



Board Packet

July 21, 2021





KENTUCKY MUNICIPAL ENERGY AGENCY

July 21, 2021	Committee Reports	Administration Reports	Discussion Topics	Action Items
	AR Project Committee	CEO	FY2021 Budget to Actual Results	Weighted Voting Update
		Finance and Accounting	Emergency Response Plan	DEI PPA
		Market Analytics		Integrated Resource Plan
		Member Communications		

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

September 30, 2021	Committee Reports	Administration Reports	Discussion Topics	Action Items
	Executive	CEO		Financial Audit Report
	BROC	Finance and Accounting		
		Market Analytics		
		Member Communications		

October 28, 2021	Committee Reports	Administration Reports	Discussion Topics	Action Items
		CEO		
		Finance and Accounting		
		Market Analytics		
		Member Communications		



KENTUCKY MUNICIPAL ENERGY AGENCY

November 17, 2021	Committee Reports	Administration Reports	Discussion Topics	Action Items
	Budget Committee	CEO		
	Compensation Committee	Finance and Accounting		
		Market Analytics		
		Member Communications		

December 15, 2021	Committee Reports	Administration Reports	Discussion Topics	Action Items
	Budget Committee	CEO		
	BROC	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 Special Combined Meeting of the AR Project Committee and KYMEA Board of Directors

**Location: WebEx Video Meeting (if you would like to attend, please contact mhixon@kymea.org)
1700 Eastpoint Pkwy Ste. 220, Louisville, KY 40223
Wednesday, July 21, 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 FY2021 Budget to Actual Results
- F.2 Emergency Response Plan

G. Recess of the KYMEA Board Meeting for the AR Project Committee Meeting

H. AR Committee

- H.1 Selection of Chairman
- H.2 Weighted Voting Update
- H.3 Duke Energy Indiana PPA

I. Adjourn the AR Project Committee Meeting and Return to the KYMEA Board Meeting

J. Action Items

- J.1 Weighted Voting Update
- J.2 Duke Energy Indiana PPA
- J.3 Integrated Resource Plan

K. Public Comments

L. Upcoming Meetings & Other Business

M. Closed Session



N. Actions Related to Closed Session

O. Adjournment

Meeting Minutes





Minutes 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, June 24, 2021, 10 am**

A. Meeting Opening

A.1. Attendance: Taken at 10:13 am

Present Board Members:

Josh Callihan
Ronald Herd
Mike Withrow
Kevin Frizzell
Kevin Howard
Gary Zheng

Absent Board Members:

Chris Melton
Carl Shoupe
Doug Hammers
Philip King
Ramona Williams

Staff Present:

Michelle Hixon
Heather Overby
Doug Buresh
Rob Leesman
Molly Roesler

Others Present:

Charles Musson
Hance Price
Vent Foster
David Denton
Latif Nurani
Tom Trauger



Anna Marie Pavlik Rosen
Brown Thornton
John Painter

A.2. Guest introductions: None made.

A.3. Call to Order: Chairman, Josh Callihan, called the meeting to order at 10:13 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 Regular meeting of the KYMEA Board of Directors on May 27, 2021.

Motion Passed: Approval of the May 27, 2021 meeting minutes of the Annual Meeting of the KYMEA Board of Directors passed with a motion by Kevin Howard and a second by Ron Herd.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Absent
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 May 2021 Financial Reports

Motion Passed: Motion to approve the May 2021 financial reports passed with a motion Mike Withrow and seconded by Kevin Frizzell.

6 Yeas - 0 Nays.

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

D. Committee Reports

No committee reports were given.

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 MISO Curtailment Event

F.2 Integrated Resource Plan

G. Action Items

G.1 Open Records Policy Update

Motion Passed: Motion to adopt the updated Open Records Policy presented passed with a motion by Mike Withrow and a second by Ronald Herd.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Absent
Mike Withrow	Yes



Carl Shoupe	Absent
Philip King	Absent
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Vent Foster	Yes
(Alternate for Gary Zheng)	

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.

Anna Marie gave a statement that she was sad to hear the KU transmission costs were increased over 26%. She asked that KYMEA consider a solar project in Frankfort to help with transmission costs.

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.

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, WebEx Video Meeting
Thursday, April 22, 2021, 10:00 AM Eastern Time, WebEx Video Meeting
Thursday, May 27, 2021, 10:00 AM Eastern Time, WebEx Video Meeting
Thursday, June 24, 2021, 10:00 AM Eastern Time, WebEx Video Meeting
Wednesday, July 21, 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



J. Closed Session

Closed Session Authorization for June 24, 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:

discussing proposed, potential or pending litigation relating to KYMEA and its members relating to transmission issues; and

presenting and discussing the proposals received in response to the RFP for Intermediate Capacity and Energy Resources.

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 closed session passed with a motion by Kevin Howard and a second by Ronald Herd.

6 Yeas - 0 Nays.

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

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



6 Yeas - 0 Nays.

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

K. Actions Related to Matters Discussed in Closed Session

Motion Passed: Motion to direct staff to work with Spiegel, NewGen, and Front to investigate and undertake an information request related to the LG&E/KU transmission rate increase passed with a motion by Ronald Herd and a second by Kevin Frizzell.

6 Yeas - 0 Nays.

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



L. Adjournment

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

6 Yeas - 0 Nays.

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

X

Chairperson

X

Secretary

Financial Reports





KENTUCKY MUNICIPAL ENERGY AGENCY



Financial Presentation

July 21, 2021

Heather Overby

Statement of Net Position – June 2021

DRAFT

CURRENT ASSETS

	Jun 2021
Cash and Investments	\$14,432,906 (1)
Other Receivables	7,641,063 (2)
Interest Receivable	0
Prepayments & Other Current Assets	0
Total Current Assets	\$22,073,969

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

Statement of Net Position – June 2021

DRAFT

NON-CURRENT ASSETS

Pledged Collateral	3,189,845	(3)
Investment in SEDC	949	
Fixed Assets Clearing Account	104,330	
Office Buildout	260,238	
Meters - AR Project	215,985	
Meter Comm Equipment	330,672	
General Plant	784,575	
Construction Work In Progress	0	
Less Accumulated Depreciation	(443,884)	
Total Non-Current Assets	\$4,442,710	
Total Assets	\$26,516,679	

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

Statement of Net Position – June 2021

DRAFT

LIABILITIES

Accounts Payable	11,981,639	(4)
Accrued Employee Benefits	162,824	
Accrued Interest Payable	13,271	
Total Current Liabilities	\$12,157,733	
Deferred Lease Liability	37,241	(5)
Line of Credit	0	(6)
Total Non-Current Liabilities	\$37,241	
Total Liabilities	\$12,194,975	

NET POSITION

Invested in capital assets, net of related debt	1,251,916	
Restricted	3,189,845	
Unrestricted	9,879,944	
Total Net Position	\$14,321,705	(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– June 2021

DRAFT

OPERATING REVENUE

	Jun 2021	YTD FY2021	
Sales to Members	\$7,265,849	\$75,172,129	(8)
RTO Market Revenue	\$35,097	\$272,812	(9)
Transmission Services	\$95,612	\$1,092,233	(10)
Miscellaneous Revenue	\$4,000	\$12,000	
Total Operating Revenue (Expenses)	\$7,400,558	\$76,549,174	

OPERATING EXPENSES

Transmission	\$1,199,331	\$8,836,485	(11)
Production	\$5,474,466	\$62,521,996	(12)
Admin. and General	\$266,345	\$2,563,289	
Depreciation	\$15,575	\$186,506	
Total Purchase Power and Operating Expenses	\$6,955,717	\$74,108,277	
Operating Income	\$444,841	\$2,440,898	

NON-OPERATING REVENUE

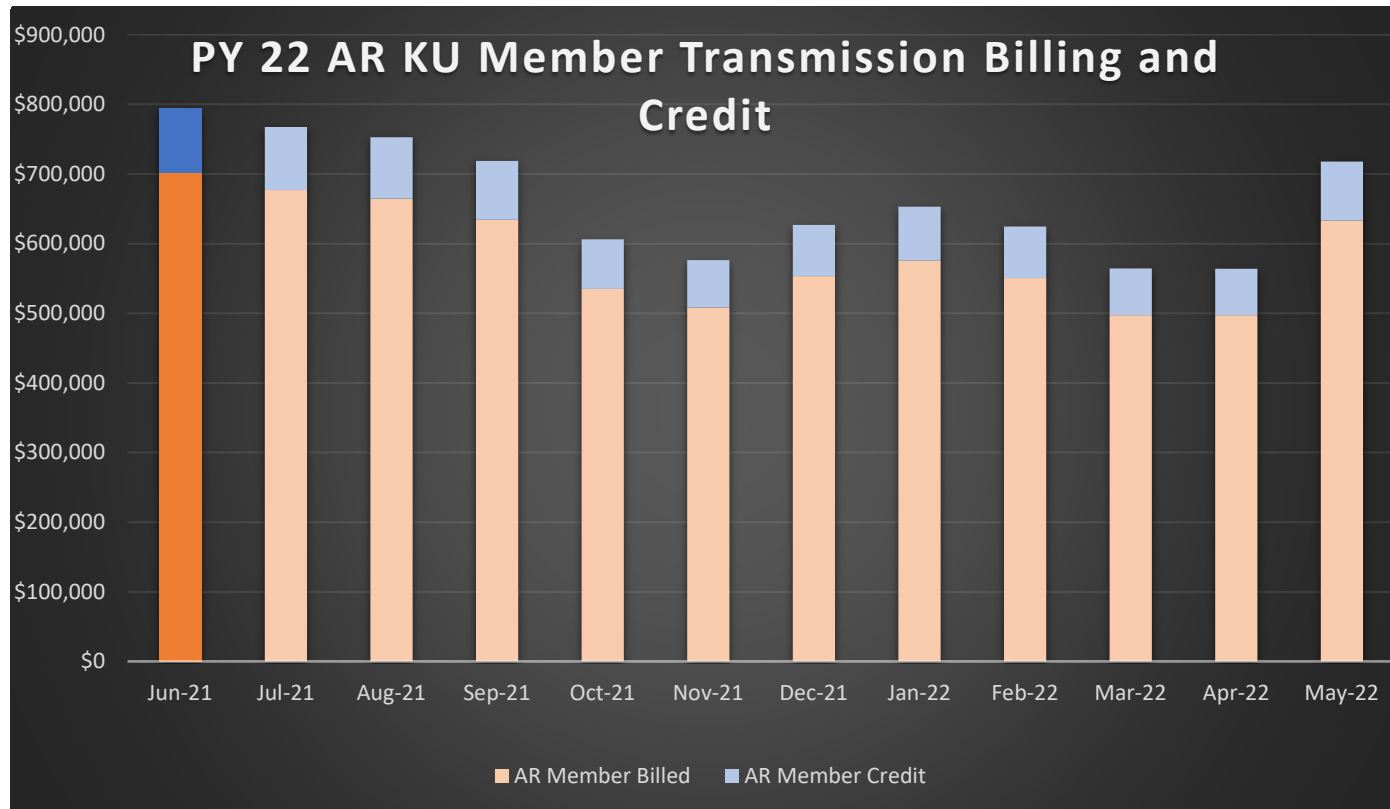
Interest Expense on Debt	(\$4,229)	(\$18,044)	
Interest Income	\$13	\$12,227	
Other Non-Operating Income (Expense)	(\$6,015)	(\$58,926)	
Regulatory Credit/Debit - Cost to be Recovered	\$0	\$0	
Total Non-Operating Revenues (Expenses)	(\$10,231)	(\$64,742)	

NET POSITION CHANGES

Change in Net Position	\$434,610	\$2,376,155	(13)
Net Position at Beginning of Period	\$13,887,094	\$11,945,549	
Net Position at End of Period	\$14,321,705	\$14,321,705	

- 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) Positive MTD Net Income/ Positive YTD Net Income

KU Transmission Billing and Credit –June 2021



Cumulative AR Transmission Credit: \$93,395

Indirect Statement of Cash Flows – June 2021

DRAFT

CASH FROM OPERATING ACTIVITES	Jun 2021	YTD FY2021	
Net Income	\$434,610	\$2,376,155	(14)
Depreciation	15,575	186,506	
Accounts Receivable	(937,209)	(20,817)	(15)
Prepayments & Other Current Assets		11,123	
Deferred Debits	0	0	
Other Reg Assets & Deferred Outflow of Resources	0	0	
Accounts Payable	804,488	3,504,182	(15)
Collateral Deposits	0	0	
Taxes & Interest Accrued	5,245	20,852	
Other Current Liabilities	1,027	47,332	
Deferred Credits	(263)	(1,419)	
Net Cash Provided by (Used in) Operation	\$323,474	\$6,123,913	
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Additions to Plant	(12,123)	(121,050)	
Net Change in Other Prop & Invest	(13)	(511,566)	
Other - Asset Retirement Obligations	0	0	
Net Cash Provided by (Used in) Investing	(\$12,137)	(\$632,616)	
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	\$311,337	\$5,491,297	
Cash & Temp Investments Beginning of Period	\$14,121,568	\$8,941,609	
Cash & Temp Investments End of Period	\$14,432,906	\$14,432,906	(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 – June 2021

DRAFT



KEY FINANCIAL METRICS

FY2021 Actuals Through June 2021 + Budget

Days Cash on Hand

71.26 ▲

Target: 63.00

Leverage

6.98 ▲

Target: 7.08

Coverage of Full Obligations

1.06 ▼

Target: 1.03

Debt Service Coverage

1.06 ▼

Target: 1.04

Financial Metrics – June 2021

DRAFT

Days Cash On Hand

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

\$14.4M

Unrestricted Cash

\$14.4M EOY Projection

\$202,525

Adjusted Operating Expense per Day

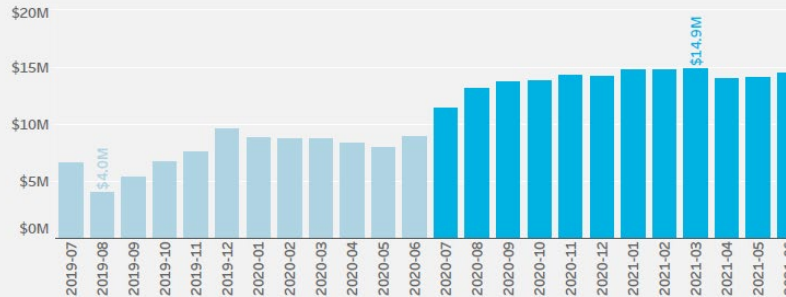
\$73.92M / 365 days

71.26

Days Cash on Hand

Target: 63.00

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.

\$14.4M

Unrestricted Cash

\$14.4M EOY Projection

\$202,525

Adjusted Operating Expense per Day

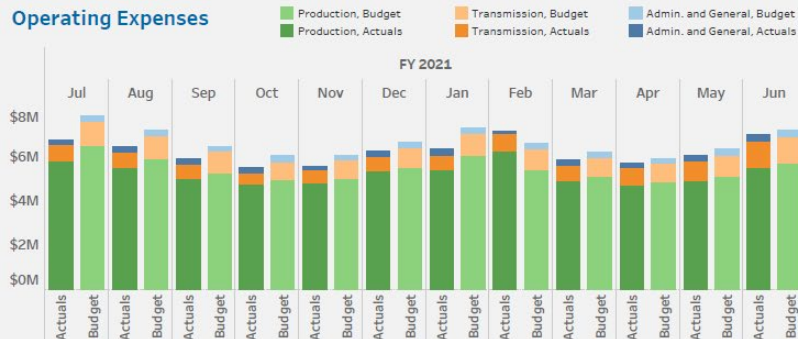
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Days Cash on Hand

Target: 63.00

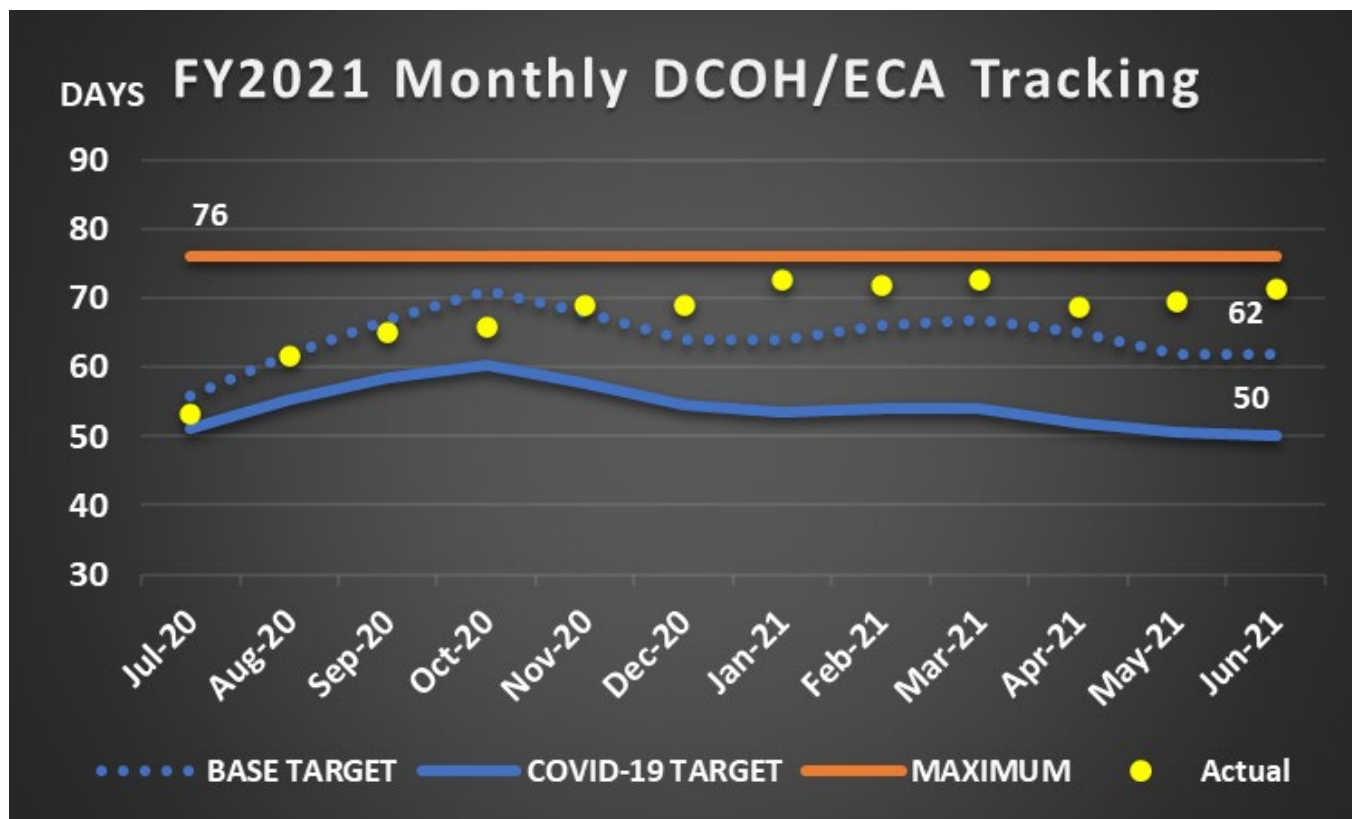
Operating Expenses



Unrestricted Cash

Adjusted Operating Expenses

Financial Metrics – June 2021



Financial Metrics – June 2021

DRAFT

Leverage

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

6.98

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.

6.98

Target: 7.08

Net Adjusted Debt

Adjusted Funds Available
for Debt Service

Adjusted Funds Available for Debt Service



Financial Metrics – June 2021

DRAFT

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

\$43.51M

Administrative &
General Expense

\$2.56M

EBITDA &
Interest Income

\$2.54M

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

\$43.51M

EBITDA &
Interest Income

\$2.54M

DRAFT

Statement of Net Position

FY2021 Actuals as of June 2021

CURRENT ASSETS	Jun 2021
Cash and Investments	\$14,432,906
Other Receivables	7,641,063
Interest Receivable	0
Prepayments & Other Current Assets	0
Total Current Assets	\$22,073,969
NON-CURRENT ASSETS	
Pledged Collateral	3,189,845
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Statement of Revenue, Expenses, and Changes in Net Position

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Indirect Statement of Cash Flows

FY2021 Actuals as of June 2021

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Long Term Borrowings	0	0
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Net Cash Provided By (Used in) Financing	\$0	\$0
NET INCREASE (DECREASE) IN CASH & TEMP INVESTMENTS		
Net Increase (Decrease) in Cash & Temp Investments	\$311,337	\$5,491,297
Cash & Temp Investments Beginning of Period	\$14,121,568	\$8,941,609
Cash & Temp Investments End of Period	\$14,432,906	\$14,432,906

Month Ending
2021-06

Reconciliation Transactions Report

07/09/21 01:15:38 PM

06/01/21-06/30/21 131.00 CASH

User Id: 2014

Statement Ending Balance :	14,432,905.73
Outstanding Payments(-) :	.00
Adjustments in Transit(+) :	.00
Deposits in Transit(+) :	.00
Adjusted Bank Balance :	<div><div></div>14,432,905.73</div>
Book Balance :	14,432,905.73
Pending Adjustments :	.00
Adjusted Book Balance :	<div><div></div>14,432,905.73</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

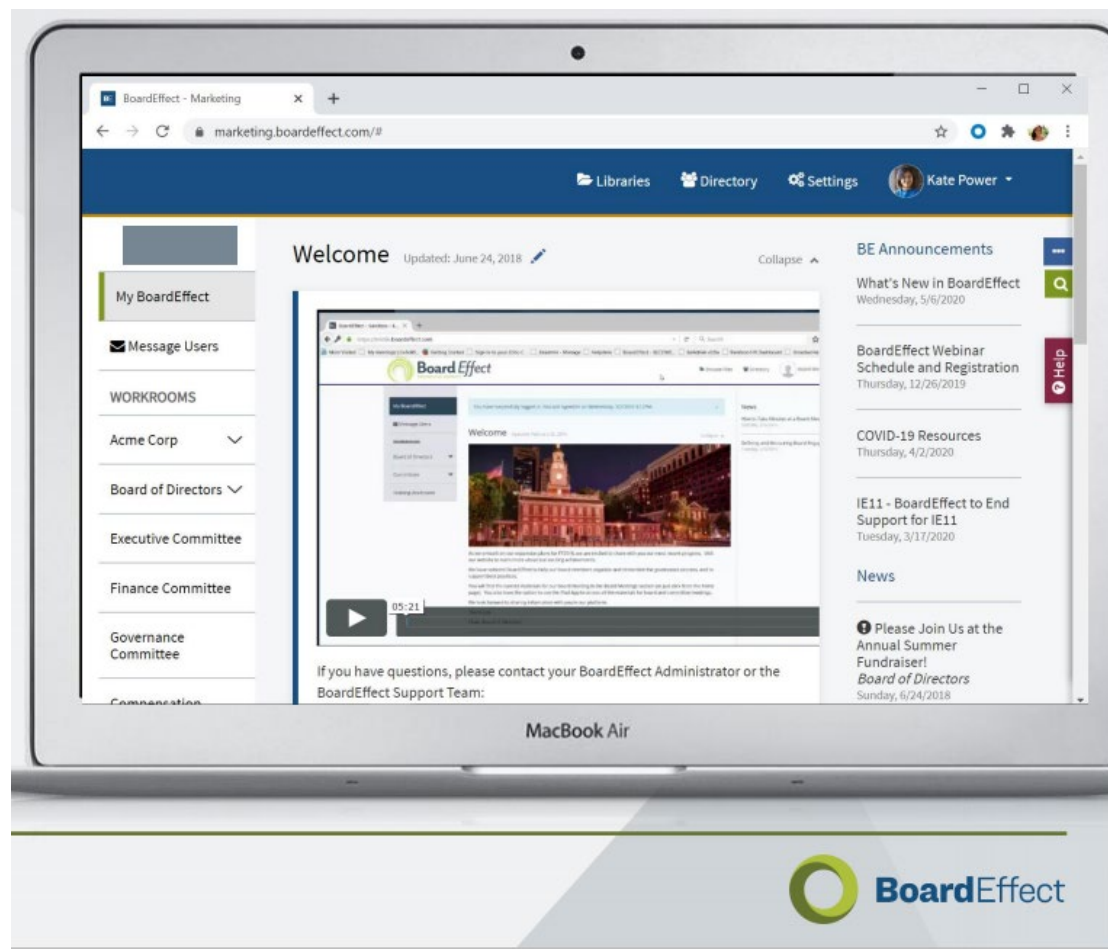
July 21, 2021

New Board Portal

Coming Soon

Over the next month or so, KYMEA will transition from our current Board portal to BoardEffect.

