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Electrical Distribution Agreements: Environmental Organizations File Judicial Challenge to Tennessee Valley Authority Power Supply Contract Terms

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Three environmental organizations filed a Complaint in the United States District Court (Western District of Tennessee) against the Tennessee Valley Authority (“TVA”) challenging certain terms in its power supply contracts with local electricity distributors.

The Plaintiffs include:

- Protect Our Aquifer
- Alabama Center for Sustainable Energy
- Appalachian Voices (collectively, “Plaintiffs”)

The focus of the Plaintiffs’ Complaint is the length of the power supply contracts TVA has entered into with its electrical distribution customers.

Challenged elements of the power supply contracts include the following described terms:

- Agreement automatically renews each year
- Requirement that the electric distribution customer provide TVA with 20 years advance written notice of termination
- Restrictive caps of 3 to 5 percent on the amount of power that electrical distribution customers can produce and procure locally from clean energy sources
- Prohibits electrical distribution customers from selling or supplying power outside the confines of the contract

The alleged bases for challenging the power distribution agreements include:

- Violation of the National Environmental Policy Act and Administrative Procedures Act by failing to conduct required environmental review
- Violation of the Tennessee Valley Authority Act and Administrative Procedures Act by entering into perpetual agreements

The Plaintiffs ask for a judgment setting aside and vacating the referenced power supply contracts and an injunction against TVA entering into additional ones (among other requested relief).

A copy of the Complaint can be downloaded [here](#).

