



# April 27, 2023 Combined Meeting of the AR Project Committee and KYMEA Board of Directors

4/27/2023

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](mailto:mhixon@kymea.org) for attendee information).



# Meeting Book - April 27, 2023 Combined Meeting of the AR Project Committee and KYMEA Board of Directors

## Agenda

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### A. Meeting Opening

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

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### B. Previous Meeting Minutes

Approval of Last Month's Meeting Minutes and the April 5th AR Project Rates workshop meeting minutes.

Josh Callihan

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### C. Financial Reports

Motion to approve the previous month's financials.

Heather Overby

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### D. Committee Reports

- |  |              |
|--|--------------|
| 1. AR Project Committee<br>An AR Project Rates workshop was held on April 5th. | Chris Melton |
|--|--------------|

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### E. Administration Reports

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

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### F. Discussion Topics

- |                      |  |             |
|----------------------|--|-------------|
| 1. Officer Elections | Action is expected at the May Board Meeting. | Doug Buresh |
|----------------------|--|-------------|

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### G. AR Project Committee Meeting

Chris Melton

- |                             |   |
|-----------------------------|---|
| 1. FY 2024 AR Project Rates | Motion to recommend the presented FY 2024 AR Project Rates Schedule to the full Board for action. |
|-----------------------------|---|

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### H. Action Items

1. FY 2024 AR Project Rates

Motion to adopt the  
FY 2024 AR Project  
Rates Schedule as  
presented.

Josh Callihan

2. FY2023 Capital Budget Amendment:

The KYMEA vehicle is experiencing mechanical and environmental issues. The Board has previously approved the purchase in the FY2024 Capital Budget.

Motion to  
amendment the  
FY2023 Capital  
Budget to allow for  
the immediate  
purchase of a new  
KYMEA vehicle.

Josh Callihan

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I. 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

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J. Upcoming Meetings and Other Business

The next board meeting will be held as a Special Combined Meeting of the AR Project Committee and Board of Directors on May 19, 2023, at 10 am in KYMEA's board room.

Michelle  
Hixon

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K. Closed Session

Charlie  
Musson

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L. Actions Related to Matters Discussed in Closed Session

Josh Callihan

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M. Adjournment

Josh Callihan



## **Minutes for Meeting Book - March 23, 2023, Combined Meeting of the AR Project Committee and KYMEA Board of Directors**

03/23/2023 | 10:00 AM

Board Room at 10 AM

### **Attendees (8)**

Susan Bishop; Josh Callihan; Ron Herd; Adrian Isaacs; Tim Lyons; Chris Melton; Gary Zheng; Jamie Miller

Additional attendees were Doug Buresh, Rob Leesman, Michelle Hixon, Charlie Musson, Heather Overby, Molly Roesler, Vent Foster, Hance Price, Brown Thornton, Latif Nurani, Pat Pace, Tom Trauger, Fred Haddad, John Painter, Brad Kushner, Gwen Hicks, David Denton, Anna Marie Pavlik Rosen, and John Snyder.

### **Meeting Opening**

1. Attendance: a quorum was noted.
2. Call to Order
3. Guest Introductions: no guests were noted.

### **Previous Meeting Minutes of the KYMEA Board of Directors**

***ACTION: Motion to approve the February 23, 2023, meeting minutes was made by Tim Lyons and seconded by Chris Melton. The motion passed.***

***ACTION: Motion to approve the February 28, 2023, meeting minutes of the AR Project Committee Rates Workshop was made by Chris Melton and seconded by Gary Zheng. The motion passed.***

### **Financial Reports**

***ACTION: Motion to approve the February 2023 Financial reports was made by Gary Zheng and seconded by Jamie Miller. The motion passed.***

### **Committee Reports**

1. AR Project Committee Rates Workshop: Chairman Melton gave a report.

2. BROC Committee: Chairman Zheng asked Doug Buresh to give a report. Heather Overby also gave a presentation regarding the Agency's Deposit Risk in light of the recent failure of the Silicon Valley Bank.

## **Administration Reports**

1. CEO Report: Doug Buresh updated the group on the Ashwood Solar I project and reviewed the process for officer elections in May. Nominations will be collected on or before the April 27th Board meeting.
2. Market Report: Rob Leesman discussed the previous month's markets in relation to KYMEA.
3. Member Communications: The board was updated on upcoming events and member activities.

## **Discussion Topics**

1. Integrated Resource Plan (IRP): Doug Buresh reviewed the IRP timeline, KYMEA's existing portfolio, Agency needs, and next steps.

## **AR Project Committee Meeting**

1. FY 2024 AR Project Rates: The Board reviewed the preliminary rate schedule. Chairman Melton requested staff to schedule another rates workshop in April.

## **Action Items**

No action was taken.

## **Public Comments**

No comments were made.

## **Upcoming Meetings and Other Business**

The next board meeting will be held as a Combined Meeting of the AR Project Committee and Board of Directors on April 27, 2023, 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 Susan Bishop. The motion passed.***

***ACTION: Motion to return to open session was made by Tim Lyons and seconded by Susan Bishop. The motion passed.***

## **Actions Related to Matters Discussed in Closed Session**

***ACTION: Motion to authorize the President/CEO to publish an RFP for small natural gas power plant units with site selection, an RFP for small-scale utility solar inside the KYMEA members footprint with site selection, and to authorize nFront Consulting to prepare a "Resource Option" report for the Agency was made by Chris Melton and seconded by Jamie Miller. The motion passed.***

## **Adjournment**

***ACTION: Motion to adjourn the Combined meeting of the AR Project Committee and KYMEA Board of Directors was made by Chris Melton and seconded by Jamie Miller. The motion passed and the meeting was adjourned.***

X

Chairperson

X

Secretary



## Minutes for Meeting Book - April 5, 2023, AR Project Rates Workshop

04/05/2023 | 10:00 AM

Conference Room at 10 am

### Attendees (6)

Josh Callihan; Butch Hackney; Ron Herd; Chris Melton; Jamie Miller; Gary Zheng  
Other attendees: Michelle Hixon, Doug Buresh, Charlie Musson, Heather Overby, Rob Leesman, Molly Roesler, Jack Snyder, Jamie Harkins, David Denton, and Vent Foster.

### Meeting Opening

1. Attendance: A quorum was noted.
2. Call to Order: Chairman Melton called the meeting to order.

Chairman Melton welcomed the new Providence Mayor, Butch Hackney, to his first meeting along with Jack Snyder, and Jamie Harkins.

### Discussion Items

FY 2024 AR Project Rates: The group discussed the preliminary FY 2024 rates and revisions to be made to the ECA collection language. The committee expects to take a vote at the next meeting on April 27th, 2023.

### Action Items

No action was taken.

### Upcoming Meetings

The next meeting will be a combined meeting of the AR Project Committee and the KYMEA Board of Directors and will be held on April 27, 2023, at 10 am in KYMEA's board room.

### Adjournment

***ACTION: Motion to adjourn was made by Josh Callihan and seconded by Gary Zheng. The motion passed and the meeting was adjourned.***



KENTUCKY MUNICIPAL ENERGY AGENCY



# Financial Presentation

April 27, 2023

Heather Overby



# Statement of Net Position – March 2023

## CURRENT ASSETS

Mar 2023

Cash And Investments	\$10,053,149	(1)
Other Receivables	\$6,968,032	(2)
Prepayments And Other Current Assets	\$0	
Total Current Assets	\$17,021,181	

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

# Statement of Net Position – March 2023

## NON-CURRENT ASSETS

Pledge Collateral	\$5,271,467	(3)
Investment In Sedc	\$2,557	
Fixed Asset Clearing Account	\$210,247	
Office Buildout	\$260,238	
Meters - Ar Project	\$215,985	
Meter Comm Equipment	\$330,672	
General Plant	\$2,794,858	
Construction Work In Progress	\$0	
Less Accumulated Depreciation	(\$1,021,797)	
<b>Total Non-Current Assets</b>	<b>\$8,064,228</b>	

**Total Assets** \$25,085,409

## DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows	\$0
<b>Total Deferred Outflows</b>	<b>\$0</b>

**Total Assets & Deferred Outflows of Resources** \$25,085,409

3) Collateral represents \$3.7m at MISO, \$1.6m at PJM, and \$0 in hedge collateral.

# Statement of Net Position – March 2023

## LIABILITIES

Accounts Payable	\$8,276,438	(4)
Accrue Interest Payable	\$9,219	
<b>Total Current Liabilities</b>	<b>\$8,285,657</b>	
Accrue Employee Benefits	\$212,395	
Deferred Lease Liability	\$1,661,281	(5)
Line Of Credit	\$0	(6)
<b>Total Non-Current Liabilities</b>	<b>\$1,873,676</b>	
<b>Total Liabilities</b>	<b>\$10,159,333</b>	

- 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

## DEFERRED INFLOWS OF RESOURCES

Deferred Inflows	\$0
<b>Total Deferred Inflows</b>	<b>\$0</b>
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>\$10,159,333</b>

## NET POSITION

Invested in Capital Assets, Net of Related Debt	\$2,790,204	
Restricted	\$5,271,467	
Unrestricted	\$6,864,405	
<b>Total Net Position</b>	<b>\$14,926,076</b>	(7)

# Statement Revenue, Expenses, and Changes in Net Position – March 2023



## OPERATING REVENUE

	Mar 2023	YTD FY2023	
Sales To Members	\$6,722,007	\$62,598,393	(8)
Rto Market Revenue	\$412,610	\$20,180,213	(9)
Transmission Services	\$144,641	\$1,005,170	(10)
Miscellaneous Revenue	\$3,000	\$7,500	
<b>Total Operating Revenue</b>	<b>\$7,282,258</b>	<b>\$83,791,276</b>	

## OPERATING EXPENSES

Transmission	\$1,232,602	\$11,421,074	(11)
Production	\$5,465,695	\$73,299,091	(12)
Administrative And General	\$249,672	\$2,163,892	
Depreciation Expense	\$28,394	\$269,950	
<b>Total Purchase Power and Operating Expenses</b>	<b>\$6,976,364</b>	<b>\$87,154,006</b>	
<b>Operating Income</b>	<b>\$305,895</b>	<b>(\$3,416,180)</b>	

## NON-OPERATING REVENUE

Interest Expense On Debt	(\$4,844)	(\$83,889)	
Interest Income	\$27,992	\$158,246	
Other Non-Operating Income (Expense)	(\$9,989)	(\$43,154)	
Regulatory Credit/Debit - Cost To Be Recovered	\$0	\$0	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$13,159</b>	<b>\$31,202</b>	

## NET POSITION CHANGES

<b>Change in Net Position</b>	<b>\$319,054</b>	<b>(\$3,384,978)</b>	(13)
<b>Net Position at Beginning of Period</b>	<b>\$14,607,022</b>	<b>\$18,311,054</b>	
<b>Net Position at End of Period</b>	<b>\$14,926,076</b>	<b>\$14,926,076</b>	

- 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) Positive MTD Net Income/ Negative YTD Net Income

# Indirect Statement of Cash Flows – March 2023

<b>CASH FROM OPERATING ACTIVITIES</b>	<b>Mar 2023</b>	<b>YTD FY2023</b>	
Net Income	\$319,054	(\$3,384,978)	(14)
Depreciation Monthly	\$10,672	\$249,983	
Accounts Receivable	(\$28,547)	\$1,903,176	(15)
Prepayments & Other Current Assets	\$0	\$0	
Accounts Payable	(\$1,266,977)	(\$8,422,332)	(15)
Taxes & Interest Accrued	\$6,819	\$5,834	
Other Current Liabilities	\$9,909	\$27,238	
Deferred Lease Liability	\$0	\$80,318	
Deferred Inflows Monthly	\$0	\$0	
<b>Net Cash Provided by (Used in) Operations</b>	<b>(\$949,070)</b>	<b>(\$9,540,762)</b>	
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>			
Additions to Plant Monthly	\$13,448	(\$322,880)	
Net Change in Other Prop & Invest	(\$5,216)	(\$1,781,205)	
<b>Net Cash Provided by (Used in) Investing</b>	<b>\$8,232</b>	<b>(\$2,104,085)</b>	
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>			
Long Term Borrowings	\$0	\$0	
<b>Net Cash Provided By (Used in) Financing</b>	<b>\$0</b>	<b>\$0</b>	
<b>NET INCREASE (DECREASE) IN CASH &amp; TEMP INVESTMENTS</b>			
Net Increase (Decrease) in Cash & Temp Investm..	(\$940,838)	(\$11,644,846)	
Cash & Temp Investment Beginning of Period	\$10,993,986	\$21,697,995	
Cash & Investments End of Period	\$10,053,149	\$10,053,149	(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 – March 2023



## KEY FINANCIAL METRICS

FY2023 Actuals Through March 2023 + Budget

Days Cash on Hand

32.47 ▼

Leverage

7.97 ▼

Coverage of Full Obligations

0.93 ▲

Debt Service Coverage

0.92 ▲

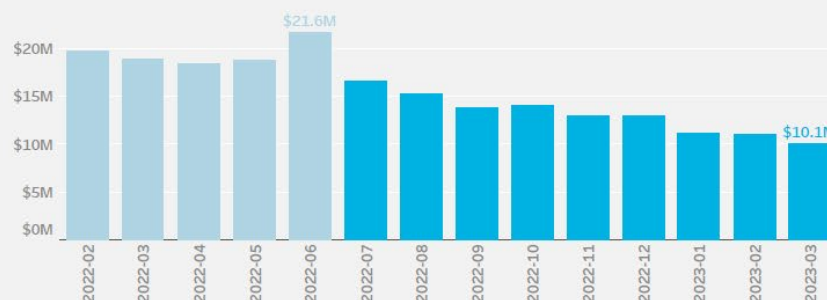
# Financial Metrics – March 2023

## Days Cash On Hand

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

$$\begin{array}{rclcl} \$10.1\text{M} & & \$309,652 & & 32.47 \\ \text{Unrestricted Cash} & \div & \text{Adjusted Operating Expense per Day} & = & \text{Days Cash on Hand} \\ & & \$113.02\text{M} / 365 \text{ days} & & \end{array}$$

