

Agenda
Board of Directors and Executive Committee
Municipal Energy Agency of Nebraska
Younes Conference Center – 416 Talmadge Rd, Kearney, NE 68845
May 19, 2022 – 9:00 a.m. (C.T)

All agenda items are for discussion and action will be taken as deemed appropriate. Potential action items may include but not be limited to items indicated with an asterisk.*

1. Call to Order
 - A. Nebraska Open Meetings Act
 - B. Roll Call
 1. Board of Directors
 2. Executive Committee

2. Public Comment Period 3
(Public Comment Period Rules apply. See www.nmppenergy.org/about/board-meetings)

3. Chairman’s Remarks

4. Reports 4
 - A. Executive Director
 - B. Director of Wholesale Electric Operations

5. Consent Agenda 5
 - A. Minutes of January 20, 2022 meeting
 - B. Next meeting
 - C. 2022 Summer Season Load and Capability Report and Operational Readiness
 - D. Financial Report – Fiscal Year 2021-2022 Preliminary Year-End Review
 - E. Consent Resolution* 13

6. Integrated Resource Plan* 14
 - A. Load Forecast Scenarios
 - B. Existing Resource Portfolio
 - C. Future Resource Needs
 - D. Candidate Portfolios
 - E. Market Price Scenarios
 - F. Energy Efficiency/DSM Programs
 - G. Renewable Distributed Generation
 - H. 2050 Vision
 - I. Modeling Results
 - J. Committee Recommendation

7. Committee Reports and Recommendations 15
 - A. Power Supply Committee
 1. Meeting summary of March 31, April 21, and May 18, 2022
 - a. Central Nebraska Public Power and Irrigation District Hydropower Request for Proposal
 - b. NextEra Solar Project
 - c. Future Development Discussions

d.	Western Area Power Administration (WAPA) Capacity and Energy Displacement Agreement	
2.	Recission of MEAN Resolution Regarding Power Purchase Agreements for Sergeant Bluff Solar*	16
3.	Establish Exception to Moratorium and Lease Member Generation from City of Sidney, Nebraska*	17
B.	Risk Oversight Committee	18
1.	Meeting summary of March 31, April 21, May 12, and May 18, 2022	
C.	Finance Committee	18
1.	Meeting summary of March 31, April 21, May 12, and May 18, 2022	
a.	MEAN Meeting Public Participation Policy	
b.	BKD Pre-Audit Communication Letter	
c.	Rate Setting Philosophy	
d.	Rates Impact of Resource Planning and 2050 Vision	
e.	Rate Structure	
f.	Debt Strategy and Refunding Considerations	
2.	Financial and Administrative Policies and Guidelines*	19
3.	Rate Stabilization Account Target*	20
4.	Considerations related to Preliminary Fiscal Year 2021-2022	
	Financial Results*	21
a.	Rate Stabilization Account Transfers	
b.	Allocation of a Portion of Fiscal Year 2021-2022 Net Revenue to Participants	
8.	Updates and Reports	25
A.	Advanced Metering Infrastructure Update	
B.	Western Area Power Administration (WAPA) Updates	
C.	Market & Operations Update	
D.	The Energy Authority (TEA) Update	
9.	Contracts, Settlement Agreements, and General Counsel Report	26
A.	Contracts Report	
B.	Legislative and Legal Updates	
1.	State and Federal Activities	
2.	Legal Updates	
10.	Closing Comments	
11.	Adjourn	

MEAN Board of Directors

PUBLIC COMMENT PERIOD

Date:	May 18, 2022
Initiator/Staff Information Source:	Michelle Lepin
Action Proposed:	Informational

Members of the public are invited to attend the meeting and speak during the Public Comment Period, subject to the Public Comment Period Rules published under MEAN's board information section on NMPP Energy's website <https://www.nmppenergy.org/about/board-meetings>. The Comment Period will be available on a first-come, first-served basis. The sign-up form for individuals interested in making public comments at the May 19, 2022 meeting is available at the link above or here: [Sign Up Form](#)

MEAN Board of Directors

REPORTS

Date:	May 19, 2022
Initiator/Staff Information Source:	Staff
Action Proposed:	Information

Executive Director

Bob Poehling, Executive Director/CEO, will provide a report to the MEAN Board of Directors.

Director of Wholesale Electric Operations

Brad Hans, Director of Wholesale Electric Operations, will provide a report on the status of MEAN projects.

MEAN Board of Directors

CONSENT AGENDA

Date: May 19, 2022
Initiator/Staff Information Source: Staff
Action Proposed: Information/Approval

Minutes

Minutes of the August 18, 2022 meeting of the Municipal Energy Agency of Nebraska (MEAN) Board of Directors were previously distributed and are included as *Attachment A*. If any changes or corrections need to be made to the minutes, please contact Stacy Hendricks at 800-234-2595.

Next Meeting

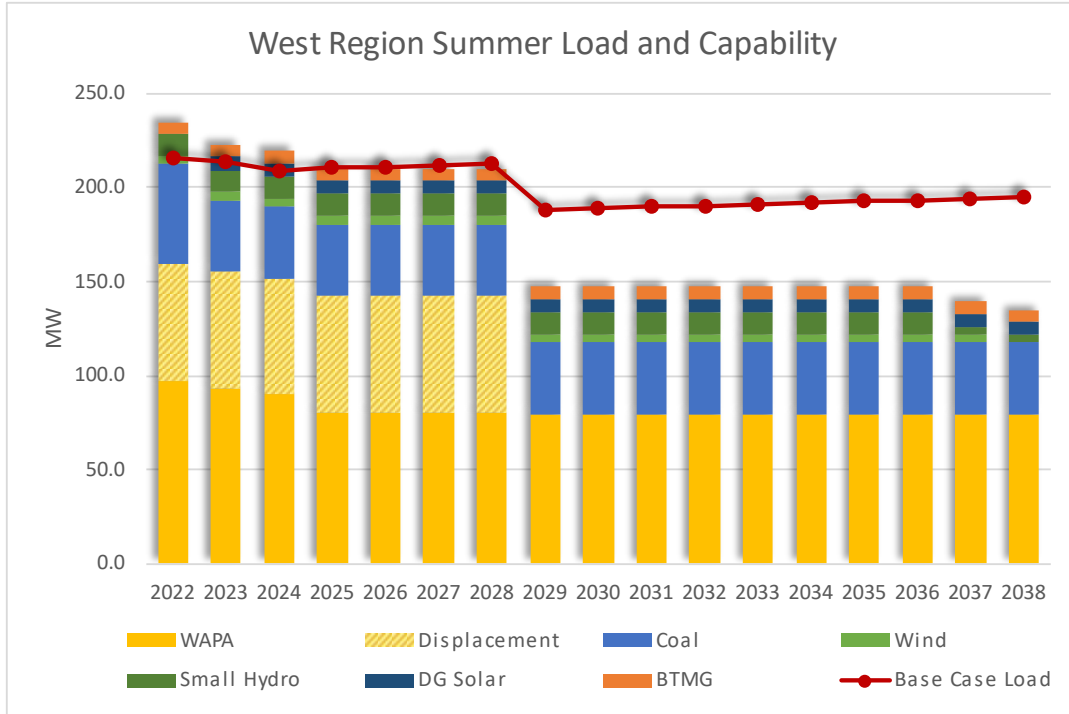
The next meeting of the MEAN Board of Directors is scheduled Thursday, August 18, 2022 at the Younes Conference Center, 416 Talmadge Rd, in Kearney, Nebraska.

