



December 14, 2022 Special Meeting of the KYMEA Board of Directors

12/14/2022

Board Room at 10 AM

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 - December 14, 2022 Special 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 Last
Month's Meeting
Minutes

Josh Callihan

C. Financial Reports

Approval of October
& November
Financial Reports

Heather
Overby

D. Committee Reports

None Expected

- | | |
|----------------------------|--------------|
| 1. BROC Report | Gary Zheng |
| 2. Budget 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. FY 2024 Budget & Rates Timeline | Doug Buresh |
|------------------------------------|-------------|

G. Action Items

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 held on January 26, 2023 at 10 am in KYMEA's board room.

Michelle Hixon

J. Closed Session

Charlie
Musson

K. Action Expected Related to Matters Discussed in Closed Session

Josh Callihan

L. Adjournment

Josh Callihan



Minutes for Meeting Book - November 9, 2022 Special Combined Meeting of the AR Project Committee and KYMEA Board of Directors

11/09/2022 | 10:00 AM

Board Room at 10 AM

Attendees (9)

Susan Bishop; Josh Callihan; Vent Foster; Ron Herd; Kevin Howard; Tim Lyons; Chris Melton; Jamie Miller; Gary Zheng

Additional attendees were Doug Buresh, Rob Leesman, Charlie Musson, Heather Overby, Molly Roesler, Hance Price, Brown Thornton, Gwen Hicks, John Painter, Fred Haddad, Latif Nurani, Joey Wright, Chad Propst, and Tom Trauger.

Meeting Opening

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

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

Guest Introductions: No introductions were made.

Previous Meeting Minutes of the KYMEA Board of Directors

ACTION: Motion to approve the October 27, 2022, meeting minutes was made by Susan Bishop and seconded by Chris Melton. The motion passed.

Financial Reports

October Financial Reports will be available at the December Board Meeting.

Committee Reports

1. Budget Committee: Chris Melton gave an update on the Budget Committee Meeting. The Next meeting is on December 13, 2022.

Administration Reports

1. CEO Report: Doug Buresh presented the CEO report regarding the Agency's past and upcoming activities.
2. Market Report: Rob Leesman discussed the previous month's markets in relation to KYMEA.

3. Member Communications: An update was given to the Board on upcoming events and member activities.

Discussion Topics

1. Winter Preparation: Rob Leesman discussed how the staff is preparing for the winter season.

Public Comments

No comments were made.

Upcoming Meetings and Other Business

The next board meeting will be held on December 14th at 10 am in KYMEA's board room.

Closed Session

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

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

Action Expected Related to Matters Discussed in Closed Session

ACTION: Motion for the AR Committee to adopt the presented resolution, recommending approval of Ashwood Amendment No. 1 was made by Gary Zheng and seconded by Josh Callihan. The motion passed.

ACTION: Motion to adjourn the AR Committee and return to the full Board Meeting was made by Josh Callihan and seconded by Jamie Miller. The motion passed.

ACTION: Motion for the Board to adopt the presented resolution and recommendation of the AR Committee to approve Ashwood Amendment No. 1 and the related term sheet was made by Gary Zheng and seconded by Chris Melton. The motion passed. (Tim Lyons abstained.)

Adjournment

ACTION: Motion to adjourn was made by Susan Bishop and seconded by Chris Melton. Motion passed and the meeting was adjourned.

X

Chairperson

X

Secretary



KENTUCKY MUNICIPAL ENERGY AGENCY



Financial Presentation

December 14, 2022

Heather Overby

Statement of Net Position – October 2022

CURRENT ASSETS

Oct 2022

Cash And Investments	\$14,022,049	(1)
Other Receivables	\$6,625,036	(2)
Prepayments And Other Current Assets	\$0	
Total Current Assets	\$20,647,085	

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

Statement of Net Position – October 2022

NON-CURRENT ASSETS

Pledge Collateral	\$4,247,457	(3)
Investment In Sedc	\$2,426	
Fixed Asset Clearing Account	\$189,090	
Office Buildout	\$260,238	
Meters - Ar Project	\$215,985	
Meter Comm Equipment	\$330,672	
General Plant	\$2,497,450	
Construction Work In Progress	\$0	
Less Accumulated Depreciation	(\$878,766)	
Total Non-Current Assets	\$6,864,553	

Total Assets **\$27,511,639**

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows	\$0
Total Deferred Outflows	\$0

Total Assets & Deferred Outflows of Resources **\$27,511,639**

3) Collateral represents \$2.7m at MISO, \$1.5m at PJM, and \$0 in hedge collateral.

Statement of Net Position – October 2022

LIABILITIES

Accounts Payable	\$10,682,445	(4)
Accrue Interest Payable	\$14,375	
Total Current Liabilities	\$10,696,820	
Accrue Employee Benefits	\$202,543	
Deferred Lease Liability	\$1,541,032	(5)
Line Of Credit	\$0	(6)
Total Non-Current Liabilities	\$1,743,575	
Total Liabilities	\$12,440,394	

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows	\$0
Total Deferred Inflows	\$0
Total Liabilities & Deferred Inflows	\$12,440,394

NET POSITION

Invested in Capital Assets, Net of Related Debt	\$2,614,670	
Restricted	\$4,247,457	
Unrestricted	\$8,209,117	
Total Net Position	\$15,071,244	(7)

- 4) AP represents purchased power
- 5) Deferred Lease Liability represents the present value of remaining office lease payments
- 6) Line of Credit paid off in August 2019
- 7) Positive net position - LTD

Statement Revenue, Expenses, and Changes in Net Position – October 2022

OPERATING REVENUE

	Oct 2022	YTD FY2023	
Sales To Members	\$5,503,938	\$28,460,623	(8)
Rto Market Revenue	\$1,915,369	\$15,270,243	(9)
Transmission Services	\$74,578	\$358,409	(10)
Miscellaneous Revenue	\$0	\$0	
Total Operating Revenue	\$7,493,886	\$44,089,275	

OPERATING EXPENSES

Transmission	\$1,072,747	\$5,327,898	(11)
Production	\$6,551,657	\$40,922,603	(12)
Administrative And General	\$225,511	\$910,269	
Depreciation Expense	\$27,290	\$109,196	
Total Purchase Power and Operating Expenses	\$7,877,205	\$47,269,967	

Operating Income	(\$383,319)	(\$3,234,141)	
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NON-OPERATING REVENUE

Interest Expense On Debt	(\$8,527)	(\$33,940)	
Interest Income	\$20,248	\$44,069	
Other Non-Operating Income (Expense)	(\$2,760)	(\$15,798)	
Regulatory Credit/Debit - Cost To Be Recovered	\$0	\$0	
Total Non-Operating Revenues (Expenses)	\$8,960	(\$5,669)	

NET POSITION CHANGES

Change in Net Position	(\$374,359)	(\$3,239,810)	(13)
Net Position at Beginning of Period	\$15,445,603	\$18,311,054	
Net Position at End of Period	\$15,071,244	\$15,071,244	

- 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, RTO, and SEPA
- 13) Negative MTD Net Income/ Negative YTD Net Income

Indirect Statement of Cash Flows – October 2022

CASH FROM OPERATING ACTIVITIES

	Oct 2022	YTD FY2023	
Net Income	(\$374,359)	(\$3,239,810)	(14)
Depreciation Monthly	\$27,290	\$106,952	
Accounts Receivable	\$3,412,379	\$2,246,172	(15)
Prepayments & Other Current Assets	\$0	\$0	
Accounts Payable	(\$2,866,848)	(\$6,012,872)	(15)
Taxes & Interest Accrued	\$5,668	\$7,536	
Other Current Liabilities	(\$299)	\$17,386	
Deferred Lease Liability	(\$10,018)	(\$39,932)	
Deferred Inflows Monthly	\$0	\$0	
Net Cash Provided by (Used in) Operations	\$193,812	(\$6,914,567)	

CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

Additions to Plant Monthly	(\$402)	(\$4,315)	
Net Change in Other Prop & Invest	(\$2,779)	(\$757,064)	
Net Cash Provided by (Used in) Investing	(\$3,181)	(\$761,379)	

CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES

Long Term Borrowings	\$0	\$0	
Net Cash Provided By (Used in) Financing	\$0	\$0	

NET INCREASE (DECREASE) IN CASH & TEMP INVESTMENTS

Net Increase (Decrease) in Cash & Temp Investm..	\$190,631	(\$7,675,946)	
Cash & Temp Investment Beginning of Period	\$13,831,418	\$21,697,995	
Cash & Investments End of Period	\$14,022,049	\$14,022,049	(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 and Rate Stabilization Fund.



KEY FINANCIAL METRICS

FY2023 Actuals Through October 2022 + Budget

Days Cash on Hand

38.50 ▲

Leverage

8.31 ▲

Coverage of Full Obligations

0.87 ▼

Debt Service Coverage

0.86 ▲

Financial Metrics – October 2022

Days Cash On Hand

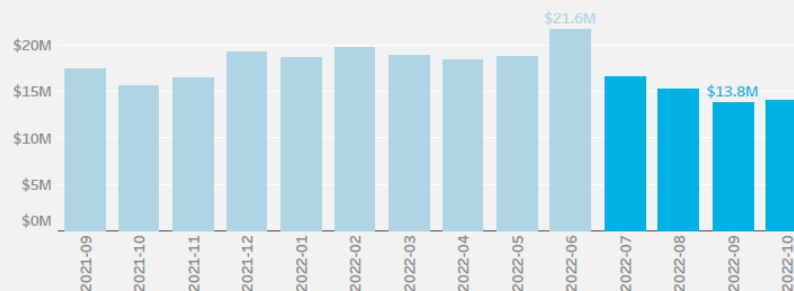
Financial flexibility - the number of days KYMEA can pay its operating expenses with the given cash available.

$$\begin{array}{rclclcl} \$14.0\text{M} & & \$364,164 & & 38.50 \\ \text{Unrestricted Cash} & \div & \text{Adjusted Operating Expense per Day} & = & \text{Days Cash on Hand} \\ & & \$132.92\text{M} / 365 \text{ days} & & \end{array}$$

Unrestricted Cash

Adjusted Operating Expenses

Cash on Hand through Current Month



Days Cash On Hand

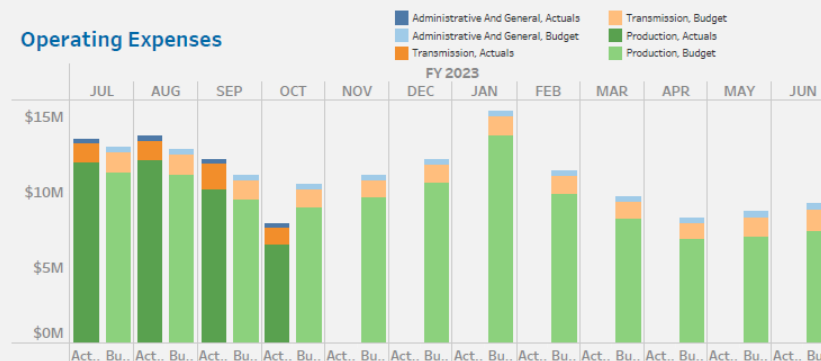
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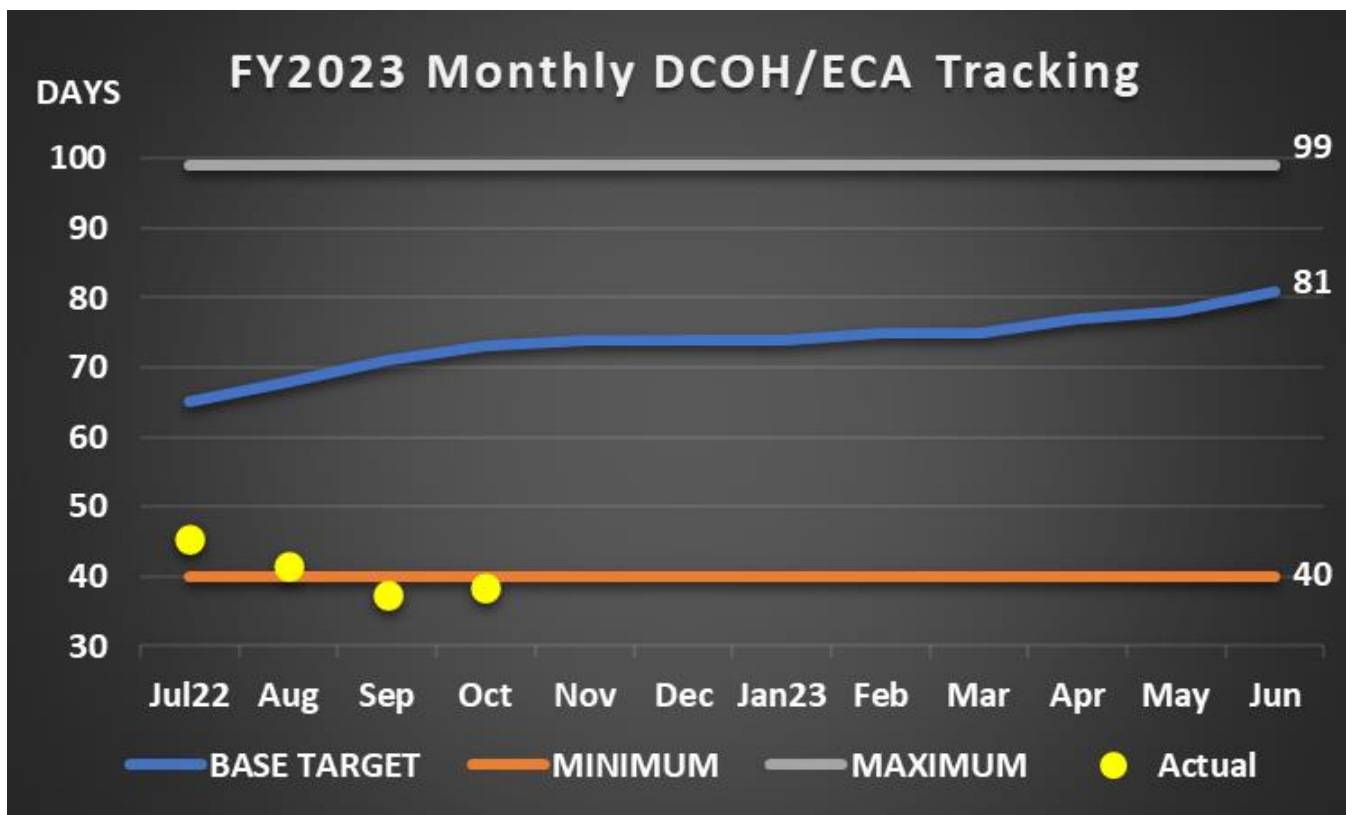
Unrestricted Cash

Adjusted Operating Expenses

Operating Expenses



Financial Metrics – October 2022



Financial Metrics – October 2022

Leverage

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

8.31

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.

