



REGULAR SESSION –WEDNESDAY, APRIL 3, 2024

STATE OF KANSAS     )  
  ) SS  
CITY OF KANSAS CITY)

**Item #3 – Approval of Agenda**

A motion was made to approve the Agenda by Ms. Mulvany Henry, seconded by Mr. Wakes, and unanimously carried.

**Item #4– Approval of the Minutes of the Regular Session of March 20, 2024:**

A motion was made to approve the minutes of the Regular Session of March 20, 2024, by Mr. Parker, seconded by Mr. Wakes, and unanimously carried.

**Item #5– Visitors Comments**

Ms. Louise Lynch, Kansas City, KS, spoke about salaries and various items, which included the Unified Government (UG) storm water charge. Ms. Lynch was allowed five minutes to speak as the website reflected five minutes when she signed up.

Dr. Alma Rosas-Hall, expressed her thanks for the assistance given to customers with a language barrier.

**Item #6– General Manager / Staff Reports**

- i. *Preliminary February 2024 Financials:* Ms. Lori Austin, Chief Financial Officer, presented the Preliminary February 2024 Financials to the Board. (See attached PowerPoint.)

Ms. Austin and Mr. Johnson responded to questions and comments from the Board.

- ii. *Energy Market Trends/Nearman Power:* Mr. Jerin Purtee, Executive Director Electric Supply, presented their internal training material and gave an overview of navigating the Integrated Market (IM). He also spoke about the economic value of BPU’s affiliation with Southwest Power Pool (SPP). Mr. Donald Stahl, Executive Director Electric Production, spoke about how the production team could keep units competitive and provide the most value. (See attached PowerPoint.)

Mr. Purtee and Mr. Stahl responded to questions and comments from the Board.

Mr. Johnson made a comment regarding the preparation of the Integrated Resource Plan (IRP) and said he would update the Board with its progress.

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- iii. *KMEA Appointment – Resolution #5296:* Mr. Johnson presented Resolution #5296, which would appoint Mr. Purtee as Director- 2 to serve on the Board of Directors for the Kansas Municipal Energy Agency (KMEA). (See attached Resolution.)

A motion was made to approve Resolution # 5296, by Ms. Mulvany Henry, seconded by Ms. Gonzales, and unanimously carried.

Mr. Purtee and Mr. Johnson explained the affiliation with KMEA and what services they provided to BPU.

- iv. *Miscellaneous Comments:* Mr. Johnson gave an update on the in-person appointment soft launch and reminded the Board that the Wyandotte Economic Development Council (WYEDC) would have their Spring quarterly event on April 10<sup>th</sup>.

**Item #7– Public Comments on Agenda Items**

Mr. Johnson asked if there were any visitors who wished to address the Board on the previous items presented.

Ms. Louise Lynch, Kansas City, KS, spoke about summer rates and plant staffing.

**Item #8– Board Comments**

Ms. Mulvany Henry asked if there were any updates on the meetings with the UG regarding the bill separation process.

Mr. Johnson gave an update and said he would present a full update to the Board at an upcoming meeting.

Ms. Mulvany Henry suggested that the Board should request a joint meeting with the UG officials.

Ms. Gonzales thanked staff for their presentation and said the UG would be presenting their budget to the Rosedale community Saturday, April 6<sup>th</sup>, at the RDA (Rosedale Development Association) building from 3 – 5 PM.

Mr. Parker thanked staff for their informational presentations.

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Mr. Wakes spoke about the importance of meeting with the UG officials. He provided an update from the UG Economic Development and Finance Committee meeting he attended and said BPU was addressed in reference to a project near 114<sup>th</sup> Street and Delaware Pkwy. He thanked staff for their presentations and community members for attending the meeting.

Mr. Haley thanked staff for their educational presentations and spoke about the importance of continuing to communicate with the UG. He asked if there were any updates regarding the request for proposal (RFP) process for the Quindaro and Kaw properties.

Mr. Johnson gave an update on the status of the two locations.

Mr. Groneman echoed thanks to staff for their updates and said he would draft a letter to the UG Board of Commissioners to request a joint meeting. He asked that the Board provide items they would like to problem-solve at the joint meeting. The proposed items included;

- The separation of the bill.
- Lowering the PILOT fee.
- Addressing the in-kind services between BPU and the UG.