2022 Summer Season Load and Capability Report and Operational Readiness

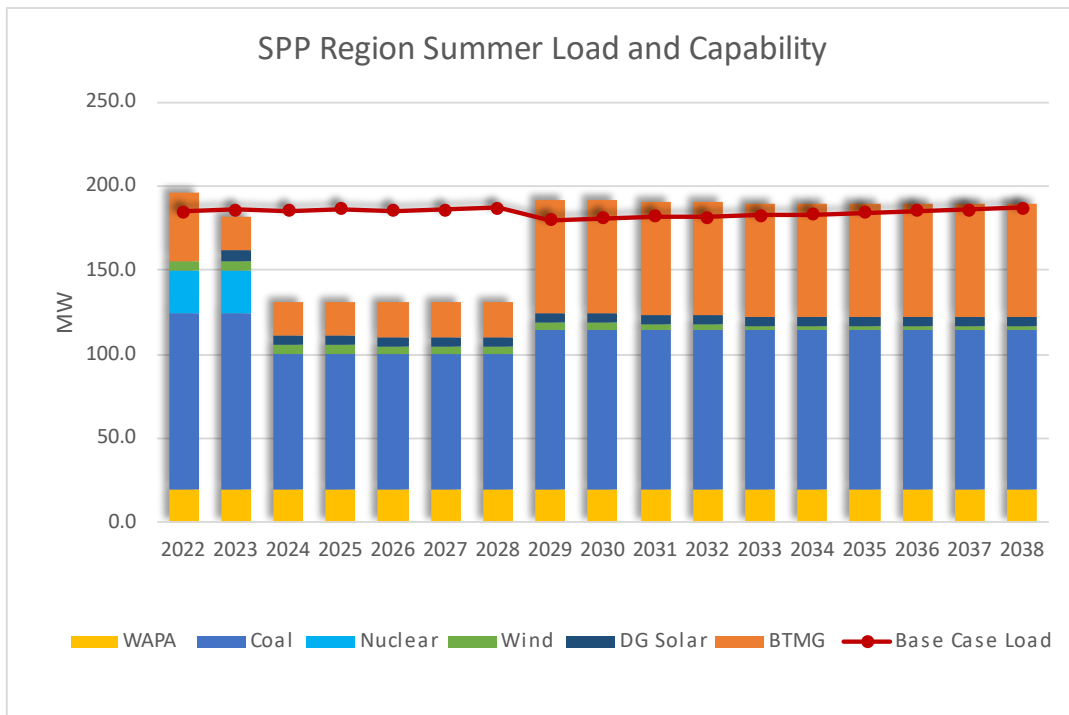
The following pages (5-8) of the meeting packet include detailed information on the 2021-2022 Winter Season Load and Capability Report.

2022 MEAN LOAD AND CAPABILITY					
Participant	Total Capacity	Projected Peak Summer Load	Peak Load Including Reserves	Surplus/Deficit	
	(kW)	(kW)	(kW)	(kW)	%
MEAN TRP	527,900	437,200	492,900	35,000	7.1%

2022 WEST REGION PROJECTED PEAK LOAD				
Total Capacity	Projected Peak Summer Load	Peak Load Including Reserves	Surplus/Deficit	
(MW)	(MW)	(MW)	(MW)	%
235	196	215	20	9.5%

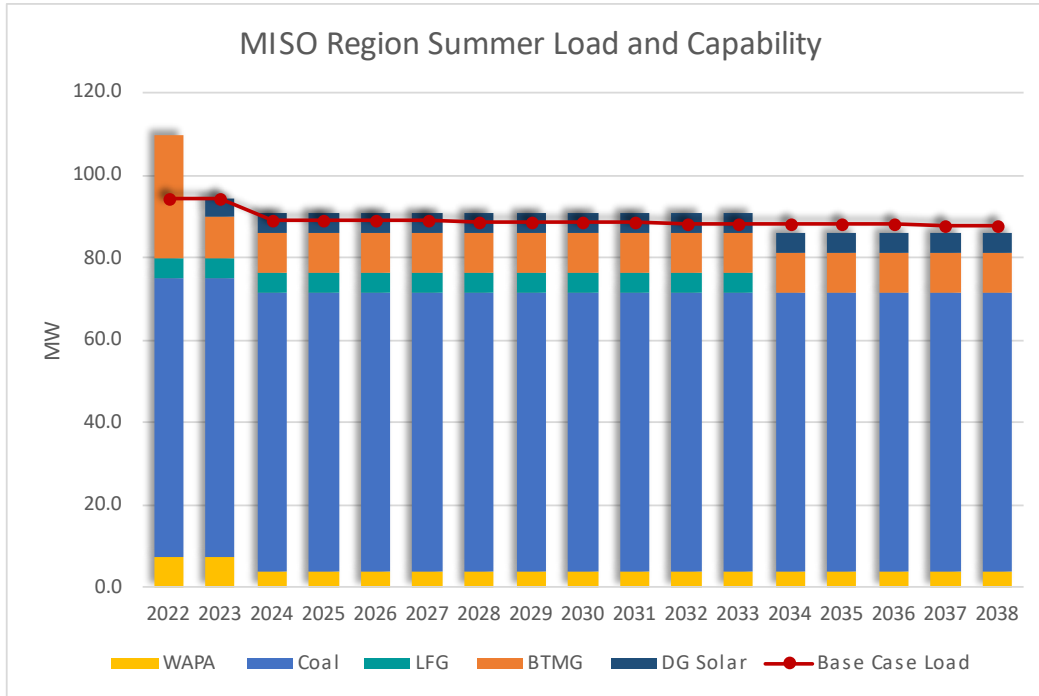


2022 SPP REGION PROJECTED PEAK LOAD				
Total Capacity	Projected Peak Summer Load	Peak Load Including Reserves	Surplus/Deficit	
(MW)	(MW)	(MW)	(MW)	%
196	156	184	11	6.2%



2022 MISO REGION PROJECTED PEAK LOAD

Total Capacity	Projected Peak Summer Load	Peak Load Including Reserves	Surplus/Deficit	
(MW)	(MW)	(MW)	(MW)	%
97	85	94	3	3.5%