8.31

Net Adjusted Debt

Adjusted Funds Available
for Debt Service

Adjusted Funds Available for Debt Service



Financial Metrics – October 2022

Coverage of Full Obligations

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

0.87

Funds Available
for Debt Service

÷

Total Debt Service
& Fixed Charges

Imputed Debt
Payment

\$42.96M

Administrative &
General Expense

\$3.40M

EBITDA &
Interest Income

(\$5.91M)

Debt Service Coverage

The funds available from operations to cover current debt service.

0.86

Funds Available
for Debt Service

÷

Total Debt
Service

Imputed Debt
Payment

\$42.96M

EBITDA &
Interest Income

(\$5.91M)

Statement of Net Position – November 2022

CURRENT ASSETS

	Nov 2022	
Cash And Investments	\$13,011,887	(1)
Other Receivables	\$6,934,858	(2)
Prepayments And Other Current Assets	\$0	
Total Current Assets	\$19,946,745	

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

Statement of Net Position – November 2022

NON-CURRENT ASSETS

Pledge Collateral	\$4,251,203	(3)
Investment In Seduc	\$2,426	
Fixed Asset Clearing Account	\$203,818	
Office Buildout	\$260,238	
Meters - Ar Project	\$215,985	
Meter Comm Equipment	\$330,672	
General Plant	\$2,497,450	
Construction Work In Progress	\$0	
Less Accumulated Depreciation	(\$906,056)	
Total Non-Current Assets	\$6,855,737	

Total Assets **\$26,802,482**

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows	\$0
Total Deferred Outflows	\$0

Total Assets & Deferred Outflows of Resources **\$26,802,482**

3) Collateral represents \$2.7m at MISO, \$1.6m at PJM, and \$0 in hedge collateral.

Statement of Net Position – November 2022

LIABILITIES

Accounts Payable	\$10,574,134	(4)
Accrue Interest Payable	\$4,688	
Total Current Liabilities	\$10,578,821	
Accrue Employee Benefits	\$206,040	
Deferred Lease Liability	\$1,530,990	(5)
Line Of Credit	\$0	(6)
Total Non-Current Liabilities	\$1,737,030	
Total Liabilities	\$12,315,851	

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows	\$0
Total Deferred Inflows	\$0
Total Liabilities & Deferred Inflows	\$12,315,851

NET POSITION

Invested in Capital Assets, Net of Related Debt	\$2,602,109	
Restricted	\$4,251,203	
Unrestricted	\$7,633,320	
Total Net Position	\$14,486,632	(7)

- 4) AP represents purchased power
- 5) Deferred Lease Liability represents the present value of remaining office lease payments
- 6) Line of Credit paid off in August 2019
- 7) Positive net position - LTD

Statement Revenue, Expenses, and Changes in Net Position – November 2022

OPERATING REVENUE

	Nov 2022	YTD FY2023	
Sales To Members	\$6,011,211	\$34,471,835	(8)
Rto Market Revenue	\$1,182,849	\$16,453,091	(9)
Transmission Services	\$105,273	\$463,682	(10)
Miscellaneous Revenue	\$0	\$0	
Total Operating Revenue	\$7,299,333	\$51,388,608	

OPERATING EXPENSES

Transmission	\$1,142,394	\$6,470,292	(11)
Production	\$6,323,953	\$47,246,556	(12)
Administrative And General	\$386,030	\$1,296,299	
Depreciation Expense	\$27,290	\$136,486	
Total Purchase Power and Operating Expenses	\$7,879,667	\$55,149,633	

Operating Income	(\$580,334)	(\$1,107,661)	
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NON-OPERATING REVENUE

Interest Expense On Debt	(\$8,347)	(\$42,287)	
Interest Income	\$8,088	\$52,157	
Other Non-Operating Income (Expense)	(\$4,019)	(\$19,817)	
Regulatory Credit/Debit - Cost To Be Recovered	\$0	\$0	
Total Non-Operating Revenues (Expenses)	(\$4,279)	(\$9,947)	

NET POSITION CHANGES

Change in Net Position	(\$584,612)	(\$3,824,422)	(13)
Net Position at Beginning of Period	\$15,071,244	\$18,311,054	
Net Position at End of Period	\$14,486,632	\$14,486,632	

- 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, RTO, and SEPA
- 13) Negative MTD Net Income/ Negative YTD Net Income

Indirect Statement of Cash Flows – November 2022

CASH FROM OPERATING ACTIVITIES

	Nov 2022	YTD FY2023	
Net Income	(\$584,612)	(\$3,824,422)	(14)
Depreciation Monthly	\$27,290	\$134,241	
Accounts Receivable	(\$309,821)	\$1,936,351	(15)
Prepayments & Other Current Assets	\$0	\$0	
Accounts Payable	(\$109,426)	(\$6,122,298)	(15)
Taxes & Interest Accrued	(\$8,572)	(\$1,037)	
Other Current Liabilities	\$3,497	\$20,883	
Deferred Lease Liability	(\$10,042)	(\$49,974)	
Deferred Inflows Monthly	\$0	\$0	
Net Cash Provided by (Used in) Operations	(\$991,688)	(\$7,906,255)	

CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

Additions to Plant Monthly	(\$14,728)	(\$19,043)	
Net Change in Other Prop & Invest	(\$3,746)	(\$760,809)	
Net Cash Provided by (Used in) Investing	(\$18,474)	(\$779,853)	

CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES

Long Term Borrowings	\$0	\$0	
Net Cash Provided By (Used in) Financing	\$0	\$0	

NET INCREASE (DECREASE) IN CASH & TEMP INVESTMENTS

Net Increase (Decrease) in Cash & Temp Investm..	(\$1,010,162)	(\$8,686,107)	
Cash & Temp Investment Beginning of Period	\$14,022,049	\$21,697,995	
Cash & Investments End of Period	\$13,011,887	\$13,011,887	(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 and Rate Stabilization Fund.



KEY FINANCIAL METRICS

FY2023 Actuals Through November 2022 + Budget

Days Cash on Hand

36.62 ▼

Leverage

8.38 ▲

Coverage of Full Obligations

0.87 ▼

Debt Service Coverage

0.86 ▼

Financial Metrics – November 2022

Days Cash On Hand

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

\$13.0M
Unrestricted Cash

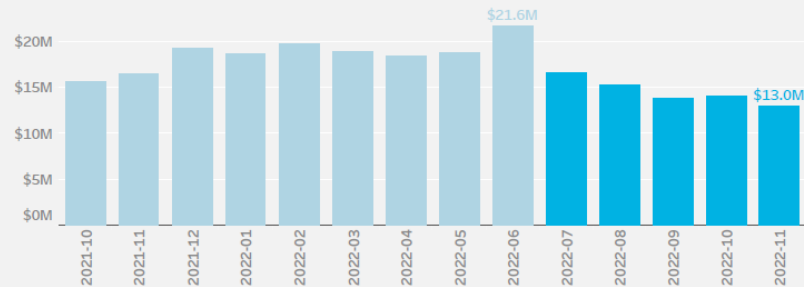
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\$355,289
Adjusted Operating Expense per Day
\$129.68M / 365 days

=

36.62
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.

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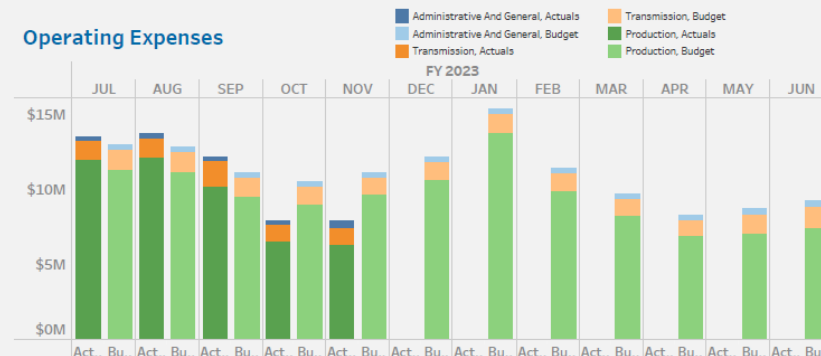
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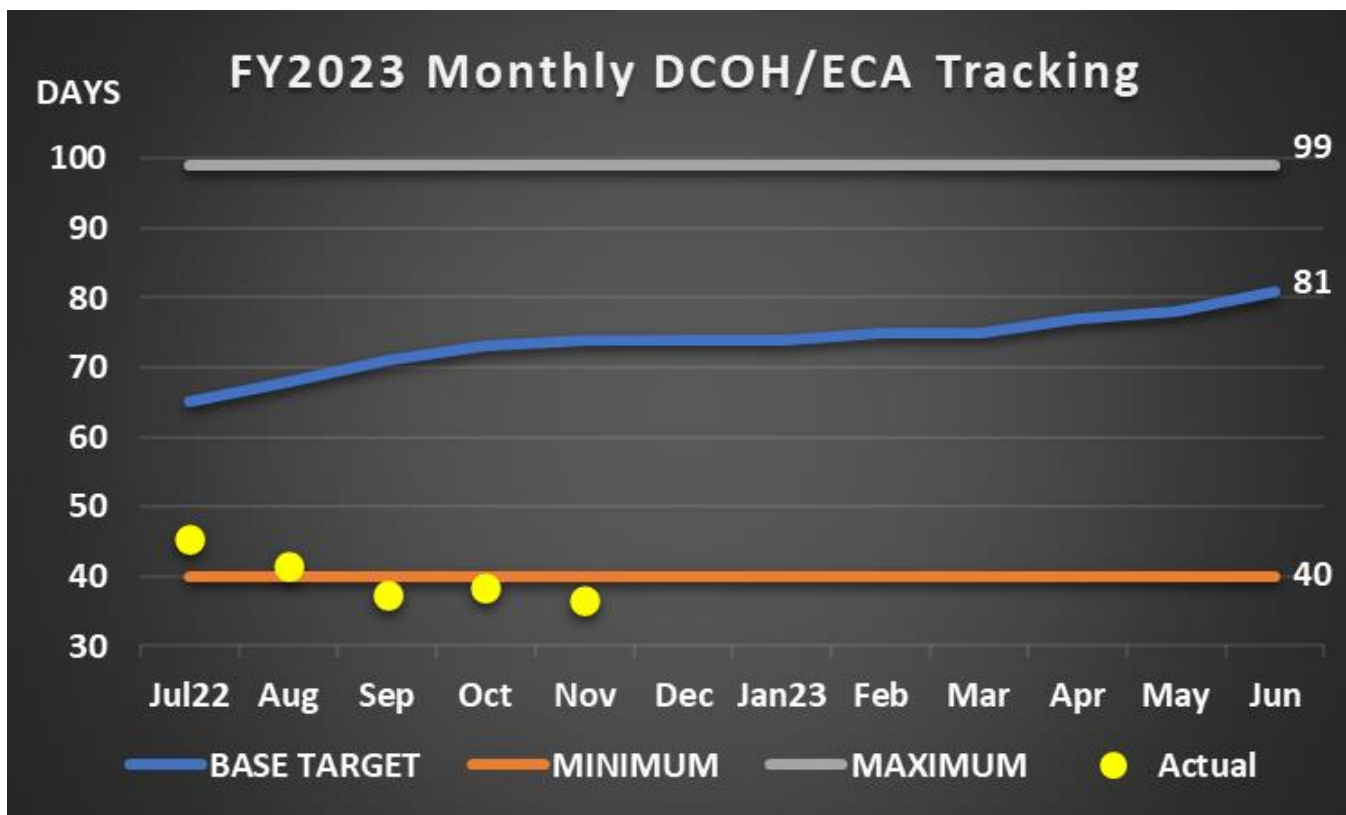
Operating Expenses



Unrestricted Cash

Adjusted Operating Expenses

Financial Metrics – November 2022



Financial Metrics – November 2022

Leverage

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

8.38

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.

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Adjusted Funds Available for Debt Service



Financial Metrics – November 2022

Coverage of Full Obligations

0.87

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

\$42.99M

Administrative &
General Expense

\$3.48M

EBITDA &
Interest Income

(\$6.22M)

Debt Service Coverage

0.86

The funds available from operations to cover current debt service.

Funds Available
for Debt Service

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Total Debt
Service

Imputed Debt
Payment

\$42.99M

EBITDA &
Interest Income

(\$6.22M)

Statement of Net Position

FY2023 Actuals as of October 2022

CURRENT ASSETS	Oct 2022
Cash And Investments	\$14,022,049
Other Receivables	\$6,625,036
Prepayments And Other Current Assets	\$0
Total Current Assets	\$20,647,085

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Pledge Collateral	\$4,247,457
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Total Assets **\$27,511,639**

DEFERRED OUTFLOWS OF RESOURCES

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Total Deferred Outflows	\$0

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Accrue Employee Benefits	\$202,543
Deferred Lease Liability	\$1,541,032
Line Of Credit	\$0
Total Non-Current Liabilities	\$1,743,575

Total Liabilities **\$12,440,394**

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows	\$0
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Total Liabilities & Deferred Inflows **\$12,440,394**

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Restricted	\$4,247,457
Unrestricted	\$8,209,117

Total Net Position **\$15,071,244**

Statement of Revenue, Expenses, and Changes in Net Position

FY2023 Actuals as of October 2022

OPERATING REVENUE	Oct 2022	YTD FY2023
Sales To Members	\$5,503,938	\$28,460,623
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Miscellaneous Revenue	\$0	\$0
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Indirect Statement of Cash Flows

FY2023 Actuals as of October 2022

CASH FROM OPERATING ACTIVITIES	Oct 2022	YTD FY2023
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Deferred Inflows Monthly	\$0	\$0

Net Cash Provided by (Used in) Operations **\$193,812** **(\$6,914,567)**

CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

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Net Change in Other Prop & Invest	(\$2,779)	(\$757,064)

Net Cash Provided by (Used in) Investing **(\$3,181)** **(\$761,379)**

CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES

Long Term Borrowings	\$0	\$0
Net Cash Provided By (Used in) Financing	\$0	\$0

NET INCREASE (DECREASE) IN CASH & TEMP INVESTMENTS

Net Increase (Decrease) in Cash & Temp Investm... **\$190,631** **(\$7,675,946)**

Cash & Temp Investment Beginning of Period	\$13,831,418	\$21,697,995
Cash & Investments End of Period	\$14,022,049	\$14,022,049

Month Ending
10/31/2022 11:59:59 PM



KENTUCKY MUNICIPAL ENERGY AGENCY

October 2022 Bank Reconciliation

PNC Statement Balance 10/01/2022:	\$	7,310,778.88
PNC Statement Balance 10/31/2022:	\$	7,497,256.27
Independence Statement Balance 10/01/2022:	\$	6,520,533.58
Independence Statement Balance 10/31/2022:	\$	6,524,687.07
Outstanding Checks (-):	\$	-
Adjusted Bank Balance:	\$	14,021,943.34
Meridian Book Balance (1310000) 10/31/2022:	\$	7,497,362.13
Meridian Book Balance (1310500) 10/31/2022:	\$	6,524,687.07
Other Adjustments (-):		
Lumen #612411071	\$	(105.86)
Adjusted Book Balance:	\$	14,021,943.34
Adjusted Bank Balance:	\$	14,021,943.34
Adjusted Book Balance:	\$	14,021,943.34
Difference:	\$	-

