

**PAROWAN POWER BOARD MINUTES**  
**APRIL 20, 2023**  
**CITY OFFICES – 35 EAST 100 NORTH – 5:30 P.M.**

**MEMBERS PRESENT:** Jeremy Franklin (Power Superintendent), Greg Evans (Chair Pro Tempore), Matt Gale (Council Representative), Sharon Downey (Council Representative), Stacy Gale (Secretary).

**MEMBERS ABSENT:** Jared Burton, Kyle Hansen, Dan Jessen (City Manager).

**PUBLIC PRESENT:** None.

Jared Burton was not able to be at the meeting. Greg Evans was appointed Chair Pro Tempore.

**CALL TO ORDER:** Greg Evans called the meeting to order at 5:30 P.M.

**DECLARATION OF CONFLICTS WITH OR PERSONAL INTEREST ON ANY AGENDA ITEMS:** None.

**APPROVAL OF MINUTES:** Greg Evans moved to approve the minutes of March 16, 2023. Matt Gale seconded the motion. All members present voted in favor of approval. The motion carried. The minutes were approved.

**PCA (POWER COST ADJUSTMENT) IMPLEMENTATION DISCUSSION** – Jeremy Franklin said the PCA was approved at City Council. Matt Gale said the motion he made was to not include the under collection. If we implement the PCA on the next bill, it will go up to 5.2 cents per kilowatt hour. Jeremy said he talked to Chris Lund yesterday and his suggestion is to roll with what the PCA says for a few months and see if power prices come down then work on recouping the under collection. Jeremy said when we do our rate study in June, it will show that our rates should come up some which would bring the PCA down and will offset it. Sharon asked how are we going to make up the money; Jeremy said we implement what the PCA shows right now which is our break even cost for the next few months and don't worry about the under collection yet. He thinks the UAMPS bills will get better which will lower the PCA amount but we keep it at 5 cents to recoup the under collection.

Jeremy said what we need to decide is when he puts the numbers in for March, do we want to go with what the PCA says to start with, and wait on the under collection; that is his recommendation.

Matt Gale motioned to follow the PCA calculation recommendation and wait on the under collection for now. Sharon Downey seconded the motion. All members present voted in favor of the motion. The motion carried.

**SOLAR BILLING DISCUSSION** – Jeremy Franklin handed out a spreadsheet he created showing readings from one solar customer at taken at 8:00 a.m. and 6:00 p.m. for the month of April. It showed that from 8:00 a.m. to 6:00 p.m. they produced more than they used, and from

8:00 p.m. to 6:00 a.m. they used more. He read the meter at these times for one month and it came out to -1 net KWH for April. He said if were to bill on these 20 days, on our current net metering, we would just charge them the \$17.92 base rate because they have no kilowatt hour usage, and give them a 4-cent credit.

Jeremy said he wanted to get the board's take on how the new meters will work. He explained the delivered/received metering (see blue section of handout). He said the meter would give us two banks of kilowatt hours, a delivered bank and a received bank. According to the spreadsheet, energy used was 160 KWH. Multiply that by our .0937 KWH charge comes to \$14.99. Energy put back on the city was -161; multiply that by the .04 credit we give them and it comes to -\$6.44. The total KWH charge would be \$8.55, plus our base rate of \$17.92, comes up to \$26.47.

Jeremy said the biggest reason he wanted to look at this is if we keep on the same net metering that we have, this customer who has a slight negative KWH rate would not be subject to the PCA, therefore they would be getting a better deal than other customers because we have nothing to bill the PCA to. If we do the delivered/received metering, we can charge a PCA to the 160 KWH because the customer used it. Jeremy said we have about three solar customers who will have a negative KWH for April so there is nothing to bill the PCA to. He said this is a fair way to bill actual usage.

Jeremy said the meters we have on our solar customers will not do the two different banks, but the newest residential meters we now use on every house have the capability to do that. He said in the past when a customer wanted solar, they had to pay for a new, more expensive meter, but now we are going back to the regular residential meter. This will capture more of the nighttime usage. There was a discussion on how to deal with solar customers who have a negative usage.