Mr. Wakes asked Ms. Johnetta Hinson, Executive Director Customer Service, for her perspective on the in-person appointment launch.

Ms. Hinson provided feedback to the Board and spoke about the progress being made regarding the in-person appointment launch.

**Item 10 – Adjourn**

At 8:19 PM a motion to adjourn was made by Ms. Mulvany Henry, seconded by Mr. Parker, and unanimously carried.



ATTEST:  
  
Secretary

APPROVED:  
  
President

# **February 2024 Preliminary Financial Results**

**April 3, 2024**

## 2024 Billed kWh (YTD Feb)

Electric	(CY) 2024 YTD	(PY) 2023 YTD	
Residential	104,790,790	104,375,975	 Residential and Commercial classes were slightly above 2023 while Industrial and YTD are below 2023
Commercial	162,723,599	162,344,768	
Industrial	83,198,772	86,266,967	
	350,713,161	352,987,710	 -0.6%

Residential – Up .5%    Commercial – Up .5%    Industrial – Down 3.5%

## 2024 Billed CCF's (YTD Feb)

Water	(CY) 2024 YTD	(PY) 2023 YTD	
Residential	563,449	565,664	↓
Commercial	413,874	393,216	↑
Industrial	294,854	295,226	↓
	1,272,177	1,254,106	↑ 1.4%

Residential and Industrial were down slightly from 2023 while Commercial was up over 2023 levels

Residential – Down .5%

Commercial – Up 5%

Industrial – Down .5%

## Revenues – February 2024

	(CY) 2024 February	(PY) 2023 February		Budget 2024 February	(CY) 2024 February	
Electric	\$ 25.486	\$ 27.386	↓ -6.5%	\$ 26.841	\$ 25.486	↓ -5.6%
Water	4.182	4.331		4.603	4.182	
Combined	\$ 29.668	\$ 31.717		\$ 31.444	\$ 29.668	

\*\*Dollars in millions

### ***Actual Compared to 2024 Budget***

Electric – Down 5%

Water – Down 9%

Combined – Down 5%



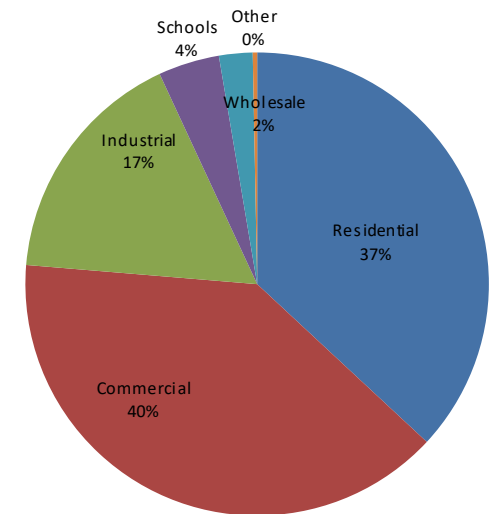
## Revenues – 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 51.387	\$ 54.649	↓	\$ 53.124	\$ 51.387	↓
Water	8.576	8.519	↑	8.977	8.576	↓
Combined	\$ 59.963	\$ 63.168	↓	\$ 62.101	\$ 59.963	↓ -3.4%

\*\*Dollars in millions

### Variance – YTD comparing Budget to Actual for 2024

<u>Electric:</u>	<i>Down 3%</i>	<u>Water:</u>	<i>Down 4%</i>
Residential	(\$ 643K)	Residential	(\$210K)
Commercial	\$ 172K	Commercial	\$ 89K
Industrial	(\$ 866K)	Industrial	(\$ 18K)
Schools	\$ 116K	Wholesale	(\$ 58K)
Wholesale	(\$ 1.1M)		



Recognized 2 months of 6 of the 2023 ERC Over Recovery of the ERC - \$1,362,509

## Operating Expenses – February 2024

	(CY) 2024 February	(PY) 2023 February		Budget 2024 February	(CY) 2024 February	
Electric	\$ 15.645	\$ 19.055	↓	\$ 19.238	\$ 15.645	↓
Water	3.365	2.913	↑	3.681	3.365	↓
<b>Combined</b>	<b>\$ 19.010</b>	<b>\$ 21.968</b>	↓	<b>\$ 22.919</b>	<b>\$ 19.010</b>	↓ -17.1%

