



Memorandum from the Office of the Inspector General

October 19, 2026

Michael J. McCall
Michelle R. Ray

REQUEST FOR MANAGEMENT DECISION – EVALUATION 2026-17614 – TVA'S AIR COMPLIANCE PROGRAM

Attached is the subject final report for your review and management decision. Please advise us of your management decision within 60 days from the date of this report. In accordance with the Inspector General Act of 1978, as amended, the Office of the Inspector General is required to report to Congress semiannually regarding evaluations that remain unresolved after 6 months from the date of report issuance.

If you have any questions or wish to discuss our findings, please contact Lindsay J. Denny, Director, Evaluations – Operations, at (865) 633-7349. We appreciate the courtesy and cooperation received from your staff during the evaluation.

Greg Stinson
Assistant Inspector General
(Audits and Evaluations)

HRK:FAJ

Attachment

cc (Attachment):

TVA Board of Directors
David L. Bowling, Jr.
Allen A. Clare
Hannah S. Clements
Jessica Dufner
Jill M. Matthews
Edward C. Meade
Ronald R. Sanders II
Michael D. Skaggs
Kevin G. Smith
Bevin W. Taylor
William M. Trumm
Ben R. Wagner
OIG File No. 2026-17614



Office of the Inspector General

Evaluation Report

To the Vice President,
Environmental and
Stewardship and to
the Vice President,
Generation Technical
Support

TVA'S AIR COMPLIANCE PROGRAM

Evaluation Auditor
Heather R. Kulisek

Evaluation 2026-17614
October 19, 2026

ABBREVIATIONS

ENC	Environmental Non-Compliances
EVOS	Environmental Violations of Significance
CC	Combined Cycle
CEMS	Continuous Emission Monitoring Systems
CFR	Code of Federal Regulations
CR	Condition Report
CT	Combustion Turbine
NOx	Nitrogen Oxide
SPP	Standard Programs and Processes
TVA	Tennessee Valley Authority

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MEMORANDUM DATED OCTOBER 8, 2026, FROM MICHAEL J. MCCALL
AND MICHELLE R. RAY TO GREG STINSON.



Evaluation 2026-17614 – TVA’s Air Compliance Program

EXECUTIVE SUMMARY

Why the OIG Did This Evaluation

The Tennessee Valley Authority (TVA) is committed to clean air and a clean water supply for its region, as well as protecting its historical, cultural, and environmental resources. The TVA Air Permits and Compliance group is responsible for managing the technical and administrative functions of TVA’s air permitting and compliance programs. TVA Standard Programs and Processes (SPP) 05.030, *Air Compliance*, documents and describes TVA’s air compliance program, including compliance with applicable laws, regulations, executive orders, and other environmental requirements. Some of the requirements for sites can include:

- Annual certification of compliance with permit conditions.
- Semiannual report of required monitoring and recordkeeping and visual emission evaluations.
- Continuous emission monitoring systems (CEMS)ⁱ maintenance logs.
- Inventory of spare parts and consumable supplies adequate to meet normal operating requirements of the CEMS.

Due to the importance of air quality to the environment, we performed an evaluation to determine TVA’s compliance with select air compliance program requirements.

What the OIG Found

We determined TVA complied with select air compliance program requirements, including (1) performing reporting requirements, (2) maintaining an inventory of CEMS equipment, (3) maintaining maintenance logs as required, and (4) modifying permits for sites with operating changes. However, we identified issues related to addressing events of non-compliance. Specifically, (1) documentation to support action completion was not always available, (2) a corrective action was closed without being performed, and (3) a corrective action taken did not address the identified issue.

ⁱ CEMS is the total equipment necessary for the determination of a gas or particulate matter concentration or emission rate.



Evaluation 2026-17614 – TVA's Air Compliance Program

EXECUTIVE SUMMARY

What the OIG Recommends

We recommend the Vice President, Generation Technical Support, take steps to ensure:

- Documentation of the work performed to complete actions is maintained.
- Planned corrective actions are completed.
- Planned corrective actions address the issue that resulted in the event of non-compliance or violation.

TVA Management's Comments

In response to our draft report, TVA management agreed with our recommendations. See the Appendix for TVA management's complete response.