Statement of Net Position

FY2023 Actuals as of November 2022

CURRENT ASSETS	Nov 2022
Cash And Investments	\$13,011,887
Other Receivables	\$6,934,858
Prepayments And Other Current Assets	\$0
Total Current Assets	\$19,946,745

NON-CURRENT ASSETS

Pledge Collateral	\$4,251,203
Investment In Sedc	\$2,426
Fixed Asset Clearing Account	\$203,818
Office Buildout	\$260,238
Meters - Ar Project	\$215,985
Meter Comm Equipment	\$330,672
General Plant	\$2,497,450
Construction Work In Progress	\$0
Less Accumulated Depreciation	(\$906,056)
Total Non-Current Assets	\$6,855,737

Total Assets **\$26,802,482**

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows	\$0
Total Deferred Outflows	\$0

Total Assets & Deferred Outflows of Resources **\$26,802,482**

LIABILITIES

Accounts Payable	\$10,574,134
Accrue Interest Payable	\$4,688
Total Current Liabilities	\$10,578,821

Accrue Employee Benefits	\$206,040
Deferred Lease Liability	\$1,530,990
Line Of Credit	\$0
Total Non-Current Liabilities	\$1,737,030

Total Liabilities **\$12,315,851**

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows	\$0
Total Deferred Inflows	\$0

Total Liabilities & Deferred Inflows **\$12,315,851**

NET POSITION

Invested in Capital Assets, Net of Related Debt	\$2,602,109
Restricted	\$4,251,203
Unrestricted	\$7,633,320

Total Net Position **\$14,486,632**

Statement of Revenue, Expenses, and Changes in Net Position

FY2023 Actuals as of November 2022

OPERATING REVENUE	Nov 2022	YTD FY2023
Sales To Members	\$6,011,211	\$34,471,835
Rto Market Revenue	\$1,182,849	\$16,453,091
Transmission Services	\$105,273	\$463,682
Miscellaneous Revenue	\$0	\$0
Total Operating Revenue	\$7,299,333	\$51,388,608

OPERATING EXPENSES

Transmission	\$1,142,394	\$6,470,292
Production	\$6,323,953	\$47,246,556
Administrative And General	\$386,030	\$1,296,299
Depreciation Expense	\$27,290	\$136,486
Total Purchase Power and Operating Expenses	\$7,879,667	\$55,149,633

Operating Income **(\$580,334)** **(\$3,814,475)**

NON-OPERATING REVENUE

Interest Expense On Debt	(\$8,347)	(\$42,287)
Interest Income	\$8,088	\$52,157
Other Non-Operating Income (Expense)	(\$4,019)	(\$19,817)
Regulatory Credit/Debit - Cost To Be Recovered	\$0	\$0
Total Non-Operating Revenues (Expenses)	(\$4,279)	(\$9,947)

NET POSITION CHANGES

Change in Net Position	(\$584,612)	(\$3,824,422)
Net Position at Beginning of Period	\$15,071,244	\$18,311,054
Net Position at End of Period	\$14,486,632	\$14,486,632

Indirect Statement of Cash Flows

FY2023 Actuals as of November 2022

CASH FROM OPERATING ACTIVITIES	Nov 2022	YTD FY2023
Net Income	(\$584,612)	(\$3,824,422)
Depreciation Monthly	\$27,290	\$134,241
Accounts Receivable	(\$309,821)	\$1,936,351
Prepayments & Other Current Assets	\$0	\$0
Accounts Payable	(\$109,426)	(\$6,122,298)
Taxes & Interest Accrued	(\$8,572)	(\$1,037)
Other Current Liabilities	\$3,497	\$20,883
Deferred Lease Liability	(\$10,042)	(\$49,974)
Deferred Inflows Monthly	\$0	\$0

Net Cash Provided by (Used in) Operations **(\$991,688)** **(\$7,906,255)**

CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

Additions to Plant Monthly	(\$14,728)	(\$19,043)
Net Change in Other Prop & Invest	(\$3,746)	(\$760,809)

Net Cash Provided by (Used in) Investing **(\$18,474)** **(\$779,853)**

CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES

Long Term Borrowings	\$0	\$0
Net Cash Provided By (Used in) Financing	\$0	\$0

NET INCREASE (DECREASE) IN CASH & TEMP INVESTMENTS

Net Increase (Decrease) in Cash & Temp Investm... **(\$1,010,162)** **(\$8,686,107)**

Cash & Temp Investment Beginning of Period	\$14,022,049	\$21,697,995
Cash & Investments End of Period	\$13,011,887	\$13,011,887

Month Ending
11/30/2022 11:59:59 PM



KENTUCKY MUNICIPAL ENERGY AGENCY

November 2022 Bank Reconciliation

PNC Statement Balance 11/01/2022:	\$	7,497,256.27
PNC Statement Balance 11/30/2022:	\$	6,904,333.74

Independence Statement Balance 11/01/2022:	\$	6,524,687.07
Independence Statement Balance 11/30/2022:	\$	6,528,709.14

Outstanding Checks (-):	\$	-
Adjusted Bank Balance:	\$	13,433,042.88

Meridian Book Balance (1310000) 11/30/2022:	\$	6,483,178.21
Meridian Book Balance (1310500) 11/30/2022:	\$	6,528,709.14

Other Adjustments (+/-):		
PPS Invoice # KYMEA-2210R	\$	406,642.73
Lumen Invoice # 616488260	\$	(105.86)
LightChange Invoice # 6050	\$	9,214.66
LightChange Invoice #6034	\$	5,404.00

Adjusted Book Balance:	\$	13,433,042.88
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Adjusted Bank Balance:	\$	13,433,042.88
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Adjusted Book Balance:	\$	13,433,042.88
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Difference:	\$	-
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KENTUCKY MUNICIPAL ENERGY AGENCY



KYMEA President & CEO Report

Doug Buresh

December 14, 2022

IRP2023

- Beginning Analysis and Evaluation of the RFP responses.
- Load forecast, IRP report writing, and EnCompass model development is underway.
- Updating the stochastic parameters: load, natural gas prices, power prices, and solar irradiance.

IRP2023 Timeline

SEPTEMBER/OCTOBER (2022)

Issue RFP: The Agency will issue an RFP in September/October 2022. The purpose of RFP 2023 is to gauge the market opportunities and options for KYMEA's next power supply tranche.

NOVEMBER/DECEMBER (2022)

Development of Model Input and Framework: Identify and develop scenarios, resource options and business strategies to evaluate how a future portfolio might change under different conditions.

Analysis and evaluation: Develop and evaluate the performance of multiple resource portfolios.

JANUARY/FEBRUARY (2023)

Additional Analysis: Response to Board feedback.

Preliminary results of the study: IRP recommendation, near-term actions and key elements, and the final environmental assessment.

MARCH/APRIL (2023)

Board of Directors Action: Approval of near-term IRP recommendations

Publication of the IRP2023 - July 2023

Solar Tariff History

May 2012 (Anti-Dumping)

Commerce Department implements two-tier anti-dumping tariffs.

- Tier 1: Up to 31 percent on 61 Chinese companies exporting solar panels to the U.S.
- Tier 2: 250 percent tariff on any Chinese company not exporting to the U.S. (prevents ducking of Tier 1)

December 2014

Commerce Department adds Taiwan to tariffs.

- Taiwan: 11.45 percent to 27.55 percent on imports of solar cells.
- China: 27.64 percent to 49.79 percent for Chinese solar modules.
- China: 26.71 percent to 78.42 percent anti-dumping solar panels.

January 2018

U.S. imposes Section 201 solar tariffs on solar equipment made abroad.

- Solar panel tariff of 30 percent in first year, gradually dropping to 15 percent.
- First 2.5 GW of imported solar cells exempt from duties.

June 2022

- U.S. waives Section 201 solar tariffs for two years (Cambodia, Malaysia, Thailand and Vietnam).
- Invokes Defense Production Act for U.S. solar panel manufacturing.

2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

October 2012 (Countervailing Duty)

Commerce Department implements 35 percent tariff on Chinese-made solar cells to counteract domestic subsidies in China.

To avoid tariffs, China sets up shop in Cambodia, Malaysia, Thailand and Vietnam.

February 2022

U.S. extends Section 201 solar tariffs on solar equipment made abroad for another 4 years (15 percent).

Until 2011, the U.S. was a net exporter of PV modules. As PV module prices dropped precipitously in 2010, many U.S. and German companies could no longer compete and closed operations. U.S. companies asserted that China was providing unfair subsidies and its companies were dumping solar cells – selling them at less than the cost to manufacture them – to drive out competition.

August 2019

U.S. imposes Section 301 tariffs on Chinese solar parts such as aluminum frames and glass.

December 2022

Commerce Department is proceeding with Auxin Case (U.S. company) against Southeast Asia companies which could lead to new tariffs.



