

Congress of the United States

Washington, DC 20515

March 20, 2024

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Chair, Board of Directors
Tennessee Valley Authority
400 West Summit Hill Drive
Knoxville, TN 37902

Jeffrey J. Lyash
President and Chief Executive Officer
Tennessee Valley Authority
400 West Summit Hill Drive
Knoxville, TN 37902

Dear Chair Ritch and President Lyash,

The Tennessee Valley Authority (TVA) has decided to replace the retiring Kingston coal plant with a dirty gas plant and pipeline, a decision based on outdated assumptions and a failure to sufficiently consider renewable-energy alternatives. Moreover, TVA failed to address significant concerns that the U.S. Environmental Protection Agency (EPA) raised about TVA's outdated approach to the Kingston replacement process. We share those concerns and urge TVA not to replace one dirty fossil fuel plant with another. To meaningfully address our and the EPA's concerns, TVA must either amend its Final Environmental Impact Statement (FEIS) for the Kingston replacement or issue a supplemental EIS, which should properly assess renewable energy alternatives, climate impacts, and project costs.

The proposed Kingston gas plant is part of the alarming eight-plant, multibillion-dollar methane gas buildout that TVA has undertaken since 2021. It is bad for the climate, community health, and customers' pocketbooks. TVA's Kingston decision follows its January 2023 decision to replace the Cumberland Fossil Plant with a 1,450-megawatt combined-cycle natural gas facility by 2026. Altogether, TVA has planned the largest fossil gas buildout of any utility in the nation this decade. By contrast, if TVA instead accelerated the build-out of clean energy generation to achieve a clean energy grid, a recent analysis finds that customers would save \$255 billion through 2050.¹

On May 12, 2023, TVA published a draft Environmental Impact Statement "to evaluate the environmental and social effects of the proposed retirement and demolition of" the Kingston Fossil Plant (KIF).² The draft proposed replacing the KIF with a 1,500 megawatt gas plant,

¹ Pat Knight et al., TVA's Clean Energy Future: Charting a course to decarbonization in the Tennessee Valley, Synapse Energy Economics, Inc. (Mar. 8, 2023),

<https://www.biologicaldiversity.org/programs/energy-justice/pdfs/TVAs-Clean-Energy-Future.pdf>.

² Kingston Fossil Plant Retirement, Draft Environmental Impact Statement, Tennessee Valley Authority (May 2023), https://tva-azr-eastus-cdn-ep-tvawcm-prd.azureedge.net/cdn-tvawcma/docs/default-source/environmental-environmental-stewardship/nepa-environmental-reviews/kingston-retirement/kif-deis-final-compiled-package_tva-site.pdf?sfvrsn=8a7e8c76_3.

which will require the construction of a 122-mile pipeline that would traverse eight Tennessee counties.³ The draft sought comments on the plan by July 3, 2023.⁴

On June 29, 2023, the EPA submitted its comments, raising concerns with TVA's Kingston-replacement plan.⁵ EPA questioned the cost of the project, its contributions to climate change, and TVA's consideration of alternatives: "The EPA remains concerned that the analysis does not fully account for expected cost decreases of renewable energy and higher future natural gas prices. The costs of renewable energy production and battery storage will continue to fall along the timeline of this project due to subsidies from the [Inflation Reduction Act (IRA)] and other market factors."⁶ As for the solar alternative, EPA observed that solar would cause approximately \$6 billion less in costs from estimated greenhouse gas emissions and social damages than the gas plant and pipeline.

On February 16, 2024, TVA issued the FEIS.⁷ It did not meaningfully respond to EPA's concerns and remains insufficient in at least five key respects:

- The FEIS fails to evaluate an adequate range of alternatives. TVA considers only two alternatives for Kingston—either all gas (with a little solar and storage) or all solar (and storage). The EPA recommended developing additional alternatives, including a more balanced energy mix, other renewables, battery storage, demand response, and energy efficiency. Yet, TVA did not explore those alternatives.
- The FEIS imposes an arbitrary 2027 target retirement date for the Kingston coal plant, and unreasonably concludes that solar and storage cannot meet that deadline. This self-imposed timeline assumes the gas plant and pipeline is best suited for replacing the coal plant within three years. This ignores more than 15,000 megawatts from solar and storage projects already in TVA's interconnection queue with in-service dates of 2027 or sooner.⁸ Moreover, the FEIS rules out wind generation as a viable alternative in east Tennessee, but the EPA notes that wind potential in the Southeast is growing.

³ Anita Wadhvani, *Environmental groups pan TVA proposal to replace Kingston coal plant with natural gas facility*, Tennessee Lookout (May 16, 2023), <https://tennesseelookout.com/2023/05/16/environmental-groups-pan-tva-proposal-to-replace-kingston-coal-plant-with-natural-gas-facility/>.

