



January 26, 2023 Regular Meeting of the KYMEA Board of Directors

01/26/2023

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 - January 26, 2023 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 Last
Month's Meeting
Minutes

Josh Callihan

C. Financial Reports

Approval of Last
Month's Financial
Report

Heather
Overby

D. Committee Reports

None Expected

E. Administration Reports

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

F. Discussion Topics

- | | |
|--|-----------------------------------|
| 1. Capitalization Policy
Action is expected at the February Board meeting. | Heather
Overby |
| 2. Winter Storm Elliot | Doug Buresh
and Rob
Leesman |
| 3. FY 2024 Operating Budget
Action is expected at the February Board Meeting. | Chris Melton
& Doug
Buresh |
| 4. FY 2023 Pro Forma
No action is expected. | Doug Buresh |

G. Action Items

- | | | |
|----------------------------|--|-------------------|
| 1. Updated Lease Agreement | Motion to approve the
updated Lease
Agreement. | Heather
Overby |
|----------------------------|--|-------------------|

Josh Callihan

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.

I. Upcoming Meetings and Other Business

The next board meeting will be held on February 23rd at 10 am in KYMEA's board room.

Michelle Hixon

J. Closed Session

No closed session is expected.

Charlie
Musson



Minutes for Meeting Book - December 14, 2022, Special Meeting of the KYMEA Board of Directors

12/14/2022 | 10:00 AM

Board Room at 10 AM

Attendees (7)

Josh Callihan; Ron Herd; Kevin Howard; Chris Melton; Gary Zheng; Jamie Miller; Austin McLimore

Additional attendees were Doug Buresh, Rob Leesman, Michelle Hixon, Charlie Musson, Heather Overby, Molly Roesler, Tom Marshall, Vent Foster, Anna Marie Pavlik Rosen, Pat Pace, and David Denton.

Meeting Opening

Attendance: Michelle Hixon 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 November 9, 2022, meeting minutes was made by Chris Melton and seconded by Gary Zheng. The motion passed.

Financial Reports

ACTION: Motion to approve the October and November Financial reports was made by Chris Melton and seconded by Gary Zheng. The motion passed.

Committee Reports

1. BROC Report: Gary Zheng asked Doug Buresh to give an update on the BROC meeting.
2. Budget Committee Report: Chris Melton gave an update on the Budget Committee Meeting and advised that the committee and staff will present the FY2024 A&G budget to the board at the January meeting.

Administration Reports

1. CEO Report: Doug Buresh presented the CEO report and discussed details regarding the U.S. solar tariffs.

2. Market Report: Heather Overby 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. FY 2024 Budget & Rates Timeline

Action Items

No action was taken.

Public Comments

No comments were made.

Upcoming Meetings and Other Business

The next board meeting will be held on January 26, 2023, at 10 am in KYMEA's board room.

Closed Session

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

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

Action Expected Related to Matters Discussed in Closed Session

No action was taken.

Adjournment

Motion to adjourn was made by Ron Herd and seconded by Chris Melton. The motion passed, and the meeting was adjourned.

X

Chairperson

X

Secretary



KENTUCKY MUNICIPAL ENERGY AGENCY



Financial Presentation

January 26, 2023

Heather Overby

Statement of Net Position – December 2022

CURRENT ASSETS

Dec 2022

Cash And Investments	\$12,974,701	(1)
Other Receivables	\$8,033,295	(2)
Prepayments And Other Current Assets	\$0	
Total Current Assets	\$21,007,996	

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

Statement of Net Position – December 2022

NON-CURRENT ASSETS

Pledge Collateral	\$4,255,697 (3)
Investment In Sedc	\$2,426
Fixed Asset Clearing Account	\$349,958
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	(\$933,345)
Total Non-Current Assets	\$6,979,081

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

Total Assets **\$27,987,077**

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows	\$0
Total Deferred Outflows	\$0

Total Assets & Deferred Outflows of Resources **\$27,987,077**

Statement of Net Position – December 2022

LIABILITIES

Accounts Payable	\$12,790,616	(4)
Accrue Interest Payable	\$9,531	
Total Current Liabilities	\$12,800,148	
Accrue Employee Benefits	\$207,764	
Deferred Lease Liability	\$1,520,924	(5)
Line Of Credit	\$0	(6)
Total Non-Current Liabilities	\$1,728,688	
Total Liabilities	\$14,528,836	

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows	\$0
Total Deferred Inflows	\$0
Total Liabilities & Deferred Inflows	\$14,528,836

NET POSITION

Invested in Capital Assets, Net of Related Debt	\$2,720,958	
Restricted	\$4,255,697	
Unrestricted	\$6,481,586	
Total Net Position	\$13,458,241	(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 – December 2022

OPERATING REVENUE

	Dec 2022	YTD FY2023	
Sales To Members	\$7,374,911	\$41,846,745	(8)
Rto Market Revenue	\$2,454,151	\$18,907,242	(9)
Transmission Services	\$141,856	\$605,538	(10)
Miscellaneous Revenue	\$0	\$0	
Total Operating Revenue	\$9,970,917	\$61,359,525	

OPERATING EXPENSES

Transmission	\$1,378,058	\$7,848,351	(11)
Production	\$9,380,361	\$56,626,917	(12)
Administrative And General	\$215,048	\$1,511,347	
Depreciation Expense	\$27,290	\$163,775	
Total Purchase Power and Operating Expenses	\$11,000,757	\$66,150,390	

Operating Income	(\$1,029,840)	(\$1,107,661)	
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NON-OPERATING REVENUE

Interest Expense On Debt	(\$8,480)	(\$50,767)	
Interest Income	\$13,309	\$65,466	
Other Non-Operating Income (Expense)	(\$3,380)	(\$23,197)	
Regulatory Credit/Debit - Cost To Be Recovered	\$0	\$0	
Total Non-Operating Revenues (Expenses)	\$1,450	(\$8,498)	

NET POSITION CHANGES

Change in Net Position	(\$1,028,390)	(\$4,852,813)	(13)
Net Position at Beginning of Period	\$14,486,632	\$18,311,054	
Net Position at End of Period	\$13,458,241	\$13,458,241	

- 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 – December 2022

CASH FROM OPERATING ACTIVITIES

	Dec 2022	YTD FY2023 ¹	
Net Income	(\$1,028,390)	(\$4,852,813)	(14)
Depreciation Monthly	\$27,290	\$161,531	
Accounts Receivable	(\$1,098,437)	\$837,914	(15)
Prepayments & Other Current Assets	\$0	\$0	
Accounts Payable	\$2,215,191	(\$3,907,106)	(15)
Taxes & Interest Accrued	\$6,135	\$5,098	
Other Current Liabilities	\$1,725	\$22,608	
Deferred Lease Liability	(\$10,066)	(\$60,040)	
Deferred Inflows Monthly	\$0	\$0	
Net Cash Provided by (Used in) Operations	\$113,447	(\$7,792,808)	

CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

Additions to Plant Monthly	(\$146,139)	(\$165,182)	
Net Change in Other Prop & Invest	(\$4,494)	(\$765,304)	
Net Cash Provided by (Used in) Investing	(\$150,633)	(\$930,486)	

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..	(\$37,187)	(\$8,723,294)	
Cash & Temp Investment Beginning of Period	\$13,011,887	\$21,697,995	
Cash & Investments End of Period	\$12,974,701	\$12,974,701	(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.

Financial Metrics – December 2022



KEY FINANCIAL METRICS

FY2023 Actuals Through December 2022 + Budget

Days Cash on Hand

36.84 ▲

Leverage

8.47 ▲

Coverage of Full Obligations

0.86 ▼

Debt Service Coverage

0.85 ▼

Financial Metrics – December 2022

Days Cash On Hand

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

$$\begin{array}{rclclcl} \$13.0\text{M} & & \$352,161 & & 36.84 \\ \text{Unrestricted Cash} & \div & \text{Adjusted Operating Expense per Day} & = & \text{Days Cash on Hand} \\ & & \$128.54\text{M} / 365 \text{ days} & & \end{array}$$

Unrestricted Cash

Adjusted Operating Expenses

Cash on Hand through Current Month



Days Cash On Hand

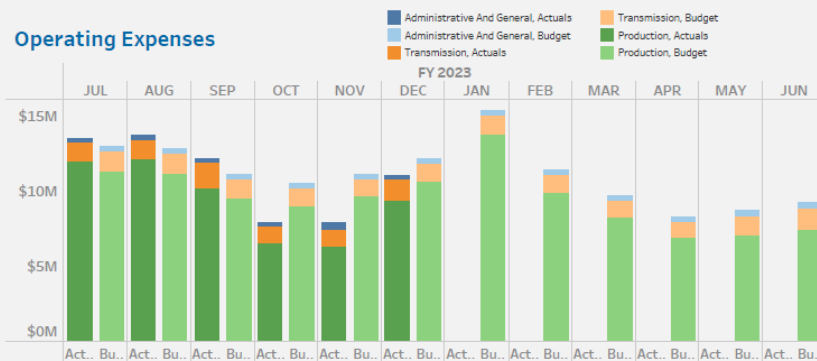
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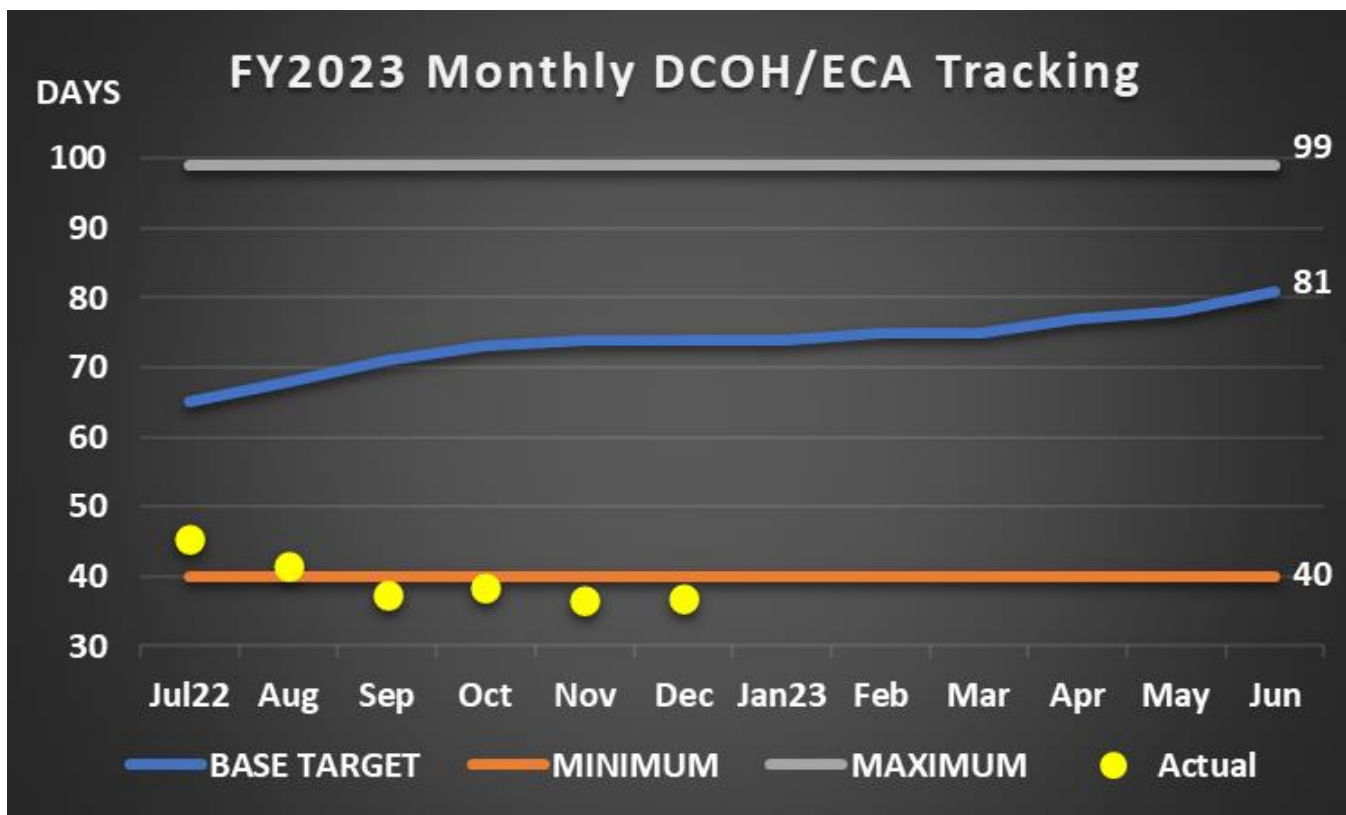
Unrestricted Cash

Adjusted Operating Expenses

Operating Expenses



Financial Metrics – December 2022



Financial Metrics – December 2022

Leverage

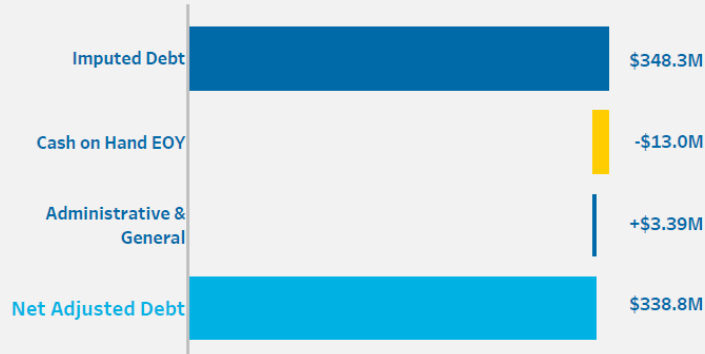
The size of the debt to the margin available to cover all debt service and fixed charges.

8.47

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.

8.47

Net Adjusted Debt

Adjusted Funds Available
for Debt Service

Adjusted Funds Available for Debt Service



Financial Metrics – December 2022

Coverage of Full Obligations

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

0.86

Funds Available
for Debt Service

÷

Total Debt Service
& Fixed Charges

Imputed Debt
Payment

\$43.17M

Administrative &
General Expense

\$3.39M

EBITDA &
Interest Income

(\$6.57M)

Debt Service Coverage

The funds available from operations to cover current debt service.

0.85

Funds Available
for Debt Service

÷

Total Debt
Service

Imputed Debt
Payment

\$43.17M

EBITDA &
Interest Income

(\$6.57M)

Statement of Net Position

FY2023 Actuals as of December 2022

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Total Assets **\$27,987,077**

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Net Increase (Decrease) in Cash & Temp Investm... **(\$37,187)** **(\$8,723,294)**

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Cash & Investments End of Period	\$12,974,701	\$12,974,701

Month Ending
12/31/2022 11:59:59 PM



KENTUCKY MUNICIPAL ENERGY AGENCY

December 2022 Bank Reconciliation

PNC Statement Balance 12/01/2022:	\$	6,904,333.74
PNC Statement Balance 12/31/2022:	\$	7,438,355.95
Independence Statement Balance 12/01/2022:	\$	6,528,709.14
Independence Statement Balance 12/31/2022:	\$	5,537,499.39
Outstanding Checks (-):		
Ladyfingers Invoice # E36526	\$	(477.40)
Docu-Confidential Invoice # 0019663	\$	(35.00)
Adjusted Bank Balance:	\$	12,975,342.94
Meridian Book Balance (1310000) 12/31/2022:	\$	7,437,201.42
Meridian Book Balance (1310500) 12/31/2022:	\$	5,537,499.39
Other Adjustments (+/-):		
KY League of Cities Invoice # 120122L	\$	585.12
KY League of Cities Invoice # 120122	\$	57.01
Adjusted Book Balance:	\$	12,975,342.94
Adjusted Bank Balance:	\$	12,975,342.94
Adjusted Book Balance:	\$	12,975,342.94
Difference:	\$	-



KENTUCKY MUNICIPAL ENERGY AGENCY



KYMEA President & CEO Report

Doug Buresh

January 26, 2023

IRP2023

- Completed initial review of RFP responses.
- Building a variety of resource mixes for the Board's review.

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

Construction Update

- First Milestone Achieved: Main Power Transformer Ordered on 11/3/2022.
 - Delivery Window: 11/3/2022 – 3/1/2024 (485 days)
- All Required Permits are in place.
 - Final Permit (Storm Water Runoff) will be issued after project is 60% complete.
 - Final Site Size: 1,506 Acres
- Physical Construction will commence on or before 6/21/2023
 - Fencing, roads, etc.
- Time-Lapse Construction Camera and Drones will memorialize the construction progress.



