



Board Packet

November 20, 2019



2020 BOARD MEETING



MONTH	DATE	LOCATION	MONTH	DATE	LOCATION
JANUARY	1/23 1 PM EST	KMUA - Frankfort	JULY - SPECIAL MEETING	7/22 1 PM	KMUA - Louisville
FEBRUARY	2/27 10 AM EST	KYMEA Board Room	AUGUST	8/27 10 AM EST	KYMEA Board Room
MARCH	3/26 10 AM EST	KYMEA Board Room	SEPTEMBER	9/24 10 AM EST	KYMEA Board Room
APRIL - SPECIAL MEETING	4/22 1 PM EST	KMUA - Bowling Green	OCTOBER - SPECIAL MEETING	10/21 1 PM	KMUA - Lexington
MAY - ANNUAL MEETING	5/29 10 AM EST	KYMEA Board Room	NOVEMBER	11/18 10 AM EST	KYMEA Board Room
JUNE	6/25 10 AM EST	KYMEA Board Room	DECEMBER	12/16 10 AM EST	KYMEA Board Room

DISCOVER THE POWER OF ENERGY OPTIONS



JANUARY							FEBRUARY							MARCH							APRIL							MAY							JUNE							
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JULY							AUGUST							SEPTEMBER							OCTOBER							NOVEMBER							DECEMBER							
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The KYMEA Board of Directors shall hold its regular meetings on the fourth Thursday of each month, except for the months of November and December when the regular meeting shall be held on the third Wednesday. The regular meetings shall convene and commence at 10:00 AM Eastern time on said dates. The regular meetings shall be held at the KYMEA Board Room, 1700 Eastpoint Pkwy, Suite 220, Louisville, Kentucky.

KYMEA COMMITTEE CALENDAR

2019

January	July
February	August
March	September
15 th IRC Committee-10am 20 th BROC Committee-8:30am	20 th IRC Committee-10am 26 th BROC Committee-8:30am
April	October
	23 rd Compensation Committee-10am
May	November
	19 th Budget Committee-2pm 20 th Compensation Committee-8:30am
June	December
13 th IRC Committee-10am 27 th BROC Committee-8:30am	13 th IRC Committee-10am 17 th Budget Committee-2pm 18 th BROC Committee-8:30am 18 th AR Rates Workshop-2pm

JANUARY

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MAY

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FEBRUARY

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NOVEMBER

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DISCOVER THE POWER OF ENERGY OPTIONS



Committee Members	Term Limit Expiration	Next Election	Meeting Frequency
Officers			
Ron Herd (Chairman)	May 23, 2021	May 23, 2021	
Josh Callihan (Vice Chairman)		May 23, 2021	
Chris Melton (Secretary)		May 23, 2021	
Kevin Howard (Treasurer)		May 23, 2021	
Executive Committee			As Needed
Ron Herd (Chairman)		May 23, 2021	
Josh Callihan (Vice Chairman)		May 23, 2021	
Chris Melton (Secretary)		May 23, 2021	
Kevin Howard (Treasurer)		May 23, 2021	
All Requirements Project Committee			December - February
Chris Melton (Chairman)	All AR Directors hold a seat	May 23, 2021	December: Workshop - Staff presents current year proforma
All AR Directors			January: Workshop - Staff present preliminary AR rate design
KYMEA CEO (non-voting)			February: Staff presents preliminary AR rates
KYMEA CFO (non-voting)			March: Committee approval/Board Approval of AR Rates
Board Risk Oversight Committee (BROC)			Quarterly
Gary Zheng (Chairman)		May 23, 2021	March, June, September, & December
Tim Lyons		May 23, 2021	
KYMEA CEO			
KYMEA CFO			
KYMEA Legal Counsel			
Internal Risk Committee (IRC)			Quarterly
KYMEA CEO (Chairman)			March, June, September, & December
KYMEA VP of Market Analytics			
KYMEA CFO			
KYMEA Legal Counsel			
Budget Committee			November - January
Chris Melton (Chairman)		May 23, 2021	November: Staff presents preliminary budget to committee
Josh Callihan		May 23, 2021	December: Complete committee changes/Budget committee approval
Mike Withrow		May 23, 2021	January: No meeting, Budget presented to board
KYMEA CEO (non-voting)			February: Board approval of budget
KYMEA CFO (non-voting)			
Compensation Committee			October - December
Ron Herd (Chairman)		May 23, 2021	October/November: Working group to establish CEO compensation December: Committee presents the CEO's compensation to the board
Josh Callihan		May 23, 2021	
Chris Melton		May 23, 2021	
Kevin Howard		May 23, 2021	
KYMEA Legal Counsel (non-voting)			
FERC Litigation Committee			October - December
Chris Melton			Working group during FERC litigation
Gary Zheng (Chairman)			
Tim Lyons			
KYMEA CEO			
KYMEA CFO			
KYMEA Legal Counsel			

KYMEA COMMITTEE CALENDAR

2020

January	July
22 nd AR Rates Workshop-3pm	
23 rd Budget Committee-10am	
February	August
27 th Budget Committee-10am	
27 th AR Committee-10:30am	
March	September
13 th IRC Committee-10am	11 th IRC Committee-10am
26 th BROC Committee-8:30am	24 th BROC Committee-8:30am
26 th AR Committee-10am	
April	October
	21 st Compensation Committee-10am
May	November
	17 th Budget Committee-2pm
	18 th Compensation Committee-8:30am
June	December
12 th IRC Committee-10am	4 th IRC Committee-10am
25 th BROC Committee-8:30am	15 th Budget Committee-2pm
	16 th BROC Committee-8:30am
	16 th AR Rates Workshop-2pm

JANUARY

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MARCH

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Chris Melton (Secretary)		May 23, 2021	
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KYMEA CFO			
KYMEA Legal Counsel			
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KYMEA CEO (Chairman)			March, June, September, & December
KYMEA VP of Market Analytics			
KYMEA CFO			
KYMEA Legal Counsel			
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Gary Zheng (Chairman)			
Tim Lyons			
KYMEA CEO			
KYMEA CFO			
KYMEA Legal Counsel			



KENTUCKY MUNICIPAL ENERGY AGENCY

December 18, 2019	Committee Reports	Administration Reports	Discussion Topics	Action Items
	AR Project	CEO	Mutual Aid	CEO Compensation
	BROC	Finance and Accounting		
	Budget	Market Analytics		
		Member Communications		

January 23, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
	AR Committee	CEO	FY 2021 Budget	
	Budget	Finance and Accounting		
		Market Analytics		
		Member Communications		

February 27, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
	AR Committee	CEO	FY 2021 AR Rates Presentation	FY 2021 Budget
	Budget	Finance and Accounting		
		Market Analytics		
		Member Communications		

March 26, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
	IRC	CEO		FY 2021 AR Rates
	BROC	Finance and Accounting		
	AR Committee	Market Analytics		
		Member Communications		



April 22, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
	BROC	CEO		
		Finance and Accounting		
		Market Analytics		
		Member Communications		

May 29, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
		CEO	Cash Reserve Policy	
		Finance and Accounting		
		Market Analytics		
		Member Communications		