**MEAN PARTICIPANTS
LOAD AND CAPABILITY REPORT
2022 SUMMER SEASON**

PARTICIPANT	SERVICE SCHEDULE	OWNED GENERATION (kW)	OTHER PURCHASES (kW)	MAX WAPA ALLOCATION (kW)	LEASE TO MEAN (kW)	SALES TO OTHERS (kW)	TOTAL CAPACITY (kW)	PROJECTED 2022 SUMMER PEAKS (kW)	TTL RQMT INCLUDING LOSSES & RESERVES (kW)	SURPLUS/ (DEFICIT) (kW)
Center	J	0	0	1,221	0	0	1,221	2,712	2,928	(1,707)
Holyoke	J	0	0	3,500	0	0	3,500	4,911	5,135	(1,635)
Lake View	J	0	0	3,575	0	0	3,575	4,686	4,815	(1,240)
Snyder	J	0	0	113	0	0	113	1,809	2,081	(1,968)
Trenton	J	0	0	0	0	0	0	1,152	1,336	(1,336)
Wray	J	0	0	4,309	0	0	4,309	5,959	6,221	(1,912)
Glenwood Springs	K	0	0	1,159	0	0	1,159	22,098	25,126	(23,967)
Paxton	K	0	0	0	0	0	0	1,123	1,303	(1,303)
Alliance	M	5,546	0	2,999	(5,546)	0	2,999	25,388	28,977	(25,978)
Ansley	M	1,350	0	75	(1,350)	0	75	1,050	1,206	(1,131)
Arnold	M	0	0	1,239	0	0	1,239	1,646	1,711	(472)
Aspen	M	0	0	988	0	0	988	11,130	12,597	(11,609)
Basin	M	0	0	0	0	0	0	2,228	2,582	(2,582)
Bayard	M	0	0	1,808	0	0	1,808	1,999	2,030	(222)
Beaver City	M	0	0	299	0	0	299	1,334	1,499	(1,200)
Benkelman	M	785	0	489	(785)	0	489	2,977	3,375	(2,886)
Blue Hill	M	0	0	1,341	0	0	1,341	1,929	2,023	(682)
Breda	M	0	0	771	0	0	771	1,047	1,079	(308)
Bridgeport	M	0	0	1,368	0	0	1,368	3,433	3,761	(2,393)
Broken Bow	M	6,900	0	2,273	(6,900)	0	2,273	15,503	17,625	(15,352)
Burwell	M	3,018	0	542	(3,018)	0	542	2,785	3,145	(2,603)
Callaway	M	875	0	755	(875)	0	755	1,596	1,730	(975)
Carlisle	M	0	0	0	0	0	0	5,176	5,777	(5,777)
Chappell	M	850	0	1,617	(850)	0	1,617	2,276	2,382	(765)
Crete	M	6,151	0	2,588	(6,151)	0	2,588	23,245	26,557	(23,969)
Curtis	M	3,066	0	431	(3,066)	0	431	3,053	3,473	(3,042)
Delta	M	0	0	1,404	0	0	1,404	12,214	13,778	(12,374)
Denver	M	0	0	0	0	0	0	3,661	4,086	(4,086)
Fairbury	M	0	0	3,349	0	0	3,349	21,095	23,940	(20,591)
Fleming	M	0	0	426	0	0	426	615	645	(219)
Fonda	M	0	0	290	0	0	290	1,171	1,273	(983)
Fort Morgan	M	0	0	23,157	0	0	23,157	43,946	47,255	(24,098)
Gering	M	0	0	10,723	0	0	10,723	16,981	17,978	(7,255)
Grant	M	0	0	512	0	0	512	3,590	4,083	(3,571)
Gunnison	M	0	0	4,475	0	0	4,475	8,666	9,333	(4,858)
Haxtun	M	0	0	1,249	0	0	1,249	2,072	2,203	(954)
Imperial	M	0	0	3,033	0	0	3,033	7,218	7,890	(4,857)
Indianola	M	35,000	0	0	(35,000)	0	0	30,790	34,364	(34,364)
Julesburg	M	0	0	680	0	0	680	2,851	3,199	(2,519)
Kimball	M	5,000	0	1,497	(5,000)	0	1,497	4,401	4,863	(3,366)
Lyman	M	0	0	747	0	0	747	1,025	1,069	(322)
Lyons	M	0	0	201	0	0	201	2,931	3,366	(3,165)
Mitchell	M	0	0	1,709	0	0	1,709	2,835	3,014	(1,305)
Morrill	M	0	0	2,345	0	0	2,345	4,257	4,561	(2,216)
Oak Creek	M	1,360	0	298	(1,360)	0	298	1,376	1,547	(1,249)
Oxford	M	3,450	0	555	(3,450)	0	555	1,684	1,865	(1,310)
Pender	M	3,300	0	667	(3,300)	0	667	3,631	4,106	(3,439)
Pierce	M	0	0	241	0	0	241	4,614	5,315	(5,074)
Plainview	M	0	0	609	0	0	609	2,712	3,050	(2,441)
Red Cloud	M	4,200	0	629	(4,200)	0	629	3,085	3,478	(2,849)
Rockford	M	0	0	0	0	0	0	1,475	1,734	(1,734)
Sergeant Bluff	M	0	0	1,508	0	0	1,508	8,271	9,056	(7,548)
Shickley	M	0	0	57	0	0	57	878	1,009	(952)
Sidney	M	0	0	2,697	0	0	2,697	17,537	19,900	(17,203)
Spencer	M	0	0	84	0	0	84	1,016	1,165	(1,081)
Stuart	M	1,543	0	208	(1,543)	0	208	1,342	1,524	(1,316)
Torrington	M	0	0	4,969	0	0	4,969	15,561	17,247	(12,278)
Wall Lake	M	0	0	1,353	0	0	1,353	1,965	2,036	(683)
Waverly	M	34,000	0	0	(34,000)	0	0	28,194	31,466	(31,466)
West Point	M	4,145	0	1,198	(4,145)	0	1,198	11,157	12,754	(11,556)
Wisner	M	2,000	0	2,484	(2,000)	0	2,484	3,188	3,301	(817)
Yuma	M	0	0	3,311	0	0	3,311	6,918	7,493	(4,182)
MEAN		200,600	91,770	76,577	122,539	(73,679)	417,807	0	7,434	410,373
TOTAL Schedule M, J, K		323,139	91,770	186,702	0	(73,679)	527,932	437,166	492,855	35,077

Fiscal Year 2021-2022 Year-to Date Preliminary Year-End Review

MEAN financials for December 2021, January 2022 and February 2022 have been distributed. Jamie Johnson, Director of Finance and Accounting, will review MEAN financials including preliminary fiscal year 2021-2022 results in greater detail at the meeting. Johnson will also review preliminary fiscal year-end financial results for the NMPP Energy organizations at the meeting.

A summary of preliminary fiscal year-end results for the **NMPP Energy** organizations is included below.

