



Board Packet

March 25, 2021





March 25, 2021	Committee Reports	Administration Reports	Discussion Topics	Action Items
	BROC	CEO	Legislation	FY 2022 AR Rates
		Finance and Accounting		
		Market Analytics		
		Member Communications		

April 22, 2021	Committee Reports	Administration Reports	Discussion Topics	Action Items
		CEO	Officer Elections	
		Finance and Accounting	Committee Appointments	
		Market Analytics		
		Member Communications		

May 27, 2021	Committee Reports	Administration Reports	Discussion Topics	Action Items
		CEO	Summer Preparation	Officer Election
		Finance and Accounting		Committee Appointments
		Market Analytics		
		Member Communications		

June 24, 2021	Committee Reports	Administration Reports	Discussion Topics	Action Items
	BROC	CEO	Weighted Voting	
		Finance and Accounting		
		Market Analytics		
		Member Communications		



KENTUCKY MUNICIPAL ENERGY AGENCY

July 22, 2021	Committee Reports	Administration Reports	Discussion Topics	Action Items
	AR Project Committee	CEO		Weighted Voting Update
		Finance and Accounting		
		Market Analytics		
		Member Communications		

August 26, 2021	Committee Reports	Administration Reports	Discussion Topics	Action Items
		CEO	Financial Audit	
		Finance and Accounting		
		Market Analytics		
		Member Communications		

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



KENTUCKY MUNICIPAL ENERGY AGENCY

Notice of the Regular Meeting of the KYMEA Board of Directors (Video Meeting)

Location: WebEx Video Meeting (if you would like to attend, please contact mhixon@kymea.org)

1700 Eastpoint Pkwy Ste. 220, Louisville, KY 40223

Thursday, March 25, 2021, 10 am

A. Meeting Opening

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

B. Meeting Minutes of the KYMEA Board of Directors

C. Financial Reports

D. Committee Reports

- D.1 BROCC

E. Administration Reports

- E.1 CEO
- E.2 Market Report
- E.3 Member Communications

F. Discussion Topics

- F.1 Legislation

G. Action Items

- G.1 FY 2022 AR Project Rates

H. Public Comments

I. Upcoming Meetings & Other Business

J. Closed Session

K. Actions Related to Closed Session

L. Adjournment

Meeting Minutes





KENTUCKY MUNICIPAL ENERGY AGENCY

Minutes of the Combined Meeting of the AR Project Committee and the KYMEA Board of Directors (Video Meeting)

Location: WebEx Video Meeting (if you would like to attend please contact mhixon@kymea.org)

1700 Eastpoint Pkwy Ste. 220, Louisville, KY 40223

Thursday, February 25, 2021, 10 am

A. Meeting Opening

A.1. Attendance: Taken at 10:02 am

Present Board Members:

Josh Callihan
Ronald Herd
Chris Melton
Mike Withrow
Philip King
Kevin Frizzell
Kevin Howard
Gary Zheng

Absent Board Members:

Carl Shoupe
Doug Hammers
Ramona Williams

Staff Present:

Michelle Hixon
Heather Overby
Doug Buresh
Rob Leesman
Molly Roesler

Others Present:

Anna Marie Pavlik Rosen
Charles Musson
David Denton
Hance Price
Pat Pace
Tim Lyons



Vent Foster
Walt Baldwin

A.2. Guest introductions: None made.

A.3. Call to Order: Chairman, Ron Herd, called the meeting to order at 10:02 am. A quorum of the Board members was present, and the Board was ready to proceed with business.

B. Meeting Minutes

B.1 Approval of the minutes of the Board of Directors on January 28, 2021.

Motion Passed: Approval of the January 28, 2021 meeting minutes of the Combined AR Project Committee and KYMEA Board of Directors passed with a motion by Mike Withrow and seconded by Chris Melton.

7 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
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

C. Financial Reports

C.1 Approval of the January 2021 Financial Reports

Motion Passed: Approval of the January 2021 financial reports passed with a motion Josh Callihan and seconded by Kevin Frizzell.

8 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes



Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

D. Committee Reports

None

E. Administration Reports

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

E.2 Market Report: Rob Leesman discussed the previous month's markets in relation to KYMEA.

E.3 Member Communications: Michelle Hixon updated the Board on upcoming events and member activities.

F. Discussion Topics

F.1 Legislation: Charlie Musson gave an update on 2021 Kentucky General Assembly Legislative activities.

F.2 Open Records Requests: Doug Buresh gave an update on the status of recent open records requests.

Ron Herd, the Chairman of the Board called for a brief recess for the AR Project Committee to act. Chris Melton, the Chairman of the AR Project Committee called the committee meeting to order. A quorum of the committee was present.

G. AR Committee Meeting

G.1 Recommendation of FY 2022 AR Project Rates

Motion Passed: Motion to adopt the AR Project Committee Resolution approving and submitting the AR Rate Schedule to the Board of Directors for approval with an effective date of July 1, 2021. passed with a motion by Josh Callihan and a second by Mike Withrow.

5 Yeas - 0 Nays.



Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Non-voting
Philip King	Absent
Kevin Frizzell	Non-voting
Doug Hammers	Absent
Kevin Howard	Non-voting
Ramona Williams	Absent
Gary Zheng	Yes

Motion Passed: Motion to adjourn AR Project Committee passed with a motion by Josh Callihan and a second by Gary Zheng.

5 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Non-voting
Philip King	Absent
Kevin Frizzell	Non-voting
Doug Hammers	Absent
Kevin Howard	Non-voting
Ramona Williams	Absent
Gary Zheng	Yes

H. Action Items

H.1 FY2022 Administrative, General, and Capital Budget

Motion Passed: Motion to approve the FY 2022 Administrative, General, and Capital Budget passed with a motion by Chris Melton and a second by Josh Callihan.

8 Yeas - 0 Nays.



Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

H.2 FY2022 Service Rates

Motion Passed: Motion to approve the FY 2022 Service Rates passed with a motion by Kevin Frizzell 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	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

H.3 Employee Governance Policy

Motion Passed: Motion to approve the Employee Governance Policy with "Civil Service" removed from page two. passed with a motion by Mike Withrow and a second by Kevin Frizzell.

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	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

H.4 Line of Credit Renewal

Motion Passed: Motion to approve the 2021 Line of Credit Renewal resolution 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	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

I. 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.

J. 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.

2021 Board Meetings

Thursday, January 28, 2021, 10:00 AM Eastern Time, WebEx Video Meeting
Thursday, February 25, 2021, 10:00 AM Eastern Time, WebEx Video Meeting
Thursday, March 25, 2021, 10:00 AM Eastern Time, KYMEA Board Room
Thursday, April 22, 2021, 10:00 AM Eastern Time, KYMEA Board Room
Thursday, May 27, 2021, 10:00 AM Eastern Time, KYMEA Board Room
Thursday, June 24, 2021, 10:00 AM Eastern Time, KYMEA Board Room
Thursday, July 22, 2021, 10:00 AM Eastern Time, KYMEA Board Room
Thursday, August 26, 2021, 10:00 AM Eastern Time, KYMEA Board Room
Thursday, September 23, 2021, 10:00 AM Eastern Time, KYMEA Board Room
Thursday, October 28, 2021, 10:00 AM Eastern Time, KYMEA Board Room
Wednesday, November 17, 2021, 10:00 AM Eastern Time, KYMEA Board Room
Wednesday, December 15, 2021, 10:00 AM Eastern Time, KYMEA Board Room

K. Closed Session

Closed Session Authorization for February 25, 2021 KYMEA Board Meeting Approval to enter into Closed Session pursuant to KRS 61.810(1)(c); KRS 61.810 (1)(k) and KRS 61.878 (1)(c) for the purpose of: (i) discussing proposed, potential, or pending litigation relating to KYMEA and its members relating to transmission issues; and (ii) presenting and discussing contract negotiations with RWE relating to the Ashwood Solar Project. 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.

Motion Passed: Motion to enter into closed session passed with a motion by Philip King 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	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

Motion Passed: Motion to return to open session. passed with a motion by Philip King 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	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

L. Actions Related to Matters Discussed in Closed Session

None taken

M. Adjournment

Motion Passed: Motion to adjourn the Combined Meeting of the AR Project Committee and the KYMEA Board of Directors passed with a motion by Mike Withrow and a second by Kevin Frizzell.

8 Yeas - 0 Nays.

Josh Callihan	Yes
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KENTUCKY MUNICIPAL ENERGY AGENCY

Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

X

Chairperson

X

Secretary

Financial Reports





KENTUCKY MUNICIPAL ENERGY AGENCY



Financial Presentation

March 25, 2021

Heather Overby

Statement of Net Position – February 2021

CURRENT ASSETS

	Feb 2021	
Cash and Investments	\$14,769,850	(1)
Other Receivables	7,526,921	(2)
Interest Receivable	0	
Prepayments & Other Current Assets	1,236	
Total Current Assets	\$22,298,007	

- 1) Checking account cash
- 2) Billing to AR & Transmission service members and ancillary services

Statement of Net Position – February 2021

NON-CURRENT ASSETS

Pledged Collateral	3,189,805	(3)
Investment in SEDC	757	
Fixed Assets Clearing Account	55,870	
Office Buildout	260,238	
Meters - AR Project	215,985	
Meter Comm Equipment	330,672	
General Plant	783,619	
Construction Work In Progress	0	
Less Accumulated Depreciation	(381,596)	
Total Non-Current Assets	\$4,455,351	
Total Assets	\$26,753,358	

- 3) Collateral represents \$2.4m at MISO and \$800k at PJM

Statement of Net Position – February 2021

LIABILITIES

Accounts Payable	12,073,151	(4)
Accrued Employee Benefits	149,336	
Accrued Interest Payable	0	
Total Current Liabilities	\$12,222,487	
Deferred Lease Liability	38,291	(5)
Line of Credit	0	(6)
Total Non-Current Liabilities	\$38,291	
Total Liabilities	\$12,260,779	

NET POSITION

Invested in capital assets, net of related debt	1,208,919	
Restricted	384	
Unrestricted	13,283,661	
Total Net Position	\$14,492,580	(7)

- 4) AP represents purchased power
- 5) Deferred Lease Liability represents the difference in average monthly rent for term of office lease and actual lease payments
- 6) Line of Credit paid off in August 2019
- 7) Positive net position - LTD

Statement Revenue, Expenses, and Changes in Net Position– February 2021

OPERATING REVENUE

	Feb 2021	YTD FY2021	
Sales to Members	\$6,644,001	\$51,292,994	(8)
RTO Market Revenue	\$12,694	\$202,966	(9)
Transmission Services	\$137,152	\$719,138	(10)
Miscellaneous Revenue	\$0	\$0	
Total Operating Revenue (Expenses)	\$6,793,847	\$52,215,098	

OPERATING EXPENSES

Transmission	\$744,654	\$5,258,806	(11)
Production	\$6,232,973	\$42,630,405	(12)
Admin. and General	\$102,879	\$1,631,257	
Depreciation	\$15,564	\$124,217	
Total Purchase Power and Operating Expenses	\$7,096,069	\$49,644,685	
Operating Income	(\$302,222)	\$2,570,412	

NON-OPERATING REVENUE

Interest Expense on Debt	\$0	(\$252)	
Interest Income	\$13	\$11,843	
Other Non-Operating Expenses (Income)	(\$5,555)	(\$34,973)	
Regulatory Credit/Debit - Cost to be Recovered	\$0	\$0	
Total Non-Operating Revenues (Expenses)	(\$5,542)	(\$23,382)	

NET POSITION CHANGES

Change in Net Position	(\$307,764)	\$2,547,030	(13)
Net Position at Beginning of Period	\$14,800,343	\$11,945,549	
Net Position at End of Period	\$14,492,580	\$14,492,580	

- 8) Sales to AR Members
- 9) RTO Auction Revenue Rights
- 10) Sales of transmission and ancillary services
- 11) Transmission from MISO, PJM, and KU net of depancaking credit
- 12) All purchased power including PPA, ITO, and SEPA
- 13) Negative MTD Net Income/ Positive YTD Net Income

Indirect Statement of Cash Flows – February 2021

CASH FROM OPERATING ACTIVITIES			
	Feb 2021	YTD FY2021	
Net Income	(\$307,764)	\$2,547,030	(14)
Depreciation	15,564	124,217	
Accounts Receivable	(297,392)	93,325	(15)
Prepayments & Other Current Assets	1,236	9,887	
Deferred Debits	0	0	
Other Reg Assets & Deferred Outflow of Resources	0	0	
Accounts Payable	1,099,688	3,599,692	(15)
Collateral Deposits	0	0	
Taxes & Interest Accrued	349	3,583	
Other Current Liabilities	5,437	33,844	
Deferred Credits	(263)	(369)	
Net Cash Provided by (Used in) Operation	\$516,855	\$6,411,209	
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Additions to Plant	(53,956)	(71,634)	
Net Change in Other Prop & Invest	(500,013)	(511,334)	
Other - Asset Retirement Obligations	0	0	
Net Cash Provided by (Used in) Investing	(\$553,969)	(\$582,968)	
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Long Term Borrowings	0	0	
Other	0	0	
Net Cash Provided By (Used in) Financing	\$0	\$0	
NET INCREASE (DECREASE) IN CASH & TEMP INVESTMENTS			
Net Increase (Decrease) in Cash & Temp Investments	(\$37,113)	\$5,828,241	
Cash & Temp Investments Beginning of Period	\$14,806,963	\$8,941,609	
Cash & Temp Investments End of Period	\$14,769,850	\$14,769,850	(16)

14) Net Income

15) Timing of Accounts Receivable and Accounts Payable have largest monthly effect of operational items on cash

16) Cash balance in checking account

Financial Metrics – February 2021



KEY FINANCIAL METRICS

FY2021 Actuals Through February 2021 + Budget

Days Cash on Hand

71.89 ▼

Target: 63.00

Leverage

6.95 ▲

Target: 7.08

Coverage of Full Obligations

1.06 ▼

Target: 1.03

Debt Service Coverage

1.06 ▼

Target: 1.04

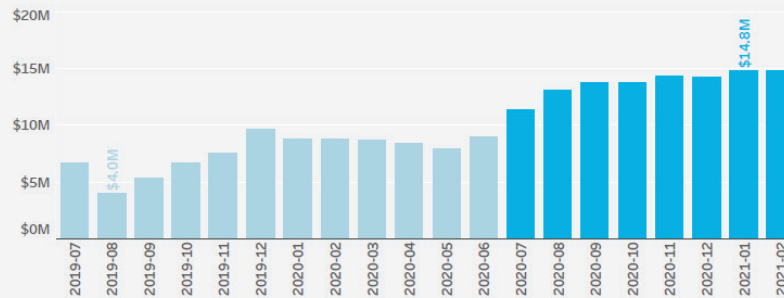
Financial Metrics – February 2021

Days Cash On Hand

Financial flexibility - the number of days KYMEA can pay its operating expenses with the given cash available.

$$\begin{array}{rcl} \$14.8\text{M} & \div & \$205,449 \\ \text{Unrestricted Cash} & \text{Adjusted Operating Expense per Day} & \\ \$14.2\text{M EOY Projection} & \$74.99\text{M} / 365 \text{ days} & \\ & = & 71.89 \\ & & \text{Days Cash on Hand} \\ & & \text{Target: 63.00} \end{array}$$

Cash on Hand through Current Month



Unrestricted Cash

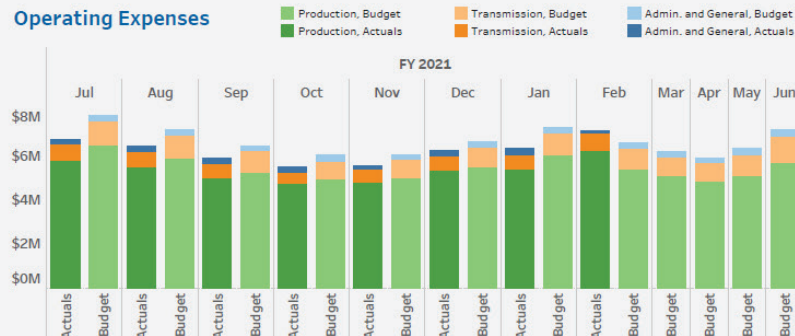
Adjusted Operating Expenses

Days Cash On Hand

Financial flexibility - the number of days KYMEA can pay its operating expenses with the given cash available.