Cash on Hand through Current Month



Unrestricted Cash

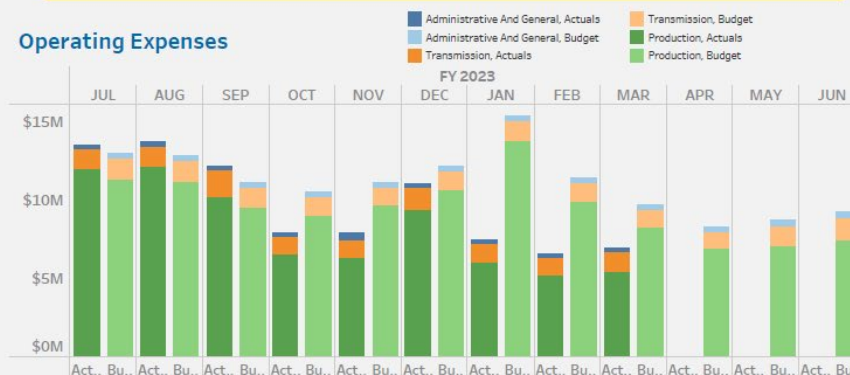
Adjusted Operating Expenses

## Days Cash On Hand

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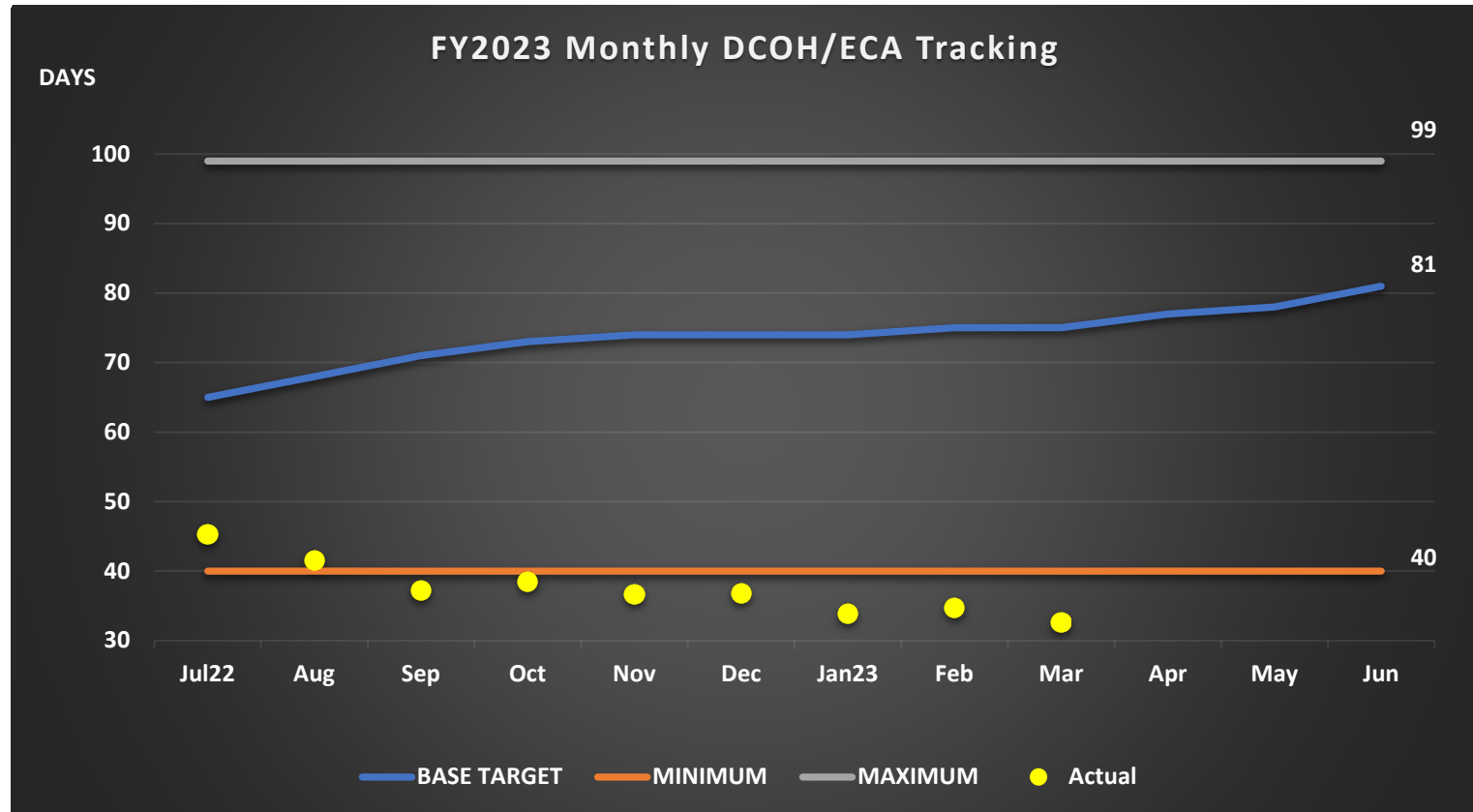
Operating Expenses



Unrestricted Cash

Adjusted Operating Expenses

# Financial Metrics – March 2023





# Financial Metrics – March 2023

## Leverage

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

7.97

Net Adjusted Debt

Adjusted Funds Available  
for Debt Service

### Net Adjusted Debt



## Leverage

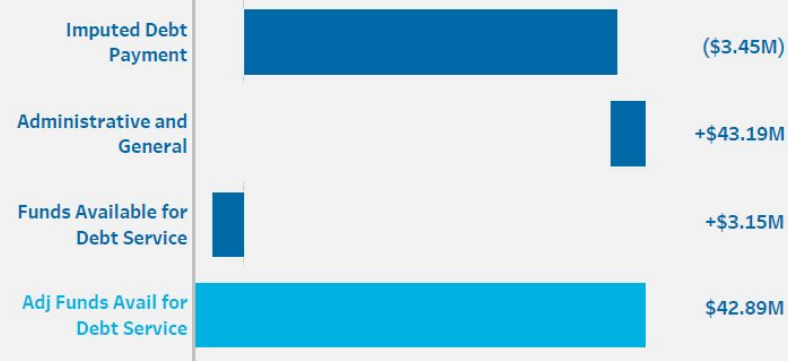
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7.97

Net Adjusted Debt

Adjusted Funds Available  
for Debt Service

### Adjusted Funds Available for Debt Service



# Financial Metrics – March 2023

## Coverage of Full Obligations

0.93

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

\$43.19M

Administrative &  
General Expense

\$3.15M

EBITDA &  
Interest Income

(\$3.45M)

## Debt Service Coverage

0.92

The funds available from operations to cover current debt service.

Funds Available  
for Debt Service

÷

Total Debt  
Service

Imputed Debt  
Payment

\$43.19M

EBITDA &  
Interest Income

(\$3.45M)

## Statement of Net Position

FY2023 Actuals as of March 2023

CURRENT ASSETS	Mar 2023
Cash And Investments	\$10,053,149
Other Receivables	\$6,968,032
Prepayments And Other Current Assets	\$0
<b>Total Current Assets</b>	<b>\$17,021,181</b>

### NON-CURRENT ASSETS

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**Total Assets \$25,085,409**

### DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows	\$0
<b>Total Deferred Outflows</b>	<b>\$0</b>

**Total Assets & Deferred Outflows of Resources \$25,085,409**

### LIABILITIES

Accounts Payable	\$8,276,438
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**Total Liabilities \$10,159,333**

### DEFERRED INFLOWS OF RESOURCES

Deferred Inflows	\$0
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**Total Liabilities & Deferred Inflows \$10,159,333**

### NET POSITION

Invested in Capital Assets, Net of Related Debt	\$2,790,204
Restricted	\$5,271,467
Unrestricted	\$6,864,405

**Total Net Position \$14,926,076**

## Statement of Revenue, Expenses, and Changes in Net Position

FY2023 Actuals as of March 2023

OPERATING REVENUE	Mar 2023	YTD FY2023
Sales To Members	\$6,722,007	\$62,598,393
Rto Market Revenue	\$412,610	\$20,180,213
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<b>Total Purchase Power and Operating Expenses</b>	<b>\$6,976,364</b>	<b>\$87,154,006</b>

**Operating Income \$305,895 (\$3,416,180)**

### NON-OPERATING REVENUE

Interest Expense On Debt	(\$4,844)	(\$83,889)
Interest Income	\$27,992	\$158,246
Other Non-Operating Income (Expense)	(\$9,989)	(\$43,154)
Regulatory Credit/Debit - Cost To Be Recovered	\$0	\$0
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$13,159</b>	<b>\$31,202</b>

### NET POSITION CHANGES

Change in Net Position	\$319,054	(\$3,384,978)
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<b>Net Position at End of Period</b>	<b>\$14,926,076</b>	<b>\$14,926,076</b>

## Indirect Statement of Cash Flows

FY2023 Actuals as of March 2023

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Net Income	\$319,054	(\$3,384,978)
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Accounts Payable	(\$1,266,977)	(\$8,422,332)
Taxes & Interest Accrued	\$6,819	\$5,834
Other Current Liabilities	\$9,909	\$27,238
Deferred Lease Liability	\$0	\$80,318
Deferred Inflows Monthly	\$0	\$0

**Net Cash Provided by (Used in) Operations (\$949,070) (\$9,540,762)**

### CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

Additions to Plant Monthly	\$13,448	(\$322,880)
Net Change in Other Prop & Invest	(\$5,216)	(\$1,781,205)

**Net Cash Provided by (Used in) Investing \$8,232 (\$2,104,085)**

### CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES

Long Term Borrowings	\$0	\$0
<b>Net Cash Provided By (Used in) Financing</b>	<b>\$0</b>	<b>\$0</b>

### NET INCREASE (DECREASE) IN CASH & TEMP INVESTMENTS

**Net Increase (Decrease) in Cash & Temp Investm... (\$940,838) (\$11,644,846)**

<b>Cash &amp; Temp Investment Beginning of Period</b>	<b>\$10,993,986</b>	<b>\$21,697,995</b>
<b>Cash &amp; Investments End of Period</b>	<b>\$10,053,149</b>	<b>\$10,053,149</b>

Month Ending  
3/31/2023 11:59:59 PM



KENTUCKY MUNICIPAL ENERGY AGENCY

**March 2023 Bank Reconciliation**

PNC Statement Balance 3/01/2023:	\$	6,932,928.32
PNC Statement Balance 3/31/2023:	\$	6,994,333.97
Independence Statement Balance 3/01/2023:	\$	4,054,654.18
Independence Statement Balance 3/31/2023:	\$	3,061,454.95
Outstanding Checks (-):		
Underwriters #2978	\$	(76.18)
Jeb Advertising #2981	\$	(1,122.06)
AnyDesk #2982	\$	(253.13)
LL&A Interior #2983	\$	(270.00)
Kentucky Chamber #2984	\$	(1,025.00)
<b>Adjusted Bank Balance:</b>	<b>\$</b>	<b>10,053,042.55</b>
Meridian Book Balance (1310000) 3/31/2023:	\$	6,991,693.55
Meridian Book Balance (1310500) 3/31/2023:	\$	3,061,454.95
Other Adjustments (+/-):		
Lumen #632589685	\$	(105.95)
<b>Adjusted Book Balance:</b>	<b>\$</b>	<b>10,053,042.55</b>
<b>Adjusted Bank Balance:</b>	<b>\$</b>	<b>10,053,042.55</b>
<b>Adjusted Book Balance:</b>	<b>\$</b>	<b>10,053,042.55</b>
<b>Difference:</b>	<b>\$</b>	<b>-</b>



KENTUCKY MUNICIPAL ENERGY AGENCY



# KYMEA President & CEO Report

Doug Buresh

April 27, 2023

# AGENDA

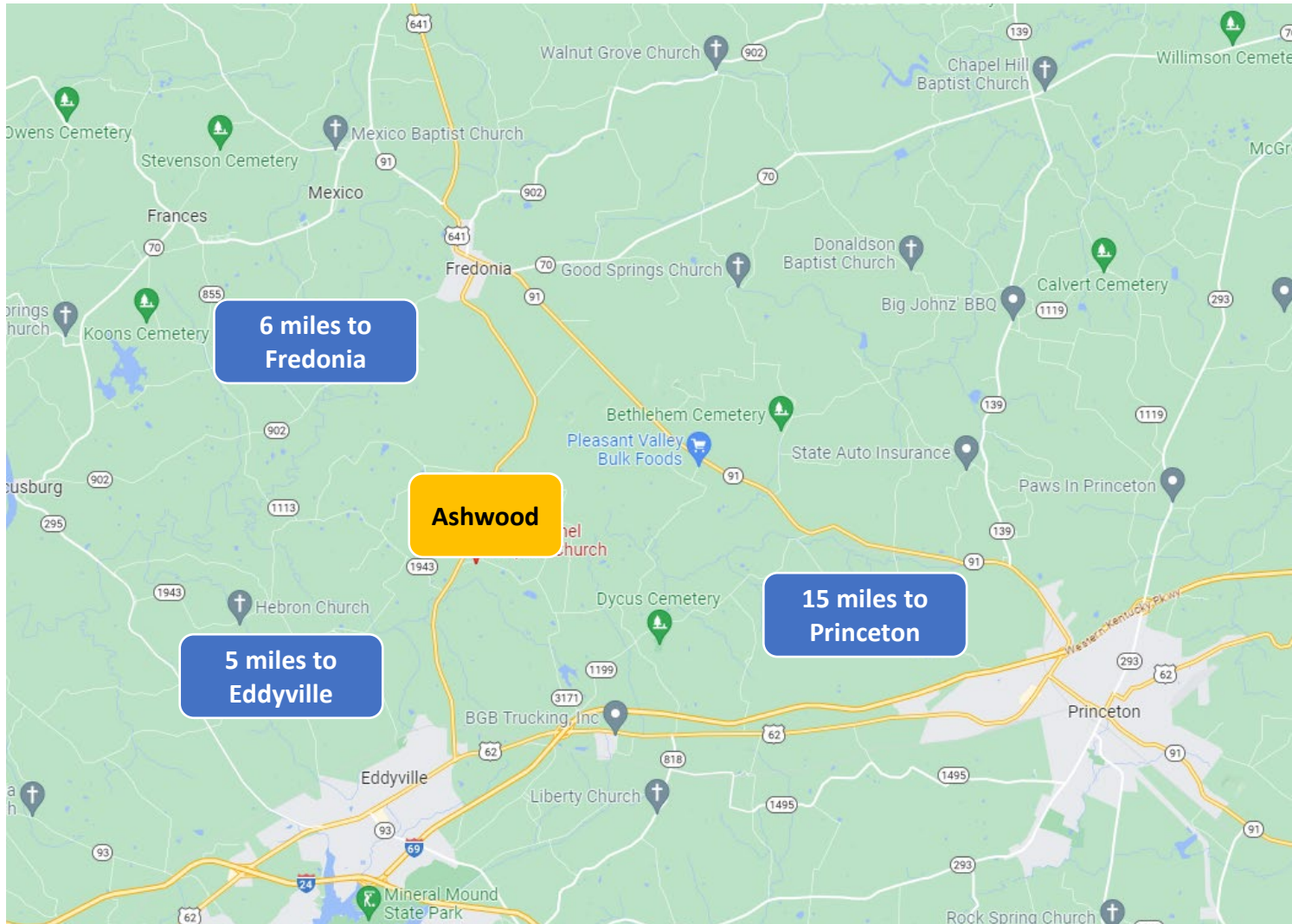
- Ashwood Update
- Generation Resources RFP
  - RICE Units
  - Agency-Owned Small Solar
- Strategic Planning (May Meeting)
  - Refresh Financial Metrics

## Construction Update

- RWE has an on-site manager
  - We need to coordinate with the manager to gain access to the site.
- Dirt work is underway
  - Silt Fence is installed
  - Bulldozer Grading is ongoing
- Ground-breaking Ceremony
  - Not finalized, likely in July
    - Late morning ceremony - followed by lunch
  - We may want to keep this ceremony to a smaller group and have a larger group at the ribbon cutting since there won't be a lot to see at the ground-breaking. However, we can make it as big as you like.
    - Does the Board have a preference?