Balance Sheets March 2022 - PRELIMINARY

	NMPP	MEAN	NPGA	ACE
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	\$ 430,480	\$ 31,858,673	\$ 1,590,035	\$ 698,497
Investments (Short-term, Long-term & Restricted)	275,000	40,215,194	248,936	2,374,457
Accounts receivable	1,003,273	15,935,759	2,254,162	93,061
Gas in storage	-	-	125,060	-
Prepaid expenses and other	376,858	474,390	-	2,750
Productive capacity, net and related operating assets	-	106,978,543	-	-
Capital assets, net	20,828	4,484,791	-	52,054
Costs recoverable from future billings	-	40,770,358	-	-
Deferred loss on refunding	-	5,395,655	-	-
Fair value of derivative investments	-	-	2,885,000	-
Total assets and deferred outflows of resources	\$ 2,106,439	\$ 246,113,363	\$ 7,103,193	\$ 3,220,819
Liabilities and Deferred Inflows of Resources				
Accounts payable and accrued expenses	\$ 857,265	\$ 9,710,088	\$ 1,335,784	\$ 66,490
Unearned revenue	586,428	-	-	-
Debt, related bond premium, and accrued interest payable	-	144,975,968	-	-
Deferred inflow - deferred revenue - rate stabilization	-	28,313,381	-	-
Deferred inflow - deferred gain on refunding	-	3,133,000	-	-
Deferred inflow - derivative instruments	-	-	2,885,000	-
Total liabilities and deferred inflows of resources	1,443,693	186,132,437	4,220,784	66,490
Net Assets/Net Position	662,746	59,980,926	2,882,409	3,154,329
Total liabilities, deferred inflows & net position	\$ 2,106,439	\$ 246,113,363	\$ 7,103,193	\$ 3,220,819

Statements of Revenues and Expenses
For the Fiscal Year Ended: March 2022 - PRELIMINARY

	<u>NMPP</u>	<u>MEAN</u>	<u>NPGA</u>	<u>ACE</u>
Operating Revenues				
Member and champion dues	\$ 268,377	\$ -	\$ -	\$ -
Marketing fees	-	-	-	1,087,968
Sales - product/services, electric, gas	1,121,680	118,217,751	8,770,029	-
Transfer from (provision for) rate stabilization	-	-	-	-
Other	103	1,067,991	-	-
Total operating revenues	1,390,160	119,285,742	8,770,029	1,087,968
Operating Expenses				
Commodity costs (electric energy & gas)	-	97,124,776	8,283,925	-
Administrative and general	1,343,106	10,568,673	489,828	564,785
Depreciation and amortization	5,637	7,032,668	-	32,460
Total operating expenses	1,348,743	114,726,117	8,773,753	597,245
Operating Income (Loss)	41,417	4,559,625	(3,724)	490,723
Nonoperating Revenues (Expenses)				
Net costs to be recovered in future periods	-	(847,028)	-	-
Investment return	2,841	290,718	5,653	(21,722)
Interest expense	-	(5,637,696)	-	-
Distribution to members	-	-	-	(200,000)
Bond issue costs	-	(451,385)	-	-
Net Revenue (Loss)	\$ 44,258	\$ (2,085,766)	\$ 1,929	\$ 269,001

Net Revenue (Loss) - Compared to Budget
For the Fiscal Year Ended: March 2022 - PRELIMINARY

	<u>NMPP</u>	<u>MEAN</u>	<u>NPGA</u>	<u>ACE</u>
Net Revenue (Loss) - Before Credits/Distributions	\$ 44,258	\$ (2,085,766)	\$ 1,929	\$ 469,001
Budgeted Net Revenue (Loss)	5,920	2,159,290	-	438,108
+/- Variance to Budget	\$ 38,338	\$ (4,245,056)	\$ 1,929	\$ 30,893

Financial statement summaries of preliminary fiscal year 2021-2022 results for MEAN are included below.

Balance Sheets
March 2022 - PRELIMINARY and March 2021

	<u>March 2022</u>	<u>March 2021</u>	<u>\$ +/-</u>
Assets and Deferred Outflows of Resources			
Unrestricted cash, cash equivalents, and investments	\$ 52,859,187	\$ 45,600,407	\$ 7,258,780
Accounts receivable	15,935,759	22,974,018	(7,038,259)
Prepaid expenses and other	474,390	496,273	(21,883)
Productive capacity operating assets	2,080,531	2,804,553	(724,022)
Restricted investments	19,214,680	20,183,375	(968,695)
Productive capacity, net	104,898,012	107,574,881	(2,676,869)
Capital assets, net	4,484,791	4,824,549	(339,758)
Costs recoverable from future billings	40,770,358	41,617,386	(847,028)
Deferred outflows - deferred loss on refunding	5,395,655	7,572,006	(2,176,351)
Total assets and deferred outflows of resources	<u>\$ 246,113,363</u>	<u>\$ 253,647,448</u>	<u>\$ (7,534,085)</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Current maturities of long-term debt	\$ 5,575,000	\$ 5,330,000	\$ 245,000
Accounts payable and accrued expenses	9,710,086	6,824,680	2,885,406
Accrued interest payable	2,320,229	3,113,718	(793,489)
Long-term debt, net	137,080,739	147,998,975	(10,918,236)
Deferred inflows of resources - rate stabilization	28,313,382	28,313,382	-
Deferred inflows of resources - deferred gain on refunding	3,133,000	-	3,133,000
Net Position	<u>59,980,927</u>	<u>62,066,693</u>	<u>(2,085,766)</u>
Total liabilities, deferred inflows and net position	<u>\$ 246,113,363</u>	<u>\$ 253,647,448</u>	<u>\$ (7,534,085)</u>

Statements of Revenues and Expenses
For the Fiscal Year Ended: March 2022 - PRELIMINARY

	Actual	Fiscal YTD Budget	+/-	Prior Year	Actual vs. Prior Year +/-
Electric Energy Sales - MWh's	1,907,287	1,884,766	22,521	1,887,827	19,460
Operating Revenues					
Electric energy sales	\$ 118,217,751	\$ 117,076,651	\$ 1,141,100	\$ 116,936,081	\$ 1,281,670
Transfer from/(provision for) rate stabilization	-	-	-	(7,100,000)	7,100,000
Other	1,067,991	814,433	253,558	882,306	185,685
Total operating revenues	119,285,742	117,891,084	1,394,658	110,718,387	8,567,355
Operating Expenses					
Electric energy costs	97,124,776	91,601,569	5,523,207	86,560,179	10,564,597
Administrative and general	10,568,673	11,284,183	(715,510)	10,291,515	277,158
Depreciation and amortization	7,032,668	7,068,792	(36,124)	6,964,897	67,771
Total operating expenses	114,726,117	109,954,544	4,771,573	103,816,591	10,909,526
Operating Income/(Loss)	4,559,625	7,936,540	(3,376,915)	6,901,796	(2,342,171)
Nonoperating Revenues/(Expenses)					
Net costs to be recovered in future periods	(847,028)	(610,896)	(236,132)	733,190	(1,580,218)
Investment return	290,718	340,900	(50,182)	523,694	(232,976)
Interest expense	(5,637,696)	(5,507,254)	(130,442)	(5,753,382)	115,686
Bond issue costs	(451,385)	-	(451,385)	-	(451,385)
Net Nonoperating Revenues/(Expenses)	(6,645,391)	(5,777,250)	(868,141)	(4,496,498)	(2,148,893)
Change in Net Position	\$ (2,085,766)	\$ 2,159,290	\$ (4,245,056)	\$ 2,405,298	\$ (4,491,064)

