

Unapproved Minutes
Power Supply Committee Meeting
Municipal Energy Agency of Nebraska
Younes Conference Center South - 416 W Talmadge Road, Kearney, Nebraska
May 17, 2023 – 12:30 p.m. (CT)

The Municipal Energy Agency of Nebraska (MEAN) Power Supply Committee met on Wednesday, May 17, 2023, at the Younes Conference Center South located at 416 W Talmadge Road in Kearney, Nebraska, the designated meeting site. Notice of the meeting was given to committee members by e-mail, and the public was advised by publication both print and online in the Lincoln Journal-Star newspaper and website on May 3, 2023. The notice and agenda were posted upon issuance at the NMPP Energy office, 8377 Glynoaks Drive, Lincoln, Nebraska, and kept continually current and available for public inspection. Meeting information and the current version of the Nebraska Open Meetings Act were made available on NMPP Energy's Public Meeting Information website.

CALL TO ORDER

Chairman Tom Ourada called the meeting to order at 12:34 p.m. (CT). Pursuant to Section 84-1412 (8) of the Nebraska Open Meetings Act, a current copy of the Open Meetings Act was posted in the meeting room and made available to the public.

ROLL CALL

A quorum was declared with nine of ten committee members in attendance.

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| 1. Pat Davison - Imperial, NE | 6. Matt Langhorst - Glenwood Springs, CO |
| 2. James DePue - Wray, CO | 7. Tom Ourada - Crete, NE |
| 3. Will Dowis - Gunnison, CO | 8. Adam Suppes - Delta, CO |
| 4. Bill Hinton - Kimball, NE | 9. Randy Woldt - Wisner, NE |
| 5. Duane Hoffman - Oxford, NE | |

Absent: Chris Rodman - Wall Lake, IA

PUBLIC COMMENT PERIOD

Presenter: Tom Ourada, Committee Chair

The Public Comment Period was announced, and a review of the rules applicable to the public participation process at MEAN public meetings was provided. There were no public comments.

CONSENT AGENDA

Minutes

Minutes of the January 18, 2023, meeting were previously distributed and included as Attachment A of the meeting packet. There were no changes to the minutes.

Next Meeting

The next meeting of the MEAN Power Supply Committee will be held on August 16, 2023, at the Younes Conference Center South, located at 416 W Talmadge Rd. in Kearney, Nebraska.

2023 Summer Season Load and Capability Report

Bruce Doll, Manager of Resources, Planning & Transmission presented a summary of the 2023 Summer Season Load and Capability Report, including the contracted capacity of leased member generation.

Consent Resolution

Motion: Adam Suppes moved to approve the following Consent Resolution. Matt Langhorst seconded the motion, which carried unanimously on a roll call vote.

CONSENT RESOLUTION

WHEREAS, certain business of the MEAN Power Supply Committee of the Municipal Energy Agency of Nebraska (MEAN) transpires on a regular and routine basis or is not of a controversial nature; and,

WHEREAS, roll-call votes on each individual issue greatly extended the meeting time.

NOW, THEREFORE, BE IT RESOLVED BY THE MEAN Power Supply Committee that in the interest of economizing time, yet complying with the Open Meetings Act of the State of Nebraska, which requires roll-call voting, the following issues are hereby consolidated in this Consent Resolution:

- 1. BE IT FURTHER RESOLVED BY the MEAN Power Supply Committee that the minutes of the January 18, 2023, meeting are hereby approved.*
- 2. BE IT FURTHER RESOLVED BY the MEAN Power Supply Committee that the next meeting will be held on Wednesday, August 16, 2023, at the Younes Conference Center South, 416 W Talmadge Rd., Kearney, Nebraska.*
- 3. BE IT FURTHER RESOLVED BY the MEAN Power Supply Committee that the Committee recommends the MEAN Board of Directors approve the 2023 Summer Season Load and Capability Report.*

CITY OF HOLYOKE, COLORADO TOTAL POWER REQUIREMENTS POWER PURCHASE AGREEMENT (SERVICE SCHEDULE M) AND CORRESPONDING ADJUSTMENTS TO FIXED COST RECOVERY CHARGE ALLOCATIONS FOR SERVICE SCHEDULES M, K AND K-1

Presenter: Michelle Lepin, General Counsel

Holyoke, Colorado's current Service Schedule J expires on September 30, 2023, and the City is considering signing a Service Schedule M (SSM) agreement. This would be the standard SSM, not the modernized SSM that is still in draft form. Staff recommended the Committee recommend Board approval of the SSM with Holyoke and the corresponding adjustments to the Fixed Cost Recovery Charge (FCRC) allocations.