KENTUCKY MUNICIPAL ENERGY AGENCY



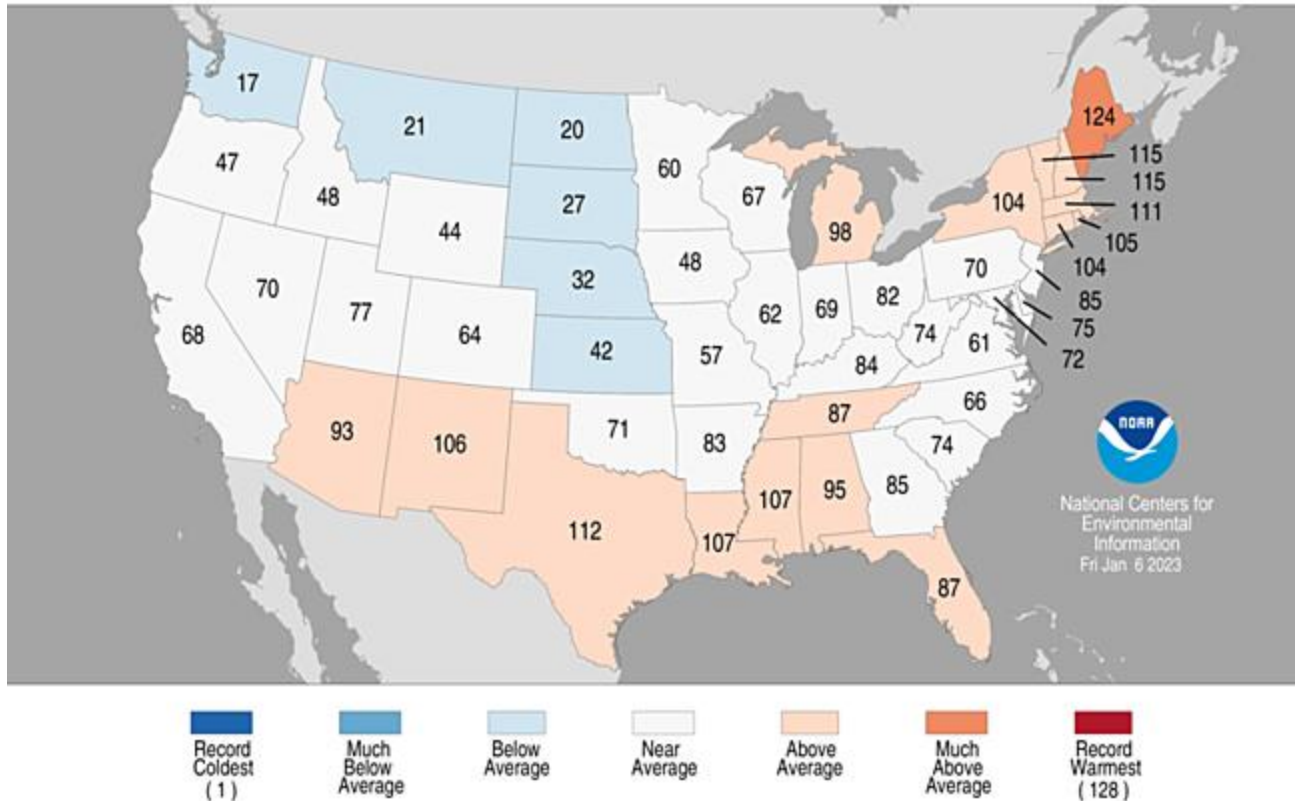
December 2022 Market Report

Rob Leesman

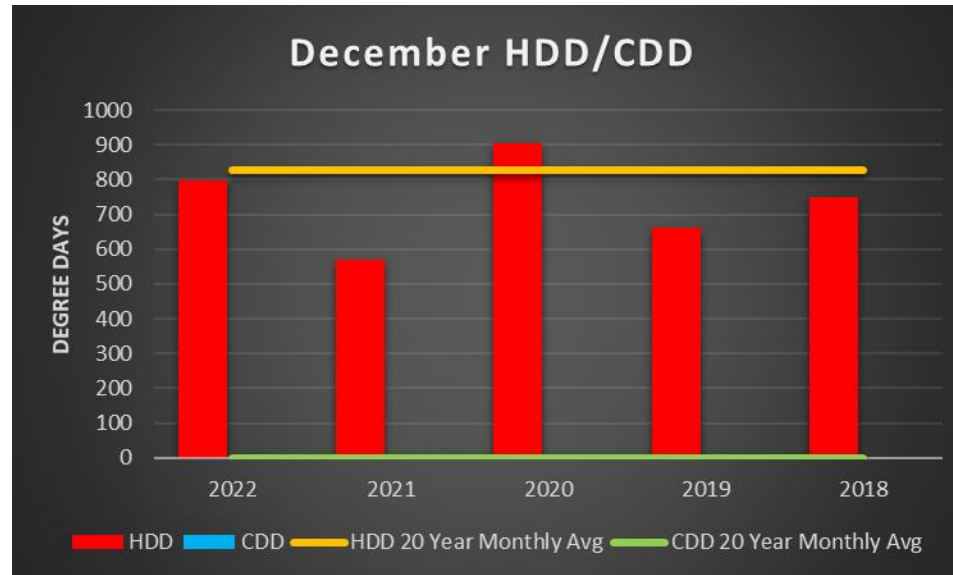
January 26, 2023

Statewide Average Temperature Ranks

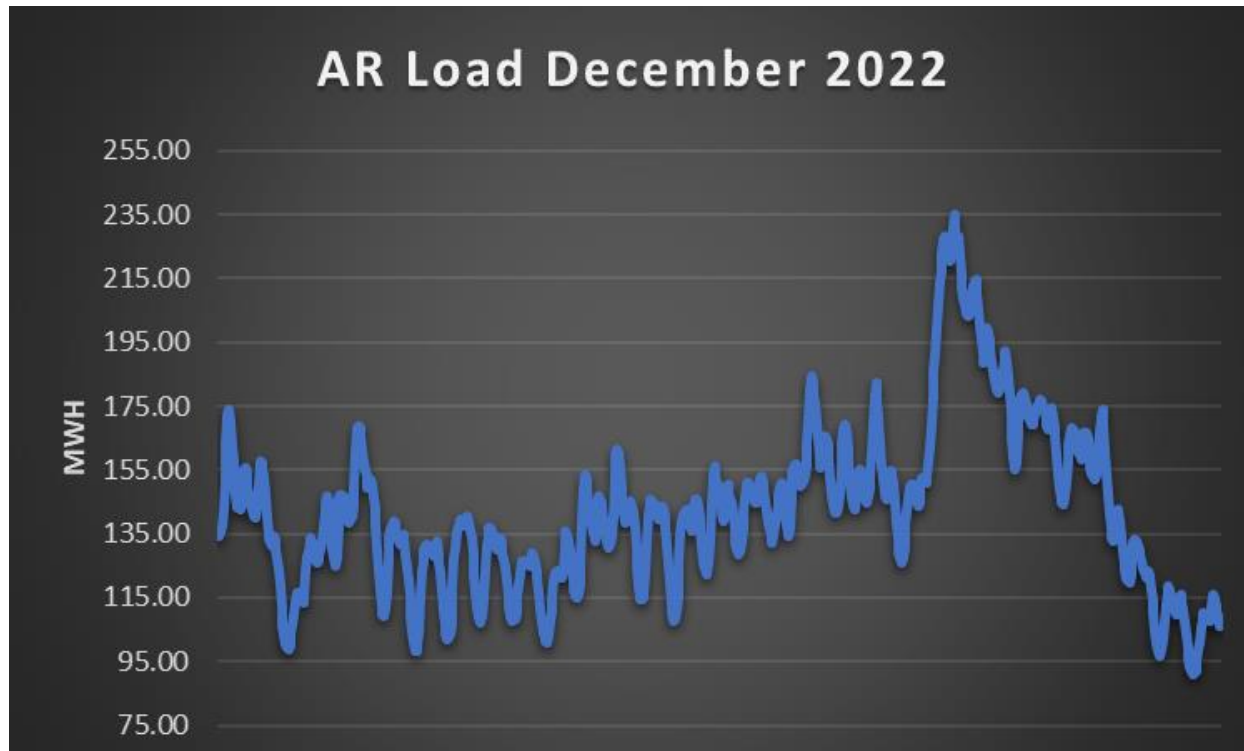
December 2022
Period: 1895–2022



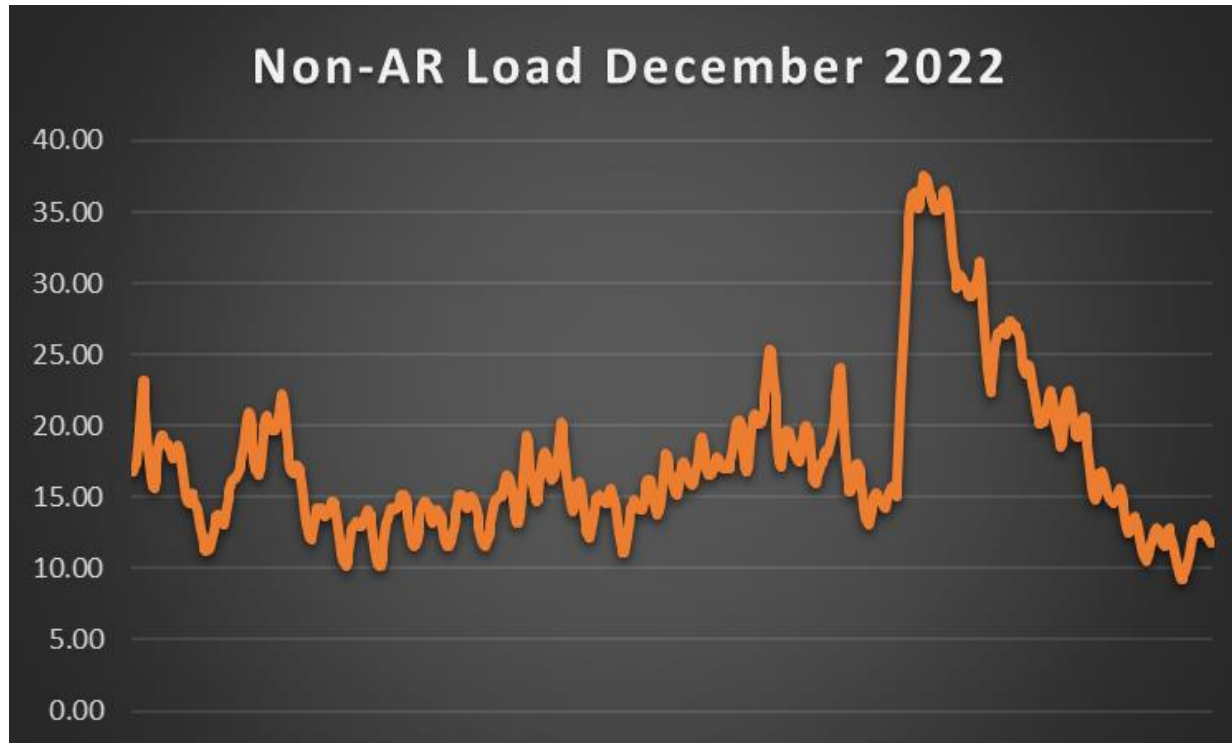
Degree Days



AR Load December 2022



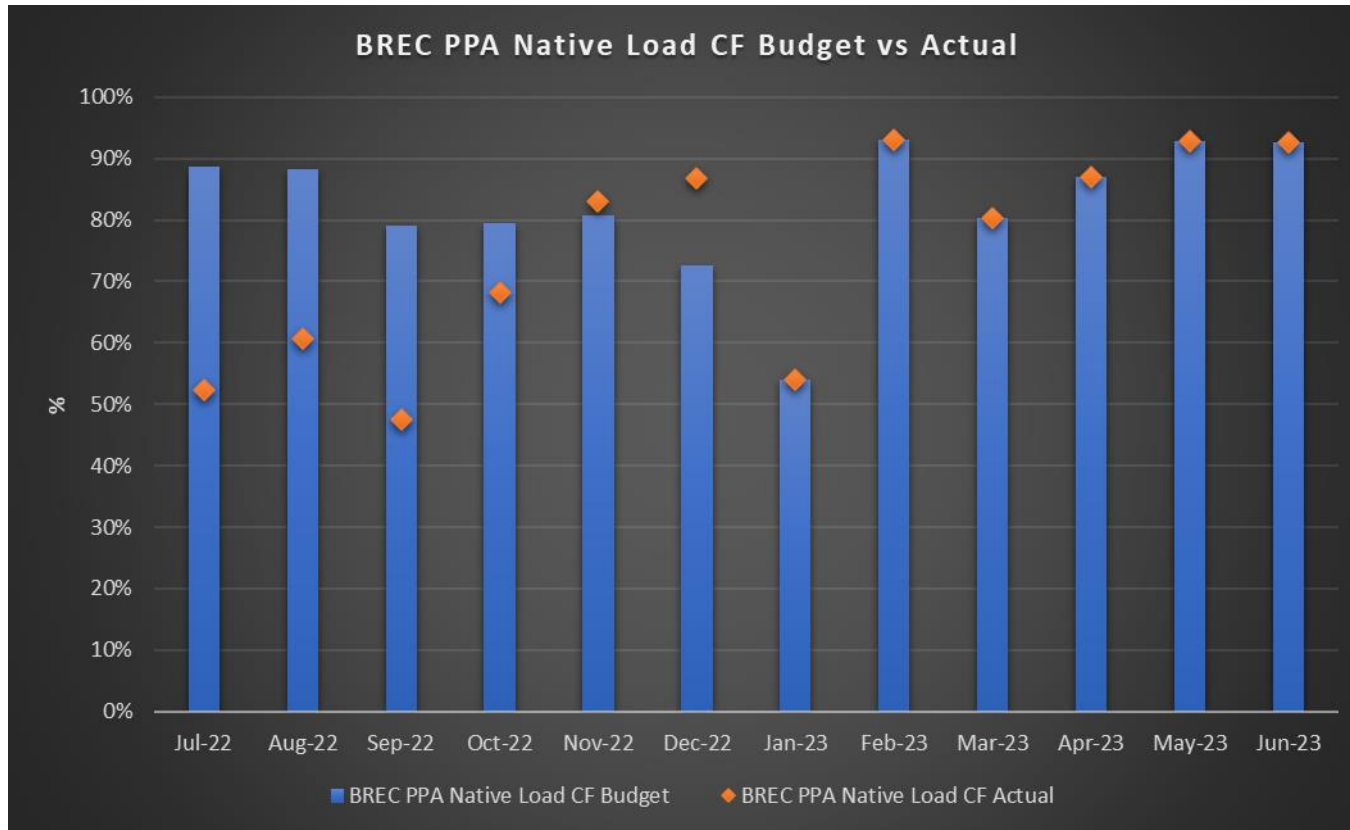
Non-AR Load December 2022



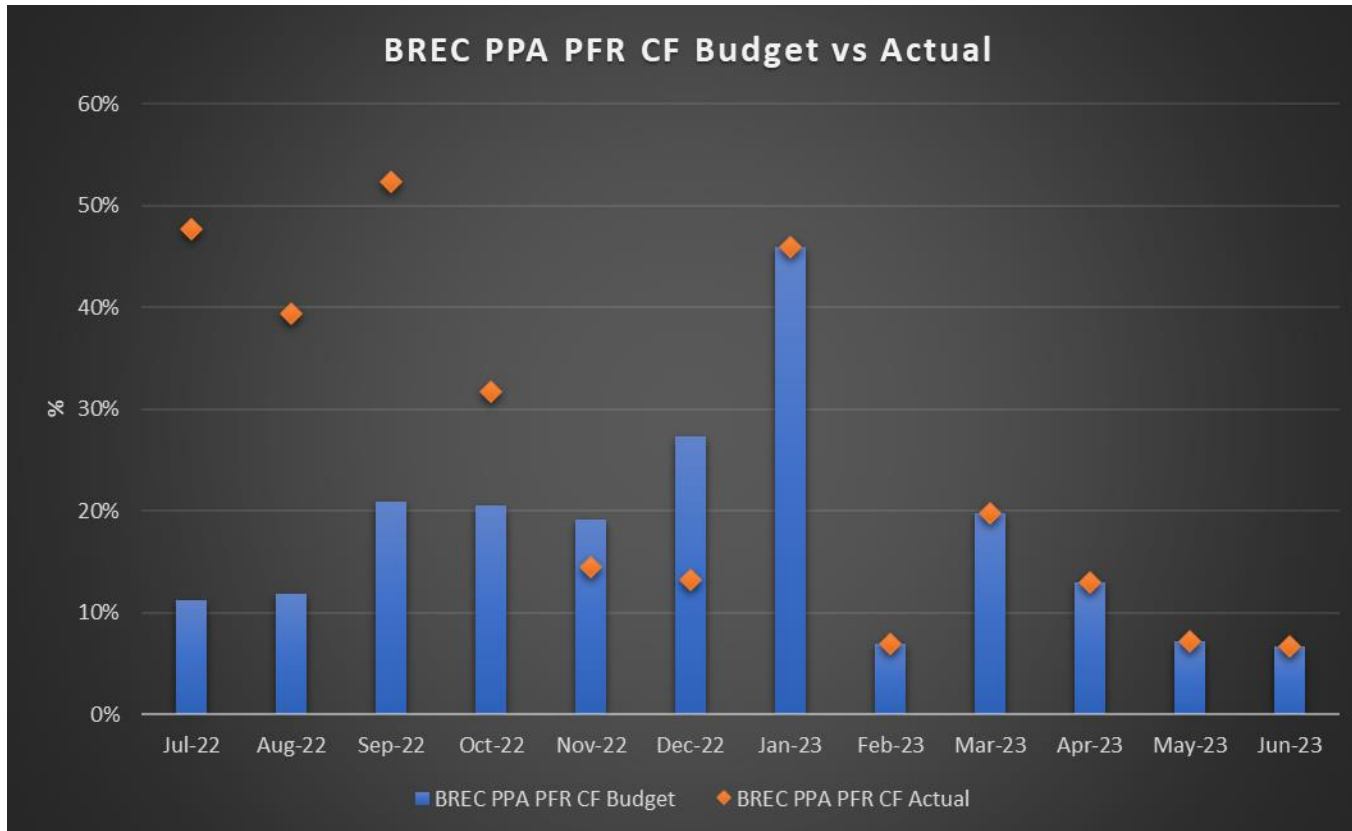
December 2022 Snapshot

Dec-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	8,091	8,216	102%	16.41	22.16	135%	12/23/2022 10:00:00 PM
Bardwell	725	720	99%	1.36	1.71	125%	12/23/2022 1:00:00 PM
Benham	765	819	107%	2.06	2.96	144%	12/24/2022 1:00:00 AM
Berea	11,347	12,269	108%	24.24	34.67	143%	12/23/2022 6:00:00 PM
Corbin	7,302	4,938	68%	14.56	12.36	85%	12/23/2022 7:00:00 PM
Falmouth	1,601	1,619	101%	2.93	3.55	121%	12/23/2022 6:00:00 PM
Frankfort	58,295	59,649	102%	110.97	130.43	118%	12/23/2022 7:00:00 PM
Madisonville	23,398	22,234	95%	39.34	44.19	112%	12/23/2022 8:00:00 PM
Owensboro	55,862	62,808	112%	103.00	111.00	108%	
Paris	6,220	6,073	98%	13.07	15.77	121%	12/23/2022 6:00:00 PM
Providence	2,542	2,618	103%	4.97	5.64	113%	12/23/2022 7:00:00 PM
AR	108,173	106,068	98%	203.62	235.82	116%	
Non-AR	12,113	13,088	108%	26.30	37.63	143%	
All	120,286	119,156	99%	229.92	273.44	119%	
Total	176,148	181,964	103%	332.92	384.44	115%	