\*\*Dollars in millions

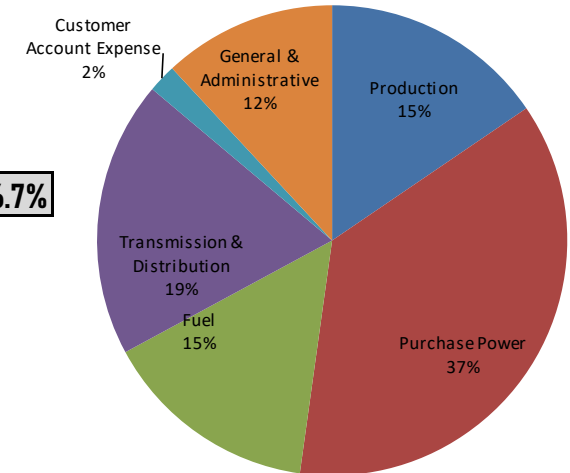
### **Actual Compared to 2024 Budget**

Electric – Down 19%

Water – Down 9%

## Operating Expenses - 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 42.806	\$ 38.345	↑	\$ 39.160	\$ 42.806	↑
Water	6.607	6.047		7.139	6.607	↓
Combined	\$ 49.413	\$ 44.392	↑ 11.3%	\$ 46.299	\$ 49.413	↑ 6.7%



\*\*Dollars in millions

### Actual Compared to 2024 Budget

- Electric – Up 9%
- Water - Down 7%
- Combined – Up 7%

## Operating Expenses – 2024 YTD less Depreciation

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 36.724	\$ 32.489	↑	\$ 33.348	\$ 36.724	↑
Water	5.188	4.650		5.758	5.188	↓
Combined	\$ 41.912	\$ 37.139	↑ 12.9%	\$ 39.106	\$ 41.912	↑ 7.2%

\*\*Dollars in millions

Variance – YTD comparing Budget to Actual 2024

### Electric:

Purchased Power	\$5.9M
Fuel	\$ 72K
Production	(\$862K)
T&D	(\$675K)
G&A	(\$902K)

### Water:

Production	(\$140K)
T&D	(\$136K)
G&A	(\$254K)

## Change in Net Position – February 2024

	(CY) 2024 February	(PY) 2023 February	Budget 2024 February	(CY) 2024 February
Electric	\$ 5.974	\$ 4.104	\$ 3.576	\$ 5.974
Water	0.089	0.630	0.234	0.089
Combined	\$ 6.063	\$ 4.734	\$ 3.810	\$ 6.063



