

KYMEA POWER POST

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From Charter to Community Impact

BY MICHELLE HIXON

Honoring a decade of partnership, progress, and locally governed power across Kentucky's municipal communities.

Ten years ago, on September 24, 2015, Kentucky's municipal utilities took a bold and united step—forming the Kentucky Municipal Energy Agency to strengthen local control, increase reliability, and secure long-term energy solutions tailored to their communities' needs. What began as a collaborative charter between a small group of leaders has grown into a strong, resilient agency that supports dependable, affordable power for cities across the Commonwealth.

A decade later, KYMEA stands as a testament to what municipalities can accomplish together. Over the past ten years, the Agency has built a foundation rooted in transparency, strategic planning, and shared governance.

From establishing our first contracts and operational frameworks to launching major generation projects and fostering deep partnerships with member communities, KYMEA has continually evolved to meet the dynamic energy landscape.

As we commemorate this milestone, we reflect with gratitude on the dedication of our members, the commitment of our board and staff, and the trusted partners who helped shape the Agency's first decade. Their leadership has positioned KYMEA for continued success, ensuring that reliability, affordability, and innovation remain at the heart of everything we do.

Looking ahead, KYMEA will continue this anniversary celebration throughout the coming year, using each of our next four quarterly newsletters to shine a light on the people, projects, and partnerships that have defined our journey. Together, we will revisit our earliest decisions, highlight key accomplishments, and look forward to the opportunities that will shape the next decade of service.

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KYMEA's Joint Action Journey

BY DOUG BURESH



Greetings,

It's hard to believe a decade has passed. The founding members of KYMEA must feel the same as they look back on the agency they established. Even as the energy industry evolves, the robust Joint Action Agency model—developed by APPA and embraced by KYMEA—remains strong. Let's take this opportunity to appreciate and reflect on what Kentucky's municipal leaders have built together. Congratulations!

A VISION THAT CHANGED PUBLIC POWER

In the mid-20th century, municipal utilities faced a daunting challenge: how to secure reliable, affordable electricity while preserving local control. The answer came through collaboration—a concept that would transform the landscape of public power. Joint action agencies (JAAs) emerged as a bold solution, enabling communities to pool resources, negotiate better rates, and invest in infrastructure that no single city could afford alone.

This idea wasn't born overnight. It was the result of decades of advocacy and foresight, championed by the American Public Power Association (APPA). Their efforts laid the foundation for a movement that continues to empower municipal utilities today.

THE HISTORICAL BLUEPRINT

The seeds of joint action were planted in 1964 when APPA released its landmark report, *The National Power Survey*. Then-Chairman Joseph Swidler emphasized the need for affordable wholesale power and warned of growing pressure from investor-owned utilities. APPA recognized that small municipal systems could not compete alone—they needed a mechanism to aggregate demand and strengthen bargaining power.

Early examples paved the way. The Grand River Dam Authority in Oklahoma (1935) and the Washington Public Power Supply System (1957) demonstrated how collective action could deliver economies of scale. By the 1970s, state legislatures began authorizing joint action agencies, giving municipal utilities the legal framework to cooperate on generation and transmission projects.

APPA's advocacy didn't stop at reports. It organized workshops, published model legislation, and worked closely with state policymakers to ensure municipal utilities had the tools to thrive. These efforts were critical in an era when investor-owned utilities dominated the conversation and federal policy was shifting toward large-scale regional grids.

Joint action agencies became lifelines for communities seeking independence from private utilities. They offered more than power—they provided stability, shared expertise, and a voice in regional energy planning. APPA's vision ensured that public power

remained a viable, competitive force in an evolving energy market.

WHY JOINT ACTION MATTERS

Joint action agencies were designed to solve three critical problems:

1. **Economies of Scale:** By pooling resources, municipal utilities could access generation projects and transmission capacity that would otherwise be out of reach.
2. **Risk Management:** Shared ownership and diversified portfolios reduced exposure to market volatility and regulatory changes.
3. **Local Control:** JAAs preserved the autonomy of member utilities while enabling collective decision-making on major investments.

