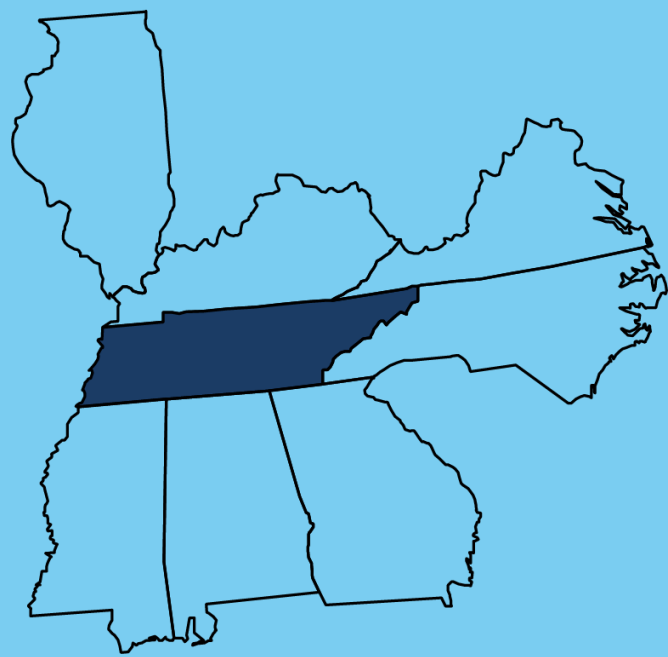


TENNESSEE VALLEY AUTHORITY'S PAYMENTS IN LIEU OF TAXES

TVA makes payments in lieu of taxes (PILOTs) to the eight states in which it either sells electricity or owns power property, based on 5% of its prior-year proceeds from power sales.



The Electric Generation and Transmission Cooperative Act of 2009 directed TACIR to monitor changes in the wholesale distribution of electric power by the TVA and its distributors and report any potential effects on the Authority's PILOTs.

FEDERAL FISCAL YEAR 2019-20

\$552 Million

TVA'S OVERALL PILOT

\$373 Million

TENNESSEE RECEIVED

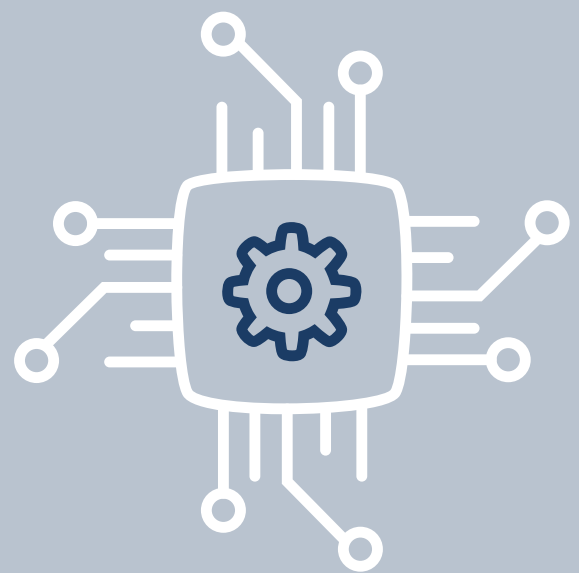
\$4 Million

TVA'S TOTAL PILOT
INCREASED

\$5.5 Million

TENNESSEE'S SHARE
INCREASED

As a result of the COVID-19 pandemic's effect on the economy and TVA revenue, the PILOT will decrease for FFY 2020-21 and is unlikely to increase in FFY 2021-22



TVA's PILOTS have totaled \$2.7 billion since FFY 2015-16, of which Tennessee has received \$1.8 billion (67%).