348	4,482	4,541	3,207
Clarksville	1,507,393	1,499,878	1,559,970	1,540,715	1,470,723	1,515,943	1,536,051	1,164,312
Cleveland	468,913	466,579	485,242	479,262	457,524	471,568	477,813	421,870
Clifton	30,549	30,396	31,614	31,224	29,805	30,722	31,129	34,279
Clinton	113,722	113,165	117,614	116,189	111,007	114,355	115,843	108,017
Coalmont	9,537	9,489	9,869	9,747	9,305	9,591	9,718	10,669
Collegedale	93,914	93,445	97,189	95,990	91,629	94,446	95,699	73,307
Collierville	516,514	513,938	534,530	527,932	503,948	519,443	508,019	498,590
Collinwood	11,135	11,080	11,524	11,382	10,864	11,199	11,347	11,524
Columbia	399,169	397,208	412,886	407,863	389,602	401,400	406,646	377,900
Cookeville	353,270	351,509	365,593	361,080	344,676	348,409	351,679	299,982
Coopertown	48,510	48,268	50,202	49,583	47,330	48,785	49,433	40,728
Copperhill	4,014	3,994	4,154	4,103	3,917	4,037	4,090	5,751
Cornersville	13,539	13,472	14,012	13,839	13,210	13,616	13,797	11,704
Cottage Grove	998	993	1,033	1,020	974	1,004	1,017	1,092
Covington	102,486	101,975	106,061	104,752	99,993	103,068	104,435	95,241
Cowan	19,946	19,848	20,633	20,382	19,467	20,058	20,321	20,169
Crab Orchard	8,527	8,485	8,825	8,716	8,320	8,576	8,689	9,431
Cross Plains	19,436	19,339	20,114	19,866	18,963	19,546	19,805	17,522
Crossville	124,984	124,361	129,343	127,747	119,432	123,104	124,737	117,411
Crump	16,193	16,112	16,758	16,551	15,799	16,285	16,501	17,117
Cumberland City	16,693	16,676	16,816	16,771	16,607	16,713	16,760	16,723
Cumberland Gap	5,602	5,574	5,797	5,726	5,465	5,633	5,708	2,656
Dandridge	32,697	32,538	33,809	33,402	31,921	32,878	33,303	24,196
Dayton	84,094	83,688	86,938	85,897	82,110	84,557	85,645	73,789
Decatur	18,121	18,030	18,753	18,521	17,680	18,223	18,465	16,048
Decaturville	9,907	9,858	10,250	10,124	9,668	9,963	10,094	9,743
Decherd	26,794	26,660	27,727	27,385	26,142	26,945	27,303	25,297
Dickson	164,853	164,032	170,604	168,498	160,843	165,789	167,988	216,906
Dover	16,068	15,988	16,629	16,423	15,677	16,159	16,374	16,228
Dowelltown	4,026	4,005	4,166	4,115	3,928	4,048	4,102	3,399
Doyle	6,089	6,059	6,302	6,224	5,941	6,124	6,205	6,347
Dresden	34,075	33,905	35,264	34,828	33,246	34,268	34,723	35,067
Ducktown	5,386	5,359	5,574	5,505	5,255	5,417	5,489	4,805
Dunlap	54,622	54,350	56,527	55,829	53,294	54,932	55,661	52,983
Dyer	26,546	26,413	27,472	27,133	25,900	26,696	27,050	27,077
Dyersburg	194,415	193,446	201,197	198,713	189,686	195,518	198,112	196,402
Eagleville	6,849	6,815	7,088	7,000	6,682	6,888	6,979	6,325
East Ridge	237,891	236,705	246,189	243,150	232,104	239,240	242,414	232,279
Eastview	7,994	7,954	8,273	8,171	7,800	8,040	8,146	6,955
Elizabethton	162,037	161,236	167,644	165,591	158,127	162,949	165,094	159,034
Elkton	6,554	6,522	6,783	6,699	6,395	6,591	6,679	6,820
Englewood	18,563	18,476	19,169	18,947	18,140	18,661	18,893	19,084
Enville	2,143	2,132	2,218	2,191	2,091	2,155	2,184	2,588
Erin	15,013	14,939	15,537	15,345	14,648	15,099	15,299	16,768

Distribution of Cities' Share of TVA Payments in Lieu of Taxes to Tennessee by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Erwin	69,161	68,816	71,573	70,690	67,479	69,553	70,476	65,274
Estill Springs	25,700	25,584	26,513	26,215	25,133	25,832	26,143	28,214
Ethridge	5,273	5,247	5,457	5,389	5,145	5,303	5,373	6,032
Etowah	39,575	39,377	40,955	40,450	38,612	39,799	40,327	41,223
Fairview	90,739	90,286	90,594	89,476	85,411	88,037	89,205	78,934
Farragut	257,134	255,852	242,633	239,638	228,751	235,785	238,913	221,892
Fayetteville	77,467	77,081	80,167	79,178	75,584	77,906	78,939	79,369
Finger	3,379	3,362	3,497	3,454	3,297	3,398	3,443	3,939
Forest Hills	57,151	56,866	59,144	58,414	55,761	54,875	55,603	53,006
Franklin	804,202	748,991	778,995	769,381	691,474	712,731	722,184	632,821
Friendship	7,580	7,542	7,844	7,747	7,395	7,623	7,724	6,847
Friendsville	10,353	10,301	10,714	10,582	10,101	10,412	10,550	10,016
Gadsden	5,330	5,303	5,515	5,447	5,200	5,360	5,431	6,223
Gainesboro	10,909	10,854	11,289	11,150	10,643	10,970	11,116	9,892
Gallatin	390,906	388,957	355,313	350,927	334,984	345,284	349,864	269,158
Gallaway	7,711	7,672	7,980	7,881	7,523	7,755	7,857	7,495
Garland	3,515	3,498	3,638	3,593	3,430	3,535	3,582	3,691
Gates	7,337	7,300	7,593	7,499	7,158	7,378	7,476	10,140
Gatlinburg	44,723	44,500	46,283	45,712	43,635	44,977	45,573	38,060
Germantown	454,974	452,706	470,844	465,032	443,906	457,555	448,845	461,148
Gibson	4,490	4,468	4,647	4,590	4,381	4,516	4,576	4,659
Gilt Edge	5,409	5,382	5,598	5,529	5,277	5,440	5,512	5,503
Gleason	16,386	16,304	16,957	16,748	15,987	16,479	16,697	16,464
Goodlettsville	180,536	179,636	186,833	184,527	176,144	181,560	183,968	166,118
Gordonsville	13,755	13,686	14,235	14,059	13,420	13,833	14,016	14,045
Grand Junction	3,685	3,667	3,814	3,767	3,596	3,706	3,755	3,612
Graysville	17,032	16,947	17,626	17,408	16,618	17,129	17,356	17,342
Greenback	12,065	12,005	12,486	12,332	11,772	12,134	12,295	10,736
Greenbrier	72,947	72,583	75,491	74,560	71,172	73,361	74,334	60,467
Greeneville	171,012	170,160	176,969	174,788	166,857	171,981	174,259	174,122
Greenfield	24,743	24,619	25,606	25,290	24,141	24,883	25,213	24,848
Gruetli-Laager	20,558	20,456	21,276	21,013	20,058	20,675	20,949	21,011
Guys	5,284	5,258	5,469	5,401	5,156	5,314	5,385	5,436
Halls	25,571	25,443	26,462	26,136	24,948	25,716	26,057	26,008
Harriman	75,004	74,645	77,516	76,596	73,252	75,412	76,373	78,894
Harrogate	49,769	49,521	51,505	50,869	48,558	50,051	50,715	49,798
Hartsville	26,863	26,729	27,800	27,457	26,210	27,016	27,374	26,953
Henderson	71,541	71,184	74,036	73,122	69,800	71,947	72,901	69,718
Hendersonville	582,532	579,628	602,851	595,410	568,360	585,836	593,607	485,760
Henning	10,716	10,662	11,090	10,953	10,455	10,777	10,920	13,707
Henry	5,262	5,235	5,445	5,378	5,134	5,291	5,362	5,852
Hickory Valley	1,123	1,117	1,162	1,147	1,095	1,129	1,144	1,531
Hohenwald	42,856	42,644	44,342	43,798	41,820	43,098	43,666	42,501
Hollow Rock	8,142	8,101	8,426	8,322	7,944	8,188	8,297	10,837
Hornbeak	6,044	6,014	6,255	6,178	5,897	4,835	4,899	4,895
Hornsby	3,436	3,419	3,556	3,512	3,352	3,455	3,501	3,444
Humboldt	95,845	95,367	99,188	97,964	93,513	96,388	97,667	106,544
Huntingdon	45,188	44,963	46,764	46,187	44,089	45,444	46,047	48,943
Huntland	9,888	9,839	10,233	10,107	9,647	9,944	10,076	10,309
Huntsville	17,950	17,861	18,577	18,023	17,204	17,482	15,310	12,694