⁴ Kingston Fossil Plant Retirement, Draft Environmental Impact Statement at i, Tennessee Valley Authority (May 2023), https://tva-azr-eastus-cdn-ep-tvawcm-prd.azureedge.net/cdn-tvawcma/docs/default-source/environmental-stewardship/nepa-environmental-reviews/kingston-retirement/kif-deis-final-compiled-package_tva-site.pdf.

⁵ Letter from U.S. EPA to Chevy Williams, NEPA Specialist, TVA, June 29, 2023, <https://wppln.org/wp-content/uploads/sites/7/2023/08/EPA-Kingston-KIF-DEIS-Comment-Letter.pdf>

⁶ *Id.* at 7.

⁷ Kingston Fossil Plant Retirement, Final Environmental Impact Statement, Tennessee Valley Authority (Feb. 2024), [https://tva-azr-eastus-cdn-ep-tvawcm-prd.azureedge.net/cdn-tvawcma/docs/default-source/environmental-stewardship/nepa-environmental-reviews/kingston-retirement/kingston-final-environmental-impact-statement-\(february-2024\).pdf](https://tva-azr-eastus-cdn-ep-tvawcm-prd.azureedge.net/cdn-tvawcma/docs/default-source/environmental-stewardship/nepa-environmental-reviews/kingston-retirement/kingston-final-environmental-impact-statement-(february-2024).pdf).

⁸ Current Generator Interconnecton Queue, Tennessee Valley Authority (Mar. 4, 2024), http://www.oasis.oati.com/woa/docs/TVA/TVAdocs/OASIS_CurrentQueue.pdf

- The FEIS is constrained by the 2019 Integrated Resource Plan (IRP) analysis and does not reflect the development of the 2024 IRP or changes to energy markets since 2019.⁹ These include forthcoming regulations on fossil fuel plants, renewable energy subsidies and incentives, and technology improvements. Building new solar generation is already cheaper than both running existing coal plants and building new gas plants,¹⁰ and clean energy incentives from the Inflation Reduction Act will bring renewable energy costs down even further. Yet, TVA uses outdated nearterm solar costs, and only switches to solar cost estimates that incorporate IRA incentives around 2030.¹¹ Additionally, the FEIS does not incorporate the cost of future air quality and greenhouse gas regulations that will apply to new gas plants.
- The FEIS uses outdated estimates of supply-chain disruptions, citing research from 2022 when it claims that disruptions in the supply chain make it infeasible to construct 1,500 megawatts of utility-scale solar by 2027. But according to more recent data, disruptions in the renewable energy supply chain have stabilized.¹²
- Finally, the FEIS does not follow federal guidance for calculating greenhouse gas emissions or estimating climate and environmental justice impacts. TVA utilizes outdated 2020 Social Cost of Greenhouse Gases estimates, which do not reflect the best available science and methodologies. The FEIS also does not acknowledge the disproportionate impact—both in exposure and vulnerability—that greenhouse gas emissions have on already overburdened communities. Nor does the FEIS consider local climate projections or necessary adaptation planning.

We look forward to hearing from you how TVA will amend the FEIS or issue a supplemental EIS to better reflect our and EPA's concerns and recommendations. As the nation's largest public power producer, TVA must prioritize an energy mix that lowers costs for customers, reduces environmental impacts for communities, and ensures a safer future in the face of the climate crisis.

Sincerely,

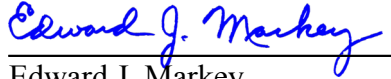
⁹ *2019 Integrated Resource Plan*, Tennessee Valley Authority, <https://www.tva.com/environment/environmental-stewardship/integrated-resource-plan/2019-integrated-resource-plan>.


¹⁰ *Coal Cost Crossover 3.0: Local Renewables Plus Storage Create New Opportunities For Customer Savings And Community Reinvestment*, Energy Innovation (Jan. 29, 2023), <https://energyinnovation.org/publication/coal-cost-crossover-3-0-local-renewables-plus-storage-create-new-opportunities-for-customer-savings-and-community-reinvestment/>.

¹¹ *2019 Integrated Resource Plan*, Tennessee Valley Authority, <https://www.tva.com/environment/environmental-stewardship/integrated-resource-plan/2019-integrated-resource-plan>.

¹² Bryan Jacob, *TVA relies on out-dated info to stall solar progress and justify fossil gas*, cleanenergy.org (Mar. 8, 2024), <https://www.cleanenergy.org/blog/tva-relies-on-out-dated-info-to-stall-solar-progress-and-justify-fossil-gas/>.

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