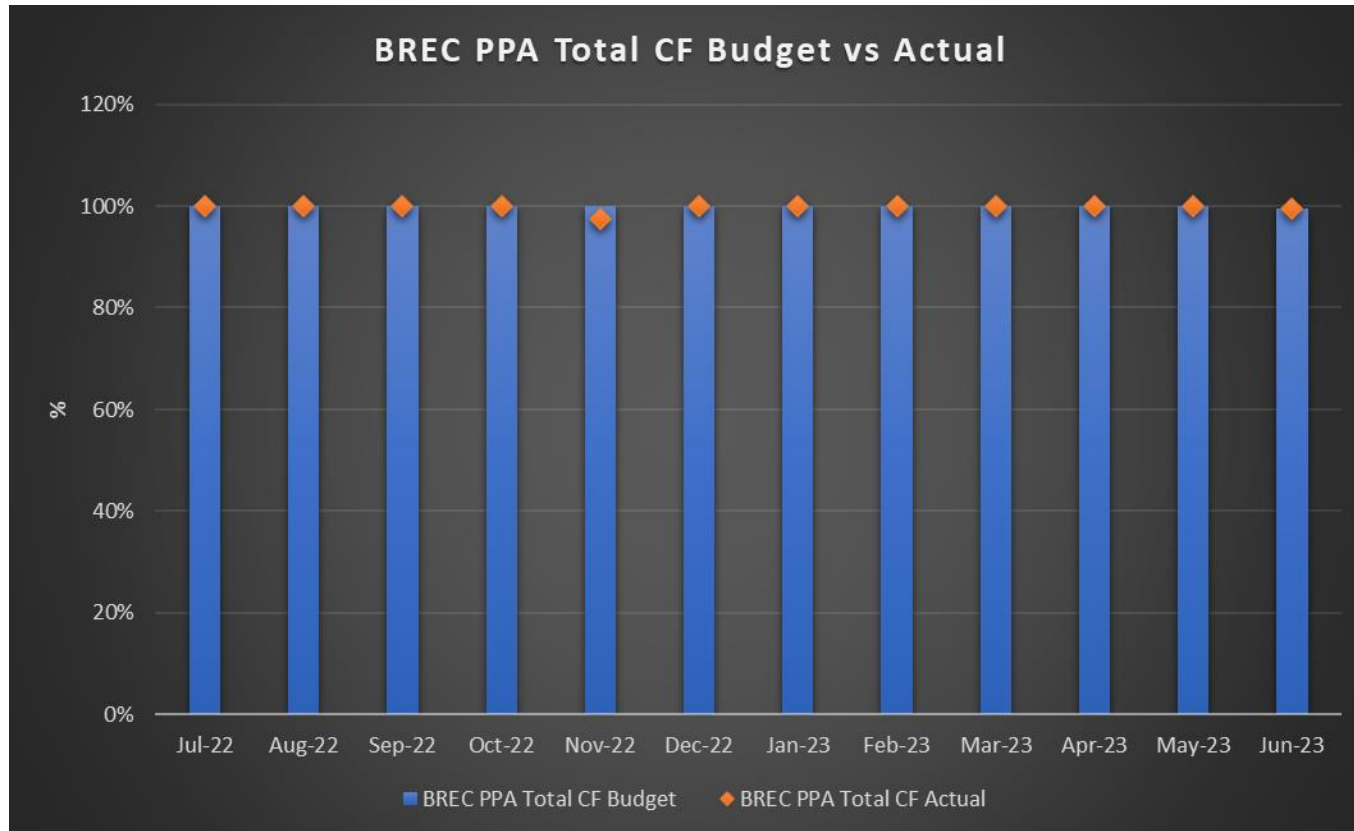
BREC PPA Load Capacity Factor FY 23



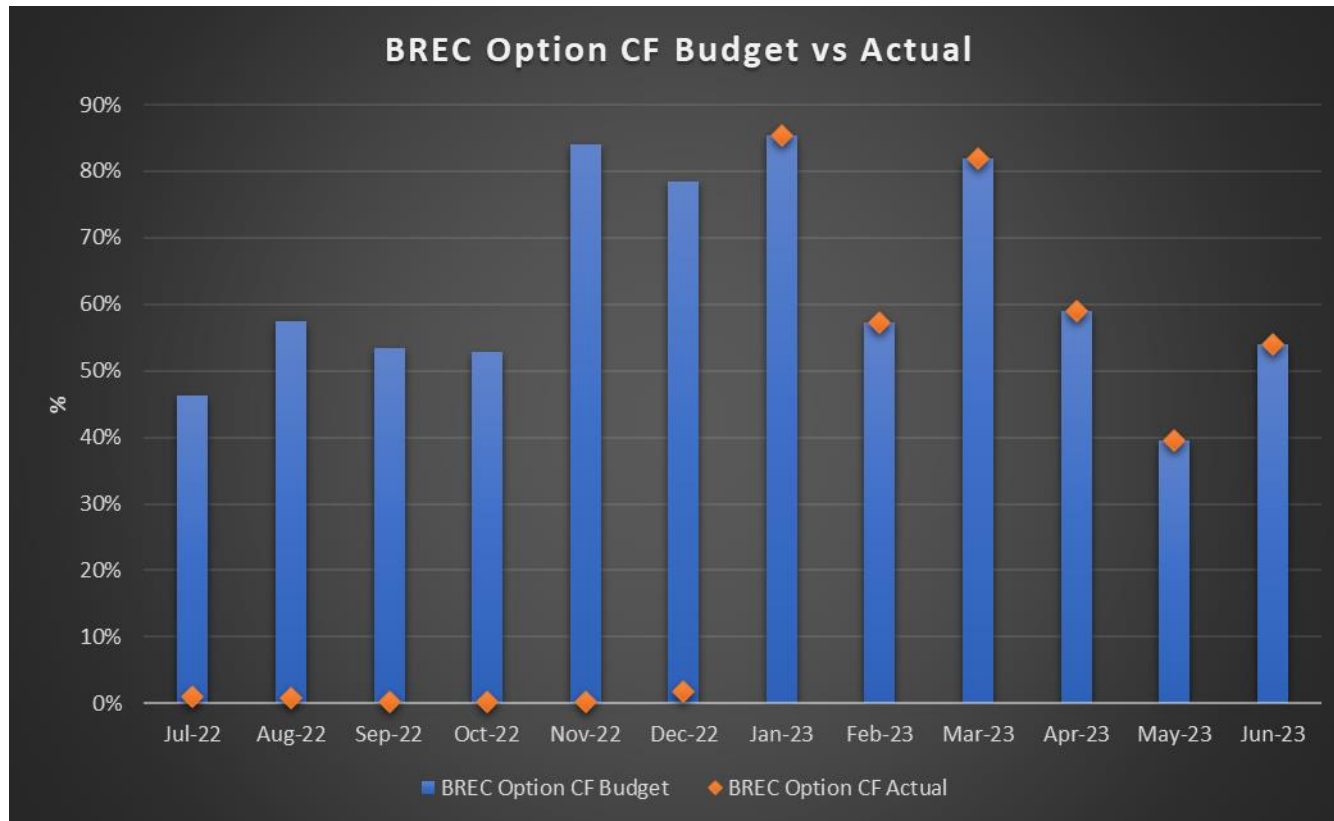
BREC PPA PFR Capacity Factor FY 23



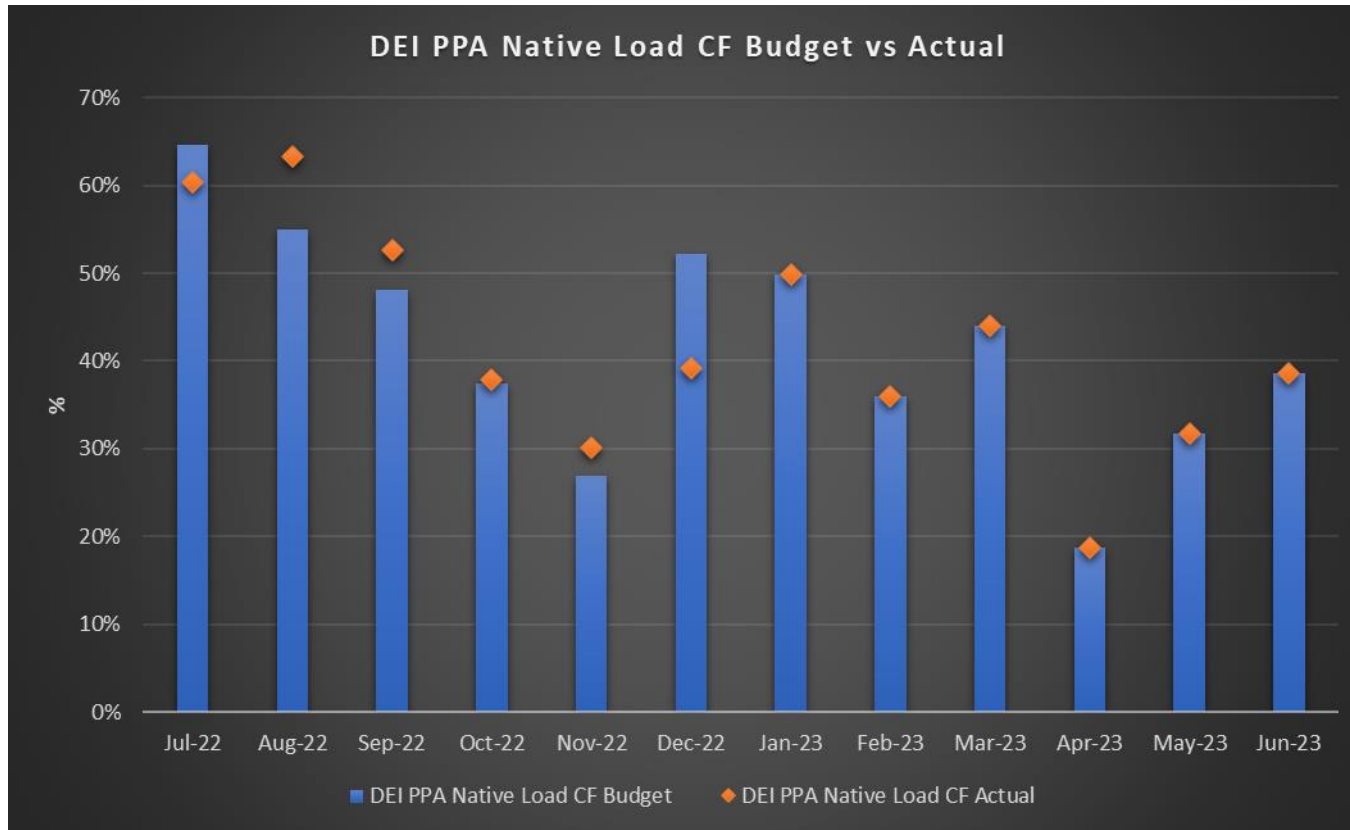
BREC PPA Capacity Factor FY 23



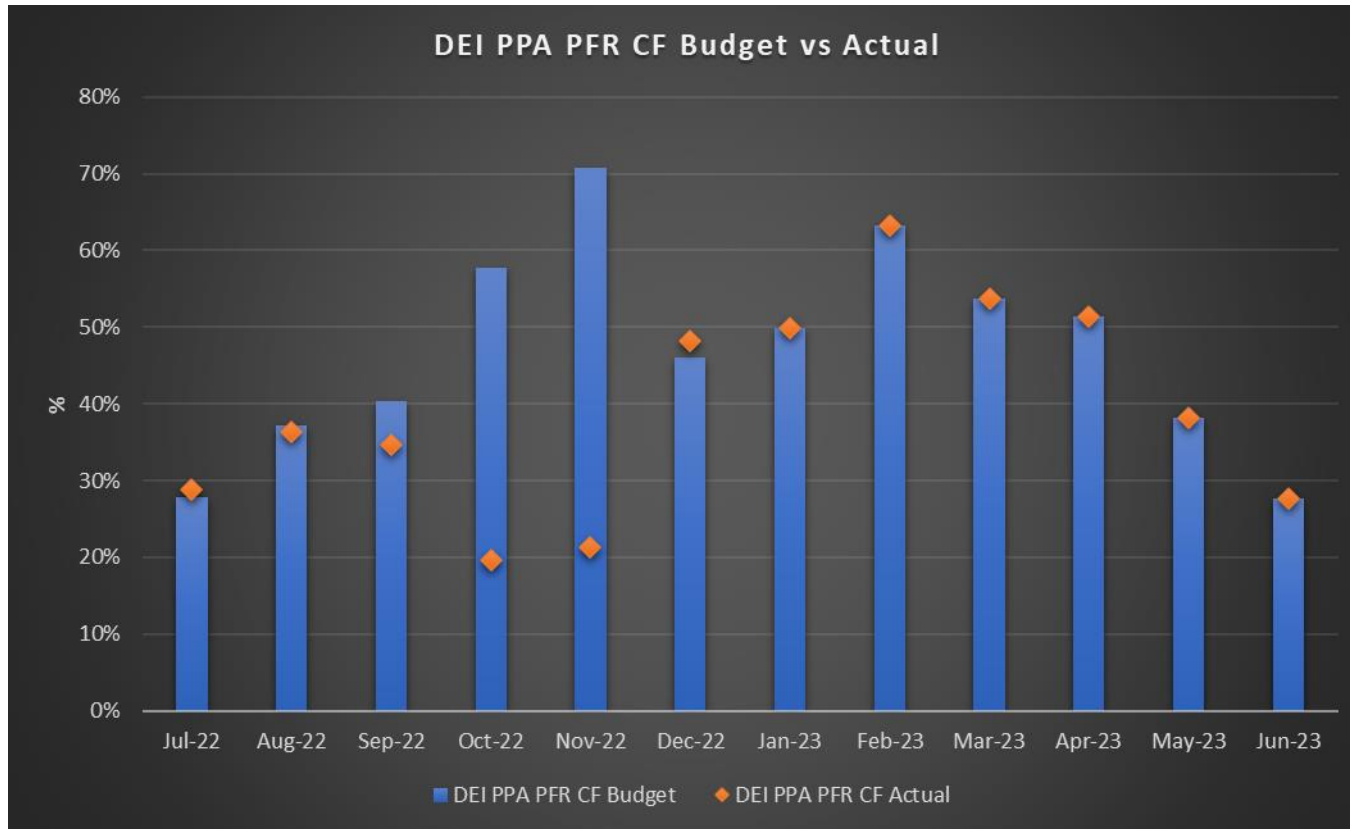
BREC Option Capacity Factor FY 23



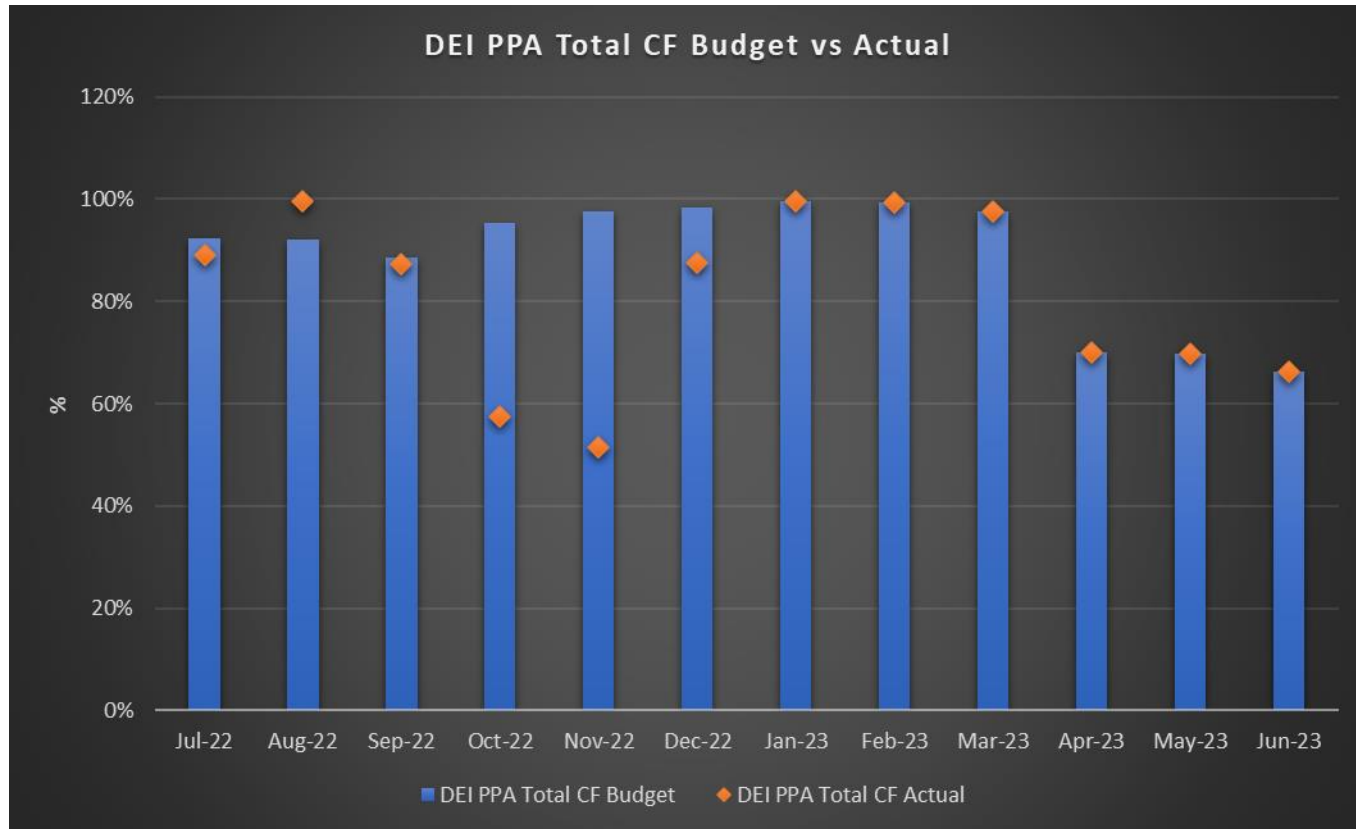
DEI PPA Load Capacity Factor FY 23



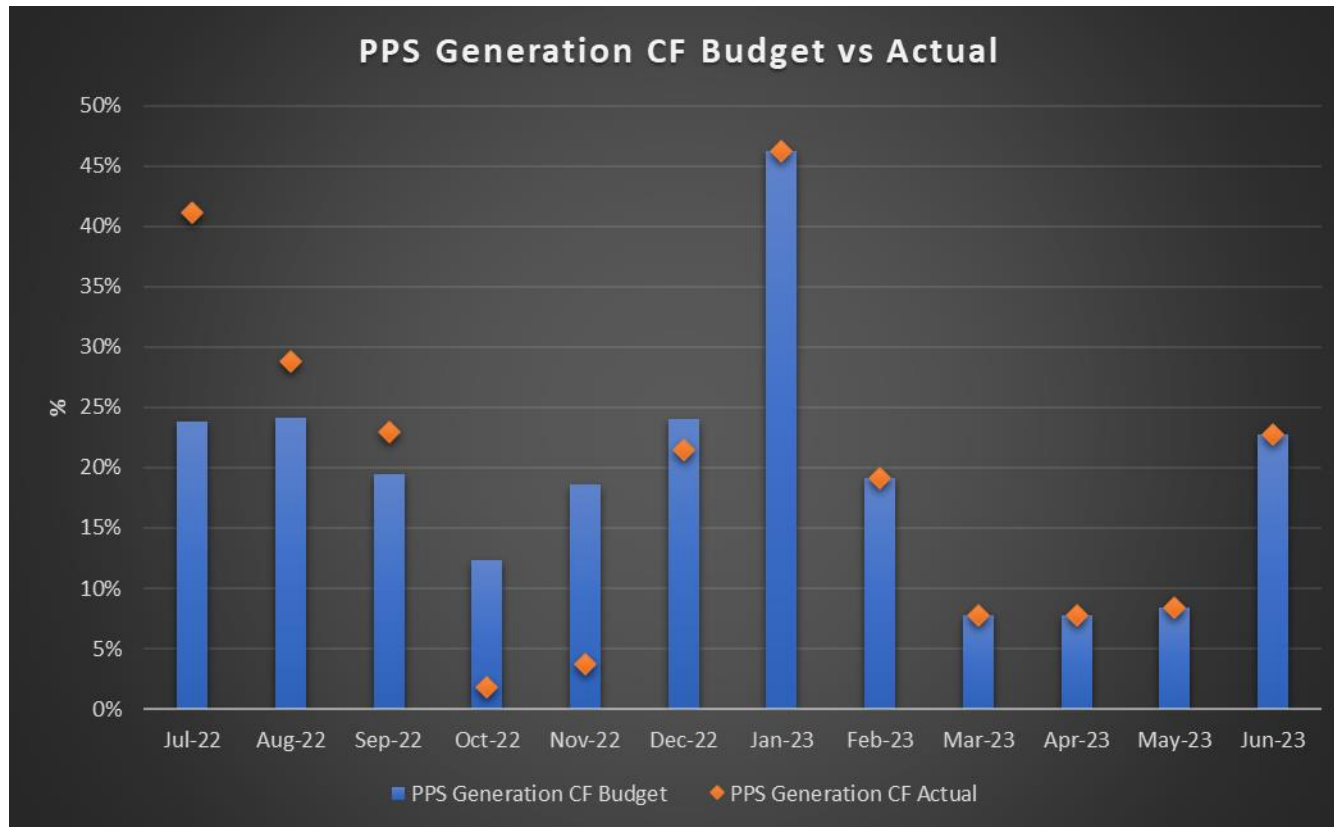
DEI PPA PFR Capacity Factor FY 23



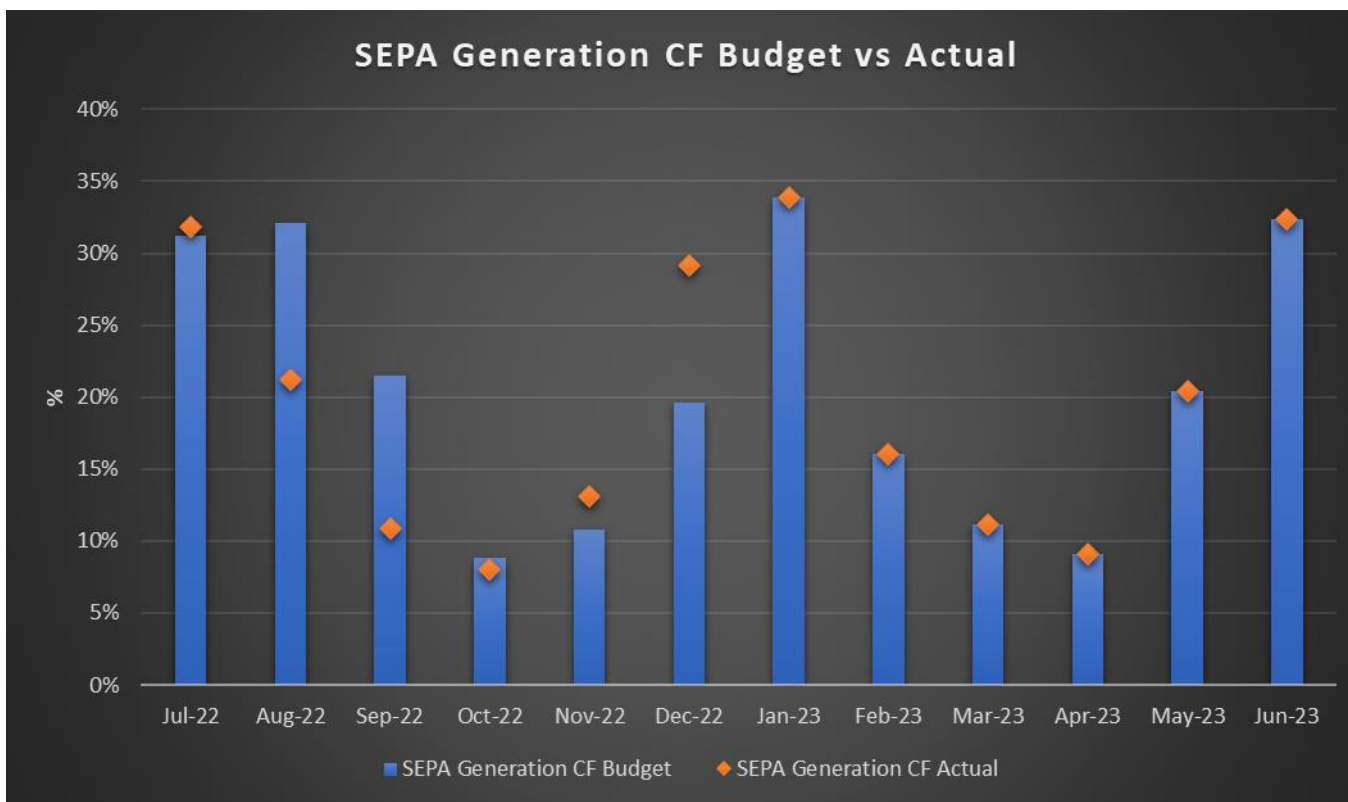
DEI Capacity Factor FY 23



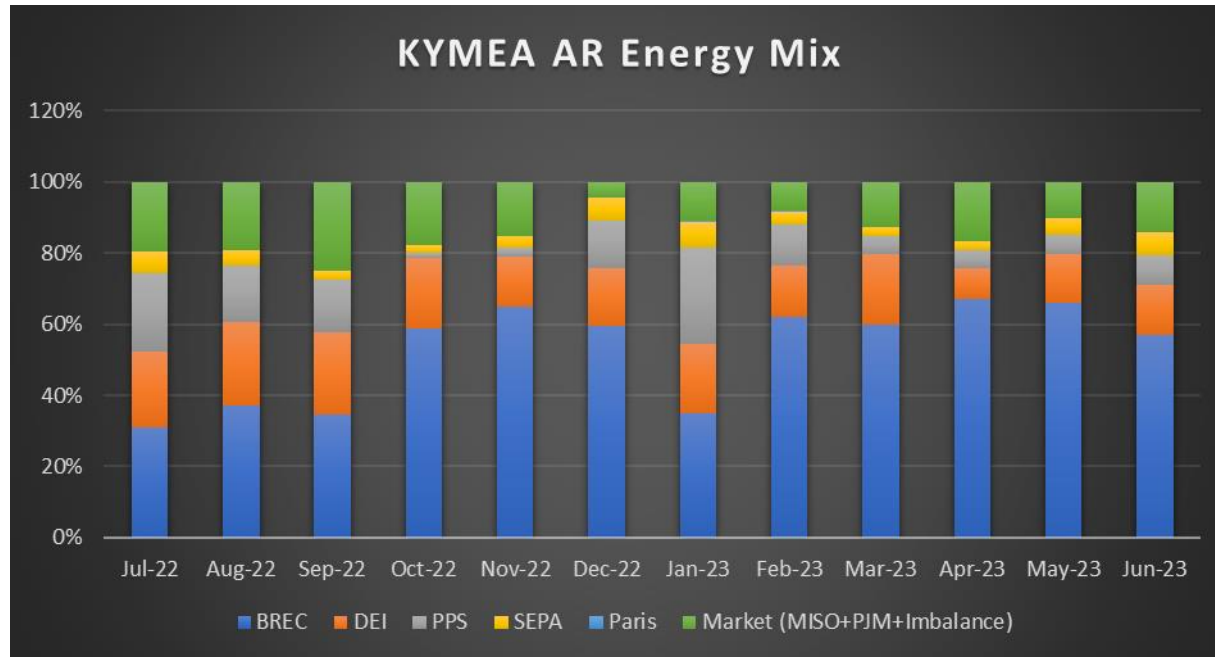
PPS PPA Capacity Factor FY 23



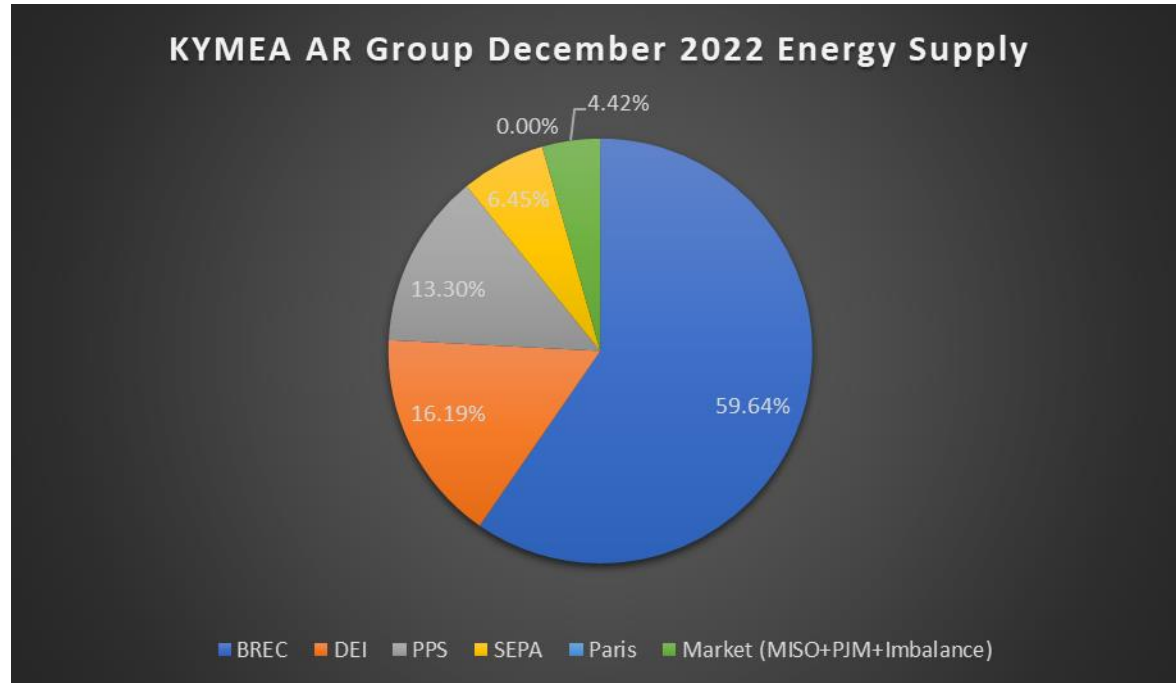
SEPA Capacity Factor FY 23



KYMEA AR Energy Mix FY 23

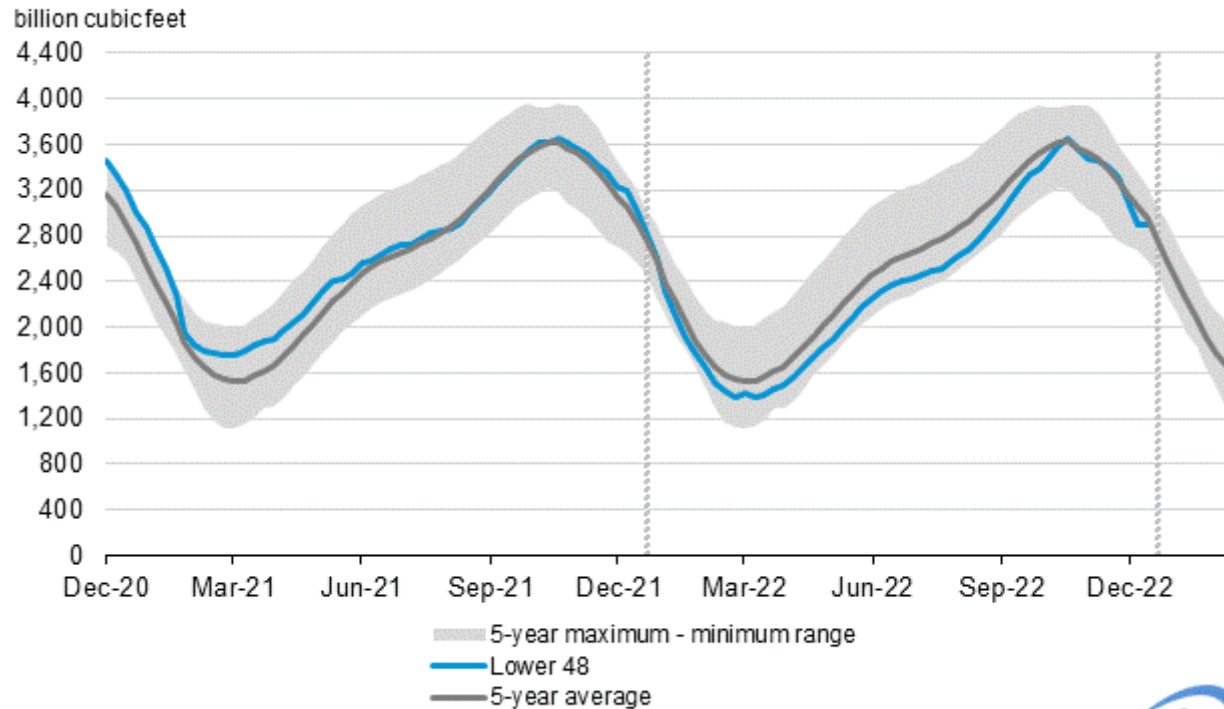


KYMEA AR Energy Mix



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



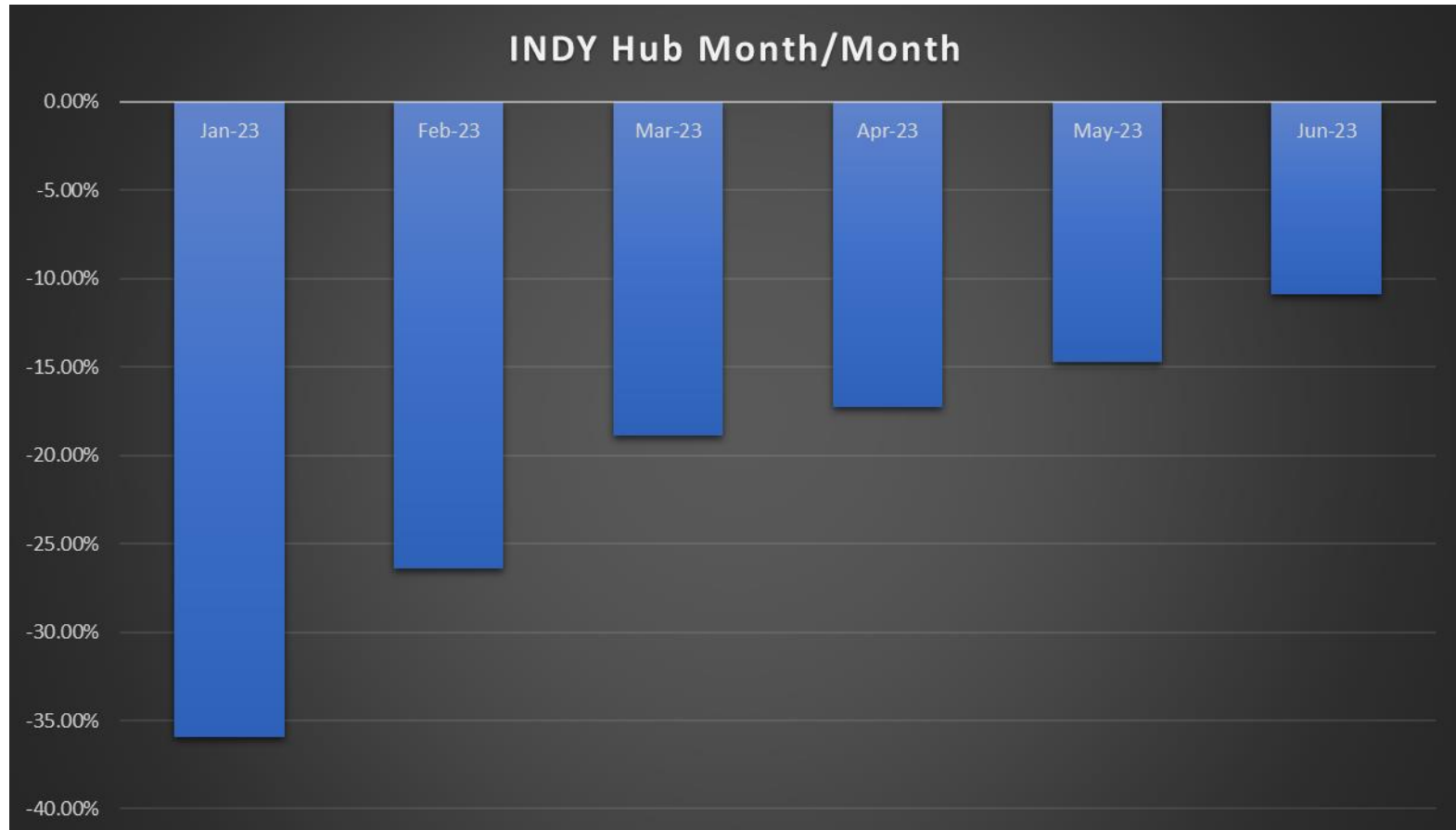
Data source: Natural Gas Intelligence

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			
	Tue, January 03, 2023	Change from	
		last week	last year
Oil rigs	618	-0.5%	28.5%
Natural gas rigs	152	-2.6%	42.1%
Note: Excludes any miscellaneous rigs			
Rig numbers by type			
	Tue, January 03, 2023	Change from	
		last week	last year
Vertical	26	-3.7%	13.0%
Horizontal	700	-0.8%	31.6%
Directional	46	0.0%	39.4%
Data source: Baker Hughes Company			

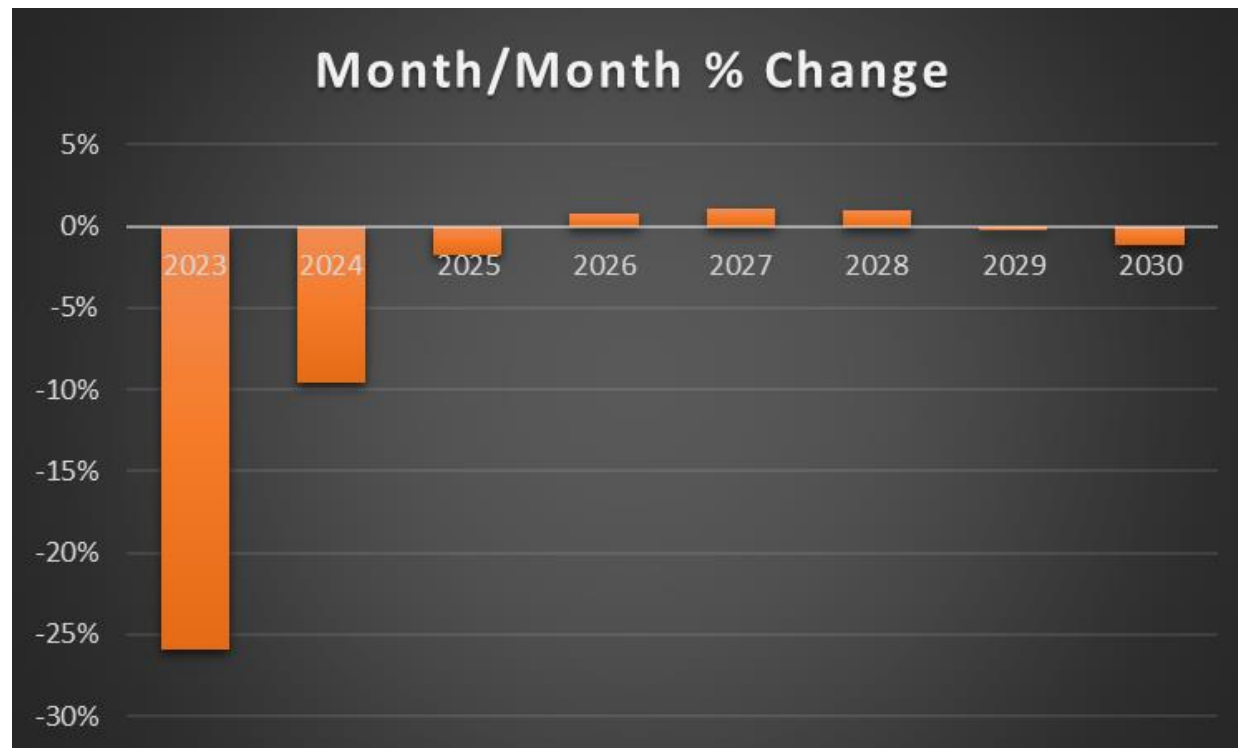
Indiana Hub ATC



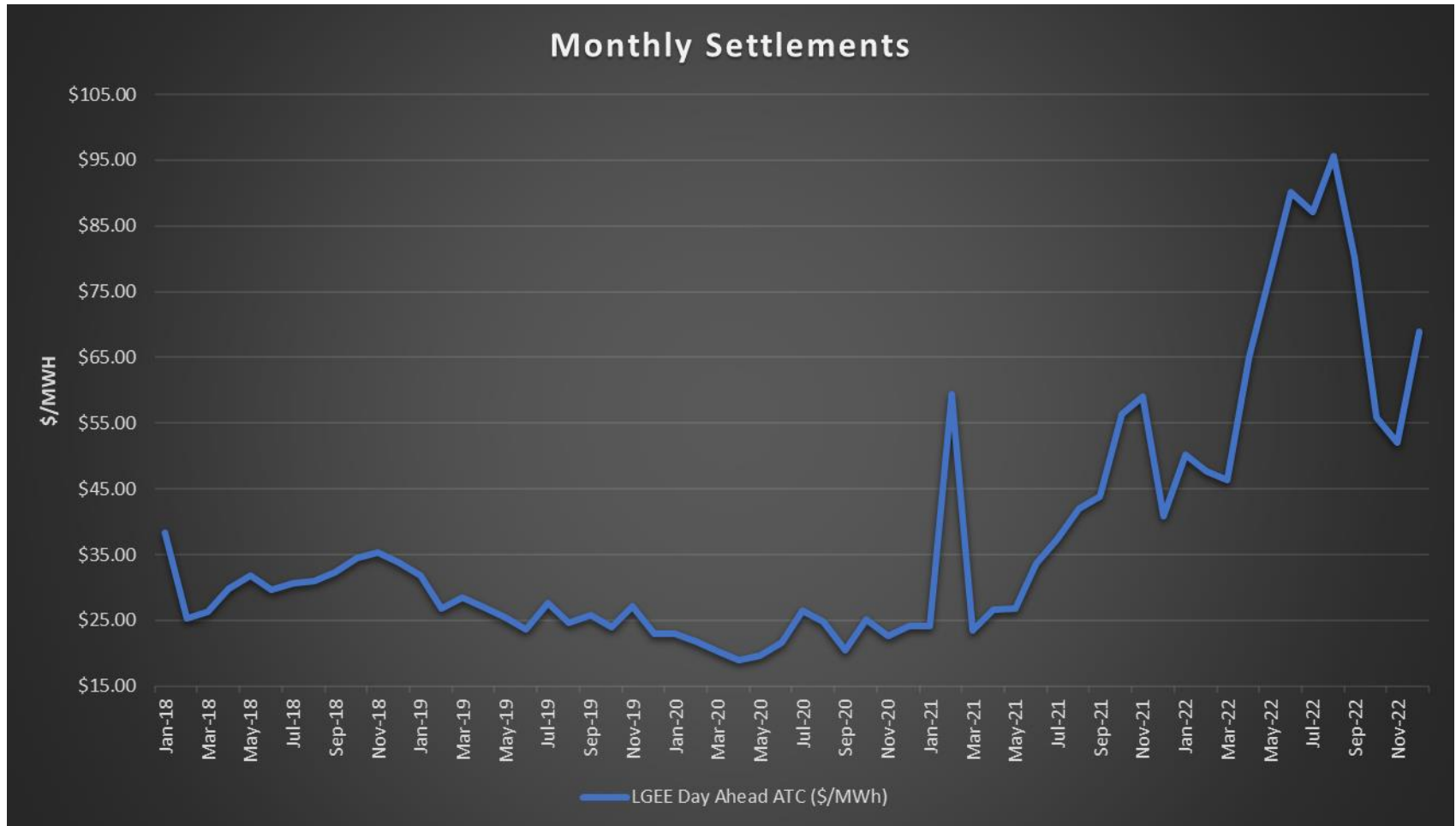
Texas Eastern Transmission East Louisiana Zone



Texas Eastern Transmission East Louisiana Zone



Historical Pricing





KENTUCKY MUNICIPAL ENERGY AGENCY



Member Communications

Michelle Hixon

January 26, 2023

Dates to Remember

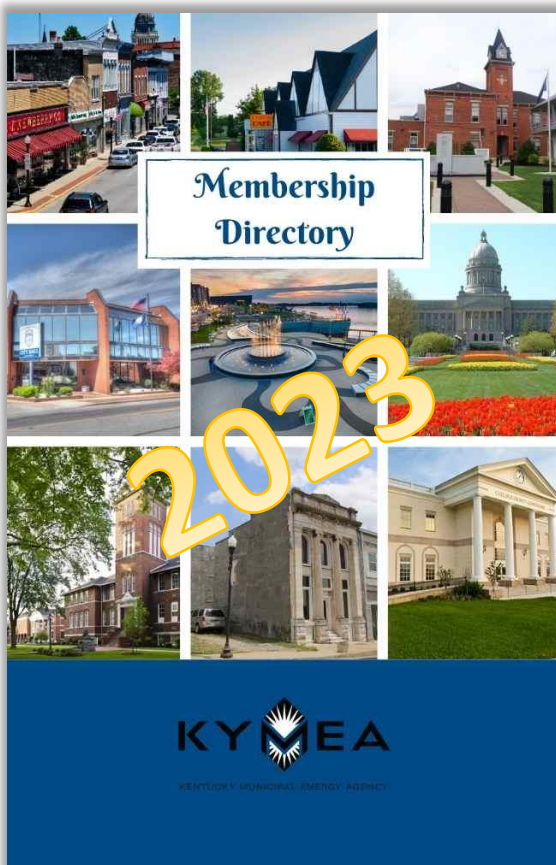
February

23 rd at 10 AM	Combined Meeting of the AR Project and KYMEA Board
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March

23 rd at 8:30 AM	BROC Meeting
23 rd at 10 AM	Combined Meeting of the AR Project and KYMEA Board

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



KENTUCKY MUNICIPAL ENERGY AGENCY

Capitalization Policy



KYMEA Capitalization Policy

VERSION	DATE	DESCRIPTION
Version 1.0	01-26-2023	Draft (presented at the Board Meeting)
		Approved by the Board

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SECTION 1.1

KYMEA CAPITALIZATION POLICY

Purpose

The purpose of this document is to establish set guidelines for the Kentucky Municipal Energy Agency (“KYMEA”) regarding its Capitalization Policy:

SECTION 1.2

CAPITALIZATION GUIDELINES

KYMEA utilizes the following guidelines for determining whether purchases and expenditures of resources are capitalized or recorded as operating/maintenance expenses. Assets are capitalized, as appropriate, so that costs which have future benefit are shared between current and future members through the depreciation of assets in conformance with the Federal Energy Regulatory Commission's (FERC's) useful life guidelines.

