

KENTUCKY MUNICIPAL ENERGY AGENCY PRESIDENT & CEO PERFORMANCE GOALS - 2019

KYMEA President & CEO Performance Goals
February 28, 2019

Dear KYMEA Board of Directors,

Please find attached the KYMEA President and CEO 2019 performance goals. The performance goals are two-fold.

- Start-Up Activities. The first set of performance goals is to complete the start-up activities for the Agency to begin delivering power and transmission service on May 1, 2019. The start-up activities involve completion of the infrastructure and processes to ensure the Agency is fully operational.
- Steady State Operation. The second set of performance goals is the move the Agency into steady state operation by implementing best practices in functional areas across the Agency.

Performance Goals

Buresh Employment Agreement – section 3, paragraph 2, last sentence

Within sixty (60) days of Buresh's employment, and thereafter within sixty (60) days of Buresh's anniversary date, KYMEA and Buresh will mutually agree upon performance goals for Buresh so that performance goals are in place during each year of Buresh's employment.

Start-Up Activities

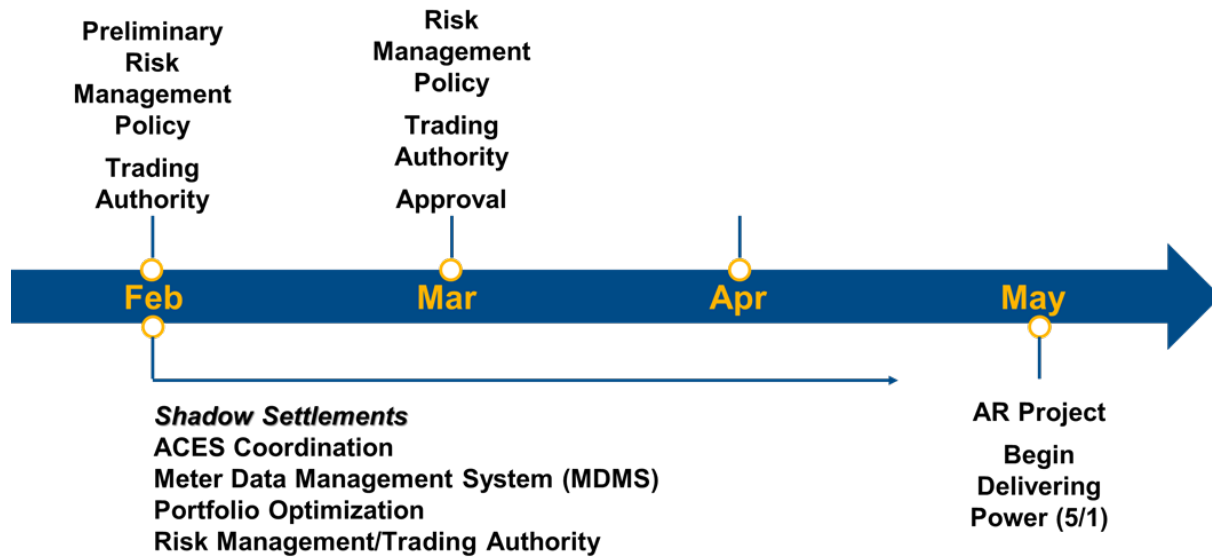
1. Energy Management Partner (ESP) and Meter Data Management System (MDMS). Continue to work with ACES Power Marketing and Schneider Electric to complete implementation of the procedures, processes, and responsibilities for the KYMEA/ACES 24-hour desk and the Power Monitoring Expert (PME) system.
 - a. Load Forecasting
 - b. Data Transfer (KYMEA – ACES – AMP – LGE/KU – Load Forecast)
 - c. Portfolio Optimization (EnCompass Model)
 - i. Energy
 - ii. Capacity
 - iii. Markets



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- d. Policies
 - i. Risk Management
 - ii. Trading Authority
- e. Shadow Settlements
- f. Redundant/Back-Up PME System



- 2. Budget and Rate Schedules
 - a. Administrative and Operation Budget
 - b. Capital Budget
 - c. AR Project Rates
 - i. Base Rates
 - ii. ECA
 - d. Service Rates
- 3. Finance and Accounting
 - a. Line of Credit
 - b. Accounting and Reporting System Upgrade
 - i. PME Interface
 - ii. Data Retention System
 - c. Budget/Actual Projection Model
 - i. Member Invoice Model
 - d. Financial Reserves and Metrics
- 4. Policies
 - a. Governance Policies



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Steady State Operations

Integrated Resource Planning (IRP)

Begin work on an integrated resource plan to address the Agency resource needs beginning in 2022.