KENTUCKY MUNICIPAL ENERGY AGENCY



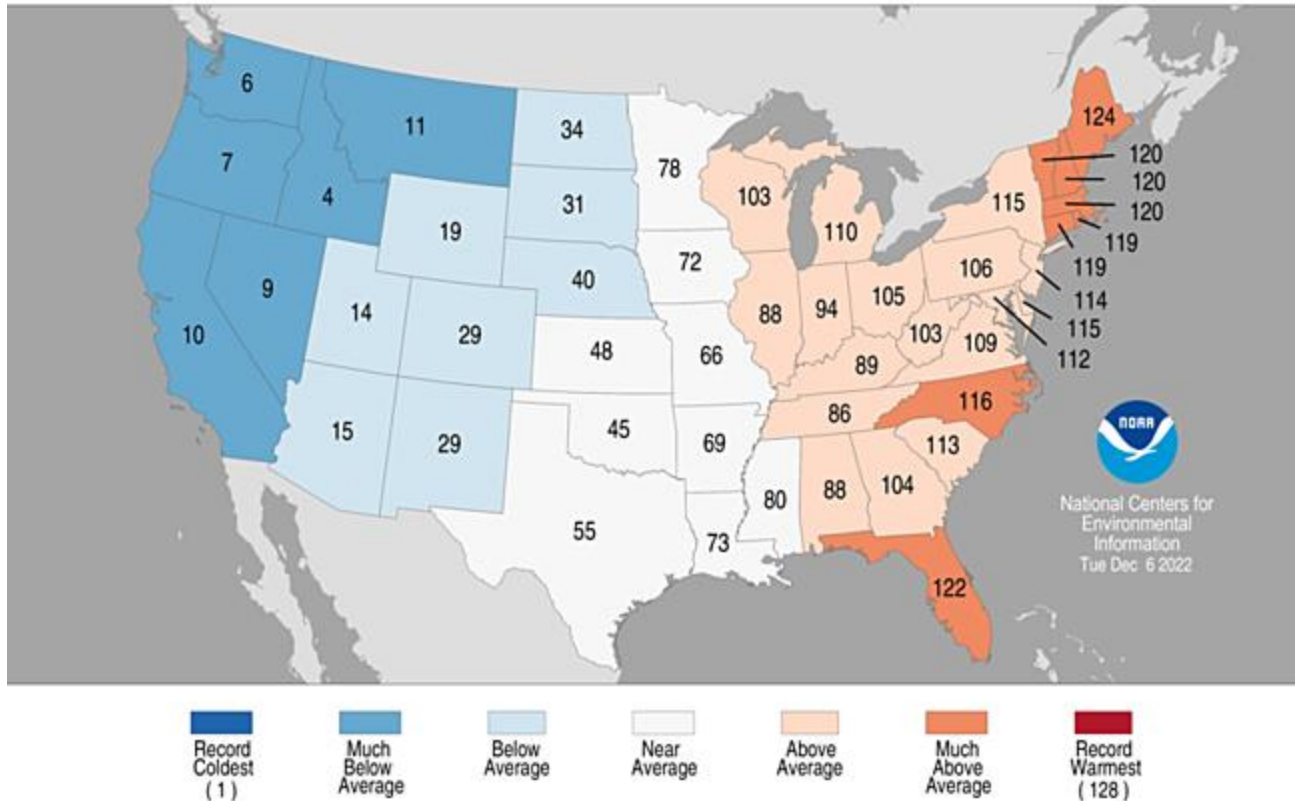
November 2022 Market Report

Rob Leesman

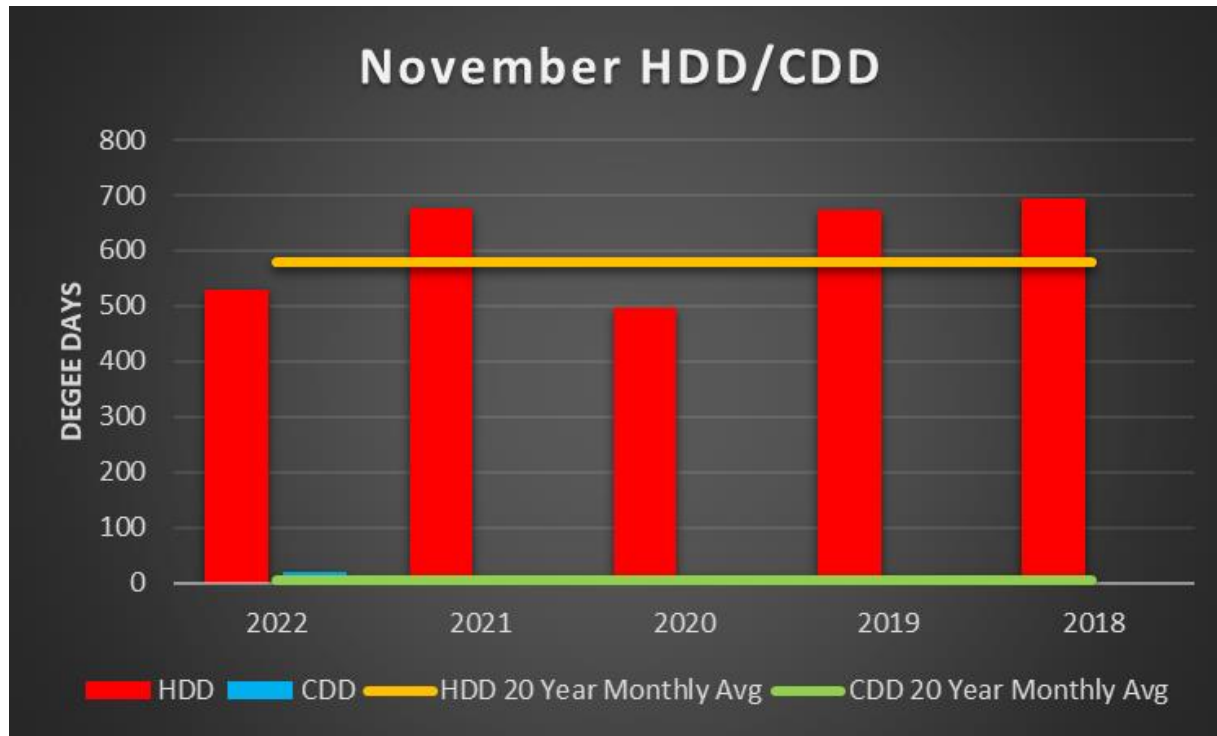
December 14, 2022

Statewide Average Temperature Ranks

November 2022
Period: 1895–2022



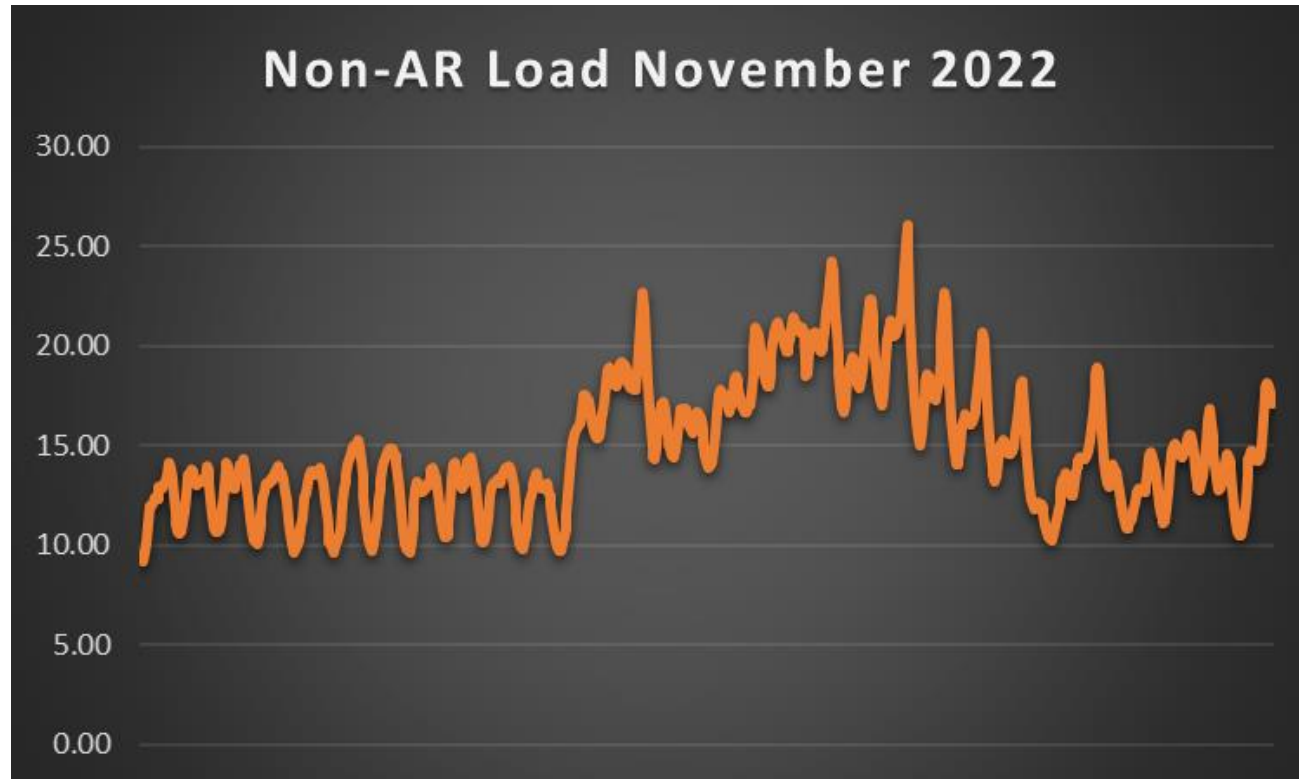
Degree Days



AR Load November 2022



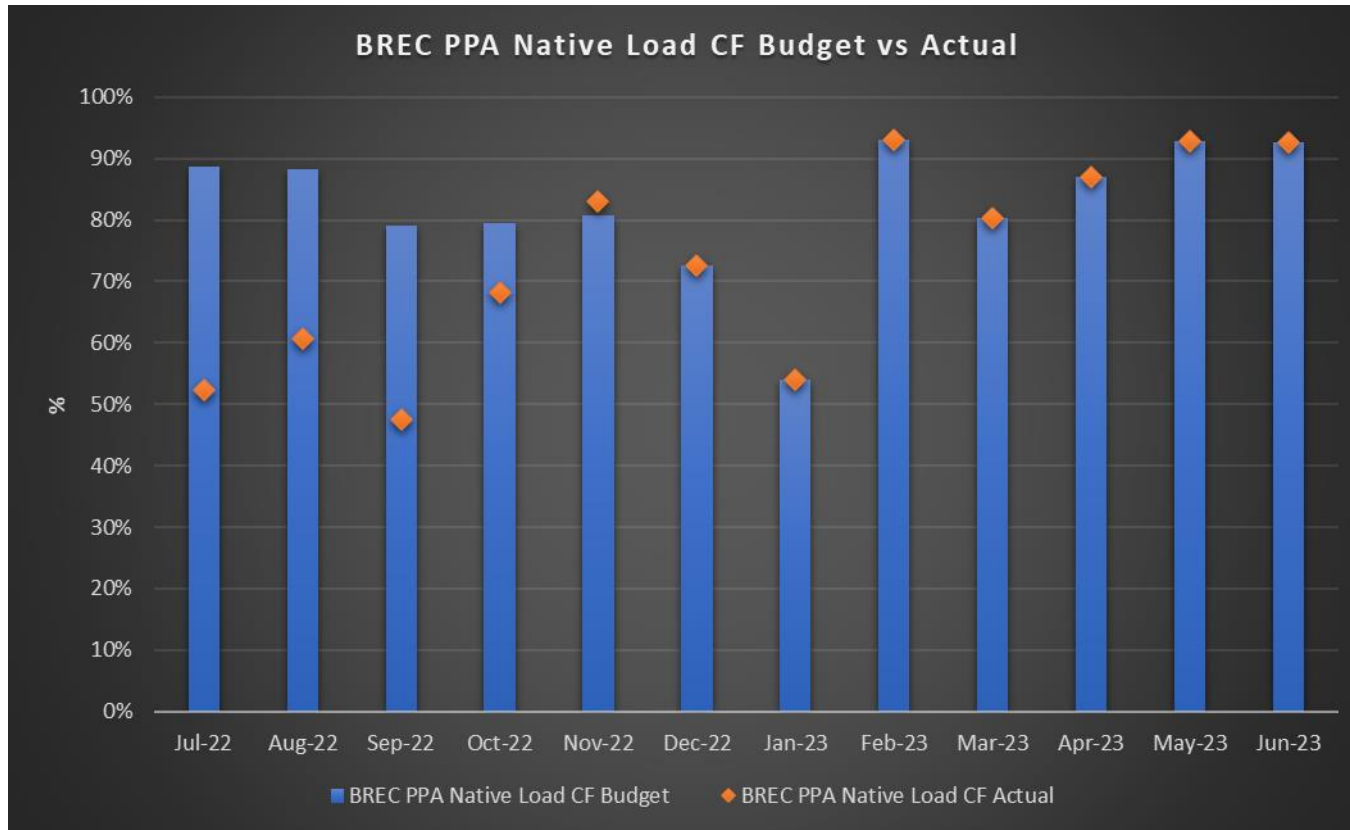
Non-AR Load November 2022



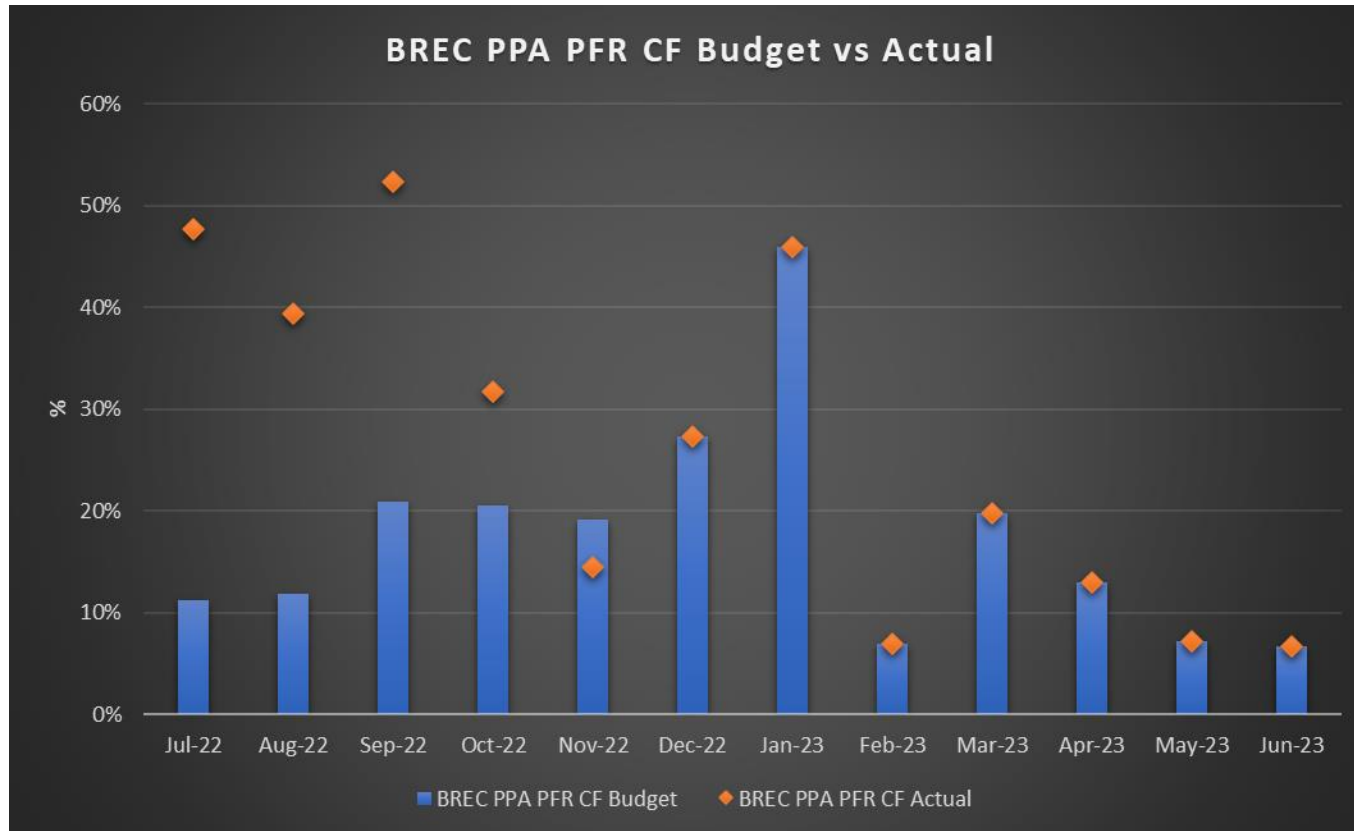
November 2022 Snapshot

Nov-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	6,656	6,738	101%	14.65	15.80	108%	11/21/2022 8:00:00 AM
Bardwell	605	602	100%	1.21	1.16	96%	11/21/2022 8:00:00 AM
Benham	555	576	104%	1.62	1.87	116%	11/21/2022 8:00:00 AM
Berea	9,672	10,149	105%	21.53	24.21	112%	11/21/2022 8:00:00 AM
Corbin	6,165	4,313	70%	13.29	8.97	68%	11/21/2022 8:00:00 AM
Falmouth	1,380	1,344	97%	2.61	2.65	101%	11/21/2022 10:00:00 AM
Frankfort	51,103	51,060	100%	101.05	102.68	102%	11/21/2022 9:00:00 AM
Madisonville	21,604	19,503	90%	37.97	34.51	91%	11/21/2022 10:00:00 AM
Owensboro	54,633	56,981	104%	102.00	98.00	96%	
Paris	5,011	4,590	92%	11.37	11.09	98%	11/21/2022 8:00:00 AM
Providence	2,033	2,136	105%	4.23	4.21	99%	11/30/2022 10:00:00 PM
AR	94,558	90,287	95%	186.38	181.07	97%	
Non-AR	10,227	10,725	105%	23.15	26.08	113%	
All	104,785	101,011	96%	209.53	207.15	99%	
Total	159,418	157,992	99%	311.53	305.15	98%	

