



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

7/5/2023

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 June 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. Capacity Update
2. EV Charging Rates Discussion and Possible Recommendation
3. Impact Fee Study Update
4. Power Department Standards and Specifications Update

NEW BUSINESS

1. 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 June 7, 2023, at 3:00 p.m. at the Clifton Wilson Substation on 526 W
2 600 N.

3
4 In attendance were Mac Hall, Charles Reeve, Jerry Brisk, Joseph Prete, Dave Imlay (by phone), Scott Hughes,
5 Michael Ramirez, Jared Ross, Fred Resch, Kaden DeMille, Dayton Hall, Bruce Zimmerman, Linda Zimmerman
6 and Crystal Wright.

7
8 Mac Hall welcomed everyone to the meeting; Fred Resch led the Pledge of Allegiance and Charles Reeve
9 offered the prayer. Jerry Brisk motioned to approve minutes from the May 2023 meeting. Charles Reeve
10 seconded the motion. Motion passed unanimously. Pam Humphries abstained since being absent from the
11 meeting.

12
13 **Scott Hughes:** Scott Hughes reported an update on employees. Introduced Jaxon Mackelprang and Brayden
14 Rice as new employees. Jaxon is a temporary employee as a Groundsman and Brayden is a Journey Lineman.
15 Scott Hughes then reported on recent outages. There was a transformer that was hit that broke the secondary
16 bars and the oil leaked out of the transformer. Pam Humphries asked who is responsible for paying to replace
17 those. Scott Hughes replied that it is the person responsible for damaging the equipment. Scott Hughes
18 reported on the outage at 80 South 700 West. This outage was several hours and took the entire building out
19 of service while we made the repairs. Our Blue Stakes locate was slightly off and so this repair was our
20 responsibility to resolve.

21
22 **Brian Anderson:** Mike Ramirez reported for Brian Anderson. The 600 N Phase 3A is complete except for a few
23 small things to finish up. The transmission line on the top is hot. We pulled the guys off the 600 N Phase 3A job
24 to finish up the Cordero job on 3000 South. Our portion of that project is complete, and that new line has been
25 energized. We energized part of the Southern Shores project to allow them to complete their wave pool
26 testing. In between finishing 600 N and beginning their next job, we are using the line crew to help get some of
27 the service crew's projects caught up. Pam Humphries asked if the new roundabout on 700 W will change
28 things for power. Mike Ramirez stated yes, that is something Brian Anderson is working on.

29
30 **Mike Ramirez:** Mike Ramirez has nothing else to report with his crew. He has other items on the agenda later
31 on.

32
33 **Jared Ross:** Jared Ross reported on the Three Falls Substation project. We have erected steel, installed the
34 138kv disconnect switches and are continuing with the ground grid and conduits. The transformer arrived and
35 has been set in place. One of the transformer bushings is not fitting properly. We are waiting on Waukesha to
36 get back with a fix. Reported that the generator run is dependent on prices and we're keeping an eye on it.
37 Crystal Wright said that because the temperatures have been cooler and market prices have continued to stay



low that it has delayed the start of our normal generator run. We are looking at a potential start date of early next week.

Budget: Scott Hughes presented the regular monthly graphs and numbers. Kaden DeMille discussed overall budget view. There were multiple projects that were tentatively approved, but he wants us to get through the summer months and see where we are before an approval to start on those projects. We will have to continue to monitor our rates very closely and will need to react quickly if we need to increase rates. Scott talked about Power Cost Adjustment (PCA) & Advanced Metering Infrastructure (AMI) and potential time of day rates. Dave Imlay stated our traditional rate model provides more stability for residents, even if we must increase rates more often.

Capacity Update: Scott Hughes stated we got our circuit study back for Circuit 103. It was favorable. With some of the updates that we could do to the circuit we could gain approximately 600-700 additional units. Reviewed the three plans to get additional capacity out south that were discussed at last month's meeting. There have been calculations to determine what the price per unit would be dependent on which of the plans were agreed upon by developers. Plan C is the quickest plan to get things moving, even though it's not the desired final product. There are no additional easements required. Plan B only requires one additional easement that we're confident can be obtained and the substation needs to be completed. Plan A is ultimately needed but will take the longest to complete because of the number of easements needed and is the final desired product. The developers would be responsible to pay their portion for the units they need for their development. Joseph Prete asked about time frames for the completion of the substation. Scott Hughes replied the best estimate is 2-3 months from now, without unforeseeable complications. Once it's up then there is some commissioning and testing required before being completely operational. The circuit study previously done on Circuit 101 showed 550 units available and those have all been promised out. This circuit study we just completed was for Circuit 103 and none of these units have been promised out. This is the discussion we're having about the developers paying for the infrastructure modifications required to make those units available based on the study. Crystal Wright asked a question about what size is factored for a "unit" in the calculations. A 200-amp service was the calculation used. Joseph Prete asked a question about how many units are slated for that area. Scott Hughes answered that there are more units than any of these plans will address. There is no question that there will need to be other routes pursued to get additional lines from the substation to other developing areas out south. We have other developments looking into other routes already to move forward with their projects sooner.

Possible recommendation of approval for updates to Underground Standards & Specifications: Mike Ramirez stated he has been working on updating our Underground Standards & Specifications. The original standards were completed in 1996. There have been modifications at various times throughout the years. We found out those should have been presented to the City Council for approval and haven't. He is working on going through to highlight any of the changes that have been made or need to be made to make one big presentation to get everything approved with the City Council to bring everything up to date. He would like to have a statement added that would allow the department to consult with the Power Board to be able to make minor changes that don't affect the intent or fees. Any major modifications would still need to be presented to the City Council. Scott Hughes provided some history about why we have been operating with our understanding of that process and how we came about finding out we couldn't find anything to back that understanding up when we investigated it. We're just trying to clean it all up and get it done right. Joseph Prete stated he agrees that he feels like this strikes a good balance between not tying up the City Council for unnecessary things and still having them review major modifications or things that would affect fees for residents. Pam Humphries

84 suggested we work with Dayton Hall to get the language worked out and changes made and then bring that
85 draft back to the Power Board for review. Mike Ramirez stated he would get that taken care of and would send
86 the file out to the Power Board. He would also like to send the document to April Hill to have it re-formatted
87 and a new file. Once it is complete, it will be brought back to the Power Board for input and review.
88

89 **EV Charging Rates Discussion:** Scott Hughes stated this is a discussion because we're still researching possible
90 rate structures and policy. We currently have commercial EV station companies inquiring about installation.
91 Neighboring cities are beginning to set up rates. We need to come up with a policy and a rate. Mike Ramirez
92 has started working with the DER sub-committee on policy. Scott Hughes discussed one issue he can see is
93 these companies take our rates and mark them up for profit while we have the responsibility to look for and
94 secure firm resources to cover the load which is unpredictable and unknown. Charles Reeve suggested a partial
95 solution could require them to install their own batteries to subsidize some of their own demand. Discussion
96 about high consumption rate versus a high demand potential variation and what each one could look like on a
97 bill. Scott Hughes built a spreadsheet to compare different types of rates with usages and demands and what
98 they would look like on a final utility bill. Different classifications of chargers would have different effects on
99 demand. Crystal Wright asked if it was possible to structure a rate specifically for EV charging that has a PCA
100 attached just to that rate. Scott Hughes replied yes, we are looking at all our options. Joseph Prete commented
101 that he appreciates the thought that has gone into this topic and suggested we look at a long-term view.
102 Would we like to be perceived as EV charging friendly, or would we like to protect our bottom line and our
103 residents' rates more strictly? He also said there's a strong sentiment among many City Councilmembers that
104 government should not compete against private business. Scott Hughes stated he understands that concern,
105 however, buying and selling power is what we do every day. We would just continue to do what we're already
106 doing and allow any profit to allow us to help keep the power rates low for all the residents. Joseph Prete
107 followed up with the possible opportunity to create a core for a booming commercial sector while the chargers
108 are being used. Scott Hughes finished with saying that our duty is to protect our residents by setting a policy
109 and rate that will protect us and then the charging companies can run their business models and decide for
110 themselves whether it makes sense for their business.
111

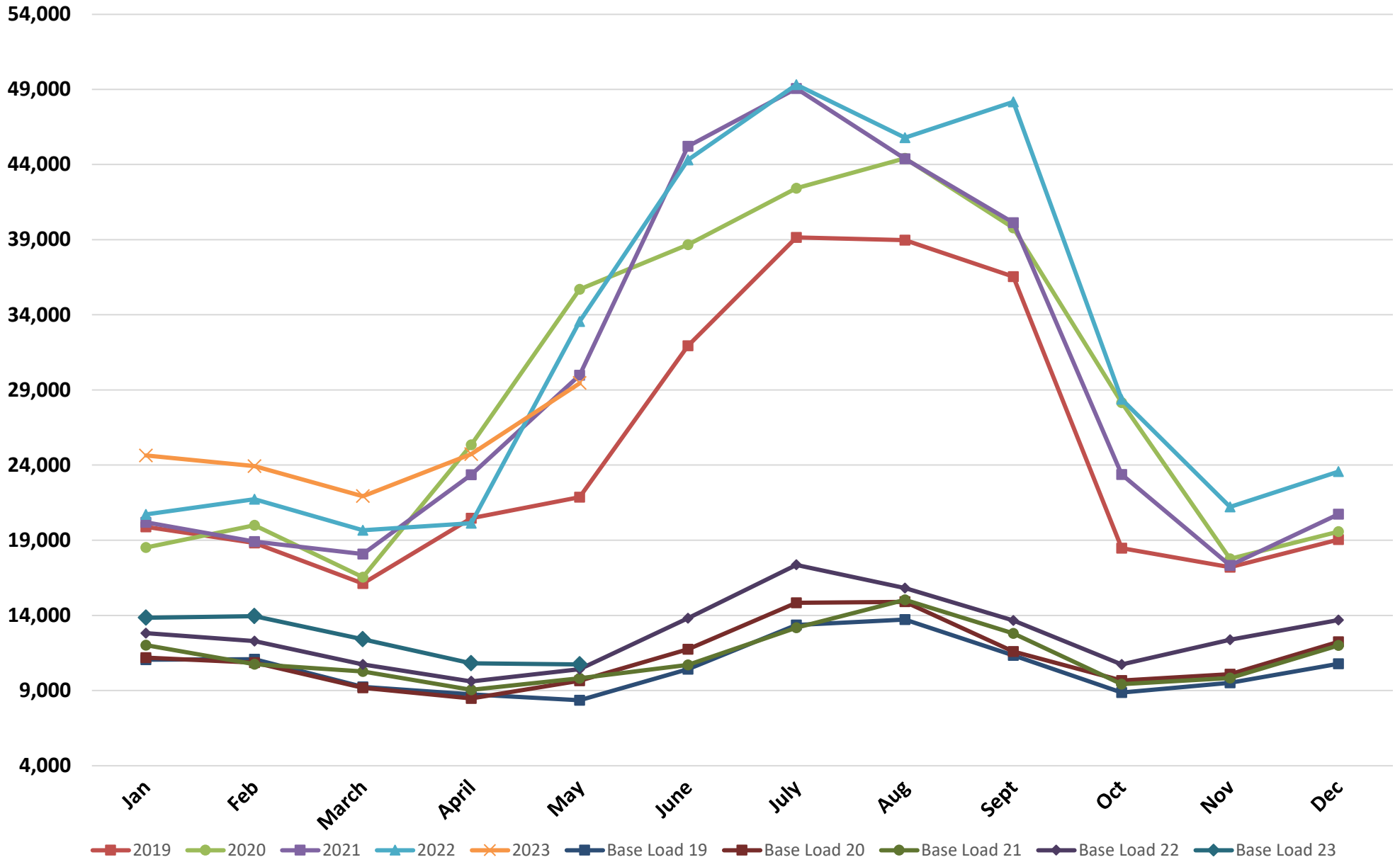
112 **Impact Fee Study Discussion:** Scott Hughes described the last time a study was done was in 2018. ICPE has
113 provided a proposal to conduct an updated study. We are considering including a portion of distribution as
114 part of the study. The existing impact fee structure says they can only be used for transmission, substation,
115 and generation. He would like to consider adding a portion of distribution that would allow us to increase the
116 size of infrastructure above what a specific development may need. This would allow us to plan for future
117 growth in a more efficient way. Dayton Hall explained particulars of how an impact fee can be used and how it
118 is currently structured.
119

120 **UAMPS Updates:** Scott Hughes stated the information was included in packets and unless there are questions,
121 he will quickly provide a couple updates. Steel Solar commercial operation date was slated for Q1 2024, and
122 now has changed to Q4 2023. Sunnyside, which is a waste coal project is moving forward and could potentially
123 be producing energy by November 2023.
124

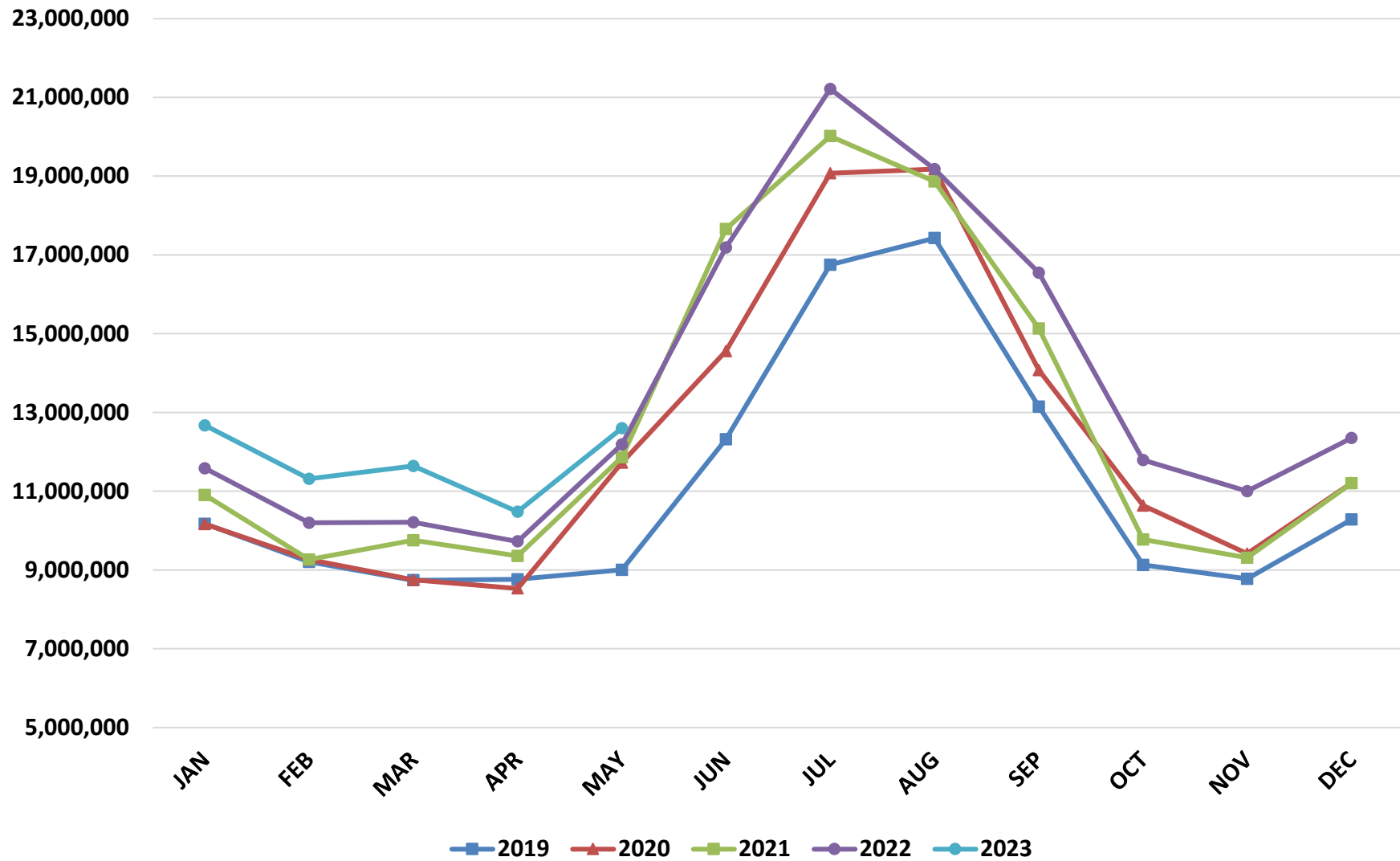
125 Power Board adjourned at 5:05 p.m. The next Power Board Meeting is scheduled for July 5, 2023, at 3:00 p.m.

