



POWER DEPARTMENT

MAY 2, 2023



- Power has allocated \$6,600,000 over the last two budget cycles with the intent to replace K4 with two Caterpillar 3520H engines.
- In February, Wheeler Machinery announced to many local utilities that they had open manufacturing slots for (20) 3520H gensets, which would be ready for delivery in the summer of 2023. This situation resulted because of a lost bid to a large Idaho utility.
- The Utah utilities started to snap up the open slots hoping to reduce lead times and gain capacity to shield against market pricing.
- Springville has advantage because of existing building, gas and electrical infrastructure, and long lead-time breakers and transformers.



Resources 2024 (two generators)

	Day MW Capacity	Night MW Capacity
CRSP	1.5	1.5
Long Term Market Contracts	8	8
PV Wind	0.3	0.3
HB Wind	1	1
Olmstead	0.1	0.1
Nebo (24/7 since March 2023)	25	25
Baseload Capacity Total	35.9	35.9
Red Mesa Solar	3	
Intermediate Capacity Total	38.9	
Whitehead	20.5	
Peaking Capacity Total	20.6	
Resource Total	59.5	35.9



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Resource Total	59.4	35.9



Resources 2024 (three generators)

	Day MW Capacity	Night MW Capacity
CRSP	1.5	1.5
Long Term Market Contracts	8	8
PV Wind	0.3	0.3
HB Wind	1	1
Olmstead	0.1	0.1
Nebo (24/7 since March 2023)	25	25
Baseload Capacity Total	35.9	35.9
Red Mesa Solar	3	
Intermediate Capacity Total	38.9	
Whitehead	23	
Peaking Capacity Total	23	
Resource Total	61.9	35.9