Consent Resolution

BOARD OF DIRECTORS RESOLUTION

WHEREAS, certain business of the Board of Directors of the Municipal Energy Agency of Nebraska (MEAN) transpires on a regular and routine basis or is not of a controversial nature; and,

WHEREAS, roll call votes on each individual issue greatly extended the meeting time;

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Board of Directors that in the interest of economizing time, yet complying with the Open Meetings Act of the State of Nebraska, which requires roll call voting, the following issues are hereby consolidated in this Consent Resolution:

- 1. BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the minutes of the January 20, 2022 meeting are hereby approved.*
- 2. BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the next meeting will be held on Thursday, August 18, 2022 at the Younes Conference Center, 416 Talmadge Rd. in Kearney, Nebraska.*
- 3. BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the 2022 Summer Season Load and Capability Report is hereby approved.*
- 4. BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the financial statements for December 2021, January 2022, and February 2022 are hereby accepted; and the preliminary year-end financial statements ending March 31, 2022 are hereby accepted.*

MEAN Board of Directors

INTEGRATED RESOURCE PLAN

Date: May 19, 2022
Initiator/Staff Information Source: Shannon Coleman
Action Proposed: Information/Approval

As part of the Western Area Power Administration (WAPA) Energy Planning and Management Program (EPAMP), MEAN is required, as a WAPA firm electric service customer, to prepare and submit an Integrated Resource Plan (IRP) on behalf of MEAN and its Total Requirements Participants.

As part of the IRP process, MEAN is also required to allow for ample opportunities for full public participation and accomplishes this by discussing the IRP and resource planning at a series of meetings and workshops open to the public, with opportunities for oral public comments, and by publicly posting the draft IRP and accepting oral and written public comments.

After a two-year process involving at least 16 public meetings MEAN publicly posted the draft IRP on April 19, 2022. MEAN received additional public comments at a public workshop held April 21, 2022, and through the written public comment period. The final IRP will address all public comments made during the written public comment period. The proposed 2022 IRP included as *Attachments B, B1 & B2* in the meeting packet includes a summary of all public comments received on or before May 11, 2022, plus necessary housekeeping clean-ups. Written public comments received after May 11, 2022, and before the May 14, 2022, 5 pm CT deadline will also be addressed in the final IRP as described in the proposed resolution. An up-to-date copy of the draft will be available online on or about May 16, 2022, at <https://mean.nmppenergy.org/about/means-integrated-resource-plan>.

RESOLUTION

WHEREAS, Western Area Power Administration (“WAPA”) requires its customers to prepare and submit an Integrated Resource Plan (“IRP”) every five years, and

WHEREAS, MEAN has prepared an IRP for submission to WAPA in 2022 to comply with the requirements of the WAPA Energy Planning and Management Program for MEAN and its total requirements participants.

NOW, THEREFORE, BE IT RESOLVED by the MEAN Board of Directors that the Integrated Resource Plan is determined to meet the requirements and is approved as presented, with additional updates to be incorporated in response to public comments and to include the following future portfolios in the recommended action plan:

- *SPP: Portfolio(s) _____*
- *West: Portfolio(s) _____*

BE IT FURTHER RESOLVED by the MEAN Board of Directors that staff is hereby authorized and directed to submit the IRP to WAPA in 2022 on behalf of MEAN and its total requirements participants.

BE IT FURTHER RESOLVED by the MEAN Board of Directors that the Board of Directors reserves the right to modify the 2022 IRP to take into account changed circumstances and operational and economic considerations.

MEAN Board of Directors

COMMITTEE REPORTS AND RECOMMENDATIONS

Date:	May 19, 2022
Initiator/Staff Information Source:	Staff
Action Proposed:	Information/Approval

A. POWER SUPPLY COMMITTEE

1. Staff will provide a recap of topics covered at the April 21, 2022 Workshop. Staff will also recap the May 18, 2022 Power Supply Committee meeting including an update of Central Nebraska Public Power and Irrigation District Hydropower Request for Proposal; NextEra Solar Project; Future Developments Discussion; Western Area Power Administration (WAPA) Capacity and Energy Displacement Agreement.
2. RECISSION OF MEAN RESOLUTION REGARDING POWER PURCHASE AGREEMENTS FOR SERGEANT BLUFF SOLAR

Background Information: In 2016, Sergeant Bluff, a Service Schedule M participant of MEAN, expressed a desire to purchase all electrical output of the approximately 1-1.5 MW solar photovoltaic generating facility to be constructed, owned and operated by Ideal Energy or equivalent solar group and located within the City's service area. This request was made prior to MEAN's adoption of a Renewable Distributed Generation Policy, and due to the nature of the Service Schedule M total requirements purchase obligation and the corresponding MEAN Bond Covenants, the City's purchase of such output was to be required to be made through MEAN. Accordingly, the approval by MEAN in March 2016 was structured to enable MEAN to acquire the output of this resource under a power purchase agreement directly between MEAN and Ideal Energy or equivalent solar group for a term of up to 25 years, with a corresponding sale of the output by MEAN to the City of Sergeant Bluff as a Supplemental Agreement to the Service Schedule M agreement. As described below, the power purchase agreements approved in 2016 were never executed.

The MEAN Board of Directors subsequently adopted the MEAN Renewable Distributed Generation Policy (DG Policy) allowing total requirements participants to procure qualifying renewable resources to serve a specified portion of their own load. Sergeant Bluff has expressed an intention to utilize the DG Policy to enter into a new power purchase agreement with SE Municipal Solar, LLC as part of the Solar RFP process recently conducted by MEAN. The City's purchase under the power purchase agreement was determined by the MEAN Board to meet the requirements of the DG Policy in January 2022.

MEAN has reviewed the status with the City and recommends the resolution adopted by MEAN in March 2016 for the original Ideal Energy or equivalent solar group arrangement be rescinded.

The Power Supply Committee will consider a recommendation for the recision at the meeting on May 18, 2022.

MEAN BOARD OF DIRECTORS RESOLUTION

WHEREAS, on March 10, 2016, MEAN adopted a resolution approving a power purchase agreement with Ideal Energy or equivalent solar group to purchase all electrical output of the approximately 1-1.5 MW solar photovoltaic generating facility to be owned and operated by Ideal Energy or equivalent solar group and located in the City of Sergeant Bluff, Iowa (“Ideal Energy or Equivalent Solar Group Project”) and approving a supplemental agreement with the City of Sergeant Bluff, Iowa under which MEAN would sell the output of the facility to the City of Sergeant Bluff, Iowa;

WHEREAS, the Ideal Energy or Equivalent Solar Group Project has not been constructed and the agreements approved in 2016 have not been executed;

WHEREAS, the City of Sergeant Bluff, Iowa has expressed an intention to enter into a new power purchase agreement with SE Municipal Solar, LLC as part of the Solar RFP process recently conducted by MEAN; and

WHEREAS, MEAN desires to rescind the March 10, 2016 resolution.

