



HURRICANE CITY UTAH

Mayor
Nanette Billings

City Manager
Kaden C. DeMille

Power Board
Mac J. Hall, Chair
Jerry Brisk
Pam Humphries
Dave Imlay
Joseph Prete
Charles Reeve

Power Board Meeting Agenda

1/3/2024

3:00 PM

Power Department Meeting Room – 526 W 600 N

Notice is hereby given that the Power Board will hold a Regular Meeting in the Power Department Meeting room located at 526 W 600 N, Hurricane, UT. A silent roll call will be taken, along with the Pledge of Allegiance and prayer by invitation.

AGENDA

1. Pledge of Allegiance
2. Prayer
3. Approval of minutes from December 2023

STAFF REPORTS

Scott Hughes/Power Director
Brian Anderson/Transmission & Distribution Superintendent
Mike Ramirez/Service Superintendent
Jared Ross/Substation & Generation Superintendent

BUDGET

1. Budget

OLD BUSINESS

1. Hurricane/UAMPS Joint Use Agreement Update

NEW BUSINESS

1. Appointment of Power Board Chairman and Vice Chairman
2. UAMPS Updates

ADJOURNMENT

The above notice was posted to the Hurricane City website, the Utah State Public Notice Website, and at the following locations:

1. Hurricane City Office – 147 North 870 West, Hurricane, UT
2. US Post Office – 1075 West 100 North, Hurricane, UT
3. Washington County Library (Hurricane Branch) – 36 South 300 West, Hurricane, UT





HURRICANE CITY

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1 The Hurricane City Power Board met on December 6, 2023, at 3:00 p.m. at the Clifton Wilson Substation on
2 526 W 600 N.

3
4 In attendance were Mac Hall, Pam Humphries, Charles Reeve, Dave Imlay, Joseph Prete, Scott Hughes, Brian
5 Anderson, Mike Ramirez, Jared Ross, Nanette Billings, Dayton Hall, Fred Resch, Crystal Wright, Bruce
6 Zimmerman, and Linda Zimmerman.

7
8 Mac Hall welcomed everyone to the meeting. Dave Imlay led the Pledge of Allegiance and Charles Reeve
9 offered the prayer. Charles Reeve motioned to approve minutes from the November 2023 meeting. Dave Imlay
10 seconded the motion. Motion passed unanimously.

11
12 **Scott Hughes:** Scott Hughes reported the employees are doing great. We are beginning the process of getting
13 approval to start a couple new apprenticeships.

14
15 **Brian Anderson:** Brian Anderson reported that the 1150 West reinsulating project is complete except for one
16 last pole. The crews worked together to decorate for Christmas. They installed the Christmas tree at the
17 Community Center as well as the street crossings. We also participated in Hotline School. Three employees
18 were teaching and an additional four were participating.

19
20 **Mike Ramirez:** Mike Ramirez reported power was installed in the 700 West Roundabout and many other
21 smaller projects were completed as well. There was a lot of coordination again between the Line and Service
22 Crews for various projects this month.

23
24 **Jared Ross:** Jared Ross reported on the progress at the Three Falls Substation. One employee is working on
25 wiring, while someone else is working on excavation work that still needs to be finished. The Line Crew came
26 down to help seal the outside of the North and West side of the block wall with tar. We're also continuing to
27 install the bussing. He then gave an update on Generator #5. He got a report from Caterpillar. They claim there
28 was some fire damage to the generator. There isn't any damage to the windings or anything. He looked at the
29 pictures and he recalled an arc flash that happened at one point. He hasn't received any updates regarding
30 pricing or date of completion. His best guess would be January or February 2024 as tentative.

31
32 **Budget:** Scott Hughes reported on the normal monthly graphs and numbers. Reviewed the budget graphs
33 showing cost of sales vs revenue and the operating margin from last month. The graphs weren't updated for
34 this month because October's financial statements aren't complete. Joseph Prete asked how much of our
35 reserve was used and needs to be replenished. Scott Hughes replied that we were right around \$14 million in
36 reserves. We're down around \$7 million in the last three years, which is what we would need to replenish to
37 get back to a healthy bond rating. Dave Imlay wanted to add that the number of employees has been the same
38 for the last 4-5 years. We were able to have that operating margin, but in the last 4-5 years our customer base



39 has increased which increases the revenue base, but the cost of power has eaten away the operating margin,
40 so the budget is being balanced on the back of the employees who are being overworked because the margin
41 isn't there to hire more employees. He cautioned that situation can only happen for so long and must be
42 carefully balanced to ensure that you can hire more employees due to the increased customer base while still
43 being able to maintain an operating margin sufficient to replenish reserves.
44

45 **Capacity Update:** Scott Hughes provided an update that the purchase order has been submitted to complete
46 the engineering. Payments have been received by all developers. As soon as engineering comes back, we will
47 begin ordering equipment and get the project started. The contract allows two years for project completion.
48 This will be done as we're able to work it in among other projects, not all in one chunk. Nanette asked where
49 this project will be installed. Scott Hughes answered that we will be starting with the southern section of this
50 project and working northward. It begins approximately 3100 South with a line extension and then upgrades
51 existing lines north of that after the extension is completed. Joseph Prete asked if there are any plans to bring
52 power lines down 1500 West. Scott Hughes replied that it is one option that has been discussed to bring
53 additional distribution lines down to the area. Scott Hughes then pulled up a map and explained each of the
54 phases of the capacity project. Joseph Prete asked how the developers included were chosen. Dayton Hall
55 explained the developers were contacted based on the order of their preliminary plats that were approved.
56 Prior to the acquisition of the Sky Ranch Area assets, that section of line didn't belong to us, and we couldn't
57 use it for development or planning. That acquisition has changed things as far as being able to utilize those as a
58 closer power source to some of these areas we've been discussing. Nanette Billings provided information
59 regarding a grant Hurricane City was awarded to help with some of the water infrastructure needs our city has
60 been struggling with.
61

62 **Update regarding Sky Ranch Area assets:** Scott Hughes included this as part of the previous agenda item.
63

64 **Discussion and possible recommendation to the City Council regarding a resolution authorizing a tax**
65 **certificate and agreement for UAMPS' Payson Power Project; and related matters:** Scott Hughes reported the
66 option of a prepaid natural gas agreement that will help with financing to help get a discount on the gas
67 purchased for Nebo. The specifics get complicated; however, the basics are that Southeast Energy Authority
68 will issue bonds for the money to pre-pay for a big chunk of gas. It will be a 5-year purchase of gas. They will be
69 using the tax-free status of the municipalities who will wheel the resulting power to residents to allow
70 eligibility to eliminate the tax on the interest of the bonds. Pam Humphries asked a lot of questions about how
71 the bonds worked. There was a long discussion about some of the specifics regarding how the bond works.
72 Dave Imlay and Mac Hall asked if the gas was a fixed price or if it follows the market. Scott Hughes stated he
73 will ask for an answer to that question and report back. Dave Imlay made a motion to recommend approval by
74 the City Council. Charles Reeve seconded the motion. Dave Imlay, Charles Reeve, Mac Hall voted aye. Pam
75 Humphries voted no. She wanted to note she didn't understand it well enough to make a recommendation
76 right now. Joseph Prete abstained.
77

78 **Discussion and update on solar projects:** Scott Hughes replied that the resource outlook shows more solar
79 opportunities than just about any other resource. Steel Solar is a project we are participating in. It will be
80 coming online in the first quarter of 2024. We have submitted interest in the NextEra Zion project. It is in Iron
81 County and is a solar project with batteries. Long Road Fremont Solar with storage is also in Iron County, UT
82 and is a new project that is soliciting interest. Long Road Fremont Solar looks like it will be similarly priced to
83 Zion Solar. These projects are coming through UAMPS, but there's a local company that has approached us
84 individually. This company has approached us with an interest in working with us on a solar and battery project

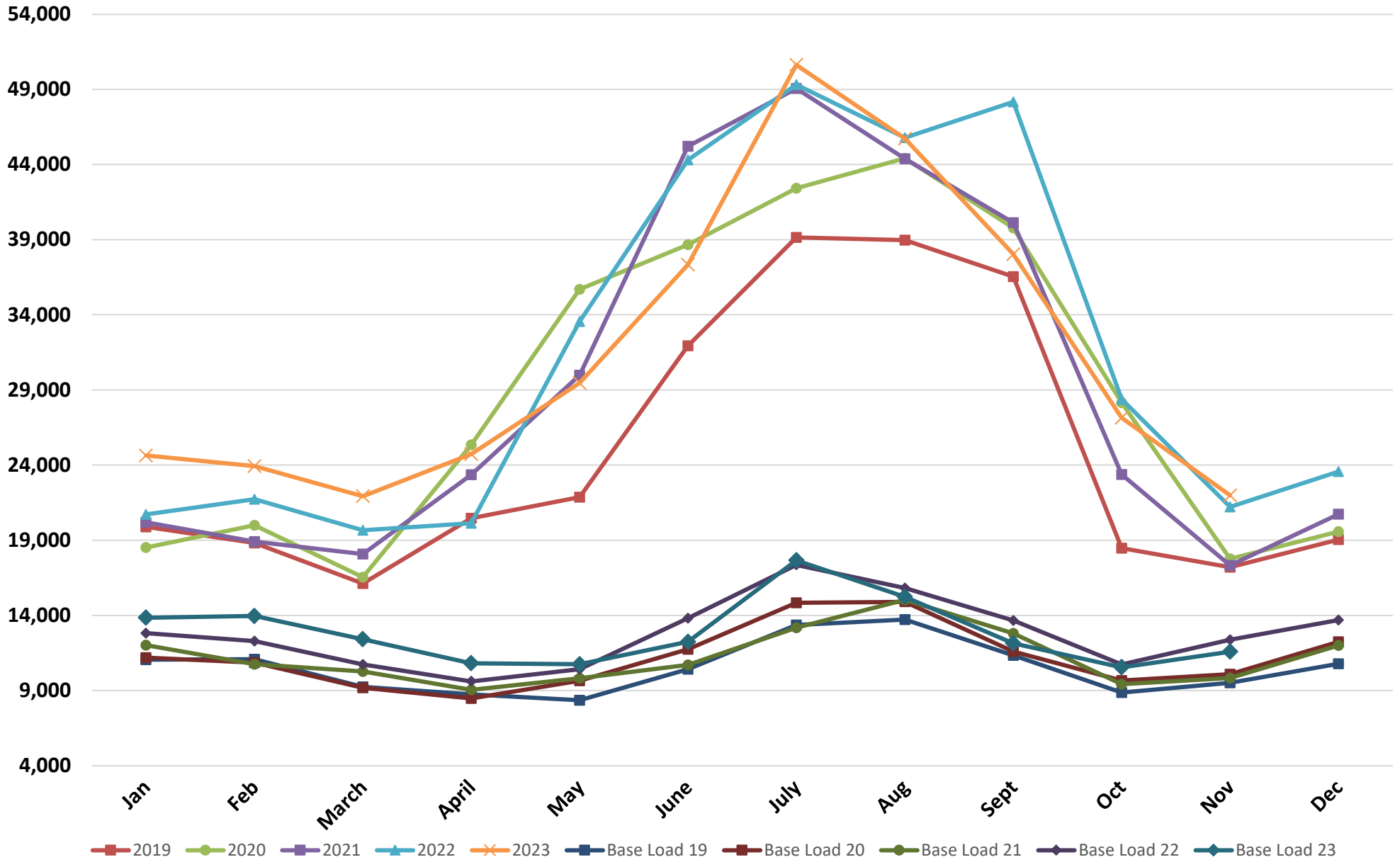
85 locally. This is very preliminary but is interesting because it's local and we wouldn't have to worry about
86 transmission or wheeling power across anyone else's lines. Dave Imlay stated Scott Hughes has a good finger
87 on our resource needs. He trusts him to go with his experience and make those decisions.
88

89 **UAMPS Updates:** Scott Hughes reported an update for Pooling Appendix Member Internal Generation (MIG).
90 UAMPS has a new employee who has a lot of experience in the imbalance markets. They have looked at
91 pooling MIG resources and we have officially signed up to participate in that. This would allow us to use our
92 generators to help the UAMPS group overall as well as ourselves. Discussion about the Hurricane/UAMPS Joint
93 Use Agreement. The area out by Industrial Park/Purgatory is really exploding with growth and projects. Scott
94 Hughes pulled up maps of this area to describe the issues happening. This agreement would allow Hurricane to
95 use a UAMPS transmission line in this area to build a distribution circuit underbuilt on that line. Dave Imlay
96 suggested to read the existing contract to remember the current terms and Scott Hughes stated we may need
97 to do an audit of our city to find out which poles we're attached to UAMPS and which, if any, poles that
98 UAMPS may be attached to ours. We are moving forward with this agreement. He'll bring a copy of the final
99 terms to the board when he receives it.
100

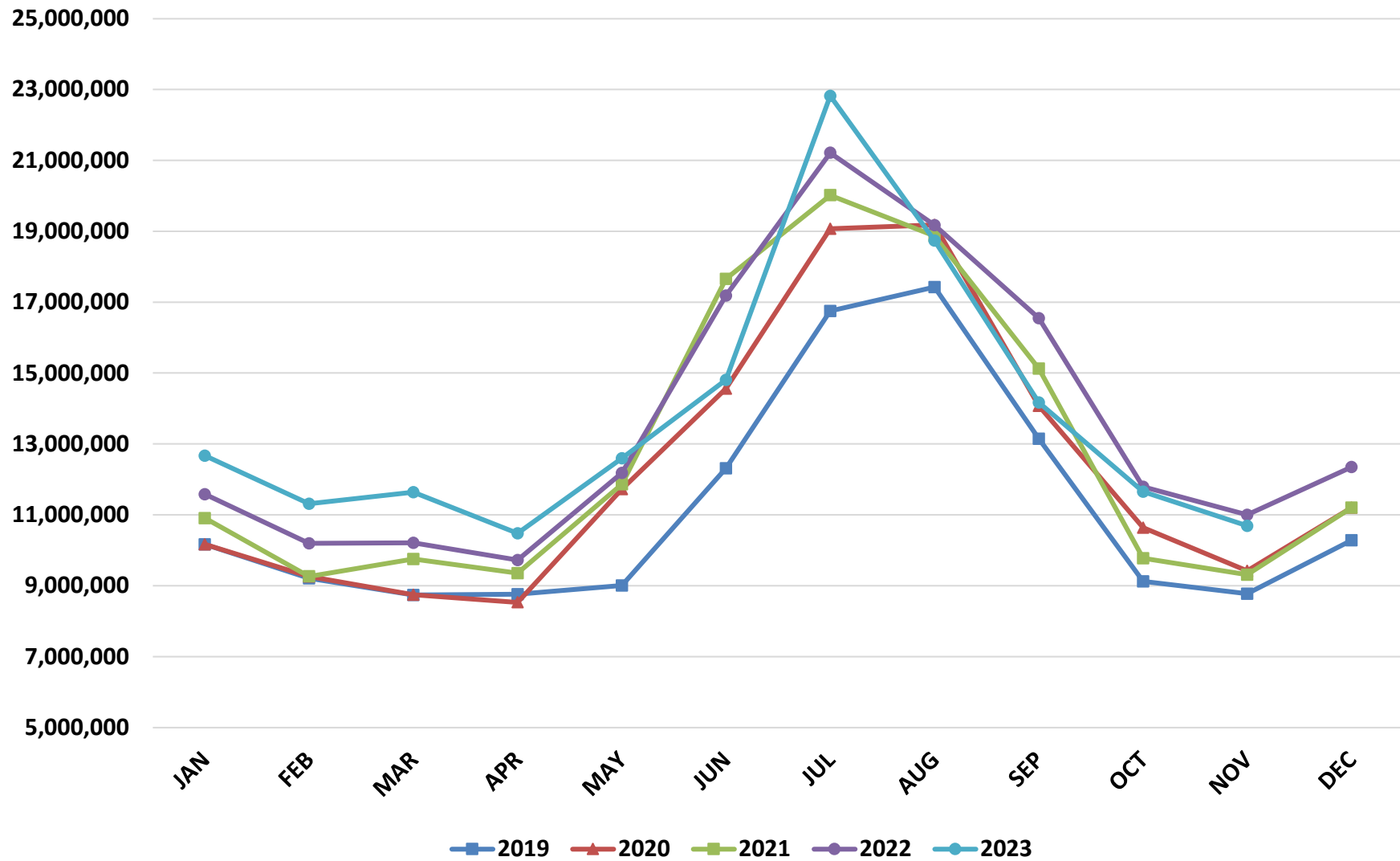
101 Power Board adjourned at 5:00 p.m. The next Power Board Meeting is scheduled for January 3, 2024, at 3:00
102 p.m.