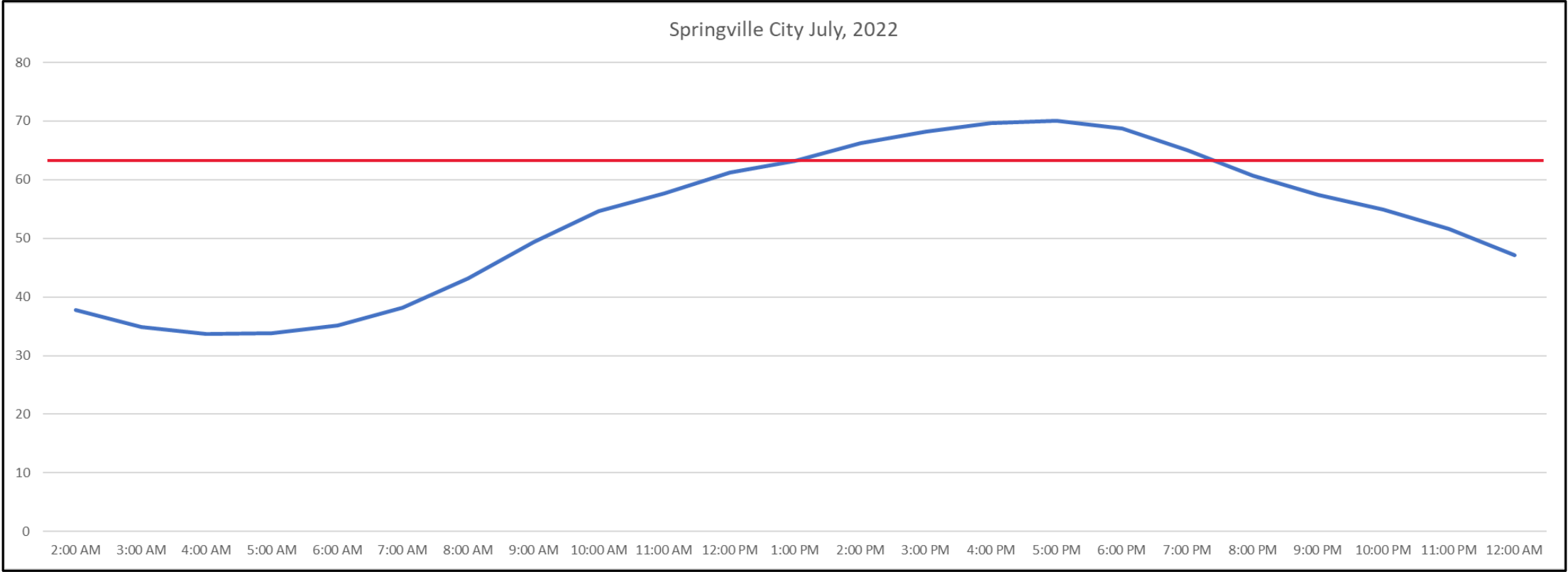
PROJECT PRICING

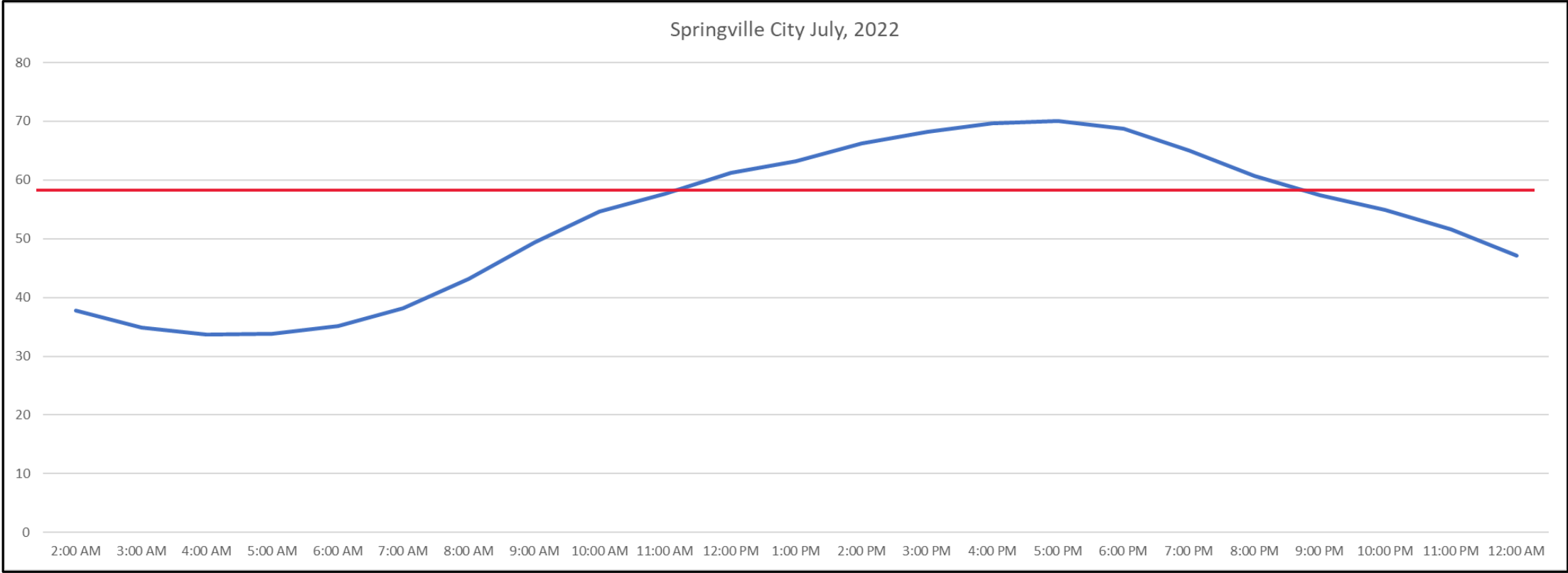
- Pricing for a 3 genset project is \$11,700,451
- Pricing for a 2 genset project is \$8,526,965



POSITIVES OF INSTALLING THREE GENSETS

- Creating a new emissions permit can be risky each time equipment is added or modified. We can maximize our capacity at 23 MW, enabling us to operate all units at the same time during the summer by installing 3 new engines (5 cats + 2 Enterprises).
- We avoid a two year lead-time on the 3rd engine with inflationary increases.
- Construction is more fluid with installing 3 generators at once because of inside and outside cement work, inside piping removal and isolation, fuel system removal, and exhaust stack removal.
- Parasitic losses are lowered due to the use of antifreeze instead of water (we don't have to heat engines and cooling tower to keep from freezing).







Questions?



	Price Per MW of Market
FY 2023	\$134.54
FY 2022	\$63.20
FY 2021	\$53.27
FY 2020	\$34.06
FY 2019	\$36.12
FY 2018	\$33.31