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Board of Directors that the following resolution adopted March 10, 2016 is hereby rescinded:

- *Resolution approving Power Purchase Agreement for solar resource and related sale of solar-generated power to Sergeant Bluff with associated Sergeant Bluff-specific SSM Exhibit D Modification*

3. ESTABLISH EXCEPTION TO MORATORIUM AND LEASE MEMBER GENERATION FROM CITY OF SIDNEY, NEBRASKA

Tim Cerveny will lead the discussion regarding the proposed new generating facility in Sidney, Nebraska. This includes installing three 2 to 2.5 MW reciprocating internal combustion engine behind the meter generators. The city would receive contract capacity compensation for these units or financial compensation for committing them to operating reserves for MEAN.

The Power Supply Committee will consider a recommendation at the meeting on May 18, 2022.

MEAN BOARD OF DIRECTORS RESOLUTION

WHEREAS, the City of Sidney, Nebraska, a MEAN Service Schedule M participant, intends to pursue the purchase and installation of 6 to 7.5 MW of behind the meter reciprocating internal combustion engine generation in their community and desires to commit to MEAN all of the generating accredited capacity for pooling by MEAN or utilize the generating facility for MEAN’s operating reserves; and

WHEREAS, the MEAN Board of Directors approved a moratorium effective January 20, 2005, on leasing any new or additional generation until such time peaking capacity generation is needed; and

WHEREAS, the MEAN Board of Directors desires to establish an exception to the moratorium to allow MEAN to lease approximately 6 to 7.5 MW of generating capacity from the City of Sidney, Nebraska; and

WHEREAS, the MEAN Board of Directors desires to allow for the option of utilizing the proposed new generating resource for MEAN operating reserves.

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Board of Directors that an exception to the moratorium placed into effect January 20, 2005, shall hereby be established allowing MEAN to lease approximately 6 to 7.5 MW of generating capacity from the City of Sidney, Nebraska or to enter into an agreement for MEAN to utilize the generating facility for operating reserves at a cost to be negotiated at a later date.

B. RISK OVERSIGHT COMMITTEE

1. Staff will provide a summary of the discussions held at the Risk Oversight Committee meetings.

C. FINANCE COMMITTEE

1. Michelle Lepin, Associate General Counsel and Jamie Johnson, Director of Finance will provide a summary of the following topics that have been discussed at recent meetings.

a.) MEAN Meeting Public Participation Policy

Staff will review a draft policy regarding public participation at MEAN public meetings. Under the Nebraska Open Meetings Act, public bodies can make and enforce reasonable rules and regulations regarding the conduct of members of the public at meetings. Staff has developed the proposed policy shown below for consideration by the MEAN Committees and the Board. The policy would be incorporated into MEAN's Financial and Administrative Policies and Guidelines after the Committees and the Board have had sufficient time to review and comment on the proposed public participation policy language. Accordingly, this proposed policy language is not included in the copy of the Financial and Administrative Policies and Guidelines provided as *Attachment D*.

MEAN Meeting Public Participation Policy

In accordance with the Open Meetings Act of the State of Nebraska Neb. Rev. Stat. § 84-1407 et seq. (Act), which provides that every meeting of a public body shall be open to the public in order that citizens may exercise their democratic privilege of attending and speaking at meetings of public bodies, except as otherwise provided by the Constitution of Nebraska, federal statutes, and the Open Meetings Act, and which provides that a body may not be required to allow citizens to speak at each meeting, but it may not forbid public participation at all meetings, the Municipal Energy Agency of Nebraska (MEAN) Board of Directors (Board) has adopted the following policy for public participation at MEAN meetings which qualify as a meeting under the Act:

1. Attendance
 - a. Members of the public are permitted to attend meetings of the Board and committees of the Board which are open to the public.
 - b. MEAN will not require members of the public to identify themselves as a condition for admission to a meeting.
2. Speaking
 - a. For meetings at which a public comment period is offered as noted on the meeting agenda, the public comment period will generally be a maximum of (30

minutes and will be handled on a first-come, first-served basis. The presiding officer shall have the discretion to adjust the amount of time set aside for public comment, and the amount of time set aside may, at the presiding officer's discretion, vary from meeting to meeting.

- b. Every member of the public addressing the public body shall begin by stating his or her name, address (unless the address requirement is waived to protect the security of the individual) and the name of any organization represented by such person, for the purpose of maintaining a proper record.
 - c. Remarks shall be concise and limited to no more than three (3) minutes unless further time is granted by the presiding officer.
 - d. All remarks made shall be addressed to the Board or committee as a body and not to any individual member thereof.
3. Recording
- a. The presiding officer of the meeting may designate a location for persons videotaping, televising, photographing, broadcasting or recording the meetings.
4. All members of the public in attendance and those speaking are required to be courteous and respectful to others in attendance and to members of the public body. Members of the public are not allowed to interrupt other speakers or public body members, to threaten the safety of meeting attendees, or to behave in a hostile or disruptive manner.
5. Persons in violation of this policy may be asked to leave.
6. MEAN may at any time make and enforce other rules regarding the conduct of persons attending or speaking at MEAN meetings.
- a) BKD Pre-Audit Communication Letter. (*Attachment C*).
 - b) Rate Setting Philosophy
 - c) Rates Impact of Resource Planning and 2050 Vision
 - d) Rate Structure
 - e) Debt Strategy and Refunding Considerations

2. FINANCIAL AND ADMINISTRATIVE POLICIES AND GUIDELINES*

MEAN's Financial and Administrative Policies and Guidelines including redline changes for consideration are included in the packet as *Attachment D*.

The redline changes have been reviewed and recommended by the Finance Committee, Risk Oversight Committee and Power Supply Committee at previous committee meetings.

Jamie Johnson, Director of Finance and Accounting will review the proposed changes at the meeting.

Staff recommends the Board of Directors approve the changes presented.

MEAN BOARD OF DIRECTORS RESOLUTION

WHEREAS, the Municipal Energy Agency of Nebraska ("MEAN") Board of Directors adopted the MEAN Financial and Administrative Policies and Guidelines; and

WHEREAS, proposed changes to the MEAN Financial and Administrative Policies were previously distributed to the MEAN Board of Directors for review.

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Board of Directors that the MEAN Financial and Administrative Policies and Guidelines shall be amended to include the changes as presented.

3. RATE STABILIZATION ACCOUNT TARGET*

The Committees have been discussing establishing a funding goal for the Rate Stabilization Account – Other component. As noted in the Rate Stabilization Account section of MEAN’s Financial and Administrative Policies and Guidelines, MEAN accumulates funds in the Other component as determined by the Board for items such as debt strategy, resource planning, etc.

Based on current analysis, Staff recommends the Board consider a goal of \$1.5 million annually for 30 years beginning Fiscal Year ended March 31, 2022.

The Power Supply Committee, Finance Committee, and Risk Oversight Committee will consider recommendations at the May 18, 2022 meeting.

MEAN BOARD OF DIRECTORS RESOLUTION

WHEREAS, MEAN’s 2003 Bond Resolution establishes a rate stabilization account within the General Reserve Fund; and,

WHEREAS, the MEAN Financial and Administrative Policies and Guidelines establish various components of the rate stabilization account to facilitate tracking of the accumulation of and intended use of funds; and,

WHEREAS, the MEAN Board of Directors desires to establish a goal for accumulating funds within the rate stabilization account – other component.

