



February 24, 2022 Regular Meeting of the KYMEA Board of Directors

02/24/2022

Board Room

1700 Eastpoint Pkwy Suite 220

Louisville, KY, 40223

This meeting will also be available as a WebEx video meeting (contact mhixon@kymea.org for attendee information).



Meeting Book - February 24, 2022 Regular Meeting of the KYMEA Board of Directors

Agenda

A. Meeting Opening

- | | |
|------------------------|----------------|
| 1. Attendance | Michelle Hixon |
| 2. Call to Order | Josh Callihan |
| 3. Guest Introductions | Josh Callihan |

B. Previous Meeting Minutes of the KYMEA Board of Directors

Approval of the
February 17, 2022,
Special Meeting
minutes
Approval of Last
Month's Financial
Report

Josh Callihan

C. Financial Reports

Heather
Overby

D. Committee Reports

- | | |
|--|--------------|
| 1. All Requirements Project Committee Report | Chris Melton |
|--|--------------|

E. Administration Reports

- | | |
|--------------------------|----------------|
| 1. CEO | Doug Buresh |
| 2. Market Report | Rob Leesman |
| 3. Member Communications | Michelle Hixon |

F. Discussion Topics

- | | |
|----------------|-------------------|
| 1. Legislation | Charlie
Musson |
|----------------|-------------------|

G. Action Items

- | | | |
|--|---|--------------|
| 1. FY 2023 Administrative, General, and Capital Budget | Approval of the FY
2023 Administrative,
General, and Capital
budget. | Chris Melton |
|--|---|--------------|

H. 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.

Josh Callihan

I. Upcoming Meetings and Other Business

The next board meeting will be a combined meeting of the AR Project Committee and KYMEA Board of Directors and will be held on March 24, 2022, at 10 am in KYMEA's board room.

Michelle Hixon

J. Closed Session

Charlie
Musson

K. Actions Related to Matters Discussed in Closed Session

Josh Callihan

L. Adjournment

Josh Callihan



Minutes for Meeting Book - February 17, 2022, Special Meeting of the KYMEA Board of Directors

02/17/2022 | 01:30 PM

Board Room at 1:30 PM

Attendees (6)

Josh Callihan; Kevin Crump; Ron Herd; Philip King; Chris Melton; Gary Zheng

Additional attendees were Doug Buresh, Michelle Hixon, Rob Leesman, Molly Roesler, Charlie Musson, and Hance Price.

Meeting Opening

Attendance: Michelle took attendance and noted that a quorum was present.

Call to Order: Chairman, Josh Callihan, called the meeting to order.

Guest Introductions: No guests were present

Previous Meeting Minutes of the KYMEA Board of Directors

ACTION: Motion to approve the January 27, 2022, regular meeting minutes of the KYMEA Board meeting was made by Philip King and seconded by Chris Melton.

Discussion Topics

No regular discussion took place.

Public Comments

No comments were made.

Upcoming Meetings and Other Business

The next board meeting will be held on February 24th at 10 am in KYMEA's board room.

Closed Session

ACTION: Motion to enter into closed session was made by Ron Herd and seconded by Chris Melton. The motion passed.

ACTION: Motion to return to open session was made by Chris Melton and seconded by Philip King. The motion passed.

Action Expected Related to Matters Discussed in Closed Session

No action was taken.

Adjournment

ACTION: A motion to adjourn was made by Ron Herd and seconded by Philip King. The motion passed and the meeting was adjourned.

X

Chairperson

X

Secretary



KENTUCKY MUNICIPAL ENERGY AGENCY



Financial Presentation

February 24, 2022

Heather Overby

Statement of Net Position – January 2022

CURRENT ASSETS

	Jan 2022	
Cash and Investments	\$18,711,387	(1)
Other Receivables	8,169,362	(2)
Interest Receivable	0	
Prepayments & Other Current Assets	0	
Total Current Assets	\$26,880,749	

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

Statement of Net Position – January 2022

NON-CURRENT ASSETS

Pledged Collateral	4,634,725	(3)
Investment in SEDC	949	
Fixed Assets Clearing Account	151,280	
Office Buildout	260,238	
Meters - AR Project	215,985	
Meter Comm Equipment	330,672	
General Plant	801,210	
Construction Work In Progress	0	
Less Accumulated Depreciation	(554,295)	
Total Non-Current Assets	\$5,840,765	
Total Assets	\$32,721,514	

- 3) Collateral represents \$2.4m at MISO, \$800k at PJM, and \$1.4m in hedge collateral.

Statement of Net Position – January 2022

LIABILITIES

Accounts Payable	14,389,782	(4)
Accrued Interest Payable	4,521	
Total Current Liabilities	\$14,394,303	
Accrued Employee Benefits	165,366	
Deferred Lease Liability	35,404	(5)
Line of Credit	0	(6)
Total Non-Current Liabilities	\$200,770	
Total Liabilities	\$14,595,073	

NET POSITION

Invested in capital assets, net of related debt	1,205,090	
Restricted	4,634,725	
Unrestricted	12,286,625	
Total Net Position	\$18,126,441	(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 – January 2022

OPERATING REVENUE

	Jan 2022	YTD FY2022	
Sales to Members	\$6,927,589	\$45,495,475	(8)
RTO Market Revenue	\$2,247,190	\$16,255,856	(9)
Transmission Services	\$155,330	\$679,588	(10)
Miscellaneous Revenue	\$0	\$8,000	
Total Operating Revenue (Expenses)	\$9,330,109	\$62,438,919	

OPERATING EXPENSES

Transmission	\$1,035,187	\$7,574,848	(11)
Production	\$7,840,571	\$49,174,476	(12)
Admin. and General	\$238,215	\$1,713,357	
Depreciation	\$15,773	\$110,411	
Total Purchase Power and Operating Expenses	\$9,129,746	\$58,573,093	
Operating Income	\$200,363	\$3,865,826	

NON-OPERATING REVENUE

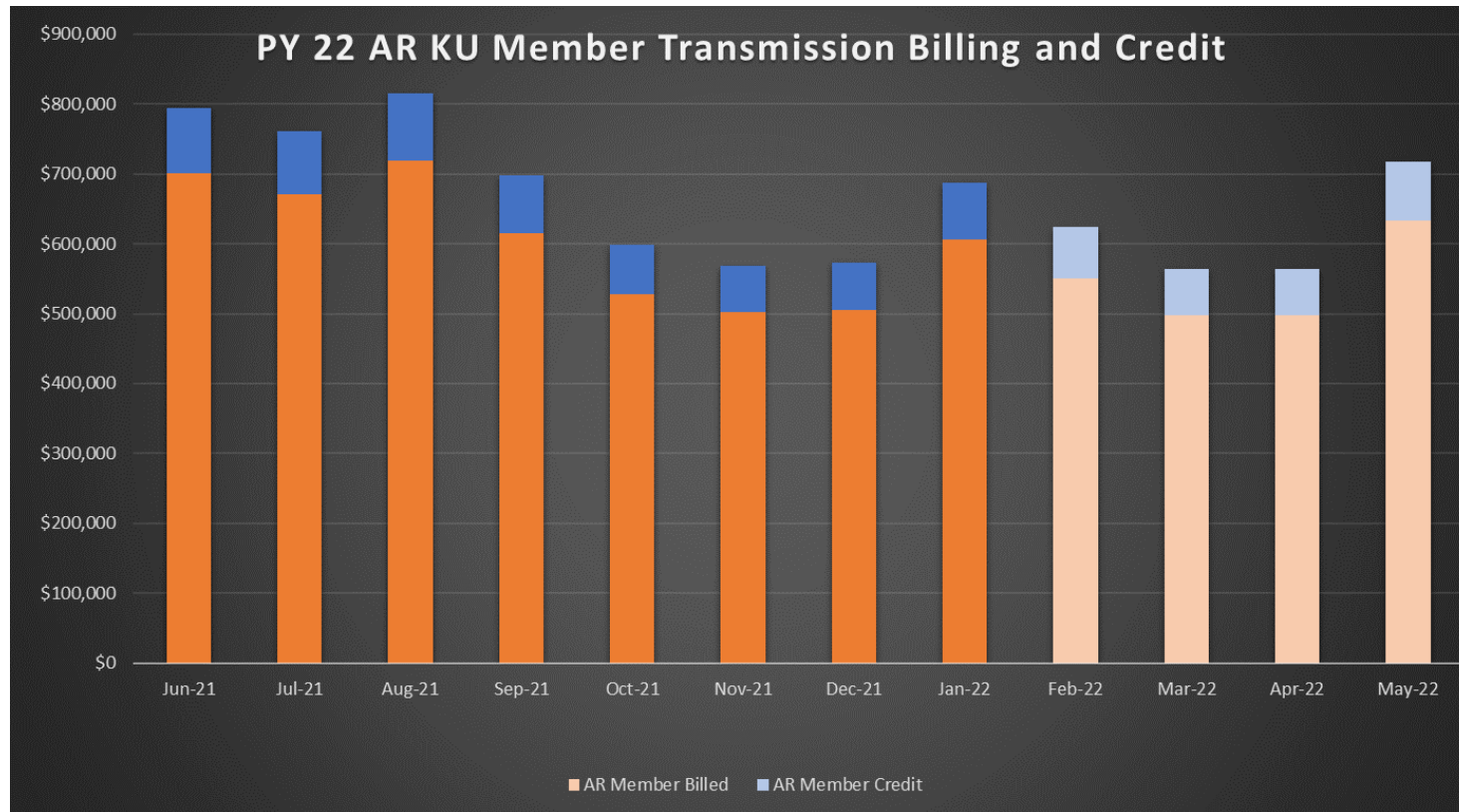
Interest Expense on Debt	(\$4,521)	(\$31,646)	
Interest Income	\$67	\$227	
Other Non-Operating Income (Expense)	(\$6,812)	(\$29,671)	
Regulatory Credit/Debit - Cost to be Recovered	\$0	\$0	
Total Non-Operating Revenues (Expenses)	(\$11,266)	(\$61,090)	

NET POSITION CHANGES

Change in Net Position	\$189,096	\$3,804,736	(13)
Net Position at Beginning of Period	\$17,937,344	\$14,321,705	
Net Position at End of Period	\$18,126,441	\$18,126,441	

- 8) Sales to AR Members
- 9) RTO Auction Revenue Rights and KYMEA Off-System Power Sales
- 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 – January 2022



Cumulative AR Transmission Credit: \$646,426

Indirect Statement of Cash Flows – January 2022

CASH FROM OPERATING ACTIVITES	Jan 2022	YTD FY2022	
Net Income	\$189,096	\$3,804,736	(14)
Depreciation	15,773	110,411	
Accounts Receivable	(961,842)	(528,299)	(15)
Prepayments & Other Current Assets	0	0	
Deferred Debits	0	0	
Other Reg Assets & Deferred Outflow of Resources	0	0	
Accounts Payable	866,761	2,404,798	(15)
Collateral Deposits	0	0	
Taxes & Interest Accrued	(8,445)	(5,405)	
Other Current Liabilities	(1,912)	2,543	
Deferred Credits	(263)	(1,838)	
Net Cash Provided by (Used in) Operation	\$99,169	\$5,786,947	
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Additions to Plant	(10,612)	(63,586)	
Net Change in Other Prop & Invest	(673,474)	(1,444,880)	
Other - Asset Retirement Obligations	0	0	
Net Cash Provided by (Used in) Investing	(\$684,086)	(\$1,508,466)	
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	(\$584,917)	\$4,278,481	
Cash & Temp Investments Beginning of Period	\$19,296,304	\$14,432,906	
Cash & Temp Investments End of Period	\$18,711,387	\$18,711,387	(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 – January 2022



KEY FINANCIAL METRICS

FY2022 Actuals Through January 2022 + Budget

Days Cash on Hand

74.53 ▼

Leverage

6.90 ▼

Coverage of Full Obligations

1.05 ▲

Debt Service Coverage

1.05 ▲

Financial Metrics – January 2022

Days Cash On Hand

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

\$18.7M

Unrestricted Cash

\$18.7M EOY Projection

\$251,052

Adjusted Operating Expense per Day

\$91.63M / 365 days

74.53

Days Cash on Hand

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.