# Ashwood Location





# Ashwood Satellite View



# AGENDA

- Ashwood Update
- Generation Resources RFP
  - RICE Units
  - Agency-Owned Small Solar

# AGENDA

- Ashwood Update
- Generation Resources RFP
  - RICE Units
  - Agency-Owned Small Solar
- Strategic Planning (May Meeting)
  - Refresh Financial Metrics

## Phased Approach

1. Phase I (4 months)
  - Initial Cost Estimate (for IRP analysis)
  - Site(s) Identification
  - RFP for Direct Procurement of RICE Units
  - Draft of Project Development Agreement/Purchase Power Agreement

*Status Meeting in Early June*
2. Phase II (4 months after Phase I completed)
  - Refine Cost Estimate
  - Turnkey EPC RFP
  - Initiate Site Permitting Activities
3. Phase III (October Time Frame)
  - Final Total Project Cost
  - Final Decision on Whether to Proceed

## Phased Approach

1. Phase I (4 months)
  - Initial Cost Estimate (for IRP analysis)
  - Site(s) Identification
  - Draft of Project Development Agreement/Purchase Power Agreement
2. Phase II (4 months after Phase I completed)
  - Refine Cost Estimate
  - Turnkey Build-Transfer RFP
    - Includes Site Permitting Activities
3. Phase III (1<sup>st</sup> Quarter of 2024)
  - Final Total Project Cost
  - Final Decision on Whether to Proceed

**Given the limited staff resources, the Self-Build Solar Project will lag behind the RICE Project.**

# AGENDA

- Ashwood Update
- Generation Resources RFP
  - RICE Units
  - Agency-Owned Small Solar
- Strategic Planning (May Meeting)
  - Refresh Financial Metrics



# Financial Metrics

KYMEA Financial Metrics 2020

## At-a-Glance Performance

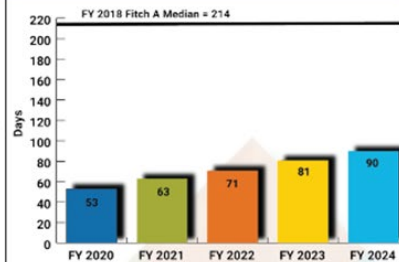
### Projected Financial Performance and Condition

The final charts discuss each of the financial health metrics and provides KYMEA's FY 2020 performance along with projected performance over the next 4-year period.

#### DAYS CASH ON HAND

- Represents financial flexibility - the number of days KYMEA can pay its operating expenses with the given cash available.
- Unrestricted Cash/(Operating Expenses- Depreciation- Amortization)

KYMEA has the goal of systematically moving toward a target Days Cash on Hand of 90 days by the end of FY 2024.



#### NET ADJUSTED DEBT/ADJUSTED FUNDS AVAILABLE FOR DEBT SERVICE

- Represents the size of the debt to the margin available to cover all debt service and fixed charges
- Net Adjusted Debt/Adjusted Funds Available for Debt Service

KYMEA has not issued debt at this time; therefore, it uses an imputed number equal to 8x the fixed portion of its purchase power cost to impute a debt equivalent.



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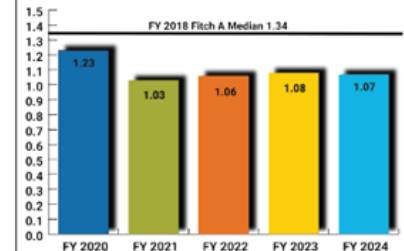
KYMEA Financial Metrics 2020

## At-a-Glance Performance

### COVERAGE OF FULL OBLIGATIONS

- Represents the funds available from operations to cover current debt service and fixed charges requirements
- Funds Available for Debt Service/(Total Annual Debt Service + Fixed Charges)

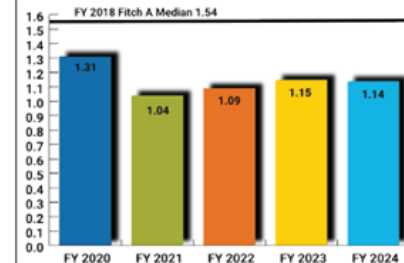
Funds Available for Debt Service represent Earnings Before Interest, Taxes, Depreciation, and Amortization plus Interest Income.



### DEBT SERVICE COVERAGE

- Represents the funds available from operations to cover current debt service
- Funds Available for Debt Service/Total Annual Debt Service

This is a similar metric to Coverage of Full Obligations. Debt Service Coverage does not include KYMEA Fixed Operations Charges.



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**5-Year Targets (Board Approved 6/25/2020)**