BUDGET

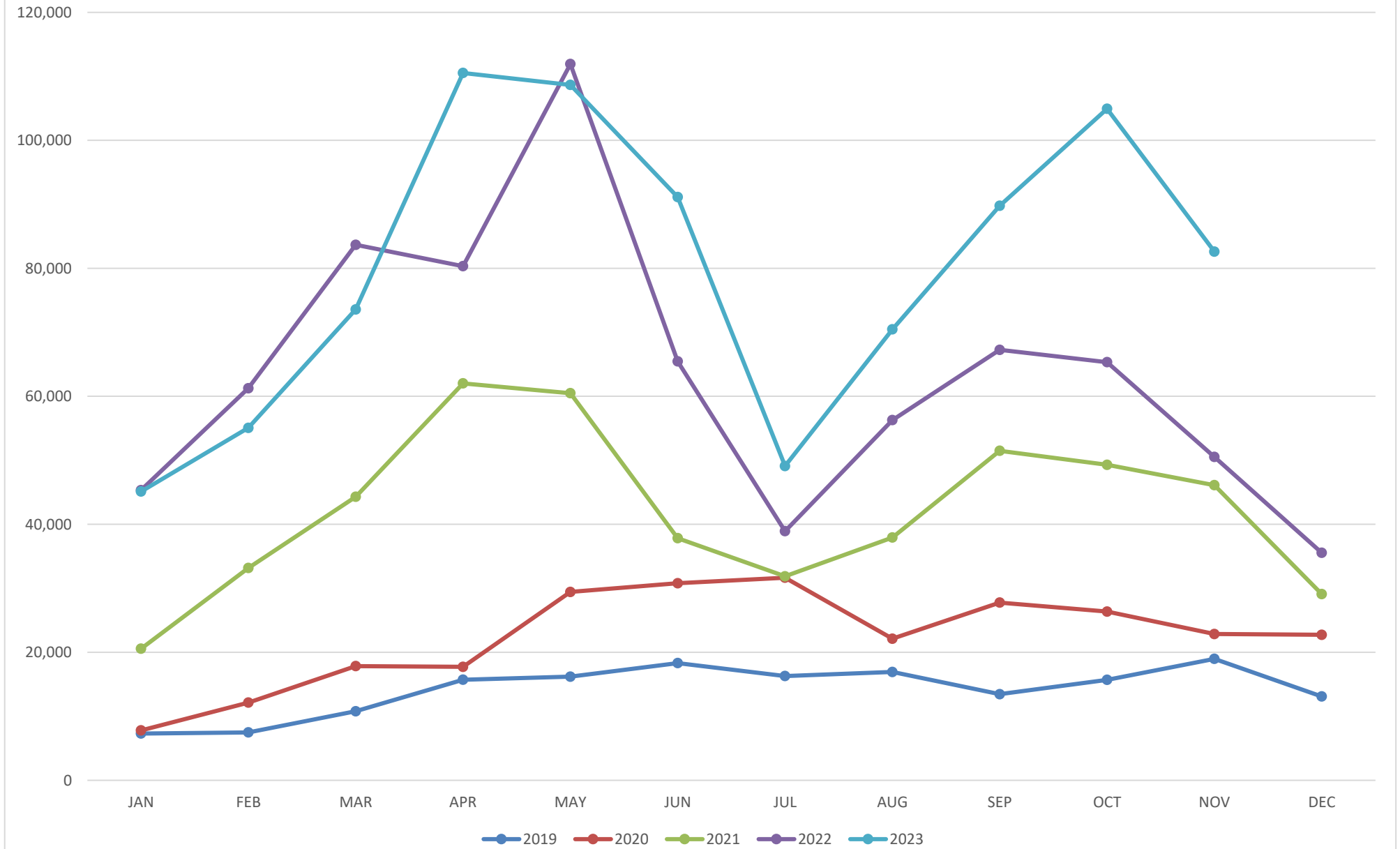
2019 - 2023 KW LOAD



2019 - 2023 KWH LOAD



Solar Kwh



AVERAGE YEARLY POWER PRICES

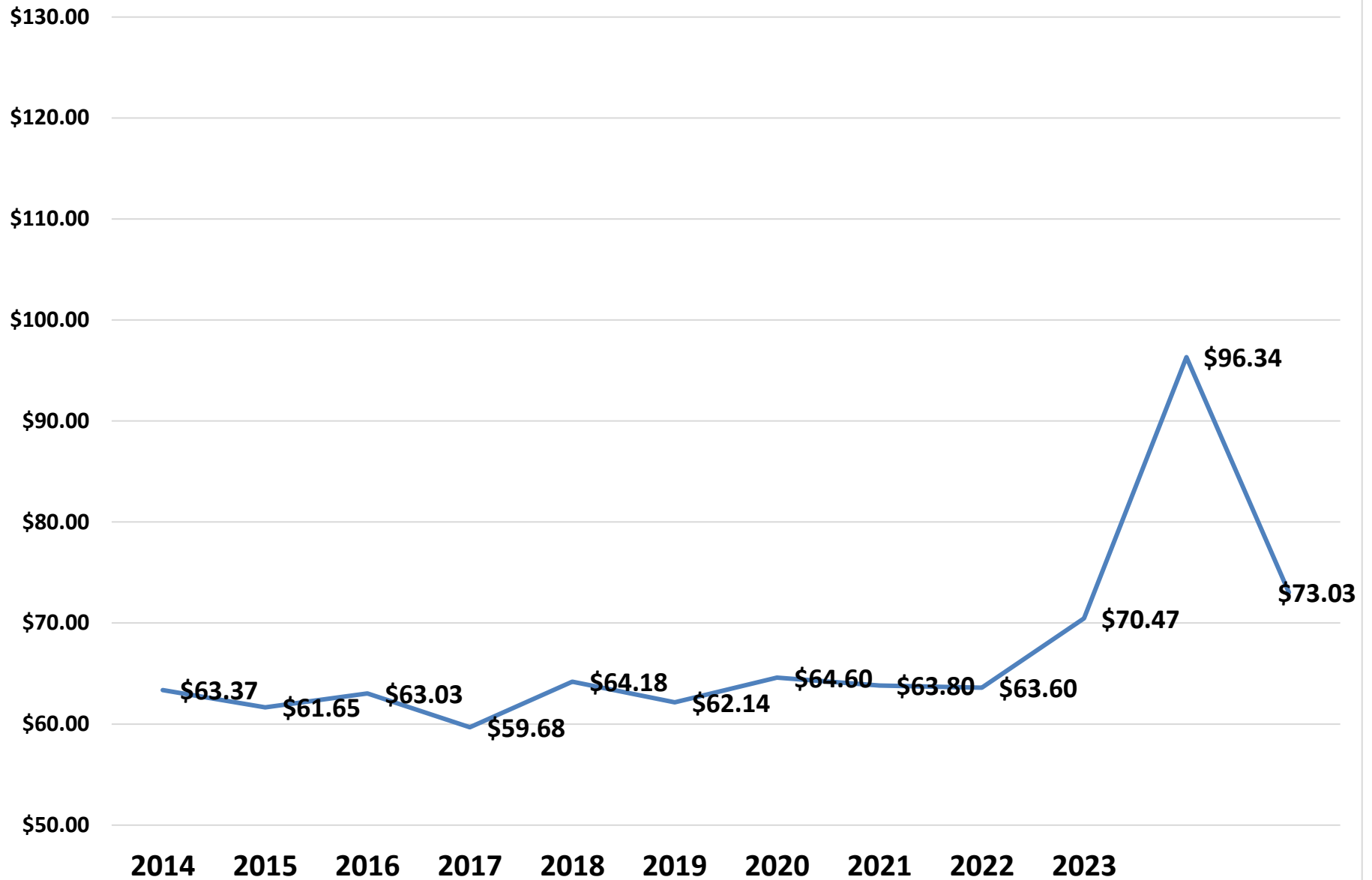
23-24 bdgt amount (thru Oct 2023) **\$84.02**
 BDGT Year to Date **\$81.05**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>Jan</i>	\$56.66	\$60.76	\$58.36	\$59.86	\$57.87	\$59.07	\$60.62	\$59.75	\$57.76	\$60.14	\$68.25	\$132.00
<i>Feb</i>	\$59.78	\$58.15	\$64.45	\$65.94	\$62.38	\$63.04	\$60.96	\$67.00	\$60.67	\$63.19	\$70.88	\$85.08
<i>Mar</i>	\$57.28	\$63.50	\$60.83	\$62.03	\$61.77	\$60.99	\$60.09	\$65.17	\$64.67	\$63.64	\$67.28	\$81.89
<i>Apr</i>	\$55.43	\$63.77	\$63.75	\$61.88	\$59.71	\$59.49	\$55.02	\$55.44	\$55.92	\$61.86	\$82.63	\$71.74
<i>May</i>	\$53.31	\$60.28	\$61.64	\$64.71	\$65.51	\$60.32	\$58.86	\$58.55	\$58.55	\$59.69	\$72.66	\$67.01
<i>June</i>	\$50.09	\$56.05	\$59.15	\$58.30	\$65.51	\$58.54	\$52.17	\$55.30	\$53.44	\$86.91	\$77.60	\$69.40
<i>Jul</i>	\$51.16	\$55.62	\$56.85	\$56.91	\$56.95	\$58.29	\$67.87	\$54.29	\$55.98	\$81.04	\$85.31	\$90.02
<i>Aug</i>	\$51.57	\$55.49	\$56.84	\$55.27	\$57.67	\$59.00	\$66.55	\$54.58	\$78.40	\$72.03	\$96.60	\$82.90
<i>Sep</i>	\$54.79	\$58.80	\$59.46	\$56.06	\$56.97	\$62.36	\$55.00	\$54.34	\$64.93	\$82.38	\$127.29	\$68.06
<i>Oct</i>	\$62.68	\$60.35	\$61.42	\$56.97	\$59.23	\$59.79	\$59.36	\$59.70	\$62.82	\$75.92	\$83.45	\$83.76
<i>Nov</i>	\$63.37	\$61.65	\$63.03	\$59.68	\$64.18	\$62.14	\$64.60	\$63.80	\$63.60	\$70.47	\$96.34	\$73.03
<i>Dec</i>	\$56.02	\$58.37	\$60.91	\$57.90	\$61.51	\$58.80	\$61.61	\$58.55	\$60.33	\$70.07	\$161.27	
<i>Yr Avg</i>	\$56.01	\$59.40	\$60.56	\$59.63	\$60.64	\$60.15	\$60.23	\$58.87	\$61.42	\$70.61	\$90.80	\$82.26
<i>Weighted Avg</i>	\$55.22	\$58.80	\$60.34	\$58.99	\$59.55	\$59.90	\$60.56	\$58.11	\$61.98	\$72.46	\$92.09	\$82.70

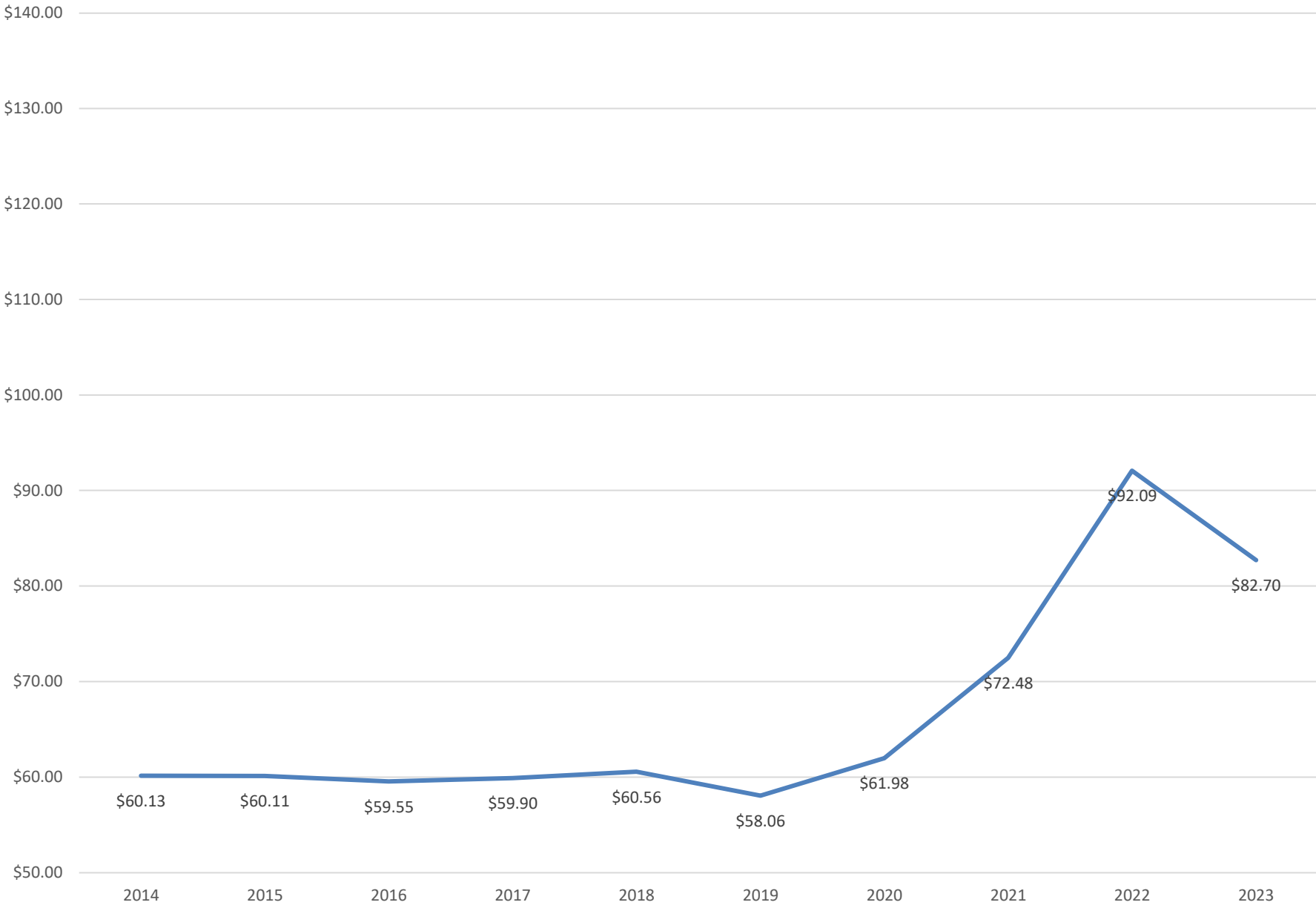
**Cy to
Date**

These figures capture the total cost of power to the power department. The power department uses costs only associated with the purchasing and generation of power and includes debt payments and interest associated with power resources.

