



January 25, 2024 Combined Meeting of the AR Project Committee and KYMEA Board of Directors

1/25/2024

Board Room at 10 AM

1700 Eastpoint Pkwy Suite 220

Louisville, 40223

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



Meeting Book - January 25, 2024 Combined Meeting of the AR Project Committee and KYMEA Board of Directors

Agenda

A. Meeting Opening

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

B. Previous Meeting Minutes of the KYMEA Board of Directors

Approval of the
December AR Rates
Workshop minutes
and Board Meeting
Minutes
Approval of Last
Month's Financial
Report

Josh Callihan

C. Financial Reports

Heather
Overby

D. Committee Reports

- | | |
|-------------------------|--------------|
| 1. AR Project Committee | Chris Melton |
|-------------------------|--------------|

E. Administration Reports

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

F. Discussion Topics

- | | |
|---|-------------|
| 1. Grid Resilience and Innovation Partnerships (GRIP) Grant | Doug Buresh |
|---|-------------|

G. AR Project Committee Meeting

Chris Melton

H. Action Items

- | | | |
|-----------------------------|--|----------------------------------|
| 1. FY 2025 AR Project Rates | Motion to adopt the
FY 2025 AR Project
Rates Schedule as
presented. | Chris Melton
& Doug
Buresh |
|-----------------------------|--|----------------------------------|

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

J. Upcoming Meetings and Other Business

The next board meeting will be held as a Regular Meeting of the KYMEA Board of Directors on February 22, 2024 at 10 am in KYMEA's board room.

Michelle Hixon

K. Closed Session

Charlie
Musson

L. Actions Related to Matters Discussed in Closed Session

Josh Callihan

M. Adjournment

Josh Callihan



Minutes for Meeting Book - December 13, 2023, Special Combined Meeting of the AR Project Committee and KYMEA Board of Directors

12/13/2023 | 10:00 AM

Board Room at 10 AM

Attendees (8)

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

Additional attendees were Doug Buresh, Rob Leesman, Michelle Hixon, Molly Roesler, Charlie Musson, Brad Kushner, Brad Porter, Travis McCullar, Jack Snyder, Hance Price, Anna Marie Pavlik Rosen, Pat Pace, Jamie Harkins, and David Denton.

Meeting Opening

1. Attendance: A quorum of both the Board of Directors and the AR Project Committee was noted.
2. Call to Order
3. Guest Introductions: No guests were introduced.

Chairman Callihan announced that the Board received a letter from Madisonville announcing Chris Melton's Retirement effective January 31st. His last meeting as a KYMEA Director will be January 25, 2024. Brad Porter has been appointed as the new KYMEA director for Madisonville and Jody Groves as the Alternate Director.

KYMEA appreciates the many years of work and expertise Chris Melton has dedicated to the Agency during its formation and operation.

Previous Meeting Minutes of the KYMEA Board of Directors

ACTION: Motion to approve the November 15, 2023, Combined Meeting of the AR Project Committee and KYMEA Board of Directors minutes was made by Chris Melton and seconded by Mayor Hackney. The motion passed.

Financial Reports

ACTION: Motion to approve the October financial reports was made by Ron Herd and seconded by Chris Melton. The motion passed.

Committee Reports

1. Budget and Rate Timeline

Administration Reports

1. CEO Report: Doug Buresh updated the group on the following.
 - a. MISO MTEP23 Projects
 - b. IRP2023 Timeline
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. Budget and Rate Timeline

AR Project Committee Meeting

1. FY 2025 AR Project Rates: Chris Melton presented a draft of the Wholesale Power Rate Schedule that was approved by the AR Project Committee. Action will be requested at the January Board Meeting.

Action Items

1. Investment Bank Selection

ACTION: A motion to select Bank of America Merrill Lynch to represent KYMEA if the RICE project moves forward was made by Mayor Hackney and seconded by Chris Melton. The motion passed.

2. FY2025 Operating Budget

ACTION: Motion to approve the FY2025 Operating Budget was made by Mayor Hackney and seconded by Ron Herd. The motion passed.

3. Behnam & Berea Transmission Agreements

ACTION: Motion to direct staff to send a notice to Benham and Berea terminating their transmission contract with KYMEA was made by Mayor Hackney and seconded by Chris Melton. Kevin Howard abstained and Gary Zheng voted no. The motion passed.

<i>Josh Callihan</i>	<i>Aye</i>
<i>Ron Herd</i>	<i>Aye</i>
<i>Kevin Howard</i>	<i>Abstain</i>
<i>Austin McLimore</i>	<i>Aye</i>
<i>Chris Melton</i>	<i>Aye</i>
<i>Jamie Miller</i>	<i>Aye</i>
<i>Gary Zheng</i>	<i>No</i>
<i>Butch Hackney</i>	<i>Aye</i>

Public Comments

No public 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 January 25, 2024, at 10 am in KYMEA's board room.

Closed Session

No closed session was needed.

Actions Related to Matters Discussed in Closed Session

No actions were taken.

Adjournment

ACTION: Motion to adjourn the meeting was made by Kevin Howard and seconded by Mayor Hackney. The motion passed, and the meeting was adjourned.



Minutes for Meeting Book - December 12, 2023, AR Project Committee Rates Workshop

12/12/2023 | 02:00 PM

Conference Room at 2 PM

Attendees (6)

Josh Callihan; Butch Hackney; Ron Herd; Travis McCullar; Chris Melton; Aaron Sparkman
Other attendees: Michelle Hixon, Doug Buresh, Charlie Musson, Heather Overby, Rob Leesman, Molly Roesler, Brad Porter, Kevin Howard, and Jack Snyder.

Meeting Opening

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

Approval of Previous Meeting Minutes

ACTION: Motion to approve the November 14, 2023, AR Project Committee meeting minutes was made by Josh Callihan and seconded by Ron Herd. The motion passed.

Discussion Items

1. FY 2025-2029 Financial Metric: Heather Overby presented a peer-group financial metrics analysis completed by the accounting department. The board will keep this information in mind when determining the next financial metrics.
2. FY2025 AR Project Rates: Doug presented an analysis of rate scenarios for FY2025 and projections for the next three years.

Action Items

ACTION: Motion to approve scenario two was made by Chris Melton and seconded by Josh Callihan. The motion passed.

Upcoming Meetings

The next committee meeting will be a Combined meeting of the AR Project Committee and KYMEA Board of Directors on January 25, 2024, at 10 am at KYMEA.

Adjournment

ACTION: Motion to adjourn was made by Mayor Hackney and seconded by Josh Callihan. The motion passed and the meeting was adjourned.



KENTUCKY MUNICIPAL ENERGY AGENCY



Financial Presentation

January 25, 2024

Heather Overby

Statement of Net Position – November 2023

CURRENT ASSETS

Nov 2023

Cash And Investments	\$19,633,575	(1)
Other Receivables	\$19,423,971	(2)
Prepayments And Other Current Assets	\$0	
Total Current Assets	\$39,057,546	

- 1) Checking and Rate Stabilization Fund cash
- 2) Billing to AR , Transmission service members, and Depancaking

Statement of Net Position – November 2023

NON-CURRENT ASSETS

Pledge Collateral	\$5,823,165 (3)
Investment In Sedc	\$2,557
Fixed Asset Clearing Account	\$699,966
Office Buildout	\$260,238
Meters - Ar Project	\$215,985
Meter Comm Equipment	\$342,230
General Plant	\$3,291,582
Construction Work In Progress	\$0
Less Accumulated Depreciation	(\$1,396,419)
Total Non-Current Assets	\$9,239,304

3) Collateral represents \$4.2m at MISO, \$1.6m at PJM, and \$0 in hedge collateral.

Total Assets **\$48,296,850**

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows	\$0
Total Deferred Outflows	\$0

Total Assets & Deferred Outflows of Resources **\$48,296,850**

Statement of Net Position – November 2023

LIABILITIES

Accounts Payable	\$9,243,439	(4)
Accrued Interest Payable	\$4,688	
Total Current Liabilities	\$9,248,126	
Accrued Employee Benefits	\$232,269	
Deferred Liabilities	\$1,924,605	(5)
Line Of Credit	\$0	(6)
Total Non-Current Liabilities	\$2,156,875	
Total Liabilities	\$11,405,001	

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows	\$0
Total Deferred Inflows	\$0
Total Liabilities & Deferred Inflows	\$11,405,001

NET POSITION

Invested in Capital Assets, Net of Related Debt	\$3,413,581	
Restricted	\$5,823,165	
Unrestricted	\$27,655,103	
Total Net Position	\$36,891,850	(7)

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

Statement Revenue, Expenses, and Changes in Net Position – November 2023

OPERATING REVENUE

	Nov 2023	YTD FY2024	
Sales To Members	\$6,569,101	\$38,363,296	(8)
Rto Market Revenue	\$795,795	\$4,303,126	(9)
Transmission Services	\$97,761	\$463,812	(10)
Miscellaneous Revenue	\$0	\$0	
Total Operating Revenue	\$7,462,657	\$43,130,234	

OPERATING EXPENSES

Transmission	\$774,159	\$4,589,157	(11)
Production	\$5,368,504	\$29,136,241	(12)
Administrative And General	\$217,901	\$1,030,900	
Depreciation Expense	\$41,223	\$206,116	
Total Purchase Power and Operating Expenses	\$6,401,787	\$34,962,413	

Operating Income	\$1,060,870	\$8,167,821	
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NON-OPERATING REVENUE

Interest Expense On Debt	(\$5,664)	(\$54,274)	
Interest Income	\$170,672	\$743,020	
Other Non-Operating Income (Expense)	(\$3,334)	(\$25,923)	
Regulatory Credit/Debit - Cost To Be Recovered	\$0	\$0	
Total Non-Operating Revenues (Expenses)	\$161,674	\$662,823	

NET POSITION CHANGES

Change in Net Position	\$1,222,544	\$8,830,644	(13)
Net Position at Beginning of Period	\$35,669,305	\$28,061,206	
Net Position at End of Period	\$36,891,850	\$36,891,850	

- 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/ Positive YTD Net Income

Indirect Statement of Cash Flows – November 2023

CASH FROM OPERATING ACTIVITIES

	Nov 2023	YTD FY2024	
Net Income	\$1,222,544	\$8,830,644	(14)
Depreciation Monthly	\$41,223	\$206,116	
Accounts Receivable	(\$391,990)	(\$1,930,899)	(15)
Prepayments & Other Current Assets	\$0	\$0	
Accounts Payable	\$746,407	(\$211,363)	(15)
Taxes & Interest Accrued	(\$13,393)	(\$8,216)	
Other Current Liabilities	(\$724)	\$19,501	
Deferred Liabilities	(\$8,266)	(\$39,381)	
Deferred Inflows Monthly	\$0	\$0	
Net Cash Provided by (Used in) Operations	\$1,595,801	\$6,866,400	

CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

Additions to Plant Monthly	(\$56,986)	(\$375,516)	
Net Change in Other Prop & Invest	(\$1,007,009)	(\$1,033,342)	
Net Cash Provided by (Used in) Investing	(\$1,063,995)	(\$1,408,858)	

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..	\$531,806	\$5,457,542	
Cash & Temp Investment Beginning of Period	\$19,101,769	\$14,176,034	
Cash & Investments End of Period	\$19,633,575	\$19,633,575	(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.

Statement of Net Position – December 2023

CURRENT ASSETS

	Dec 2023	
Cash And Investments	\$19,530,990	(1)
Other Receivables	\$7,804,368	(2)
Depancaking Reserve & PrePay	\$12,725,740	(3)
Total Current Assets	\$40,061,098	

- 1) Checking and Rate Stabilization Fund cash
- 2) Billing to AR , Transmission service members
- 3) Depancaking Reserve Funded December 2023

Statement of Net Position – December 2023

NON-CURRENT ASSETS

Pledge Collateral	\$5,830,036	(4)
Investment In Sedc	\$2,557	
Fixed Asset Clearing Account	\$727,554	
Office Buildout	\$260,238	
Meters - Ar Project	\$215,985	
Meter Comm Equipment	\$342,230	
General Plant	\$3,291,582	
Construction Work In Progress	\$0	
Less Accumulated Depreciation	(\$1,437,643)	
Total Non-Current Assets	\$9,232,539	

4) Collateral represents \$4.2m at MISO, \$1.6m at PJM, and \$0 in hedge collateral.