BoardEffect has a modern look and feel and provides far more functionality for organizing Board meetings and Board materials.





KENTUCKY MUNICIPAL ENERGY AGENCY



June 2021 Market Report

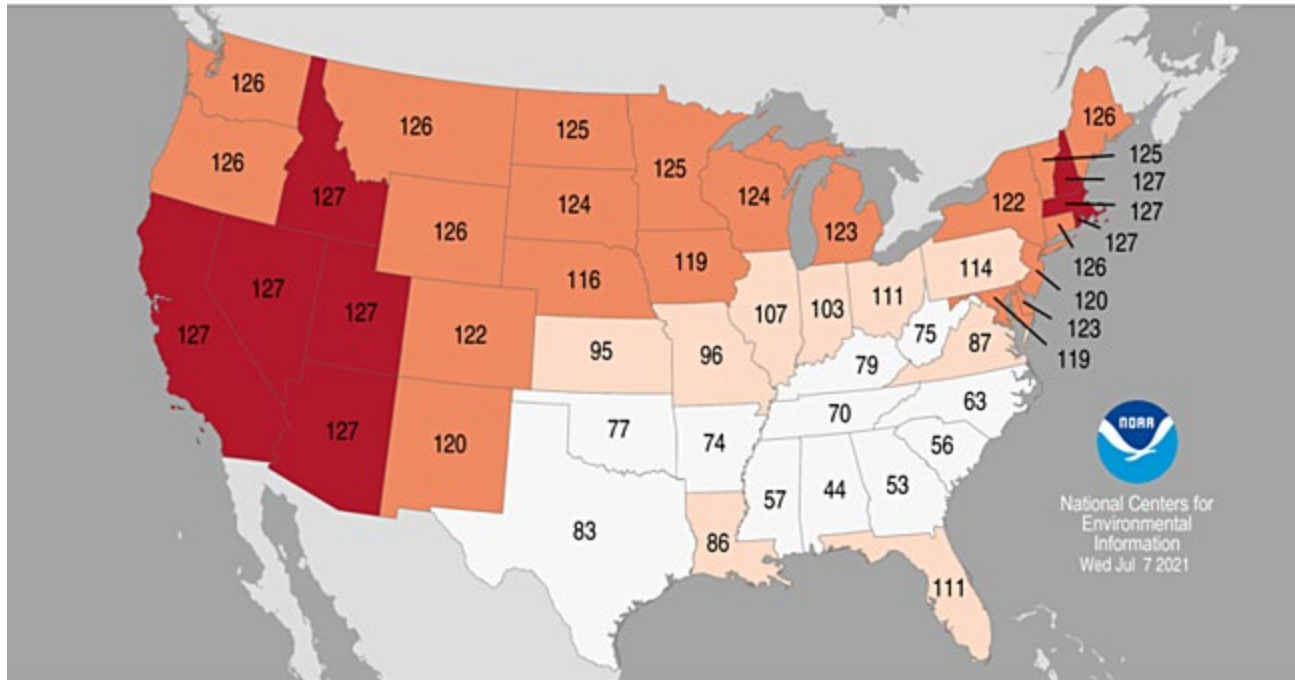
Rob Leesman

July 21, 2021

Statewide Average Temperature Ranks

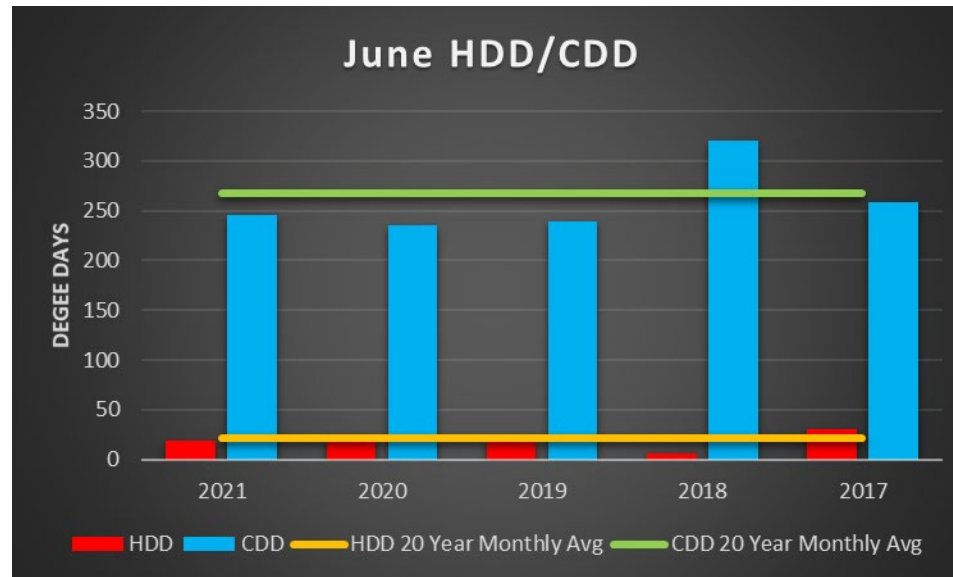
June 2021

Period: 1895–2021

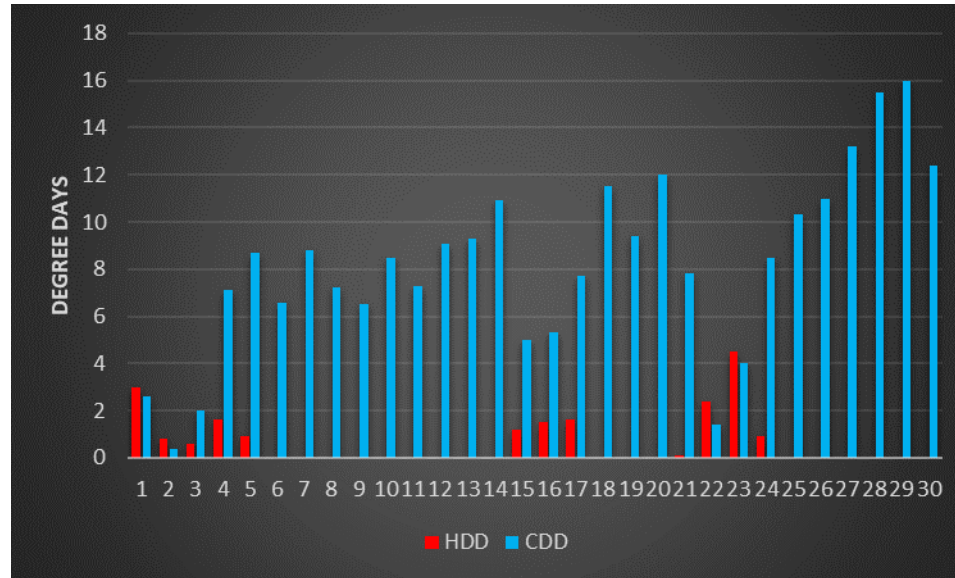


National Centers for
Environmental
Information
Wed Jul 7 2021

Degree Days



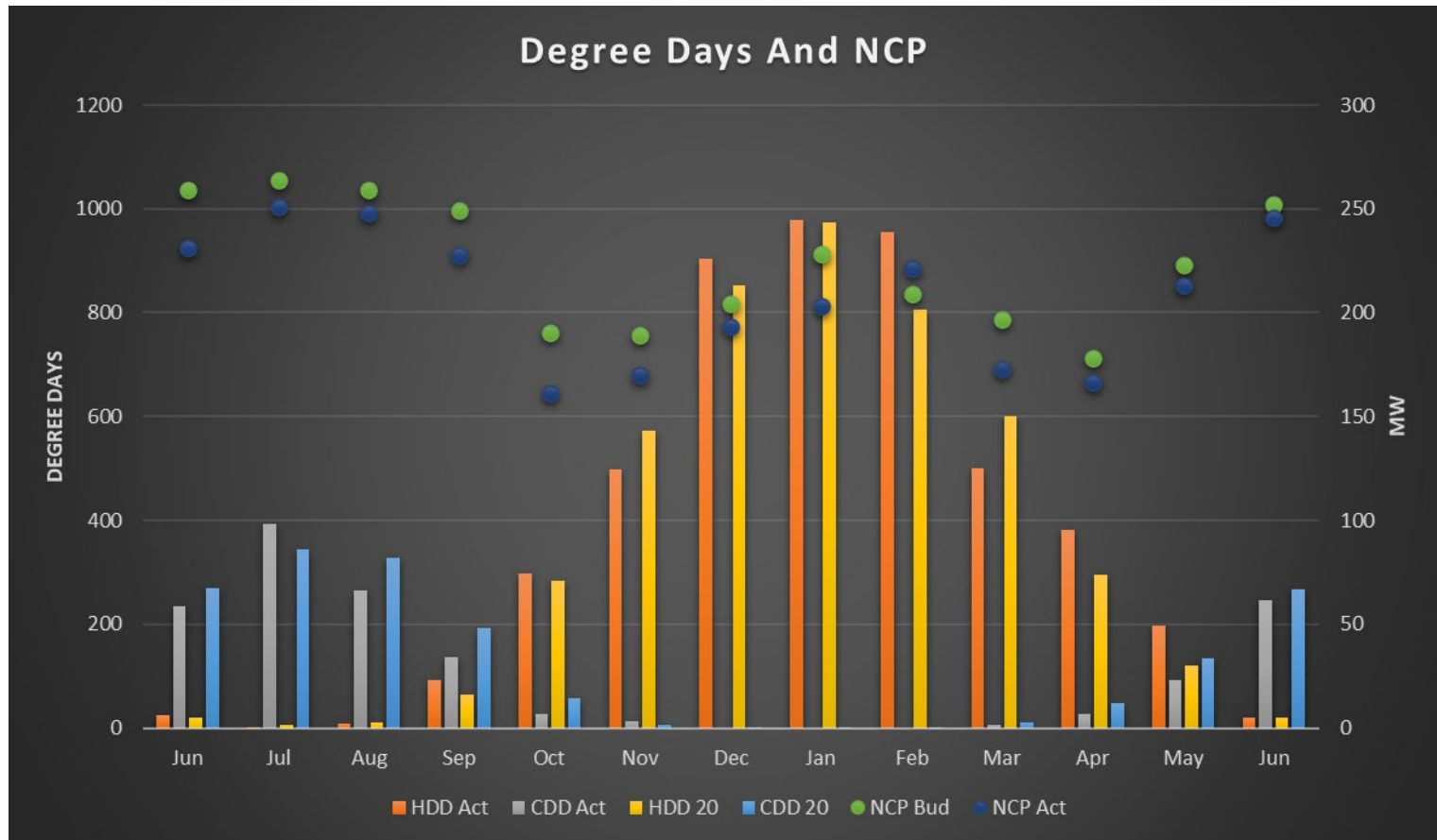
Degree Days



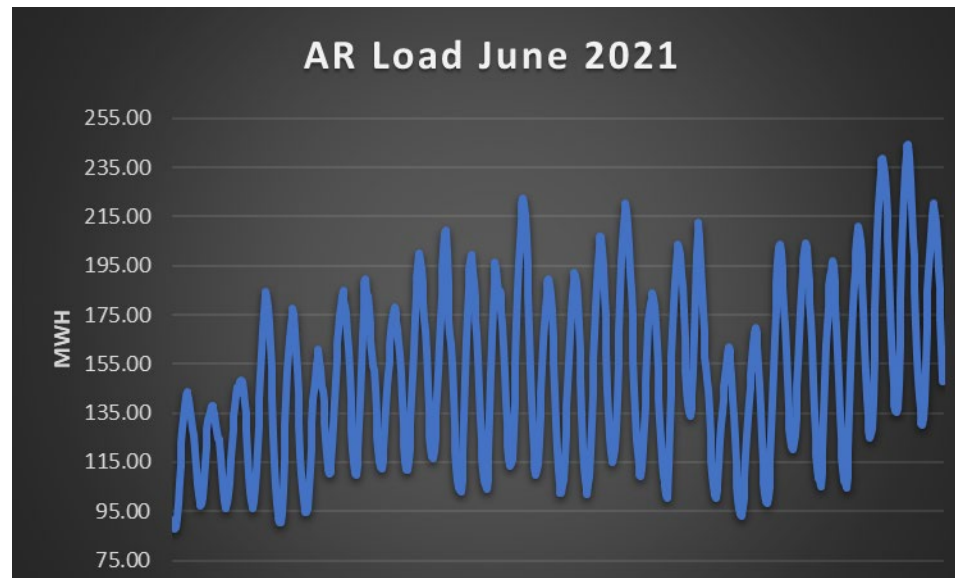
How can there be HDDs and CDDs on the same day?

- Provider utilizes an Integration Method, which accounts for temperature variations each day.
- If the high temperature in a given day is 85° and the low temperature is 45°, the basic HDD/CDD calculation would result in 0. However, there is a high probability that a building would require heating during the low nighttime temperatures and would require cooling during the high afternoon temperatures.

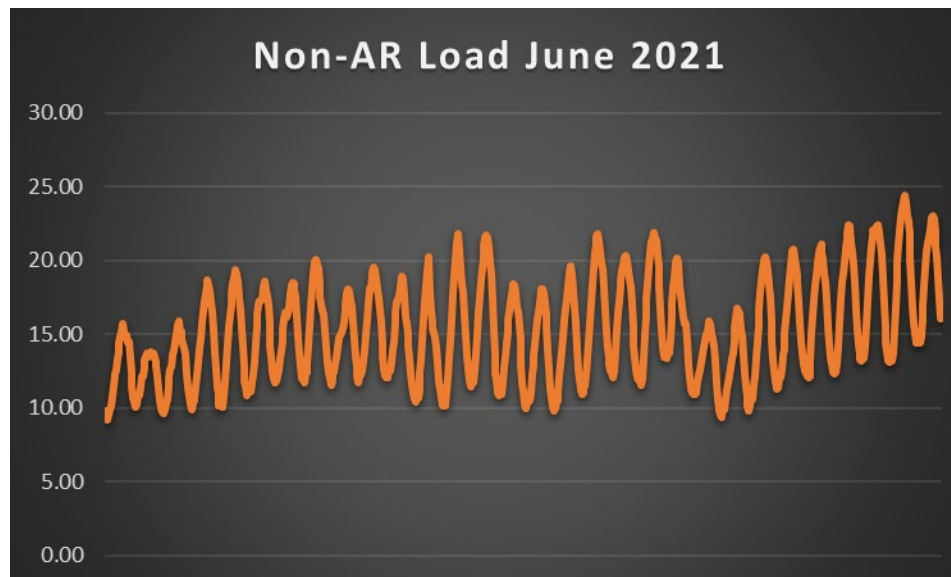
Degree Days



AR Load June 2021



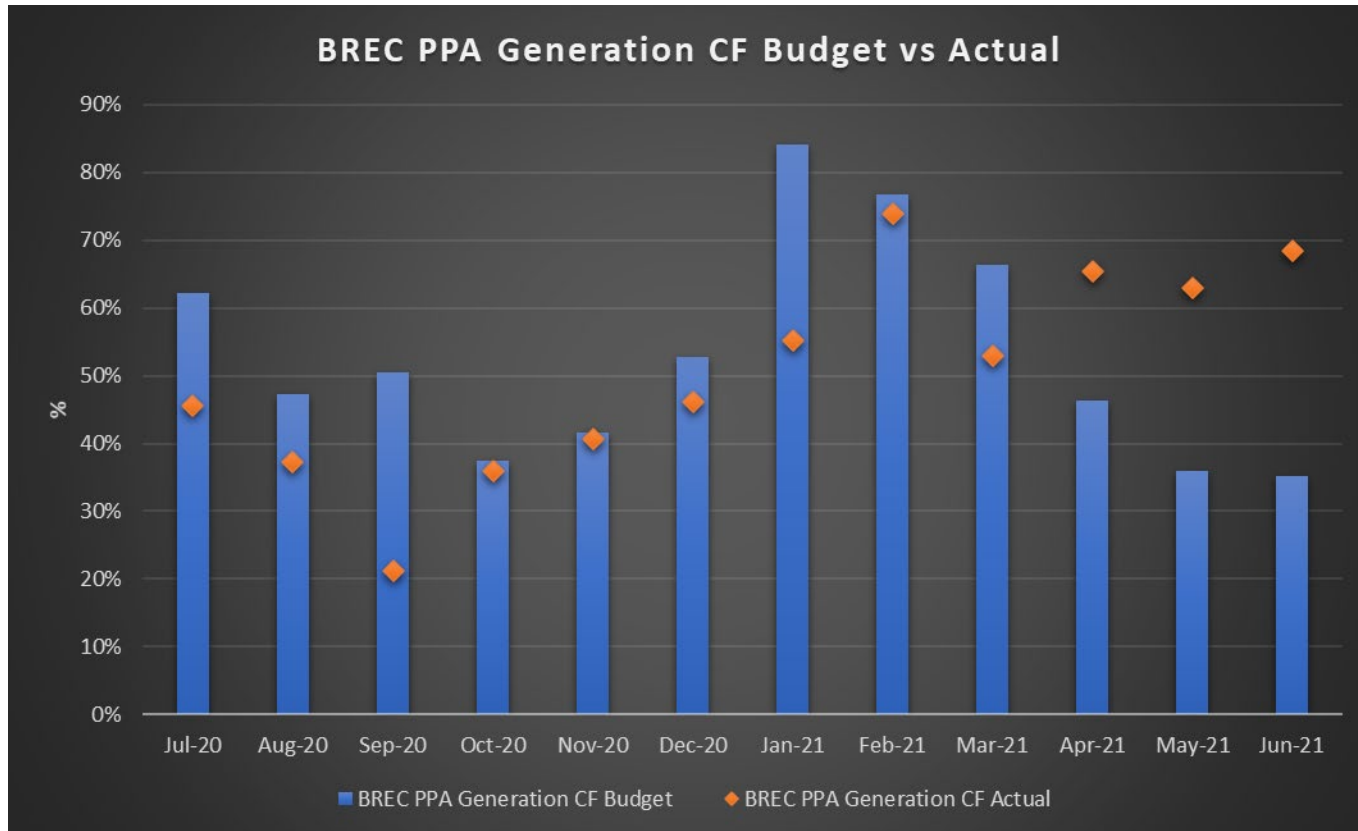
Non-AR Load June 2021



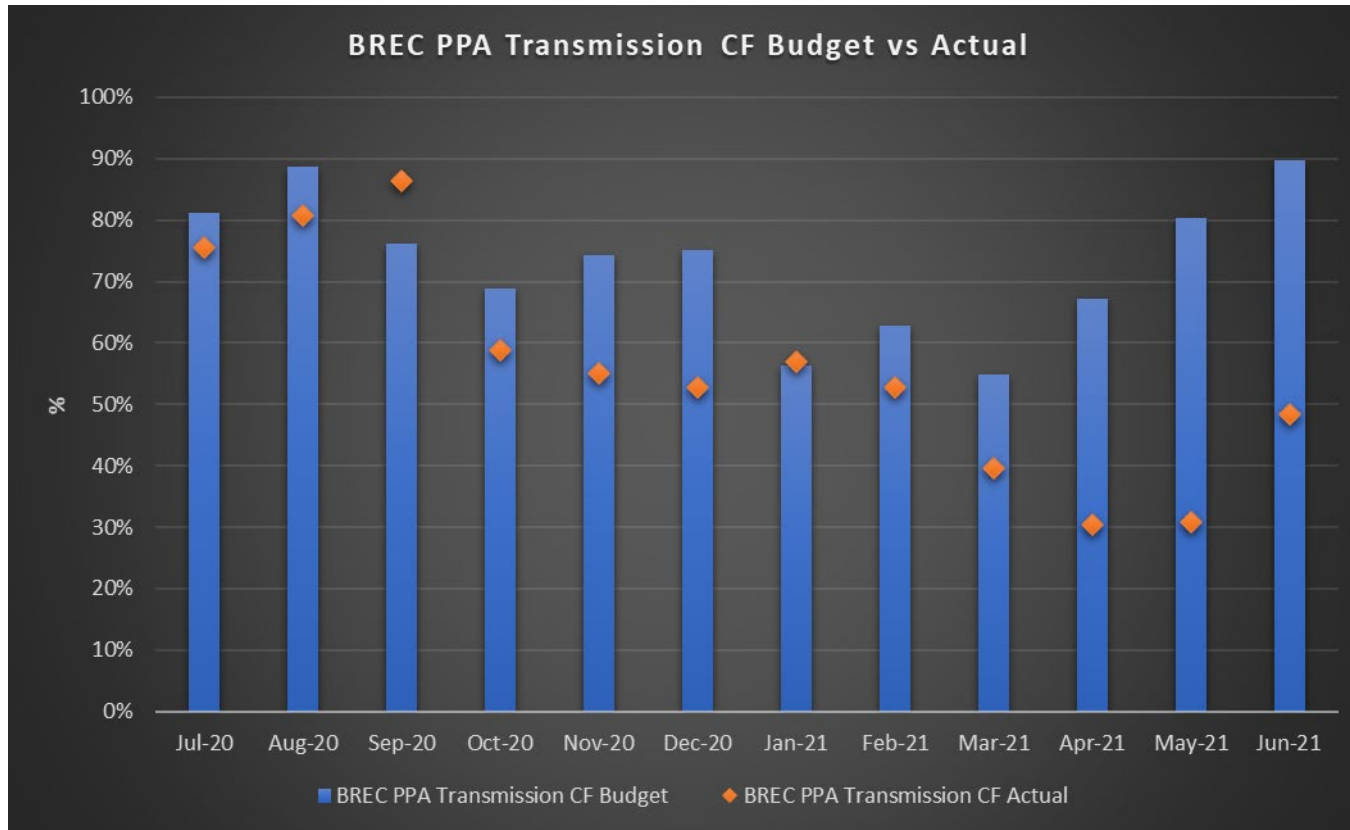
June 2021 Snapshot

Jun-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	7,616	7,456	98%	17.72	18.00	102%	6/29/2021 4:00 PM
Bardwell	854	847	99%	2.01	2.03	101%	6/29/2021 5:00 PM
Benham	377	370	98%	0.90	0.98	109%	6/29/2021 5:00 PM
Berea	10,969	10,633	97%	23.86	23.42	98%	6/29/2021 5:00 PM
Corbin	7,778	7,387	95%	18.49	18.15	98%	6/29/2021 4:00 PM
Falmouth	1,708	1,694	99%	4.12	4.17	101%	6/29/2021 4:00 PM
Frankfort	62,935	57,754	92%	135.15	127.82	95%	6/29/2021 3:00 PM
Madisonville	27,851	25,436	91%	57.39	54.79	95%	6/29/2021 4:00 PM
Owensboro	70,306	79,949	114%	164.00	176.00	107%	
Paris	4,934	5,770	117%	11.65	15.64	134%	6/29/2021 5:00 PM
Providence	2,504	2,850	114%	5.79	6.51	113%	6/28/2021 4:00 PM
AR	116,180	109,194	94%	252.30	247.11	98%	
Non-AR	11,347	11,003	97%	24.76	24.39	99%	
All	127,526	120,197	94%	277.06	271.51	98%	
Total	197,832	200,146	101%	441.06	447.51	101%	

