

Kentucky Municipal Energy Agency

November 16, 2016 10:00 AM (central)

Bowling Green Municipal Utility 801 Center St, Bowling Green, KY 42101

Attendance Taken at 10:07 AM (central):

Present Board Members:

Josh Callihan
Ed Fortner
Vent Foster
Ronald Herd
Chris Melton
Terrance Naulty
Mike Withrow

Absent Board Members:

Eddie Gooch
Phillip King
Chrissy O'Hara
Carl Shoupe

A. MEETING OPENING

B. AGENDA REVIEW AND MODIFICATIONS

Discussion:

No changes.

C. PERFORMANCE REPORTS AND MODIFICATIONS

C.1. Executive Committee Report

Discussion:

Committee did not meet.

C.2. Financial Report

Discussion:

Terry Naulty gave the report. Terry asked for the status of the accounting software and that we move forward on it.

Motion Passed: Approval of report passed with a motion by Mike Withrow and a second by Ed Fortner.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ed Fortner	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Phillip King	Absent
Eddie Gooch	Absent
Carl Shoupe	Absent
Chrissy O'Hara	Absent

D. ITEMS PRESENTED FOR ACTION AT THIS MEETING

None

E. DISCUSSION AGENDA

E.1. PPA and Transmission Arrangements Update

Rationale:

We anticipate updating the Board regarding the following topics:

- BREC's progress in accomplishing conditions precedent
- Filing before the PSC
- (RUS Approval has already been received)

- Status Report regarding transmission
 - LGE/KU transmission system
 - MISO transmission system
 - EKPC (or PJM) transmission system (for Falmouth)

Updated load forecast being prepared to meet requirements under the LGE/KU OATT and for power supply planning

Discussion:

Fred Haddad led a discussion and update of the BREC contract progress with the PSC. Brown Thornton led a review and discussion on the status of transmission service. No improvements will be needed on the KU/LGE side that KYMEA would need to pay for. The MISO side also found no improvements needed.

E.2. Proposed Contracts pertaining to Existing Member Resources

Rationale:

Description:

We plan to discuss and seek feedback from the Board regarding a revised draft of the contracts between KyMEA and each Member for KyMEA to use Member owned resources as part of the AR Portfolio and to provide credits to the applicable Member based on the value KyMEA realizes by that use.

We would also like to discuss the Board Members' expectations as to the materials and analysis that should go with the proposed contracts when they seek approval of the governing bodies. Your expectations regarding approval would be very helpful as we deal with transmission commitments.

Background Information:

The AR Contract provides three Options pertaining to Member resources. To facilitate KyMEA's continued portfolio planning, the Members need to determine how to proceed with regard to the existing SEPA and Paris diesel resources.

The three options provided for in the AR Contract include:

- KyMEA will use Member resources and provide credits to the applicable Member based on the value KyMEA realizes by that use (i.e., the costs KyMEA avoids, plus any net revenue KyMEA receives from 3rd party sales);

- KyMEA will market the output of the resource on the Member's behalf and provide credits based on the net revenues received; or

- Any Member may work with another party to market the output of the resource.

The draft contract being reviewed would implement Option 1 above.

Discussion:

Tom Trauger led a discussion on the draft contracts for integration of member owned resources.

F. CONSENT AGENDA

F.1. Approve Minutes of October 26, 2016 Regular Meeting

Discussion:

Motion Passed: Approval passed with a motion by Terrance Naulty and a second by Josh Callihan.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ed Fortner	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Phillip King	Absent
Eddie Gooch	Absent
Carl Shoupe	Absent
Chrissy O'Hara	Absent

G. UPCOMING MEETINGS

Rationale:

The KyMEA Board of Directors shall hold its regular meetings on the fourth Thursday of each month, except for the months of November and December when the regular meeting shall be held on the third Wednesday.

The regular meetings shall convene and commence at 10:00 AM Central time on said dates.

The regular meetings shall held at the Bowling Green Municipal Utility located at 801 Center St, Bowling Green, KY 42101 in Bowling Green, Kentucky or at such location to be designated by the Board.

December 21, 2016 Wednesday 10:00AM Central Time, Bowling Green Municipal Utility

January 26, 2017 Thursday 10:00AM Central Time, Bowling Green Municipal Utility

February 23, 2017 Thursday ??:?? 10:00AM Eastern Time, Frankfort

"Special" meeting location to align with KMUA legislative meeting.

Discussion:

Members would like to move the December 2016 meeting from the 21st to the 14th due to the proximity of the Holidays to the 21st.

H. CLOSED SESSION PURSUANT TO KRS 61.810(1)(k) and 61.878(1)(c) allow for closed session where discussions regarding records or information disclosed to the agency or required to be disclosed to the agency as confidential or proprietary would if disclosed by the agency provide an unfair advantage to competitors of the entity disclosing such information

Rationale:

CLOSED SESSION PURSUANT TO KRS 61.810(1)(k) and 61.878(1)(c) allow for closed session where discussions regarding records or information disclosed to the agency or required to be disclosed to the agency as confidential or proprietary would if

disclosed by the agency provide an unfair advantage to competitors of the entity disclosing such information.

Motion Passed: Approval to enter into Closed Session pursuant to KRS 61.810(1)(k) and 61.878(1)(c) allow for closed session where discussions regarding records or information disclosed to the agency or required to be disclosed to the agency as confidential or proprietary would if disclosed by the agency provide an unfair advantage to competitors of the entity disclosing such information passed with a motion by Chris Melton and a second by Terrance Naulty.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ed Fortner	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Phillip King	Absent
Eddie Gooch	Absent
Carl Shoupe	Absent
Chrissy O'Hara	Absent

I. RETURN TO OPEN SESSION

Motion Passed: Approval to return to Open Session passed with a motion by Ed Fortner and a second by Terrance Naulty.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ed Fortner	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Phillip King	Absent
Eddie Gooch	Absent
Carl Shoupe	Absent
Chrissy O'Hara	Absent

J. ITEMS PRESENTED FOR ACTION AS A RESULT OF CLOSED SESSION

J.1. Consider Approval of Actions Necessary to Carry Out Closed Session Directives.

Discussion:

No actions needed.

K. Recess KyMEA for Purpose of Convening the AR Project Committee

Rationale:

Recess KyMEA for Purpose of Convening the AR Project Committee.

Discussion:

No committee meeting required.

L. Convene KyMEA Meeting

Rationale:

Convene KyMEA Meeting.

Discussion:

N/A

M. ADJOURNMENT

Motion Passed: passed with a motion by Josh Callihan and a second by Terrance Naulty.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ed Fortner	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Phillip King	Absent
Eddie Gooch	Absent
Carl Shoupe	Absent
Chrissy O'Hara	Absent

Chairperson

Secretary