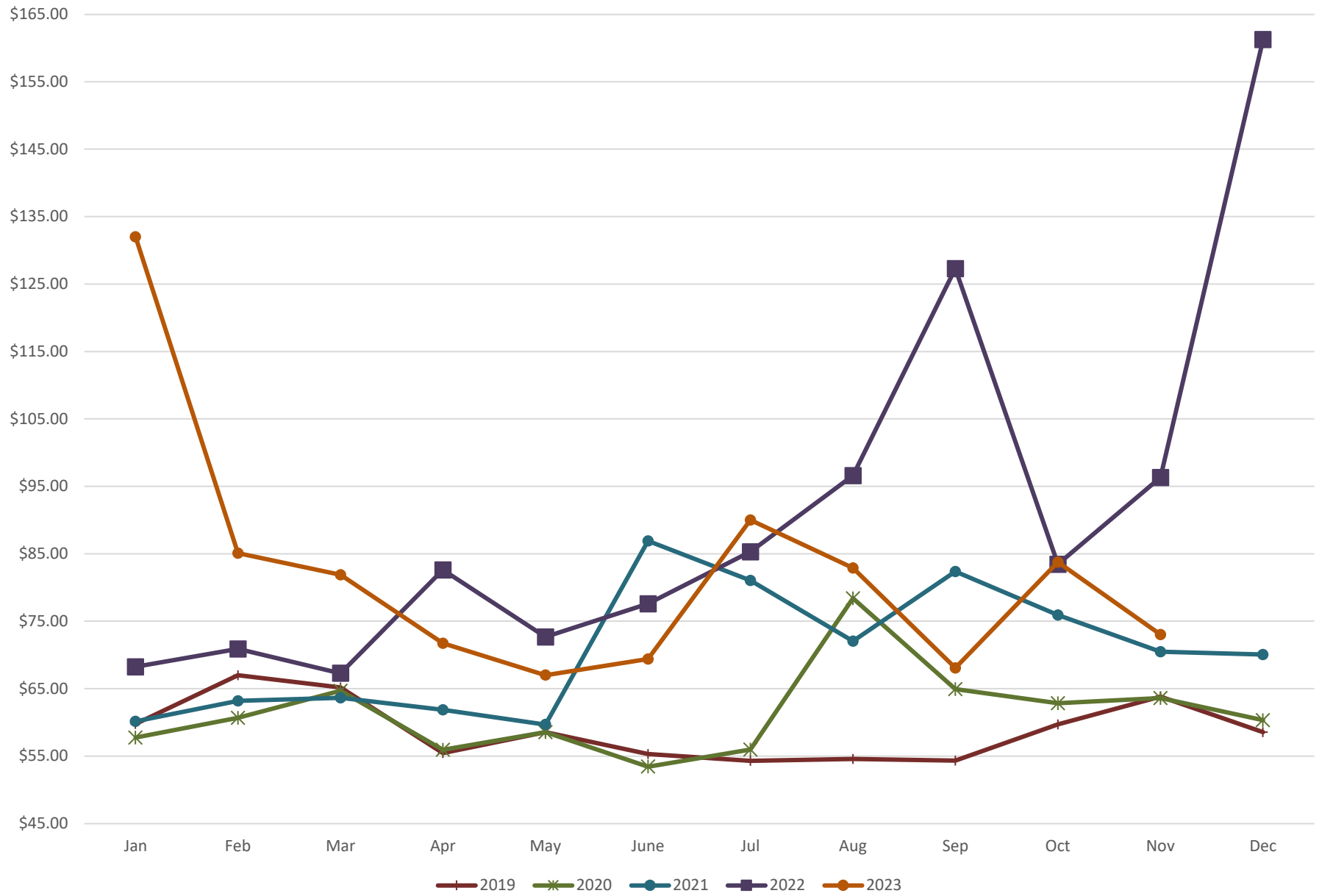
Nov



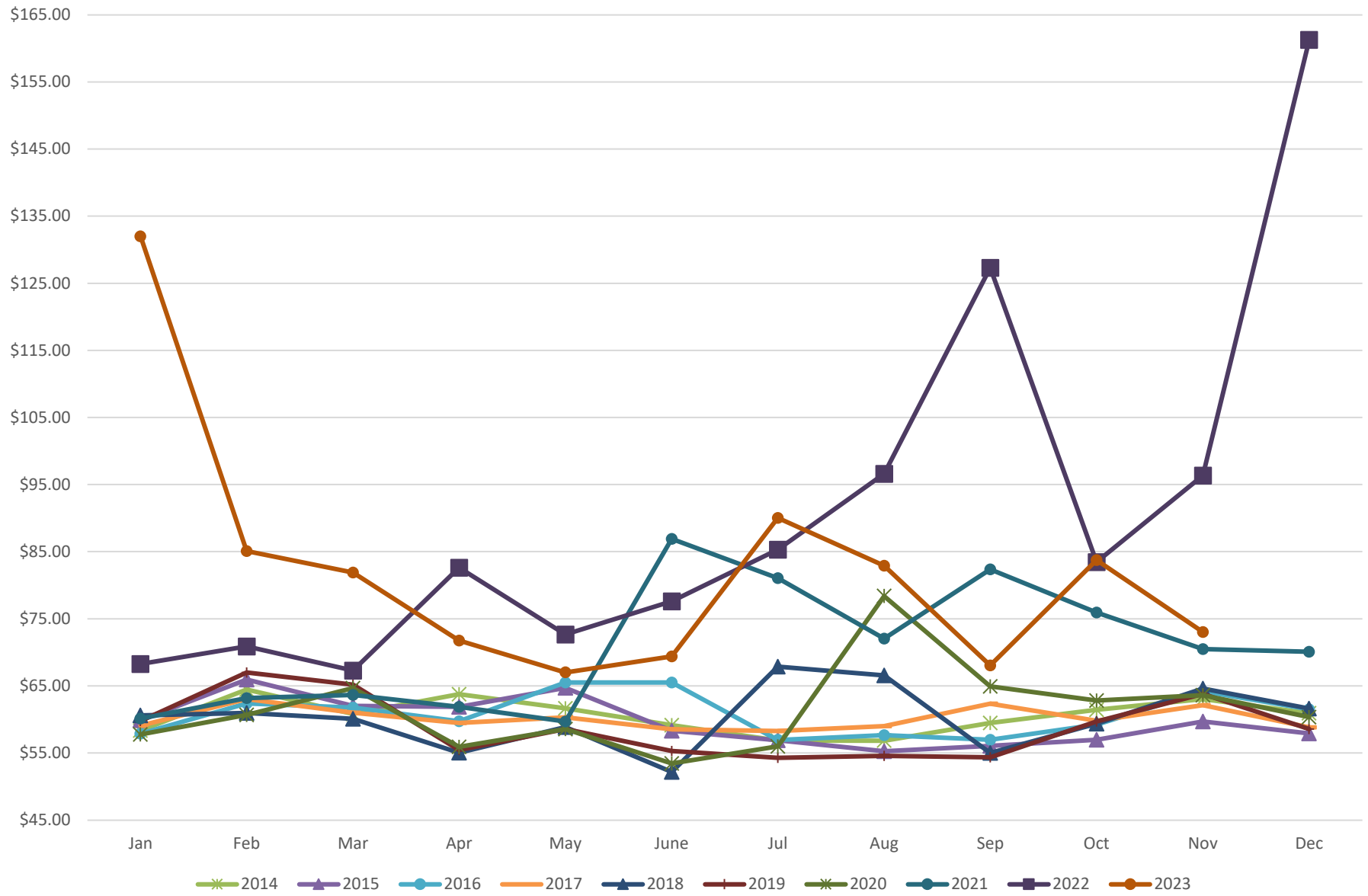
Weighted Average



Avg Monthly Price (5 Yrs)



Avg Monthly Price



A RESOLUTION OF THE CITY COUNCIL OF HURRICANE, UTAH, CONFIRMING
THE POWER BOARD MEMBERSHIP AND TERMS

WHEREAS, Hurricane City has adopted Hurricane City Code Title 8, Chapter 4, Section 2: Municipal Power Board;

WHEREAS, Hurricane City Code creates a Municipal Power Board ("Board") to serve as an advisory Board to the City Council, with the Board consisting of six voting commissioners, with each commissioner serving a four-year term;

WHEREAS, the City Council has authority to adjust the terms of Board membership, and the Council finds it necessary to adjust the terms at this time to allow for appropriate turnover of membership;

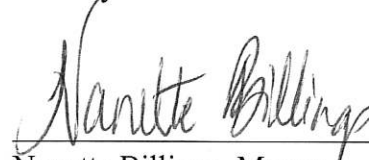
BE IT HEREBY RESOLVED that the Hurricane City Council adopts the following tables showing the Board membership and corresponding terms:

VOTING BOARD MEMBERS

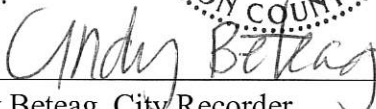
<u>Board Commissioner</u>	<u>Term</u>
Mac Hall	10/01/2021 – 10/01/2025
Charles Reeve	10/01/2019 – 10/01/2023
Jerry Brisk	10/01/2020 – 10/01/2024
Dave Imlay	10/26/2021 – 10/26/2025
Pam Humphries	10/01/2020 – 10/01/2024
Joseph Prete, City Council Liaison	Coincides with City Council term

PASSED AND APPROVED this 19th day of January 2023




Nanette Billings, Mayor

Attest:


Cindy Beteag, City Recorder

The foregoing Resolution was presented at a regular meeting of the Hurricane City Council held at the Hurricane City Office Building on the 19th day of January 2023. Whereupon a motion to adopt and approve said Resolution was made by Joseph Prete and seconded by Doug Heideman. A roll call vote was then taken with the following results:

	Yea	Nay	Abstain	Absent
Joseph Prete	<u>X</u>	—	—	—
David Sanders	<u>X</u>	—	—	—
David Hirschi	<u>X</u>	—	—	—
Kevin Thomas	—	—	—	<u>X</u>
Doug Heideman	<u>X</u>	—	—	—

Cindy Beteag
Cindy Beteag, Recorder

A. *Created.* There is hereby created and established the Municipal Power Board (hereafter in this chapter referred to as "board"), which shall act in an advisory capacity to the City Council.

B. *Organization of board.*

1. *Number; appointment.* The board shall consist of six commissioners, one of whom shall be a member of the City Council and/or Mayor. All members of the board shall be appointed by the Mayor with the advice and consent of the City Council.
2. *Term.* Commissioners serving on the board as of the effective date hereof shall continue to serve as commissioners for the following term as designated by the Mayor and City Council: one for a term of two years; two for a term of three years; two for a term of four years. All successors to the first Board of Commissioners under this chapter shall be appointed for a term of four years and until their successors are appointed and have qualified, unless they shall be removed from office as provided in subsection B4 of this section. Any commissioner may be reappointed by the Mayor with the consent and approval of the City Council.
3. *Vacancies.* Vacancies shall be filled by the mayor with the consent and approval of the City Council, for the unexpired term. No vacancy in the board shall impair the right of the remaining commissioners to exercise all the powers of the board.
4. *Qualifications.* To be appointed commissioner, a person must reside in the City. Any commissioner may be removed from office prior to the expiration of his appointed term by a majority vote of the City Council when such removal shall be deemed by the City Council to be in the best interests of the Power Department.
5. *Chairman and Vice Chairman; conduct of meetings.* The board will appoint from among the Board of Commissioners a Chairman and Vice Chairman of the board. The Chairman and Vice Chairman shall serve in such capacity for the length of one year. The Chairman shall preside over the meetings of the board, and the Vice Chairman shall act for the Chairman during the Chairman's absence. The board shall adopt reasonable rules for the conduct of its meetings, which shall be held at least once a month on the first Wednesday at the Clifton Wilson Substation. All members of the board shall attend such meetings. No action shall be taken by the board except by the affirmative vote of at least three commissioners. Three commissioners shall constitute a quorum.

C. *Personnel.*

1. *Director of power system.* The City Council shall select, define the duties, and fix the compensation for a full-time "director" of the municipal power system. The director shall be responsible for the proper operation, maintenance, and care of the municipal power system, and to perform any other duties or functions required by the City Council or board. The salary of the director shall be established by the City Council after due consideration of recommendations from the board. The normal working hours of the director not necessary to ensure the proper operation, maintenance and care of the municipal power system shall be devoted to other work as needed by the City. The Power Director shall make weekly reports to the City Manager relating to the power system. All the functions and activities of the Director shall be carried on under the direction of the City Manager.

2. *Employee benefits.* Benefits of employees of the Municipal Power Department shall be governed by and subject to general employee policies in effect for all employees of the City.

(1998 Code § 14-312—14-314; 2000 Code; Ord. No. 2022-01, 3-3-2022; Ord. No. 2023-02, 1-19-2023)

SAN Juan Decommissioning and Reclamation Update

Financial Report



December 2023



San Juan Decommissioning and Reclamation Update

- Decommissioning Key Item Takeaways:

1. Demolition work (mostly asbestos removal) commenced in July 2023
2. Decommissioning projected costs have decreased by \$15.5 million since last update in 2022.
 - i. Total Costs estimated in 2022 = ~\$69.1M
 - ii. Total Costs estimated in 2023 = ~\$53.5M
 - iii. Decrease between estimates = ~15.6M
3. Original Funding in FY2023 was based on total Decommissioning of \$75M

- Reclamation Key Item Takeaways:

1. Reclamation work is ongoing
 - i. La Plata mine - only monitoring activities anticipated for 2024 and beyond
 - ii. San Juan mine – excellent progress
2. Inflation Impact on Cost Curves - Despite the inflationary pressures discussed by PNM, UAMPS anticipates funding near the revised funding targets for Reclamation already set aside (not trust) to cover 2024 EOY Reclamation Trust funding.
 - i. May 2022 – Inflationary Warning from PNM of 39% was considered when amending the budget for funding the trust
 - ii. Inflation is currently expected to be over 40%
 - iii. New Funding curves will be developed and approved during 2024

SAN JUAN DECOMMISSIONING Update

- Progress Update – South Evaporative Pond (SEP) Closure
 - Pond Closure Plans: Bohannon Huston (BHI) has developed an alternative option to closing the ponds and reducing the height of the embankment material, which will significantly reduce the amount of purchased fill material.
 - Based upon recently received bids, significant savings are anticipated if the plan submitted to NMED at the end of September 2023 is approved (no indication it will not be approved).
 - Revised SEP closure bids for Option 2 were received on October 30, 2023 and are summarized as follows:
 - Fill Materials
 - Engineer of record estimate - \$10.9 million
 - Low Bid - \$8.8 million (PNM accepted after completing due diligence)
 - Closure Construction
 - Engineer of record estimate - \$26.2 million
 - Low Bid - \$13.6 million (Local contractor; PNM accepted after completing due diligence)
 - PNM has also submitted revised closure plans to the Office of the State Engineer (OSE) for approval in November 2023.
 - OSE approval to proceed is anticipated in January 2024, with construction to begin in April 2024 (dependent upon dewatering progress). Fill deliveries may commence before that date.

SAN JUAN DECOMMISSIONING Update

- Progress Update – Shumway and Memorial systems closure
 - PNM now expects to submit closure plans by March 2024
 - Construction for closure of Process Ponds 3A, 3B, and 3C is expected to begin in September 2024
 - Construction for closure of Process Ponds 1A, 1B, 2A, and 2B is now anticipated in January 2030 (brought forward from January 2035).
 - Earlier closure should result in lower total bond payments.
 - Sale of Lake and River land and facilities has closed, and funds have been received.

SAN JUAN DECOMMISSIONING Update

- Progress Update – Plant Decommissioning
 - Decommissioning & Demolition Contract was issued to INTEGRATED DEMOLITION AND REMEDIATION INC (IDR).
 - Demolition work (mostly asbestos removal) commenced in July 2023
 - Third Party Air Monitor and Asbestos Survey Contracts were awarded to Terracon
 - No asbestos was detected in boiler survey
 - Asbestos removal has been completed on several facilities
 - As of the end of November, demolition work had been initiated or completed in several areas including:
 - Ash unloading and dewatering areas for all four units, lower 30 feet of Units 2,3, and 4 baghouses and absorbers, maintenance shop and warehouse.

SAN JUAN DECOMMISSIONING Update



Cost Update - DECOMMISSIONING (11/20/23)

- Projected costs have decreased by \$15.5 million since last update.

