



**MINUTES FOR THE REGULAR MEETING  
OF THE POWER BOARD  
OF THE CITY OF SPRINGVILLE, UTAH  
DISTRIBUTION CENTER  
JUNE 11, 2014 – 6:30 A.M.**

**MEMBERS PRESENT:** Chairman Clair Anderson, Rod Andrew, Travis Ball, Tom Hawks

**MEMBERS ABSENT:** Councilman Craig Conover, Darrin Wolz, Jason Miller

**DEPARTMENT STAFF:** Leon Fredrickson, Matt Hancock, Brandon Graham

Minutes were transcribed from recording by Kami Craudell, Power Board Secretary.

**CALL TO ORDER**

The meeting was called to order at 6:31 a.m. by Chairman Anderson. The members were in attendance as listed.

**APPROVAL OF THE MINUTES**

The motion to approve the meeting minutes from May 14, 2014 was made by Rod Andrew. The motion was seconded by Chairman Anderson and was passed with a unanimous vote of the members present.

**BUSINESS**

1. RESOURCES AND RATE FINANCIAL REPORTS

a. FY14 kWh SALES AND REVENUE REPORT

- i. AS OF MAY 31, 2014: Mr. Fredrickson reported that staff has noticed a drop in usage across all rate classes. Projections remain on track for the remainder of the fiscal year. Large Commercial is showing minimal growth, of 0.10% for the month with an 8% kWh decrease overall for the month. Revenues are meeting projections, but increase was minimal at 1.11%. Staff is expecting June to look the same due to lower than expected temperatures.

b. RESOURCE COST REPORT

- i. APRIL 2014: Mr. Hancock reported on the following project costs. CRSP was received higher than normal at \$33.00 per MWh, the reason for the increase was unknown. San Juan had numerous problems during the month, not running for ½ the month. 1.4 million kWh was purchased from the project at \$99.99 per MWh. The pool cost was \$36.78 per MWh, Power Exchange cost was \$59.08 per MWh, and the low load purchase market power was received at \$38.00 per MWh. Pleasant Valley wind came in lower than expected at \$57.20 per MWh and Nebo was utilized heavily at 6.3 million kWh for \$74.46 per MWh. The monthly UAMPS blend was \$59.66 per MWh. Blue Mountain Biogas produced 842,000 kWh at a cost of \$50.60 per MWh. The blend for all resources was \$60.13 per MWh.

2. RESOURCE DISCUSSION

- a. UAMPS PROJECT UPDATE: Mr. Fredrickson will be attending the APPA National Conference. A large portion of the conference will be devoted to the recently passed legislation regarding CO2 emissions from the EPA.
- i. NuSCALE SMR DEVELOPMENT: A news release from NuScale announced a cooperative agreement and additional \$217 million additional funding for continued development on the small modular reactor (SMR). UAMPS is partnering with Energy NorthWest for a proposed construction site at the Idaho National Laboratory. The SMR is a full passive system, meaning it can lose power and still be sustainable for a safe and controlled shut down. The reactors are submerged in water and can be removed for repair or replacement. A large push is still being made for solar energy but the projects are not feasible until a battery storage system is developed.

**REPORTS**

1. GENERATION

- a. WHPP: Mr. Hancock reported that the mechanics are working on modifying unit K2 for the catalytic convertor installation. This is needed to meet the air quality standards to run the unit. Mr. Black is

working with a welder to change the configuration for the air intake manifolds on K4. Crews found a microfracture in the block for K2. Reynolds-French was contracted to stitch the fracture, repairing the damage.

- b. **ELECTRICIANS:** The electricians have completed the commissioning of the new North Substation. The substation is online with a 20 MVA capacity with a current usage at 10 MVA. Crews have also completed the control wiring for breaker 6042. The breaker was damaged during last winter. A new SUVPS transformer was set at the Dry Creek Substation. The electricians completed the control wiring to bring the transformer on line.
  - c. **SYSTEM:** Over 19 million kWh went through Springville's system during May, with a high demand of 41 MW.
2. **DISTRIBUTION:**
- a. **CAPITAL PROJECTS:** Crews will begin the next phase of the Industrial Park Reconductor next week. The project was put on hold to complete the North substation rebuild. The next phase will complete work to the North side of 1400 N. The new fiscal year will include a bore under the railroad tracks behind Flying J. Circuit 501 from the North Substation was rebuilt to increase the line capacity to 600 amps to the area near Wing Ladders. Circuit 101 from the rodeo grounds to Sid's Alignment was also rebuilt to increase capacity.
  - b. **46 KV LINE:** The award for the steel pole bid went to Dis-Tran Steel. The purchase order is waiting for Council approval.
  - c. **NEW CONSTRUCTION:** New construction projects include: Neways addition, increase of 1000 amps; East Sunset Ridge Subdivision on 400 N.; True Science, addition of 1200 amps; and the completion of the Jr. High Seminary.
  - d. **TREE CONTRACT:** The award for the three (3) year tree contract went to Wright Tree Service. The contract is waiting for City Council approval.

## **BUSINESS**

### 2. **RESOURCE DISCUSSION**

- a. **CLEAN ENERGY RATE PREMIUM:** Neways International has approached the city regarding becoming a complete green energy user. Neways would like to have this completed by their world-wide conference in August. The request for all green services is becoming more common as the cost for green power decreases. The current National average is 2¢ kWh. Springville Electric Staff feel that a program modeled after the Rocky Mountain Blue Sky program would be the best option. The Blue Sky program allows a customer to purchase a 100 kWh block of green power for an additional \$1.95 per kWh. The commercial program has various ranges for purchase. Springville's current combined wholesale cost is 7¢ kWh. Springville has the capability to sell 20 million kWh. Neways would reserve 2 million kWh with their request.

Staff is proposing that the rate offered be \$1.75 additional per kWh for a 100 kWh block. This would increase the Neways bill by approximately \$3,500.00 per month. Definite language would be necessary to allow for rate increases as the subsidies run out. The following motion was made by Tom Hawks and was seconded by Rod Andrew. The motion was passed by a unanimous vote.

*It is the suggestion of the Springville City Power Board that the Springville City Council approve the sale of renewable energy at the proposed rate of \$1.75 kWh for a 1000 kWh block to a requesting customer that would like to purchase renewable energy.*

The Board members present viewed a NuScale video for additional information on the project.

No additional recording was available for transcription after this point.