

# POWER OF UNITY

**NES 2024 COMMUNITY INVESTMENT REPORT**



# Contents

**03** Letter from President

**05** Power of Unity

- Adding Value for People, Planet, and Power
- Our Why

**08** Environmental Stewardship

- Clean Energy for Every Need
- Energy Efficiency
- Transportation Electrification
- Preservation of Natural Areas
- Optimizing Operations

**14** Power of People

- Combined Needs Campaign
- Diverse Supplier Program
- Collaborative Research & Engagement
- Clean Energy Jobs Training Program in Middle Tennessee
- Community Engagement
- Internships and Apprenticeships

**19** Employee Engagement & Development

- Emerging Leaders Training Program
- Employee Engagement Survey
- Diversity, Equity, Inclusion, Accessibility, & Belonging (DEIAB)
- Lifelong Learning
- Health & Safety

**22** Systemizing Sustainability

- People
- Governance

# Dear Stakeholder:

**What can we achieve when we form a unified front, when we view each other, not as individuals, but as a collective working toward a shared goal? Incredible things. Because I believe there is untold power in unity. It's a belief that drives us every day at Nashville Electric Service (NES) and serves as the inspiration for this report.**

Sometimes, unity looks like the joining of hands, like our efforts for a greener tomorrow. We began that journey in 2018 with Music City Solar, Nashville's first community solar program, enabling customers to opt for cleaner electricity. As of January 2024, those solar panels generated 14.5 million

kWh of clean electricity, the equivalent of removing more than 2,000 cars from the road.

As customer interest in alternative energy has evolved, so have we, expanding our offerings to include Green Switch, Green Flex, Green Invest, and Green Power Dispersed Power Providers. I encourage you to learn more about these initiatives on page 10.

As customers request alternative energy options and we supply them, we are also developing the skilled workforce to support them. NES has collaborated with TVA and Goodwill Industries of Middle Tennessee to develop the Solar and Storage

Installation mobile training lab to provide experience and training to ensure job placement. To date, we have trained 148 solar technicians to support clean energy in our region.

Other times, unity looks like the lending of a hand, particularly to those in our community who need it most. NES offers a slate of resources and options for elderly and low-income customers, providing nearly \$3M in assistance since August of 2022. Last year, NES employees collectively donated \$82,000 to United Way through the Combined Needs Campaign to support our Middle Tennessean neighbors.



*TERESA BROYLES-APLIN*  
President &  
Chief Executive Officer

Through NES' Home Uplift program, which provides free energy upgrades to eligible residents, we have generated nearly \$800,000 in savings and eliminated 2,344 Metric Tons of CO2 emissions.

And sometimes, unity simply means that we do our part in support of the greater good—for the environment

and for each other. In October 2023, NES hired its first full-time Sustainability Manager to support and conduct environmental stewardship, social equity, and financial vitality initiatives. The position also manages benchmarking and goal setting to ensure NES is meeting its sustainability targets.

Last year, NES employees collectively donated \$82,000 to United Way through the Combined Needs Campaign to support our Middle Tennessean neighbors.

One way we are working to achieve that is by transitioning the NES fleet to electric and hybrid vehicles. We've ordered 9 electric trucks and several hybrid SUVs. We're also developing a strategy for how vehicles will be retired and replaced over the next six years.

To foster a culture of civility and belonging within our organization with the hopes of extending that dynamic beyond our walls, NES' Human Relations Department implemented Diversity, Equity, Inclusion, Accessibility, & Belonging (DEIAB) trainings, hosting a total of 102 sessions in 2023 and the first quarter of 2024 for both organization-wide education and nuanced resources for leadership positions.

At NES, harnessing the power of unity starts with our exceptional team. Thank you to the 1,000 strong for demonstrating the breadth of possibility when we work as one.



TERESA BROYLES-APLIN  
President & Chief Executive Officer

# POWER OF UNITY



# Power of Unity

## Adding Value for People, Planet, and Power

Tennessee's state motto, "Agriculture and Commerce," reveals how interconnected the environment and economy are to the culture and people of The Volunteer State. Nashville Electric Service (NES) proudly serves Tennessee's state capital and surrounding area. The energy NES distributes not only powers Music City's world-renowned entertainment, healthcare, higher education, and culinary industries, but it does so by embodying the power of people.

Our core mission is to provide safe, reliable, and affordable power and energy services to the customers and communities we serve. That mission is

emphasized by the desire to deliver in such a way that the needs of today are met without compromising the needs of future generations.