\$18.7M

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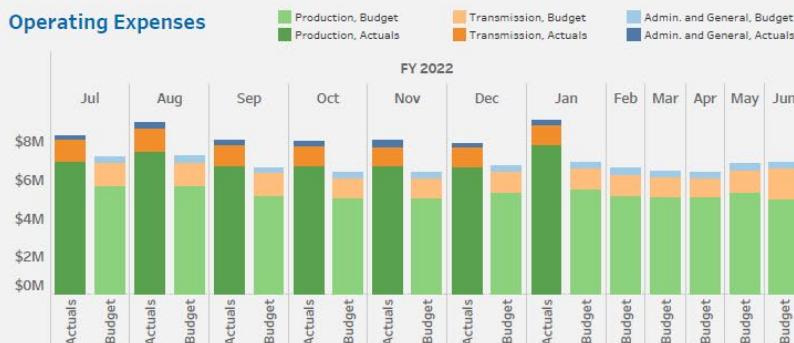
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\$91.63M / 365 days

74.53

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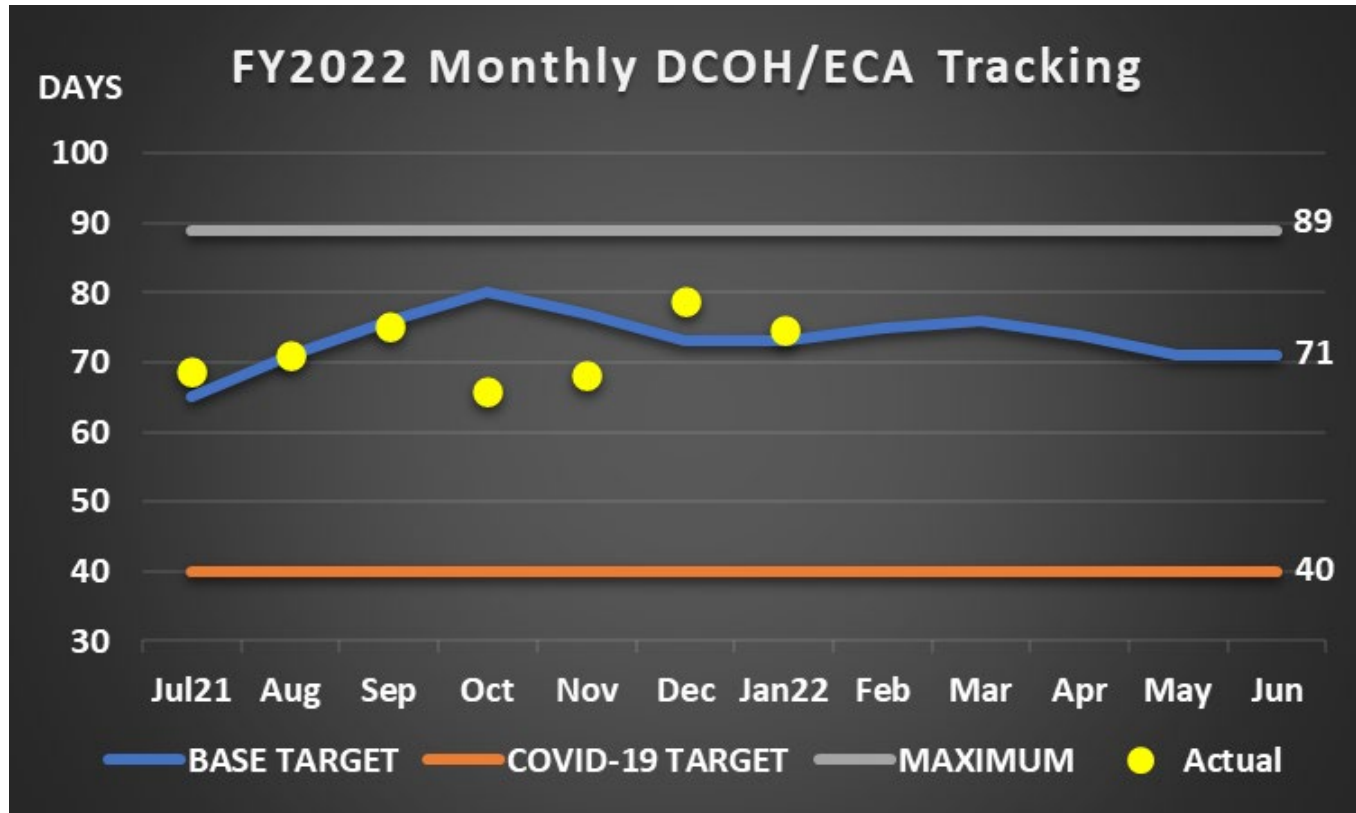
Operating Expenses



Unrestricted Cash

Adjusted Operating Expenses

Financial Metrics – January 2022



Financial Metrics – January 2022

Leverage

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

6.90

Net Adjusted Debt

Adjusted Funds Available for Debt Service

Net Adjusted Debt



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

6.90

Net Adjusted Debt

Adjusted Funds Available for Debt Service

Adjusted Funds Available for Debt Service



Financial Metrics – January 2022

Coverage of Full Obligations

1.05

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

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

Imputed Debt Payment

\$48.01M

Administrative &
General Expense

\$3.18M

EBITDA &
Interest Income

\$2.64M

Debt Service Coverage

1.05

The funds available from operations to cover current debt service.

Funds Available
for Debt Service ÷ Total Debt
Service

Imputed Debt Payment

\$48.01M

EBITDA &
Interest Income

\$2.64M

Statement of Net Position

FY2022 Actuals as of January 2022

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Cash & Temp Investments End of Period	\$18,711,387	\$18,711,387

Month Ending
2022-01

Reconciliation Transactions Report

02/08/22 10:59:03 AM

01/01/22-01/31/22 131.00 CASH

User Id: 2014

Statement Ending Balance :	18,711,962.30
Outstanding Payments(-) :	575.74
Adjustments in Transit(+) :	.00
Deposits in Transit(+) :	.00
Adjusted Bank Balance :	<div><div></div><div>18,711,386.56</div></div>
Book Balance :	18,711,386.56
Pending Adjustments :	.00
Adjusted Book Balance :	<div><div></div><div>18,711,386.56</div></div>
Difference :	.00



KENTUCKY MUNICIPAL ENERGY AGENCY



KYMEA President & CEO Report

Doug Buresh

February 24, 2022

AGENDA

- Planning Year 2022-2023 Preliminary Hedge Plan
- PJM Renewables Backlog Plan
- Merom Coal Plant Sale

Portfolio Overview

- Wilson PPA @ 100 MW
 - PPS Peakers @ 90 MW
 - SEPA @ 32 MW
 - Paris @ 11 MW
 - DEI @ 60 MW PPA Begins June 1, 2022
- } 293 MW
- Additional 15 MW of MISO PTP Transmission Begins June 1, 2022 (17 MW of firm PTP transmission sourced from the BREC Economy Path)
 - Joppa 100 MW PPA Expires May 31, 2022

Resource/Transmission Utilization

Resource	Capacity Factor %	MW
Wilson	96.1%	100
PPS Peakers	15.8%	90
SEPA	19.8%	32
Paris	0.0%	11
DEI	82.8%	60
TOTAL	--	293

Transmission	Capacity Factor %	MW
Wilson Path	90.5%	100
DEI Path	41.4%	60
Economy Path	53.6%	17
TOTAL	--	177

Purchase For Resale

Resource (PFR)	MWh	% of PPA	Revenue	Expense
Wilson	75,447	9.0%	Redacted Market Sensitive	
DEI	259,633	59.6%		

PPS Peaker Dispatch

KYMEA takes a conservative dispatch approach with the PPS peakers to avoid somewhat risky arbitrage purchase for resale quantities.

- Peaker dispatch price: The peaker dispatch price is the greater of the LGEE interface price or the Tetco M1 30" NG price times the peaker heat rate plus the peaker VOM.

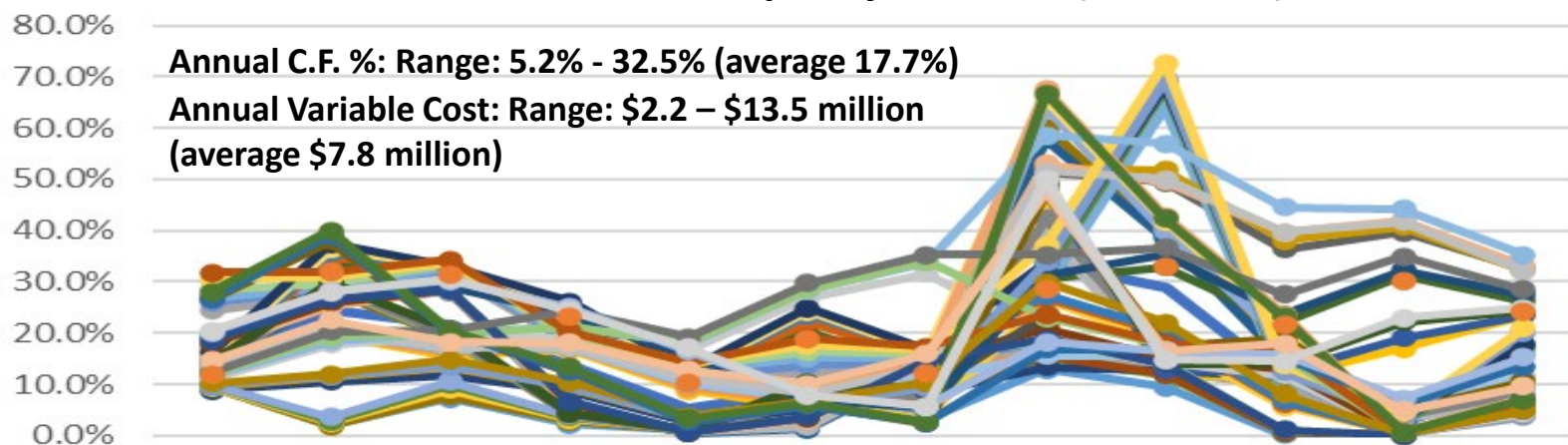
The peaker dispatch price ensures the peakers are only run for native load. While in reality there are arbitrage opportunities where KYMEA can run the peakers and sell excess Wilson and/or DEI into the MISO market, the IRC has chosen to use a conservative approach and not let the model forecast the arbitrage opportunities. This will ensure the SWAP hedge quantities are not overly aggressive.

PPS Peaker Alternative

While KYMEA takes a conservative dispatch approach with the peakers, we also assume that economic purchases over and above our secured 177 MW of MISO PTP transmission are not available.

If in fact the ACES daily desk could procure non-firm transmission to purchase additional economy purchases from either MISO or PJM, then the additional economy energy would off-set the need for some of the peaking generation. However, there is no confidence the economy energy with non-firm transmission would be available or any cheaper than the peakers.

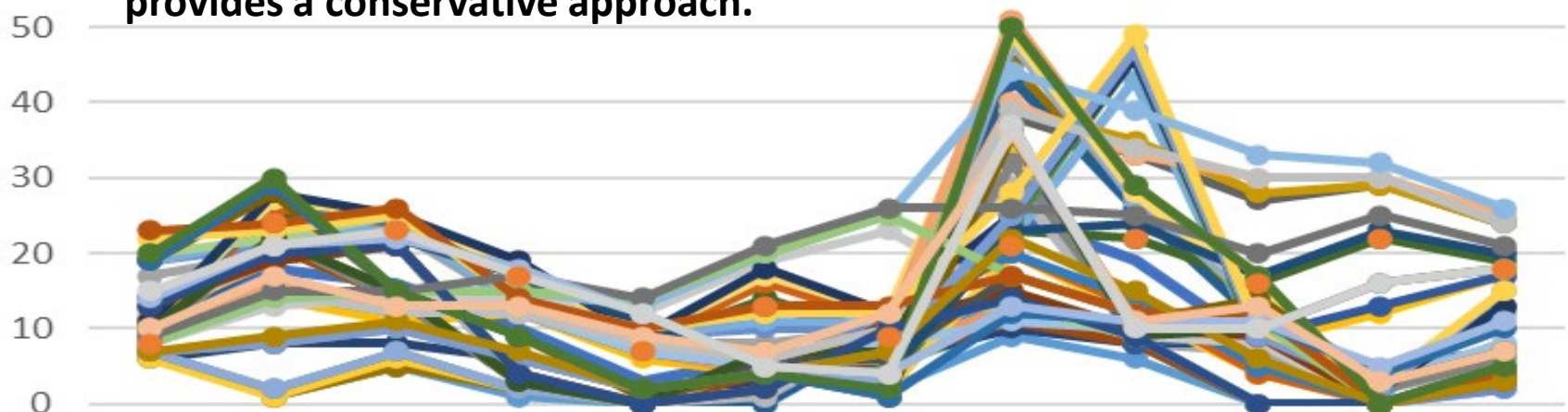
PPS Peakers – Capacity Factor % (50 Draws)



SWAP – HH NG Position (Contracts)

Contracts	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Min	6	1	5	1	0	0	1	9	6	0	0	2
P25	8	14	12	3	0	4	6	14	9	8	0	4
P50	10	20	15	12	7	5	9	24	12	11	2	7
P75	13	22	23	15	9	12	11	37	28	14	12	17
Max	23	30	26	19	14	21	26	51	49	33	32	26

Given the NG price volatility and skewed-right distribution, hedging at P75 provides a conservative approach.