	PROJECT	Category	Funding Project	2023	2024	2025	2026	2027	2028	2029 - 2040	Current Forecast	2022 Forecast	Variance
1	MOB/DEMOL & GEN CONDITIONS	Demolition	78918023	\$ 1,667,669	\$ 910,000	\$ 1,090,000	\$ -	\$ -	\$ -	\$ -	\$ 3,657,669	\$ 7,433,600	\$ (3,765,931)
2	Site Preparation/Cleaning	Demolition	78918023	\$ 151,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,500	\$ 1,275,833	\$ (1,124,333)
3	Unit 1-4 Environmental	Demolition	78918023	\$ 1,567,500	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,967,500	\$ 4,889,120	\$ (1,921,620)
4	Plant Common Environmental	Demolition	78918023	\$ 738,500	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 933,500	\$ 4,072,200	\$ (3,138,700)
5	CCR Removal	Demolition	78918023	\$ 1,228,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,228,400	\$ 752,220	\$ 476,180
6	Plant Common Demolition	Demolition	78918023	\$ 1,200,000	\$ 1,222,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,422,000	\$ 2,433,670	\$ (11,670)
7	Units 1-4 Demolition	Demolition	78918023	\$ 36,000	\$ 9,500,000	\$ 9,300,000	\$ -	\$ -	\$ -	\$ -	\$ 18,836,000	\$ 21,637,160	\$ (2,801,160)
8	Circ Water Lines Abandonment	Demolition	78918023	\$ -	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000	\$ 7,272,410	\$ (3,272,410)
9	Site Restoration	Demolition	78918023	\$ -	\$ -	\$ 1,040,000	\$ -	\$ -	\$ -	\$ -	\$ 1,040,000	\$ 2,193,490	\$ (1,153,490)
10	Contingency	Demolition	78918023	\$ 476,275	\$ -	\$ 323,957	\$ -	\$ -	\$ -	\$ -	\$ 800,231	\$ -	\$ 800,231
11	Scrap Metal Credit		78918023	\$ (3,839,800)	\$ (11,502,000)	\$ (13,983,200)	\$ -	\$ -	\$ -	\$ -	\$ (29,325,000)	\$ (28,127,950)	\$ (1,197,050)
12											\$ -	\$ -	\$ -
13	Lake & Dam	Demolition	78918123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 239,530	\$ -	\$ 239,530	\$ (239,530)
14	River Station	Demolition	78918123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Shumway Arroyo and Memorial Groundwater Recovery Systems	Demolition	78918123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,323,530	\$ -	\$ 1,323,530	\$ (1,323,530)
16	Process Ponds 3A, 3B, & 3C and Solid Waste Pit	Demolition	78918123	\$ -	\$ 900,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000	\$ 1,899,570	\$ 430
17	Process Ponds 1A, 1B, 2A, 2B	Demolition	78918123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,438,500	\$ -	\$ 2,438,500	\$ (2,438,500)
18	RO 24-01 Decommissioning Backfill Material Purchase	Demolition	78918123	\$ -	\$ 566,532	\$ 193,770	\$ -	\$ -	\$ -	\$ -	\$ 760,302	\$ -	\$ 760,302
19	RO 24-02 2024 South Evaporation Pond Fill Material Supply	Demolition	78918123	\$ -	\$ 5,049,194	\$ 3,786,795	\$ -	\$ -	\$ -	\$ -	\$ 8,835,988	\$ -	\$ 8,835,988
20	RO 24-03 South Evaporation Pond Cap Installation	Demolition	78918123	\$ -	\$ 6,540,862	\$ 6,739,070	\$ -	\$ -	\$ -	\$ -	\$ 13,279,933	\$ 14,821,730	\$ (1,541,797)
21	RO 24-04 2024 SJGS Ongoing Annual Expenses	Demolition	78916324	\$ -	\$ 2,295,205	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,295,205	\$ -	\$ 2,295,205
22	Indirect Costs/Contingency	Indirect	78918023	\$ -	\$ 800,000	\$ 3,306,249	\$ 930,378	\$ 485,068	\$ 284,060	\$ 3,683,000	\$ 5,805,755	\$ 21,733,000	\$ (15,927,245)
23	RO 23-01 Ongoing Annual Expenses	Indirect	78916123	\$ 3,790,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,790,500	\$ -	\$ 3,790,500
24	RO 23-02 SJGS Decommissioning Retirement Engineering Service	Indirect	78916223	\$ 927,724	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 927,724	\$ -	\$ 927,724
25	RO 23-03 Demolition-Residual Coal Cleanup	Demolition	78918023	\$ 923,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 923,000	\$ -	\$ 923,000
26	RO 23-04 SJGS South Evaporation Pond Closure Permit Engineering	Indirect	78916223	\$ 106,625	\$ 614,160	\$ 527,501	\$ -	\$ -	\$ -	\$ -	\$ 1,248,286	\$ -	\$ 1,248,286
27	RO 23-05 SJGS Project Management Demolition and Pond Closure	Indirect	78916123	\$ 412,700	\$ 202,512	\$ 183,576	\$ 78,240	\$ -	\$ -	\$ -	\$ 877,028	\$ -	\$ 877,028
28	RO 23-07 SJGS Residual Ash Transport	Demolition	78918023	\$ 6,913	\$ 50,447	\$ 9,545	\$ -	\$ -	\$ -	\$ -	\$ 66,904	\$ -	\$ 66,904
29	Demolition-RO Future presentation			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Future RO-Final Site Grading	Demolition	78918023	\$ -	\$ -	\$ -	\$ 225,000	\$ 275,000	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -
31	Investment Recovery		78916021/78918023	\$ (3,678,890)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,678,890)	\$ -	\$ (3,678,890)
32	Abatement and Demolition Total ex(A&G and Escalation)			\$ 5,714,616	\$ 18,743,912	\$ 17,517,262	\$ 1,233,618	\$ 760,068	\$ 284,060	\$ 7,684,560	\$ 51,938,095	\$ 66,787,613	\$ (14,849,518)
33	A&G Loads *			\$ 376,027	\$ 487,342	\$ 455,449	\$ 30,382	\$ 18,071	\$ 6,371	\$ 199,799	\$ 1,573,441	\$ 2,320,066	\$ (746,626)
34	Total with A&G Loads			\$ 6,090,643	\$ 19,231,253	\$ 17,972,711	\$ 1,264,000	\$ 778,139	\$ 290,431	\$ 7,884,359	\$ 53,511,536	\$ 69,107,679	\$ (15,596,144)
35	A&G Rate			4.0%	2.6%	2.6%	2.5%	2.4%	2.2%	2.6%			
36													
37	789 - SAN JUAN DECOMMISSIONING TOTAL			\$ 6,090,643	\$ 19,231,253	\$ 17,972,711	\$ 1,264,000	\$ 778,139	\$ 290,431	\$ 7,884,359	\$ 53,511,536	\$ 69,107,679	\$ (15,596,144)
38													
39	PNM	48.90%		\$ 2,978,325	\$ 9,404,083	\$ 8,788,656	\$ 618,096	\$ 380,510	\$ 142,021	\$ 3,855,451	\$ 26,167,141	\$ 33,793,655	\$ (7,626,514)
40	TEP	20.20%		\$ 1,230,310	\$ 3,884,713	\$ 3,630,488	\$ 255,328	\$ 157,184	\$ 58,667	\$ 1,592,640	\$ 10,809,330	\$ 13,959,751	\$ (3,150,421)
41	COF	2.90%		\$ 176,629	\$ 557,706	\$ 521,209	\$ 36,656	\$ 22,566	\$ 8,422	\$ 228,646	\$ 1,551,835	\$ 2,004,123	\$ (452,288)
42	MSR	7.60%		\$ 462,889	\$ 1,461,575	\$ 1,365,926	\$ 96,064	\$ 59,139	\$ 22,073	\$ 599,211	\$ 4,066,877	\$ 5,252,184	\$ (1,185,307)
43	TRI	2.10%		\$ 127,904	\$ 403,856	\$ 377,427	\$ 26,544	\$ 16,341	\$ 6,099	\$ 165,572	\$ 1,123,742	\$ 1,451,261	\$ (327,519)
44	LAC	2.40%		\$ 146,175	\$ 461,550	\$ 431,345	\$ 30,336	\$ 18,675	\$ 6,970	\$ 189,225	\$ 1,284,277	\$ 1,658,584	\$ (374,307)
45	ANA	2.70%		\$ 164,447	\$ 519,244	\$ 485,263	\$ 34,128	\$ 21,010	\$ 7,842	\$ 212,878	\$ 1,444,811	\$ 1,865,907	\$ (421,096)
46	SCPPA	10.80%		\$ 657,789	\$ 2,076,975	\$ 1,941,053	\$ 136,512	\$ 84,039	\$ 31,367	\$ 851,511	\$ 5,779,246	\$ 7,463,629	\$ (1,684,384)
47	UAMPS	2.40%		\$ 146,175	\$ 461,550	\$ 431,345	\$ 30,336	\$ 18,675	\$ 6,970	\$ 189,225	\$ 1,284,277	\$ 1,658,584	\$ (374,307)

SAN JUAN RECLAMATION Update

- Progress Update – General
 - San Juan and La Plata Mine tours conducted on September 12, 2023
 - Westmoreland mentioned that they may want to seek recovery for unanticipated items such as road gravel disposal.
 - WSJ (formerly Golder) provided a presentation on their most recent survey on November 30, 2023.
- La Plata Mine Reclamation
 - La Plata Mine haul road Phase III bond release anticipated by the end of 2023. Regulatory delays have impacted bond release for remaining areas.
 - Only monitoring activities anticipated for 2024 and beyond

SAN JUAN RECLAMATION Update

- La Plata Mine Reclamation



Figure 4.1: La Plata Mine Overview



Figure 4.3: Flowering Plants in Reclaimed La Plata Mine Area

SAN JUAN RECLAMATION Update

- San Juan Mine

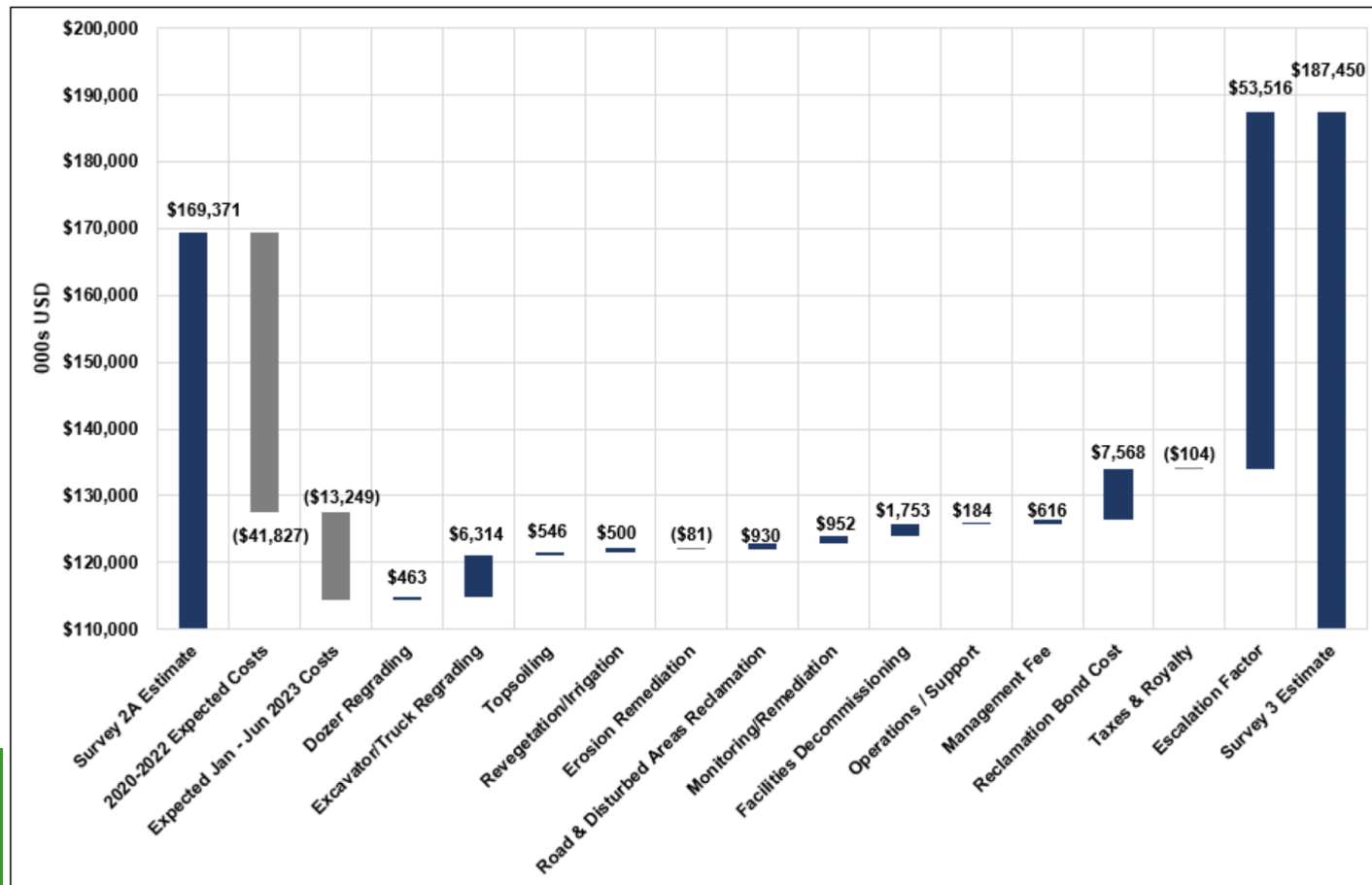


Figure 4.5: Juniper Pit

SAN JUAN RECLAMATION Update

○ 2023 WSP Golder Reclamation Cost Estimate

UAMPS budget is sufficiently funded to cover January – March 2024 expenses despite \$18 million increase illustrated below.

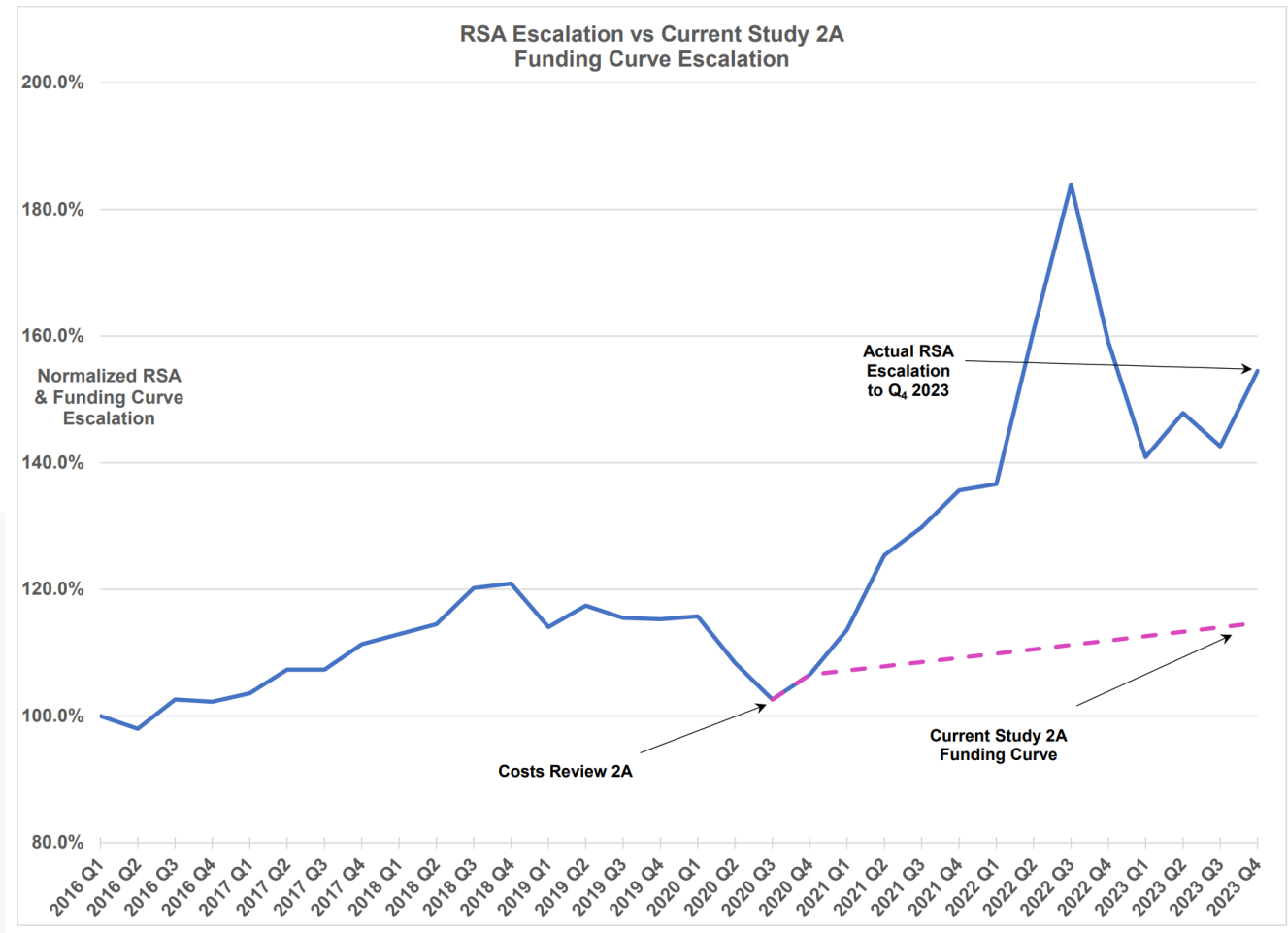


Primary Changes

- 3 years of work effort between Survey 2A and Survey 3
- Shortfall in actual work effort accomplished compared to planned work effort for 2020 through June 2023.
- Bond premium increase from 1.8% to 2.35%.
- Delays in receiving bond release approvals from regulators.
- Escalation Factor increased from 0.913 to 1.269, primarily due to a 140% increase in the Fuel Index component.