*** This calendar is intended for planning purposes and may be changed at any time.**



Notice of Meeting of the KYMEA Board of Directors

**Location: 1700 Eastpoint Pkwy Ste. 220
Wednesday, November 20, 2019, 10 AM**

A. Meeting Opening

- A.1 Attendance
- A.2 Guest Introductions
- A.3 Call to Order

B. Meeting Minutes

C. Financial Reports

D. Committee Reports

- D.1 Budget Committee
- D.2 Compensation Committee

E. Administration Reports

- E.1 CEO
- E.2 Member Communications

F. Discussion Topics

- F.1 Legislative Update

G. Action Items

- G.1 Paducah Amendment #5

H. Public Comments

I. Upcoming Meetings & Other Business

J. Closed Session

- J.1 Market Report/Hedging Strategy
- J.2 Other topics

K. Actions Related to Closed Session

L. Adjournment

Meeting Minutes





Notice of Meeting of the KYMEA Board of Directors

Location: 2601 Richmond Rd, Lexington, KY 40509

Wednesday, October 23, 2019, 1 PM

A. Meeting Opening

A.1. Attendance: Taken at 1:05 PM

Present Board Members:

Josh Callihan
Ronald Herd
Chris Melton
Mike Withrow
Kevin Frizzell
Adrian Isaac (Proxy for Kevin Howard)
Ramona Williams
Gary Zheng

Absent Board Members:

Philip King
Carl Shoupe
Doug Hammers

Staff Present:

Michelle Hixon
Heather Overby
Doug Buresh
Rob Leesman

Others Present:

Charles Musson
Tim Lyons
Vent Foster
Jim Tony Fulkerson
Susan Bishop
Latif Nurani
John Painter



Tom Trauger

Brown Thornton joined the meeting at 1:40 PM

A.2. Guest Introductions: The Chairman thanked our guests for attending today's meeting.

A.3. Call to Order: Chairman, Ron Herd, called the meeting to order at 1:05 PM. A quorum of board members was present, and the Board was ready to proceed with business.

2. Meeting Minutes

2.1 Approval of the regular minutes of September 26, 2019

Motion Passed: Approval of the September 26 meeting minutes passed with a motion by Josh Callihan and second by Mike Withrow.

8 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Absent
Kevin Frizzell	Yes
Doug Hammers	Absent
Adrian Isaac	Yes
(proxy for Kevin Howard)	
Ramona Williams	Yes
Gary Zheng	Yes

C. Financial Reports

2.2 Approval of last month's Financial Reports

Motion Passed: Approval of the previous month's financial reports passed with a motion by Kevin Frizzell and second by Chris Melton.

8 Yeas - 0 Nays.

Josh Callihan	Yes
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Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Absent
Kevin Frizzell	Yes
Doug Hammers	Absent
Adrian Isaac	Yes
(proxy for Kevin Howard)	
Ramona Williams	Yes
Gary Zheng	Yes

D. Committee Reports

D.1 Compensation Committee: Chairman, Ron Herd reported that there was a compensation committee meeting earlier this morning that went well. The committee expects to have a recommendation for updating the President and CEO's contract by the next meeting.

E. Administration Reports

E.1 CEO: Doug Buresh presented the CEO report regarding the agency's past and upcoming activities.

E.2 Finance & Accounting: Heather Overby presented to the Board any current and upcoming finance and accounting activities.

E.3 Member Communications: Michelle Hixon communicated to the board any upcoming events and member activities.

F. Discussion Topics

F.1 Legislative Update: Doug Buresh gave an update on legislative activities.

G. Action Items

G.1 Strategic Plan: Doug Buresh presented the Strategic Plan updates per the board's request and requested board action to approve the plan.

Motion Passed: Motion to approve the present Strategic Plan passed with a motion by Kevin Frizzell and a second by Mike Withrow.

8 Yeas - 0 Nays.



Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Absent
Kevin Frizzell	Yes
Doug Hammers	Absent
Adrian Isaac	Yes
(proxy for Kevin Howard)	
Ramona Williams	Yes
Gary Zheng	Yes

H. Public Comments

This was an opportunity for members of the public to provide input to the KYMEA Board and was limited to 5 minutes per speaker. No comments were made.

I. Upcoming Meetings and Other Business

The KYMEA Board of Directors shall hold its regular meetings on the fourth Thursday of each month, except for the months of November and December, when the regular meeting shall be held on the third Wednesday. The regular meetings shall convene and commence at 10:00 AM Eastern time on said dates. The regular meetings shall be held at the KYMEA Board Room, 1700 Eastpoint Pkwy, Suite 220, Louisville, Kentucky.

J. Closed Session

Closed Session Authorization for October 23, 2019 KYMEA Board Meeting

Approval to enter into Closed Session pursuant to KRS 61.810(1)(c); KRS 61.810(1)(k); KRS 61.878(1)(c) and KRS 61.878(1)(j) for the purpose of:

1. discussing proposed, potential or pending litigation relating to KYMEA and its members relating to transmission issues;
2. discussing the market report and KYMEA's future and potential hedging strategy;
3. discussing responses made in confidence relating to potential KYMEA members; and



4. discussing the Integrated Resource Plan and strategies for existing, proposed or potential power purchases or sales which have been disclosed in confidentiality to KYMEA.

KRS 61.810(1)(c) allows for closed session for the purpose of discussing proposed, potential and pending litigation relating to the agency.

KRS 61.810(1)(k) and 61.878(1)(c) allow for closed session where discussions regarding records or information disclosed to the agency or required to be disclosed to the agency as confidential or proprietary would, if disclosed by the agency, provide an unfair advantage to competitors of the entity disclosing such information.

KRS 61.810(1)(k) and 61.878(1)(j) allow for closed session where presentation, discussion and review of preliminary recommendations and preliminary memoranda in which opinions are expressed or policies formulated or recommended.

Motion Passed: Motion to enter into closed session passed with a motion by Josh Callihan and a second by Chris Melton.

8 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Absent
Kevin Frizzell	Yes
Doug Hammers	Absent
Adrian Isaac	Yes
(proxy for Kevin Howard)	
Ramona Williams	Yes
Gary Zheng	Yes

Motion Passed: Motion to return to open session passed with a motion by Mike Withrow and a second by Ramona Williams.

8 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes



Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Absent
Kevin Frizzell	Yes
Doug Hammers	Absent
Adrian Isaac	Yes
(proxy for Kevin Howard)	
Ramona Williams	Yes
Gary Zheng	Yes

K. Actions Related to Closed Session

No action was needed.

L. Adjournment

Motion Passed: Motion to adjourn the KYMEA board meeting passed with a motion by Kevin Frizzell and a second by Gary Zheng.

8 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Absent
Kevin Frizzell	Yes
Doug Hammers	Absent
Adrian Isaac	Yes
(proxy for Kevin Howard)	
Ramona Williams	Yes
Gary Zheng	Yes

X

Chairperson

X

Secretary

Financial Reports





Financial Presentation

November 20, 2019

Statement of Net Position – October 2019

1. Checking account cash

2. Billing to AR &
Transmission service
members and ancillary
services



KENTUCKY MUNICIPAL ENERGY AGENCY

Statements of Net Position Oct-19

HRO

		Oct 2019
ASSETS		
CURRENT ASSETS		
Cash and investments	\$	6,711,499 ¹
Other receivables		7,576,665 ²
Prepayments		6,835
Total Current Assets		14,294,999

Statement of Net Position – October 2019

3. Collateral represents \$1.2M at MISO and \$800k at PJM

4. Fixed asset clearing represents project to date costs to install additional meter equipment at Paducah and Accounting System computer equipment.