KENTUCKY MUNICIPAL ENERGY AGENCY



# March 2023 Market Report

Rob Leesman

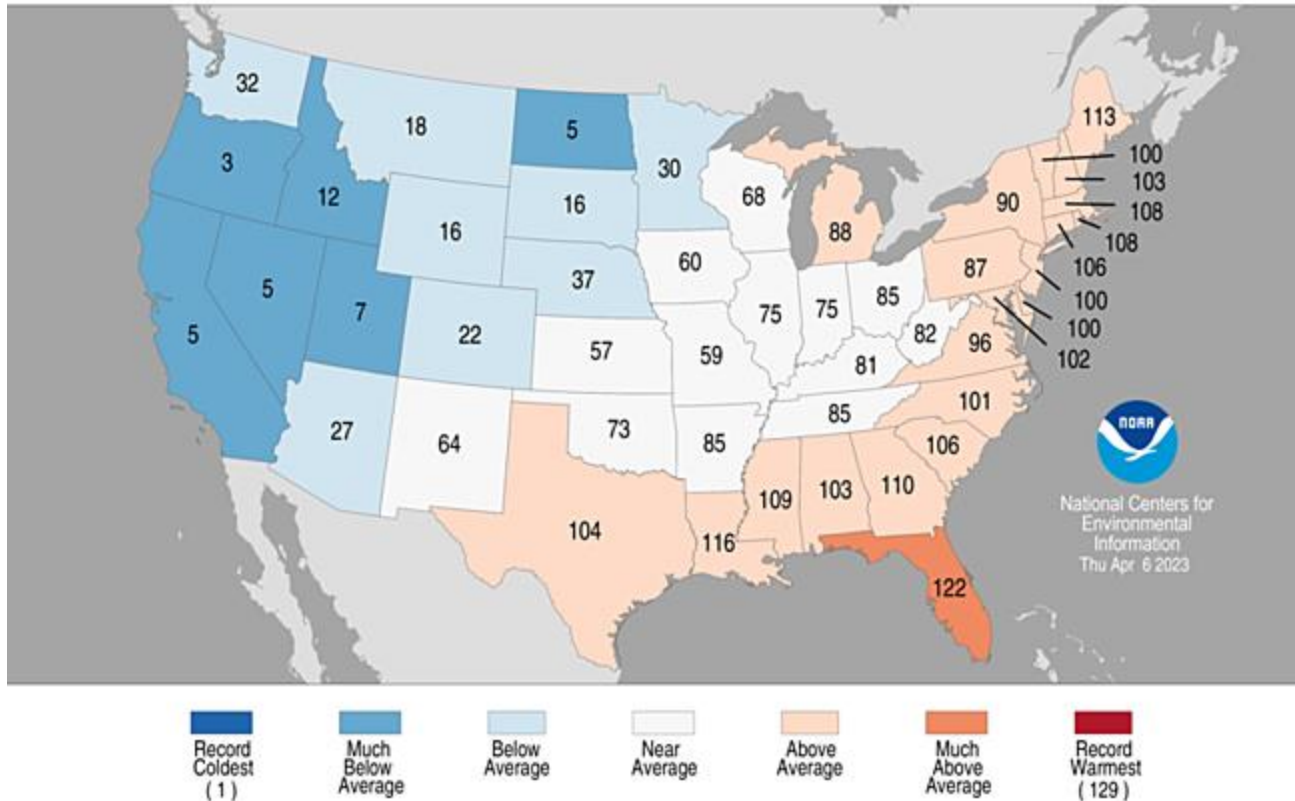
April 27, 2023



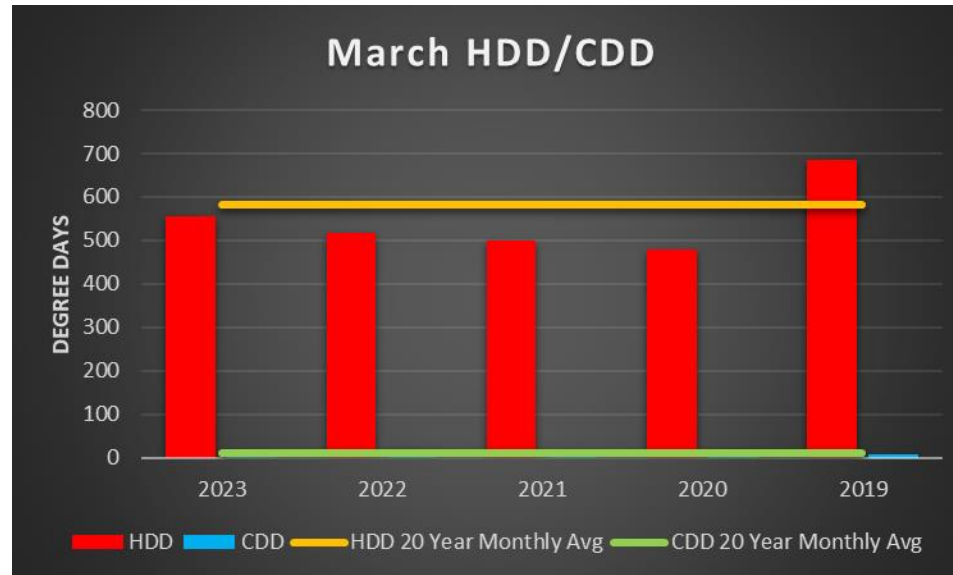
## Statewide Average Temperature Ranks

March 2023

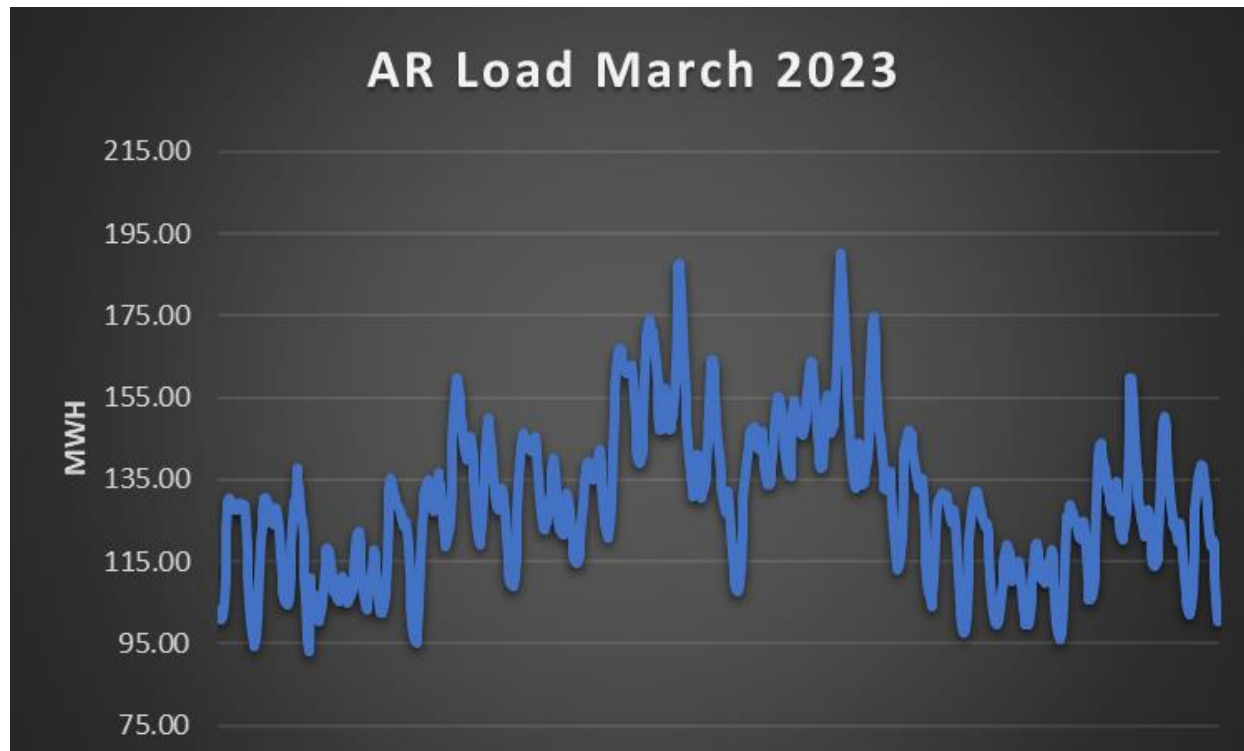
Period: 1895–2023



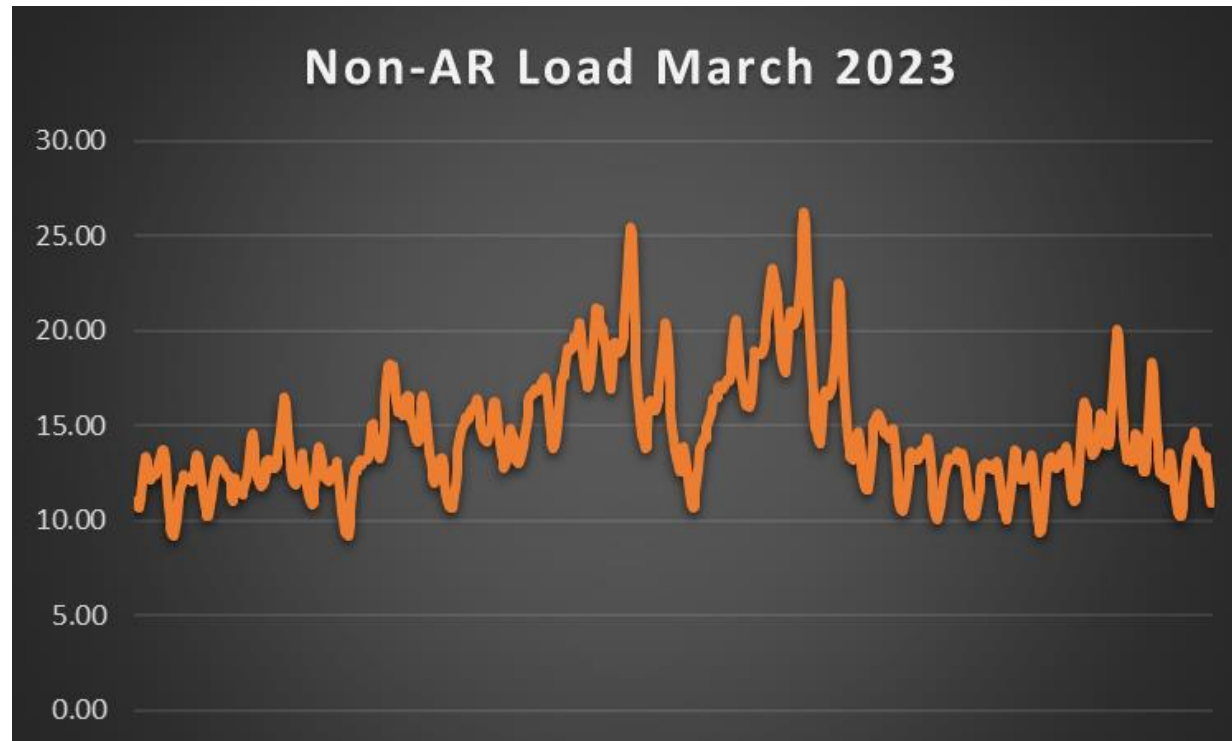
# Degree Days



# AR Load March 2023



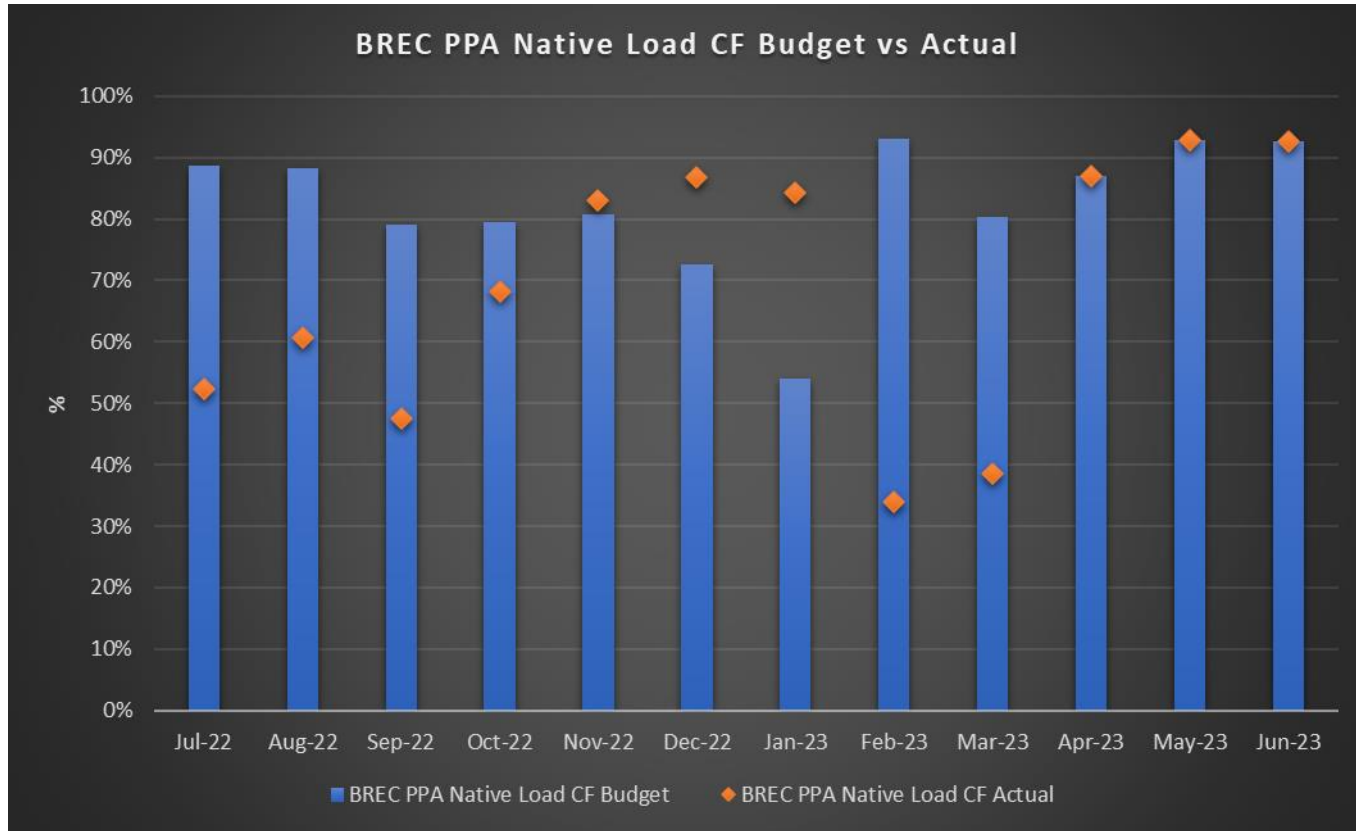
# Non-AR Load March 2023



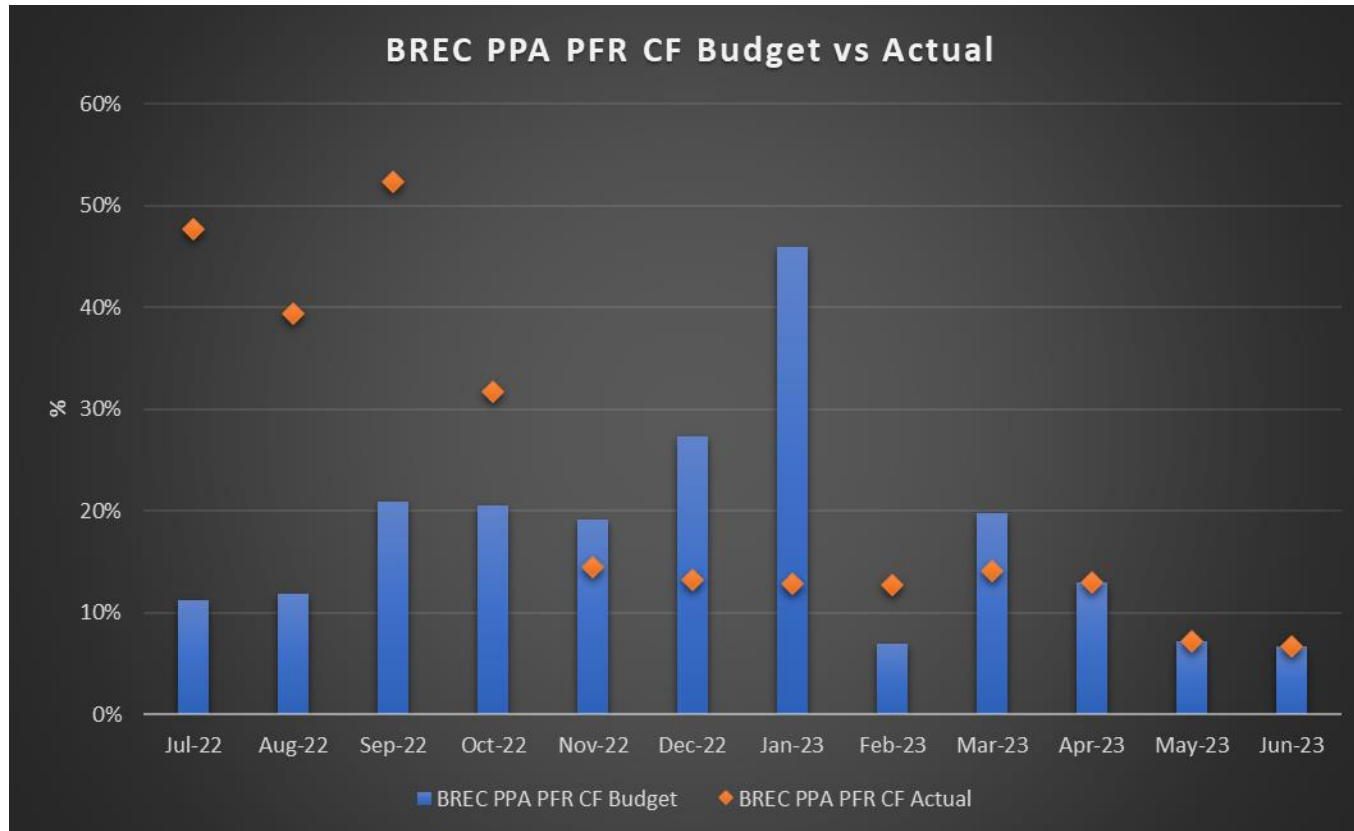
# March 2023 Snapshot

Mar-23							
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	6,875	6,753	98%	15.33	16.95	111%	3/20/2023 7:00:00 AM
Bardwell	616	594	96%	1.20	1.09	91%	3/19/2023 9:00:00 AM
Benham	584	569	97%	1.81	2.10	116%	3/20/2023 7:00:00 AM
Berea	10,159	10,229	101%	22.17	24.11	109%	3/20/2023 7:00:00 AM
Corbin	6,416	6,128	96%	13.55	14.57	108%	3/20/2023 7:00:00 AM
Falmouth	1,447	1,371	95%	2.71	2.55	94%	3/15/2023 9:00:00 AM
Frankfort	52,030	53,410	103%	99.66	104.81	105%	3/20/2023 8:00:00 AM
Madisonville	23,013	21,437	93%	38.86	36.87	95%	3/15/2023 9:00:00 AM
Owensboro	56,327	58,381	104%	99.00	98.00	99%	
Paris	5,281	4,579	87%	11.74	10.75	92%	3/20/2023 7:00:00 AM
Providence	2,122	2,108	99%	4.14	4.10	99%	3/20/2023 7:00:00 AM
AR	97,801	96,380	99%	187.18	191.69	102%	
Non-AR	10,743	10,798	101%	23.98	26.22	109%	
All	108,544	107,178	99%	211.16	217.91	103%	
Total	164,871	165,559	100%	310.16	315.91	102%	