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Board of Directors that a goal is hereby established for MEAN to accumulate funds within the rate stabilization account – other component of \$1.5 million annually for 30 years beginning with the Fiscal Year ended March 31, 2022.

4. CONSIDERATIONS RELATED TO PRELIMINARY FISCAL YEAR 2021-2022 FINANCIAL RESULTS*

In accordance with MEAN’s Financial and Administrative Policies and Guidelines, MEAN annually evaluates its preliminary Fiscal Year change in net position upon closing of MEAN’s annual financial records including all year end accruals and Fiscal Year transactions. After evaluation of preliminary results, the MEAN Board may authorize charges or credits to MEAN Participants. The MEAN Board may also authorize the transfer of a portion of MEAN’s preliminary Fiscal Year change in net position into the rate stabilization account or from the rate stabilization account in order to meet MEAN’s rate stabilization account funding objective, while maintaining debt service coverage ratios established by bond covenants; provided, however, such transfer shall be rounded to the nearest multiple of \$100,000.

The preliminary net loss for the fiscal year ended March 31, 2022 is approximately \$(2.1) million. Summaries are included to assist the MEAN Finance Committee and MEAN Board in evaluating the financial results. Jamie Johnson, Director of Finance will also discuss further at the meeting.

The following table summarizes the impact from the **Energy Charge**:

	<u>Preliminary</u>	<u>Budget</u>	<u>Preliminary vs. Budget</u>	
			<u>\$ +/-</u>	<u>% +/-</u>
Purchased Power, net of Debt and Capital in FCRC	\$ 58,506,514	\$ 48,317,321	\$ 10,189,193	21%
Production	13,938,928	18,248,382	(4,309,454)	-24%
Transmission	4,766,570	4,442,481	324,089	7%
Total Cash Costs	<u>77,212,012</u>	<u>71,008,184</u>	<u>6,203,828</u>	<u>9%</u>
Electric Energy Sales - Schedule K/K-1 - Energy Charge	(5,683,770)	(5,575,728)	(108,042)	2%
Electric Energy Sales - Schedule J	(3,300,546)	(2,736,651)	(563,895)	21%
Electric Energy Sales - Non-Participants	(1,005,018)	(1,618,319)	613,301	-38%
Electric Energy Sales - Schedule M - Renewables	(5,235,983)	(5,389,186)	153,203	-3%
Other Operating Revenues and Investment Return	(547,171)	(272,569)	(274,602)	101%
Total Rate Offsets	<u>(15,772,487)</u>	<u>(15,592,453)</u>	<u>(180,034)</u>	<u>1%</u>
Addition to/(Use of) Cash on Hand - Energy Charge	(2,347,090)	2,441,036	(4,788,126)	-196%
Total Financial Targets and Ratios Coverage	<u>(2,347,090)</u>	<u>2,441,036</u>	<u>(4,788,126)</u>	<u>-196%</u>
Electric Energy Sales - Schedule M - Energy Charge	<u>\$ 59,092,435</u>	<u>\$ 57,856,767</u>	<u>\$ 1,235,668</u>	<u>2%</u>

The following table summarizes the impact from the Fixed Cost Recovery Charge (FCRC):

	Preliminary	Budget	Preliminary vs. Budget	
			\$ +/-	% +/-
Administrative and General, net	\$ 9,849,599	\$ 10,564,319	\$ (714,720)	-7%
Contracted Generation Debt Service, net	18,186,357	18,101,706	84,651	0%
MEAN Debt Service, net	11,760,292	11,393,408	366,884	3%
Contracted Generation Capital	1,726,407	2,491,679	(765,272)	-31%
MEAN and Owned Generation Capital	4,016,042	3,806,729	209,313	5%
Total Cash Costs	45,538,697	46,357,841	(819,144)	-2%
Addition to/(Use of) Cash on Hand - FCRC	(1,638,697)	(2,457,841)	819,144	-33%
Total Financial Targets and Ratios Coverage	(1,638,697)	(2,457,841)	819,144	-33%
Electric Energy Sales - FCRC	\$ 43,900,000	\$ 43,900,000	\$ -	0%

The table on the following page summarizes MEAN's established targets and ratios including preliminary results, the approved budget for the fiscal year 2022-2023, and a preliminary look at future years based on information in the approved budget.

Revenue Requirement and Coverage Analysis
As of May 2022

Line	Revenue Requirement	Preliminary Actual		Approved		Preliminary		
		2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
A	Revenue Requirement - Revenues*	\$ 112,721,681	\$ 116,070,187	\$ 116,280,437	\$ 115,822,085	\$ 115,894,681	\$ 115,894,680	\$ 116,144,062
B	% increase / (decrease)		3%	0%	0%	0%	0%	0%
C	Net Revenue / (Loss)	\$ (2,085,766)	\$ (350,598)	\$ (865,578)	\$ 2,938,894	\$ 1,200,639	\$ 4,087,157	\$ 2,683,499
Change in Unrestricted Cash and Investments - Accrual Basis								
D	Operating Fund	\$ (3,985,788)	\$ 349,061	\$ 399,161	\$ 4,140,603	\$ 1,011,521	\$ 1,127,685	\$ 4,300,102
E	Rate Stabilization Fund	-	(2,865,045)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	-
F	Total	\$ (3,985,788)	\$ (2,515,984)	\$ (600,839)	\$ 3,140,603	\$ 11,521	\$ 127,685	\$ 4,300,102
Debt Service Coverage - policy target of 1.20X; requirement of 1.00X								
G	Excluding Use of Other Available Funds	1.00	0.93	1.14	1.54	1.30	1.63	1.61
H	Including Use of Other Available Funds	1.00	1.20	1.24	1.64	1.40	1.73	1.61
Rate Stabilization Fund								
I	Target**	\$ 18,033,283	\$ 20,108,039	\$ 19,863,991	\$ 19,155,888	\$ 19,393,029	\$ 18,005,224	\$ 18,255,468
J	Rate Stabilization Fund Balance - End of Fiscal Year	\$ 28,313,381	\$ 25,448,336	\$ 24,448,336	\$ 23,448,336	\$ 22,448,336	\$ 21,448,336	\$ 21,448,336
K	Amount Over/(Under) Target	\$ 10,280,098	\$ 5,340,297	\$ 4,584,345	\$ 4,292,448	\$ 3,055,307	\$ 3,443,112	\$ 3,192,868
Operating Fund								
L	Target***	\$ 19,711,596	\$ 21,241,094	\$ 20,830,180	\$ 20,025,446	\$ 20,582,955	\$ 20,077,745	\$ 20,149,313
M	Operating Fund Balance - Estimated End of Fiscal Year^	\$ 24,545,806	\$ 24,281,867	\$ 24,681,028	\$ 28,821,631	\$ 29,833,152	\$ 30,960,837	\$ 35,260,939
N	Amount Over/(Under) Target	\$ 4,834,210	\$ 3,040,773	\$ 3,850,848	\$ 8,796,185	\$ 9,250,197	\$ 10,883,092	\$ 15,111,626
Total Unrestricted Cash and Investments (Includes Rate Stabilization Fund and Operating Fund)								
O	Total Minimum Balance Target	\$ 37,744,879	\$ 41,349,133	\$ 40,694,171	\$ 39,181,334	\$ 39,975,984	\$ 38,082,969	\$ 38,404,781
P	Total Unrestricted Cash and Investments - Estimated End of Fiscal Year^	\$ 52,859,187	\$ 49,730,203	\$ 49,129,364	\$ 52,269,967	\$ 52,281,488	\$ 52,409,173	\$ 56,709,275
Q	Total Amount Over/(Under) Target	\$ 15,114,308	\$ 8,381,070	\$ 8,435,193	\$ 13,088,633	\$ 12,305,504	\$ 14,326,204	\$ 18,304,494