BUDGET

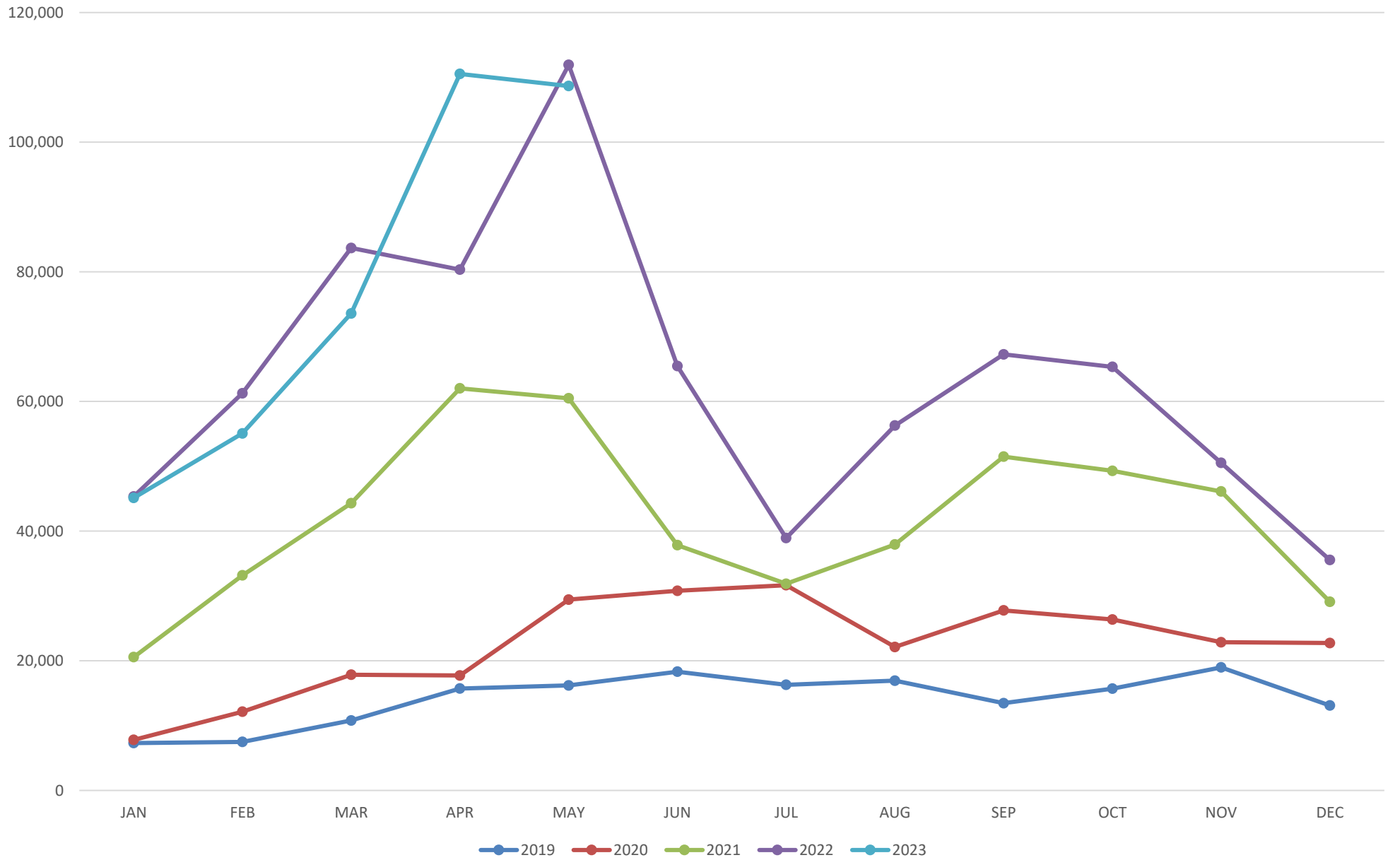
2019 - 2023 KW LOAD



2019 - 2023 KWH LOAD



Solar Kwh



AVERAGE YEARLY POWER PRICES

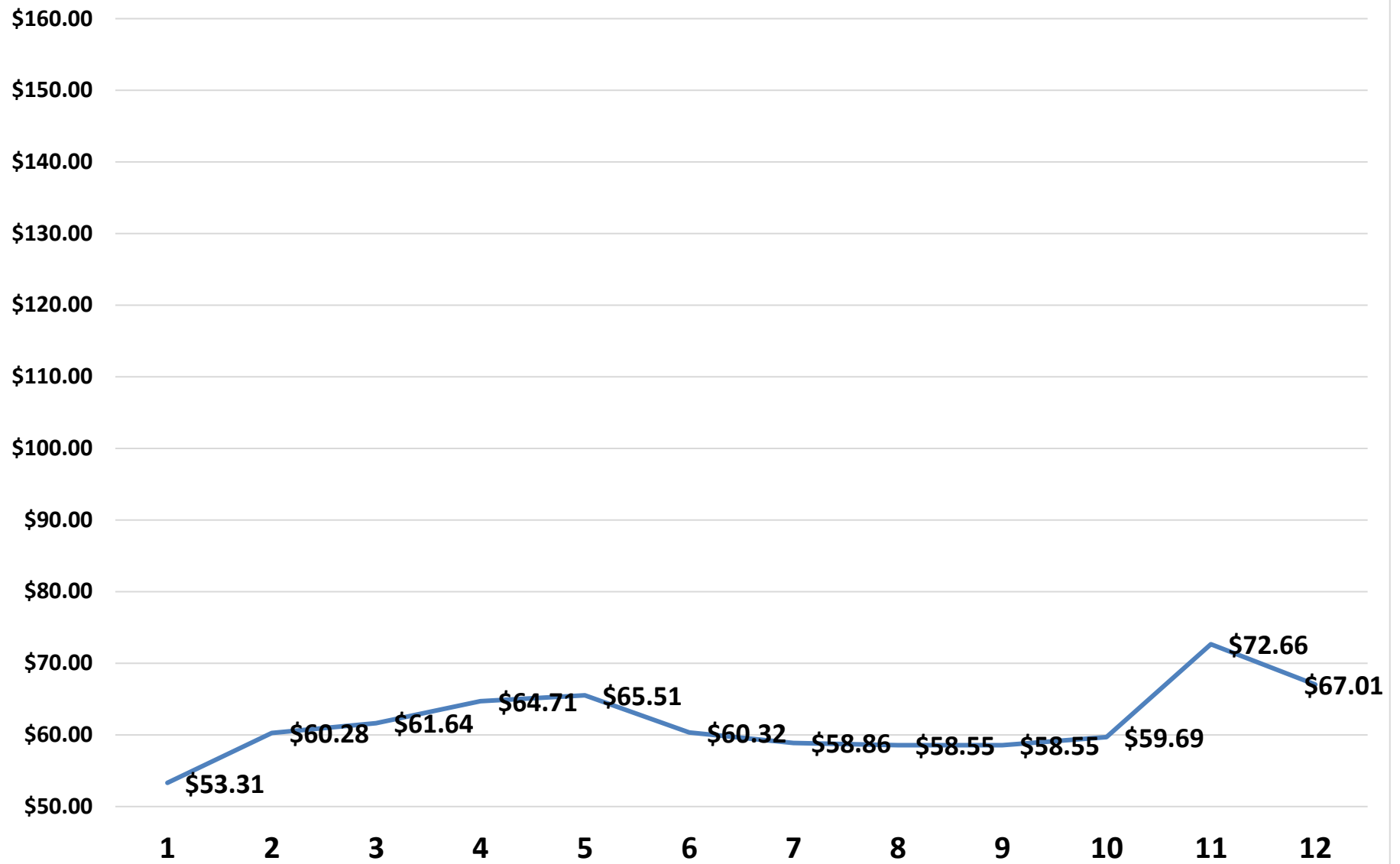
22-23 bdgt amount (as of April) **\$105.98**
 BDGT Year to Date **\$99.38**

	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	
<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	
<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	
<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	
<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	
<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	
<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	\$87.54
<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	\$88.25

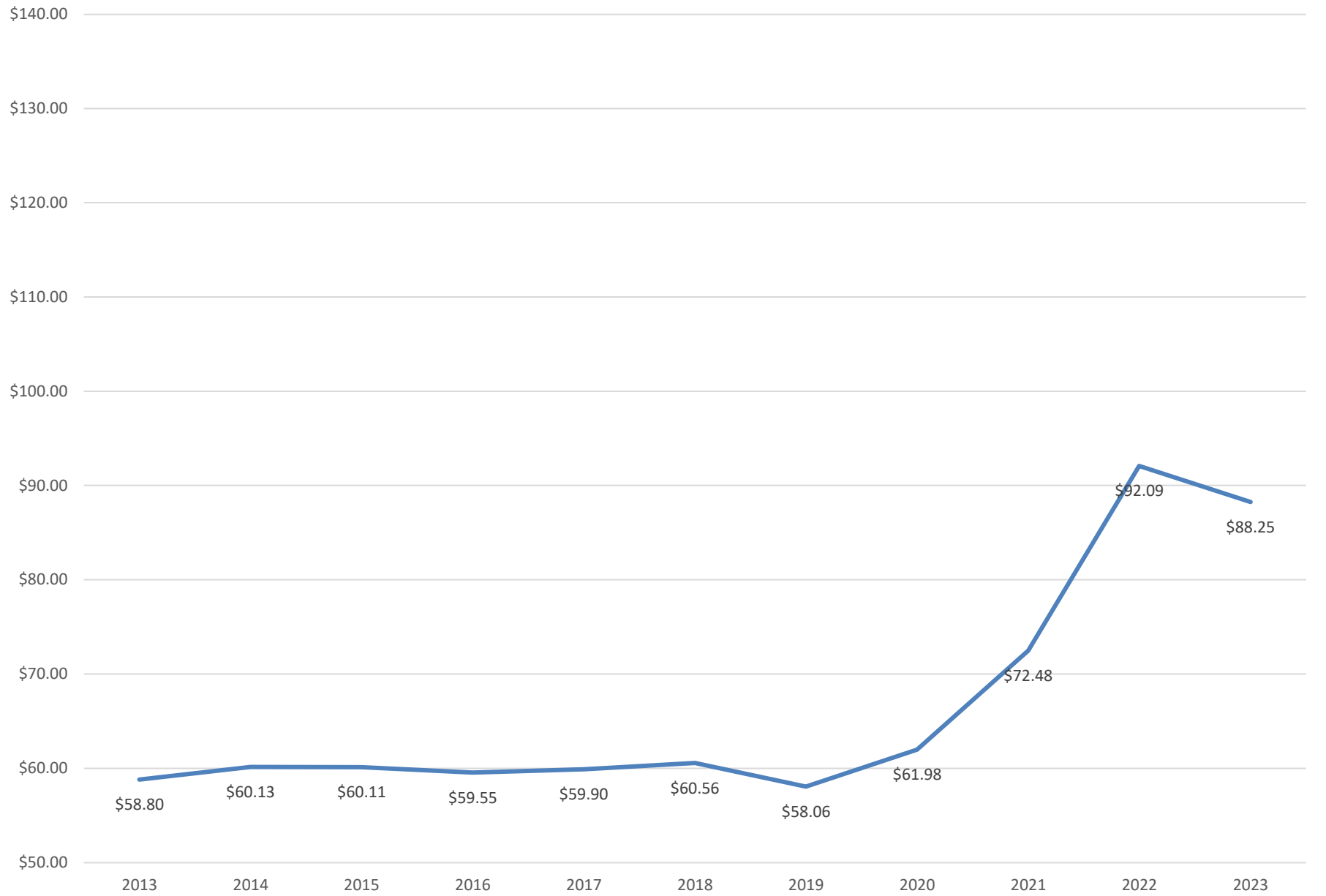
**Cy to
Date**

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.

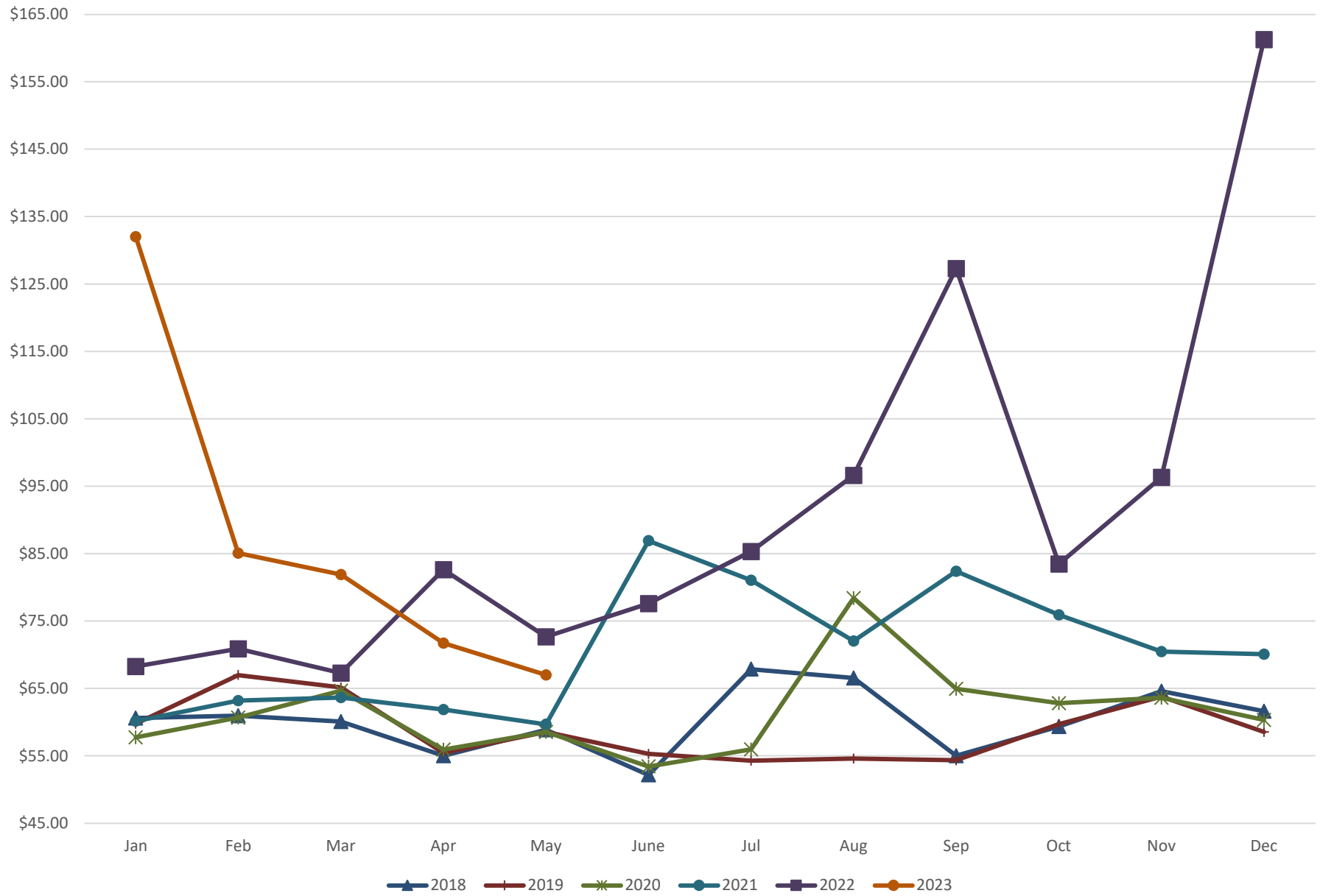
May



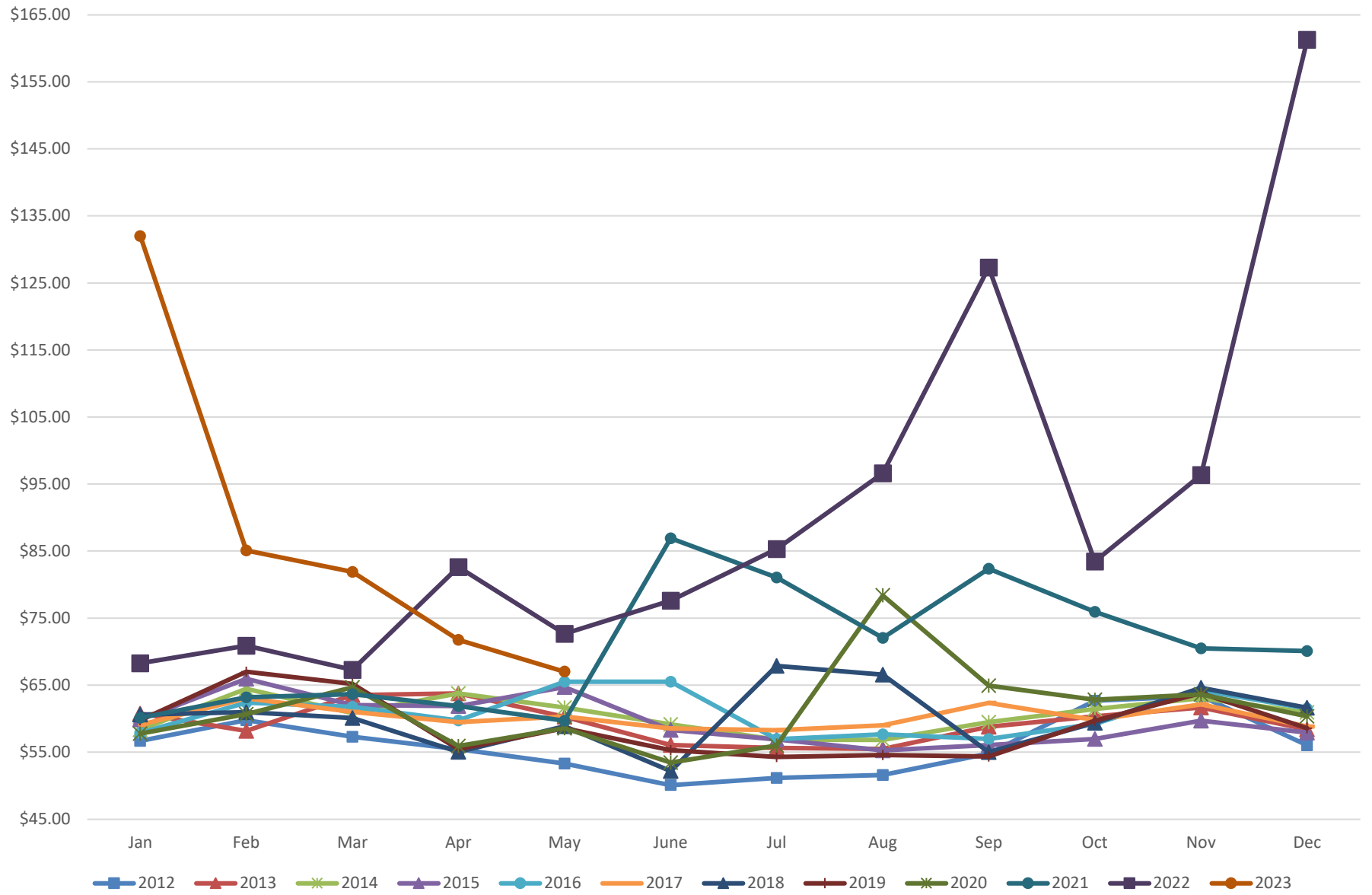
Weighted Average



Avg Monthly Price (5 Yrs)