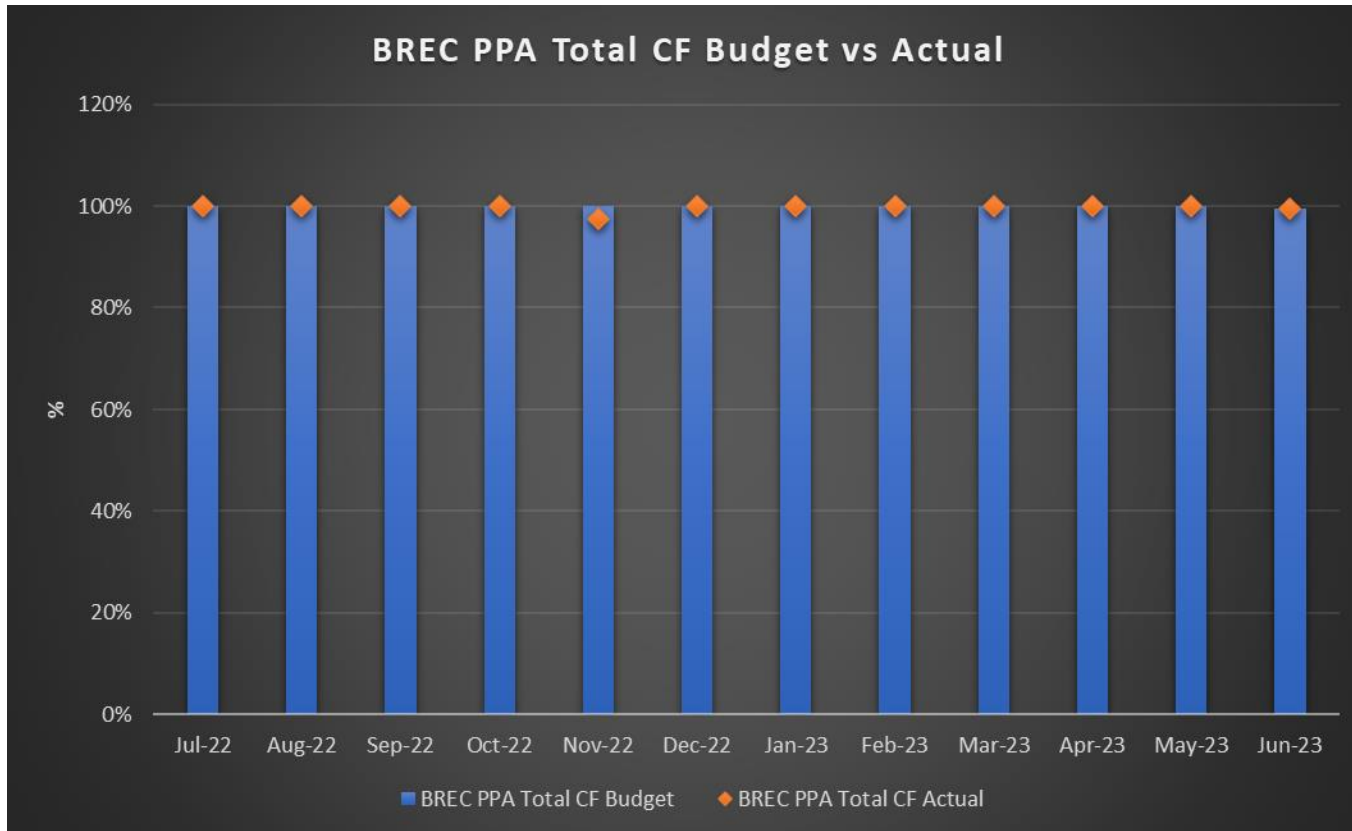
BREC PPA Load Capacity Factor FY 23



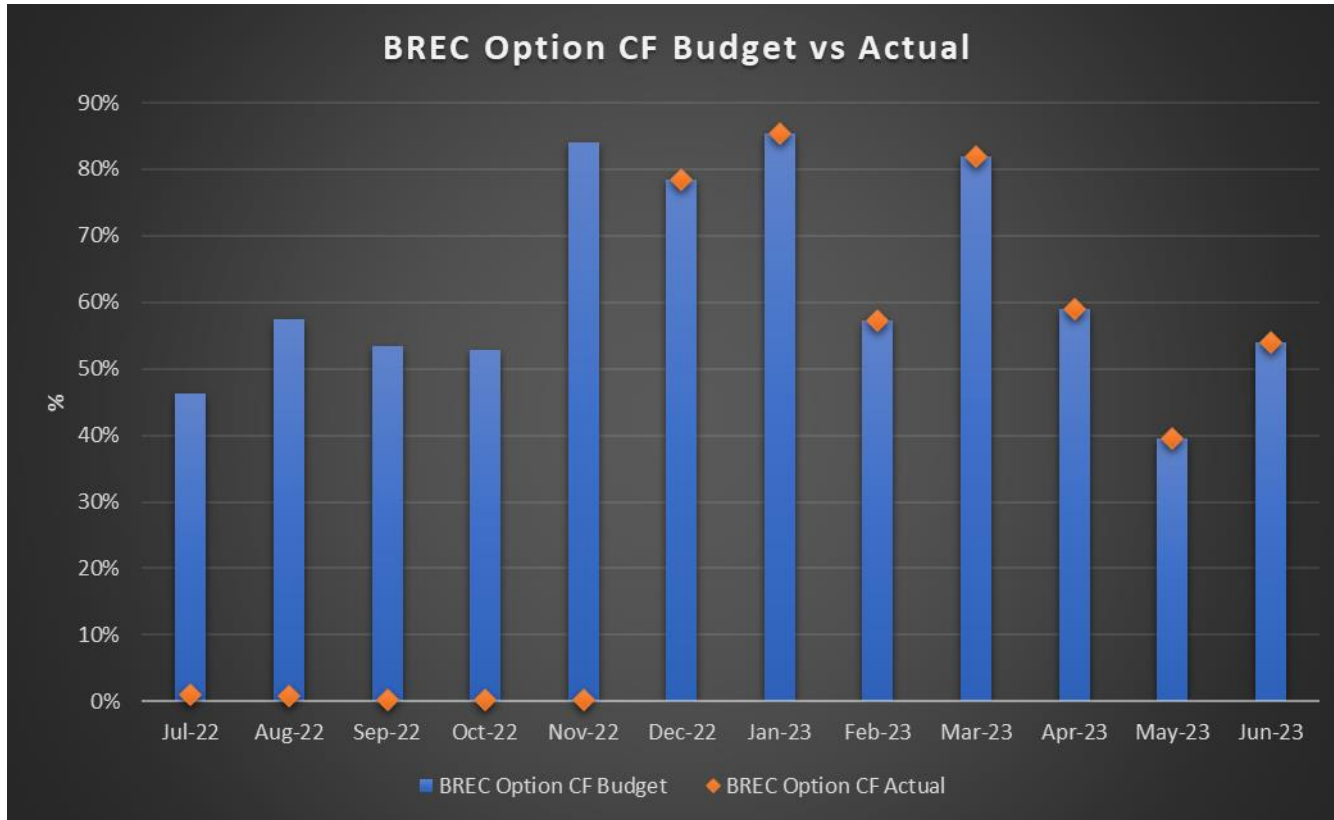
BREC PPA PFR Capacity Factor FY 23



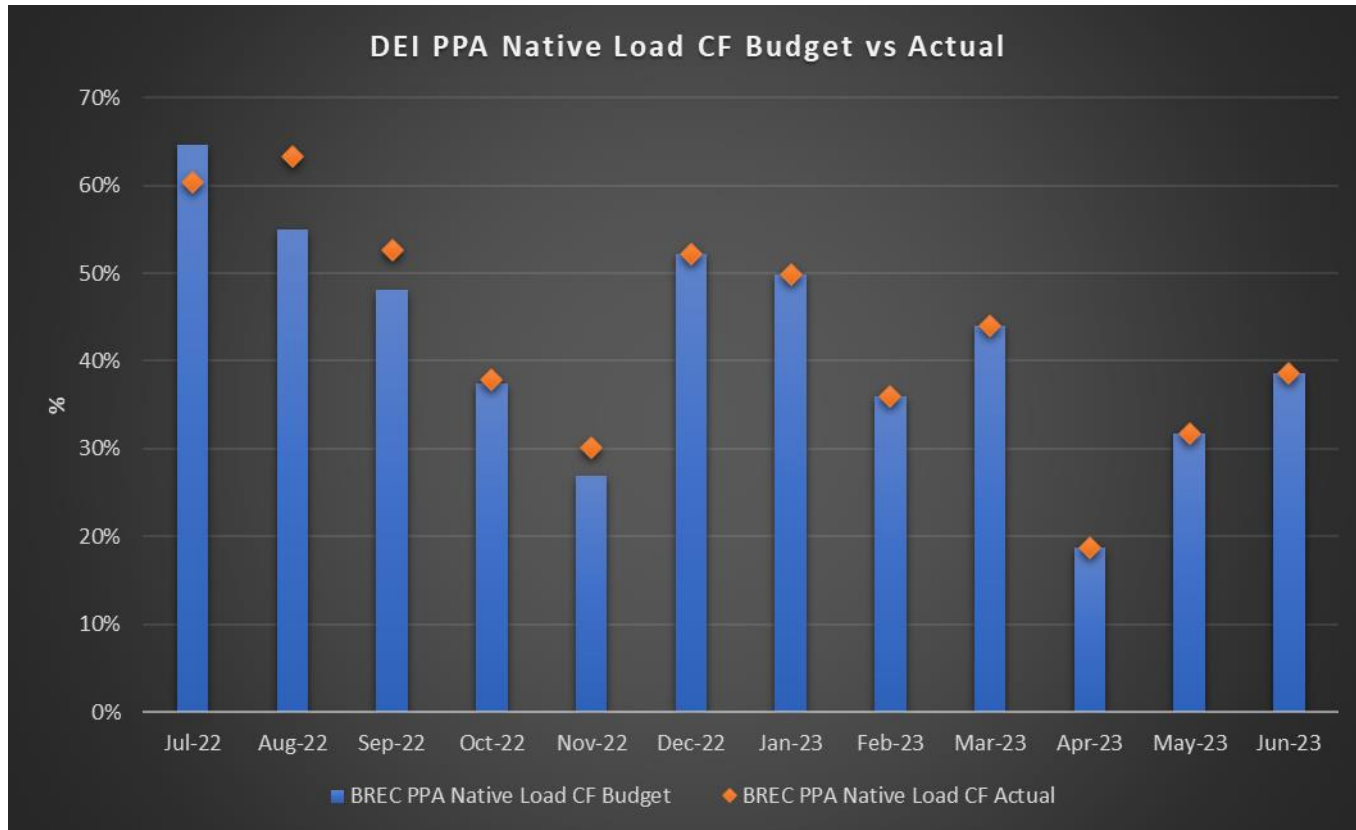
BREC PPA Capacity Factor FY 23



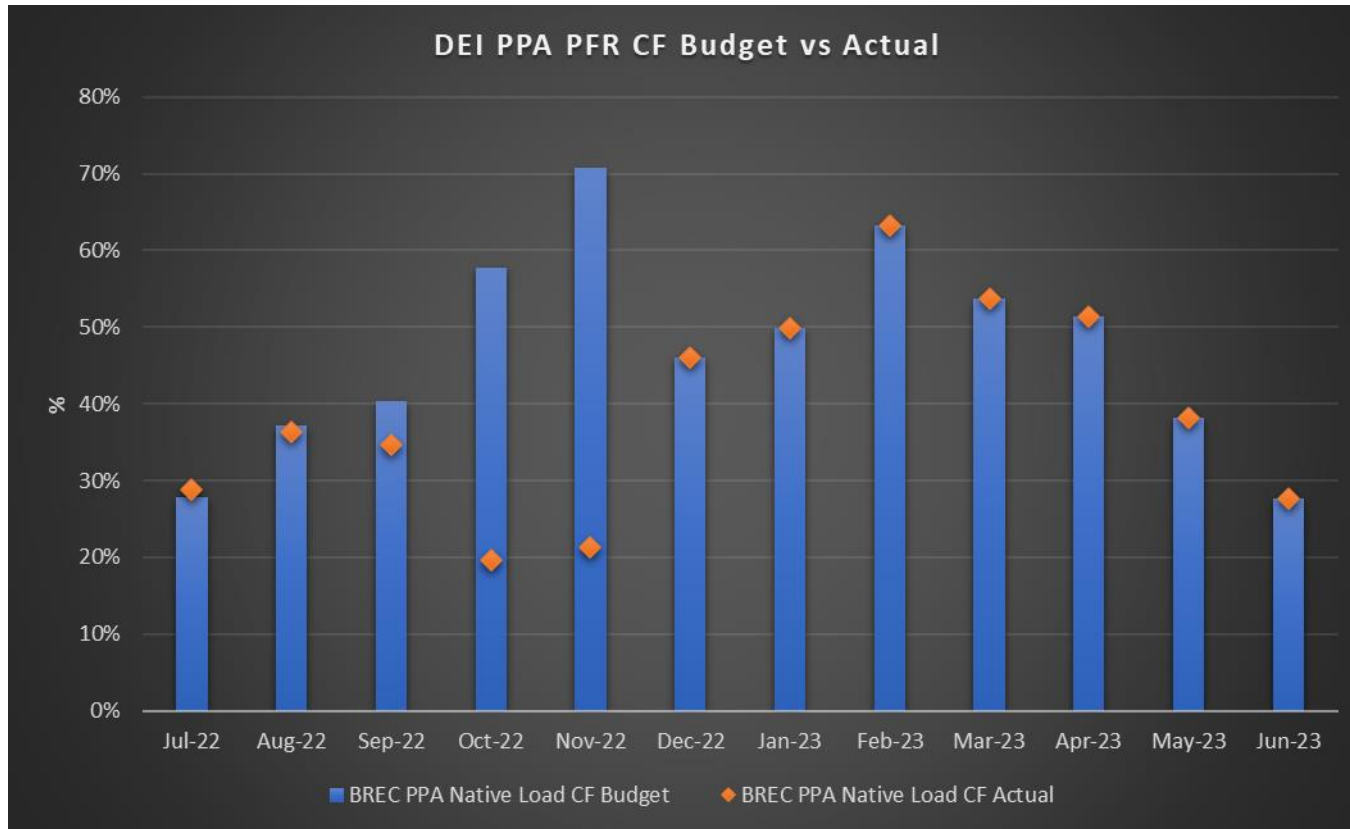
BREC Option Capacity Factor FY 23



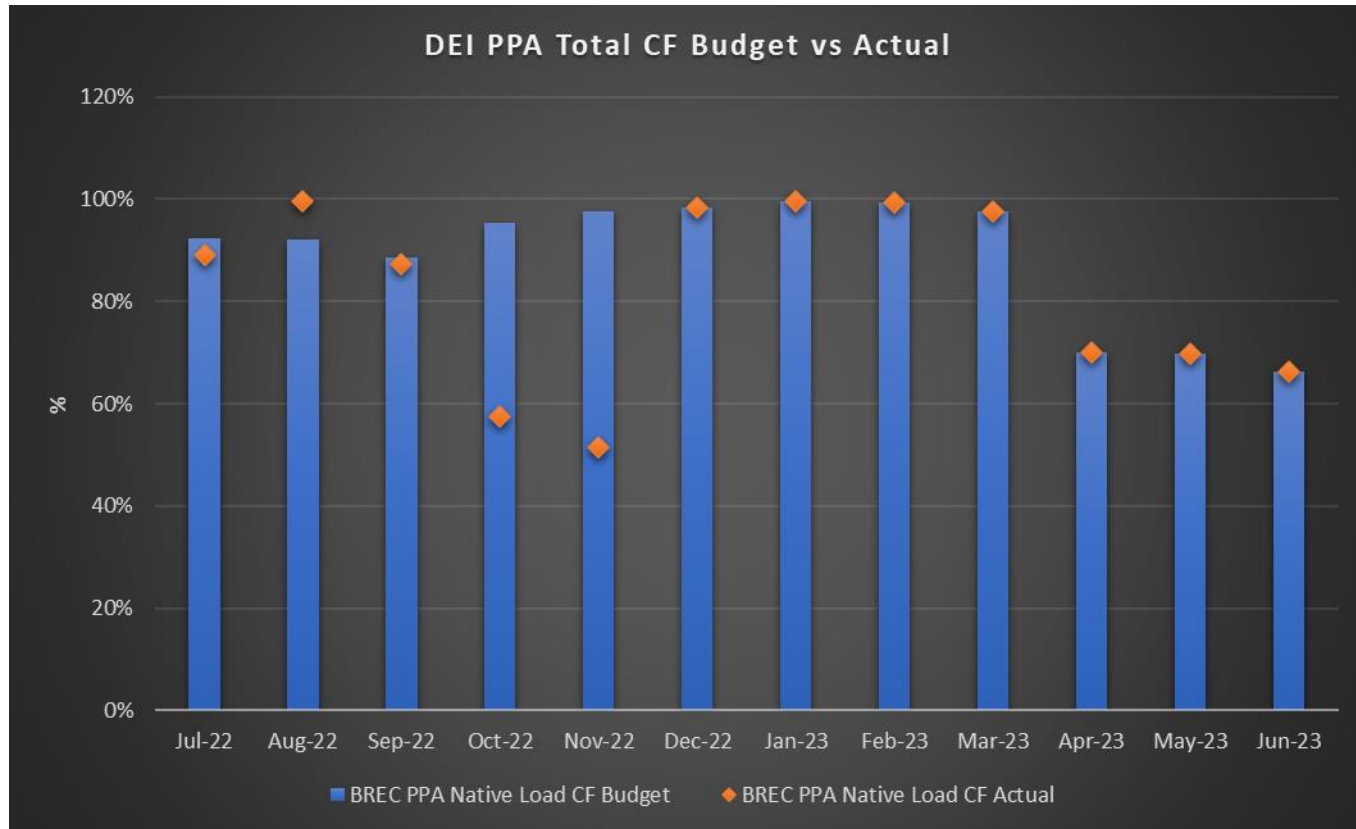
DEI PPA Load Capacity Factor FY 23



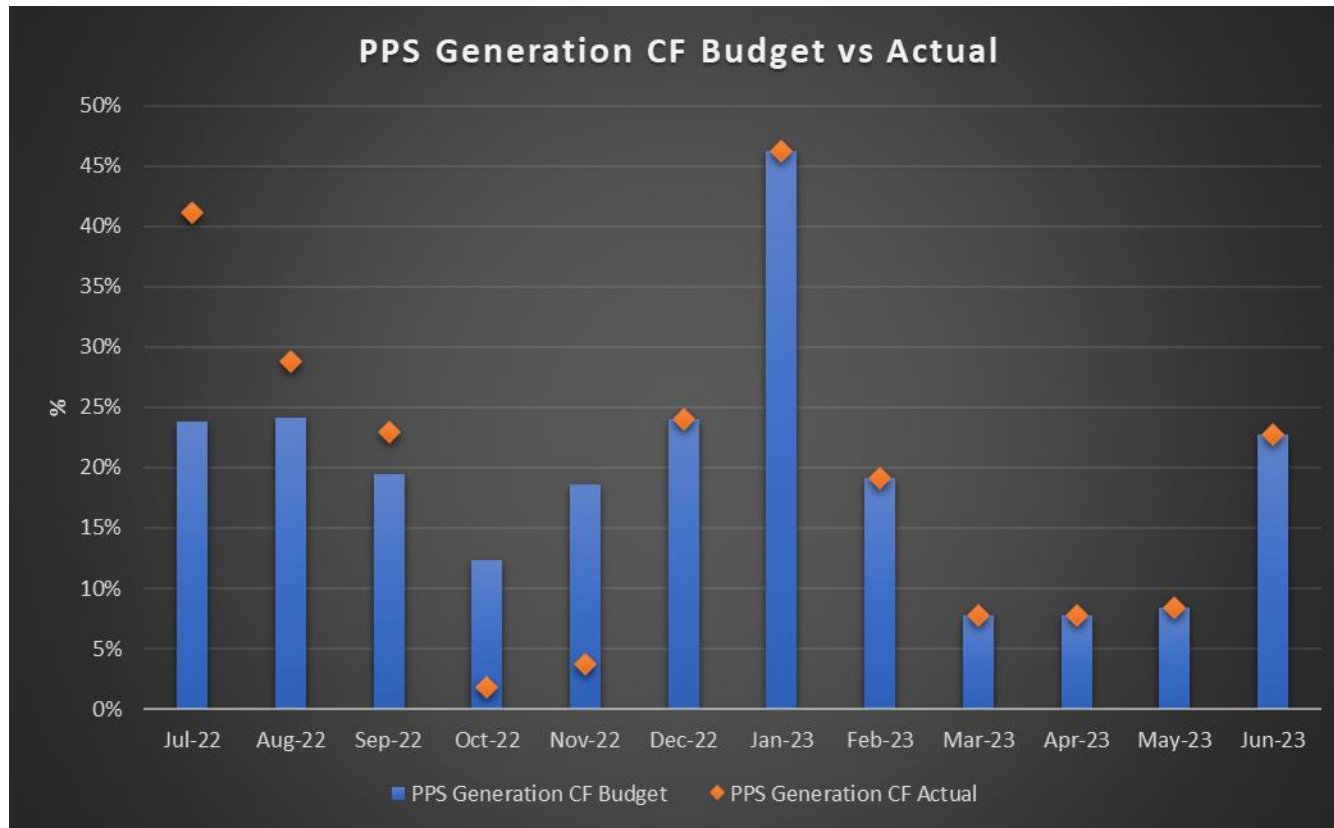
DEI PPA PFR Capacity Factor FY 23



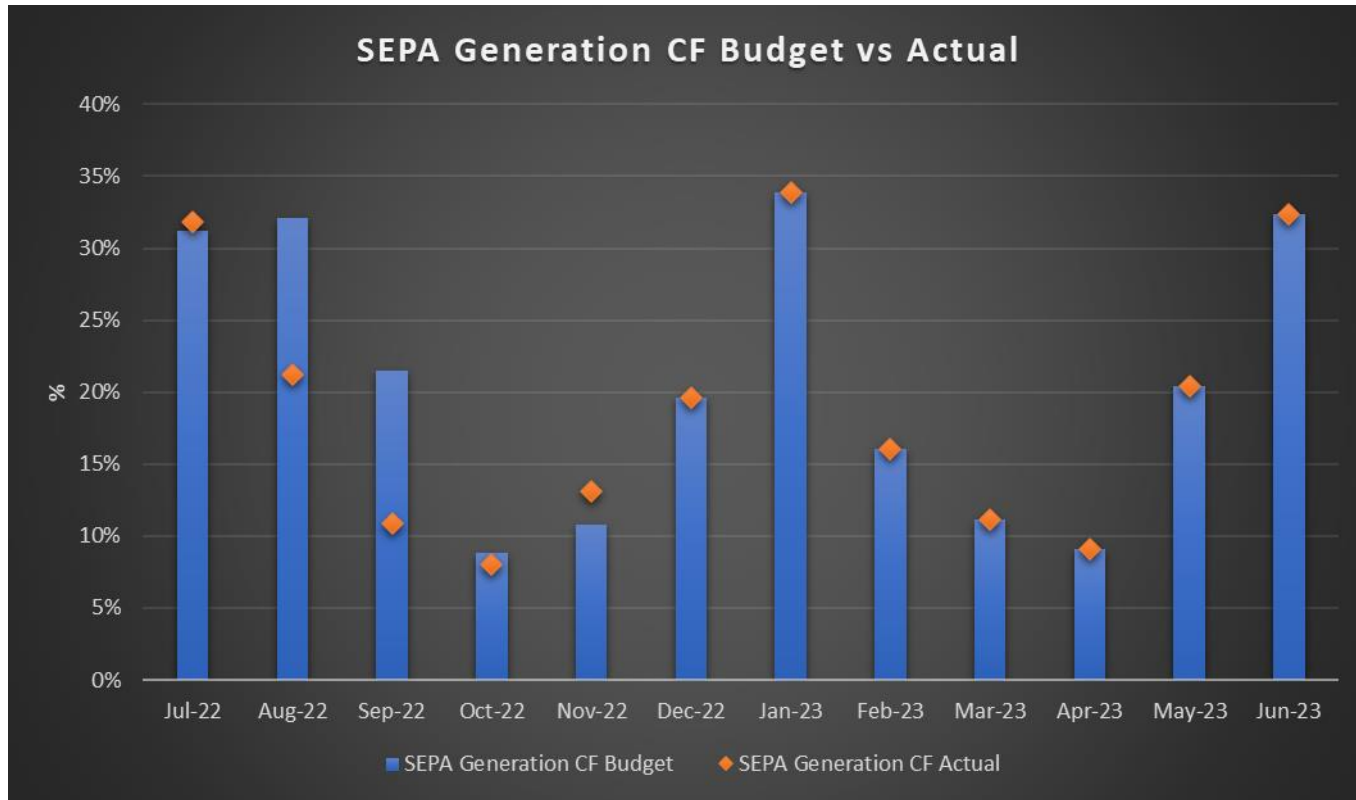
DEI Capacity Factor FY 23



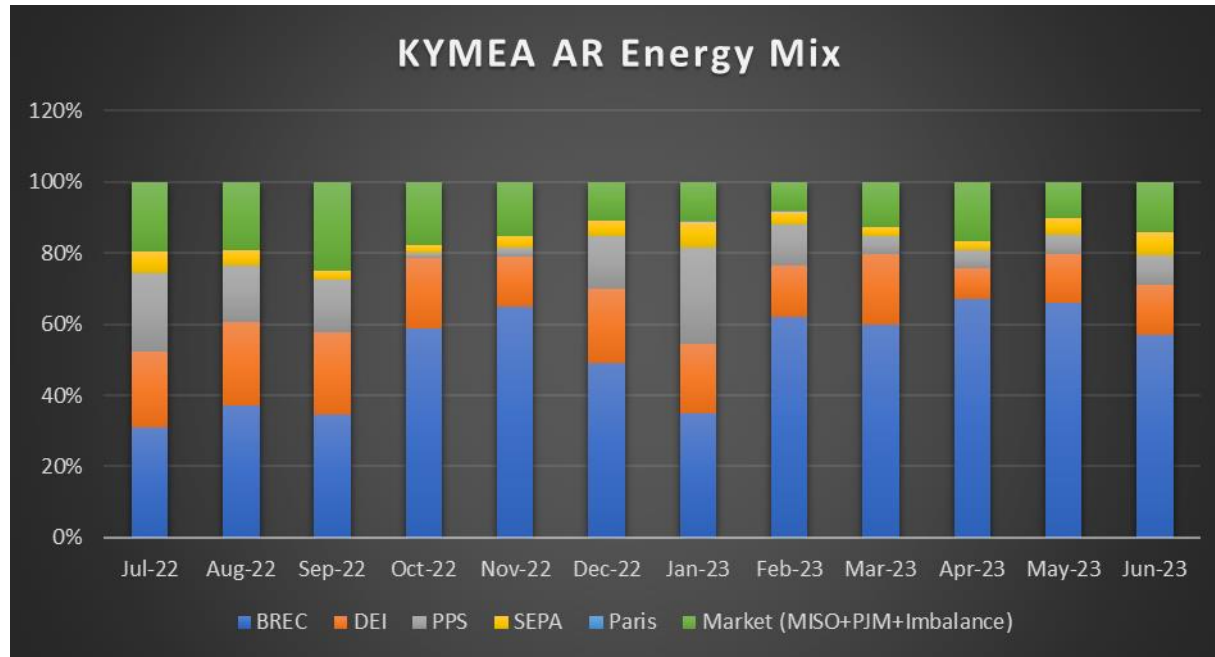
PPS PPA Capacity Factor FY 23