\*\*Dollars in millions

## Change in Net Position – 2024 YTD

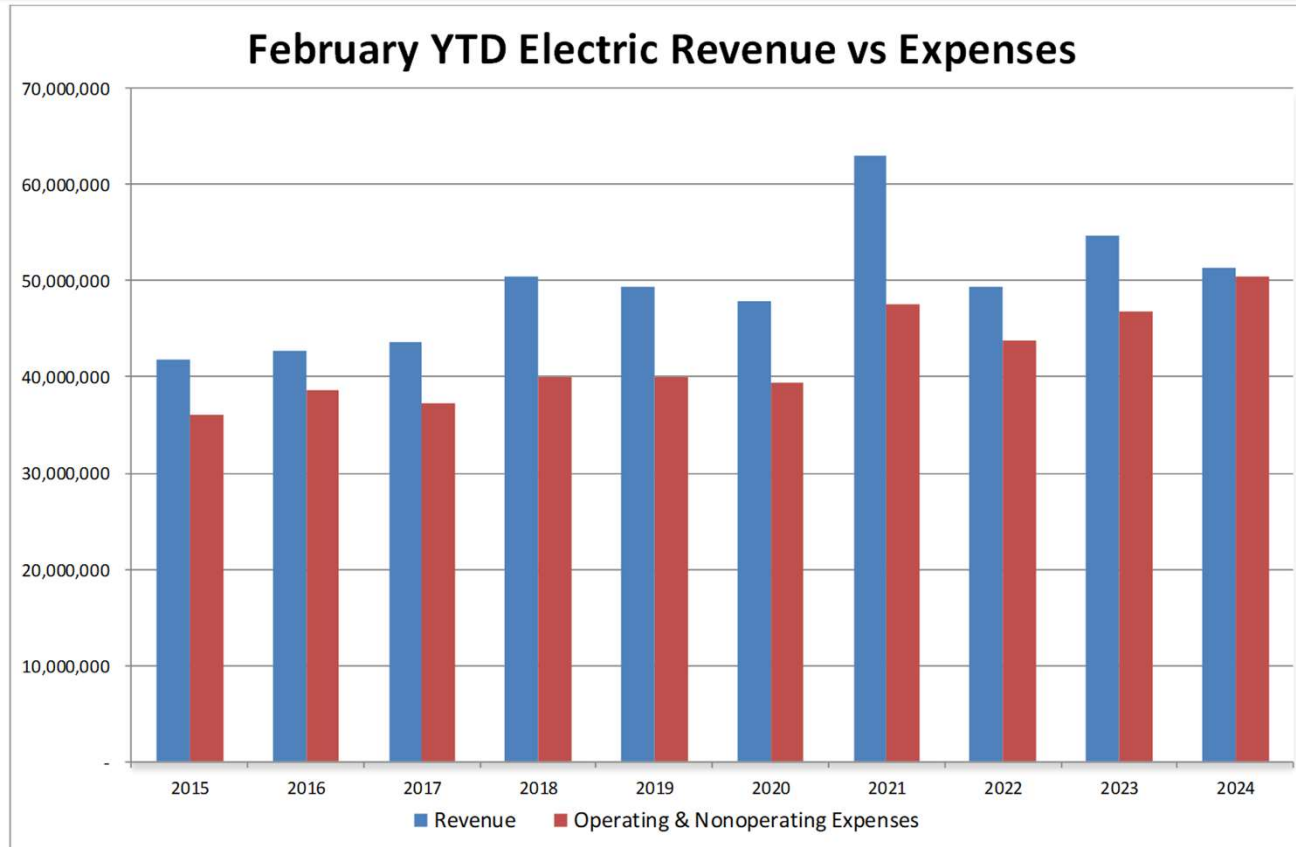
	(CY) 2024 YTD	(PY) 2023 YTD
Electric	\$ 0.954	\$ 7.784
Water	1.454	1.194
Combined	\$ 2.408	\$ 8.978

