

107TH CONGRESS  
1ST SESSION

# S. 608

To amend the Tennessee Valley Authority Act of 1933 to provide for greater ownership of electric power generation assets by municipal and rural electric cooperative utilities that provide retail electric service in the Tennessee Valley region, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

MARCH 23, 2001

Mr. BUNNING (for himself and Mr. McCONNELL) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

---

## A BILL

To amend the Tennessee Valley Authority Act of 1933 to provide for greater ownership of electric power generation assets by municipal and rural electric cooperative utilities that provide retail electric service in the Tennessee Valley region, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “TVA Distributor Self-  
5       Sufficiency Act of 2001”.

1 **SEC. 2. LIMITATION ON AUTHORITY OF TENNESSEE VAL-**  
2 **LEY AUTHORITY.**

3 Section 4 of the Tennessee Valley Authority Act of  
4 1933 (16 U.S.C. 831c) is amended by adding at the end  
5 the following:

6 “(m)(1) Shall not prohibit, interfere with, or impair  
7 any determination made or any activity conducted by a  
8 TVA distributor (acting alone or in combination with any  
9 person) to build, acquire any interest in, operate any part  
10 of, or purchase electric power from a facility for the gen-  
11 eration of electric power for the purpose of supplying the  
12 incremental power supply needs of the TVA distributor  
13 (without regard to any other purpose for which electric  
14 power supplied by the facility is used).

15 “(2) In this subsection—

16 “(A) the term ‘incremental power supply needs’  
17 means the power generation capacity that a TVA  
18 distributor determines is required to satisfy the pro-  
19 jected peak load of the TVA distributor (with appro-  
20 priate reserve margins), to the extent that the pro-  
21 jected peak load and margins exceed the average an-  
22 nual quantity of power purchases of the TVA dis-  
23 tributor during 1996, 1997, and 1998; and

24 “(B) the term ‘TVA distributor’ means a coop-  
25 erative organization or publicly owned electric power

1 system that, on January 2, 2001, purchased electric  
 2 power at wholesale from the Corporation.”.

3 **SEC. 3. TENNESSEE VALLEY AUTHORITY LEAST COST PLAN-**  
 4 **NING PROGRAM.**

5 Section 113 of the Energy Policy Act of 1992 (16  
 6 U.S.C. 831m–1) is amended—

7 (1) by striking subsection (a) and inserting the  
 8 following:

9 “(a) DEFINITIONS.—In this section:

10 “(1) TVA DISTRIBUTOR.—The term ‘TVA dis-  
 11 tributor’ means a cooperative organization or pub-  
 12 licly owned electric power system that, on January  
 13 2, 2001, purchased electric power at wholesale from  
 14 the Tennessee Valley Authority.

15 “(2) SYSTEM COST.—

16 “(A) IN GENERAL.—The term ‘system  
 17 cost’ means all direct and quantifiable net costs  
 18 of an energy resource over the available life of  
 19 the energy resource.

20 “(B) INCLUSIONS.—The term ‘system cost’  
 21 includes the costs of—

22 “(i) production;

23 “(ii) transportation;

24 “(iii) utilization;

25 “(iv) waste management;

1 “(v) environmental compliance; and

2 “(vi) in the case of an imported en-  
3 ergy resource, maintaining access to a for-  
4 eign source of supply.”;

5 (2) in subsection (b)—

6 (A) by striking paragraph (1) and insert-  
7 ing the following:

8 “(1) IN GENERAL.—

9 “(A) TRIENNIAL PLANNING PROGRAMS.—

10 The Tennessee Valley Authority shall conduct a  
11 least-cost planning program in accordance with  
12 this section once every 3 years, including 1 such  
13 program to be concluded by December 31,  
14 2001.

15 “(B) PUBLIC PARTICIPATION.—Each plan-  
16 ning program shall be open to public participa-  
17 tion.

18 “(C) REQUIREMENTS.—In conducting a  
19 planning program, the Tennessee Valley Au-  
20 thority shall use a planning and selection proc-  
21 ess for new energy resources that evaluates the  
22 full range of existing and incremental resources  
23 (including new power supplies that may be con-  
24 structed, owned, and operated by 1 or more  
25 TVA distributors, other new power supplies, en-

ergy conservation and efficiency, and renewable energy resources) in order to provide adequate and reliable service to electric customers of the Tennessee Valley Authority requiring such service at the lowest system cost.”;

(B) in paragraph (2)—

(i) in subparagraph (B), by striking “and” at the end;

(ii) in subparagraph (C), by striking the period at the end and inserting “; and”; and

(iii) by adding at the end the following:

“(D) take into account current, planned, and projected ownership and self-supply of power generation resources by 1 or more TVA distributors.”; and

(C) by striking paragraph (3); and

(3) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking “distributors of the Tennessee Valley Authority” and inserting “TVA distributors”; and

1 (ii) by striking subparagraph (B) and  
 2 inserting the following:

3 “(B) encourage and assist TVA distribu-  
 4 tors in—

5 “(i) the planning and implementation  
 6 of cost-effective energy efficiency options;

7 “(ii) load forecasting; and

8 “(iii) the planning, construction, own-  
 9 ership, operation, and maintenance of  
 10 power generation facilities owned or ac-  
 11 quired by a TVA distributor.”; and

12 (B) in the first and second sentences of  
 13 paragraph (2), by striking “distributors” and  
 14 inserting “TVA distributors”.

15 **SEC. 4. INCLUSION OF THE TENNESSEE VALLEY AUTHOR-**  
 16 **ITY IN THE DEFINITION OF PUBLIC UTILITY**  
 17 **FOR PURPOSES OF PARTS II AND III OF THE**  
 18 **FEDERAL POWER ACT.**

19 (a) IN GENERAL.—Section 201(e) of the Federal  
 20 Power Act (16 U.S.C. 824(e)) is amended—

21 (1) by striking “means any person who” and  
 22 inserting “means—

23 “(1) any person that”;

24 (2) by striking “the period at the end and in-  
 25 serting “; and”; and

1           (3) by adding at the end the following:

2           “(2) the Tennessee Valley Authority.”.

3           (b) CONFORMING AMENDMENT.—Section 201(f) of  
4 the Federal Power Act (16 U.S.C. 824(f)) is amended by  
5 striking “foregoing, or any corporation” and inserting  
6 “foregoing (other than the Tennessee Valley Authority),  
7 or any corporation”.

○