

Power to Memphis - Options for a Reliable, Affordable and Greener Future: January 2019 Friends of the Earth Report



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The environmental organization Friends of the Earth (“FOE”) issued a January 2019 report titled:

Power to Memphis – Options for a Reliable, Affordable and Greener Future (“Report”)

The *Report* was prepared for FOE by the Brattle Group.

The *Report* addresses power supply options for the City of Memphis, Tennessee. Memphis is stated to hold a current contract with the Tennessee Valley Authority (“TVA”) through its utility Memphis Light, Gas & Water.

The *Report* contends that the transformation of the electric power and energy industry through technological progress, changing consumer preferences and policy imperatives related to climate change creates an opportunity to evaluate alternative power supply options. Various alternatives are evaluated. Such alternatives are predicated on the Memphis utility providing five years notice to TVA in 2019. Further, an alternative to the current power supply would have to be in place by and after 2024.

The *Report* is stated to have examined whether the Memphis utility could obtain a portfolio of power supply that reduces the cost of electricity relative to current and potential future TVA rates. The analysis also assumed that the alternative would not rely on investments in new transmission to access non-TVA resources and maximize opportunities to use renewable energy.

The *Report* contends that its use of a power system model to simulate the city’s power supply indicates that local supply resource portfolios combining natural gas and renewable energy (with some imports of renewable energy from the West) could provide reliable power supplies at a cost below current and projected TVA rates. Referenced is what is described as an analysis that indicates that by 2024 a local mix of gas-fired generation, solar PV, battery storage, energy efficiency and demand response would result in wholesale costs substantially below the current TVA rate. Such near term options are stated to not require construction of new transmission connections to other areas or the use of existing TVA transmission.

The *Report* contains sections addressing:

- 2024 Portfolio Options
- Reliability and Emissions
- Portfolio Costs

- Other Considerations
- 2050 Portfolios
- Transmission Considerations
- Indicative Costs
- Risks of Staying with the TVA versus Alternative Supply

The Appendix provides a description of the Report's methodology and assumptions including:

- Portfolio Construction Approach
- Resource Assumptions
- Generation Costs
- Demand-Side Resources
- Load Assumptions
- Other Operational Assumptions
- Financial Assumptions
- Power System Optimizer

A copy of the *Report* can be found [here](#).