Budget 2024 YTD	(CY) 2024 YTD
\$ 5.963	\$ 0.954
0.701	1.454
\$ 6.664	\$ 2.408

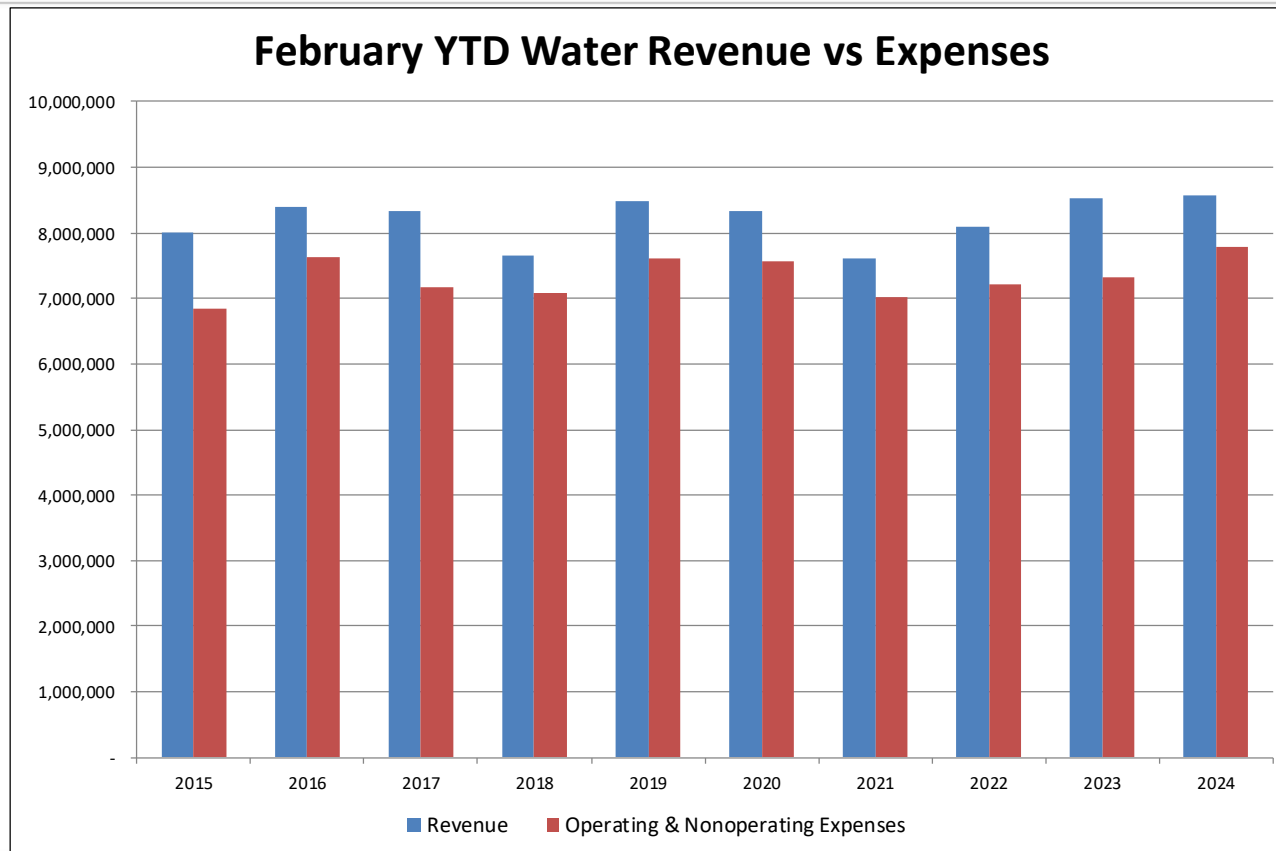


\*\*Dollars in millions

# Financial Results – 10 Year Trend

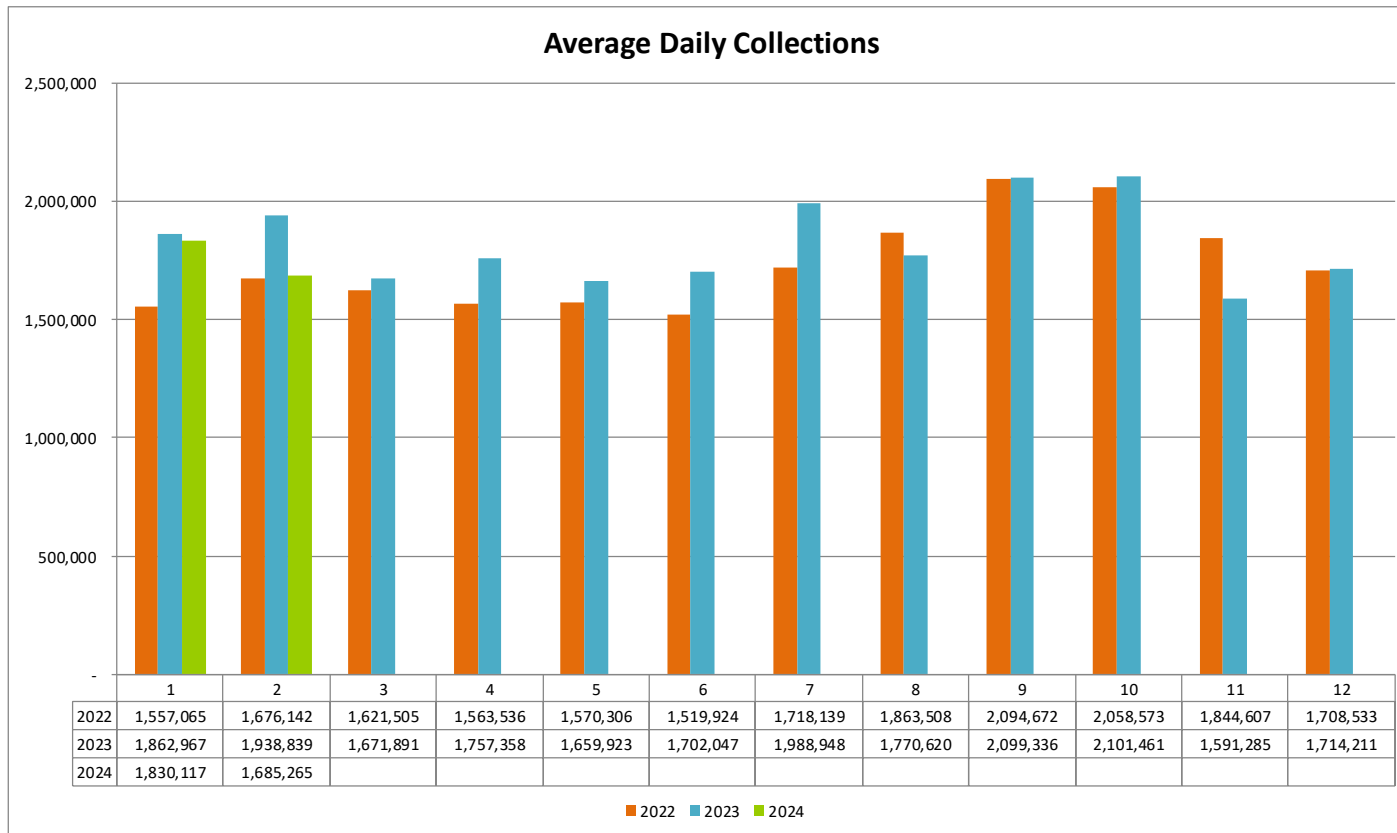