Where 1 contract = 10,000 dekatherms

SWAP – Indy.Hub Position (MW)

	On Peak DEI System Collared Position						On Peak BREC-Wilson Collared Position							
	Pur MW	Pur Price	Cost	Sale Price	Sale MW	Exposure	Pur MW	Pur Price	Cost	Sale Price	Sale MW	Exposure		
Jun-22	0	Redacted Market Sensitive				25	\$237,178	0	Redacted Market Sensitive				5	\$10,629
Jul-22	0					20	\$215,767	0					5	\$38,696
Aug-22	0					30	\$308,103	0					5	\$23,006
Sep-22	0					35	\$301,784	0					5	\$35,004
Oct-22	0					45	\$191,236	0					5	\$24,599
Nov-22	0					50	\$226,507	0					10	\$87,436
Dec-22	0					35	\$262,409	0					15	\$126,285
Jan-23	0					40	\$494,187	0					30	\$402,782
Feb-23	0					55	\$471,369	0					5	\$49,604
Mar-23	0					40	\$290,426	0					10	\$117,934
Apr-23	0					45	\$203,408	0					5	\$27,984
May-23	0					35	\$172,615	0					5	\$19,404
	Off Peak DEI System Collared Position						Off Peak BREC-Wilson Collared Position							
	Pur MW	Pur Price	Cost	Sale Price	Sale MW	Exposure	Pur MW	Pur Price	Cost	Sale Price	Sale MW	Exposure		
Jun-22	(5)	Redacted Market Sensitive				20	\$113,763	(15)	Redacted Market Sensitive				15	-\$45,117
Jul-22	0					25	\$173,412	0					5	-\$11,522
Aug-22	0					25	\$124,996	0					5	\$18,927
Sep-22	(5)					30	\$158,780	(5)					10	\$22,785
Oct-22	(5)					20	\$90,659	0					5	\$22,206
Nov-22	(25)					20	-\$120,492	0					20	\$59,807
Dec-22	(5)					30	\$146,290	0					15	\$68,636
Jan-23	0					40	\$374,147	0					20	\$260,113
Feb-23	0					40	\$265,200	0					5	\$62,220
Mar-23	(5)					30	\$108,743	0					25	\$112,089
Apr-23	(15)					30	\$95,731	(10)					15	-\$24,567
May-23	(10)					20	\$62,553	(15)					10	-\$25,887

FTR – Position (MW)

	Path Flows On Peak (MW)			Path Flows Off Peak (MW)		
	Wlsn=>LGEE	Wlsn=>Indy	DEI=>LGEE	Wlsn=>LGEE	Wlsn=>Indy	DEI=>LGEE
Jun-22	95	0	35	65	10	25
Jul-22	95	0	40	90	0	25
Aug-22	95	0	30	85	0	25
Sep-22	95	0	25	80	5	10
Oct-22	95	0	10	90	0	0
Nov-22	90	5	10	75	10	0
Dec-22	85	10	25	85	10	20
Jan-23	70	25	20	80	15	20
Feb-23	95	0	5	95	0	15
Mar-23	90	10	20	75	20	20
Apr-23	95	0	10	70	10	5
May-23	95	0	25	70	0	5

Note: Correlation across paths may negate the need to hedge all paths (natural hedge)

AGENDA

- Planning Year 2022-2023 Preliminary Hedge Plan
- **PJM Renewables Backlog Plan**
- Merom Coal Plant Sale

PJM Renewables Backlog Plan

About 225,000 MW of energy projects – 95 percent of which are wind, solar, energy storage or a hybrid are currently waiting to receive interconnection agreements.

PJM, which includes eastern Kentucky, is overwhelmed by solar projects and the system is clogged.

- A two-year delay on about 1,250 projects in queue.
- Deferral on the review of new projects until fourth quarter of 2025, with final decisions on those coming as late as the end of 2027.
- “PJM has traditionally been a bellwether. Things that PJM puts into place and that FERC approves for PJM often become models for other regions.”

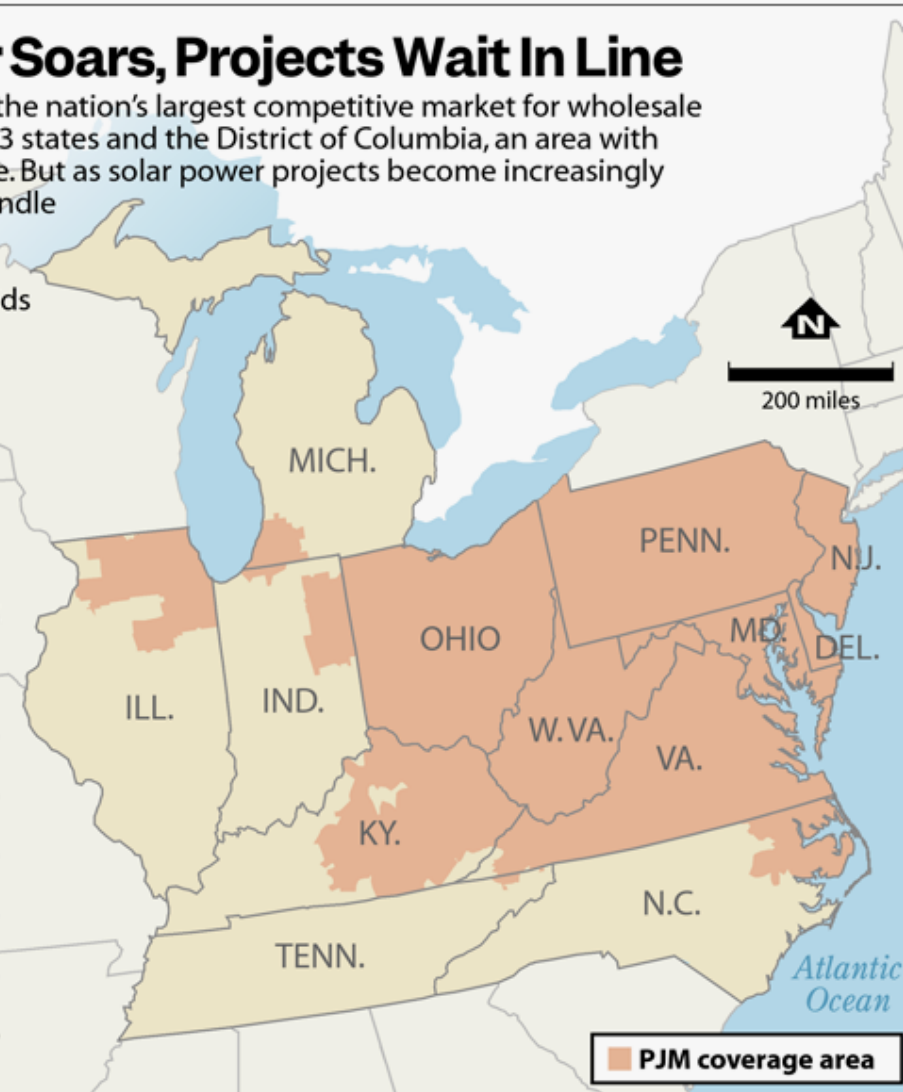
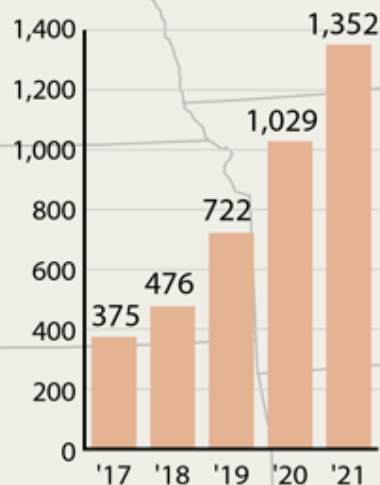
PJM Renewables Backlog Plan

As Solar Power Soars, Projects Wait In Line

PJM Interconnect operates the nation's largest competitive market for wholesale electricity in all or parts of 13 states and the District of Columbia, an area with more than 65 million people. But as solar power projects become increasingly competitive, PJM cannot handle in a timely manner all the requests for connecting to transmission lines. Other grids nationally also have long queues of new renewable energy projects.

PJM NEW REQUESTS

By year, 2017-2021



SOURCE: PJM

PAUL HORN / Inside Climate News

AGENDA

- Planning Year 2022-2023 Preliminary Hedge Plan
- PJM Renewables Backlog Plan
- **Merom Coal Plant Sale**

Merom Generating Station

- Hallador Energy (coal producer) is purchasing 1,004 MW Merom Generating Station from Hoosier Energy.
- Hoosier will purchase 100% of the capacity and energy through May 2023.
- Hoosier will purchase 32% of the capacity and 22% of the energy from June 2023 through May 2025.
- Hallador will develop 200 MW, through a PPA, of solar and battery storage for Hoosier after Merom is retired.
- Hallador will develop an additional 800 MW of renewable resources for other TBD customers.



KENTUCKY MUNICIPAL ENERGY AGENCY

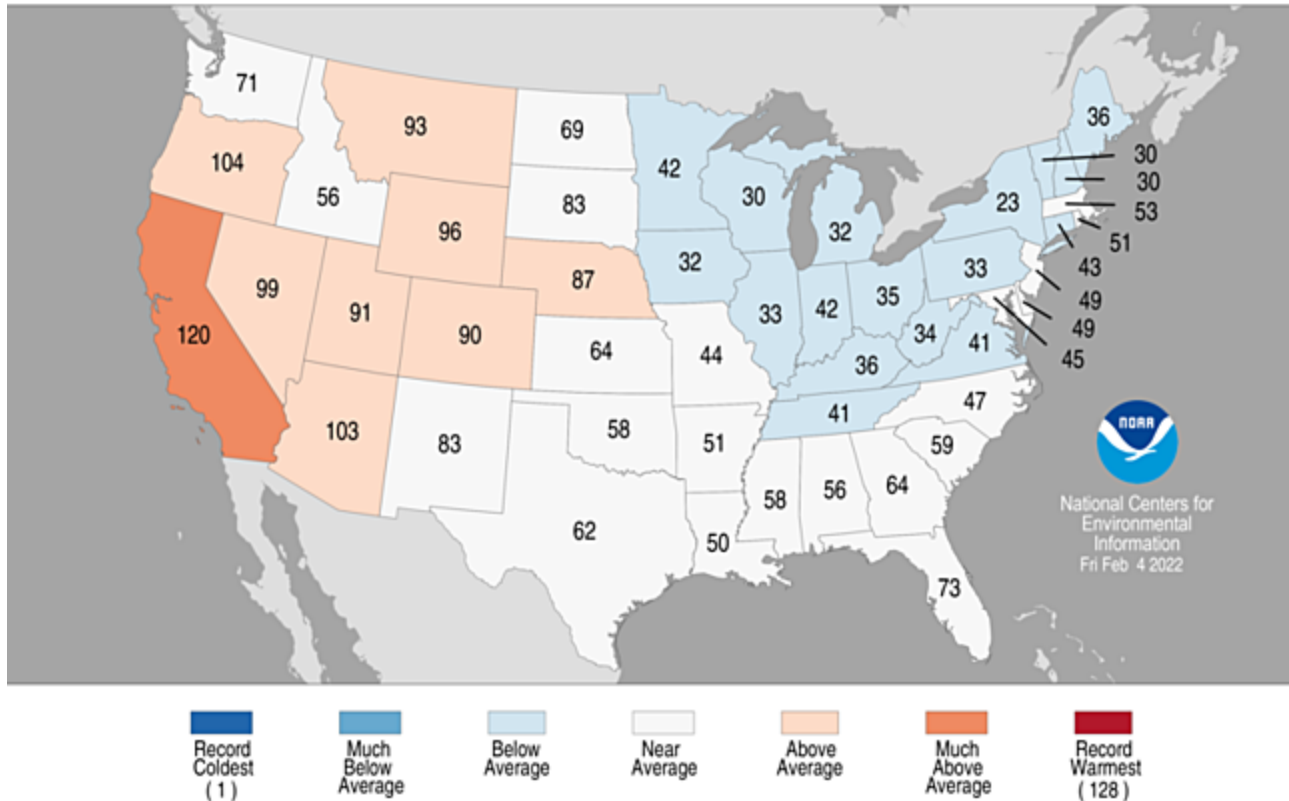


January 2022 Market Report

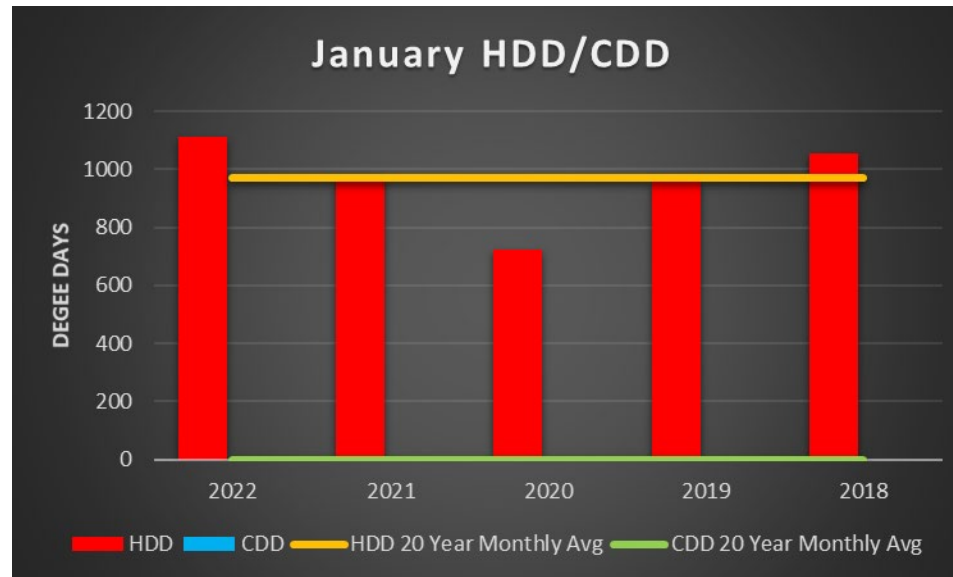
Rob Leesman

February 24, 2022

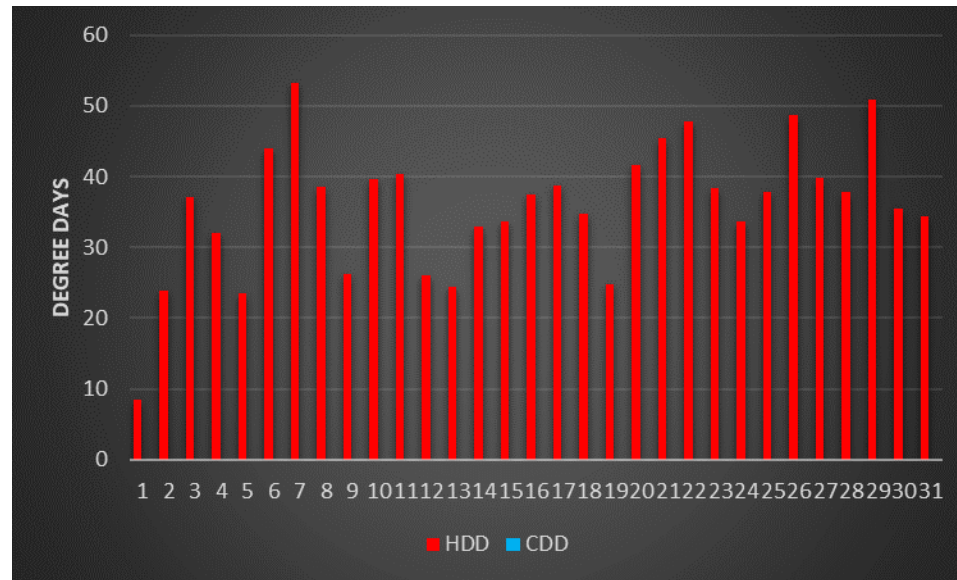
Statewide Average Temperature Ranks
January 2022
Period: 1895–2022