SECTION 1.3

DEFINITIONS

KYMEA is operating under normal conditions.

Capital Costs - the costs of constructing or acquiring fixed assets, the benefits from which will be realized in future periods as expensed over their useful life through depreciation. The costs of adding, removing, and replacing Units of Property are capitalized. Capital Costs are summarized through the use of task orders relating to specific assets or projects. Capital Costs may also be directly capitalized on an individual basis. If an existing asset is repaired or improved beyond its original condition the associated costs are typically capitalized.

Direct Capital Costs – the costs which meet the definition for Capitalization that are able to be traced to a specific capital project and recorded directly to a capital project.

Examples of Direct Capital Costs include, but are not limited to: labor, contractor labor, transportation expense, land, land rights, equipment, materials and supplies directly consumed or used in the construction of a capital project.

General Plant – capital assets that are not related to construction activities which include, but are not limited to: computer equipment, furniture, tools, and vehicles.

Indirect Capital Costs – the costs which meet the definition for Capitalization which are not able to be traced to a specific capital project or which benefit multiple projects. Indirect Capital Costs are recorded to blanket task orders and allocated to capital projects via an adder.

Maintenance Expenses – the activities involved in preserving property in an efficient operating condition, restoring property to a normal condition, arresting of deterioration, and adding, removing, or replacing minor items (refer to Section D). If an existing asset is restored to its original condition the costs are recorded as Maintenance Expenses.

Maintenance Expenses are expensed, meaning the costs are recognized and reported as operating expenses when they occur.

Examples of Maintenance Expenses include, but are not limited to: rearranging equipment, moving a meter from one location to another, shifting partitions in a building, replacement of worn out or damaged parts, cleaning and adjusting equipment, painting of equipment, and repairing minor storm damage.

Operations Expenses – the costs related to KYMEA which are not related to the procurement of or extending the life of a capital asset.

Examples of Operations Expenses include, but are not limited to: fuel, administrative support, labor recording, and budgeting.

SECTION 1.4

ACTIVITIES

In general, in order to be capitalized, work activities should prepare an asset for use and/or add value to the asset. Repairing, restoring, or maintaining a piece of property to its original condition is an O&M Expense.

The below list displays examples of activities and whether they meet KYMEA's capitalization guidelines (not an all-inclusive list).

Expense

- Studies/analysis to determine if work needs to be completed
- Investigation of capital assets to determine if or what work is necessary
- Design for an asset that is later canceled
- Planning and scheduling activities such as Resource Planning and Budget Planning
- Maintenance of the project schedule by support staff
- Other support activities including catering, janitorial, and security
- Activities in support of the project but not directing the efforts of those completing the capital work
- Administrative and accounting support for capital projects including office supplies
- Maintenance/warranty agreements on capital equipment
- Procedures, operating documentation, and reports
- Development and maintenance of engineering standards
- Training

Capital

- Work activities directly related to designing the capital asset that is to be installed.
 - ▶ This may include iterations of design activities as long as the end product will be a capital asset
- Package prep, including design drafting support

- Project management time/costs associated with supervising project
- Supervision and management of activities related to asset construction
- Inspection of capital work to assure that it is properly completed

SECTION 1.5

DOLLAR LIMITS ON GENERAL PLANT

Individual items of furniture and equipment costing \$5,000 or more and having a useful life of at least five years will be capitalized. Furniture and equipment costing less than \$5,000 will be expensed even if similar items have been capitalized in the past.

An exception allows for the capitalization of General Plant items that are less than \$5,000 when purchased as part of a transaction (i.e. invoice) of \$30,000 or more under the following conditions:

- Life expectancy is three years or greater
- Purchase is part of the project
- Purchases consist of “like items”
- The item(s) purchased cannot be a component of an asset

An example could be a project to replace a large portion of the company’s desktop computers. The per-item cost may be less than \$5,000, but if the total costs in a transaction are greater than \$30,000, the computers would be eligible for capitalization.

Another example could be a project to reconfigure entire floors of a building with new desks, cubicles, and like office equipment. Individual items may be under \$5,000 but if the total cost for like items in a transaction for the entire floor is greater than \$30,000 the reconfiguration project would be eligible

SECTION 1.6

PROPERTY DAMAGE BY OTHERS

If Units of Property are damaged by and charged to others (e.g., car/pole accident) an addition and retirement will be made, and the amount collected credited to the retirement work order as salvage.



PUBLIC POWER FOR KENTUCKY

The objective of KYMEA is to provide cost-effective resources and services for the benefit of its members to enable them to achieve objectives they have set for themselves more efficiently and at lower costs than they could achieve individually.

KENTUCKY MUNICIPAL ENERGY AGENCY • 1700 EASTPOINT PARKWAY, SUITE 220 LOUISVILLE, KY 40223
(502) 242-5635 • KYMEA.ORG



KENTUCKY MUNICIPAL ENERGY AGENCY

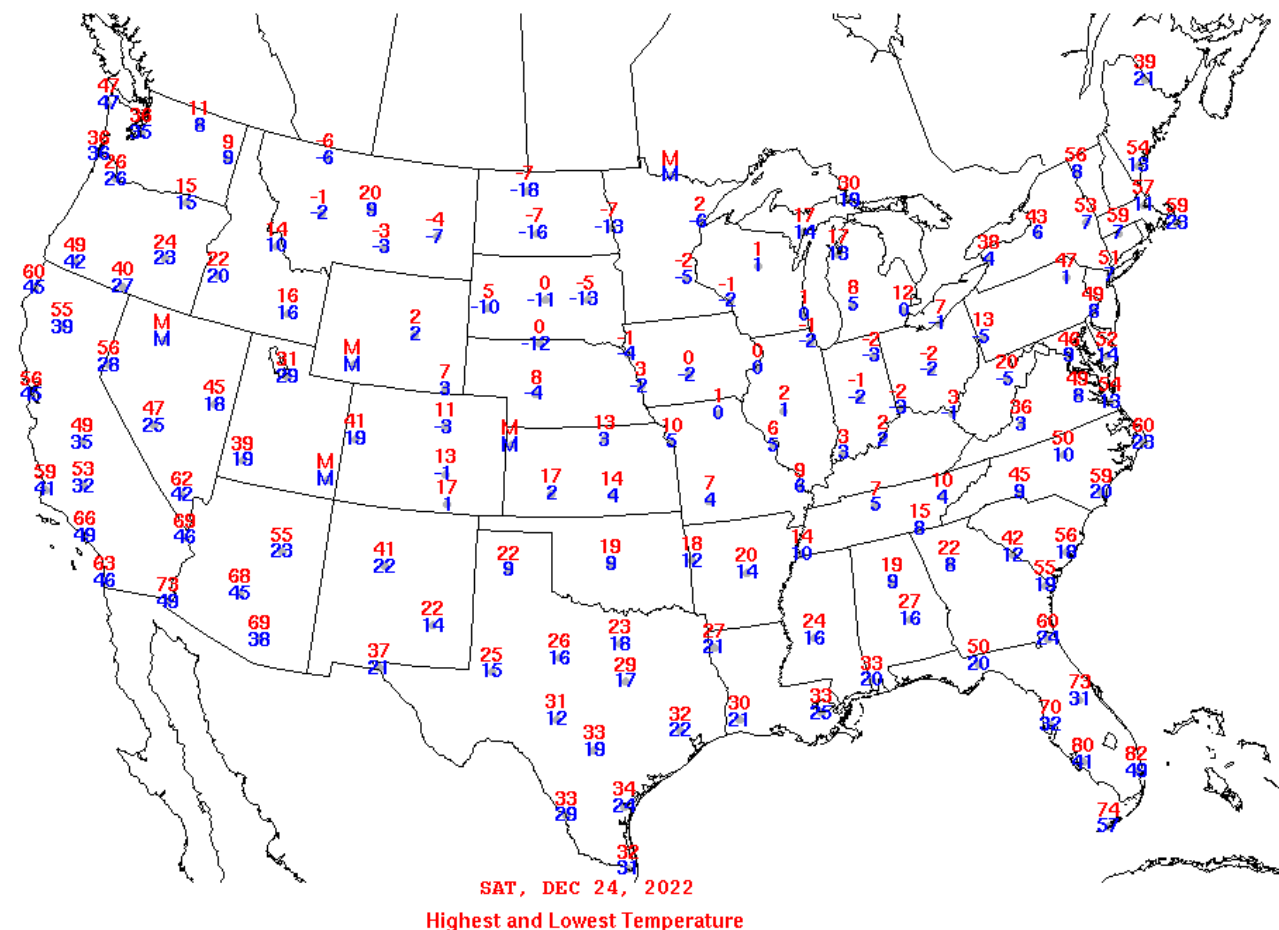


Winter Storm Elliott

January 26, 2023

Winter Storm Elliott

From December 21 to 26, 2022, a historic bomb cyclone created winter storm conditions, including blizzards, high winds, snowfall, or record cold temperatures across the majority of the United States and parts of Canada.

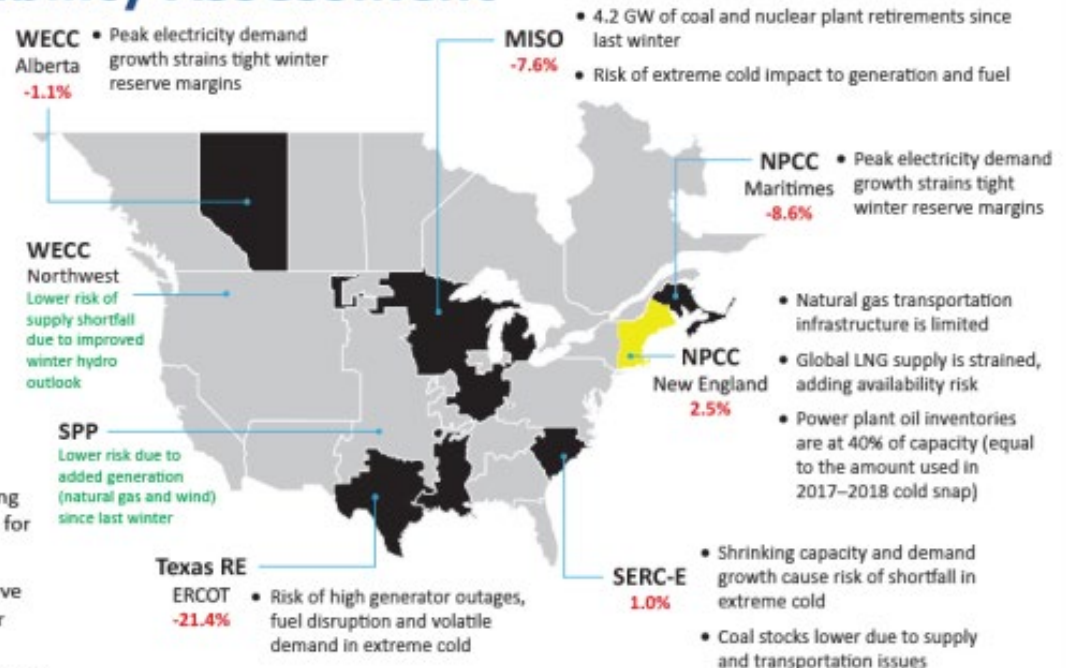


2022–2023 Winter Reliability Assessment

NERC's annual Winter Reliability Assessment evaluates the generation resource and transmission system adequacy needed to meet projected winter peak demands and operating reserves as well as identifies potential reliability issues for the 2022–2023 winter period. Under normal or mild winter weather, the BPS has a sufficient supply of capacity resources. However, some areas are highly vulnerable to extreme and prolonged cold weather and may require load-shedding procedures to maintain reliability. Generators face heightened fuel risk for this winter due to railroad transportation uncertainty and global energy supply issues.

Key Actions

- **Cold Weather Preparations:** Generators should, while considering NERC's cold weather preparations alert, prepare for winter conditions and communicate with grid operators.
- **Fuel:** Generators should take early action to assure fuel and communicate plant availability. Reliability Coordinators and Balancing Authorities should monitor fuel supply adequacy, prepare and train for energy emergencies, and test protocols.
- **State Regulators and Policymakers:** States regulators should preserve critical generation resources at risk of retirement prior to the winter season and support requests for environmental and transportation waivers. Support electric load and natural gas local distribution company conservation and public appeals during emergencies. In New England, the states should support fuel replenishment efforts using all means possible.



Percentages indicate the projected reserve margin with electricity demand, generation outages, and energy derates under extreme conditions.

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Extreme Weather Risk

Winter weather conditions that exceed projections could expose power system generation and fuel delivery infrastructure vulnerabilities. Increased demand caused by frigid temperatures, coupled with higher than anticipated generator forced outages and derates, could result in energy deficiencies that require system operators to take emergency operating actions, up to and including firm load shedding.

Fuel Limitations During Extended Cold

Limited natural gas infrastructure can impact winter reliability due to increased heating demand and the potential for supply disruptions. While New England expects to have sufficient energy during a mild or moderate winter, reliability risk is elevated during a period of extended extreme cold conditions. Oil reserves are below normal levels. During extreme cold, switching fuel types is not always successful.

PJM Assessment

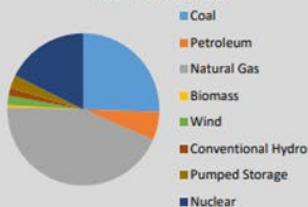


PJM

PJM Interconnection is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia. PJM serves 65 million customers and covers 369,089 square miles.

PJM is a Balancing Authority, Planning Coordinator, Transmission Planner, Resource Planner, Interchange Authority, Transmission Operator, Transmission Service Provider, and Reliability Coordinator.

On-Peak Fuel Mix



2022–2023 Winter Reliability Assessment 20

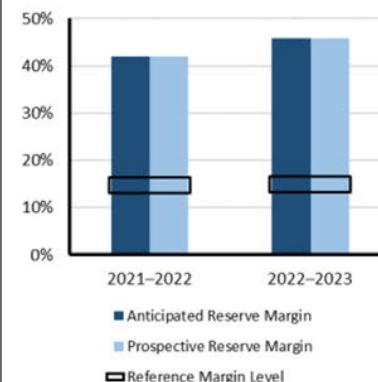
Highlights

- PJM expects no resource problems over the entire 2022–2023 winter peak season because installed capacity is almost three times the reserve requirement.
- No other reliability concerns are expected.

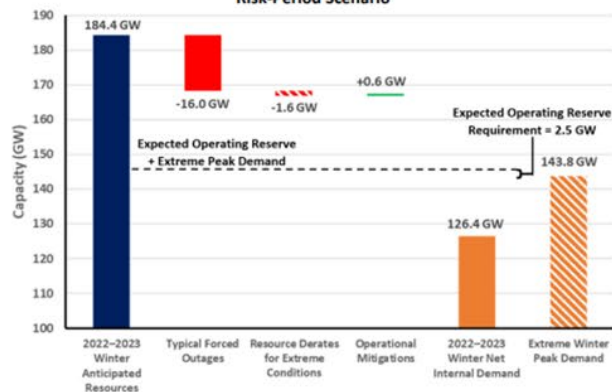
Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed scenarios.

On-Peak Reserve Margins



Risk-Period Scenario



Scenario Description (See [Data Concepts and Assumptions](#))

Risk Period: Highest risk for unserved energy at peak demand hour

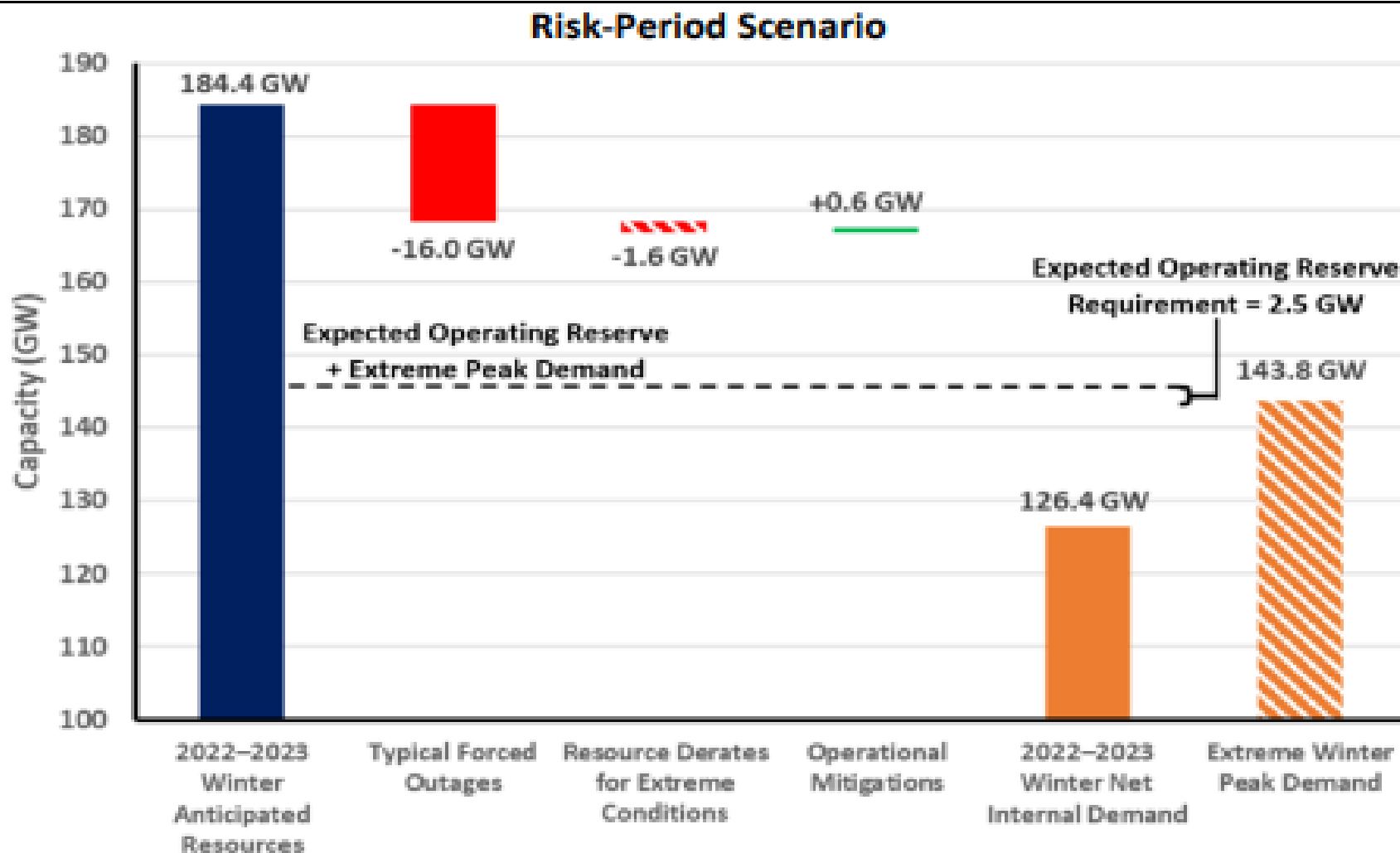
Demand Scenarios: Net internal demand (50/50) and (90/10) demand forecast

Outages: Based on historical data and trending

Extreme Derates: Accounts for reduced thermal capacity contributions due to performance in extreme conditions

Operational Mitigations: A total of 0.6 GW based on operational/emergency procedures

PJM Risk-Period Scenario

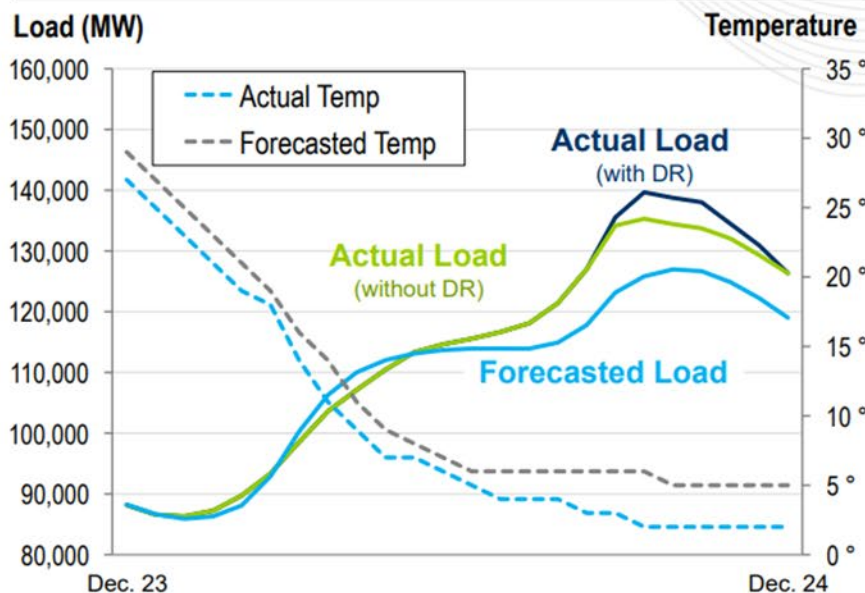


PJM Load

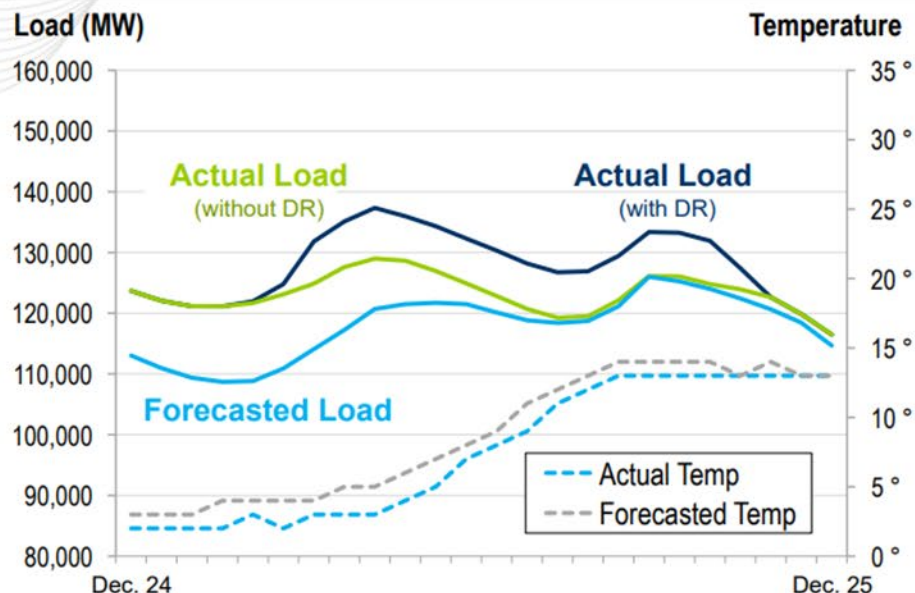


Actual Load Came in Higher Than Forecast
(Preliminary Data)

Dec. 23



Dec. 24



Actual load came in over 10% over forecast.