NON-CURRENT ASSETS

Restricted Assets

Pledged collateral

1,978,471

3

Interest receivable

-

Total Restricted Assets

1,978,471

Capital Assets

Fixed Asset Clearing Account

87,190

4

Office Buildout

253,638

Meters - AR Project

193,817

Meter Comm Equipment

330,672

General Plant

667,768

Construction work in progress

-

Less Accumulated Depreciation

(136,767)

Net Capital Assets

1,396,318

Total Non-Current Assets

3,374,789

Total Assets

17,669,788

Statement of Net Position – October 2019

5. AP represents purchase power

6. Deferred Lease Liability represents the difference in average monthly rent for term of office lease and actual lease payments

7. Line of Credit paid off in August

8. Positive net position

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$	9,458,684	5
Accrued Employee Benefits		102,750	
Accrued interest payable		41,060	
Total Current Liabilities		9,602,494	

NON-CURRENT LIABILITIES

Deferred Lease Liability		34,721	6
Line of Credit		-	7
Total Non-Current Liabilities		34,721	

Total Liabilities		9,637,216	
--------------------------	--	------------------	--

Net Position

Invested in capital assets, net of related debt		1,309,128	
Restricted		-	
Unrestricted		6,723,444	
TOTAL NET POSITION		8,032,572	8

Revenue, Expenses, and Changes in Net Position – October 2019

CONSOLIDATED STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	October 2019	YTD FY20
OPERATING REVENUES		
Sales to members	\$ 6,952,895	\$ 30,382,563
Other revenues	93,122	387,569
TOTAL OPERATING REVENUE	7,046,017	30,770,132
OPERATING EXPENSES		
Transmission	713,782	2,827,336
Production	4,620,930	21,510,161
Other operating	118,095	511,735
Maintenance	210	1,116
Depreciation	13,884	55,510
Future recoverable costs	-	-
TOTAL PURCHASE POWER AND OPERATING EXPENSES	5,466,902	24,910,125
OPERATING INCOME	1,579,115	5,860,007
NON-OPERATING REVENUES (EXPENSES)		
Interest expense on debt	(609)	(21,929)
Interest income	5,821	8,597
Other non-operating expenses (income)	(2,188)	(18,622)
TOTAL NONOPERATING REVENUES (EXPENSES)	3,024	(31,954)
CHANGE IN NET POSITION	1,582,139	5,828,053
NET POSITION AT BEGINNING OF PERIOD	\$ 6,450,433	2,204,519
NET POSITION AT END OF PERIOD	\$ 8,032,572	8,032,572

9

10

11

12

13

9. Sales to AR Members

10. Sales of transmission and ancillary services

11. Transmission from MISO, PJM, and KU net of depancaking credit

12. All purchase power including PPA, ITO, and SEPA

13. Positive net income

Indirect Cash Flow— October 2019

14. Net Income

15. Timing of Accounts Payable has largest effect of operational items on cash.

16. Cash balance in checking account

CONSOLIDATED STATEMENT OF CASH FLOWS	CY		CY	
	Month Ended		YTD	
	10/31/2019		FY 2020	
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
NET INCOME	\$	1,582,139	\$	5,828,053
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:				
DEPRECIATION	\$	13,884	\$	55,510
AMORTIZATION OF:				
ACQUISITION ADJUSTMENT			\$	-
			\$	-
CHANGES IN CURRENT & DEFERRED ITEMS:				
ACCOUNTS RECEIVABLE	\$	602,100	\$	398,447
MATERIALS & SUPPLIES			\$	-
PREPAYMENTS & OTHER CURRENT ASSETS			\$	1,196
DEFERRED DEBITS	\$	1,367	\$	5,094
OTHER REG ASSETS AND DEFERRED OUTFLOW OF RESOURCES			\$	-
ACCOUNTS PAYABLE	\$	(846,851)	\$	1,449,174
COLLATERAL DEPOSITS			\$	-
TAXES & INTEREST ACCRUED	\$	1,588	\$	25,828
OTHER CURRENT LIABILITIES	\$	3,247	\$	14,236
DEFERRED CREDITS	\$	326	\$	2,266
OTHER			\$	-
NET CASH PROVIDED BY (USED IN) OPERATION	\$	1,357,798	\$	7,779,802
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES				
ADDITIONS TO PLANT	\$	(28,456)	\$	(88,370)
NET CHANGE IN OTHER PROP & INVEST	\$	-	\$	297,640
PLANT SOLD (PURCHASED) - NONINSTALLMENT METHOD	\$	-	\$	-
OTHER - ASSET RETIREMENT OBLIGATIONS	\$	-	\$	-
NET CASH PROVIDED BY (USED IN) INVESTING	\$	(28,456)	\$	209,271
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES				
LONG TERM BORROWINGS	\$	-	\$	-
PAYMENT ON LONG TERM DEBT	\$	-	\$	(9,032,768)
OTHER	\$	-	\$	-
NET CASH PROVIDED BY (USED IN) FINANCING	\$	-	\$	(9,032,768)
NET INCREASE (DECREASE) IN CASH & TEMP INVESTMENTS	\$	1,329,342	\$	(1,043,695)
CASH & TEMP INVESTMENTS BEGINNING PERIOD	\$	5,382,157	\$	7,755,194
CASH & TEMP INVESTMENTS END OF PERIOD	\$	6,711,499	\$	6,711,499

14

15

16



KENTUCKY MUNICIPAL ENERGY AGENCY

Statements of Net Position
Oct-19

HRO

	Oct 2019
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 6,711,499
Other receivables	7,576,665
Prepayments	6,835
Total Current Assets	14,294,999
NON-CURRENT ASSETS	
Restricted Assets	
Pledged collateral	1,978,471
Interest receivable	-
Total Restricted Assets	1,978,471
Capital Assets	
Fixed Asset Clearing Account	87,190
Office Buildout	253,638
Meters - AR Project	193,817
Meter Comm Equipment	330,672
General Plant	667,768
Construction work in progress	-
Less Accumulated Depreciation	(136,767)
Net Capital Assets	1,396,318
Total Non-Current Assets	3,374,789
Total Assets	17,669,788



KENTUCKY MUNICIPAL ENERGY AGENCY

Statements of Net Position
Oct-19

HRO

Oct
2019

LIABILITIES

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TOTAL NET POSITION	8,032,572



KENTUCKY MUNICIPAL ENERGY AGENCY

HRO

**CONSOLIDATED STATEMENTS OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION**

	October 2019	YTD FY20
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KENTUCKY MUNICIPAL ENERGY AGENCY

HRO

11/12/2019

CONSOLIDATED STATEMENT OF CASH FLOWS	CY		CY	
	Month Ended		YTD	
	10/31/2019		FY 2020	
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CASH & TEMP INVESTMENTS END OF PERIOD	\$	6,711,499	\$	6,711,499

Reconciliation Transactions Report

11/13/19 10:46:12 AM

10/01/19-10/31/19 131.00 CASH

User Id: 2011

Statement Ending Balance :	6,712,824.05
Outstanding Payments(-) :	1,325.00
Adjustments in Transit(+) :	.00
Deposits in Transit(+) :	.00
Adjusted Bank Balance :	<u>6,711,499.05</u>
Book Balance :	6,711,499.05
Pending Adjustments :	.00
Adjusted Book Balance :	<u>6,711,499.05</u>
Difference :	.00



Committee Reports

D. Committee Reports

- D.1 Budget Committee
- D.2 Compensation Committee



Report

1700 Eastpoint Pkwy Ste. 220 Louisville, KY 40223
P: (502) 242-5635 • F: (502) 242-5640
www.kymea.org



KENTUCKY MUNICIPAL ENERGY AGENCY

To: Board of Directors

From: Budget committee

Date: November 19, 2019

Re: Budget Meeting on 11/19/2019

A meeting of the Budget Committee was held on 11/19/2019. Chris Melton, Josh Callihan, Mike Withrow (remote participant), Doug Buresh, Heather Overby, Rob Leesman, Charlie Musson, and Michelle Hixon were present.