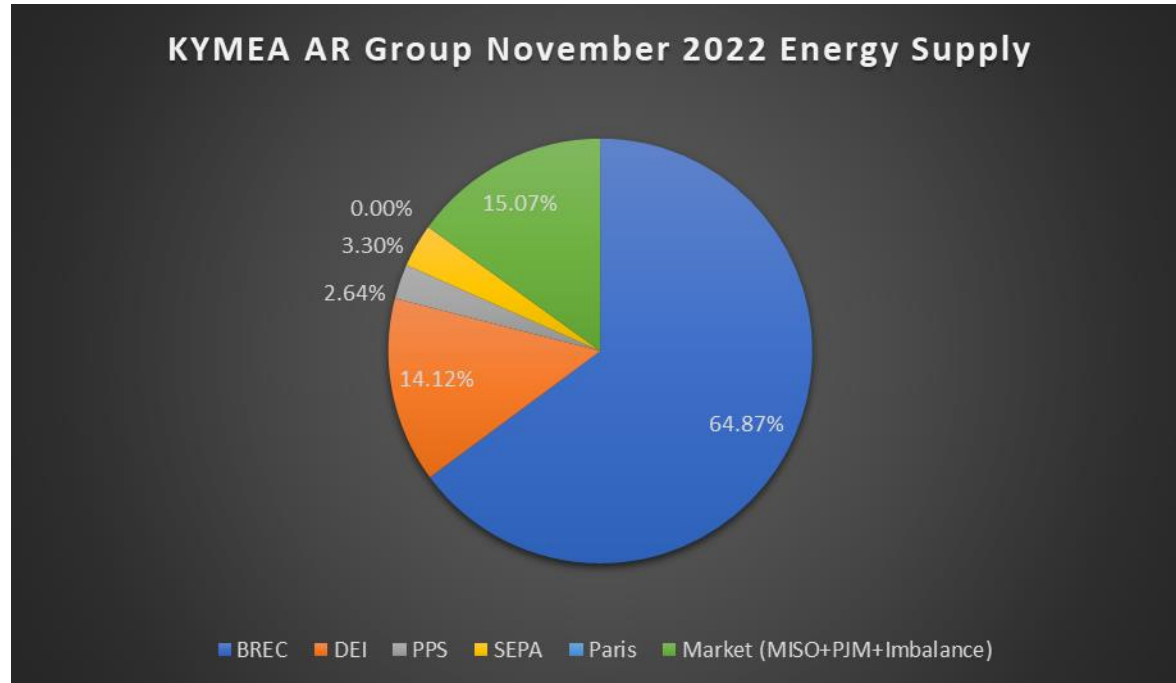
SEPA Capacity Factor FY 23



KYMEA AR Energy Mix FY 23

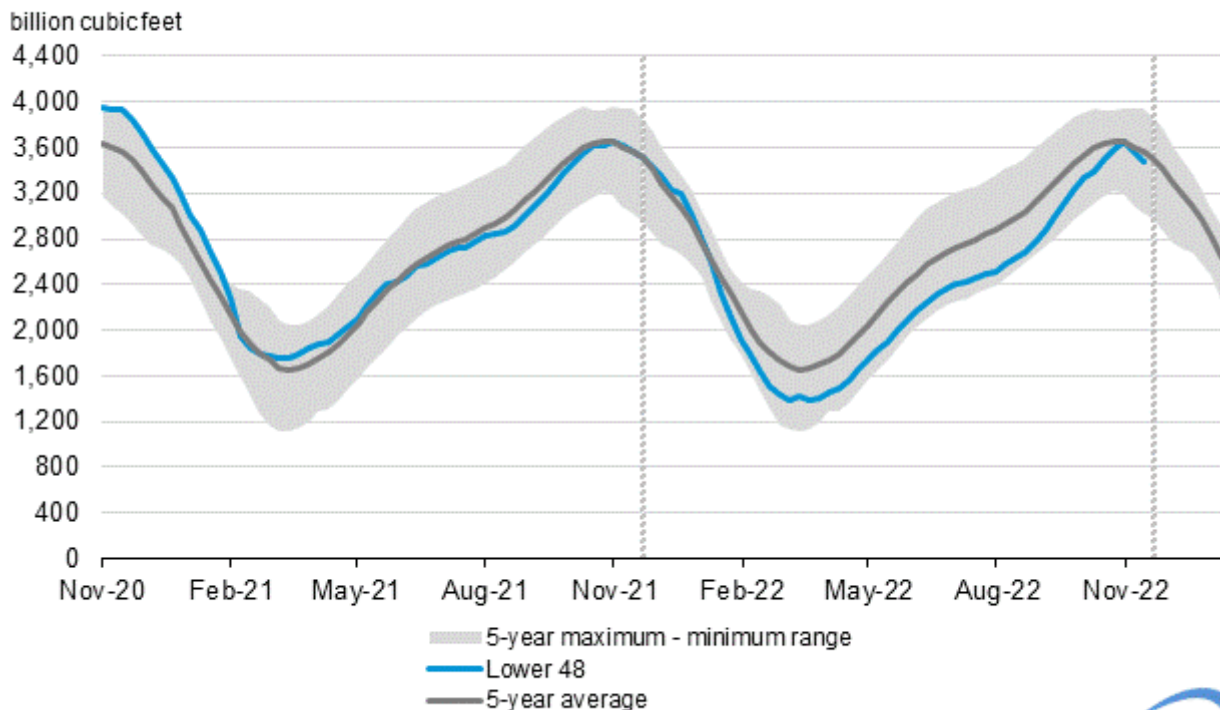


KYMEA AR Energy Mix



Working Gas in Storage

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



Data source: U.S. Energy Information Administration



Natural Gas Spot Prices

Natural gas spot prices (Henry Hub)

dollars per million British thermal units



Data source: 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

Rigs graph

Rigs table

Rigs

	Tue, November 22, 2022	Change from	
		last week	last year
Oil rigs	627	0.6%	34.3%
Natural gas rigs	155	-1.3%	52.0%

