



Meeting Agenda

4:30 – 6:00 PM, Wednesday Apr 3rd, 2019 Lyons Town Hall

I. General Business

- Amendments to Agenda
- Approve Minutes from Mar 20th
- Upcoming Meetings
- Audience Business

II. Liaison Updates

- Board of Trustees Update -
- Staff, Engineering Update -

III. Continued Business

- LMC Chapter 13 Code modifications - Fees and Interest

IV. New Business

- Electric Utility -SDSG Report
-

V. Parking Lot

- Stormwater - Steamboat Valley/High street
- Lighting Section in Construction Design Manual
- LRAP INF 2.2.1

**CITY OF LONGMONT
COMMERCIAL AND INDUSTRIAL SERVICE CONTRACT**

For Utility Service I, we, or either of us, hereby agree to pay the City of Longmont, Colorado from date of connection to premise, and upon presentation of bills therefore, within twenty (20) days after billing date. After said period, the account shall be known as a past due account.

PAYMENT AND SERVICE CHARGE

AVAILABILITY: All utilities serviced and maintained by the City of Longmont.

APPLICABILITY: Applicable to commercial service.

CONNECT FEES: Connect fee: \$38.00 to be billed on first month's bill.

DELINQUENT ACCOUNTS AND COLLECTION POLICY:

Delinquent Accounts. Any unpaid account is hereby declared to be delinquent (30) days after the billing date.

Payment in full must be received within four (4) calendar days from the original due date, or services can be disconnected immediately thereafter.

In the event the account is not paid within the period given a \$10 late fee will be assessed to customer's account. The City will contact the customer by mail/email/phone or tag notice, as a demand for immediate payment. If payment of the account is not paid to the collector, service will be discontinued. There shall be a disconnect charge of \$29 at the meter, \$183 at the pole. After normal working hours, the reconnect fee is \$92 at the meter, \$386 at the pole. Prior to service being restored, all notice, shut-off and reconnect charges will be required to be paid in full.

** _____ customer was notified that if future usage is significantly higher than original quote, an additional deposit may be required.

Corporation or Business Name

Connect Date

Address

Deposit – \$100.00 minimum or estimated usage if higher, refundable upon 24 months of good pay history or final bill.

Account #

Type of Business (Sole Prop., LLC, Corp)

CONTRACT: Approval of this contract by the City and acceptance of utility service by the customer shall constitute a contract between the city and the customer whereby the customer agrees to the terms, conditions and obligations of the Longmont Municipal Code

https://www.municode.com/library/co/longmont/codes/code_of_ordinances?nodeId=PTIICOOR_TIT14PU_SE_CH14.20UTBI

The customer may not assign the contract without the prior written approval of the City. No promise, agreement or representation of any employee of the City shall be binding on the City unless the City and the customer incorporate the same in the contract.

Accepted by the City:

Date: _____



UEB Meeting Minutes, Mar. 20, 2019

Meeting Time and Location: Began at 4:30 at Town Hall.

Attendance: Aaron Caplan, Jim Kerr, Jay Stott, Lee Hall, Chuck Keim, Dan Reitz

Staff: **BOT Liaison:** Mike Karavas **Guests:**

Previous Minutes: March 6, 2019 minutes **approved**.

Amendments to Agenda: Request to add the Report on MEAN by SDSG (Sustainable Development Strategies Group) - **Decision to include in upcoming discussion on Electric Utility**

BoT Report: . Mike K.- Requirement that all new connections or taps to the water system be required to dedicate a share of C-BT water to the town passed on 2nd reading.

Staff is working on plan to purchase more water shares, clarify water relationship with Longmont, make plan for budgeting for future water needs. UEB well represented at workshop.

Streetlight changes recommendation (11-1-70) pushed off to SFC for future discussion. Some discussion of streetlight issues.

Electric Service connection recommendation amended with questions/suggestions and returned to UEB for further work. Discussion of issues raised around service drop obligations for homeowners/town. Should we try to promote underground lines as part of publicizing the clarification on line ownership. Verify Xcel's documentation on who is responsible Will be added to UEB agenda in future.