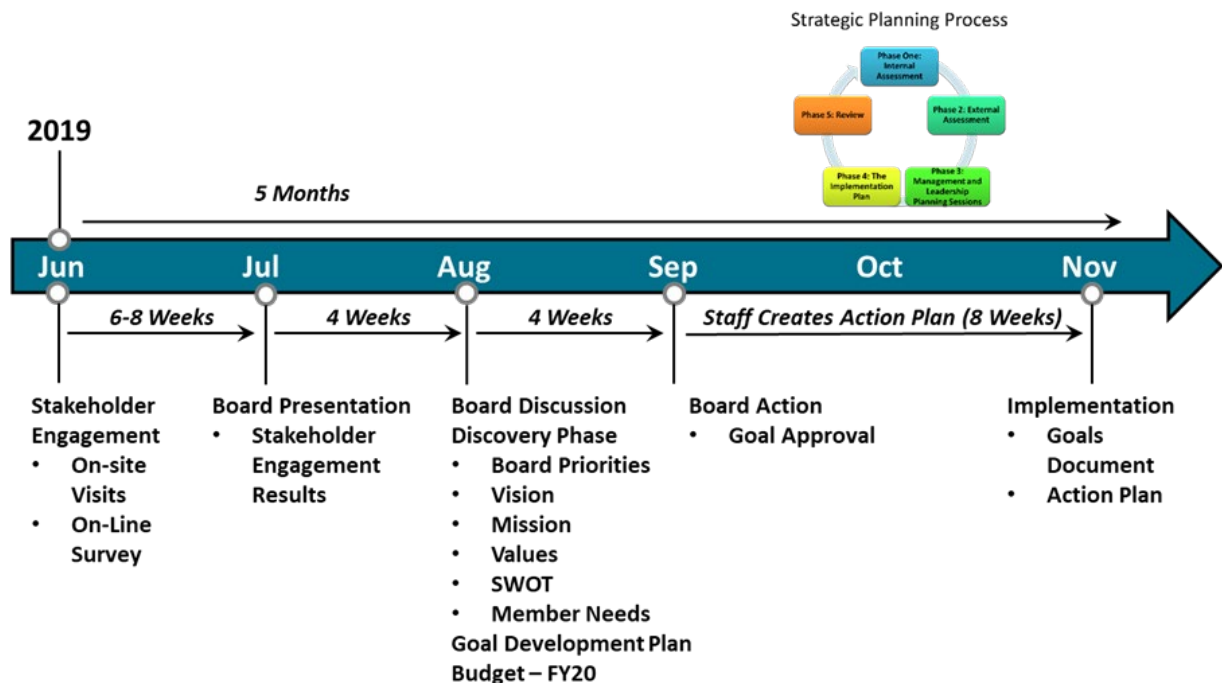
- Supply-Side and Demand-Side Options
- EnCompass Model Development
- Long-Term Load Forecast
- Market Price Projection
- Scenario Development
- Stochastic Uncertainties
- Stakeholder Involvement

Member Communications

- KYMEA Power Post – Quarterly Newsletter
- Member Visits
 - City Officials and Utility Boards
 - Key Accounts per Member requests
- Annual Meeting Program
- Website enhancements

Strategic Planning

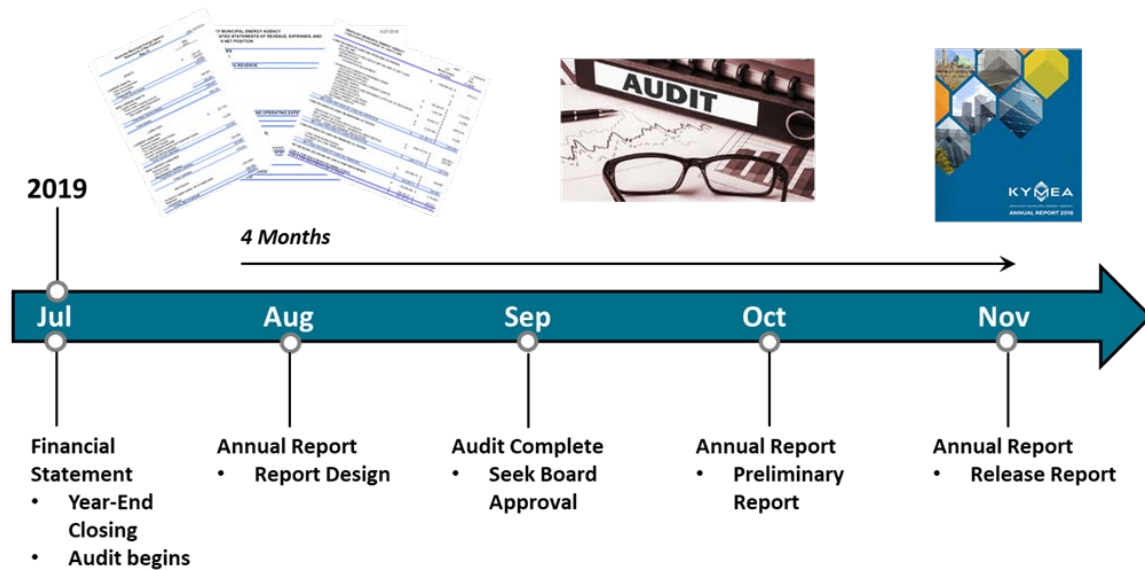
Define the Agency's mission and vision through the strategic planning process.



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Finance and Accounting

Audit and Annual Report.



Legal and Government Affairs

Continue to work with KMUA and KYMEA Lobbyists on state and federal issues affecting the Agency.

Agency Growth

New Member Recruitment. KYMEA's strategy is to investigate new member growth opportunities to further take advantage of economies of scale so long as it is mutually beneficial for KYMEA and the new member.

Sincerely,

Doug Buresh
President & CEO
Kentucky Municipal Energy Agency