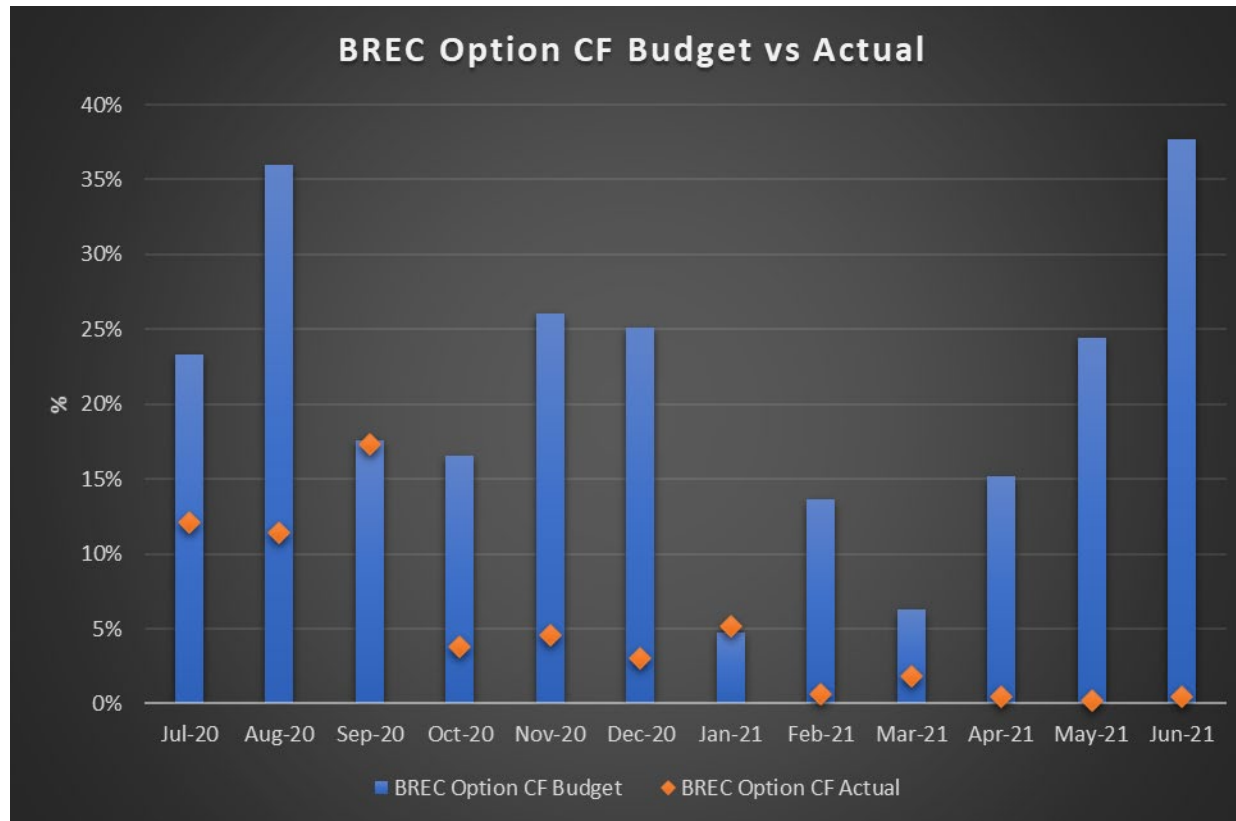
BREC Gen PPA Capacity Factor FY 21



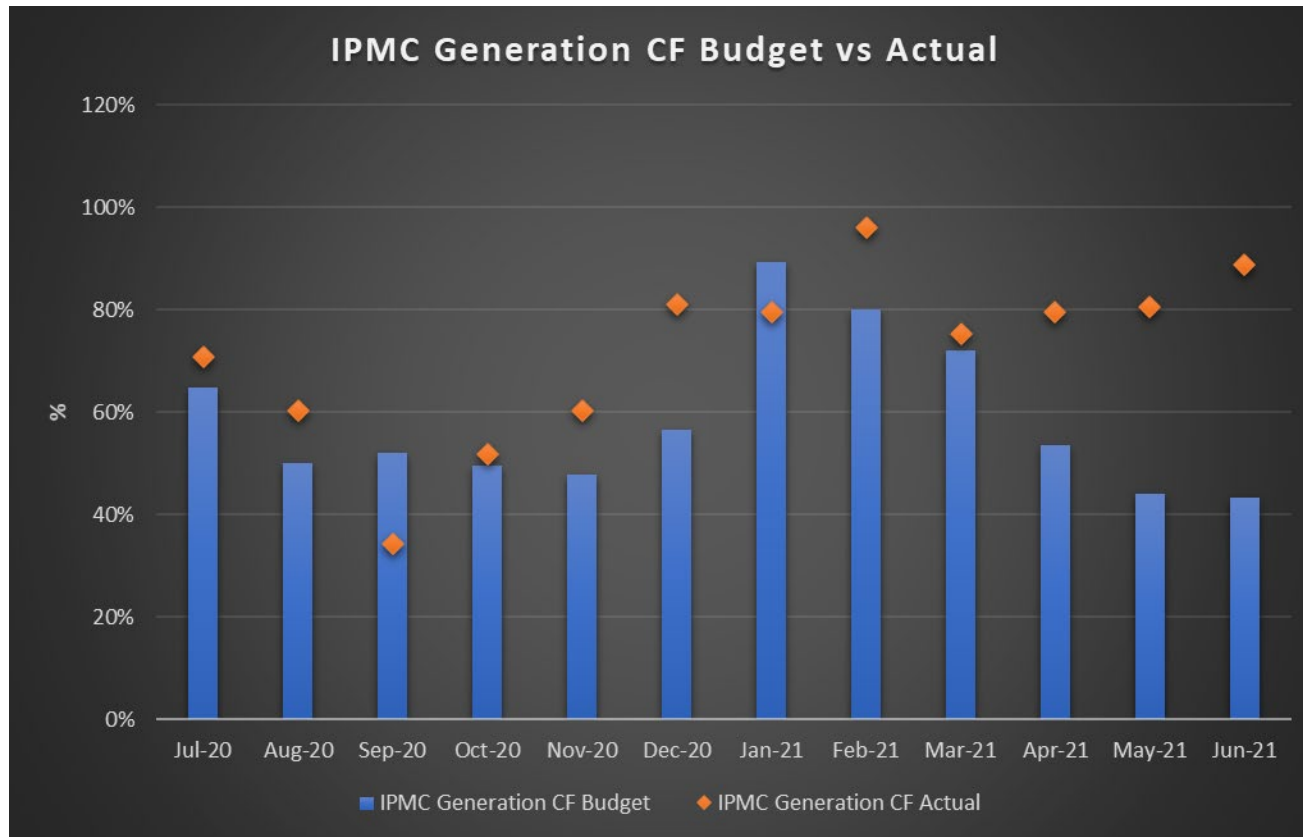
BREC Trans PPA Capacity Factor FY 21



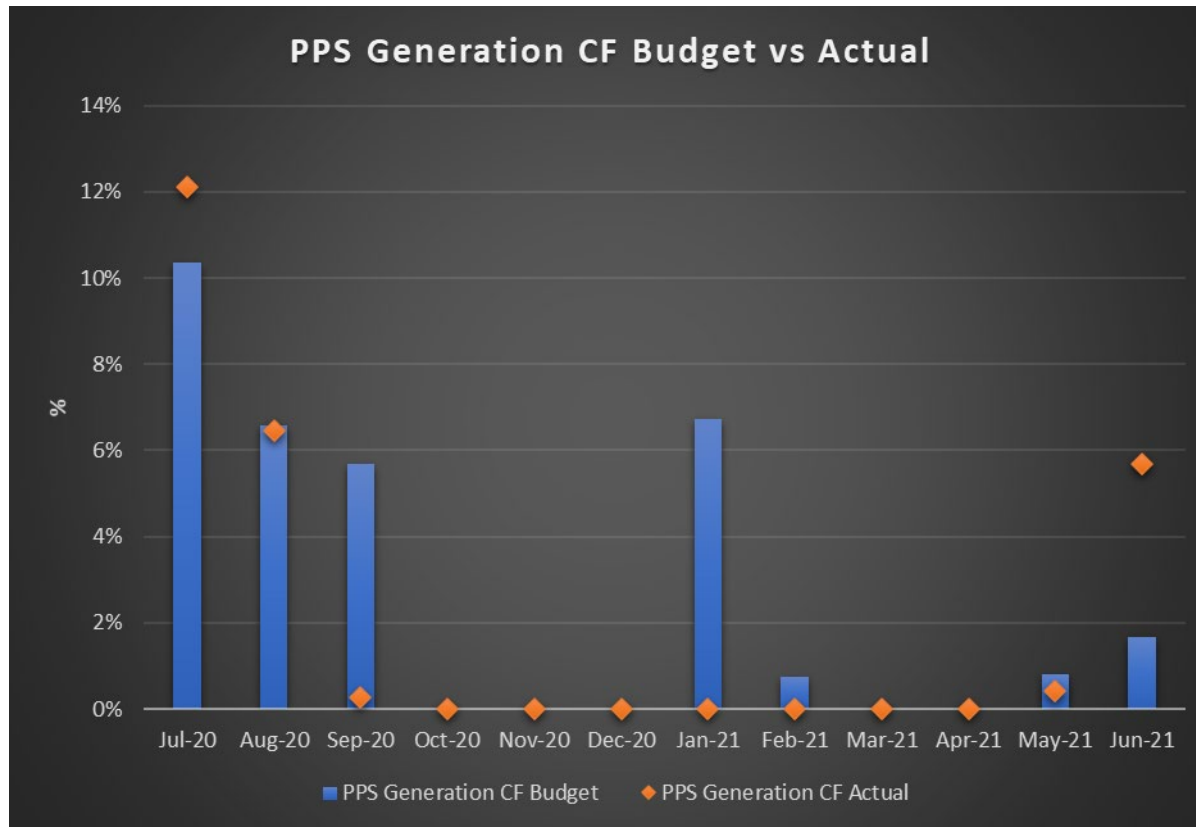
BREC Option Capacity Factor FY 21



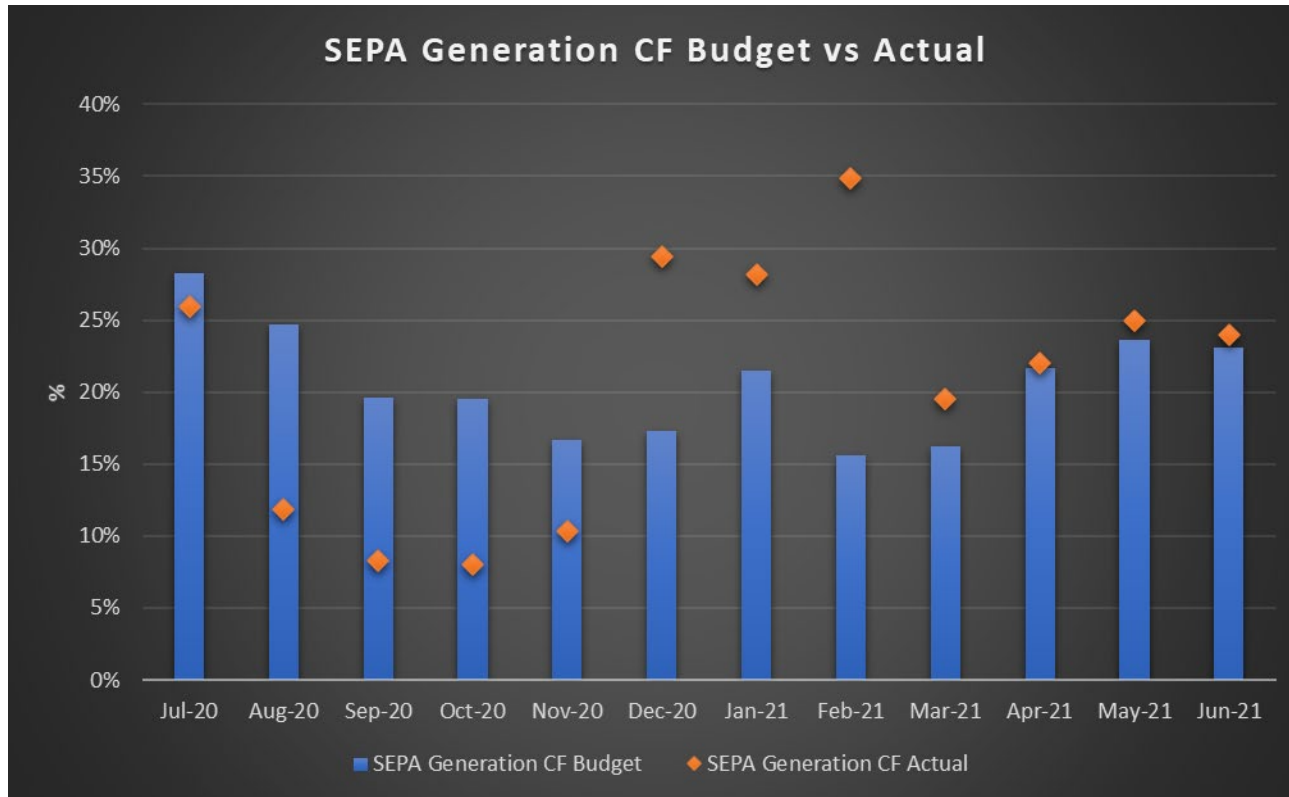
EEI/LGEE Capacity Factor FY 21



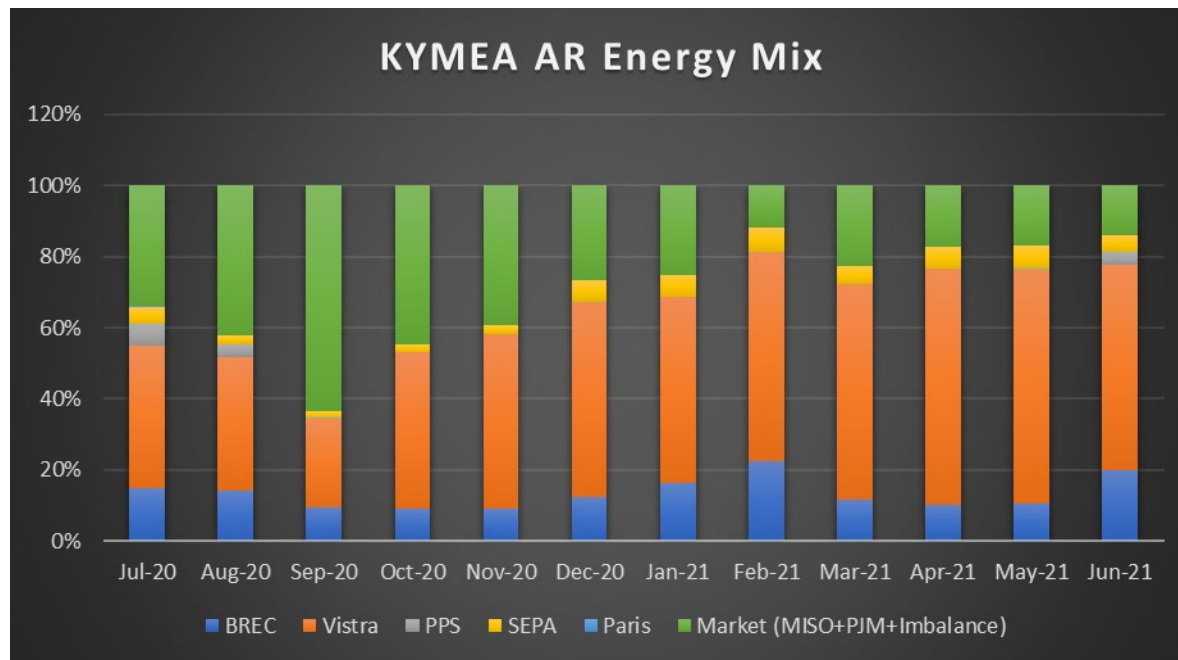
PPS PPA Capacity Factor FY 21



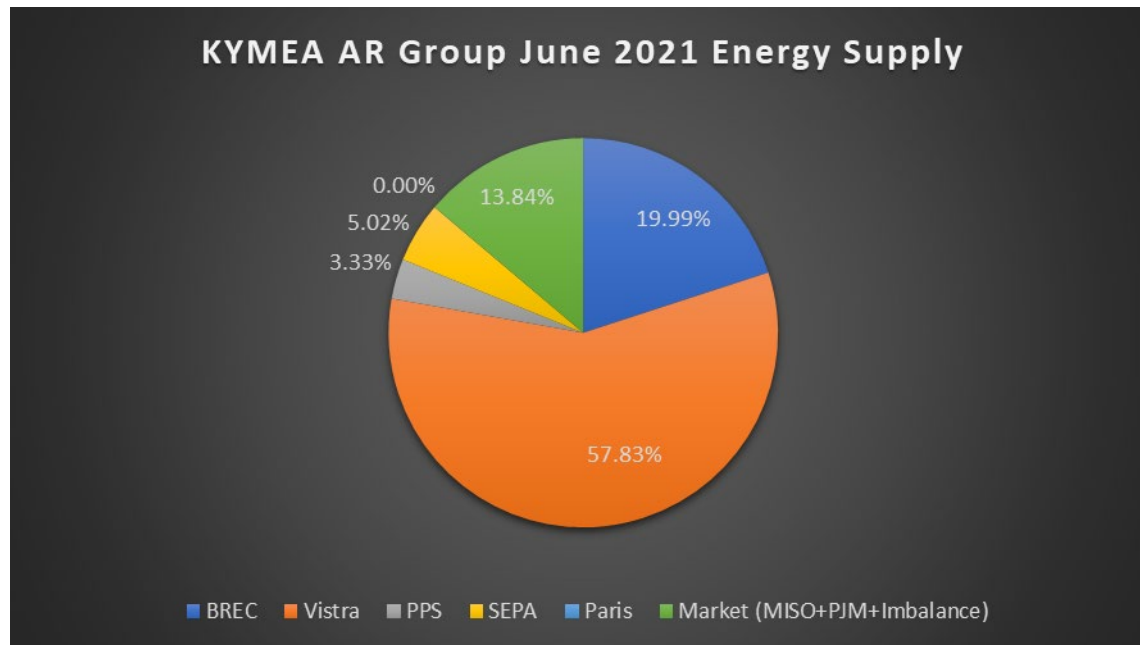
SEPA Capacity Factor FY 21



KYMEA AR Energy Mix FY 21

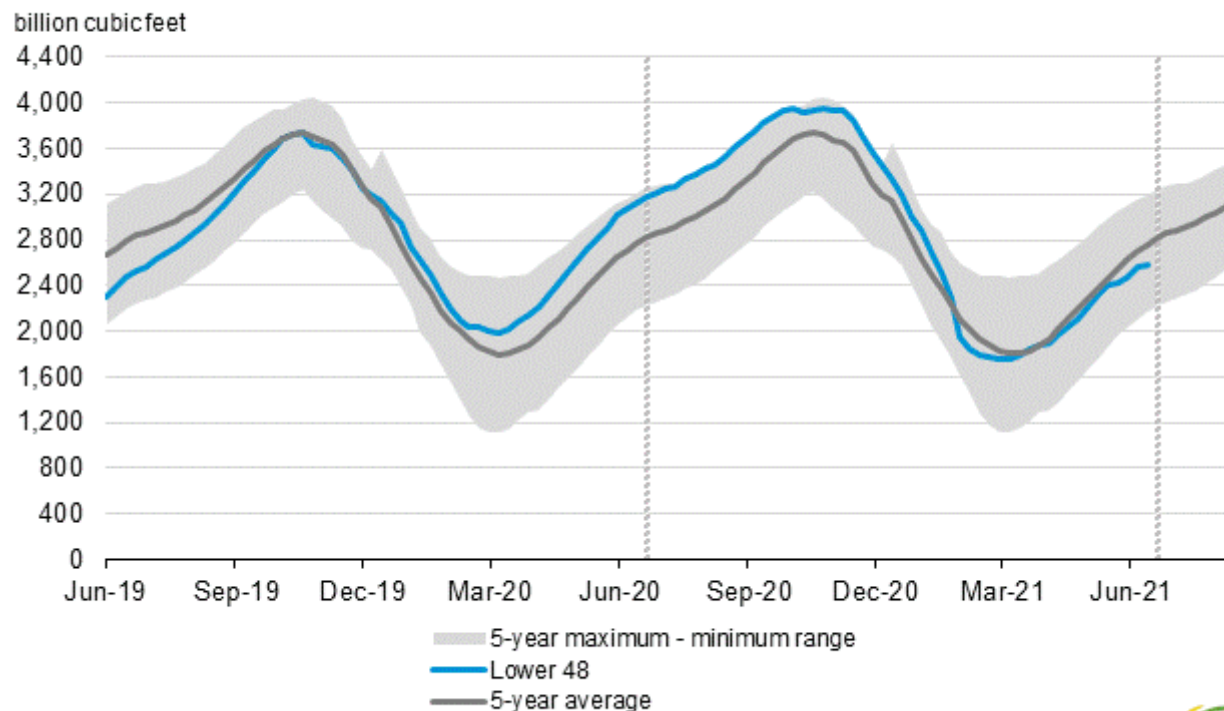


KYMEA AR Energy Mix



Working Gas in Storage

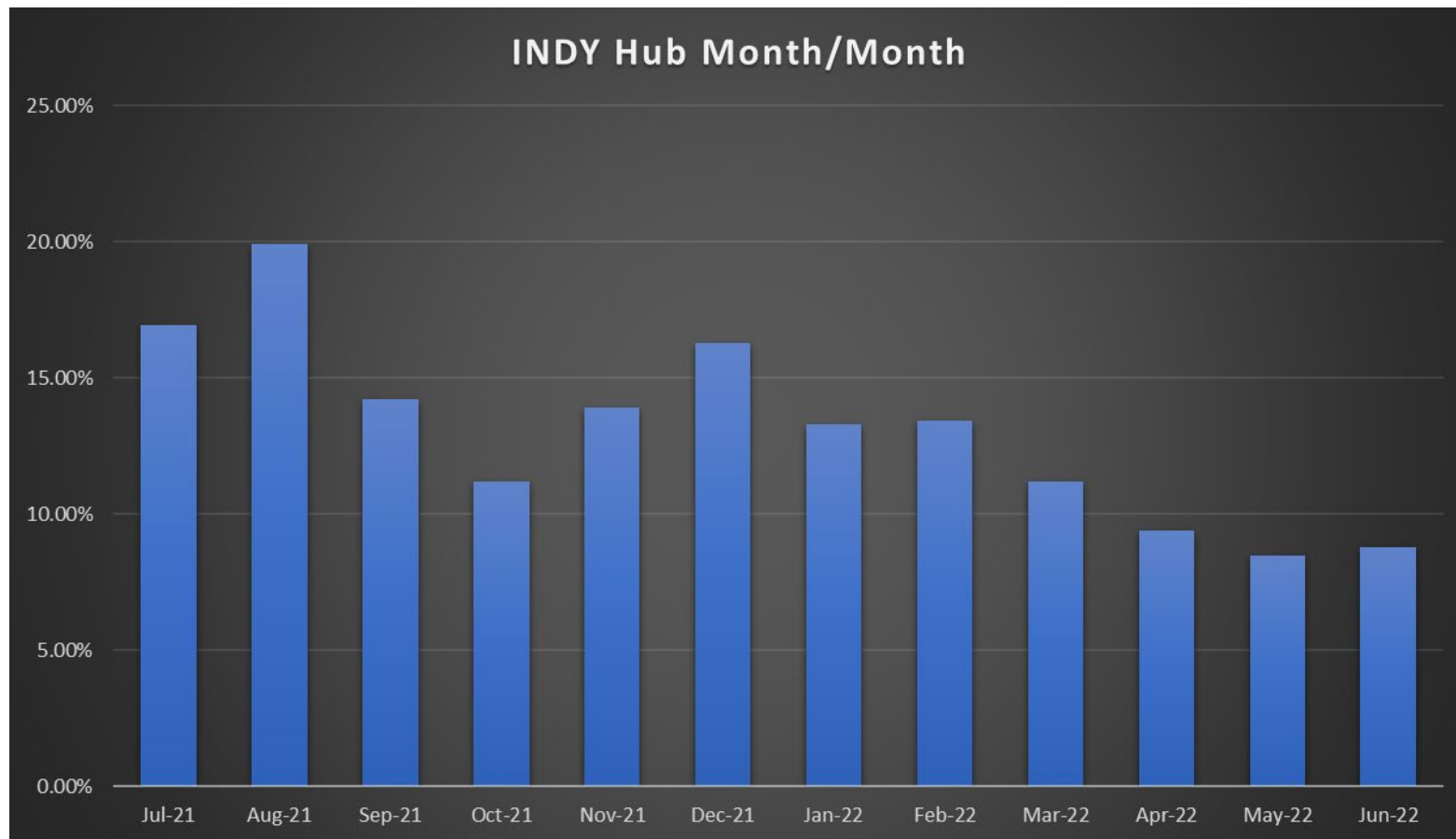
Working gas in underground storage compared with the 5-year maximum and minimum



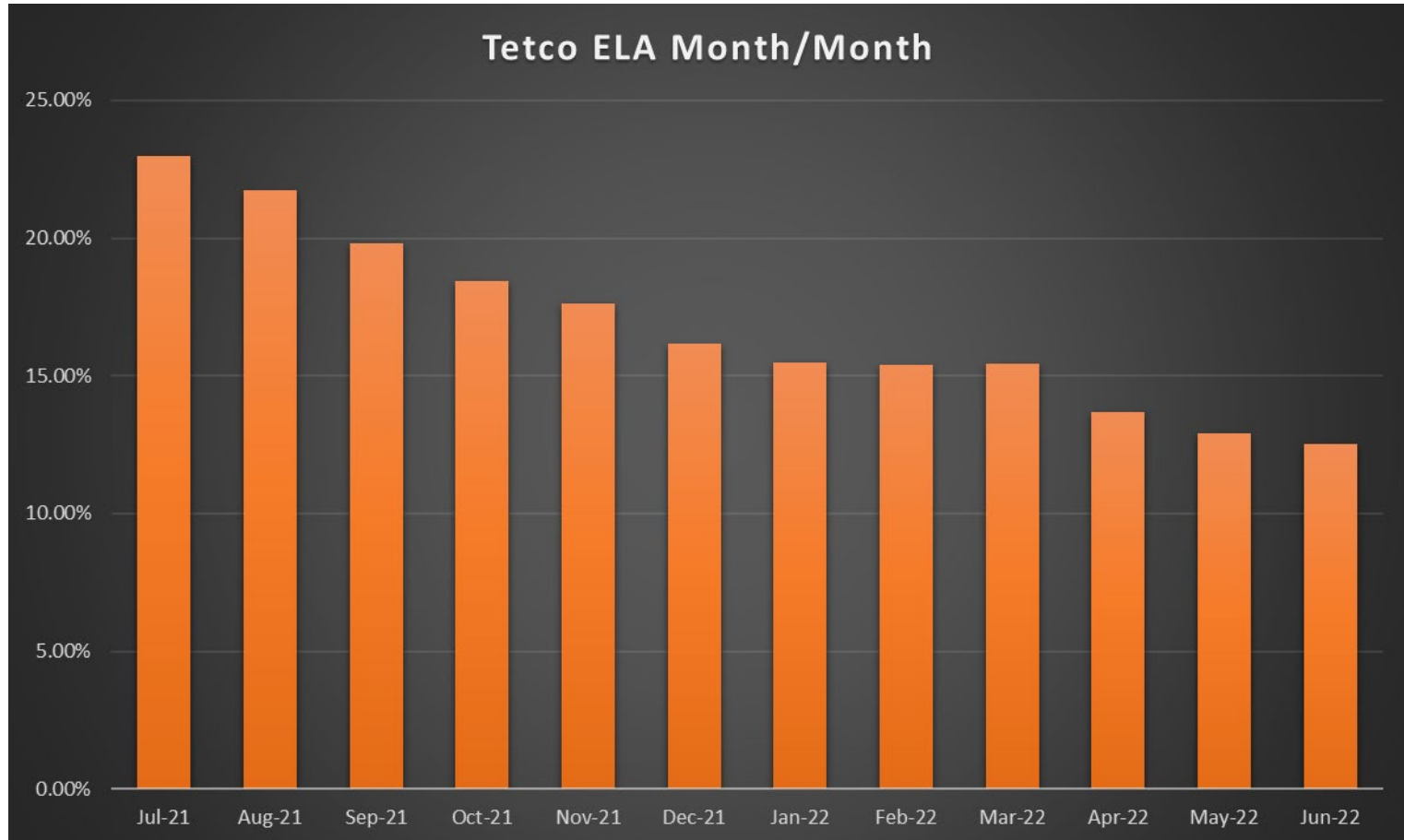
Source: U.S. Energy Information Administration



Indiana Hub ATC



Tetco ELA





KENTUCKY MUNICIPAL ENERGY AGENCY



Member Communications

Michelle Hixon

July 21, 2021

Dates to Remember

August

26 th at 10 AM	KYMEA Board Meeting
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September

30 th at 10 AM	KYMEA Board Meeting
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October

1 st at 9 AM	2021 Annual Member Conference
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2021 Annual Member Conference

Meet Our CONFERENCE SPEAKERS



Doug Buresh

President and CEO
Kentucky Municipal
Energy Agency



Andy Whitesitt

Senior Vice President &
Chief Business
Development Officer
ACES



Latif Nurani

Partner
Spiegel McDiarmid



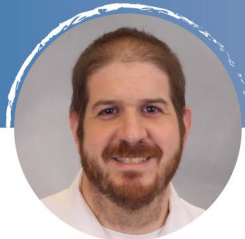
John Painter

CEO and Executive
Consultant
nFront Consulting



Robert Davis

Director of Planning and
Analytics
nFront Consulting



Paul Zummo

Director, Policy Research
and Analysis
American Public Power
Association



Carter Manucy

IT/OT & Cybersecurity
Director
Florida Municipal Power
Agency



Patrick Miller

Critical Infrastructure
Security & Regulatory
Advisor



Tim Blodgett

President and CEO
Hometown Connections

**Check your email for information on how to register for the
conference.**

2021 Community Spotlight Submission

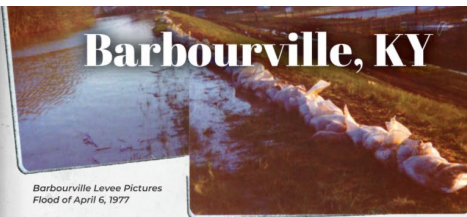
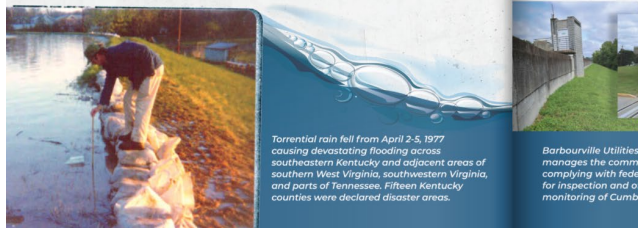
2020 Community Spotlight

COMMUNITY SPOTLIGHT

The sun gently dabbles the rolling, verdant mountains that make up the complexion of southeastern Kentucky. There, quietly nestled amid its peaks, lies the town of Barbourville. Established in 1812, its storied past includes historic affairs ranging from Civil War skirmishes to the state's pioneer heritage. However, its rich history is also riddled with natural disasters that have shaped both the landscape and economy of this small, Appalachian community. Its wildly beautiful surroundings, while picturesque, come with consequence. Its location on the Cumberland River coupled with the enclosing, steep slopes make the town conducive to flooding; and, Barbourville has seen its fair share of Mother Nature's most powerful force. Since 1929, Barbourville has seen 11 major floods. But, despite being small, the town's resolve and subsequent, post-disaster solutions have been mighty, recovering stronger every time.

These remarkable recoveries have been thanks to the strong leaders within the Barbourville Utility Commission whose visceral passion for their community has created, implemented, and solidified plans that help protect its citizens and mitigate such disasters. The Utility Commission provides electric, water, and telecommunications to the town and, since its inception in 1938, has only had three general managers: Jack Wharton, Randell Young, and Josh Callihan. All three have fought for their community, keeping it safe and providing incredible, low costs services such as clean water, electric services, cable TV, and robust fiber communications; this is unheard of in small communities. The Utility Commission also has the unique responsibility of managing the town's flood control system. While all general managers have been instrumental in the facility's success, engineer, Randell Young, managed its largest flood which struck Barbourville in 1977.

"The '46 flood caused people to really perk up and consider building a levee," Young said. So, in 1953, construction began on a wall. More than 20,000 ft of levee and floodwall was built in places where there had once been drain pipes. However, just prior to its completion, another flood hit the town. Since the levee wasn't finished, water made its



way into the town of 3,700. Approximately 80% of the city was inundated to depths as much as 10 ft, and about 200 families were evacuated. More than \$1 million in damage occurred to residential, commercial, and municipal properties. "That would be the last flood to make it in," Young added with a hint of pride.

"Between '55 and '77," Young noted. Those fl Mayor and City for hel higher to protect agal thinking that they wo turned inward, asking asking for assistance, and the Boy Scouts. "I evacuation routes." Yo built to protect the cit

COMMUNITY SPOTLIGHT

Engineers reached out and decided that they would put it in their mission to help with flood mitigation plans. The evacuation plan was finally finished in September 1976.