Tennessee Valley Authority's Payments in Lieu of Taxes
Annual Report to the Tennessee General Assembly

Distribution of Cities' Share of TVA Payments in Lieu of Taxes to Tennessee by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Jacksboro	22,906	22,792	23,705	23,412	22,349	23,036	23,341	21,236
Jackson	741,019	737,332	766,812	757,366	723,030	745,213	755,078	672,772
Jamestown	22,214	22,103	22,989	22,705	21,674	22,340	22,636	20,696
Jasper	37,681	37,493	38,995	38,514	36,278	37,393	37,889	36,170
Jefferson City	96,705	96,225	100,063	98,833	94,363	92,199	93,416	97,486
Jellico	26,704	26,571	27,636	27,295	26,055	26,856	27,212	27,549
Johnson City	719,123	715,553	744,102	734,954	701,702	723,185	732,738	643,659
Jonesborough	57,276	56,990	59,274	58,542	55,882	57,601	58,365	52,297
Kenton	14,526	14,453	15,033	14,847	14,173	14,608	14,802	14,698
Kimball	15,819	15,740	16,370	16,168	15,434	15,908	16,119	14,765
Kingsport	581,421	578,522	601,701	594,274	567,165	576,588	569,376	516,573
Kingston	70,108	69,772	72,455	71,595	68,471	70,490	71,387	62,060
Kingston Springs	31,252	31,096	32,342	31,942	30,491	31,429	31,846	31,207
Knoxville	2,065,855	2,055,742	2,136,605	2,110,695	2,016,510	2,077,360	2,104,418	1,994,445
Lafayette	50,733	50,480	52,502	51,854	49,499	51,021	51,697	43,721
Lafollette	84,711	84,289	87,660	86,580	82,654	85,190	86,318	89,935
Lagrange	1,508	1,501	1,561	1,541	1,471	1,517	1,537	1,531
Lakeland	140,950	140,247	145,866	144,066	137,521	141,749	143,630	122,082
Lakesite	20,706	20,603	21,428	21,164	20,202	20,823	21,100	21,607
Lakewood	-	-	-	-	-	-	-	26,345
La Vergne	369,531	367,689	382,421	377,700	360,541	371,627	376,557	297,405
Lawrenceburg	118,248	117,659	122,373	120,862	115,371	118,919	120,496	121,496
Lebanon	371,949	370,099	308,125	304,331	290,541	299,451	303,412	280,015
Lenoir City	99,520	99,032	102,938	101,687	97,136	100,076	101,383	78,264
Lewisburg	126,541	125,914	130,931	129,324	123,479	127,255	128,934	117,859
Lexington	86,969	86,536	89,995	88,887	84,858	87,461	88,618	83,398
Liberty	3,515	3,498	3,638	3,593	3,430	3,535	3,582	4,130
Linden	10,303	10,252	10,662	10,531	10,053	10,362	10,499	11,430
Livingston	46,016	45,786	47,621	47,033	44,896	46,277	46,890	44,678
Lobelville	10,172	10,121	10,526	10,396	9,924	10,229	10,365	11,535
Lookout Mountain	20,774	20,670	21,499	21,233	20,269	20,892	21,169	22,508
Loretto	19,436	19,339	20,114	19,866	18,963	19,546	19,805	19,919
Loudon	64,290	63,986	66,419	65,639	62,806	64,636	65,450	53,645
Louisville	45,585	45,357	47,175	28,268	26,984	27,814	28,183	23,847
Luttrell	12,179	12,118	12,603	12,448	11,882	12,248	12,410	13,212
Lynchburg	6,560	6,527	6,786	6,703	6,402	6,596	6,683	5,667
Lynnville	3,310	3,294	3,424	3,382	3,231	3,328	3,372	4,613
Madisonville	51,901	51,642	53,711	53,048	50,638	52,195	52,888	44,329
Manchester	114,551	113,980	118,547	117,084	111,765	115,201	116,729	106,259
Martin	130,511	129,862	135,049	133,387	127,346	131,249	132,984	118,747
Maryville	312,244	310,687	323,135	319,147	304,648	314,015	318,180	260,391
Mason	18,245	18,154	18,882	18,649	17,801	18,349	18,592	15,755
Maury City	7,643	7,605	7,909	7,812	7,457	7,686	7,788	9,037
Maynardville	27,362	27,226	28,317	27,967	26,697	27,517	27,882	20,054
McEwen	19,997	19,898	20,690	20,436	19,515	20,110	20,375	19,307
McKenzie	60,213	59,912	62,313	61,544	58,748	60,554	61,357	59,589
McLemoresville	3,992	3,972	4,131	4,080	3,894	4,014	4,067	3,432
McMinnville	154,532	153,763	159,913	157,943	150,779	155,407	157,465	144,116
Medina	54,679	49,487	51,470	50,834	38,490	39,674	40,200	32,467
Medon	2,563	2,550	2,652	2,619	2,500	2,577	2,057	3,027

