

KYMEA POWER POST

A Quarterly Publication by KYMEA.



KYMEA Board Published IRP2020

On July 21, 2021, Kentucky Municipal Energy Agency (KYMEA) published its Integrated Resource Plan (IRP2020). IRP2020 is a comprehensive report analyzing the Agency's current power supply and future options against risk scenarios to develop a new portfolio for the Agency's near-term needs.

IRP2020 shows KYMEA has adequate resources between member-owned generation and purchase power agreements (PPAs) to meet the members' needs through 2027.

Key Priorities of the IRP2020 include:

- Reliability – Assure an ample supply of resources with transmission rights to reliably meet the member's load requirements under extreme conditions.

- Stable and competitive power supply costs – Plan for and establish power supply resources to allow members to provide stable and affordable rates to their customers.
- Environmental stewardship – Responsibly manage the environmental impacts of KYMEA's power supply portfolio consistent with achieving a reliable power supply portfolio and stable and competitive power supply costs.

The IRP report is a thoroughly researched and data-driven document identifying resource strategies to meet members' needs while also balancing costs and risk with environmental goals and directives. KYMEA's used sophisticated modeling tools and techniques to develop the plan.

Visit our [website](#) to read the full IRP2020.

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IRP2020 Synopsis

BY DOUG BURESH



Greetings,

In July of 2021, the KYMEA Board of Directors approved and published its Integrated Resource Plan (IRP2020). A synopsis of the report is as follows.

Planning Objectives

The power supply decisions focused on meeting fundamental utility planning criteria and Board directed priorities.

- Provide reliable sources of generation without taking unnecessary market risk,
- Provide affordable and competitive wholesale rates with reasonable stability across the various market scenarios used to assess risk,
- Provide significant but manageable renewable resources which will reduce KYMEA's environmental footprint consistent with KYMEA's environmental stewardship priority,
- Position KYMEA to capture market opportunities and serve new members to the extent those opportunities are presented,
- Avoid long-term financial commitments beyond the near-term planning horizons, with the exception of a possible 32.25 MW increase in renewable resource capability purchased from Ashwood Solar I, and
- Offer flexibility to adapt if and to the extent demand-side and conservation options or other factors result in lower supply-side requirements.

Near-Term Plan Selection

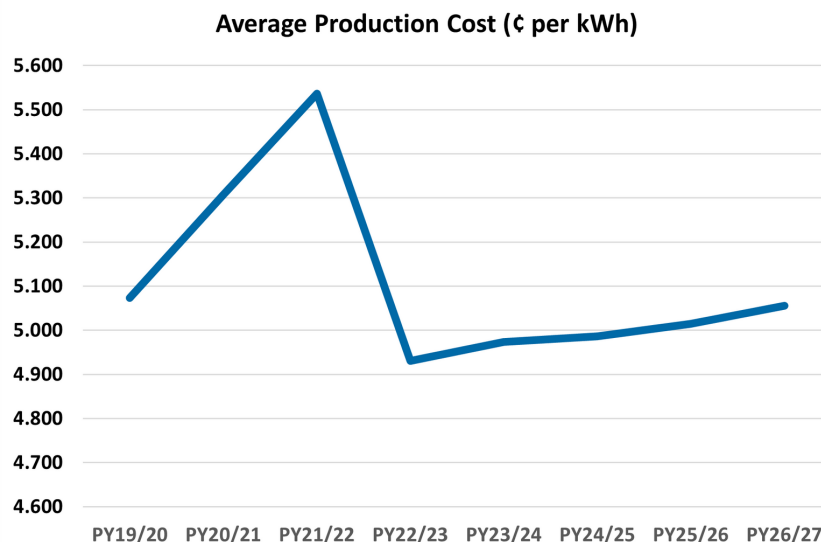
The KYMEA Board of Directors selected PLAN E, which balances projected cost and risk, and provides flexibility to adapt as circumstances change. The action items of PLAN E are as follows:

- Reduce the PPS Peaking Capacity to 60 MW beginning June 1, 2023.
- Negotiate a PPA for 30 MW of intermediate capacity and energy with Duke Energy-Indiana.
- Request the necessary LKE and MISO System Impact Studies for 15 MW of MISO point-to-point (PTP) transmission and LKE network integrated transmission service (NITS).
- Not exercise KYMEA's right of first refusal (RoFR) for an additional 32.25 MW from Ashwood.