Then, the day came - April 2, 1977 - when torrential rain equated a flooded river, and Young's taller wall and evacuation plan would be put to the test. A Flood Emergency was declared, so we put it into service that day. It all happened very quickly. The weather service, Fire department and sheriff's department all educated their people on what their roles would be, and we got everyone out of town," Young said. There were some residents, however, who stuck around to help. "One man's duty was to keep sandbagging the levee. That's what he did all day long," Young recalled. "How many times do you see a cement truck filled with sand getting a police escort?" Young laughed. That day, in addition to providing basic utilities, Young monitored the flood level. He even broadcasted radio warnings and updated residents of impending flood dangers. Young said that the day went "surprisingly well." No water made it into the town, despite the 45' crest being 3' higher than the previous levee. After a successful plan execution, the Army Corps of Engineers held a celebration dinner at Pine Mountain State Park. Young, his wife, mom, stepdad, and mother-in-law were the Guests of Honor. Unbeknownst to Young, he was also being honored at the event. "I was awarded a certificate and received a 'Patriotic Civilian' pin," he humbly recalled. "It was one of the proudest moments of my life."

Decades later, in 1995, the levee was raised to 55'. At the dedication, the theme was "Never Again." "That theme concerned me. Mother Nature has her own plans," Young joked. One fact is certain: Josh Callihan, Barbourville Utility Commission's current General Manager, had some big shoes to fill when Young retired. Josh's grit, determination, and foresight have continued to provide the exceptional leadership that Barbourville was accustomed to, and you can be confident that future floods will remain at bay, leaving Barbourville unscathed by Mother Nature's most powerful element.



Born in 1948, Randell Young grew up hearing about the historic 1946 flood that ravaged Barbourville. The natural disaster evidently influenced his career choice and trajectory, leading him to general manager of the Barbourville Utility Commission - a title he held for 35 years until he passed the torch to Josh Callihan in 2008.

1977 Flood Facts

The city of Barbourville's flood wall was raised 10 feet following the flood of 1977.

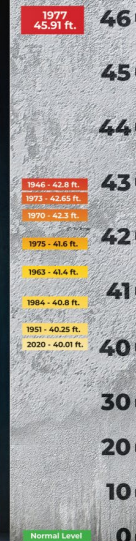
- Although the city was evacuated, sandbag enforced levees held back the water from coming into the town.
- News broadcasters stayed on until around 2 am, informing people about the flood and helping find loved ones.

Around 2/3 of the 3,000 people who lived in Barbourville had their homes damaged by the flood waters.

- In the early seventies, Barbourville devised two programs to help citizens prepare for destructive flood events: the Flood Emergency Evacuation Plan and the Apple Grove Flood Mitigation Program.

- More than 400 volunteers helped sandbag the flood wall.
- The cost of developing the Flood Evacuation Plan was around \$12,000, with about a \$1,000 annual cost to maintain equipment and supplies.

Around 11,000 sandbags were used.



Send your submission to mhixon@kymea.org by August 5th.

Discussion Topics

F. Discussion Topics

F.1 FY2021 Budget to Actual Results

F.2 Emergency Response Plan





KENTUCKY MUNICIPAL ENERGY AGENCY



Budget / Actual Results 5-Year Projection

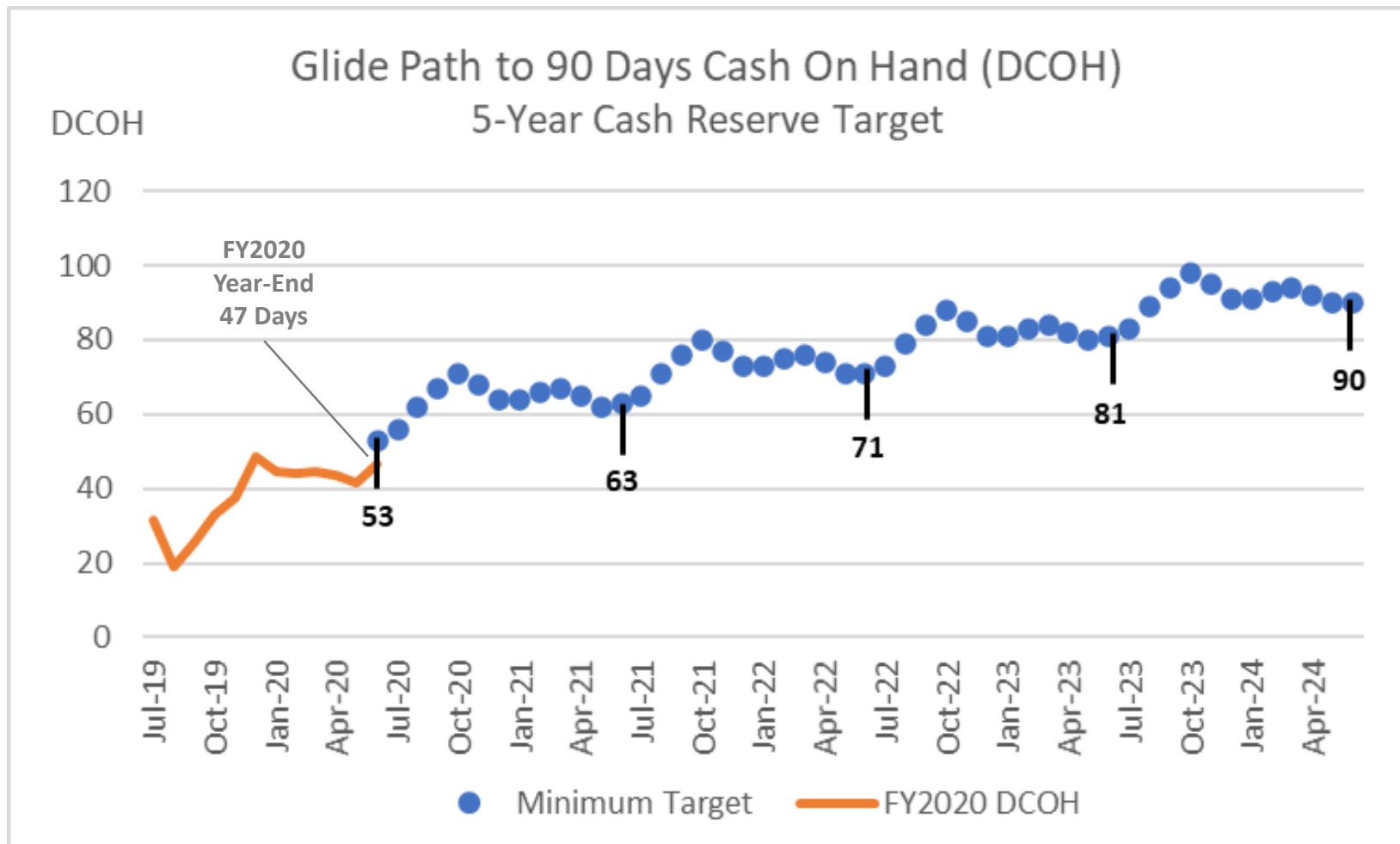
Doug Buresh

July 21, 2021

AGENDA

- Results to Date
 - FY2020 - FY2021 Results
- COVID-19 Pandemic Response
 - FY2021
 - Lowered ECA Collection Target (63 days to 50 days)
 - FY2022
 - Lowered ECA Collection Target (71 days to 40 days)
 - No Rate Change (Demand, Energy, MISO PTP Charges)
 - Capped NITS increase pass-through at 10%
- 5-Year Forecast

FY2020 / 5-Year DCOH Glide Path







FY2021 Budget

	FY2021 - Budget		
	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
Billing Demand	\$14.043800	2,641,566	\$37,097,625
	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>
Energy	\$0.024702	1,303,112,487	\$32,189,485
ECA			
Transmission	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
KU Transmission 12-CP	\$2.775546	2,516,985	\$6,986,007
MISO Transmission NCP	\$1.534664	2,644,185	\$4,057,936
PJM Transmission 1-CP	\$2.738177	38,400	\$105,146
KYMEA Transmission Credit			\$0
KU Direct Assigned Facilities			<u>\$</u>
Fixed Facility Charges			\$213,839
SEPA Member Resource Credit	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
Capacity Payment	(\$3.850001)	440,896	-\$1,697,450
AR Project Member Invoice			\$78,952,588
			6.059 ¢
Change from Previous Fiscal Year-End			-4.54%
<hr/>			
AR Project Member Power Supply (Without NITS)			\$71,861,435
			5.515 ¢
Change from Previous Fiscal Year-End (Without NITS)			-6.58%
<hr/>			
Net Income			\$1,327,475
Days Cash On Hand (June)			62.652
Min DCOH to Trigger ECA			50.00
Coverage of Full Fixed Obligations (June)			1.027
Preferred Leverage (June)			7.516

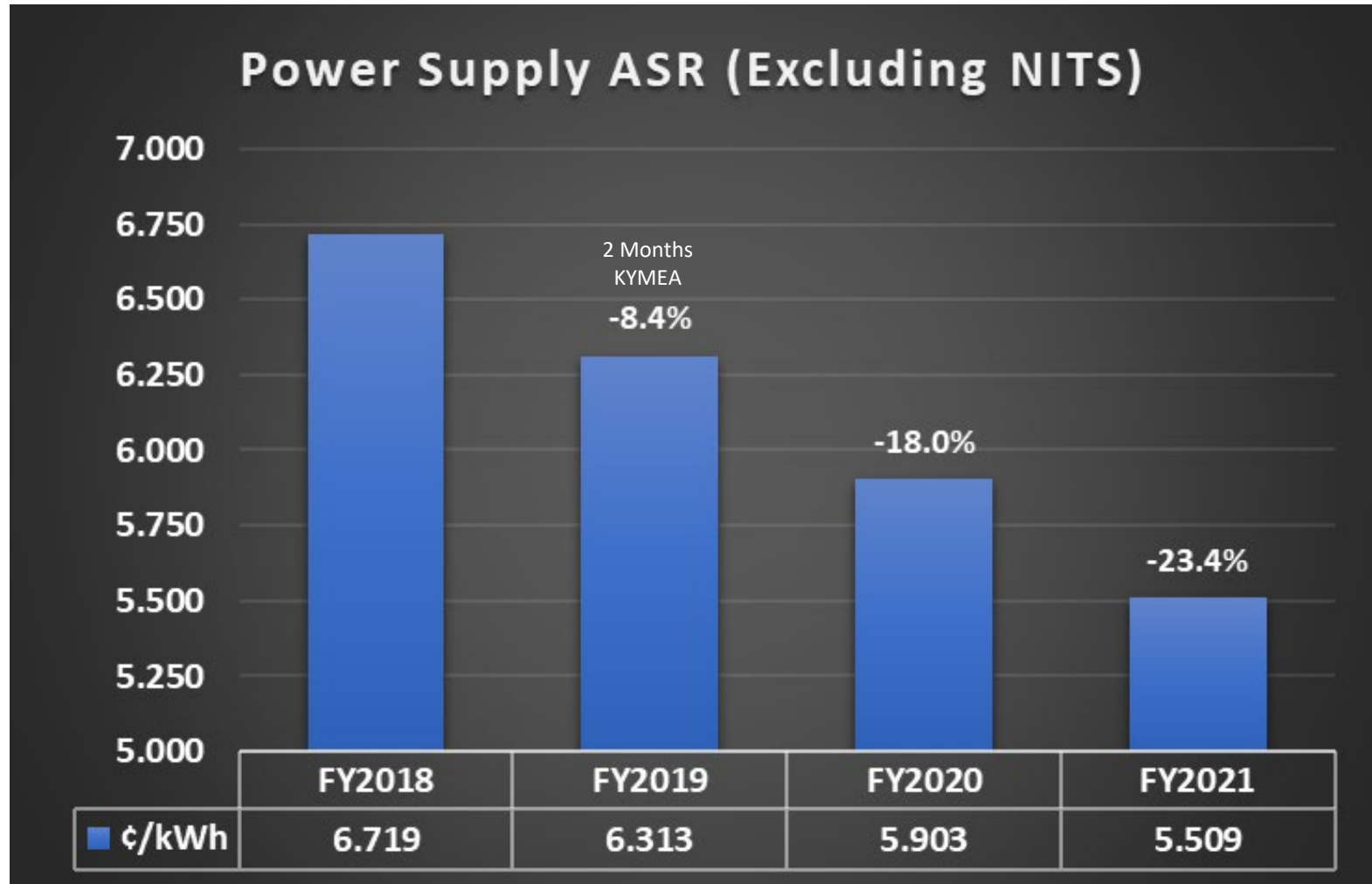
FY2021 Estimated Average System Rate (ASR) Decrease