Total Assets **\$49,293,637**

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows	\$0
Total Deferred Outflows	\$0

Total Assets & Deferred Outflows of Resources **\$49,293,637**

Statement of Net Position – December 2023

LIABILITIES

Accounts Payable	\$8,994,825	(5)
Accrued Interest Payable	\$9,531	
Total Current Liabilities	\$9,004,356	
Accrued Employee Benefits	\$233,345	
Deferred Liabilities	\$1,916,305	(6)
Line Of Credit	\$0	(7)
Total Non-Current Liabilities	\$2,149,650	
Total Liabilities	\$11,154,005	

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows	\$0
Total Deferred Inflows	\$0

Total Liabilities & Deferred Inflows **\$11,154,005**

NET POSITION

Invested in Capital Assets, Net of Related Debt	\$3,399,946	
Restricted	\$5,830,036	
Unrestricted	\$28,909,650	
Total Net Position	\$38,139,632	(8)

- 5) AP represents purchased power
- 6) Deferred Liabilities represents the present value of remaining office lease and software contract payments
- 7) Line of Credit paid off in August 2019
- 8) Positive net position - LTD

Statement Revenue, Expenses, and Changes in Net Position – December 2023

OPERATING REVENUE

	Dec 2023	YTD FY2024	
Sales To Members	\$6,820,397	\$45,183,693	(9)
Rto Market Revenue	\$563,894	\$4,867,020	(10)
Transmission Services	\$95,367	\$559,180	(11)
Miscellaneous Revenue	\$0	\$0	
Total Operating Revenue	\$7,479,659	\$50,609,893	

OPERATING EXPENSES

Transmission	\$814,926	\$5,404,082	(12)
Production	\$5,288,625	\$34,424,867	(13)
Administrative And General	\$193,469	\$1,224,368	
Depreciation Expense	\$41,223	\$247,339	
Total Purchase Power and Operating Expenses	\$6,338,243	\$41,300,656	

Operating Income	\$1,141,416	\$9,309,237	
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NON-OPERATING REVENUE

Interest Expense On Debt	(\$10,786)	(\$65,060)	
Interest Income	\$120,369	\$863,389	
Other Non-Operating Income (Expense)	(\$3,217)	(\$29,140)	
Regulatory Credit/Debit - Cost To Be Recovered	\$0	\$0	
Total Non-Operating Revenues (Expenses)	\$106,366	\$769,189	

NET POSITION CHANGES

Change in Net Position	\$1,247,782	\$10,078,426	(14)
Net Position at Beginning of Period	\$36,891,850	\$28,061,206	
Net Position at End of Period	\$38,139,632	\$38,139,632	

- 9) Sales to AR Members
- 10) RTO Auction Revenue Rights and KYMEA Off-System Power Sales
- 11) Sales of transmission and ancillary services
- 12) Transmission from MISO, PJM, and KU net of depancaking credit
- 13) All purchased power including PPA, RTO, and SEPA
- 14) Positive MTD Net Income/ Positive YTD Net Income

Indirect Statement of Cash Flows – December 2023

CASH FROM OPERATING ACTIVITIES	Dec 2023	YTD FY2024	
Net Income	\$1,247,782	\$10,078,426	(15)
Depreciation Monthly	\$41,223	\$247,339	(16)
Accounts Receivable	\$11,646,911	\$9,688,703	(16)
Depancaking Reserve & PrePay	(\$12,725,740)	(\$12,725,740)	
Accounts Payable	(\$276,923)	(\$460,978)	(16)
Taxes & Interest Accrued	\$5,845	(\$2,372)	
Other Current Liabilities	\$1,075	\$20,577	
Deferred Liabilities	(\$8,300)	(\$47,682)	
Deferred Inflows Monthly	\$0	\$0	
Net Cash Provided by (Used in) Operations	(\$68,127)	\$6,798,273	
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Additions to Plant Monthly	(\$27,588)	(\$403,104)	
Net Change in Other Prop & Invest	(\$6,871)	(\$1,040,213)	
Net Cash Provided by (Used in) Investing	(\$34,458)	(\$1,443,317)	
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..	(\$102,585)	\$5,354,956	
Cash & Temp Investment Beginning of Period	\$19,633,575	\$14,176,034	
Cash & Investments End of Period	\$19,530,990	\$19,530,990	(17)

15) Net Income

16) Timing of Accounts Receivable and Accounts Payable have largest monthly effect of operational items on cash

17) Cash balance in Checking and Rate Stabilization Fund.

Financial Metrics – December 2023



KEY FINANCIAL METRICS

FY2024 Actuals Through December 2023 + Budget

Days Cash on Hand

72.12 ▲

Leverage

5.95 ▼

Coverage of Full Obligations

1.20 ▲

Debt Service Coverage

1.22 ▲

Financial Metrics – December 2023

Days Cash On Hand

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

$$\begin{array}{rclclcl} \$19.5\text{M} & & \$270,796 & & 72.12 \\ \text{Unrestricted Cash} & \div & \text{Adjusted Operating Expense per Day} & = & \text{Days Cash on Hand} \\ & & \$99.11\text{M} / 366 \text{ days} & & \end{array}$$

Unrestricted Cash

Adjusted Operating Expenses

Cash on Hand through Current Month



Days Cash On Hand

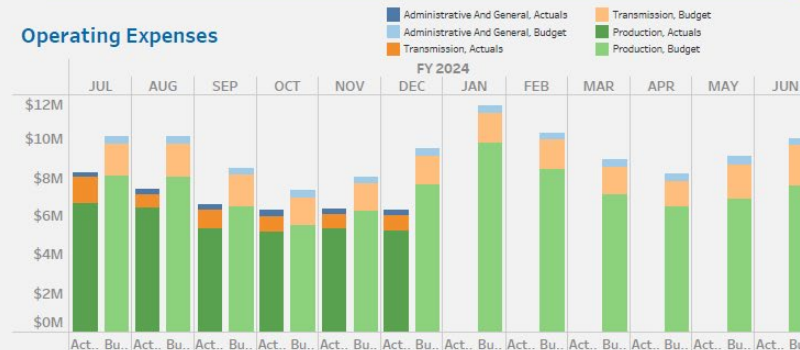
Financial flexibility - the number of days KYMEA can pay its operating expenses with the given cash available.

$$\begin{array}{rclclcl} \$19.5\text{M} & & \$270,796 & & 72.12 \\ \text{Unrestricted Cash} & \div & \text{Adjusted Operating Expense per Day} & = & \text{Days Cash on Hand} \\ & & \$99.11\text{M} / 366 \text{ days} & & \end{array}$$

Unrestricted Cash

Adjusted Operating Expenses

Operating Expenses



Days Cash on Hand Detail

Working Capital

\$12.913 Million

Rate Stabilization

\$6.612 Million

Days

47.68

Days

24.42

Depancaking Reserve

\$12.726 Million

Financial Metrics – December 2023

Leverage

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

5.95

Net Adjusted Debt

**Adjusted Funds Available
for Debt Service**

Net Adjusted Debt



Leverage

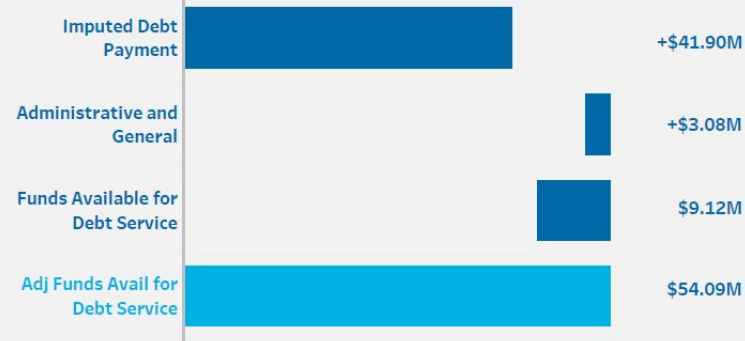
The size of the debt to the margin available to cover all debt service and fixed charges.

5.95

Net Adjusted Debt

**Adjusted Funds Available
for Debt Service**

Adjusted Funds Available for Debt Service



Financial Metrics – December 2023

Coverage of Full Obligations

1.20

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

\$41.90M

Administrative &
General Expense

\$3.08M

EBITDA &
Interest Income

\$9.12M

Debt Service Coverage

1.22

The funds available from operations to cover current debt service.

Funds Available
for Debt Service

÷

Total Debt
Service

Imputed Debt
Payment

\$41.90M

EBITDA &
Interest Income

\$9.12M

Statement of Net Position

FY2024 Actuals as of November 2023

CURRENT ASSETS	Nov 2023
Cash And Investments	\$19,633,575
Other Receivables	\$19,423,971
Prepayments And Other Current Assets	\$0
Total Current Assets	\$39,057,546

NON-CURRENT ASSETS

Pledge Collateral	\$5,823,165
Investment In Sedc	\$2,557
Fixed Asset Clearing Account	\$699,966
Office Buildout	\$260,238
Meters - Ar Project	\$215,985
Meter Comm Equipment	\$342,230
General Plant	\$3,291,582
Construction Work In Progress	\$0
Less Accumulated Depreciation	(\$1,396,419)
Total Non-Current Assets	\$9,239,304

Total Assets \$48,296,850

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows	\$0
Total Deferred Outflows	\$0

Total Assets & Deferred Outflows of Resources \$48,296,850

LIABILITIES

Accounts Payable	\$9,243,439
Accrued Interest Payable	\$4,688
Total Current Liabilities	\$9,248,126

Accrued Employee Benefits	\$232,269
Deferred Liabilities	\$1,924,605
Line Of Credit	\$0
Total Non-Current Liabilities	\$2,156,875

Total Liabilities \$11,405,001

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows	\$0
Total Deferred Inflows	\$0

Total Liabilities & Deferred Inflows \$11,405,001

NET POSITION

Invested in Capital Assets, Net of Related Debt	\$3,413,581
Restricted	\$5,823,165
Unrestricted	\$27,655,103

Total Net Position \$36,891,850

Statement of Revenue, Expenses, and Changes in Net Position

FY2024 Actuals as of November 2023

OPERATING REVENUE	Nov 2023	YTD FY2024
Sales To Members	\$6,569,101	\$38,363,296
Rto Market Revenue	\$795,795	\$4,303,126
Transmission Services	\$97,761	\$463,812
Miscellaneous Revenue	\$0	\$0
Total Operating Revenue	\$7,462,657	\$43,130,234

OPERATING EXPENSES

Transmission	\$774,159	\$4,589,157
Production	\$5,368,504	\$29,136,241
Administrative And General	\$217,901	\$1,030,900
Depreciation Expense	\$41,223	\$206,116
Total Purchase Power and Operating Expenses	\$6,401,787	\$34,962,413

Operating Income \$1,060,870 \$8,167,821

NON-OPERATING REVENUE

Interest Expense On Debt	(\$5,664)	(\$54,274)
Interest Income	\$170,672	\$743,020
Other Non-Operating Income (Expense)	(\$3,334)	(\$25,923)
Regulatory Credit/Debit - Cost To Be Recovered	\$0	\$0
Total Non-Operating Revenues (Expenses)	\$161,674	\$662,823

NET POSITION CHANGES

Change in Net Position	\$1,222,544	\$8,830,644
Net Position at Beginning of Period	\$35,669,305	\$28,061,206
Net Position at End of Period	\$36,891,850	\$36,891,850

Indirect Statement of Cash Flows

FY2024 Actuals as of November 2023

CASH FROM OPERATING ACTIVITIES	Nov 2023	YTD FY2024
Net Income	\$1,222,544	\$8,830,644
Depreciation Monthly	\$41,223	\$206,116
Accounts Receivable	(\$391,990)	(\$1,930,899)
Prepayments & Other Current Assets	\$0	\$0
Accounts Payable	\$746,407	(\$211,363)
Taxes & Interest Accrued	(\$13,393)	(\$8,216)
Other Current Liabilities	(\$724)	\$19,501
Deferred Liabilities	(\$8,266)	(\$39,381)
Deferred Inflows Monthly	\$0	\$0

Net Cash Provided by (Used in) Operations \$1,595,801 \$6,866,400

CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

Additions to Plant Monthly	(\$56,986)	(\$375,516)
Net Change in Other Prop & Invest	(\$1,007,009)	(\$1,033,342)

Net Cash Provided by (Used in) Investing (\$1,063,995) (\$1,408,858)

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..	\$531,806	\$5,457,542
Cash & Temp Investment Beginning of Period	\$19,101,769	\$14,176,034
Cash & Investments End of Period	\$19,633,575	\$19,633,575

Month Ending
11/30/2023 11:59:59 PM

Statement of Net Position

FY2024 Actuals as of December 2023

CURRENT ASSETS	Dec 2023
Cash And Investments	\$19,530,990
Other Receivables	\$7,804,368
Depancaking Reserve & PrePay	\$12,725,740
Total Current Assets	\$40,061,098

NON-CURRENT ASSETS

Pledge Collateral	\$5,830,036
Investment In Sedc	\$2,557
Fixed Asset Clearing Account	\$727,554
Office Buildout	\$260,238
Meters - Ar Project	\$215,985
Meter Comm Equipment	\$342,230
General Plant	\$3,291,582
Construction Work In Progress	\$0
Less Accumulated Depreciation	(\$1,437,643)
Total Non-Current Assets	\$9,232,539

Total Assets \$49,293,637

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows	\$0
Total Deferred Outflows	\$0

Total Assets & Deferred Outflows of Resources \$49,293,637

LIABILITIES

Accounts Payable	\$8,994,825
Accrued Interest Payable	\$9,531
Total Current Liabilities	\$9,004,356

Accrued Employee Benefits	\$233,345
Deferred Liabilities	\$1,916,305
Line Of Credit	\$0
Total Non-Current Liabilities	\$2,149,650

Total Liabilities \$11,154,005

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows	\$0
Total Deferred Inflows	\$0

Total Liabilities & Deferred Inflows \$11,154,005

NET POSITION

Invested in Capital Assets, Net of Related Debt	\$3,399,946
Restricted	\$5,830,036
Unrestricted	\$28,909,650

Total Net Position \$38,139,632

Statement of Revenue, Expenses, and Changes in Net Position

FY2024 Actuals as of December 2023

OPERATING REVENUE	Dec 2023	YTD FY2024
Sales To Members	\$6,820,397	\$45,183,693
Rto Market Revenue	\$563,894	\$4,867,020
Transmission Services	\$95,367	\$559,180
Miscellaneous Revenue	\$0	\$0
Total Operating Revenue	\$7,479,659	\$50,609,893

OPERATING EXPENSES

Transmission	\$814,926	\$5,404,082
Production	\$5,288,625	\$34,424,867
Administrative And General	\$193,469	\$1,224,368
Depreciation Expense	\$41,223	\$247,339
Total Purchase Power and Operating Expenses	\$6,338,243	\$41,300,656

Operating Income \$1,141,416 \$9,309,237

NON-OPERATING REVENUE

Interest Expense On Debt	(\$10,786)	(\$65,060)
Interest Income	\$120,369	\$863,389
Other Non-Operating Income (Expense)	(\$3,217)	(\$29,140)
Regulatory Credit/Debit - Cost To Be Recovered	\$0	\$0
Total Non-Operating Revenues (Expenses)	\$106,366	\$769,189