## Our Why

In the past five years, the City of Nashville and Davidson County have declared eight Federal Disaster Declarations, six weather-related. Four were high-wind events (tornadoes and severe storms) in addition to one flood and 2022 Winter Storm Elliott. The trend of experiencing natural disasters has increased throughout the country, and the NES territory is no exception. Forecasts show that these events and extreme temperatures are expected to continue due to the impacts of climate change.

Whether under blue skies or otherwise, NES is committed to taking strategic steps to align with the local, state, and federal climate resiliency and mitigation plans. It is important these plans implore strategy that does not create a financial undue burden for customers and ensure continuity of power.



## Sustainability and Resiliency Plans NES Aligns with

- Mayor Cooper's Sustainability Advisory Committee Report on the Metropolitan Government of Nashville
- Davidson County's Climate Change Mitigation Action Plan, BL2019-1598 (Fleet Electrification)
- Community Resilience Advisory Board
- Tennessee Resiliency Plan in 2021 and 2023
- Tennessee Valley Pathways



# ENVIRONMENTAL STEWARDSHIP



# Environmental Stewardship

Creating an electrical ecosystem that leaves a small footprint while making a big impact on the daily lives of customers is ever evolving at NES. Bolstering programs that create opportunities for customers to incorporate clean energy solutions in accessible platforms is a priority. The anticipated demand for increased energy capacity to support future electrification needs, including appliances and electric vehicles, is developing in parallel. A menu of options to participate in the energy transition is available to the NES service territory.

## Clean Energy for Every Need

Music City Solar is Nashville's first community solar program, with over 17,000 panels available for NES customers to lease. NES continues to match the excitement around clean energy by creating plans for similar solar arrays and programs. The desire to integrate more solar energy into the energy portfolio has instigated innovative conversations and collaborations. NES is continuously evaluating the best solutions for customers, partners, and the environment.



## Success by Numbers:

As of January 2024, the program generated

**14,471,022 kWh**  
equivalent  
to taking  
**2,406**  
cars off the road.

Thanks to partnerships with Tennessee Valley Authority (TVA), NES customers have access to a variety of programs tailored to fit the size and type of clean energy participation. Options include:

- Green Switch residential and commercial customers can purchase “blocks” of renewable electricity from resources such as wind, solar, and methane gas.
  - Green Flex provides Renewable Energy Credits (RECs) can be purchased from TVA to offset greenhouse gas emissions reported by a company or organization.
  - Green Invest for companies that want to invest in sustainability long-term can partner with and commit to a 12, 15, or 20-year agreement for a new renewable energy project in the Tennessee Valley.
- Green Power Dispersed Power Providers for residential and commercial customers to receive financial benefits from installing rooftop solar or other renewable energy projects.
  - Each year the NES Energy Services Engineering team is responsible for over \$21M in New Business capital projects (\$162M since FY2020).
    - Through TVA’s Valley Investment Program, 19 of NES’ large commercial and industrial customers are receiving annual financial incentives totaling \$2,278,440 plus 2 additional approved customers pending finalized contracts who should begin receiving incentives soon.
    - These 21 companies are making capital investments in our area totaling \$581,254,861 creating 1,880 new jobs and retaining 4,288 jobs.



## Energy Efficiency

NES has a long history of supporting customers through energy efficiency initiatives and programs. From the site-specific solutions in the Uplift suite to energy efficiency classes and toolkits, these programs have positively impacted lives by reducing bills. NES is empowering customers with more data and options than ever. The Ways to Save website is a comprehensive library of energy efficiency initiatives and hosts a bill analyzer to break down energy use by type throughout the home.

## Success by Numbers:

We are continuing our commitment to helping our Customers who may struggle to pay their electric bills.

**1,274**

Participating Homes

**7.8M kWh**

savings for customers

**\$3.5**

Millions saved through the  
Power of Change initiative  
since 2022

**2,344**

Metric Tons of CO2  
Emissions Reductions

**\$800k**

in Customer Savings

**\$11.5**

Millions of dollars invested  
in customer home Energy  
Efficiency by Home Uplift  
since 2022

## Transportation Electrification

### Community-based

While preparing for the interconnectedness of transportation and electricity, NES has proactively worked to determine future energy demands and needs. An Electric Vehicle Strategic Plan finalized in June 2023 outlined the calls to action for NES to actively support electric vehicle (EV) adoption in Nashville with a strategic framework and timeline. A more analytical study based on data from the Tennessee Valley Pathways Report and area-specific EV information for energy load impact will forecast grid modernization needs based on different EV adoption scenarios.

