

# Overview: KYMEA Integrated Resource Plan (IRP) Short-Term Decision – December 29, 2020

## KYMEA Objective

- Provide cost-effective resources and services for the benefit of its members.
- Achieve objectives more efficiently and at lower costs than members could achieve individually.

## All Requirements (AR) Group

- Created to acquire power supply resources to serve the needs of eight participating all-requirements members.
- May choose to enter into contracts through KYMEA for power supply or other services.
- Have the flexibility to establish projects for the benefit of one or more members.

## KYMEA Board of Directors

The KYMEA Board of Directors is comprised of one senior utility representative (Director) from each of its 11 member agencies.



## AR Project Existing Resources

KYMEA began operations on May 1, 2019. The Agency's initial power supply, chosen by the AR Project members to serve its all-requirements power supply and transmission needs, consists of a mix of purchase power agreements (PPAs) fueled by coal, natural gas, hydroelectric, and diesel generation resources. The PPAs provide great flexibility allowing the Agency to purchase from the MISO and PJM markets if the market prices are cheaper. KYMEA has a 20-year PPA for 54 MW of solar generation which begins operation in late 2022. To date, the KYMEA AR Project Members have realized 12-14% savings over its previous power supplier plus have begun accumulating a rate stabilization fund.

## AR Group Short-Term Decision Elements

The existing AR Project PPAs consist of staggered terms which were designed to expire at different dates. On May 31, 2022, the Vistra (Joppa 100 MW coal PPA) expires. Beginning on June 1, 2023, KYMEA has the option to change its Paducah Peaking Capacity nomination from 90 MW to as low as 30 MW. KYMEA also owns the right of first refusal for an additional 32.25 MW of the Ashwood Solar I project. Those two decisions require Board action by December 31, 2020.

## AR Group Short-Term Plan Selection

On December 29, 2020, the KYMEA Board of Directors will hold a special meeting to select a short-term power supply plan. The selection of a Plan is a comprehensive approach to address power supply needs, balancing competitive costs, planning reserves, operational reliability, and market risk. As described in the paragraph above, certain elements of the selected Plan must be executed by December 31, 2020. Beginning June 1, 2022, KYMEA will assume more market purchases in exchange for a lower annual fixed expense. By 2023, assuming KYMEA does not exercise its option for additional solar, 14% of KYMEA's energy will be from renewable resources.