Distribution of Cities' Share of TVA Payments in Lieu of Taxes to Tennessee by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Memphis	7,532,413	7,495,841	7,788,276	7,694,573	7,353,958	7,574,020	7,671,873	7,953,145
Michie	6,702	6,668	6,935	6,850	6,539	6,740	6,829	7,281
Middleton	8,006	7,966	8,285	8,183	7,811	8,051	8,158	7,540
Milan	89,026	88,582	92,132	90,994	86,860	89,531	90,719	88,736
Milledgeville	3,005	2,990	3,110	3,071	2,932	3,022	3,062	3,230
Millersville	73,026	72,662	75,573	74,641	71,250	73,441	74,415	68,975
Millington	126,231	125,602	130,634	129,022	115,526	116,045	117,584	117,411
Minor Hill	6,089	6,059	6,302	6,224	5,941	6,124	6,205	4,918
Mitchellville	2,143	2,132	2,218	2,191	2,091	2,155	2,184	2,330
Monteagle	13,517	13,449	13,988	13,815	13,188	13,593	13,774	13,932
Monterey	32,386	32,224	33,513	33,100	31,599	32,569	33,000	30,645
Morrison	7,870	7,830	8,144	8,044	7,678	7,914	8,019	7,698
Morristown	330,399	328,751	341,923	337,703	322,361	332,273	336,680	290,349
Moscow	6,305	6,273	6,525	6,444	6,151	6,341	6,425	6,426
Mosheim	26,784	26,650	27,718	27,376	26,132	26,936	27,293	23,205
Mount Carmel	61,562	61,255	63,709	62,923	60,064	61,911	62,732	53,962
Mount Juliet	319,309	317,717	330,446	284,515	271,590	279,941	273,520	283,979
Mount Pleasant	52,086	51,828	53,890	53,230	50,828	52,380	53,070	50,908
Mountain City	28,700	28,557	29,701	29,335	28,002	28,863	29,246	28,135
Munford	69,284	66,874	69,553	68,695	65,574	67,590	68,487	65,340
Murfreesboro	1,237,287	1,231,123	1,280,412	1,264,619	1,207,209	1,244,300	1,257,603	1,132,786
Nashville	4,876,338	4,852,060	5,046,186	4,983,984	4,757,875	4,903,958	4,968,915	4,471,129
New Hope	12,269	12,208	12,697	12,541	11,971	12,339	12,503	11,738
New Johnsonville	22,610	22,499	23,381	23,099	22,071	22,735	23,030	21,925
New Market	15,127	15,051	15,655	15,461	14,759	15,213	15,414	13,887
New Tazewell	34,438	34,266	35,639	35,199	33,600	34,633	35,093	32,355
Newbern	37,568	37,380	38,878	38,398	36,654	37,781	38,282	33,626
Newport	78,898	78,505	81,645	80,639	76,982	79,345	80,395	81,645
Niota	9,597	9,556	9,881	9,777	9,399	9,643	9,752	10,233
Nolensville	89,990	89,541	93,129	67,930	64,844	66,838	67,724	37,622
Normandy	1,599	1,591	1,655	1,634	1,560	1,608	1,629	1,587
Norris	18,472	18,380	19,116	18,880	18,023	18,577	18,257	16,273
Oak Hill	53,171	52,906	55,025	54,346	50,107	51,648	52,333	53,186
Oak Ridge	335,870	334,212	347,471	343,222	327,779	337,756	342,193	311,492
Oakdale	2,404	2,392	2,488	2,457	2,345	2,418	2,450	2,746
Oakland	75,101	74,727	77,721	76,762	73,274	75,527	76,529	35,663
Obion	12,689	12,626	13,131	12,969	12,380	12,761	12,930	12,762
Oliver Springs	36,638	36,455	37,916	37,448	35,747	36,846	37,334	37,171
Oneida	42,546	42,334	44,030	43,486	41,511	42,787	43,355	43,125
Orlinda	9,741	9,692	10,080	9,956	9,504	9,796	9,926	9,566
Orme	1,429	1,422	1,479	1,460	1,394	1,437	1,456	1,395
Palmer	7,620	7,582	7,886	7,789	7,435	7,663	7,765	8,170
Paris	115,164	114,590	119,181	117,710	112,362	115,817	117,353	109,871
Parkers Crossroads	3,742	3,723	3,873	3,825	3,651	3,763	3,813	3,196
Parrottsville	2,982	2,967	3,086	3,048	2,910	2,999	3,039	2,994
Parsons	27,403	27,268	28,341	27,997	26,748	27,555	27,914	28,662
Pegram	23,734	23,615	24,561	24,258	23,156	23,868	24,185	24,151
Petersburg	6,549	6,518	6,764	6,686	6,399	6,584	6,666	6,908
Philadelphia	7,439	7,402	7,698	7,603	7,258	7,481	7,580	5,998
Pigeon Forge	66,619	66,287	68,943	68,092	64,999	66,997	67,886	58,205

Distribution of Cities' Share of TVA Payments in Lieu of Taxes to Tennessee by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Pikeville	18,234	18,143	18,870	18,637	17,790	18,337	18,581	20,043
Piperton	18,506	18,414	16,957	16,748	15,987	16,479	16,697	12,582
Pittman Center	5,692	5,664	5,891	5,818	5,554	5,725	5,801	5,368
Plainview	24,096	23,976	24,937	24,629	23,510	24,233	24,555	21,000
Pleasant Hill	6,384	6,352	6,607	6,525	6,229	6,420	6,506	6,122
Pleasant View	47,875	46,813	48,689	48,088	45,903	47,314	47,942	46,861
Portland	130,177	129,528	134,718	133,055	127,010	130,916	132,652	123,128
Powells Crossroads	14,991	14,916	15,514	15,322	14,626	15,076	15,276	15,159
Pulaski	89,242	88,797	92,355	91,215	87,071	89,748	90,938	88,579
Puryear	7,609	7,571	7,874	7,777	7,424	7,652	7,753	7,506
Ramer	3,617	3,599	3,743	3,697	3,529	3,638	3,686	3,984
Red Bank	132,116	131,458	136,725	135,037	128,902	132,866	134,628	139,750
Red Boiling Springs	12,610	12,547	13,049	12,888	12,303	12,681	12,849	11,513
Ridgely	20,354	20,253	21,064	20,804	19,859	20,470	20,741	18,760
Ridgeside	4,422	4,400	4,577	4,520	4,315	4,447	4,506	4,378
Ridgetop	23,291	23,175	21,991	21,720	20,733	21,371	21,654	20,943
Ripley	95,762	95,285	99,102	97,879	93,432	96,305	97,583	88,275
Rives	3,697	3,678	3,826	3,778	3,607	3,718	3,767	3,725
Rockford	9,707	9,658	10,045	9,921	9,470	9,762	9,891	9,588
Rockwood	63,070	62,756	65,270	64,464	61,536	63,428	64,269	66,195
Rocky Top	20,696	20,595	21,400	21,142	20,204	20,810	21,079	21,747
Rogersville	50,121	49,871	51,869	51,229	48,901	50,405	51,073	48,200
Rossville	10,217	10,166	7,792	7,696	7,346	7,572	7,673	4,276
Rutherford	13,052	12,987	13,507	13,340	12,734	13,126	13,300	14,315
Rutledge	14,730	14,657	15,244	15,056	14,372	14,814	12,965	15,350
Saltillo	6,656	6,623	6,888	6,803	6,494	6,694	3,501	7,788
Samburg	2,461	2,448	2,547	2,515	2,401	2,475	2,507	2,926
Sardis	4,320	4,299	4,471	4,416	4,215	4,345	4,402	5,008
Saulsbury	1,270	1,264	1,314	1,298	1,239	924	936	1,114
Savannah	79,376	78,981	82,137	81,126	77,449	79,825	80,881	79,318
Scotts Hill	11,158	11,102	11,547	11,405	10,887	11,221	11,370	10,252
Selmer	49,854	49,605	51,593	50,956	48,641	50,137	50,802	51,109
Sevierville	167,904	167,067	173,760	171,616	163,819	168,856	171,096	140,121
Sharon	10,744	10,690	11,117	10,980	10,483	10,805	10,947	11,158
Shelbyville	234,544	233,394	242,587	239,641	228,934	235,852	238,928	186,414
Signal Mountain	94,832	94,359	98,140	96,929	92,525	86,144	87,287	86,936
Silerton	1,259	1,252	1,303	1,287	1,228	1,266	1,283	1,328
Slayden	2,018	2,008	2,089	2,063	1,969	2,030	2,057	2,555
Smithville	51,368	51,112	53,160	52,503	50,118	51,659	52,344	44,948
Smyrna	538,864	536,177	469,095	463,305	442,257	455,856	461,902	428,467
Sneedville	15,728	15,649	16,276	16,076	15,345	15,817	16,027	15,204
Soddy Daisy	144,170	143,451	149,199	147,357	140,663	144,988	146,911	129,757
Somerville	35,084	34,909	36,308	35,860	34,231	35,283	35,751	30,059
South Carthage	14,991	14,916	15,514	15,322	14,626	15,076	15,276	14,652
South Fulton	26,693	26,560	27,624	27,283	26,044	26,845	27,201	28,326
South Pittsburg	34,247	34,078	35,430	34,997	33,422	34,439	34,892	37,401
Sparta	57,882	57,595	59,888	59,153	56,483	58,208	57,288	56,986
Spencer	18,155	18,064	18,788	18,556	17,713	18,257	18,500	19,278
Spring City	23,834	23,722	24,618	24,331	23,288	23,962	24,261	24,160
Spring Hill	414,231	412,166	376,142	371,499	321,243	331,121	335,513	264,037