The Chairman, Chris Melton called the meeting to order at 2:00 PM. He asked Doug to begin the Budget presentation that the staff had prepared for the committee. The committee will provide any changes to staff and will reconvene on December 17th @ 2:00pm in Louisville.



Administration Reports

E. Administration Reports

E.1 CEO

E.2 Member Communications



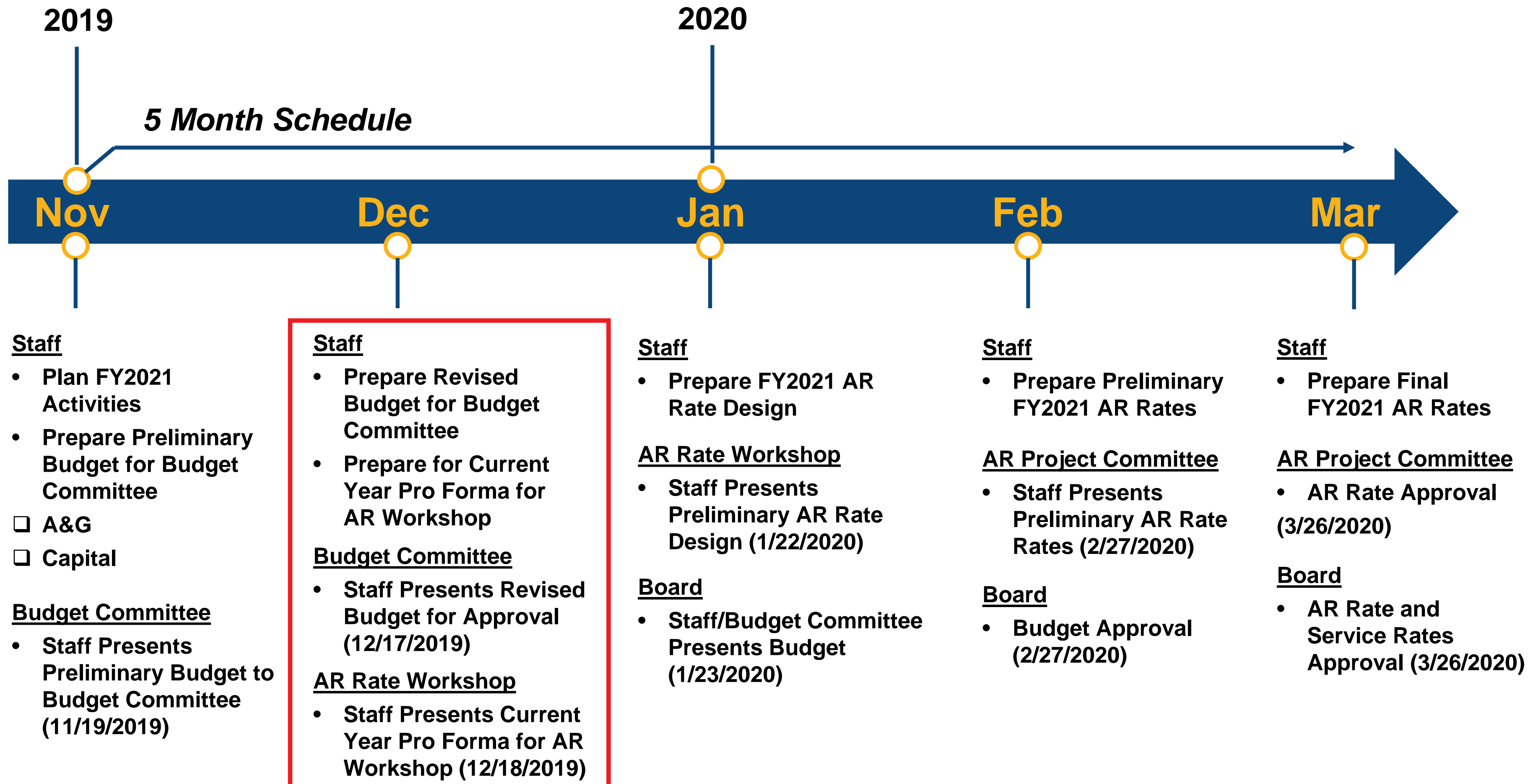


President & CEO Update

Doug Buresh

November 20, 2019

FY2021 Budget and AR Rate Process



SEPA Dispatch Service Bardstown and Nicholasville

KYMEA Services Provided

- **SEPA Service**
 - **Time Period: May 2019 – Nov 2019**
 - **User Fee**
 - **Dispatch Fee**

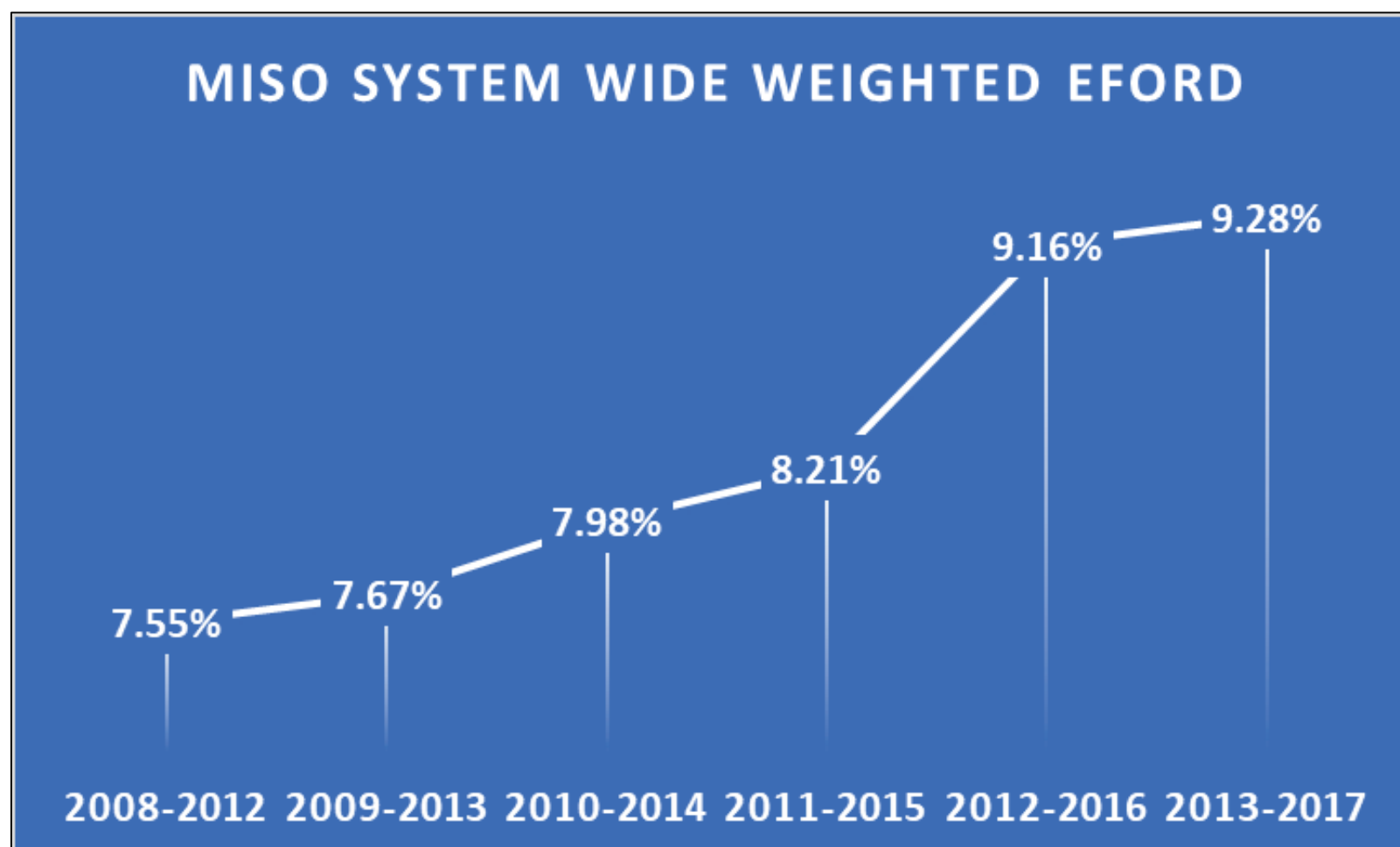
Bardstown and Nicholasville will discontinue KYMEA SEPA Service