$$\begin{array}{rcl} \$14.8\text{M} & \div & \$205,449 \\ \text{Unrestricted Cash} & \text{Adjusted Operating Expense per Day} & \\ \$14.2\text{M EOY Projection} & \$74.99\text{M} / 365 \text{ days} & \\ & = & 71.89 \\ & & \text{Days Cash on Hand} \\ & & \text{Target: 63.00} \end{array}$$

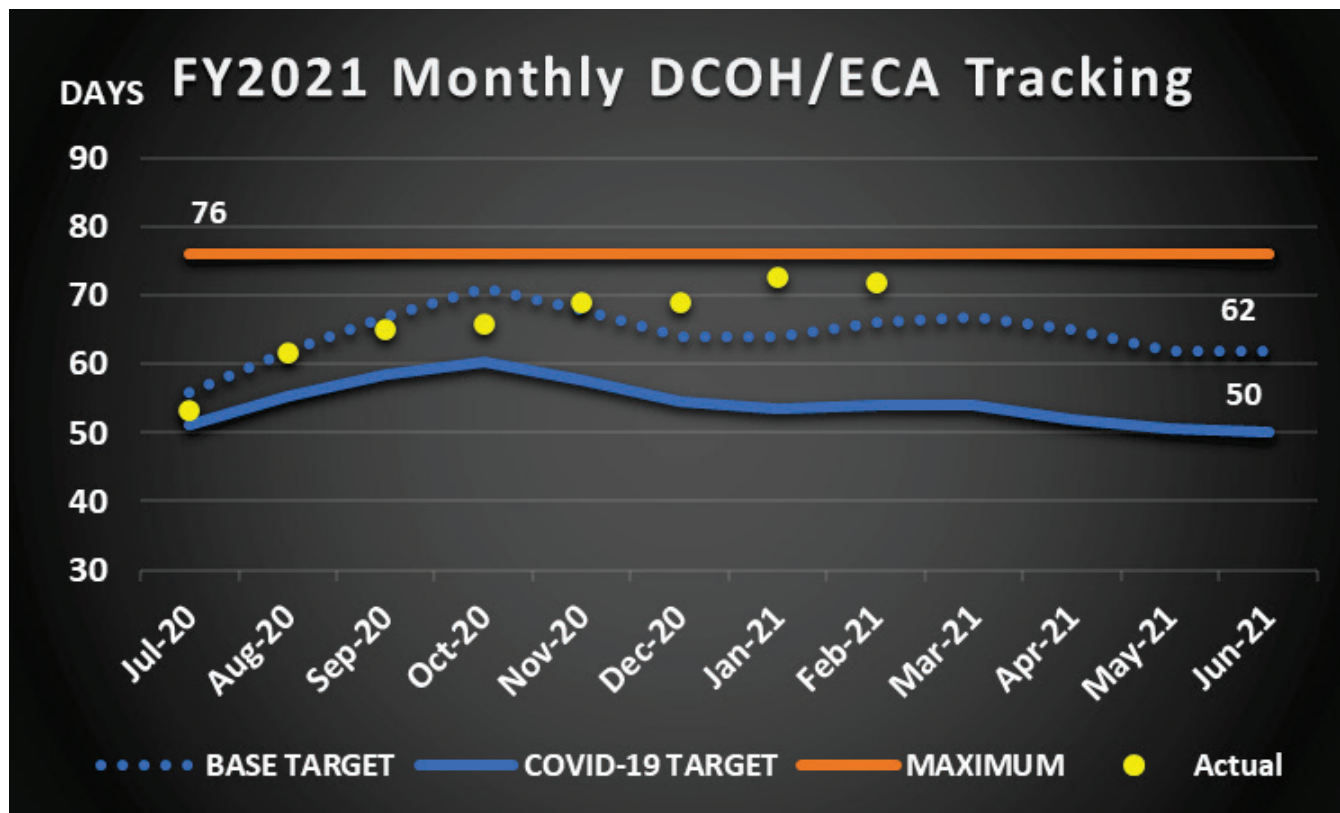
Operating Expenses



Unrestricted Cash

Adjusted Operating Expenses

Financial Metrics – February 2021



Financial Metrics – February 2021

Leverage

The size of the debt to the margin available to cover all debt service and fixed charges.

6.95

Target: 7.08

Net Adjusted Debt

Adjusted Funds Available
for Debt Service

Net Adjusted Debt



Leverage

The size of the debt to the margin available to cover all debt service and fixed charges.

6.95

Target: 7.08

Net Adjusted Debt

Adjusted Funds Available
for Debt Service

Adjusted Funds Available for Debt Service



Financial Metrics – February 2021

Coverage of Full Obligations

1.06

The funds available from operations to cover current debt service and fixed charges requirements.

Target: 1.03

Funds Available
for Debt Service ÷ Total Debt Service
& Fixed Charges

Imputed Debt Payment

\$43.64M

Administrative &
General Expense

\$2.72M

EBITDA &
Interest Income

\$2.67M

Debt Service Coverage

1.06

The funds available from operations to cover current debt service.

Target: 1.04

Funds Available
for Debt Service ÷ Total Debt
Service

Imputed Debt Payment

\$43.64M

EBITDA &
Interest Income

\$2.67M

Statement of Net Position

FY2021 Actuals as of February 2021

CURRENT ASSETS	Feb 2021
Cash and Investments	\$14,769,850
Other Receivables	7,526,921
Interest Receivable	0
Prepayments & Other Current Assets	1,236
Total Current Assets	\$22,298,007
NON-CURRENT ASSETS	
Pledged Collateral	3,189,805
Investment in SEDC	757
Fixed Assets Clearing Account	55,870
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Accounts Payable	12,073,151
Accrued Employee Benefits	149,336
Accrued Interest Payable	0
Total Current Liabilities	\$12,222,487
Deferred Lease Liability	38,291
Line of Credit	0
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Total Liabilities	\$12,260,779
NET POSITION	
Invested in capital assets, net of related debt	1,208,919
Restricted	384
Unrestricted	13,283,661
Total Net Position	\$14,492,580

Statement of Revenue, Expenses, and Changes in Net Position

FY2021 Actuals as of February 2021

OPERATING REVENUE	Feb 2021	YTD FY2021
Sales to Members	\$6,644,001	\$51,292,994
RTO Market Revenue	\$12,694	\$202,966
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NET POSITION CHANGES		
Change in Net Position	(\$307,764)	\$2,547,030
Net Position at Beginning of Period	\$14,800,343	\$11,945,549
Net Position at End of Period	\$14,492,580	\$14,492,580

Indirect Statement of Cash Flows

FY2021 Actuals as of February 2021

CASH FROM OPERATING ACTIVITES	Feb 2021	YTD FY2021
Net Income	(\$307,764)	\$2,547,030
Depreciation	15,564	124,217
Accounts Receivable	(297,392)	93,325
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Collateral Deposits	0	0
Taxes & Interest Accrued	349	3,583
Other Current Liabilities	5,437	33,844
Deferred Credits	(263)	(369)
Net Cash Provided by (Used in) Operation	\$516,855	\$6,411,209
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Additions to Plant	(53,956)	(71,634)
Net Change in Other Prop & Invest	(500,013)	(511,334)
Other - Asset Retirement Obligations	0	0
Net Cash Provided by (Used in) Investing	(\$553,969)	(\$582,968)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Long Term Borrowings	0	0
Other	0	0
Net Cash Provided By (Used in) Financing	\$0	\$0
NET INCREASE (DECREASE) IN CASH & TEMP INVESTMENTS		
Net Increase (Decrease) in Cash & Temp Investments	(\$37,113)	\$5,828,241
Cash & Temp Investments Beginning of Period	\$14,806,963	\$8,941,609
Cash & Temp Investments End of Period	\$14,769,850	\$14,769,850

Month Ending
2021-02

Reconciliation Transactions Report

03/09/21 09:10:24 AM

02/01/21-02/28/21 131.00 CASH

User Id: 2014

Statement Ending Balance :	14,770,120.28
Outstanding Payments(-) :	270.08
Adjustments in Transit(+) :	.00
Deposits in Transit(+) :	.00
Adjusted Bank Balance :	<div>14,769,850.20</div>
Book Balance :	14,769,850.20
Pending Adjustments :	.00
Adjusted Book Balance :	<div>14,769,850.20</div>
Difference :	.00

Committee Reports

D. Committee Reports

D.1 BROCC



Administration Reports

E. Administration Reports

E.1 CEO

E.2 Market Report

E.3 Member Communications





KENTUCKY MUNICIPAL ENERGY AGENCY



KYMEA President & CEO Report

Doug Buresh

March 25, 2021

AGENDA

- Annual Meeting Elections
- Southeastern Energy Exchange Market (SEEM)

ARTICLE III. OFFICERS

Section 1. The elected officers of the Agency shall consist of a Chairman, a Vice-Chairman, a Treasurer and a Secretary and such other officers as the Board of Directors may designate. The officers shall have the powers and duties set forth in the Agency Agreement and such other powers and duties as are set forth in these Bylaws or are assigned to them by the Board of Directors.

Section 2. The initial elected officers of the Agency shall serve until the 2017 annual meeting. Thereafter, the elected officers shall serve for two (2) year terms. No individual shall serve as the Chairman or as the Vice Chairman for more than three (3) consecutive terms. If any elected office becomes vacant, it shall be filled by a special election at the next meeting of the Board convened for that purpose. The Chairman may appoint a person to hold the vacant office until the special election. An officer elected at a special election shall serve for the unexpired term of the person who has vacated the office.

Note

Chairman: Ron Herd has served three consecutive terms and is not eligible to serve as Chairman for the 2021-2023 term.

Vice Chairman: Josh Callihan has served three consecutive terms and is not eligible to serve as Vice Chairman for the 2021-2023 term.

Officer Election – Nominations

The principal executive and administrative officer of the Agency employed or appointed by the Board of Directors, shall serve as the President of the Agency. The President shall be a non-elected officer of the Agency and shall serve as an ex officio, non-voting member of the Board of Directors and the Executive Committee.

Section 3. Nominations for election to an office need not be seconded, but may be made only by Directors. At any election in which there are more than two candidates, if no candidate receives a majority vote on the first ballot, a second ballot shall be held between the candidates with the two highest vote totals on the first ballot. If necessary because of more than two candidates on the second ballot, additional ballots using the same procedure will be held until one candidate receives a majority of the votes of the Directors present.

Note

Nominations: The President and CEO, as principal executive and administrative officer of the Agency, will collect nominations from the Directors (either in-person, by phone, or e-mail) and create an Initial Ballot for the April 2021 Board meeting.

Any additional floor nominations will be collected during the April 2021 Board Meeting and added to the Ballot.

The Board will vote on the nominations at the May Annual Meeting.

Election Ballot

Chairman

- ☐ Candidate 1
- ☐ Candidate 2
- ☐ Candidate 3

Vice Chairman

- ☐ Candidate 1
- ☐ Candidate 2
- ☐ Candidate 3

Secretary

- ☐ Candidate 1
- ☐ Candidate 2
- ☐ Candidate 3

Treasurer

- ☐ Candidate 1
- ☐ Candidate 2
- ☐ Candidate 3

At the May Annual Meeting, Post Officer Election, Committee Nominations will be facilitated by the new Chairman. The Committee Nominations may be made by a Director only via floor nominations followed by a vote of the Directors.

Current Committees

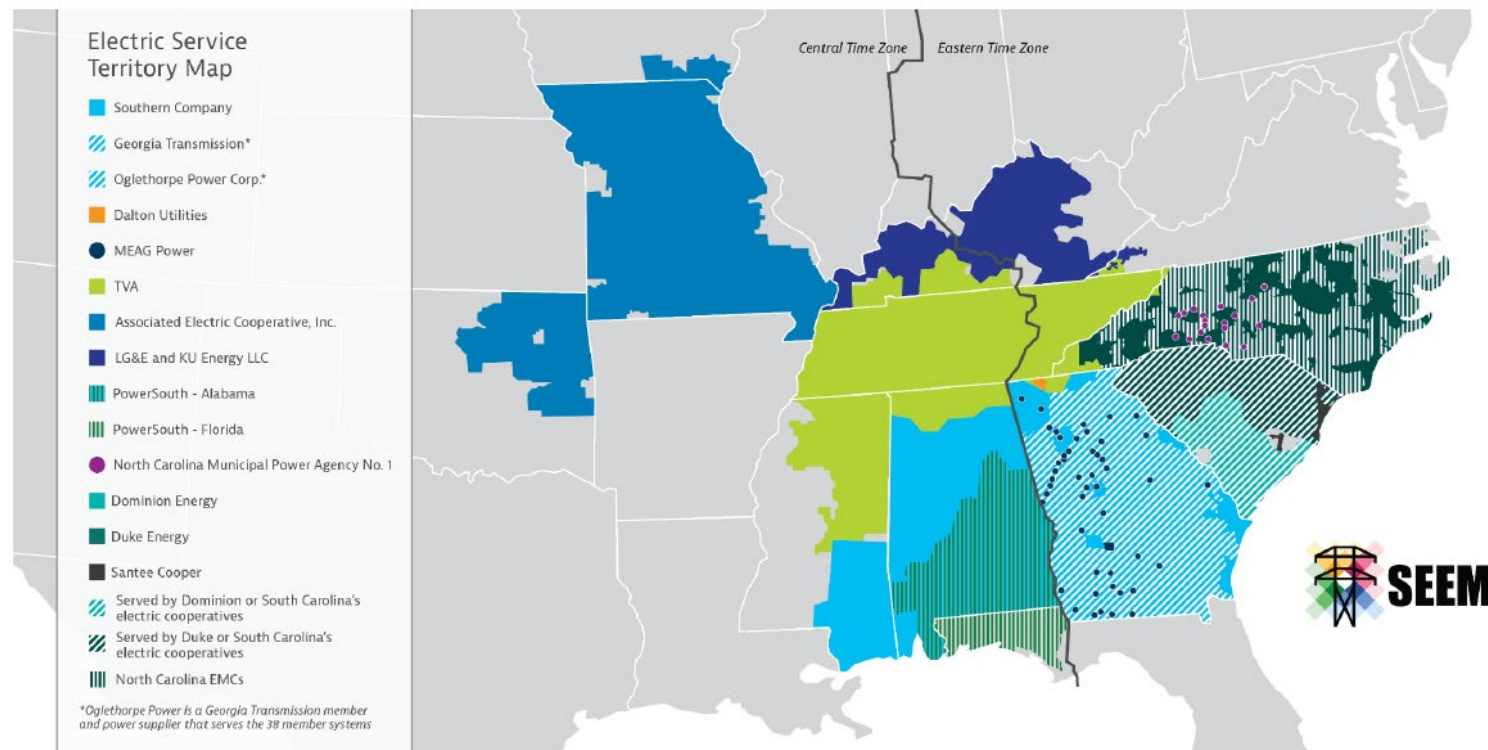
- 1. AR Project Committee**
- 2. Executive Committee**
- 3. Budget Committee**
- 4. Board Risk Oversight Committee**
- 5. Compensation Committee**
- 6. Litigation Committee**

AGENDA

- Annual Meeting Elections
- Southeastern Energy Exchange Market (SEEM)

What is SEEM

- A region-wide, automated intra-hour Platform to match buyers and sellers with the goal of more efficient bilateral trading utilizing unused transmission capacity to achieve cost savings for customers
- Acts as an enhancement to the existing bilateral market



Filed with FERC on February 14, 2021.

Opposition

- **Multiple public interest groups and trade associations argued the SEEM proposal is unjust and unreasonable in its current form.**
- **A number of other parties raised a range of technical concerns.**

The opposition is pushing for complete wholesale market competition (ala RTO).