Solar Setback recommendation sounded good to the trustees and putting it on Board agenda.

Talk on Single Hauler was just discussion. Noted that HOA's are exempt.

Discussion of skatepark/Bohn Park II and budgeting for town park projects. Overall town finances are good.

Staff Update: Joe K.(Joe absent- Aaron reported some town issues)- There is a Water Rights review workshop scheduled for Apr 15th. BoCo unmet high-priority needs list reviewed for Lyons unmet needs.

LMC Chapter 13 Code modifications - Fees and Interest - looked at Longmont and Boulder codes on fees and interest. Should fees be included in the code itself or not? Or be set as a part of town staff process? Not putting in code makes changes easier (BoT doesn't have to go through ordinance process to change fees)? Also allows BoT to deal with fees in bulk rather than individual ordinances. Also gives staff more discretion. General consensus to keep fees on a rate sheet so they are all in one place.

Discussion on charging interest. Should we remove interest and not deal with the extra administrative burden it creates. We could just enforce turning off connections sooner. Charging interest encourages payment sooner rather than allowing interest to accrue. Not turning service off but charging interest can be more humane in hardship cases.

It was noted Longmont makes business customers sign a contract. Discussion on what benefit this would have. Aren't all customers already legally obligated to pay without a contract. Is a contract more enforceable in court. A contract with a business customer that is not the property owner could negate the ability to collect from the property owner. **Include Longmont's Contract in next agenda.**

Electric Utility - New Meters, Distributed Generation Policy, Rate Review - no discussion

Meeting ended: 6 pm. Minutes Submitted by: Jay Stott & Aaron Caplan

LMC Modification - Interest - Late Fees

Moved interest section to come after Liens and added Fees

Sec. 13-1-140. - Fees, interest on all delinquent accounts.

Accounts that remain delinquent for a period more than 30 days shall be assessed any or all of the following fees as set by the Board of Trustees in the Fees Schedule: Late Notice Fee, Meter Disconnect Fee, Meter Reconnect during business hours, Meter reconnect after business hours.

All fees, rates, penalties, and other charges imposed pursuant to this Chapter that remain delinquent for a period of more than thirty (30) days shall be subject to and shall be assessed interest at a rate of six hundred sixty-six thousandth of a percent (.666%) per month (eight percent [8%] per annum) on all outstanding principal and interest owing. The Town Administrator shall have the authority to waive, release or reduce the amount assessed for interest where the Town Administrator finds that such action will permit or facilitate the payment or collection of a delinquent account.

No changes to 140 except number

Sec. 13-1-150. - Immediate suspension or termination of electric or water service.

In addition to and without waiving any other available remedy, the Town shall possess and may exercise the right to immediately suspend or terminate utility service to any property upon any of the following events:

- (1) The revocation of any license or permit for such service to the property.
- (2) Discovery of unauthorized use of, or connection to, the Town Utility System.
- (3) When suspension or termination is necessary to stop or prevent an actual or threatened discharge, action or activity which presents or may present an imminent or substantial interference, damage or endangerment to: (a) the health, safety or welfare of persons or property; (b) the environment; or (c) the Town Utility System.
- (4) When termination is necessary to stop or prevent any use or escape of water which presents or may present a risk of substantial loss of water or any imminent and substantial endangerment to the property, health, safety or welfare of any person.

Moved part 4 on late fees to 13-1-140 changed heading

Sec. 13-1-160. - Termination for nonpayment;

Electric or water services may be terminated for delinquency and nonpayment of fees, rates or any other charges imposed pursuant to this Article. The termination of service shall be commenced in accordance with the following procedures, following a good faith determination by the Town that an account is delinquent.

- (1) The Town shall mail to the consumer a notice of delinquency for nonpayment and termination ("Notice of Deficiency and Termination"). The Notice of Deficiency and Termination shall include:
 - a. A statement of the total amount of the deficiency and a demand for payment;
 - b. The fees and amount of interest to be charged to the outstanding delinquency pursuant to [Section 13-1-140](#) above;

- c. The date upon which service will be subject to termination in the event that the delinquency is not cured; such date shall be not less than seven (7) calendar days from the date of the Notice of Deficiency and Termination; and
- d. A description of the process by which the consumer can make such payment or obtain additional information concerning the delinquency.