FY2021 Estimated Average System Rate without NITS Decrease

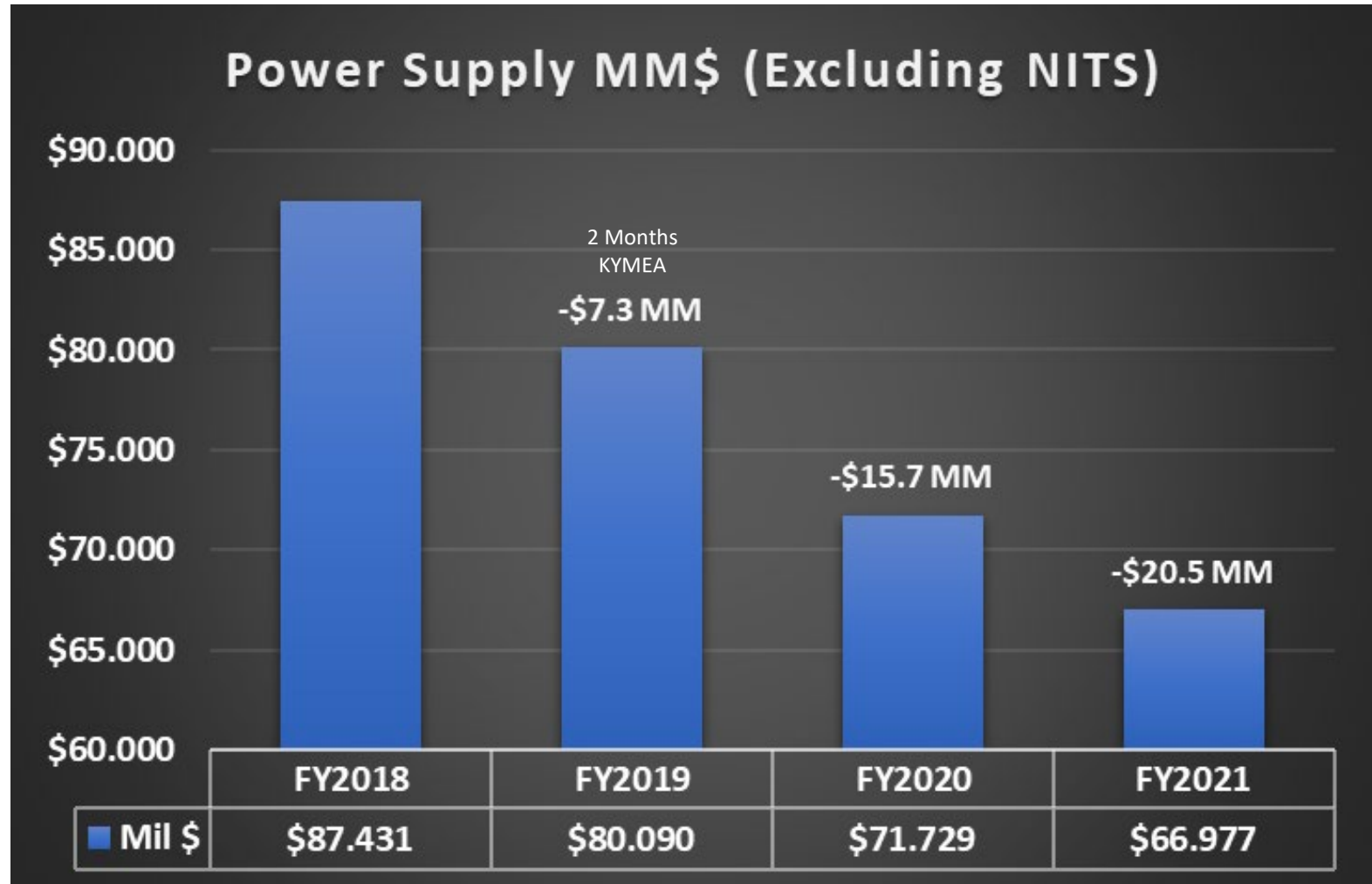
FY2021 Budget vs Actual

	FY2021 - Budget			FY2021 - Actual			Budget Variance
	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$</u>
Billing Demand	\$14.043800	2,641,566	\$37,097,625	\$14.044000	2,469,952	\$34,688,008	-\$2,409,617
					 6.5%		
Energy	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>	<u>\$</u>
ECA	\$0.024702	1,303,112,487	\$32,189,485	\$0.024702	1,215,733,312	\$30,031,044	-\$2,158,441
					 6.7%		
Transmission	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$</u>
KU Transmission 12-CP	\$2.775546	2,516,985	\$6,986,007	\$2.726902	2,377,409	\$6,482,961	-\$503,046
MISO Transmission NCP	\$1.534664	2,644,185	\$4,057,936	\$1.535000	2,475,557	\$3,799,980	-\$257,956
PJM Transmission 1-CP	\$2.738177	38,400	\$105,146	\$2.823869	35,400	\$99,965	-\$5,181
KYMEA Transmission Credit			\$0			-\$93,395	-\$93,395
KU Direct Assigned Facilities			<u>\$</u>			<u>\$</u>	<u>\$</u>
Fixed Facility Charges			\$213,839			\$155,157	-\$58,682
SEPA Member Resource Credit	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$</u>
Capacity Payment	(\$3.850001)	440,896	-\$1,697,450	(\$4.427500)	383,388	-\$1,697,450	\$0
AR Project Member Invoice			\$78,952,588			\$73,466,270	-\$5,486,318
			6.059 ¢			6.043 ¢	
Change from Previous Fiscal Year-End			-4.54%			-4.79%	
AR Project Member Power Supply (Without NITS)			\$71,861,435			\$66,976,739	-\$4,884,696
			5.515 ¢			5.509 ¢	
Change from Previous Fiscal Year-End (Without NITS)			-6.58%			-6.67%	
Net Income		\$1,327,475				\$2,376,155	\$1,048,680
Days Cash On Hand (June)		62.652				71.26	8.61
Min DCOH to Trigger ECA		50.00		\$2.6 MM	\$1.5 MM	50.00	
Coverage of Full Fixed Obligations (June)		1.027		Due to	Due to	1.06	0.033
Preferred Leverage (June)		7.516		depancaking	pandemic	6.98	-0.536

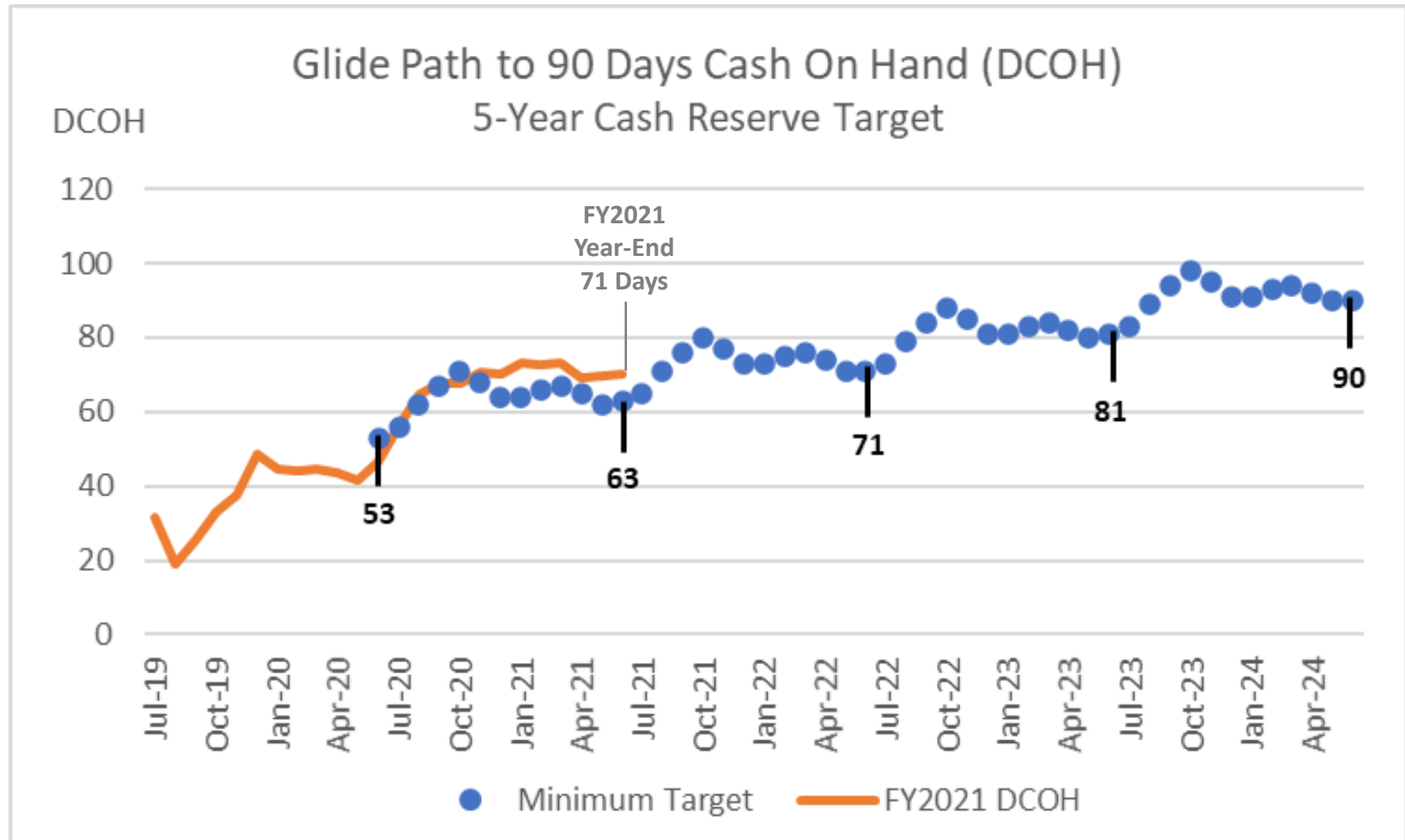
Last 4 Years - Power Supply ASR



Last 4 Years - Power Supply MM\$



FY2021 / 5-Year DCOH Glide Path



- Results to Date
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- 5-Year Forecast

FY2022 Rates and 10% NITS Cap

FY2022 - Budget			
	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
Billing Demand	\$14.044000	2,517,774	\$35,359,623
	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>
Energy	\$0.024702	1,230,346,330	\$30,392,015
ECA	\$0.000000	1,223,923,317	\$0
	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
Transmission			
KU Transmission 12-CP	\$3.338340	2,427,060	\$8,102,351
MISO Transmission NCP	\$1.535000	2,517,774	\$3,864,784
PJM Transmission 1-CP	\$3.303290	34,200	\$112,973
KYMEA Transmission Credit			-\$1,068,887
KU Direct Assigned Facilities			<u>\$</u>
Fixed Facility Charges			\$106,307
	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
SEPA Member Resource Credit			
Capacity Payment	(\$4.427500)	383,388	-\$1,697,450
AR Project Member Invoice			\$75,171,715
			6.110 ¢
Change from Previous Fiscal Year			1.11%
<hr/>			
AR Project Member Power Supply (Without NITS)			\$68,025,278
			5.529 ¢
Change from Previous Fiscal Year (Without NITS)			0.36%
<hr/>			
Net Income			-\$2,760,123
Days Cash On Hand (June)			42.88
Min DCOH to Trigger ECA			40.00
Coverage of Full Fixed Obligations (June)			0.95
Preferred Leverage (June)			7.71

Rates remain unchanged from FY2021

Credit: 10% NITS Transmission Cap

Lower ECA Collection Target from 71 to 40 DCOH

Days Cash on Hand Formula

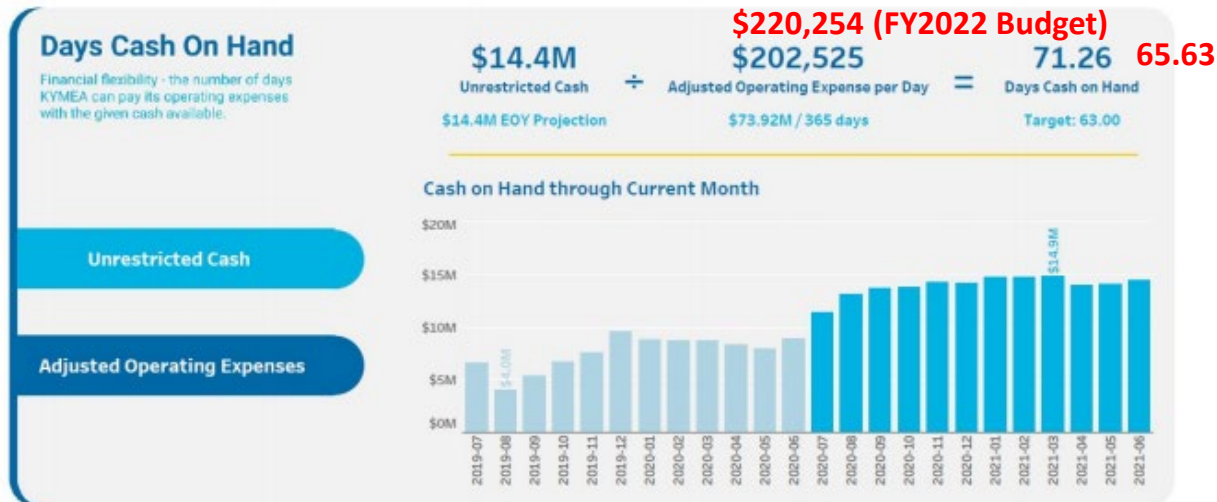
Pandemic Influence

The Denominator (Adjusted Operating Expense per Day) of the DCOH Formula has significant influence. Due to the pandemic, expenses were artificially lower (lower load = energy purchases).

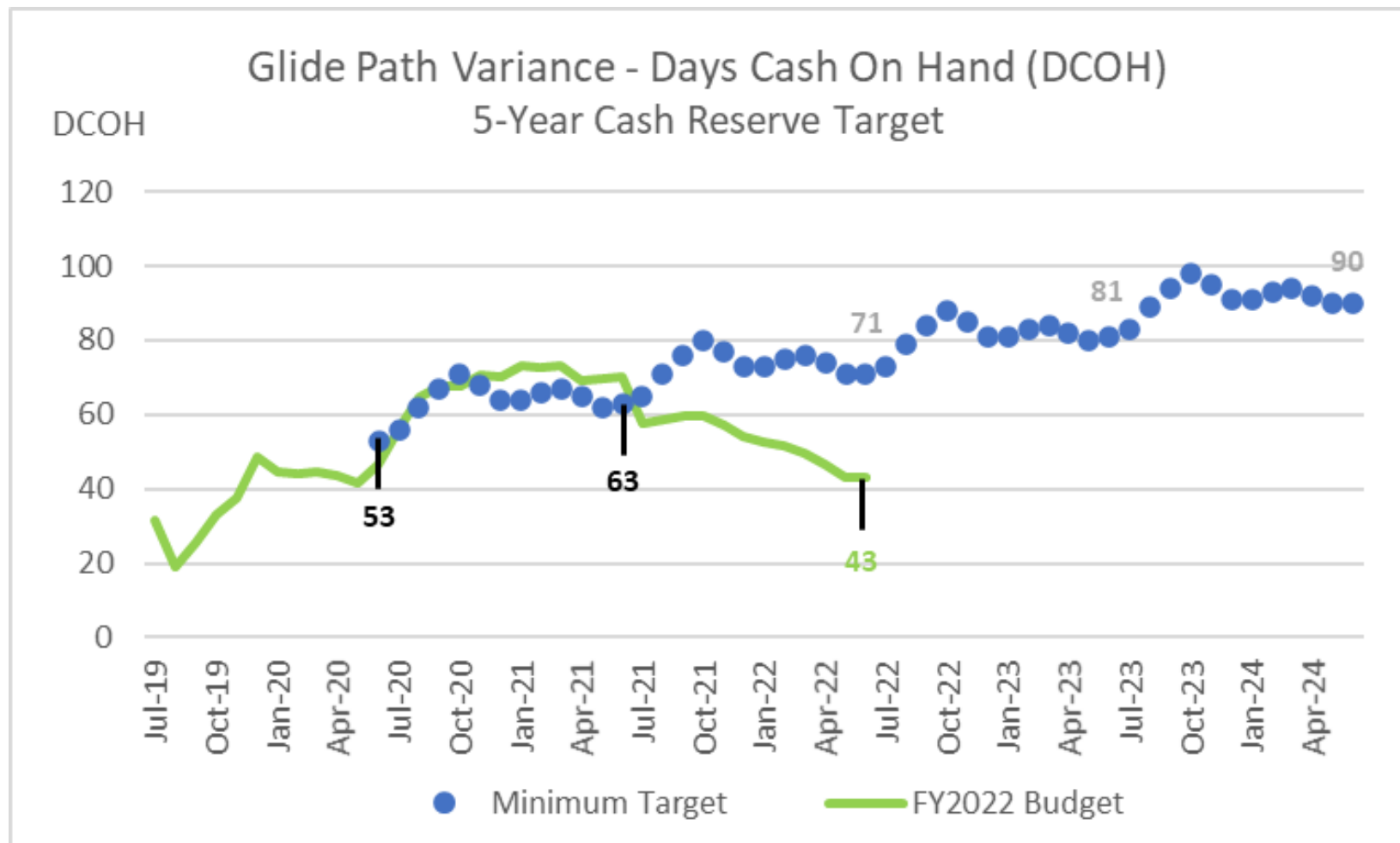
Expected Return to Normal

For FY2022, the Denominator is expected to be ≈ \$220K. This has an impact of approximately (5.7) Days Cash on Hand. The impact will be reflected in the FY2022 projection.

FY2021 Year-End



Glide Path Variance



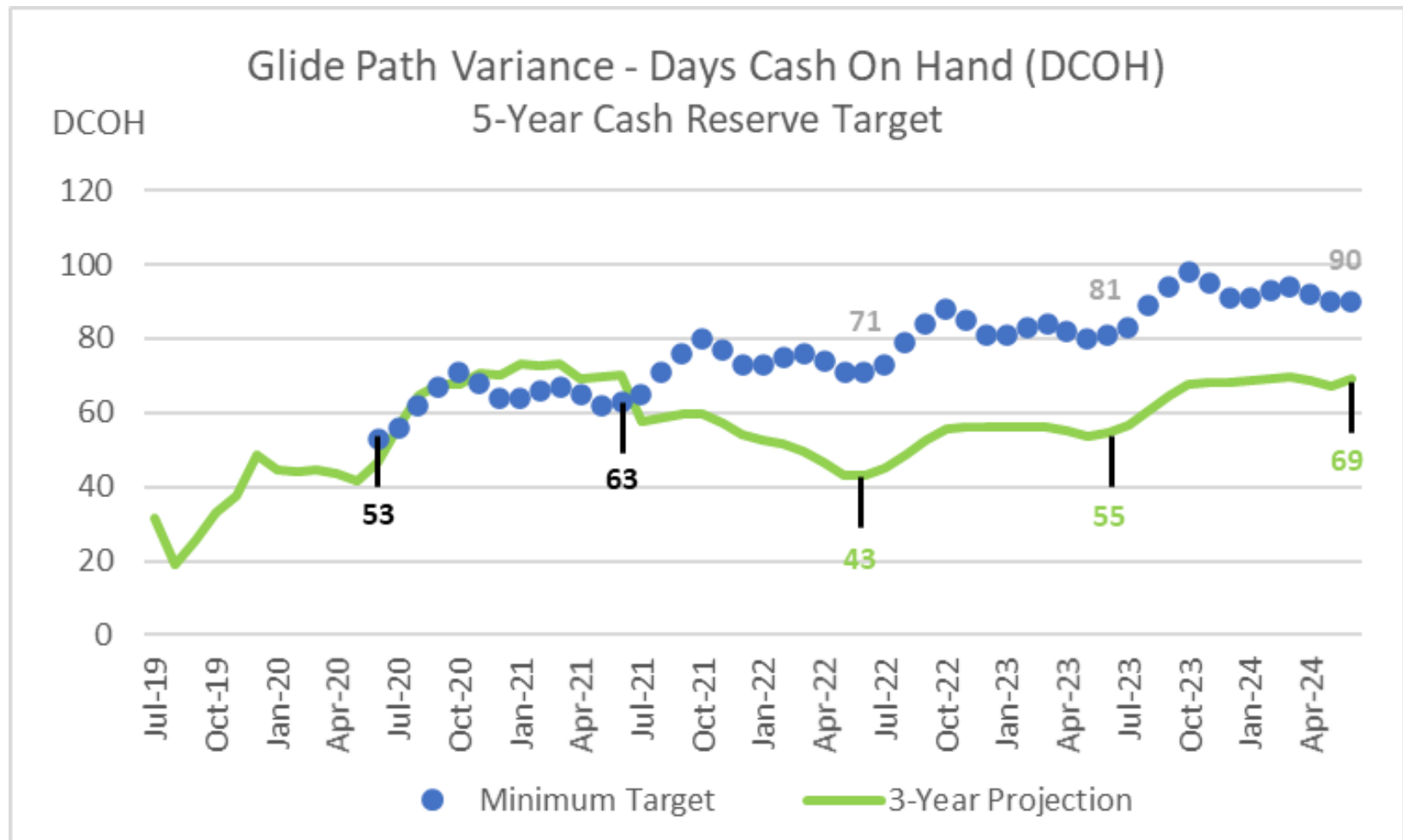
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 - Capped NITS increase pass-through at 10%
- 5-Year Forecast

FY2022 Budget, FY2023-24 Forecast

Joppa Expires, Ashwood and DEI PPA Begin

	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	2,517,774	\$35,359,623	\$11.390355	2,621,229	\$29,856,728	\$11.675114	2,630,708	\$30,713,817
	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>
Energy	\$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	1,223,923,317	\$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	\$3.338340	2,427,060	\$8,102,351	\$3.867701	2,512,367	\$9,717,086	\$4.491275	2,535,948	\$11,389,641
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	\$3.303290	34,200	\$112,973	\$3.854164	37,200	\$143,375	\$4.528642	37,200	\$168,465
KYMEA Transmission Credit			-\$1,068,887			-\$6,832			\$0
KU Direct Assigned Facilities			<u>\$</u>			<u>\$</u>			<u>\$</u>
Fixed Facility Charges			\$106,307			\$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			\$75,171,715			\$80,780,691			\$84,684,738
			6.110 %	<u>Resume</u> <u>Pass Through</u> <u>Transmission Rate</u>		6.303 %			6.564 %
Change from Previous Fiscal Year			1.11%			3.17%			4.13%
AR Project Member Power Supply (Without NITS)			\$68,025,278			\$70,927,062			\$73,126,631
			5.529 %	<u>Flat</u> <u>Power Supply Rate</u>		5.534 %			5.668 %
Change from Previous Fiscal Year (Without NITS)			0.36%			0.10%			2.41%
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

Glide Path Variance





KENTUCKY MUNICIPAL ENERGY AGENCY



Emergency Response Plan

Doug Buresh

July 21, 2021

AGENDA

- NERC Assessment
 - MISO Reliability (Elevated Risk)
- KYMEA Preparation
 - Maintain Planning Reserves
 - Obtain Firm Transmission
 - Maintain Operating Reserves (90/10 Event)
- Emergency Response Plan
 - Immediate Directed Action
 - Coordination
 - Communication
 - Financial Impacts / Cash Flow

MISO does not anticipate resource availability issues for the upcoming 2020–2021 winter season. Based on prior winter readiness and fuel deliverability surveys, appropriate measures have been taken, making readying units for potential severe winter weather, and fuel deliverability is robust.

