



Winter 2015



POWER PARTNERS

Providing Powerful Solutions For Business & Industry

NEWS



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President's Message

Entering the New Year, many of our customers are finding new opportunities to optimize their savings on energy costs. To help you meet that goal, we offer a number of quality cost-cutting, energy incentives and upgrade programs for a range of commercial needs.

We continue to invest in new infrastructure and technologies. As an end-use customer, we encourage you to take full advantage of the many ways that TVA and Ripley Power and Light Company can help you lower your energy costs.

In this issue, we share the story of how SRG Global tapped into the TVA EnergyRight Solutions for Business/Industry program to rack up big savings with a number of efficiency projects. Inside, we also provide updated program information for the VIP program (formerly VII) and EnergyRight Solutions for Business/Industry. On the back cover, you'll find an update to the Renewable Standard Offer program.

Continuing to offer you the quality programs and services that will help strengthen your business is an important goal for us. If you are interested in how to maximize your energy use, contact me at 731-635-2323 or mallmand@ripleypower.com.



FOCUS ON SUCCESS

SRG Global to Save on Energy Costs with a Multi-Faceted Efficiency Upgrade

The SRG Global plant in Ripley will be enjoying lower energy bills with help from Ripley Power and Light Company and Tennessee Valley Authority.

The automobile supplier made upgrades to its compressed-air system that were recommended after the completion of an energy survey sponsored by Ripley Power and TVA. Besides saving SRG Global thousands of dollars each year with its utility bills, the upgrades also earned the company an incentive check from Ripley Power and TVA.

"The incentive check helped to pay for the upgrades," said Mike Allmand, President and CEO of Ripley Power and Light. "The entire project is expected to cut SRG Global's electric bill considerably."

SRG Global, which operates three shifts in Ripley, manufactures chrome-plated automotive parts, including grills.

The survey and incentives were offered through TVA's EnergyRight® Solutions for Business and Industry.

With the help of Ripley Power and Light, the first step in the process was to schedule an energy-efficiency survey by a TVA expert. The survey results recommended installing energy-efficient technologies in SRG's compressed air system by making changes in piping and replacing compressed air utilization in wastewater with a low pressure, point-of-use blower.

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Mike Demeris, right, Ripley Power and Light's Energy Services Specialist, presents an incentive check to Vance Brewster, Head of Maintenance at SRG Global.

TVA Program Enhancements Benefit Companies From Start-Up to Long-Term Success

To better serve our customers and the successful growth of existing and prospective companies in the Valley, TVA has recently simplified, improved and branded its economic development incentives package.

Below is a brief description of these programs and some of the enhancements:

Investment Credit

The Valley Investment Initiative (VII) is now called an investment credit. We have increased the credits available, resulting in higher awards for all customers – new ones and existing ones alike. This program is jointly offered by TVA and participating local power companies.

Loan Funds

The former Economic Development Loan Funds (EDLF) and Special Opportunities Counties (SOC) offerings are now referred to simply as loan funds. We have lowered the fixed rates, created an extremely attractive variable rate, developed an interest rebate option and assigned loan officers to dedicated territories, thereby enhancing the opportunity for success. Loan amounts are primarily determined by jobs and capital investment and loan terms may be from five to 20 years, based on collateral.

Performance Grant

Valley Advantage (VA) is now a performance grant. Through this program, TVA may make an investment in competitive economic development projects in the TVA service region. The grant funds are paid directly to the company and are flexible to be used for a variety of approved purposes. We have streamlined the process to dovetail with our investment credit program.

Security Deposit Coverage

Both the prior Enhanced Security Deposit Program (ESDP) and Deposit Assurance Program (DAP) are now branded as security deposit coverage. The Security Deposit coverage gives qualifying businesses an alternative to tying up valuable capital as they locate or expand in the TVA region. It may be available to new or expanding commercial and industrial electric customers through a partnership with TVA and participating local power companies.

If you think your company may qualify for one of these programs, please contact your local power company or one of the following regional economic development specialists: Chuck Marquis, ctmarquis@tva.com, 901.577.2626 or Josh Thornton, jthornton@tva.com, 901.334.6210.



Watts Bar Unit 2 Milestones Reached

TVA is on track to deliver the nation's first new nuclear generation of the 21st century. Nuclear energy and completing Watts Bar Unit 2 are important parts of TVA's strategy to bring clean, affordable power to the region.