KYMEA will continue to monitor the developments.



KENTUCKY MUNICIPAL ENERGY AGENCY



February 2021 Market Report

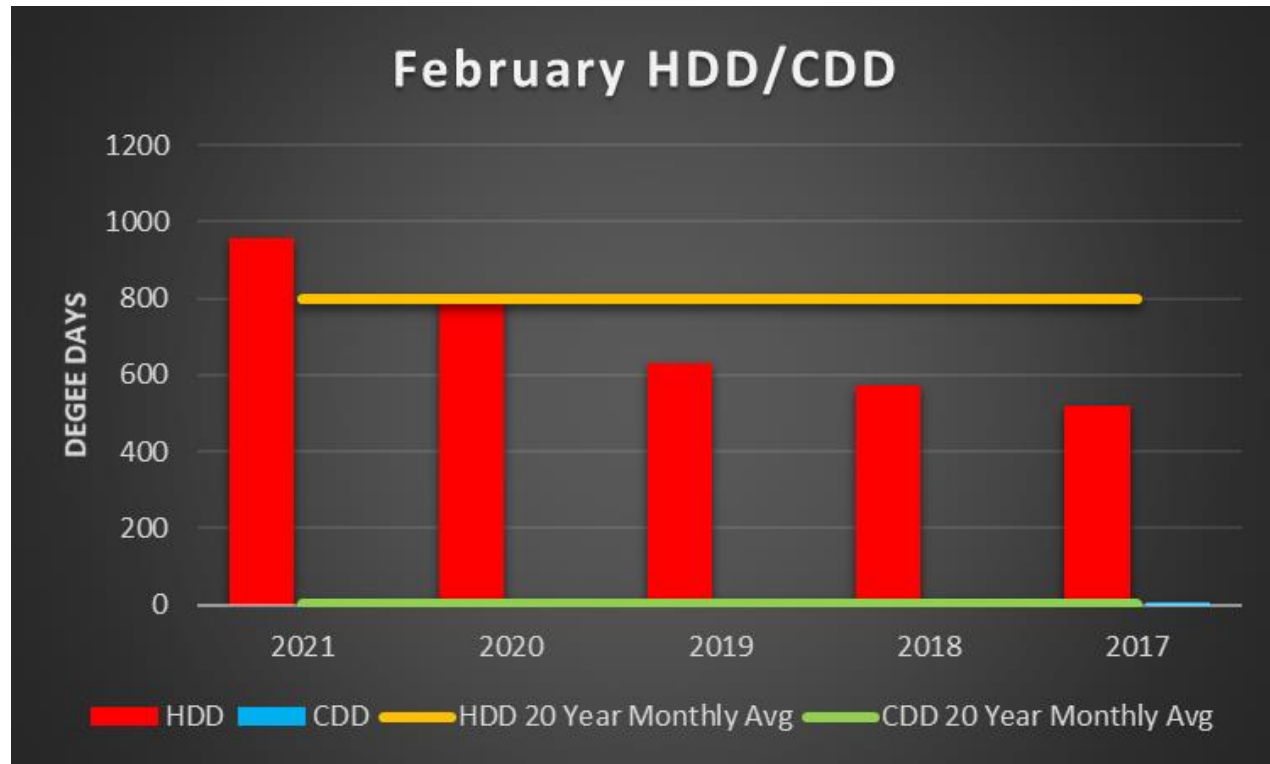
Rob Leesman

March 25, 2021

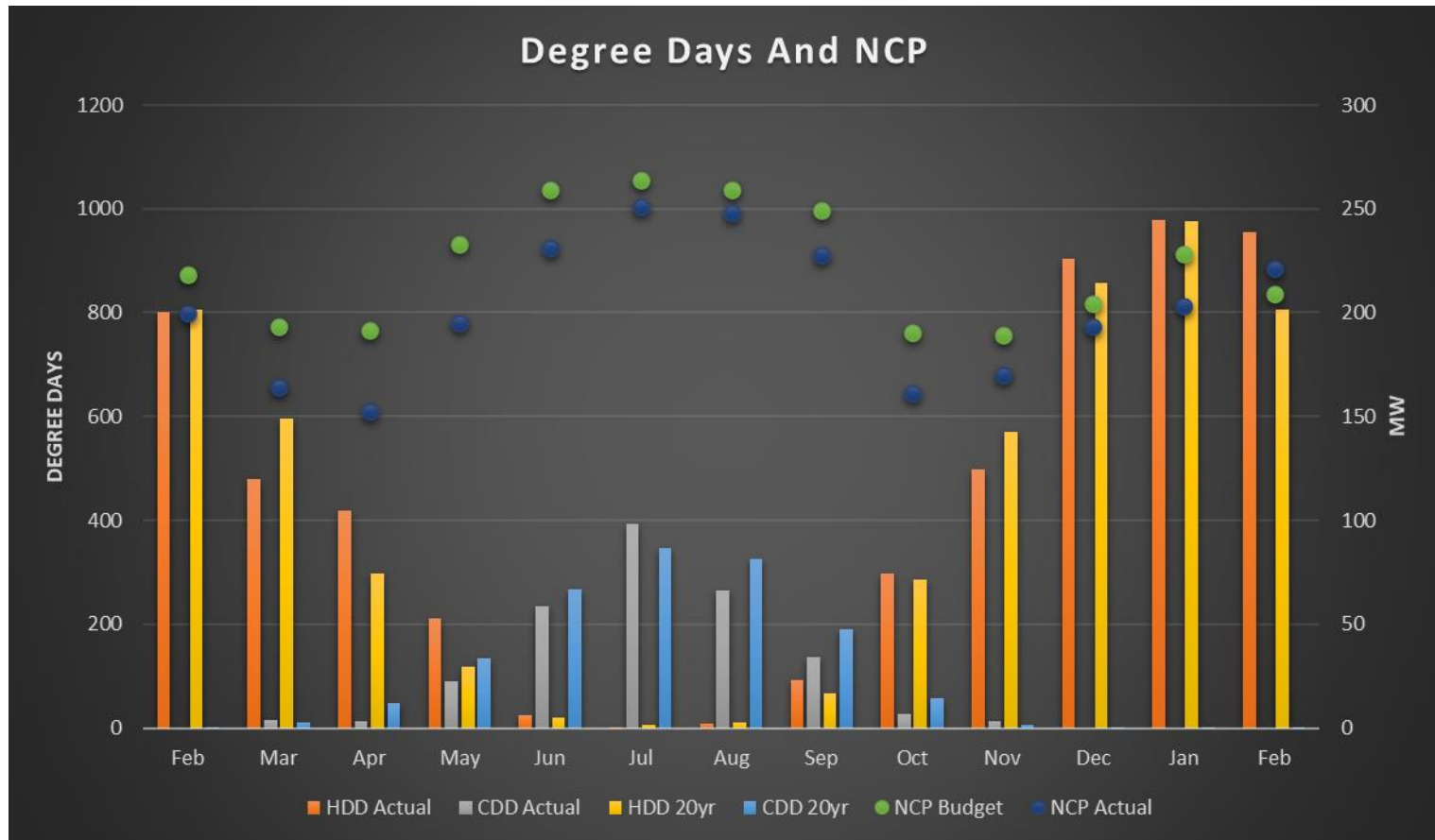
February 2021
Period: 1895–2021



Degree Days



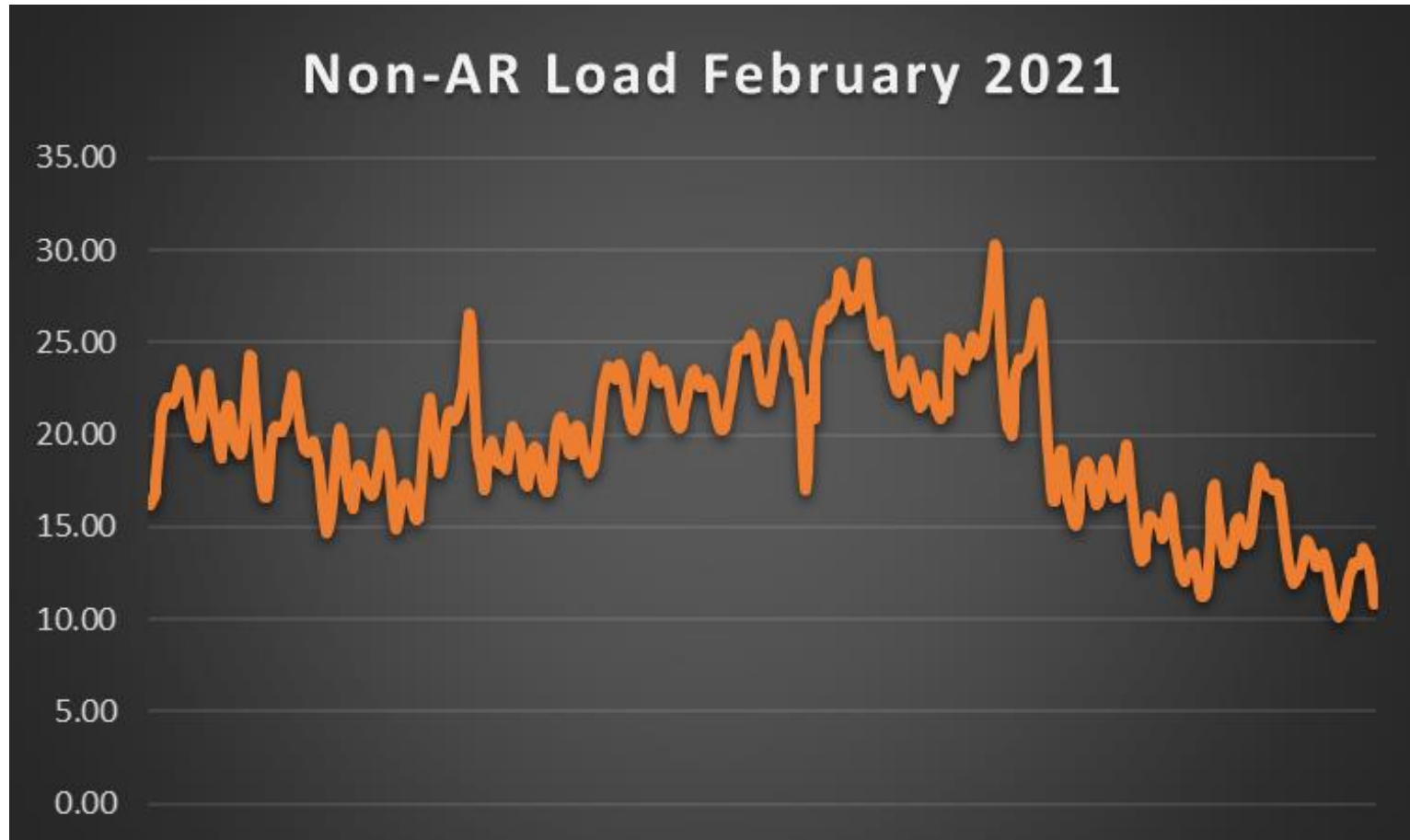
Degree Days



AR Load February 2021



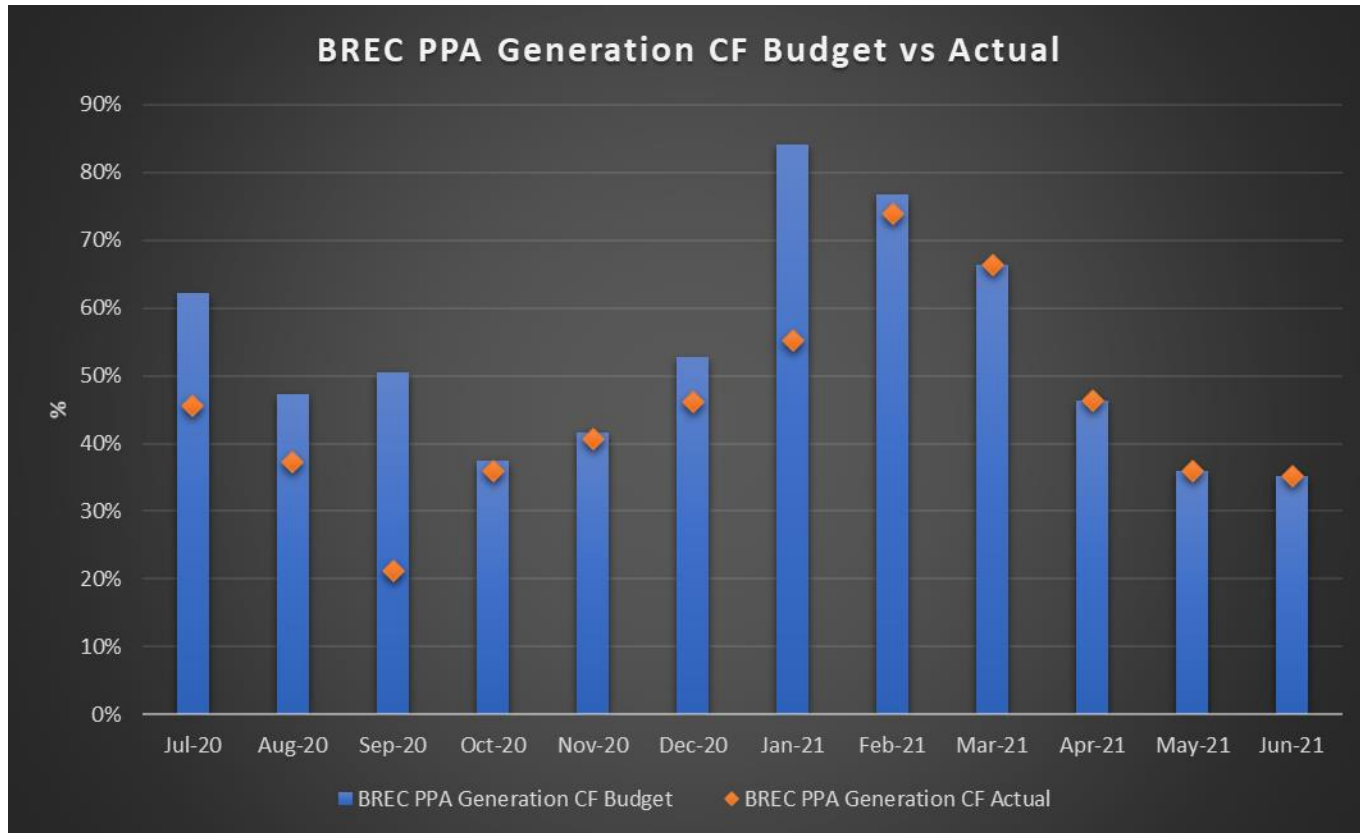
Non-AR Load February 2021



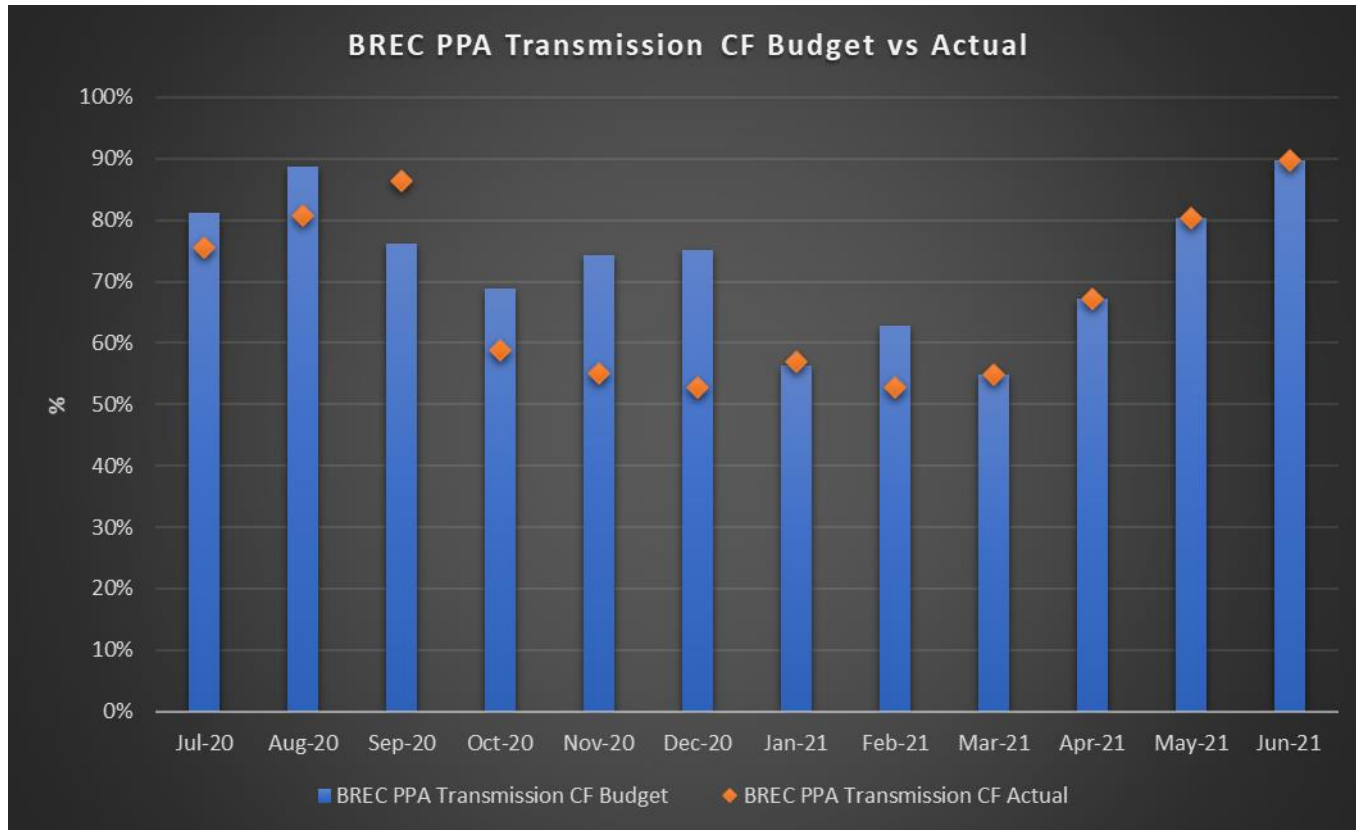
February 2021 Snapshot

Feb-21							
Member	Budget Energy (MWh)	Actual Energy (MWh)	Actual vs. Budget Energy	Budget NCP (MW)	Actual NCP (MW)	Actual vs. Budget NCP	Timestamp (HE EST)
Barbourville	7,558	8,185	108%	16.56	17.54	106%	2/16/2021 8:00 PM
Bardwell	675	760	113%	1.37	1.67	122%	2/15/2021 7:00 PM
Benham	636	742	117%	1.90	1.87	99%	2/8/2021 8:00 AM
Berea	11,602	12,549	108%	27.28	28.67	105%	2/20/2021 8:00 AM
Corbin	6,890	7,242	105%	14.80	15.26	103%	2/16/2021 8:00 PM
Falmouth	1,489	1,527	103%	2.88	2.83	98%	2/17/2021 10:00 AM
Frankfort	57,534	58,211	101%	117.01	120.32	103%	2/17/2021 9:00 AM
Madisonville	22,150	21,809	98%	40.28	41.66	103%	2/15/2021 1:00 PM
Owensboro	55,760	59,511	107%	105.00	108.00	103%	
Paris	5,331	7,108	133%	11.92	16.27	136%	2/17/2021 9:00 AM
Providence	2,135	2,604	122%	4.31	5.46	127%	2/15/2021 7:00 PM
AR	103,761	107,446	104%	209.12	221.02	106%	
Non-AR	12,238	13,290	109%	29.17	30.54	105%	
All	115,999	120,736	104%	238.30	251.56	106%	
Total	171,759	180,247	105%	343.30	359.56	105%	