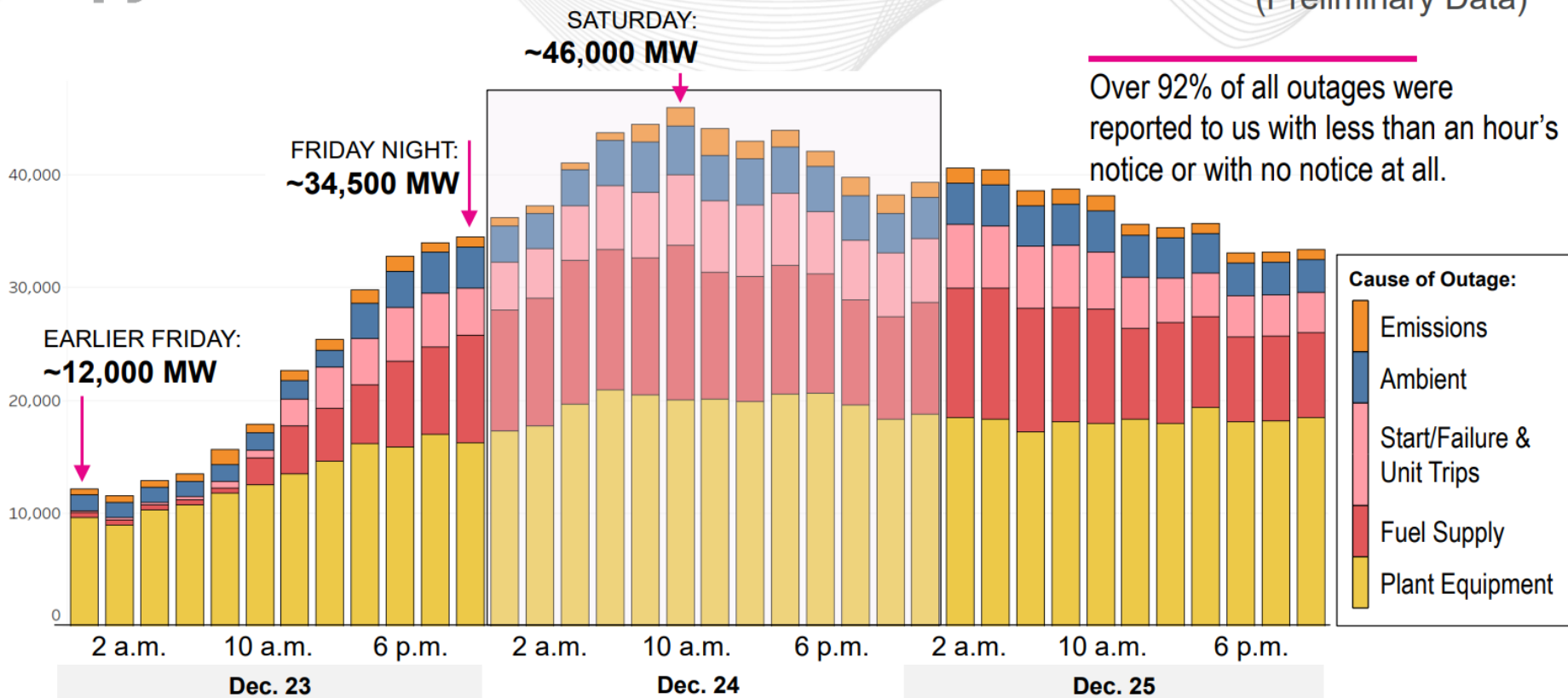
- Severe cold and blizzard conditions
- Most drastic temperature drop in a decade

- Early occurrence of cold weather
- Holiday impacts: rare instance of under-forecasting

PJM Resources



As We Called Reserves, a Significant Portion of Fleet Failed To Perform
(Preliminary Data)

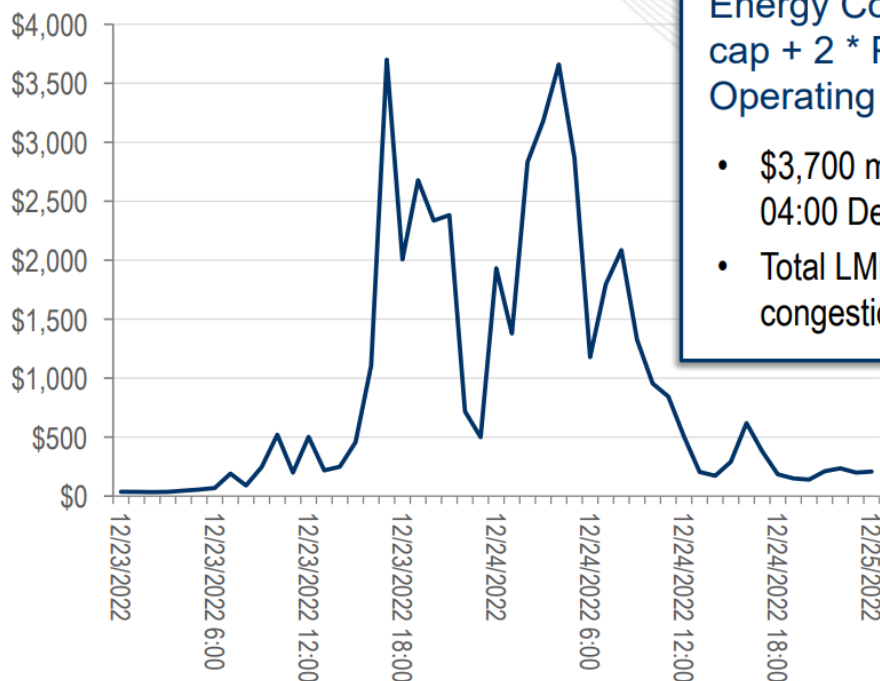


PJM Power Prices



System Energy Price Overview

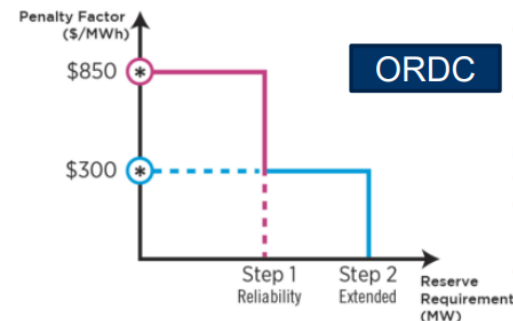
System Energy Price



Energy Component of LMP is capped at the energy offer cap + 2 * Penalty Factor from first step of reserve Operating Reserve Demand Curve (ORDC).

- \$3,700 multiple intervals, including all of 17:00 Dec. 23 and most of 04:00 Dec. 24
- Total LMPs were above this level when factoring in locational congestion and loss prices for multiple intervals.

Penalty Factor sets a price for being unable to meet the reserve requirement.



PJM Emergency Procedures

Emergency Procedures (Preliminary Data)

- **Cold Weather Alert issued** from 07:00 on 12/23 through 23:00 on 12/25 for Western Region.
- **Cold Weather Advisory** extended to 07:00 on 12/23 through 23:00 on 12/26 for Western Region.

- **12/23 17:30–22:15** – Pre-Emergency Load Mgmt. Reduction Action – RTO 30-minute response product
- **12/23 17:30–23:00** – Maximum Generation Emergency Action, Issues EEA2
- **12/23 17:45–21:30** – Emergency Load Mgmt. Reduction Action and a NERC level EEA2
- **12/23 18:00–22:15** – Pre-Emergency Load Mgmt. Reduction Action, 60-minute response product
- **12/23 23:00** – Max. Generation Emergency Alert/Load Mgmt. Alert for 12/24

- **12/24 04:25–22:00** – Max. Generation Emergency Action
- **12/24 04:52–18:34** – Voltage Reduction Alert issued for RTO
- **12/24 05:16–21:08** – Emergency Energy Request
- **12/24 07:15–18:15** – Voltage Reduction Warning and Reduction of NCPL
- **17:45** – DOE issues *Emergency Order under Section 202 (c) of Federal Power Act*
- **12/24 22:30** – PJM downgrades EEA2 to EEA1.

Dec. 20

Cold Weather Advisory from 07:00 on 12/23 through 23:00 on 12/25 for Western Region.
PJM expands Cold Weather Advisory to the entire RTO on 12/22.

Dec. 21

- **Cold Weather Alert issued** from 00:00 on 12/24 through 23:59 on 12/25 for the RTO.
- **12/23 10:14–10:25** – Synch. Reserve Event
- **12/23 16:17–18:09** – Synch. Reserve Event

Dec. 23

- **12/24 00:04–00:30** – 100% Synchronized Reserve Event initiated for the PJM RTO region.
- **12/24 02:23–03:24** – 100% Synchronized Reserve Event initiated for the PJM RTO region.
- *PJM Issues Call for Conservation effective 04:00 on 12/24 through 10:00 on 12/25.*
- **12/24 04:20–20:30** – Emergency Load Mgmt. Reduction Action and a NERC level EEA2 issued – All load mgmt.
- **12/24 04:23–05:51** – 100% Synchronized Reserve Event initiated for the PJM RTO region.

Dec. 24

Dec. 25

- **12/25 08:55** – Cold Weather Alert issued from 07:00 on 12/26 through 23:00 on 12/26 for Western Region
- **12/25 22:00** – EEA1 ends

MISO Assessment

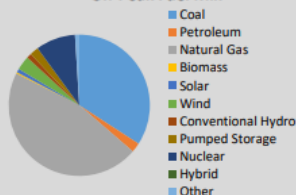


MISO

The Midcontinent Independent System Operator, Inc. (MISO) is a not-for-profit, member-based organization that administers wholesale electricity markets that provide customers with valued service; reliable, cost-effective systems and operations; dependable and transparent prices; open access to markets; and planning for long-term efficiency.

MISO manages energy, reliability, and operating reserve markets that consist of 36 local Balancing Authority and 394 market participants, serving approximately 42 million customers. Although parts of MISO fall in three Regional Entities, MRO is responsible for coordinating data and information submitted for NERC's reliability assessments.

On-Peak Fuel Mix



2022–2023 Winter Reliability Assessment 12

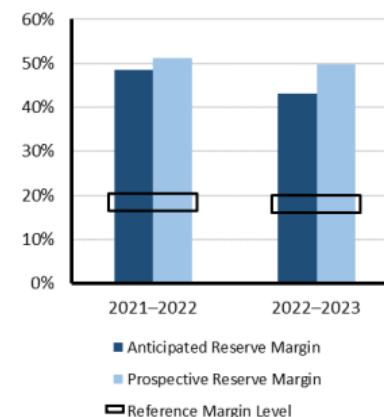
Highlights

- Since 2021–2022 winter, reserve margins in MISO have fallen by over 5%. Nuclear and coal-fired generation retirements total over 4.2 GW since the prior winter. Declining reserves are the result of few resource additions. Since last winter, more demand response (2,250 MW) and new wind generation (500 MW on-peak/3,200 MW nameplate) was added.
- MISO continues to survey and coordinate with its members on winter preparedness and fuel sufficiency. In addition, MISO is acknowledging that resource adequacy risk is not limited to the summer system peak season, MISO is filing changes to the resource adequacy construct to implement a seasonal resource adequacy construct and seasonal unit accreditation to better affirm adequate supply in all seasons.
- Though risk has been identified for this upcoming winter season in a high generation outage and high winter load scenario, MISO expects to maintain reliability through the use of measures that include load modifying resources (LMR) (MISO's demand response), non-firm transfers into the system, energy only interconnection service resources not receiving capacity credit, and/or internal transfers that exceed the sub-area import/export constraint between the MISO North/Central and South areas. MISO continues to coordinate extensively with neighboring RCs and BAs to improve situational awareness and vet needs for firm or non-firm transfers to address extreme system conditions.

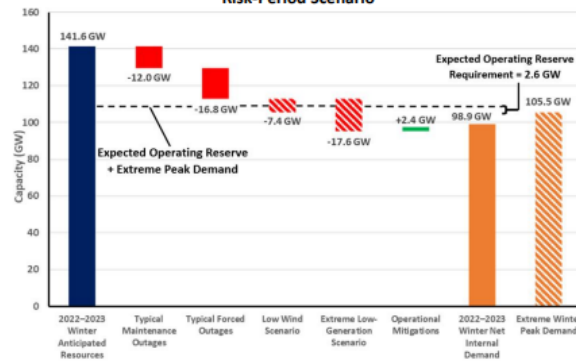
Risk Scenario Summary

Expected resources meet operating reserve requirements under normal peak-demand scenarios. Above-normal winter peak load and outage conditions could result in the need to employ operating mitigations (i.e., demand response and transfers) and energy emergency alerts (EEAs). Load shedding is unlikely but may be needed under wide-area cold weather events.

On-Peak Reserve Margins



Risk-Period Scenario



Scenario Description (See [Data Concepts and Assumptions](#))

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Net internal demand (50/50) and (90/10) demand forecast using 30 years of historical data

Maintenance Outages: Rolling five-year winter average of maintenance and planned outages

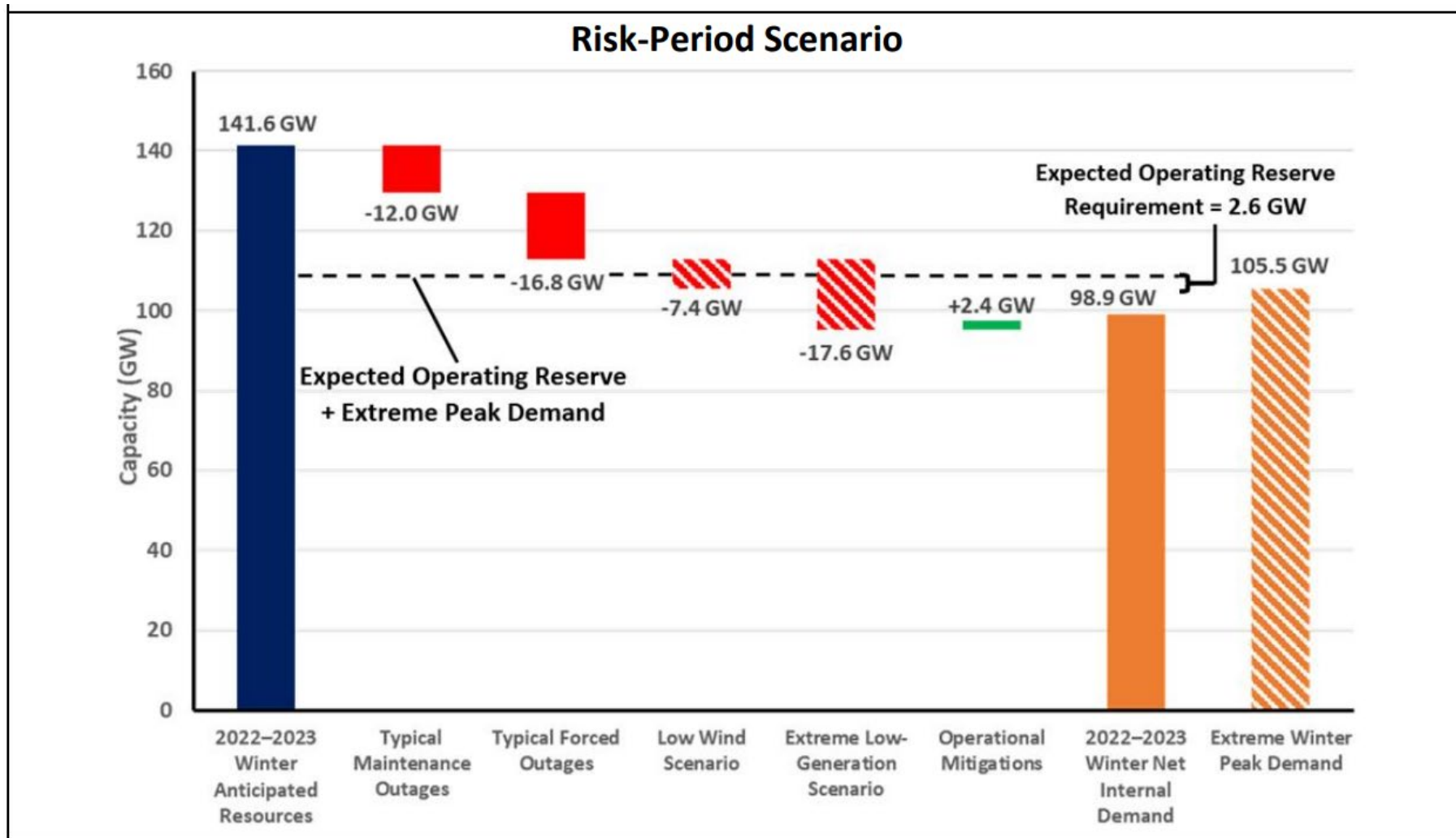
Forced Outages: Five-year average of all outages that were not planned

Low Wind Scenario: Below average wind contributions

Extreme Low-Generation: Maximum historical generation outages

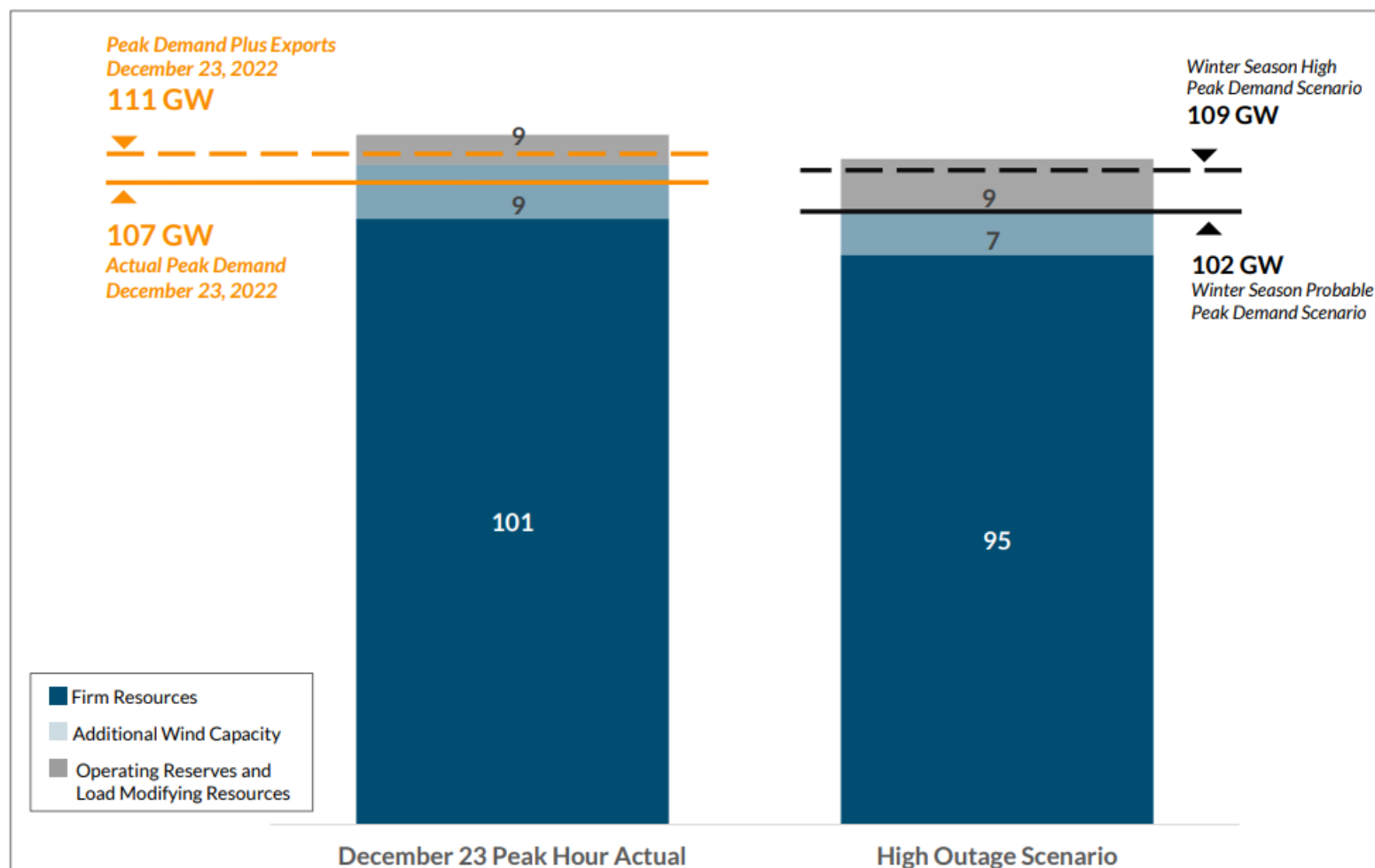
Operational Mitigations: A total of 2.4 GW capacity resources available during extreme operating conditions

MISO Risk-Period Scenario



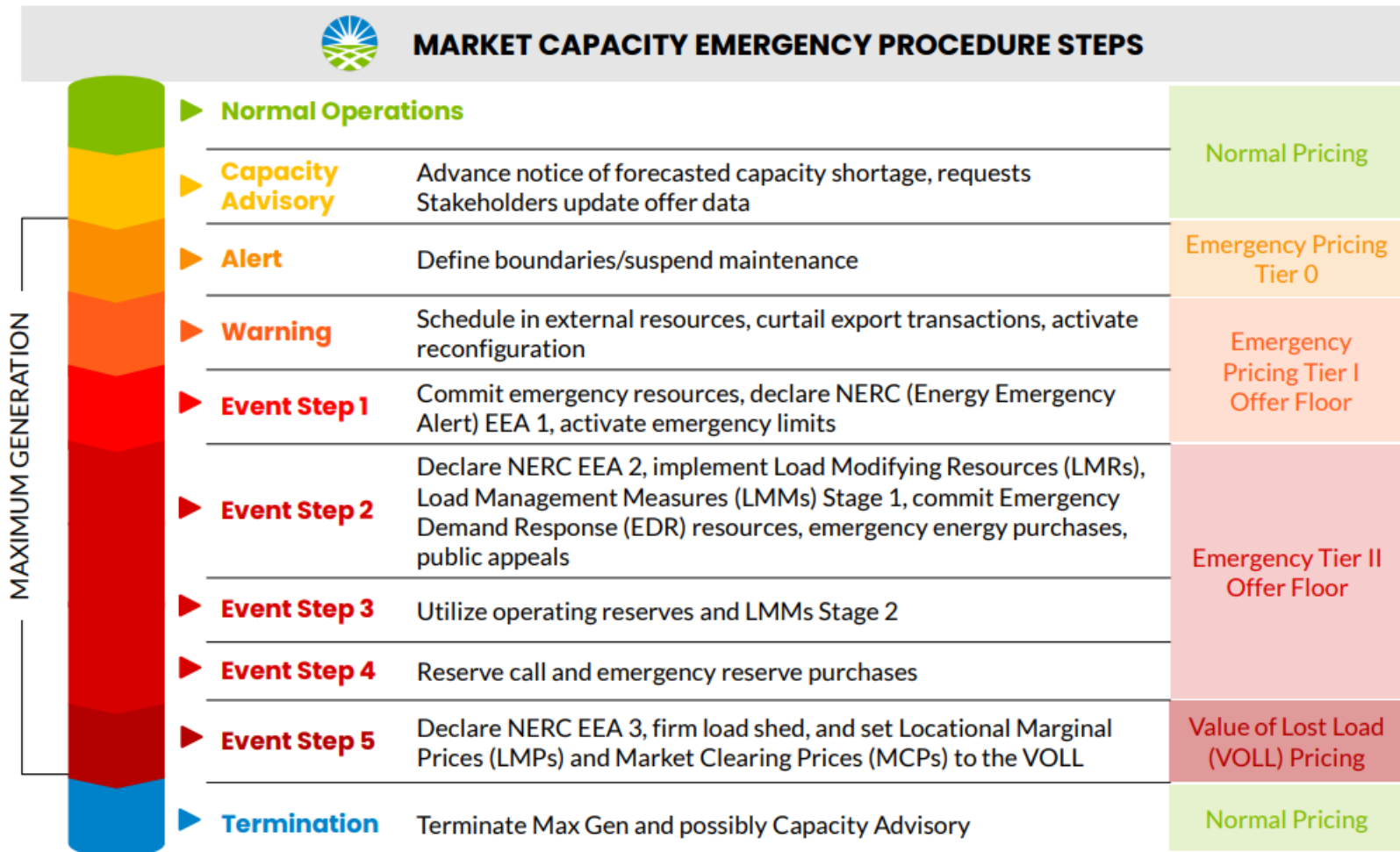
MISO Load/Resources

Reserve capacity was closely monitored, and exports would have been curtailed if conditions had worsened



MISO Emergency Procedures

MISO's operating procedures ensure reliability and gain access to additional resources during extreme situations



ALERTS

Cold Weather Alert (South)

DEC 22, noon EST – DEC 26,
noon EST

Unseasonably cold weather
expected across MISO

WARNINGS

Maximum Generation Warning (South)

DEC 23, 9:15 a.m. – 12:45 p.m. EST

Conservative Operations (South)

DEC 23, 9:15 a.m. EST – DEC 26, midnight EST

Tightened conditions due to unit trips and
failures to start (~2 GW), higher-than-forecast
South load (~2.5 GW), and reduced RDT flow
limit N-S (to 1.5 GW)

Maximum Generation Warning (Footprint)

DEC 23, 4:30 p.m.

Conservative Operations (Footprint)

DEC 23, 9 p.m. EST – DEC 24, noon EST

Tighter conditions due to higher-than-forecast
system-wide loads, forced outages driven
primarily by fuel supply issues
and units that failed to start

EVENTS

Maximum Generation Event, Step 1b (Footprint)

DEC 23, 5:30 p.m.

Tight conditions worsened
with real-time transmission
congestion and diminishing
generation deliverability

Maximum Generation Event, Step 2a (Footprint)

DEC 23, 6 p.m. – 9 p.m. EST

Emergency procedures
allowed access to demand
response, which reduced the
peak demand

SERC-Central Assessment



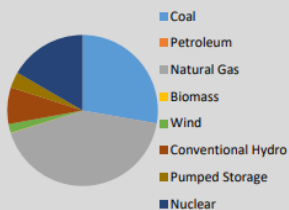
SERC-Central

SERC-Central is a winter-peaking assessment area within the SERC Regional Entity. SERC-Central includes all of Tennessee and portions of Georgia, Alabama, Mississippi, Missouri, and Kentucky.

SERC is one of the six companies across North America that are responsible for the work under Federal Energy Regulatory Commission approved delegation agreements with NERC. SERC-Central is specifically responsible for the reliability and security of the electric grid across the Southeastern and Central areas of the United States. This area covers approximately 630,000 square miles and serves a population of more than 91 million.

The SERC Regional Entity includes 36 Balancing Authorities, 28 Planning Authorities, and 6 Reliability Coordinators.

On-Peak Fuel Mix



2022–2023 Winter Reliability Assessment

22

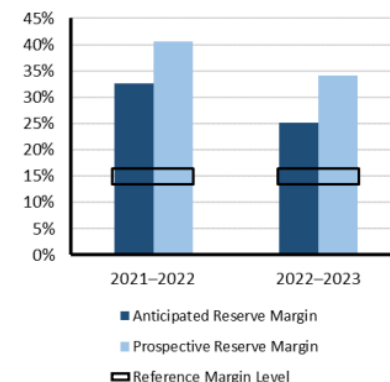
Highlights

- SERC-Central has not identified any emerging or potential reliability issues for the upcoming winter season.
- SERC-Central does not anticipate any significant reliability issues because of fuel supply, inventory, or transportation.
- SERC-Central has extensive weatherization processes that include procedures specific to freezing events and is prepared to respond to unexpected day-to-day events and coordinate with neighboring entities to promote overall system reliability.

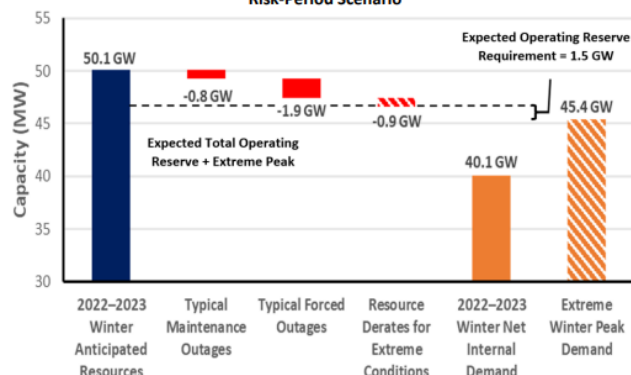
Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed scenarios.