SAN JUAN RECLAMATION Update

- Inflation Impact on Cost Curves
 - Despite the unanticipated (in 2020) inflation noted below, UAMPS has sufficiently funded Reclamation set-asides (not trust) to cover 2024 EOY Reclamation Trust funding.



HBW PROJECT

PROJECT UPDATE



December 12, 2023
Patrick Tracy

Topic Discussions

- **UPDATE ON SITE OPERATIONS**
 - **T-23 Lightning Strike 10-25-23**
 - **Radio Tower Communications**
- **Foundation Remediation Efforts 24 Completed**

T-23 Lightning Strike



T-23 Lightning Strike



T-23 Lightning Strike



T-23 Lightning Strike



Radio Tower



Foundation Remediations



S u m m a r y

- Lightning Strike Working through Blade Set Replacement and Insurance Coordination
 - Radio Tower Component Replacement
- Foundation Remediation Efforts 23 of 32 Completed

Transmission Update

Horse Butte Wind Project



December 12, 2023

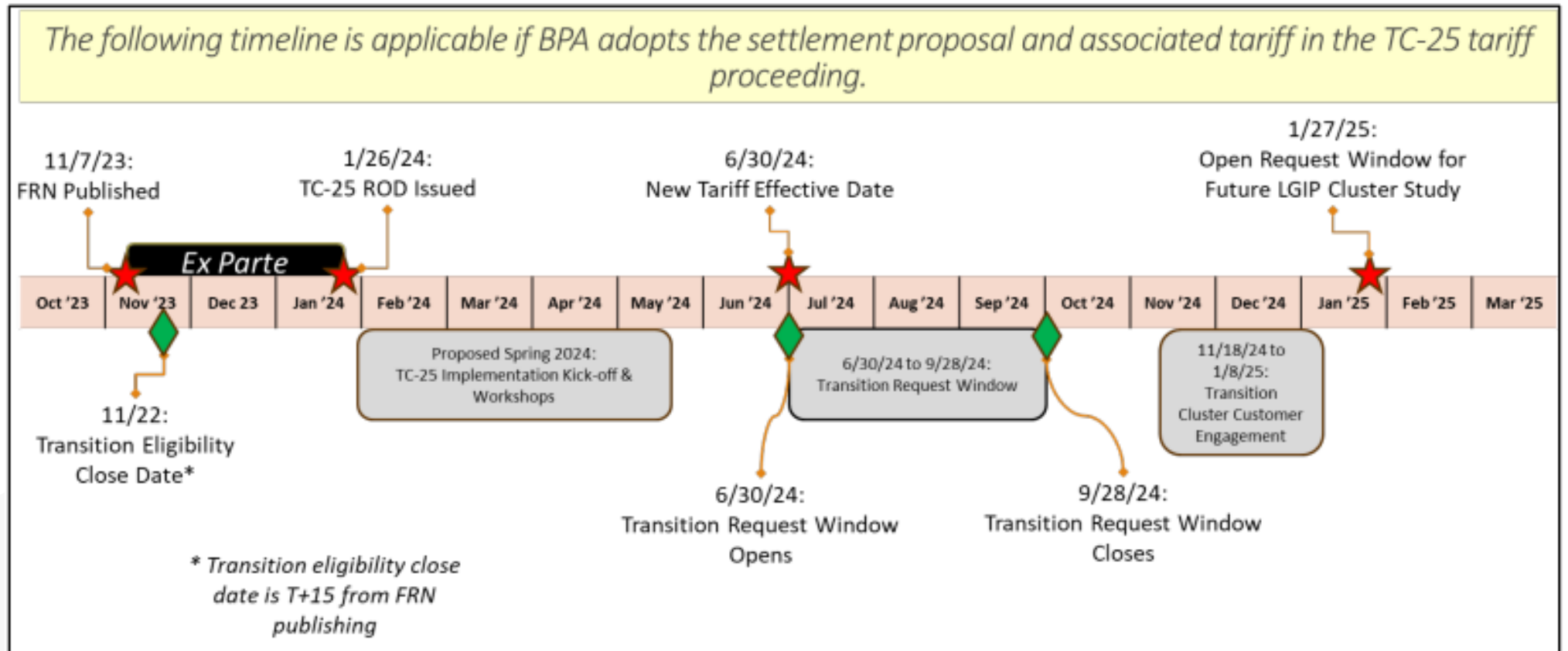
Brendan Powell and Matt Hastings

BLUF

- BPA rejected UAMPS request to avoid LGI cluster study process
- Formal Notice of Dispute submitted December 1, 2023
- Following resolution, UAMPS still recommends software upgrade and HB2 greenfield
- UAMPS collected vendor feedback, waiting on dispute resolution to re-solicit OEM bids
- No increase to budget requested at this time

Interconnection Status

- BPA transition to LGI Cluster Study Timeline
 - Anticipated effective date of new Tariff June 2024
 - Cluster Study Agreement execution required by September 28, 2024



Interconnection Status

- Article 27 under LGIA outlines procedures for formal Notice of Dispute
 - Upon notice, BPA has 30 days to resolve the dispute or, as requested by UAMPS, move to arbitration
 - BPA has proposed a meeting immediately after the new year due to holiday schedules
 - Assuming the dispute is resolved prior to September 28, 2024, UAMPS can terminate the LGI Transition Cluster Application
 - Does not alleviate potential for TSR Study requirements
 - BPA recommends submitting the TSR on OASIS ASAP

Vendor Feedback

- If UAMPS succeeds in Notice of Dispute, may be targeting HB2 COD in late 2025, else the COD will be 2027 or later.
 - For 2025 COD date, likely to have “construction started” in late 2024
 - For 2027 COD date, likely to have “construction started” no sooner than 2026 (when LGIA process finished)
- IRA has significantly different domestic content requirements for projects with “construction started” in 2024 vs. 2026
 - 40% domestic content requirement in 2024, 50% in 2026
- Vendors currently providing quotes assuming 40% domestic content requirements
- Quotes for turbines meeting domestic content requirements in later years are not currently available – but expected to be higher with additional domestic content

Next Steps

- Notice of Dispute currently in 30-day resolution period
- Following dispute resolution re-solicit OEM vendors for bids based on LGIA schedule
 - Includes obtaining new quote for HB1 software upgrade
- EPC contractor re-bid based on LGIA schedule and OEM vendor bids
- Update LCOE number for target path forward
- Re-solicit interest in project based on updated LCOE and schedule
- No budget required at this time

Steel 1A and 1B Update

Firm Power Supply Project

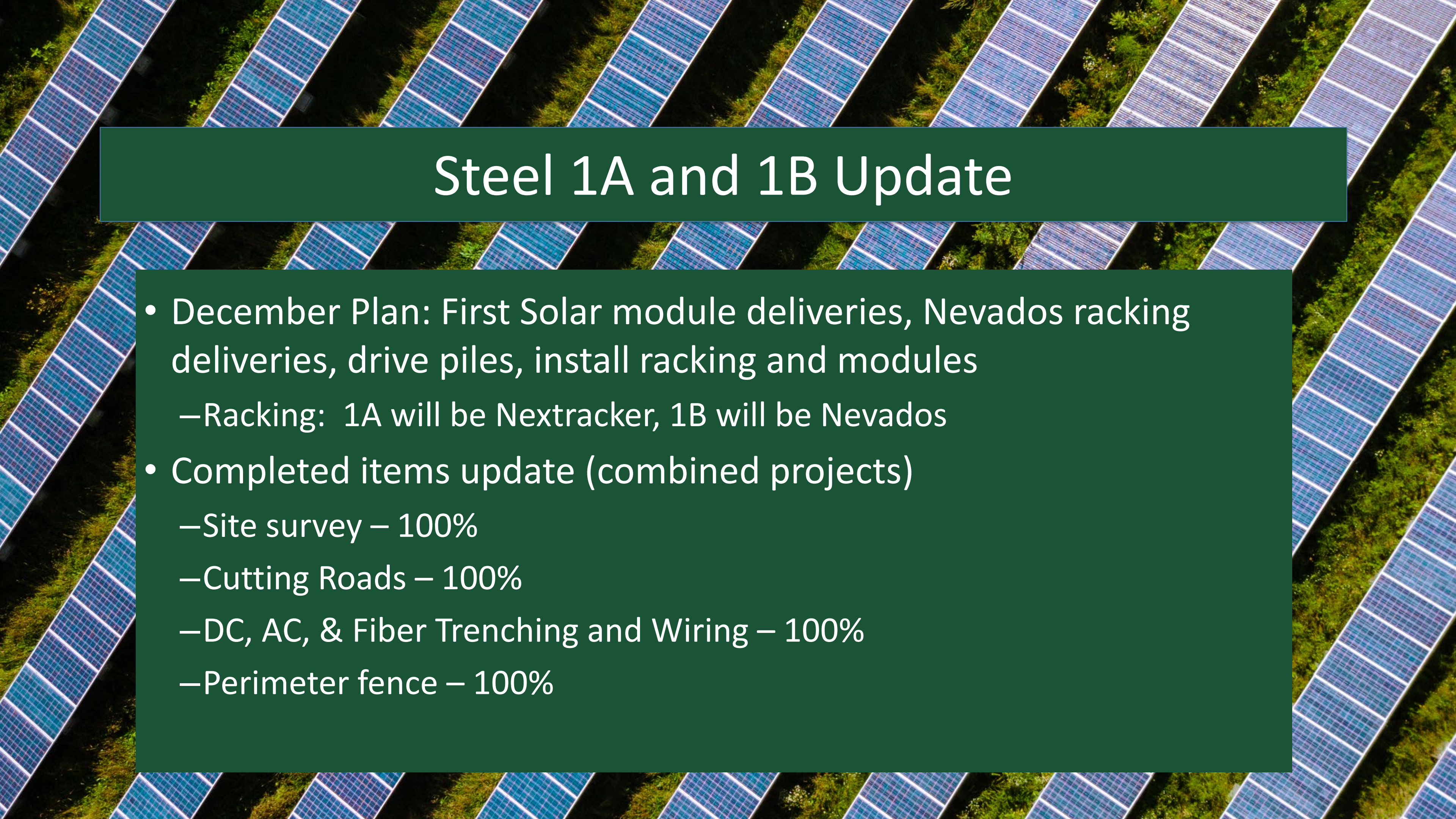


December 12, 2023
Matt Hastings

An aerial photograph showing rows of solar panels installed in a field, with green grass visible between the rows. The panels are arranged in a grid pattern, and the perspective is from above, looking down at the rows.

Steel 1A and 1B BLUF

- 1A COD February 2024
- 1B COD May 2024
- Construction continues
- 1A Delay Damage received for October - \$316,541
- 1A Delay Damage invoice for November sent - \$226,327
- 1B Delay Damage begins January 1, 2024
- Working on land acquisition for battery option – commercial terms negotiated – lease will be recorded end of year



Steel 1A and 1B Update

- December Plan: First Solar module deliveries, Nevados racking deliveries, drive piles, install racking and modules
 - Racking: 1A will be Nextracker, 1B will be Nevados
- Completed items update (combined projects)
 - Site survey – 100%
 - Cutting Roads – 100%
 - DC, AC, & Fiber Trenching and Wiring – 100%
 - Perimeter fence – 100%



Steel 1A and 1B Update

- Status update (combined projects)
 - Field Pile Install – 60%
 - Rough racking – 50%
 - Finished racking – 40%
 - Met Tower – 0%
 - Module install – 10%
 - SCADA commissioning – 0%

An aerial photograph showing rows of solar panels installed in a field, with green grass visible between the rows. The panels are arranged in a grid pattern, and the perspective is from directly above, looking down at the rows.

Next Steps

- Monitor construction progress
- Provide analysis for battery option
 - Proposal from DESRI battery option due February 2024
- Further coordination on metering, scheduling, and operations
- Delay damage billing
 - 1A ongoing
 - 1B first invoice will be sent February 1, 2024 for month of January