(2) The Notice of Deficiency and Termination described above shall be the only written notice of termination provided by the Town.

(3) If a deficiency is not cured on or before the date of termination as stated in the Notice of Deficiency and Termination, the Town shall forthwith terminate services. The Town may take such steps as deemed necessary and convenient, including a physical interruption or disconnection of service, in order to enforce any termination.

Move 1-160 Theft of service to 13-1-190

Moved Reinstatement fee to 13-140 and removed amount to go in rate sheet

Sec. 13-1-170. - Reinstatement of terminated service.

Any termination shall be rescinded by the Town upon a determination by the Town Administrator that the deficiency forming the basis for such termination has been cured or adequate arrangements for curing such deficiency have been made with the Town and that no further or other unlawful or illegal conditions or uses of the Town Utility System are evident on the property. The Town shall not reinstate service until the person requesting reinstatement has paid the full the amount of any applicable disconnection, new connection or reconnection charge imposed under this Chapter, and any and all other amounts then due to the Town from such person or property pursuant to this Chapter.

Sec. 13-1-180. - No permits or licenses.

The Board of Trustees, or its boards, commissions, authorities and other appointed bodies, shall not issue any permit, license, liquor license or other Town approval, including subdivision, zoning or land use approval for any property, where there remains any deficiency or amount owing for utility connection, utility service or any other utility-related charge to such property imposed pursuant to this Chapter.

LMC Modification - Interest - Late Fees

Based on some of our discussion during the editing of the Lien's section of the code I thought this would be the next appropriate section to tackle. Here is item 6 from our list.,

6- guidance on interest for delinquent utility acts. What amount is appropriate? Can it be waived? Under what circumstances? Administrative costs/late fees. Late fees are very low.
Interest 180, late fee 150

Below is the current code dealing with that. Section 13-1-160 theft is kind of stuck in the middle of other things and so I included it to discuss moving it to another area.

Sec. 13-1-140. - Immediate suspension or termination of electric or water service.

In addition to and without waiving any other available remedy, the Town shall possess and may exercise the right to immediately suspend or terminate utility service to any property upon any of the following events:

(1)

The revocation of any license or permit for such service to the property.

(2)

Discovery of unauthorized use of, or connection to, the Town Utility System.

(3)

When suspension or termination is necessary to stop or prevent an actual or threatened discharge, action or activity which presents or may present an imminent or substantial interference, damage or endangerment to:

(a) the health, safety or welfare of persons or property; (b) the environment; or (c) the Town Utility System.

(4)

When termination is necessary to stop or prevent any use or escape of water which presents or may present a risk of substantial loss of water or any imminent and substantial endangerment to the property, health, safety or welfare of any person.

Sec. 13-1-150. - Termination for nonpayment; late fees.

Electric or water services may be terminated for delinquency and nonpayment of fees, rates or any other charges imposed pursuant to this Article. The termination of service shall be commenced in accordance with the following procedures, following a good faith determination by the Town that an account is delinquent.

(1)

The Town shall mail to the consumer a notice of delinquency for nonpayment and termination ("Notice of Deficiency and Termination"). The Notice of Deficiency and Termination shall include:

a.

A statement of the total amount of the deficiency and a demand for payment;

b.

The amount of interest to be charged to the outstanding delinquency pursuant to [Section 13-1-180](#) below;

c.

The date upon which service will be subject to termination in the event that the delinquency is not cured; such date shall be not less than seven (7) calendar days from the date of the Notice of Deficiency and Termination; and

d.

A description of the process by which the consumer can make such payment or obtain additional information concerning the delinquency.

(2)

The Notice of Deficiency and Termination described above shall be the only written notice of termination provided by the Town.

