

There has been much misinformation circulated recently about the decision by the Glasgow Electric Power Board ("GEPB") to file a lawsuit against TVA.

In numerous discussions and media publications, suggestions have been made that the GEPB's lawsuit is an effort to terminate its relationship with TVA, and to back out of the Long Term Agreement (the "LTA"), that GEPB entered into with TVA back in November 2019.

That is simply untrue. GEPB is not seeking to terminate its relationship with TVA, nor is it seeking to renege on any promises it made to TVA. Instead, GEPB is simply seeking to restore for itself an **important right** that it bargained for with TVA in the LTA.

The LTA contained an **important right and option** that allows GEPB to reduce this commitment to **just the original rolling 5-year term** (which is what the commitment had long been before the LTA was executed)

Unfortunately a GEPB board member, who was in the minority favoring retaining the 20 year term, unlawfully signed a TVA document in June 2020 waiving that option without the knowledge or authority of the Board.

The lawsuit challenges the validity of this waiver. Thus, GPEB is not looking to terminate its relationship with TVA or to renege on any of its agreements with TVA. GEPB is simply looking to restore its contractual rights wrongfully surrendered denying its ability to avoid being locked into an indefinite unlimited commitment without consideration of alternatives. This is the contractual right that was bargained for in the LTA.

The contract:

This is a 20 year, actually indefinite contract, since leaving requires 20 year notice; otherwise the financial penalties are very severe. There are some limits, on the initial cost of power, but for the most part, it's unlimited. Since TVA has rejected The Boards proposal to remove timed rates, the Infotricity system should be considered as permanent. In effect, the city is turning over ownership of the GEPB to TVA

I do not believe it to be in the city's best interest to accept the 20 year TVA contract and its consequences, but if the council decides to ask the Board to stand down, I'm certain it will.