Avg Monthly Price



Operations Report

Board of Directors



Rachel Stanford

Topic Discussions

- Natural Gas
 - Storage
 - Weather Impacts
- Industry News
 - CAISO WEIM 2023 Q1 Benefits
 - PacifiCorp Generation Interconnection Cluster Study 3
- Seasonal Outlook
 - El Niño Update
 - NERC 2023 Summer Reliability Assessment
- Transmission
 - SunZia
 - Transmission & Interconnection Summit

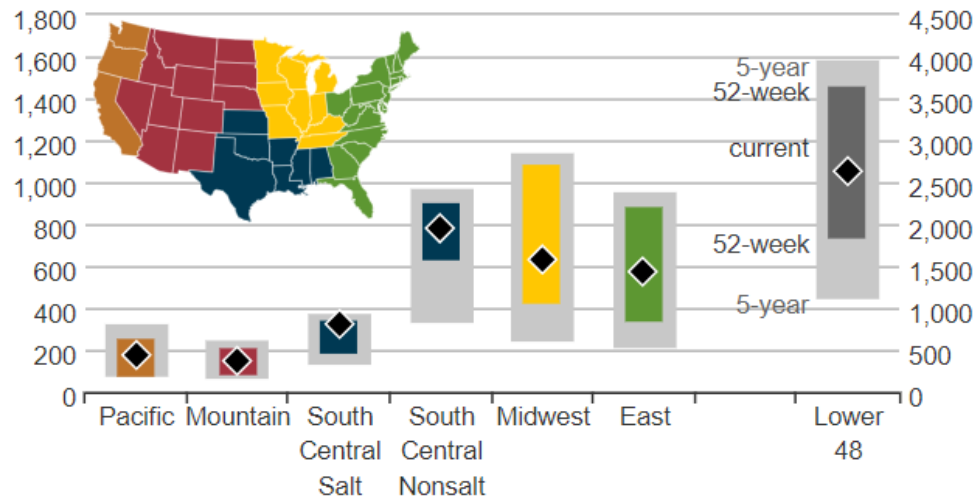


Natural Gas

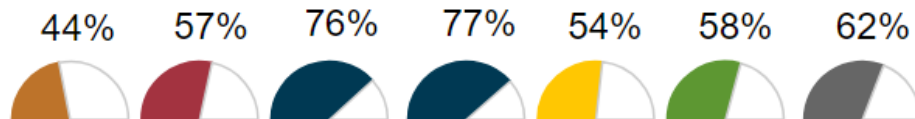
National Gas Storage

Underground working natural gas storage
summary as of June 9, 2023

billion cubic feet



Underground storage capacity utilization

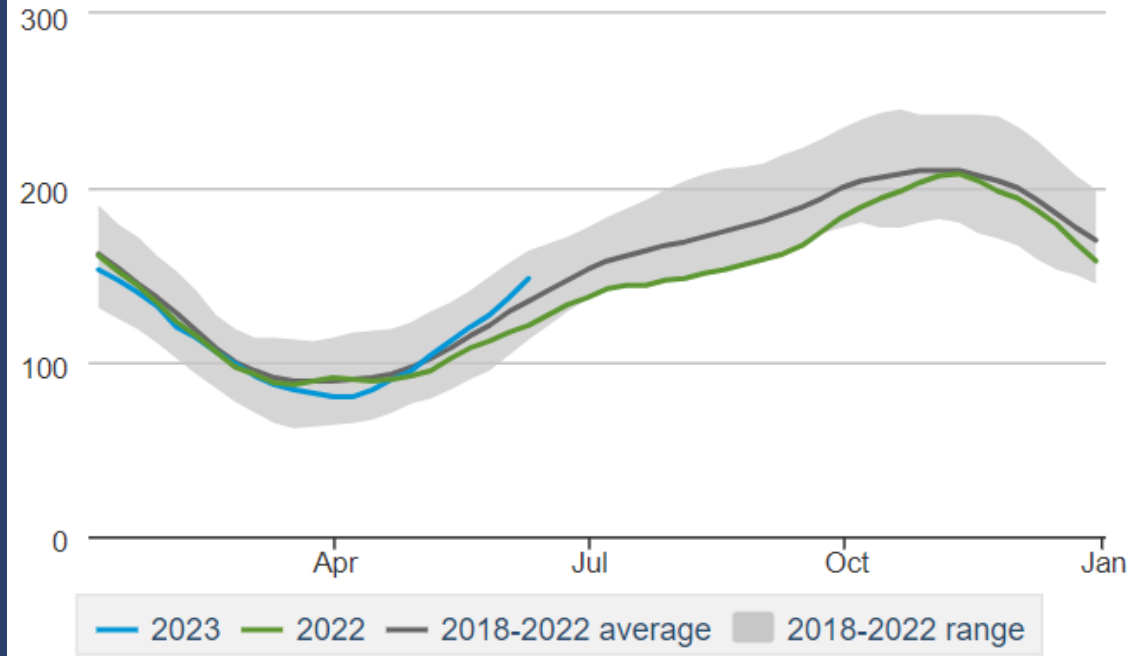


❖ Pacific Region saw a 16% increase from the previous month

❖ Mountain Region saw a 17% increase from the previous month

Mountain region weekly working gas in underground storage

billion cubic feet

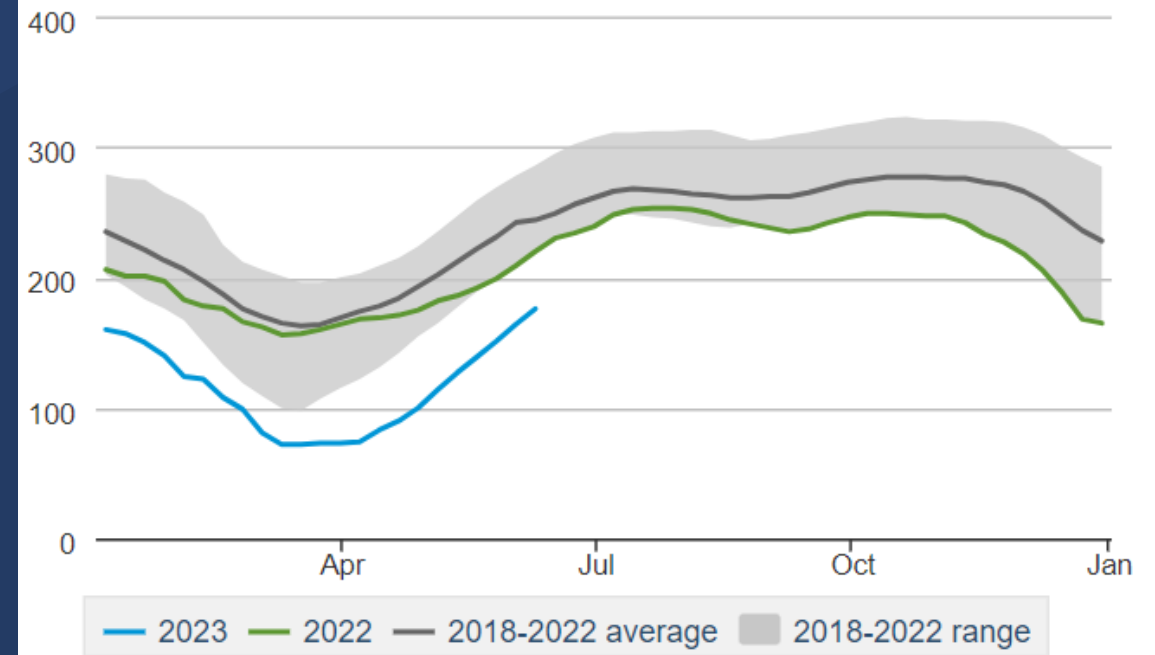


Mountain Region

Pacific Region

Pacific region weekly working gas in underground storage

billion cubic feet

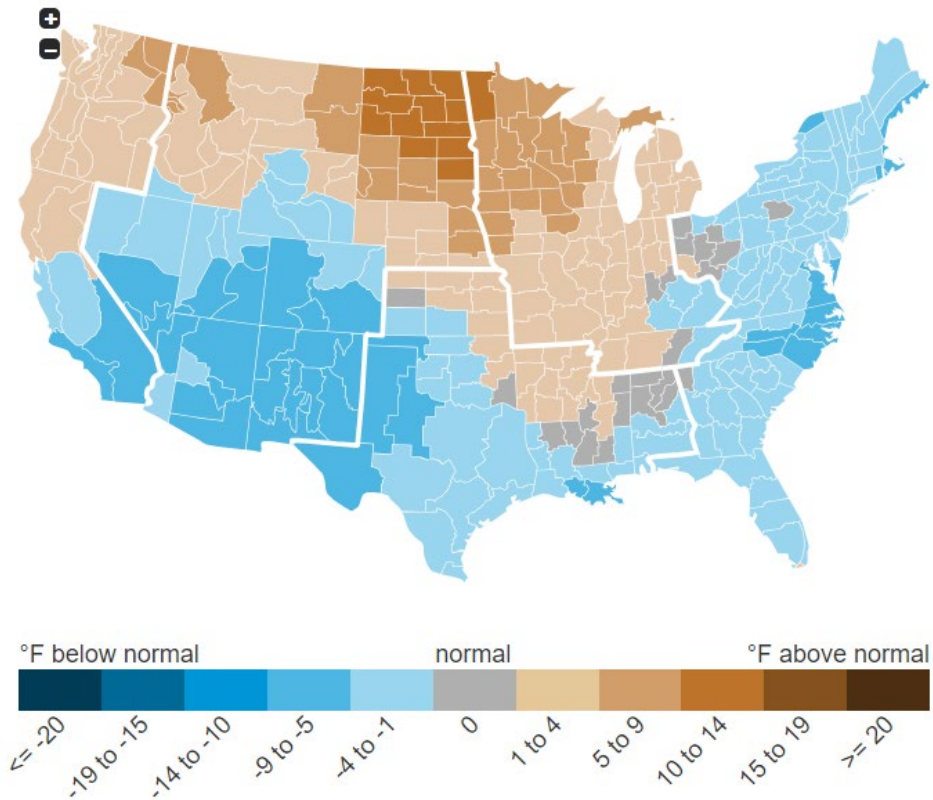


UAMPS

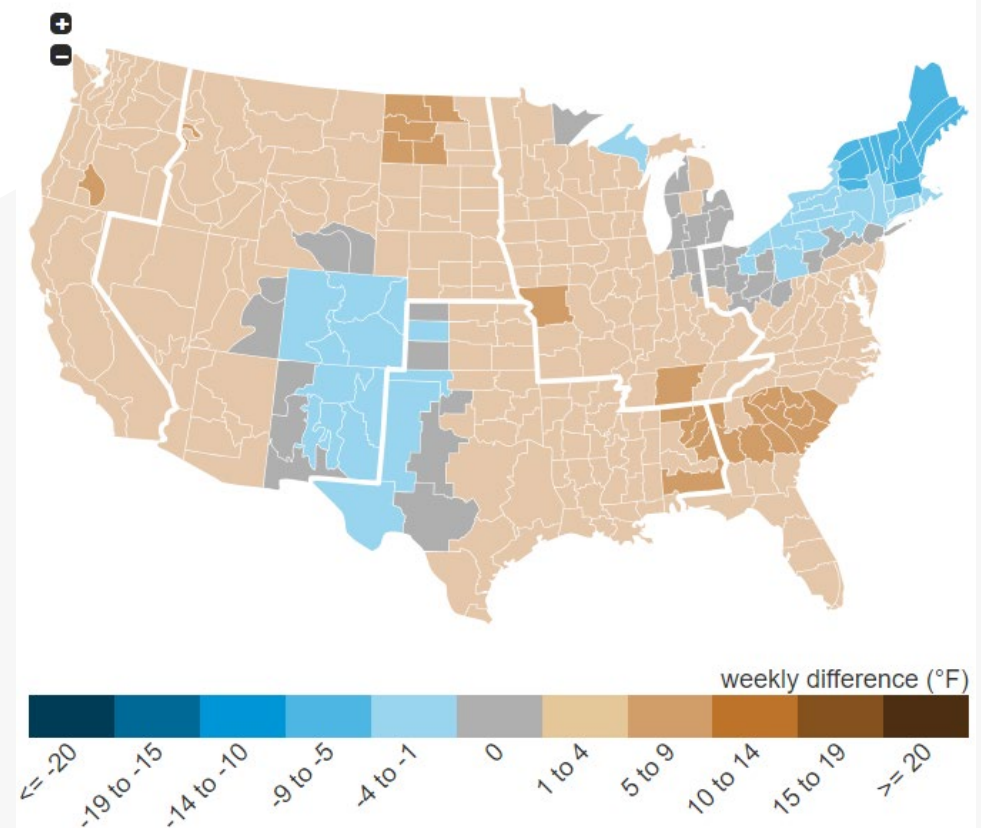


Weather Impacts

Weekly average departure from normal temperatures as of June 8, 2023



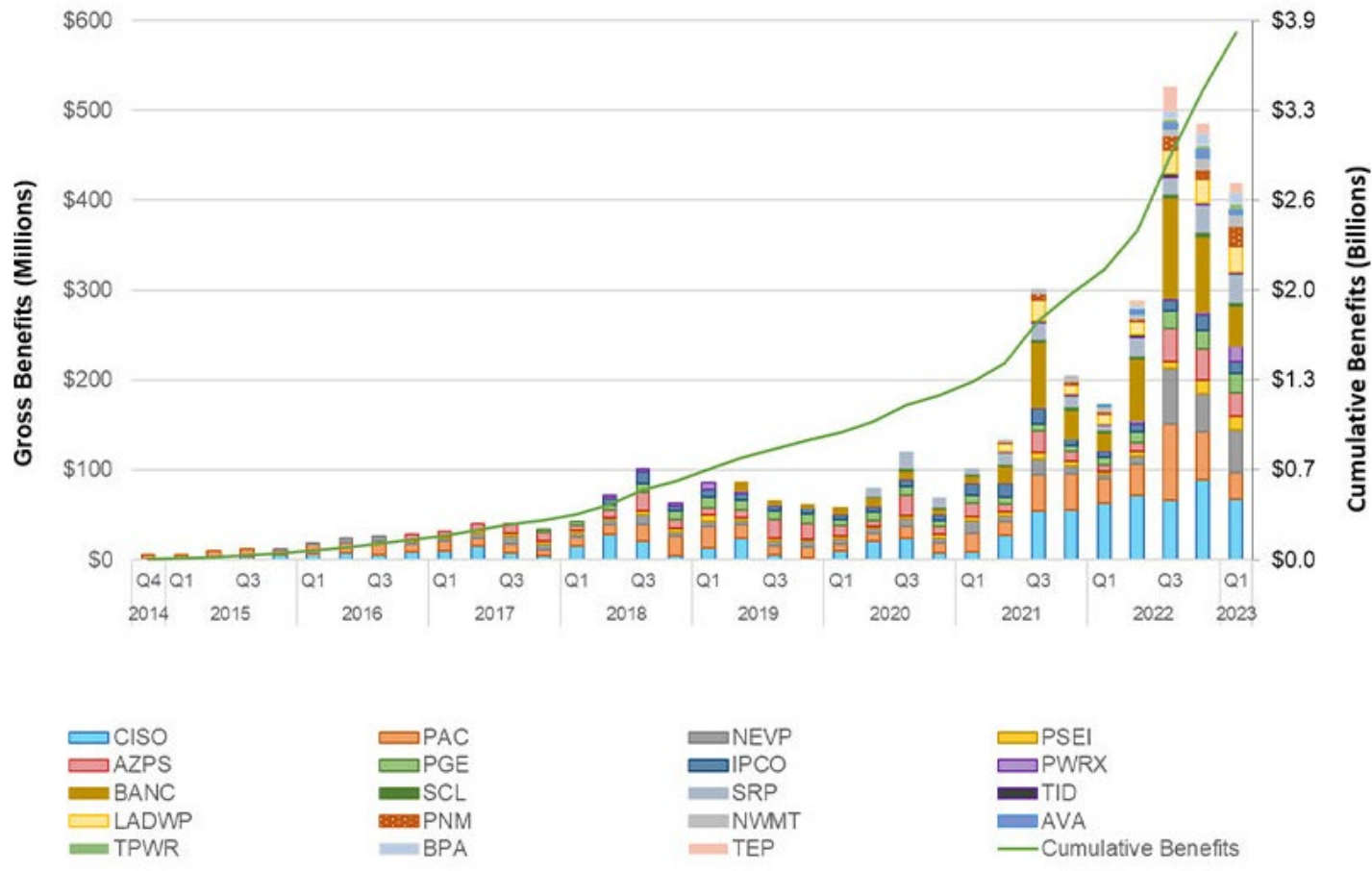
Weekly average difference from prior week as of June 8, 2023