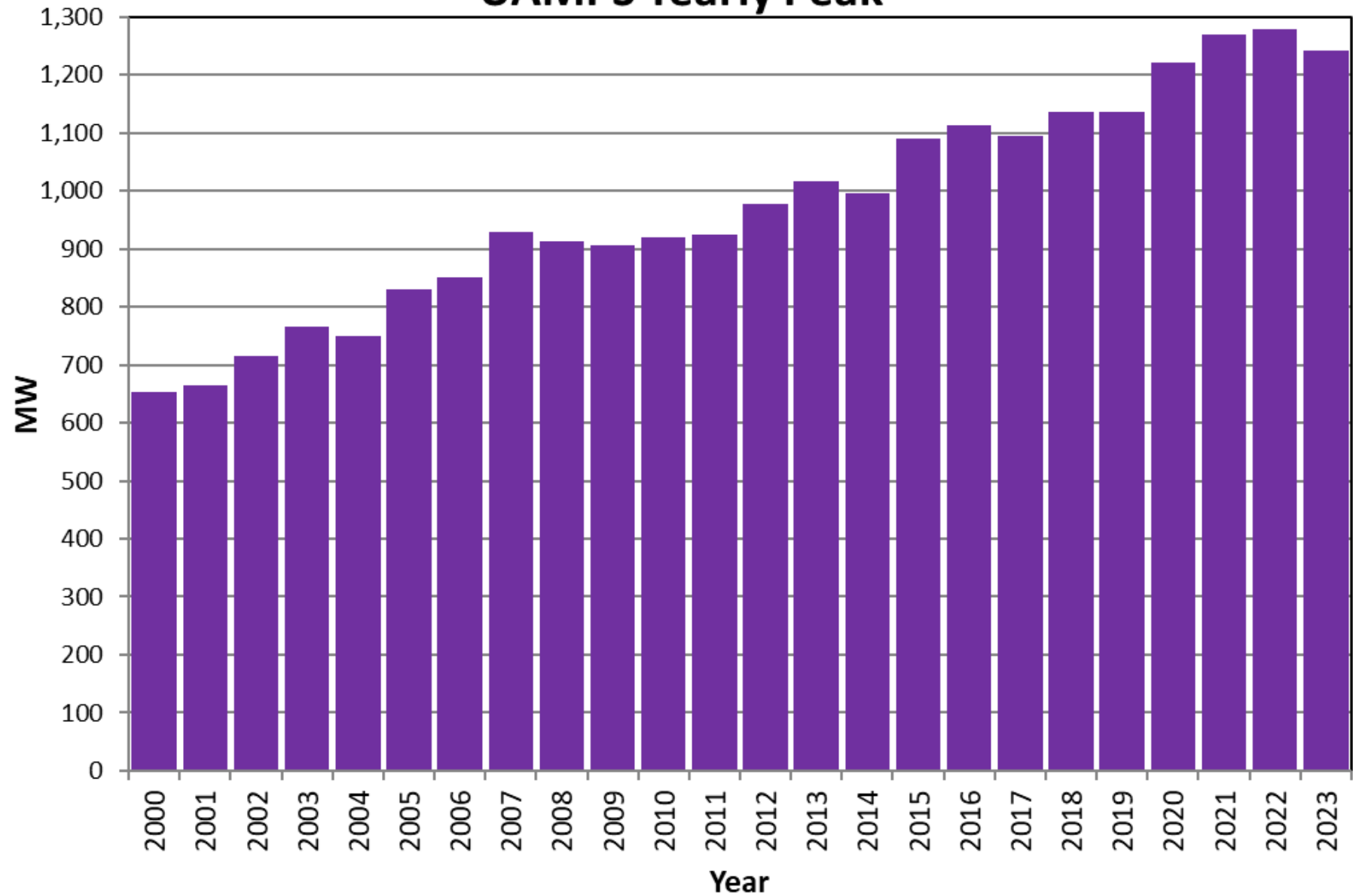
PX & Scheduling Report November 2023

Pool Project

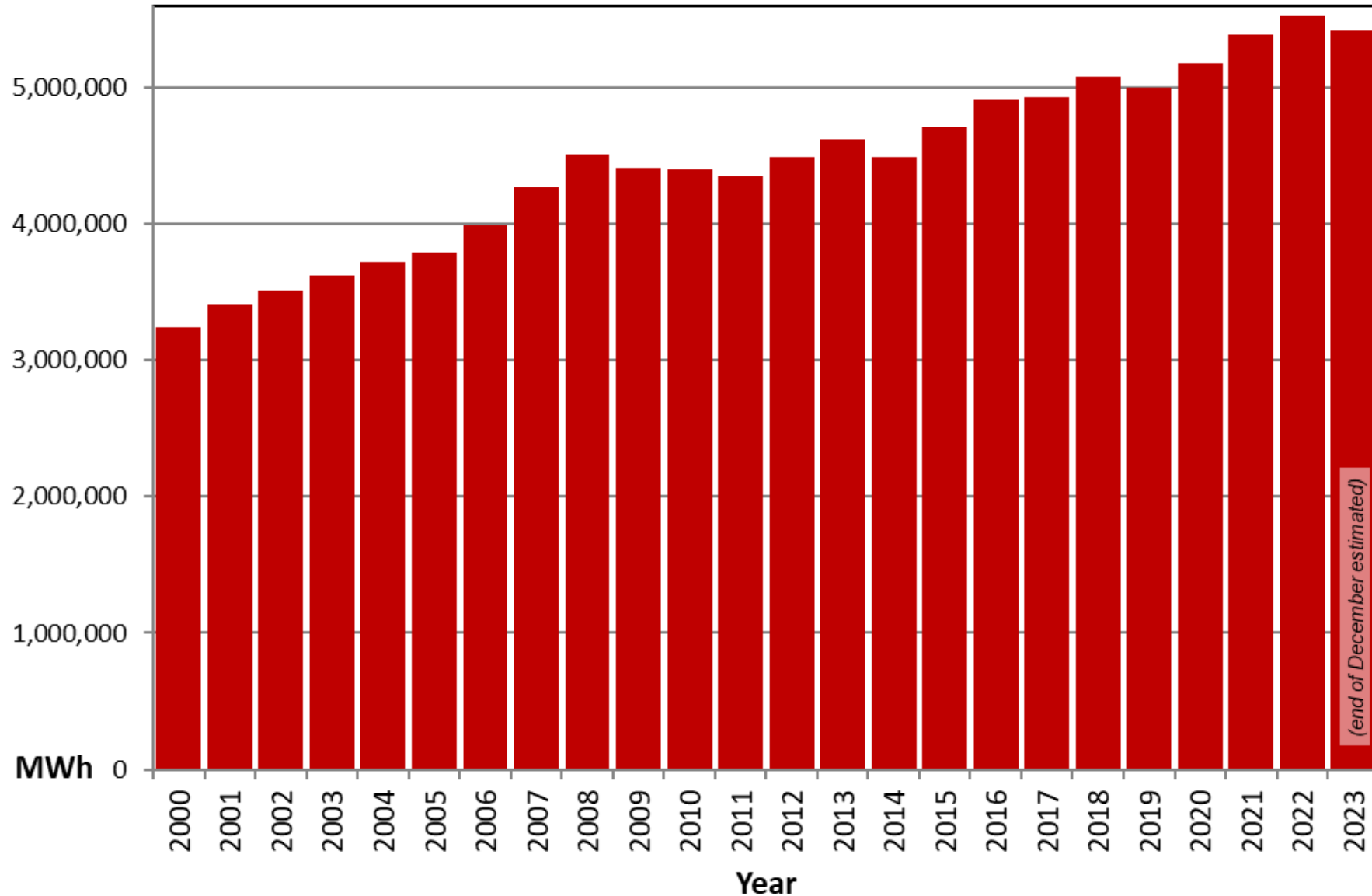


Kelton Andersen

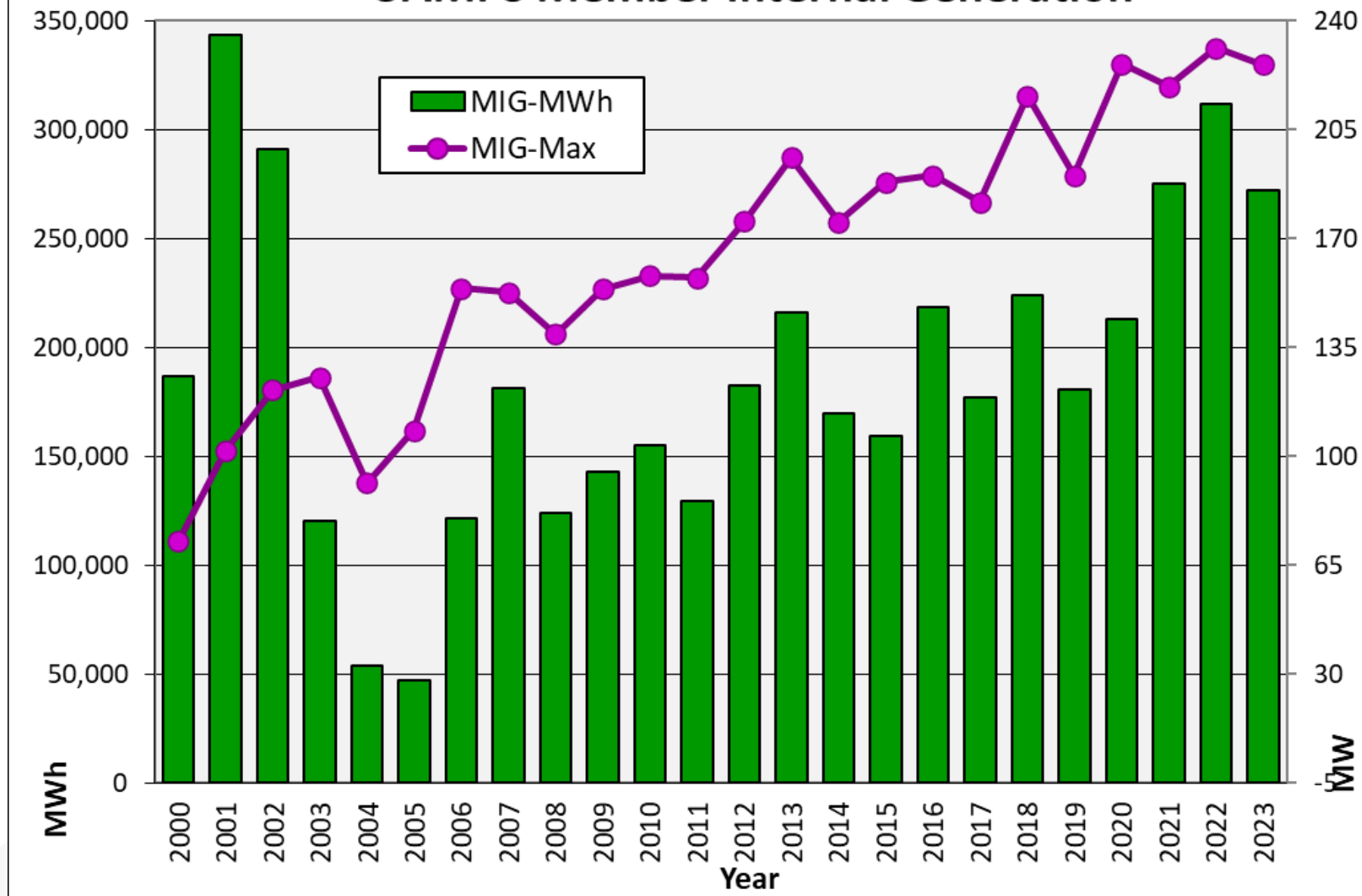
UAMPS Yearly Peak

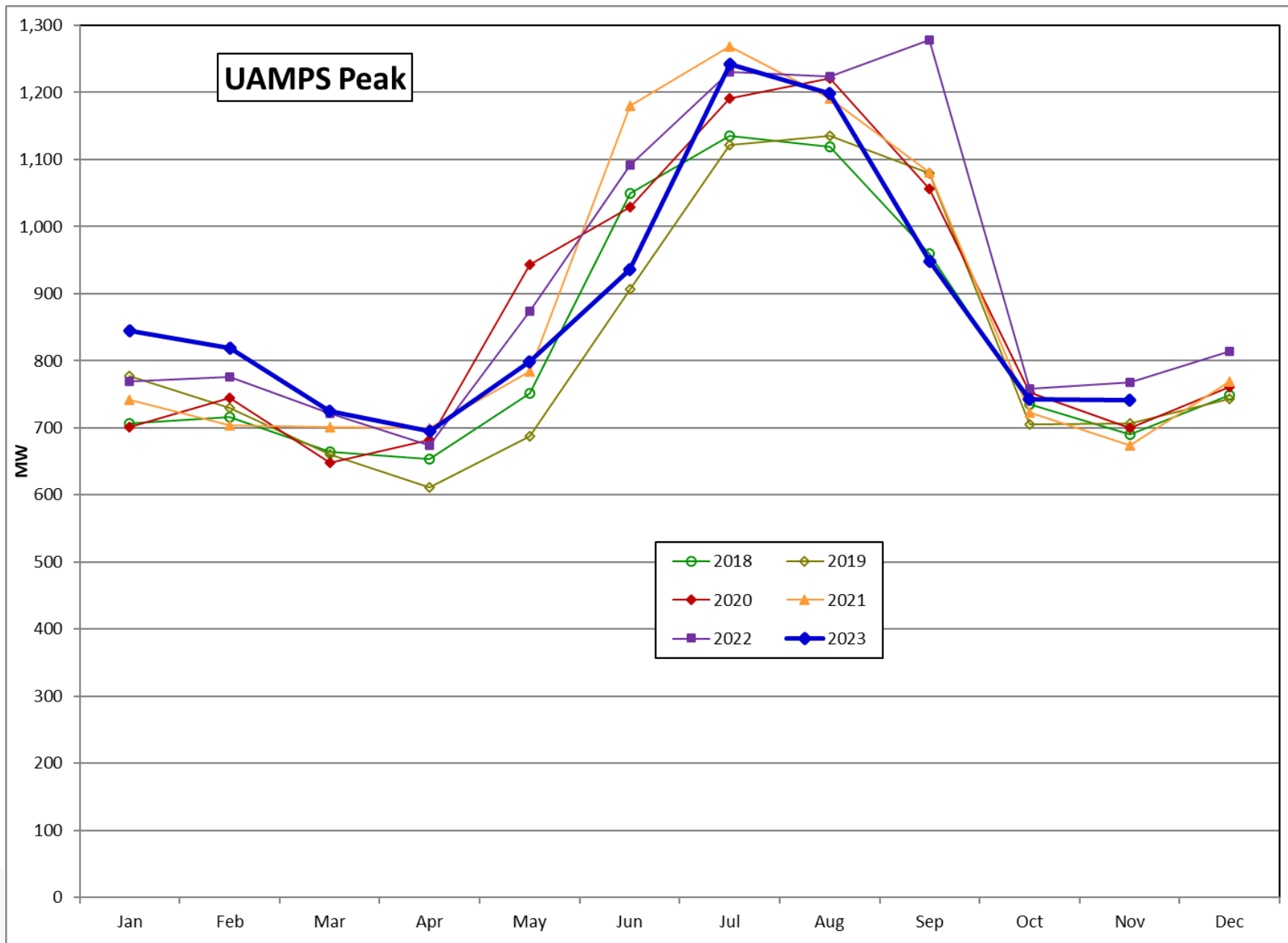


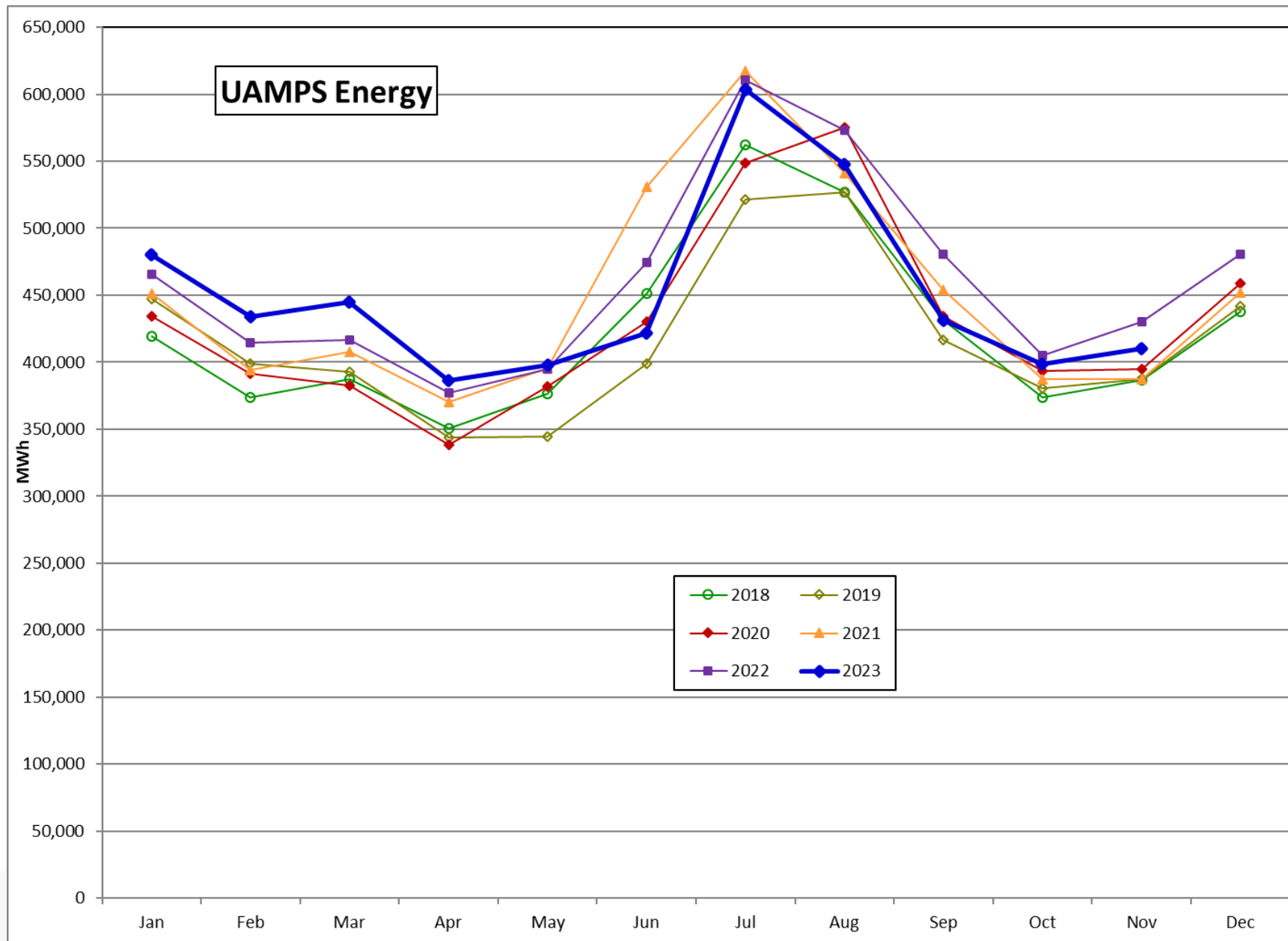
UAMPS Yearly Energy



UAMPS Member Internal Generation







Overall Operations Report

Board of Directors



Rachel Stanford

Topic Discussions

- Natural Gas
 - Storage
 - Consumption for Electricity Generation
- Industry News
 - WECC Resource Adequacy Assessment
- Seasonal Outlook
 - December Daily Forecast
 - Seasonal Outlook
- Transmission
 - National Transmission Needs Study