NET POSITION CHANGES

Change in Net Position	\$1,247,782	\$10,078,426
Net Position at Beginning of Period	\$36,891,850	\$28,061,206
Net Position at End of Period	\$38,139,632	\$38,139,632

Indirect Statement of Cash Flows

FY2024 Actuals as of December 2023

CASH FROM OPERATING ACTIVITIES	Dec 2023	YTD FY2024
Net Income	\$1,247,782	\$10,078,426
Depreciation Monthly	\$41,223	\$247,339
Accounts Receivable	\$11,646,911	\$9,688,703
Depancaking Reserve & PrePay	(\$12,725,740)	(\$12,725,740)
Accounts Payable	(\$276,923)	(\$460,978)
Taxes & Interest Accrued	\$5,845	(\$2,372)
Other Current Liabilities	\$1,075	\$20,577
Deferred Liabilities	(\$8,300)	(\$47,682)
Deferred Inflows Monthly	\$0	\$0

Net Cash Provided by (Used in) Operations (\$68,127) \$6,798,273

CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

Additions to Plant Monthly	(\$27,588)	(\$403,104)
Net Change in Other Prop & Invest	(\$6,871)	(\$1,040,213)

Net Cash Provided by (Used in) Investing (\$34,458) (\$1,443,317)

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...	(\$102,585)	\$5,354,956
Cash & Temp Investment Beginning of Period	\$19,633,575	\$14,176,034
Cash & Investments End of Period	\$19,530,990	\$19,530,990

Month Ending
12/31/2023 11:59:59 PM



KENTUCKY MUNICIPAL ENERGY AGENCY



KYMEA President & CEO Report

Doug Buresh

January 25, 2024

AGENDA

- Ashwood Update
- IRP2023 Timeline

Ashwood Site Plan



Ashwood Flyover



Flyover Date: December 5, 2023

View from Church looking North

Ashwood Flyover



Flyover Date: December 5, 2023

View from East looking toward Church

AGENDA

- Ashwood Update
- **IRP2023 Timeline**

IRP2023 Decision Timeline

Date	Meeting	Decision/Action	Subject to Change
December	Issue RICE EPC RFP		
March	Evaluate RICE EPC RFP Responses		
April 11	Special Board Meeting	If Board selects RICE Project <ul style="list-style-type: none">• Authorize CEO signing of RICE equipment and Engineering, Procurement & Construction (EPC) contracts• AR Project and Board votes to add RICE PPA to Schedule B after contracts are signed	
April 25	Regular Board Meeting	Authorize issuance of bonds to finance project	



KENTUCKY MUNICIPAL ENERGY AGENCY

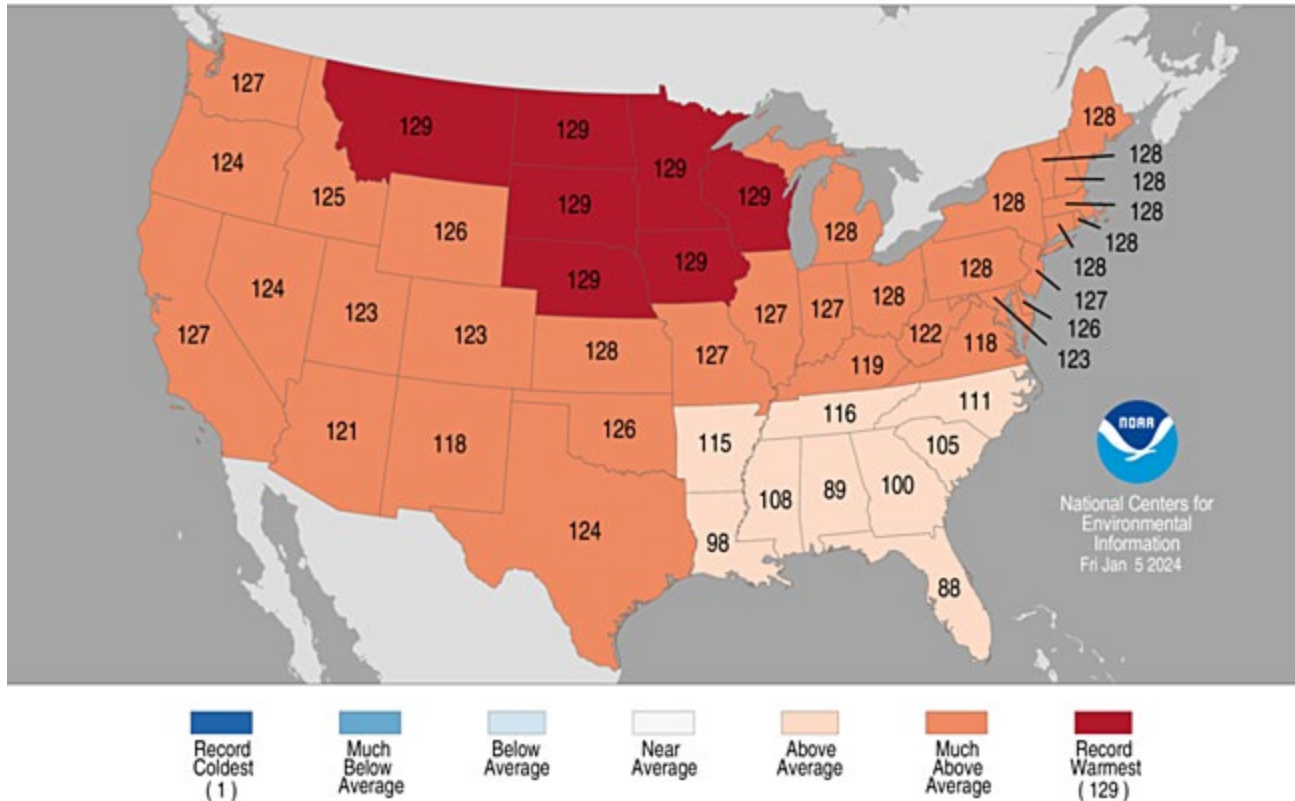


December 2023 Market Report

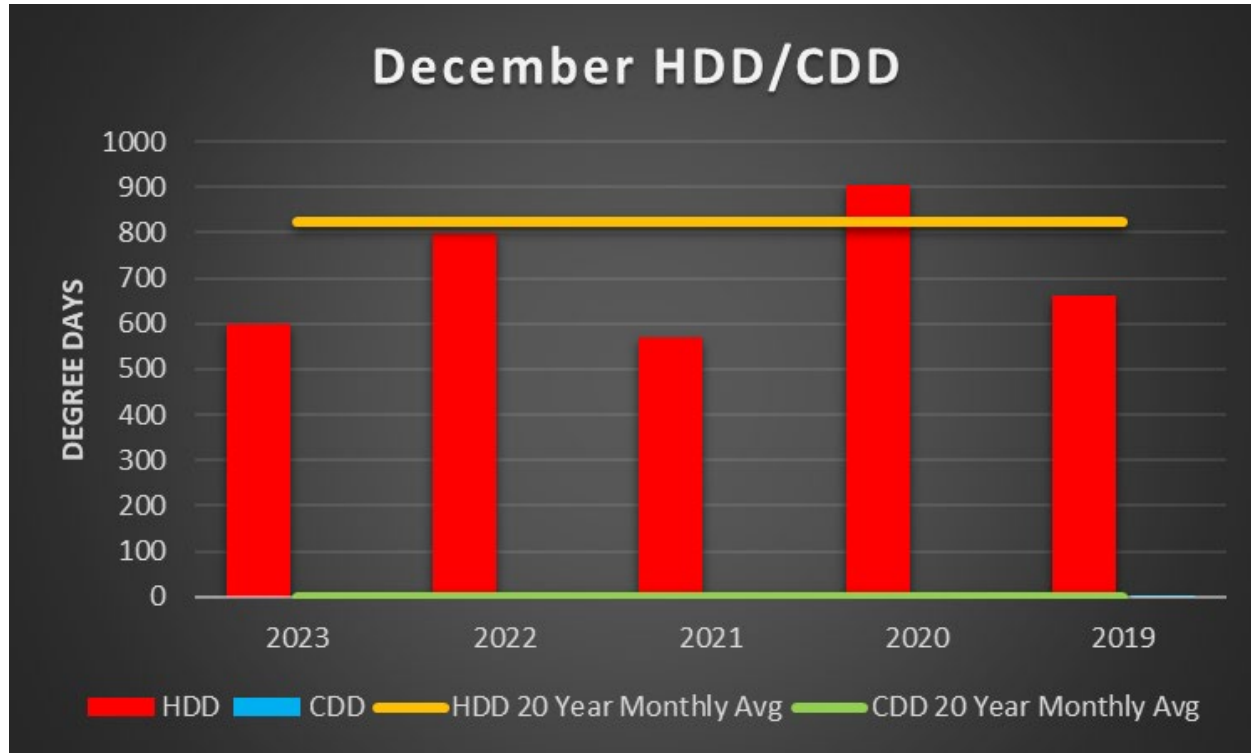
Rob Leesman

January 25, 2024

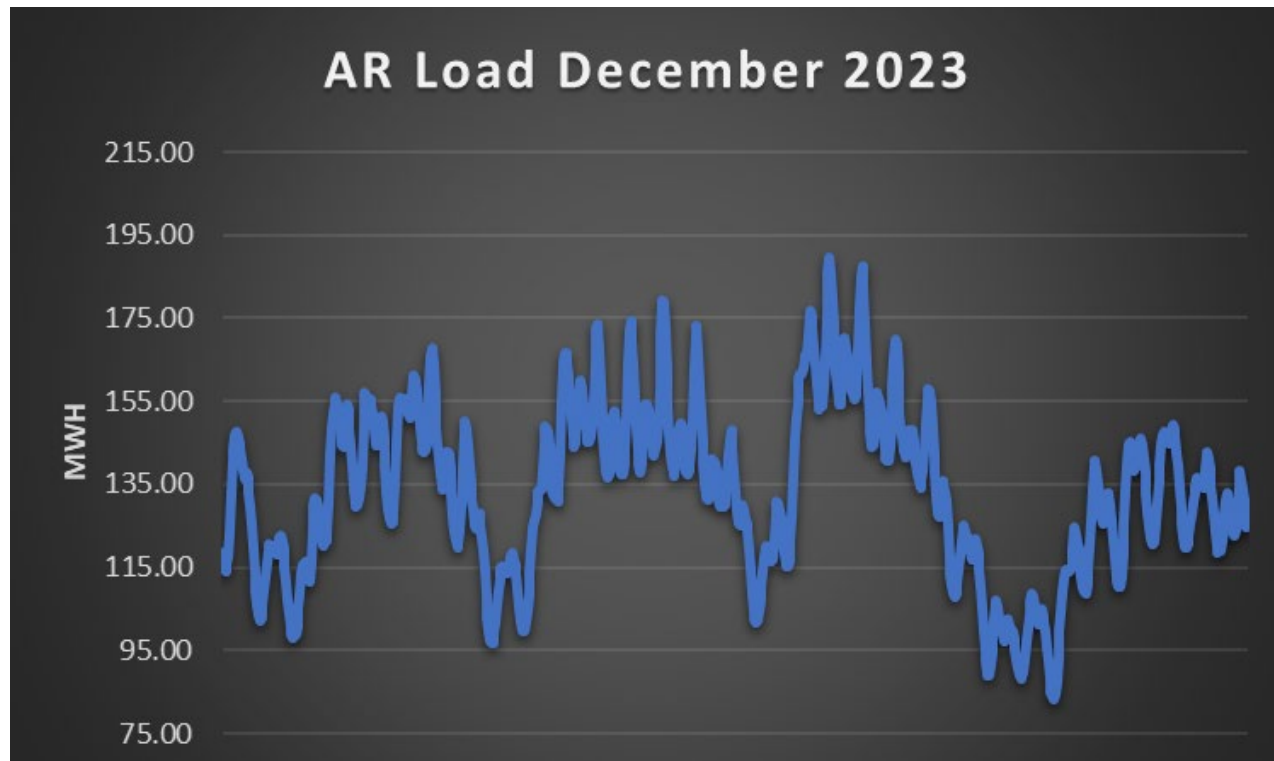
Statewide Average Temperature Ranks
December 2023
Period: 1895–2023