Distribution of Cities' Share of TVA Payments in Lieu of Taxes to Tennessee by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Springfield	186,421	185,492	192,924	190,542	181,886	187,479	189,965	174,772
St. Joseph	8,867	8,823	9,177	9,064	8,652	8,918	9,036	9,329
Stanton	5,125	5,100	5,304	5,239	5,001	5,155	5,223	6,921
Stantonville	3,209	3,193	3,321	3,280	3,131	3,227	3,270	3,511
Sunbright	6,259	6,228	6,478	6,398	6,107	6,295	6,378	6,493
Surgoinsville	20,422	20,321	21,135	20,874	19,926	20,538	20,811	20,943
Sweetwater	68,628	68,288	71,005	70,135	66,970	69,015	67,081	74,382
Tazewell	25,185	25,059	26,063	25,742	24,572	25,328	25,629	25,051
Tellico Plains	10,017	9,967	10,365	10,238	9,774	10,074	10,207	9,705
Tennessee Ridge	15,512	15,435	16,054	15,855	15,135	15,600	15,807	15,013
Thompson's Station	53,590	30,250	31,462	31,073	24,274	25,020	25,352	19,390
Three Way	19,379	19,283	20,055	19,808	18,908	19,489	19,748	18,850
Tiptonville	50,619	50,367	52,385	51,738	49,388	50,907	51,582	53,625
Toone	4,128	4,107	4,272	4,219	4,027	4,151	4,206	3,714
Townsend	5,080	5,055	5,257	5,192	4,957	5,109	5,177	2,746
Tracy City	16,794	16,710	17,380	17,165	16,385	16,889	17,113	18,895
Trenton	48,352	48,110	50,038	49,420	47,175	48,626	49,271	52,702
Trezevant	9,741	9,692	10,080	9,956	9,504	9,796	9,926	10,309
Trimble	7,223	7,187	7,475	7,383	7,048	7,264	7,361	8,193
Troy	15,546	15,469	16,089	15,890	15,168	15,635	15,842	14,326
Tullahoma	212,212	211,158	219,591	216,889	207,066	213,412	216,234	203,176
Tusculum	30,197	30,046	31,250	30,865	29,462	30,368	30,771	28,112
Unicoi	41,185	40,980	42,622	42,095	40,183	41,419	41,968	39,602
Union City	123,544	122,928	127,853	126,275	120,538	124,244	125,892	122,397
Vanleer	4,479	4,457	4,635	4,578	4,370	4,505	4,564	5,109
Viola	1,485	1,478	1,537	1,518	1,449	1,494	1,514	1,452
Vonore	16,714	16,631	17,297	17,084	16,308	16,809	17,032	13,077
Walden	21,522	21,415	22,273	21,998	20,999	21,644	21,932	22,058
Wartburg	10,410	10,358	10,773	10,640	10,156	10,469	10,608	10,016
Wartrace	7,382	7,345	7,639	7,545	7,202	7,424	7,522	7,090
Watauga	5,193	5,168	5,375	5,308	5,067	5,223	5,292	4,535
Watertown	16,748	16,665	17,333	17,119	16,341	16,843	17,067	15,316
Waverly	46,549	46,317	48,172	47,578	45,416	46,813	47,434	45,679
Waynesboro	27,770	27,632	28,739	28,384	27,095	27,928	28,298	25,074
Westmoreland	25,015	24,890	25,887	25,568	24,406	25,157	25,490	23,554
White Bluff	36,354	36,173	37,622	37,158	35,470	36,561	37,046	32,962
White House	131,538	115,707	120,343	118,857	113,457	116,946	118,497	111,312
White Pine	24,902	24,777	25,770	25,452	24,296	25,043	25,375	22,474
Whiteville	52,593	52,330	54,427	53,755	51,313	52,891	53,592	52,218
Whitwell	19,266	19,170	19,938	19,692	18,797	19,375	19,632	18,681
Williston	4,479	4,457	4,635	4,578	4,370	4,505	4,564	3,838
Winchester	99,760	99,278	103,134	101,898	97,407	100,308	101,599	85,513
Winfield	11,850	11,791	12,263	12,112	11,561	11,917	12,075	10,252
Woodbury	30,390	30,238	31,450	31,062	29,651	30,562	30,968	27,324
Woodland Mills	4,286	4,265	4,436	4,381	4,182	4,311	4,368	4,333
Yorkville	3,243	3,227	3,356	3,315	3,164	3,261	3,305	3,297
Total	\$ 41,552,235	\$ 41,237,328	\$ 42,569,233	\$ 41,924,787	\$ 39,911,386	\$ 41,084,012	\$ 41,546,075	\$ 38,728,809

Source: Tennessee Department of Revenue

Appendix E: Payments Distributed to Counties in Areas Affected by TVA Construction by Tennessee Fiscal Year