Watts Bar Unit 2 is now approximately 95 percent complete and pre-operational startup testing is in progress. Over the past few months, several historic milestones have been achieved as work is completed safely, with quality, and in a manner that will ensure excellence in operations following licensing.

Employees at the completion project have achieved more than 30 million work hours without a lost-time incident. The quality of work remains high as measured by the quality control acceptance rate, which continues to trend above 97 percent. This rate measures the percentage of work that passes the quality control inspection process on the first inspection.

Cost and schedule targets established in the Estimate to Complete Watts Bar Unit 2 in 2012 also are being met. The total completion cost is estimated at \$4 billion to \$4.5 billion with commercial operation between September 2015 and June 2016.

The work to complete Watts Bar Unit 2 is building on proven technology and using established engineering and design standards. The unit is being made like new through a comprehensive refurbishment effort that rebuilds or replaces systems, structures and components using modern materials and current technology. In addition, Watts Bar will be one of the first nuclear plants in the U.S. to meet new Nuclear Regulatory Commission regulations set after the 2011 earthquake and tsunami in Japan.

TVA has three nuclear plants with a total of six operating reactors – three units at Browns Ferry near Athens, Alabama; two units at Sequoyah in Soddy-Daisy, Tennessee; and one operating unit at Watts Bar, near Spring City, Tennessee. The nuclear units can generate 6,600 megawatts of reliable, baseload power – enough to supply almost 4 million homes – and they generate some of the TVA's lowest-cost electricity. Once complete, Watts Bar Unit 2 will generate an additional 1,150 megawatts.

We have good news to share with you. Additional funds have become available in the TVA EnergyRight® Solutions for Industry (ERSI) program that will allow us to accept some new applications. These new applications will be processed until the funds are depleted.

We previously announced that on January 5 new applications for only commercial customers would be accepted. Over the past weeks, we have received several requests from TVPPA Energy Services, various local power companies (LPCs), Preferred Partners Network (PPN) members and industrial customers to also accept applications for industrial projects as soon as possible, and we have taken these requests seriously. We recognize that industrial projects provide the most cost-effective energy savings in our portfolio (industrial delivers at ~1¢/kWh). TVA relies heavily upon these projects to maintain our current position as TVA's lowest cost resource.

We have been continually monitoring the industrial project pipeline with the intent that if funds became available, we would re-evaluate the industrial situation. Based on the most recent review, we have learned that several of the projects in the industrial pipeline will no longer come to completion (e.g., companies deferred capital decisions, projects abandoned, etc.). TVA estimates \$5 million can now be used to begin taking some new applications in the industrial sector (but with a caveat).

The program began accepting industrial applications for these funds on January 5, 2015. Unlike the business program, applications will only be accepted for industrial projects that can be installed and operational by July 31, 2015. These projects will be handled on a first-come, first-served basis until the funds are depleted. Applications that request an installation date after the specified date above will not be qualified. Approved projects that are not completed by the dates above may forfeit the incentive.

We encourage all applicants receiving an approval letter to complete the installation of the project(s) as soon as practical and prior to July 31, 2015. This will allow appropriate processing time for inspections and final approval prior to the end of TVA's fiscal year on September 30, 2015.

To aid in communicating this information, the performance portal, the EnergyRight® website and the online application will be updated to communicate that funds are available for industrial projects and the requirements to apply.

If you have questions, please call 1-866-233-0450 between the hours of 9 a.m. and 6 p.m. (ET). Your local TVA customer service or industrial account manager is also available to assist you.



Comp Services Highlight: Energy Audits

In these days of uncertainty, it is more important to keep operating costs to a minimum. Utilities are a significant cost of doing business for most commercial and industrial facilities. For some, it is the highest operational cost. Companies that tend to be successful seize opportunities to reduce expenses. TVA and your local power company's Comprehensive Services Program can help reduce your building's utility bill.

A facility that has not pursued energy efficiency at least moderately in the last 10 years can realize 20% in utility savings on average. A facility that hasn't in the last 5 years can realize 10% on average. These savings can come from lighting improvements, HVAC upgrades or changes in control process, building automation, compressed air, process heating, power factor, and many more.