Natural Gas

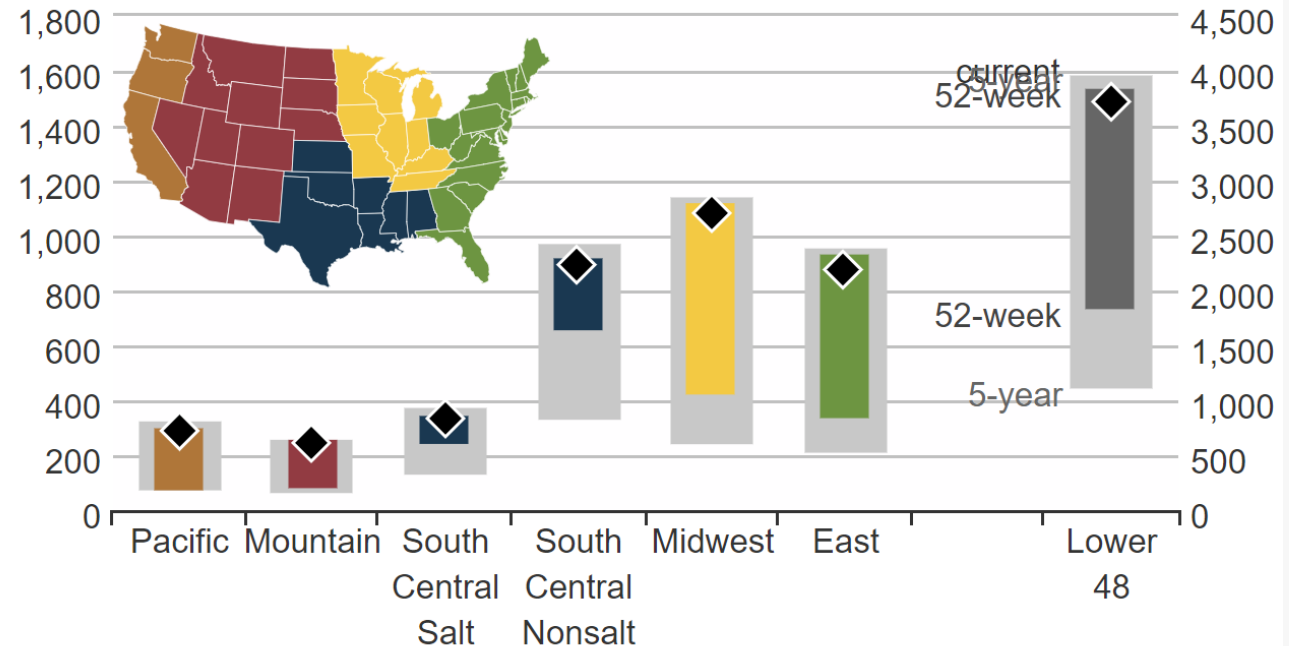
National Gas Storage

- ❖ Pacific region saw 2% decrease & Mountain region saw 4% decrease from the previous month's reporting

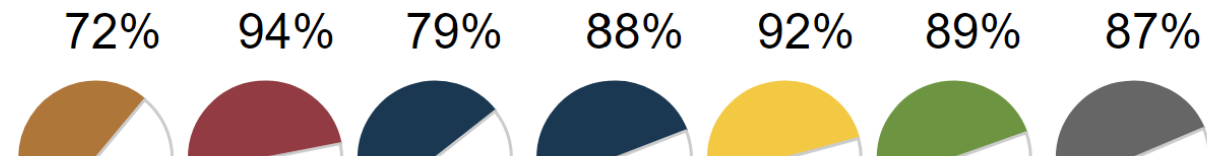
Underground working natural gas storage summary as of December 1, 2023



billion cubic feet

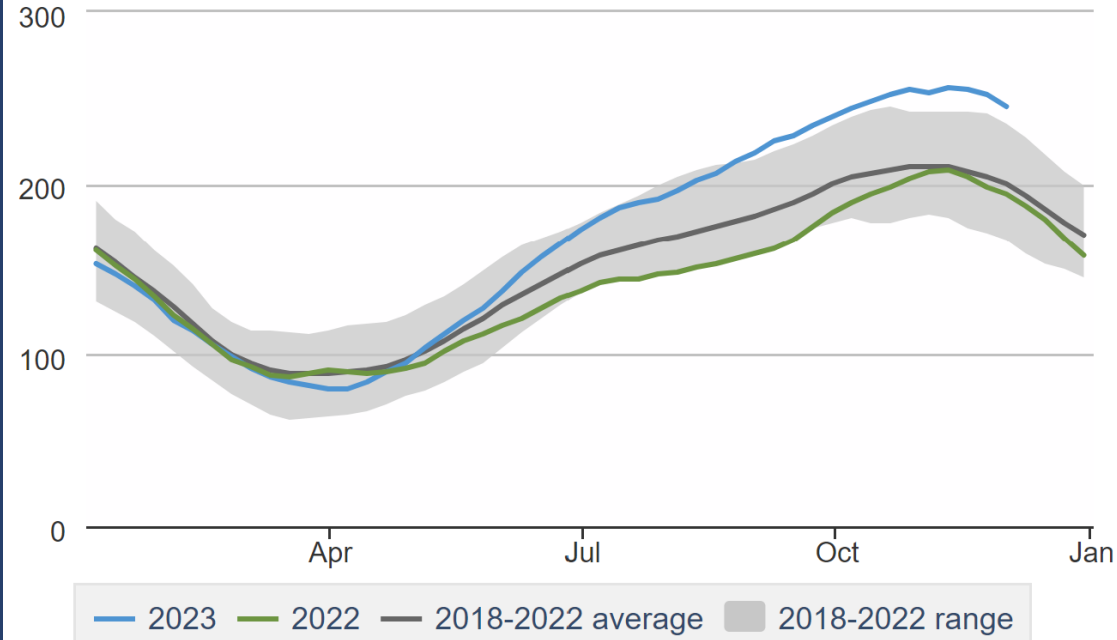


Underground storage capacity utilization



Mountain region weekly working gas in underground storage

billion cubic feet

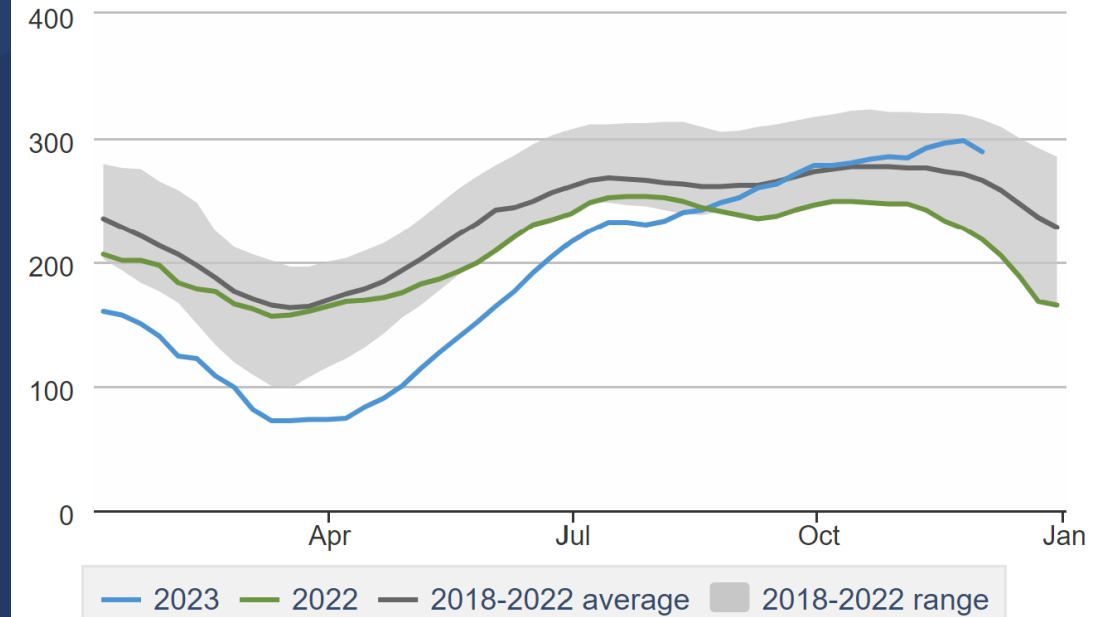


Mountain Region

Pacific Region

Pacific region weekly working gas in underground storage

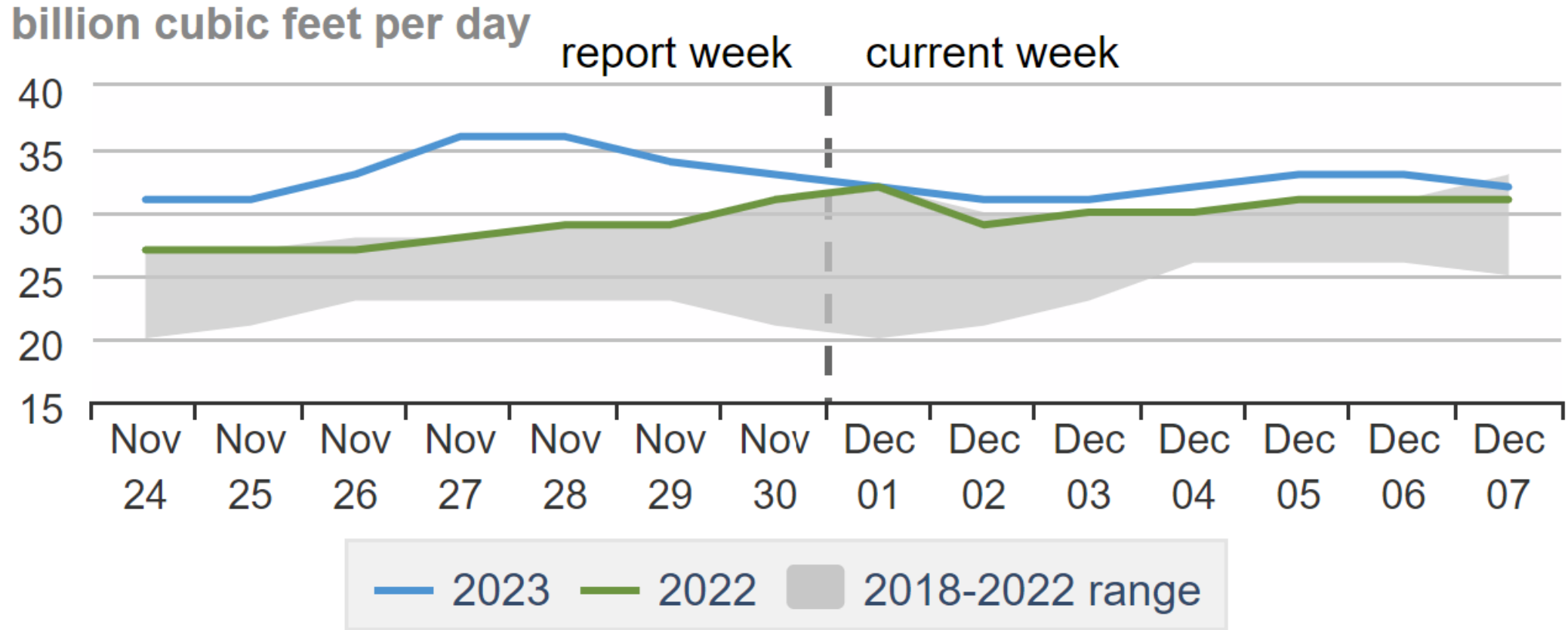
billion cubic feet



UAMPS



Daily Lower 48 Natural Gas Consumption for Electricity Generation





Industry News

WECC Resource Adequacy Assessment

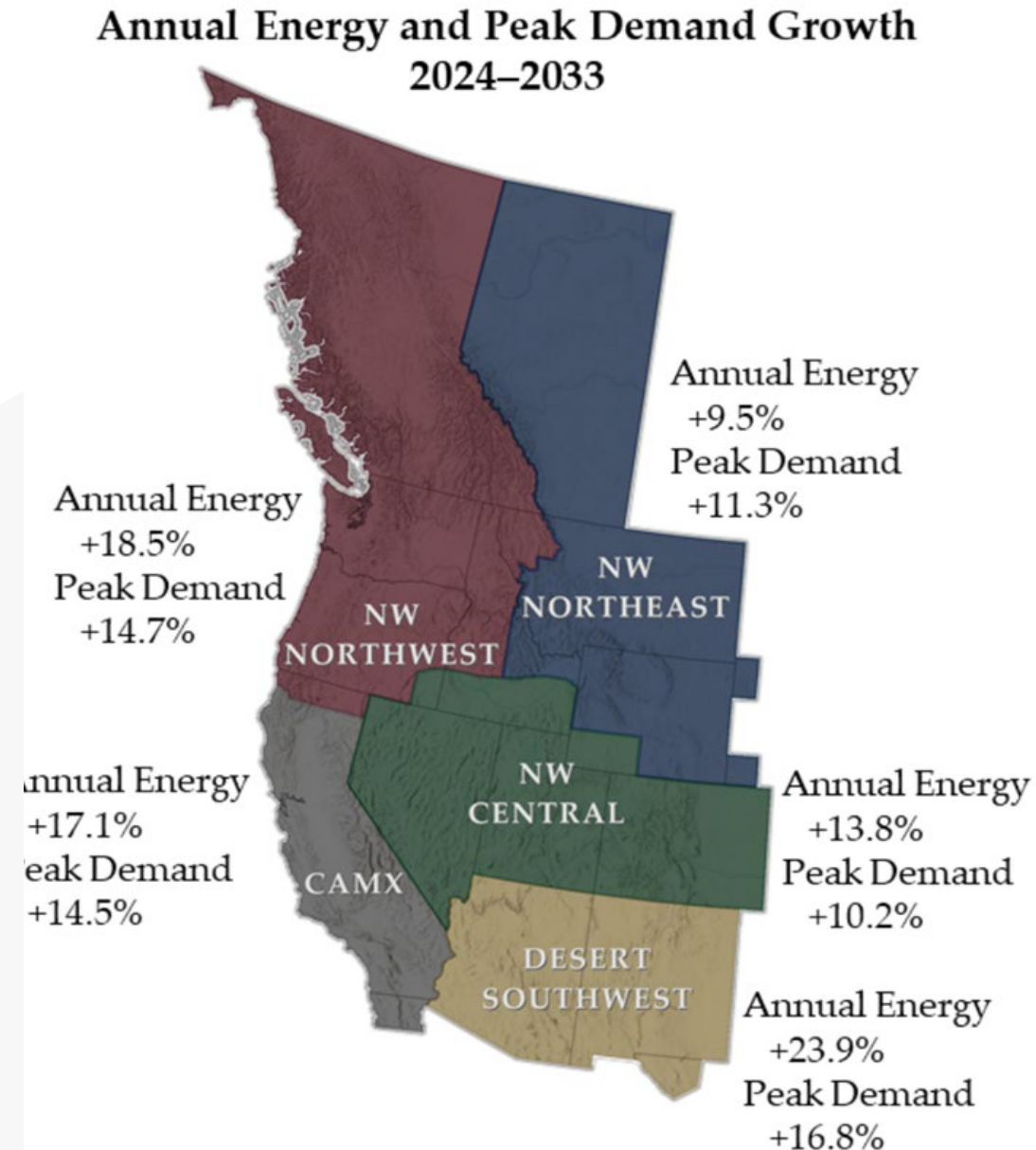
- **PURPOSE:**

- Assess whether current resource plans are sufficient to meet future demand for each of the next 10 years under the range of possible system conditions
- How does variability in the system increase with changes in resources and demand currently reflected in resource plans, and how does this affect resource adequacy risk?