Driver confidence in the availability of charging stations, especially DC fast chargers, is crucial to the EV transition. NES partnered with TVA to place the first two public DC chargers in the area as part of a national plan to create DC Fast Charger access along major highways and interstates every 50 miles or less. As a part of the “battery belt,” these initiatives support the clean energy transition and the economy of Tennessee simultaneously.

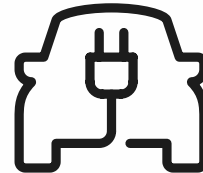
### NES Fleet

The transition of the NES fleet to electric and hybrid vehicles began with the ordering of nine electric trucks and several hybrid SUVs. The ongoing plan looks six years into the future to determine what vehicles will be retired and how to replace

those with no or low greenhouse gas emissions. The infrastructure for electric vehicle charging at NES is underway for a smooth transition. In addition to light—and medium-duty vehicles, NES has ordered fleet bucket trucks as a state-of-the-art option for heavy-duty machinery.

**No.1**

Performing Fast  
Charge Network Site



## Preservation of Natural Areas

The Arbor Day Foundation recognizes NES for excellence in vegetation management as a Certified Tree Line USA Utility. Each year, NES plants trees to offset some that were removed for grid resiliency and add back to Nashville's tree canopy. NES also partners with local advocacy groups to further our reach into the local

community to promote our public education goals on quality tree care, proper planting & pruning, and energy conservation.

NES reduces runoff and point source pollution through proper tree management and canopy preservation. Trees also reduce the impacts of the urban heat island effect and increased temperatures due to the sun's reflection

on concrete and asphalt. Finally, these very same trees help reduce greenhouse gases, serve as a sound barrier in some cases, and are home to pollinators and other species.

## Optimizing Operations

Finding efficiencies and optimizing operations on an ongoing basis helps NES advance reliability and economic stewardship. Small pivots in planning and executing work reduce costs, waste, and time needed. Recent examples include, but are not limited to;

- An e-billing campaign encourages customers to opt-in to the program, reducing paper waste and creating convenience for customers to choose their billing delivery system.
- Fleet telematics to improve driving efficiency and identify issues that could waste fuel or time while

supporting safety habits.

- Electric forklifts replaced retired traditional versions in the warehouse.
- NES continues to apply for federal grants to support mission-driven projects, including grid resiliency, electrification of transportation, and innovative technologies.

As Nashville continues to grow, NES is putting significant resources toward reliability and updating aging infrastructure investments- \$270M since 2020

- Large substation projects - \$95M
- Reliability & Asset Management (Poles/Lines/Automated switching) - \$100M
- Overall System Improvements - \$70M

Our team of Certified Arborists and network of local partners are committed to effectively managing the interface of safety, service reliability, sustainability of our natural environment, and top-notch service for each customer in all the communities we serve.



**Nathan Black** – Vegetation Management



# POWER OF PEOPLE



## Power of People

Of the 684 square miles of NES service territory, 15% are disadvantaged communities (DAC). These areas are also more densely populated; census data shows that a third of NES's customers live in a DAC. These communities are more vulnerable to the impacts of natural disasters and disproportionately overburdened. Additionally, many of the same census tracts are in the country's 80-90 or 90-95 percentile for exposure to particulate matter and 80-90 for ozone. Susceptibility to these pollutants can affect health, making it more difficult for those vulnerable to withstand extended periods of heat or cold.

NES is collaborating directly with these customers to create plans and collaborations that fulfill the specific

needs of these historically underserved communities. Additionally, programs to financially support customers in need are ongoing and evolving.