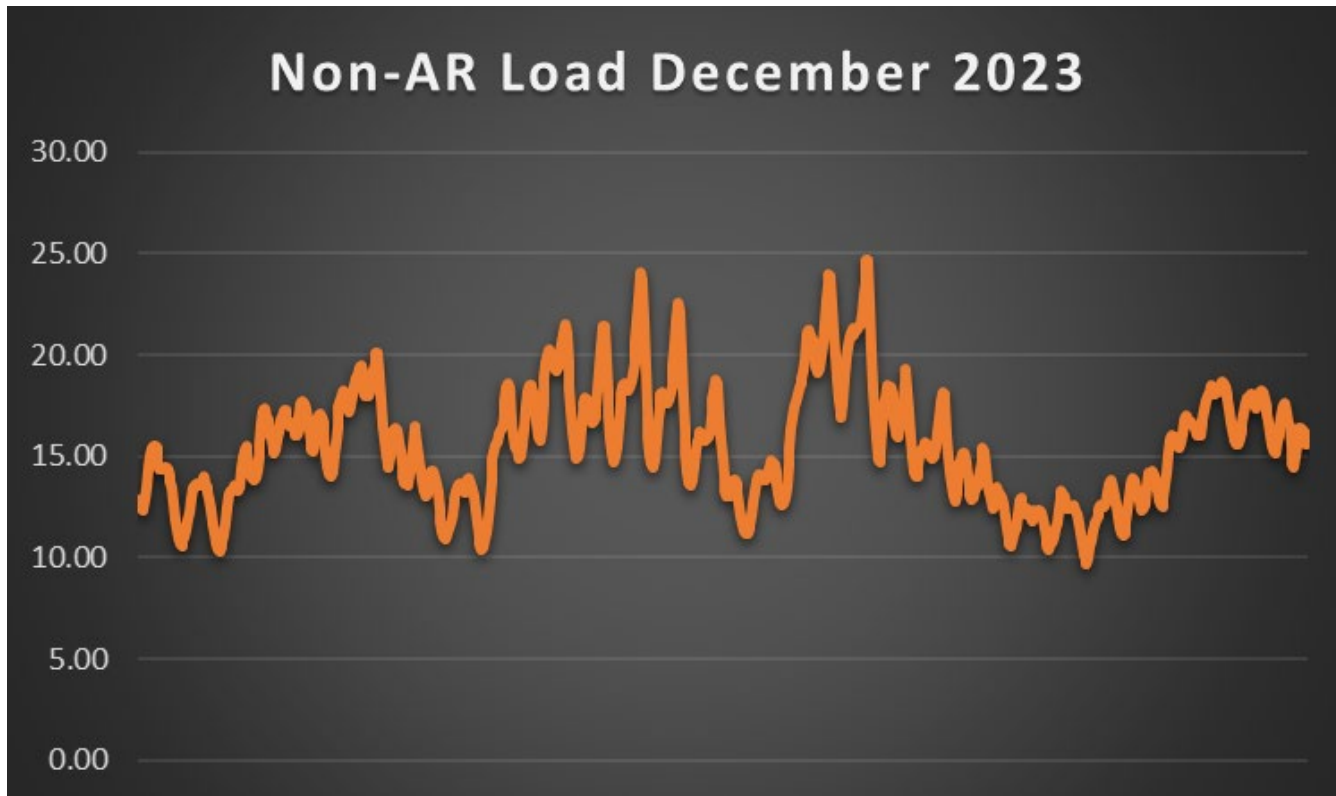
Degree Days



AR Load December 2023



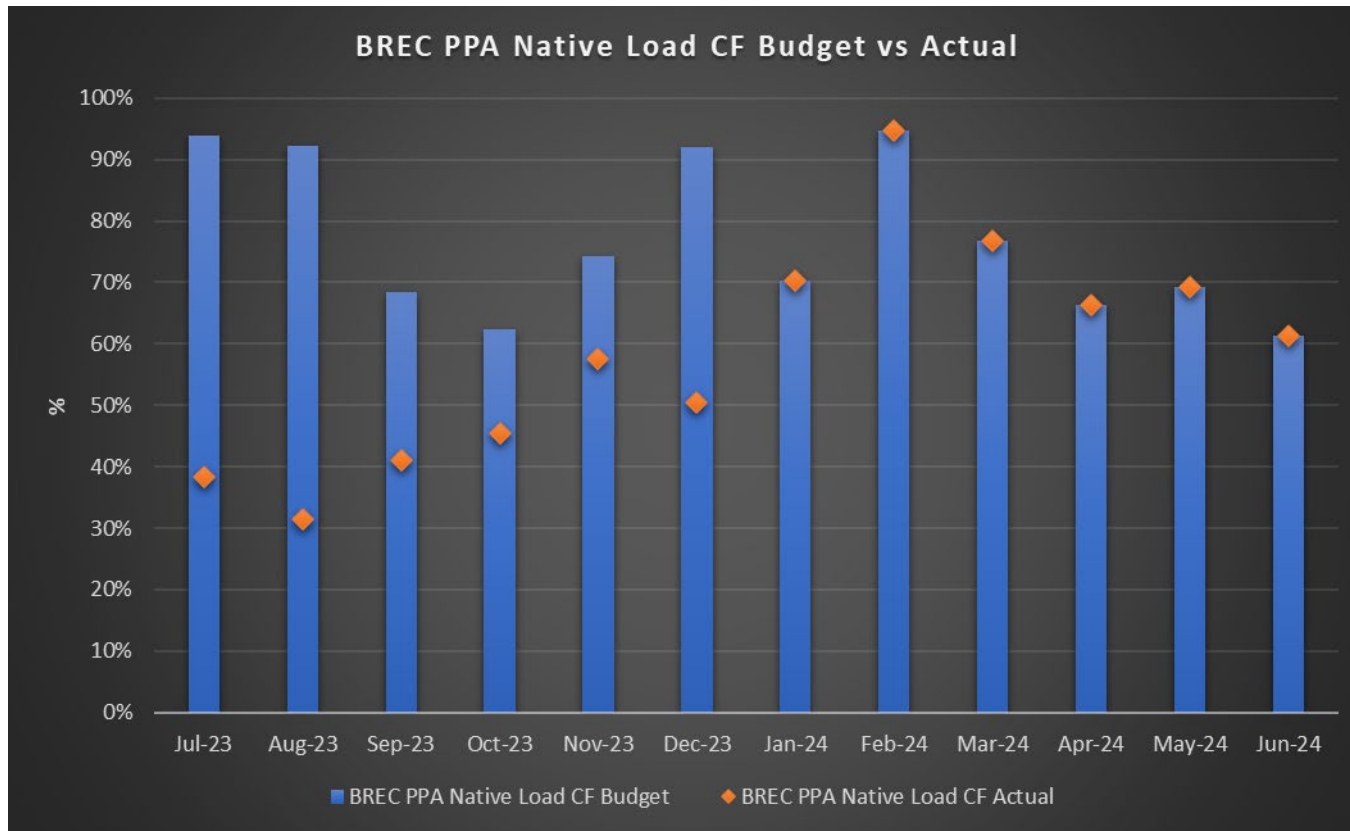
Non-AR Load December 2023



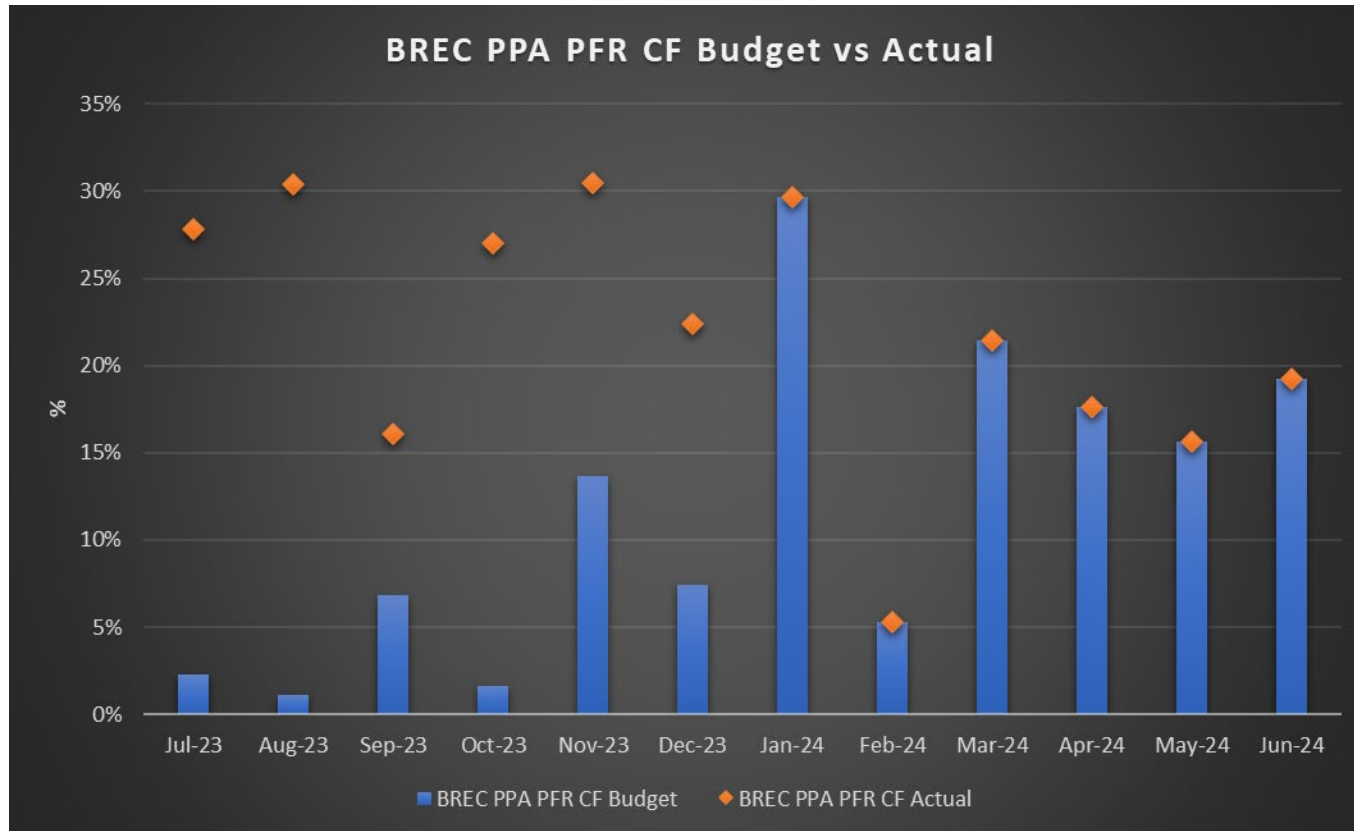
December 2023 Snapshot

Dec-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	8,189	7,502	92%	16.78	15.59	93%	12/20/2023 9:00:00 AM
Bardwell	739	654	89%	1.39	1.18	84%	12/19/2023 8:00:00 PM
Benham	759	738	97%	2.04	1.95	95%	12/20/2023 9:00:00 AM
Berea	12,221	10,824	89%	27.02	22.75	84%	12/20/2023 8:00:00 AM
Corbin	7,419	6,841	92%	14.86	13.72	92%	12/20/2023 9:00:00 AM
Falmouth	1,573	1,492	95%	2.86	2.62	92%	12/20/2023 10:00:00 AM
Frankfort	59,197	55,446	94%	113.14	108.11	96%	12/19/2023 9:00:00 AM
Madisonville	24,453	19,801	81%	41.03	34.30	84%	12/19/2023 9:00:00 AM
Owensboro	57,061	58,665	103%	105.00	98.00	93%	
Paris	6,148	5,120	83%	12.90	10.65	83%	12/20/2023 9:00:00 AM
Providence	2,611	2,432	93%	5.07	4.38	86%	12/19/2023 8:00:00 AM
AR	110,330	99,289	90%	208.03	190.54	92%	
Non-AR	12,979	11,562	89%	29.06	24.69	85%	
All	123,309	110,851	90%	237.09	215.23	91%	
Total	180,370	169,516	94%	342.09	313.23	92%	