(3)

If a deficiency is not cured on or before the date of termination as stated in the Notice of Deficiency and Termination, the Town shall forthwith terminate services. The Town may take such steps as deemed necessary and convenient, including a physical interruption or disconnection of service, in order to enforce any termination.

(4)

In conjunction with this process as set forth herein, the Town shall have the authority to impose late fees on unpaid utility bills in order to offset the reasonable administrative costs and expenses of enforcing this Section. Such fees shall be set by resolution of the Board of Trustees and may be amended from time to time at the discretion of the Board of Trustees.

Sec. 13-1-160. - Theft of service.

(a)

Definitions. Terms and phrases shall have the following meanings for purposes of this Section:

Bypassing means the act of attaching, connecting or in any manner affixing any wire, cord, socket, motor, pipe or other instrument, device or contrivance to the Town Utility System or any part thereof in such a manner as to transmit, supply or use any utility service without passing through an authorized meter or other device provided for measuring, registering, determining or limiting the amount of electricity, gas or water consumed.

Tampering means the act of damaging, altering, adjusting or in any manner interfering with or obstructing the action or operation of any meter or other device provided for measuring, registering, determining or limiting the amount of electricity, gas or water consumed.

Tapping means the act of connecting by means of any device, instrument or other contrivance into the Town Utility System or any part thereof in such a manner as to use said utility service.

Utility service means the provision of electricity, gas, steam, water, sewer service or any other service or commodity furnished by the Town Utility System for compensation.

Unauthorized metering means the act of removing, moving, installing, connecting, reconnecting or disconnecting any meter or metering device for utility service by a person other than an authorized contractor, employee or agent of the Town Utility System.

(b)

It shall be unlawful for any person to commit the offense of theft of utility service. A person commits the offense of theft of utility service when the person knowingly and without authority to do so commits, authorizes, solicits, aids, abets or attempts any of the following acts with intent to obtain or use a utility service without compensating the Town Utility System for that utility service: bypassing, tampering, tapping or unauthorized metering. This Section shall not apply where the aggregate damage in any one (1) criminal episode is five hundred dollars (\$500.00) or more. A violation of this Section shall be punishable in accordance with the provisions of [Section 1-4-20](#) of this Code.

(c)

During the term of any officially declared local disaster/emergency pursuant to Section 24-33.5-709, C.R.S., the Town Administrator shall be authorized to make decisions regarding all Town utility services, including but not limited to shutting off utilities, restoring utility service, repairing facilities and reconnecting individual properties, taking into account such factors as public safety, risk of fire, need for utility service at a given location and duration of the emergency. The Town Administrator is specifically empowered to order that any or all utilities remain off for a designated period of time, in the interest of public health, safety and welfare. It is unlawful for any person to knowingly and without authority connect or remain connected to any Town utility service or to authorize, solicit, aid or abet any person in connecting or remaining connected to any Town utility service when an officially declared local disaster is in effect. A violation of this Section shall be punishable in accordance with [Section 1-4-20](#) of this Code.

(d)

The Town Administrator is authorized, during the term of any officially declared local disaster, to manage, restrict or prohibit access to the Town's water supply when, in the Town Administrator's sole discretion, allowing access to water presents a significant risk to public health, safety and welfare. The Town Administrator is specifically allowed to arrange for temporary nonpotable water supplies, including cisterns, water trucks and other means of storing or transporting water, to be placed in appropriate locations throughout the Town for use in emergencies only. It shall be unlawful for any person knowingly and without authority, to take or use any part of any such emergency water supply for any purpose other than the emergency use for which it is intended. A violation of this Section shall be punishable in accordance with [Section 1-4-20](#) of this Code.

Sec. 13-1-170. - Reinstatement of terminated service.

Any termination shall be rescinded by the Town upon a determination by the Town Administrator that the deficiency forming the basis for such termination has been cured or adequate arrangements for curing such deficiency have been made with the Town and that no further or other unlawful or illegal conditions or uses of the Town Utility System are evident on the property. The Town shall not reinstate service until the person requesting reinstatement has paid the full the amount of any applicable disconnection, new connection or reconnection charge imposed under this Chapter, and any and all other amounts then due to the Town from such person or property pursuant to this Chapter. For all Town utility services, a reinstatement fee of twenty-five dollars (\$25.00) shall be required for reinstatement of any terminated service in addition to all other required fees, rates and charges imposed pursuant to this Chapter.