This model proved resilient. Today, more than 60 JAAs operate across the United States, serving thousands of communities and millions of customers. They are a testament to the enduring power of cooperation.

KENTUCKY JOINS THE MOVEMENT

Fast forward to Kentucky. For years, municipal utilities here faced the same challenges that sparked the national joint action movement: rising costs, complex regulations, and the need for long-term resource planning. The solution? Forming the Kentucky Municipal Energy Agency (KYMEA).

KYMEA was established with a clear mission: to deliver reliable, cost-effective energy while preserving local autonomy. By aggregating the needs of multiple member cities, KYMEA could negotiate favorable contracts, diversify its power portfolio, and invest in projects that support sustainability and resilience.

This wasn't just about economics—it was about empowerment. KYMEA gave Kentucky's municipal utilities a seat at the table, ensuring they could shape their energy future rather than react to it.

THE FORMATION STORY

KYMEA's journey began with conversations among municipal leaders who recognized the growing complexity of energy markets. Individually, each city faced limited bargaining power and exposure to volatile wholesale prices. Together, they saw an opportunity to create a unified voice.

The process involved legislative groundwork, feasibility studies, and extensive stakeholder engagement. By 2015, KYMEA was officially formed, representing 11 member cities committed to collaboration. Its governance structure was designed to ensure fairness: each member has representation, and decisions are made collectively.

Early challenges included negotiating initial power supply contracts and building trust among members accustomed to operating independently. KYMEA overcame these hurdles through transparency, shared goals, and a relentless focus on delivering value. The agency's first major contracts secured stable pricing and diversified resources, laying the foundation for long-term success.



KYMEA'S FOUNDING PRINCIPLES

KYMEA's creation reflected the same principles that guided APPA decades earlier:

- **Collaboration Over Competition:** Member cities recognized that working together would yield better outcomes than going it alone.
- **Strategic Planning:** KYMEA adopted a forward-looking approach, balancing short-term reliability with long-term sustainability.
- **Member-Driven Governance:** Decisions are made collectively, ensuring transparency and accountability.

These principles have guided KYMEA through its formative years and continue to shape its strategic direction.

KYMEA TODAY: INNOVATION AND IMPACT

The principles APPA championed decades ago are alive and thriving in KYMEA's work today. Recent milestones underscore this commitment:

- **Ashwood Solar I Ribbon Cutting:** A landmark project that brings clean, renewable energy to Kentucky communities. This solar initiative reflects KYMEA's dedication to sustainability and forward-thinking resource planning.
- **Energy Center I Groundbreaking:** A state-of-the-art facility designed to enhance reliability and operational efficiency. This investment positions KYMEA as a leader in modern energy solutions.

Beyond infrastructure, KYMEA fosters collaboration among its members, sharing best practices and leveraging collective expertise. The agency's governance model ensures decisions are member-driven, reinforcing the values of transparency and local control.

EXPANDING THE VISION

KYMEA's story is not just about power plants and transmission lines—it's about people and progress. The agency has invested in training programs, cybersecurity initiatives, and community engagement efforts that strengthen the fabric of public power in Kentucky.

Looking ahead, KYMEA is poised to tackle emerging challenges:

- **Renewable Integration:** Expanding solar and exploring battery storage options.
- **Grid Modernization:** Deploying advanced technologies to improve reliability and resilience.
- **Regulatory Navigation:** Advocating for policies that support municipal utilities and protect local interests.
- **Decarbonization Goals:** Support our members and their customers in achieving their carbon reduction objectives through KYMEA's Carbon-Free Choice Program.
- **Regional Partnerships:** Exploring collaborations beyond Kentucky to leverage shared resources and expertise.

These initiatives reflect KYMEA's commitment to innovation and its determination to remain a trusted partner for member communities.

