

**Kentucky Municipal Energy Agency**

July 13, 2016 10:00 AM

Owensboro Municipal Utility 2070 Tamarack Road, Owensboro, KY 42301

**Attendance Taken at 10:15 AM:**

Present Board Members:

Josh Callihan  
Vent Foster  
Ronald Herd  
Chris Melton  
Terrance Naulty  
Mike Withrow  
Mr. Jack Snyder (Proxy for Eddie Gooch)

Absent Board Members:

Eddie Gooch  
Phillip King  
Chrissy O'Hara  
Carl Shoupe

**A. MEETING OPENING**

**B. CLOSED SESSION PURSUANT TO KRS 61.810 (1) (k) and 61.878 (1) (c) for Discussion of proposals to provide Power Supply Resources to KyMEA submitted in response to KyMEA's RFP and related options for submitting applications for transmission service. The RFP included a commitment to not disclose proposal**

Rationale:

CLOSED SESSION PURSUANT TO KRS 61.810 (1) (k) and 61.878 (1) (c) for Discussion of proposals to provide Power Supply Resources to KyMEA submitted in response to KyMEA's RFP and related options for submitting applications for transmission service. The RFP included a commitment to not disclose proposal terms and provisions to competitors. 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 would 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) for the purpose of discussion of proposals to provide Power Supply Resources to KyMEA submitted in response to KyMEA's RFP and related options for submitting applications for transmission service. The RFP included a commitment to not disclose proposal terms and provisions to competitors. 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 would provide an unfair advantage to competitors of the entity disclosing such information passed with a motion by Josh Callihan and a second by Terrance Naulty.

**10 Yeas - 0 Nays.**

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Mr. Jack Snyder	Yes
(Proxy for Eddie Gooch)	
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent

**Motion Passed:** Approval to enter into Closed Session pursuant to KRS 61.810 (1)(k) and 61.878 (1)(c) for the purpose of discussion of proposals to provide Power Supply Resources to KyMEA submitted in response to KyMEA's RFP and related options for submitting applications for transmission service. The RFP included a commitment to not disclose proposal terms and provisions to competitors. 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 would provide an unfair advantage to competitors of the entity disclosing such information passed with a motion by Josh Callihan and a second by Terrance Naulty.

**7 Yeas - 0 Nays.**

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Mr. Jack Snyder	Yes
(Proxy for Eddie Gooch)	
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent

**C. RETURN TO OPEN SESSION**

**Motion Passed:** Approval to return to Open Session passed with a motion by Mike Withrow and a second by Terrance Naulty.

**7 Yeas - 0 Nays.**

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Mr. Jack Snyder	Yes
(Proxy for Eddie Gooch)	

Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent

**D. ITEMS PRESENTED FOR ACTION AT THIS MEETING**

**D.1. Consideration of Proposed Power Purchase Agreement between KyMEA and BREC**

Rationale:

The evaluation of proposals submitted in response to the September 2015 and April 2016 RFPs will be reviewed.

Power Purchase Agreements ("PPAs") have been negotiated between the Proposers deemed susceptible of award and KyMEA. We expect to review PPAs, in substantially final form, with the Board.

RESOLUTION

WHEREAS, the procurement of wholesale capacity and energy to meet the needs of Members of the Kentucky Municipal Energy Agency ("KyMEA") is its primary mission; and

WHEREAS, KyMEA issued a request for proposals ("RFP") in September 2015 to interested parties soliciting the supply of energy and capacity beginning not before May 2019 to one or more of its Members, and

WHEREAS, the RFP requested interested parties to present proposals under the provisions of KRS 45A.370 for multiple products and options based upon conclusion by KyMEA that competitive sealed bidding was not feasible for procuring the supply of energy and capacity required by KyMEA; and

WHEREAS, KyMEA received numerous proposals from potential suppliers of energy and capacity (the "Proposals"); and

WHEREAS, at the direction of KyMEA's Board of Directors (the "Board") KyMEA's consultants, nFront Consulting, LLC (the "Consultants") reviewed the Proposals with the Board and evaluated the Proposals to determine which Proposals were the most advantageous to KyMEA based upon the evaluation factors in the RFP; and

WHEREAS, the Board determined that certain of the proposals from responsible offerors were reasonably susceptible of being selected for award, and the Consultants conducted written and oral discussions with those offerors; and

WHEREAS, based upon their review and evaluation the Consultants prepared a report (the "Report") attached hereto that sets forth their opinions and conclusions as to the Proposals that are the most advantageous to KyMEA based upon the evaluation criteria set forth in the RFP; and

WHEREAS, based upon the evaluation of the criteria set forth in the RFP, the Consultants have recommended that Big Rivers Electric Corporation ("BREC") and Illinois Power Marketing Company ("IPMC"), a subsidiary of Dynegy, Inc., should be considered for an award of Power Purchase Agreements (the "PPAs") upon successful negotiation of the PPAs, and