- **Beginning Dec 1, 2019**
- **Service will be provided to Bardstown and Nicholasville by
Kentucky Utilities**

Industry News – MISO Planning Reserve Margin to Climb in Planning Year 2020/2021

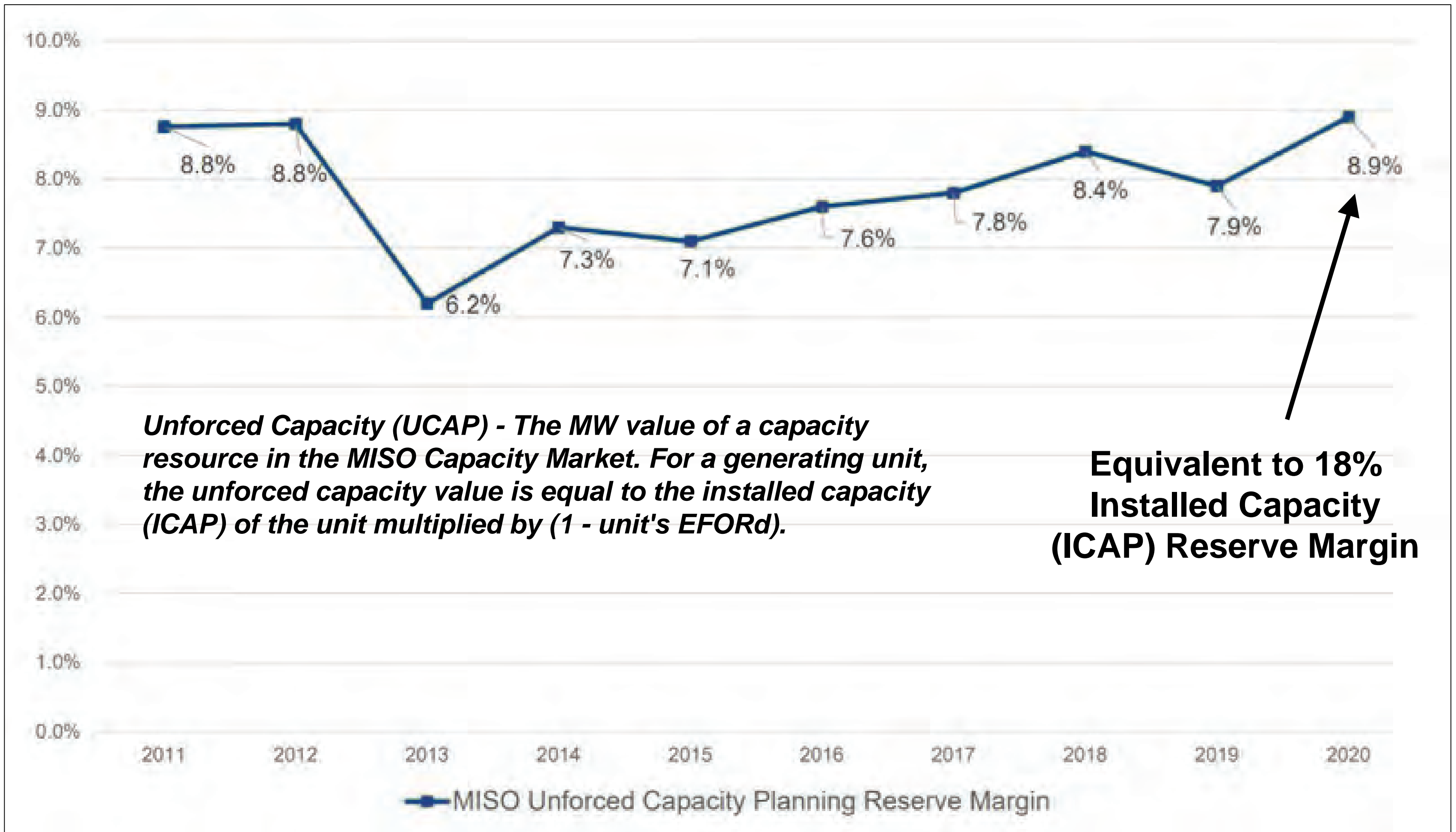
Overview

- MISO 2020/2021 loss-of-load expectation (LOLE) study
 - Changing Resource Mix
 - Resource Mix Performance (increase in forced outages)