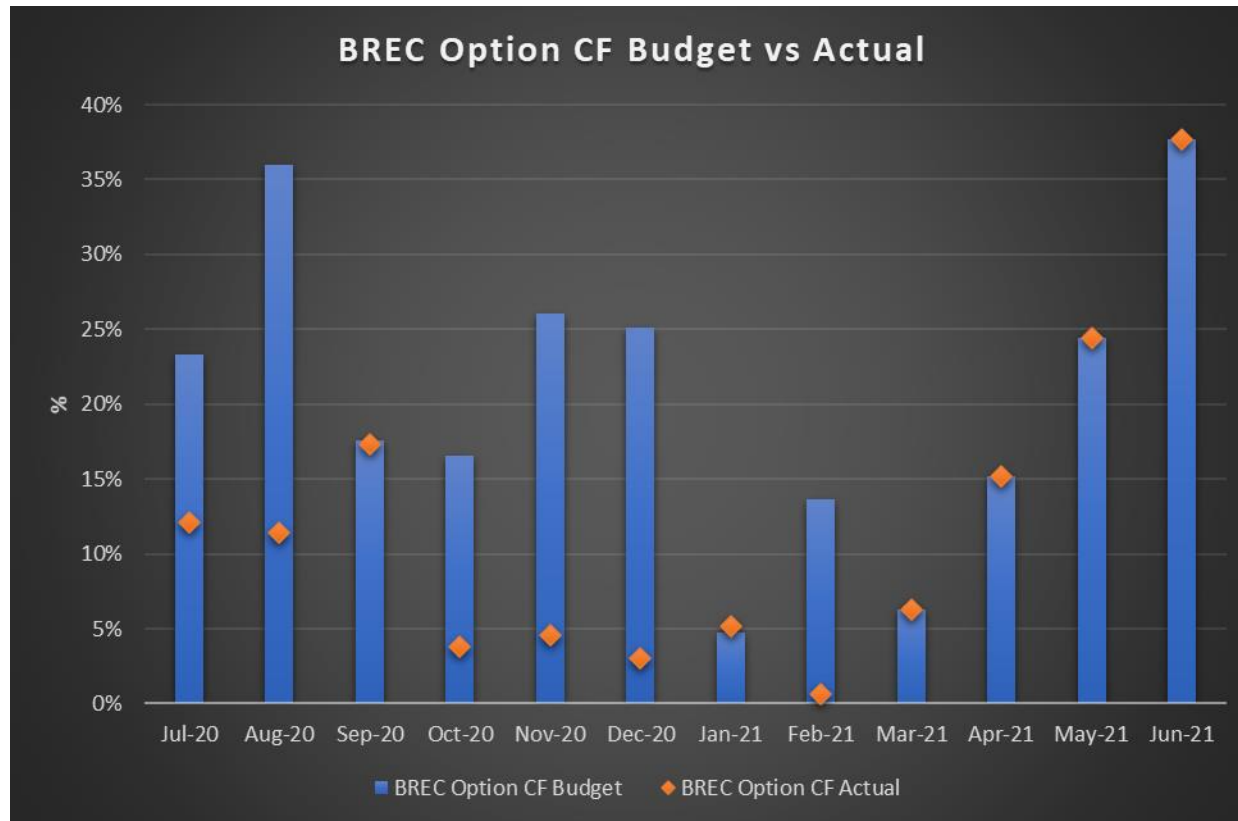
BREC Gen PPA Capacity Factor



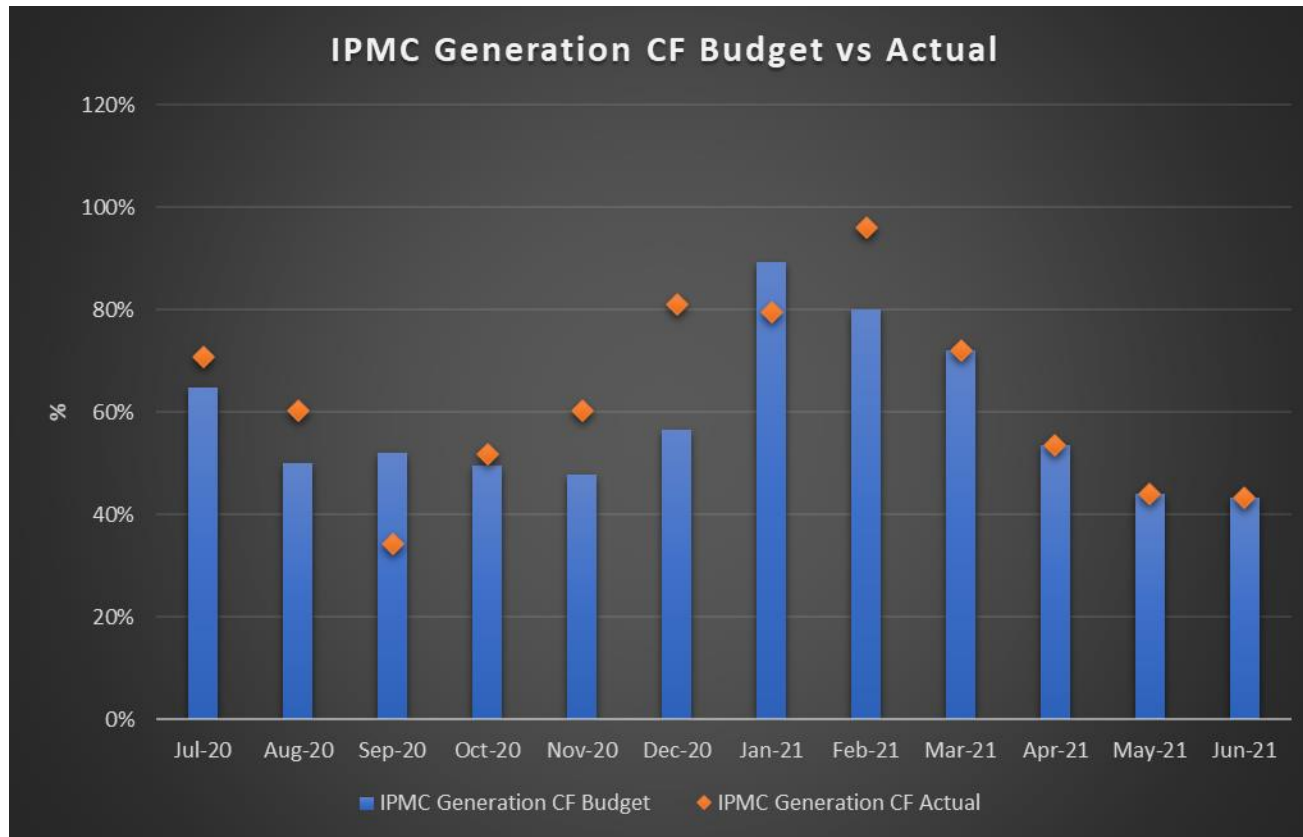
BREC Trans PPA Capacity Factor



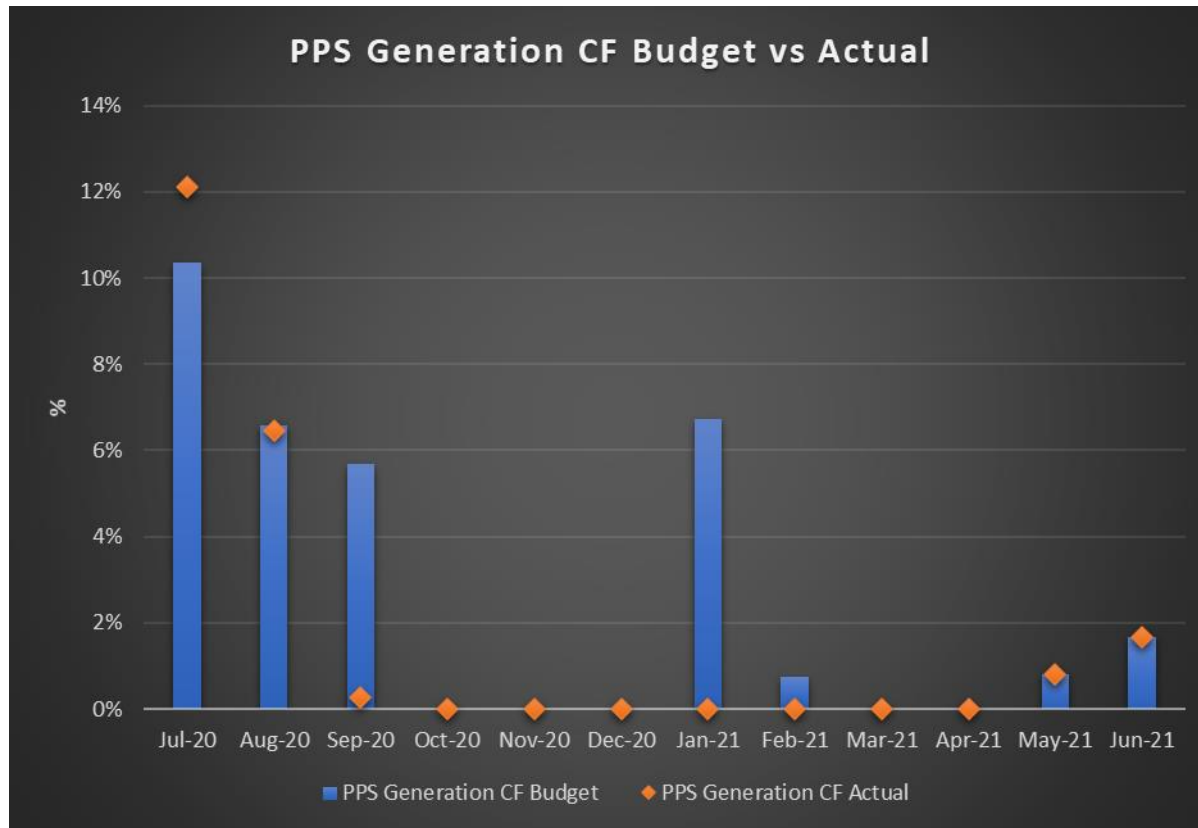
BREC Option Capacity Factor



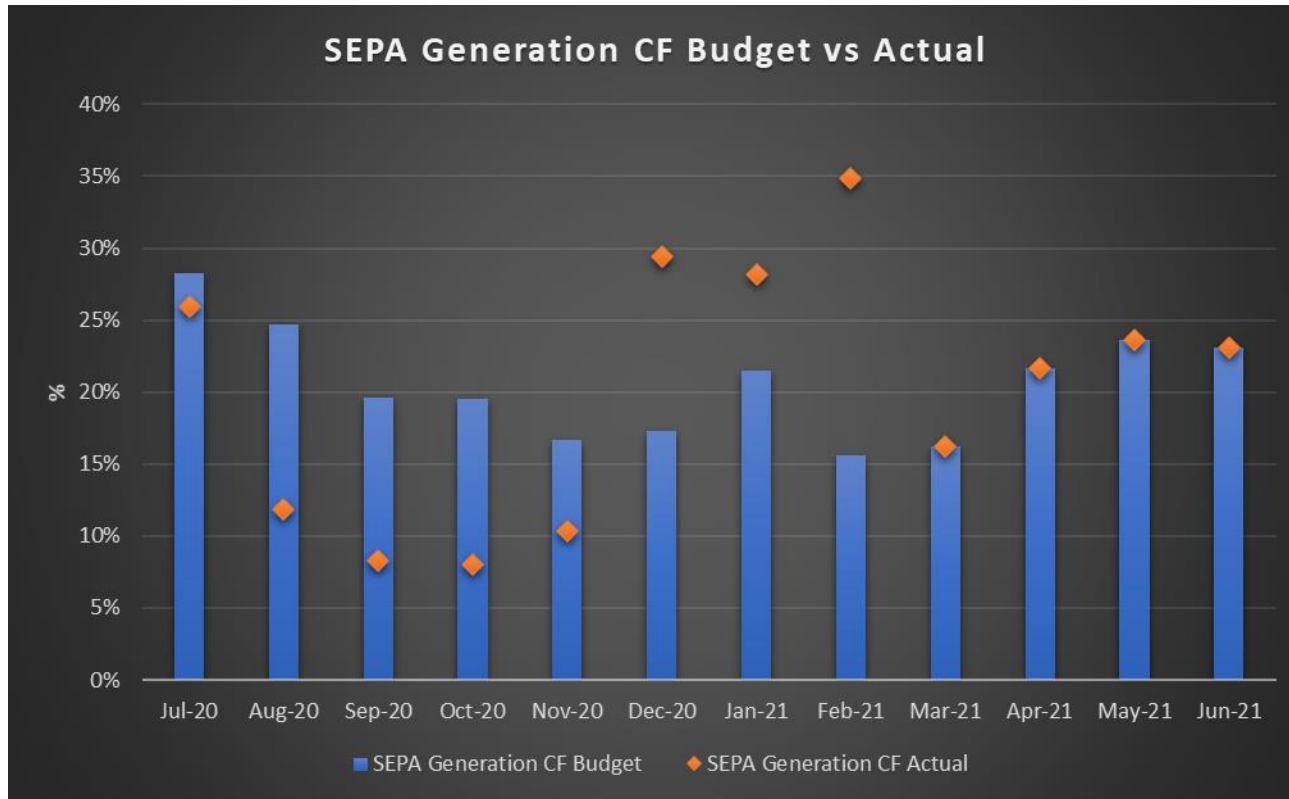
EEI/LGEE Capacity Factor



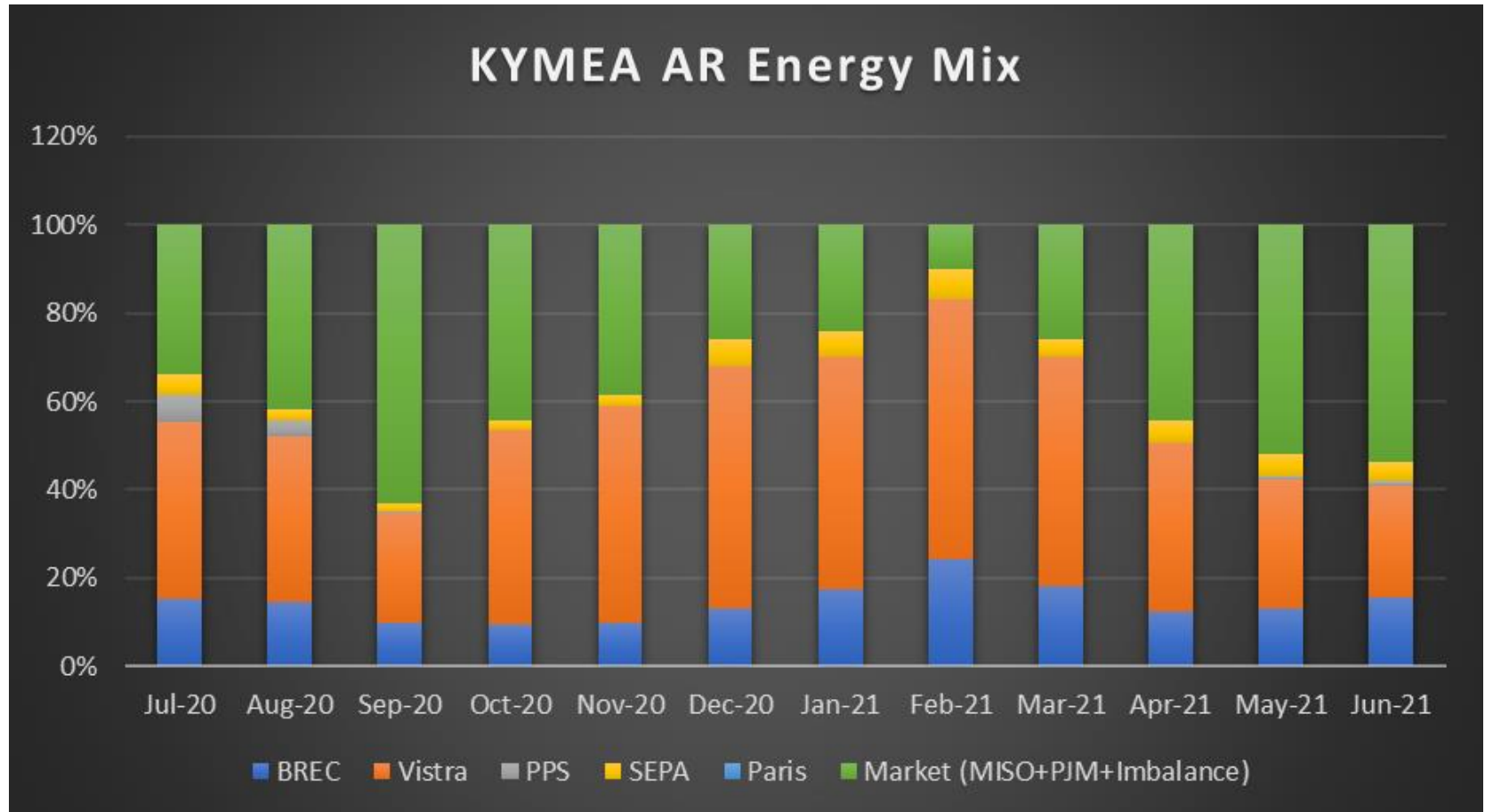
PPS PPA Capacity Factor



SEPA Capacity Factor

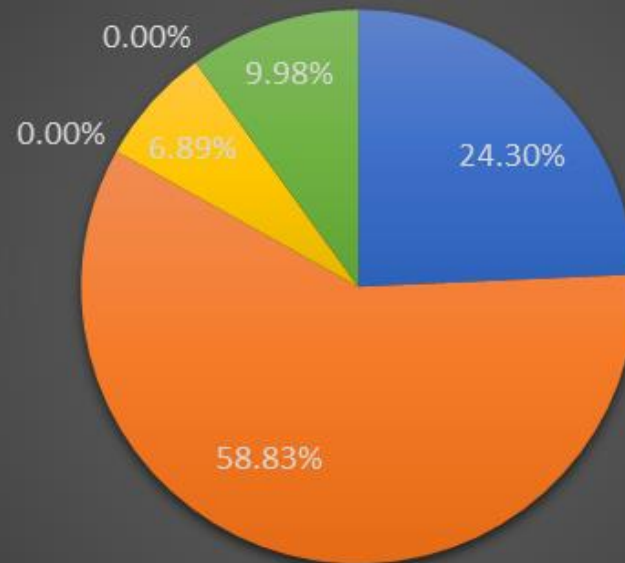


KYMEA AR Energy Mix



KYMEA AR Energy Mix

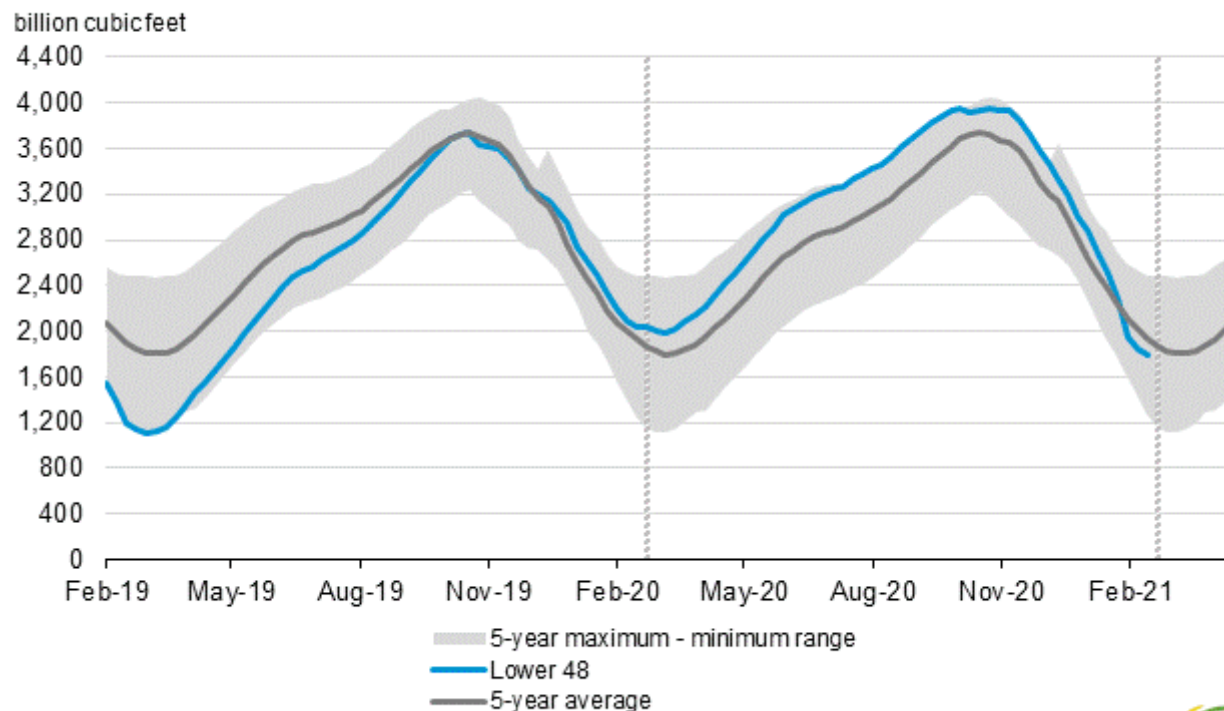
KYMEA AR Group February 2021 Energy Supply



■ BREC ■ Vistra ■ PPS ■ SEPA ■ Paris ■ Market (MISO+PJM+Imbalance)