WHEREAS, at and with the direction of the Board, the Consultants negotiated a Power Purchase Agreement with BREC (the "BREC PPA") attached hereto based upon BREC's Proposal to the RFP; and

WHEREAS, the Board has reviewed and evaluated (i) the Proposals received pursuant to the RFP, (ii) the Report and the conclusions reached thereunder and (iii) the BREC PPA;

NOW THEREFORE BE IT RESOLVED:

Section 1. Acceptance of Report. That KyMEA accepts the Report and agrees with the evaluations and conclusions reached by the Consultants that

progression toward award of PPAs to BREC and IPMC would be the most advantageous to KyMEA and its Members based upon the evaluation factors set forth in the request for proposals.

Section 2. Intention of Award of BREC PPA. That KyMEA hereby intends to award to BREC a power supply arrangement through execution of the BREC PPA which shall be based upon the terms and conditions presently set forth therein.

Section 3. Approval and Authorization of Execution of the BREC PPA. The BREC PPA is hereby approved, subject to such minor changes, changes of dates, insertions or deletions as may be approved by the Chairman of KyMEA, such approval to be conclusively evidenced by the execution of said document, in order to effectuate the purposes of this Resolution and to award a power supply arrangement to BREC; and the Chairman is hereby authorized to execute and acknowledge same for and on behalf of KyMEA.

Section 4. KyMEA Officers to Take Any Other Necessary Action. Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the Chairman, the Vice-Chairman, the Treasurer, the Secretary and all other appropriate officials of KyMEA are hereby authorized and directed to take any and all further actions and to execute and deliver all other documents as may be reasonably necessary to effect the purpose of this Resolution and to award to BREC a power supply arrangement through the execution and delivery of the BREC PPA.

**Discussion:**

John Painter with nFront formally presented the report and recommendation for approval of power purchase agreement with BREC as it is the most advantageous to KyMEA based on the evaluation factors in the RFP.

**Motion Passed:** Approval of contract and resolution concerning BREC passed with a motion by Chris Melton and a second by Mike Withrow.

**7 Yeas - 0 Nays.**

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Mr. Jack Snyder	Yes
(Proxy for Eddie Gooch)	
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent

**D.2. Consideration of Proposed Power Purchase Agreement between KyMEA and IPMC**

**Rationale:**

The evaluation of proposals submitted in response to the September 2015 and April 2016 RFPs will be reviewed.

Power Purchase Agreements ("PPAs") have been negotiated between the Proposers deemed susceptible of award and KyMEA. We expect to review PPAs, in substantially final form, with the Board.

RESOLUTION

WHEREAS, the procurement of wholesale capacity and energy to meet the needs of Members of the Kentucky Municipal Energy Agency ("KyMEA") is its primary mission; and

WHEREAS, KyMEA issued a request for proposals ("RFP") in September 2015 to interested parties soliciting the supply of energy and capacity beginning not before May 2019 to one or more of its Members, and

WHEREAS, the RFP requested interested parties to present proposals under the provisions of KRS 45A.370 for multiple products and options based upon conclusion by KyMEA that competitive sealed bidding was not feasible for procuring the supply of energy and capacity required by KyMEA; and

WHEREAS, KyMEA received numerous proposals from potential suppliers of energy and capacity (the "Proposals"); and

WHEREAS, at the direction of KyMEA's Board of Directors (the "Board") KyMEA's consultants, nFront Consulting, LLC (the "Consultants") reviewed the Proposals with the Board and evaluated the Proposals to determine which Proposals were the most advantageous to KyMEA based upon the evaluation factors in the RFP; and

WHEREAS, the Board determined that certain of the proposals from responsible offerors were reasonably susceptible of being selected for award, and the Consultants conducted written and oral discussions with those offerors; and

WHEREAS, based upon their review and evaluation the Consultants prepared a report (the "Report") attached hereto that sets forth their opinions and conclusions as to the Proposals that are the most advantageous to KyMEA based upon the evaluation criteria set forth in the RFP; and

WHEREAS, based upon the evaluation of the criteria set forth in the RFP, the Consultants have recommended that Big Rivers Electric Corporation ("BREC") and Illinois Power Marketing Company ("IPMC"), a subsidiary of Dynegy, Inc., should be considered for an award of Power Purchase Agreements (the "PPAs") upon successful negotiation of the PPAs, and

WHEREAS, at and with the direction of the Board, the Consultants negotiated a Power Purchase Agreement with IPMC (the "IPMC PPA") attached hereto based upon IPMC's Proposal to the RFP; and

WHEREAS, the Board has reviewed and evaluated (i) the Proposals received pursuant to the RFP, (ii) the Report and the conclusions reached thereunder and (iii) the IPMC PPA;

NOW THEREFORE BE IT RESOLVED:

Section 1. Acceptance of Report. That KyMEA accepts the Report and agrees with the evaluations and conclusions reached by the Consultants that progression toward award of PPAs to BREC and IPMC would be the most advantageous to KyMEA and its Members based upon the evaluation factors set forth in the request for proposals.

