

Unapproved Minutes
Power Supply Committee Meeting
Municipal Energy Agency of Nebraska
Younes Conference Center South - 416 W Talmadge Road, Kearney, Nebraska
August 16, 2023

The Municipal Energy Agency of Nebraska (MEAN) Power Supply Committee met on Wednesday, August 16, 2023, beginning at 1:00 p.m. (CT), 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 in print and online in the Lincoln Journal-Star newspaper and website on July 29, 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 1:00 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 | 6. Matt Langhorst – Glenwood Springs |
| 2. James DePue – Wray | 7. Tom Ourada – Crete |
| 3. Will Dowis – Gunnison | 8. Chris Rodman – Wall Lake |
| 4. Bill Hinton – Kimball | 9. Randy Woldt – Wisner |
| 5. Duane Hoffman – Oxford | |

Absent: Adam Suppes – Delta

PUBLIC COMMENT PERIOD

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 May 17, 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 November 15, 2023, at the Younes Conference Center North, Crown Plaza, located at 707 W Talmadge St. in Kearney, Nebraska.

2023 Winter Season Load and Capability Report and Operational Readiness

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

Consent Resolution

Motion: James DePue moved to approve the following Consent Resolution. Will Dowis 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 May 17, 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, November 15, 2023, at the Younes Conference Center North, Crown Plaza, 707 Talmadge St., Kearney, Nebraska; and*
- 3. BE IT FURTHER RESOLVED BY the MEAN Power Supply Committee that the Committee recommends the MEAN Board of Directors approve the 2023 Winter Season Load and Capability Report.*

RESOURCE ADEQUACY

Presenter: Brad Hans, Director of Wholesale Electric Operations

Resource adequacy is a concern in regions and RTOs across MEAN's footprint. Southwest Power Pool (SPP) passed a resource adequacy requirement for the winter season, MISO went to a four-season construct and in the West a construct is emerging through the Western Resource Adequacy Program (WRAP). In Colorado a law was recently passed that will require annual resource adequacy reporting to the Colorado Energy Office.

Resource adequacy is expected to be a significant issue over the next several years. It is no longer only about having enough resources. These new Resource Adequacy constructs require MEAN to

demonstrate it through extensive reporting that documents accreditation results and rights to capacity through Power Purchase Agreements (PPAs) in order to maintain compliance each year.

A summary of changes in resource adequacy policies that have been implemented in SPP, MISO, and the West since 2017 was presented along with a review of the results of a recent summer stress test performed by MEAN staff.

Going forward MEAN needs to plan for additional generation capacity. Staff will work diligently to follow the initiatives in all regions to plan and find economical resources that line up with MEAN's Integrated Resource Plan.

ESTABLISH EXCEPTION TO MORATORIUM AND LEASE ADDITIONAL MEMBER GENERATION FROM THE VILLAGE OF STUART, NEBRASKA

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

The Village of Stuart, Nebraska is pursuing the installation of approximately 1.5 MW of generation capacity. They are also completing a facility upgrade, replacing two older 1930's units with a project completion goal of February 2024. The additional 1.5 MW would result in a total of 3 MW of total leased capacity from Stuart.

Several benefits of bringing on the additional generation were presented and included improving MEAN's position when mitigating high energy prices, increased planning reserve margins, and helps offset reduced capacity from the transition to a performance-based accreditation program.

Discussion ensued.

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

POWER SUPPLY COMMITTEE RESOLUTION

WHEREAS, the Village of Stuart, Nebraska, a MEAN Service Schedule M participant, intends to pursue the purchase and installation of 1.5 MW of behind the meter reciprocating internal combustion engine generation as part of a facility upgrade and distribution system rebuild, 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 1.5 MW of generating capacity from the Village of Stuart, 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 1.5 MW of generating capacity from the Village of Stuart, Nebraska as part of a facility upgrade and

distribution system rebuild, contingent upon establishment of the necessary arrangements with the applicable transmission provider(s).

MEAN CONTRACTED SOLAR IN FORT MORGAN

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

Sandhills Energy is working with the United States Department of Agriculture (USDA) to obtain funding through the Powering Affordable Clean Energy (PACE) program for a solar project in Fort Morgan, Colorado. Several benefits of the project are that it will help with energy needs in the West, reduce interconnection costs, and if funding is awarded, there is the potential for up to 20% loan forgiveness based on MEAN's service territory.

Discussion ensued.

BEHIND THE METER GENERATION FLEET MODERNIZATION

Presenter: Tim Cervený, Manager of Assets and Utility Services

Continued volatility in contract capacity pricing over the past several years was presented. Member feedback was requested on MEAN's current pricing and whether change is preferred. Continued monitoring will be required. Staff will develop a plan outlining items to consider with timelines and present it to the Board at its November 2023 meeting.

Discussion ensued.

Current compensation for generation was presented along with possible methodology that could be used to determine Variable Operation & Maintenance (VOM) compensation going forward. Staff recommends continuing to look at possible solutions and what is appropriate based on current industry trends.

RESOURCE PORTFOLIO UPDATES

Presenter: Bruce Doll, Manager of Resources, Planning & Transmission, and Matt Reed, Distribution Resources and Generation Specialist

Central Nebraska Public Power and Irrigation District (CNPPID) The project was approved by the Board in November of 2022 for 42 MW of hydropower. A draft Power Purchase Agreement (PPA) has been sent to CNPPID for review with an anticipated start date of January 1, 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. A ten-year Power Purchase Agreement is currently in development with a start date of October 1, 2023.

Black Hills Energy MEAN signed a five-year natural gas PPA for capacity and energy that started in July 2023, as approved by the Board in January 2023, and MEAN continues to work with Black Hills on a renewable PPA.

Sandhills Community Solar and MEAN Contracted Solar A status update on five MEAN contracted solar community PPAs was presented with a total capacity of 17.144 MW-AC of solar generation. The targeted construction start is November 2023 with a completion goal of the summer of 2024, including community projects.

GENERATING FLEET UPDATE

Presenter: Tim Cervený, Manager of Assets and Utility Services

An overview of capability testing in member communities was presented. Summaries of recent site visits to Laramie River Station (LRS) and Black Hills - Neil Simpson Combustion Turbine 1 was also provided.

OPERATIONS UPDATES

Presenter: Jeff Lindsay, Electric Operations Manager

A summary of fuel pricing over the summer for Midcontinent Independent System Operator (MISO)/SPP and markets in the West was presented. There is heat building in the west that staff will continue to monitor.

ADJOURNMENT

There being no further business, the meeting adjourned at 2:41 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