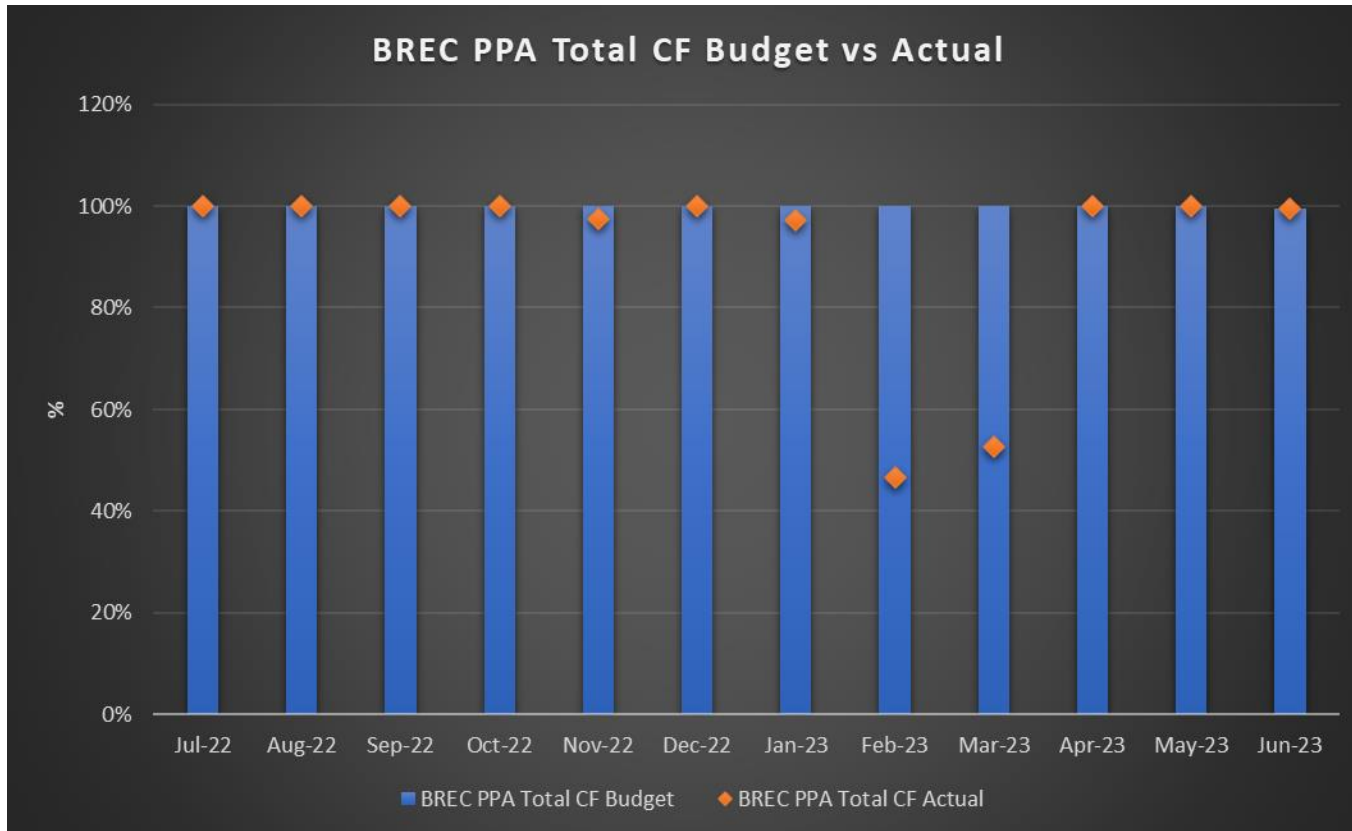
# BREC PPA Load Capacity Factor FY 23



# BREC PPA PFR Capacity Factor FY 23

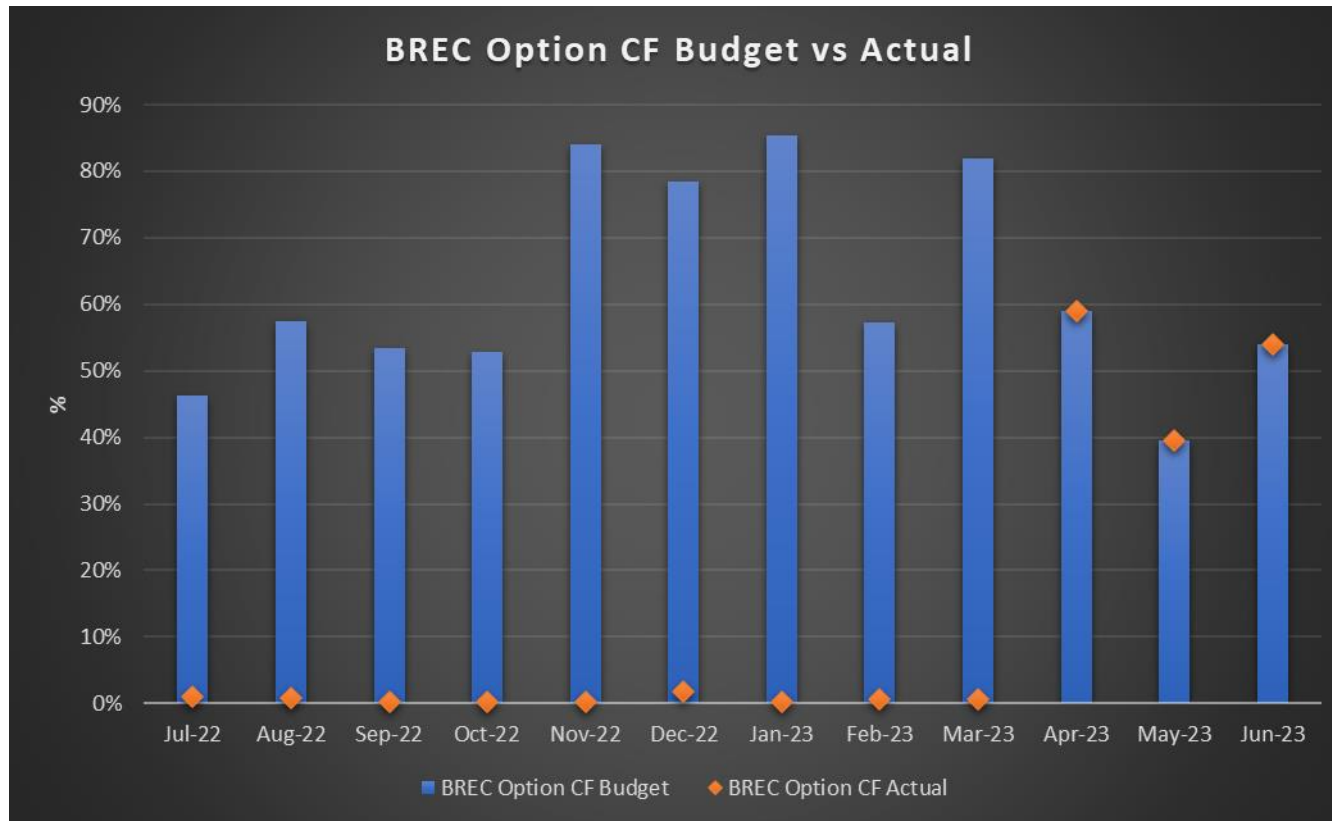


# BREC PPA Capacity Factor FY 23

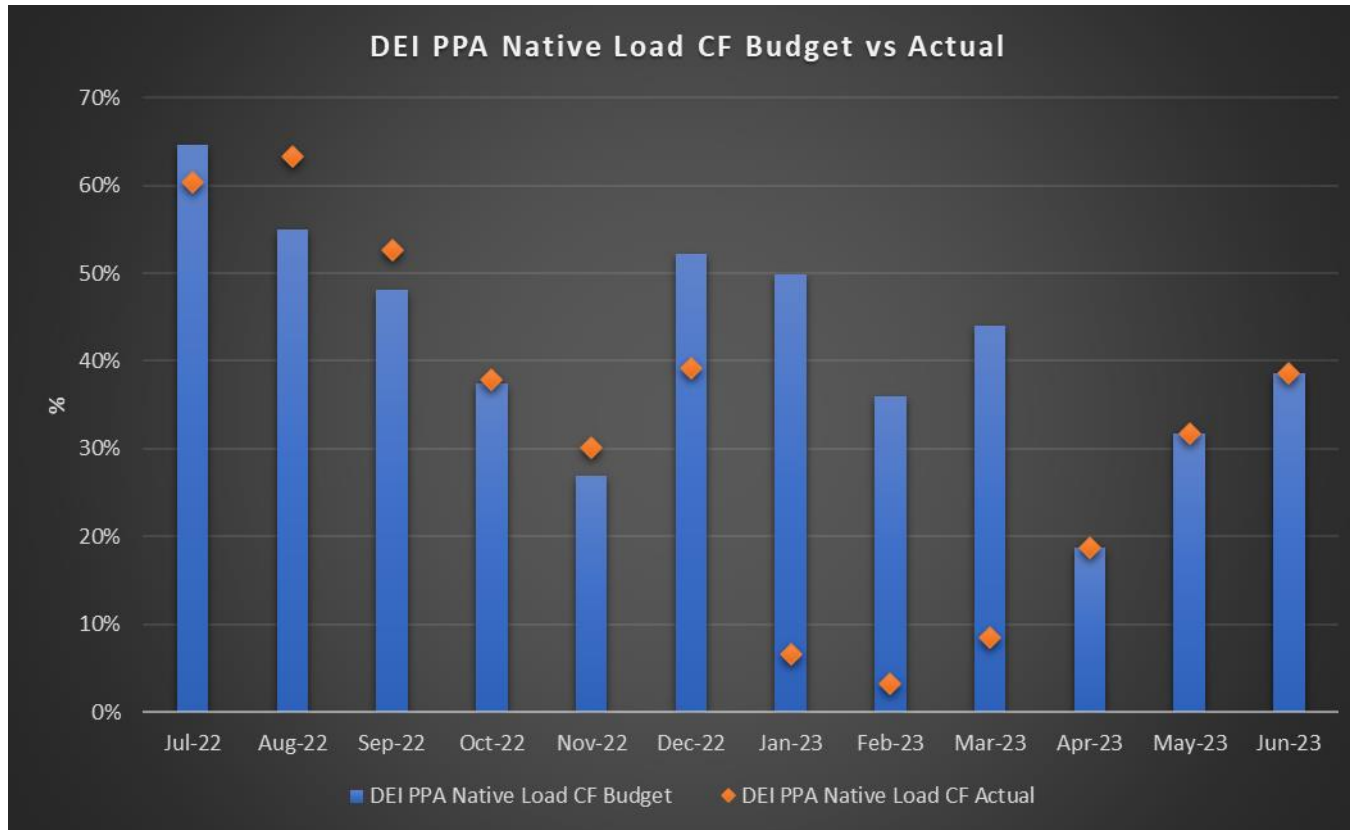




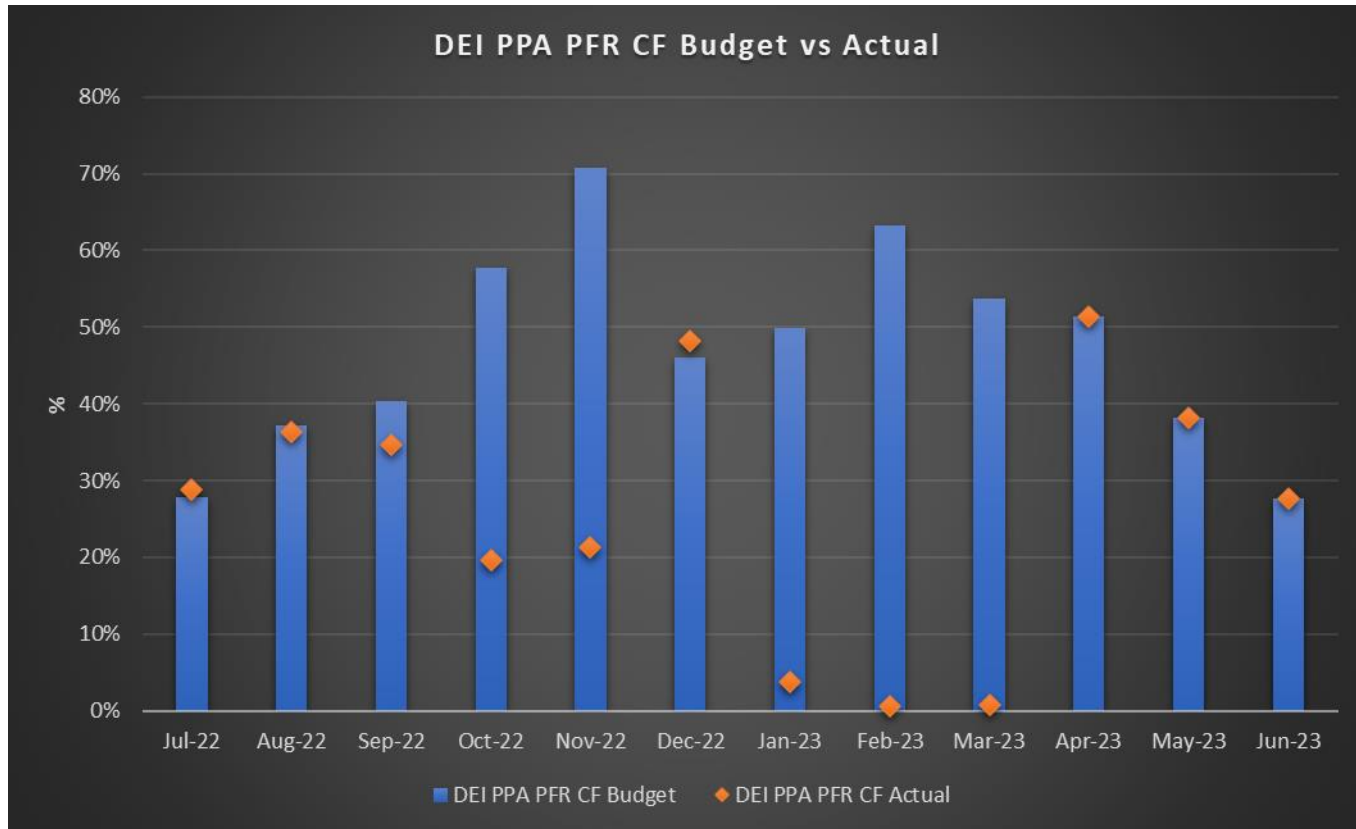
# BREC Option Capacity Factor FY 23



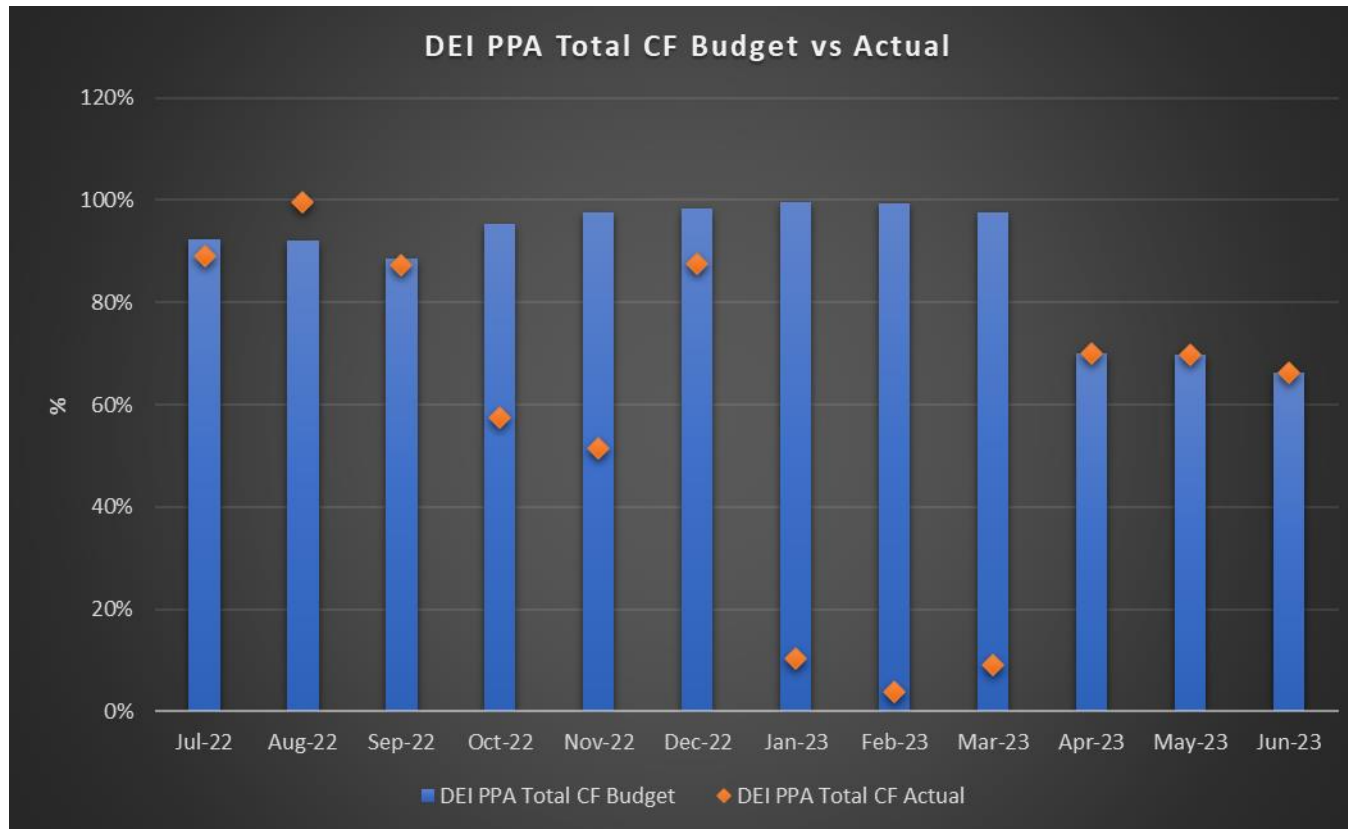
# DEI PPA Load Capacity Factor FY 23



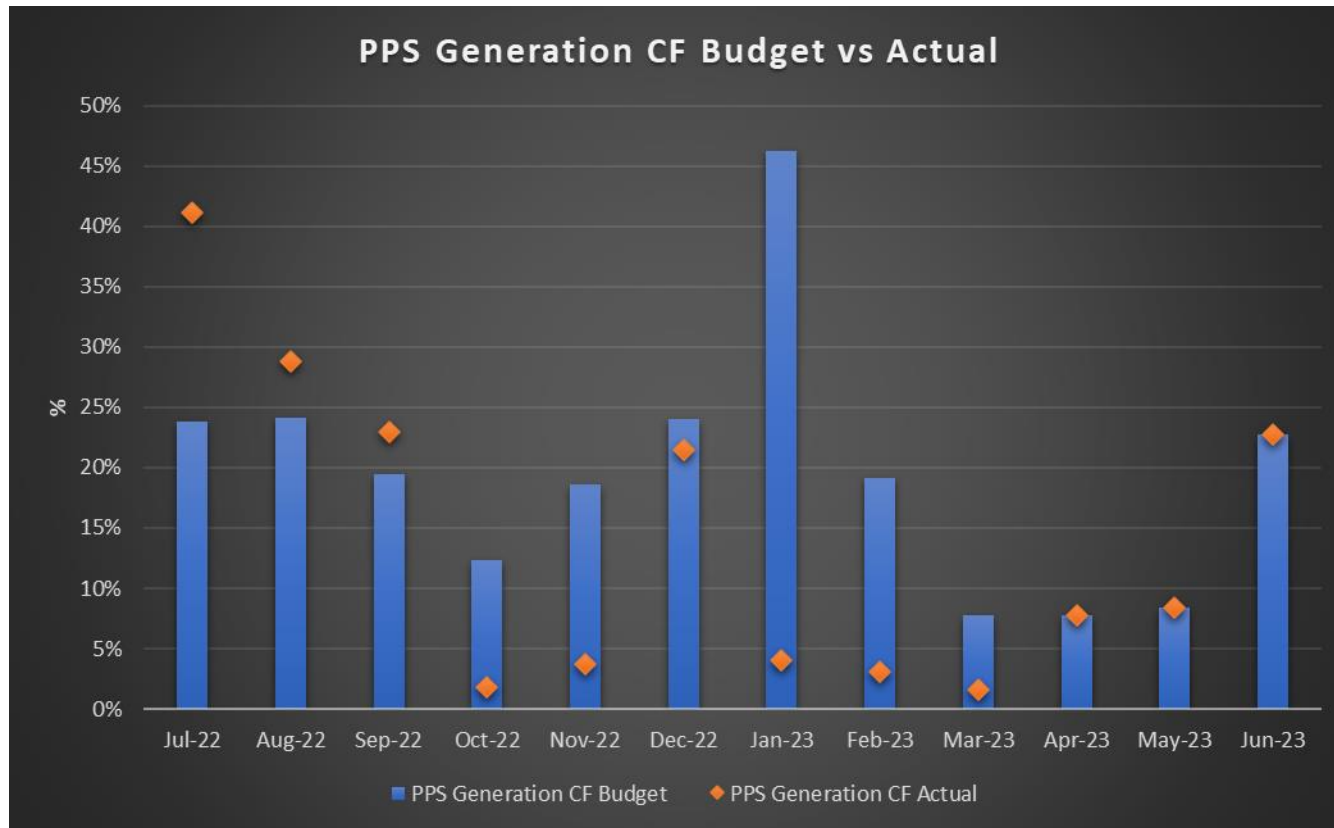
# DEI PPA PFR Capacity Factor FY 23



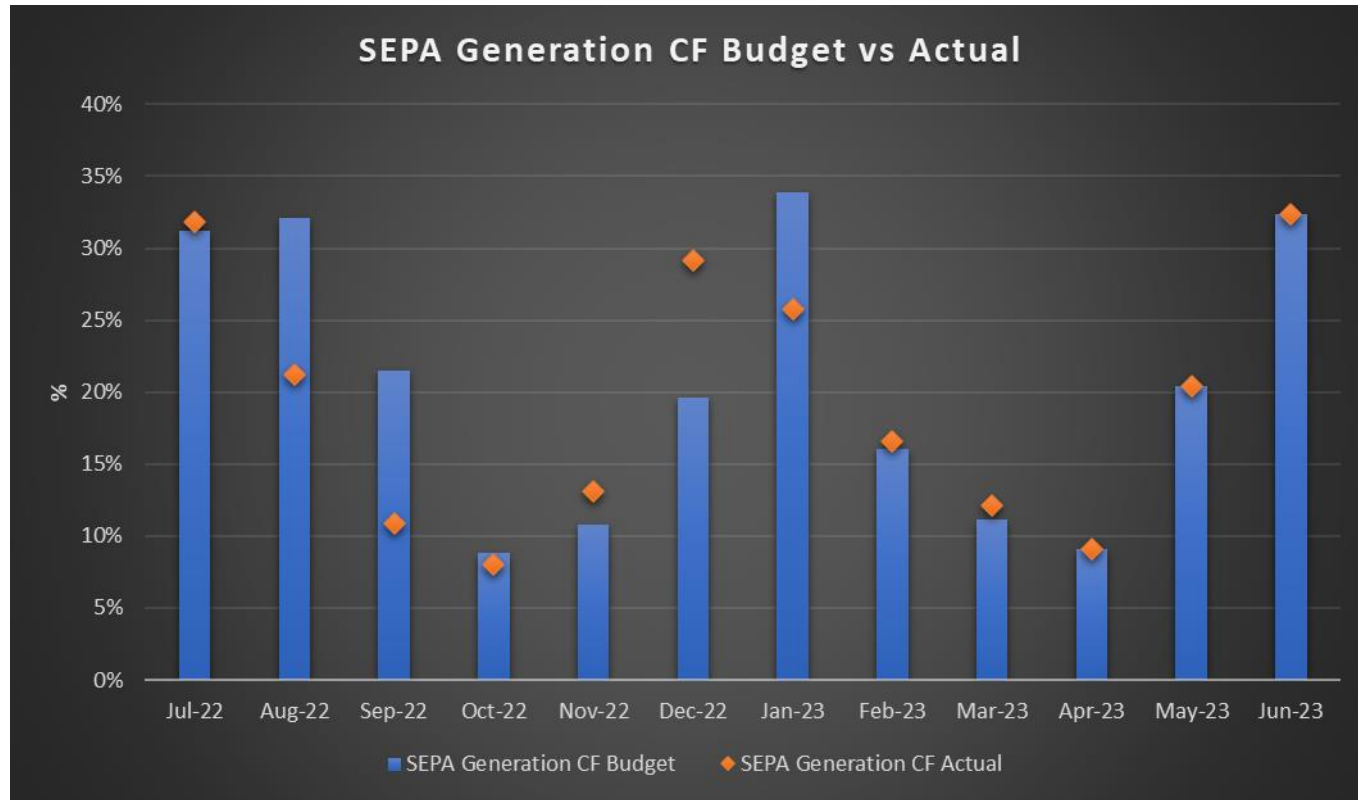