Degree Days



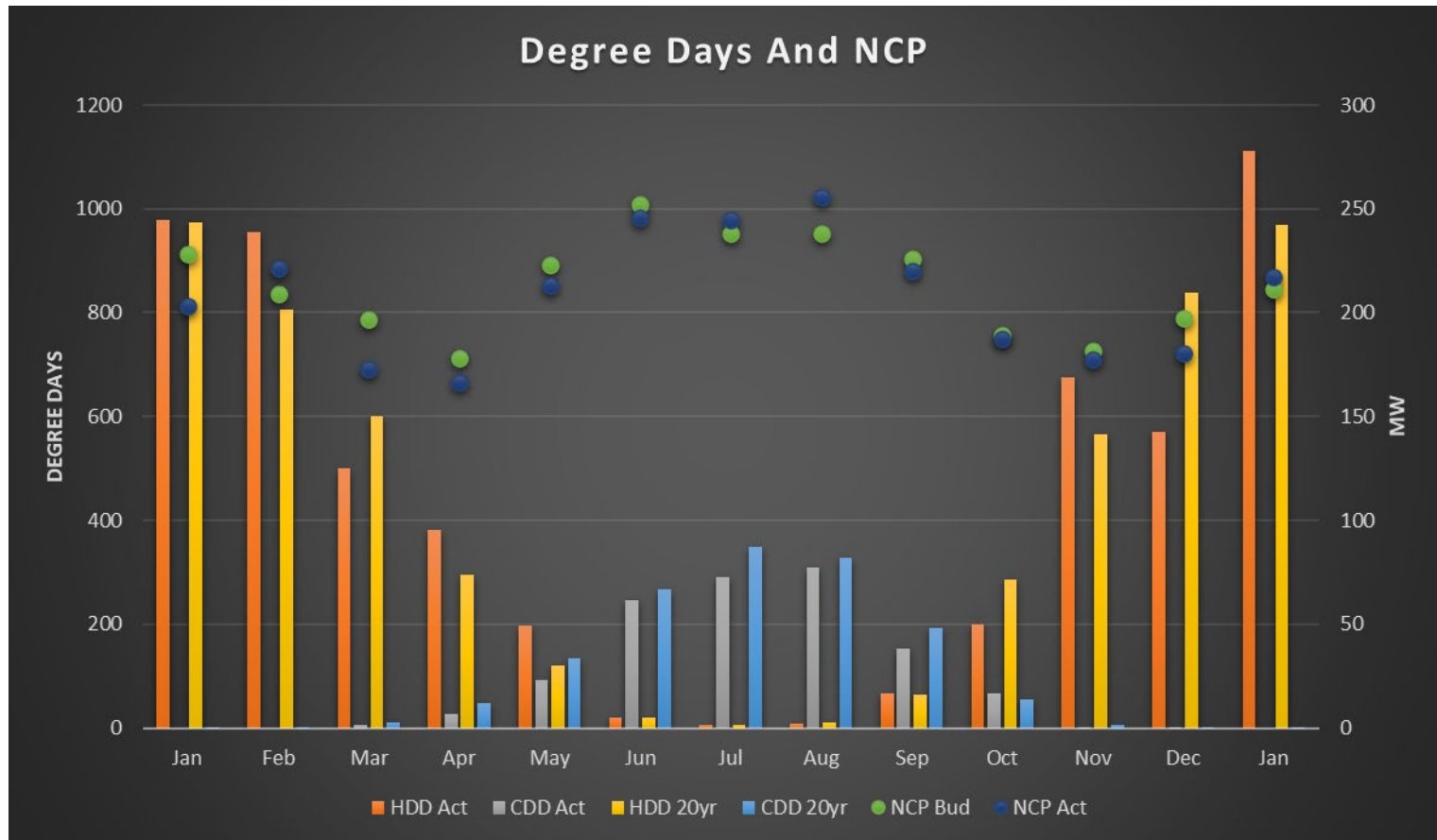
Degree Days



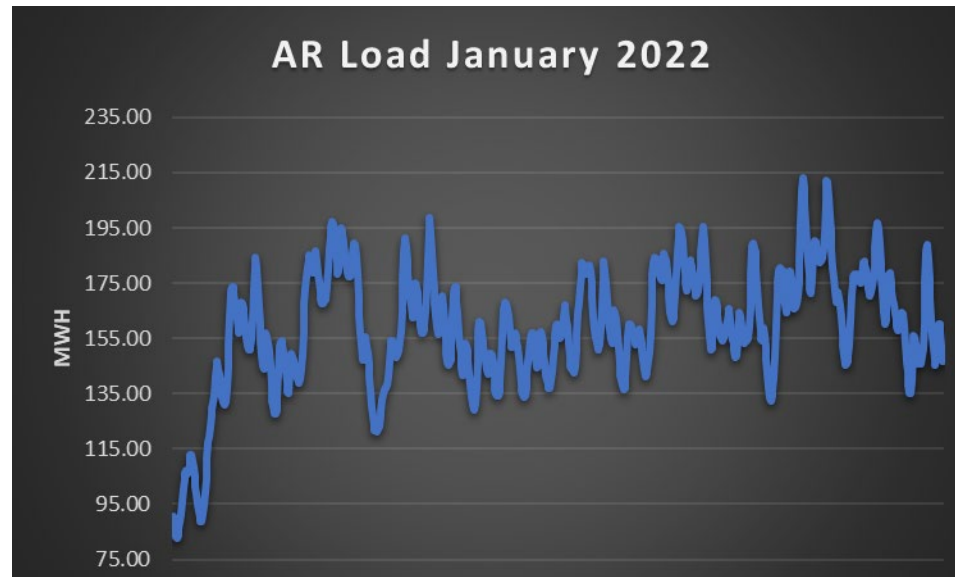
How can there be HDDs and CDDs on the same day?

- 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.