Sec. 13-1-180. - Interest on all delinquent accounts.

All fees, rates, penalties, and other charges imposed pursuant to this Chapter that remain delinquent for a period of more than thirty (30) days shall be subject to and shall be assessed interest at a rate of six hundred sixty-six thousandth of a percent (.666%) per month (eight percent [8%] per annum) on all outstanding principal and interest owing. The Town Administrator shall have the authority to waive, release or reduce the amount assessed for interest where the Town Administrator finds that such action will permit or facilitate the payment or collection of a delinquent account.

Sec. 13-1-190. - No permits or licenses.

The Board of Trustees, or its boards, commissions, authorities and other appointed bodies, shall not issue any permit, license, liquor license or other Town approval, including subdivision, zoning or land use approval for any property, where there remains any deficiency or amount owing for utility connection, utility service or any other utility-related charge to such property imposed pursuant to this Chapter.

SDSG Report Review

I did not include the entire report as that was previously sent. I have included MEAN's 2 page response.

- 1) One item the Lyons UEB has emphasized found on page 30 is the emphasis on conservation but against distributed generation.

"If a municipality has a program to encourage energy conservation, and as a result the total electricity use by its citizens declines, its share of the fixed cost recovery charge will decline over time as compared to municipalities that do not engage in or promote energy conservation. MEAN is quite clear about this: This is all just fine with MEAN when it comes to energy conservation. Indeed, MEAN is organizing and leading the program. But it is not all right with MEAN when it comes to solar or other renewable energy. If at his or her own cost, a citizen installs rooftop solar, the capacity of that solar system is added to the municipality's consumption for purposes of calculating the Fixed Cost Recovery Charge. There is no mistaking this. It is an attempt to discourage development of renewables. It is also a wealth transfer from municipalities that have strong programs to encourage renewable energy to municipalities who are doing nothing to promote renewable energy. It is not clear why this is seen to be a legitimate objective of rate policy. MEAN seems to view solar energy as a threat, from which it is protecting its members."

Should we emphasize our agreement with this part of the study? Should Lyons push to get energy created from DG removed from MEAN's FCRC? Since MEAN knows its total cost and that gets covered by all of its members, it is only a matter of which members pay how much that matters. Shouldn't MEAN be encouraging those with more renewable or DG to pay less? Doesn't that encourage everyone to try and keep up with getting more renewable energy or reducing their energy purchase from MEAN so they are not at the bottom end paying more. MEAN will always get its needed Fixed Cost. That does not change. What changes is which customers pay for that. If every customer increases their renewables by the same amount then the fixed cost doesn't change for anyone. BUT if we do more renewables, just as if we did more conservation our portion of the FCRC would decrease. This encourages everyone to keep up with renewable with no loss to MEAN.

In MEAN's response to the study they state "**INACCURATE STATEMENTS REGARDING MEAN'S FIXED COST RECOVERY CHARGE** MEAN's Fixed Cost Recovery Charge (FCRC), developed by the members"

I think we should ask how many members were involved in developing this charge. Lyons thinks MEAN staff developed this charge and while we do not have a better alternative and we do understand the reasoning for the charge, even before this report came out we thought DG production should not have been added back in to the FCRC. We understand needing data about what is produced for the FERC or whatever regulations there are, but not adding the production back in to the FCRC. Let's encourage everyone to do more renewables. As explained above the FCRC ALWAYS gets covered. It is a matter of who covers the cost and those not doing renewable should be the ones paying more. This should go to a vote of MEAN membership

Another area we could push on is the 2% cap on DG. In the report it says

"However, this cap prevents substantial community renewable (or other) projects. MEAN does hold out the possibility that it will grant individual exceptions to the DG policy or the moratorium, but has yet to demonstrate a willingness to do so on any significant scale. Further, uncertainty over whether an exception will be granted certainly limits the willingness of towns to invest in feasibility studies or other planning for projects. If MEAN will not approve an exception without expensive feasibility studies by a municipality, this is going to deter a

considerable number of interesting renewable projects. Based on our conversations with local officials, it already is.