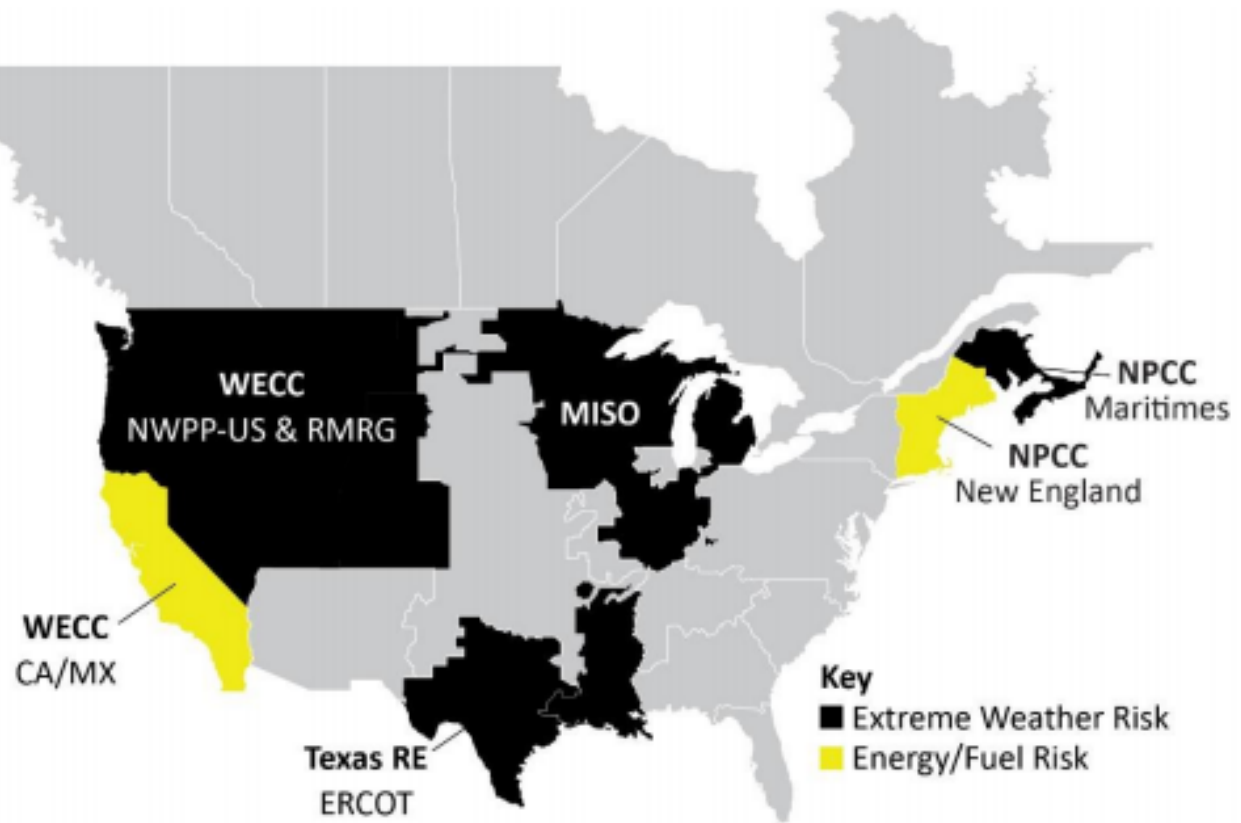


Figure 1: Areas with Reliability Risks during Extreme Weather Events and/or Fuel Supply Disruptions

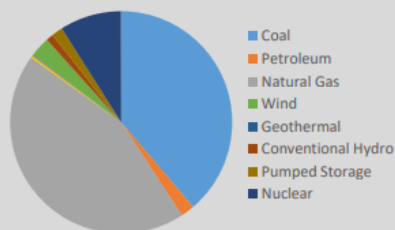
MISO 2020/2021 Winter Risk Scenario



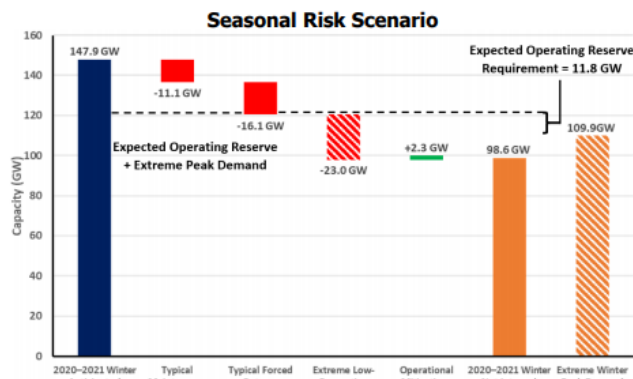
MISO

The Midcontinent Independent System Operator, Inc. (MISO) is a not-for-profit, member-based organization administering wholesale electricity markets that provide customers with valued service; reliable, cost-effective systems and operations; dependable and transparent prices; open access to markets; and planning for long-term efficiency.

MISO manages energy, reliability, and operating reserve markets that consist of 36 local Balancing Authorities and 394 market participants, serving approximately 42 million customers. Although parts of MISO fall in 3 NERC Regional Entities, MRO is responsible for coordinating data and information submitted for NERC's reliability assessments.



On-Peak Generation Fuel Mix



Risk Scenario Summary

Operating mitigations or EEAs may be needed under extreme peak demand and outage scenarios studied.

Scenario Assumptions

- Extreme Peak Load:** 90/10 forecast
- Outages:** Average from highest peak hour over the past five winters
- Extreme Generation Scenario:** Additional outages corresponding to maximum generation outages observed at highest peak hour in past five years
- Operational Mitigations:** Derived from required deployable contingency reserves.

Winter Reliability Assessment 14

MISO Resource Adequacy Data

Demand, Resource, and Reserve Margins	2019-2020 WRA	2020-2021 WRA	2019-2020 vs. 2020-2021 WRA
Demand Projections	Megawatts (MW)	Megawatts (MW)	Net Change (%)
Total Internal Demand (50/50)	103,841	103,167	-0.6%
Demand Response: Available	3,822	4,536	18.7%
Net Internal Demand	100,019	98,631	-1.4%
Resource Projections	Megawatts (MW)	Megawatts (MW)	Net Change (%)
Existing-Certain Capacity	139,555	144,736	3.7%
Tier 1 Planned Capacity	778	574	-26.2%
Net Firm Capacity Transfers	-383	1,405	N/A
Anticipated Resources	139,951	146,715	4.8%
Existing-Other Capacity	535	6,390	1,094.3%
Prospective Resources	140,486	153,557	9.3%
Reserve Margins	Percent (%)	Percent (%)	Annual Difference
Anticipated Reserve Margin	39.9%	48.8%	8.9
Prospective Reserve Margin	40.5%	55.7%	15.2
Reference Margin Level	16.8%	18.0%	1.2

Highlights

- MISO does not anticipate resource availability issues for the upcoming 2020-2021 winter season. Based on prior winter readiness and fuel deliverability surveys, appropriate measures have been taken, making readying units for potential severe winter weather, and fuel deliverability is robust.
- Generator maintenance outages that were deferred from spring of this year due to the pandemic look to be on track for completion in fall. Extreme warm fall weather may impact scheduled maintenance outages, but there is no indication that these will be pushed into the peak of the winter season.

MISO has sufficient resources for periods of peak demand. However, the above-normal levels of demand in the 90/10 forecast are likely to exceed capacity resources and require additional non-firm transfers from surrounding areas.

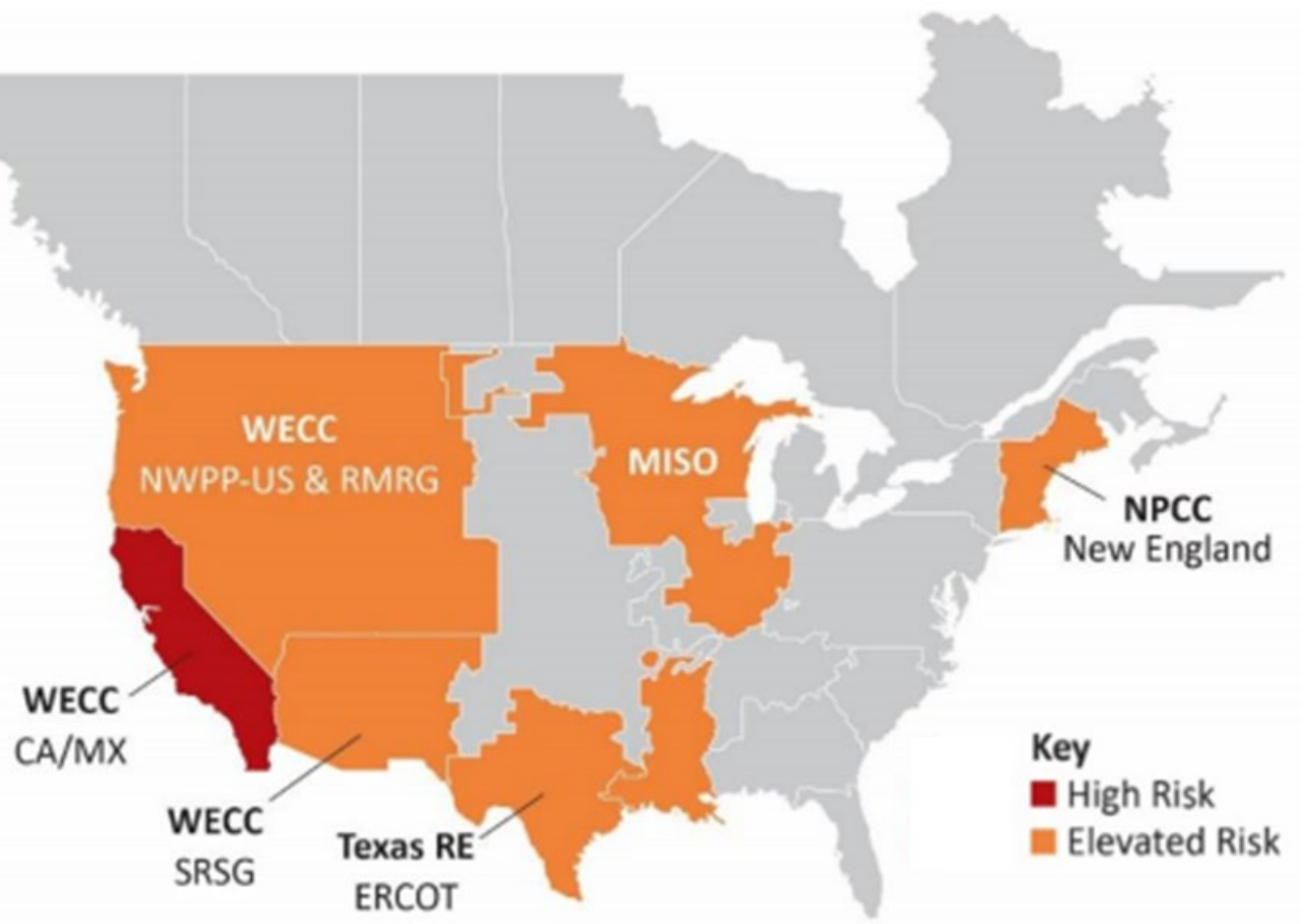
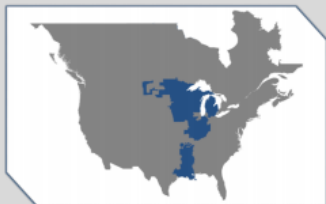


Figure 1: Energy Emergency Risk Areas

MISO 2021 Summer Risk Scenario

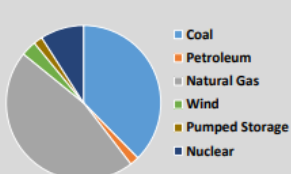


MISO

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On-Peak Fuel Mix



2021 Summer Reliability Assessment

20

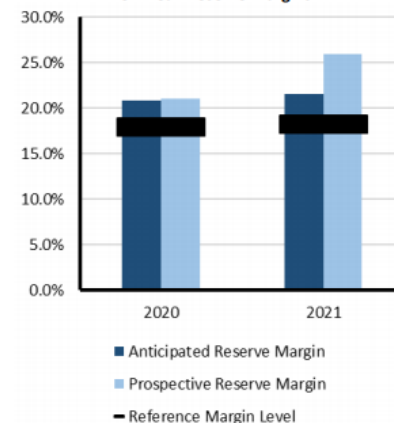
Highlights

- Summer scenarios with high resource outages and high demand may require use of load modifying resources (LMRs) and non-firm imports during peak periods. LMRs are an increasingly important segment of MISO resource portfolio. Operators designate resource constrained periods (Maximum Generation Events) to access LMRs.
- All MISO zones have met local capacity clearing requirements in the wholesale market auction and are projected to have sufficient resources for the summer.
- Covid-19 impacts on MISO load through late 2020 and the first quarter of 2021 have been much less pronounced than they were at the beginning of the pandemic. During the pandemic, MISO load has run 1–2% below normal in mild weather and 1–2% above normal in hotter weather. MISO expects load to trend close to normal through the summer; however, during a heatwave, load could trend 1–3% above normal due to increased residential demand.
- Based on probabilistic studies performed by MISO, the area has low amounts of EUE (18.6 MWh) for the summer season. Greatest risk occurs in the month of July, coinciding with the typical peak in annual demand.

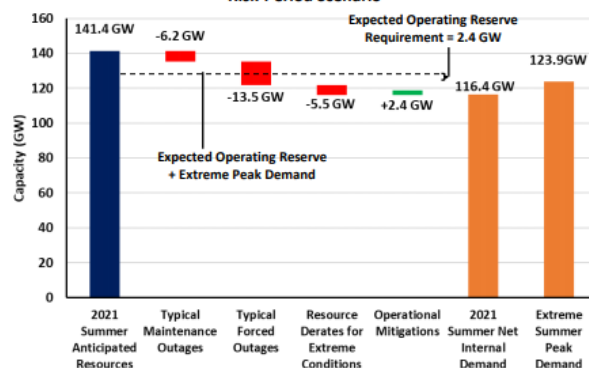
Risk Scenario Summary

Expected resources meet operating reserve requirements under normal peak-demand scenarios. Above-normal summer peak load and outage conditions could result in the need to employ operating mitigations (i.e., demand response, transfers, and short-term load interruption).

On-Peak Reserve Margins



Risk-Period Scenario

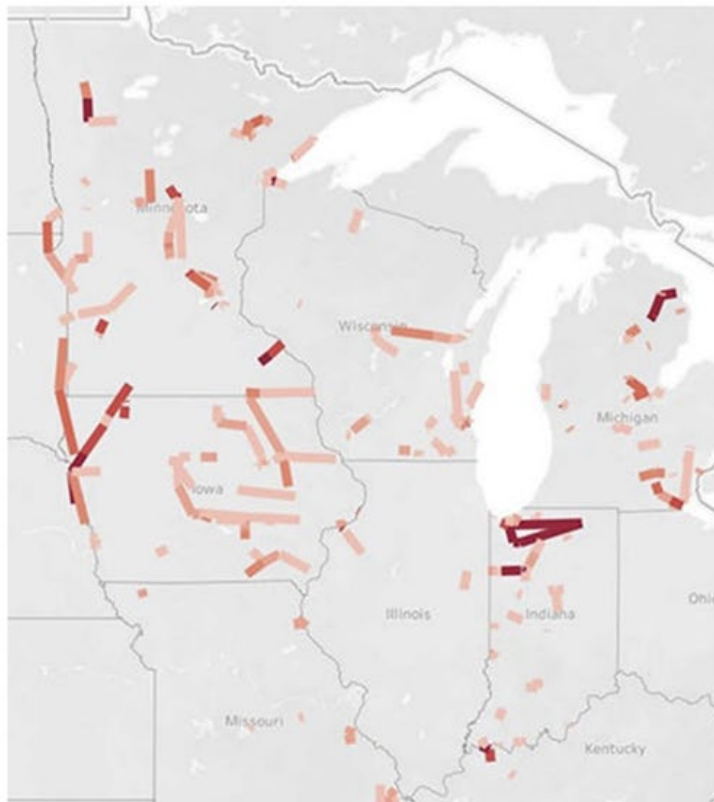


Scenario Description

- Risk Period:** Highest risk for unserved energy at peak demand hour (late afternoon).
- Demand Scenarios:** Net internal demand (50/50) and 90/10 demand forecast using 30 years of historical data
- Maintenance Outages:** Rolling five-year average of maintenance and planned outages
- Forced Outages:** Five-year average of all outages that were not planned
- Extreme Derates:** Maximum of last five years of outages
- Operational Mitigation:** A total of 2.4 GW capacity resources available during extreme operating conditions.

