



MINUTES

Special Board Meeting

5:00 PM - Wednesday, March 23, 2022
Community Room

The Frankfort Plant Board met in Special Board Meeting on Wednesday, March 23, 2022 at 5:00 PM in the Community Room.

ATTENDANCE:

Stephen Mason, Board Secretary/Treasurer
John Cubine, Board Chair
Kathryn Dutton-Mitchell, Board Member
Jason Delambre, Board Member
Vent Foster, Chief Operations Officer
Cathy Lindsey, Communications & Marketing Director
Kathy Poe, Executive Assistant to GM
Hance Price, Assistant GM Administration/Staff Attorney
Travis McCullar, Chief Electric Engineer
Gary Zheng, General Manager
Nichell Brown, Human Resource Director
JC Lyons, Interim Safety Director
State Journal

1 ACTION ITEM:

- 1.1 Consider Approval of SEPA Long-term Memorandum of Agreement (LT MOA), Sub-Agreement #11 and authorize Brown Thornton, NewGen Strategies & Solutions, LLC to sign the agreement on the Frankfort Plant Boards behalf. (Vent Foster and Brown Thornton to discuss)

Cumberland River Hydropower System: With only a few exceptions, all of the existing equipment in the nine 45- to 74-year-old hydropower plants on the Cumberland River System is original. Expected life for this type of equipment is approximately 35 years. Tests and inspections indicate that the turbines' conditions range from "fair" in the older plants to "good" in the newer plants. Many of the older generators are in "extremely poor" to even "critical" condition. Operational concerns, including reliability, loss of efficiency and output capacity, now dictate the urgent need to replace critical components and peripheral equipment to prevent catastrophic forced outages and to restore and improve the power generation reliability, capacity, and efficiency.

The US Army Core of Engineers has prepared the attached sub agreement #11 of the LT MOA. The sub agreement proposes to authorize and fund: Wolf Creek main power transformers replacement acquisition; Wolf Creek excitation replacement acquisition; Wolf Creek DC/preferred AC system acquisition; Wolf Creek powerhouse Crane rehabilitation; Cheatham intake gantry crane engineering and design; Laurel excitation replacement engineering and design; J. Percy Priest excitation replacement engineering and design; and program management activities.

The project review committee and the program coordination committee recommends the formal approval of the following items: LTMO a sub agreement number 11, pursuant to articles VI and VI of the LT MOA.

Brown Thornton and staff have reviewed the Long-term Memorandum of Agreement, Sub-Agreement #11 (LT MOA SA#11) and are recommending its approval.

Stephen Mason moved to approve the SEPA Long-term Memorandum of Agreement (LT MOA), Sub Agreement #11 and authorize Brown Thornton, NewGen Strategies & Solutions, LLC to sign the agreement on behalf of the Frankfort Plant Board. Jason Delambre seconded the motion.

CARRIED. 4 to 0

2 INFORMATIONAL ITEMS:

2.1 Presentation of 1898&Co. Rate Design Report and Consideration of Public Hearing. (1898 and Staff to discuss)

The consultant with 1898&Co. will be on site to formally present the findings of their electric rate study. Staff will also provide additional information on the rate analysis including how to approach these rate issues while remaining revenue neutral, and strategies for short and long term rate changes. The primary topics covered in the report include:

- The addition of a large solar policy to compensate solar customers whose system size exceed FPB's current net metering limit (30kW). An avoided cost credit is proposed to compensate for excess energy fed into the distribution system. The recommendations do not include any changes to the net metering program for smaller (30kW and below) systems.
- Adjustment of existing general service and large power rates.
- Addition of a green energy tariff that will give customers an option to purchase renewable energy credits (RECs).
- Rate and policy adjustments for potential future customers that receive electric service at primary voltages (greater than 7,000V). The proposed

change would allow for a rate adjustment to these customers that own and operate their own distribution lines and transformers.

- Considerations for adjusting existing rate classes, including transitioning away from municipal and gratis rates and adding a light commercial demand rate.
- Policy and rate approaches for electric vehicle charging stations.

Considerations for LED area and security lighting rates.

Mr. Craig Brown of 1898&Co. delivered a presentation regarding the rate Design Report and answered board member questions. No members of the public requested to speak.

Mr. Cubine requested this item to be added to the April board agenda for further discussion.

3 INFORMATIONAL ITEM: PUBLIC COMMENT

3.1 None.

4 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

4.1 Request the Chair to call a closed session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding OSHA matter.

Jason Delambre moved to call a closed session pursuant to KRS 61.81(1)(c) to discuss pending or proposed litigation regarding OSHA matter. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 4 to 0.

5 CLOSED DOOR SESSION

5.1 Come out of Closed Session.

Jason Delambre moved to come out of closed session. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 4 to 0.

6 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION

6.1 No action taken.

7 ACTION ITEM: ADJOURNMENT

7.1 To Adjourn.

Kathryn Dutton-Mitchell moved to Adjourn. Jason Delambre seconded the motion.

CARRIED. 4 to 0.



Board Chair



Board Secretary/Treasurer