# Financial Results – 10 Year Trend



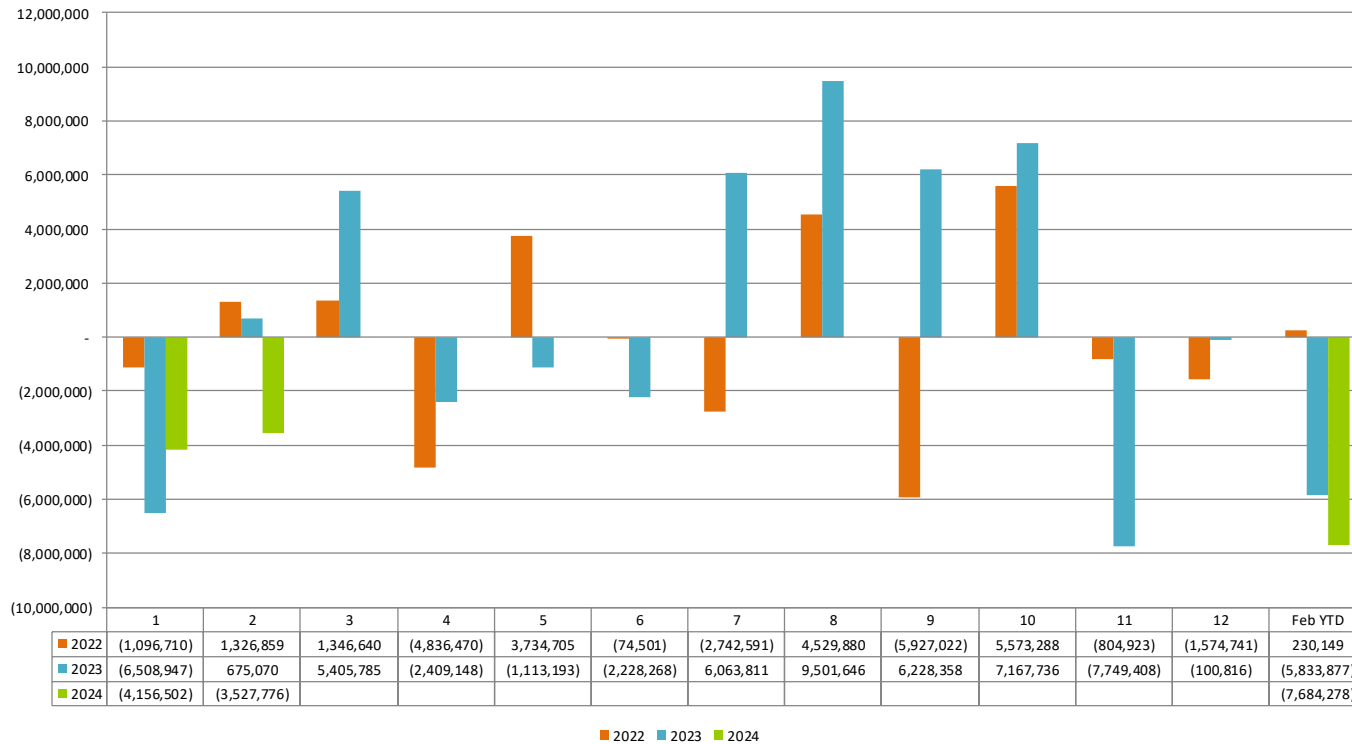


# Financial Results



# Financial Results

Historical Monthly Cash Comparison



## Cash Position

	(CY) 2024 February	(PY) 2023 February	2024 January
Combined (E&W) Days Cash-on-Hand	\$ 50.05 77	\$ 38.21 59	\$ 52.88 81