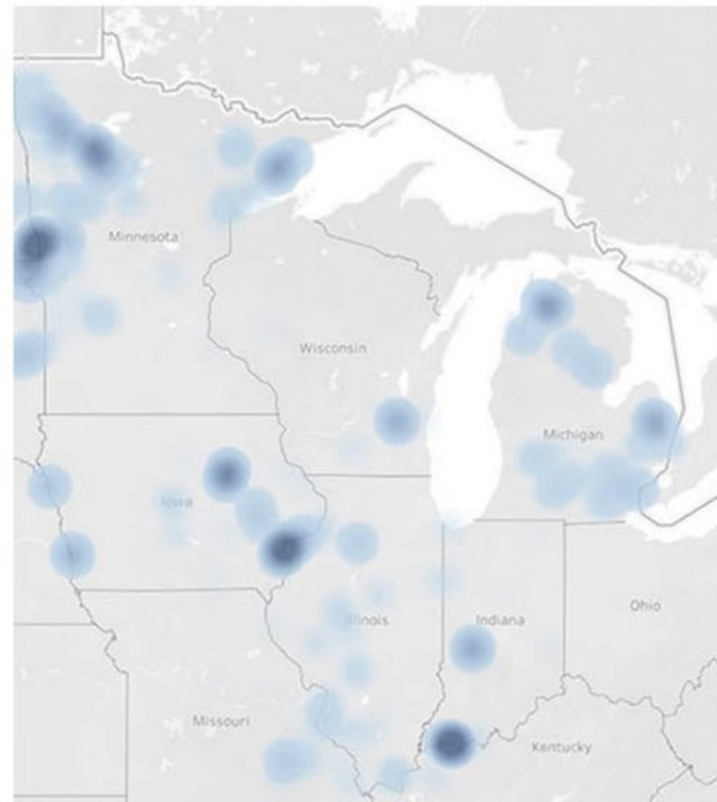
MISO 10-Year Transmission Issues

Thermal Issues



*Map reflects cumulative Thermal/Voltage issues across all models

Low Voltage Issues



*Voltage issues by count

AGENDA

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Winter Operating Reserves

Operating Reserves: 69 MW

Peak Winter Day

All Units Available

Operating Reserves: 47 MW

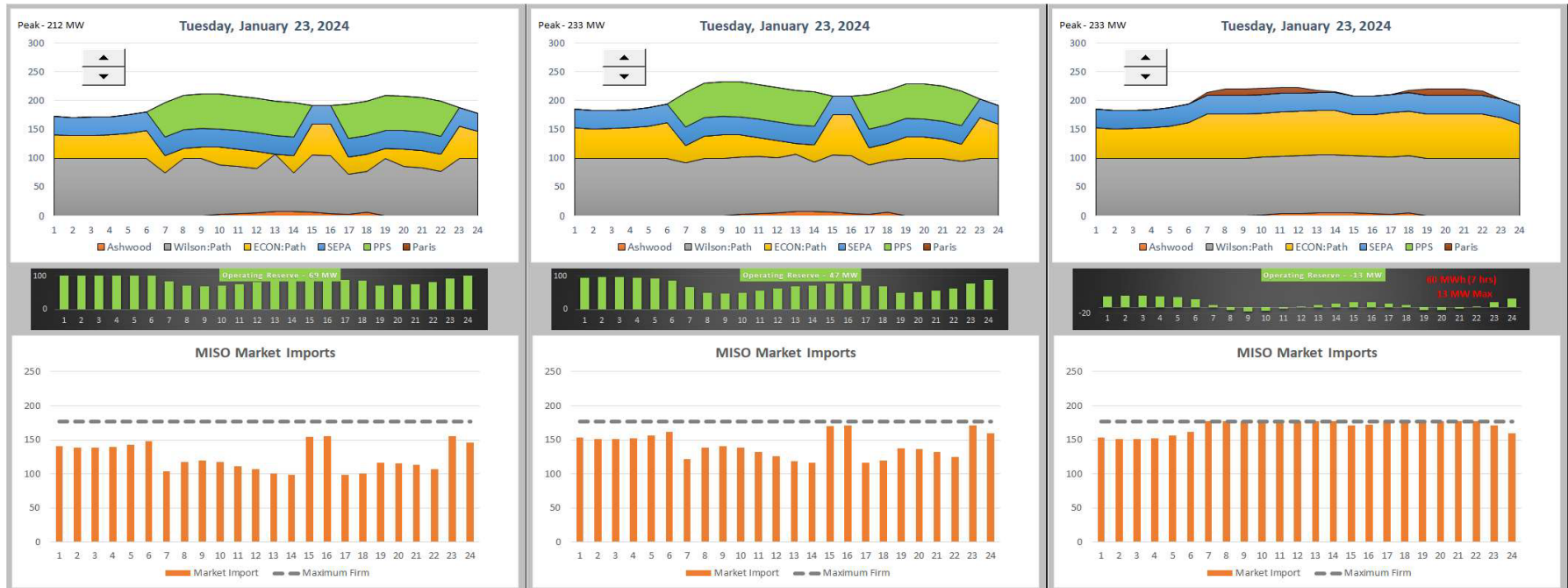
1-in-10 Peak Winter Day

All Units Available

Operating Reserves: -13 MW

1-in-10 Peak N-1 Contingency

PPS FO, Ashwood 20% Derate



Summer Operating Reserves

Operating Reserves: 57 MW

Peak Summer Day

All Units Available

Operating Reserves: 41 MW

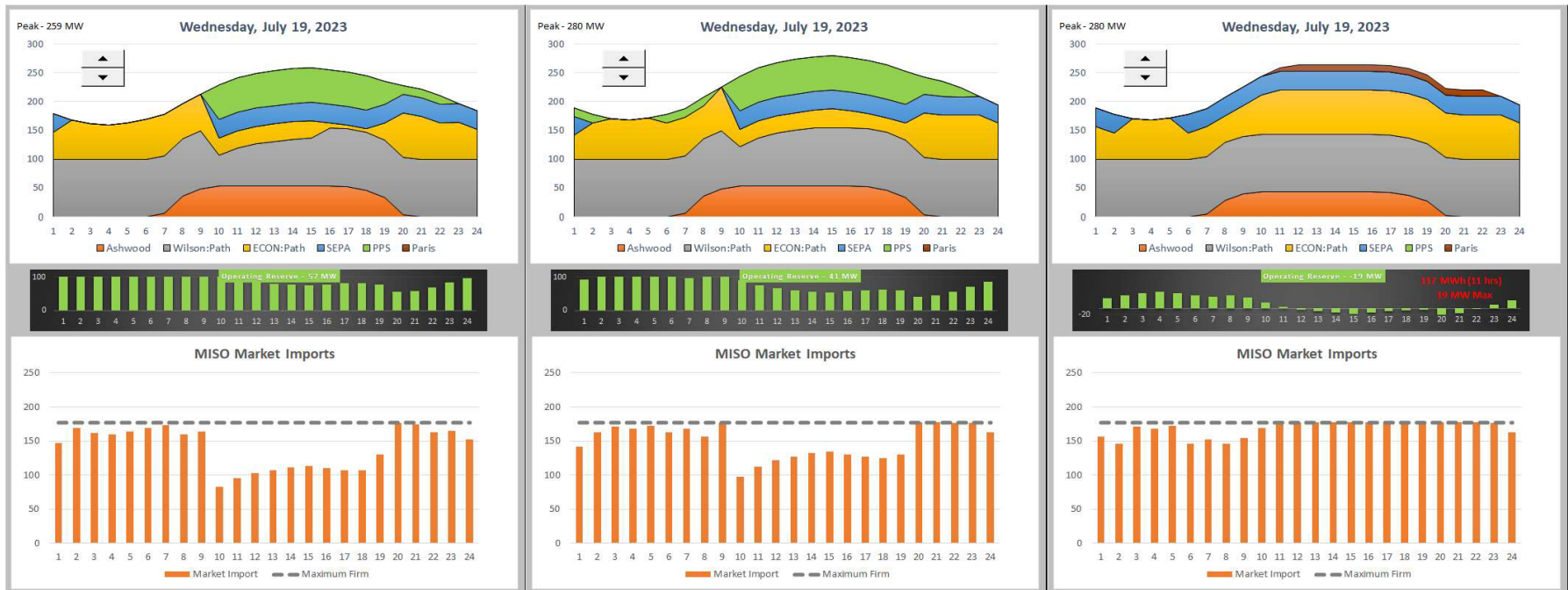
1-in-10 Peak Summer Day

All Units Available

Operating Reserves: -19 MW

1-in-10 Peak N-1 Contingency

PPS FO, Ashwood 20% Derate



AGENDA

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Emergency Response Plan

Meeting with KYMEA, KYMEA Members and ACES Power Marketing to develop Emergency Response Plan

- Curtailment Coordination
- Proactive Communication
- Financial Impacts

Tentative meeting planned for August 11, 2021 (10 – 2)

AR Committee Meeting

G. Recess of the KYMEA Board Meeting for the AR Project Committee Meeting

H. AR Committee

H.1 Select a Chairman

H.2 Weighted Voting Update

H.3 Duke Energy Indiana PPA





KENTUCKY MUNICIPAL ENERGY AGENCY



KYMEA FY2022 Weighted Voting Update

Doug Buresh

July 21, 2021

FY2022 Weighted Voting Update

- Weighted vote calculation is updated annually to reflect Members' annual energy requirements
- Calculation of weighted votes is determined by KYMEA Bylaws, Article II, Section 10
- For the primary delivery points, metered amounts are loss-adjusted to transmission-level amounts
- FY2022 weighted votes have been updated to reflect purchases for 12 months ending June 2021
- Update shows very little change in FY2022 weighted votes versus FY2021 amounts

Excerpt from KYMEA Bylaws – Article II, Section 10

Section 10. For the purpose of determining a Weighted Vote as described in Article III, Section 3 of the Agency Agreement, the number of weighted votes of each Member shall be based upon the following formula:

$$(MTER \div TERAM) \times 100$$

For the purpose of the formula, “*MTER*” means a Member’s total energy requirements purchased or consumed during the Agency’s preceding fiscal year by such Member from any resource designated by the Agency as a resource controlled, managed or dispatched by the Agency measured at or adjusted to the points of delivery from the transmission system and “*TERAM*” means the sum of the *MTER* quantities determined for all Members for the preceding fiscal year of the Agency. Each Member’s number of weighted votes as determined by the formula shall be rounded to the nearest one-tenth.

For the period prior to the provision of power supply to a Member by the Agency, the Member’s energy requirements shall be based on the appropriate amounts purchased or consumed under the Member’s existing power supply arrangements.

FY2022 Weighted Voting

Annual update of Weighted Voting for FY2022 is included on the following page

KYMEA Weighted Voting for FY2022

			All KYMEA Members		AR Members	
	Voting Member	MWh	Votes	% of Total	Votes	% of Total
1	Barbourville	87,110	4.1	4.07%	4.1	7.21%
2	Bardwell	8,486	0.4	0.40%	0.4	0.70%
3	Benham	5,998	0.3	0.28%	-	n/a
4	Berea	124,813	5.8	5.83%	-	n/a
5	Corbin	81,182	3.8	3.79%	3.8	6.68%
6	Falmouth	18,387	0.9	0.86%	0.9	1.58%
7	Frankfort	658,267	30.7	30.74%	30.7	53.95%
8	Madisonville	266,729	12.5	12.46%	12.5	21.97%
9	Owensboro	794,714	37.1	37.11%	-	n/a
10	Paris	66,379	3.1	3.10%	3.1	5.45%
11	Providence	29,194	1.4	1.36%	1.4	2.46%
TOTALS		2,141,259	100.0	100.00%	56.9	100.00%

Notes:

Weighted Votes effective July 1, 2021

Energy amounts above based on FY2021 Energy Requirements loss-adjusted to transmission service level

File: KYMEA_Member_Invoices_07-2021.xlsm

Comparison of energy purchases for FY2019, FY2020, and FY2021 is included on the following page for information

Year-to-Year Comparison

Year-to-Year Comparison of Energy Purchases by Member

	Municipal	FY2021		FY2020		FY2019	
		MWh	% of Total	MWh	% of Total	MWh	% of Total
1	Barbourville	87,110	4.1%	85,997	4.0%	89,248	4.0%
2	Bardwell	8,486	0.4%	8,532	0.4%	9,007	0.4%
3	Benham	5,998	0.3%	5,992	0.3%	6,277	0.3%
4	Berea	124,813	5.8%	126,025	5.9%	132,721	6.0%
5	Corbin	81,182	3.8%	81,352	3.8%	83,960	3.8%
6	Falmouth	18,387	0.9%	19,017	0.9%	19,242	0.9%
7	Frankfort	658,267	30.7%	655,213	30.6%	689,693	31.0%
8	Madisonville	266,729	12.5%	278,048	13.0%	289,666	13.0%
9	Owensboro	794,714	37.1%	795,871	37.1%	817,779	36.7%
10	Paris	66,379	3.1%	60,211	2.8%	60,247	2.7%
11	Providence	29,194	1.4%	26,745	1.2%	27,614	1.2%
	TOTALS	2,141,259	100.0%	2,143,003	100.0%	2,225,454	100.0%

Year-to-Year Change

	Municipal	FY2021 - FY2020		FY2020 - FY2019		FY2019 - FY2018	
		Diff (MWh)	Diff (%)	Diff (MWh)	Diff (%)	Diff (MWh)	Diff (%)
1	Barbourville	1,113	0.06%	(3,251)	0.00%	(2,644)	-0.04%
2	Bardwell	(46)	0.00%	(475)	-0.01%	31	0.01%
3	Benham	6	0.00%	(285)	0.00%	(272)	-0.01%
4	Berea	(1,212)	-0.05%	(6,696)	-0.08%	1,693	0.19%
5	Corbin	(170)	0.00%	(2,608)	0.02%	9	0.07%
6	Falmouth	(630)	-0.03%	(225)	0.02%	(514)	-0.01%
7	Frankfort	3,054	0.17%	(34,480)	-0.42%	(17,359)	-0.18%
8	Madisonville	(11,319)	-0.52%	(11,618)	-0.04%	(10,084)	-0.20%
9	Owensboro	(1,157)	-0.02%	(21,908)	0.39%	(11,589)	0.18%
10	Paris	6,168	0.29%	(36)	0.10%	(495)	0.03%
11	Providence	2,449	0.12%	(869)	0.01%	(1,505)	-0.04%
	TOTALS	(1,744)	0.00%	(82,451)	0.00%	(42,730)	0.00%

AR Project Committee Requested Action

- Staff recommends the AR Project Committee approve the Weighted Voting for FY2022

Board Requested Action

- Staff recommends the KYMEA Board approve the Weighted Voting for FY2022

Exhibit A

	Voting Member	MWh	All KYMEA Members		AR Members	
			Votes	% of Total	Votes	% of Total
1	Barbourville	87,110	4.1	4.07%	4.1	7.21%
2	Bardwell	8,486	0.4	0.40%	0.4	0.70%
3	Benham	5,998	0.3	0.28%	-	n/a
4	Berea	124,813	5.8	5.83%	-	n/a
5	Corbin	81,182	3.8	3.79%	3.8	6.68%
6	Falmouth	18,387	0.9	0.86%	0.9	1.58%
7	Frankfort	658,267	30.7	30.74%	30.7	53.95%
8	Madisonville	266,729	12.5	12.46%	12.5	21.97%
9	Owensboro	794,714	37.1	37.11%	-	n/a
10	Paris	66,379	3.1	3.10%	3.1	5.45%
11	Providence	29,194	1.4	1.36%	1.4	2.46%
TOTALS		2,141,259	100.0	100.00%	56.9	100.00%

Notes:

Weighted Votes effective July 1, 2021

Energy amounts above based on FY2021 Energy Requirements loss-adjusted to transmission service level

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KENTUCKY MUNICIPAL ENERGY AGENCY



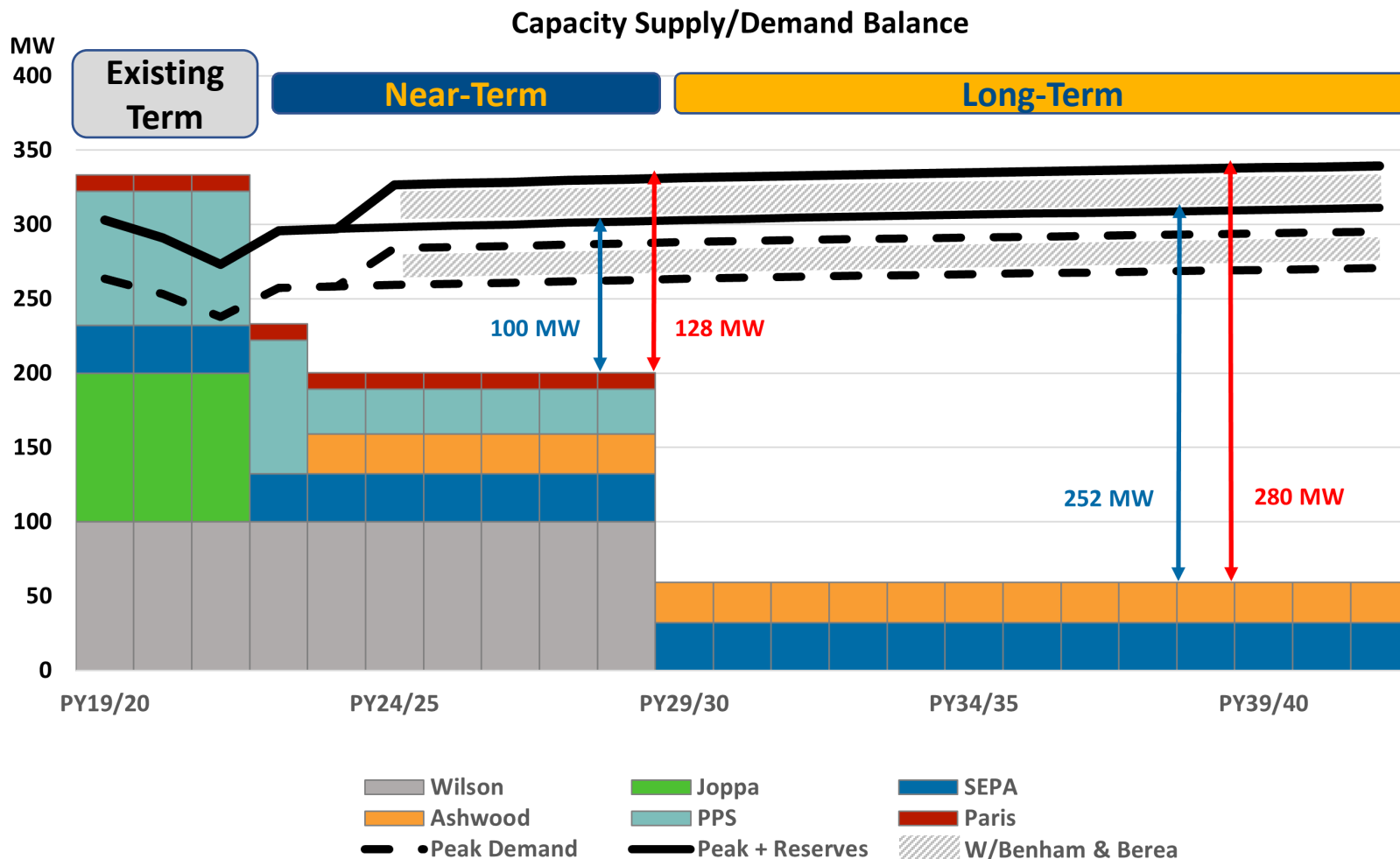
Duke Energy Indiana (DEI) PPA Action Plan

July 21, 2021

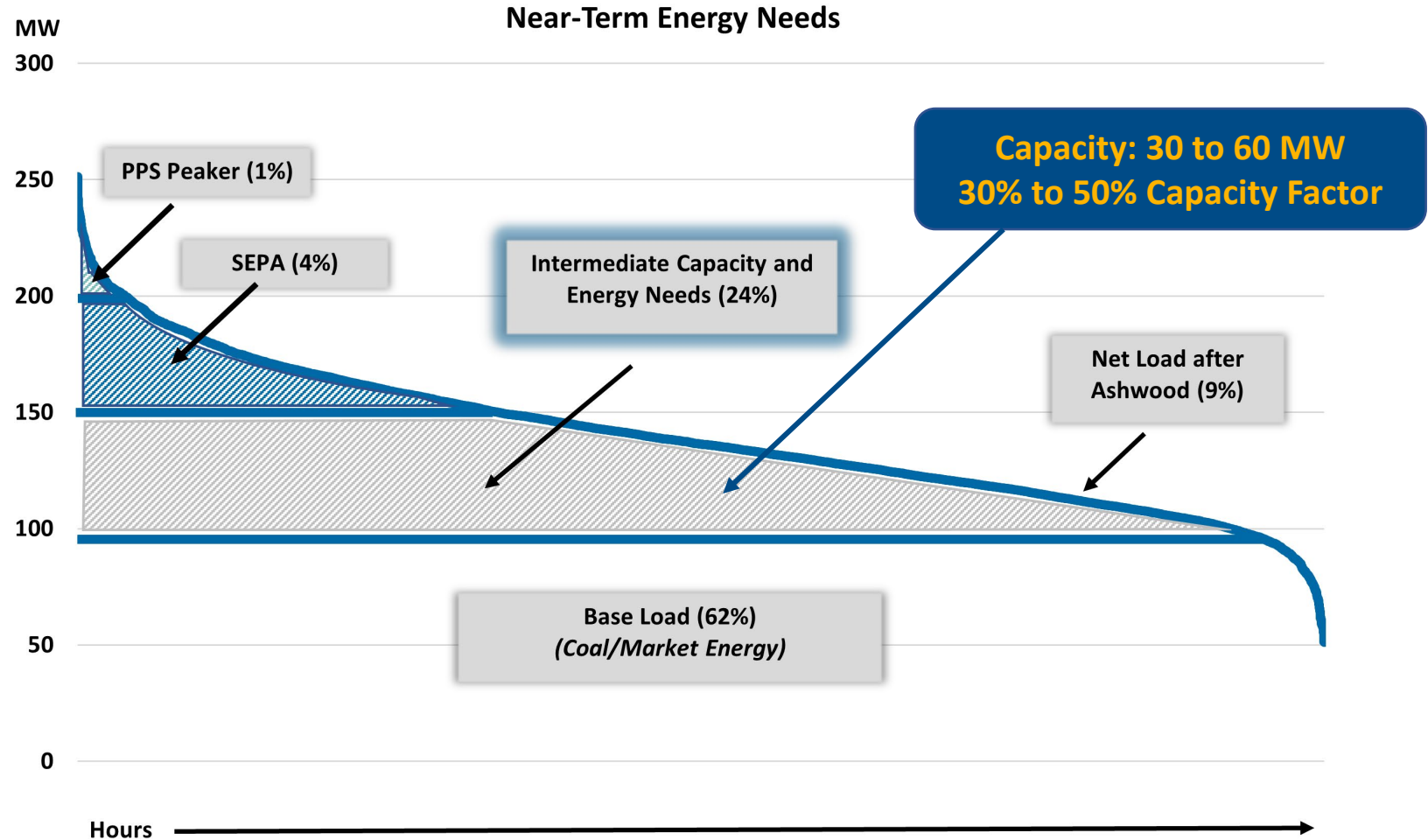
AGENDA

- Near-Term Needs
- Request for Proposals
- PLAN E
- Duke Energy PPA Approval

20-Year Capacity Needs



Near-Term Energy Needs



AGENDA

- Near-Term Needs
- Request for Proposals
- PLAN E
- Duke Energy PPA Approval

RFP2020 Synopsis

The Kentucky Municipal Energy Agency (KYMEA) seeks written proposals from qualified suppliers of electric intermediate capacity and energy resources. KYMEA intends to purchase power from one or more suppliers commencing on June 1, 2022 for terms of 3 to 20 years.

Resources should: (i) be deliverable on a firm, non-interruptible basis to the LGE/KU transmission system, (ii) be delivered to KYMEA on a first call basis and not be committed for sale to third parties, and (iii) qualify for designation as network resources under the LGE/KU Open Access Transmission Tariff (“OATT”) to serve the loads of KYMEA’s Member municipal electric systems.

Proposers may propose a specific amount of capacity or indicate that the amount of capacity to be purchased would be within a range from 30 MW to 60 MW, with the specific amount to be determined during negotiation of the power purchase agreement. The expected capacity factor is between 30% and 50%.

Proposers are required to submit by email their questions pertaining to this RFP no later than 2 pm EDT on August 12, 2020 and their proposals no later than 2 pm EDT on August 19, 2020, and meet other requirements specified in this RFP.

RFP2020 Responses

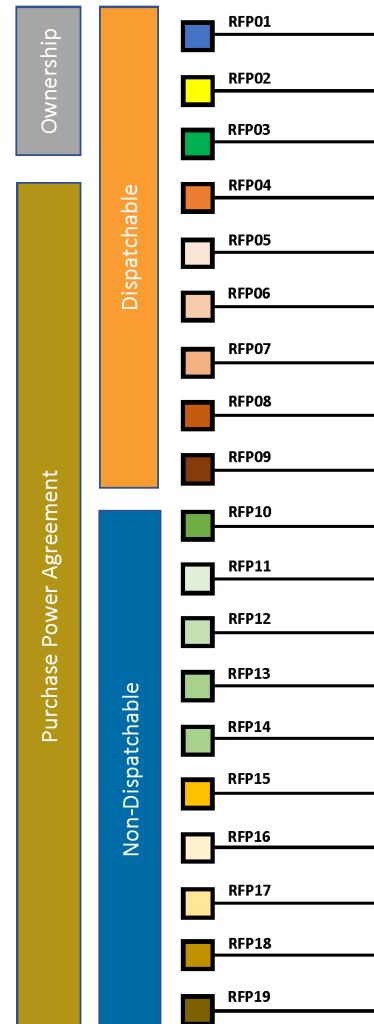
RFP2020 Response Summary

The RFP produced 32 proposals from 11 respondents. The proposals included ownership and PPA options for the specified capacity and energy product. Also included, were solar and battery storage proposals.