BACKGROUND

The Tennessee Valley Authority (TVA) is committed to clean air and a clean water supply for its region, as well as protecting its historical, cultural, and environmental resources. The TVA Air Permits and Compliance group is responsible for (1) managing the technical and administrative functions of TVA's air permitting and compliance programs in order to meet TVA's commitments concerning air-related environmental compliance; (2) developing TVA recommendations, programs, practices, and procedures on air-related environmental matters; and (3) providing overall regulatory and policy guidance within TVA on air-related environmental permitting and compliance activities.

Title 40, Code of Federal Regulations, Part 70, *State Operating Permit Programs*, (40 CFR § 70) sets forth the comprehensive State air quality operating permit systems and defines requirements for State operating permit programs, including requirements for modifications to permits. TVA Standard Programs and Processes (SPP) 05.030, *Air Compliance*, documents and describes TVA's air compliance program, including compliance with applicable laws, regulations, executive orders, and other environmental requirements. Some of the requirements for sites can include:

- Annual certification of compliance with permit conditions.
- Semiannual report of required monitoring and recordkeeping and visual emission evaluations.
- Continuous emission monitoring systems (CEMS)¹ maintenance logs.
- Inventory of spare parts and consumable supplies adequate to meet normal operating requirements of the CEMS.

TVA-SPP-05.011, *Internal Determination and Reporting of Environmental Events*, establishes a system for determining and reporting Environmental Violations of Significance (EVOS)² or Environmental Non-Compliances (ENC)³ in a consistent manner to track performance of environmental compliance. From fiscal year 2022 through 2025, TVA had 3 EVOS and 9 ENC events related to air, as shown in Table 1.

¹ CEMS is the total equipment necessary for the determination of a gas or particulate matter concentration or emission rate.

² EVOS are events or actions that result in Notices of Violations, enforcement orders, fines or penalties, or the filing of a lawsuit by a regulator alleging violations by TVA.

³ ENC are events or actions that are required to be reported internally but do not meet EVOS criteria.

Date	Facility	Type	Summary
10/16/2024	Colbert Combustion Turbine (CT) Plant	ENC	Nitrogen Oxide (NOx) Exceedance
5/28/2024	Johnsonville CT Plant	ENC	NOx on Oil Exceedance
5/27/2024	Paradise Combined Cycle (CC) Plant	ENC	NOx Exceedance
12/12/2023	Kemper County CT Plant	ENC	NOx Exceedance
3/18/2023	Lagoon Creek CC Plant	ENC	NOx Exceedance
12/23/2022	Marshall CT Plant	ENC	Carbon Monoxide Exceedance
12/22/2022	Allen CC Plant	ENC	Carbon Monoxide Exceedance
8/15/2022	Gallatin Fossil Plant	EVOS	10-day asbestos notification revision not submitted by original start
5/17/2022	Cumberland Fossil Plant	EVOS	Sulfur Dioxide Exceedance
1/31/2022	Ackerman CC Plant	EVOS	Failure to send 2021 Annual Compliance Certification
1/1/2022	Gallatin Fossil Plant	ENC	Mercury Calibrator Certification date expired while in service
12/14/2021	Gleason CT Plant	ENC	Failure to Meet Periodic Monitor Availability Requirement

Table 1

Due to the importance of air quality to the environment, we performed an evaluation to determine TVA's compliance with select air compliance program requirements.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our review was to determine TVA's compliance with select air compliance program requirements. The scope of our review included air permits at coal and gas plants. To achieve our objective, we:

- Performed site visits, interviews, and reviewed data for a selection of 5 of 21 sites⁴ to determine if sites were compliant with select:
 - 2025 permit reporting requirements, including (1) annual certification of compliance with permit conditions, (2) semiannual report of required monitoring and recordkeeping and visual emission evaluations, and/or (3) quarterly certification of CEMS Quality Assurance requirements.
 - Air permit requirements for maintaining an inventory of spare parts and consumable supplies adequate to meet normal operating CEMS requirements and CEMS maintenance logs.
- Reviewed available action documentation for all 71 actions related to the 12 EVOS and ENC in fiscal years 2022 through 2025 to determine if the actions had been completed.
- Reviewed permits of the four sites (Allen CC Plant, Paradise CC Plant, Johnsonville Fossil Plant, and Johnsonville CT Plant) with operating changes⁵ in calendar years 2024 and 2025 to determine if air permits were modified.