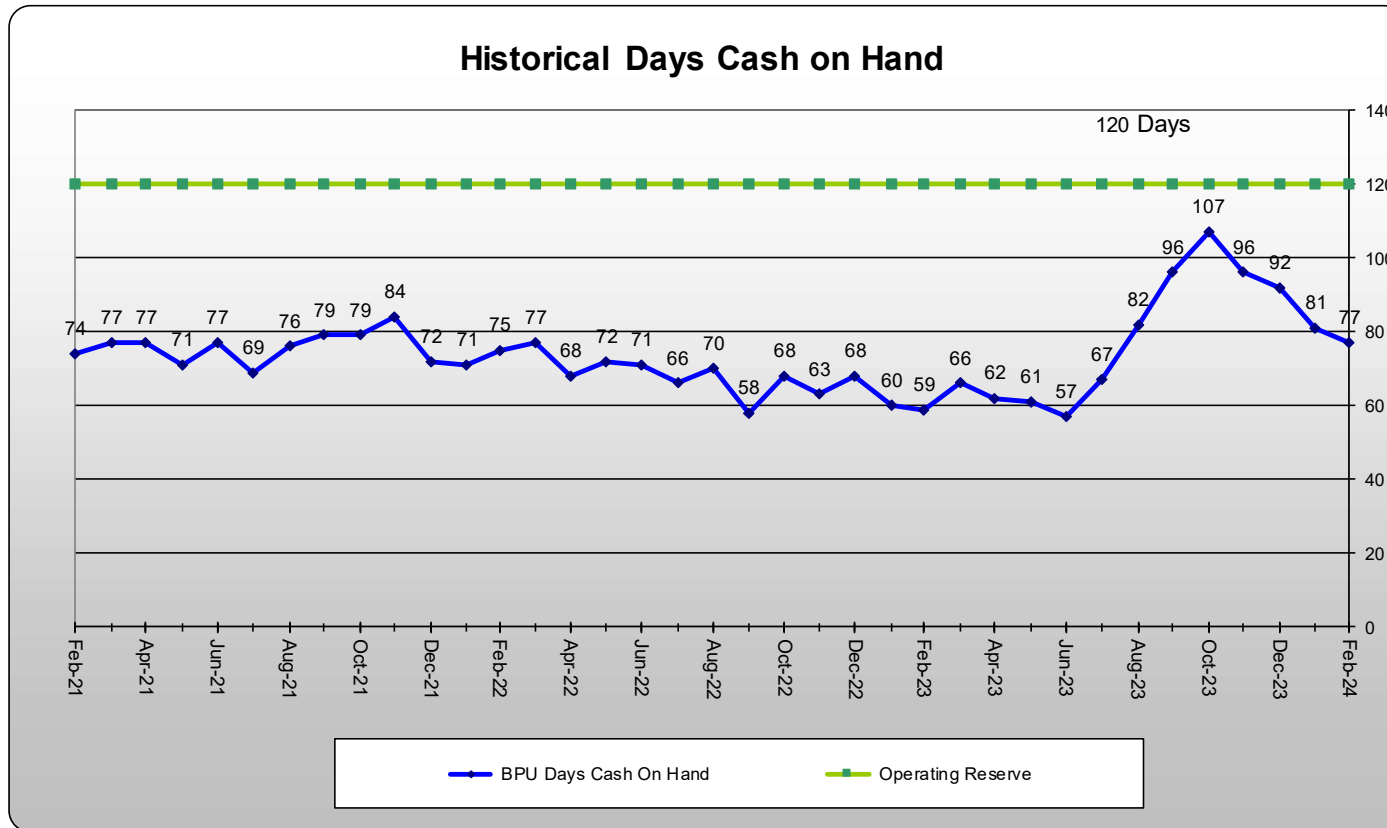
1 Day = Approximately \$600K-\$625K  
(Based on 12 month rolling average of expenses)