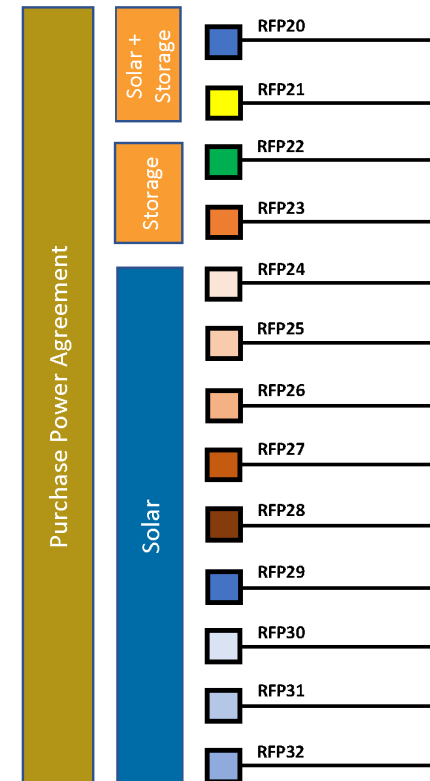
KYMEA is unable to publicly share the specific RFP responses due to non-disclosure agreements (NDA). The responses can be categorized as:

- Reciprocating Internal Combustion Engines (RICE)
- GE LM6000
- System Dispatchable Capacity/Energy
- 7x24 Fixed Price Capacity/Energy
- 5x16 Fixed Price Capacity/Energy
- 7x24 Indexed Price Capacity/Energy
- 5x16 Indexed Price Capacity/Energy
- Solar
- Solar + Storage
- Storage Only

Capacity/Energy Proposals



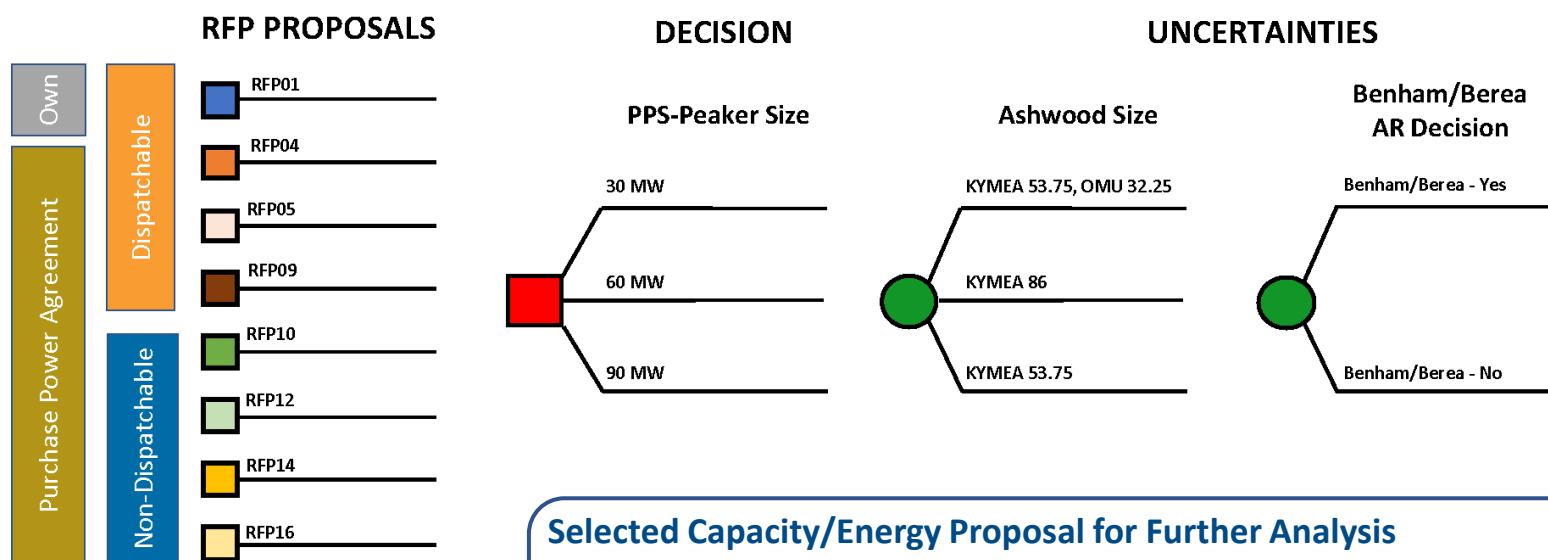
Solar/Storage Proposals



RFP2020 Capacity and Energy

RFP2020 Capacity and Energy Analysis Proposals

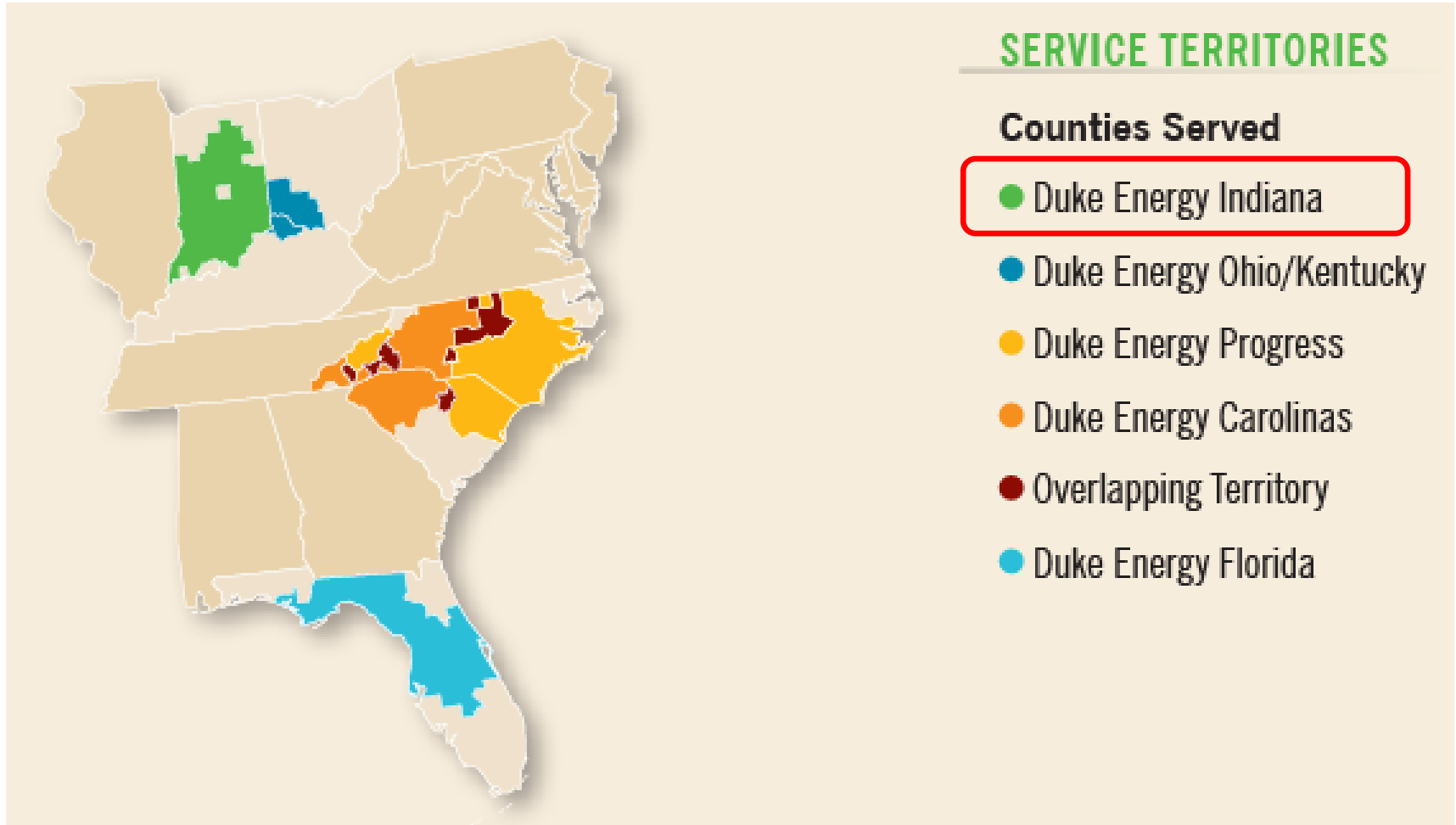
The 19 capacity and energy responses were reduced to eight proposals. Proposals that were similar but inferior to a better proposal with similar attributes were not simulated with EnCompass in the interest of reducing the viable options to a manageable size of eight proposals. KYMEA considered 144 combinations ($8 \times 3 \times 3 \times 2 = 144$) to determine which RFP proposal provided the best fit to meet KYMEA's near-term resource needs.



Selected Capacity/Energy Proposal for Further Analysis

A MISO Counterparty Intermediate Capacity and Energy Proposal was selected for possible inclusion in the near-term plan.

Duke Energy Service Territories



AGENDA

- Near-Term Needs
- Request for Proposals
- **PLAN E**
- Duke Energy PPA Approval

Eleven Near-Term Plans

	Firm Capacity and Reserve Margin					MISO PRA, MISO Point-to-Point Transmission, Operating Reserves					Levelized Cost millions \$ (6/2019 - 5/2027)			Levelized Cost ¢ per kWh (6/2019 - 5/2027)		
	Firm Capacity	PPS Peaking	Ashwood Solar	MISO PPA	Reserve Margin	MISO PRA	Pseudo Tie	MISO PTP	Operating Margin	N-1 OP Margin	Low Market	Base Market	High Market	Low Market	Base Market	High Market
Plan A	159	30	54	0	-17.4%	86 15.3%	75 (42 min)	185 (27) 202 (40)	1.8% 12.0%	-10.4% -0.2%	64.933 66.044	70.391 71.499	73.188 74.294	5.019 5.105	5.441 5.526	5.657 5.742
Plan B	159	90	54	0	5.5%	48 23.7%	42 (42 min)	177 (0) 177 (15) 202 (40)	20.1% 26.2% 36.4%	-16.5% -10.4% -0.2%	64.913 65.603 67.275	69.945 70.626 72.295	71.969 72.641 74.308	5.017 5.070 5.200	5.406 5.459 5.588	5.562 5.614 5.743
Plan C	159	30	54	60	5.5%	26 15.3%	74 (42 min)	177 (15) 202 (40)	1.8% 12.0%	-10.4% -0.2%	66.474 68.147	70.103 71.770	70.881 72.545	5.138 5.267	5.418 5.547	5.478 5.607
Plan D	159	45	54	45	5.5%	26 15.3%	62 (42 min)	177 (15) 202 (40)	7.9% 18.1%	-10.4% -0.2%	66.280 67.953	70.173 71.840	71.154 72.819	5.123 5.252	5.424 5.553	5.499 5.628
Plan E	159	60	54	30	5.5%	26 15.3%	49 (42 min)	177 (15) 202 (40)	14.0% 24.2%	-10.4% -0.2%	66.081 67.754	70.245 71.914	71.431 73.096	5.107 5.237	5.429 5.558	5.521 5.650
Plan F	159	30	86	0	-11.3%	77 17.9%	67 (67 min)	177 (15) 202 (40)	1.8% 12.0%	-10.4% -0.2%	64.576 66.249	69.603 71.270	72.010 73.676	4.991 5.120	5.380 5.508	5.566 5.694
Plan G	159	75	86	0	5.9%	77 35.1%	67 (67 min)	177 (15) 202 (40)	20.1% 30.3%	-10.4% -0.2%	65.641 67.314	70.620 72.289	72.861 74.528	5.073 5.203	5.458 5.587	5.631 5.760
Plan H	159	30	86	45	5.9%	32 17.9%	67 (67 min)	177 (15) 202 (40)	1.8% 12.0%	-10.4% -0.2%	66.203 67.875	69.830 71.499	70.701 72.368	5.117 5.246	5.397 5.526	5.464 5.593
Plan I	159	45	86	30	5.9%	47 23.7%	67 (67 min)	177 (15) 202 (40)	7.9% 18.1%	-10.4% -0.2%	66.078 67.750	70.123 71.791	71.420 73.086	5.107 5.236	5.420 5.549	5.520 5.649
Plan J	159	40	86	60	15.5%	17 21.8%	67 (67 min)	177 (15) 202 (40)	5.9% 16.1%	-10.4% -0.2%	66.915 68.588	70.105 71.774	70.460 72.125	5.172 5.301	5.418 5.547	5.446 5.575
Plan K	159	60	86	30	11.7%	47 29.4%	67 (67 min)	177 (15) 202 (40)	14.0% 24.2%	-10.4% -0.2%	66.433 68.106	70.463 72.131	71.704 73.370	5.135 5.264	5.446 5.575	5.542 5.671

On December 29, 2020, the KYMEA Board selected PLAN E

KYMEA Board Decision – Plan E

KYMEA Board Approval – December 29, 2020 (6 months ago)

1. Board approval to select Plan E and direct KYMEA CEO to implement elements of the Plan subject to as needed subsequent Board approval(s).
2. Board approval to nominate the PPS Peaking Capacity to 60 MW beginning June 1, 2023.
3. Board approval to waive KYMEA's right of first refusal (ROFR) to take an additional 32.25 MW from the Ashwood Solar I Project.
4. Board directed the CEO to develop a term sheet and negotiate a purchase power agreement for 30 MW of intermediate capacity and energy with one or more identified parties from the indicative RFP responses received August 19, 2020. CEO will seek Board approval of the final PPA when contract terms have been completed.
5. CEO Action (No further Board action required): Based on selected Plan E, CEO will move forward with the necessary LG&E/KU and MISO System Impact Studies which have been previously approved by the Board at the September 24, 2020 Board meeting for 15 MW of additional MISO transmission.

AGENDA

- Near-Term Needs
- Request for Proposals
- PLAN E
- Duke Energy PPA Approval

Duke Energy Indiana PPA

- Capacity: 30 MW
 - Firm Capacity
- Dispatch: Hourly (0 to Maximum)
 - Firm Energy (100% availability)
- Term: June 1, 2022 – May 31, 2027
- Energy Price: Monthly price tied to the DEI monthly average fuel and energy cost (regulated by IURC)
- Demand Charge: Fixed (not formula rate)

AR Project Committee Requested Action

- Staff recommends the AR Project Committee approve the Duke Energy Indiana PPA.

Board Requested Action

- Staff recommends the KYMEA Board approve the Duke Energy Indiana PPA

RESOLUTION

WHEREAS, the procurement of wholesale capacity and energy to meet the needs of Members of the Kentucky Municipal Energy Agency ("KYMEA") is its primary mission; and

WHEREAS, KYMEA issued a request for proposals ("RFP") in August 2020 to interested parties soliciting the supply of intermediate capacity and energy beginning not before June 2022, and

WHEREAS, the RFP requested interested parties to present proposals under the provisions of KRS 45A.370 for multiple products and options based upon conclusion by KYMEA that competitive sealed bidding was not feasible for procuring the supply of energy and capacity required by KYMEA; and

WHEREAS, KYMEA received numerous proposals from potential suppliers of energy and capacity (the "Proposals"); and

WHEREAS, KYMEA's All Requirements Project Committee (the "AR Project Committee") has reviewed the Proposals and evaluated the Proposals to determine which Proposals were the most advantageous to KYMEA All Requirement Project Members (the "AR Members") based upon the evaluation factors in the RFP; and

WHEREAS, based upon the evaluation of the criteria set forth in the RFP, KYMEA staff recommended that Duke Energy of Indiana, LLC ("DEI") should be considered for an award of a Power Purchase Agreement upon successful negotiation of the agreement, and

WHEREAS, at and with the direction of the Board, the President and CEO negotiated a Power Purchase Agreement with DEI (the "DEI PPA") attached hereto based upon DEI's Proposal to the RFP; and

WHEREAS, the AR Project Committee has reviewed and evaluated (i) the Proposals received pursuant to the RFP and (ii) the DEI PPA;

NOW THEREFORE BE IT RESOLVED:

Section 1. Recommendation of Approval. That the AR Project Committee accepts the recommendation of KYMEA staff and agrees with the evaluations and conclusions reached by KYMEA staff that progression toward award of the DEI PPA to DEI would be the most advantageous to the AR Members and hereby requests the KYMEA Board of Directors to approve and enter into the DEI PPA.

Action Items

- I. Adjourn the AR Project Committee Meeting and return to the KYMEA Board Meeting
- J. Action Items
 - J.1 Weighted Voting Update
 - J.2 Duke Energy Indiana PPA
 - J.3 Integrated Resource Plan



RESOLUTION

WHEREAS, the procurement of wholesale capacity and energy to meet the needs of Members of the Kentucky Municipal Energy Agency ("KYMEDIA") is its primary mission; and

WHEREAS, KYMEDIA issued a request for proposals ("RFP") in August 2020 to interested parties soliciting the supply of intermediate capacity and energy beginning not before June 2022, and

WHEREAS, the RFP requested interested parties to present proposals under the provisions of KRS 45A.370 for multiple products and options based upon conclusion by KYMEDIA that competitive sealed bidding was not feasible for procuring the supply of energy and capacity required by KYMEDIA; and

WHEREAS, KYMEDIA received numerous proposals from potential suppliers of energy and capacity (the "Proposals"); and

WHEREAS, KYMEDIA has reviewed the Proposals and evaluated the Proposals to determine which Proposals were the most advantageous to KYMEDIA based upon the evaluation factors in the RFP; and

WHEREAS, the KYMEDIA Board of Directors (the "Board") determined that certain of the proposals from responsible offerors were reasonably susceptible of being selected for award, and KYMEDIA staff conducted written and oral discussions with those offerors; and

WHEREAS, based upon the evaluation of the criteria set forth in the RFP, KYMEDIA staff recommended that Duke Energy of Indiana, LLC ("DEI") should be considered for an award of a Power Purchase Agreement upon successful negotiation of the agreement, and

WHEREAS, at and with the direction of the Board, the President and CEO negotiated a Power Purchase Agreement with DEI (the "DEI PPA") attached hereto based upon DEI's Proposal to the RFP; and

WHEREAS, the Board has reviewed and evaluated (i) the Proposals received pursuant to the RFP and (ii) the DEI PPA;

NOW THEREFORE BE IT RESOLVED:

Section 1. Acceptance of Recommendation. That the Board accepts the recommendation of KYMEDIA staff and agrees with the evaluations and conclusions reached by KYMEDIA staff that progression toward award of the DEI PPA to DEI would be the most advantageous to KYMEDIA and its Members based upon the evaluation factors set forth in the request for proposals.

Section 2. Intention of Award of DEI PPA. That KYMEDIA hereby intends to award to DEI a power supply arrangement through execution of the DEI PPA which shall be based upon

the terms and conditions presently set forth therein.

Section 3. Approval and Authorization of Execution of DEI PPA. The DEI PPA is hereby approved, subject to such minor changes, changes of dates, insertions or deletions as may be approved by the President and CEO of KYMEA, such approval to be conclusively evidenced by the execution of said document, in order to effectuate the purposes of this Resolution and to award a power supply arrangement to DEI; and the President and CEO is hereby authorized to execute and acknowledge same for and on behalf of KYMEA.

Section 4. KYMEA Officers to Take Any Other Necessary Action. Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the President and CEO and all other appropriate officials of KYMEA are hereby authorized and directed to take any and all further actions and to execute and deliver all other documents as may be reasonably necessary to effect the purpose of this Resolution and to award to DEI a power supply arrangement through the execution and delivery of the DEI PPA.

CERTIFICATE OF SECRETARY

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Kentucky Municipal Energy Agency, that the foregoing Resolution is a true copy of a Resolution introduced, read and adopted at a properly convened meeting of said Agency's Board of Directors on July 21, 2021, as shown by the official records in my custody and under my control.

I further certify that said meeting was duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823, that a quorum was present at said meeting, that said Resolution has not been modified, amended, revoked or repealed, and that same is now in full force and effect.

IN WITNESS WHEREOF, I have hereto set my hand as Secretary of the Issuer this 21st day of July, 2021.

Secretary



KENTUCKY MUNICIPAL ENERGY AGENCY

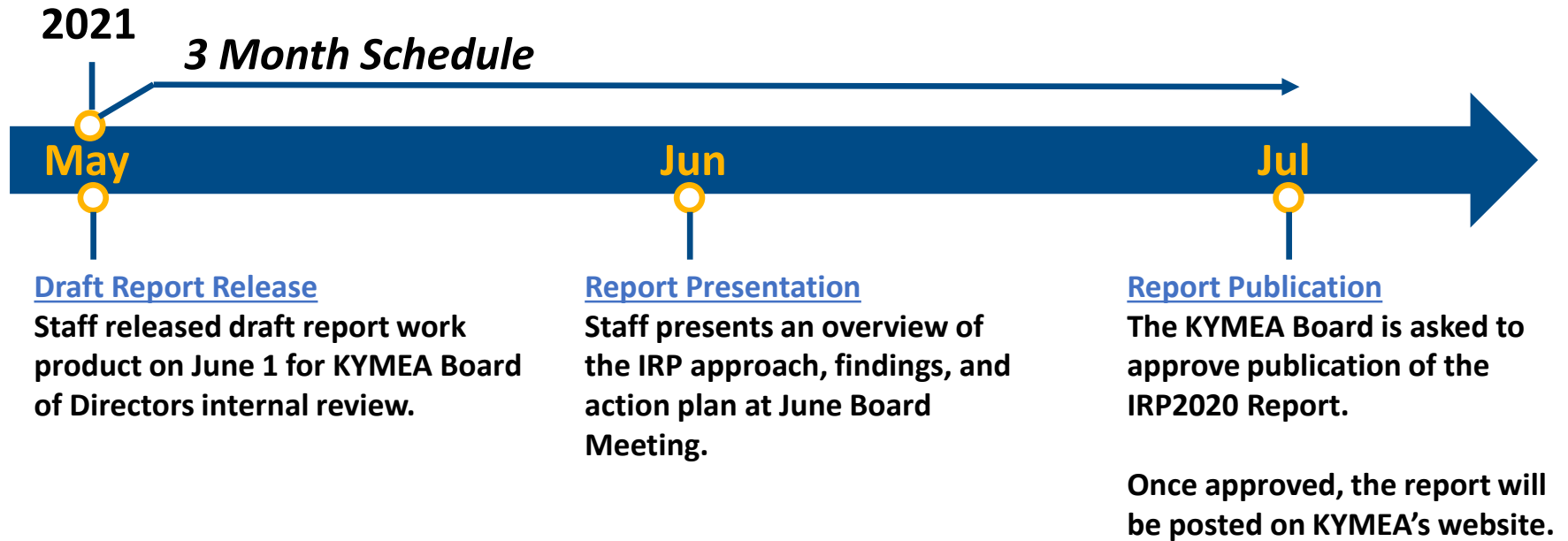


IRP2020 Report Approval for Publication

Doug Buresh

July 21, 2021

IRP2020 Publication Schedule



Board Requested Action

- Staff recommends the KYMEA Board vote to approve for publication the 2020 Integrated Resource Plan (IRP2020).

RESOLUTION

WHEREAS, the Kentucky Municipal Energy Agency ("KYMEA") strives to provide its Members with cost effective wholesale power and energy resources and services, and

WHEREAS, the KYMEA Board determined that it would be in the best interest of the agency and its Members to develop strategies to determine how to achieve the provision of such resources and services, and

WHEREAS, the KYMEA Board and Staff developed an Integrated Resource Plan 2020 ("IRP2020") to provide KYMEA with strategies to meet its near-term power demand and to provide a 20-year blueprint for meeting future power and energy resource needs and services in a continually changing industry and regulatory environment, and

WHEREAS, IRP2020 presents options to the KYMEA Board to assist it with its near term and long term decision making, and

WHEREAS, the KYMEA Board has reviewed and evaluated the IRP2020 and the recommendations and conclusions reached thereunder;

NOW THEREFORE BE IT RESOLVED:

That the KYMEA Board accepts IRP2020, agrees with the recommendations and conclusions therein, adopts IRP2020 as KYMEA's Integrated Resource Plan and directs its publication and distribution.

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 Special Meeting is Thursday, August 26th 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

M.Closed Session



Actions Related to Closed Session

N. Actions Related to Closed Session



Adjournment