Industry News

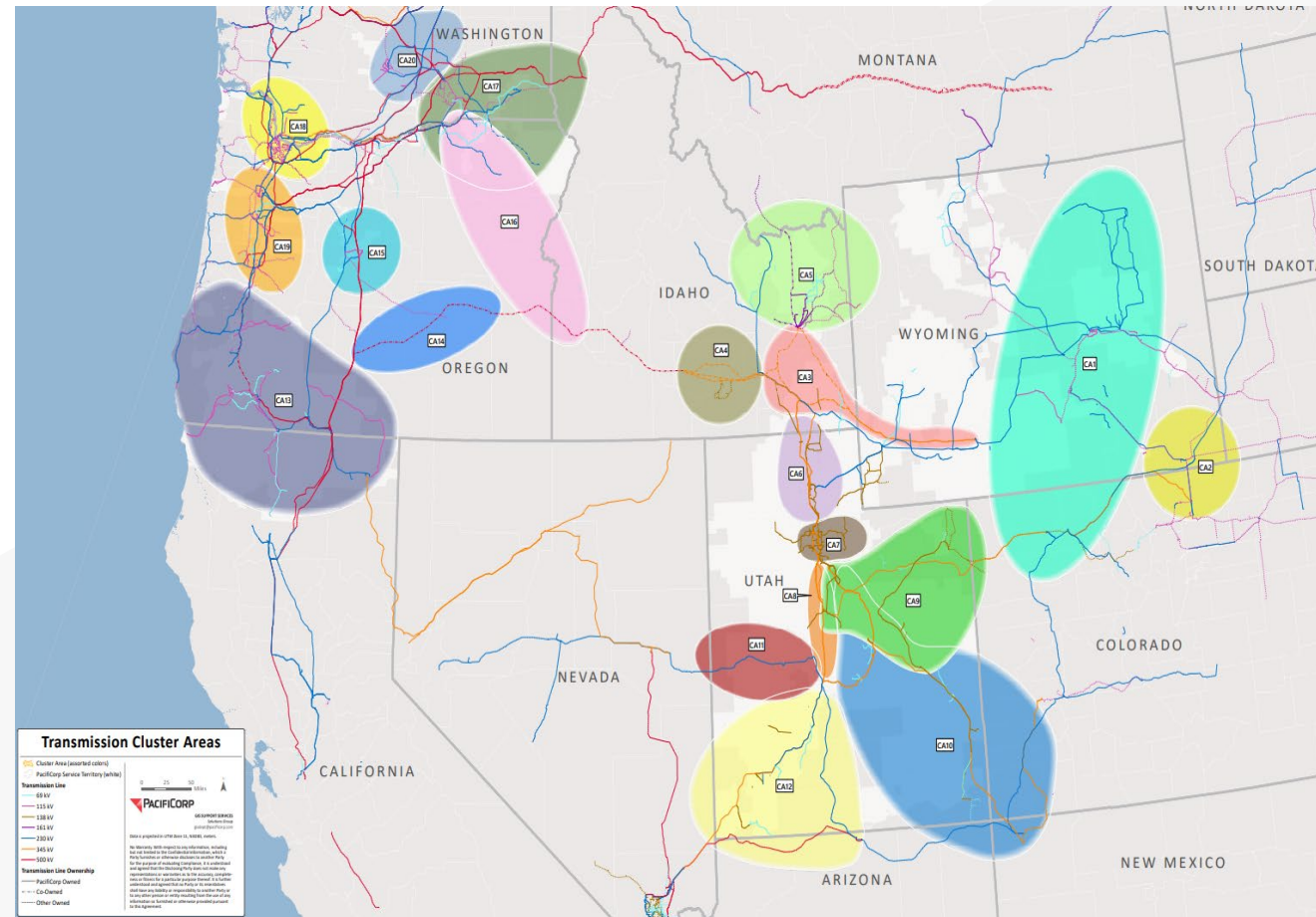
WEIM Q1 2023 Benefits



- Q1 2023 benefits of \$418.82M – an increase of 143% from Q1 2022
- Cumulative benefits since 2014 doubled over 2023 to \$3.82B
- Largely due to new participants: Avista, Tacoma Power, Tucson Electric and BPA
 - BPA added 15,000 miles of HV transmission; approximately 70% of the network in the Northwest
- PacifiCorp benefits of \$28.94M
- WAPA Desert SW region and Avangrid joined the EIM in April 2023. With these additions the CAISO expects the market to break \$4B in total benefits in Q2 2023.

PacifiCorp Generation Interconnection Cluster Study 3 Queue

- 192 Applications Received
- Total of 38,313 MW
 - Solar + Battery – 15,880 MW
 - Battery Storage – 6,796 MW
 - Pumped Storage – 5,900 MW
 - Solar – 4,183
 - Wind – 2,977 MW
 - Wind + Battery – 1,800 MW
 - Natural Gas – 726 MW
 - Biomass/gas – 40 MW
 - Waste Heat – 10 MW



* On average – ~72% of applications are withdrawn

Seasonal Outlook



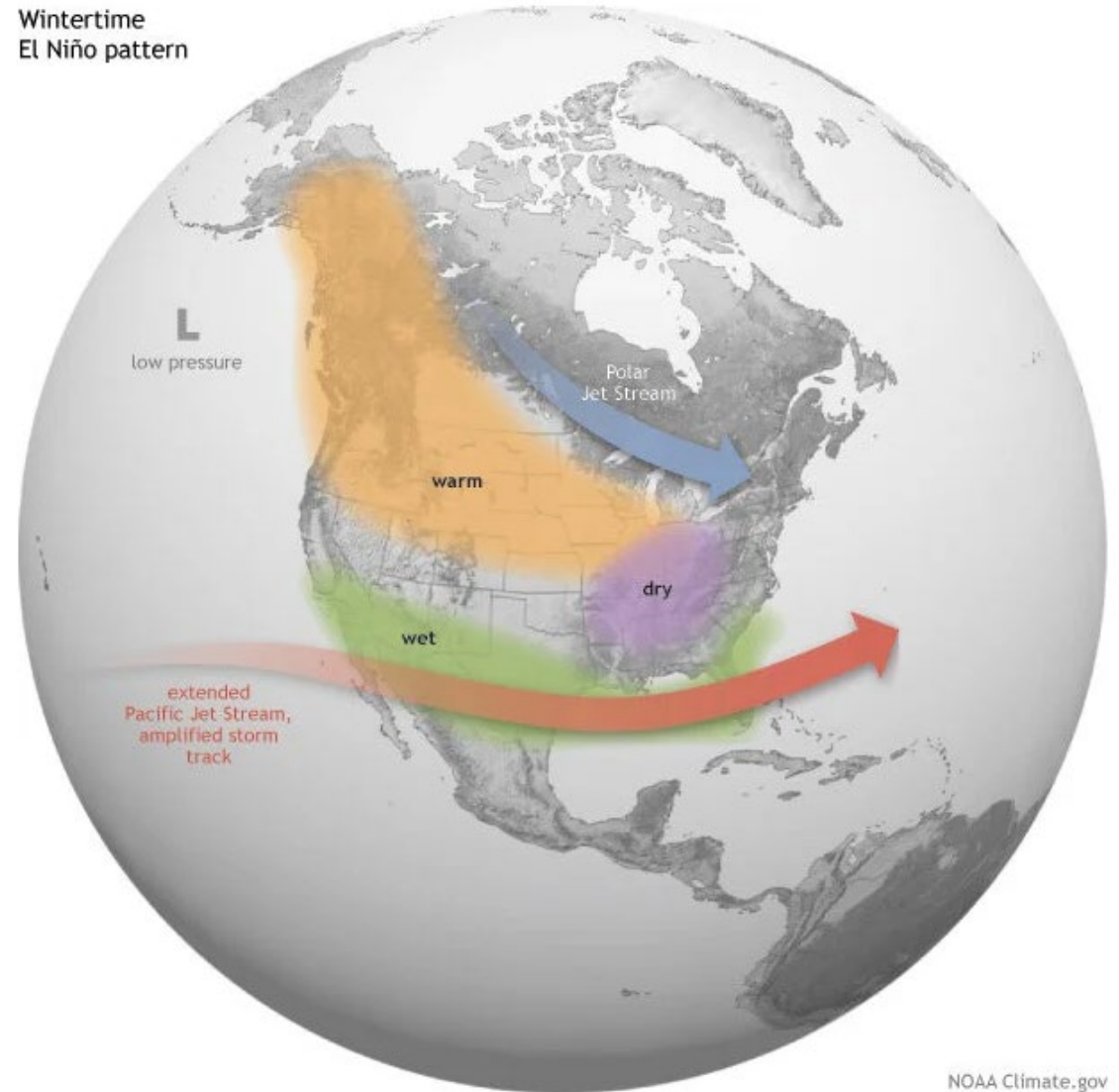
UAMPS



El Niño Update

- El Niño's impacts to the US is forecasted to be weak during the summer and more pronounced starting in the late fall
- Weather patterns associated with an El Niño are wetter-than-average conditions from southern California and along the Gulf Coast and warmer & drier-than average conditions in the Pacific Northwest, Ohio valley and northern tier of the country

Wintertime
El Niño pattern



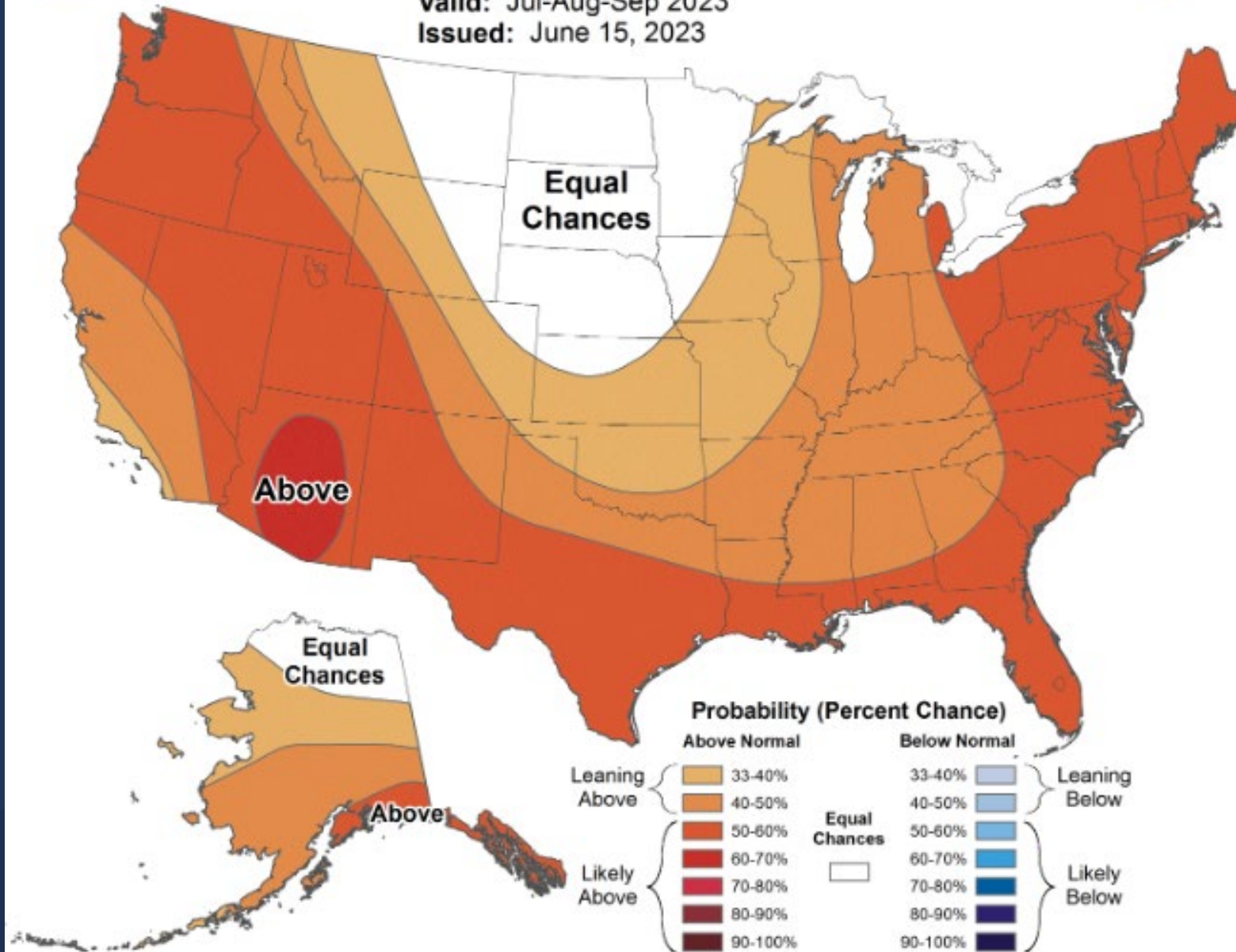


Seasonal Temperature Outlook



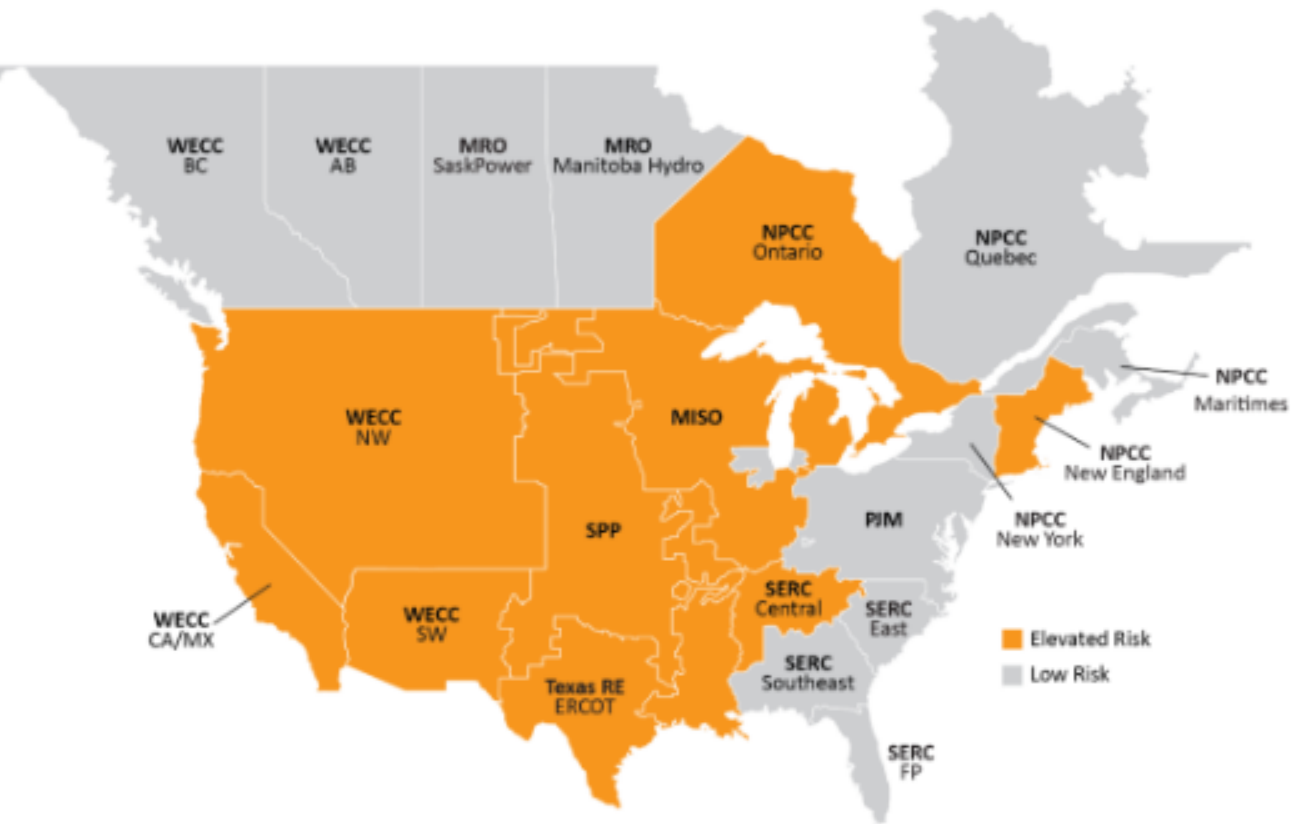
Valid: Jul-Aug-Sep 2023

Issued: June 15, 2023



NERC 2023 Summer Reliability Assessment

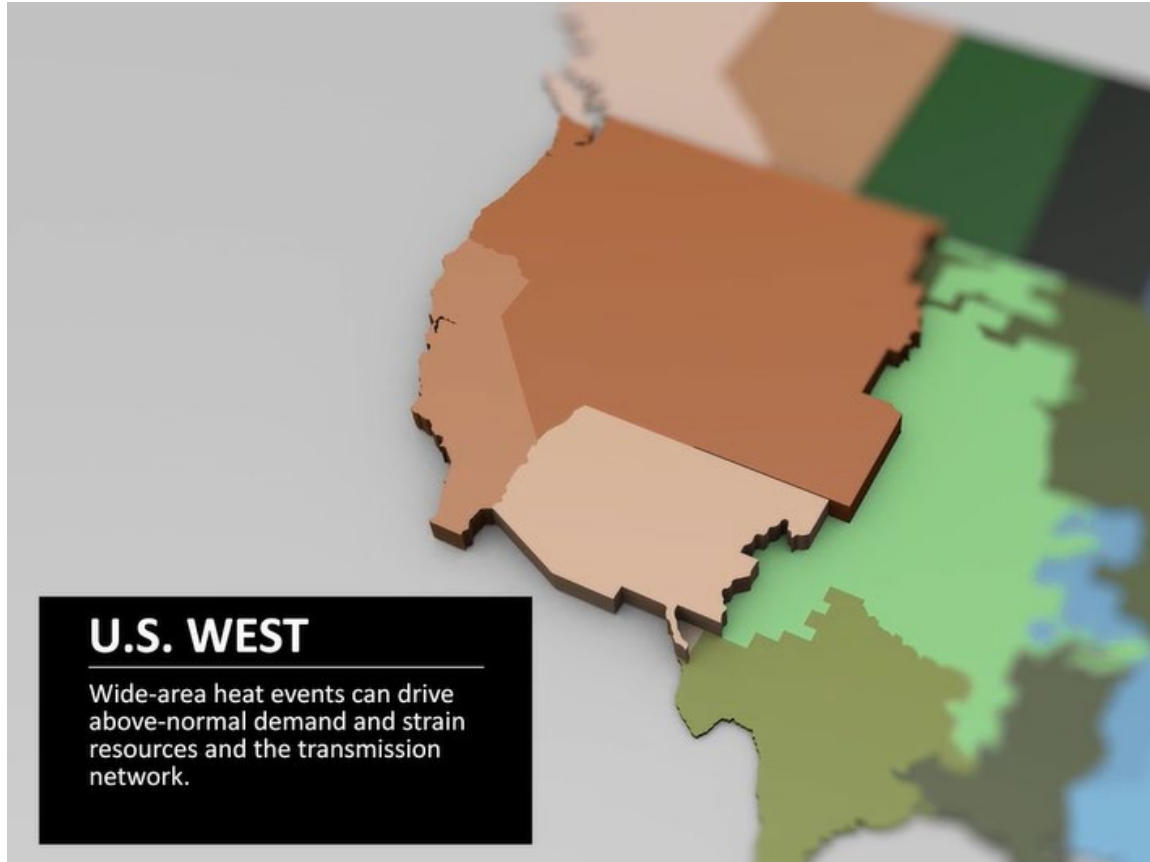
NERC's assessment examines generation resources, transmission capacity and energy sufficiency for June through September.