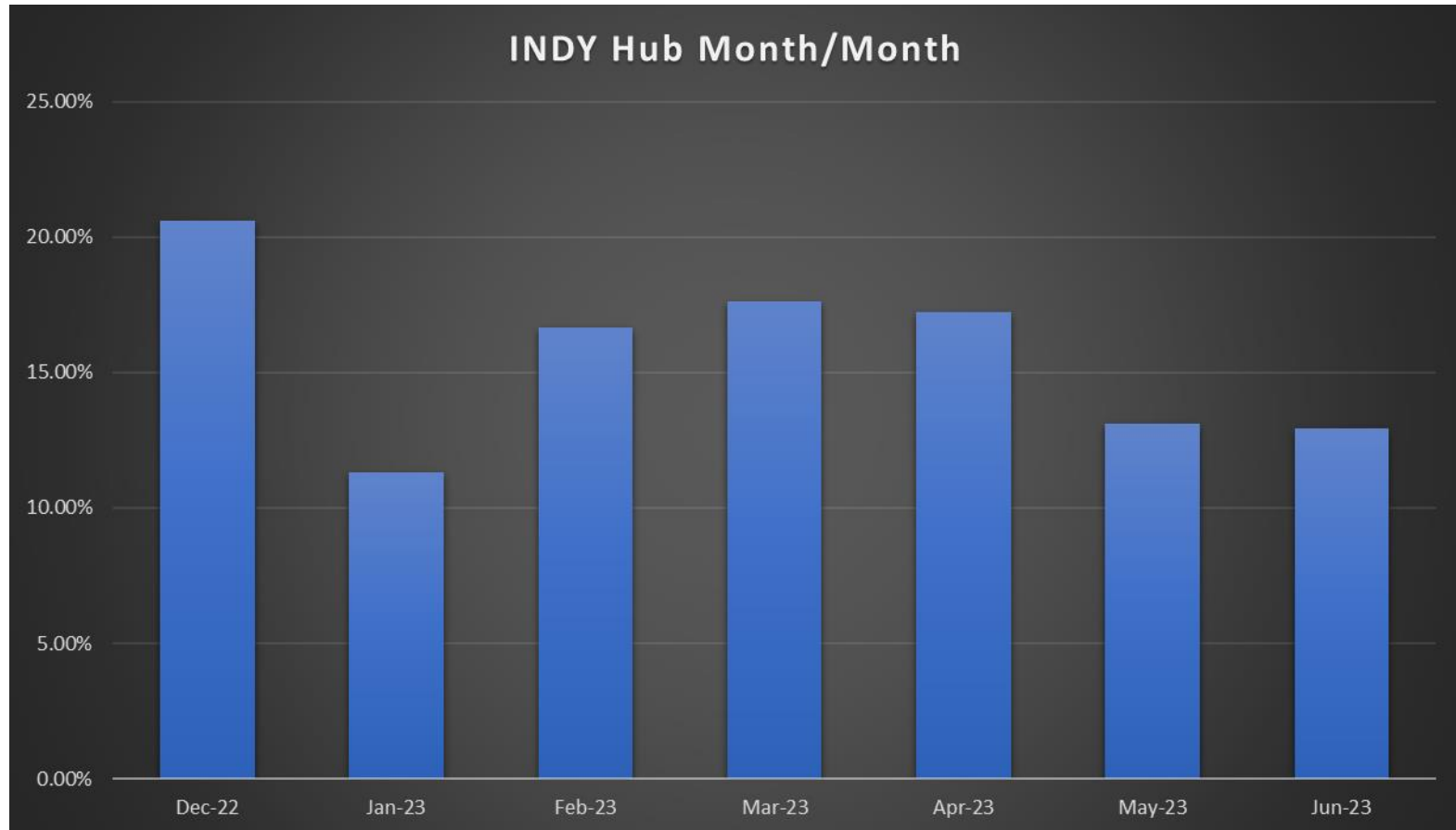
Note: Excludes any miscellaneous rigs

Rig numbers by type

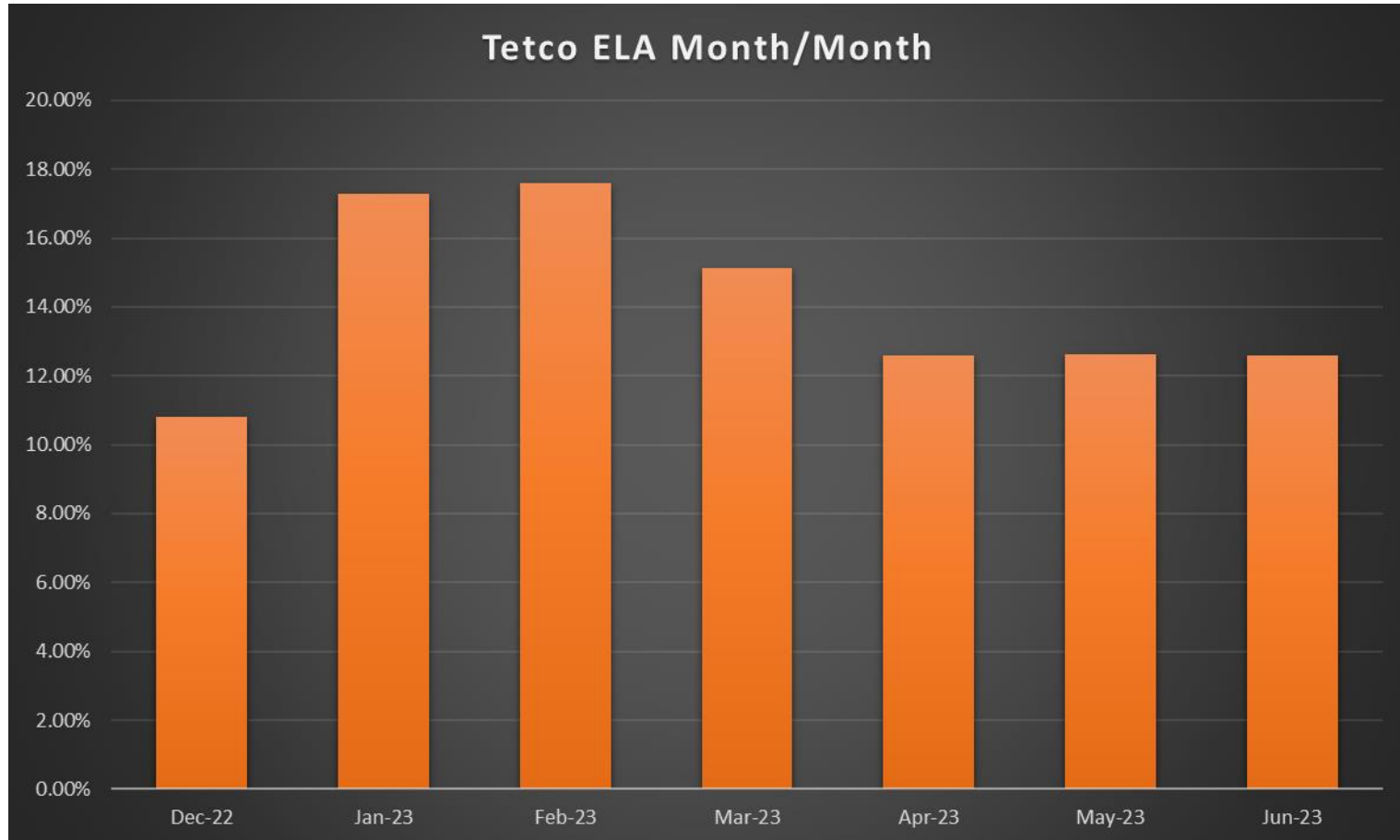
	Tue, November 22, 2022	Change from	
		last week	last year
Vertical	23	0.0%	4.5%
Horizontal	714	0.0%	39.2%
Directional	47	4.4%	38.2%

Data source: Baker Hughes Company

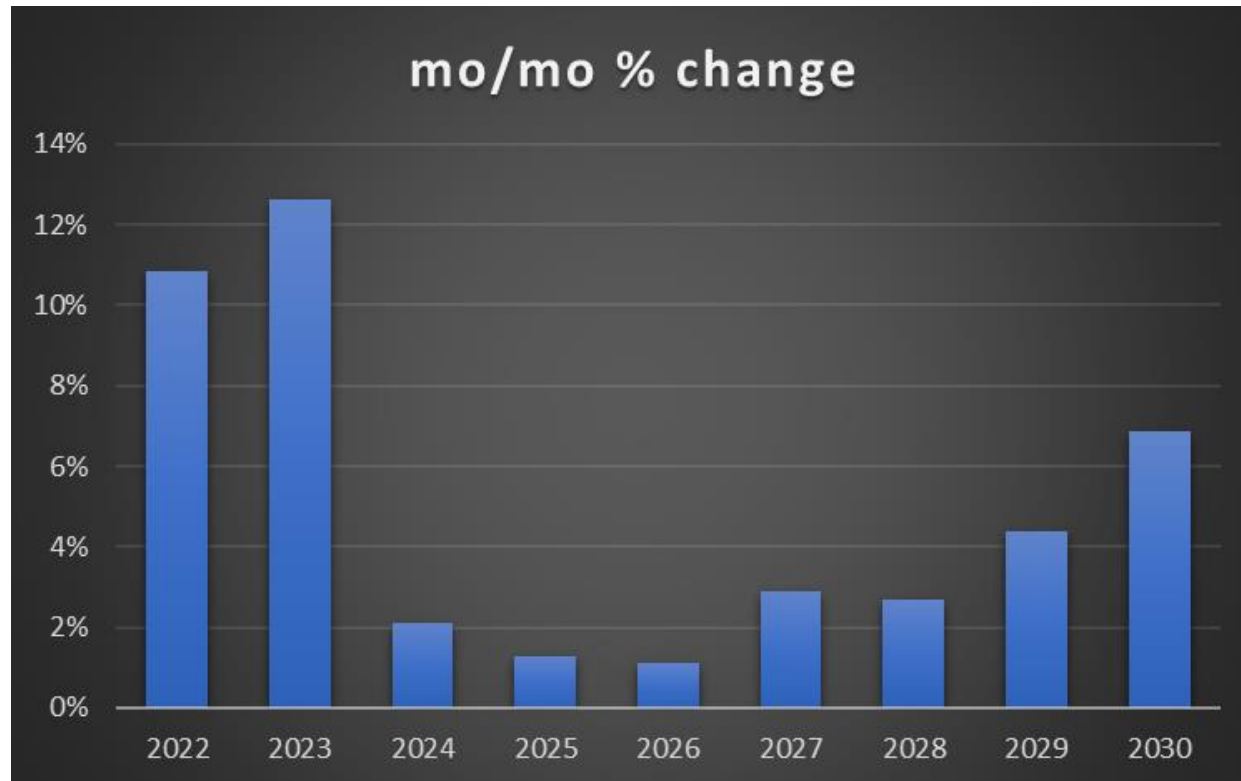
Indiana Hub ATC



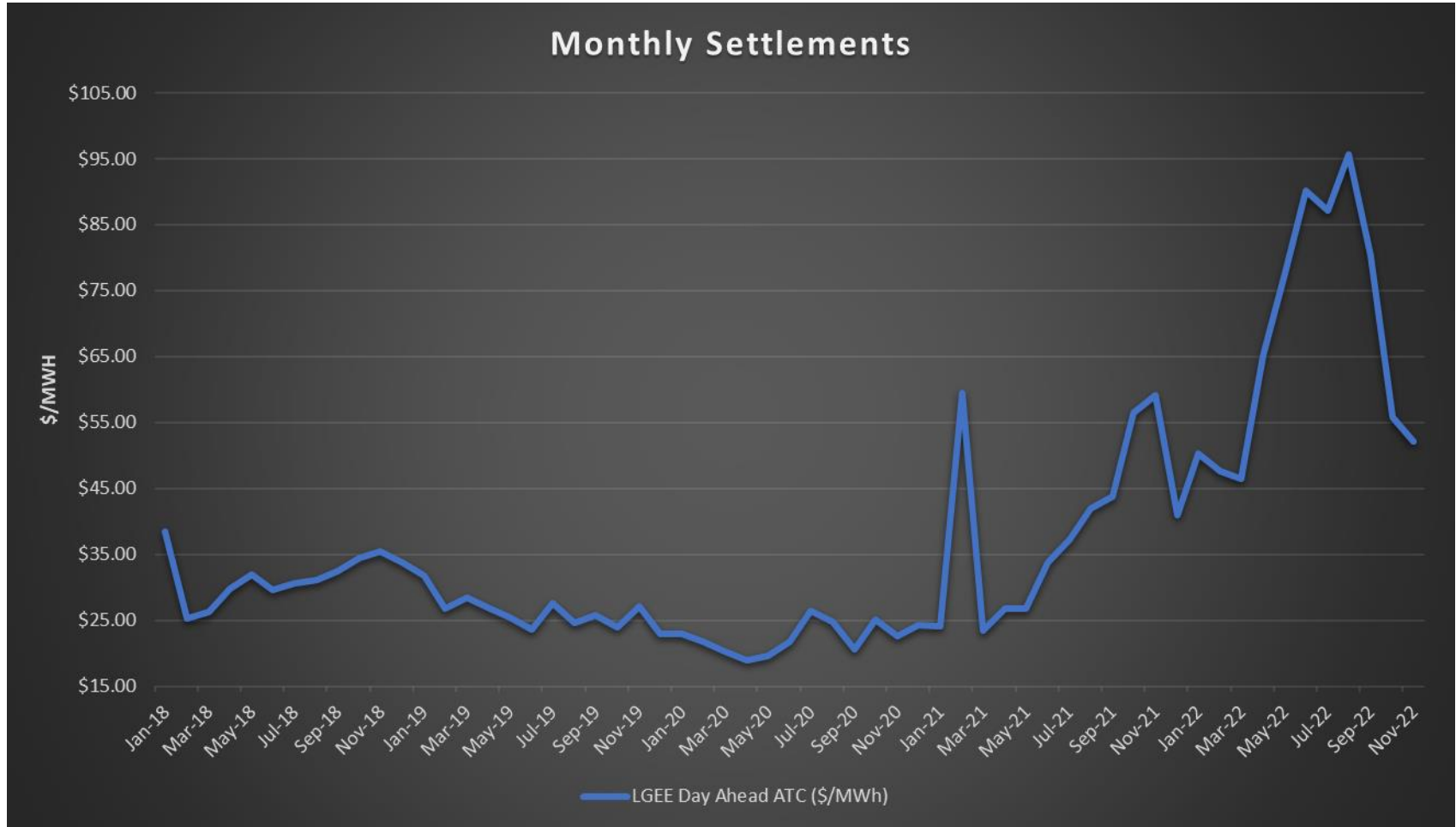
Texas Eastern Transmission East Louisiana Zone