LESSONS FROM HISTORY

The evolution of joint action agencies offers valuable lessons for today's energy leaders:

- **Adaptability Is Key:** JAAs have thrived because they evolved with changing markets and technologies.
- **Collaboration Creates Strength:** The collective power of municipal utilities is greater than the sum of its parts.
- **Vision Drives Progress:** From APPA's early advocacy to KYMEA's strategic investments, success begins with a clear, shared vision.

These lessons are as relevant now as they were in 1964. As the energy landscape grows more complex, the need for cooperation and foresight has never been greater.

WHY IT MATTERS

Joint action agencies were born from necessity, but they endure because they work. They embody the spirit of cooperation that defines public power: communities coming together to achieve what none could accomplish alone.

For Kentucky, KYMEA is more than an energy provider—it's a catalyst for progress. By embracing the joint action model, KYMEA ensures that municipal utilities remain strong, competitive, and responsive to the needs of their customers.

JOIN THE JOURNEY

As KYMEA continues to write the next chapter in Kentucky's energy story, we invite you to be part of the conversation. Whether you're a member utility, a community leader, or a customer who values reliable, affordable power, your engagement matters.

By working together, we can celebrate APPA's vision and recognize KYMEA's courageous choice to help create a future defined by teamwork, new ideas, and mutual achievement.

Important Dates

December

16th	Budget Committee Mtg
16th	ECI Committee Mtg
17th	BROC Mtg
17th	Combined AR & Board Meeting

January

21st	Budget Committee Meeting
21st	AR Rates Workshop
22nd	ECI Committee Mtg
22nd	Combined AR & Board Meeting

February

25th	ECI Committee Mtg
25th	AR Rates Workshop
19th	Combined AR & Board Meeting



A Decade of Milestones: KYMEA's Roadmap

2013 - 2015 THE VISION TAKES SHAPE

- The Kentucky Municipal Energy Agency (KYMEA) was formally established on September 24, 2015, founded with a mission to deliver reliable, cost-effective, and locally governed power supply solutions for Kentucky's public power communities.
- The Agency's formation was led by a core group of municipal utilities that united to pursue long-term stability, shared resources, and a collaborative approach to meeting future energy needs.
- The Board of Directors appointed Ron Herd as KYMEA's first Board Chairman, providing foundational leadership during the Agency's organizational development.



2016 - 2017 POWER SUPPLY PORTFOLIO PLANNING

- KYMEA conducted extensive modeling and power supply planning that laid the groundwork for future resource decisions and defined the long-term strategy for member power needs.
- All Requirements Power Sales Contracts with member communities were finalized, establishing the foundation of KYMEA's AR Project and enabling coordinated power procurement.
- As KYMEA's resource portfolio took shape, early contracts for long-term power supply resources and market participation were executed, securing a diverse mix of generation options for members.
- KYMEA entered into the long-term Ashwood Solar I contract — a twenty-year power supply agreement to purchase solar energy capacity and generation from the utility-scale Ashwood Solar I facility in western Kentucky.
- In November 2018, KYMEA opened its permanent headquarters in Louisville, Kentucky, establishing a centralized base for operations, administration, and member support.



2018 - OPERATIONAL PREPAREDNESS

- The KYMEA Board of Directors appointed Doug Buresh as President & CEO, bringing experienced leadership to guide the Agency's growth and strategic direction.
- Initial management staff were hired to build the Agency's operational and administrative foundation, establishing key roles in finance, market analytics, and member services.
- KYMEA built out operational readiness in advance of its first delivery year, developing internal systems, protocols, and capabilities to ensure a smooth transition to full power supply operations.
- Energy scheduling, settlements, regulatory compliance, and financial systems were fully implemented, enabling effective day-to-day market participation and accurate reporting as KYMEA prepared to begin delivering power.