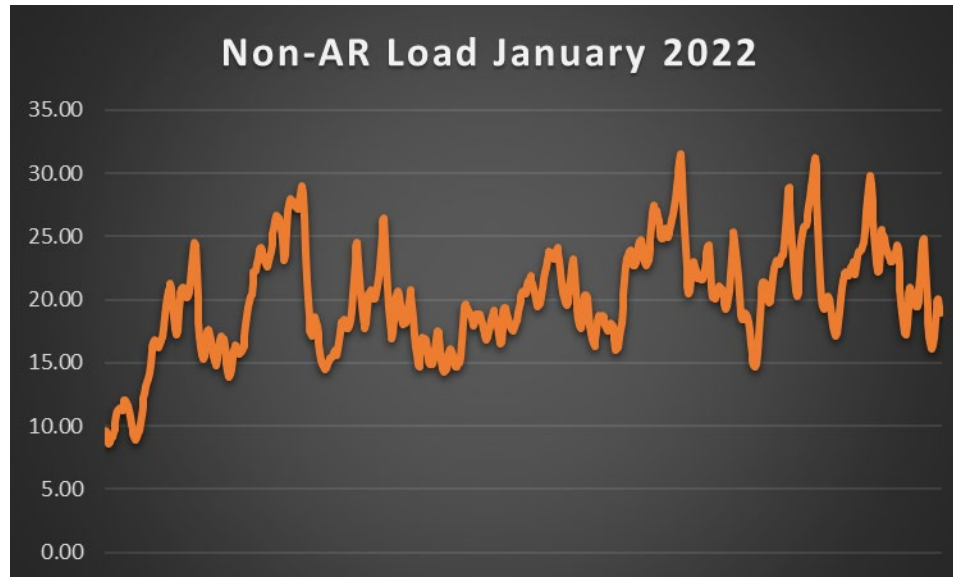
Degree Days



AR Load January 2022



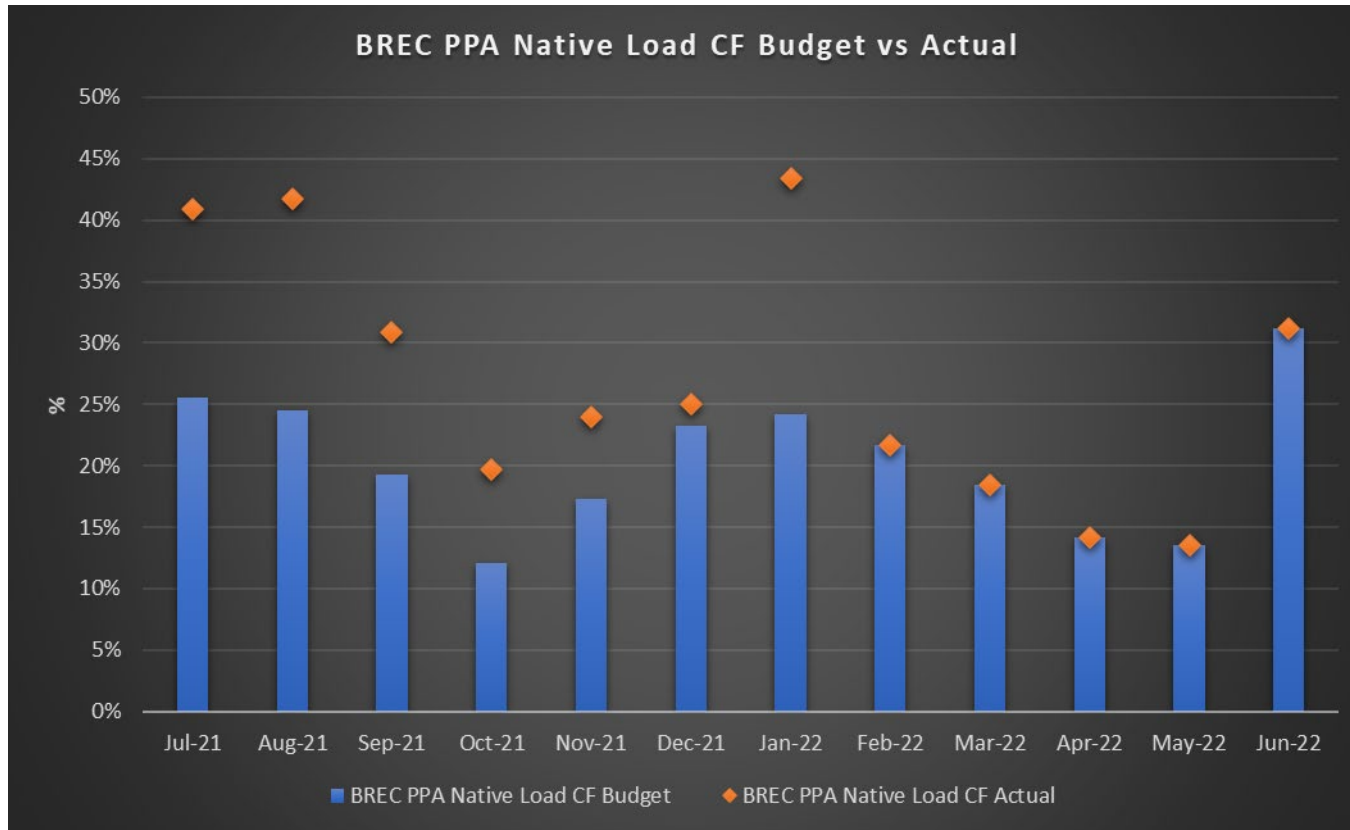
Non-AR Load January 2022



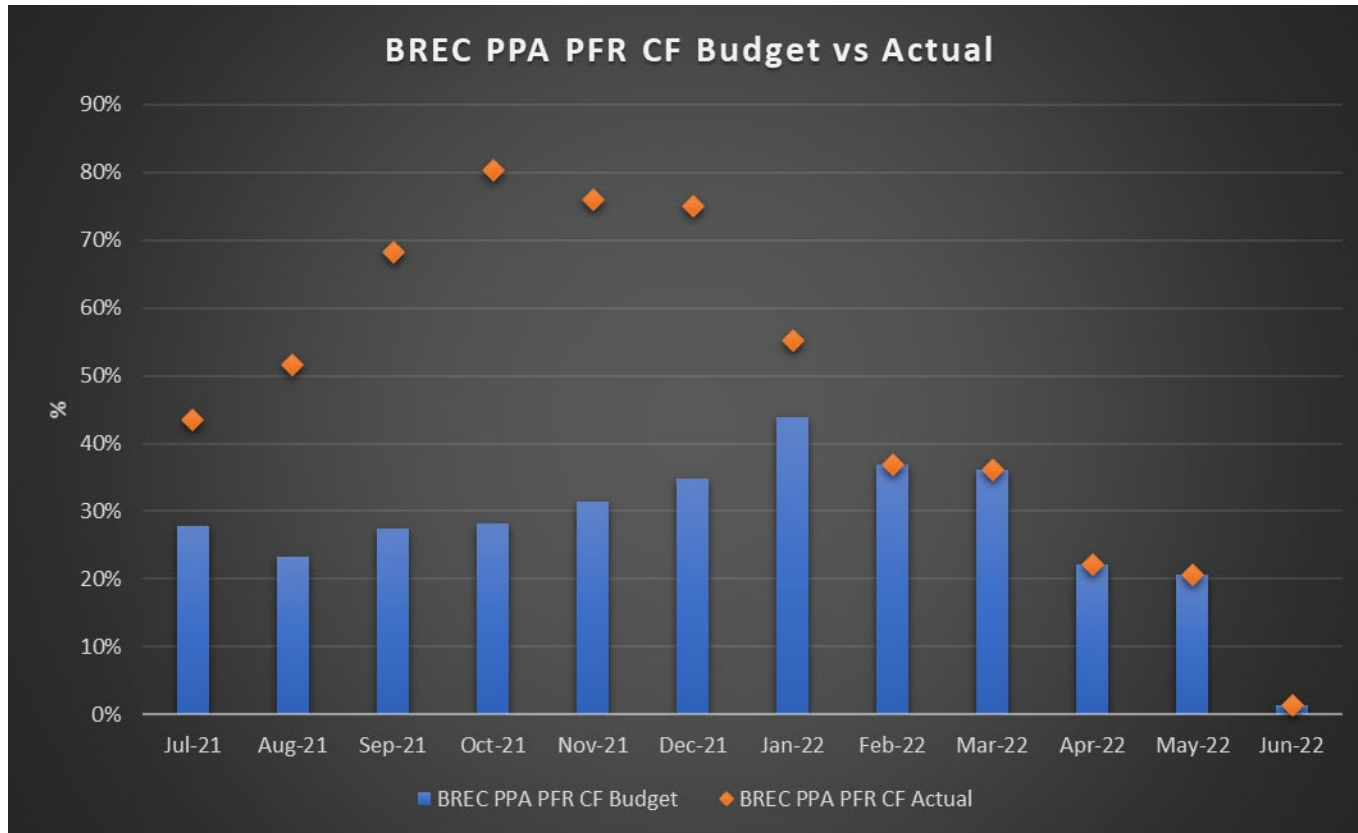
January 2022 Snapshot

Jan-22							
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	8,524	9,425	111%	18.12	18.48	102%	1/27/2022 8:00 AM
Bardwell	773	807	104%	1.50	1.40	93%	1/21/2022 12:00 PM
Benham	873	914	105%	2.36	2.22	94%	1/30/2022 6:00 AM
Berea	13,635	13,999	103%	31.14	29.52	95%	1/22/2022 9:00 AM
Corbin	7,242	8,312	115%	14.44	16.03	111%	1/27/2022 8:00 AM
Falmouth	1,673	1,750	105%	3.13	3.06	98%	1/27/2022 10:00 AM
Frankfort	59,820	64,764	108%	116.56	120.90	104%	1/27/2022 9:00 AM
Madisonville	22,479	23,439	104%	38.97	39.05	100%	1/7/2022 7:00 PM
Owensboro	61,461	66,089	108%	109.00	111.00	102%	
Paris	6,327	6,845	108%	13.84	13.18	95%	1/27/2022 8:00 AM
Providence	2,360	2,872	122%	4.73	5.04	107%	1/20/2022 7:00 PM
AR	109,198	118,214	108%	211.29	217.16	103%	
Non-AR	14,509	14,913	103%	33.50	31.74	95%	
All	123,706	133,127	108%	244.79	248.90	102%	
Total	185,167	199,216	108%	353.79	359.90	102%	