Texas Eastern Transmission East Louisiana Zone



Historical Pricing





KENTUCKY MUNICIPAL ENERGY AGENCY



Member Communications

Michelle Hixon

December 14, 2022

Dates to Remember

January

January 1st	Happy New Years Day!
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25 th at 3 PM	AR Rates Workshop
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26 th at 10 AM	KYMEA Board Meeting
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February

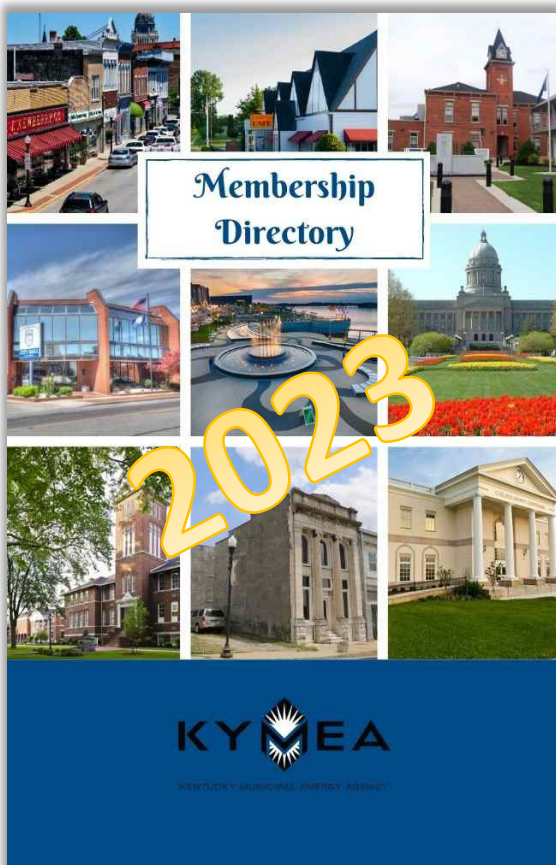
23 rd at 10 AM	Combined Meeting of the AR Project and KYMEA Board
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December 2022 Newsletter



The December 2022 Newsletter will be arriving in your mailbox soon. You can go to www.kymea.org to read the electronic version. 2023 Board and Committee calendars are also available on the website and all 2023 meetings are loaded into BoardEffect.

2023 Member Directory



Please let us know if any of the following has changed and should be updated.

- Director or Alternate Director
- Mayor
- Board Members, Council Members, or Commissioners
- Attorney
- City Administrator
- Contact information

Funding Opportunities for Public Power

DIVISION A—SURFACE TRANSPORTATION Title I—FEDERAL-AID HIGHWAYS Subtitle D—Climate Change

Sec. 11401. Grants for Charging and Fueling Infrastructure. Establishes a grant program, funded at \$2.5 billion, at the Department of Transportation (DOT) to provide grants to eligible entities, including public power utilities, for the deployment of electric, hydrogen, propane, or natural gas vehicle infrastructure along designated [Alternative Fuel Corridors](#). Entities are required to contract with a private entity for the acquisition and installation of fueling infrastructure and may use a portion of grant funds to pay a private entity to operate and maintain the infrastructure for up to five years and/or to enter into a cost-sharing agreement with the private entity. Fifty percent of the overall funding is set aside for “Community Grants” for which public power utilities would also be eligible. These grants do not require, but allow for, partnerships with private entities and can be used to deploy fueling infrastructure in public locations, including parking facilities, public buildings, public schools, and parks.

DIVISION D—ENERGY Title I—GRID INFRASTRUCTURE AND RESILIENCY Subtitle A – Grid Infrastructure Resiliency & Reliability

Sec. 40101. Preventing Outages and Enhancing the Resiliency of the Electric Grid. Establishes a Department of Energy (DOE) grant program, authorized at \$5 billion, for which electric grid operators, electricity storage operators, electricity generators, transmission owners or operators, distribution providers, fuel suppliers, and “any other relevant entities” are eligible for grant funding to prevent power disruptions, preventive shut-offs, or events in which the electric grid cannot be operated safely due to extreme weather, wildfire, or natural disaster. DOE may make grants directly to eligible entities in addition to a formula grant to be distributed to states and tribes. The program includes a small utility set Updated November 6, 2021 2 aside of 30 percent for eligible entities that sell less than four million megawatt hours (MWh) of electricity per year.

Sec. 40103. Electric Grid Reliability and Resilience Research, Development, and Demonstration. Authorizes and appropriates \$5 billion for a new competitive DOE program called the “Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency.” States, Indian tribes, units of local government, and public utility commissions would be eligible to apply for funding to coordinate and collaborate with the electric sector to demonstrate innovative approaches to transmission, storage, and distribution infrastructure that harden and enhance resilience and reliability. This section also authorizes and appropriates \$1 billion for a new DOE program to provide financial assistance to improve the resilience, safety, reliability, and availability of energy in rural and remote areas, which is defined as cities, towns, or unincorporated areas with populations of 10,000 people or less. Note: Sec. 40103 requires the Secretary of Energy to provide “Federal Financial Assistance” as defined in section 200.1 of title 2, Code of Federal Regulations, which can include grants, cooperative agreements, direct appropriations, loans, and loan guarantees.

Funding Opportunities for Public Power

DIVISION D—ENERGY Title I—GRID INFRASTRUCTURE AND RESILIENCY Subtitle A – Grid Infrastructure Resiliency & Reliability *continued*

Sec. 40107. Deployment of Technologies to Enhance Grid Flexibility. This section would reauthorize and appropriate \$3 billion for DOE’s Smart Grid Investment Grant Program. It would expand the program to include investments that enable the use of data analytics, software-as-a-service, the integration of distributed energy resources, EV charging infrastructure, and vehicle-to-grid technologies, and technologies that mitigate impacts of extreme weather events. An overview of the Smart Grid Investment program, which was most recently funded in the American Recovery and Reinvestment Act of 2009, can be found [here](#) and a list of previous recipients can be found [here](#).

Subtitle B – Cybersecurity

Sec. 40121. Enhancing Grid Security Through Public-Private Partnerships. This section requires DOE, in consultation with state regulatory authorities, industry, the Electric Reliability Organization, and other relevant federal agencies, to carry out a program to promote and advance the physical security and cybersecurity of electric utilities, with priority provided to utilities with fewer resources. This section also requires a report to Congress on improving the cybersecurity of electricity distribution systems.

Sec. 40124. Rural and municipal utility advanced cybersecurity grant and technological assistance program. This section establishes and appropriates \$250 million to DOE for a new “Rural and Municipal Utility Advanced Cybersecurity Grant and Technical Assistance Program” to provide grants and technical assistance for utilities to detect, respond to, and recover from cybersecurity threats.

Sec. 40125. Enhanced Grid Security. Establishes a DOE program to develop advanced cybersecurity applications and technologies for the energy sector, a program to enhance and test emergency response capabilities of DOE, and a program to increase the functional preservation of electric grid operations or natural gas and oil operations in the face of threats and hazards. This section appropriates \$250 million for the Cybersecurity for Energy Sector RD&D program, \$50 million for the Energy Sector Operational Support for Cyberresilience Program, and \$50 million for Modeling and Assessing Energy Infrastructure Risk.

Funding Opportunities for Public Power

Subtitle E – Miscellaneous

Sec. 40551. Weatherization Assistance Program. This section would appropriate \$3.5 billion for the DOE Weatherization Assistance Program for FY 2022 to remain until expended and would apply to the [Weatherization Assistance Program](#) wage requirements for work performed under the program on any multi-family building with more than five units.

Sec. 40552. Energy Efficiency and Conservation Block Grant Program. This section would appropriate \$550 million for the Energy Efficiency and Conservation Block Grant (EECBG) Program to remain until expended. An overview of the EECBG Program, which was most recently funded in the American Recovery and Reinvestment Act of 2009, can be found [here](#). The EECBG Program provided grants and technical assistance to state, local, tribal, and territorial governments for energy efficiency and renewable energy projects.

DIVISION F – BROADBAND

Title III – Digital Equity Act of 2021 and Title IV – Enabling Middle Mile Broadband Infrastructure

Titles III and IV of Division F would authorize \$42.5 billion in broadband equity, access, and deployment grants, administered by the National Telecommunications and Information Administration (NTIA) to the states to be competitively awarded as grants. Specifically: • Each state would receive a minimum of \$100 million to allocate, with the remaining \$40 billion allocated to the states based on the number of unserved and high-cost areas in the state. • In awarding grants, states “may not exclude cooperatives, nonprofit organizations, public-private partnerships, private companies, public or private utilities, public utility districts, or local governments from eligibility for such grant funds.”

Sec. 60401. Enabling Middle Mile Broadband Infrastructure. This section would authorize \$1 billion for a Middle Mile grant program, administered by NTIA for “any broadband infrastructure that does not connect directly to an end-user location, including an anchor institution; and includes leased dark fiber, interoffice transport, backhaul, carrier-neutral internet exchange facilities, carrier-neutral submarine cable landing stations, undersea cables, transport connectivity to data centers, special access transport, and other similar services.” Eligible entities for this program include “a State, political subdivision of a State, Tribal government, technology company, electric utility, utility cooperative, public utility district, telecommunications company, telecommunications cooperative, nonprofit foundation, nonprofit corporation, nonprofit institution, nonprofit association, regional planning council [sic], Native entity, or economic development authority.” Additional information about NTIA grants can be found [here](#).

Federal Infrastructure Law: Opportunities for Public Power

Additional information about DOE grants can be found [here](#).

Merry
Christmas!





KENTUCKY MUNICIPAL ENERGY AGENCY

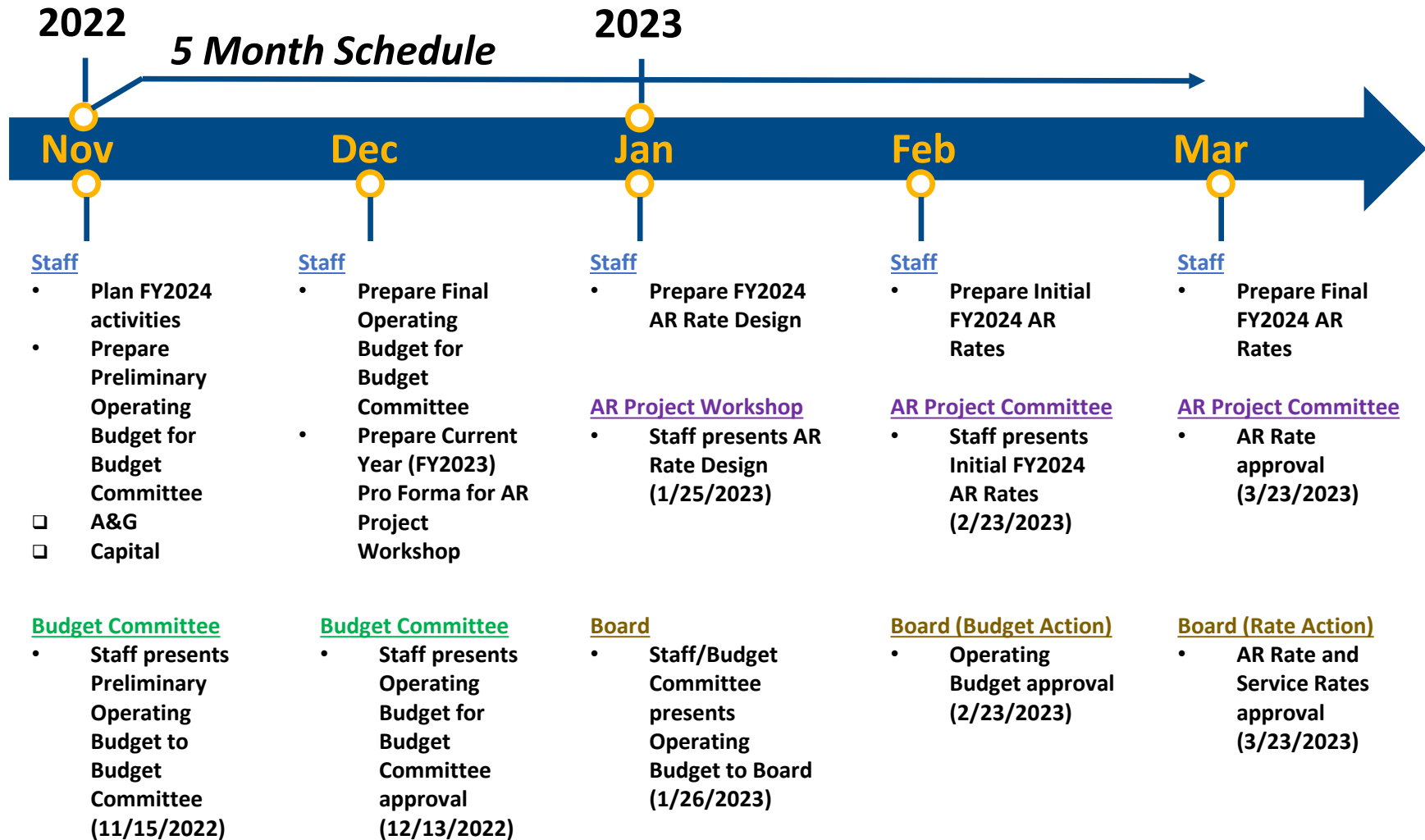


FY2024 Budget and Rates Schedule

Doug Buresh

December 14, 2022

FY2024 Budget and Rates



Closed Session Authorization for December 14, 2022 KYMEA Board Meeting

Approval to enter into Closed Session pursuant to KRS 66.810(1)(c), KRS 61.810 (1)(k) and KRS 61.878 (1)(c) for the purpose of:

- (i) discussing proposed or potential litigation relating to a contract dispute.
- (ii) presenting and discussing the proposals received in response to the RFPs for Electric Capacity and Energy and Electric Renewable Energy and Battery Storage.

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.