Discussion ensued.

Motion: Pat Davison moved to approve the following resolution. Matt Langhorst seconded the motion, which carried unanimously on a roll call vote.

RESOLUTION

WHEREAS, the City of Holyoke, Colorado ("City of Holyoke"), is a signatory to a Supplemental Agreement for Firm Power Interchange Service with the Municipal Energy Agency of Nebraska ("MEAN") that is scheduled to expire September 30, 2023; and,

WHEREAS, the City of Holyoke intends to approve or has approved a Service Schedule M, Total Power Requirements Power Purchase Agreement, with MEAN for a term beginning October 1, 2023; and,

WHEREAS, the MEAN Power Supply Committee desires to recommend the MEAN Board of Directors approve the Service Schedule M with the City of Holyoke and corresponding adjustments to the Fixed Cost Recovery Charge Allocations for Service Schedules M, K and K-1 accordingly, all to be effective October 1, 2023 to allow for the sixty (60) day advance notice required for Service Schedule M.

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Power Supply Committee that the Committee recommends the MEAN Board of Directors authorize and direct the Executive Director to execute the Service Schedule M, Total Power Requirements Power Purchase Agreement to be effective as of October 1, 2023 with the City of Holyoke, subject to receipt of all necessary documentation from the City of Holyoke.

BE IT FURTHER RESOLVED BY the MEAN Power Supply Committee that the Committee recommends the MEAN Board of Directors approve the Attachment 1, Fixed Cost Recovery Charge Allocation, dated effective October 1, 2023 to the Schedule of Rates and Charges, Exhibit B to Service Schedule M, as presented, subject to execution of the Service Schedule M by and between MEAN and the City of Holyoke effective October 1, 2023.

BE IT FURTHER RESOLVED BY the MEAN Power Supply Committee that the Committee recommends the MEAN Board of Directors approve the Attachment 1, Fixed Cost Recovery Charge Allocation, dated effective October 1, 2023 to the Schedule of Rates and Charges to Service Schedules K and K-1, as presented, subject to execution of the Service Schedule M by and between MEAN and the City of Holyoke effective October 1, 2023.

CITY OF LAKE VIEW, IOWA AGREEMENT FOR FIRM POWER INTERCHANGE SERVICE (SERVICE SCHEDULE J)

Presenter: Michelle Lepin, General Counsel

Lake View, Iowa is requesting to renew its Firm Power Interchange Service Agreement, formerly known as the Service Schedule J (SSJ) Supplemental Agreement, that will expire on May 31, 2024. Staff has proposed a modernized version of the agreement that would include many of the same terms as the draft modernized Service Schedule M agreement that has been proposed.

Motion: Adam Suppes moved to approve the following resolution. Matt Langhorst seconded the motion, which carried unanimously on a roll call vote.

RESOLUTION

WHEREAS, the Agreement for Firm Power Interchange Service between the City of Lake View, Iowa, and MEAN expires May 31, 2024, and,

WHEREAS, the City of Lake View, Iowa, may pass or has passed an ordinance to approve a new Agreement for Firm Power Interchange Service with MEAN to be effective for a five-year term beginning June 1, 2024.

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Power Supply Committee that the Committee recommends the MEAN Board of Directors authorize and direct the Executive Director to negotiate and execute an Agreement for Firm Power Interchange Service between the City of Lake View, Iowa, and MEAN for a term of June 1, 2024 through May 31, 2029, subject to (i) final legal and management review, and (ii) timely receipt of all necessary documents from the City of Lake View, Iowa.

ESTABLISH EXCEPTION TO MORATORIUM AND LEASE ADDITIONAL MEMBER GENERATION FROM THE CITY OF CURTIS, NEBRASKA

Presenter: Bruce Doll, Manager of Resources, Planning & Transmission

The City of Curtis, Nebraska, is pursuing the installation of 4 MW of generation capacity. They have a forecasted fairly significant load increase due to an industrial facility, a new housing development with over fifty additional homes, and a college expansion project that is expected to add 40 – 80 additional units. Contracting for this additional capacity would improve MEAN's position when mitigating high energy prices and would benefit a MEAN member as opposed to a third party.

Discussion ensued and included this would be a second site in between Curtis and Maywood. Curtis has a current capacity of 3.3MWh serving Curtis, Maywood, and the seven mile stretch in between due to an agreement with the Power Review Board. Curtis has often been running at maximum capacity over the past two years which was also a factor in pursuing a new installation.