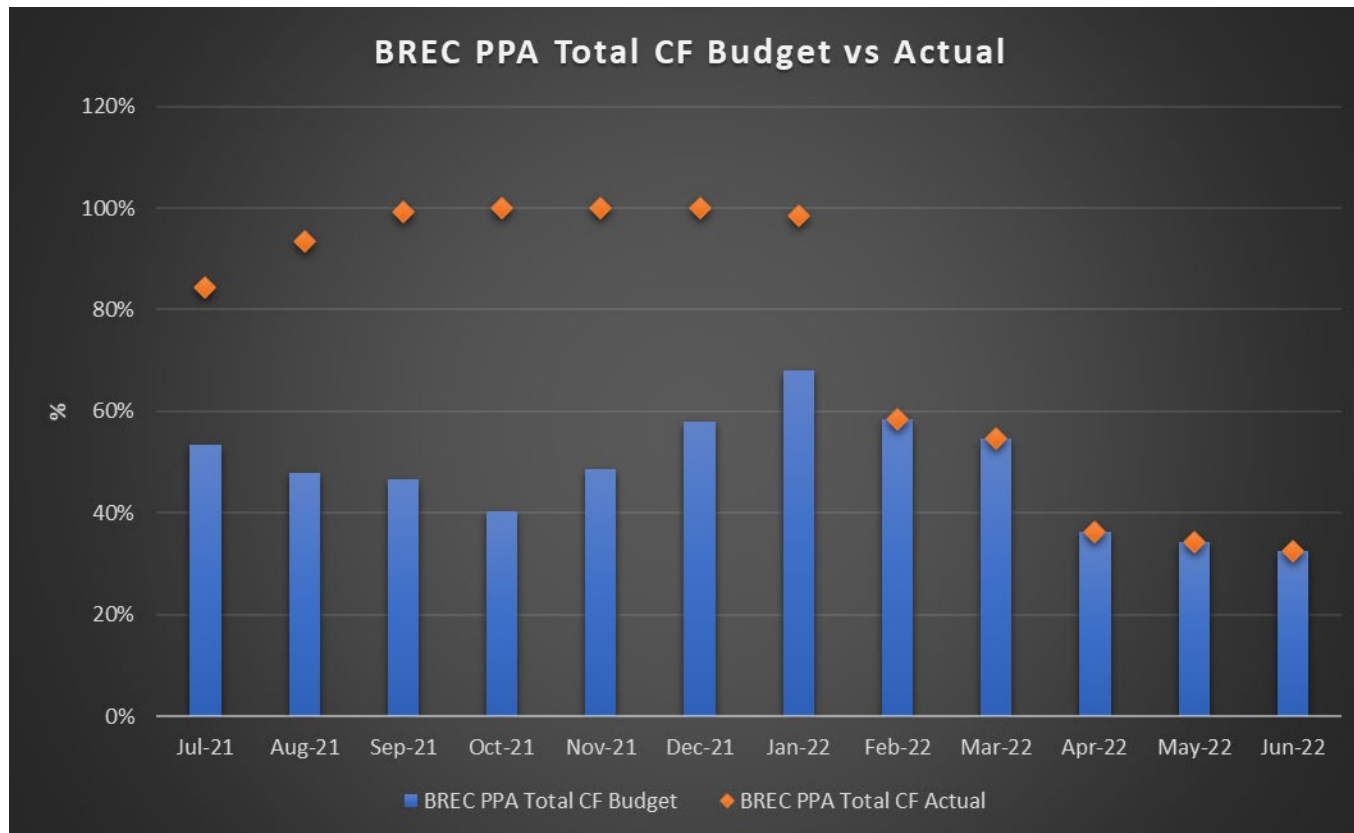
BREC PPA Load Capacity Factor FY 22



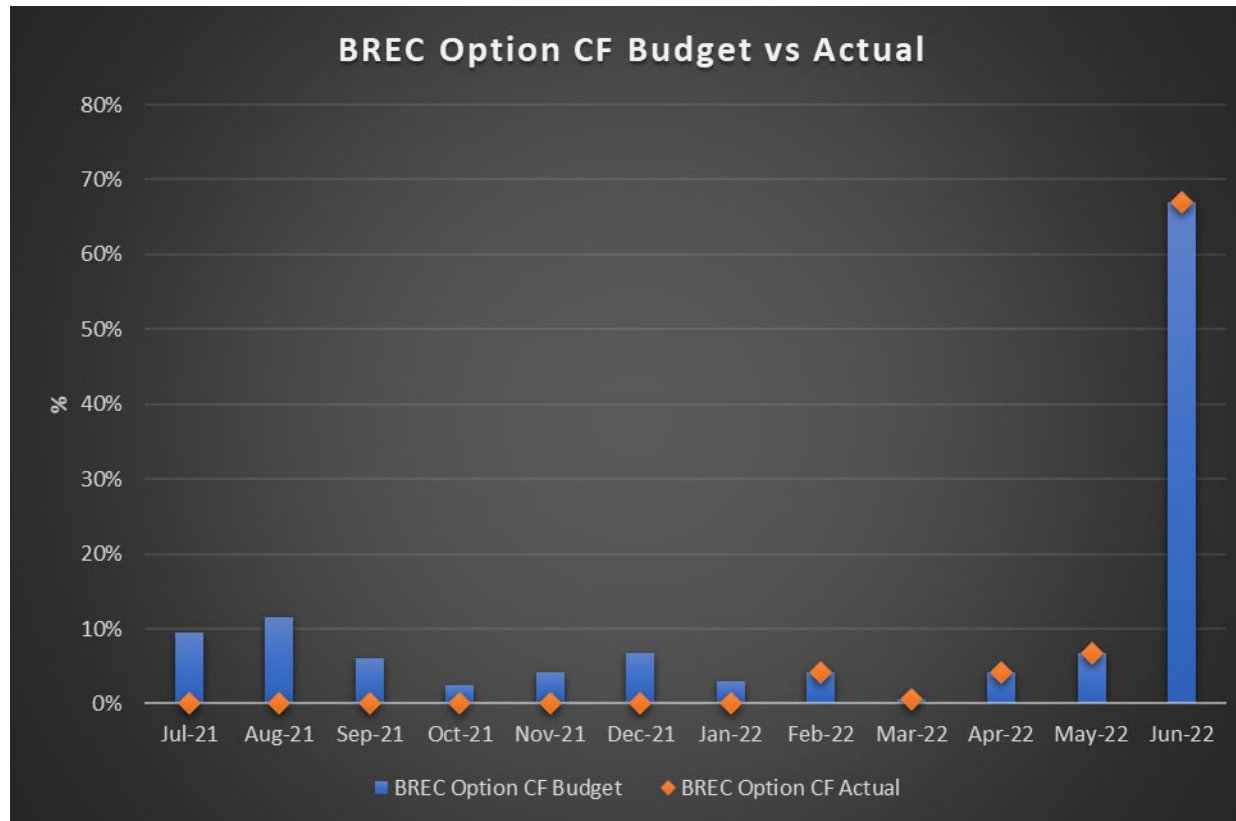
BREC PPA PFR Capacity Factor FY 22



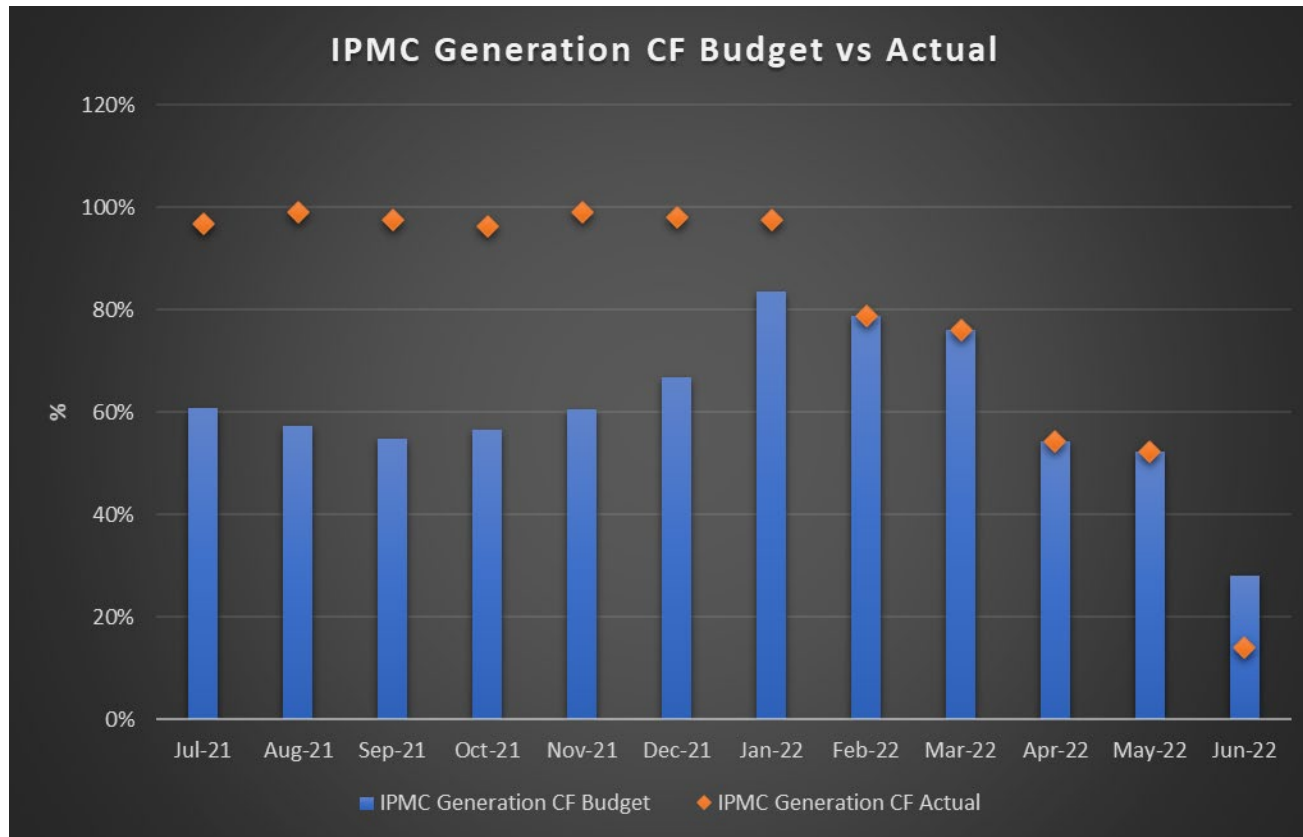
BREC PPA Capacity Factor FY 22



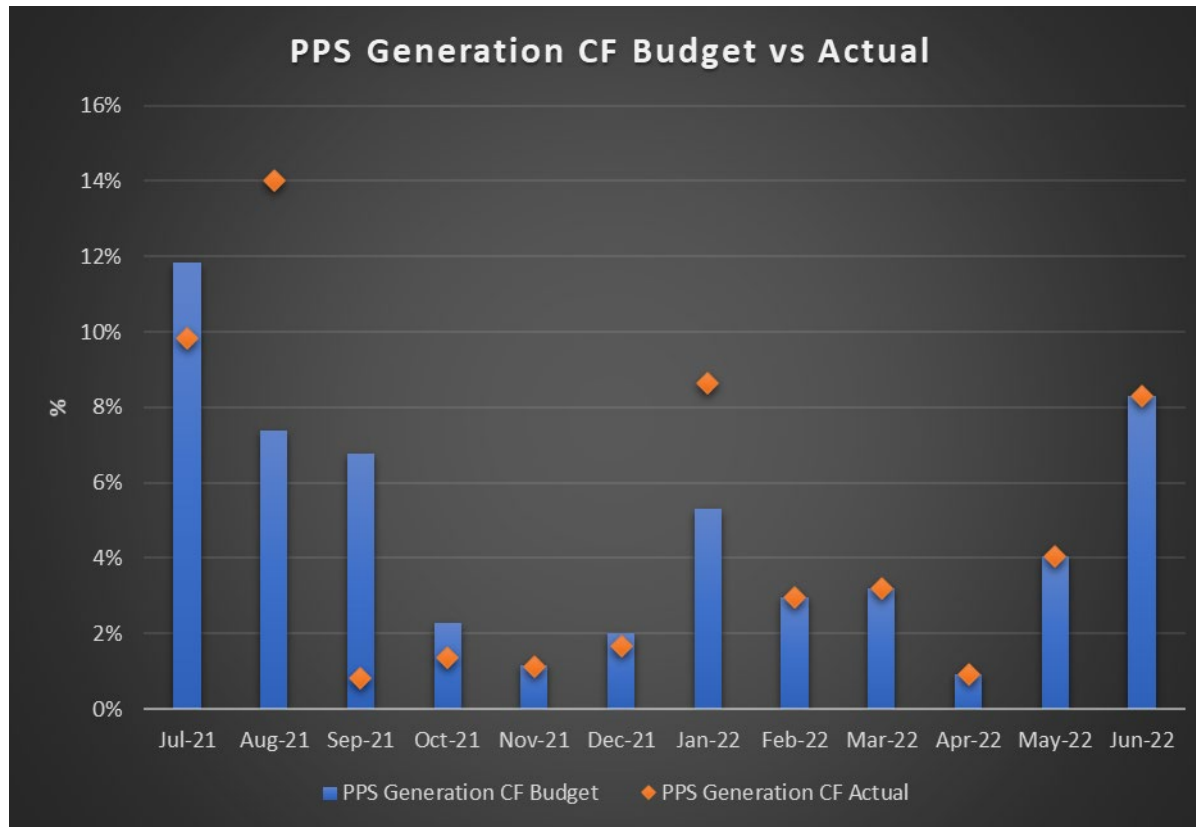
BREC Option Capacity Factor FY 22



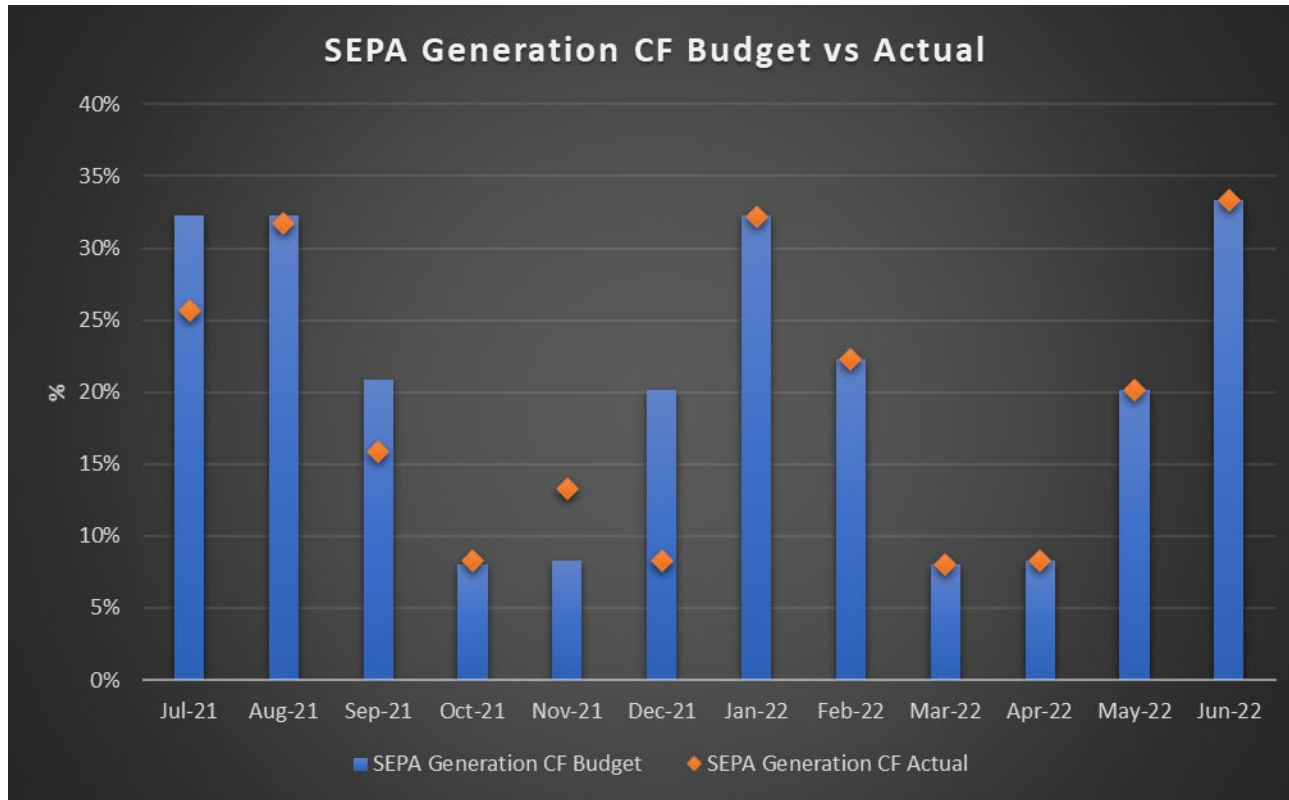
EEI/LGEE Capacity Factor FY 22



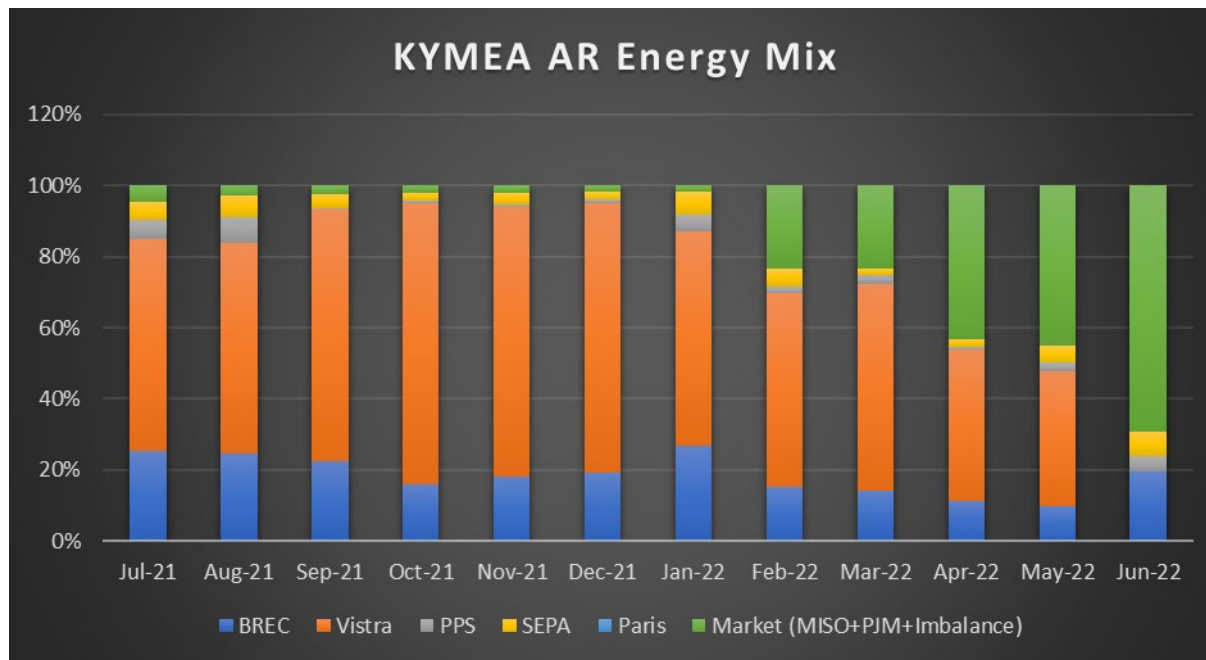
PPS PPA Capacity Factor FY 22



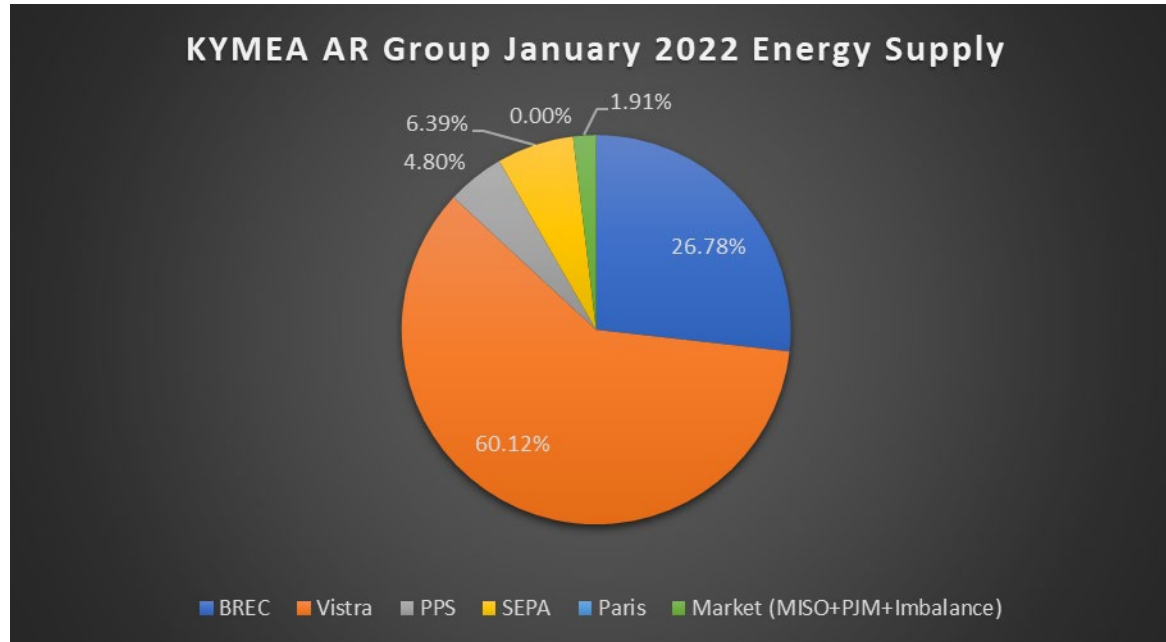
SEPA Capacity Factor FY 22



KYMEA AR Energy Mix FY 22

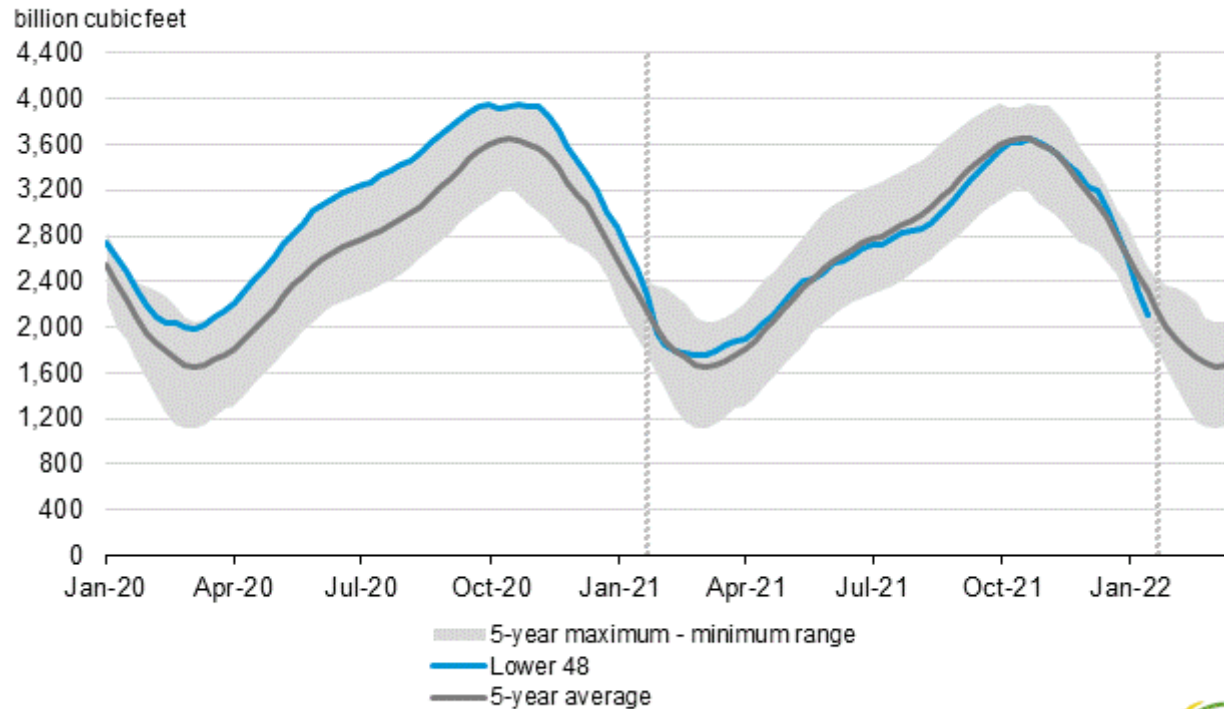


KYMEA AR Energy Mix



Working Gas in Storage

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



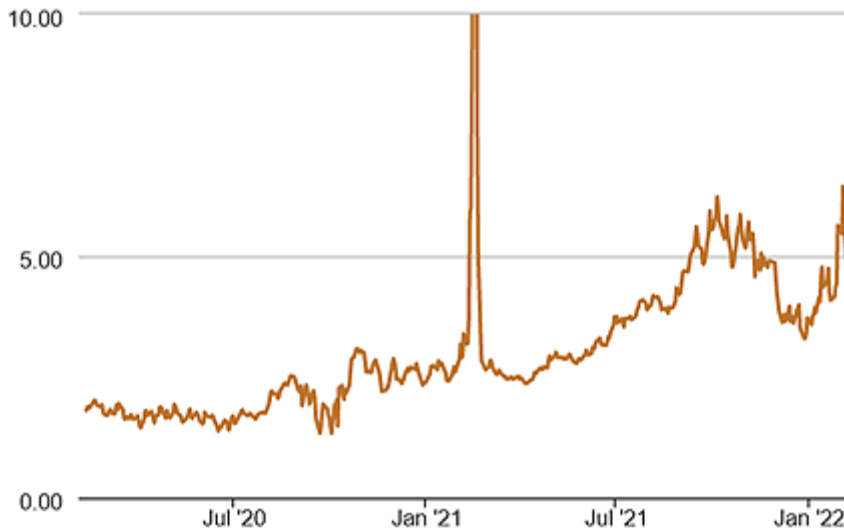
Source: U.S. Energy Information Administration



Natural Gas Spot Prices

Natural gas spot prices (Henry Hub)

dollars per million British thermal units