Jeremy said he will do more research and look into this type of billing. He won't be able to implement this until June because he is waiting on meters.

**UAMPS UPDATE** – Jeremy Franklin said he had a UAMPS meetings the last 2 days. He said there will be a Regional Briefing Meeting on May 4<sup>th</sup> at 11:30 in Fillmore. He invited the members to go.

Jeremy said they went over a lot of Hunter at the meeting. He showed the committee a graph. He said you can see the months that Hunter is going to run. The future forecast is in June, July and August, depending on market prices, we may not run low load hours because market prices are good enough. Hunter is supposed to run high load hours in June, July, August and September. If that is the case, we'll actually be surplus energy a little bit in June, then July thru September we will have excess energy because of IPP callback. Our forecasted resources for those months is about 3 MWH; our load is about 2.5 MWH other than our peaks which is around 4.5 MWH. There are a few days in the summer where we will have surplus energy which is good because we can sell it back at a good price and that should help with our UAMPS bills quite a bit.

Jeremy said CRSP, with the snow pack, should bring the Colorado River up. Right now, Lake Powell is not coming up because they are releasing as much as they are bringing in. It is projected that we should get more Colorado River energy through 2023 summer, we're hoping maybe double the energy of what we have been getting.

Jeremy said the bad news is Rocky Mountain Power is the largest owner of the Hunter Power Plant and in their latest integrated resource plan, they have Hunter 2 shutting down in 2032; we are only in the Hunter 2 plant. They also have the plan to put SNCR (Selective Non-Catalytic Reduction) devices in 2026 which is a fairly large cost, then potentially shut down in 2032.

Jeremy said at the Hunter meeting they are going to talk about the Ozone Transport Rule, which is new legislation that says each state can only produce so much nitrous oxide in the months of the ozone season which are May through September. He said with the Ozone Transport Rule and SNCR's on Hunter, UAMPS is projecting at 2026 and beyond, Hunter will run more minimally.

Jeremy said at the UAMPS tool kit after the meeting they talked about resource adequacy, which is basically having enough resources to cover that one peak hour in the summer and how it is getting harder to get resources on the grid. They also talked about transmission lines that are in the works right now. They talked about the Transwest transmission line which is a 732-mile line which goes from Wyoming to Delta, then from Delta to Southern Nevada; it has a \$3 billion dollar price tag. The permitting for this transmission line started in 2007, and they are hoping to start construction in 2023. There is another transmission line, the SunZia transmission line, that will go from Arizona to New Mexico that will be service in 2025; it has a \$8 billion dollar price tag.

Jeremy said they talked about why natural gas affects the power market. The storage of natural gas in the pacific northwest is low right now. He said there are currently lots of natural gas exports since the Russian invasion of Ukraine. Europe is willing to pay a lot of money because they have no other options. The US is exporting a lot to them and that is another driver of price.

The Carbon Free Power Project is still ahead of schedule. The combined operating license with NERC is still moving ahead. Jeremy said he felt better leaving the nuclear meeting this time.

Jeremy said he thinks with hydro coming up and Hunter running through the summer we will be better than we were a year ago.

Greg asked about Red Creek; Jeremy said we are still waiting on parts. He thinks it should be running by mid to end of May.

Jeremy said Center Creek has been shut down for the week because of high flow of water that is bringing a lot of gravel and mud. Jeremy said we got the primary meter for the RV park today

Jeremy said we finally got the primary metering cabinet for RV park after 13 months. They will put it up on Tuesday.

**OTHER BUSINESS:** None.

**STAFF & MEMBER COMMENTS:** None.

**PUBLIC COMMENTS:** None.

**ADJOURN:** Greg Evans made a motion to adjourn the meeting. Matt Gale seconded the motion. All members present voted in favor of adjournment. The meeting adjourned at 6:20 p.m.

*Minutes Approved at June 15, 2023 Meeting*

  
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*Jared Burton, Committee Chair*

  
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*Stacy Gale, Secretary*