



## PROVO MUNICIPAL COUNCIL

### Joint Meeting with the Provo Energy Board

12:00 PM, Tuesday, September 25, 2018  
Room 310, City Conference Room  
351 West Center Street, Provo, UT 84601

#### Roll Call (0:00:00)

The following elected officials and Energy Board members were present:

Council Chair Gary Winterton, conducting	Ned Hill, Energy Board Chair
Council Vice-chair David Harding	Cheryl Taylor, Energy Board
Councilor David Sewell	Paul Greenwood, Energy Board
Councilor David Knecht	Jeff Rose, Energy Board
Councilor George Stewart	Norm Wright, Energy Board
Councilor George Handley	Scott Bunker, Assistant Energy Director
Councilor Kay Van Buren, arrived 12:17 PM	Tad Smallcomb, Systems Operations Manager
Mayor Michelle Kaufusi	Charlie Fuller, Management Analyst
Brian Jones, Council & City Attorney	Kat Linford, Management Analyst

*Excused:* Travis Ball (Energy Director) and Cliff Strachan (Council Executive Director)

Council Attorney Brian Jones offered the prayer.

#### Agenda

1. A discussion on SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis for strategic planning (0:41:44)

Scott Bunker, Assistant Energy Director, distributed a handout which detailed an analysis of the Provo Power organization's strengths, weaknesses, opportunities, and threats. Mr. Bunker shared this for the Council's information regarding efforts of which the Energy Department was aware and sought to examine.

***Presentation only.***

2. A discussion on reliability (0:06:23)

Tad Smallcomb, Systems Operations Manager, introduced the discussion on reliability. The Energy Department has an overarching goal to become the most reliable electric utility in the country, with superior customer service, competitive rates, and a safe environment for employees. This goal drives the decisions of the organization and their priorities. Mr. Smallcomb indicated that one measure of reliability is SAIDI, or the System Average Interruption Duration Index. SAIDI is calculated by dividing the total outages experienced by the total number of customers. Mr. Smallcomb referenced a handout which shared a SAIDI comparison between Provo Power and other agencies. The comparison broke down Provo Power's data in several different views, showing monthly and annual trends, as well as the average.

The other measures reported in the comparison were:

- Investor-owned utilities (IOUs) (typically driven by investor returns over reliability)

- COOP or rural utilities (typically receive government funding and service large areas on stretched systems, resulting in lower reliability)
- Public Power

Mr. Smallcomb briefly addressed safety considerations and a question from Chair Gary Winterton regarding capital improvement projects (CIPs) planning. Mr. Winterton noted that in many other areas of the City, it has been difficult to keep pace with the various infrastructure needs through CIP. Mr. Winterton wondered how Provo Power has been utilizing CIP and addressing static needs. Mr. Smallcomb explained details of the Energy Department CIP and also noted that the power grid and infrastructure has been designed with some built-in redundancy. **Presentation only.**

3. A discussion on time-of-use rates ([0:21:19](#))

Charlie Fuller, Management Analyst, presented on time-of-use rates, and outlined various considerations and challenges of time-of-use rates. Ms. Fuller specifically outlined three rate structures which have been included in a proposal to redesign Provo Power's rate structure:

- Coincident demand rate structure
- Time-of-use demand rate structure
- Time-of-use energy rate structure

Ms. Fuller explained each of these systems in detail and outlined benefits and disadvantages of each, both from an organizational standpoint and from a customer perspective. **Presentation only.**

4. A discussion on resources and Utah Municipal Power Agency (UMPA) ([0:43:15](#))

Kevin Garlick, UMPA Power Resource Manager, and Layne Burlingham, UMPA CEO and General Manager, discussed and presented on two topics, the BYU Cogeneration project and the Public Utilities Regulatory Policies Act (which aims to promote energy conservation by reducing demand, and promoting greater use of domestic and renewable energy).

Paul Greenwood, Energy Board Member and BYU Director of Utilities, Engineering, and Maintenance, shared some updates regarding BYU's energy generation facility. Mr. Greenwood indicated that they were in the midst of circulating information and educating those within the BYU organization about the terms of the program and how it could work.

Mr. Garlick explained that both he and Mr. Greenwood were trying to educate BYU's leadership on the possibilities and limitations involved in the Cogeneration project. Both of them were sensitive to the effects to Provo City and the financial health of the general fund. Mr. Garlick explained that UMPA was committed to finding fair and equitable solutions for the many stakeholders involved in this and other projects. Mr. Greenwood was confident that an agreeable solution could be reached. Mr. Garlick briefly mentioned the Olmsted Power plant and the resources it represents for Provo's power supply.

Mr. Garlick said that at the next UMPA Board Meeting, they would be announcing the development of a community solar project in Tooele County, in conjunction with Pacific Corp power lines. The intent was to connect these sources to UMPA cities in 2020 or 2021; the costs of solar operations have decreased and the timing is opportune to replace existing coal contracts when they are due to expire (the next expires in 2020). Based on input from the Provo City council and other member cities, UMPA has observed that there is a desire to bring in renewable sources when it is economical to do so. Mr. Garlick and his colleagues acknowledged this significant step. The project was set to be presented at the September UMPA Board Meeting, with tentative approval to follow in October.

Councilor David Sewell asked about the long-term vision for moving to renewable energy sources. He suggested that perhaps by the time of the next joint meeting of the Council and Energy Board, that they have in place a long-term goal and vision for how the City is going to move toward renewable sources, and how this can be communicated to residents. The Energy Board noted an opportunity for residents to attend a public meeting on October 18 sponsored by Provo Power and the Provo Sustainability Committee, with a guest from UMPA, regarding input on the Energy Department's long-term plans. Public input would help shape the conversation about what goals the City pursues. As a member of UMPA, Provo City has a seat on the UMPA board and the City's feedback helps to drive the future direction of the organization.

The forthcoming community solar project was a big step in the right direction, and Provo Power and UMPA continued to review other technologies to meet future needs. One challenge relates to the gas and coal contracts currently in place. Provo operates a gas plant, which is not renewable, but Provo Power is seeking to implement true renewable sources where possible, such as the Olmsted hydro-electric power plant and solar. There are still discussions with UMPA regarding a proposal to operate a community solar project in Spanish Fork. Councilors shared various comments and feedback, including comments regarding renewable energy, related policy considerations, and the upcoming public meeting.

Councilor George Stewart asked whether the market could sustain a reasonable rate for power without coal for a baseload. Mr. Garlick explained that UMPA has moved from coal to gas-fired combined cycle generation, however, by bringing in solar to replace coal, they would also need to bring in another resource to stabilize the baseload. Purchasing BYU Cogenerated power would be an important baseload resource for UMPA and Provo City.

Ned Hill, Energy Board Chair, asked how the Council would like them to report back as a board. Mr. Winterton suggested perhaps the Council could request a report from the Energy Board more often; he thanked the Board members, Provo Power staff, and UMPA representatives for joining the Council for the joint meeting and expressed appreciation for their work.

## **Adjournment**

*Adjourned by unanimous consent.*