Working Gas in Storage

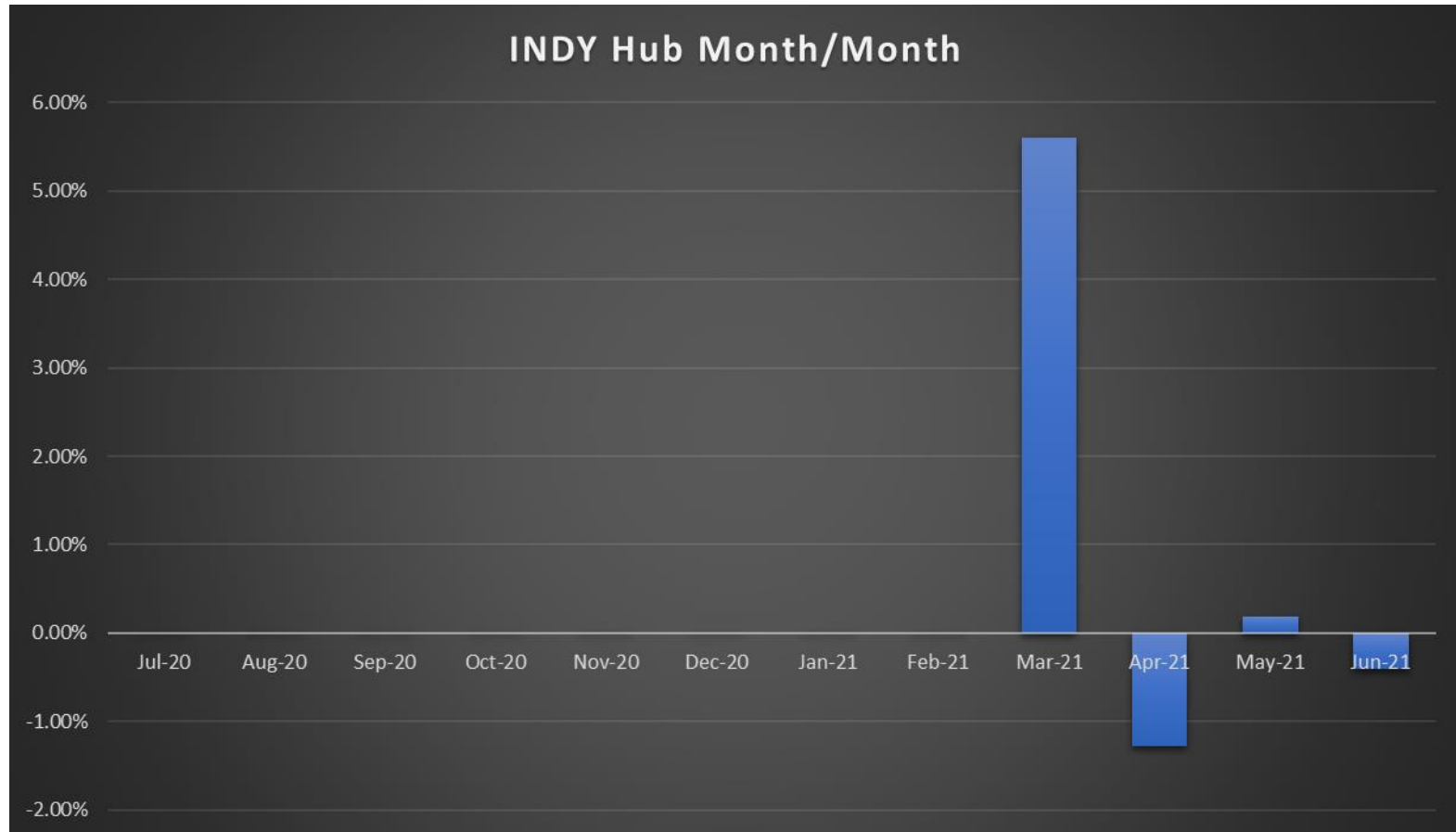
Working gas in underground storage compared with the 5-year maximum and minimum



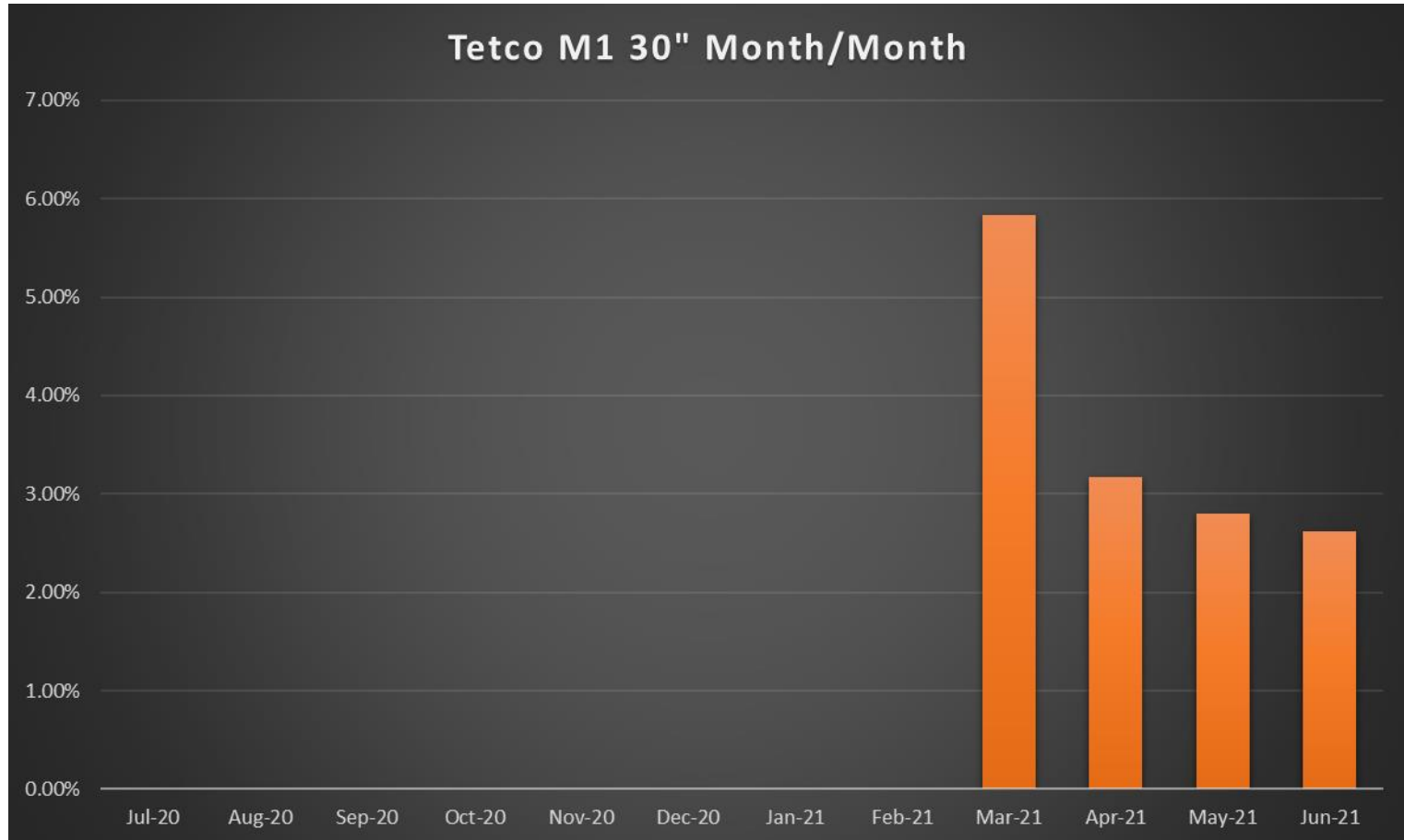
Source: U.S. Energy Information Administration



Indiana Hub ATC



Tetco M1 30"





KENTUCKY MUNICIPAL ENERGY AGENCY



Member Communications

Michelle Hixon

March 25, 2021

Dates to Remember

April	
22 nd at 10 AM	KYMEA Board Meeting
May	
27 th at 10 AM	KYMEA Annual Board Meeting
28th	KYMEA Annual Conference Rescheduled for October 1 st . The September Board meeting will take place on September 30 th .