County	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Anderson	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bedford	-	-	-	-	-	-	-	-
Benton	-	-	-	-	-	-	-	-
Bledsoe	-	-	-	-	-	-	-	-
Blount	-	-	-	-	-	-	-	-
Bradley	-	-	-	-	-	-	-	-
Campbell	-	-	-	-	-	-	-	-
Cannon	-	-	-	-	-	-	-	-
Carroll	-	-	-	-	-	-	-	-
Carter	-	-	-	-	-	-	-	-
Cheatham	-	-	-	-	-	-	-	-
Chester	-	-	-	-	-	-	-	-
Claiborne	-	-	-	-	-	-	-	-
Clay	-	-	-	-	-	-	-	-
Cocke	-	-	-	-	-	-	-	-
Coffee	-	-	-	-	-	-	-	-
Crockett	-	-	-	-	-	-	-	-
Cumberland	-	-	-	-	-	-	-	-
Davidson	-	-	-	-	-	-	-	-
Decatur	-	-	-	-	-	-	-	-
DeKalb	-	-	-	-	-	-	-	-
Dickson	-	-	-	-	-	-	-	-
Dyer	-	-	-	-	-	-	-	-
Fayette	-	-	-	-	-	-	-	-
Fentress	-	-	-	-	-	-	-	-
Franklin	-	-	-	-	-	-	-	-
Gibson	-	-	-	-	-	-	-	-
Giles	-	-	-	-	-	-	-	-
Grainger	-	-	-	-	-	-	-	-
Greene	-	-	-	-	-	-	-	-
Grundy	-	-	-	-	-	-	-	-
Hamblen	-	-	-	-	-	-	-	-
Hamilton	-	-	-	-	-	-	-	-
Hancock	-	-	-	-	-	-	-	-
Hardeman	-	-	-	-	-	-	-	-
Hardin	-	-	-	-	-	-	-	-
Hawkins	-	94,093	192,291	291,767	371,390	382,108	391,021	-
Haywood	-	-	-	138,513	264,448	270,577	411,110	507,617
Henderson	-	-	-	-	-	-	-	-
Henry	-	-	-	-	-	-	-	-
Hickman	-	-	-	-	-	-	-	-
Houston	-	-	-	-	-	-	-	-
Humphreys	-	-	-	-	-	-	-	-
Jackson	-	-	-	-	-	-	-	-
Jefferson	-	-	-	-	-	-	-	-
Johnson	-	-	-	-	-	-	-	-
Knox	-	-	-	-	-	-	-	-
Lake	-	-	-	-	-	-	-	-

Payments Distributed to Counties in Areas Affected by TVA Construction by Tennessee Fiscal Year

County	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Lauderdale	-	-	-	-	-	-	-	-
Lawrence	-	-	-	-	-	-	-	-
Lewis	-	-	-	-	-	-	-	-
Lincoln	-	-	-	-	-	-	-	-
Loudon	-	-	-	-	-	-	-	-
Macon	-	-	-	-	-	-	-	-
Madison	-	-	-	-	-	-	-	-
Marion	-	-	-	-	-	-	-	-
Marshall	-	-	-	-	-	-	-	-
Maury	-	-	-	-	-	-	-	-
McMinn	9,785	39,170	160,097	158,150	150,970	154,469	156,465	142,140
McNairy	-	-	-	-	-	-	-	-
Meigs	380,086	569,656	776,106	766,666	731,857	748,819	758,495	707,917
Monroe	8,363	33,425	136,614	134,953	128,825	131,811	134,088	120,917
Montgomery	-	-	-	-	-	-	-	-
Moore	-	-	-	-	-	-	-	-
Morgan	-	-	-	-	-	-	-	-
Obion	-	-	-	-	-	-	-	-
Overton	-	-	-	-	-	-	-	-
Perry	-	-	-	-	-	-	-	-
Pickett	-	-	-	-	-	-	-	-
Polk	-	-	-	-	-	-	-	-
Putnam	-	-	-	-	-	-	-	-
Rhea	323,282	484,521	660,117	652,088	622,481	636,908	645,138	592,515
Roane	223,672	335,230	456,721	451,166	430,682	440,663	446,358	412,727
Robertson	-	-	-	-	-	-	-	-
Rutherford	-	-	-	-	-	-	-	-
Scott	-	-	-	-	-	-	-	-
Sequatchie	-	-	-	-	-	-	-	-
Sevier	-	-	-	-	-	-	-	-
Shelby	457,129	456,750	-	-	-	-	-	-
Smith	-	-	-	-	-	-	-	-
Stewart	-	-	-	-	-	-	-	-
Sullivan	578,612	578,132	-	-	-	-	-	-
Sumner	501,334	501,840	501,559	495,459	472,964	-	-	-
Tipton	-	-	-	-	-	-	-	-
Trousdale	-	-	-	-	-	-	-	-
Unicoi	-	-	-	-	-	-	-	-
Union	-	-	-	-	-	-	-	-
Van Buren	-	-	-	-	-	-	-	-
Warren	-	-	-	-	-	-	-	-
Washington	559,958	559,493	-	-	-	-	-	-
Wayne	-	-	-	-	-	-	-	-
Weakley	-	-	-	-	-	-	-	-
White	-	-	-	-	-	-	-	-
Williamson	-	-	-	-	-	-	-	-
Wilson	-	-	-	-	-	-	-	-
Total	\$ 3,042,223	\$ 3,652,310	\$ 2,883,505	\$ 3,088,761	\$ 3,173,617	\$ 2,633,544	\$ 2,942,675	\$ 2,483,833

Source: Tennessee Department of Revenue

Appendix F: Payments Distributed to Cities in Areas Affected by TVA Construction by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Adams	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adamsville	-	-	-	-	-	-	-	-
Alamo	-	-	-	-	-	-	-	-
Alcoa	-	-	-	-	-	-	-	-
Alexandria	-	-	-	-	-	-	-	-
Algood	-	-	-	-	-	-	-	-
Allardt	-	-	-	-	-	-	-	-
Altamont	-	-	-	-	-	-	-	-
Ardmore	-	-	-	-	-	-	-	-
Arlington	5,958	5,953	-	-	-	-	-	-
Ashland City	-	-	-	-	-	-	-	-
Athens	2,520	10,086	41,224	40,722	38,873	39,774	40,288	38,668
Atoka	-	-	-	-	-	-	-	-
Atwood	-	-	-	-	-	-	-	-
Auburntown	-	-	-	-	-	-	-	-
Baileyton	-	-	-	-	-	-	-	-
Baneberry	-	-	-	-	-	-	-	-
Bartlett	27,836	27,813	-	-	-	-	-	-
Baxter	-	-	-	-	-	-	-	-
Bean Station	-	5,056	10,333	-	-	-	-	-
Beersheba Spring	-	-	-	-	-	-	-	-
Bell Buckle	-	-	-	-	-	-	-	-
Belle Meade	-	-	-	-	-	-	-	-
Bells	-	-	-	-	-	-	-	-
Benton	-	-	-	-	-	-	-	-
Berry Hill	-	-	-	-	-	-	-	-
Bethel Springs	-	-	-	-	-	-	-	-
Big Sandy	-	-	-	-	-	-	-	-
Blaine	-	-	-	-	-	-	-	-
Bluff City	6,394	6,389	-	-	-	-	-	-
Bolivar	-	-	-	-	-	-	-	-
Braden	-	-	-	-	-	-	-	-
Bradford	-	-	-	-	-	-	-	-
Brentwood	-	-	-	-	-	-	-	-
Brighton	-	-	-	-	-	-	-	-
Bristol	98,519	98,438	-	-	-	-	-	-
Brownsville	-	-	-	75,881	144,872	148,229	225,217	275,591
Bruceston	-	-	-	-	-	-	-	-
Bulls Gap	-	1,222	2,497	3,789	4,823	4,962	5,078	-
Burlison	-	-	-	-	-	-	-	-
Burns	-	-	-	-	-	-	-	-
Byrdstown	-	-	-	-	-	-	-	-
Calhoun	92	367	1,501	1,483	1,415	1,448	1,467	1,438
Camden	-	-	-	-	-	-	-	-
Carthage	-	-	-	-	-	-	-	-
Caryville	-	-	-	-	-	-	-	-
Cedar Hill	-	-	-	-	-	-	-	-
Celina	-	-	-	-	-	-	-	-
Centertown	-	-	-	-	-	-	-	-
Centerville	-	-	-	-	-	-	-	-