On-Peak Reserve Margins



Risk-Period Scenario



Scenario Description (See [Data Concepts and Assumptions](#))

Risk Period: Highest risk for unserved energy at peak demand hour

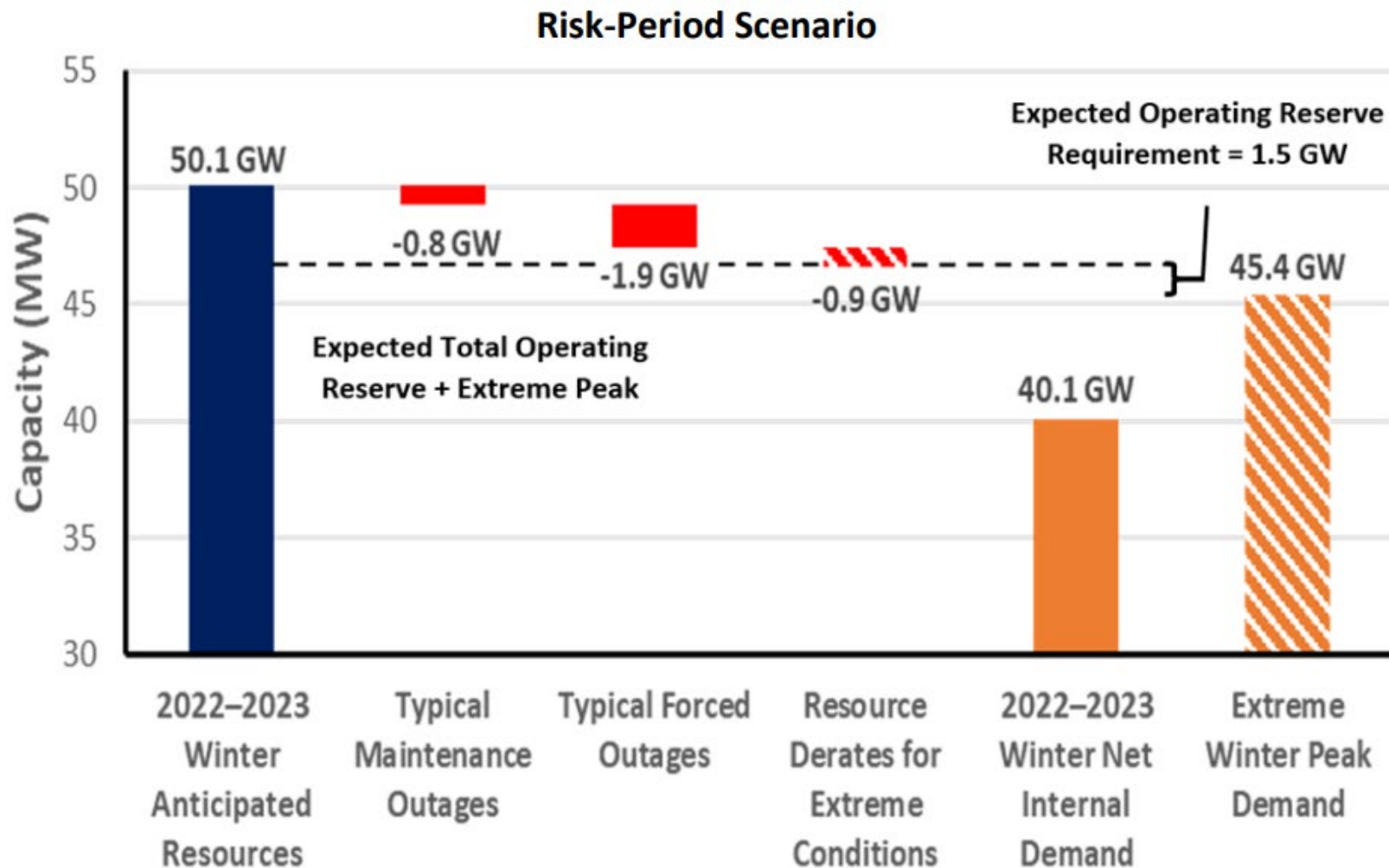
Demand Scenarios: Net internal demand (50/50) and (90/10) demand forecast

Maintenance Outages: Data collected through a survey of members for outages during December through February

Forced Outages: Weighted average forced outage rates on-peak are factored into the anticipated resources calculation

Extreme Derates: Accounts for reduced thermal capacity contributions due to performance in extreme conditions

SERC-Central Risk-Period Scenario



TVA Action - Rolling Blackouts

On Dec. 23 and Dec. 24, TVA purchased an average of 5,433 megawatts per hour.

TVA issued the rolling blackouts on two occasions:

- Friday, Dec. 23 from 9:31 a.m. to 11:43 a.m.
- Saturday, Dec. 24 from 4:51 a.m. to 10:31 a.m.

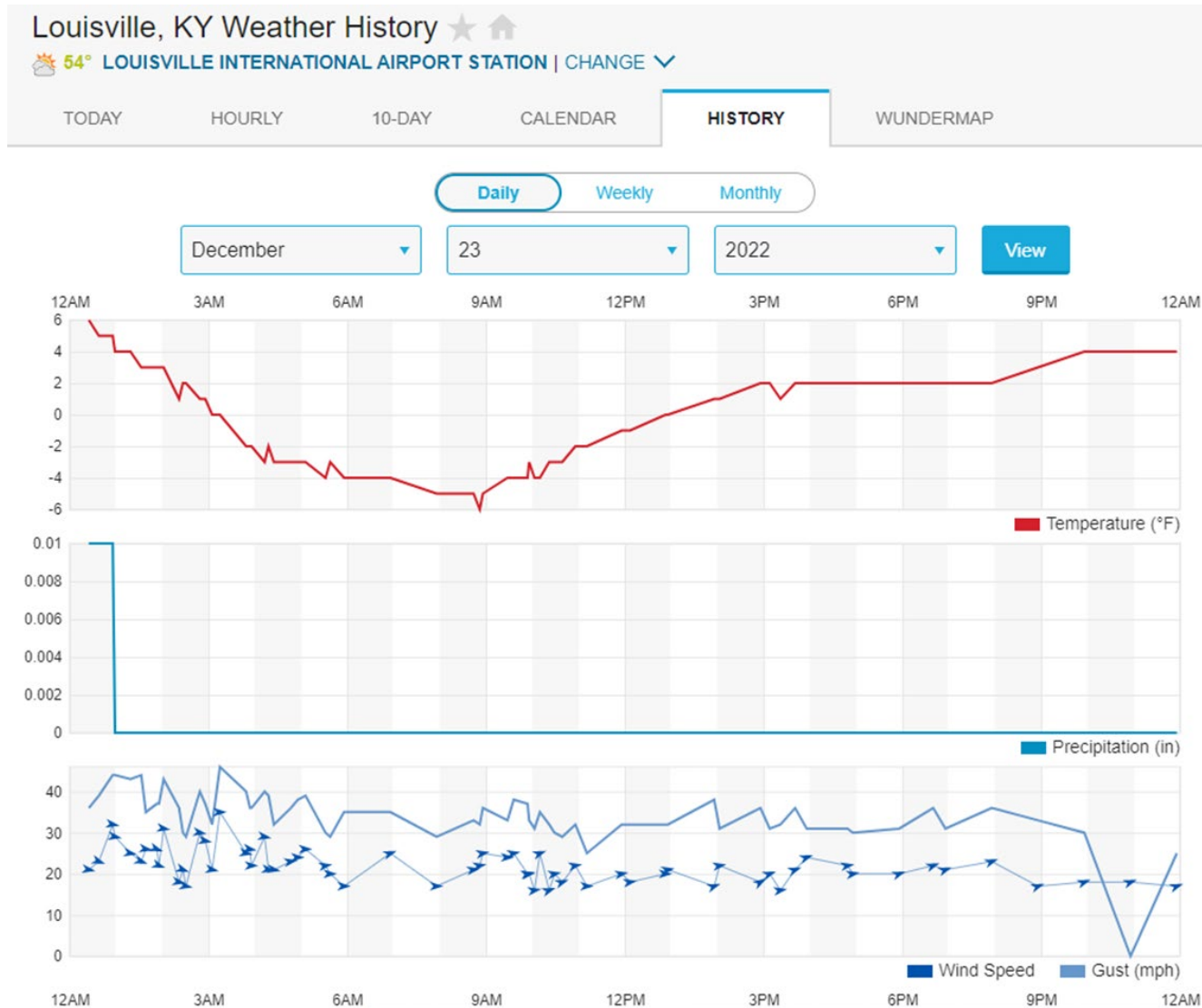
"Any power disruptions directly associated with TVA's directive were intended to cause power interruptions of only 30 minutes or less," TVA said.

Louisville Gas and Electric Company, along with Kentucky Utilities Company, announced Friday night that — due to extreme cold — pressures on the regional electricity grid are resulting in scattered power outages.

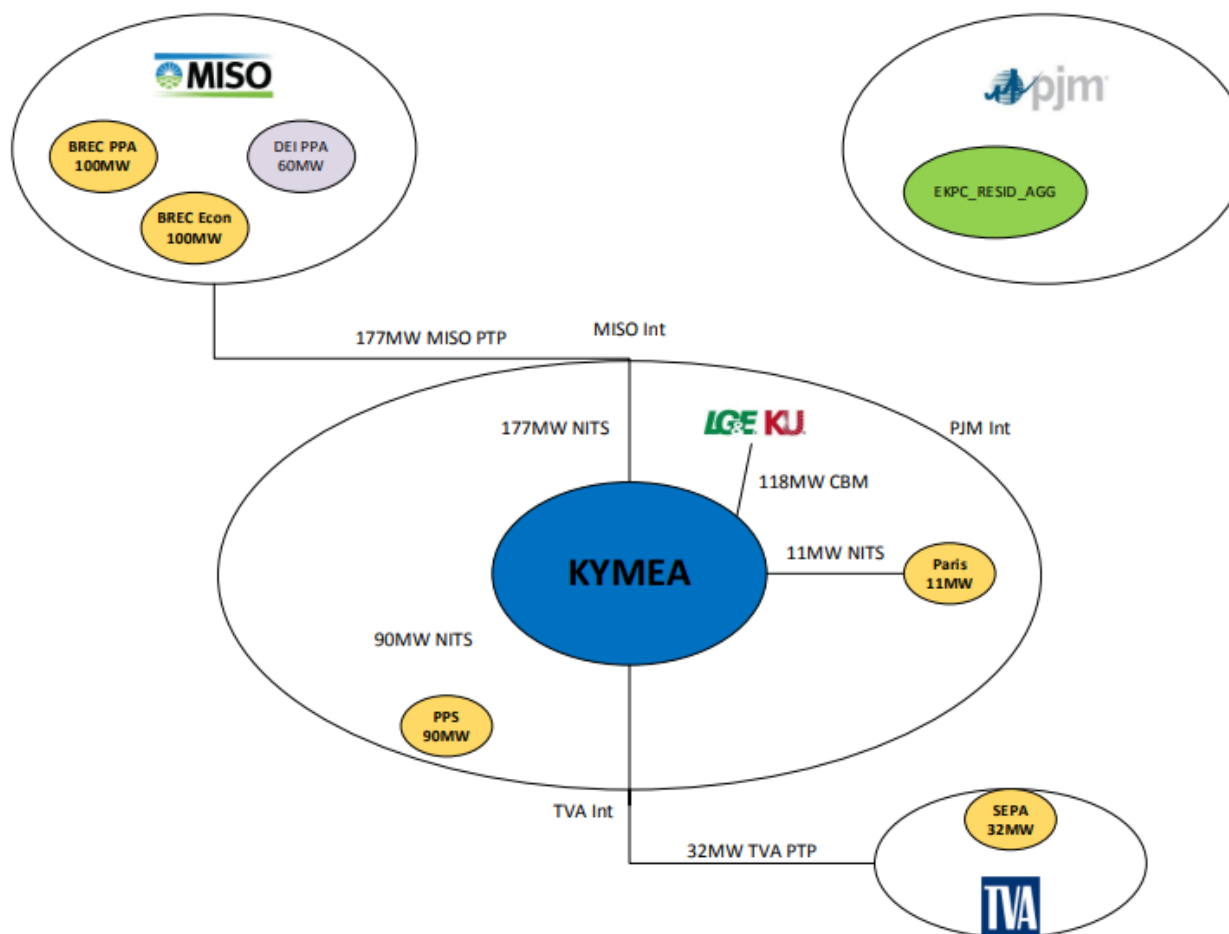
The company is asking for customers' assistance in reducing energy consumption.

As such, and according to a release, they are performing “brief service interruptions in intervals across [their service territories].” And while outage durations will vary, the target is 30 minutes.

Louisville Weather Conditions

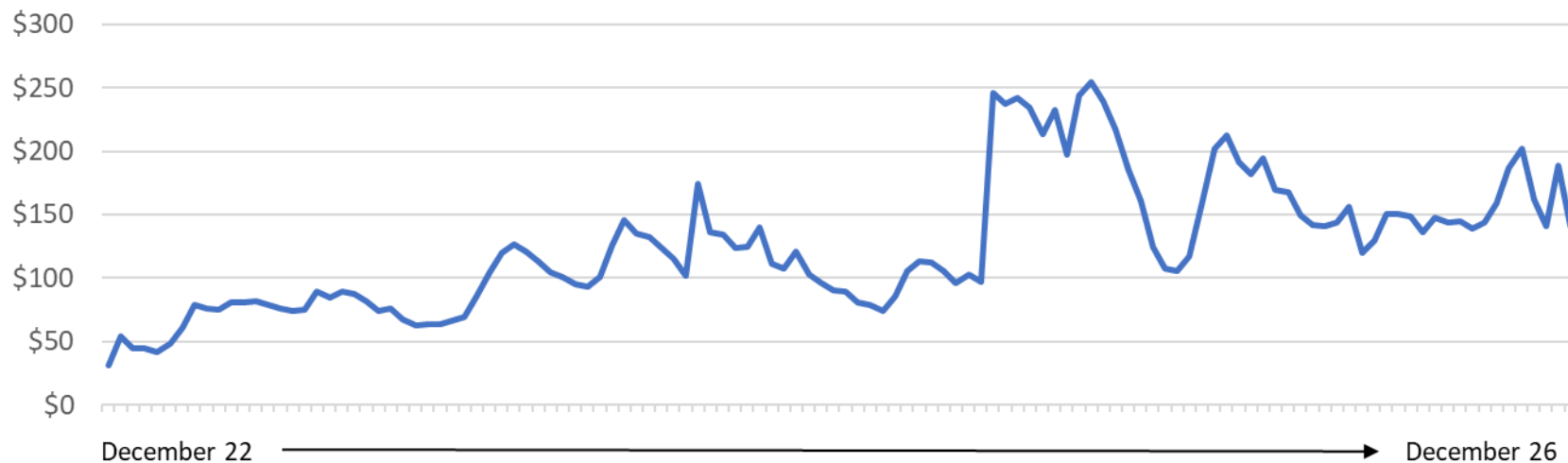


FY 2023 Capacity and Transmission Portfolio

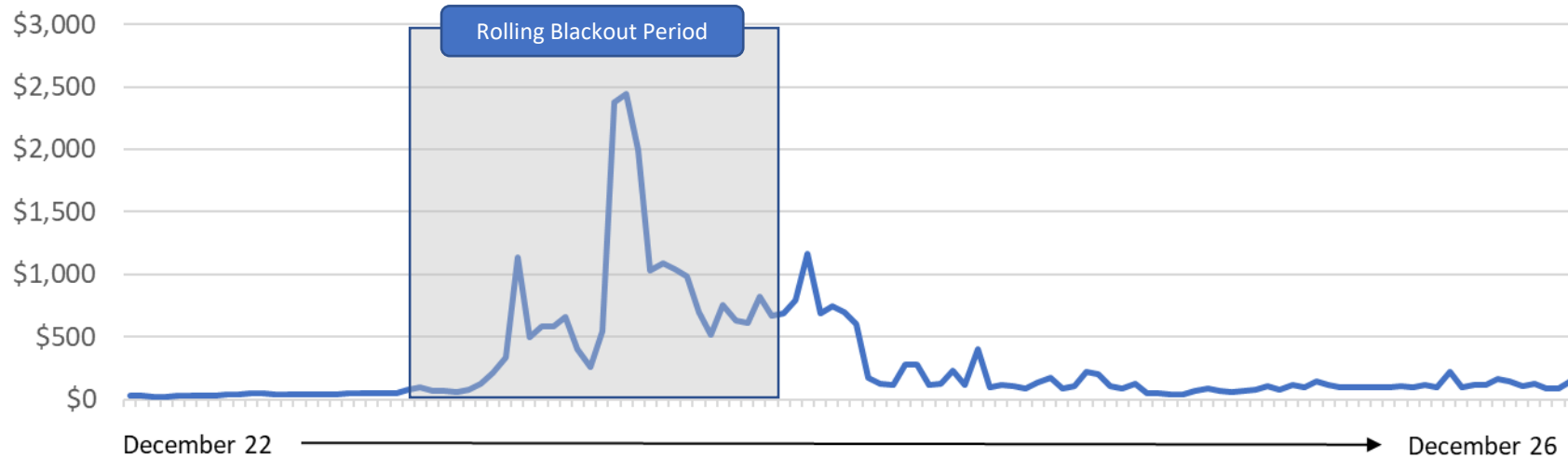


LGEE Market Prices

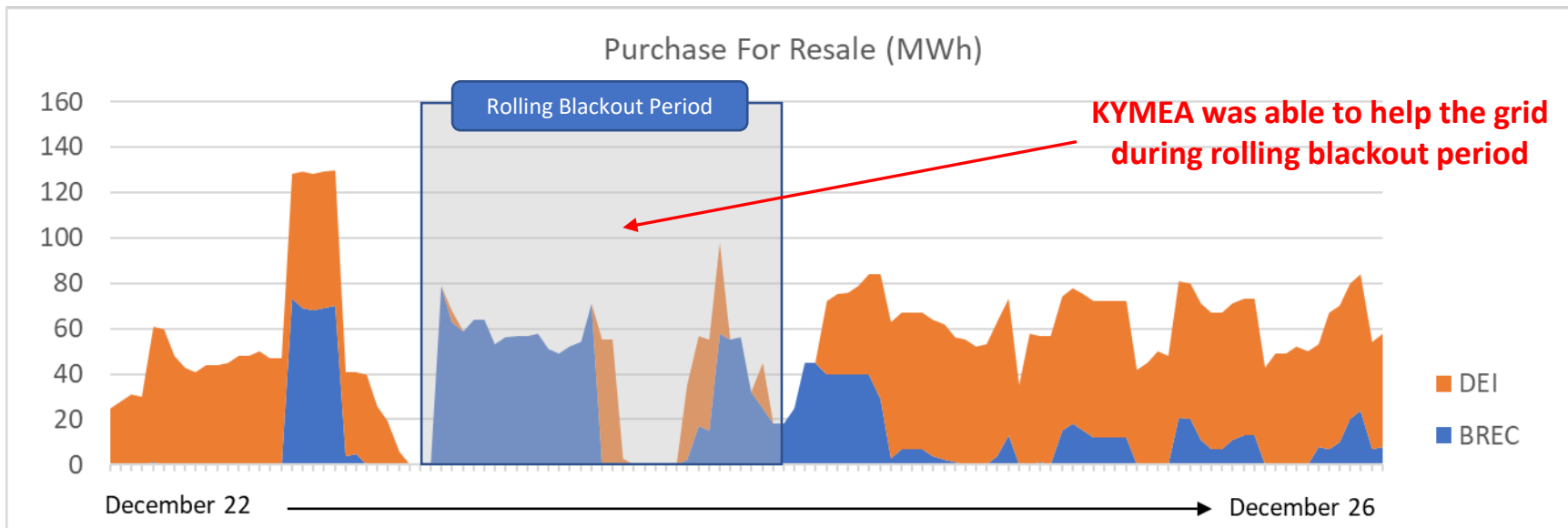
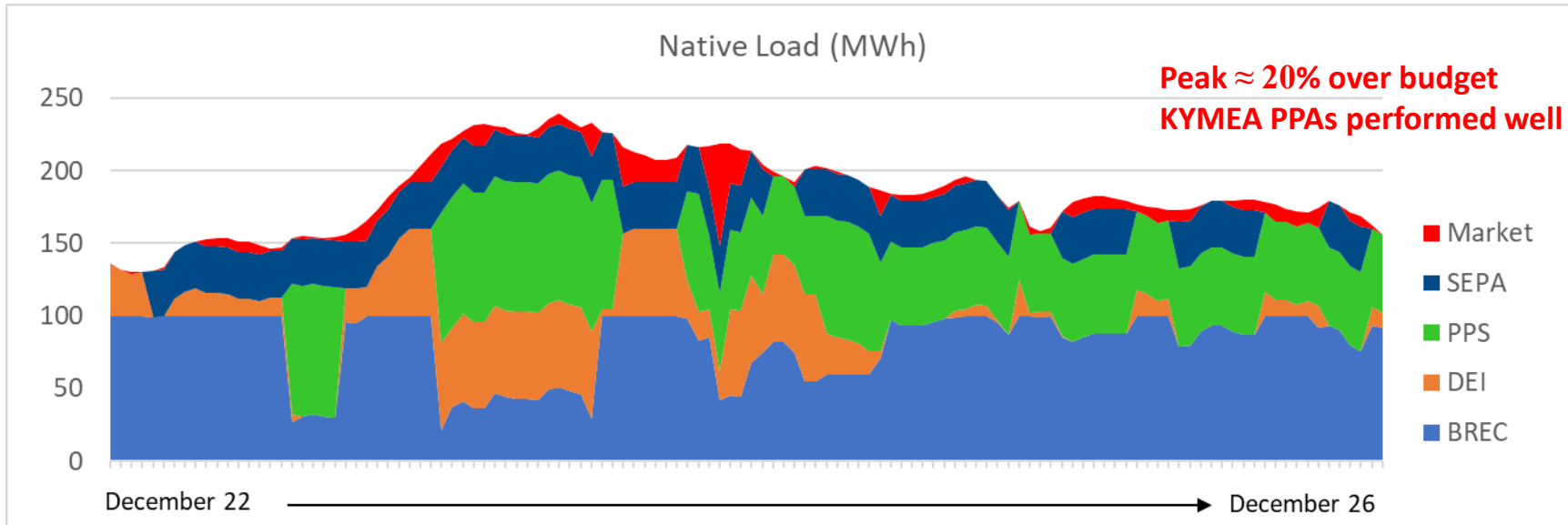
LGEE Interface - Day Ahead Prices (\$/MWh)



LGEE Interface - Real-Time Prices (\$/MWh)



KYMEA Dispatch



SECTION 1.1

KYMEA EMERGENCY OPERATING PROCEDURES

Purpose

The purpose of this document is to formalize the procedure of the Kentucky Municipal Energy Agency ("KYMEA") regarding an event that would constitute emergency operating conditions:

- identify possible types of emergency conditions;
- definition of each emergency situation;
- guidelines for troubleshooting and action steps; and
- a guide to communicating with KYMEA members during an emergency situation.

The KYMEA Emergency Operating Procedures will outline the fundamental guidelines for the management of each emergency identified and address the effects of an operating emergency by ensuring an Operating Plan is developed to mitigate operating emergencies, and that those plans are coordinated within the Balancing Authority and Reliability Coordinator. Administrative procedures and communication steps needed to effectively manage the operating emergency will be documented in the procedures.

Normal Operating Conditions		Emergency Operating Conditions			
Routine	Abnormal	Level 0	Level 1	Level 2	Level 3

KYMEA Notifications

- Fri
12/23/2022
3:35 PM
- Members:** KYMEA just received a call from LG&E/KU, they have just ended an EEA Level 3 and are currently in an EEA Level 2 due to gas pressure issues. There is concern that if the pressure does not improve they will have to declare an EEA Level 3 again this evening as load increases. MISO appears to be OK at this point but was in a Max Generation Alert this morning. TVA has already implemented rolling brown-outs. I will continue to update as information is received.
- Fri
12/23/2022
4:39 PM
- Members:** As of 13:36, LG&E/KU BA entered an EEA 3. At 14:52, LG&E/KU BA entered an EEA 2 which stands currently. Consistent with the LG&E/KU Capacity and Energy Emergency Operating Plan (EOP-011), we would like you to know that in the event load shed occurs (EEA 3), there could be the possibility of the LG&E/KU BA issuing an Operating Instruction to coordinate the load shed event with all its LSEs.
- Fri
12/23/2022
4:43 PM
- Paris Diesels:** Gentlemen, Given the current status of the energy supply/demand abroad, it may become necessary to operate the diesel peaking units. LG&E is currently in an EEA Level 2 and MISO has declared a Max Gen Warning effective 16:30 EST. I just want to make sure everyone is aware at the ready if need be.
- Fri
12/23/2022
5:24 PM
- ACES Hourly Desk:** Just a reminder, our contracts with BREC and DEI are slices of system and the capacity associated with those contracts has been withheld from the auction. In the event MISO wants to curtail exports, our contracts are treated no differently than BREC or DEI loads.
- Fri
12/23/2022
5:40 PM
- Members:** MISO EEA1
Max Gen Event - EEA 1 effective 12/23/2022 17:30 EST - 12/23/2022 5:23 PM

Fri
12/23/2022
5:51 PM

Members: MISO EEA2

Max Gen Event - EEA 2 effective 12/23/2022 18:00 EST - 12/23/2022 5:41 PM

Fri
12/23/2022
5:57 PM

Members: PJM Emergency Procedures



Emergency Procedures (Selected)

This page displays a subset of Emergency Procedures. For the complete set of Emergency Procedures, consult the [Emergency Procedures](#) tool.

Emergency Load Mgmt Reduction Action

Performance Assessment Hour Guidance is in effect

Effective 12.23.2022 06:00 EPT

An Emergency Load Mgmt Reduction Action and a NERC level EEA2 have been issued. Load reduction start times can be found by clicking on the hyperlink(s) in the Regions column. Load reductions should continue until released by PJM. Reductions are mandatory based on product requirements. CSPs should review DR Hub for specific registration details. Lead Time(s) dispatched: Short_60 . Product(s) dispatched: Capacity Performance DR

Affected region(s): DOM, COMED, AEP, DPL, FE-PH, FE-ATSI

Pre-Emergency Load Mgmt Reduction Action

Performance Assessment Hour Guidance is in effect

Effective 12.23.2022 06:00 EPT

A Pre-Emergency Load Mgmt Reduction Action has been issued. Load reduction start times can be found by clicking on the hyperlink(s) in the Regions column. Load reductions should continue until released by PJM. Reductions are mandatory based on product requirements. CSPs should review DR Hub for specific registration details. Lead Time(s) dispatched: Short_60 . Product(s) dispatched: Capacity Performance DR

Affected region(s): DAY, DPL, FE-PH, AECO, FE-JC, FE-ATSI, PSEG, PPL, FE-AP, AEP, PECO, DEOK, FE-ME, BGE, COMED, PEPCO, DUQ, DOM, EKPC

Emergency Load Mgmt Reduction Action

Performance Assessment Hour Guidance is in effect

Effective 12.23.2022 05:45 EPT

An Emergency Load Mgmt Reduction Action and a NERC level EEA2 have been issued. Load reduction start times can be found by clicking on the hyperlink(s) in the Regions column. Load reductions should continue until released by PJM. Reductions are mandatory based on product requirements. CSPs should review DR Hub for specific registration details. Lead Time(s) dispatched: Quick_30 . Product(s) dispatched: Capacity Performance DR

Affected region(s): FE-JC, FE-PH, COMED, FE-AP, AEP, DUQ, PECO, DEOK, BGE, EKPC, FE-ATSI, DAY, DOM, PEPCO, DPL

Maximum Generation Emergency Action

Performance Assessment Hour Guidance is in effect

Effective 12.23.2022 05:30 EPT

A Maximum Generation Emergency Action has been issued.

Affected region(s): PJM-RT0

Pre-Emergency Load Mgmt Reduction Action

Performance Assessment Hour Guidance is in effect

Effective 12.23.2022 05:30 EPT

A Pre-Emergency Load Mgmt Reduction Action has been issued. Load reduction start times can be found by clicking on the hyperlink(s) in the Regions column. Load reductions should continue until released by PJM. Reductions are mandatory based on product requirements. CSPs should review DR Hub for specific registration details. Lead Time(s) dispatched: Quick_30 . Product(s) dispatched: Capacity Performance DR

Affected region(s): FE-AP, AEP, FE-ME, BGE, PECO, EKPC, COMED, DUQ, RECO, AECO, PSEG, PEPCO, DOM, DEOK, FE-JC, FE-ATSI, DPL, DAY, FE-PH, PPL

KYMEA Notifications

Fri
12/23/2022
6:12 PM

Members: KYMEA PCA Enacted

Below is a template social media post that we are recommending. Please feel free to revise as needed for your community.