Source: Graph by the U.S. Energy Information Administration (EIA), based on data from Natural Gas Intelligence

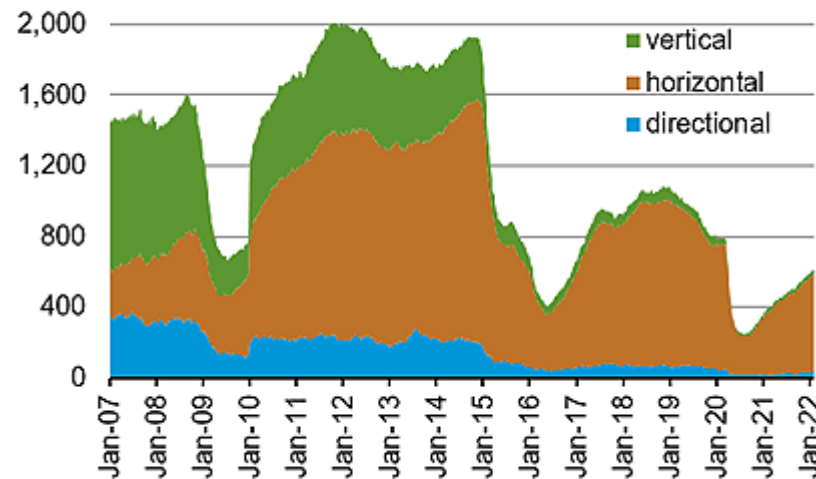


Note: Henry Hub prices reported for February 16 and 17, 2021, exceeded the published range, averaging \$16.96/MMBtu and \$23.61/MMBtu, respectively.

Total Rig Count

Weekly total rig count

active rigs



Source: Graph by the U.S. Energy Information Administration (EIA), based on data from Baker Hughes Company

Total Rig Count

Rigs

	Tue, February 01, 2022	Change from	
		last week	last year
Oil rigs	497	0.4%	66.2%
Natural gas rigs	116	0.9%	26.1%

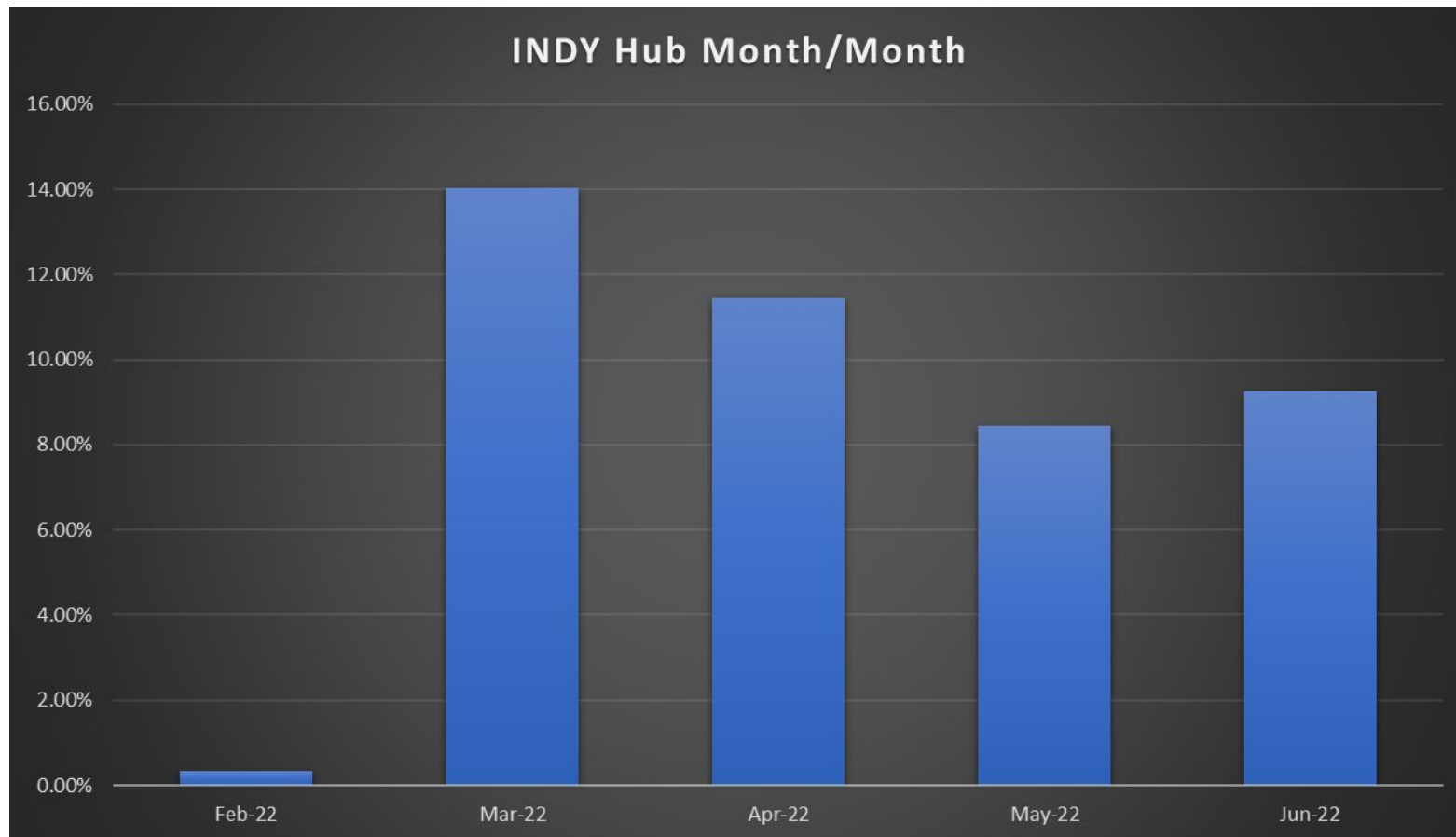
Note: Excludes any miscellaneous rigs

Rig numbers by type

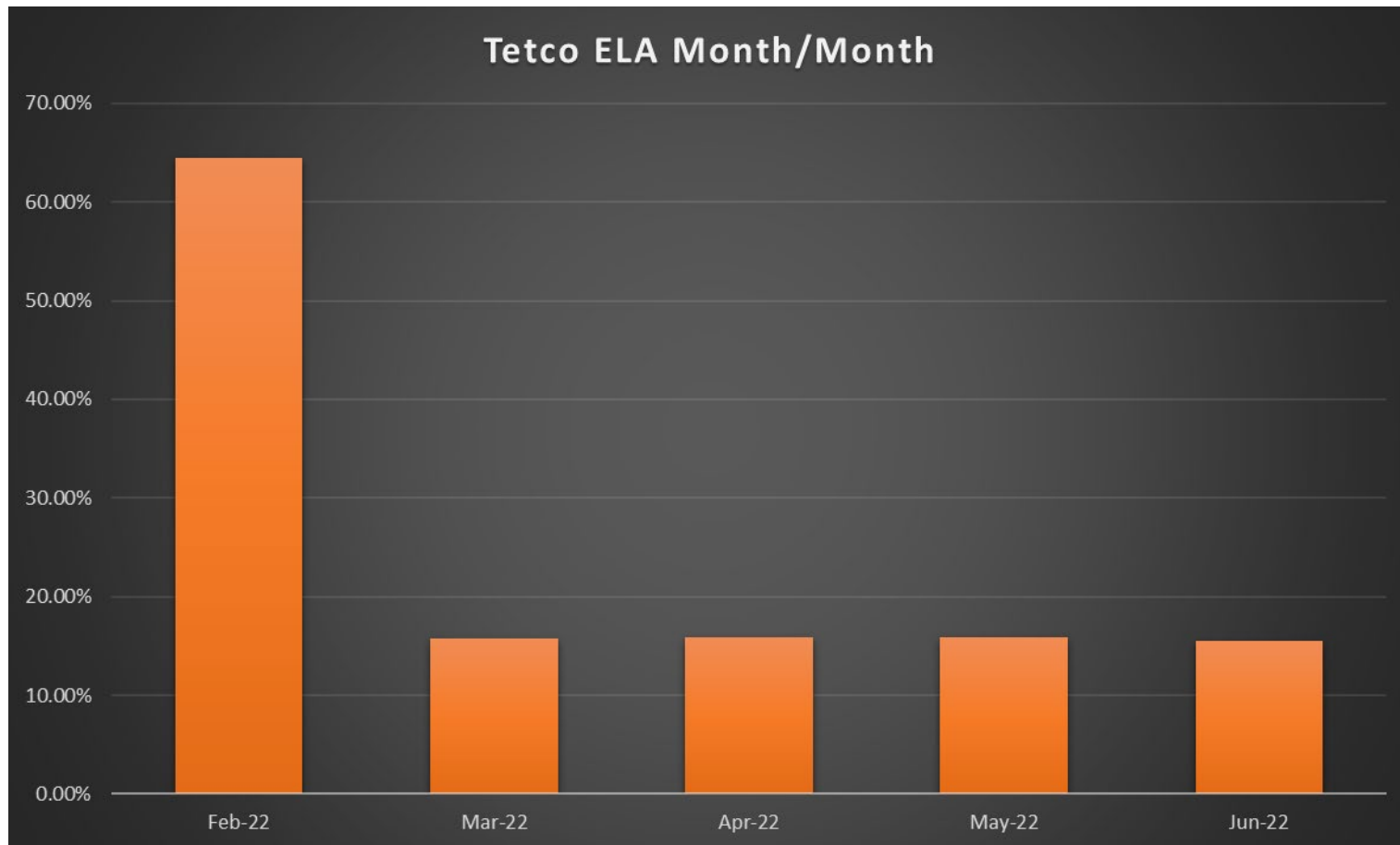
	Tue, February 01, 2022	Change from	
		last week	last year
Vertical	24	14.3%	20.0%
Horizontal	555	0.4%	56.8%
Directional	34	-5.6%	88.9%

Source: Chart by the U.S. Energy Information Administration (EIA), based on data from Baker Hughes Company