We point to the experience of another regional energy supplier, Tri State Generation and Transmission, which supplies a number of rural electric co-ops in Colorado and other states. Tri-State has attempted to enforce a "5% cap" on local renewable generation - less restrictive than MEAN's 2% -- and this has proven extremely controversial.^{57 58} It is a considerable factor in the decisions of at least two co-ops to leave the Tri-State system, and the controversy, rather than dying down, seems to be escalating.

Why a "2% cap?"

We understand that transmission or generation companies have to pay off their debts to lenders on past projects. If MEAN invested in coal projects, then those debts presumably have to be paid.

But the question of where we generate the revenue to pay the past debts should be independent of where the debt was incurred. In other words, paying off coal plant debt does not require that necessary revenue be generated by running those coal plants.

The best way to raise revenue to repay debts is to run the utility as efficiently as possible, providing electricity from lowest cost options. Increasingly, these are wind or other renewables. If a municipality wants to build a solar or wind project and incorporate it into the MEAN system, and this makes money for the municipality and for MEAN, that is good, not bad. It should be encouraged, not discouraged.

Particularly in the new environment where energy will be bought and sold by regional organizations on a near instantaneous basis in highly competitive markets, MEAN needs to focus on efficiency and low cost options both for buying and selling power. That will be the best way to promote the financial health both of MEAN and its member utilities. Robust financial returns are the best way to pay the debt."

Also worth note is the section on *Opting Out of a MEAN Contract*

In western Colorado there is considerable controversy over local utilities opting to "buy out" of their memberships in power providers. There is much discussion of Kit Carson Electric Cooperative's success in buying its way out of the Tri-State system, and the current efforts of Delta-Montrose Electric Association to do the same.¹¹⁴

It does not appear that there is a clear or defined process for terminating or withdrawing from a MEAN Schedule M agreement. There is no termination or exit clause in the contract.

- MEAN informs us that no Schedule M member has ever tried to leave the MEAN system, so MEAN has never had to take a position on how this could be done.

- There is a provision, referenced above, that allows MEAN participants to change freely from one class of service to another, so long as their existing obligations are fulfilled. This would suggest that a Schedule M participant could change to another form of agreement with a short-term and fixed expiration date, so long as it paid its share of the bond debt, or Fixed Cost Recovery Charge.

MEAN has provided some advantages to members that may make them reluctant to leave its system. One is historically low rates. The other is that despite the various limitations expressed in the contracts, it has shown some flexibility with members who have shown that they are truly committed to a specific direction. One example is Aspen, which has managed to reach a "100% renewable energy portfolio"¹¹⁵ while remaining part of the MEAN system. Some of that is because Aspen was an early and consistent mover; it is not clear how easy it would be for another community to follow that same path today. Its ability to do so would be entirely at the discretion of MEAN. There do not seem to be any published standards to guide that discretion.

The Town of Lyons

Renewable Generation:

The town of Lyons does not have any renewable energy generation projects of its own, but does subscribe to a PPA with MEAN. Starting in 2009, this PPA constitutes around 3 to 5% of 48

Lyons' power needs (based on the Town's 2015 load)¹³⁷ from a MEAN wind facility. There are 28 grandfathered renewable energy facilities in Lyons (of which 27 are residential solar systems and 1 is a commercial solar system). As grandfathered facilities they will be exempt from any MEAN limitations. See Appendix D: Total Grandfathered Facilities List. Capacity of any new or additional systems would be added in to the town's electric consumption when the Fixed Cost Recovery Charge is calculated.

