

**PIQUA ENERGY BOARD  
MEETING  
APRIL 24, 2012**

**TIME & PLACE:** A regular meeting of the Piqua Energy Board was held on Tuesday, April 24, 2012 at Piqua Power System's office. Chairman John Alexander called the meeting to order at 12:00 P.M.

**ATTENDANCE:** See attached Attendance Report.

**NEW BOARD MEMBERS:** Ed Krieger welcomed Roger Hartley and Joe Drapp to the Energy Board.

**MONTHLY MINUTES:** Pat Jenkins moved to approve the minutes of the February 28, 2012 meeting. Joe Drapp second and the motion carried.

**MONTHLY REPORT:** Ed Krieger reviewed the March 2012 year to date (YTD) monthly financial reports. YTD KWH sales are 1.8% below budget, and revenues are 7.6% below budget. The YTD total electric revenues are 7.5% below budget. The YTD total electric expenditures are 31% below budget due to low purchased power costs. The YTD electric-system adjusted margin is \$704,194. The YTD cash and investments are \$13,395,689. The minimum electric fund balance is \$4,833,416, and the ideal electric fund balance is \$8,833,416. Bill Vogt moved to accept the monthly reports. John Martin second and the motion carried.

**BLUE CREEK WIND PROJECT:** Don Gruenemeyer from Sawvel and Associates, Inc. presented his review of the Iberdrola Blue Creek Wind Farm Power Purchase Agreement (PPA) offered by American Municipal Power. The Blue Creek Wind Farm is located in Tully, Union, and Hoaglin townships of Van Wert County and Benton, Blue Creek and Latty townships of Paulding County in northwest Ohio. Sawvel made the following conclusions:

1. The average estimated Wind Project PPA price is comparable to estimated market energy prices during the 10-year PPA term. Because the Wind Project PPA energy deliveries will replace market energy purchases, there is no projected impact on power supply costs.
2. The City has a need for annual market energy purchases during the 2012 through 2022 Wind Project PPA term. The Wind Project PPA can help reduce the need for market energy purchases.
3. Sawvel recommends a Wind Project PPA subscription amount of up to 5,000 kW.
4. An estimated 15% of the City power supply will be generated by renewable resources in 2015. A Wind Project PPA subscription amount of up to 5,000 kW is projected to increase this percentage to approximately 20% in 2015. This exceeds the 12.5% requirement investor-owned utilities must meet by 2025 under SB 221.

The board had several questions over Sawvel's future market energy prices and a discussion followed. Don Gruenemeyer emphasized that the model is a conservative estimate and market energy prices are currently near historic lows, so the risk of increased market prices is greater than the risk of further decreases.

Joe Drapp moved to recommend to the City Commission the subscription for up to 5,000 kW of the Blue Creek Wind Farm. Roger Hartley second and the motion carried. Pat Jenkins abstained due to personal interests in the project.

**2012 WORK PLAN  
– 1<sup>st</sup> QUARTER  
UPDATE:**

Ed Krieger reviewed the 1<sup>st</sup> quarter work listing summary for the Power System. The Power System remains on target to complete the vast majority of budgeted initiatives for 2012.

**LEGISLATIVE  
UPDATE:**

Included in this month's Energy Board packet are articles on the following legislative topics: Tax and Financing Issues, Streamlining Hydro Development, Wholesale Electric Market and Transmission Issues, and Energy and Environmental Policy

**OLD BUSINESS:**

A Prairie State Status Update is included in this month's Energy Board Report. Commissioning issues have delayed the start-up, with current projections for both units to be complete by June 1, 2012.

**NEW BUSINESS:** Ed Krieger reviewed the results from the 12<sup>th</sup> Annual Public Power Lineworkers Rodeo, which was held in Cleveland Ohio on April 14, 2012. Piqua had one Journeyman Team and one Apprentice competing. The Journeyman Team who consisted of Jim Boggess, Dan Cline, and Kevin Grinstead took 8<sup>th</sup> Place in the 12 kV Arrestor Event Change out. Jerry Perkins, apprentice, placed 7<sup>th</sup> overall.

**ADJOURN:** With no further business to discuss, Joe Drapp moved to adjourn the meeting at 1:25 P.M. Bill Vogt second and the motion carried.

**SIGNED:** \_\_\_\_\_  
Ed Krieger  
Power System Director