# DEI Capacity Factor FY 23



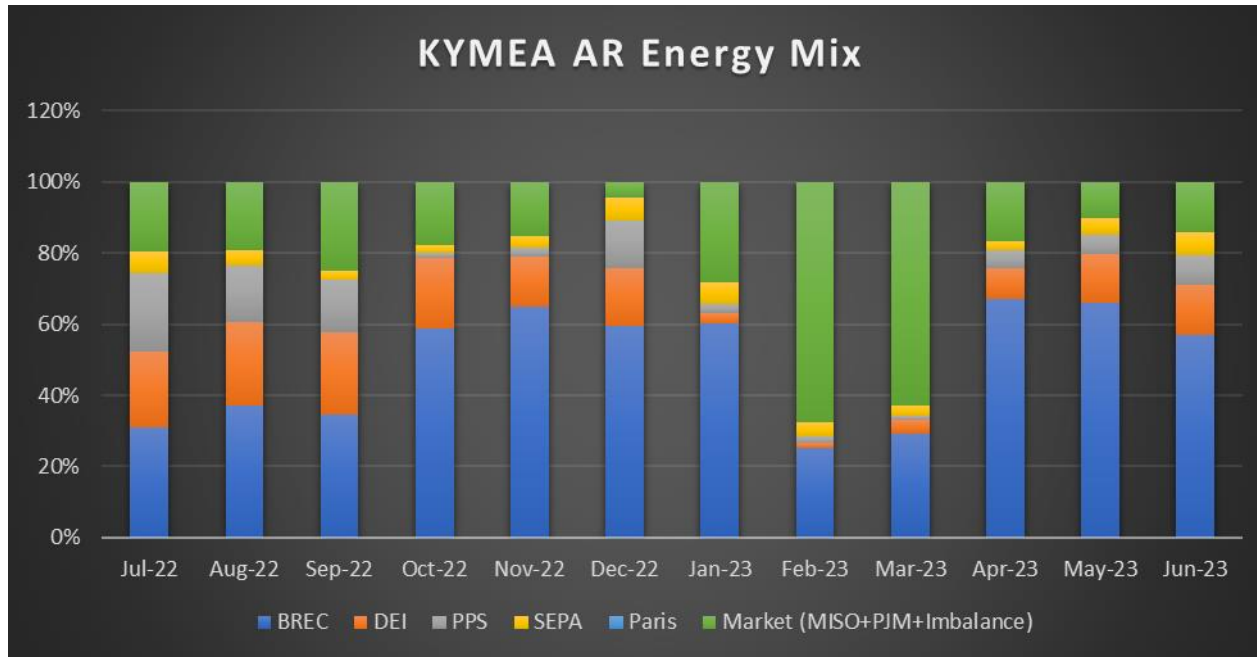
# PPS PPA Capacity Factor FY 23



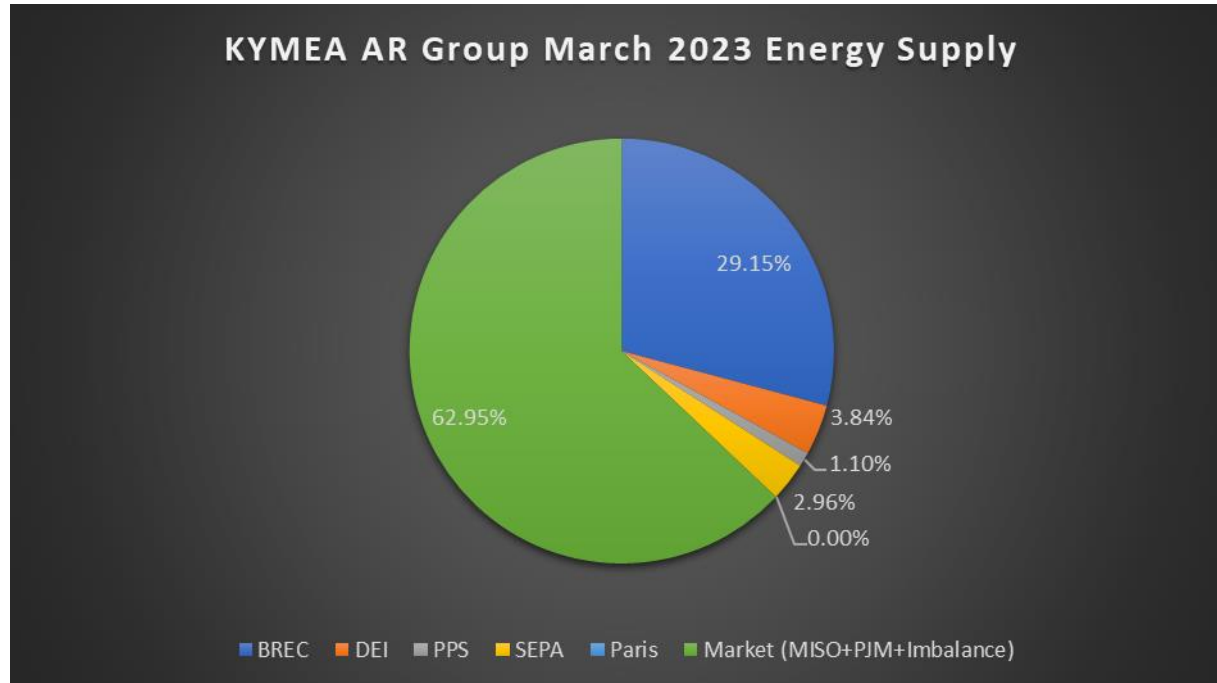
# SEPA Capacity Factor FY 23



# KYMEA AR Energy Mix FY 23



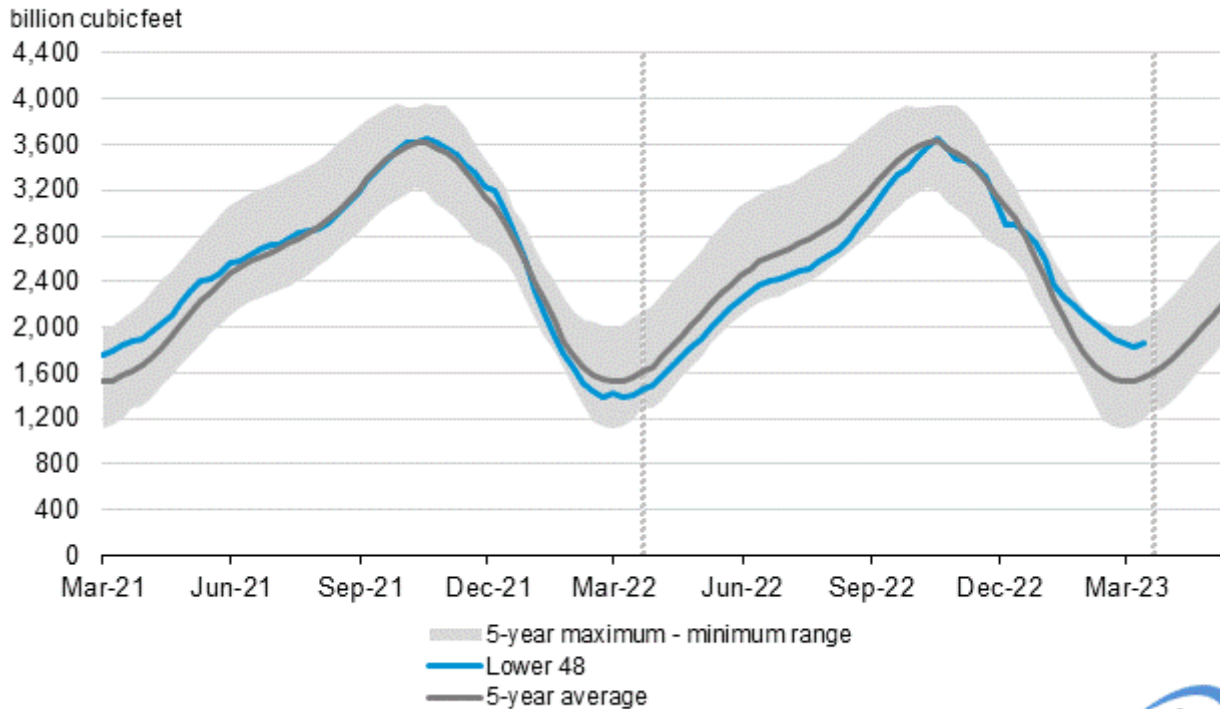
# KYMEA AR Energy Mix





# Working Gas in Storage (4-7-23)

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

# Total Rig Count

## Rigs

	Tue, April 04, 2023	Change from	
		last week	last year
Oil rigs	590	-0.3%	8.1%
Natural gas rigs	158	-1.3%	12.1%