This evaluation was conducted in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

FINDINGS

We determined TVA complied with select air compliance program requirements, including (1) performing reporting requirements, (2) maintaining an inventory of CEMS equipment, (3) maintaining maintenance logs as required, and (4) modifying permits for sites with operating changes. However, we identified opportunities for improvement related to addressing events of non-compliance.

⁴ We judgmentally selected Gallatin Fossil Plant and Colbert CT Plant based on the number and timing of non-compliances and violations, and randomly selected Kingston Fossil Plant, Lagoon Creek CC Plant, and Southaven CC Plant.

⁵ We considered the addition or reduction of units to be an operating change.

IMPROVEMENT NEEDED WHEN ADDRESSING EVENTS OF NON-COMPLIANCE

TVA-SPP-05.011, *Internal Determination and Reporting of Environmental Events*, states condition reports (CR)⁶ are written for all ENC and EVOS. While we determined CRs were written for all ENC and EVOS, we identified issues including, (1) documentation to support action completion was not always available, (2) a corrective action was closed without being performed, and (3) a corrective action taken did not address the identified issue.

- We reviewed 71 actions, and documentation was not available to support the completion for 10. For example, while the site stated the action was performed, there was no documentation to show Shift Operations Supervisors communicated the relevance of comparing results between units or provided training to operations personnel.
- TVA-SPP-22.300, *Corrective Action Program*, states corrective actions shall be completed as intended and as scheduled. One corrective action was closed without the planned action being performed. The corrective action was to change warning blocks in procedures to red; however, the corrective action was closed without the warning blocks being changed to red.
- Gallatin Fossil Plant received a violation because it did not inform the regulatory agency of a change in planned asbestos removal, in accordance with the Division of Air Pollution Control asbestos regulations. The planned corrective action was to “insert a 2-week outage schedule milestone event to communicate asbestos preparation and removal work start date.” However, according to TVA personnel, the asbestos preparation and removal work begins at the beginning of the outage, not 14 days afterward. This corrective action would cause the notification to be late. TVA has taken action to address the issue by modifying the date to “2-weeks prior to the start of the outage and no later than day one of the outage.”

Lack of documentation could increase regulatory risk and ability to verify completion of the action. In addition, not completing actions as planned or not addressing the issues identified could result in (1) a repeat event of non-compliance or violation or (2) ineffective corrective actions.

⁶ CRs are the documents used within the TVA Corrective Action Program to document how a problem was found, how it was analyzed, and how it was corrected.

RECOMMENDATIONS

We recommend the Vice President, Generation Technical Support, take steps to ensure:

1. Documentation of the work performed to complete actions is maintained.
2. Planned corrective actions are completed.
3. Planned corrective actions address the issue that resulted in the event of non-compliance or violation.

TVA Management's Comments – In response to our draft report, TVA management agreed with each of our recommendations. See the Appendix for TVA's complete response.

October 8th, 2026

Greg Stinson, WT 2C-K

REQUEST FOR COMMENTS – DRAFT EVALUATION 2026-17614 – TVA'S AIR
COMPLIANCE PROGRAM

This is in response to your memorandum dated September 8, 2026. After review of the draft evaluation, please see the following responses.

We would like to thank Lindsay Denny and Heather Kulisek for their diligence and support to optimize TVA's Air Compliance Program.

Recommendations

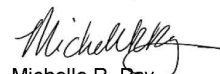
We recommend the Vice President, Generation Technical Support, take steps to ensure:

1. Documentation of the work performed to complete actions is maintained.
Response
Generation Technical Support agrees with the recommendation
2. Planned corrective actions are completed.
Response
Generation Technical Support agrees with the recommendation.
3. Planned corrective actions address the issue that resulted in the event of non-compliance or violation.
Response
Generation Technical Support agrees with the recommendation.

Thank you for allowing us to provide these comments. Please contact us if you have any questions.



Michael J. McCall
Vice President Environment
& Stewardship



Michelle R. Ray
Vice President
Generation Technical Support

TDL

cc:

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