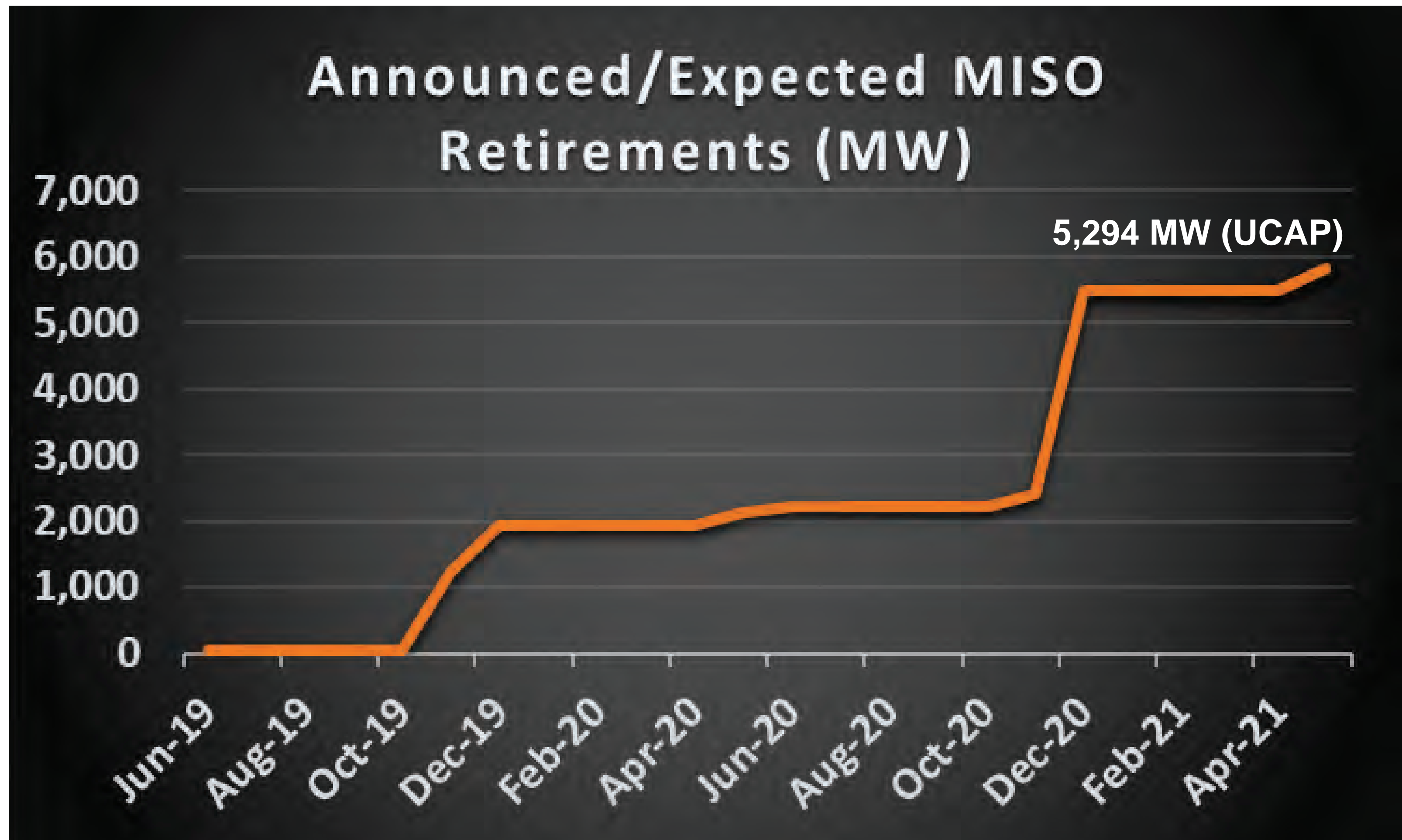


Pooled EFORD GADS Years	2013-2017 (%)	2012-2016 (%)	2011-2015 (%)	2010-2014 (%)	2009-2013 (%)	2008-2012 (%)
LOLE Study Planning Year	2019-2020 PY LOLE Study	2018-2019 PY LOLE Study	2017-2018 PY LOLE Study	2016-2017 PY LOLE Study	2015-2016 PY LOLE Study	2014-2015 PY LOLE Study
Combined Cycle	5.37	4.62	3.56	3.78	3.92	4.74
Combustion Turbine (0-20 MW)	23.18	29.02	24.2	23.58	18.39	27.22
Combustion Turbine (20-50 MW)	15.76	13.48	13.94	16.03	53.12	25.27
Combustion Turbine (50+ MW)	5.18	6.19	5.94	5.69	5.61	5.76
Diesel Engines	10.26	10.42	13.12	12.51	14.00	9.83
Fluidized Bed Combustion	*	*	*	*	**	**
HYDRO (0-30MW)	*	*	*	*	**	**
HYDRO (30+ MW)	*	*	*	*	**	**
Nuclear	*	*	*	*	**	**
Pumped Storage	*	*	*	*	**	**
Steam - Coal (0-100 MW)	4.60	5.14	5.99	7.12	8.45	8.82
Steam - Coal (100-200 MW)	*	*	*	*	6.39	6.85
Steam - Coal (200-400 MW)	9.82	9.77	8.64	8.46	8.44	8.33
Steam - Coal (400-600 MW)	*	*	*	7.04	6.99	6.98
Steam - Coal (600-800 MW)	8.22	7.90	7.42	7.58	7.36	**
Steam - Coal (800-1000 MW)	*	*	*	*	**	**
Steam - Gas	11.56	11.94	11.68	10.18	8.79	**
Steam - Oil	*	*	*	*	**	**
Steam - Waste Heat	*	*	*	*	**	**
Steam - Wood	*	*	*	*	**	**
MISO System Wide Weighted	9.28	9.16	8.21	7.98	7.67	7.55