Tennessee Valley Authority's Payments in Lieu of Taxes
 Annual Report to the Tennessee General Assembly

Payments Distributed to Cities in Areas Affected by TVA Construction by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Chapel Hill	-	-	-	-	-	-	-	-
Charleston	-	-	-	-	-	-	-	-
Charlotte	-	-	-	-	-	-	-	-
Chattanooga	-	-	-	-	-	-	-	-
Church Hill	-	11,154	22,794	34,586	44,025	45,295	46,352	-
Clarksburg	-	-	-	-	-	-	-	-
Clarksville	-	-	-	-	-	-	-	-
Cleveland	-	-	-	-	-	-	-	-
Clifton	-	-	-	-	-	-	-	-
Clinton	-	-	-	-	-	-	-	-
Coalmont	-	-	-	-	-	-	-	-
Collegedale	-	-	-	-	-	-	-	-
Collierville	22,446	22,428	-	-	-	-	-	-
Collinwood	-	-	-	-	-	-	-	-
Columbia	-	-	-	-	-	-	-	-
Cookeville	-	-	-	-	-	-	-	-
Coopertown	-	-	-	-	-	-	-	-
Copperhill	-	-	-	-	-	-	-	-
Cornersville	-	-	-	-	-	-	-	-
Cottage Grove	-	-	-	-	-	-	-	-
Covington	-	-	-	-	-	-	-	-
Cowan	-	-	-	-	-	-	-	-
Crab Orchard	-	-	-	-	-	-	-	-
Cross Plains	-	-	-	-	-	-	-	-
Crossville	-	-	-	-	-	-	-	-
Crump	-	-	-	-	-	-	-	-
Cumberland City	-	-	-	-	-	-	-	-
Cumberland Gap	-	-	-	-	-	-	-	-
Dandridge	-	-	-	-	-	-	-	-
Dayton	73,084	109,535	149,231	147,416	140,723	143,985	145,845	132,064
Decatur	51,679	77,453	105,523	104,240	99,507	101,813	103,129	91,060
Decaturville	-	-	-	-	-	-	-	-
Decherd	-	-	-	-	-	-	-	-
Dickson	-	-	-	-	-	-	-	-
Dover	-	-	-	-	-	-	-	-
Dowelltown	-	-	-	-	-	-	-	-
Doyle	-	-	-	-	-	-	-	-
Dresden	-	-	-	-	-	-	-	-
Ducktown	-	-	-	-	-	-	-	-
Dunlap	-	-	-	-	-	-	-	-
Dyer	-	-	-	-	-	-	-	-
Dyersburg	-	-	-	-	-	-	-	-
Eagleville	-	-	-	-	-	-	-	-
East Ridge	-	-	-	-	-	-	-	-
Eastview	-	-	-	-	-	-	-	-
Elizabethton	-	-	-	-	-	-	-	-
Elkton	-	-	-	-	-	-	-	-
Englewood	287	1,148	4,693	4,636	4,425	4,528	4,586	4,611
Enville	-	-	-	-	-	-	-	-
Erin	-	-	-	-	-	-	-	-

Payments Distributed to Cities in Areas Affected by TVA Construction by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Erwin	-	-	-	-	-	-	-	-
Estill Springs	-	-	-	-	-	-	-	-
Ethridge	-	-	-	-	-	-	-	-
Etowah	653	2,616	10,690	10,560	10,081	10,314	10,448	10,622
Fairview	-	-	-	-	-	-	-	-
Farragut	-	-	-	-	-	-	-	-
Fayetteville	-	-	-	-	-	-	-	-
Finger	-	-	-	-	-	-	-	-
Forest Hills	-	-	-	-	-	-	-	-
Franklin	-	-	-	-	-	-	-	-
Friendship	-	-	-	-	-	-	-	-
Friendsville	-	-	-	-	-	-	-	-
Gadsden	-	-	-	-	-	-	-	-
Gainesboro	-	-	-	-	-	-	-	-
Gallatin	107,582	107,690	94,533	93,383	89,143	-	-	-
Galloway	-	-	-	-	-	-	-	-
Garland	-	-	-	-	-	-	-	-
Gates	-	-	-	-	-	-	-	-
Gatlinburg	-	-	-	-	-	-	-	-
Germantown	19,772	19,756	-	-	-	-	-	-
Gibson	-	-	-	-	-	-	-	-
Gilt Edge	-	-	-	-	-	-	-	-
Gleason	-	-	-	-	-	-	-	-
Goodlettsville	17,482	17,500	49,708	49,103	46,874	-	-	-
Gordonsville	-	-	-	-	-	-	-	-
Grand Junction	-	-	-	-	-	-	-	-
Graysville	15,265	22,879	31,170	30,791	29,393	30,074	30,463	32,150
Greenback	-	-	-	-	-	-	-	-
Greenbrier	-	-	-	-	-	-	-	-
Greeneville	-	-	-	-	-	-	-	-
Greenfield	-	-	-	-	-	-	-	-
Gruetli-Laager	-	-	-	-	-	-	-	-
Guys	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-
Harriman	26,214	39,289	53,528	52,877	50,476	51,646	52,313	53,620
Harrogate	-	-	-	-	-	-	-	-
Hartsville	-	-	-	-	-	-	-	-
Henderson	-	-	-	-	-	-	-	-
Hendersonville	160,320	160,481	160,392	158,441	151,247	-	-	-
Henning	-	-	-	-	-	-	-	-
Henry	-	-	-	-	-	-	-	-
Hickory Valley	-	-	-	-	-	-	-	-
Hohenwald	-	-	-	-	-	-	-	-
Hollow Rock	-	-	-	-	-	-	-	-
Hornbeak	-	-	-	-	-	-	-	-
Hornsby	-	-	-	-	-	-	-	-
Humboldt	-	-	-	-	-	-	-	-
Huntingdon	-	-	-	-	-	-	-	-
Huntland	-	-	-	-	-	-	-	-
Huntsville	-	-	-	-	-	-	-	-