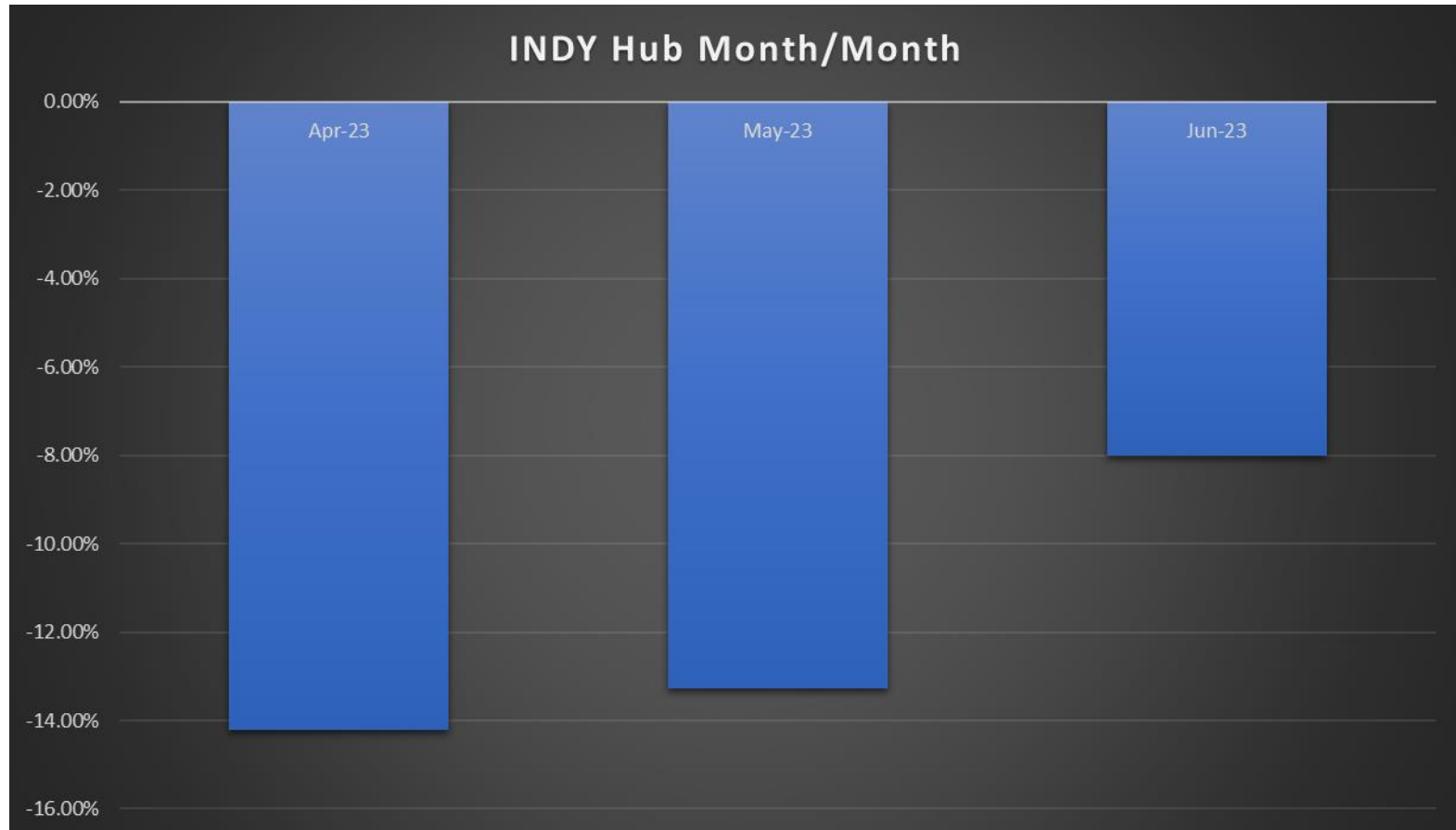
Note: Excludes any miscellaneous rigs

## Rig numbers by type

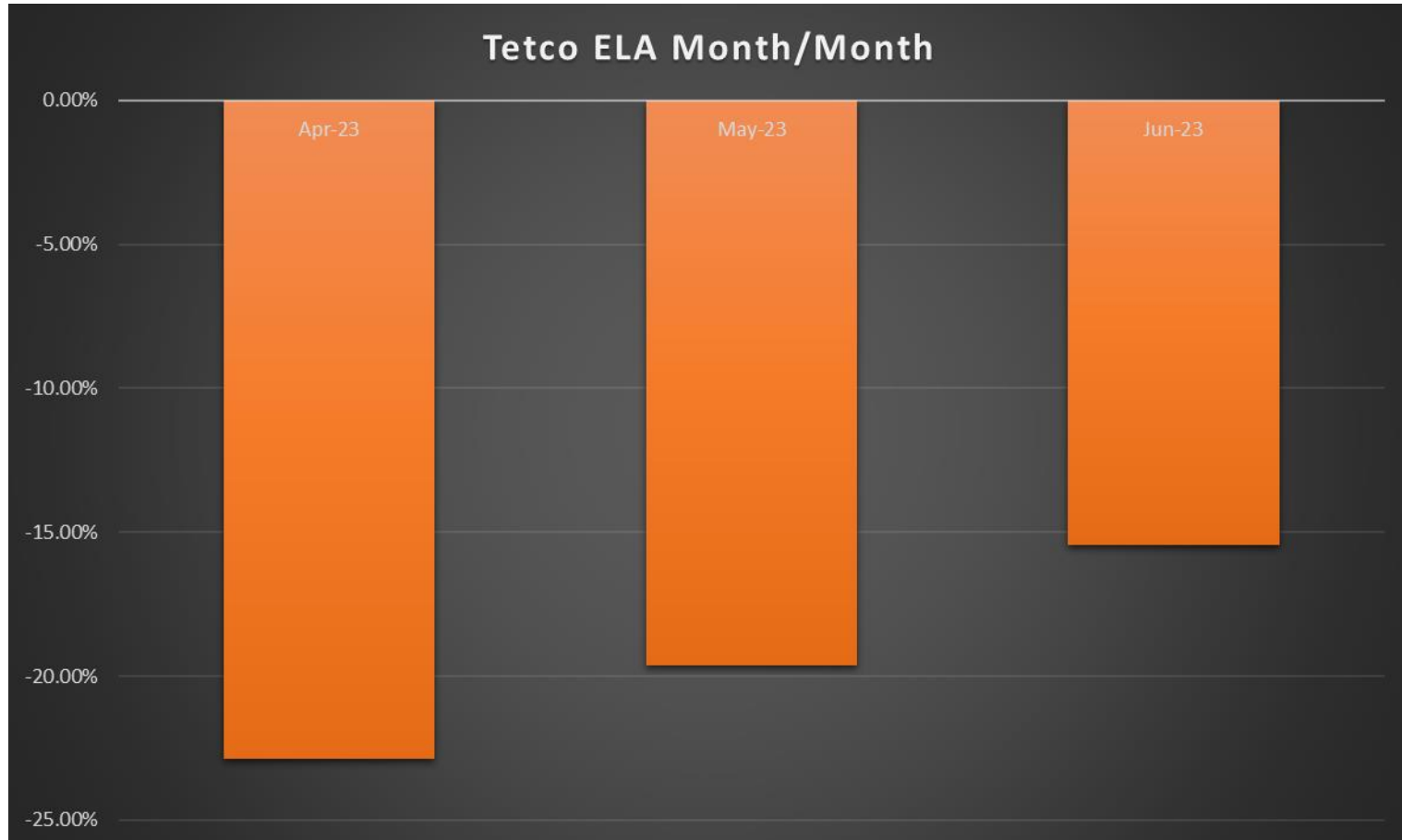
	Tue, April 04, 2023	Change from	
		last week	last year
Vertical	14	7.7%	-46.2%
Horizontal	686	-0.7%	8.7%
Directional	51	0.0%	59.4%

Data source: Baker Hughes Company

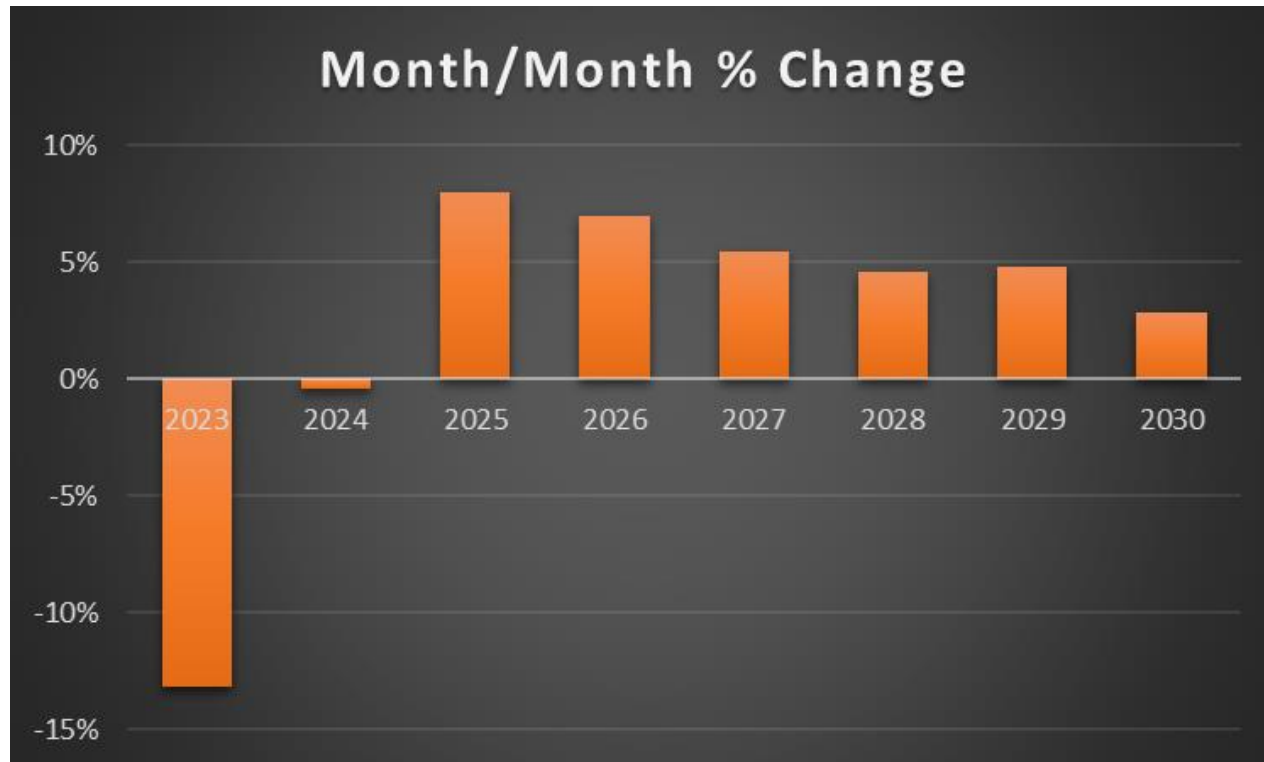
# Indiana Hub ATC



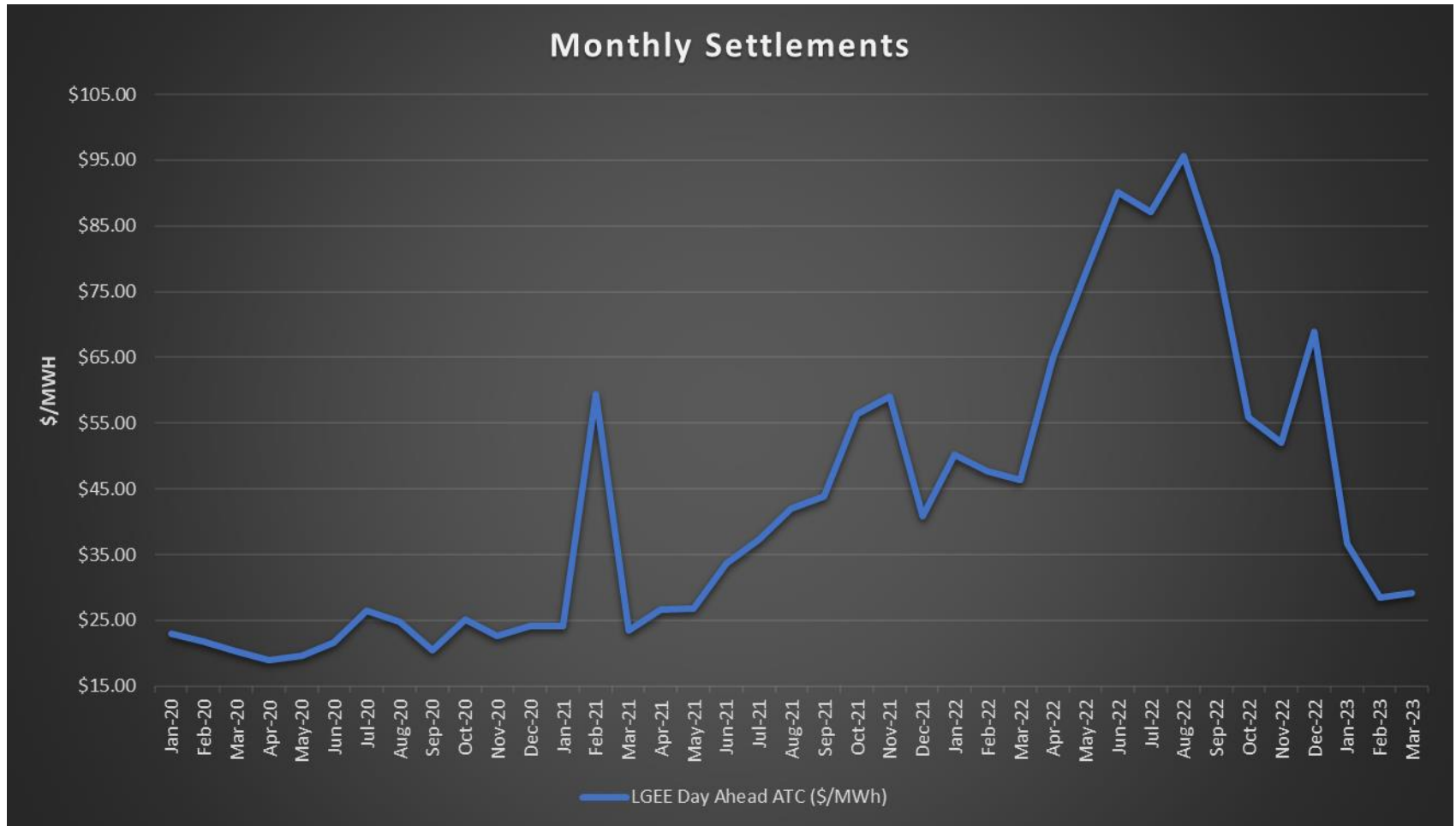
# Texas Eastern Transmission East Louisiana Zone



# Texas Eastern Transmission East Louisiana Zone



# Historical Pricing





KENTUCKY MUNICIPAL ENERGY AGENCY



# Member Communications

Michelle Hixon

April 27, 2023



# Dates to Remember

May	
19 <sup>th</sup> at 10 AM	Special Combined Meeting of the AR Project and KYMEA Board
June	
22 <sup>nd</sup> at 8:30AM	BROC Meeting
22 <sup>nd</sup> at 10 AM	Combined Meeting of the AR Project and KYMEA Board of Directors

# KYMEA Annual Members Conference



Hear from public power professionals on key topics that affect your community.

