



KENTUCKY MUNICIPAL ENERGY AGENCY

# Report

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**To:** KYMEA Board of Directors

**From:** Board Risk Oversight Committee (BROC)

**Date:** April 23, 2020

**Re:** BROC Meeting on 04/23/2020

A meeting of the Board Risk Oversight Committee was held on 04/23/2020. Gary Zheng (Chairman), Tim Lyons, Doug Buresh, Heather Overby, Charlie Musson, Rob Leesman, Michelle Hixon, Anna Marie Pavlik Rosen, and another member of the public were present.

The Chairman, Gary Zheng, called the meeting to order at 8:30 AM, and Doug Buresh began with an update from the IRC. The Committee reviewed the following key responsibilities of the BROC:

- a. **Monitors the activities of the IRC to ensure compliance with the Enterprise Risk Management Policy;** the BROC notes that the IRC is in compliance.
- b. **Receives and reviews from the Internal Risk Committee quarterly Risk Management reports on Business Operations, Energy, and Financial activities;** The BROC reviewed the quarterly report from the 03/13/2020 IRC meeting. To follow the guidance of the President of the United States and the Governor of Kentucky, the KYMEA staff began working from home on March 16th to reduce the spread of COVID-19. The Agency has all of the necessary technology to sustain a remote workforce during such emergencies.  
  
Rob discussed the work he is doing to help members identify circuits for LG&E's Capacity Curtailment Plan.
- c. **Reports annually on the Risk Management activities and results to the KYMEA Board;**
- d. **Reviews and recommends changes of the Risk Management Policies to the KYMEA Board as it deems appropriate.** The Board previously approved the ERM in April 2019. The staff has prepared a Trading Matrix and Hedge Plan that aligns with the already approved ERM & Trading Authority Policy. Staff plans to ask the Board for approval at the March 26<sup>th</sup> Board Meeting.

### **Action Items**

1. Approval of the Trading Matrix and Hedge Plan additions to the ERM and to change the ERM language to give the President and CEO authority for sales and purchases less than or equal to a year- Charlie Musson gave a motion, and Tim Lyons gave a second motion. The motion was unanimously approved by the Committee.
2. Approval of the IPMC Firm Price for the next Planning Year- Tim Lyons gave a motion, and Doug Buresh gave the second motion. The motion was unanimously approved by the Committee.

### **Next Meeting**

The next BROC meeting will be held on June 25, 2020, at 8:30 AM in Louisville.

### **Attachments**

IRC Report – 03/13/2020

Trading Matrix and Hedge Plan