Tennessee Valley Authority's Payments in Lieu of Taxes
 Annual Report to the Tennessee General Assembly

Payments Distributed to Cities in Areas Affected by TVA Construction by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Jacksboro	-	-	-	-	-	-	-	-
Jackson	-	-	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-	-	-
Jasper	-	-	-	-	-	-	-	-
Jefferson City	-	-	-	-	-	-	-	-
Jellico	-	-	-	-	-	-	-	-
Johnson City	281,531	281,297	-	-	-	-	-	-
Jonesborough	22,999	22,980	-	-	-	-	-	-
Kenton	-	-	-	-	-	-	-	-
Kimball	-	-	-	-	-	-	-	-
Kingsport	178,650	263,392	173,482	263,229	334,998	339,940	339,020	-
Kingston	24,497	36,715	50,021	49,413	47,169	48,262	48,886	41,853
Kingston Springs	-	-	-	-	-	-	-	-
Knoxville	-	-	-	-	-	-	-	-
Lafayette	-	-	-	-	-	-	-	-
Lafollette	-	-	-	-	-	-	-	-
Lagrange	-	-	-	-	-	-	-	-
Lakeland	6,125	6,120	-	-	-	-	-	-
Lakesite	-	-	-	-	-	-	-	-
Lakewood	-	-	-	-	-	-	-	-
La Vergne	-	-	-	-	-	-	-	-
Lawrenceburg	-	-	-	-	-	-	-	-
Lebanon	-	-	-	-	-	-	-	-
Lenoir City	-	-	-	-	-	-	-	-
Lewisburg	-	-	-	-	-	-	-	-
Lexington	-	-	-	-	-	-	-	-
Liberty	-	-	-	-	-	-	-	-
Linden	-	-	-	-	-	-	-	-
Livingston	-	-	-	-	-	-	-	-
Lobelville	-	-	-	-	-	-	-	-
Lookout Mountain	-	-	-	-	-	-	-	-
Loretto	-	-	-	-	-	-	-	-
Loudon	-	-	-	-	-	-	-	-
Louisville	-	-	-	-	-	-	-	-
Luttrell	-	-	-	-	-	-	-	-
Lynchburg	-	-	-	-	-	-	-	-
Lynnville	-	-	-	-	-	-	-	-
Madisonville	860	3,436	14,045	13,874	13,245	13,551	13,786	12,225
Manchester	-	-	-	-	-	-	-	-
Martin	-	-	-	-	-	-	-	-
Maryville	-	-	-	-	-	-	-	-
Mason	-	-	-	-	-	-	-	-
Maury City	-	-	-	-	-	-	-	-
Maynardville	-	-	-	-	-	-	-	-
McEwen	-	-	-	-	-	-	-	-
McKenzie	-	-	-	-	-	-	-	-
McLemoresville	-	-	-	-	-	-	-	-
McMinnville	-	-	-	-	-	-	-	-
Medina	-	-	-	-	-	-	-	-
Medon	-	-	-	-	-	-	-	-

Payments Distributed to Cities in Areas Affected by TVA Construction by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Memphis	318,777	318,513	-	-	-	-	-	-
Michie	-	-	-	-	-	-	-	-
Middleton	-	-	-	-	-	-	-	-
Milan	-	-	-	-	-	-	-	-
Milledgeville	-	-	-	-	-	-	-	-
Millersville	15,532	15,548	15,539	15,350	14,653	-	-	-
Millington	5,486	5,481	-	-	-	-	-	-
Minor Hill	-	-	-	-	-	-	-	-
Mitchellville	590	590	590	583	556	-	-	-
Monteagle	-	-	-	-	-	-	-	-
Monterey	-	-	-	-	-	-	-	-
Morrison	-	-	-	-	-	-	-	-
Morristown	-	-	-	-	-	-	-	-
Moscow	-	-	-	-	-	-	-	-
Mosheim	-	-	-	-	-	-	-	-
Mount Carmel	-	8,988	18,369	27,871	35,477	36,501	37,352	-
Mount Juliet	-	-	-	-	-	-	-	-
Mount Pleasant	-	-	-	-	-	-	-	-
Mountain City	-	-	-	-	-	-	-	-
Munford	-	-	-	-	-	-	-	-
Murfreesboro	-	-	-	-	-	-	-	-
Nashville	-	-	-	-	-	-	-	-
New Hope	-	-	-	-	-	-	-	-
New Johnsonville	-	-	-	-	-	-	-	-
New Market	-	-	-	-	-	-	-	-
New Tazewell	-	-	-	-	-	-	-	-
Newbern	-	-	-	-	-	-	-	-
Newport	-	-	-	-	-	-	-	-
Niota	135	539	2,202	2,176	2,077	2,125	2,152	2,265
Nolensville	-	-	-	-	-	-	-	-
Normandy	-	-	-	-	-	-	-	-
Norris	-	-	-	-	-	-	-	-
Oak Hill	-	-	-	-	-	-	-	-
Oak Ridge	121,081	181,471	247,239	244,231	233,143	238,546	241,628	217,749
Oakdale	-	-	-	-	-	-	-	-
Oakland	-	-	-	-	-	-	-	-
Obion	-	-	-	-	-	-	-	-
Oliver Springs	13,338	19,991	27,236	26,905	25,683	26,278	26,618	26,262
Oneida	-	-	-	-	-	-	-	-
Orlinda	-	-	-	-	-	-	-	-
Orme	-	-	-	-	-	-	-	-
Palmer	-	-	-	-	-	-	-	-
Paris	-	-	-	-	-	-	-	-
Parkers Crossroads	-	-	-	-	-	-	-	-
Parrottsville	-	-	-	-	-	-	-	-
Parsons	-	-	-	-	-	-	-	-
Pegram	-	-	-	-	-	-	-	-
Petersburg	-	-	-	-	-	-	-	-
Philadelphia	-	-	-	-	-	-	-	-
Pigeon Forge	-	-	-	-	-	-	-	-

Tennessee Valley Authority's Payments in Lieu of Taxes
 Annual Report to the Tennessee General Assembly