MISO 2020/2021 Planning Reserve Margin

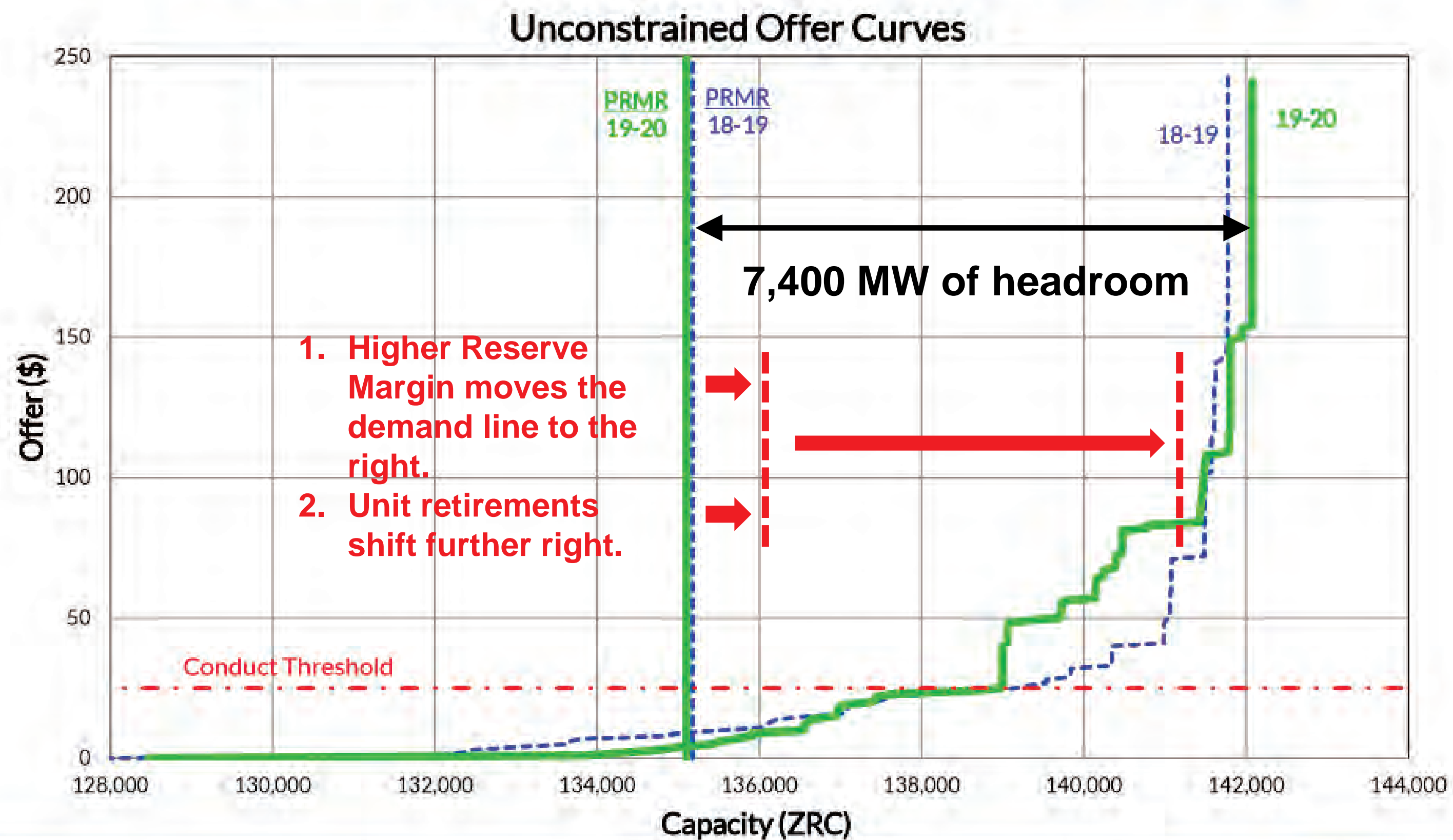


MISO Announced/Expected Retirements



Possible Impact on MISO PRA Auction

Offer Curve: 2018/19 vs 2019/20





Member Communications

November 20, 2019

Dates to Remember

November 28-29th

Office Closed for Thanksgiving

December 17th

2:00 PM

Budget Committee Meeting

December 18th

8:30 AM

BROC Meeting

10:00 AM

KYMEA Board Meeting

2:00 PM

AR Rates Workshop

December 24-25

Office Closed for Christmas



*Mark your
calendar!*

2020 Board and Committee Calendars

- Pick up your copy before leaving today
- Look for updates on the website at www.KYMEA.org

January		July	
22 nd AR Rates Workshop-3pm			
23 rd Budget Committee-10am			
February		August	
27 th Budget Committee-10am			
27 th AR Committee-10:30am			
March		September	
13 th IRC Committee-10am		11 th IRC Committee-10am	
26 th BROCC Committee-8:30am		24 th BROCC Committee-8:30am	
26 th AR Committee-10am			
April		October	
		21 st Compensation Committee-10am	
May		November	
		17 th Budget Committee-2pm	
		18 th Compensation Committee-8:30am	

KYMEA COMMITTEE CALENDAR

2020

JANUARY							MAY							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3						1	2					1	2	3
5	6	7	8	9	10	11	3	4	5	6	7	8	9	6	7	8	9	10	11	12
12	13	14	15	16	17	18	10	11	12	13	14	15	16	13	14	15	16	17	18	19
19	20	21	22	23	24	25	17	18	19	20	21	22	23	20	21	22	23	24	25	26
26	27	28	29	30	31		24	25	26	27	28	29	30	27	28	29	30			
							31													
FEBRUARY							JUNE							OCTOBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1						1	2						1	2
2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10
9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17
16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	31
MARCH							JULY							NOVEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7					1	2	3	1	2	3	4	5	6	7
8	9	10	11	12	13	14	5	6	7	8	9	10	11	8	9	10	11	12	13	14
15	16	17	18	19	20	21	12	13	14	15	16	17	18	15	16	17	18	19	20	21
22	23	24	25	26	27	28	19	20	21	22	23	24	25	22	23	24	25	26	27	28
							26	27	28	29	30	31		29	30					
AUGUST							DECEMBER													
S	M	T	W	T	F	S	S	M	T	W	T	F	S							
4						1	4					1	2							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	6	7	8	9	10	11	12
8	9	10	11	12	13	14	15	16	17	18	19	20	21	13	14	15	16	17	18	19
5	16	17	18	19	20	21	22	23	24	25	26	27	28	20	21	22	23	24	25	26
	23	24	25	26	27	28	29							27	28	29	30	31		
	30	31																		

2020 BOARD MEETING



MONTH	DATE	LOCATION	MONTH	DATE	LOCATION
JANUARY	1/23 1 PM EST	KMUA - Frankfort	JULY - SPECIAL MEETING	7/22 1 PM	KMUA - Louisville
FEBRUARY	2/27 10 AM EST	KYMEA Board Room	AUGUST	8/27 10 AM EST	KYMEA Board Room
MARCH	3/26 10 AM EST	KYMEA Board Room	SEPTEMBER	9/24 10 AM EST	KYMEA Board Room
APRIL - SPECIAL MEETING	4/22 1 PM EST	KMUA - Bowling Green	OCTOBER - SPECIAL MEETING	10/21 1 PM	KMUA - Lexington
MAY - ANNUAL MEETING	5/29 10 AM EST	KYMEA Board Room	NOVEMBER	11/18 10 AM EST	KYMEA Board Room
JUNE	6/25 10 AM EST	KYMEA Board Room	DECEMBER	12/16 10 AM EST	KYMEA Board Room

DISCOVER THE POWER OF ENERGY OPTIONS

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4	1 2 3 4	1 2 3 4 5 6 7	1 2 3 4	1 2	1 2 3 4 5 6
5 6 7 8 9 10 11	2 3 4 5 6 7 8	8 9 10 11 12 13 14	5 6 7 8 9 10 11	3 4 5 6 7 8 9	7 8 9 10 11 12 13
12 13 14 15 16 17 18	9 10 11 12 13 14 15	15 16 17 18 19 20 21	12 13 14 15 16 17 18	10 11 12 13 14 15 16	14 15 16 17 18 19 20
19 20 21 22 23 24 25	16 17 18 19 20 21 22	22 23 24 25 26 27 28	19 20 21 22 23 24 25	17 18 19 20 21 22 23	21 22 23 24 25 26 27
26 27 28 29 30 31	23 24 25 26 27 28 29	29 30 31	26 27 28 29 30	24 25 26 27 28 29 30	28 29 30
				31	
JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4	1 2 3 4	1 2 3 4 5	1 2 3	1 2 3 4 5 6 7	1 2 3 4 5
5 6 7 8 9 10 11	2 3 4 5 6 7 8	6 7 8 9 10 11 12	4 5 6 7 8 9 10	8 9 10 11 12 13 14	6 7 8 9 10 11 12
12 13 14 15 16 17 18	9 10 11 12 13 14 15	13 14 15 16 17 18 19	11 12 13 14 15 16 17	15 16 17 18 19 20 21	13 14 15 16 17 18 19
19 20 21 22 23 24 25	16 17 18 19 20 21 22	20 21 22 23 24 25 26	18 19 20 21 22 23 24	22 23 24 25 26 27 28	20 21 22 23 24 25 26
26 27 28 29 30 31	23 24 25 26 27 28 29	27 28 29 30	25 26 27 28 29 30 31	29 30	27 28 29 30 31
	30 31				

The KYMEA Board of Directors shall hold its regular meetings on the fourth Thursday of each month, except for the months of November and December when the regular meeting shall be held on the third Wednesday. The regular meetings shall convene and commence at 10:00 AM Eastern time on said dates. The regular meetings shall be held at the KYMEA Board Room, 1700 Eastpoint Pkwy, Suite 220, Louisville, Kentucky.

4th Quarter Power Post



KYMEA
KENTUCKY MUNICIPAL ENERGY AGENCY

DECEMBER 2019, ISSUE 4

KYMEA POWER POST

A Quarterly Publication by KYMEA.



KYMEA Embraces Technology

The adage that necessity is the mother of invention certainly encompasses the speed at which innovation and technology move forward. As one looks back at history, it becomes evident that speed has grown exponentially. It took the airplane 68 years to reach 25% of the market, the television was 22 years, the personal computer was 14 years, and the iPhone took less than 3 years. Technology and innovation are things that society as whole has come to expect, something that is taken for granted, but comes straight to the forefront when disrupted. Strides in technology and innovation have made access to data seamless. Just like the rest of the world, utilities rely on this data to assess problems when they arise, to bill appropriately, plan, and to give customers more control of their usage

Here at KYMEA, we have embraced technology in the way we capture meter data and how we share access to this data internally and externally. By use of cellular

Rmmunications, KYMEA is able to pull each members' load data from the Schneider PowerLogic ION8650B meters on a real-time basis.