Section 2. Intention of Award of IPMC PPA. That KyMEA hereby intends to award to IPMC a power supply arrangement through execution of the IPMC PPA which shall be based upon the terms and conditions presently set forth therein.

Section 3. Approval and Authorization of Execution of IPMC PPA. The IPMC PPA is hereby approved, subject to such minor changes, changes of dates, insertions or deletions as may be approved by the Chairman of KyMEA, such approval to be conclusively evidenced by the execution of said document, in order to effectuate the purposes of this Resolution and to award a power supply arrangement to IPMC; and the Chairman is hereby authorized to execute and acknowledge same for and on behalf of KyMEA.

Section 4. KyMEA Officers to Take Any Other Necessary Action. Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the Chairman, the Vice-Chairman, the Treasurer, the Secretary and all other appropriate officials of KyMEA are hereby authorized and directed to take any and all further actions and to execute and deliver all other documents as may be reasonably necessary to effect the purpose of this Resolution and to award to IPMC a power supply arrangement through the execution and delivery of the IPMC PPA.

Discussion:

John Painter with nFront formally presented the report and recommendation for approval of power purchase agreement with IPMC as it is the most advantageous to KyMEA based on the evaluation factors in the RFP.

**Motion Passed:** Approval of the contract and resolution with IPMC passed with a motion by Terrance Naulty and a second by Chris Melton.

**7 Yeas - 0 Nays.**

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Mr. Jack Snyder	Yes
(Proxy for Eddie Gooch)	
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent

**D.3. Consideration of Proposed Power Purchase Agreement between KyMEA and Paducah**

Rationale:

The evaluation of proposals submitted in response to the September 2015 and April 2016 RFPs will be reviewed.

Power Purchase Agreements ("PPAs") have been negotiated between the Proposers deemed susceptible of award and KyMEA. We expect to review PPAs, in substantially final form, with the Board.

RESOLUTION

WHEREAS, the procurement of peaking capacity and energy to meet the needs of Members of the Kentucky Municipal Energy Agency ("KyMEA") is necessary and beneficial to complete an initial diversified portfolio for energy supply; and

WHEREAS, KyMEA issued a request for proposals ("RFP") in April 2016 to interested parties soliciting the supply of peaking capacity and energy beginning not before May 2019 to one or more of its Members, and

WHEREAS, the RFP requested interested parties to present proposals under the provisions of KRS 45A.370 for multiple products and options based upon conclusion by KyMEA that competitive sealed bidding was not feasible for procuring the supply of energy and capacity required by KyMEA; and

WHEREAS, KyMEA received numerous proposals from potential suppliers of peaking capacity and energy (the "Peaking Proposals"); and

WHEREAS, at the direction of KyMEA's Board of Directors (the "Board") KyMEA's consultants, nFront Consulting, LLC (the "Consultants") reviewed the Peaking Proposals with the Board and evaluated the Peaking Proposals to determine which Peaking Proposal was the most advantageous to KyMEA based upon the evaluation factors in the RFP; and

WHEREAS, the Board determined that certain of the proposals from responsible offerors were reasonably susceptible of being selected for award, and the Consultants conducted written and oral discussions with those offerors; and

WHEREAS, based upon their review and evaluation the Consultants prepared a report (the "Report") attached hereto that sets forth their opinions and conclusions as to the Peaking Proposal that is the most advantageous to KyMEA based upon the evaluation criteria set forth in the RFP; and

WHEREAS, based upon the evaluation of the criteria set forth in the RFP, the Consultants have recommended that the Electric Plant Board of the City of Paducah, Kentucky d/b/a Paducah Power System ("Paducah Power") should be considered for an award of a Power Purchase Agreement (the "PPA") upon successful negotiation of the PPA, and

WHEREAS, at and with the direction of the Board, the Consultants negotiated a Power Purchase Agreement with Paducah Power (the "Paducah Power PPA") attached hereto based upon Paducah Power's Peaking Proposal to the RFP; and

WHEREAS, the Board has reviewed and evaluated (i) the Peaking Proposals received pursuant to the RFP, (ii) the Report and the conclusions reached thereunder and (iii) the Paducah Power PPA;

NOW THEREFORE BE IT RESOLVED:

Section 1. Acceptance of Report. That KyMEA accepts the Report and agrees with the evaluations and conclusions reached by the Consultants that progression toward award of a PPA to Paducah Power would be the most advantageous to KyMEA and its Members based upon the evaluation factors set forth in the request for proposals.