### Economic Development

NES support 12 different Chambers of Commerce as follows:

1. Gallatin
2. Hendersonville
3. Mt. Juliet
4. Bellevue Harpeth
5. Donelson Hermitage
6. Goodlettsville
7. Williamson County
8. Tennessee Latin American
9. Nashville
10. Black
11. Madison Rivergate
12. Nashville Hispanic

## Success by Numbers:

# Nearly \$3M

assistance provided to help elderly and low income customers since August of 2022 through the Utility Bill Assistance & Project HELP (Need Link)

## \$44M

issued in COVID-19/  
Recovery Bill Credits from  
Oct. 2020 thru Sept. 2023

## \$82k

donated to United  
Way last year through  
the Combined Needs  
Campaign which  
enables employees  
to support Middle  
Tennesseans by  
collectively donating

## 843

panels "donated"  
in the Solar Angel  
program

## Diverse Supplier Program

The Nashville Electric Service Supplier Diversity Program began in 1992 with mission is to promote the utilization of small businesses and businesses owned by minorities, women and Tennessee service-disabled veterans, with a commitment to inclusion and economic growth in the community we serve. The focus remains on identifying and recruiting diverse businesses, while developing and assisting those businesses currently providing goods and services. Our outreach efforts include NES sponsored open houses, procurement fairs, educational webinars, one-on-one monthly vendor meetings, and partnerships with business advocacy groups.



**83** Diverse Supplier Program  
Outreach Engagements  
Sponsored



Our power lies in our unique experiences. The diversity of our customers, employees and business community drives our creativity, resilience, and innovation.

**Amy McGlother** – Diverse Supplier Coordinator



## Collaborative Research & Engagement

NES serves as a partner on a Department of Energy (DOE) Renewables Advancing Community Energy Resilience (RACER) research grant, using community feedback to develop energy resiliency plans in disadvantaged communities. A replicable framework for communities to prioritize smart energy planning and encourage investments in the grid that will have the most significant impact for communities that have been underserved is the final product. The goal is to better support disadvantaged communities by recognizing and adapting to these communities' unique economic, demographic, and social needs.

## Clean Energy Jobs Training Program in Middle Tennessee

As the clean energy sector continues to grow, the skilled workforce to fulfill the various jobs also flourishes. The gap between the existing training programs and the growing need for technicians for solar installations sparked the collaboration between NES, TVA, and Goodwill Industries of Middle Tennessee to develop the Solar and Storage Installation mobile training lab. This free four-week program allows participants to gain hands-on experience and technical knowledge that are key to job placement in the industry.



## Community Engagement

NES enthusiastically supports community events through tabling, partnership, and participation. Employees may volunteer their time or in some cases NES may make a financial donation. Departments may also support programs that resonate with a particular passion or need among their colleagues. Regardless of the delivery, NES is dedicated to being an engaged community partner. Below are some of the recent company-wide events.

- American Heart Association and Heart Walk
- American Cancer Society
- American Red Cross
- Big Brothers Big Sisters
- Career Exploration Fair
- College Career Fairs
- Combined Needs Program
- Community Health Charities
- Country Music Marathon
- Diverse Supplier Initiative
- Food Truck Fridays
- Glenciff High School Day of Learning
- Goodwill Industries
- Go Red for Women
- Habitat for Humanity
- Kaboom Playground Build
- Nashville Rescue Mission
- Nation Hunger Action Day
- Salvation Army Angel Tree Program
- Salvation Army Red Kettle Challenge
- Second Harvest Food Bank
- School Uplift events
- St. Jude
- STEM grant support
- Stuff the Bus
- Together Tuesday
- TVA Day of Giving
- TVA Scholarship Applications
- United Way

## Internships

The internships currently spend a month on safety-focused education, then they rotate six months in Construction and Maintenance and six months in Transmission and Distribution. These interns work an average of 29 hours/week over twelve months. Every other Friday, while they are in Transmission and Distribution, safety skills are learned in climbing poles in the training facility.

## Apprenticeships

The existing apprenticeship program has evolved through the years. Currently, there are opportunities for skilled crafts people such as linemen and electricians. Upon successful completion of the program, after all required documentation has been checked and verified, and with the approval of NES management, the apprentice will

progress to the Lineman classification as a normal career progression, placed on the appropriate pay step in the Lineman pay grade and receive a United States Department of Labor, Office of Apprenticeship "Lineman" Certificate of Completion.





# EMPLOYEE ENGAGEMENT & DEVELOPMENT

# Employee Engagement & Development

## Emerging Leaders Training Program

The NES Emerging Leaders Institute (ELI) graduated the first cohort of participants in January 2024. The ELI was specifically designed to provide training for the success of tomorrow's leaders. NES employees applied for the program, and twenty non-supervisory employees were chosen to participate. The program offers skills that participants can immediately implement in their current positions and can help elevate their resumes for future career transitions.