Payments Distributed to Cities in Areas Affected by TVA Construction by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Pikeville	-	-	-	-	-	-	-	-
Piperton	-	-	-	-	-	-	-	-
Pittman Center	-	-	-	-	-	-	-	-
Plainview	-	-	-	-	-	-	-	-
Pleasant Hill	-	-	-	-	-	-	-	-
Pleasant View	-	-	-	-	-	-	-	-
Portland	35,648	35,684	35,842	35,406	33,799	-	-	-
Powells Crossroads	-	-	-	-	-	-	-	-
Pulaski	-	-	-	-	-	-	-	-
Puryear	-	-	-	-	-	-	-	-
Ramer	-	-	-	-	-	-	-	-
Red Bank	-	-	-	-	-	-	-	-
Red Boiling Springs	-	-	-	-	-	-	-	-
Ridgely	-	-	-	-	-	-	-	-
Ridgeside	-	-	-	-	-	-	-	-
Ridgetop	-	-	-	-	-	-	-	-
Ripley	-	-	-	-	-	-	-	-
Rives	-	-	-	-	-	-	-	-
Rockford	-	-	-	-	-	-	-	-
Rockwood	22,961	34,413	46,885	46,315	44,212	45,237	45,821	46,767
Rocky Top	-	-	-	-	-	-	-	-
Rogersville	-	7,318	14,955	22,691	28,884	29,717	30,410	-
Rossville	-	-	-	-	-	-	-	-
Rutherford	-	-	-	-	-	-	-	-
Rutledge	-	-	-	-	-	-	-	-
Saltillo	-	-	-	-	-	-	-	-
Samburg	-	-	-	-	-	-	-	-
Sardis	-	-	-	-	-	-	-	-
Saulsbery	-	-	-	-	-	-	-	-
Savannah	-	-	-	-	-	-	-	-
Scotts Hill	-	-	-	-	-	-	-	-
Selmer	-	-	-	-	-	-	-	-
Sevierville	-	-	-	-	-	-	-	-
Sharon	-	-	-	-	-	-	-	-
Shelbyville	-	-	-	-	-	-	-	-
Signal Mountain	-	-	-	-	-	-	-	-
Silerton	-	-	-	-	-	-	-	-
Slayden	-	-	-	-	-	-	-	-
Smithville	-	-	-	-	-	-	-	-
Smyrna	-	-	-	-	-	-	-	-
Sneedville	-	-	-	-	-	-	-	-
Soddy Daisy	-	-	-	-	-	-	-	-
Somerville	-	-	-	-	-	-	-	-
South Carthage	-	-	-	-	-	-	-	-
South Fulton	-	-	-	-	-	-	-	-
South Pittsburg	-	-	-	-	-	-	-	-
Sparta	-	-	-	-	-	-	-	-
Spencer	-	-	-	-	-	-	-	-
Spring City	20,133	30,175	41,111	40,611	38,767	39,665	40,178	42,248
Spring Hill	-	-	-	-	-	-	-	-

Payments Distributed to Cities in Areas Affected by TVA Construction by Tennessee Fiscal Year

City	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Springfield	-	-	-	-	-	-	-	-
St. Joseph	-	-	-	-	-	-	-	-
Stanton	-	-	-	3,333	6,362	6,510	9,891	15,769
Stantonville	-	-	-	-	-	-	-	-
Sunbright	-	-	-	-	-	-	-	-
Surgoinsville	-	2,982	6,094	9,246	11,769	12,109	12,391	-
Sweetwater	1,129	4,512	18,443	18,218	17,391	17,794	17,361	20,381
Tazewell	-	-	-	-	-	-	-	-
Tellico Plains	165	661	2,700	2,668	2,546	2,605	2,651	2,666
Tennessee Ridge	-	-	-	-	-	-	-	-
Thompson's Station	-	-	-	-	-	-	-	-
Three Way	-	-	-	-	-	-	-	-
Tiptonville	-	-	-	-	-	-	-	-
Toone	-	-	-	-	-	-	-	-
Townsend	-	-	-	-	-	-	-	-
Tracy City	-	-	-	-	-	-	-	-
Trenton	-	-	-	-	-	-	-	-
Trezevant	-	-	-	-	-	-	-	-
Trimble	-	-	-	-	-	-	-	-
Troy	-	-	-	-	-	-	-	-
Tullahoma	-	-	-	-	-	-	-	-
Tusculum	-	-	-	-	-	-	-	-
Unicoi	-	-	-	-	-	-	-	-
Union City	-	-	-	-	-	-	-	-
Vanleer	-	-	-	-	-	-	-	-
Viola	-	-	-	-	-	-	-	-
Vonore	277	1,107	4,523	4,468	4,265	4,364	4,440	3,606
Walden	-	-	-	-	-	-	-	-
Wartburg	-	-	-	-	-	-	-	-
Wartrace	-	-	-	-	-	-	-	-
Watauga	396	396	-	-	-	-	-	-
Watertown	-	-	-	-	-	-	-	-
Waverly	-	-	-	-	-	-	-	-
Waynesboro	-	-	-	-	-	-	-	-
Westmoreland	6,884	6,891	6,887	6,804	6,495	-	-	-
White Bluff	-	-	-	-	-	-	-	-
White House	18,157	16,588	16,579	16,377	15,633	-	-	-
White Pine	-	-	-	-	-	-	-	-
Whiteville	-	-	-	-	-	-	-	-
Whitwell	-	-	-	-	-	-	-	-
Williston	-	-	-	-	-	-	-	-
Winchester	-	-	-	-	-	-	-	-
Winfield	-	-	-	-	-	-	-	-
Woodbury	-	-	-	-	-	-	-	-
Woodland Mills	-	-	-	-	-	-	-	-
Yorkville	-	-	-	-	-	-	-	-
Total	\$ 1,731,456	\$ 2,053,041	\$ 1,480,559	\$ 1,657,675	\$ 1,773,001	\$ 1,445,274	\$ 1,537,771	\$ 1,071,615

Source: Tennessee Department of Revenue

Appendix G: TVA 2015 IRP Recommendations by Resource Type

Coal: Continue with announced plans to retire units at Allen, Colbert, Johnsonville, Paradise and Widows Creek. Evaluate the potential retirement of Shawnee Fossil Plant in the mid-2020s if additional environmental controls are required. Consider retirements of fully controlled units if cost effective.

Nuclear: Pursue additional power uprates at all three Browns Ferry units by 2023. Continue work on Small Modular Reactors as part of technology innovation efforts and look for opportunities for cost sharing to render these more cost-effective for our ratepayers.

Hydroelectric: Pursue an additional 50 MW of hydro capacity at TVA facilities and consider additional hydro opportunities where feasible.

Demand Response: Add between 450 and 575 MWs of demand reduction by 2023 and similar amounts by 2033, dependent on availability and cost of this customer-owned resource.

Energy Efficiency: Achieve savings between 900 and 1,300 MW by 2023 and between 2,000 and 2,800 MWs by 2033. Work with our local power company partners to refine delivery mechanisms, program designs and program efficiencies with the goal of lowering total cost and increasing deliveries of efficiency programs.

Solar: Add between 150 and 800 MW of large-scale solar by 2023 and between 3,150 and 3,800 MW of large-scale solar by 2033. The trajectory and timing of solar additions will be highly dependent on pricing, performance and integration costs.

Wind: Add between 500 and 1,750 MW by 2033, dependent on pricing, performance and integration costs. Given the variability of wind selections in the scenarios, evaluate accelerating wind deliveries into the first 10 years of the plan if operational characteristics and pricing result in lower-cost options.

Natural Gas (Combustion Turbine and Combined Cycle): Add between 700 and 2,300 MW by 2023 and between 3,900 and 5,500 MW by 2033. The key determinants of future natural gas needs are trajectories on natural gas pricing and energy efficiency and renewables pricing and availability.

Source: Tennessee Valley Authority, *Integrated Resource Plan* (2015), 116-17.