## Balance Sheet: Notables

	(CY) 2024 February	(PY) 2023 February
Fuel Inventory	\$ 10.424	\$ 8.141

\*\*Dollars in millions

# Financial Results



## Capital Spending

	(CY) 2024 YTD	(PY) 2023 YTD	2024 Budget		
Electric	\$ 1.62	\$ 2.26	\$ 35.58		
Water	0.66	1.54	26.38		
Common	0.27	0.50	5.13		
<b>Total YTD Capital</b>	<b>\$ 2.55</b>	<b>\$ 4.30</b>	<b>\$ 67.09</b>	<b>Remaining</b>	<b>96%</b>

\*\*Dollars in millions

### Major projects in 2024:

- Electric Overhead Distribution - \$411K
- Electric Underground Distribution - \$317K
- Distribution Pole Inspection - \$319K
- Underground Transformers - \$352K
- Enterprise Technology - \$270K
- Water Distribution - \$186K

## Debt Coverage

### Debt Coverage with PILOT

Financial Guideline Target  
2.0 times with PILOT

	(CY) 2024 February	(PY) 2023 February
Electric	2.24	2.81
Water	2.46	2.22
Combined	2.37	2.90

### Debt Coverage w/o PILOT

Financial Guideline Target  
1.6 times without PILOT

	(CY) 2024 February	(PY) 2023 February
Electric	1.53	2.09
Water	1.87	1.74
Combined	1.65	2.18

# SPP Market Trends & EPROD Training Discussion

4/3/2024



SPP IM Refresh

DA vs. RT Impacts

Resource  
Adequacy/Capacity

Discussion/Questions



## SPP Integrated Marketplace

- Co-optimizes the deployment of energy and operating reserves to dispatch resources on a least-cost basis
- Consolidated Balancing Authority (CBA)
- Day-Ahead Market
- Real-Time Balancing Market
- Reliability Unit Commitment process (RUC)

# Day-Ahead & Real Time

## Day-Ahead Market

- Bid/offer window closes 0930
- Bid Load
- Offer resources
- DA RUC ~1445

## Real-Time Balancing Market

- Market operated continuously in real-time to balance the system through Energy deployment and to clear Regulation-Up, Regulation-Down, Spinning Reserve, and Supplemental Reserve

## Day-Ahead & Real-Time Results

- Load DA – Purchase amount of forecasted load at cleared DA Locational Marginal Price (LMP)
- Load RT – Account for any deviation from forecasted DA load at Real Time LMPs
- Resource Offer DA – Offer available generation with associated parameters to SPP. Financially binding
- Resource Offer RT – Fulfill any commitment from DA offer; respond to real time operating reserve commitments

## Day-Ahead & Real-Time Metrics

- Inability to fulfill DA commitment exposes BPU to potential volatility of RT market pricing
- Energy sales of BPU generated MWs in SPP IM offsets the purchase power costs reflected in weekly invoice from SPP

# Factors to Consider

## Contributing Factors

- Natural Gas prices
- Wind output across SPP footprint
- Scheduled outages impacting supply
- Local Reliability
- Season/Temps

# Resource Adequacy

## Resource Adequacy/Capacity

- SPP moving toward Performance Based Approach (PBA); approximate effective date 2026/2027 (7 years of performance data)
- Effective Load Carrying Capability (ELCC)
  - Wind accreditation to fall by ~70%
  - Solar 50-70% Summer 10-20% Winter
- 115% capacity requirement of annual peak load
- Will use GADS data; include forced derates in addition to forced outages

# Resource Adequacy

## Resource Adequacy/Capacity

- SPP is anticipating 3%-7% impact on registered capacity with PBA
- This approach will increase the value of capacity emphasizing the importance of unit availability and performance while minimizing the number of forced outages and de-rates
- Capacity market volatility expected to increase

# Unit Offer Opportunities

## Unit Offer Opportunities

- Increase
  - Unit efficiency
  - Ramp rates
  - Max output
  - Operating range
- Reduce
  - Chemicals
  - Reagents



# Resource Adequacy Opportunities

## Resource Adequacy Opportunities

- Reduce forced outages
- Strategic planned and maintenance outages
- Increased focus on inspection and preventative maintenance programs

# Ongoing efforts

## Ongoing efforts

- Training
  - EPROD Supervisors
  - EPORD Staff
- Improved communication initiatives
- Operational strategies
- Outage coordination