2019 - POWER SUPPLY DELIVERY BEGINS

- On May 1, 2019, KYMEA officially began delivering wholesale power to its All-Requirements members, marking the Agency's first full year of operations.
- KYMEA launched its day-ahead and real-time market operations, establishing the foundation for efficient, reliable market participation.
- The Agency initiated monthly reporting of power mix and market performance data to the Board of Directors, enhancing transparency and strategic oversight.
- KYMEA hosted its first Annual Members Conference, bringing member communities together to collaborate, learn, and celebrate the Agency's progress.



2020 - 2022 STRENGTHENING RELIABILITY & MEMBER VALUE

- KYMEA advanced financial stability, achieving strong liquidity with healthy Days Cash on Hand and positive net income compared to budget expectations.
- In July 2020, as KYMEA entered its second fiscal year of operations, the Board approved a 4.19% reduction in member power supply and transmission bills to provide direct member savings.
- In response to the COVID-19 pandemic, the KYMEA Board approved the COVID-19 Rate Relief Plan (RRP) and the Member Late Payment Protection Plan (LPPP) to support members through economic uncertainty by stabilizing monthly rates and providing payment flexibility.
- On July 21, 2021, KYMEA formally adopted the Integrated Resource Plan (IRP2020), creating a comprehensive roadmap for future resource needs and strategic planning.
- In June 2022, KYMEA executed a five-year capacity and energy agreement with Duke Energy Indiana for 60 MW to support the All-Requirements (AR) Project power supply portfolio, with service commencing on June 1, 2022.

2023 - 2024 MEMBERSHIP GROWTH AND ADVANCING CLEAN ENERGY INVESTMENTS

- KYMEA and RWE Clean Energy broke ground on the 86 megawatt (MW) Ashwood Solar I project that provides the Agency's AR Project power supply portfolio with renewable solar energy.
- The City of Berea and the Electric Plant Board of the City of Benham each executed All-Requirements Power Sales Contracts with KYMEA, expanding the Agency's membership and power supply reach.
- KYMEA finalized a five-year energy and capacity agreement with Hallador Power Company for 35–100 MW as part of its AR Project power supply portfolio, ensuring additional dependable resources to support member needs.

2025 INVESTMENT IN RELIABILITY AND THE AGENCY'S FUTURE

- KYMEA completes its first successful bond issuance, securing financing to support major infrastructure development.
- Construction begins on Energy Center I—KYMEA's first power plant. This state-of-the-art RICE (Reciprocating Internal Combustion Engine) facility will deliver 75 net megawatts (MW) of flexible, fast-start capacity.
- KYMEA proudly welcomes Olive Hill as its newest member, entering an All-Requirements Power Sales Contract with the City.
- Ashwood Solar I achieves Commercial Operation, adding new large-scale solar generation to KYMEA's diversified power supply portfolio.



The Power of Partnership: Member Voices Across the Commonwealth

BY BRAD PORTER, ELECTRIC DEPARTMENT SUPERINTENDENT, CITY OF MADISONVILLE

The City of Madisonville Electric Department is a municipally owned utility with the primary mission “To elevate the quality of life through excellent city services”. We accomplish this by proactively developing new and improved techniques and procedures throughout our operation to provide the highest quality service at the lowest possible cost for all current and future customer needs.

Kentucky Municipal Energy Agency has been a crucial asset in accomplishing our mission and goals over the last decade. KYMEA’s objective is to provide cost-effective resources and services for the benefit of its members to enable them to achieve objectives they have set for themselves more efficiently and at lower costs than they could achieve individually. And this is exactly what they have done for the City of Madisonville.

KYMEA is so much more than just a power purchasing agency. Over the past 10 years, not only have we maintained the lowest cost for reliable energy, but we have also developed relationships and a network of contacts that have proven to be invaluable across the State of Kentucky. We have become a collaborative network that can depend on each other for knowledge of policies to resources from dated infrastructure to the latest in technological advancements in grid modernization. We work together to develop strategies and solutions to any of our members' complications.

KYMEA is also proactive in promoting advanced training to its members through their annual conference and periodic trainings throughout the year. Any member having an area of interest to be studied is always welcome, and KYMEA goes above and beyond to provide and give the absolute best products and performance to its members.