KYMEA Annual Conference



Hear from public power professionals on key topics that affect your community.

- Take a look at market trends and risk assessment.
- Gain an understanding of utility cybersecurity, physical preparedness, and public power resources.
- Learn about electrification to keep your utility competitive and ahead of industry trends.

Mark your calendars!

Discussion Topics and Miscellaneous Materials

F. Discussion Topics
F.1 Legislation



Kentucky General Assembly - Legislative Summary as of 3/24/21

HB 55 - (Prevailing Wage) - amends various sections of the Kentucky Revised Statutes applying prevailing wage standards on public projects.

HB 127 - (Utility Rates) - gives the PSC, on its own motion, the power to examine the adequacy of the utility system rates and charges. PSC may order a full rate case review. Only applies to entities that are subject to PSC jurisdiction.

HB 159 and SB 109 - (Water Fluoridation Program) - allows a local government through its legislative body to void the implementation of a water fluoridation program by a public water system over which it has jurisdiction.

HB 207 - (Utility Service) - a city, county, urban-county, charter county, consolidated local government, or special district shall not adopt or enforce any ordinance, policy, resolution, code, or other form of executive or legislative action that has the purpose or effect of prohibiting, discriminating against, restricting, limiting, or impairing consumers' ability to use the utility services that are described in KRS 278.010(3)(a), (b), or (c) and that are provided by a utility that is regulated by the Public Service Commission under KRS Chapter 278 or is otherwise incorporated under KRS Chapter 279. **House passed, Senate substituted language and passed the bill, House concurred with the Senate version. Delivered to the Governor on 3/15/21.**

HB 238 - (City Utility Membership) - amends KRS 96.530 to allow any city to appoint a city utility commission consisting of either three (3) or five (5) commissioners. Present law requires cities with a population greater than 20,000 to have five (5) commissioners. Also allows for one (1) non-resident of the city if a three commissioner board or two (2) non-residents of the city if a five commissioner board. **Reported favorably from the Local Government Committee to House, amended on House floor, given 2nd reading in House. Floor amendment states that county appointees shall be: (a) resident of the County in which the utility is located; (b) possesses qualifications and expertise that benefits the city utility; and (c) not employed by, not in any fiduciary or agency capacity with the utility or does not possess ownership interest in or is a supplier or competitor of the utility. Both House and Senate passed the amended bill. Delivered to and signed by Governor.**

HB 272 - (Water Districts and Associations) - provides for late payment charges by water districts and associations and prohibits PSC from modifying, rejecting or suspending late payments once established in a tariff. **Amended with a Substitute Bill that expands the provisions to include executive orders, administrative regulations or other guidance are not effective as to termination of service or the assessment of penalties and late fees. Reported favorably from Local Government Committee and given 2nd reading in the House. Substitute Bill adopted by both the House and the Senate, sent to Governor. Bill was vetoed by the Governor on 3/23/21. Subject to review and veto being overridden.**

HB 302 - (Water and Wastewater) - limits the ability of sanitation districts to require forced hook-up to sewer system if the owner of property has an operable sanitary /septic system.

HB 303 - (Underground Facility Protection) - provides rules and protections for underground facilities and service lines. **Adopted by both the House and the Senate. Delivered to and signed by the Governor.**

HB 343 - (Broadband) - provides for broadband development in rural areas, and established a broadband deployment fund. In Appropriations and Revenue Committee.

HB 465 - (Acquisition of Water and Sewer Utilities) - sets forth that acquisition prices for water and wastewater utilities to be based on full value of facility rather than net original cost, provides support and encouragement, as may be determined by PSC, of consolidation of water and wastewater utilities. **Bill adopted by the House and sent to Senate. Has received two readings in the Senate and is still being considered.**

HB 520 - (Open Records) - amends Open Records Act to protect personal identification information from public disclosure.