Power Conservation Alert

beginning December 23, 2022, 18:00 Eastern Standard Time until further notice

Due to low temperatures and high electricity demand of consumers, We are asking our members' customers to voluntarily conserve electricity beginning December 23rd, 18:00 EST, until December 23rd, 2022 at 22:00 EST notice.

We are encouraging our members' customers to reduce their electricity use during this time to save money now and later. Participation will lower electric use throughout the community and reduce utility energy costs over time. The more people to participate, the bigger the impact on the community.

Here are some ways that customers can help:

1. Turn your thermostat down 2-3 degrees;
2. Limit the use of other large, heat-producing appliances (dishwasher, dryer, oven, etc.)
3. Close your blinds and drapes to keep the cold out.

This market-wide capacity advisory alert originated from MISO, a power supplier responsible for operating the power grid across 15 U.S. states and the Canadian province of Manitoba.

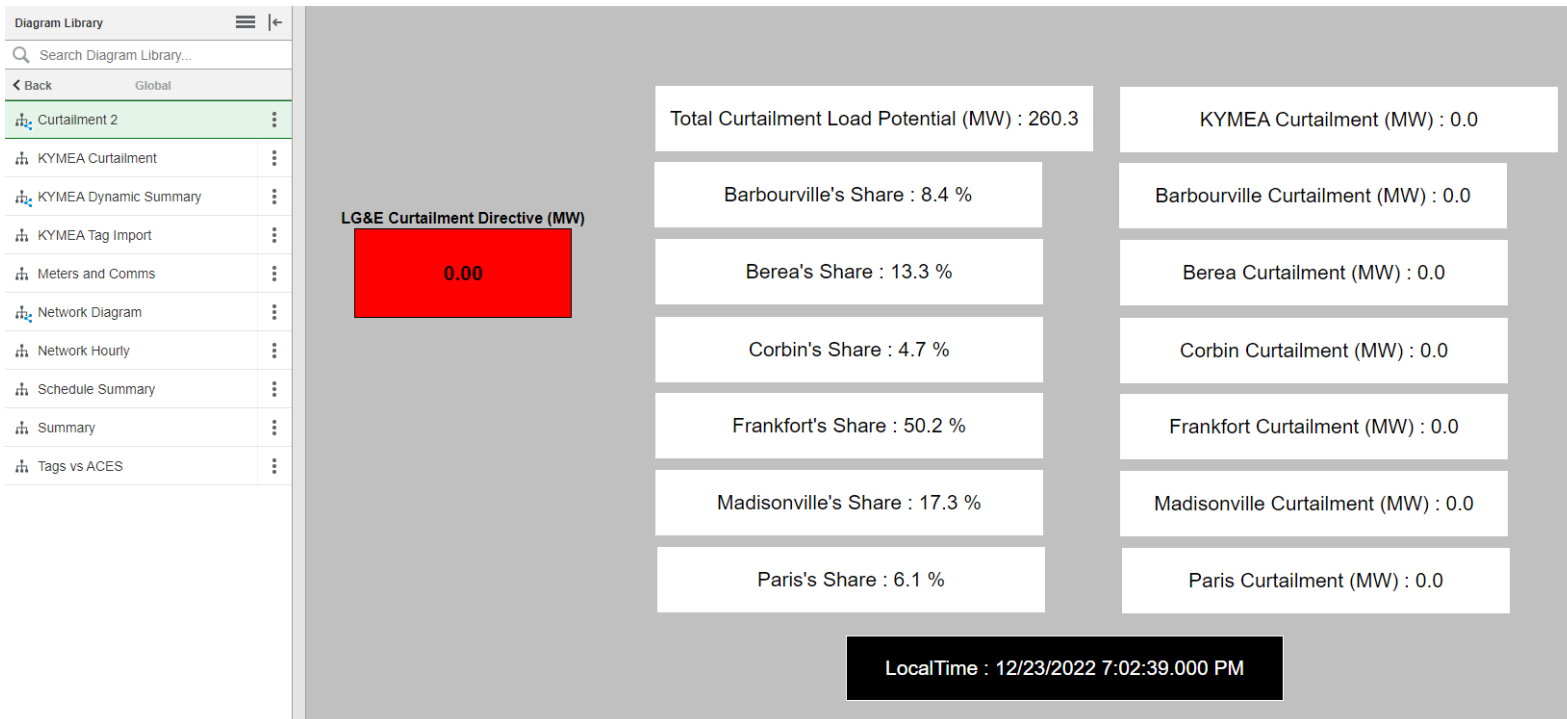
This is a voluntary action that is triggered to mitigate the effects of tight power supply and transmission during heavy customer usage. Please monitor our website at www.kymea.org or LinkedIn for alerts to return to routine operating conditions.



KYMEA Notifications

Fri
12/23/2022
7:05 PM

ACES Hourly Desk: Notification from KYMEA. If LG&E gives a directive to curtail load, enter the volume into the red box on the Curtailment 2 diagram inside of PME. Round-up to the nearest MW by each member and send the directive to KYMEA Curtailment. See below.



Member	Share (%)	Curtailment (MW)
Total Curtailment Load Potential	260.3	
KYMEA Curtailment		0.0
Barbourville	8.4 %	0.0
Berea	13.3 %	0.0
Corbin	4.7 %	0.0
Frankfort	50.2 %	0.0
Madisonville	17.3 %	0.0
Paris	6.1 %	0.0

LocalTime : 12/23/2022 7:02:39.000 PM

Fri
12/23/2022
7:20 PM

Members: In the event we receive a curtailment directive from LG&E/KU, that directive will be broadcast to this distribution list with each participating members share of the curtailment total. This will come from ACES. The calculation is based upon real-time load data. Given that LG&E/KU is already in an EEA 2, the implementation time will be minimal for compliance before LG&E/KU begins to open lines.

KYMEA Notifications

Fri 12/23/2022 8:49 PM **Members:** MISO has terminated the Max Gen Event effective 21:00 EST and has declared conservative operations.

Max Gen Termination effective 12/23/2022 21:00 EST - 12/23/2022 8:35 PM

Sat 12/24/2022 8:12 AM **Staff Discussion:** As of now, PJM will be in an EEA Level 2 effective at 5:21 this evening, MISO is still in conservative ops. PPS was reduced from 90 to 51 due to issues. Have to track that, as real-time prices are through the roof.

Sat 12/24/2022 9:01 AM **Members:** We will continue with the PCA implementation until further notice. MISO is currently operating under conservative operations and PJM has issued an EEA Level 2 for this evening's peak. Supply wise, KYMEA has been getting curtailed on some of the exports from MISO due to transmission constraints. The PPS output has also been reduced due to issues at the plant. ACES is in the process of procuring energy from PJM and is planning on running the Paris diesel units for this evening's peak. In the event we are unable to meet demand, LG&E will issue curtailment directives to ACES and ACES will forward those to this distribution list. I will update as things change.



Sat 12/24/2022 9:08 AM **Members:** MISO is asking that we continue to conserve energy today. Please continue encouraging customers to conserve. We will be in touch with any changes.

Sun 12/25/2022 10:23 AM **Members:** Merry Christmas everyone! Just a brief update, the conservative operations in MISO is terminated. As of now MISO is operating under normal conditions.

*Member Notifications began (Fri 12/23/2022 3:35 PM) and ended (Sun 12/25/2022 10:23 AM) ~ 43 Hours.
KYMEA fielded member calls from Bardwell, Benham, Frankfort, Madisonville, Paris, and Providence.*



KENTUCKY MUNICIPAL ENERGY AGENCY



FY2024 Service Rates

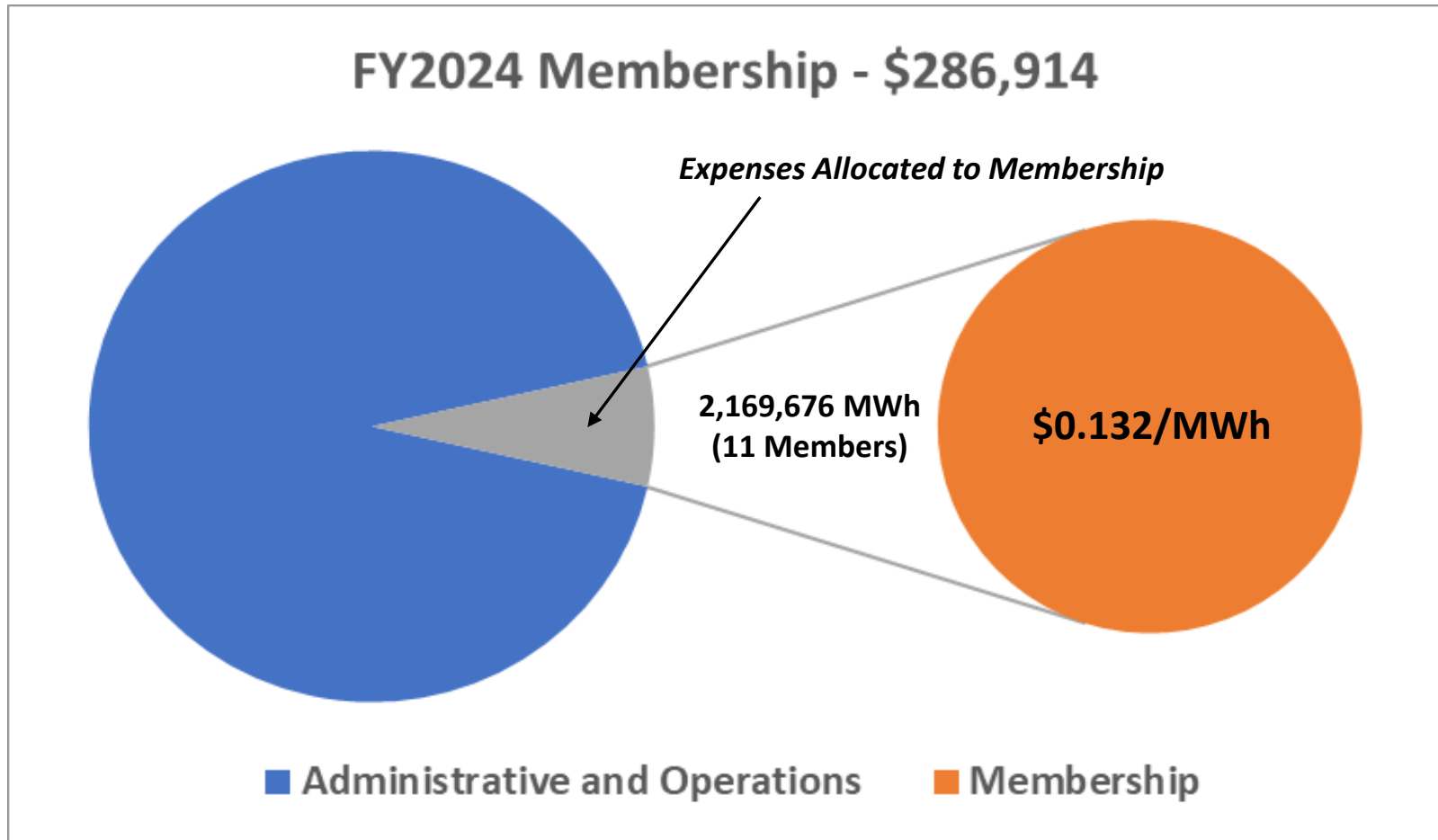
Service Rates

- Effective July 1, 2023
 1. Membership - \$0.132/MWh
 2. Dispatch - \$0.536/MWh
 3. Transmission - \$0.978/MWh
 - \$0.532/MWh for transmission service
 - \$0.446/MWh for energy carrying charge
 4. Resource Planning - \$0.367/MWh

Membership Rate

- \$286,914 allocated across 11 members (\$0.132/MWh)
- Allocated Expenses: 10% of Salaries/Benefits, General Counsel, Advisors, Select Administrative Office Expenses, and Board Expenses
- Direct Expenses: APPA, KMUA, Kentucky Chamber, Lobbyist, Strategic Planning

Membership/User Rate

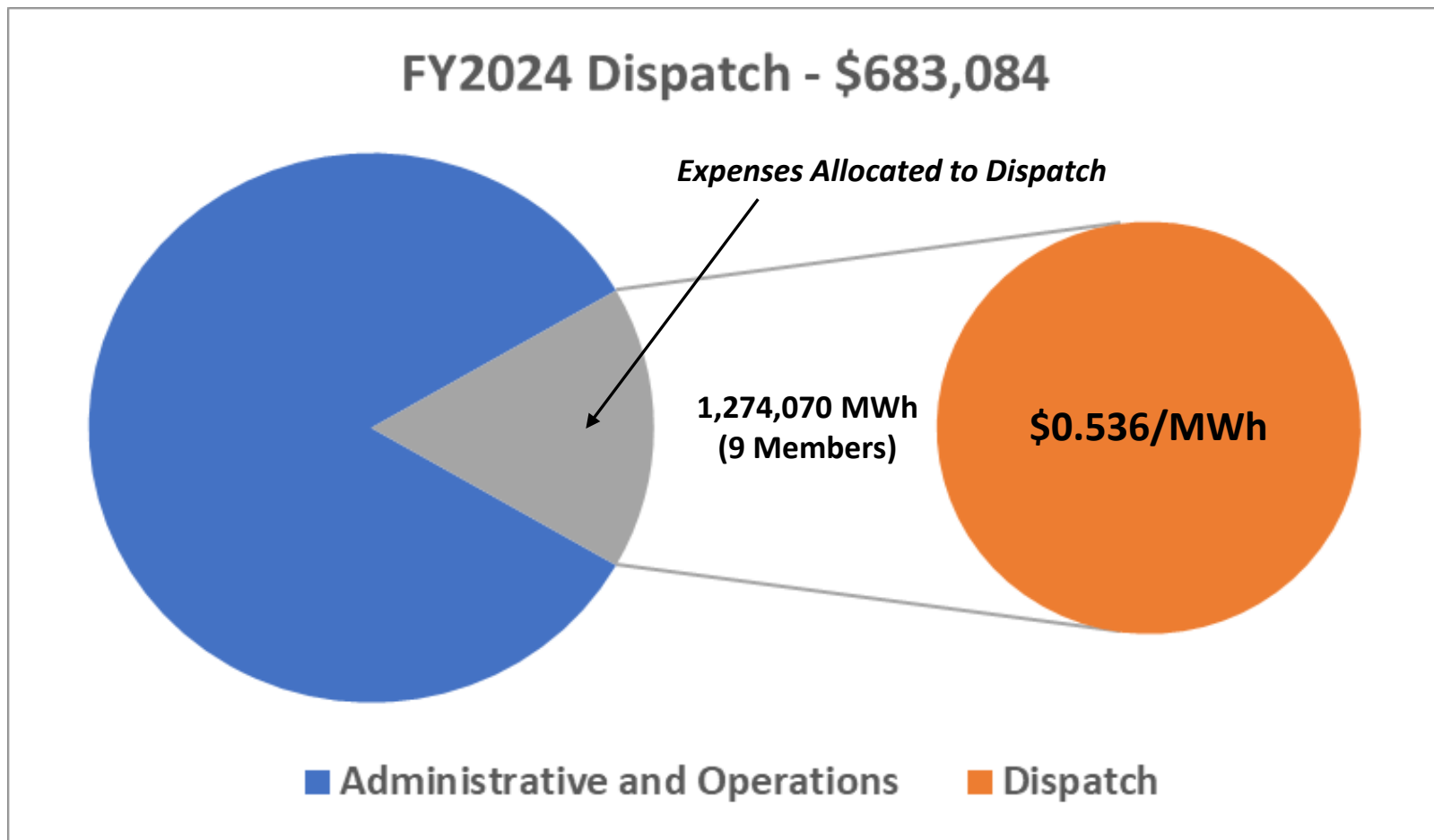


Fee applied for membership with eligibility to receive agency services

Dispatch Rate

- \$683,084 allocated across 9 members (\$0.536/MWh)
- Total Dispatch (1,274,070 MWh)
 - Load Dispatch for 8 AR Members (1,216,410 MWh)
 - SEPA Dispatch for 9 SEPA Members (57,660 MWh)
- Allocated Expenses: 10% of Salaries/Benefits and Select Administrative Office Expenses
- Direct MAC Expenses: ACES Standard Service

Dispatch/MAC Rate

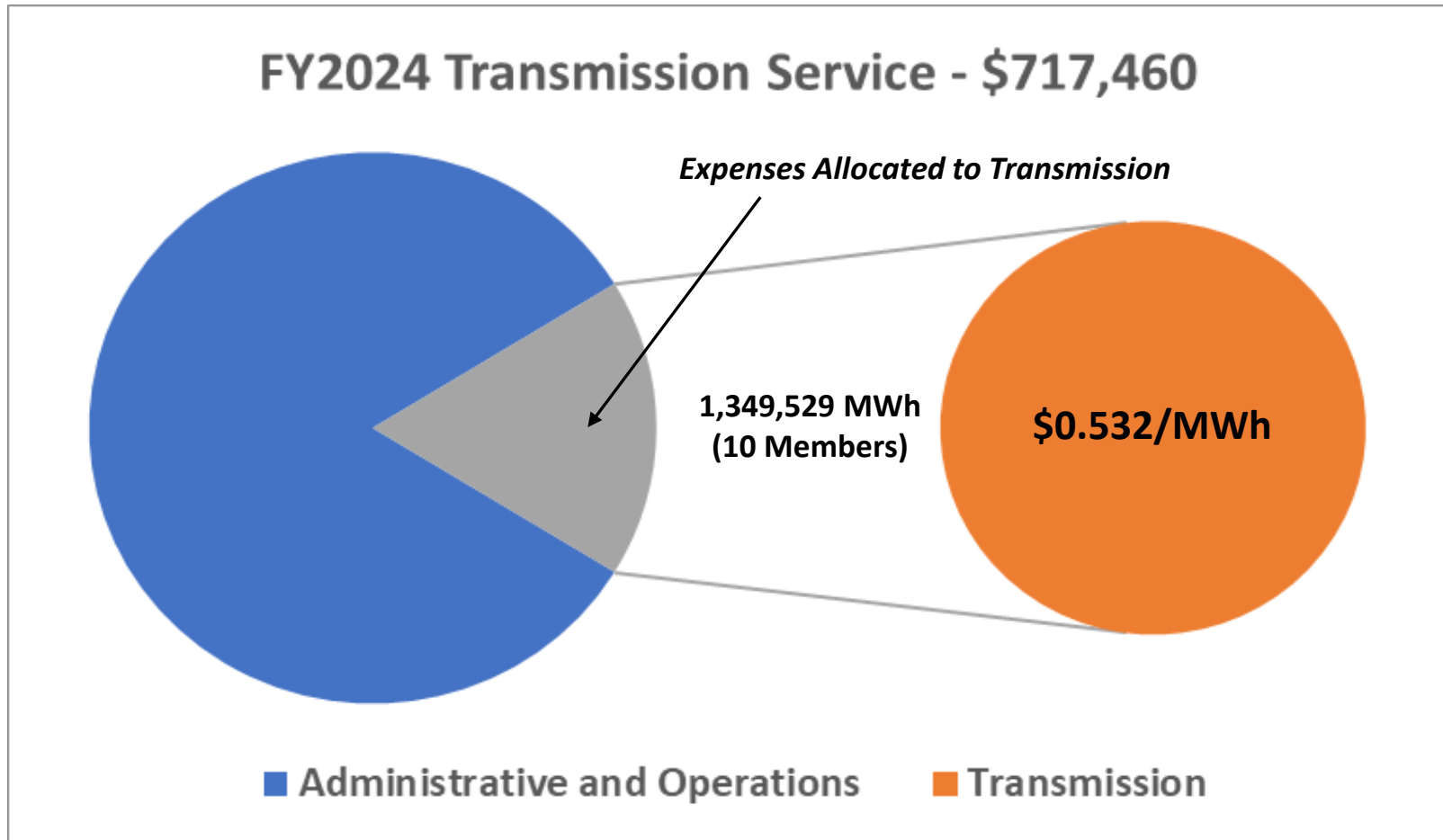


Includes load and SEPA dispatch services

Transmission Service

- \$717,460 allocated across 10 members (\$0.532/MWh)
- Allocated Expenses: 10% of Salaries/Benefits, General Counsel, Consultants, and Select Administrative Office Expenses
- Direct Expenses: TAPS, Transmission Study Fees, PME Hardware/Software, Engineering Support, Communications Expenses

Transmission Service (A&G Portion)



Includes agency transmission service

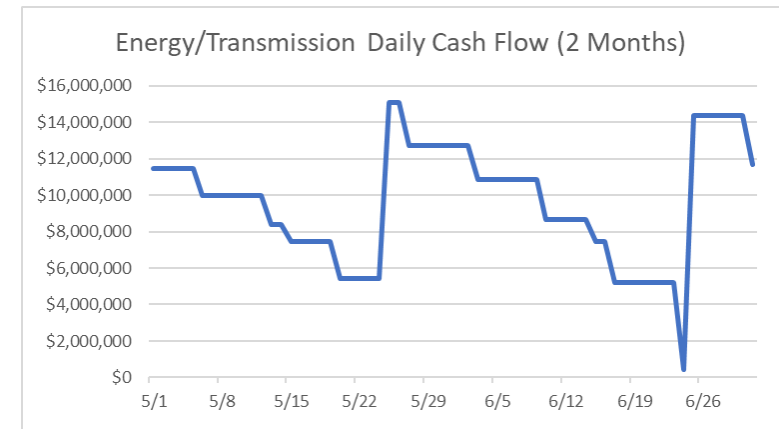
Energy Carrying Charge (ECC)

Energy Carrying Charge (ECC)

- The ECC is the RTO (MISO and PJM) daily cash flow needs plus collateral requirements to participate in the RTO markets. The ECC is the cost of carry.

Daily Cash Flow

- The RTO expense payments for energy, transmission, and ancillary services occurs earlier than the collection of payments (either directly from the AR member or from the non-AR member power provider). KYMEA maintains \$10 million in working capital to maintain a positive cash position.



RTO Market Participant

- To ensure fair, efficient and competitive markets, MISO and PJM require organizations to register as Market Participants before participating in their Open Access Transmission, Energy and Operating Reserve Markets. As a Market Participant, KYMEA becomes a legal entity certified by MISO to submit bids to purchase energy, submit offers to supply energy and operating reserve, hold financial transmission or auction revenue rights and other market-related activities. As a market participant, KYMEA is required to maintain \$4 million in combined collateral at MISO and PJM.

Timing: Payments and Receipts

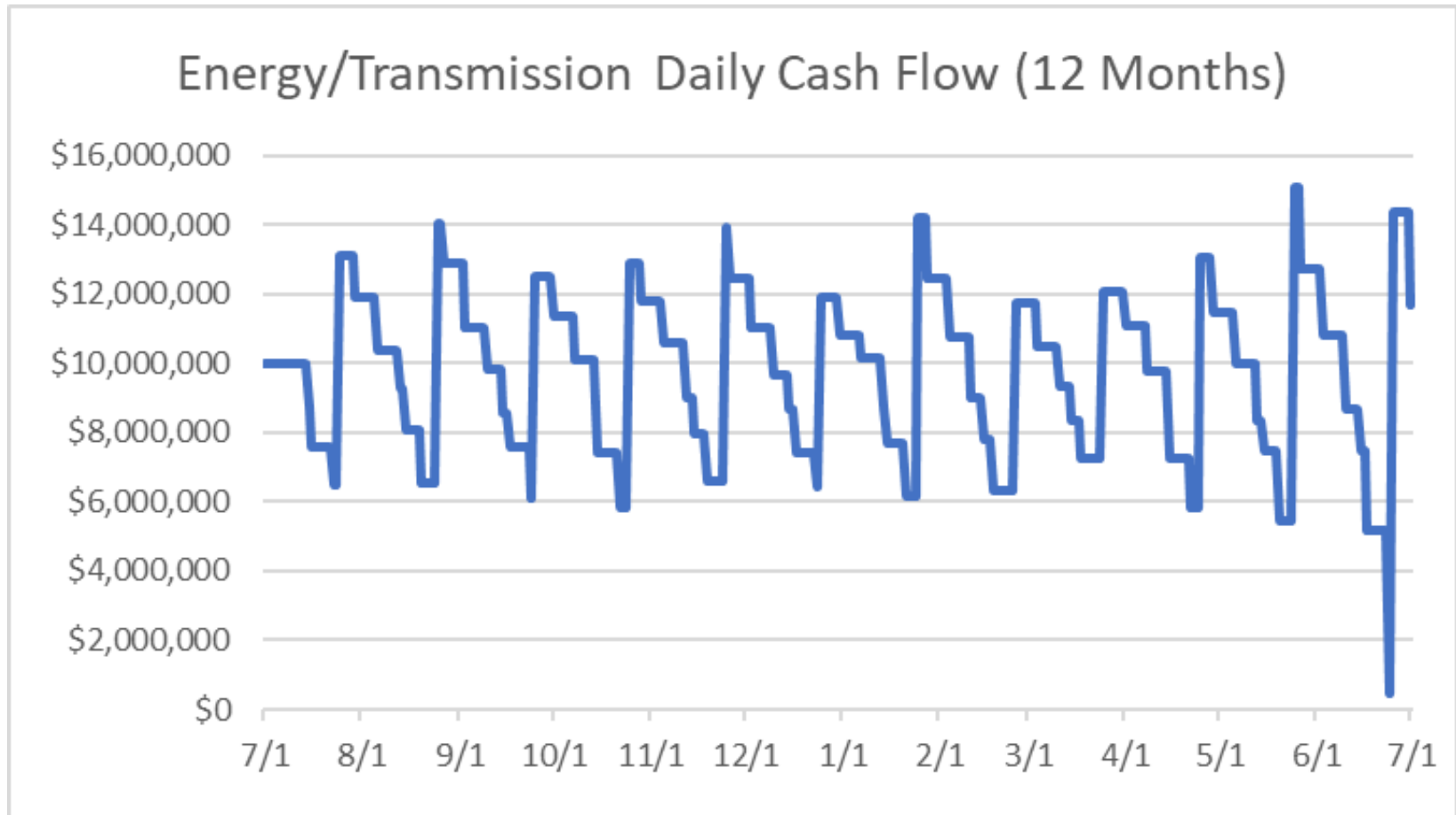
Payments

- MISO/PJM Energy: Paid each Friday for all MISO energy, ancillary services, and other energy related charges (previous week balance)
- PJM Network Transmission: Paid on the 15th (previous month balance)
- MISO Point-to-Point Transmission: Paid on the 15th (previous month balance)
- LGE/KU Network Transmission: Paid on the 15th of next month (previous balance – 45-day lag)

Receipts

- MISO/PJM Energy
 - AR Members: Payment on 25th (previous month balance). Payment is recovered via demand and energy rate.
 - AMP Members: Payment on 25th (previous month balance)
- MISO Point-to-Point Transmission
 - AR Members: Non-depancake payment on 25th (previous month balance). Payment is recovered via demand rate.
 - AMP Members: Non-depancake payment on 25th (previous month balance)
 - LGE/KU Reimbursement: Depancake payment on 15th of next month (previous balance – 45-day lag)
- LGE/KU and PJM Network Transmission
 - AR and AMP Members: Payment on 25th (previous month balance)

Timing: Fiscal Year Daily Cash Flow



Working Capital Contribution

Two Ways for Transmission Members to Contribute

1. Contribute load weighted share of \$14 million working capital fund (based on Peak NCP).
2. Or, pay the annual energy carrying charge of \$0.446 per MWh for each MWh of load.