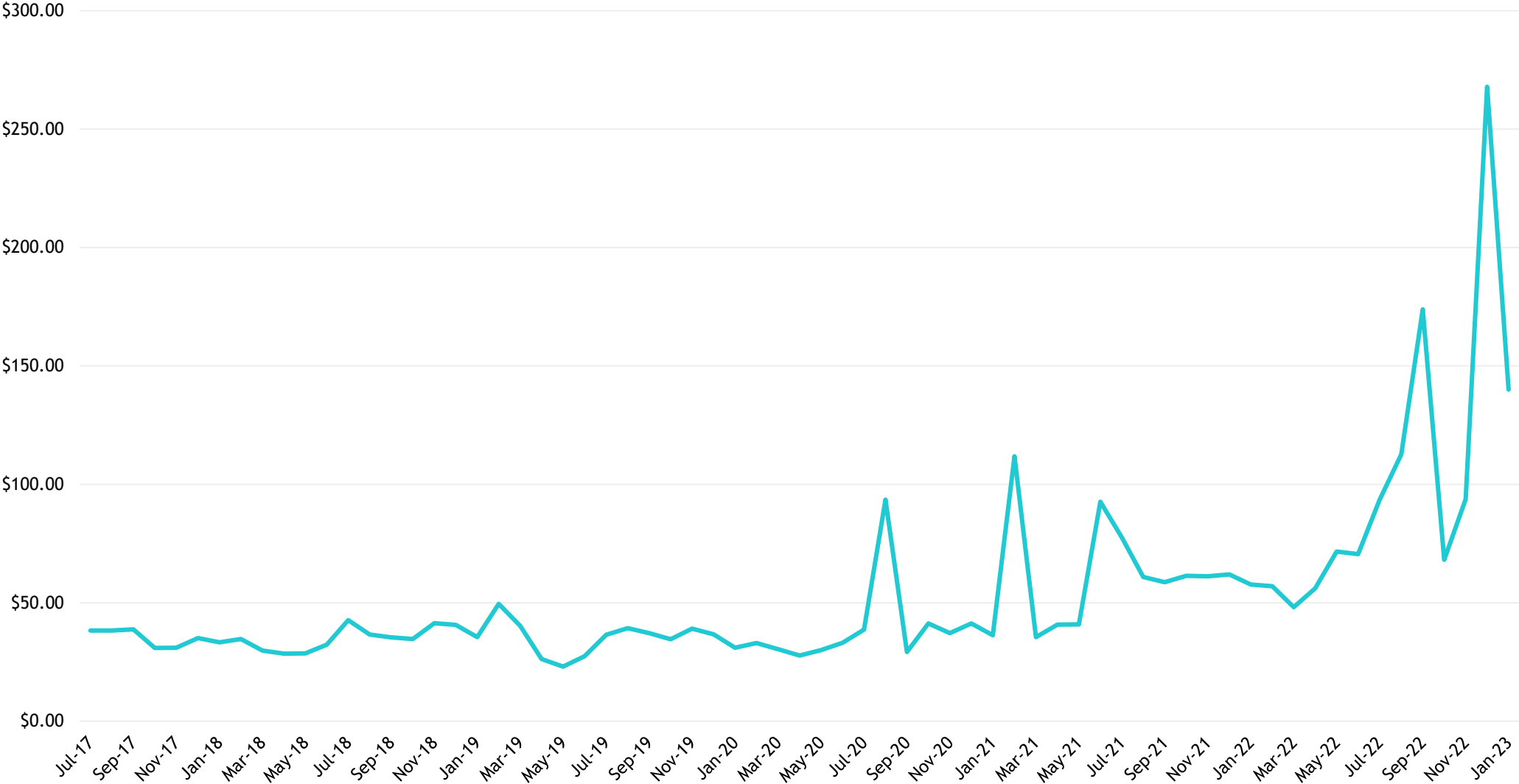


LONGER TERM PROJECTS

- Zion Solar with storage (Limited Intermediate Load with some Peaking 5 MW)
- Simple Cycle Turbine Participation (Intermediate load 5 MW)
- Gas Engines Plant with other Cities (Peaking Load 5 MW)



Prices Paid Springville City Market Purchases



SPRINGVILLE CITY, UTAH
ELECTRIC REVENUE BONDS
SERIES 2023 (BANK QUALIFIED)



FINANCING OPTIONS*

May 5, 2023

Method of Sale:	Private Placement	Private Placement	Private Placement
Amortization:	3-Year Amortization	5-Year Amortization	7-Year Amortization
Project Amount:	\$2,000,000	\$2,000,000	\$2,000,000
Par Amount:	\$2,075,000	\$2,075,000	\$2,075,000
Total Net Debt Service:	\$2,190,088	\$2,255,833	\$2,331,650
Average Annual Debt Service:	\$730,029	\$451,167	\$333,093
True Interest Cost:	2.750%	2.850%	3.000%
All-Inclusive Cost:	4.662%	4.137%	3.976%
Costs of Issuance:	\$75,000	\$75,000	\$75,000

*Estimated rates as of 5/5/2023.