## Employee Engagement Survey

The Employee Engagement Survey created a baseline for the employees' opinions and experiences at NES. A

total of 409 employees participated, accounting for about 41% of the total staff. The results informed the top priorities for the organization:

1. Provide education on healthcare benefits and new retirement plan vs. pension
2. Focus on improving performance appraisals (process, format, standards, and goals)
3. Focus on professional development opportunities for the entire workforce
4. Continue work on cultural transformation
5. Develop a consistent approach to hybrid work across the company with better-defined expectations

## Diversity, Equity, Inclusion, Accessibility, & Belonging (DEIAB)

NES' Human Relations Department implemented integral DEIAB development trainings. In 2023 and the first quarter of 2024, NES held fifteen trainings for a total of 102 sessions for both organization-wide education and nuanced resources for

102

DEIAB Total Training Sessions

leadership positions. These trainings primarily focused on building a culture of civility and belonging through examining trust, respect, and healthy communication in the workplace. These courses are the first step in a multi-year training series to foster DEIAB values throughout the organization.



## Lifelong Learning

Supporting employees in their professional journey empowers growth and encourages retention of ambitious talent. NES covers costs and paid time for professional development and continuing education for any employee who satisfactorily completes a company-approved course.

## Health & Safety

The Employee Safety Committee includes a cross-functional team of employees including eleven hourly workers. The Employee Safety Committee meets monthly to review any new or emerging concerns and statistics from the previous month. These notes are shared with supervisors and managers.

NES implements a comprehensive safety training program and fosters a culture of ongoing hazard assessments to ensure the highest levels of accident mitigation and situational awareness. Training provided includes, but is not limited to:

- worksite safety analysis
- hazard prevention and control
- safety and health training
- anti-harassment and by-stander intervention training
- HAZWOPER

## Wellness

NES employees have several opportunities to incorporate wellness into their professional and personal lives through company programs. For example, employees can take advantage of a gym membership reimbursement based on the average

number of days per week they work out. Discounts are available through the employee marketplace for thousands of healthy products or services. Additionally, the NES healthcare plan is customized to meet the nuanced needs of the employees and their families.



# SYSTEMIZING SUSTAINABILITY

# Systemizing Sustainability

## People

In October 2023, NES hired its first full-time Sustainability Manager. The role was designed to support and conduct environmental stewardship, social equity, and financial vitality initiatives. The position will also manage benchmarking and goal setting for NES as it relates to these pillars internally and with the community.

## Governance

NES developed a formalized model for carbon accounting. A cross-departmental team worked with TVA to assess the carbon emissions attributed to the direct operations across NES and the electricity required to run the NES facilities. The baseline greenhouse gas inventory for scopes 1-3 using 2019

served as a template for this report. In 2022, NES brought on a consultant to help establish the ESG framework and foundation for the company. First, the priorities of NES, local partners, and the community were assessed to form a materiality report. The results illuminated renewable energy, electrification, energy efficiency and demand response, resiliency, diversity, equity and inclusion, employee engagement and development, and greenhouse gas emission as the topics most important to NES and stakeholders simultaneously. Short-, medium-, and long-term goals were developed to guide progress throughout NES under these topics in meaningful ways that simultaneously

support the core mission of the utility. The strategies will evolve with the nuances and changing energy landscape of the future, however, the underlying commitment to community benefit will stay the same.



This report is a reflection of the hard work by dedicated employees throughout NES. The success throughout these pages is a celebration of our team's commitment to ensuring reliable power for our community today and for generations to come.

**Kathryn Pohlman, MPA, LEED Green Associate**  
Sustainability Manager  
kpohlman@nespower.com

## NES at Glance

NES is the 11th largest utility in the country serving Davidson County and parts of six surrounding counties. The service territory has seen a robust population increase in recent years in addition to growth in business moving into the area. Simultaneously, the transition to electrified appliances, machinery, and transportation is widespread. NES is matching the increased demand and concurrently seeking innovative ways to create a cleaner and more resilient grid.

**440,000**

Customers in Davidson County and Parts of the Six Surrounding Counties,

**80%**

Customer Service Representatives Satisfaction Rating

**50+**

Community organizations supported through the NES Community Involvement Fund each year.

**1,000+**

Nashville Electric Service Employees

**6X In a Row**

Awarded six consecutive times – Reliable Public Power Diamond Award



As a public power utility, and therefore an extension of the community that we serve, NES is well positioned to leverage a robust sustainability strategy to support and enhance our core mission of providing safe, reliable and affordable power and energy services to our customers and community.



**Tony Richman** – Energy Services

NASHVILLE





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