Policy Summary:

Lyons, though it is a town of not much more than 2000 people, has recognized the importance of obtaining independent qualified technical advice. The town has contracted outside studies of its energy options, so that it has a source of advice independent of the MEAN system.¹³⁸

In 2009, the Town of Lyons entered into a power purchase agreement with MEAN to receive a firm quantity of wind energy, per a fixed monthly allocation,¹³⁹ to offset approximately 3.6% of the Town's 2015 load¹⁴⁰ that would otherwise be served by MEAN's incremental or supplemental energy. The 2009 [Lyons] Wind PPA with MEAN does not count against the Town's 2% Cap because under their Schedule M contract, Lyons agreed to procure all of its energy and capacity - beyond the WAPA Base Resources and the 2009 Wind PPA from MEAN. MEAN contracted the wind resource to Lyons, thus, this wind PPA is not a Lyons or "TRP Resource" as defined in the MEAN Distributed Generation Policy. Moving forward, the Town of Lyons may be able to enter into additional power purchase agreements for DG resources per the MEAN Policy, but they are subject to certain conditions and provisions including the 2% Cap for town-owned generation. If the Town did reach its 2% limit it could petition MEAN for specific exemptions to the Cap, but these exemptions must be approved by MEAN. MEAN's 2% Cap does not apply to the power generated by residential, citizen-owned solar; unless these are grandfathered systems, adding more of them will affect the calculation of MEAN's Fixed Cost Recovery Charge ("FCRC"),¹⁴¹ and will thus cost the town money in the long run.

The Town of Lyons has not passed any resolutions setting municipal renewable energy goals. However, it does have an Environmental Sustainability Action Plan.¹⁴² In this Plan, the Town does state a goal of "increas[ing] the use of clean energy and transition away from fossil fuels."¹⁴³ 49

In the Plan, the Town recommends conducting a feasibility study for an applicable renewable solution, such as a micro-grid or distributed generation that could provide power for the town and offset peak loads, including the idea of community solar gardens that might feed into the grid, but also could be converted to charging stations during a future disaster by incorporating battery storage.

Municipal Energy Agency of Nebraska

Fact Sheet regarding SDSG's report

After reviewing the Sustainable Development Strategies Group report (Vol. 1) on the Municipal Energy Agency of Nebraska, we found it to include numerous inaccuracies and misleading statements, including a lack of understanding regarding wholesale electricity markets and MEAN's operation and structure.

MEAN IS A NOT-FOR-PROFIT POWER SUPPLIER OWNED AND DIRECTED BY THE COMMUNITIES IT SERVES. THIS INCLUDES DIRECTION OF ANY RENEWABLE ENERGY GOALS FOR THE ORGANIZATION AS WELL AS TO FULFILL INDIVIDUAL COMMUNITY NEEDS.

- Decisions on power resources are made by the MEAN Board, consisting of representatives of each participating community. Local control is the core of MEAN's governance.
- MEAN works on behalf and with each member owner to attain each community's renewable energy goals. MEAN's member owners complete an annual survey regarding renewable energy investments. The average recommended target percentage for renewable energy falls between 20-30 percent (2017 Integrated Resource Plan). Communities subscribe at varying levels according to their own goals.
- MEAN and its member owners' overall power resource capacity portfolio is **nearly 50 percent carbon free**. This includes federal hydro capacity allocated to MEAN member owners throughout the region.

MEAN'S MEMBER OWNERS CONTINUE TO SUPPORT RENEWABLE ENERGY

Recent renewable energy efforts:

- In 2018, MEAN tripled the output capacity at the Kimball (Neb.) Wind Facility site, by decommissioning its 10.5 MW facility and signing a contract for 30 MW from a new wind facility at the existing site. The old facility was the first utility-scale wind facility in Nebraska.
- MEAN assisted the City of Aspen, Colo., in achieving its goal of being 100 percent renewable and works with other member owners to attain their respective renewable energy goals.
- MEAN currently is assisting member owners by facilitating opportunities with other interested members to develop community solar energy projects at a better price than they would receive on their own.

While MEAN's member owners continue to support renewable energy, they remain mindful that maintaining low electric rates are also important. Adding additional utility-scale electric generation in regions where MEAN currently has sufficient energy supply adds unnecessary costs to member owners and their customers.