Motion: Bill Hinton moved to approve the following resolution. Pat Davison seconded the motion, which carried unanimously on a roll call vote.

RESOLUTION

WHEREAS, the City of Curtis, Nebraska, a MEAN Service Schedule M participant, intends to pursue the purchase and installation of 4 MW of behind the meter reciprocating internal combustion engine generation in their community to offset the city's forecasted load growth, and desires to commit to MEAN all of the generating accredited capacity of this new generator for pooling by MEAN; and

WHEREAS, the MEAN Board of Directors approved a moratorium effective January 20, 2005, on leasing any new or additional generation until such time peaking capacity generation is needed; and

WHEREAS, the MEAN Power Supply Committee desires to recommend the MEAN Board of Directors establish an exception to the moratorium to allow MEAN to lease an additional approximately 4 MW of generating capacity from the City of Curtis, Nebraska; and

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Power Supply Committee that the Committee recommends the MEAN Board of Directors establish an exception to the moratorium placed into effect January 20, 2005, to allow MEAN to lease an additional approximately 4 MW of generating capacity from the City of Curtis, Nebraska to offset the city's forecasted load growth, contingent upon establishment of the necessary arrangements with the applicable transmission provider(s).

ESTABLISH EXCEPTION TO MORATORIUM AND LEASE ADDITIONAL MEMBER GENERATION FROM THE CITY OF WEST POINT, NEBRASKA

Presenter: Bruce Doll, Manager of Resources, Planning & Transmission

The City of West Point, Nebraska, is pursuing the installation of 6 to 8 megawatts of generation capacity for emergency generation. The City has approximately 4MW of existing contract capacity with MEAN and their peak load is 11MW. This additional capacity would benefit MEAN in several ways, including helping to offset Southwest Power Pool's performance-based accreditation program.

Discussion ensued.

Motion: Randy Woldt moved to approve the following resolution. Matt Langhorst seconded the motion, which carried unanimously on a roll call vote.

RESOLUTION

WHEREAS, the City of West Point, Nebraska, a MEAN Service Schedule M participant, intends to pursue the purchase and installation of 6 to 8 MW of behind the meter reciprocating internal combustion engine generation in their community to replace 4 MW generating capacity previously leased to MEAN but no longer in service, and desires to commit to MEAN all of the generating accredited capacity of this new generator for pooling by MEAN; and

WHEREAS, the MEAN Board of Directors approved a moratorium effective January 20, 2005, on leasing any new or additional generation until such time peaking capacity generation is needed; and

WHEREAS, the MEAN Power Supply Committee desires to recommend the MEAN Board of Directors establish an exception to the moratorium to allow MEAN to lease approximately 6 to 8 MW of generating capacity from the City of West Point, Nebraska; and

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Power Supply Committee that the Committee recommends the MEAN Board of Directors establish an exception to the moratorium placed into effect January 20, 2005, to allow MEAN to lease an additional approximately 6 to 8 MW of generating capacity from the City of West Point, Nebraska to replace the 4 MW generating capacity previously leased to MEAN but no longer in service, contingent upon establishment of the necessary arrangements with the applicable transmission provider(s).

WAVERLY UTILITIES REQUEST TO UPDATE EXHIBIT B LIST OF PARTICIPANT-OWNED CAPACITY

Presenter: Bruce Doll, Manager of Resources, Planning & Transmission

Waverly, Iowa, completed decommissioning of its hydro-electric generators in September of 2022 due to generator age, lack of repair parts, and reduction in generation capacity due to lower river flows. Waverly is requesting to replace the 495kW hydro facility on its Exhibit B with a 495kW solar array. Their current Exhibit B allows for three hydro-electric generators for a total of 495kW.

Discussion ensued and included that the original units were installed in 1894. Waverly is looking at installing a new substation to the East of Waverly and the location allows for the solar array.

Motion: Pat Davison moved to approve the following resolution. Matt Langhorst seconded the motion, which carried unanimously on a roll call vote.