A recent power purchase comparison was conducted on power prices along with materials costs over the last decade, which have increased drastically in the electric utility market. The results of this report were astonishing. The City of Madisonville has maintained the same electric power purchasing rates for 11 years, providing our community with the lowest cost of services. These savings have also allowed us to absorb numerous increases in materials year after year, keeping costs down.

A decade of exceptional service and unwavering dedication from KYMEA holds profound meaning for the City of Madisonville. It represents countless expressions of gratitude from a community of hardworking, caring individuals who may not always see the behind-the-scenes efforts, yet benefit every day from KYMEA’s commitment to making our city stronger and brighter.

CONGRATULATIONS!

Molly Roesler

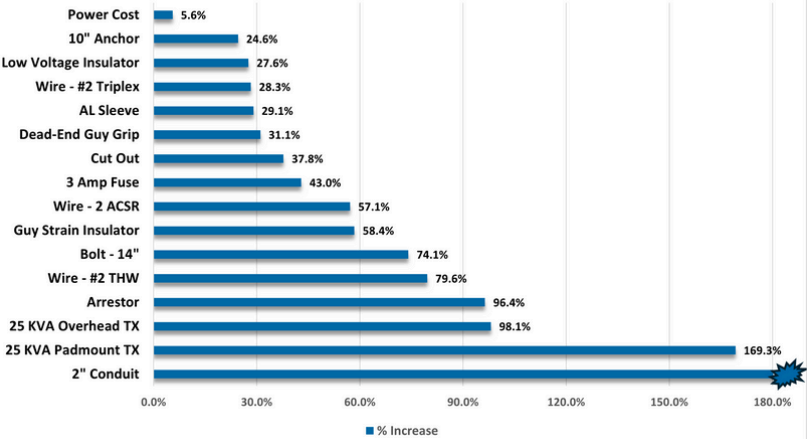
Controller



We are thrilled to celebrate Molly Roesler’s 5-year anniversary with the Kentucky Municipal Energy Agency! Since joining the Agency in September 2020 as an Accountant and Financial Analyst, Molly has consistently demonstrated exceptional dedication, expertise, and leadership. Her contributions to the financial management, reporting, and internal controls of KYMEA have been instrumental in ensuring the Agency’s success and integrity. As our Controller, Molly has played a vital role in overseeing accounting functions, leading annual audits, and providing strategic financial guidance to senior leadership, all while upholding the highest standards of professionalism and excellence.

Molly’s commitment to accuracy, efficiency, and collaboration has been a cornerstone of her work at KYMEA. Her ability to manage complex financial operations, analyze data, and provide insightful recommendations has greatly supported the Agency’s mission and strategic goals. We are grateful for her hard work, attention to detail, and the positive impact she has made over the past five years. Congratulations, Molly, on this incredible milestone, and thank you for your continued dedication to KYMEA!

Rise in Cost



ENERGY CENTER I UPDATE

Building Momentum

Significant strides have been made across multiple areas of the Energy Center I project. Site construction advanced with the completion of engine hall backfill, ongoing vapor barrier and insulation work, and the installation of several duct banks and manholes. Grounding and concrete activities continued in both the engine hall and admin building, despite a short Thanksgiving week and some rain delays. Key equipment deliveries, such as generators reaching the port, marked important milestones, and contracts for roofing, painting, and other trades are progressing. Coordination with vendors and engineering teams remains active.



Foundations and Duct Banks Take Shape

Crews completed major concrete pours for the engine foundations, establishing the base for the reciprocating internal combustion engines that will power the facility. Work also advanced on the installation of duct banks, which will house electrical and control conduits essential for future equipment connections. Site grading and underground utility work remain on schedule, positioning the project for upcoming phases of steel erection and equipment installation.





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If you have ideas for the next Power Post, please email Michelle Hixon at mhixon@kymea.org.



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