Members and Staff can access this data anywhere with accessibility to the internet, WIFI or cellular. This can be done on a computer, tablet or a smart phone. This data can be used for reporting, billing or just for information. In the event of communication issues between the cellular routers and PME, KYMEA now has the ability to remotely access both KYMEA's and LG&E/KU's modems to reset in lieu of physically sending someone to diagnose the problem. Of course, all this data must be put into a useful format which is where the Power Monitoring Expert(PME) software comes in. PME scrapes all of this data together and allows it to be presented in common formats like Excel.

Continued on page 2

P. 3 Power Supply (Industry Boom and Bust Cycles)

P. 5 The Internet of Things

P. 4 Innovation

P. 6 Public Power Awards

KYMEA Power Post



Page 1

Look for the Power Post in your mail after
December 1st.

2019 Annual Reports

- Pick up your copy before leaving today
- Please fill out an order form if you would like copies mailed to your utility.



Discussion Topics and Miscellaneous Materials

F. Discussion Topics

F.1 Legislative Update



Action Items

G. Action Items

G.1 Paducah Amendment #5



**FIFTH AMENDMENT
TO THE
AGREEMENT FOR THE PURCHASE AND SALE
OF PEAKING CAPACITY AND ENERGY
BETWEEN
ELECTRIC PLANT BOARD OF THE CITY OF PADUCAH, KENTUCKY
DBA PADUCAH POWER SYSTEM AND
KENTUCKY MUNICIPAL ENERGY AGENCY
NOVEMBER __, 2019**

The Electric Plant Board of the City of Paducah, Kentucky dba Paducah Power System (hereinafter referred to as “Seller”), a municipal electric corporation organized and existing under the laws of the Commonwealth of Kentucky, and **Kentucky Municipal Energy Agency**, an inter-local agency organized and existing under the laws of the Commonwealth of Kentucky (hereinafter referred to as “Buyer”), hereby agree to and adopt this Fifth Amendment to the AGREEMENT FOR THE PURCHASE AND SALE OF PEAKING CAPACITY AND ENERGY (“Agreement”).

RECITALS

WHEREAS, the Buyer and Seller entered into the Agreement as of the 13th day of July, 2016 for the sale and purchase of certain capacity and energy for a period commencing on June 1, 2019;

WHEREAS, in April 2017 Buyer and Seller agreed to certain modifications to Exhibit B to the Agreement to clarify the escalation calculations;

WHEREAS, in September 2017 Buyer and Seller agreed to certain modifications to amend the Agreement in order to commence the sale and purchase thereunder one month earlier:

WHEREAS, in April 2019 Buyer and Seller agreed to certain modifications to Exhibit A and Exhibit B to the Agreement relating to operations:

WHEREAS, in July 2019 Buyer and Seller agreed to certain modifications to amend the Agreement relating to unit ramping and scheduling imbalance:

WHEREAS, Buyer and Seller now wish to amend the Agreement in order to make certain other changes that the parties have agreed to subsequent to the execution of the original Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Buyer and Seller agree as follows:

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Agreement.

1. Amendments to Agreement.

Section 3.04 shall be replaced in its entirety with the revised Section 3.04 attached to this Fifth Amendment.

2. No other change, modification or amendment to Agreement.

Except as specified herein, all of the remaining terms, provisions and conditions of the Agreement shall remain unchanged, in full force and effect and fully binding on Buyer and Seller.

3. Execution.

This Fifth Amendment may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Any facsimile copies hereof or signature hereon shall, for all purposes, be deemed originals.

IN WITNESS WHEREOF, the Parties hereto have caused this Fifth Amendment to the Agreement to be executed as of the date first above written.

**ELECTRIC PLANT BOARD OF THE CITY OF PADUCAH, KENTUCKY DBA
PADUCAH POWER SYSTEM**

By: _____
Name: David Carroll
Title: General Manager

ATTEST:

By: _____
Name: Hardy Roberts
Title: Chairman

KENTUCKY MUNICIPAL ENERGY AGENCY

By: _____
Name: Doug Buresh
Title: President & CEO

Section 3.4

Revised as of Fifth Amendment to PPA (November ____, 2019)

Section 3.4. Buyer's Right to Adjust Peaking Capacity.

(a) By written notice given no later than December 31, 2017, Buyer may exercise a one-time election to increase the Peaking Capacity to (i) a stated amount (applicable in all months of a year) specified in its notice (which shall not exceed 104 MW), or (ii) the Total Facility Capacity. The increase in the Peaking Capacity shall be contingent upon Buyer's receipt of notification from the Transmission Provider by December 31, 2018 that transmission service to support such additional purchase will be available. If the transmission contingency is satisfied or waived by Buyer, such increase shall be effective June 1, 2022 and shall continue through the end of the Contract Term. Upon Buyer's provision of notice that such transmission contingency has been satisfied or waived, this Agreement shall be automatically amended solely in respect of the amount of Peaking Capacity to be purchased by Buyer.

(b) By written notice given no later than December 31, 2020, Buyer may exercise a one-time election to decrease the Peaking Capacity to an amount stated in the notice, which shall not be less than thirty megawatts (30 MW), effective June 1, 2023 through the end of the Contract Term. Buyer's notice provided under this Section 3.4(b) shall have the effect of automatically amending this Agreement solely in respect of the amount of Peaking Capacity to be purchased by Buyer starting as of June 1, 2023.

Public Comments

This is an opportunity for members of the public to provide input to the KYMEA Board and is limited to 5 minutes per speaker.



Upcoming Meetings and Other Business

Next Meeting is Wednesday December 18th at 10 AM

The KYMEA Board of Directors shall hold its regular meetings on the fourth Thursday of each month, except for the months of November and December when the regular meeting shall be held on the third Wednesday. The regular meetings shall convene and commence at 10:00 AM Eastern time on said dates. The regular meetings shall be held at the KYMEA Board Room, 1700 Eastpoint Pkwy, Suite 220, Louisville, Kentucky.



Closed Session



Closed Session Authorization for November 20, 2019 KYMEA Board Meeting

Approval to enter into Closed Session pursuant to KRS 61.810(1)(c); KRS 61.810(1)(k); KRS 61.878(1)(c) and KRS 61.878(1)(j) for the purpose of:

- (i) discussing proposed, potential or pending litigation relating to KYMEA and its members relating to transmission issues;
- (ii) discussing proposed or potential power purchases or sales that have been disclosed in confidentiality to KYMEA; and
- (iii) discussing the market report and KYMEA's future and potential hedging strategy

KRS 61.810(1)(c) allows for closed session for the purpose of discussing proposed, potential and pending litigation relating to the agency.

KRS 61.810(1)(k) and 61.878(1)(c) allow for closed session where discussions regarding records or information disclosed to the agency or required to be disclosed to the agency as confidential or proprietary would, if disclosed by the agency, provide an unfair advantage to competitors of the entity disclosing such information.

KRS 61.810(1)(k) and 61.878(1)(j) allow for closed session where presentation, discussion and review of preliminary recommendations and preliminary memoranda in which opinions are expressed or policies formulated or recommended.

Actions Related to Matters Discussed in Closed Session

None Expected



Adjournment