MEAN'S COLORADO MEMBER OWNERS UTILIZE SIGNIFICANT RENEWABLE ENERGY AND BENEFIT FROM LOW RATES

More than 47 percent of the energy used by Colorado municipalities served by MEAN came from carbon-free resources (CY 2017). Those municipalities also have some of the lowest rates in the state. According to the 2018 Colorado Association of Municipal Utilities Residential Rate Survey, the average rate (per 700 kWh) of Colorado municipalities served by MEAN was **more than \$15 lower** than in communities served by other survey participating electric utilities in the state.

ACCOMMODATING LOCAL RENEWABLE PROJECTS WHILE FULFILLING LONG-TERM CONTRACTUAL POWER OBLIGATIONS

MEAN's Renewable Distributed Generation Policy is a member driven policy, developed and approved by MEAN's member owners to accommodate local renewable projects while still fulfilling member owners' commitments to existing power generation. The 2% level allowed per the policy was set by the members recognizing that maintaining favorable bond ratings benefits each member owners' community in the form of lower costs.

BALANCING ENVIRONMENTAL CONCERNS WITH COST CONCERNS

MEAN's power supply portfolio has evolved over decades. As renewable resources have continued to become more affordable over the last few years, more of them have been, and will continue to be, incorporated into MEAN's resource mix. An entire supply portfolio cannot be changed in a short period of time without significant cost consequences. MEAN member owners strive to balance environmental concerns with the business realities of rate concerns and impact on citizens living in member communities and paying local utility bills.

KEY INACCURACIES IN SDSG'S REPORT:

- **SDSG'S MISLEADING CLAIM OF INCREASING COAL IN MEAN'S INTEGRATED RESOURCE PLAN**
The report cherry-picks a MEAN resource chart in MEAN's Integrated Resource Plan (IRP) showing a slight percentage increase of coal with regards to energy production out to 2030. It omits MEAN's capacity resource mix that shows MEAN's coal percentage actually decreases over the same period. Capacity shows all the resources in which a utility is invested; production shows which resources actually produce energy. Production from facilities that can run 24x7 will naturally be higher and produce a greater percentage of energy relative to their capacity than will intermittent renewable energy generation with its inherent lower capacity factors. MEAN is not pursuing additional coal resources. In fact, the IRP's conclusion – directed by member owners' input, was to place a priority on future generation resources that incorporate additional renewable energy.
- **INNACCURATE CLAIMS REGARDING MEAN'S AVOIDED COST RATE**
The MEAN Board approved the methodology to develop the avoided cost standard rate in accordance with federal law after thoroughly reviewing and discussing its policy at its public board meetings.
- **INCORRECT STATEMENTS REGARDING MORATORIUM ON LOCAL GENERATION**
The report repeatedly and incorrectly refers to MEAN implementing a moratorium on local generation projects. The moratorium is for MEAN-leased local power generation plants that operate on fossil fuels. It has no relation to local renewable energy projects.
- **INNACCURATE STATEMENTS REGARDING MEAN'S FIXED COST RECOVERY CHARGE**
MEAN's Fixed Cost Recovery Charge (FCRC), developed by the members to industry best practices, is approved annually by MEAN member owners to stabilize rates. By grouping known fixed costs into the FCRC with a fair and equitable payment allocation method, it minimizes revenue volatility, resulting in more stable rates for member owners. Additionally, behind-the-meter distributed generation (rooftop solar) is accounted for by MEAN to adhere to federal transmission load reporting requirements. MEAN must be ready to supply electricity when/if the behind-the-meter renewable resource is not generating. This is not an added cost to the FCRC.
- **A GENERAL MISCHARACTERIZATION/MISUNDERSTANDING REGARDING MEAN AND ITS MEMBER OWNERS**
The policies and investments made by MEAN are made by the member owners themselves through the MEAN Board. MEAN was founded on the basis that all members have a voice in the organization. It continues to be governed by representatives of the communities it serves, keeping local control at the forefront of the organization.