*This line does not demonstrate changes in MEAN's cash costs.
 **Rate Stabilization Target = 15% of budgeted cash operating expenses, excluding purchased power capital, plus, annual average of preliminary 5-year capital budget, including purchased power capital.
 ***Operating Fund Target = at least 60 days of budgeted cash operating expenses + at least 45 days of budgeted pass through expenses.
 ^The Operating Fund balance is known for 2021-2022; however, the balance is impacted by the timing of collection of revenues and payment of costs. An estimate of the expected impact of timing variances at March 2022 is included in the 2022-2023 balance shown; actual results could vary significantly.

The Finance Committee will consider a recommendation at the May 18, 2022 meeting.

MEAN BOARD OF DIRECTORS RESOLUTION

WHEREAS, MEAN's 2003 Bond Resolution establishes a rate stabilization account within the General Reserve Fund; and,

WHEREAS, the MEAN Financial and Administrative Policies & Guidelines provide that MEAN will annually evaluate its preliminary Fiscal Year change in net position upon closing of MEAN's annual financial records including all year end accruals and Fiscal Year transactions, and that after evaluation of preliminary results, MEAN may transfer a portion of its preliminary Fiscal Year change in net position into the rate stabilization account or from the rate stabilization account in order to meet MEAN's rate stabilization account funding objective, while maintaining debt service coverage ratios established by bond covenants; and,

WHEREAS, an evaluation of the preliminary Fiscal Year 2021-2022 change in net position indicates a decrease in the amount of approximately \$2.1 million; and,

WHEREAS, the Budget for Fiscal Year 2021-2022 included amounts budgeted for transfer monthly into and from the Rate Stabilization Account equal to a total fiscal year transfer amount of \$0 for the Rate Stabilization Account, as set forth in the Approved Budget & Rates for Fiscal Year Ended March 31, 2022; and,

WHEREAS, the MEAN Board of Directors does not desire to modify the fiscal year transfer amount into the Rate Stabilization Account as MEAN has met MEAN's rate stabilization account funding objective, while maintaining debt service coverage ratios established by bond covenants; and,

WHEREAS, the MEAN Financial and Administrative Policies and Guidelines establish various components of the rate stabilization account to facilitate tracking of the accumulation of and intended use of funds; and,

WHEREAS, the MEAN Board of Directors desires to allocate the rate stabilization account balance as of March 31, 2022 into the various components.

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Board of Directors to allocate the \$28,313,381 balance in the Rate Stabilization Account as of March 31, 2022 into the following components: \$20,100,000 to the Reserve component, \$1,900,000 to the Energy component, \$5,000,000 to the Fixed Costs component, with the remaining balance of \$1,313,381 to the Other component.

MEAN Board of Directors

UPDATES AND REPORTS

Date:	May 19, 2022
Initiator/Staff Information Source:	Staff
Action Proposed:	Information/Approval

A. Advanced Metering Infrastructure

Progress continues toward providing Advanced Metering Infrastructure (AMI) as a service. Staff will provide an update on recent advancements and the upcoming timeline.

B. Western Area Power Administration (WAPA)

Carol Brehm, Member Relations Representative will provide a WAPA update.

C. Market & Operations Update

Staff will provide an update on the status of the Western Energy Imbalance Service (WEIS) Market, Southwest Power Pool (SPP) RTO West, and the SPP Markets+ product and current energy prices in the markets.

D. The Energy Authority (TEA) Update

Tyler Wolford of The Energy Authority will provide the Board with an update on the performance of MEAN's optimization strategies.

MEAN Board of Directors

CONTRACTS, SETTLEMENT AGREEMENTS, AND GENERAL COUNSEL REPORT

Date: May 19, 2022
Initiator/Staff Information Source: Chris Dibbern
Action Proposed: Informational

Other Party	Agreement Name	Effective Date	Termination Date
Public Service Company of CO (PSCo) (Xcel as agent)	Service Agreement for Network Integration Transmission Service (#518, Amendment 3, Update to Network Resource List)	1/19/2022	6/1/2026
WAPA	Service Agreement for Long Term Firm Point-to-Point Transmission Service (22-SLC-1094) (2 MW South Canal to Montrose 115kV) (CRCM)	3/1/2023	3/1/2024
Tri-State G & T Association, Inc.	Confirmations Under WSPP Agreement for Purchases of Operating Reserves (February 2022 through June 2022)	1/31/2022	6/30/2022
ACT Commodities Inc.	Agreement for Purchase and Sale of Renewable Energy Certificates	2/3/2022	2/18/2022
STX Commodities, LLC	General Agreement (Master Agreement) and Confirmation of Sale and Purchase of Renewable Energy Certificates	3/29/2022	4/21/2022
WAPA	Metering Agreement (Contract No. 21-RMR-3219)	2/22/2022	12/31/2041

Neligh	Amendment No. 1 to Agreement Regarding SPP Market Assistance	2/4/2022	Scheduled Term ends 9/30/2022; any services performed after 9/30/2022 are at MEAN's discretion to facilitate City's late transition to a new marketer, billed at an increased rate and subject to change upon notice from MEAN.
The Energy Authority, Inc. (TEA)	Third Amended and Restated Task Order 1 to Resource Management Agreement (renewal of Portfolio Management, Regional Transmission Organization (RTO) Market Management and Trading, and Bilateral Trading Services)	5/1/2022	Terminates upon 12 months notice by either party.
MidAmerican Energy Company	JOU Confirmation Letter to Market Services Agreement (Walter Scott Unit 4 and Louisa share)	6/1/2022	5/31/2023
Western States Power Corporation	FY-2022 Participation in Upper Great Plains Member Financing (Supplemental Funding, Corps of Engineers, Non-Routine Project Funding)	7/1/2022	9/30/2022
BKD, LLP	Engagement Letter for Audit 2022	1/31/2022	Terminates upon completion or upon notice.
Liberty Mutual Insurance Company, Black Hills Wyoming, LLC	Wygen I Reimbursement and Payment Bond (renewal of bond #6621399; credit assurance by Black Hills Wyoming, LLC)	1/1/2022	12/31/2022

Bills of Interest are provided in *Attachment E*.