RESOLUTION

WHEREAS, Waverly Utilities, a municipal utility of the City of Waverly, Iowa, (“Waverly Utilities”), is a signatory to Service Schedule M, Total Power Requirements Power Purchase Agreement with MEAN; and,

WHEREAS, Waverly Utilities has previously entered into a Second Amended and Restated Supplemental Agreement with MEAN (“Supplemental Agreement”) under which Waverly Utilities and MEAN agreed that Waverly Utilities’ Monthly Supplemental Energy from MEAN under the Service Schedule M agreement would be reduced by the energy generated by certain hydroelectric and wind generating facilities listed within such Supplemental Agreement, which hydroelectric generating facilities were subsequently decommissioned due to the age of the generators, lack of available repair parts and reduction in generation capacity from lower river flows and,

WHEREAS, Waverly Utilities has requested that MEAN approve a modification to the Supplemental Agreement to allow Waverly Utilities to utilize 495 kW of nameplate capacity from yet-to-be-constructed solar-powered generating facilities in lieu of 495kW nameplate capacity from the now-decommissioned hydroelectric generating facilities.

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Board of Directors that the Executive Director is hereby authorized and directed to negotiate and execute a modification to the Supplemental Agreement between Waverly Utilities and MEAN setting forth the terms described above, subject to final legal and management review.

BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the Executive Director and agents of MEAN are, and each of them hereby is, authorized to do any and all things and to execute and deliver any and all documents which they or any of them deem necessary or advisable in order to consummate the execution and delivery of the modification to the Supplemental Agreement or any related agreement or document which is a requirement for execution of the modification to the Supplemental Agreement, subject to final legal and management review, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which MEAN has approved in this Resolution.

BEHIND THE METER GENERATION FLEET MODERNIZATION

Presenter: Tim Cerveny, Manager of Assets and Utility Services

An overview of the benefits of Behind The Meter Generation (BTMG) fleet modernization was presented and included better performance, less operator interaction and reduced fuel costs due to improved heat rates. Newer Units are less expensive to operate and maintain, are more responsive, and they improve safety. Other items to consider are performance based accreditation, unit registration, demand response, attribute value and reduced system reliability. An overview of current contract capacity pricing was presented and members were asked to contact MEAN staff if their community was interested in modernizing their fleet.

Discussion ensued.

RESOURCE PORTFOLIO UPDATES

Presenter: Bruce Doll, Manager of Resources, Planning & Transmission

Central Nebraska Public Power and Irrigation District (CNPPID): The project was approved by the Board in November of 2022 for 42 MW of hydropower. Staff is currently reviewing a draft Power Purchase Agreement (PPA) and expect to finalize it this summer.

Western Area Power Administration (WAPA): The Board approval granted in November 2021 for the new Capacity and Energy Displacement Agreement with WAPA also included approval of an amendment in the event the Kansas City Board of Public Utilities (KCBPU) WAPA allocation could be added to the Displacement Agreement. WAPA has indicated KCBPU's allocation (approximately 5 MW) could be added to the agreement as soon as January 2024.

Aspen, Colorado Agreements Regarding Ridgway Hydropower Project: In January of 2023 the Board approved a resolution for MEAN to contract with Aspen, Colorado to receive additional offtake from the Ridgway Hydropower Project. MEAN is currently working with Aspen to develop an approximately ten-year PPA with a start date of October 2023.

Black Hills Energy: A five-year natural gas PPA for capacity and energy is currently being negotiated as approved by the Board in January 2023.

Solar Project at Sidney, NE The 40 MW Solar project in Sidney, Nebraska has encountered some transmission issues following SPP's aggregate study. The PPA was approved by the Board in November of 2022. Staff is working through these issues.

Sandhills Community Solar and MEAN Contracted Solar: Sixteen communities have signed PPAs with Sandhills for community solar projects. Sandhills is open to a second round of projects once the current projects are off the ground. MEAN has nearly completed negotiations on PPAs with Sandhills Solar for approximately 18.144 MW-AC of solar generation located within MEAN communities. The agreements will have a term of approximately 25 years.

OPERATIONS UPDATES

Presenter: Jeff Lindsay, Electric Operations Manager

A summary of fuel pricing over the past thirty days for Midcontinent Independent System Operator (MISO)/SPP and markets in the West was presented. There was a significant decrease in pricing due to mild weather and lower natural gas prices. Historic May pricing was presented along with the current outlook.

MEAN had an agreement to procure operating reserves from Tri-State from September of 2022 through May of 2023. Tri-State recently offered to renew the agreement through March of 2024.

ADJOURNMENT

There being no further business, the meeting adjourned at 2:35 p.m.

Prepared by:
Stacy Hendricks
Municipal Energy Agency of Nebraska

Submitted by:
Brad Hans
Director of Wholesale Electric Operations
Municipal Energy Agency of Nebraska