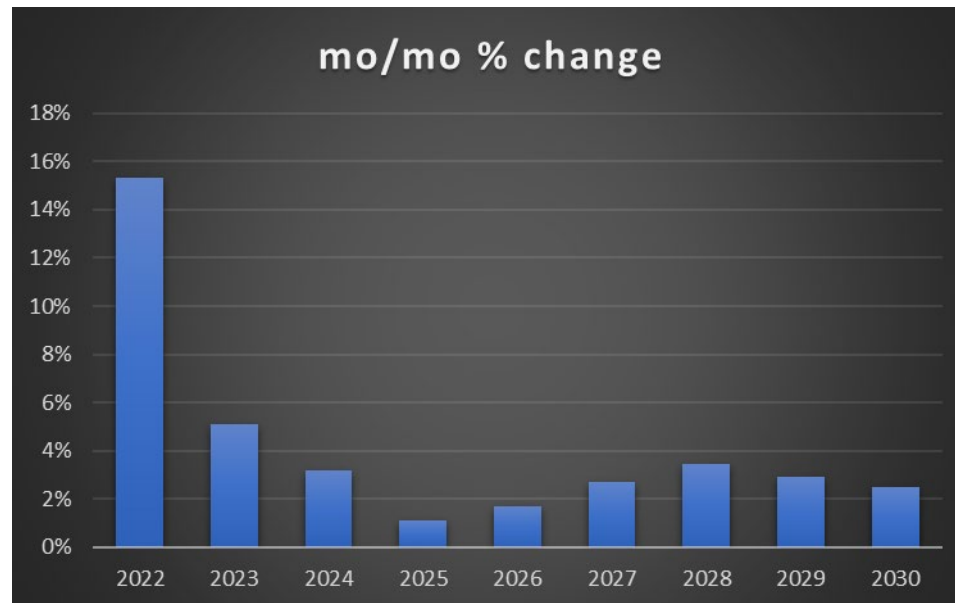
Indiana Hub ATC



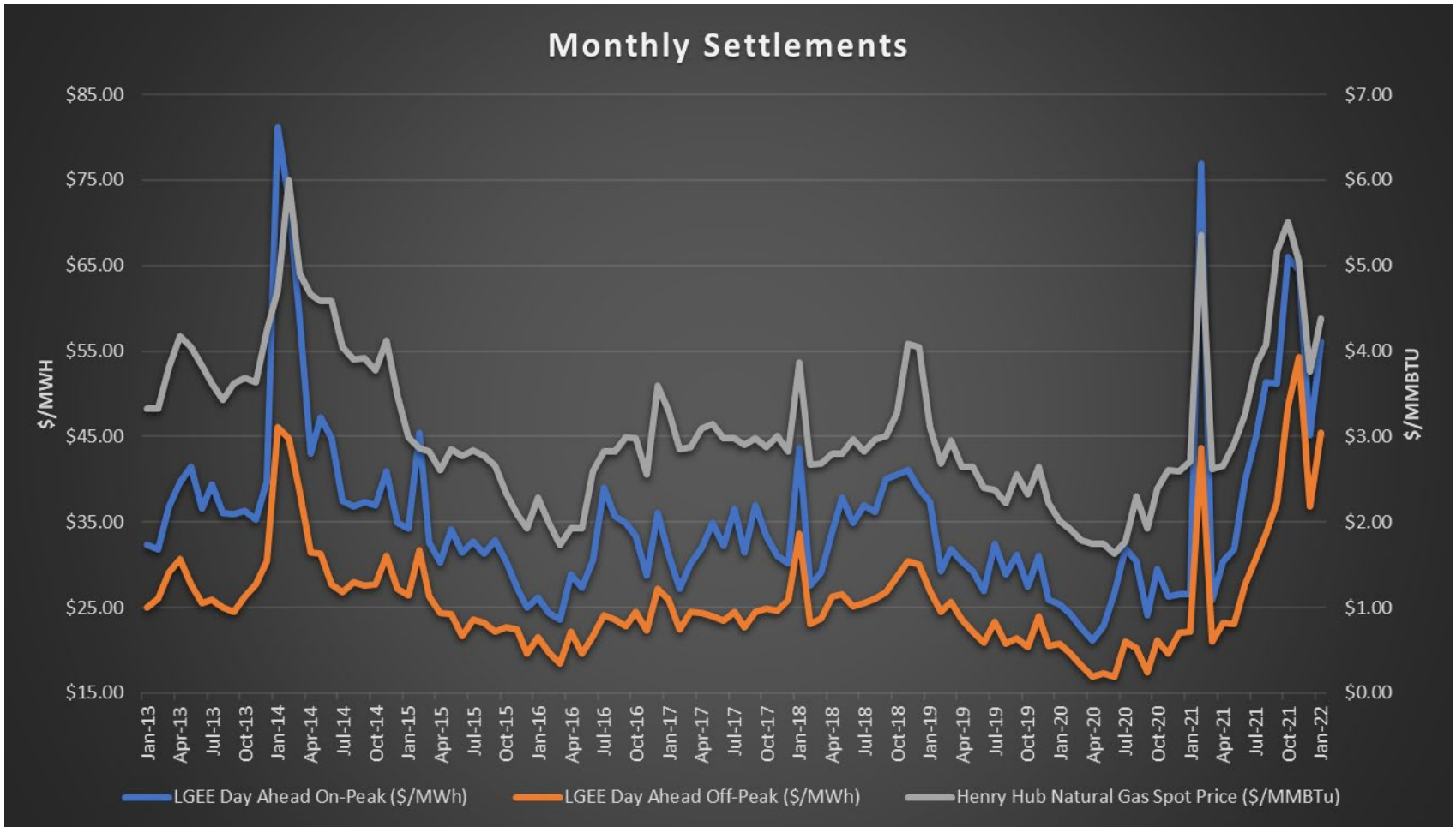
Tetco ELA



Tetco ELA



Historical Pricing





KENTUCKY MUNICIPAL ENERGY AGENCY



Member Communications

Michelle Hixon

February 24, 2022

Dates to Remember

March	
Feb 28- March 2 nd	APPA Virtual Legislative Rally
10 th at 1:30 PM	AR Rates Workshop
24 th at 8:30 AM	BROC
24 th at 10 AM	Combined Meeting of the AR Project and KYMEA Board
April	
24 th at 10 AM	KYMEA Board Meeting

2022 APPA Legislative Rally: Feb 28th – Mar 2nd



Join the
Legislative Rally

-  Influence those who decide your community's future
-  Learn more about the issues affecting public power at in-depth pre-Rally seminars
-  Get tools to help you advocate for public power with your elected representatives and Administration officials
-  Communicate public power's value and needs to Congress and the Administration during Hill visits
-  Network with and learn from public power peers
-  Help shape APPA policy on important issues at the Legislative & Resolutions Committee meeting
-  Hear about the political landscape from Washington insiders

Who Should Attend?

- Public power staff and leaders
- Mayors, city council, and board members
- Others who want to get involved and advocate for public power

Why Should I Attend?

- As a public power advocate, you are in the best position to talk to Congress about the direct impact of federal action at the local level. Our coordinated outreach efforts are strengthened because you represent not only your public power community, but also the 49 million Americans served by public power.

Please send an email to mhixon@kymea.org if you would like to attend.

FY2023 Operation Budget

FY2023 Total Operational Costs							
	Administration/Advisory/Projects	FY2022 Budget	FY2023 Budget	Variance \$	Variance %	6 Month Actual	% of FY2022
100	Salaries	857,182	985,542	128,360	15.0%	366,627	42.8%
	Retirement Contribution	85,718	98,554	12,836	15.0%	45,561	53.2%
	Health, Life, Disability, FICA, Medicare, Accrued PTO	315,149	350,316	35,167	11.2%	155,167	49.2%
200	Legal Counsel	135,000	160,000	25,000	18.5%	79,669	59.0%
300	Advisory Support	164,300	300,000	135,700	82.6%	84,608	51.5%
400	Office Space Lease & Costs	180,743	180,743	-	0.0%	81,718	45.2%
500	Member Services, Board Meetings, Training	129,000	134,850	5,850	4.5%	60,708	47.1%
600	Auto Expense	13,808	15,008	1,200	8.7%	3,338	24.2%
700	IT/AV/Software/Dynamic Schedule/Office Supplies	232,980	321,463	88,483	38.0%	136,824	58.7%
800	Insurance	12,800	10,259	(2,541)	-19.8%	3,930	30.7%
900	Advertising & Marketing	11,100	10,700	(400)	-3.6%	8,449	76.1%
1000	Audit & Annual Report	55,840	57,000	1,160	2.1%	46,301	82.9%
1100	Rating Agency	10,000	10,000	-	0.0%	-	0.0%
1200	Associations & Lobbyist	57,780	60,280	2,500	4.3%	3,417	5.9%
1300	Project Planning	72,000	57,600	(14,400)	-20.0%	99,933	138.8%
	Subtotals - Administration/Advisory/Projects	2,333,401	2,752,316	418,916	18.0%	1,176,249	50.4%
	Dispatch, Scheduling, Modeling						
1400	Energy Services Partner	632,916	659,516	26,600	4.2%	284,070	44.9%
1500	MAC Software, Data, and Subscriptions	187,941	189,010	1,069	0.6%	67,637	36.0%
1600	MDMS/Communications/Meters/Dynamic Schedule	427,016	427,016	-	0.0%	64,295	15.1%
	Subtotals - Dispatch, Scheduling, Modeling	1,247,873	1,275,542	27,669	2.2%	416,002	33.3%
	Total Budget	3,581,274	4,027,859	446,585	12.5%	1,592,252	44.5%
	Service Fees (Benham, Berea, Owensboro)						
		FY2022 Budget	FY2023 Budget	Variance \$	Variance %	6 Month Actual	% of FY2022
	Membership Fee	(111,347)	(111,347)	-	-	(55,532)	49.9%
	Transmission Service + Energy Carrying Charge	(73,930)	(73,930)	-	-	(36,627)	49.5%
	Dispatch/MAC Service	(200)	(200)	-	-	(85)	42.5%
		(185,476)	(185,476)	-	0.0%	(92,243)	49.7%
	All Requirements Group - Net Service Fees	3,395,798	3,842,383	446,585	13.2%	1,500,008	44.2%

100. Salaries, Benefits, Retirement, Accrued PTO

Increase of \$176,363 over FY2022: Salaries, medical, dental, vision, life, disability, FICA, Medicare, accrued vacation/personal leave.

200. Legal Counsel

Increase of \$25,000 over FY2022: General Counsel legal support. Increase due to increased legal counsel support.

300. Advisory Support

Increase of \$135,700 over FY2022: Special Counsel and Advisory. FERC and specialized legal support, transmission and communications support, and power supply advisory support. Advisory services in FY2023 in support of Agency's 2023 portfolio changes. Increase is due to RFP and PPA development and additional legal expenses not related to depancaking.

400. Office Space Lease & Costs

No change from FY2022: Lease, IT closet utilities, maintenance. Contractual lease payment and expenses.

500. Member Services, Board Meetings, Training

Increase of \$5,850 over FY2022: Increase due to inflation. Member meetings including annual meeting, member portal, member services travel. Training and fees to APPA, TAPS, TVPPA, legislative, HR, member communications, financial, software classes, certifications, etc.

600. Auto Expense

Increase of \$1,200 over FY2022: Increase due to fuel increases, inflation, and additional expected maintenance. CEO vehicle fuel, maintenance, insurance, taxes, staff vehicle mileage.

700. IT/AV/Software/Dynamic Schedule/Office Supplies

Increase of \$88,483 over FY2022: Increase due to inflation and increased IT support for cybersecurity, redundancy, and dynamic scheduling. Phones, copier, office supplies, IT service contract, internet, software subscriptions.

800. Insurance

Decrease of \$2,541 under FY2022: Property and professional liability.

900. Advertising & Marketing

Decrease of \$400 under FY2022: Newsletters, website support, branding.

1000. Audit & Annual Report

Increase of \$1,160 over FY2022: Increase due to inflation. Audit, annual report production and printing.

1100. Rating Agency

No change from FY2022: Fitch Rating Agency rating.

1200. Associations and Lobbyist

Increase of \$2,500 over FY2022: APPA, TAPS, TVPPA, and KYMEA Lobbyists.

1300. Project Planning

Decrease of \$14,400 under FY2022: Transmission system impact studies and strategic planning. Decrease due to decrease in strategic planning budget.

1400. Energy Services Partner

Increase of \$26,600 over FY2022: Increase due to FTR analysis service. ESP services, model runs, trading accounts, trading fees and services, back-up server fee.

1500. MAC Software, Data, Training, and Subscriptions

Increase of \$1,069 over FY2022: Increase due to inflation. Optimization model, data and market intelligence, load forecasting, RTO membership, training

1600. MDMS/Communications/Meters

No change from FY2022: MDMS license and maintenance, communications expense, meter testing, dynamic scheduling (engineering support, software, OATIWeb, LG&E/KU, TVA, and MISO).

SERVICE FEES

Contra-Accounts - No change from FY2022.

- Membership Fee remains at 12¢ per kWh.
- Dispatch Service Fee remains at 45¢ per kWh.
- Transmission Service Fee remains at 38¢ per kWh.
- Energy Carrying Charge remains at 18¢ per kWh.
- Resource Planning Service Fee remains at 20¢ per kWh.

OPERATING BUDGET

Increase of \$446,585 (12.5%) over FY2022.

CAPITAL BUDGET

\$250,000. Same as FY2022 Budget. Supports MAC and office hardware needs, spare equipment, redundancy, dynamic scheduling hardware, software, and communications requirements.

Document: [FY2023 Operating Budget Committee 01-12-2022.docx](#)

Spreadsheet: [KYMEA Income Statement FY23 Budget 01-12-2022.xlsx](#)