Seasonal Risk Assessment Summary	
High	Potential for insufficient operating reserves in normal peak conditions
Elevated	Potential for insufficient operating reserves in above-normal conditions
Low	Sufficient operating reserves expected

Figure 1: Summer Reliability Risk Area Summary

Overall NERC Assessment – US West



- Resources are sufficient to support normal peak demand
- Wide area heat events expose energy supply shortfalls at peak and late afternoon into the evening due to solar resources dropping off
- Wildfire risks during heat events continues to be a concern



WECC-NW

WECC-NW is a summer-peaking assessment area in the WECC Regional Entity. The area includes Colorado, Idaho, Montana, Oregon, Utah, Washington, Wyoming and parts of California, Nebraska, Nevada, and South Dakota. WECC is responsible for coordinating and promoting BES reliability in the Western Interconnection. WECC's 329 members include 39 BAs, representing a wide spectrum of organizations with an interest in the BES. Serving an area of nearly 1.8 million square miles and more than 82 million customers, it is geographically the largest and most diverse Regional Entity. WECC's service territory extends from Canada to Mexico. It includes the provinces of Alberta and British Columbia in Canada, the northern portion of Baja California in Mexico as well as all or portions of the 14 Western United States in between.

Highlights

- The Western Interconnection is experiencing heightened reliability risks heading into the summer of 2023 due to increased supply-side shortages along with the ongoing drought impacts in some areas, continued wildfire threats, and expanding heat wave events.
- NW shows adequate reserve margins under expected conditions on the peak hour. However, NW shows increased risk a few hours later during the peak riskiest hour, due to the variability of energy availability later in the evenings. NW would be reliant on increased imports.
- Based on a WECC Probabilistic Assessment, the WECC-NW assessment area had negligible LOLH and EUE.
- WECC-NW would need to rely on imports to maintain adequate reserves on the peak riskiest hour (five hours later at 9:00 p.m.) under an extreme summer peak load and either extreme thermal or extreme hydro derates or any combination of two other extreme derate scenarios.

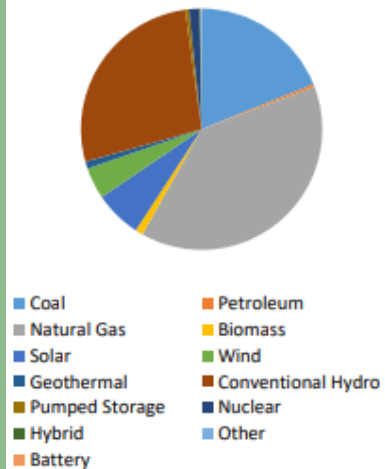
Risk Scenario Summary

Expected resources meet operating reserve requirements under normal peak-demand scenarios. Above-normal summer peak load and outage conditions could result in the need to employ operating mitigations (i.e., demand response and transfers) and EEAs. Load shedding may be needed under extreme peak demand and outage scenarios.

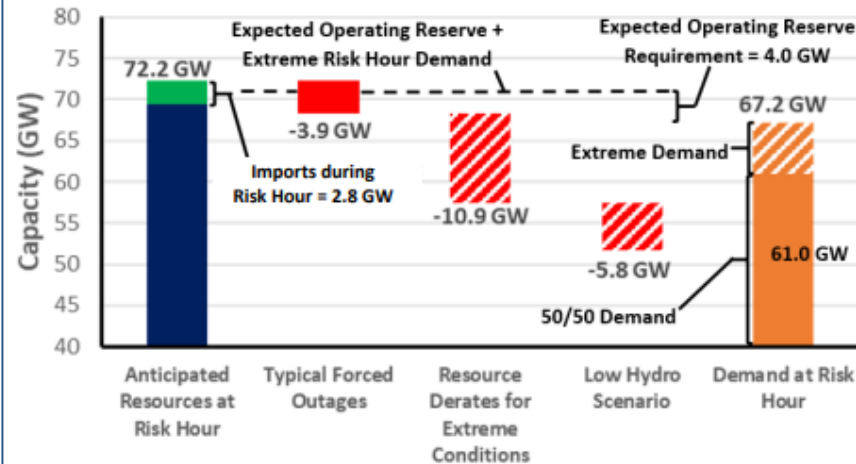
On-Peak Reserve Margin



On-Peak Fuel Mix



2023 Summer Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

- Risk Period:** Highest risk for unserved energy at 9:00 p.m. local time as solar PV output is diminished and demand remains high
- Demand Scenarios:** Net internal demand (50/50) at risk hour and (90/10) demand forecast at risk hour
- Forced Outages:** Average seasonal outages
- Extreme Derates:** Using (90/10) scenario
- Low Hydro Scenario:** Reduced hydro availability resulting from drought conditions

Other Reliability Issues to Watch

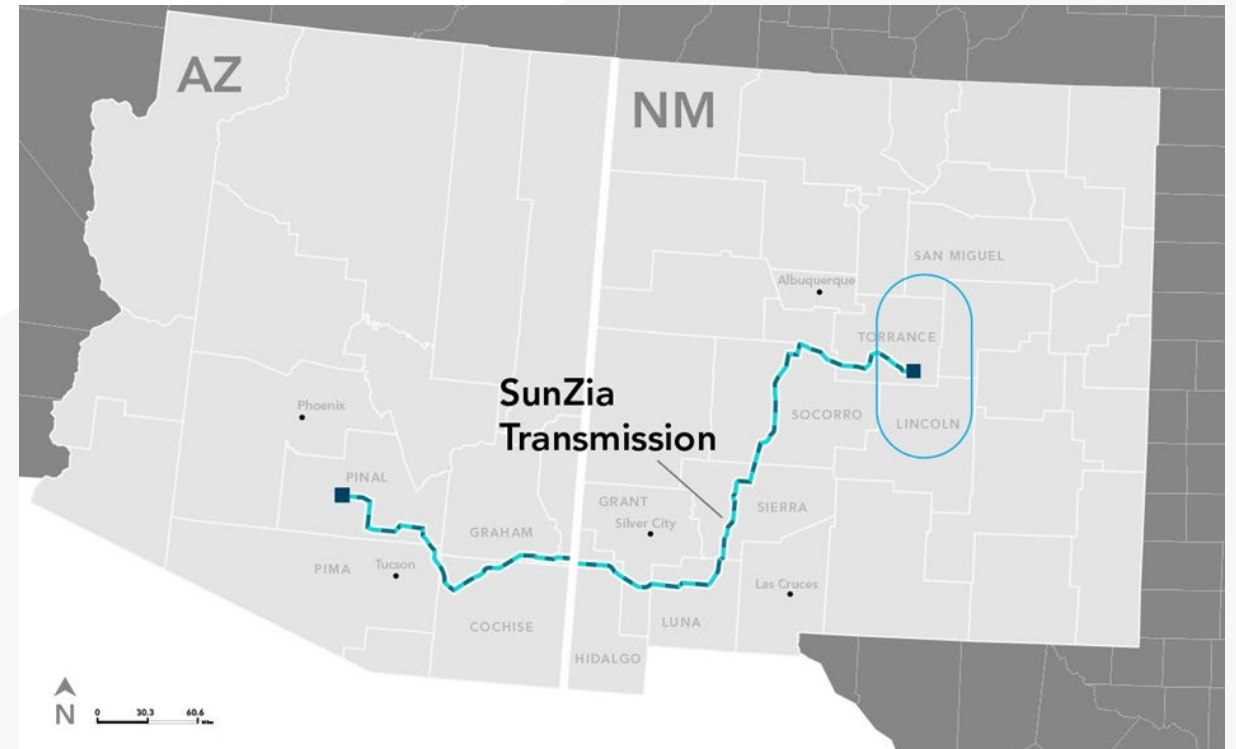
- Generator Fuel Delivery Risks
 - Gas delivery need increases as solar output decreases
 - Coal supply diminishing due to mine closures and transport delays
- New Environmental Rules
 - EPA's Good Neighbor Plan
- Transmission & Distribution Transformer Inventory
 - Delays in restoration in the event of a natural disaster or catastrophic event
- Supply Chain
- Low Water Levels in Reservoirs
 - Grand Coulee and Hoover Dam remain at historic lows
- Curtailment of Electricity Transfers
 - While curtailments solve a problem in one area of the system, they can contribute to supply shortages in another

Transmission



SunZia

- SouthWestern Power Group initiated the SunZia project
 - SWP sold Phase 1 of SunZia to Pattern Energy in 2022
- 550 miles of high voltage transmission line (500kV)
- Will provide 3,000 MW's of bi-directional power between Arizona and New Mexico
- Estimated cost \$8 billion
- Construction is set to begin 2023
- Proposed in service early 2025
- SWP also has plans for a Phase 2 project ("El Rio Sol")
 - 500kV AC line which will parallel the SunZia line
- **May 18, 2023, received BLM approval to begin construction summer 2023**



Transmission & Interconnection Summit

- White House has directed 9 agencies (all levels of government) to come together to investigate solutions
- Flexing existing authority under 216-H of the Federal Power Act to intervene and enact reform
 - Interconnection
 - Siting & permitting
 - Construction & funding
- MOU executed May 4th, 2023 requires DOE establish a schedule and new rulemaking for required standards
- Transmission Studies underway
 - Planning Study – will look at future transmission needs (where transmission will provide the greatest good)
 - Needs Study – looks at the existing system
 - National Lab – nodal & zonal modeling
- Action plan to be published within the next few months