By choosing PLAN E, the KYMEA Board chose not to exercise the Agency's right of first refusal for an additional 32.25 MW from Ashwood. If RWE, the owner of Ashwood, is unsuccessful in remarketing the additional 32.25 MW of Ashwood, then the Agency is expected to have one additional opportunity during 2021 to elect to take the additional Ashwood solar generation. This decision not to exercise the Agency's right of first refusal was largely driven by impacts of doing so on the uncertainty regarding managing the amount of imbalance service needed from LG&E/KU.

Average Production Cost

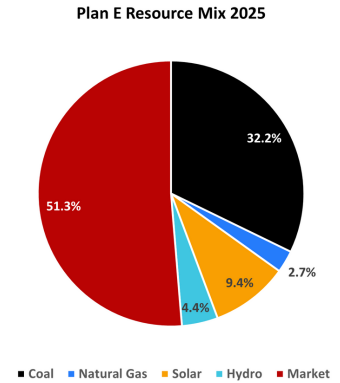
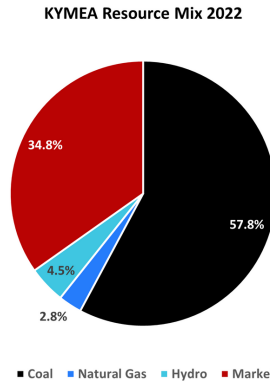
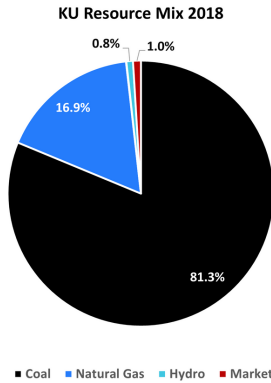
The average production cost, projected through May of 2027, is shown in the following graph. KYMEA expects a lower average production cost beginning in June of 2022 as the Agency transitions from its initial conservative portfolio to more reliance on the MISO energy market. The transition to more market energy is designed to balance even lower cost with managed risk.



Diversity

As shown in the following figure, PLAN E continues to diversify the power supply portfolio being used to serve customers in the members' communities. Prior to the formation of KYMEA, the members purchased energy from LG&E/KU. The far-left pie chart shows the 2018 LG&E/KU

resource mix, which is the last year the members purchased from LG&E/KU. The middle pie chart illustrates KYMEA's resource mix for the year 2022. The far-right pie chart illustrates KYMEA's 2025 resource mix for PLAN E. By 2025, 13.8% of KYMEA's energy will be from solar and hydro resources.



KYMEA BOARD RETREAT

September 30th at 1 PM after the Board Meeting

Strategic Planning Update

- Mission, Vision & Values
- Customer & Market Segments
- Strategic Priorities
- Desired Ends
- Goals
- Action Plan



Tim Blodgett
President and CEO, Hometown Connections



PUBLIC AFFAIRS FORUM WITH GOVERNOR BESHEAR

BY MICHELLE HIXON

KYMEA staff and Board members had the privilege of attending a public affairs forum with Governor Andy Beshear on July 26th.

As Beshear addressed a full room of Kentucky Chamber members, he praised attendees for the critical role they played throughout the pandemic in keeping their businesses afloat, staff and customers safe, and supplying the Commonwealth with essential medical supplies. However, he also warned attendees to be vigilant due to the recent rise of the Delta variant, while also taking a moment to remember the 7,200 Kentucky natives who have already lost their lives during the pandemic.

Beshear thanked the group for providing incentives to employees who received the vaccine and asked to continue encouraging others who have yet to be vaccinated. He detailed the efforts that the Commonwealth is taking to continue to fight COVID-19 and the Delta variant.

Despite the Delta variant, the governor praised Kentucky's economy and said that thanks to business owners and their hard work over the past year, Kentucky's economy is "roaring back." He referenced recent news that GE, Fidelity, and other businesses announced that they expect to add more than 1,100 new jobs in Kentucky. Beshear said that now is Kentucky's chance to "transform everything we are to ensure we are never a flyover state again." He was referring to taking the opportunity now to pass an infrastructure plan that, he believes, will significantly grow and transform the Commonwealth of Kentucky.

He cited the recent federal infrastructure bill and challenged the audience not to look at the issues like red and blue issues but to work together to accomplish transformation for Kentucky.



CYBERSECURITY CISA ESSENTIALS

BY MICHELLE HIXON

Over the past year, our country has seen an onslaught of cyberattacks that have at times crippled industries. The most recent that comes to mind and certainly most impactful in the energy industry was the Colonial Pipeline attack reported on May 7, 2021. The attack not only paralyzed distribution operations along the east coast but compromised the personal information of almost 6,000 individuals associated with the company.