WECC Resource Adequacy Assessment

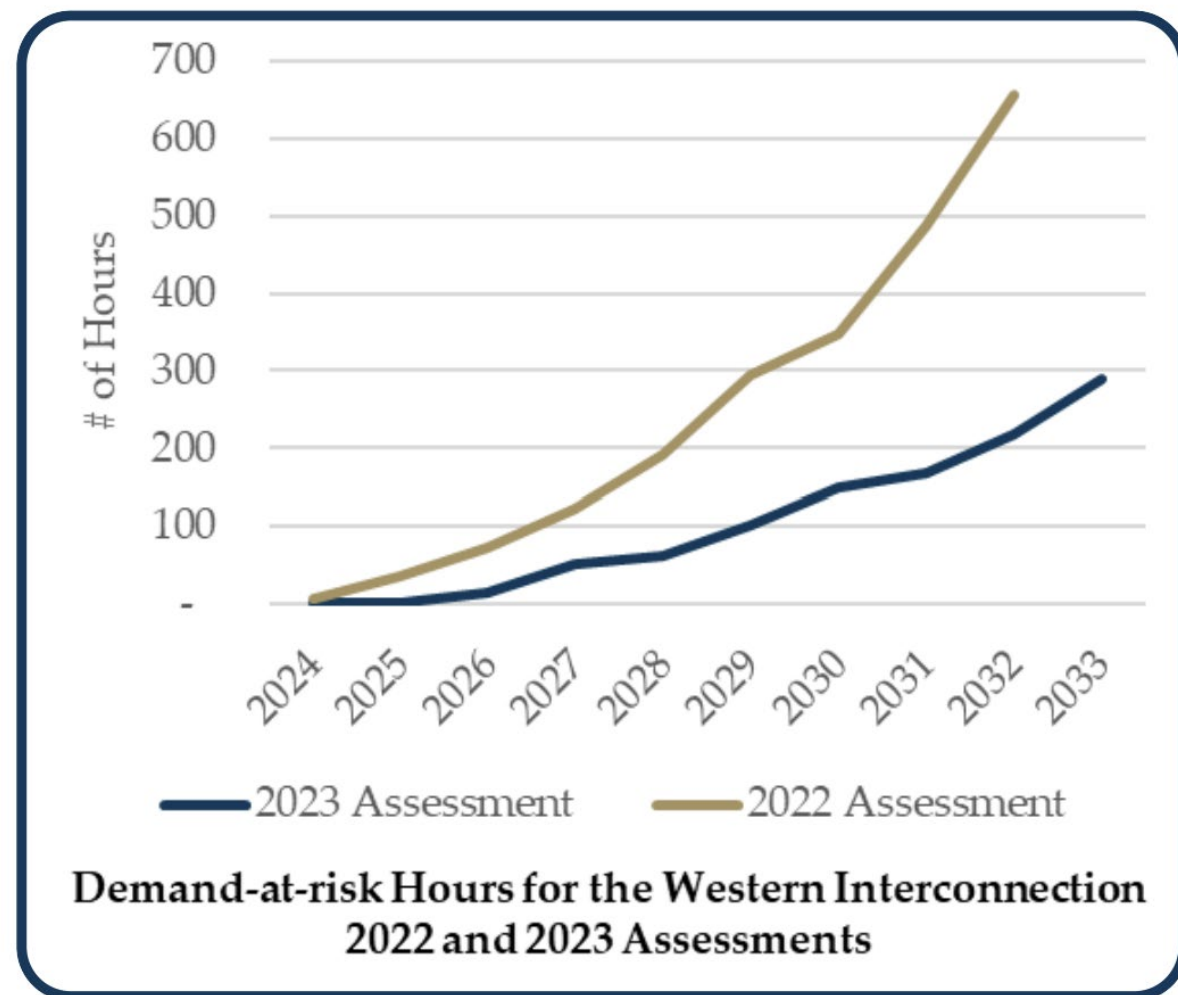
• APPROACH

- Looks broadly at the Western interconnect and 5 sub-regions
- Uses anticipated load growth & planned resources as reported from all BA's
- Evaluates resource adequacy under expected conditions as well as a range of potential conditions



FINDINGS

- Over the next decade, entities in the West plan to add 95 GW of resources
- Solar, energy storage, and wind make up 80% of the new resources
- Supply chain disruptions and the interconnection queue pose the greatest risk to building planned resources on time
- Load growth forecasts almost doubled in this year's assessment
- In 2022, the anticipated 10-year load growth rate was 9.6% compared to this year's at 16.8%
- The new demand forecasts reflect electrification policies and significant data center growth
- Demand-at-risk hours over the next 10 years decreased compared to the 2022 but were not eliminated



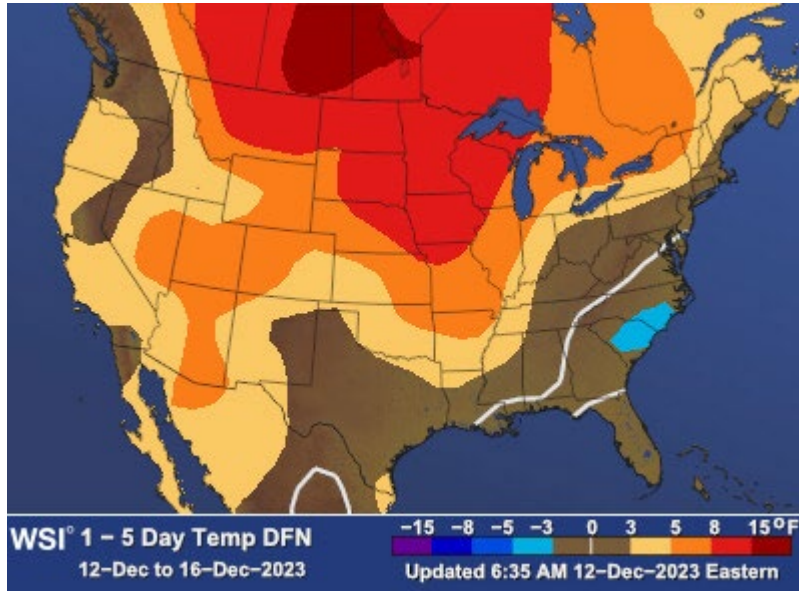
Seasonal Outlook



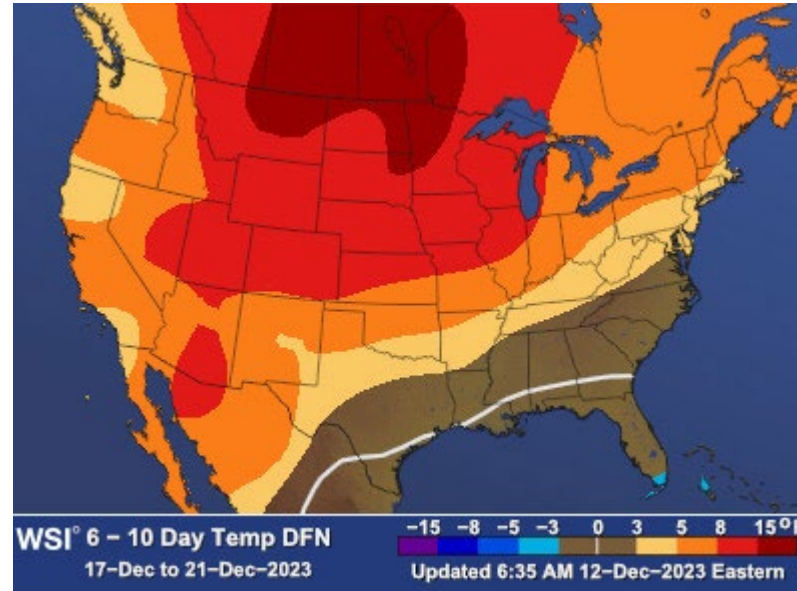
UAMPS



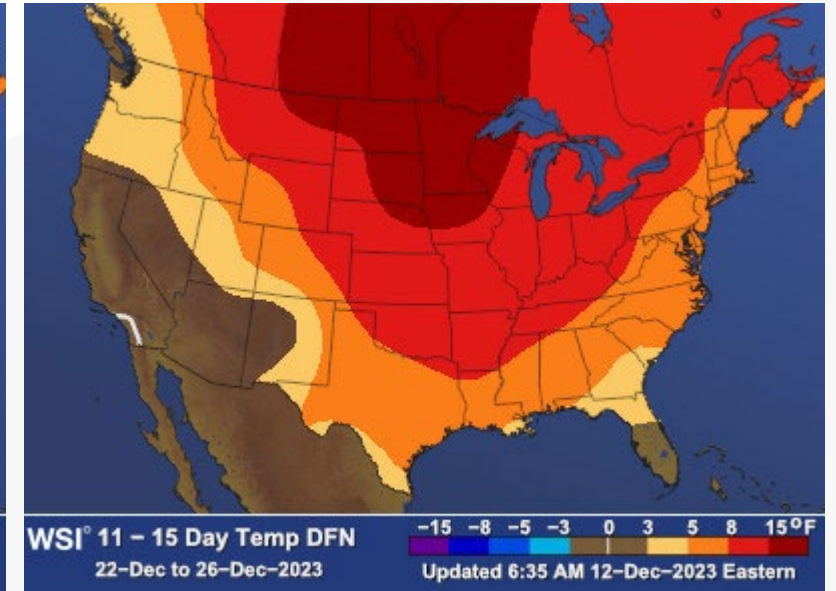
December Forecast



1-5 Day Forecast



6-10 Day Forecast



11-15 Day Forecast



Transmission



DOE National Transmission Needs Study

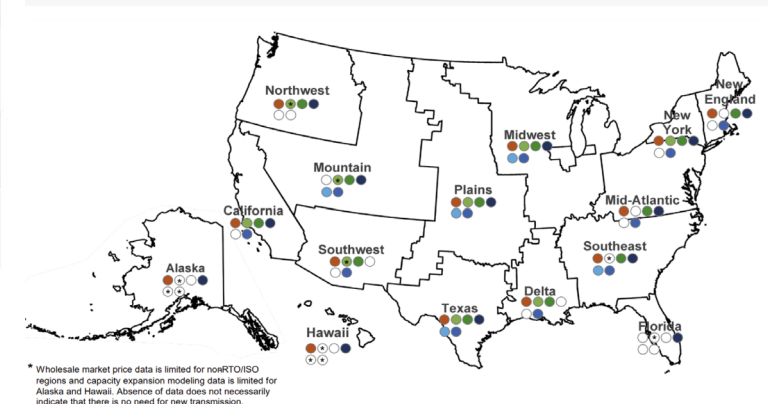
- Grid Deployment Office performed the study
 - Considered historic and anticipated future constraints and congestion
 - Identifies transmission needs currently harming consumers, or could harm in the future, that could be alleviated by transmission solutions
 - 40-year forward look
- New technologies could defer some projects, but are insufficient to meet the long term needs

“pressing need for additional electric transmission infrastructure in nearly all regions of the country to improve reliability and resilience, address high energy costs, and reduce congestion and constraints”

	California	Northwest	Mountain	Southwest	Texas	Plains	Midwest	Delta	Southeast	Florida	Mid-Atlantic	New York	New England	Alaska	Hawaii
Current or Anticipated Need	●	●		●	●	●	●	●	●		●	●	●	●	●
	●	*	*	*	●	●	●	●	*	*		●		*	*
	●	●	●	●	●	●	●	●	●		●	●	●		
	●	●	●		●	●	●		●	●	●	●	●	●	●
Anticipated Need			●		●	●	●		●					*	*
	●		●	●	●	●	●	●	●		●	●	●	*	*

Note: Reproduction of Figure ES-7 in the 2023 National Transmission Needs Study (page xi).

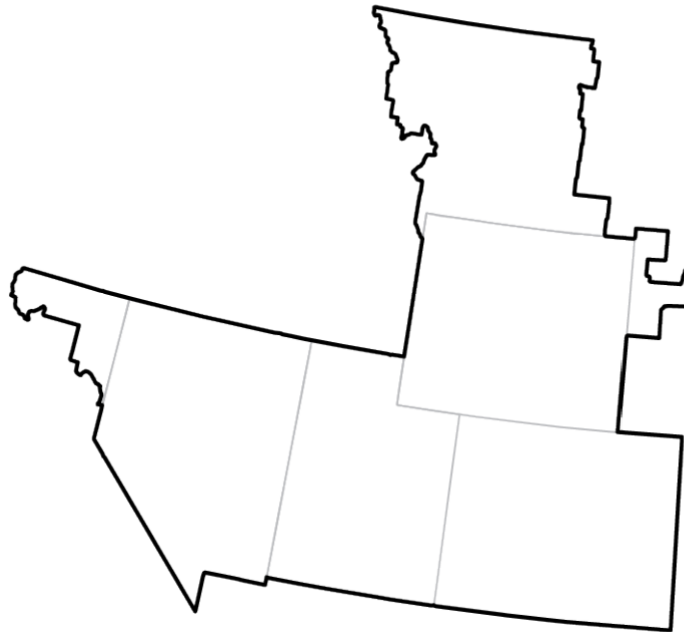
Figure S-1. Summary of current and future transmission needs identified in Needs Study by geographic region.



MOUNTAIN REGION

The U.S. Department of Energy's Grid Deployment Office (GDO) released the National Transmission Needs Study ("Needs Study") in October 2023. The Needs Study is the Department's **triennial state of the grid** report. It identifies transmission needs and provides information about current and anticipated future capacity constraints and congestion on the Nation's electric transmission grid. In this fact sheet, we highlight the transmission needs of the Mountain region. The Needs Study provides further detail on the benefits of transmission that could be realized throughout the country.

MOUNTAIN



Anticipated Need Current or Anticipated Need

Improve reliability & resilience	
Alleviate congestion & unscheduled flows	*
Alleviate transfer capacity limits between neighbors	
Deliver cost-effective generation to meet demand	
Meet future generation & demand with within-region transmission	
Meet future generation & demand with interregional transfer capacity	

› Alleviate congestion and unscheduled flows

› Alleviate transfer capacity limits between the Mountain region and its neighbor. High congestion values range from \$8/MWh to \$21/MWh.

› Deliver cost-effective generation to meet demand.

› Meet future generation and demand with additional within-region transmission. It is anticipated that the Mountain region will need between 2.5 and 4.5 TW-miles of within-region transmission in 2035 (median 3.1 TW-miles, a 90% increase relative to the 2020 system)

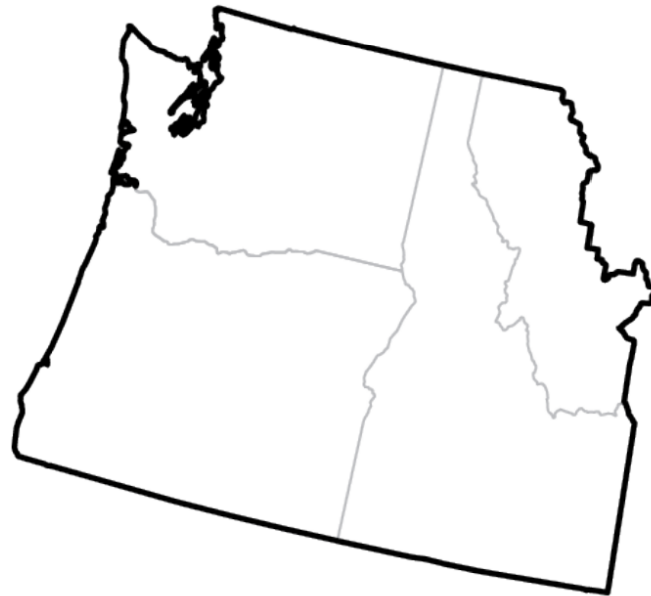
› Meet future generation and demand with additional interregional transfer capacity. The Mountain region will need an anticipated 2.7 to 4.4 GW of additional transfer capacity with the Northwest region in 2035 (median of 3.3 GW, a 26% increase relative to the 2020 system) Smaller additional transfers between the Mountain and the Southwest (median value of 1.7 GW), California (median value of 1.9 GW), and the Plains (median value of 2.6 GW) regions may also be required

2023 NATIONAL TRANSMISSION NEEDS STUDY

NORTHWEST REGION

The U.S. Department of Energy's Grid Deployment Office (GDO) released the National Transmission Needs Study ("Needs Study") in October 2023. The Needs Study is the Department's **triennial state of the grid** report. It identifies transmission needs and provides information about current and anticipated future capacity constraints and congestion on the Nation's electric transmission grid. In this fact sheet, we highlight the transmission needs of the Northwest region. The Needs Study provides further detail on the benefits of transmission that could be realized throughout the country.

NORTHWEST



Anticipated Need Current or Anticipated Need

Improve reliability & resilience



Alleviate congestion & unscheduled flows



Alleviate transfer capacity limits between neighbors



Deliver cost-effective generation to meet demand



Meet future generation & demand with within-region transmission



Meet future generation & demand with interregional transfer capacity



› Improve reliability and resilience. The Northwest region faces risk of load curtailment during extreme weather events and wildfires, particularly as the region becomes increasingly reliant on variable energy resources to meet peak demand.

› Alleviate congestion and unscheduled flows. Unscheduled flows persist on Qualified Path 66, located at the intersection of the Northwest, California, and Mountain regions, and high congestion values exist within the Northwest region.

› Alleviate transfer capacity limits between the Northwest and Mountain regions. High congestion value of interregional transmission from 2012 through 2020 exists between the Northwest and Mountain regions, with an average marginal value of transmission equal to \$14/MWh.

› Deliver cost-effective generation to meet demand. The Northwest region is anticipated to integrate higher levels of new generation to meet state-level power sector emissions reduction targets. Additional interregional transmission would allow for an increase of cost-effective, out-of-state clean energy imports, as well as the export of low-cost clean energy from the Northwest region to other western states

Summary

- The Needs Study will inform DOE's new and existing programs that relate to electric transmission.
- DOE has stated that the study's findings can inform its implementation of the Infrastructure Investment and Jobs Act and the Inflation Reduction Act
- Study may complement work that FERC and NERC are doing to advance interregional transmission planning
 - NERC is conducting a separate Interregional Transfer Capability Study to analyze the amount of power that can be transferred reliably from one region to another. Study must be completed and filed with FERC by December 2, 2024



“

To meet the Administration’s goal of a carbon pollution-free power sector by 2035, the United States must more than double the existing regional transmission capacity and expand existing interregional transmission capacity by more than fivefold.

”