

# **RESOURCE AND ENGINEERING PLANNING COMMITTEE**

## **MINUTES**

**June 20, 2019**

A meeting of the Resource and Engineering Planning Committee was held on Thursday, June 20, 2019 at 8:45 a.m. at the District Office, 31717 United Avenue, Pueblo, Colorado.

Chairman Mitchell announced a quorum was present.

### **COMMITTEE MEMBERS PRESENT:**

Curtis Mitchell – Chairman, Seth Clayton – Vice-Chairman, Andy Colosimo, Tom Goodwin, and Jim Broderick

### **COMMITTEE MEMBERS ABSENT AND EXCUSED:**

None

### **OTHERS PRESENT:**

Bill Long, Southeastern Colorado Water Conservancy District (District) Board; Jenny Bishop, Colorado Springs Utilities; Lee Miller, Garrett Markus, Kevin Meador, Leann Noga, and Chris Woodka, District staff.

### **APPROVAL OF MINUTES:**

Chairman Mitchell asked for approval of the May 2, 2019 minutes, and if there were any corrections or additions. Hearing none, Seth Clayton moved, second by Andy Colosimo to approve the minutes. Motion passed unanimously.

### **PRESENTATIONS:**

#### **JAMES W. BRODERICK HYDROELECTRIC FACILITY UPDATE**

Kevin Meador informed the Committee the James W. Broderick Hydroelectric Power Facility testing was completed on May 22, 2019. Plant operation demonstration testing was conducted for Reclamation on May 21 and 22, 2019. The project was declared Substantially Complete on May 24, 2019 at the completion of the five-day full operation testing by Mountain States Hydro. A notice-to-proceed for full operation was received from Reclamation on May 28, 2019.

Operations have progressed well, with the exception of a shutdown to address a bearing issue with Unit 1 (the large turbine) on June 3, 2019 and a shutdown for Black Hills Energy repairs on June 5, 2019. As of noon, on June 13, 2019 the total energy generated was approximately 2,790 MWhrs.

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**ACTION ITEMS:**

SECOND AMENDMENT TO THE HYDROELECTRIC POWER PURCHASE AGREEMENT DATED OCTOBER 3, 2017 BETWEEN COLORADO SPRINGS UTILITIES AND THE SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT ACTING BY AND THROUGH THE WATER ACTIVITY ENTERPRISE

The Second Amendment to the Power Purchase Agreement (PPA) with Colorado Springs Utilities is primarily establishing a better timing of reporting of the Renewable Energy Credit (REC) associated with the hydro project. A REC is the equivalent of one megawatt-hour (MWh) of energy and has a current value of approximately fifty cents. For each MWh delivered to Colorado Springs Utilities, a REC is issued as well. The current PPA provides that the SECWAE must provide Utilities with a REC Attestation and Bill of Sale by the 5<sup>th</sup> of the month to coincide with the power generation invoice from SECWAE to Utilities. Since the reconciliation information from Black Hills Energy that provides the information on the difference (if any) between Scheduled and Delivered RECs is not provided to SECWAE until later in the month, it was thought better to wait on the REC Attestation and Bill for Sale reporting until the 25<sup>th</sup> of the month. Section 9.6 Renewable Energy Credits "RECs" was revised to clarify the reconciliation process for the RECs. This amendment does not impact any financial obligations to or from the SECWAE.

In summary:

- 9.6(1) allows SECWAE to deliver the REC Attestation and Bill of Sale on or before the 25<sup>th</sup> day of each month instead of the 5<sup>th</sup>.
- 9.6(2) language is not changed from original PPA.
- 9.6(3) is new and addresses how RECs will be tracked and reconciled (annually versus monthly)

Exhibit A is changed to allow for easier tracking by Utilities.

Tom Goodwin moved that the Committee recommend the Board approve the Second Amendment to the Hydroelectric Power Purchase Agreement (PPA) dated October 3, 2017 between Colorado Springs Utilities and the Southeastern Colorado Water Conservancy District acting by and through its Water Activity Enterprise, second by Seth Clayton. Motion passed with all in favor.

**INFORMATION ITEMS:**

None

**OTHER BUSINESS**

None

**NEXT MEETING**

Thursday, July 11, 2019 at 10:00 a.m.

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**ADJOURN**

Chairman Mitchell adjourned the meeting at 08:59 a.m.

Respectfully submitted,

Garrett Markus, P.E.

Water Resources Engineer