A typical energy audit report will include a preliminary energy use analysis and energy efficiency recommendations. Expanded, this will include at least the following and more upon request:

- A site visit to assess the building and energy-consuming equipment
- A summary of utility bill data
- Energy use intensity
- If possible, a benchmark to similar buildings in the area
- Energy efficiency opportunities
- Estimated ROI
- Known applicable rebate programs and potential payouts

Many vendors are pushing the latest and greatest energy efficiency devices. While most of them save energy, some do not. Additionally, just because a device will save energy does not mean it is a good investment. If you have already identified a potential energy savings opportunity internally or through the help of a vendor, Comprehensive Services can help evaluate if it is a good fit for your operation.

Contact your local power company to arrange for an energy audit of your facility or for a list of other services available.



Tony Yanessa, Commercial and Industrial Project Manager for Energy Right Solutions, West Tennessee Customer Service, was recently promoted to Principal Engineer of the Comprehensive Services Program (CSP) for TVA. In his new role, Tony will be in charge of the day-to-day operations of the CSP. West TN CSP serves 22 local power companies and their customers.

Tony began his career at TVA in 2006 in Memphis as an engineer in the CSP. In 2009, he moved into the Energy Right Solutions for Business and Industry incentive program as a project manager, where he spent the next 5 years helping customers leverage the available incentives to implement energy savings projects. Prior to coming to TVA, Tony worked at Black and Decker in Jackson, TN in the manufacturing engineer group and for the Viskase Corporation in Loudon, TN.



Aulton Greene is the new West Tennessee Commercial and Industrial Program Manager for TVA's EnergyRight Solutions Program. Aulton earned a Bachelor of Science degree in electrical engineering from Tennessee State University and a Master of Business Administration from Webster University. He has been with TVA Customer Delivery for nine years, working with our customers as an A-level and Senior Power Utilization Engineer. He holds certifications as an

energy manager and lighting efficiency professional through the Association of Energy Engineers. He recently served two years on the External Relations Employee Advisory Group. The purpose of the Employee Advisory Group is to promote organizational health and improve employee performance. Aulton is very excited about this opportunity to work and serve the customers of West Tennessee.



Renewable Program Options For 2015

We understand that many of our commercial clients have an increasing corporate emphasis on using green or renewable energy. Some companies have corporate standards for energy efficiency measures in manufacturing or alternative energy generation on-site, like solar or wind farms.

To that end, TVA offers a number of incentive and renewable buy-back programs to make managing corporate requirements easy and cost-effective. Below are a few highlights of TVA's 2015 programs.

2015 Program Highlights at a Glance

In 2015, TVA will offer 140 MW of renewable capacity through its Green Power Providers, Solar Solutions Initiative and Renewable Standard Offer programs.

Renewable Standard Offer:*

- TVA will offer 100 megawatts of renewable capacity for projects 51 kilowatts and up to 20 MW.
- TVA will buy renewable energy at market rates.

** RSO program is at capacity, but TVA is keeping a waiting list.*

Solar Solutions Initiative

- TVA will offer 20 megawatts on new solar projects under this pilot program for projects 51 kilowatts and up to 1 megawatt.
- A four-cent premium above the market rate per kWh is provided for those systems that use certified Tennessee Valley installers.

Green Power Providers

- TVA will offer 10 megawatts of new renewable energy projects of up to 50 kilowatts.
- TVA will pay a two-cent premium above retail rates per kWh in CY 2015.

If you are interested in participating in any of these programs, contact me at 731-635-2323 or mdemeris@ripleypower.com. For more information on these renewable programs, visit www.tva.gov/renewable/.



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SRG Global to Save on Energy Costs with a Multi-Faceted Efficiency Upgrade

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The compressed air system optimization included three sub-projects:

- The first involved replacing a two-inch, cross connection compressed air header pipe with a four-inch pipe. The two-inch pipe was inadequately sized for the air flow in the pipe.
- The second sub-project involved installing a low pressure, point-of-use blower on tanks in the wastewater treatment sump area. Previously, compressed air was used to periodically incorporate the settled heavy solids into a mixed solution before the sump was pumped out. The old process was controlled at the operator's discretion using a manually operated valve to supply compressed air.

- The third part of the project involved installing a three-inch, cross connection, compressed air header pipe from the main compressed air system header to the environmental area. This allowed the remaining wastewater compressed air needs to be served by air from the main plant rather than operating dedicated wastewater compressors.

"If you are interested in how your company might benefit from the EnergyRight Solutions for Business and Industry program, or any other energy efficiency or incentive program, contact Ripley Power and Light," Allmand said.