**Register now and reserve your hotel room.**

- Examine events around reliability and commodity volatility, understand the fundamentals behind market behaviors, and compare current events with expectations for the future.
- Hear from finance experts on funding opportunities for capital projects and understand the benefits and challenges of various options.
- Understand how utilities plan for future growth and attract economic development.
- Learn about the MISO market challenges and opportunities and how technological advances may impact the future role of MISO.
- Gain an understanding of the mission and major energy initiatives of the Kentucky Energy and Environmental Cabinet.



KENTUCKY MUNICIPAL ENERGY AGENCY



# KYMEA Board Officer Election Nominations

Josh Callihan / Doug Buresh

April 27, 2023

# Officer Election Ballot (2 Year Term)

## Chairman

- ☐ \*Josh Callihan
- ☐ Candidate 2
- ☐ Candidate 3

## Vice Chairman

- ☐ \*Chris Melton
- ☐ Candidate 2
- ☐ Candidate 3

## Secretary

- ☐ \*Kevin Howard
- ☐ Candidate 2
- ☐ Candidate 3

## Treasurer

- ☐ \*Gary Zheng
- ☐ Candidate 2
- ☐ Candidate 3

**Past Chairman – Ron Herd**

**\* Current Officers**

# Committees (2 Year Term)

**At the May Annual Meeting, Post Officer Election, Committee Nominations will be facilitated by the new Chairman. The Committee Nominations may be made by a Director only via floor nominations followed by a vote of the Directors.**

## Current Committees

- 1. AR Project Committee**
- 2. Executive Committee**
- 3. Budget Committee**
- 4. Board Risk Oversight Committee**
- 5. FERC Litigation Committee**

# Current Budget Committee

## Chairman

- ☐ \*Chris Melton
- ☐ Candidate 2
- ☐ Candidate 3

## Members

- ☐ \*Josh Callihan
- ☐ \*Gary Zheng
- ☐ \*Ron Herd
- ☐ Candidate 4

- Up to 5 Board Members Possible
- Budget Committee Chair serves as AR Project Chair.

**\* Current Members**

## Chairman

- ☐ \*Gary Zheng
- ☐ Candidate 2

## Members

- ☐ \*Tim Lyons
- ☐ Candidate 2

**Up to 2 Board Members Possible**

## Other Non-Board Members

CEO

CFO

General Counsel

**\* Current Members**

# Current FERC Litigation Committee

## Chairman

**\*Gary Zheng**  
**(Chair of BROCC)**

## Members

**\*Tim Lyons**  
**(Member of BROCC)**

**\*Chris Melton**  
**(Chair of Budget Committee)**

**Three Automatic Appointments**

**\* Current Members**



**KENTUCKY MUNICIPAL ENERGY AGENCY**  
**ALL REQUIREMENTS PROJECT -- WHOLESALE POWER RATE SCHEDULE**

## 1. Availability

This rate schedule for wholesale power is available to Members purchasing power and energy and related services from the Agency under the All Requirements Power Sales Contract ("Contract").

## 2. Applicability

This rate schedule is applicable to Members taking service from the Agency under the Contract ("AR Members").

### 3. Character of Service

Wholesale power furnished under this rate schedule at one or more Points of Delivery as set forth in Schedule A shall be sixty-hertz, three-phase, alternating current.

#### 4. Monthly Rates and Charges

The Member's monthly bill will include the following charges:

## AR Project Charges

Demand Charge	\$12.250 per kW times Monthly Billing Demand
Energy Charge	\$0.03750 per kWh times Monthly Energy Requirement
Energy Cost Adjustment (ECA) Charge	A charge determined monthly per Section 6 of this Rate Schedule

## Transmission Charges

a. LGE/KU Transmission Charge	\$4.17128 per kW times Monthly Coincident (12-CP) Transmission Billing Demand
-------------------------------	---

Applicable to AR Members receiving service over the LGE/KU transmission system. The LGE/KU Transmission Charge is updated annually effective June 1 and includes LGE/KU's Open Access Transmission Tariff (OATT) charges under:

- Schedule 10, Network Integration Transmission Service
- Schedule 1, Scheduling, System Control and Dispatch
- Schedule 2, Reactive Supply and Voltage Control from Generation Sources Service
- Schedule 3, Regulation and Frequency Response Service
- Schedule 5, Operating Reserve - Spinning Reserve Service
- Schedule 6, Operating Reserve - Supplemental Reserve Service
- Associated credits relevant to the above schedules and any new transmission tariffs.

Approved: April 27, 2023

Effective: July 1, 2023

**KENTUCKY MUNICIPAL ENERGY AGENCY  
ALL REQUIREMENTS PROJECT -- WHOLESALE POWER RATE SCHEDULE**

- b. PJM-EKPC Transmission Charge                      \$3.79065 per kW times Annual Coincident  
(1-CP) Transmission Billing Demand

Applicable to AR Members receiving service over the PJM-EKPC transmission system. The PJM-EKPC Transmission Charge is updated annually effective January 1 and includes PJM Open Access Transmission Tariff (OATT) charges under:

- Schedule 1100, Network Integration Transmission Service
- Schedule 1108, Transmission Enhancement
- Schedule 1115, Transmission Enhancement Settlement (EL05-121-009)
- Schedule(s) 1301-1311, PJM Scheduling Charges, System Control, and Dispatch Service
- Schedule(s) 1313-1319, PJM Settlement, Market Monitoring, FERC Recovery, and PJM States Funding
- Schedule 1320, Transmission Owner Scheduling, System Control and Dispatch Service
- Schedule 1330, Reactive Supply and Voltage Control from Generation and Other Sources Service
- Schedule(s) 1340-1380, Regulation, Frequency Response, Reserve, and Black Start Services
- Associated credits relevant to the above schedules and any new transmission tariffs

- c. MISO Transmission Charge                      \$2.500 per kW times Monthly Billing Demand

Applicable to all AR Members. The Agency will review and update the MISO Transmission Charge annually, and more frequently if needed, to reflect changes in MISO transmission costs.

- Schedule 7, Firm Point to Point
- Schedule 1, Scheduling, System Control and Dispatch
- Schedule 2, Reactive Supply and Voltage Control from Generation Sources Service
- Schedule 8, Non-Firm Point to Point
- Schedule 10, FERC Assessment Fees
- Schedule 26, Network Upgrade Charge
- Schedule 26a, Multi-Value Projects
- Schedule 33, Blackstart Service
- Schedule 45, Cost Recovery of NERC Recommendation or Essential Action
- Associated credits relevant to the above schedules and any new transmission tariffs.

- d. LGE/KU Wholesale Distribution Service Charge per Section 7 of this Rate Schedule

Approved: April 27, 2023

Effective: July 1, 2023

**KENTUCKY MUNICIPAL ENERGY AGENCY  
ALL REQUIREMENTS PROJECT -- WHOLESALE POWER RATE SCHEDULE**

5. Billing Determinants

Monthly Billing Demand is the Member's Monthly Non-Coincident Billing Demand, except that for the months of December, January, February, and March, it is lesser of (a) the Member's Monthly Non-Coincident Billing Demand or (b) the average of the Member's maximum Monthly Non-Coincident Billing Demand occurring in each of the preceding three summer seasons (June, July, and August).

Monthly Non-Coincident Billing Demand is the highest average kW demand during a 60-minute period ending on a clock hour of the Member's total load during the monthly billing period. For Members with multiple delivery points, the Member's total load is the aggregated load of all delivery points each hour.

Monthly Transmission Billing Demand is the Member's average kW demand during LGE/KU's transmission system peak hour during the monthly billing period. This is commonly referred to as the Member's demand coincident with the LGE/KU monthly transmission system peak demand.

Annual Transmission Billing Demand is the Member's average kW demand during PJM-EKPC's transmission system peak hour during the annual billing period. This is commonly referred to as the Member's demand coincident with the PJM-EKPC annual transmission system peak demand.

Monthly Energy Requirement is the total amount of energy supplied to the Member during the monthly billing period, as determined in accordance with the Contract.

Monthly Billing Demand, Monthly Transmission Billing Demand, Annual Transmission Billing Demand, and Monthly Energy Requirement shall be based on load metered at, or appropriately compensated for losses to the high-voltage side of delivery substations connecting the Member's system to the applicable transmission system.

Monthly Billing Demand, Monthly Transmission Billing Demand, Annual Transmission Billing Demand, and Monthly Energy Requirement shall be determined, including any load or usage on the Member's system directly served from a Member-Owned Resource, if any, as provided in the Contract.

6. Energy Cost Adjustment (ECA)

The Energy Cost Adjustment (ECA) shall be an amount equal to the product of the Energy Cost Adjustment Charge Factor (ECAAF) times the Member's Monthly Energy Requirement. The ECA shall be included on the Monthly Invoice.

Collection of the ECA shall be applied as follows:

If the Projected Days Cash on Hand for June 30, 2024 < the Minimum Target Days Cash on Hand for June 30, 2024 as set forth in Section 6, then the ECA shall be computed and collected.

Approved: April 27, 2023

Effective: July 1, 2023

**KENTUCKY MUNICIPAL ENERGY AGENCY  
ALL REQUIREMENTS PROJECT -- WHOLESALE POWER RATE SCHEDULE**

Credit of the ECA shall be applied as follows:

If for two consecutive months, the Projected Days Cash on Hand for June 30, 2024 > the Maximum Target Days Cash on Hand for June 30, 2024 as set forth in Section 6, then the ECA shall be computed and credited.

Where:

For FY2024, the ECAF collected or credited shall not exceed \$0.003/kWh.

Where:

Minimum Target DCOH = 40 DCOH

The 40 Day Minimum Target DCOH supersedes the 90 Day Target DCOH established in the Board approved Financial Metrics (June 25, 2020).

Maximum Target DCOH = 45 DCOH

The 45 Day Maximum Target DCOH supersedes the 108 Day Target DCOH established in the Board approved Financial Metrics (June 25, 2020).

The Days Cash on Hand shall be computed as:

Days Cash on Hand = Cash Available / Adjusted Operating Expense per Day

Where:

Cash Available = Cash and Investments

Source: KYMEA Statement of Net Position

Where:

Adjusted Operating Expense per Day = Monthly Purchase Power and Operating Expenses, less Monthly Depreciation, plus Previous Months' Adjusted Operating Expense Balance, divided by Cumulative Days of the fiscal year.

At the beginning of each fiscal year, the Previous Month's Adjusted Operating Expense Balance shall be reset as zero.

Source: KYMEA Consolidated Statements of Revenue, Expenses, and Changes in Net Position

Approved: April 27, 2023

Effective: July 1, 2023

**KENTUCKY MUNICIPAL ENERGY AGENCY  
ALL REQUIREMENTS PROJECT -- WHOLESALE POWER RATE SCHEDULE**

7. Direct Assigned Facilities Charges

The monthly fixed charges shown in the table below are the current LGE/KU Direct Assigned Facilities Charges stated in the KYMEA-LGE/KU Wholesale Distribution Service Agreement dated 03/01/2019 and amended effective 12/15/2020. These charges are based on investment in distribution facilities owned and operated by LGE/KU and include charges for substations, switchgear, and tap lines.

**LGE/KU Direct Assigned Facilities Charges**

<b>AR Member</b>	<b>Monthly Fixed Charge</b>
Barbourville	n/a
Bardwell	\$378.25
Corbin	n/a
Falmouth	\$7,189.75
Frankfort	n/a
Madisonville	n/a
Paris	n/a
Providence	\$1,290.64

The LGE/KU Direct Assigned Facilities Charges will be updated from time to time as needed to reflect changes in LGE/KU's charges under the Wholesale Distribution Service Agreement.

8. Power Factor Charge

Each AR Member is encouraged to take and use power in such a manner that the power factor, at the time of its monthly non-coincident peak demand, will not be less than ninety percent (90%).

If the AR Member's measured power factor, at the time of its monthly non-coincident peak demand, is less than ninety percent (90%), the Member will be assessed a Power Factor Charge as follows:

Power Factor Charge	\$2.80 per kVAR applied to the amount of reactive demand in kVAR by which the metered reactive demand exceeds the reactive demand at a 90% power factor
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The Agency will not assess and apply power factor charges to the Members unless the Agency is assessed similar charges from the Balancing Authority (BA) or Regional Transmission Organization (RTO), at which time the Agency will assess these charges to the Members.

Approved: April 27, 2023

Effective: July 1, 2023

**KENTUCKY MUNICIPAL ENERGY AGENCY  
ALL REQUIREMENTS PROJECT -- WHOLESALE POWER RATE SCHEDULE**

**Late Payment Charge**

The Agency may impose a late payment charge equal to five percent (5%) of the unpaid balance on any power bill amounts not paid by the due date specified in the Contract.

DRAFT

Approved: April 27, 2023

Effective: July 1, 2023

Schedule A to AR Rate Schedule

**KENTUCKY MUNICIPAL ENERGY AGENCY  
ALL REQUIREMENTS PROJECT -- WHOLESALE POWER RATE SCHEDULE**

**SCHEDULE A  
POINTS OF DELIVERY**

<b>No.</b>	<b>Delivery Point Name</b>	<b>Voltage Level</b>
1	Barbourville City	69kV
2	Bardwell City	69kV
3	Corbin 1 North	69kV
4	Corbin 2 South	69kV
5	Falmouth 4kV	69kV
6	Frankfort Myrick 1	69kV
7	Frankfort Myrick 2	69kV
8	Frankfort Myrick 3	69kV
9	Madisonville GE	69kV
10	Madisonville West	69kV
11	Madisonville East	69kV
12	Madisonville Hospital	69kV
13	Madisonville North	69kV
14	Madisonville McCoy Road	69kV
15	Paris City 1 (Scott Street)	69kV
16	Paris City 2 (Claysville)	69kV
17	Paris City 3 (Vine St)	69kV
18	Paris City 4 (Weaver Rd)	69kV
19	Providence 4kV	69kV
20	Providence East	69kV

Approved: April 27, 2023  
Effective: July 1, 2023