Action Items

G. Action Items

G.1 FY 2022 AR Project Rates





KENTUCKY MUNICIPAL ENERGY AGENCY

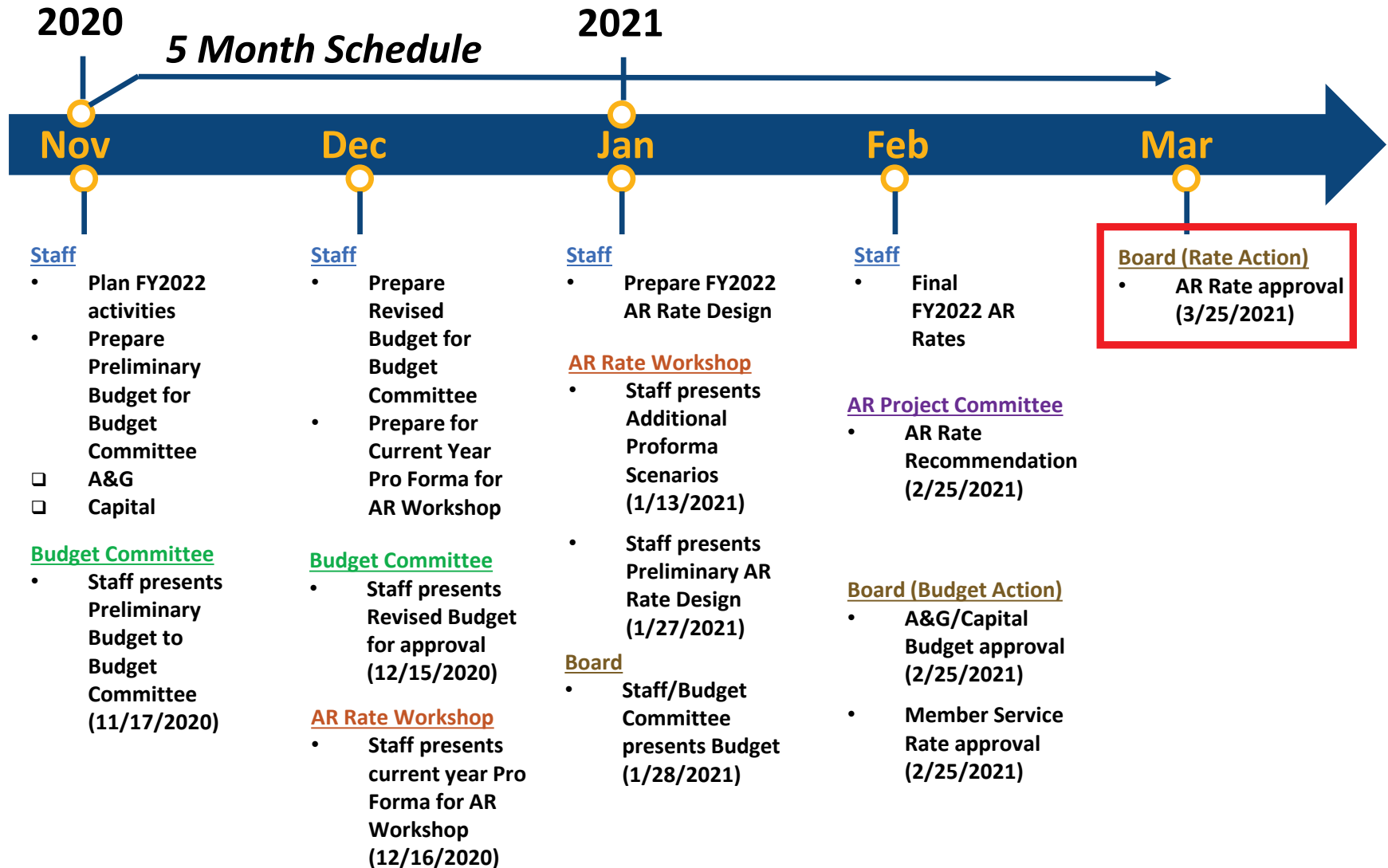


FY 2022 AR Project Rates

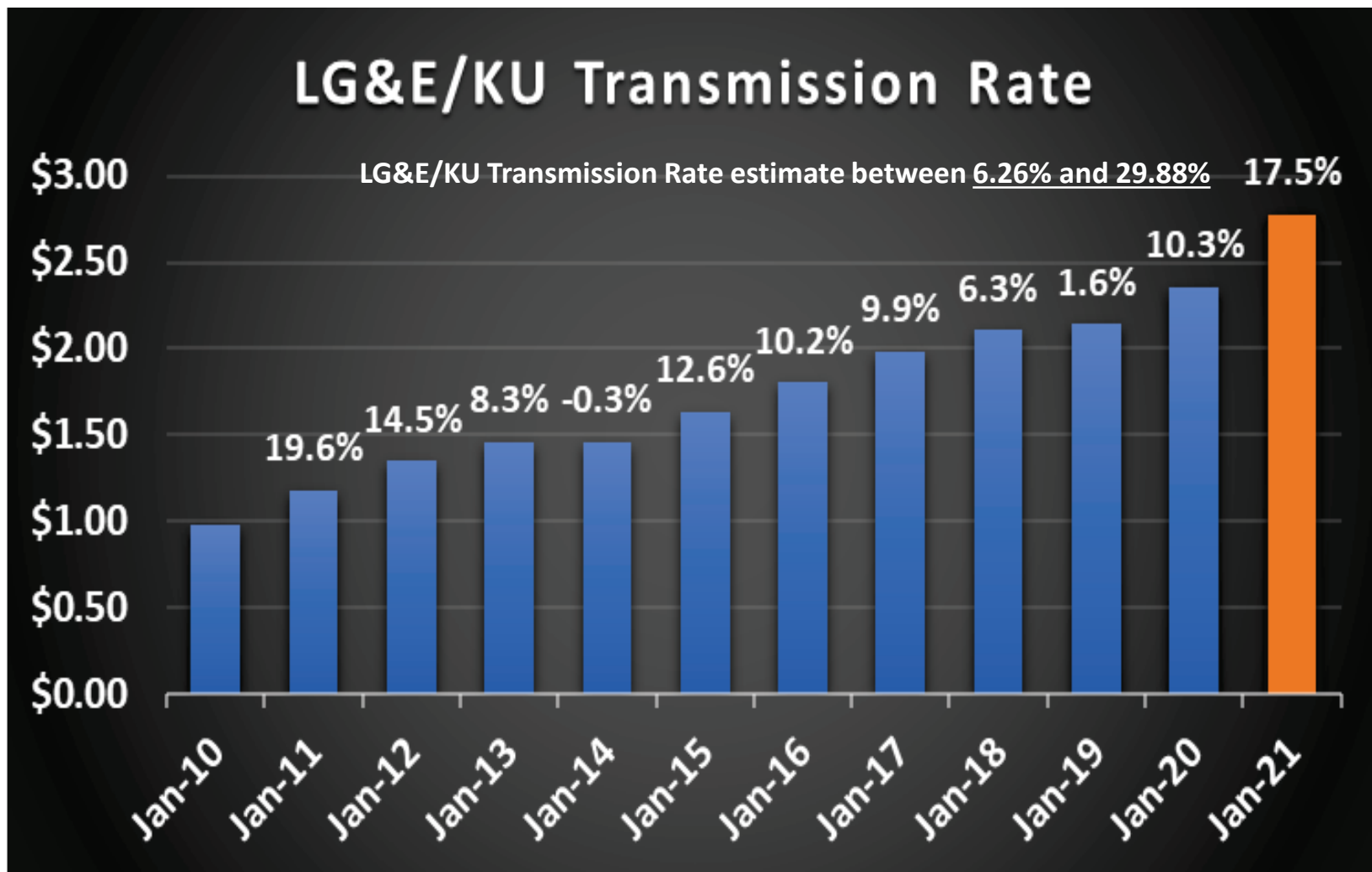
March 25, 2021

Heather Overby

FY2022 Budget and Rates Schedule

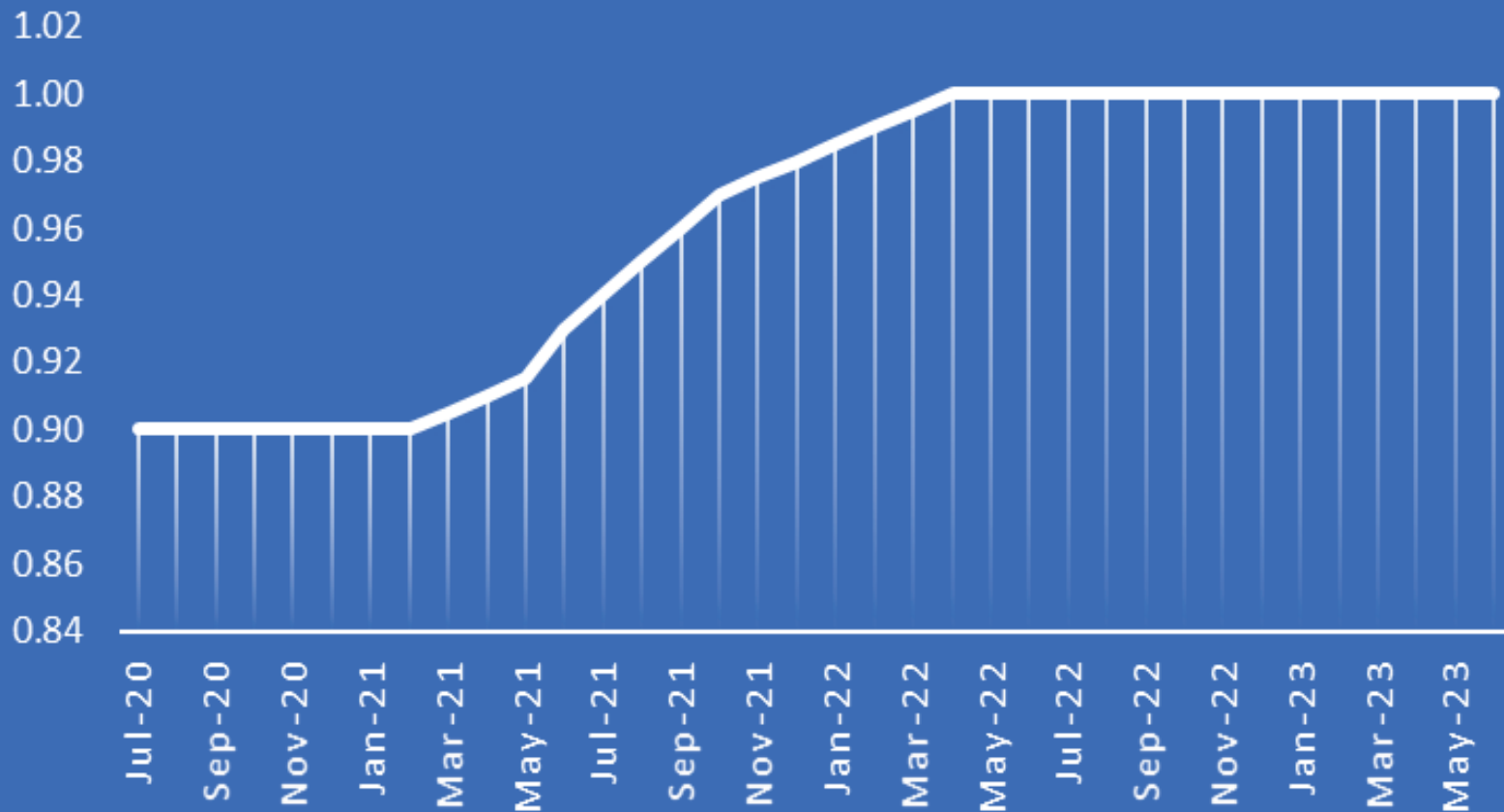


LG&E/KU Projected FY2022 Transmission

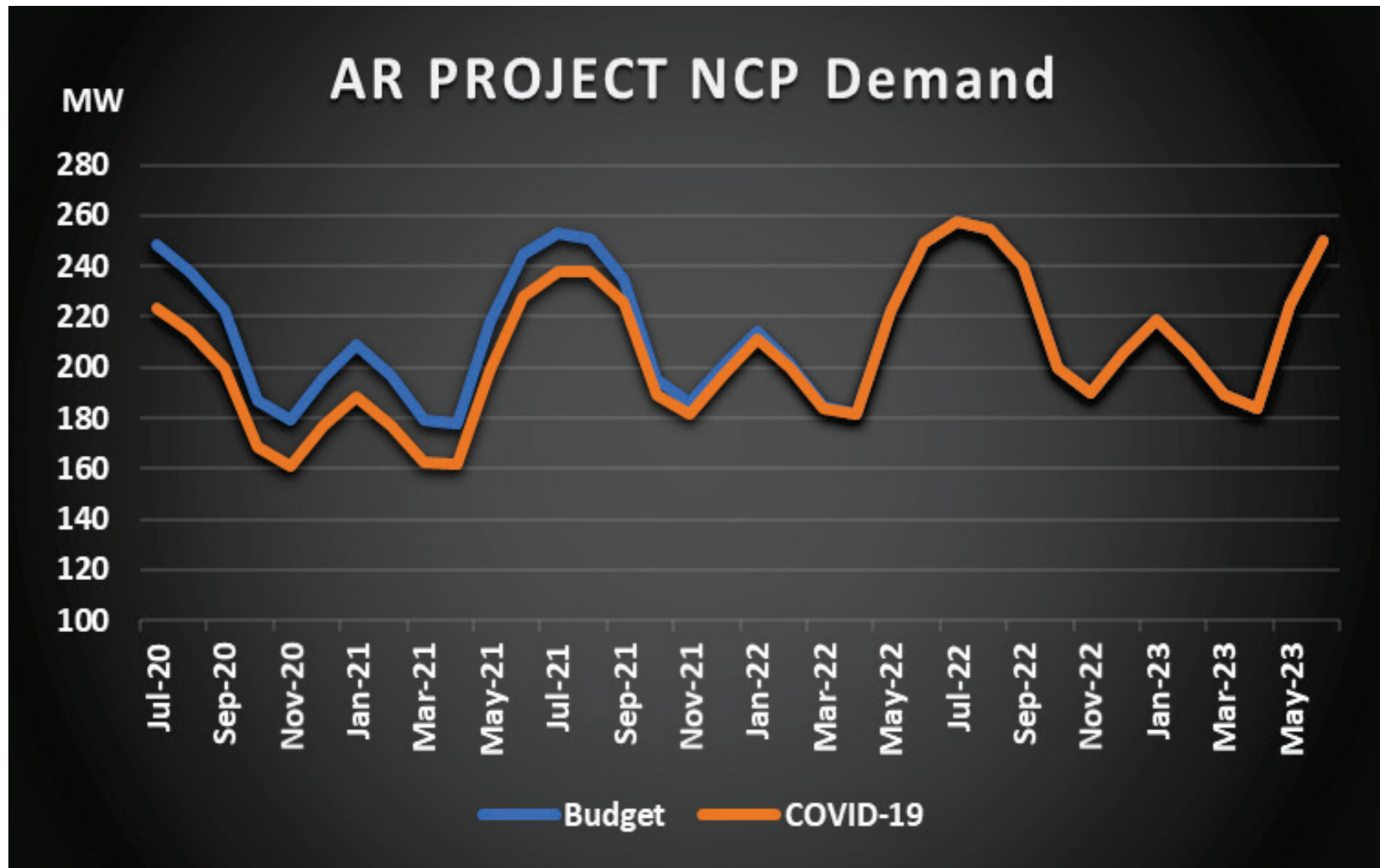


AR Project Demand and Energy

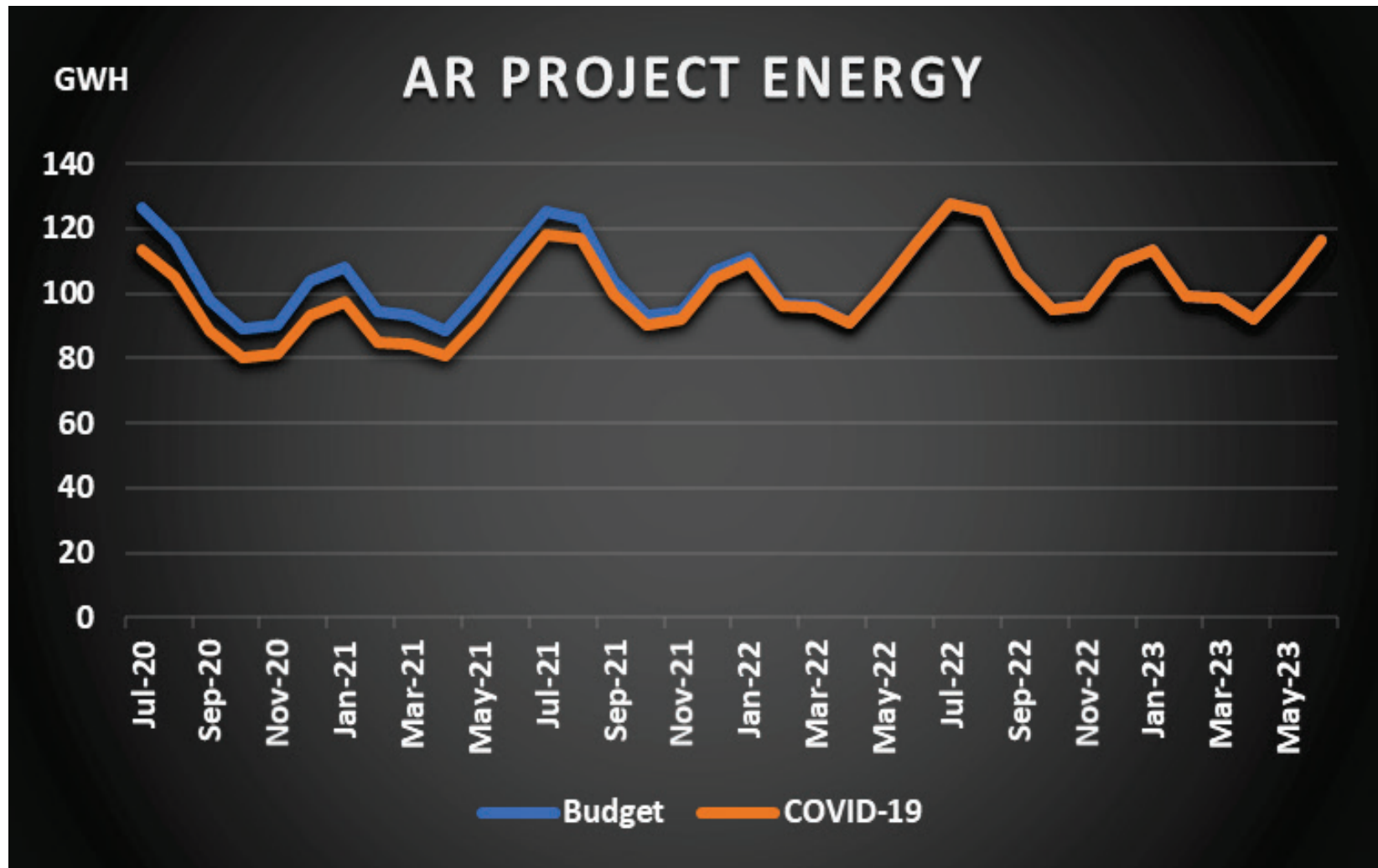
ASSUMED LOAD RECOVERY



AR Project Demand and Energy



AR Project Demand and Energy



KYMEA COVID-19 Rate Relief Plan

- ❑ Due to the effect of COVID-19 on KYMEA's Members and their ratepayers, KYMEA is extending its COVID-19 Rate Relief Plan ("Plan") in FY2022. This Plan will utilize Rate Stabilization funds to aid in alleviating the economic impact of the pandemic on the KYMEA Members. KYMEA and its membership stand together to provide much needed relief to our customers.

KYMEA COVID-19 Rate Relief Plan

	FY2021 7 Month Actual/5 Month Projected			FY2022 - Budget			FY2023 - Budget		
	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
Billing Demand	\$14.044000	2,379,028	\$33,411,065	\$14.044000	2,517,254	\$35,352,311	\$11.390355	2,620,032	\$29,843,092
Energy	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>
	\$0.024702	1,180,696,643	\$29,165,568	\$0.024702	1,230,346,330	\$30,392,015	\$0.028523	1,281,572,982	\$36,554,050
ECA	\$0.000000	1,180,753,168	\$0	\$0.000000	1,220,277,469	\$0	\$0.000000	1,281,077,718	\$0
Transmission	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
KU Transmission 12-CP	\$2.686601	2,290,028	\$6,152,392	\$2.899670	2,427,060	\$7,037,672	\$3.617833	2,512,367	\$9,089,326
MISO Transmission NCP	\$1.535000	2,382,198	\$3,656,674	\$1.535000	2,517,774	\$3,864,784	\$2.329988	2,621,229	\$6,107,431
PJM Transmission 1-CP	\$2.823869	35,400	\$99,965	\$3.180260	34,200	\$108,765	\$3.854164	37,200	\$143,375
KU Direct Assigned Facilities			<u>\$</u>			<u>\$</u>			<u>\$</u>
Fixed Facility Charges			\$155,157			\$106,304			\$106,304
SEPA Member Resource Credit	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
Capacity Payment	(\$4.427500)	383,388	-\$1,697,450	(\$4.427500)	383,388	-\$1,697,450	(\$4.427500)	383,388	-\$1,697,450
AR Project Member Invoice			\$70,943,371			\$75,164,400			\$80,146,126
			6.009 ¢			6.109 ¢			6.254
Change from Previous Fiscal Year			-5.33%			1.67%			2.37%
AR Project Member Power Supply (Without NITS)			\$64,691,014			\$68,017,963			\$70,913,426
			5.479 ¢			5.528 ¢			5.533
Change from Previous Fiscal Year (Without NITS)			-7.18%			0.90%			0.09%
Net Income			\$3,170,000			-\$2,760,123			\$2,576,562
Days Cash On Hand (June)			71.08			42.88			54.84
Min DCOH to Trigger ECA			50.00			40.00			40.00
Coverage of Full Fixed Obligations (June)			1.07			0.95			1.06
Preferred Leverage (June)			6.86			7.71			6.66

KYMEA COVID-19 Rate Relief Plan

	FY2022 - Budget			FY2023 - Budget			FY2024 - Budget		
	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
Billing Demand	\$14.044000	2,517,254	\$35,352,311	\$11.390355	2,620,032	\$29,843,092	\$11.675114	2,628,622	\$30,689,464
Energy	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>
	\$0.024702	1,230,346,330	\$30,392,015	\$0.028523	1,281,572,982	\$36,554,050	\$0.029236	1,290,179,132	\$37,719,509
ECA	\$0.000000	1,220,277,469	\$0	\$0.000000	1,281,077,718	\$0	\$0.000000	1,289,622,523	\$0
Transmission	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
KU Transmission 12-CP	\$2.899670	2,427,060	\$7,037,672	\$3.617833	2,512,367	\$9,089,326	\$4.197698	2,535,948	\$10,645,145
MISO Transmission NCP	\$1.535000	2,517,774	\$3,864,784	\$2.329988	2,621,229	\$6,107,431	\$2.388237	2,631,418	\$6,284,451
PJM Transmission 1-CP	\$3.180260	34,200	\$108,765	\$3.854164	37,200	\$143,375	\$4.528642	37,200	\$168,465
KU Direct Assigned Facilities			<u>\$</u>			<u>\$</u>			<u>\$</u>
Fixed Facility Charges			\$106,304			\$106,304			\$106,304
SEPA Member Resource Credit	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
Capacity Payment	(\$4.427500)	383,388	-\$1,697,450	(\$4.427500)	383,388	-\$1,697,450	(\$4.427500)	383,388	-\$1,697,450
AR Project Member Invoice			\$75,164,400			\$80,146,126			\$83,915,888
			6.109 ¢			6.254 ¢			6.504 ¢
Change from Previous Fiscal Year			1.67%			2.37%			4.01%
AR Project Member Power Supply (Without NITS)			\$68,017,963			\$70,913,426			\$73,102,278
			5.528 ¢			5.533 ¢			5.666 ¢
Change from Previous Fiscal Year (Without NITS)			0.90%			0.09%			2.40%
Net Income			-\$2,760,123			\$2,576,562			\$3,095,236
Days Cash On Hand (June)			42.88			54.84			68.92
Min DCOH to Trigger ECA			40.00			40.00			50.00
Coverage of Full Fixed Obligations (June)			0.95			1.06			1.08
Preferred Leverage (June)			7.71			6.66			6.47

KYMEA COVID-19 Rate Relief Plan

Key Elements of the FY2022 KYMEA COVID-19 Rate Relief Plan

- Billing Demand Rate: \$14.044 per kW-MO **UNCHANGED**
- Energy Rate: \$0.024702 per kWh **UNCHANGED**
- MISO Transmission Rate: \$1.535 per kW-MO **UNCHANGED**
- KU (PJM) Transmission Rate: \$2.89967 (\$3.180260) per kW-MO **Pass through increase capped at 10%. If increase is lower, KYMEA passes on lower rate.**
- DCOH Minimum to trigger ECA: 40 Days **Decreased from 50 days**

Key Elements of the FY2023 **PROJECTION** (for illustrative purposes only)

- Billing Demand Rate: \$11.390355 per kW-MO
- Energy Rate: \$0.028523 per kWh
- **Demand and Energy rates reallocated to align with change in power cost characteristics. No change in total energy rate per kWh.**
- MISO Transmission Rate: \$2.329988 per kW-MO **Changed to reflect MISO rate increase and additional 15MW PTP.**
- KU (PJM) Transmission Rate: \$3.617833 (\$3.854164) per kW-MO **Pass through actual KU (PJM) rate.**

In response to the COVID-19 pandemic, the Agency extended the KYMEA COVID-19 Late Payment Protection Plan (“LPPP”). The LPPP is aimed at alleviating AR member revenue collection deficiencies driven by the customer disconnect suspensions in the wake of the coronavirus.

- The LPPP allows the Agency to work with AR Members who may only be able to pay a portion of their KYMEA power bill. The Agency may waive late fees and negotiate with the AR member to develop a payment schedule. The AR Member will be responsible for their power bill in its entirety by the end of the FY2022 fiscal year, at which time late payment charges may be imposed.