Transmission & Interconnection Summit



POOL PROJECT

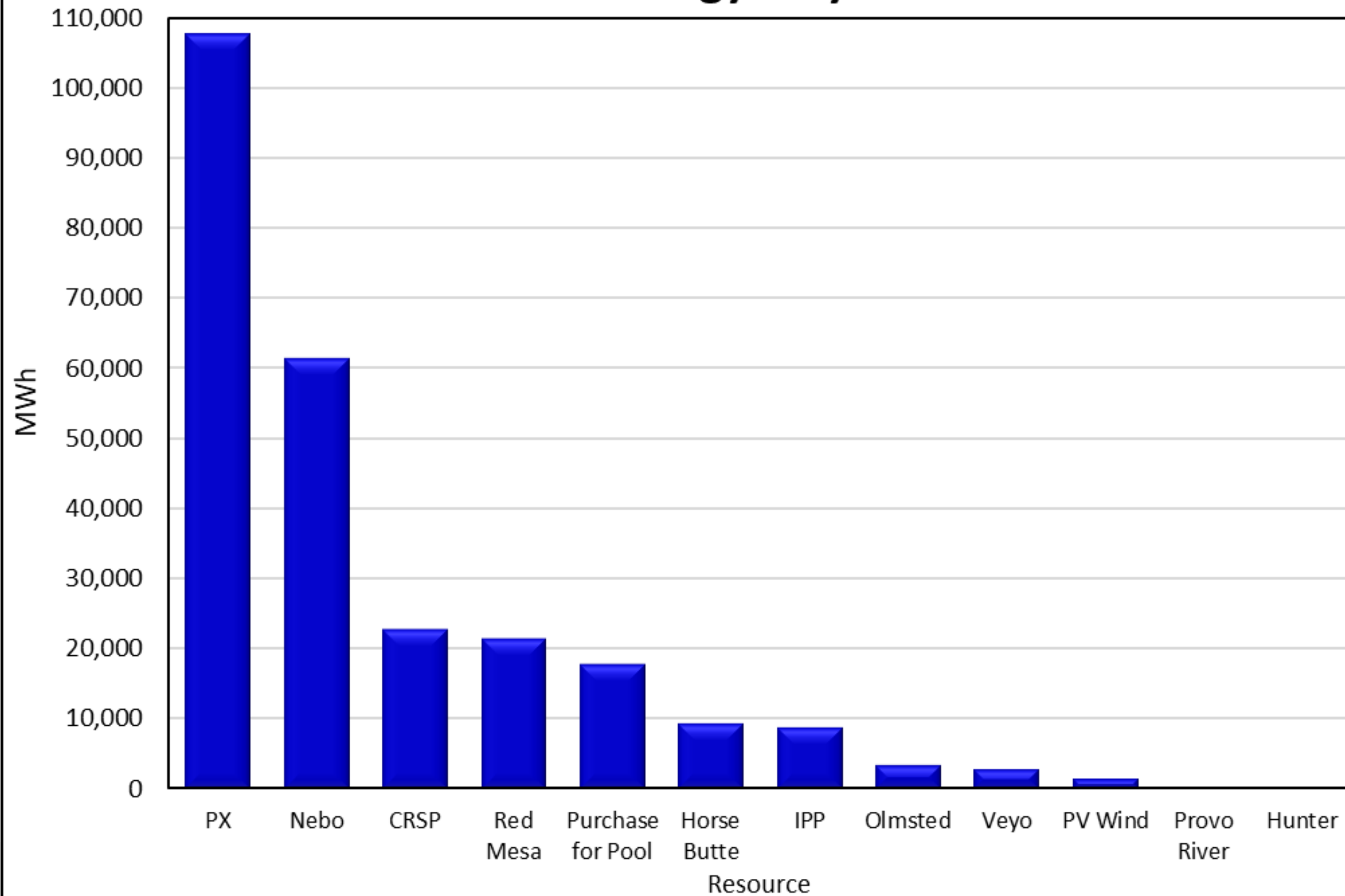
PX & Scheduling Report

May 2023

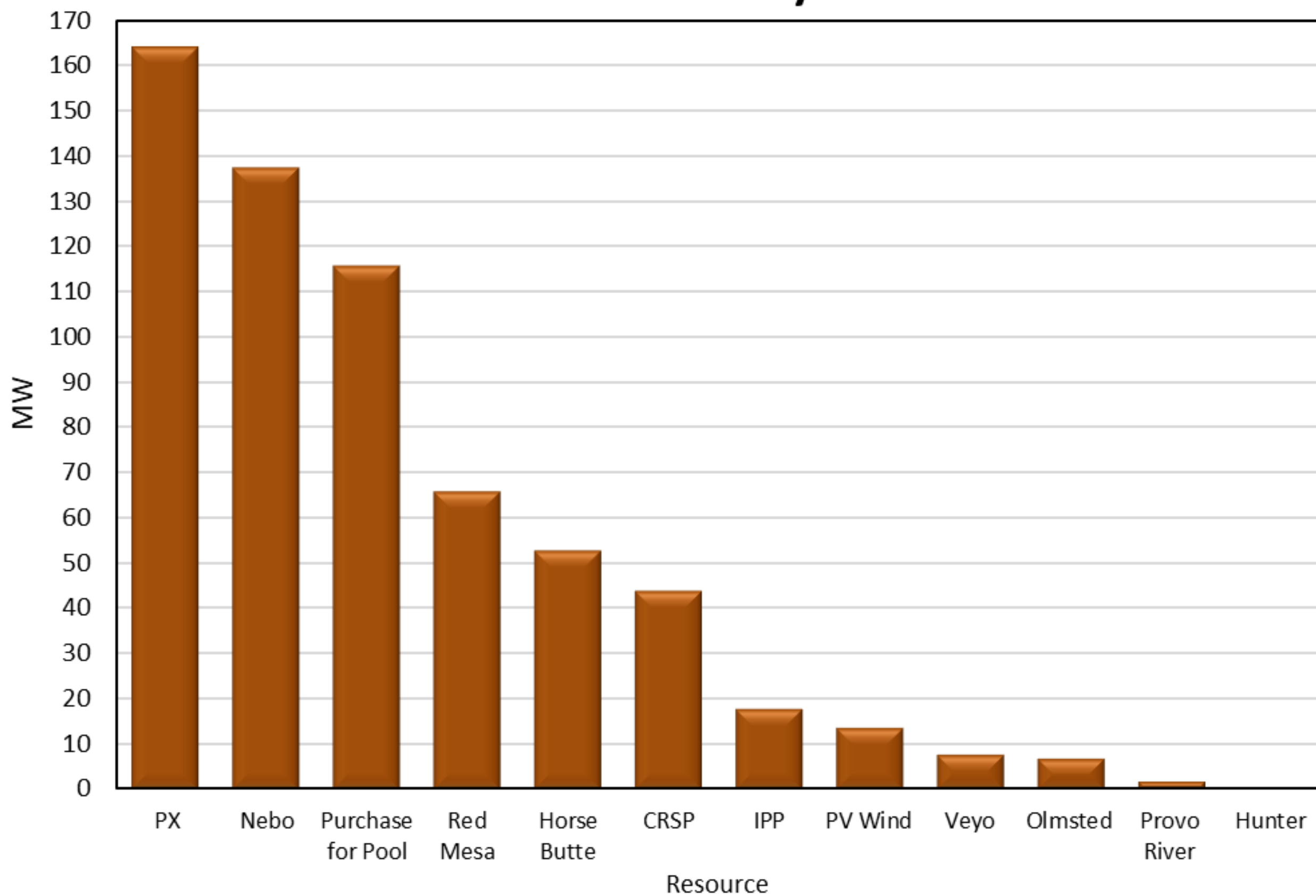
UAMPS



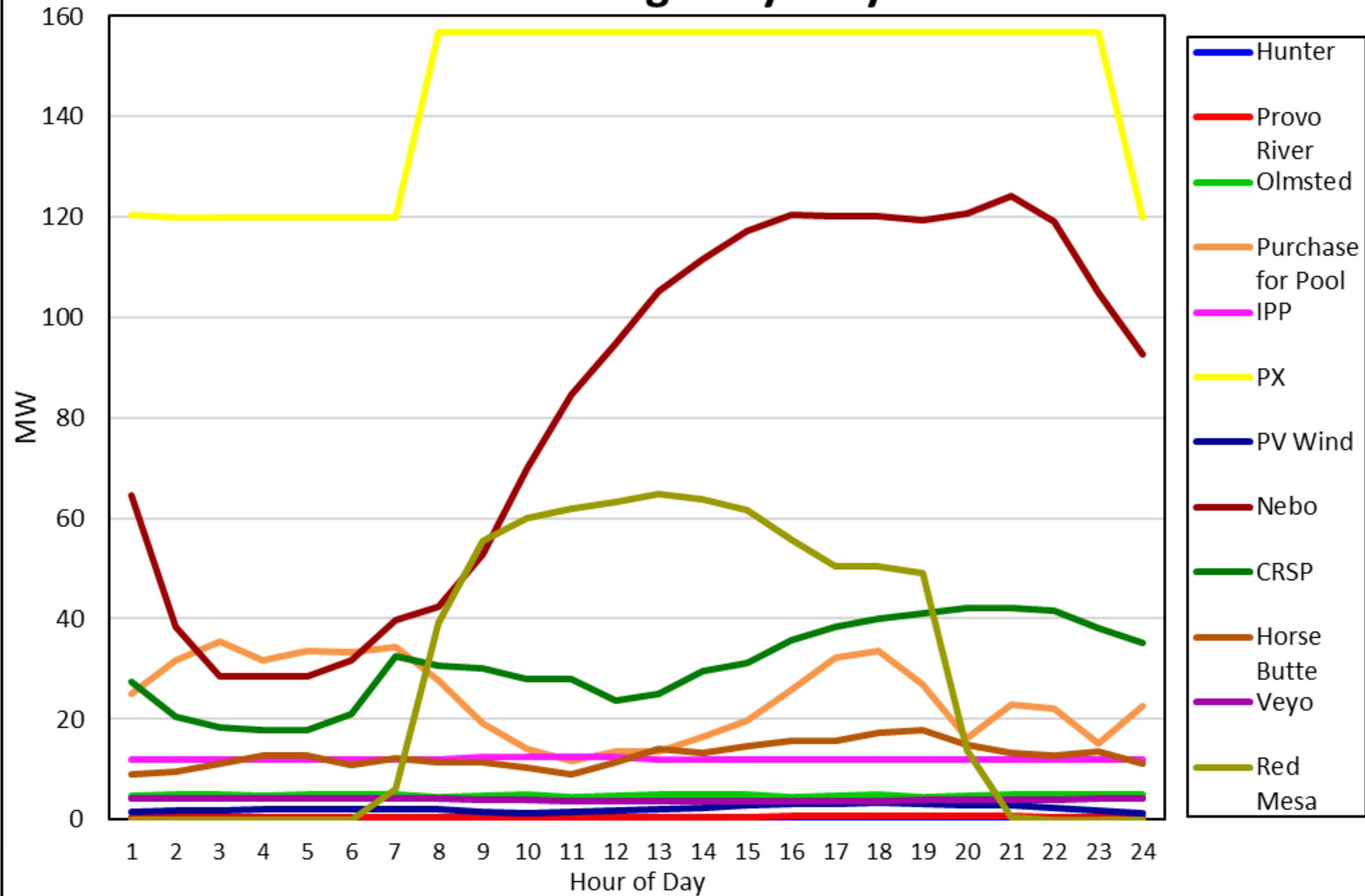
Resource Energy May-2023



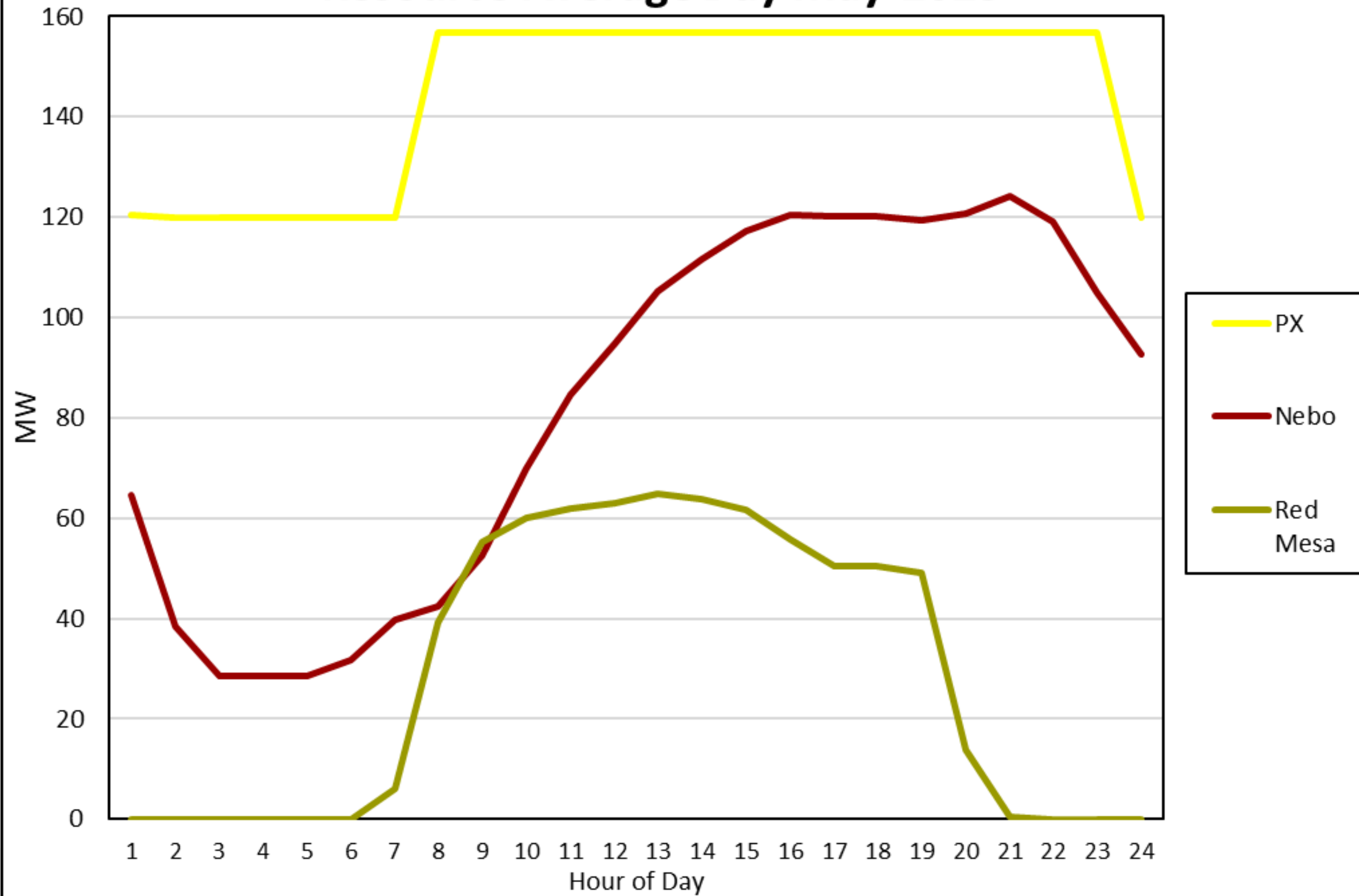
Resource Peak May-2023



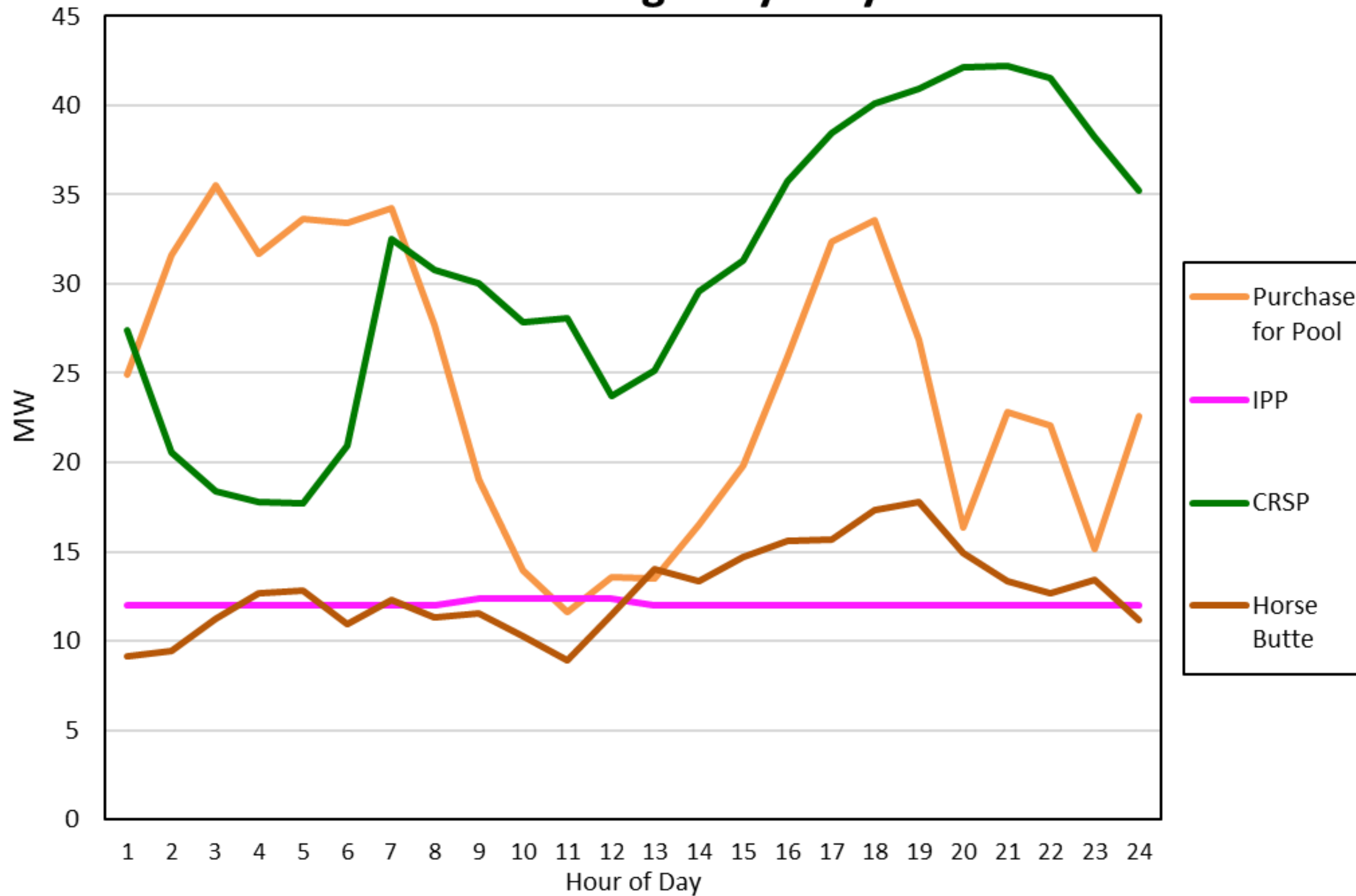
Resource Average Day May-2023



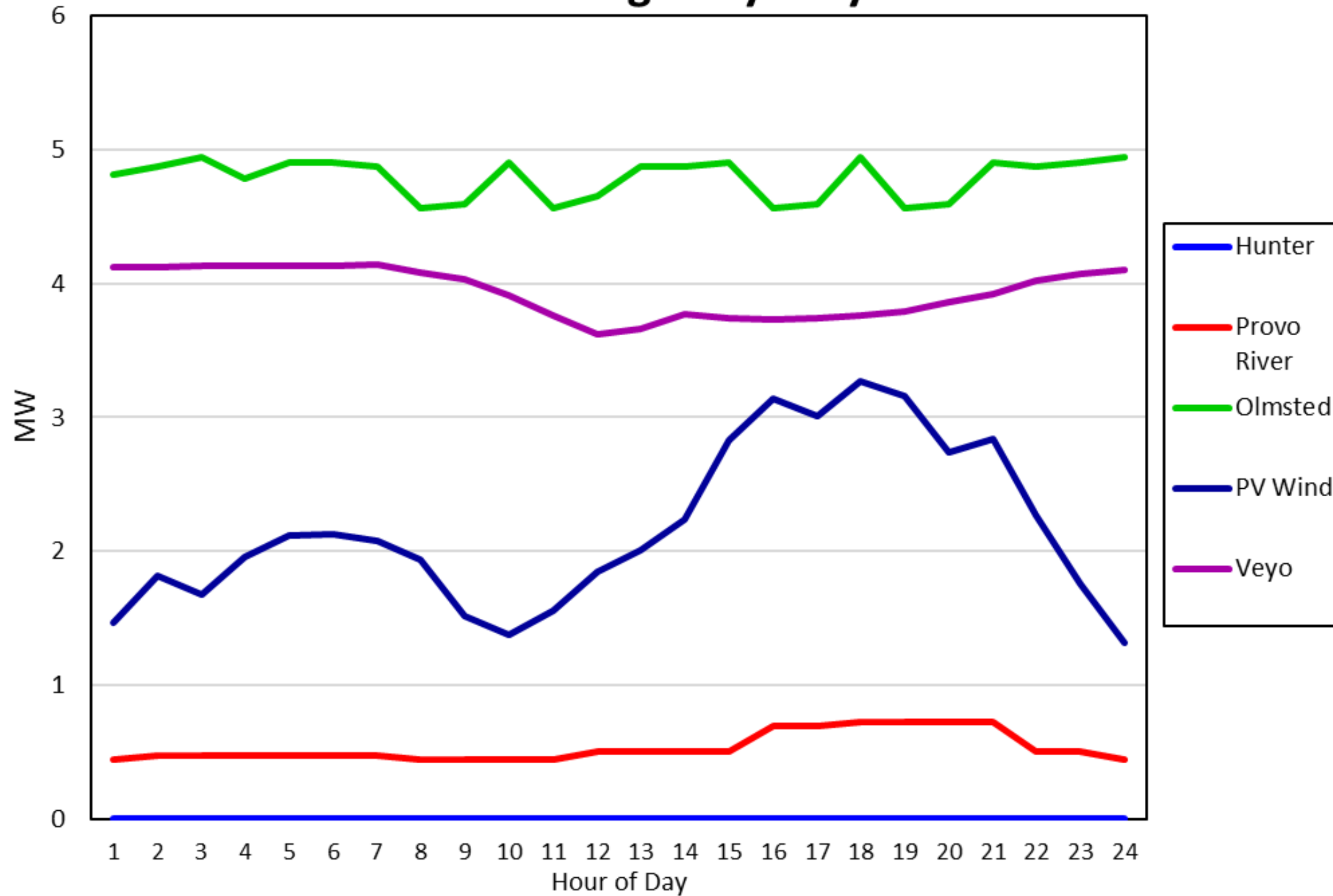
Resource Average Day May-2023



Resource Average Day May-2023



Resource Average Day May-2023



Forecast

(Apr-2023 to Mar-2024)

