

# Frequently Asked Questions

## WHAT ARE THE TARGETED SECTORS ELIGIBLE TO APPLY FOR THIS PROGRAM?

Targeted sectors are determined by reference to the North American Industry Classification System (NAICS) code for the customer's Valley facility. Customer facilities with the following NAICS codes are not eligible for a VII award; all others are within the targeted sectors and are therefore eligible to participate in VII if they meet other minimum program criteria.

VII EXCLUDED BUSINESS SECTORS AND NAICS CODES	
Excluded Sectors	Related NAICS*
Agriculture, Forestry, Fishing and Hunting	11
Mining	21
Utilities	22
Construction	23
Retail Trade	44-45
Transportation	48, 491, 492
Real Estate and Rental and Leasing	53
Administrative & Support and Waste Management & Remediation Services	56
Educational Services	61
Health Care and Social Assistance	62
Arts, Entertainment and Recreation	71
Accommodations and Food Service	72
Other Services	72
Public Administration	92

## FOR WHAT PERIOD MUST AN EXISTING CUSTOMER MEET THE MINIMUM DEMAND AND EMPLOYEE NUMBERS TO QUALIFY?

To be eligible, an existing customer must have a minimum of 250 kW peak demand and 25 employees in each of the previous 12 months. All qualifying customers must maintain these minimum levels throughout the five-year Evaluation Period to remain eligible.

## WHEN DOES THE FIVE-YEAR PERIOD BEGIN?

There are two relevant five-year periods: the Evaluation Period and the Award Period.

The Evaluation Period begins when a customer submits its VII Award Application. All VII projections and performance are measured from that date. For example, capital investments made prior to that date cannot be a part of any projections on which the award amount is based.

No sooner than six months after the submission of a complete Award Application, the Award Period begins. During the 60-month Award Period, an eligible customer receives its VII award as monthly credits on its power bill.

## HOW DO I KNOW THE AMOUNT OF AN AWARD I MIGHT BE ELIGIBLE TO RECEIVE?

At an initial meeting to discuss your project, TVA Economic Development will provide an Intake Form to help you gather the information it needs to calculate a potential award amount, including baseline data and projections in the relevant VII economic and power system categories. Based on that information, TVA will prepare a Preliminary Evaluation document with an estimated award amount.

## HOW DO I SECURE A VII AWARD?

The Intake Form and Preliminary Evaluation are informal exchanges of information and do not commit you or TVA to the particular project or award amount. To receive a VII award, an eligible customer must submit a complete, verified Award Application and enter into an award contract. New VII contracts are subject to the availability of budgeted funds.

## HOW ARE THE AWARD AMOUNTS CALCULATED BASED ON PROJECTIONS AND ACTUAL PERFORMANCE?

VII awards are projection-based and performance-adjusted. Maximum annual award amounts are calculated based on the projections in a customer's Award Application and incorporated into the award contract. At the end of each Evaluation Period year, the customer is required to submit an Annual Certification that reports actual performance and revised projections, if any. Based on the Annual Certification, TVA can adjust the award amount. Annual award adjustments may decrease the amount of scheduled monthly power bill credits or, in some cases, trigger "clawback" provisions in the award contract (if, for example, a customer ceases commercial operation of its qualifying facility).

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