Annual Energy Carrying Charge is assessed each month based on actual energy as measured at the high-side of the transformer.

Member	Peak (NCP) MW	Working Capital \$	Energy MWh	Carrying Charge \$
Barbourville	194.398	\$917,662	88,458	\$39,459
Bardwell	18.551	\$89,102	8,589	\$3,831
Benham	16.436	\$61,663	5,944	\$2,652
Berea	270.673	\$1,319,312	127,175	\$56,730
Corbin	181.319	\$858,883	82,792	\$36,932
Falmouth	39.489	\$191,940	18,502	\$8,253
Frankfort	1,336.053	\$6,845,267	659,849	\$294,346
Madisonville	520.278	\$2,779,047	267,886	\$119,499
Paris	136.781	\$631,195	60,844	\$27,141
Providence	62.312	\$305,929	29,490	\$13,155
TOTALS	2,776.290	\$14,000,000	1,349,529	\$602,000

Interest Rate 4.30%

Working Capital \$14,000,000

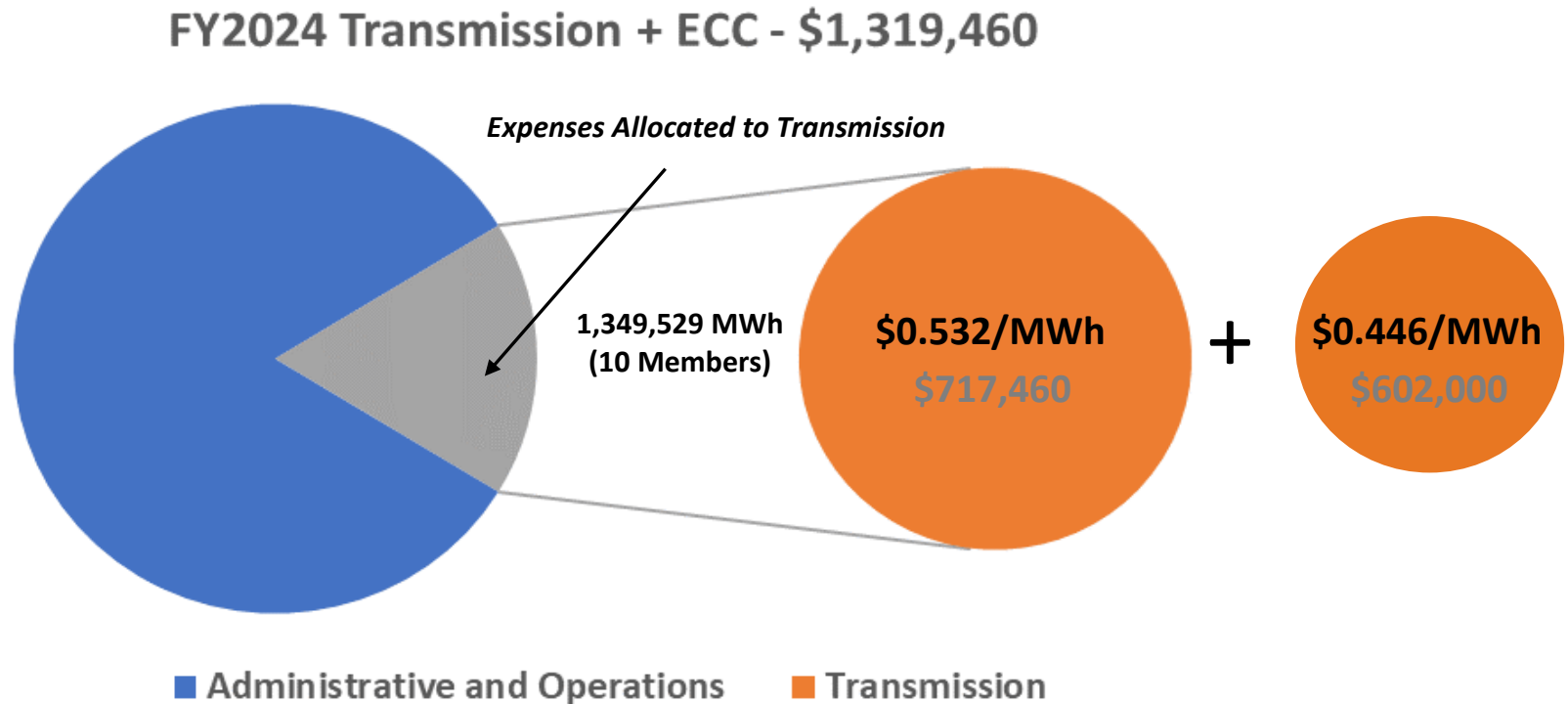
Interest Rate \$602,000

Members 10

MWh 1,349,529

\$/MWh \$0.446

Transmission Fee + Carrying Charge

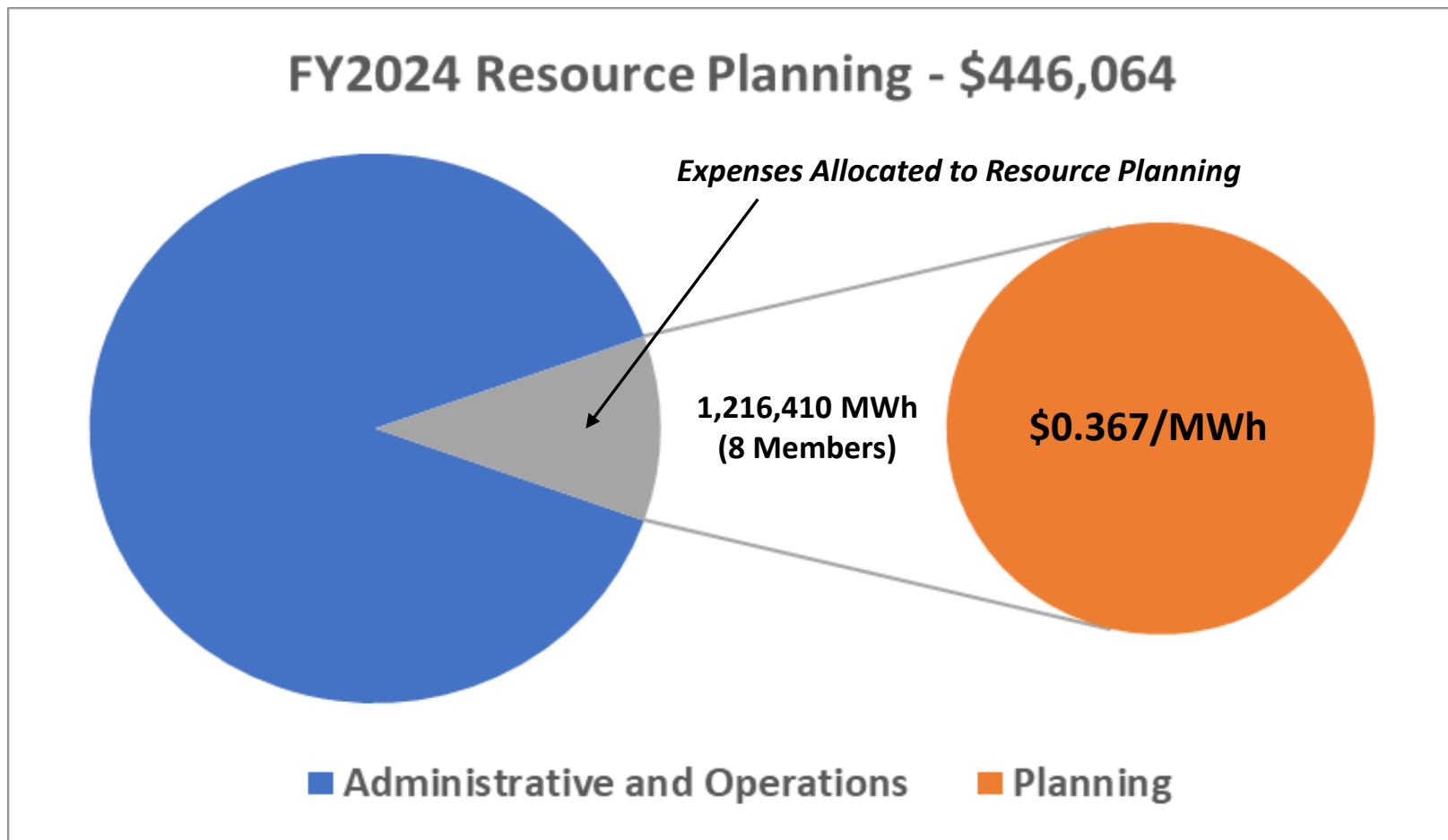


Includes agency transmission service + energy carrying charge

Resource Planning Service

- \$446,064 allocated across 8 members (\$0.367/MWh)
- Allocated Expenses: 10% of Salaries/Benefits, General Counsel, Consultants, and Select Administrative Office Expenses
- Direct Expenses: Software, Data, Market Intelligence, and Study Support

Resource Planning Rate



Non-AR Members Projected Expense

Service	Benham	Berea	Owensboro
Membership	\$786	\$16,817	\$108,455
Power Supply	\$0	\$0	\$0
Transmission	\$5,812	\$124,341	\$0
Dispatch	\$238	\$0	\$0
Accounting	\$0	\$0	\$0
Planning	\$0	\$0	\$0
TOTAL	\$6,836	\$141,159	\$108,455
MWh	5,944	127,175	820,147
\$/MWh	\$1.15	\$1.11	\$0.13

MWh will be updated based on actual MWh from July 2022 – June 2023

FY2024 Operation Budget

FY2024 Total Operational Costs			From FY2023 Budget				
Administration/Advisory/Projects	FY2022 Actual	FY2023 Budget	FY2024 Budget	Variance \$	Variance %	6 Month Actual	% of FY2023
100 Salaries	896,132	985,542	985,542	-	0.0%	406,361	41.2%
Retirement Contribution	89,613	98,554	98,554	-	0.0%	47,302	48.0%
Health, Life, Disability, FICA, Medicare, Accrued PTO	187,681	350,316	385,716	35,399	10.1%	150,696	43.0%
200 Legal Counsel	81,841	160,000	160,000	-	0.0%	79,998	50.0%
300 Advisory Support	166,084	300,000	300,000	-	0.0%	182,357	60.8%
400 Office Space Lease & Costs	140,704	180,743	174,756	(5,987)	-3.3%	70,407	39.0%
500 Member Services, Board Meetings, Training	120,185	134,850	125,800	(9,050)	-6.7%	28,978	21.5%
600 Auto Expense	9,323	15,008	18,000	2,992	19.9%	1,937	12.9%
700 IT/AV/Software/Dynamic Schedule/Office Supplies	257,804	321,463	373,783	52,320	16.3%	140,494	43.7%
800 Insurance	11,629	10,259	11,286	1,027	10.0%	3,853	37.6%
900 Advertising & Marketing	19,050	10,700	13,200	2,500	23.4%	6,116	57.2%
1000 Audit & Annual Report	49,358	57,000	70,000	13,000	22.8%	54,803	96.1%
1100 Rating Agency	10,000	10,000	10,000	-	0.0%	-	0.0%
1200 Associations & Lobbyist	6,942	60,280	60,280	-	0.0%	1,200	2.0%
1300 Project Planning	60,698	57,600	67,000	9,400	16.3%	(26,725)	-46.4%
Subtotals - Administration/Advisory/Projects	2,107,044	2,752,316	2,853,917	101,601	3.7%	1,147,776	41.7%
Dispatch, Scheduling, Modeling							
1400 Energy Services Partner	597,981	659,516	703,698	44,182	6.7%	305,700	46.4%
1500 MAC Software, Data, and Subscriptions	127,166	189,010	191,150	2,140	1.1%	71,067	37.6%
1600 MDMS/Communications/Meters/Dynamic Schedule	99,618	427,016	352,016	(75,000)	-17.6%	52,602	12.3%
Subtotals - Dispatch, Scheduling, Modeling	824,765	1,275,542	1,246,864	(28,678)	-2.2%	429,370	33.7%
Total Budget	2,931,808	4,027,859	4,100,781	72,923	1.8%	1,577,146	39.2%
Service Fees (Benham, Berea, Owensboro)							
	FY2022 Actual	FY2023 Budget	FY2024 Budget	Variance \$	Variance %	6 Month Actual	% of FY2023
2100 Membership Fee	(111,063)	(111,347)	(126,058)	(14,711)	13.2%	(58,527)	52.6%
2200 Transmission Service + Energy Carrying Charge	(73,254)	(73,930)	(130,153)	(56,223)	76.1%	(43,486)	58.8%
2300 Dispatch/MAC Service	(201)	(200)	(238)	(38)	19.1%	(105)	52.4%
	(184,518)	(185,476)	(256,449)	(70,973)	38.3%	(102,117)	55.1%
All Requirements Group - Net Service Fees	2,747,290	3,842,383	3,844,332	1,949	0.1%	1,475,029	38.4%
Capital Expenditures							
	FY2022 Actual	FY2023 Budget	FY2024 Budget	Variance \$	Variance %		
3100 Information Technology	33,877	90,594	76,000	(14,594)	-16.1%		
3200 Dynamic Schedule	49,424	58,163	-	(58,163)	-100.0%		
3300 Metering	9,848	101,243	114,000	12,757	12.6%		
3400 Automobile	-	-	60,000	60,000	0.0%		
3500 Office	1,662	-	-	-	0.0%		
Total Capital Expenditures	94,811	250,000	250,000	-	0.0%		

100. Salaries, Benefits, Retirement, Accrued PTO

Increase of \$35,399 over FY2023: Increase due to health insurance and accrued PTO increase.

No increase in salary or retirement contribution. Salaries, medical, dental, vision, life, disability, FICA, Medicare, accrued vacation/personal leave.

200. Legal Counsel

No change from FY2023: General legal support.

300. Advisory Support

No change from FY2023: Special Counsel and Advisory. FERC and specialized legal support, transmission and communications support, and power supply advisory support. Advisory services in FY2024 in support of Agency's 2024 portfolio changes.

400. Office Space Lease & Costs

Decrease of \$5,987 under FY2023: Decrease due to adjustment in office maintenance cost. Lease, IT closet utilities, maintenance. Contractual lease payment and expenses.

500. Member Services, Board Meetings, Training

Decrease of \$9,050 under FY2023: Decrease due to reassessment. Member meetings including annual meeting, portal design, member services travel. Training and fees to APPA, TAPS, TVPPA, legislative, HR, member communications, financial, software classes, certifications, etc.

600. Auto Expense

Increase of \$2,992 over FY2023: 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 \$52,320 over FY2023: Increase due to SEDC (Meridian), Analytic Vision dashboards, IT support for cybersecurity, redundancy, ELAN, and dynamic scheduling internet access. Phones, copier, office supplies, IT service contract, internet, software subscriptions.

800. Insurance

Increase of \$1,027 over FY2023: Property and professional liability.

900. Advertising & Marketing

Increase of \$2,500 over FY2023: Newsletters, website support, branding. Increase due to inflation.

1000. Audit & Annual Report

Increase of \$13,000 over FY2023: Increase due to increase in audit and annual report production and printing.

1100. Rating Agency

No change from FY2023: Fitch Rating Agency rating.

1200. Associations and Lobbyist

No change from FY2023: APPA, TAPS, TVPPA, and KYMEA Lobbyists.

1300. Project Planning

Increase of \$9,400 over FY2023: Increase due to increase in transmission planning budget. Transmission system impact studies and strategic planning.

1400. Energy Services Partner

Increase of \$44,182 over FY2023: 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 \$2,140 over FY2023: Increase due to inflation. Optimization model, data and market intelligence, load forecasting, RTO membership, training

1600. MDMS/Communications/Meters

Decrease of \$75,000 from FY2023: Decrease due to reassessment of dynamic schedule fees. MDMS license and maintenance, communications expense, meter testing, dynamic scheduling (engineering support, software, OATIWeb, LG&E/KU, TVA, and MISO).

SERVICE FEES

Contra-Accounts – Increase over FY2023 due to inflation.

- Membership Fee - 13.2¢ per kWh.
 - Was 12¢ per kWh. Last increase 5/1/2020
- Dispatch Service Fee – 53.6¢ per kWh.
 - Was 45¢ per kWh. Last increase 5/1/2020
- Transmission Service Fee – 53.2¢ per kWh.
 - Was 38¢ per kWh. Last increase 7/1/2021
- Energy Carrying Charge – 44.6¢ per kWh.
 - Was 18¢ per kWh. Last increase 7/1/2021
- Resource Planning Service Fee – 36.7¢ per kWh.
 - Was 20¢ per kWh. Last increase 5/1/2020

NET OPERATING BUDGET

Increase of \$72,923 (1.8%) over FY2023.

CAPITAL BUDGET

\$250,000. Same as FY2023 Budget. Supports MAC and office hardware needs, spare equipment, redundancy, dynamic scheduling hardware, software, and communications requirements. Includes new CEO vehicle.

Document: [FY2024 Operating Budget Committee 01-26-2023.docx](#)

Spreadsheet: [KYMEA Income Statement FY24 Budget 01-26-2023.xlsx](#)

		E	F	G	H	I	J
	FINANCIALS FROM ENCOMPASS SPREADSHEET				6 Actual	6 Projected	Total
	OPERATING REVENUES	FY2020	FY2021	FY2022	FY2023	FY2023	FY2023
4	Sales to Members	78.646	75.164	75.934	41.847	41.705	83.552
5	RTO Market Revenue	4.834	8.915	32.180	18.907	13.548	32.455
6	Transmission Services	0.873	1.101	1.212	0.606	0.780	1.385
7	Miscellaneous Revenue	0.335	0.012	0.021	0.000	0.000	0.000
8	TOTAL OPERATING REVENUE	84.689	85.191	109.348	61.360	56.033	117.393
	OPERATING EXPENSES						
11	Transmission	7.402	8.836	12.952	7.848	7.805	15.653
12	Production	64.906	71.164	89.345	56.627	48.933	105.560
13	Administrative and General	2.395	2.563	2.885	1.596	2.052	3.648
14	Depreciation	0.176	0.187	0.189	0.094	0.094	0.189
15	TOTAL PURCHASE POWER AND OPERATING EXPENSES	74.879	82.750	105.371	66.165	58.884	125.049
17	OPERATING INCOME	9.810	2.441	3.977	-4.806	-2.851	-7.657
	NON-OPERATING REVENUES (EXPENSES)						
20	Interest Expense on Debt	-0.026	-0.018	-0.102	-0.051	-0.051	-0.102
21	Interest Income	0.020	0.012	0.009	0.065	0.080	0.145
22	Other Non-operating Income (expense)	-0.053	-0.059	-0.060	-0.008	0.000	-0.008
23	Regulatory Credit/Debit - Cost to Be Recovered	0.000	0.000	0.000	0.000	0.000	0.000
24	TOTAL NONOPERATING REVENUES (EXPENSES)	-0.059	-0.065	-0.153	0.007	0.029	0.036
26	CHANGE IN NET POSITION	9.751	2.376	3.824	-4.799	-2.822	-7.621

		FY2020	FY2021	FY2022	6 Actual	6 Projected	Total
	FINANCIAL METRICS	FY2020	FY2021	FY2022	FY2023	FY2023	FY2023
31	Net Income (mil \$)	9.751	2.376	3.824	-4.799	-2.822	-7.621
32	Unrestricted Cash Balance (mil \$)	8.942	14.433	21.645	12.975	8.906	8.906
33	Change in Unrestricted Cash Balance (mil \$)	1.186	5.491	7.212	--	--	-12.739
34	Days Cash on Hand	43.689	63.806	75.110	37.928	26.033	26.033
35	New Debt (Line-Of-Credit) (mil \$)	0.000	0.000	0.000	--	--	-2.094
36	Adjusted Operating Expense per Day (mil \$)	0.205	0.226	0.288	0.342	0.342	0.342
37	Leverage	6.045	6.915	6.655	--	--	8.649
38	Coverage Ratio	1.226	1.055	1.078	--	--	0.841
39	FADS (mil \$)	9.900	2.545	3.911	--	--	-7.534
40	Imputed Debt Payment (mil \$)	41.366	43.510	47.563	--	--	43.672
41	Imputed Debt (mil \$)	330.927	348.081	380.504	--	--	349.378

		FY2020	FY2021	FY2022	6 Actual	6 Projected	Total
	MEMBER PRODUCTION/TRANSMISSION RATES	FY2020	FY2021	FY2022	FY2023	FY2023	FY2023
46	Energy Base Rate + ECA (\$ per MWh)	\$24.279	\$24.702	\$24.702	\$30.777	\$31.843	\$31.309
47	Base Energy Rate (\$ per MWh)	\$24.279	\$24.702	\$24.702	\$28.886	\$28.886	\$28.886
48	+ Energy Cost Adjustment (\$ per MWh)	\$0.000	\$0.000	\$0.000	\$1.891	\$2.957	\$2.423
49	Demand + MISO PTP Rate (\$ per kW-MO)	\$17.046	\$15.579	\$15.579	\$13.984	\$13.984	\$13.984
50	Demand Rate (\$ per kW-MO)	\$13.515	\$14.044	\$14.044	\$12.108	\$12.108	\$12.108
51	+ MISO Trans Rate (\$ per kW-MO)	\$3.531	\$1.535	\$1.535	\$1.876	\$1.876	\$1.876
52	NITS Transmission Rate (\$ per kW-MO)	\$2.167	\$2.690	\$2.899	\$3.412	\$3.475	\$3.443
53	Average System Rate (¢ per kWh)	6.460	6.170	6.234	--	--	6.740
54	Average System Rate w/Gen Credit (¢ per kWh)	6.289	5.988	6.052	--	--	6.549
55	Billing Energy (MWh)	1,215,116	1,215,733	1,216,411	619,953	618,184	1,238,137
56	Billing NCP Demand (MW)	2,558	2,470	2,489	1,309	1,267	2,576
57	Billing NCP MISO Trans (MW)	2,558	2,476	2,489	1,314	1,267	2,580
58	Billing CP NITS (MW)	2,488	2,413	2,416	1,288	1,224	2,512

		FY2020	FY2021	FY2022	6 Actual	6 Projected	Total
	AGENCY PRODUCTION/TRANSMISSION COSTS	FY2020	FY2021	FY2022	FY2023	FY2023	FY2023
63	Net Energy Cost less PFR Profit (\$ per MWh)	\$21.715	\$22.906	\$18.981	\$38.547	\$34.398	\$36.475
64	Native Load Energy Cost (\$ per MWh)	\$21.676	\$23.268	\$30.554	\$53.128	\$39.733	\$46.440
65	- Purchase for Resale Contribution (\$ per MWh)	\$0.039	-\$0.362	-\$11.572	-\$14.581	-\$5.335	-\$9.964
66	Demand + MISO PTP Cost (\$ per kW-MO)	\$14.289	\$15.564	\$16.674	\$13.928	\$15.068	\$14.431
67	Production Cost (\$ per kW-MO)	\$14.179	\$15.080	\$15.063	\$11.846	\$12.671	\$12.251
68	+ MISO Trans Cost (\$ per kW-MO)	\$0.111	\$0.484	\$1.611	\$2.083	\$2.397	\$2.180
69	NITS Transmission Cost (\$ per kW-MO)	\$2.167	\$2.728	\$3.293	\$3.415	\$3.476	\$3.445
70	Energy Coverage (%)	11.8%	7.8%	30.1%	-20.2%	-7.4%	-20.8%
71	Demand Coverage (%)	19.3%	0.1%	-6.6%	0.4%	-7.2%	-3.1%

THIRD AMENDMENT TO LEASE AGREEMENT

This Third Amendment to Lease Agreement ("Third Amendment"), made and entered into as of the ___th day of January, 2023 ("Effective Date") by and between **Anchorage Restoration LLC**, a Kentucky limited liability company ("Landlord") and **Kentucky Municipal Energy Agency**, (hereinafter called "Tenant").

WITNESSETH THAT:

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement ("Initial Lease" or "Initial Lease Agreement") dated April 24, 2018; First Amendment To Lease Agreement, dated August 7, 2018; and Second Amendment To Lease Agreement, dated June 1, 2020, all for certain premises in the building located at 1700 Eastpoint Parkway, Suite 220, Louisville, Kentucky 40223 ("Building"), consisting of 8,654 square feet of gross rentable space, ("Premises").

WHEREAS, Tenant desires to renew and extend the terms and conditions of the Lease in accordance with Section 3.1 and evidence their agreement and other matters by means of this Third Amendment (the Lease, as amended by this Third Amendment, collectively, the "Lease" or "Lease Agreement");

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lease is hereby amended and the parties hereto do hereby agree as follows:

I. As of the Effective Date of this Third Amendment, the following provisions amend the Lease:

1.7 Commencement Date: October 01, 2023

1.8 Expiration Date: September 30, 2028

1.9	<u>"Base Rent" Premises</u>	<u>Monthly Base Rents:</u>
	10/01/23 – 09/30/24	Monthly \$ 14,243.04
	10/01/24 – 09/30/25	Monthly \$ 15,505.10
	10/01/25 – 09/30/26	Monthly \$ 15,505.10
	10/01/26 – 09/30/27	Monthly \$ 15,505.10
	10/01/27 – 09/30/28	Monthly \$ 15,505.10

1.12 Broker and Employing Party: Tenant is not represented by a Broker.

4.3(A)(1) "Base Year" shall mean calendar year 2023 as of and for the period of this Third Amendment

II. MISCELLANEOUS.

1. Counterparts. This Third Amendment may be executed in counterparts, which when taken together, shall constitute the entire agreement. Landlord and Tenant agree that the delivery of an executed copy of this Third Amendment by facsimile or by email of a *.pdf file with an original to follow shall be legal and binding and shall have the same force and effect as if an original executed copy of this Third Amendment had been delivered.
2. Representations and Warranties. Each party represents and warrants to the other party that each person executing this Third Amendment on its behalf has full right and authority to so execute and deliver this Third Amendment and that each person signing on behalf of such party is authorized to do so.

Landlord represents and warrants to Tenant that: (i) Landlord is the owner of the fee simple title in and to the Building, (ii) Landlord is the owner and holder of the Landlord's interest under the Lease; and (iii) no other person or entity is required to consent to this Third Amendment as a condition to its validity. Tenant represents and warrants to Landlord that: (i) Tenant is the owner and holder of the tenant's interest under the Lease; and (ii) no other person or entity is required to consent to this Third Amendment as a condition to its validity.

3. Conflict. In the event of any conflict between the terms of the Lease and the terms of this Third Amendment, the terms of this Third Amendment shall control.
4. Ratification. Except as expressly modified in this Third Amendment, Landlord and Tenant ratify and affirm the provisions of the Lease, as amended.

WITNESS the signatures of Landlord and Tenant as of the dates set forth below.

LANDLORD:
Anchorage Restoration LLC

By: _____

Title: _____

Date: _____, 2023

TENANT:
Kentucky Municipal Energy Agency

By: _____

Title: _____

Date: _____, 2023