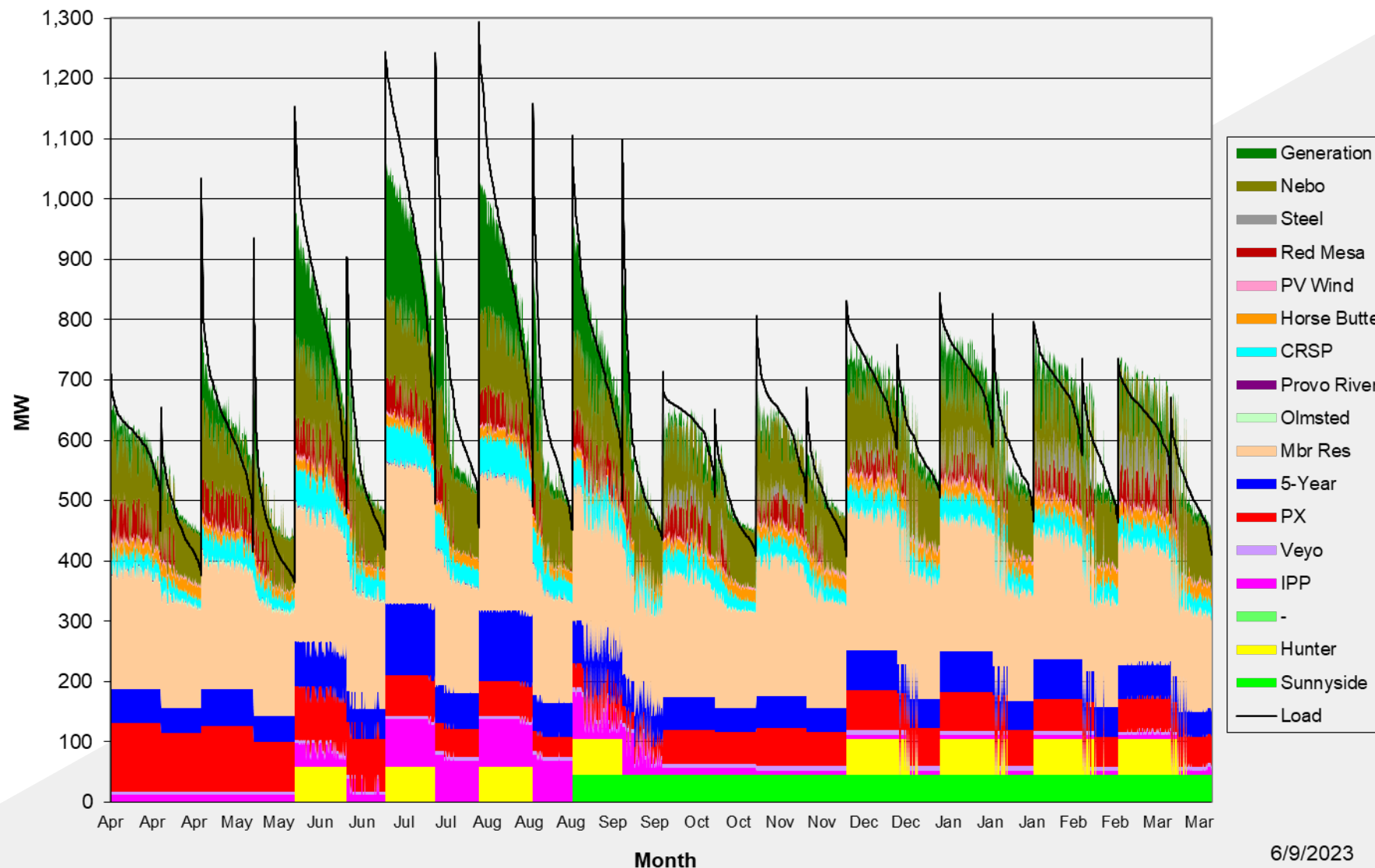
Pool Project



Kelton Andersen



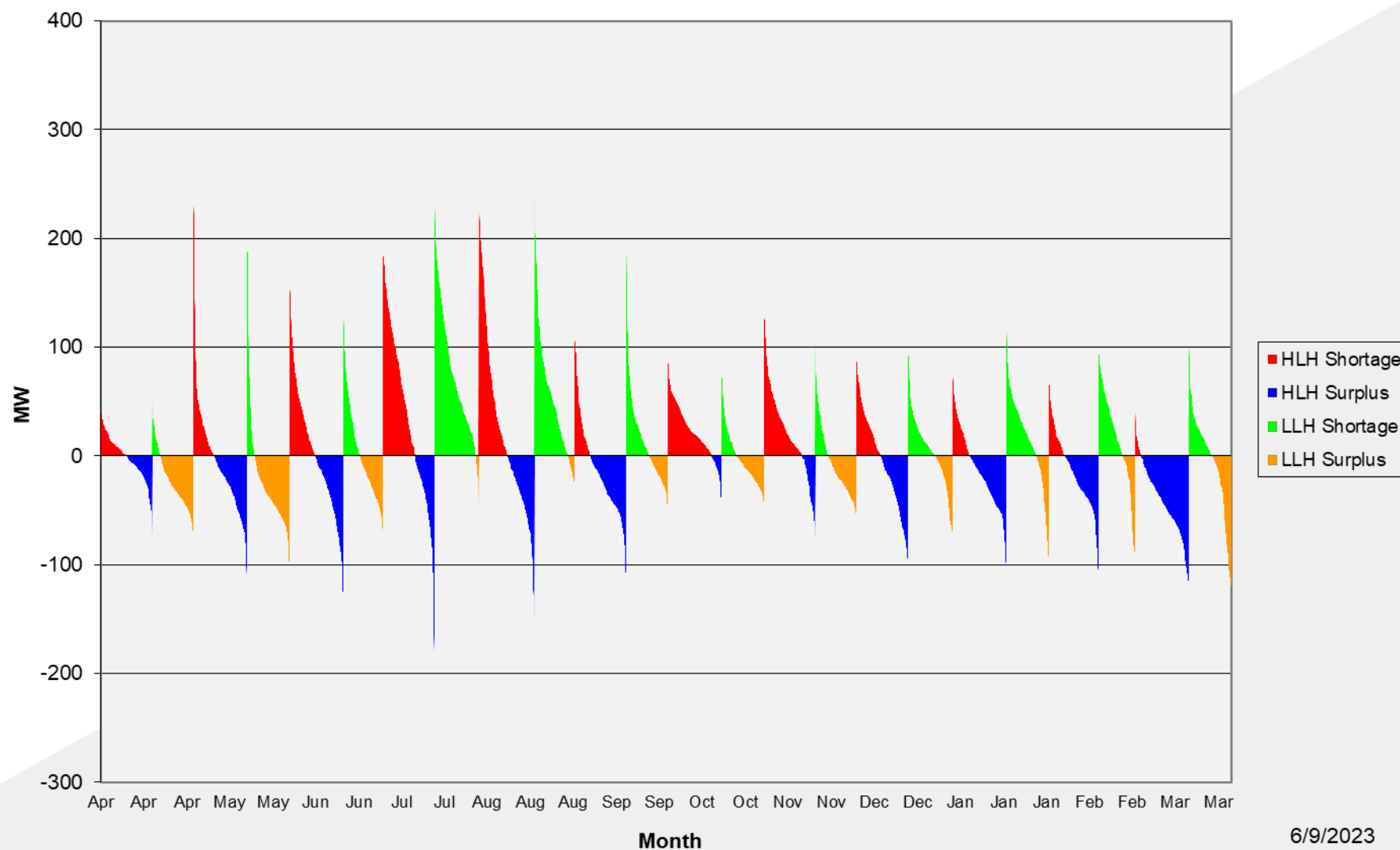
UAMPS Total Forecasted Load and Resources, April 2023 - March 2024



6/9/2023



UAMPS Total Forecasted Load Compared to Resources, April 2023 - March 2024



6/9/2023

Payson Project



May Project Update/OTR
Update 2023



May Statistics

• Equiv. Availability Factor	100.00%
• Net Plant Heat Rate	8495
• Net Capacity Factor	61.49%
• CTG Starts	21
• Days Plant Ran	31
• Hours of Operations	596.6
• Average Hours/Day	19.25
• Average Plant Load	102.91
• Total Net MWh Output	61,394

Maintenance Item Highlights

- **NOx Setpoint testing with new ammonia heater. We are able now to run the unit at lower setpoints to help comply with the “Ozone Transport Rule”.**
- **CIP system on Water Treatment CDI completed and unit returned to service. This gave us a gain of 3-4 MOhm on water quality.**
- **Inlet piping was extended on RO system by 40 feet. This is to allow more resonance time for Caustic Soda to remove CO2 from water. This will help improve water quality coming from CDI system.**
- **Ammonia Tank Level Transmitter was replaced. Previous one failed.**
- **New Hazardous Gas Monitor was installed on Gas Turbine. This monitors various compartments for hazardous gas levels (gas leaks).**
- **New electrical disconnect was added to Ammonia Heater on AIG skid.**
- **Secondary BFP was updated with high temp seals and components.**
- **Water detection probes were changed out on HP Drip Leg ROV 1012. Probes were found to be cracked and leaking steam / water.**
- **Trenching for new 480VAC plant feed has begun. This will add a secondary electrical source to plant, if primary GSU were to fail or have problems.**
- **Modbus communication on air compressors still being worked through with OEM service provider.**
- **Conduit / piping have been installed and back filled for additional 480 VAC feeder to plant for emergency.**

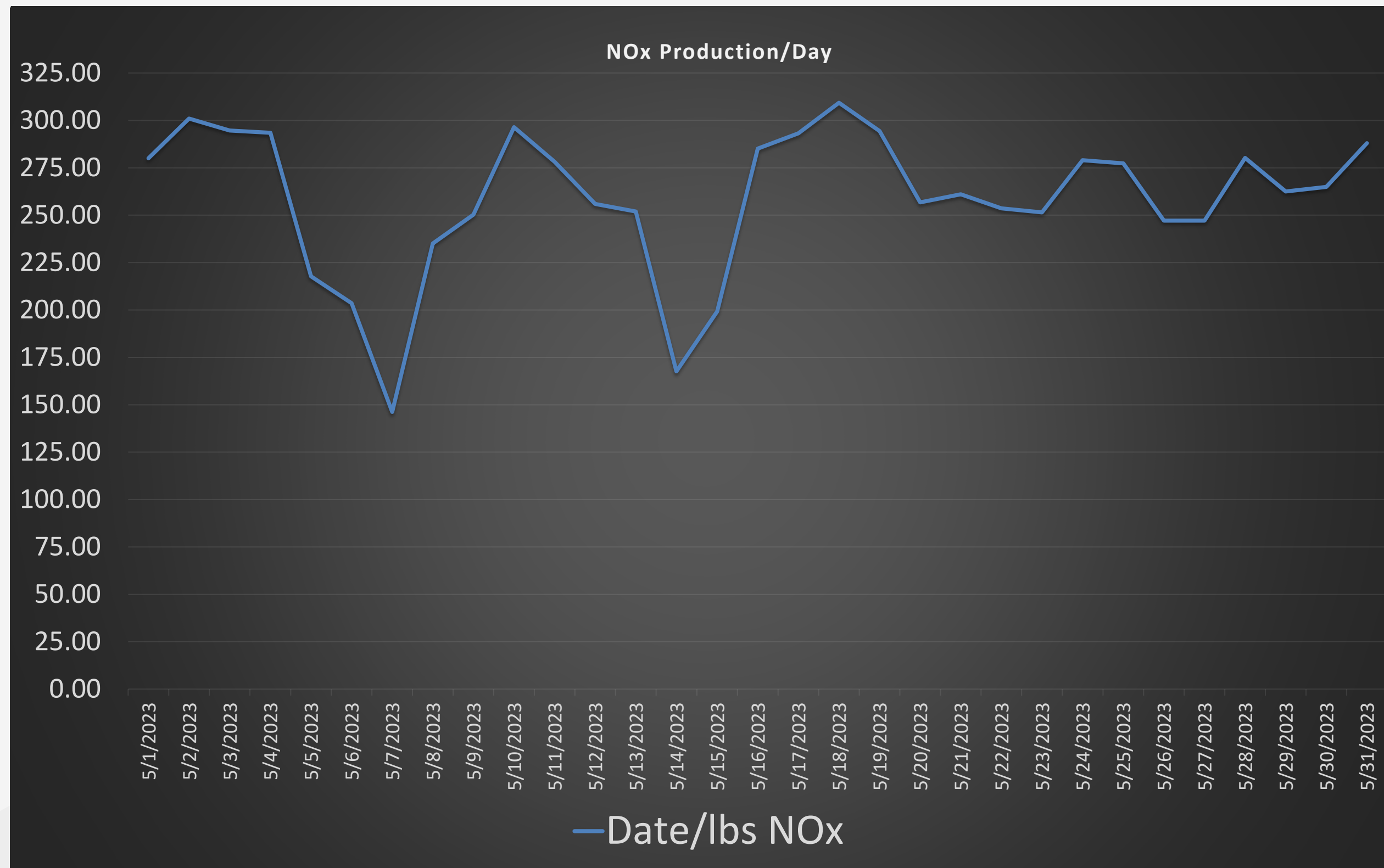
Regulatory/Safety Highlights

- First round of AED / CPR / First Aid training .
- OTR Results are in for May. We produced 8022 lbs. or @4.01Tons with an average of 258 lbs. per day

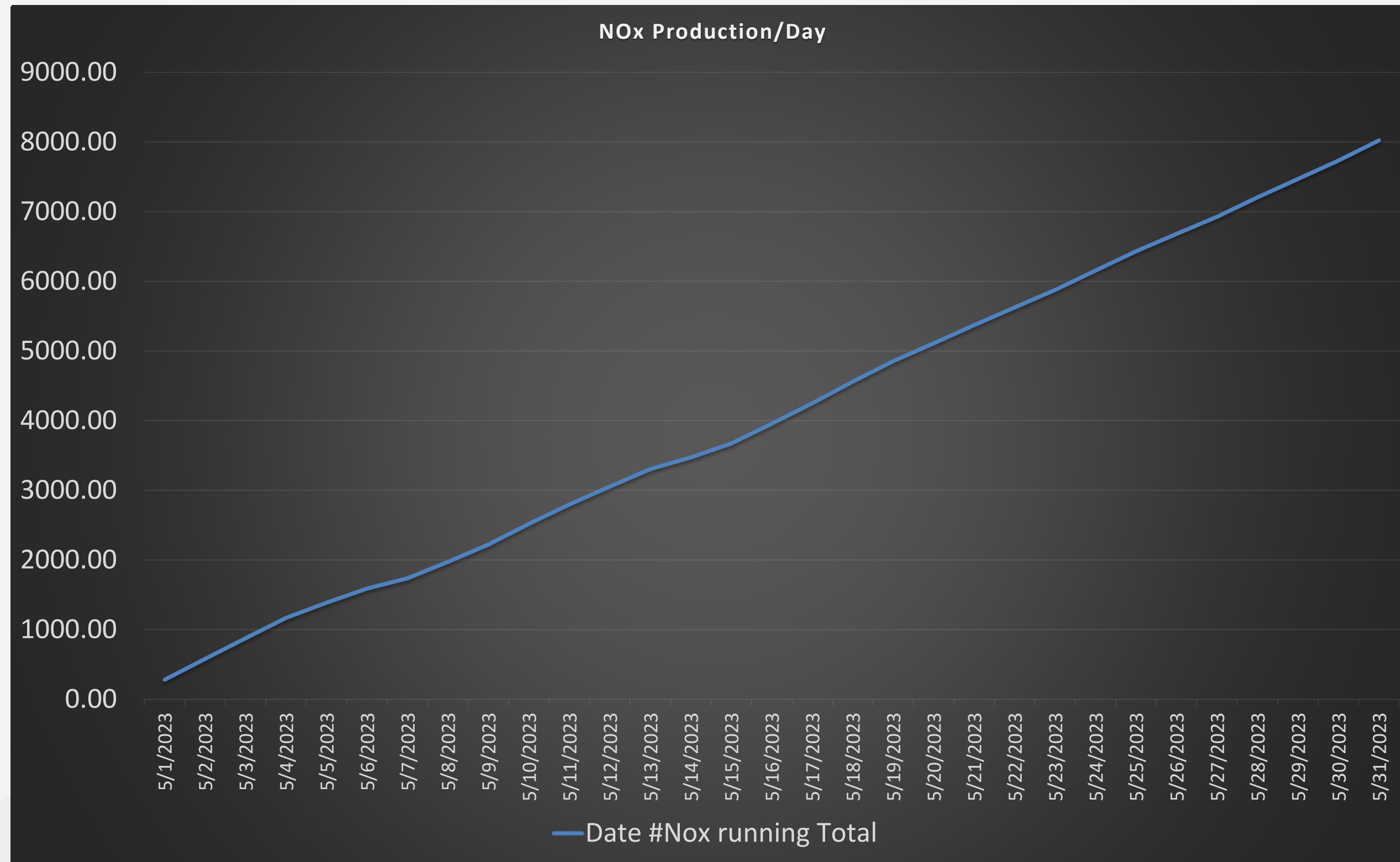
Plant NO_x Production



NOx Production Day



NOx Production Day



Purchasing NOx Credits

The market is very liquid, probably due to it being a targeted program. A few months ago, they were trading in the \$1,500-2,000 range, however, right now a NOx credit is going for approximately \$7,000-10,000. This translates to about \$0.08-0.12 per MWh Depending on Production.

Setpoint Averages vs NOx production at Max Loads

Setpoint 4.50 "Standard Setpoint" = 17.31# of NOx per Run Hour
Setpoint 4.00 = 15.99# of NOx per Run Hour
Setpoint 3.75 = 14.50# of NOx per Run Hour
Setpoint 3.50 = ??? Need further testing to quantify.

Allocations:

- Allocations for preset budgets for 2023 – 2025 based on data available on EGU fleet composition at the time of final action
- 2023 allocations prorated for August 4, 2023 effective date
 - Full ozone season – 153 days
 - 2023 ozone season prorate for Aug 4 through Sept 30 – 58 days
- Nebo Power Station
 - Initial allocations for 2023 ozone season – 25 tons
 - Prorated allocations – 9 tons*

*Allocations rounded to nearest ton

Allowance Trading Rules

- **Allowance trading is permissible**
 - **Can purchase allowances from company, broker, etc.**
 - **Interstate trading is allowed**
 - **Can purchase Group 3 allowances or Group 2 allowances that have been converted to Group 3 allowances**
 - **Currently held allowance conversion from Group 2 to Group 3 completed by September 18**
- **If purchase of out-of-state allowances causes exceedance of assurance level (121% of state budget), 3-to-1 ratio of allowances required to be surrendered by any source contributing to exceedance**
 - **In the case of late compliance, the ratio for allowance surrender is 4-to-1**

Ozone Season NO_x Allowances Trading Program

- Revised CSAPR Group 3 allowance-based trading program for EGUs in 22 states starting with 2023 ozone season
 - 12 states in the original Group 3
 - 7 states transitioning from Group 2 to Group 3
 - 3 states new to CSAPR
- Revised CSAPR “Enhancements”
 - “they ensure that the trading program (as the method of implementation at Step 4) remains aligned with the determinations made at Step 3”
 1. Dynamic adjustments of the emissions budgets
 2. Recalibration of the allowance bank over time
 3. Backstop daily emissions rate limits for large coal-fired EGUs

Illinois	New York
Indiana	Ohio
Kentucky	Pennsylvania
Louisiana	
Maryland	Virginia
Michigan	West Virginia
New Jersey	

Alabama	Oklahoma
Arkansas	Texas
Mississippi	Wisconsin
Missouri	

Minnesota
Nevada
Utah

Executive Summary:

	May FY 2024			Fiscal Year -to -date		
	Actual	Budget	Variance	Actual	Budget	Variance
Plant Starts	21	4	17	24	8	16
Avg. On -line hours	19.25	24	(4.75)	21.23	24	(2.77)
CTG On -line hours	596.60	744.00	(147.4)	1292.80	1464.00	(171.2)
Average Plant Load	102.91	103	(0.09)	107.28	103	4.28
Net MWh Produced	61,394	76,632	(15,238)	139,126	150,792	(11,666)
Net Capacity Factor	61.49%	68.67%	(7.18%)	70.67%	68.67%	2.00%
Availability	100.00%	97.00%	3.00%	100.00%	82.00%	18.00%
Net Heat Rate	8,495	8,500	5	8,432	8,500	(68)
MMBtu Consumed	521,557	651,372	(129,815)	1,172,090	1,281,732	(109,642)