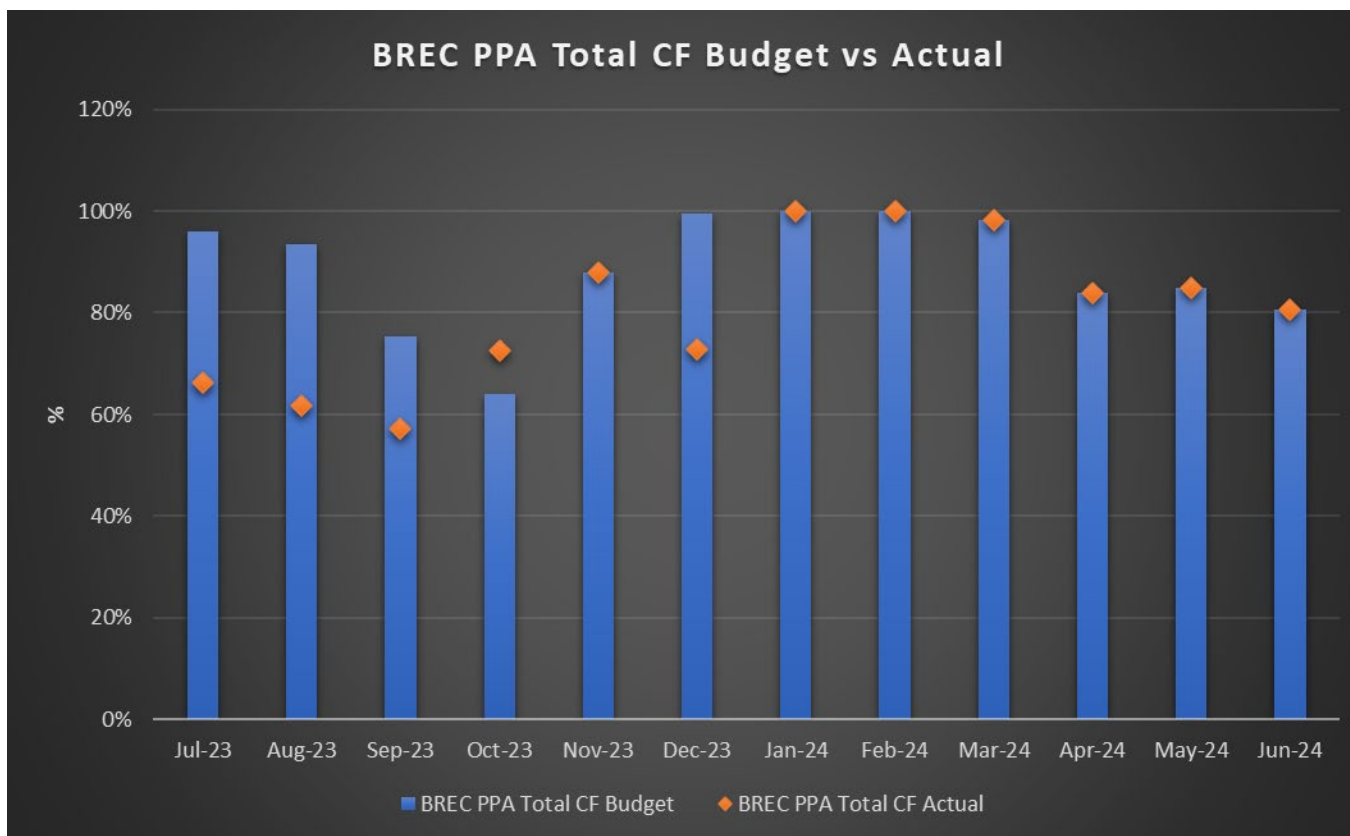
BREC PPA Load Capacity Factor FY 24



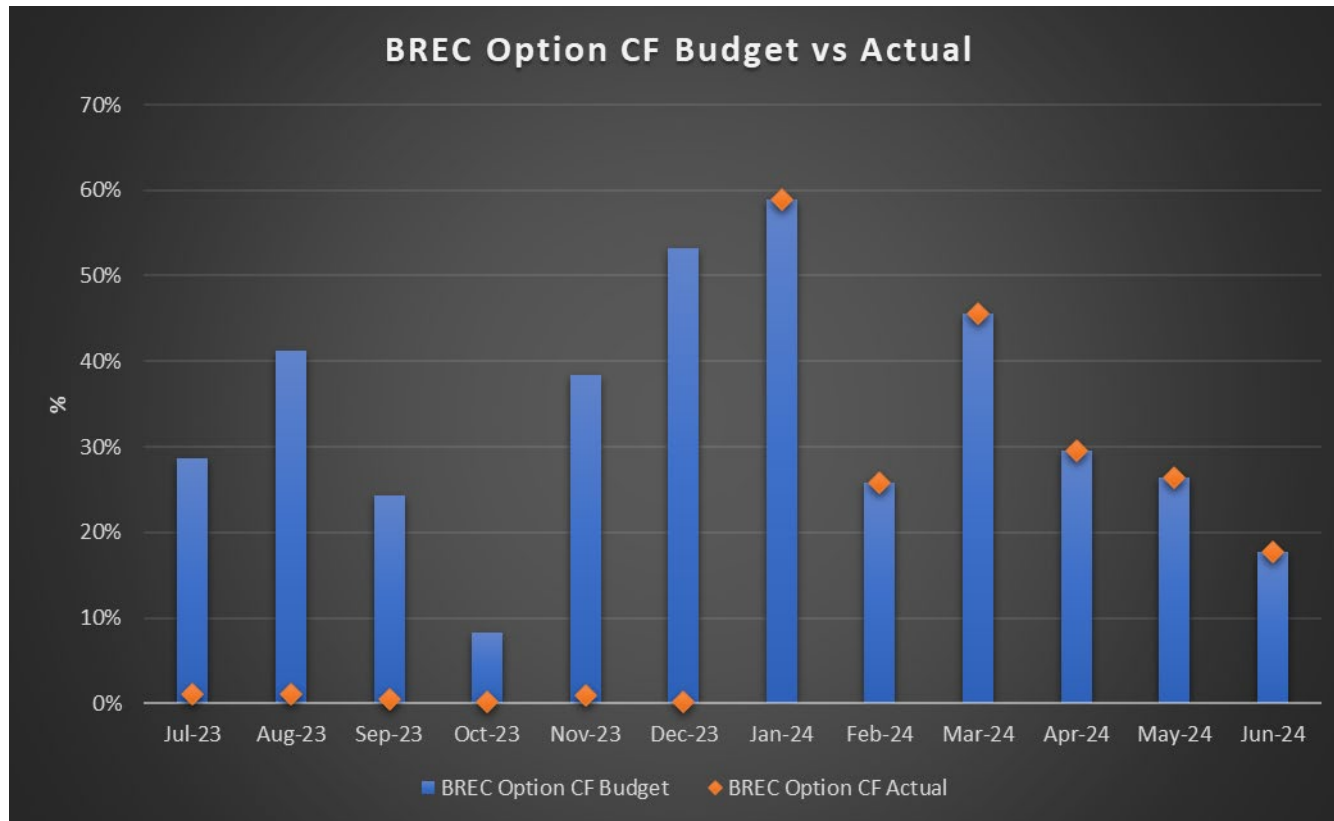
BREC PPA PFR Capacity Factor FY 24



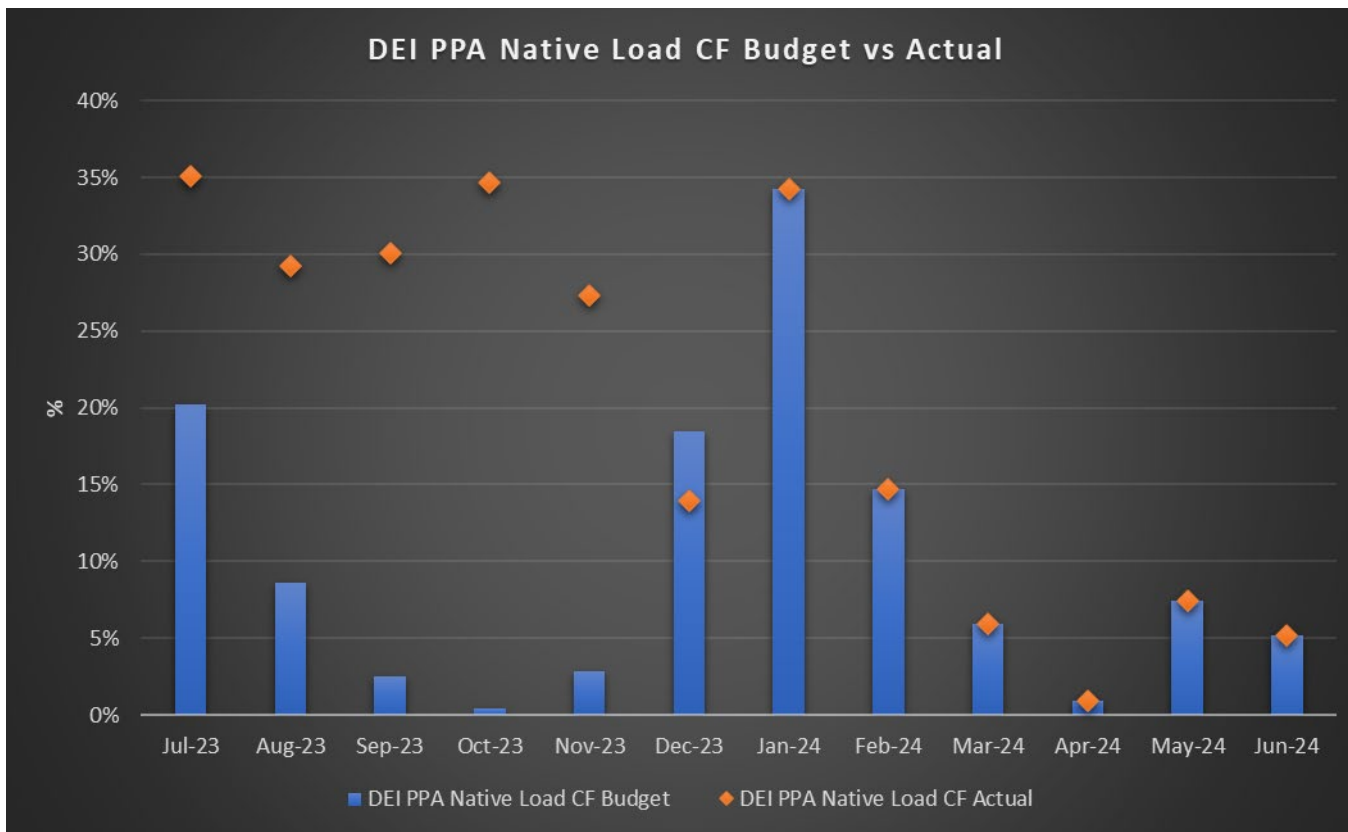
BREC PPA Capacity Factor FY 24



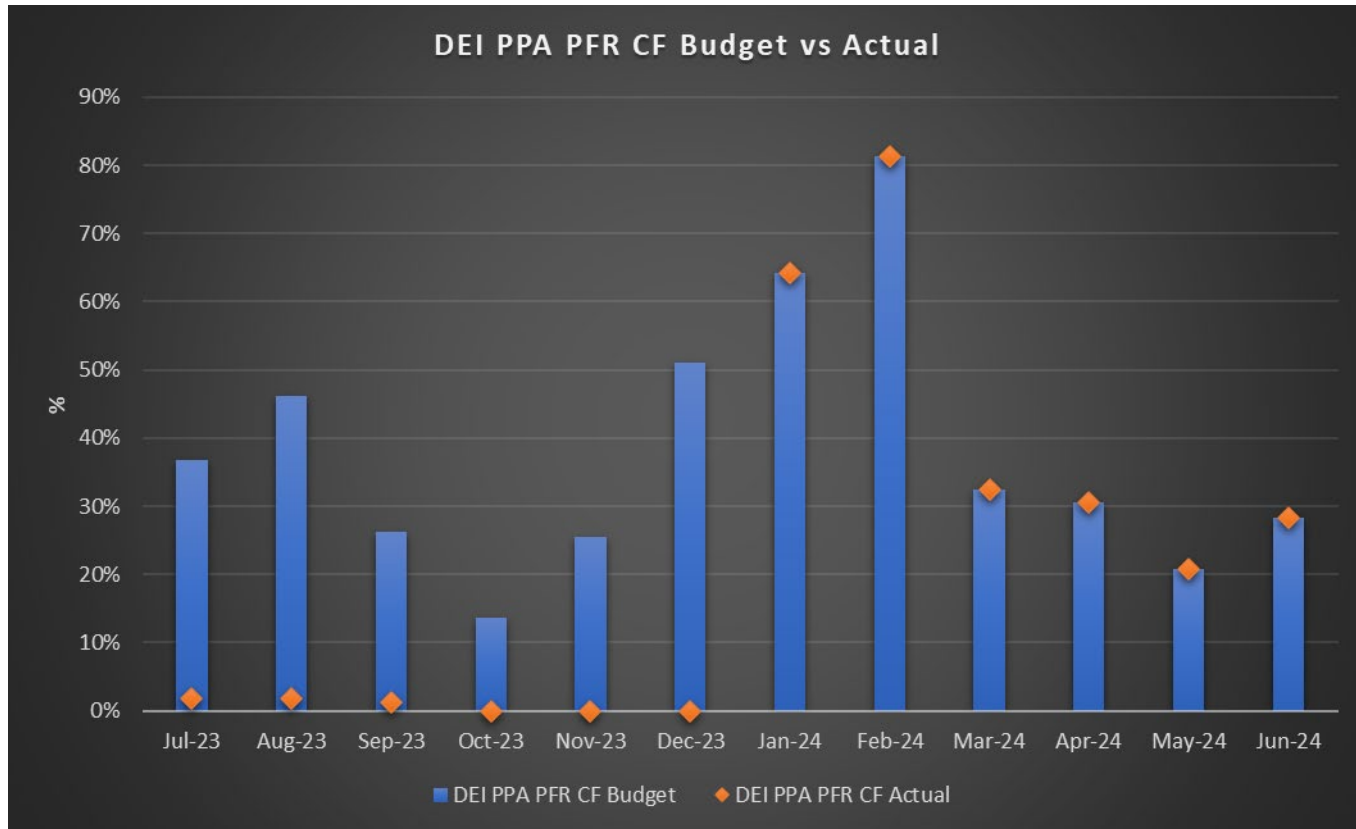
BREC Option Capacity Factor FY 24



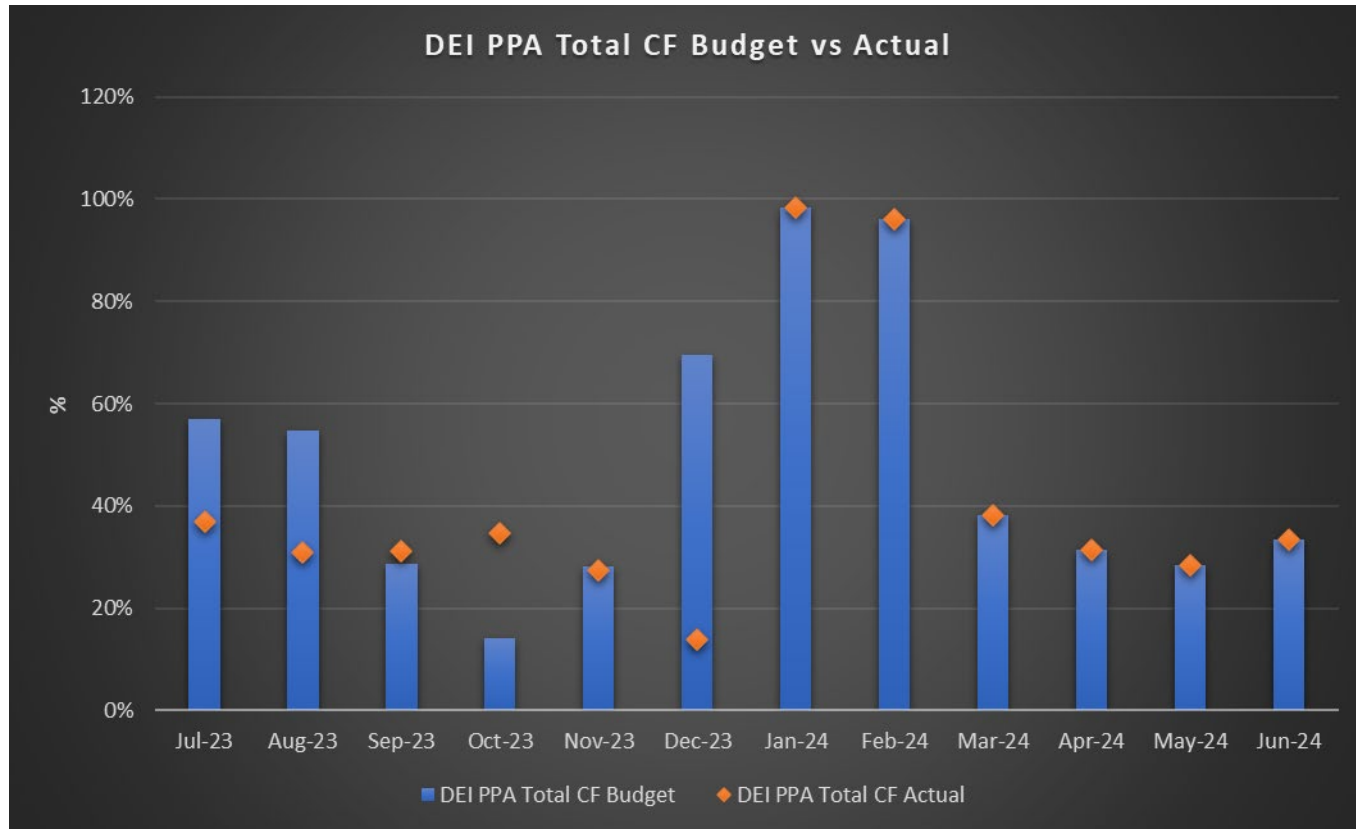
DEI PPA Load Capacity Factor FY 24



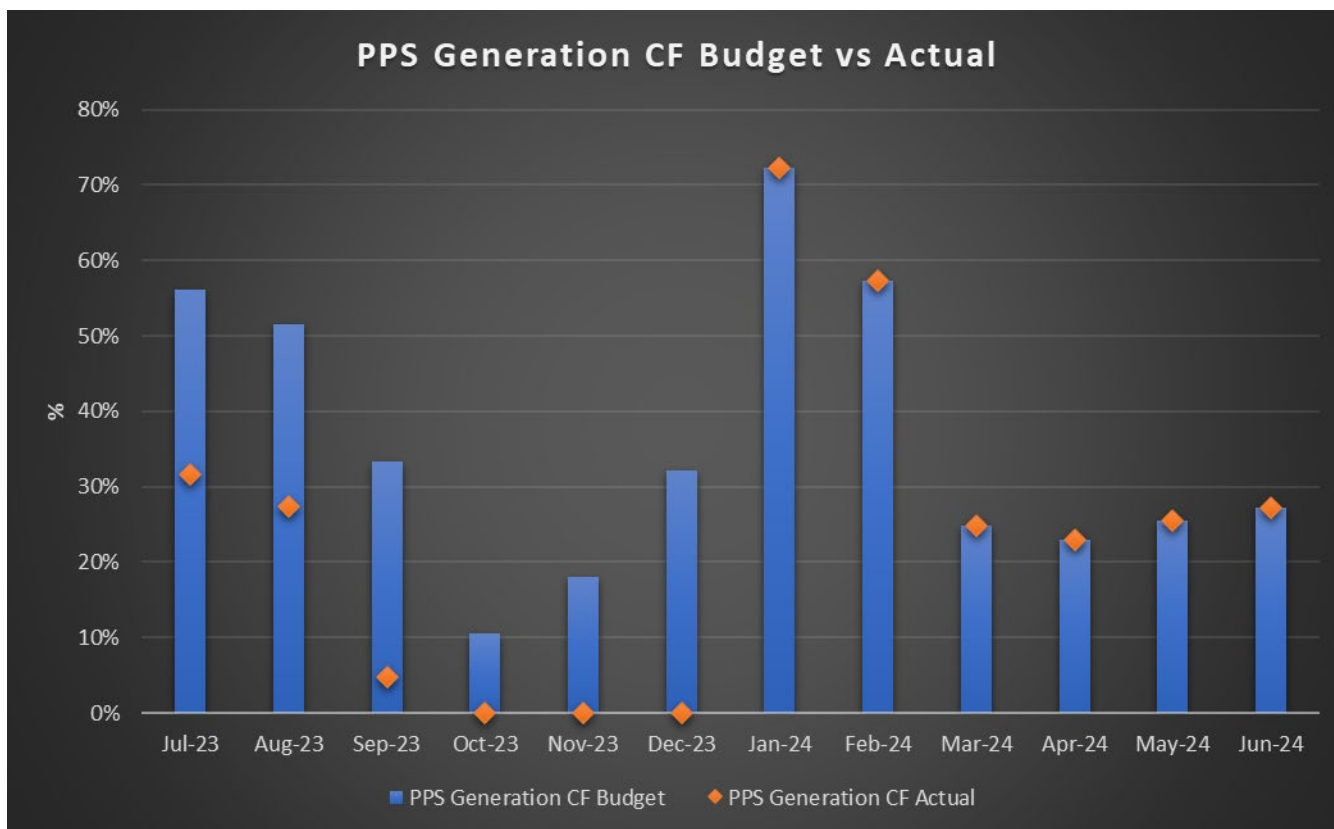
DEI PPA PFR Capacity Factor FY 24



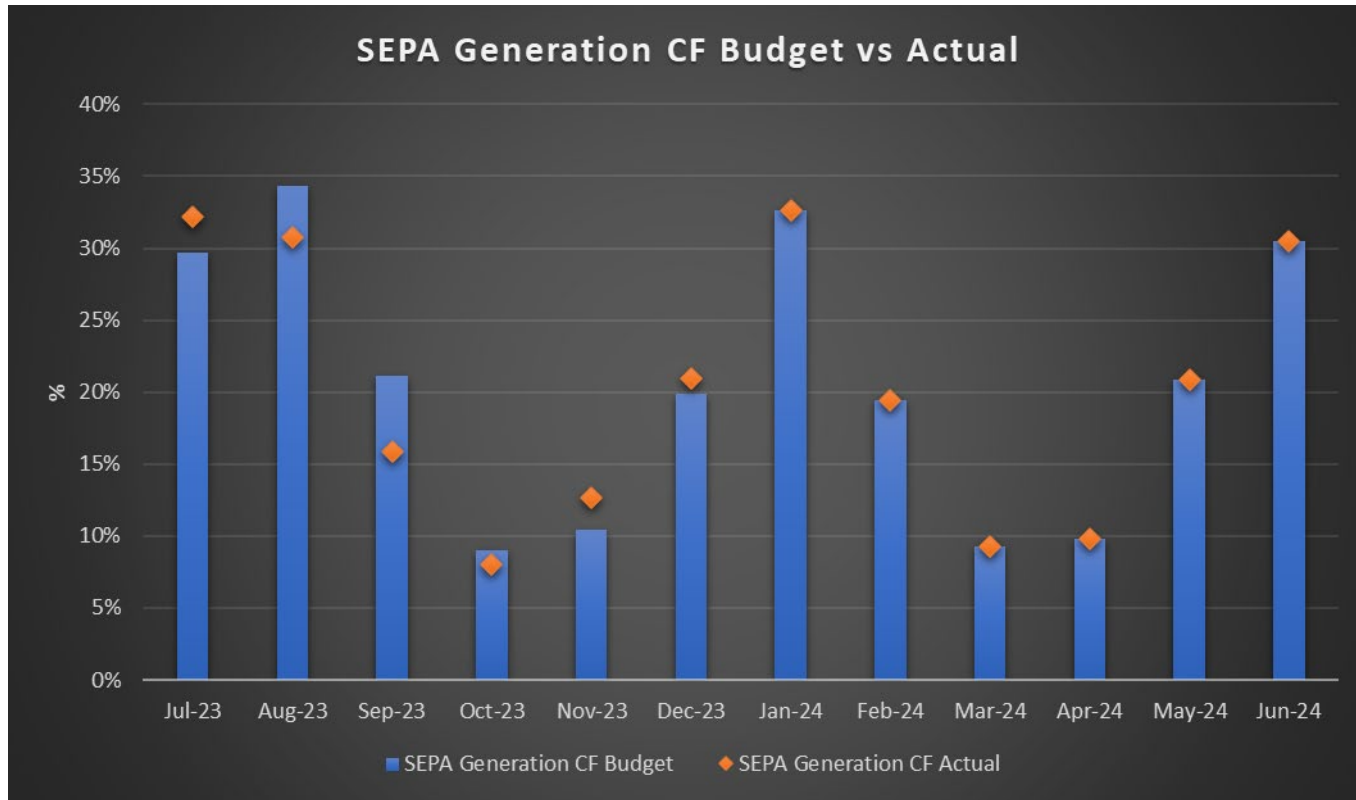
DEI Capacity Factor FY 24



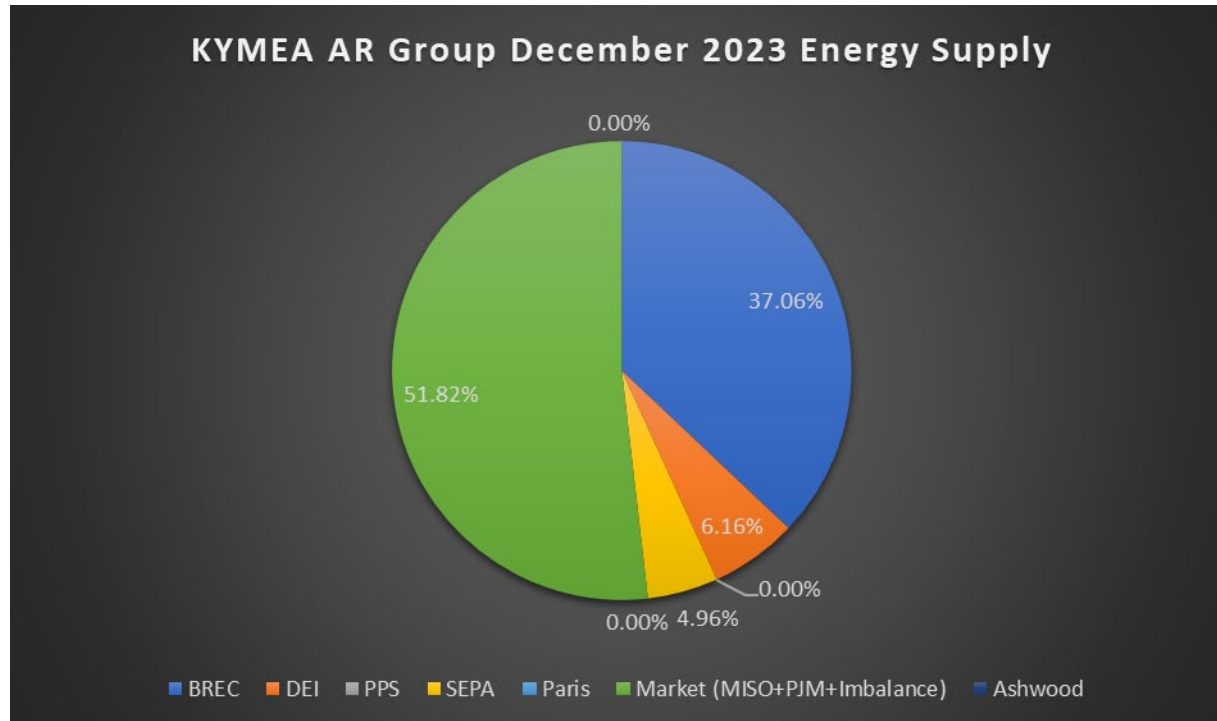
PPS PPA Capacity Factor FY 24



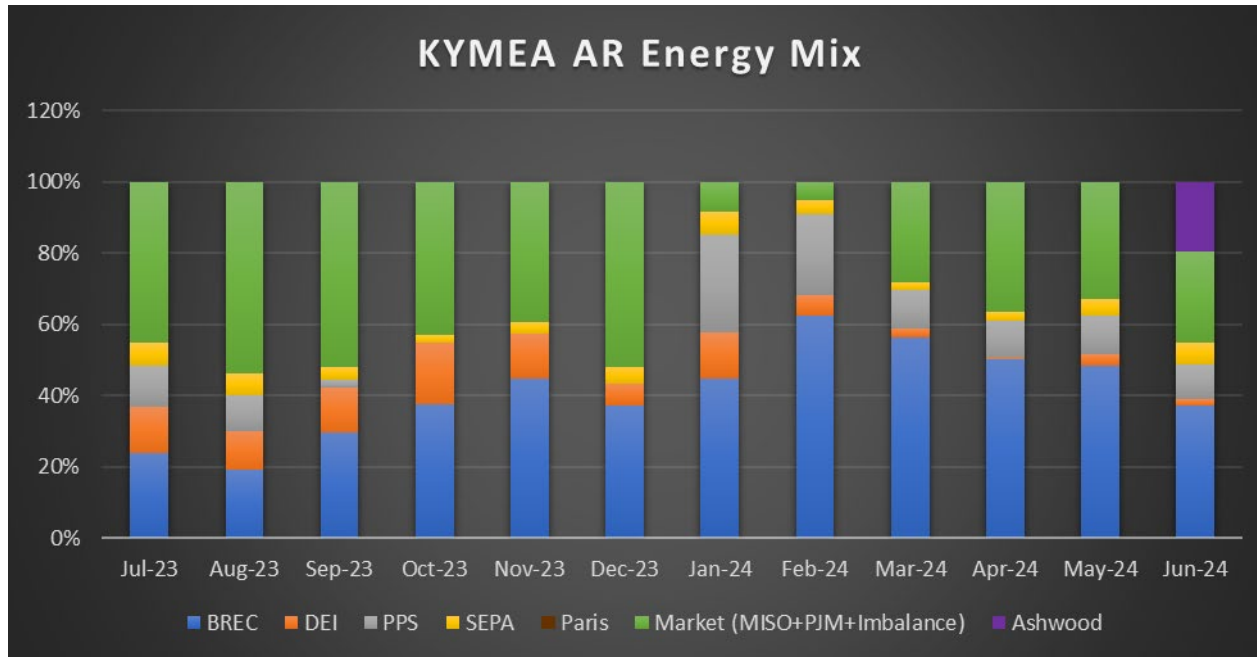