Motion for KYMEA All-Requirements Project Committee recommended to the full KYMEA Board of Directors approval of the following:

- FY 2022 All-Requirements Project Rate Schedule
- FY 2022 COVID-19 Rate Relief Plan
- FY 2022 COVID-19 Late Payment Protection Plan

Action For Today

March 25, 2021 – Motion for KYMEA Board to approve:

- FY 2022 All-Requirements Project Rate Schedule
- FY 2022 COVID-19 Rate Relief Plan
- FY 2022 COVID-19 Late Payment Protection Plan

KYMEA Board Resolution follows as supplemental material.

**KENTUCKY MUNICIPAL ENERGY AGENCY
ALL REQUIREMENTS PROJECT -- WHOLESALE POWER RATE SCHEDULE**

1. Availability

This rate schedule for wholesale power is available to Members purchasing power and energy and related services from the Agency under the All Requirements Power Sales Contract ("Contract").

2. Applicability

This rate schedule is applicable to Members taking service from the Agency under the Contract ("AR Members").

3. Character of Service

Wholesale power furnished under this rate schedule at one or more Points of Delivery as set forth in Schedule A shall be sixty-hertz, three-phase, alternating current.

4. Monthly Rates and Charges

The Member's monthly bill will include the following charges:

AR Project Charges

Demand Charge	\$14.044 per kW times Monthly Billing Demand
Energy Charge	\$0.024702 per kWh times Monthly Energy Requirement
Energy Cost Adjustment (ECA) Charge	A charge determined monthly per Sections 6 and 7 of this Rate Schedule

Transmission Charges

a. LGE/KU Transmission Charge	\$2.89967 per kW times Monthly Coincident (12-CP) Transmission Billing Demand
-------------------------------	---

Applicable to AR Members receiving service over the LGE/KU transmission system. The LGE/KU Transmission Charge is updated annually effective June 1 and includes LGE/KU's Open Access Transmission Tariff (OATT) charges under:

- Schedule 10, Network Integration Transmission Service
- Schedule 1, Scheduling, System Control and Dispatch
- Schedule 2, Reactive Supply and Voltage Control from Generation Sources Service
- Schedule 3, Regulation and Frequency Response Service
- Schedule 5, Operating Reserve - Spinning Reserve Service
- Schedule 6, Operating Reserve - Supplemental Reserve Service
- Associated credits relevant to the above schedules and any new transmission tariffs

Approved: March 25, 2021

Effective: July 1, 2021

**KENTUCKY MUNICIPAL ENERGY AGENCY
ALL REQUIREMENTS PROJECT -- WHOLESALE POWER RATE SCHEDULE**

The LGE/KU charge is applied, by Member, based on the individual Member's monthly coincident peak (12-CP) with the LKE transmission system, and shall not exceed \$2.89967 per kW.

- b. PJM-EKPC Transmission Charge \$3.31784 per kW times Annual Coincident
(1-CP) Transmission Billing Demand

Applicable to AR Members receiving service over the PJM-EKPC transmission system. The PJM-EKPC Transmission Charge is updated annually effective January 1 and includes PJM Open Access Transmission Tariff (OATT) charges under:

- Schedule 1100, Network Integration Transmission Service
- Schedule 1108, Transmission Enhancement
- Schedule 1115, Transmission Enhancement Settlement (EL05-121-009)
- Schedule(s) 1301-1311, PJM Scheduling Charges, System Control, and Dispatch Service
- Schedule(s) 1313-1319, PJM Settlement, Market Monitoring, FERC Recovery, and PJM States Funding
- Schedule 1320, Transmission Owner Scheduling, System Control and Dispatch Service
- Schedule 1330, Reactive Supply and Voltage Control from Generation and Other Sources Service
- Schedule(s) 1340-1380, Regulation, Frequency Response, Reserve, and Black Start Services
- Associated credits relevant to the above schedules and any new transmission tariffs

The PJM-EKPC charge is applied, by Member, based on the individual Member's annual coincident peak (1-CP) with the EKPC transmission system and shall not exceed \$3.31784 per kW. The annual 1-CP update is based on PJM's defined time period of November 1 - October 31 from the previous year.

- c. MISO Transmission Charge \$1.535 per kW times Monthly Billing Demand

Applicable to all AR Members. The Agency will review and update the MISO Transmission Charge annually, and more frequently if needed, to reflect changes in MISO transmission costs.

- d. LGE/KU Wholesale Distribution Service Charge per Section 8 of this Rate Schedule

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5. Billing Determinants

Monthly Billing Demand is the Member's Monthly Non-Coincident Billing Demand, except that for the months of December, January, February, and March, it is lesser of (a) the Member's Monthly Non-Coincident Billing Demand or (b) the average of the Member's maximum Monthly Non-Coincident Billing Demand occurring in each of the preceding three summer seasons (June, July, and August).

Monthly Non-Coincident Billing Demand is the highest average kW demand during a 60-minute period ending on a clock hour of the Member's total load during the monthly billing period. For Members with multiple delivery points, the Member's total load is the aggregated load of all delivery points each hour.

Monthly Transmission Billing Demand is the Member's average kW demand during LGE/KU's transmission system peak hour during the monthly billing period. This is commonly referred to as the Member's demand coincident with the LGE/KU monthly transmission system peak demand.

Annual Transmission Billing Demand is the Member's average kW demand during PJM-EKPC's transmission system peak hour during the annual billing period. This is commonly referred to as the Member's demand coincident with the PJM-EKPC annual transmission system peak demand.

Monthly Energy Requirement is the total amount of energy supplied to the Member during the monthly billing period, as determined in accordance with the Contract.

Monthly Billing Demand, Monthly Transmission Billing Demand, Annual Transmission Billing Demand, and Monthly Energy Requirement shall be based on load metered at, or appropriately compensated for losses to the high-voltage side of delivery substations connecting the Member's system to the applicable transmission system.

Monthly Billing Demand, Monthly Transmission Billing Demand, Annual Transmission Billing Demand, and Monthly Energy Requirement shall be determined, including any load or usage on the Member's system directly served from a Member-Owned Resource, if any, as provided in the Contract.

6. Energy Cost Adjustment (ECA)

The Energy Cost Adjustment (ECA) shall be an amount equal to the product of the Energy Cost Adjustment Charge Factor (ECAAF) times the Member's Monthly Energy Requirement for the current billing month. The ECA shall be included on the subsequent monthly invoice.

Collection of the ECA shall be applied as follows:

If the computed average Days Cash on Hand for any three consecutive months < the average computed Minimum Target Days Cash on Hand for those same three consecutive months as set forth in Table 6.1, then the ECA shall be computed and collected.

Approved: March 25, 2021

Effective: July 1, 2021

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Credit of the ECA shall be applied as follows:

If the current month's Days Cash on Hand > the Maximum Days Cash on Hand for the same month, then the ECA shall be computed and credited.

Where:

The ECAF shall be \$0.003/kWh.

The Minimum Monthly Target Days Cash on Hand (DCOH) and Maximum DCOH shall be as defined in Table 6.1 below.

Table 6.1

Month-Year	Minimum Target DCOH	Maximum DCOH
Jul 2021	65	89
Aug 2021	71	89
Sep 2021	76	89
Oct 2021	80	89
Nov 2021	77	89
Dec 2021	73	89
Jan 2022	73	89
Feb 2022	75	89
Mar 2022	76	89
Apr 2022	74	89
May 2022	71	89
Jun 2022	71	89

The Days Cash on Hand shall be computed as:

Days Cash on Hand = Cash Available / Adjusted Operating Expense per Day

Where:

Cash Available = Cash and Investments

Source: KYMEA Statement of Net Position

Where:

Adjusted Operating Expense per Day = Monthly Purchase Power and Operating Expenses, less Monthly Depreciation, plus Previous Months' Adjusted Operating Expense Balance, divided by Cumulative Days of the fiscal year.

At the beginning of each fiscal year, the Previous Month's Adjusted Operating Expense

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Balance shall be reset as zero.

Source: KYMEA Consolidated Statements of Revenue, Expenses, and Changes in
Net Position

7. COVID-19 Rate Relief Plan (RRP)

In response to the COVID-19 pandemic, the Agency extended the KYMEA COVID-19 Rate Relief Plan ("RRP"). The RRP is aimed at alleviating the economic impact on the KYMEA Members. KYMEA and its membership stand together to provide much-needed relief to our customers. For the fiscal year 2022, the RRP lowers the DCOH minimum target from 71 days to 40 days.

Table 7.1 below shall be applicable for the collection of the ECA for the fiscal year 2022, supersedes Table 6.1, substituting the Minimum Target DCOH with the COVID-19 Rate Relief Plan Minimum Target DCOH.

Table 7.1

Month-Year	Minimum Target DCOH	COVID-19 Rate Relief Plan Minimum Target DCOH	Maximum DCOH
Jul 2021	65	40	89
Aug 2021	71	40	89
Sep 2021	76	40	89
Oct 2021	80	40	89
Nov 2021	77	40	89
Dec 2021	73	40	89
Jan 2022	73	40	89
Feb 2022	75	40	89
Mar 2022	76	40	89
Apr 2022	74	40	89
May 2022	71	40	89
Jun 2022	71	40	89

Approved: March 25, 2021
Effective: July 1, 2021

**KENTUCKY MUNICIPAL ENERGY AGENCY
ALL REQUIREMENTS PROJECT -- WHOLESALE POWER RATE SCHEDULE**

8. Direct Assigned Facilities Charges

The monthly fixed charges shown in the table below are the current LGE/KU Direct Assigned Facilities Charges stated in the KYMEA-LGE/KU Wholesale Distribution Service Agreement dated 03/01/2019 and amended effective 12/15/2020. These charges are based on investment in distribution facilities owned and operated by LGE/KU and include charges for substations, switchgear, and tap lines.

LGE/KU Direct Assigned Facilities Charges

AR Member	Monthly Fixed Charge
Barbourville	n/a
Bardwell	\$378.25
Corbin	n/a
Falmouth	\$7,189.75
Frankfort	n/a
Madisonville	n/a
Paris	n/a
Providence	\$1,290.64

The LGE/KU Direct Assigned Facilities Charges will be updated from time to time as needed to reflect changes in LGE/KU's charges under the Wholesale Distribution Service Agreement.

9. Power Factor Charge

Each AR Member is encouraged to take and use power in such a manner that the power factor, at the time of its monthly non-coincident peak demand, will not be less than ninety percent (90%).

If the AR Member's measured power factor, at the time of its monthly non-coincident peak demand, is less than ninety percent (90%), the Member will be assessed a Power Factor Charge as follows:

Power Factor Charge	\$2.80 per kVAR applied to the amount of reactive demand in kVAR by which the metered reactive demand exceeds the reactive demand at a 90% power factor
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The Agency will not assess and apply power factor charges to the Members unless the Agency is assessed similar charges from the Balancing Authority (BA) or Regional Transmission Organization (RTO), at which time the Agency will assess these charges to the Members.

**KENTUCKY MUNICIPAL ENERGY AGENCY
ALL REQUIREMENTS PROJECT -- WHOLESALE POWER RATE SCHEDULE**

10. Late Payment Charge

The Agency may impose a late payment charge equal to five percent (5%) of the unpaid balance on any power bill amounts not paid by the due date specified in the Contract.

11. COVID-19 Late Payment Protection Plan (LPPP)

In response to the COVID-19 pandemic, the Agency extended the KYMEA COVID-19 Late Payment Protection Plan ("LPPP"). The LPPP is aimed at alleviating AR member revenue collection deficiencies driven by the customer disconnect suspensions in the wake of the coronavirus.

The LPPP allows the Agency to work with AR Members who may only be able to pay a portion of their KYMEA power bill. The Agency may waive late fees and negotiate with the AR member to develop a payment schedule. The AR Member will be responsible for their power bill in its entirety by the end of the FY2022 fiscal year, at which time late payment charges may be imposed.

Schedule A to AR Rate Schedule

**KENTUCKY MUNICIPAL ENERGY AGENCY
ALL REQUIREMENTS PROJECT -- WHOLESALE POWER RATE SCHEDULE**

**SCHEDULE A
POINTS OF DELIVERY**

No.	Delivery Point Name	Voltage Level
1	Barbourville City	69kV
2	Bardwell City	69kV
3	Corbin 1 North	69kV
4	Corbin 2 South	69kV
5	Falmouth 4kV	69kV
6	Frankfort Myrick 1	69kV
7	Frankfort Myrick 2	69kV
8	Frankfort Myrick 3	69kV
9	Madisonville GE	69kV
10	Madisonville West	69kV
11	Madisonville East	69kV
12	Madisonville Hospital	69kV
13	Madisonville North	69kV
14	Madisonville McCoy Road	69kV
15	Paris City 1 (Scott Street)	69kV
16	Paris City 2 (Claysville)	69kV
17	Paris City 3 (Vine St)	69kV
18	Paris City 4 (Weaver Rd)	69kV
19	Providence 4kV	69kV
20	Providence East	69kV

Approved: March 25, 2021
Effective: July 1, 2021

RESOLUTION ESTABLISHING RATE SCHEDULES

WHEREAS, the Kentucky Municipal Energy Agency (“KYMEA”) has entered into All Requirements Power Sales Contracts (the “AR Contracts”) with certain of its Members (the “AR Members”) for the purpose of setting forth the terms and conditions relating to the proposed sale of electric power and energy requirements by KYMEA to the AR Members; and

WHEREAS pursuant to the AR Contracts, the All Requirements Project Committee (the “AR Project Committee”) consisting of all AR Members is tasked with the responsibility of developing and designing the rates in accordance with generally accepted ratemaking principles and procedures to provide revenues to meet the anticipated revenue requirements of KYMEA (the “Revenue Requirements”) to furnish electric power and energy to the AR Members; and

WHEREAS, pursuant to the AR Contracts, the KYMEA Board of Directors shall establish and maintain rates under the AR Contracts that will provide revenues which are sufficient, but only sufficient, to meet the anticipated Revenue Requirements of KYMEA in providing electric power and energy to its AR Members; and

WHEREAS, the KYMEA Board of Directors shall not unreasonably withhold its approval and establishment of all requirements rates developed by the AR Project Committee; and

WHEREAS, additionally, the KYMEA Board of Directors shall establish rates and charges for all products and services KYMEA provides to its Members which shall be consistent with prudent utility practice;

NOW THEREFORE BE IT RESOLVED:

Section 1. AR Project Committee Rate Schedule. The AR Project Committee has designed and developed a rate schedule, budget proposal and the methodology for recovery of the costs and expenses associated with the provision of electric power and energy requirements under the AR Contracts and has submitted said Rate Schedule to the KYMEA Board of Directors for approval.

Section 2. Approval of AR Rate Schedule. After review of the All Requirements Project – Wholesale Power Rate Schedule attached hereto as Exhibit A (the “AR Rate Schedule”), the KYMEA Board of Directors hereby (i) determines that the AR Rate Schedule has been developed in accordance with generally accepted ratemaking principles and procedures and is consistent with prudent utility practice and will provide revenues which are sufficient to meet the anticipated Revenue Requirements of KYMEA in providing electric power and energy to its AR Members and (ii) approves the AR Rate Schedule and the implementation of the rates set forth therein.

Section 3. Approval of Rates for Other Member Services and Benefits. The KYMEA Board of Directors has reviewed and approved a proposed budget for Fiscal Year ending June 30, 2022 and hereby adopts and approves a rate schedule which is attached hereto as Exhibit B (the “Member Rate Schedule”) for services and benefits for those Members who are not AR Members.

Section 4. Effective Dates. The AR Rate Schedule and the Member Rate Schedule shall be effective July 1, 2021 and shall remain in effect until amended and revised.

Adopted and approved on March 25, 2021

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

The next Regular Meeting is Thursday, April 22nd at 10 am at the KYMEA offices.

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

J. Closed Session



Closed Session Authorization for March 25, 2021 KYMEA Board Meeting

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

- (i) discussing proposed, potential or pending litigation relating to KYMEA and its members relating to transmission issues

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

Actions Related to Closed Session

K. Actions Related to Closed Session
None Expected



Adjournment