Hunter Dispatch Model

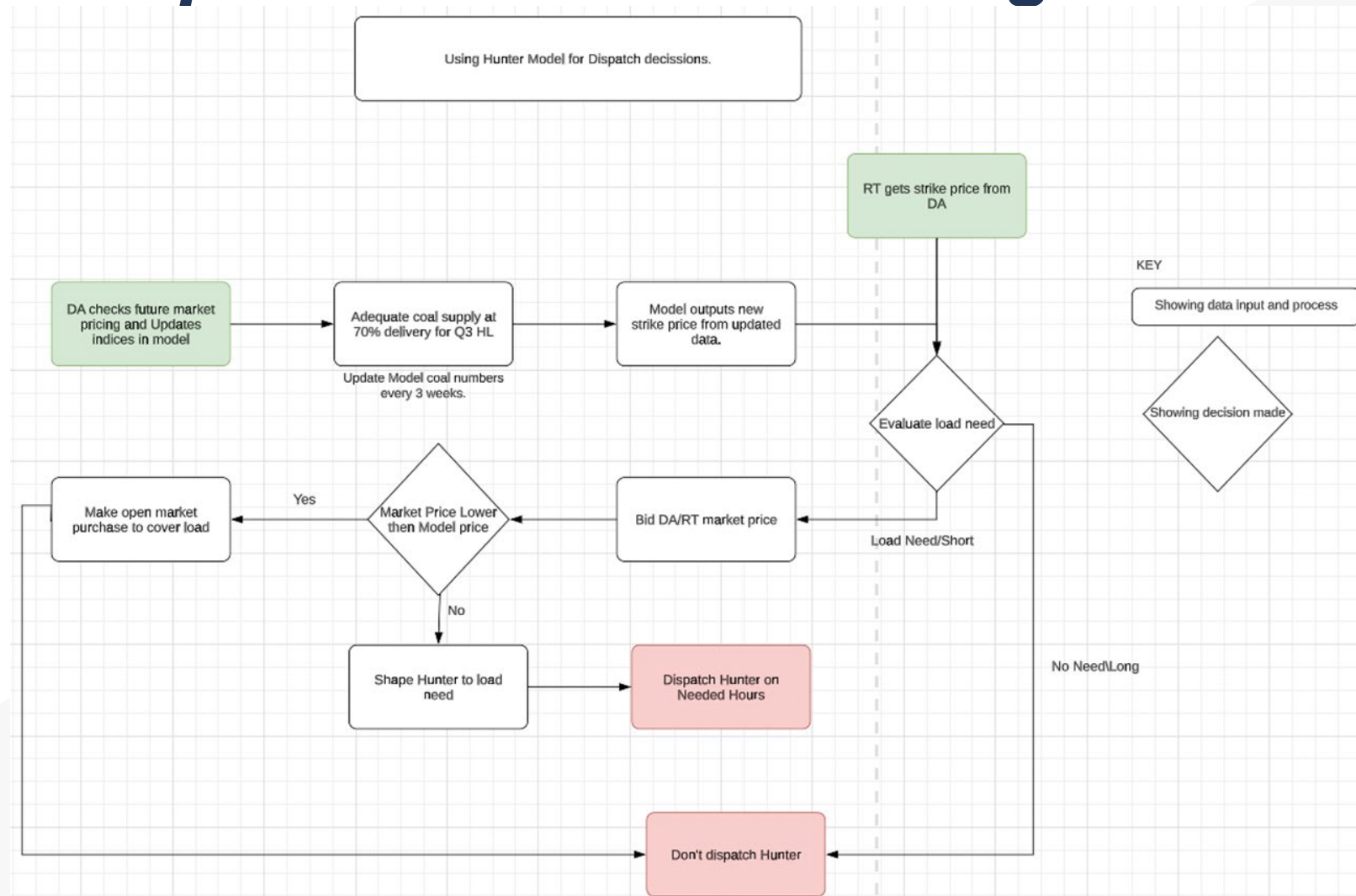
Hunter Project



Rachel Stanford



Hunter Dispatch Decision Making Overview



Summary

- The model ranks the monthly HL and LL by future pricing
- Coal Supply is up to date with May's actual coal deliveries
- After the monthly HL and LL periods are ranked, the model applies coal supply to ensure adequate coverage
- Strike price is determined when the model predicts fuel shortage
- Coal supply and future pricing are both variables that can fluctuate daily/monthly
- August is the most critical time period because of market prices
- At this time Staff does not feel like a LL run should be considered due to pricing volatility and coal supply uncertainty. If June's actual coal delivery numbers are above our forecasted coal delivery and July's power pricing stays low, scheduling Hunter during August LL may be considered. However, the model still needs to consider September's HL pricing
- Staff recommends keeping a 2-week HL coal supply on reserve in the event we experience a September heatwave and associated pricing spikes

Hunter Summer run based off 67% coal delivery					
month	block	price	hours	MWH	tonnage
aug	HL	\$ 198.00	312	93,599	43,805
sep	HL	\$ 169.00	320	72,799	34,077
jul	HL	\$ 145.50	344	50,439	23,619
aug	LL	\$ 92.00	432	22,359	10,486
sep	LL	\$ 85.00	400	(3,641)	(1,674)
jul	LL	\$ 77.00	400	(29,641)	(13,834)
jun	HL	\$ 72.10	272	(47,321)	(22,102)
jun	LL	\$ 52.35	416	(74,361)	(34,749)

Daily Hunter Dispatch Notification

Good Morning,

Hunter will/**will not** be dispatched for **6/21/2023**

Hunter strike price from the model is **\$92.00**

Market power price is **\$30.00**

Note 1: The strike price threshold for Hunter operations is dependent on futures pricing **and** coal supply

Note 2: Futures market pricing will be evaluated on a daily basis and updated in the model

Note 3: Coal supply will be updated on a 3-week basis and updated in the model

Note 4: Staff is forecasting that Hunter availability is most critical in August. Should the market price get close to strike price outside of August or coal supply dictate inclusion of LL hours; staff will utilize its best judgement to dispatch Hunter in the spirit of the approved resolution by the Hunter Project Committee

Government and Public Affairs Project



Mike Squires



Topic Discussions

Federal:

- Executive Branch
 - Rules update
- Congress
 - Debt ceiling
 - Appropriations
 - Cyber security

State:

- Federal race
 - Candidates
- Legislature
 - June interim meeting
- Other
 - IIJA Grants

Executive Branch

EPA 111(d) Rule:

- Comment period extended to August 8, 2023

Internal Revenue Service:

- Elective payment guidance: The IRA allows tax-exempt and governmental entities to receive direct payments for 12 clean energy tax credits at eligible facilities placed into service after Dec. 31, 2022, as well as tax credits for electric vehicles and charging stations.
- Biden issued his 6th veto as president this year



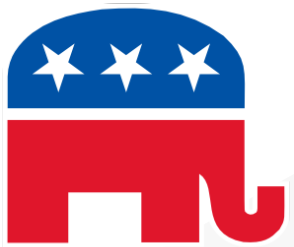
2024 Presidential Race

POLITICS

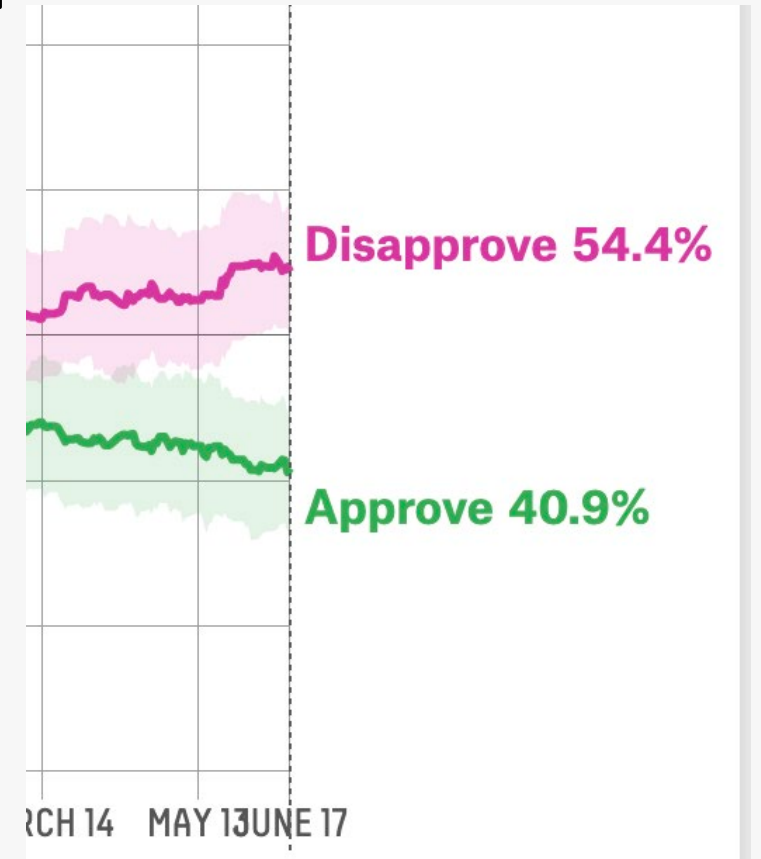
Joe Biden's Approval Rating Among Independents Rings Alarm Bells



- Biden has some challengers, but nothing that will cause him any real problem.
- Poll numbers are not looking good



- Trump will still remain the person to beat
- More challengers get into the race

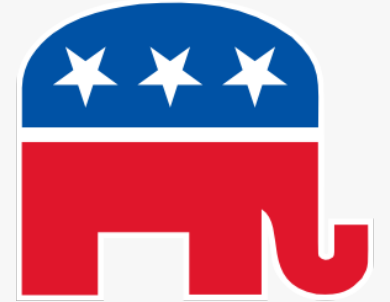


2024 Republican Presidential Primary

DECLARED



THE FAVORITES



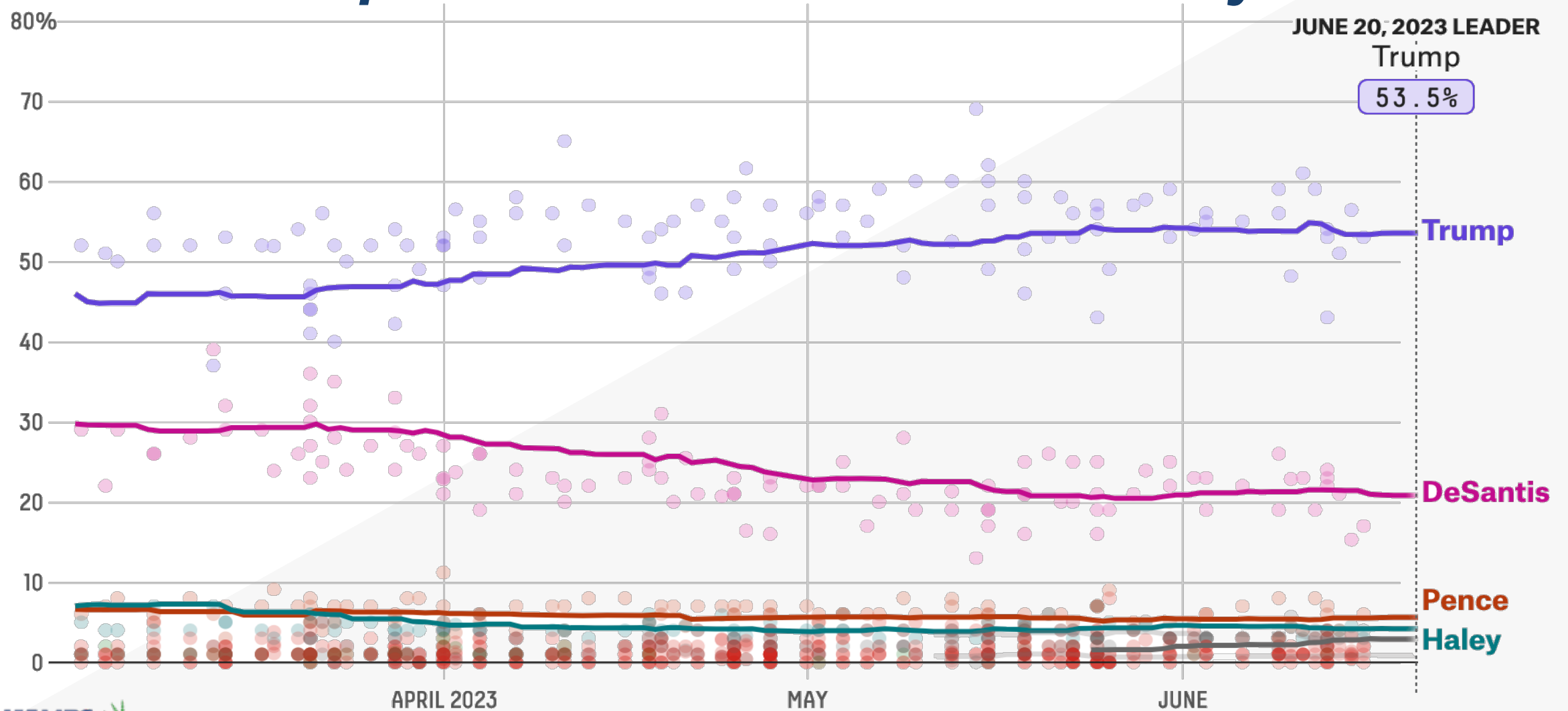
THE CONTENDERS

MAYBE

THE LONG SHOTS



2024 Republican Presidential Primary Polls



Cybersecurity:

Congressional Update

- Two bills:
 - (1) Energy Threat Analysis Center Establishment Act of 2023: establishes an Energy Threat Analysis Center (ETAC) at the Department of Energy (DOE) to coordinate information sharing, threat assessments, and threat mitigation measures between DOE and CISA
 - (2) Legislation that requires senate confirmation of OE Office of Cybersecurity, Energy Security, and Emergency Response (CESER)

Transformers:

- Protecting America's Distribution Transformer Supply Chain Act: to block the Department of Energy (DOE) from changing distribution transformer energy conservation standards for at least five years due to the ongoing transformer shortage

Appropriations:

- Senate to consider spending – setting up clash with House Republicans



Debt Limit Deal Reached

Temporarily suspends debt ceiling until January 1, 2025: This is different than deciding a new fixed debt level as it gives the U.S. Treasury Department the authority to borrow as much money as needed to pay bills and affording Congress and the President the ability to get through the 2024 election.

Caps FY 24 and FY 25 nondefense discretionary: FY 24 Nondefense discretionary is capped at approximately \$704 B and FY 25 nondefense discretionary is capped at approximately \$711 B. This will impact the 302(a) allocations (appropriations committee allocations) and consequently appropriations in general. The impact of this is still unclear, but the appropriations process can now move forward.

Includes some NEPA permitting reform items : Most of these are focused on clarifying and narrowing the scope of National Environmental Policy Act (NEPA) and providing time limits to environmental assessments (EA) (1 year) and environmental impact statements (EIS) (2 years).



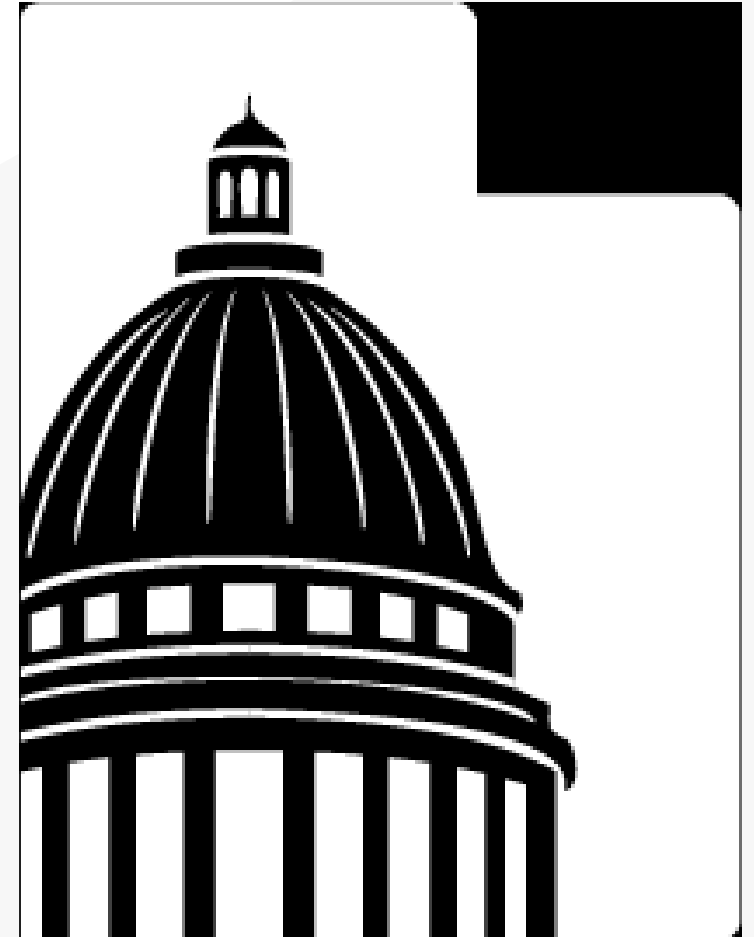
Utah CD 2 Race

- Congressman Stewart announced resignation from Congress to spend more time with his family.
- There are eleven declared candidates in the primary race
- There will be special convention for CD2 on June 24 in Delta, Utah



June Interim Recap

- Net metering:
 - Roof top solar companies are wanting to adjust the export credit rate.
 - UAMPS provided comment on net metering and has worked with co-ops and RMP on issues of shared interest and strategy
- OED Audit:
 - An audit of OED and the state's energy landscape came out that indicated areas of weakness (staffing, leadership, etc.)
- Plant closure bill(s): More to come on this, but some bills aimed at premature plant closures.
- RMP IRP: RMP took questions on their IRP and were asked about failure to notify UAMPS and other co-owners.



IIJA 40101(d) Follow Up

- UAMPS Action Items:
 - FAQ: Circulating this document shortly following conversations with OED
 - Potential projects:
 - AMI – not likely
 - Grid hardening: Undergrounding, pole retrofits, reconductoring, weatherization – yes