Section 2. Intention of Award of Paducah Power PPA. That KyMEA hereby intends to award to Paducah Power a peaking power supply arrangement through the execution of the Paducah Power PPA which shall be based upon the terms and conditions presently set forth therein.

Section 3. Approval and Authorization of Execution of Paducah Power PPA. The Paducah Power PPA is hereby approved, subject to such minor changes, changes of dates, insertions or deletions as may be approved by the Chairman of KyMEA, such approval to be conclusively evidenced by the execution of said document, in order to effectuate the purposes of this Resolution and to award a power supply arrangement to Paducah Power; and the Chairman is hereby authorized to execute and acknowledge same for and on behalf of KyMEA.

Section 4. KyMEA Officers to Take Any Other Necessary Action. Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the Chairman, the Vice-Chairman, the Treasurer, the Secretary and all other appropriate officials of KyMEA are hereby authorized and directed to take any and all further actions and to execute and deliver all other documents as may be reasonably necessary to effect the purpose of this Resolution and to award to Paducah Power a power supply arrangement through the execution and delivery of the Paducah Power PPA.

Discussion:

John Painter with nFront formally presented the report and recommendation for approval of the peaking power purchase agreement with Paducah as it is the most advantageous to KyMEA based on the evaluation factors in the RFP.

**Motion Passed:** Approval of the contract and resolution on Paducah passed with a motion by Vent Foster and a second by Mike Withrow.

**7 Yeas - 0 Nays.**

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Mr. Jack Snyder	Yes
(Proxy for Eddie Gooch)	
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent

**D.4. Consideration of the All Requirements Power Sales Contract between KyMEA and the AR Members**

Rationale:

RESOLUTION 07131601

WHEREAS, an All Requirements Power Sales Contract in substantially final form and attached hereto (the "AR Contract") has been drafted and submitted to the Kentucky Municipal Energy Agency ("KyMEA") for the purpose of setting forth the terms and conditions relating to the sale of electric power and energy requirements to its Members; and

WHEREAS, KyMEA intends to present to its Members the AR Contract and the proposed power supply arrangements negotiated by KyMEA with various power suppliers pursuant to Requests for Proposals solicited by KyMEA (the "Power Supply"), and

NOW THEREFORE BE IT RESOLVED:

Section 1. Presentation to Members. That KyMEA shall present to its Members the resources, the providers and the terms and conditions relating to the proposed Power Supply and the AR Contract for the purpose of offering the sale of electric power and energy to Members.

Section 2. Approval and Authorization of Execution of AR Contract. If requested by a Member, KyMEA shall enter into an AR Contract with the requesting Member (a "Member AR Contract") and any and all such Member AR Contracts are hereby approved, subject to such minor changes, changes of dates, insertions or deletions as may be approved by the Chairman of KyMEA, such approval to be conclusively evidenced by the execution of said documents, in order to effectuate the purposes of this Resolution; and the Chairman is hereby authorized to execute and acknowledge same for and on behalf of KyMEA.

Section 3. KyMEA Officers to Take Any Other Necessary Action. Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the Chairman, the Vice-Chairman, the Treasurer, the Secretary and all other appropriate officials of KyMEA are hereby authorized and directed to take any and all further actions and to execute and deliver all other documents as may be reasonably necessary to effect the purpose of this Resolution and the execution and delivery of Member AR Contracts for the purpose of supplying to such requesting Members electric power and energy as they may require.



Discussion:

John Painter expressed nFronts approval of the contract and recommended its approval. Tom Trauger then lead a discussion on the item and review of the changes since the last draft version. Tom then gave his approval of the contract and recommended its approval so it could be offered to the individual members for their approval.

**Motion Passed:** Approval of the All Requirements Power Sales Contract between KyMEA and the AR Members passed with a motion by Terrance Naulty and a second by Chris Melton.

**7 Yeas - 0 Nays.**

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Mr. Jack Snyder	Yes
(Proxy for Eddie Gooch)	
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent

**E. 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 Thursday.

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.

July 27, 2016 at 1:00PM (Eastern) in Louisville at Brown Hotel (coincides with KMUA meeting)

August 25, 2016 at 10:00AM

September 22, 2016 at 10:00AM

October 27, 2016 at 10:00AM (Central) at Lake Barkley St. Park (coincides with KMUA meeting)?

November 16, 2016 at 10:00AM (Wednesday)

December 21, 2016 at 10:00AM (Wednesday)

Discussion:

Ron Heard called for a special meeting in Louisville at 1:00pm July 27th 2016

**F. ADJOURNMENT**

**Motion Passed:** passed with a motion by Mike Withrow and a second by Chris Melton.

**7 Yeas - 0 Nays.**

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Mr. Jack Snyder	Yes
(Proxy for Eddie Gooch)	
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent

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Chairperson

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Secretary