SEPA Capacity Factor FY 24



KYMEA AR Energy Mix

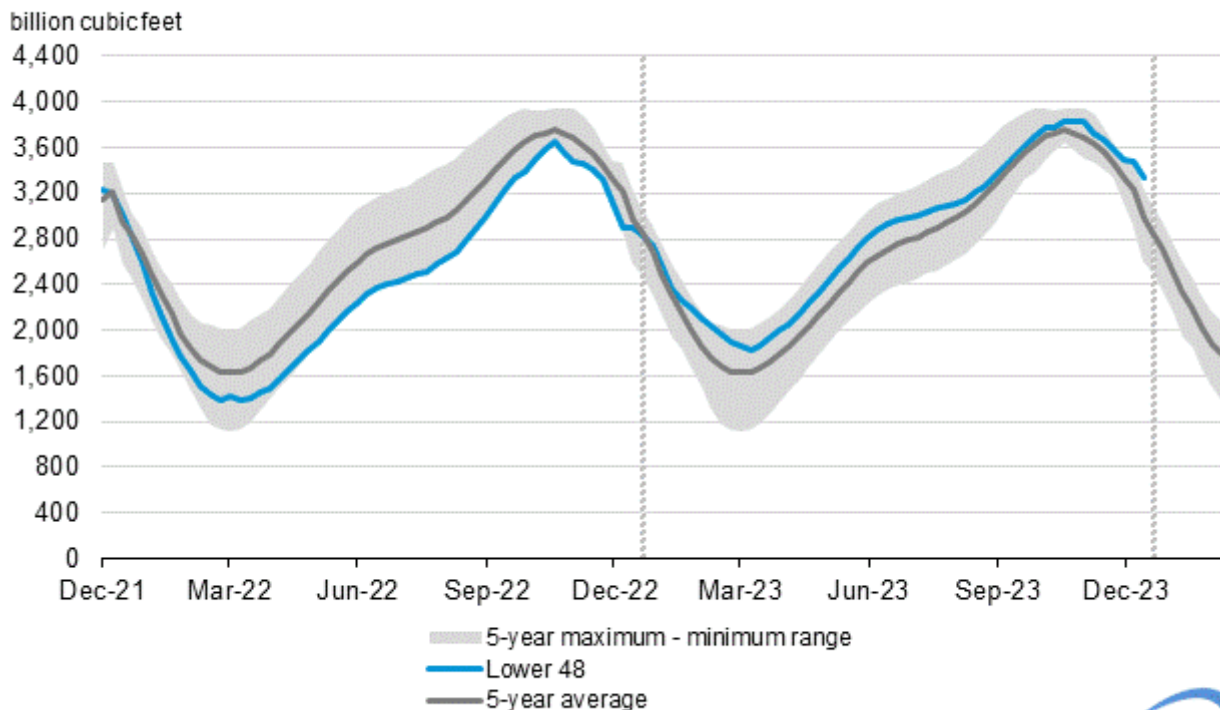


KYMEA AR Energy Mix FY 24



Working Gas in Storage (1-5-2024)

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, January 02, 2024	Change from	
		last week	last year
Oil rigs	501	0.2%	-18.9%
Natural gas rigs	118	-1.7%	-22.4%

Note: Excludes any miscellaneous rigs

Rig numbers by type

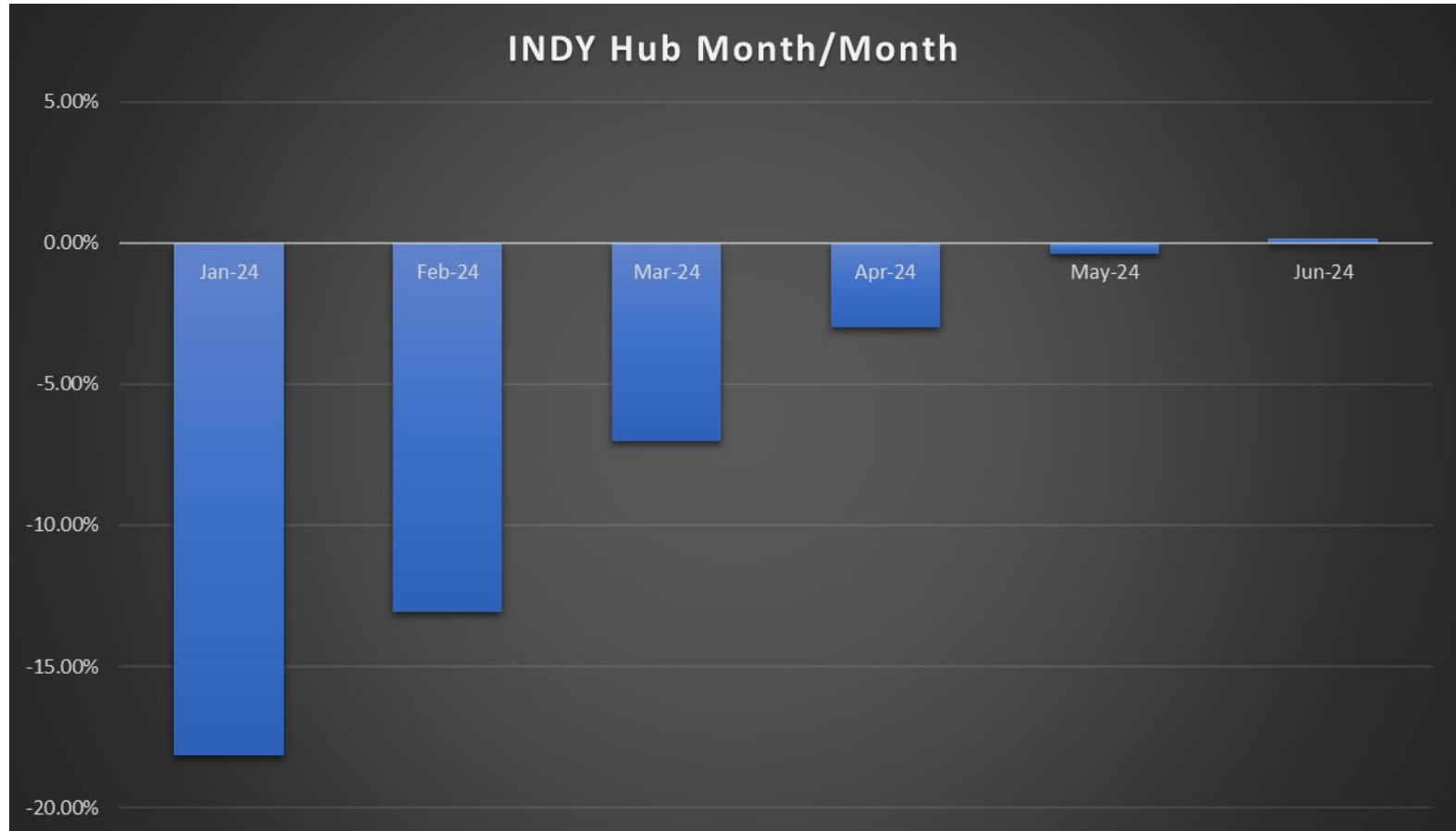
	Tue, January 02, 2024	Change from	
		last week	last year
Vertical	11	0.0%	-57.7%
Horizontal	564	-0.2%	-19.4%
Directional	46	0.0%	0.0%

Data source: Baker Hughes Company

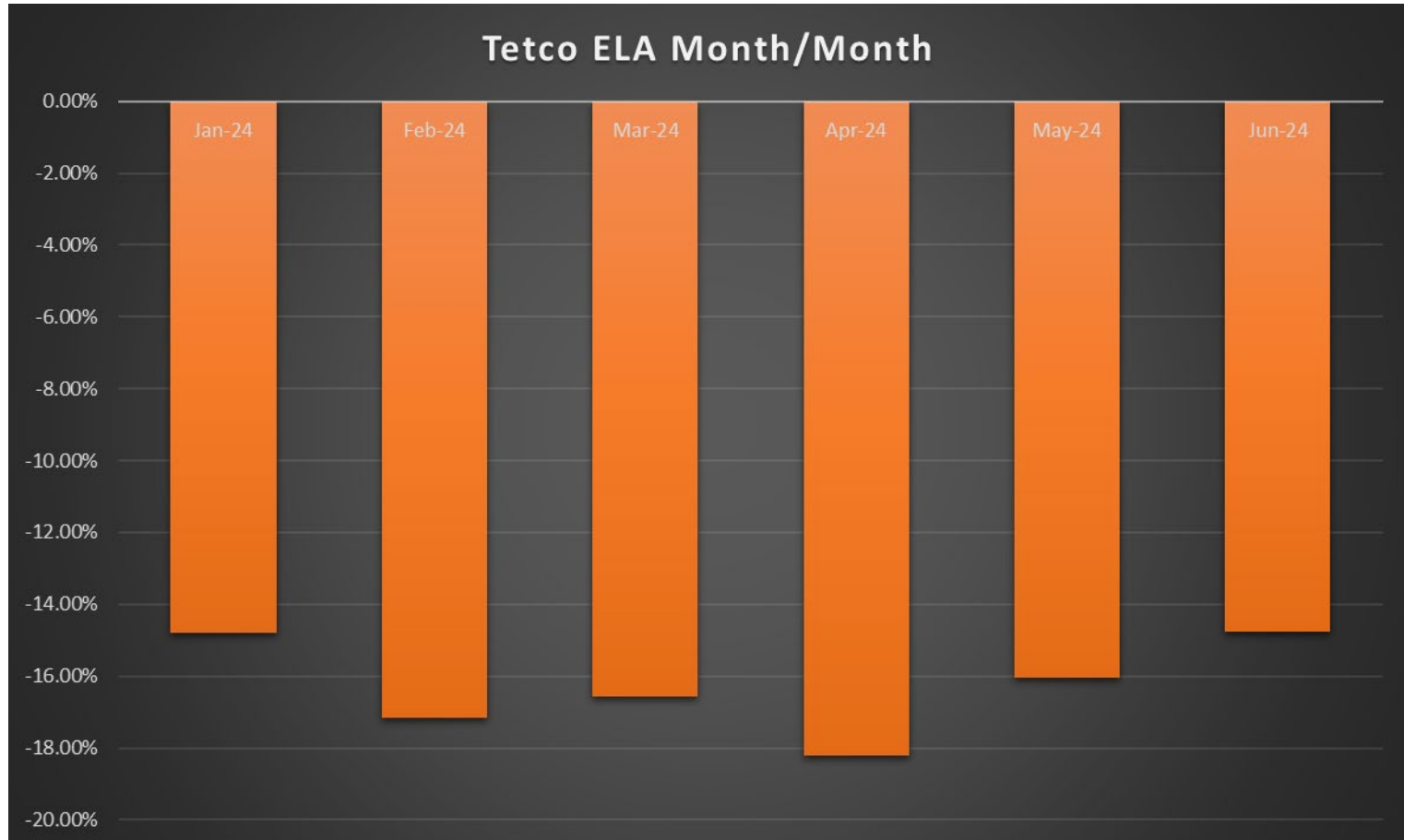
Rig Count

- According to Baker Hughes, for the week ending Tuesday, January 2, the natural gas rig count decreased by 2 rigs from a week ago to 118 rigs. The Eagle Ford added one rig, the Haynesville and the Permian each dropped one rig, and one rig was dropped among unidentified producing regions. The number of oil-directed rigs increased by 1 rig from a week ago to 501 rigs. The Permian added three rigs, the Mississippian added one rig, the Eagle Ford dropped one rig, and two rigs were dropped among unidentified producing regions. The total rig count, which includes 2 miscellaneous rigs, stands at 621 rigs, down 20% from last year's peak of 775 rigs reported on January 13, 2023.