This incident, along with other recent cybersecurity attacks, created an urgency in the Biden administration to prioritize cybersecurity and protect our critical infrastructure. As a result, on July 28, 2021, President Biden signed a National Security Memorandum on "Improving Cybersecurity for Critical Infrastructure Control Systems," which includes the following steps.

- Directs the Department of Homeland Security's Cybersecurity & Infrastructure Security Agency (CISA) and the Department of Commerce's National Institute of Standards and Technology (NIST), in collaboration with other agencies, to develop cybersecurity performance goals for critical infrastructure. We expect those standards will assist companies responsible for providing essential services like power, water, and transportation to strengthen their cybersecurity.
- Formally establishes the President's Industrial Control System Cybersecurity (ICS) Initiative. The ICS initiative is a voluntary, collaborative effort between the federal government and the critical infrastructure community to facilitate the deployment of technology and systems that provide threat visibility, indicators, detections, and warnings. The Initiative began in mid-April with an Electricity Subsector pilot, and already over 150 electricity utilities representing almost 90 million residential customers are either deploying or have agreed to deploy control system cybersecurity technologies. The action plan for natural gas pipelines is underway, and additional initiatives for other sectors will follow later this year.

Steps by the Federal Government are critical to success in this endeavor moving forward. The government has provided a host of resources to agencies and utilities to help support the effort and protect infrastructure in our own communities.

The Cybersecurity and Infrastructure Security Agency (CISA) was created to help public and private sectors defend and protect against threats to ensure a secure and resilient future for our nation's infrastructure. CISA has developed a suite of free risk assessment tools, mitigation plans, and emergency response exercises. In addition, entities can access CISA's Cyber Essentials Toolkit [here](#) to begin working towards implementing each Cyber Essential.

Important Dates

September

| | |
|------|---------------|
| 24th | BROC Mtg |
| 30th | Board Meeting |

October

| | |
|------|----------------------------------|
| 1st | KYMEA Annual Member's Conference |
| 27th | Board Meeting |

November

| | |
|------|----------------------|
| 16th | Budget Committee Mtg |
| 17th | Board Meeting |

Contact Michelle Hixon at mhixon@kyMEA.org for more information on the CISA Essentials Toolkit.



KYMEA ANNUAL MEMBER'S 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

Thursday, September 30th

10:00 AM KYMEA Board Meeting

12:00 PM Lunch provided

4:00 PM Sponsored Networking Event at Churchill Downs (limited tickets)

Friday, October 1st

9:00 AM Conference Sessions Begin (Louisville Marriott East)

12:00 PM Lunch provided by Louisville Marriott East

3:00 PM Conference Sessions End

Register now by contacting mhixon@kymea.org.





What is happening in our communities?

SEPTEMBER

4th: Independence Bank Fireworks Festival - Owensboro

11th: EweNique Art Walk - Falmouth

11th: Hillbilly Daze Festival - Frankfort

11th: MoonBow EggFest - Corbin

15-18th: Romp Fest - Owensboro

17-19th: Spoonbread Festival - Berea

18th: Pumpkin Festival - Paris

18th: Woof Festival - Falmouth

OCTOBER

1-3rd: Kentucky Wool Festival - Falmouth

3-9th: Daniel Boone Festival - Barbourville

8-10th: Bourbon County Secretariat Festival - Paris

9-10th: KGAC Fall Fair - Berea

10th: October Festival - Corbin

22-23rd: Bourbon on the Banks - Frankfort

NOVEMBER

13th: Home and Hearth Christmas Bazaar - Berea

26-28th: Christmas at Panther Park - Owensboro

DECEMBER

6-12th: Christmas at Panther Park - Owensboro

DID YOU KNOW?

- William Smeathers (Smothers), a European frontiersman, was the earliest known settler of Owensboro in 1797.
- Owensboro is located on the southern banks of the Ohio River in Daviess County. It was once referred to as Yellow Banks, for the color of the banks of the Ohio River.
- In the early 1900s, Owensboro was home to several local stemmeries, included Red Man, which is still made in the Owensboro metropolitan area.
- Owensboro is not only the fourth largest city in Kentucky, but touts itself as the industrial, medical, retail, and cultural hub of western Kentucky.
- OMU began providing electric services in 1900 and currently serves over 26,000 residential, commercial, and industrial customers.





Kentucky Municipal Energy Agency
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DISCOVER THE POWER OF ENERGY OPTIONS



#PUBLICPOWERFORKENTUCKY



If you have ideas for the next Power Post, please email Michelle Hixon at mhixon@kymea.org.



www.kymea.org



LinkedIn



contact@kymea.org