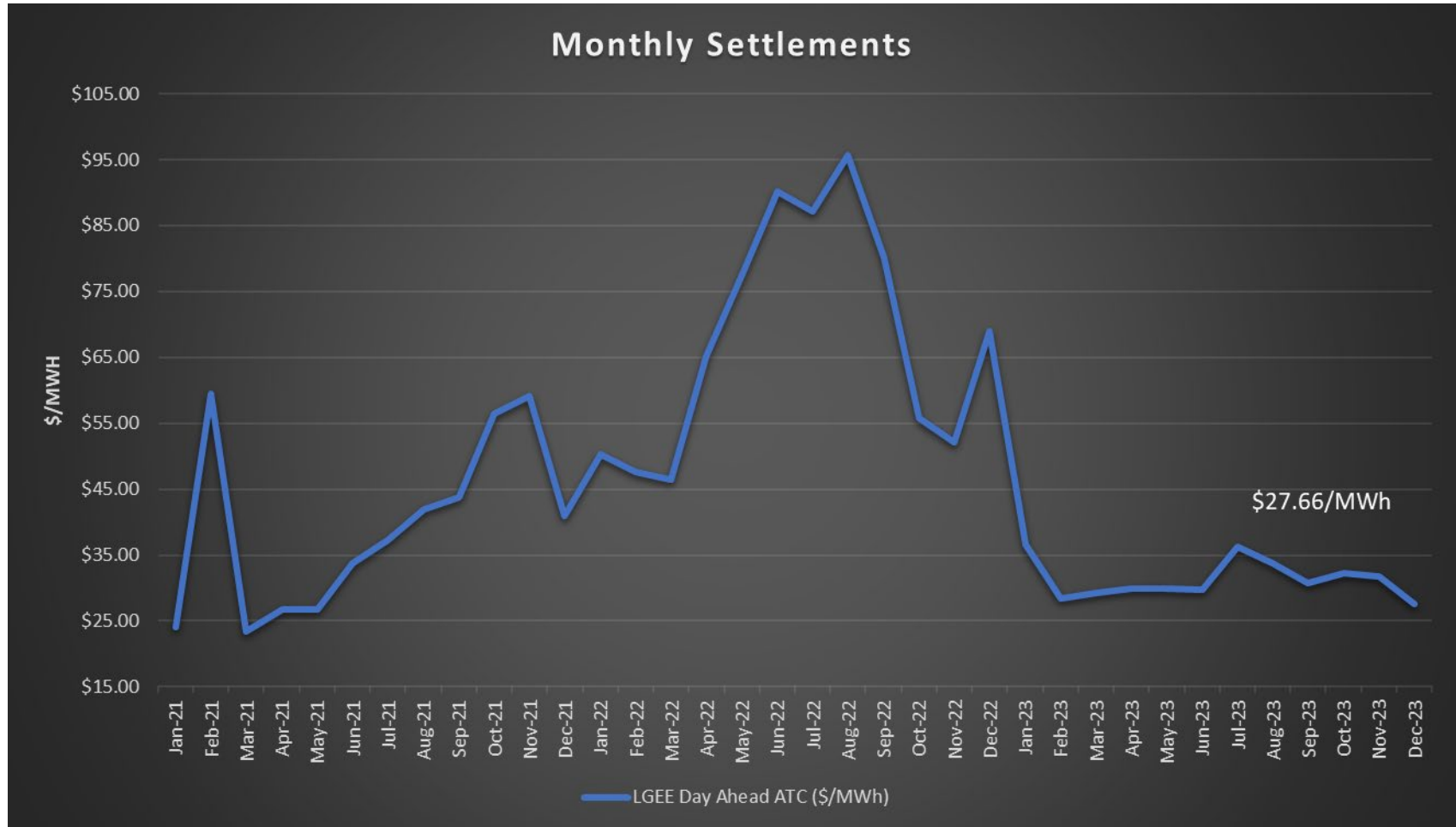
Indiana Hub ATC



Texas Eastern Transmission East Louisiana Zone



Historical Pricing





KENTUCKY MUNICIPAL ENERGY AGENCY



Member Communications

Doug Buresh

January 25, 2024

Dates to Remember

February

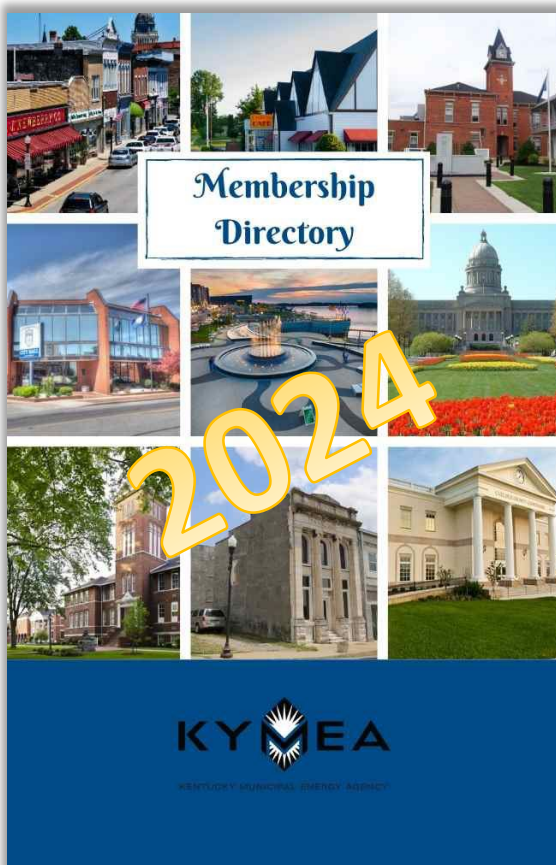
22 nd at 10 AM	Regular Meeting of the KYMEA Board
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March

28 th at 8:30 AM	BROC Meeting
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28 th at 10 AM	Regular Meeting of the KYMEA Board
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2024 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



Grid Resilience and Innovation Partnerships (GRIP) Grant

Doug Buresh

January 25, 2024

PROGRAM INFORMATION

As part of the Bipartisan Infrastructure Law, the Grid Deployment Office is administering a \$10.5 billion Grid Resilience and Innovation Partnerships (GRIP) Program to enhance grid flexibility and improve the resilience of the power system against growing threats of extreme weather and climate change.

These programs will accelerate the deployment of transformative projects that will help to ensure the reliability of the power sector's infrastructure, so all American communities have access to affordable, reliable, clean electricity anytime, anywhere.

Three Funding Mechanisms

GRID RESILIENCE UTILITY AND INDUSTRY GRANTS (\$2.5 BILLION)

Grid Resilience Utility and Industry Grants support activities that will modernize the electric grid to reduce impacts due to extreme weather and natural disasters. This program will fund comprehensive transformational transmission and distribution technology solutions that will mitigate multiple hazards across a region or within a community, including wildfires, floods, hurricanes, extreme heat, extreme cold, storms, and any other event that can cause a disruption to the power system. This program provides grants to electric grid operators, electricity storage operators, electricity generators, transmission owners or operators, distribution providers, and fuel suppliers.

SMART GRID GRANTS (\$3 BILLION)

Smart Grid Grants increase the flexibility, efficiency, and reliability of the electric power system, with particular focus on increasing capacity of the transmission system, preventing faults that may lead to wildfires or other system disturbances, integrating renewable energy at the transmission and distribution levels, and facilitating the integration of increasing electrified vehicles, buildings, and other grid-edge devices. Smart grid technologies funded and deployed at scale under this program will demonstrate a pathway to wider market adoption. This grant program has broad eligibility, open to domestic entities including institutions of higher education; for-profit entities; non-profit entities; and state and local governmental entities, and tribal nations.

GRID INNOVATION PROGRAM (\$5 BILLION)

Grid Innovation Program provides financial assistance to one or multiple states, Tribes, local governments, and public utility commissions to collaborate with electric sector owners and operators to deploy projects that use innovative approaches to transmission, storage, and distribution infrastructure to enhance grid resilience and reliability. Broad project applications are of interest including interregional transmission projects, investments that accelerate interconnection of clean energy generation, utilization of distribution grid assets to provide backup power and reduce transmission requirements, and more. Innovative approaches can range from use of advanced technologies to innovative partnerships to the deployment of projects identified by innovative planning processes to many others.

Funding Opportunities

FIRST FUNDING OPPORTUNITY

On October 18, 2023, the U.S. Department of Energy announced up to \$3.46 billion in Grid Resilience and Innovation Partnerships (GRIP) Program investments for 58 projects across 44 states to strengthen electric grid resilience and reliability across America. This includes 16 projects selected under Grid Resilience Utility and Industry Grants.

SECOND FUNDING OPPORTUNITY

On November 14, 2023, the Biden-Harris Administration announced up to \$3.9 billion available through the second round funding opportunity of the Grid Resilience and Innovation Partnerships (GRIP) Program for Fiscal Years 2024 and 2025. Successful projects will deploy Federal funding to maximize grid infrastructure deployment at-scale and leverage private sector and non-federal public capital to advance deployment goals.

Concept papers are a required first step in the application process and are due at 5:00 p.m. ET on January 12, 2024. A public webinar was held on November 20, 2023. Slides and a recording are available.

KYMEA submitted a concept paper for our **Kentucky Rural Reliability Microgrid Project (KRRMP)**.

❖ No commitment, KYMEA is simply making sure we do not miss out on this opportunity if the Board is interested in pursuing it.

Topic Area 1: Grid Resilience Grants, BIL-40101(c)

Program Details:

- ▶ Supports activities that reduce the likelihood and consequence of impacts to the electric grid due to extreme weather, wildfire, or natural disasters
- ▶ Award maximum is capped at the amount the entity has spent over the last 3 years of resilience investments or \$100 million*, with two exceptions:
 - Projects that construct new transmission infrastructure, >69 kV that either completes a radial loop or solves an N-1 contingency issue: \$250 million
 - Projects that aggregate multiple utility service territories: \$250 million
- ▶ Small utility set aside: 30% of the Topic Area 1 funding will be set aside for small utilities, which are defined as entities that sell no more than 4,000,000 MWh of electricity per year
- ▶ Cost Share*: An eligible entity that receives a grant under this section shall be required to match 100% of the amount of the Federal grant
 - Exception for small utilities: Small utilities shall be required to match 1/3 of the Federal grant
 - Cost share must come from non-federal sources, unless otherwise allowed by law
- ▶ Eligible Entities Include**:
 - Electric grid operators
 - Electric storage operators
 - Electricity generators
 - Transmission owners or operators
 - Distribution providers
 - Fuel suppliers



***Please see Section III.B of the FOA for cost sharing requirements. **Please see Section III.A of the FOA for eligibility information.**

KYMEA Concept Paper

KYMEA Program: Kentucky Rural Reliability Microgrid Project (KRRMP)

Concept Paper

Funding from the Department of Energy (DOE) will be utilized to support the purchase, maintenance, and operation of grid-scale battery systems to be deployed in substations of All Requirements Members. The four-hour grid-scale battery systems will help communities manage disturbances and extreme weather events.

- Charging: The battery systems will be charged primarily by the Ashwood Solar Project by transmitting Ashwood power to each member community battery system.
- Discharging: The batteries would be discharged directly in the member community where they reside.
- KYMEA Benefits beginning in June 2029: Reduced power market exposure, additional accredited capacity, reduced carbon emissions, small utilities required to match 1/3 of the Federal grant.

Structure

- KYMEA would own and operate behind-the-meter (BTM) batteries deployed in AR Member communities
- The charging and discharging of the batteries would be metered with the megawatt-hours subtracted or added to the Member's load so the Member's load usage for billing purposes would be unaffected by the battery operation.

Conceptual Design Example



DOE Selection Criteria

Justice40 Communities

President Joe Biden issued Executive Order 14008. Section 223 of EO 14008 established the Justice40 Initiative, which directs 40% of the overall benefits of certain Federal investments – including investments in clean energy and energy efficiency; clean transit; affordable and sustainable housing; training and workforce development; the remediation and reduction of legacy pollution; and the development of clean water infrastructure – to flow to disadvantaged communities (DACs).

- There are 12 KYMEA AR Member Justice40 Community Substations

Coal Energy Community Tax Credit Bonus

As defined in the Inflation Reduction Act (IRA), the Energy Community Tax Credit Bonus applies a bonus of up to 10% (for production tax credits) or 10 percentage points (for investment tax credits) for projects, facilities, and technologies located in energy communities. Increased credit amounts or rates are available to taxpayers that satisfy certain energy community requirements under Section 45, 48, 45Y, or 48E of the Internal Revenue Code.

- There are 12 KYMEA AR Member Coal Energy Community Substations

There are 8 KYMEA AR Member Substations which are both Justice40 and Coal Energy Communities

Next Steps

Staff will keep the Board informed on the progress of KYMEA's submissions.

No Board Action required at this time.

Application Submission Timing / Schedule

FOA Released: November 14, 2023					
Topic Area 1 Grid Resilience Grants (40101(c))		Topic Area 2 Smart Grid Grants (40107)		Topic Area 3 Grid Innovation Program (40103(b))	
Concept Papers Due:	January 12, 2024	Concept Papers Due:	January 12, 2024	Concept Papers Due:	January 12, 2024
Response to Concept Papers:	February 2024	Response to Concept Papers:	February 2024	Response to Concept Papers:	February 2024
Full Applications Due:	April 17, 2024	Full Applications Due:	May 22, 2024	Full Applications Due:	April 17, 2024

- ▶ An entity may submit more than one Concept Paper and Full Application to this FOA, provided that each application describes a unique, scientifically distinct project and provided that an eligible Concept Paper was submitted for each Full Application.
- ▶ In response to applicant feedback from FOA-2740, additional time has been provided between FOA release and Concept Paper submission.



**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	\$12.108 per kW times Monthly Billing Demand
Energy Charge	\$0.035636 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	\$3.797 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: January 25, 2024

Effective: July 1, 2024

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

- b. PJM-EKPC Transmission Charge \$4.343 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 \$1.653 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 and the AR Members desire to maintain a Depancaking Exposure Reserve Fund.

- 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: January 25, 2024
Effective: July 1, 2024

**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 September through May, 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, 2025 < the Minimum Target Days Cash on Hand for June 30, 2025 as set forth in Section 6, then the ECA shall be computed and collected.

Approved: January 25, 2024

Effective: July 1, 2024

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

Credit of the ECA shall be applied as follows:

If the Projected Days Cash on Hand for June 30, 2025 > the Maximum Target Days Cash on Hand for June 30, 2025 as set forth in Section 6, then the ECA shall be computed and credited.

Where:

For FY2025, the ECAF collected or credited shall not exceed \$0.003/kWh.

Where:

Minimum Target DCOH = 60 DCOH

Maximum Target DCOH = 120 DCOH

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

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**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

AR Member	Monthly Fixed Charge
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: January 25, 2024

Effective: July 1, 2024

**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.

Approved: January 25, 2024

Effective: July 1, 2024

Schedule A to AR Rate Schedule

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

**SCHEDULE A
POINTS OF DELIVERY**

No.	Delivery Point Name	Voltage Level
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: January 25, 2024
Effective: July 1, 2024

Closed Session Authorization for January 25, 2024 KYMEA Board Meeting

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

- (i) presenting and discussing a specific proposal between the agency and a business entity, including but not limited to a specific asset and siting.

KRS 61.810(1)(g) allows for closed session relating to discussions concerning a specific proposal between a public agency and a representative of a business entity, which, if discuss in open session, would jeopardize the siting, retention, expansion, or upgrading of the business.

KRS 61.878(1)(c) allow for closed session where discussions regarding records or information disclosed to the agency or required to be disclosed to the agency as confidential or proprietary would, if disclosed by the agency, provide an unfair advantage to competitors of the entity disclosing such information.