Lehi City Power

"A new frontier of risk and challenges for municipal power"

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Risk?

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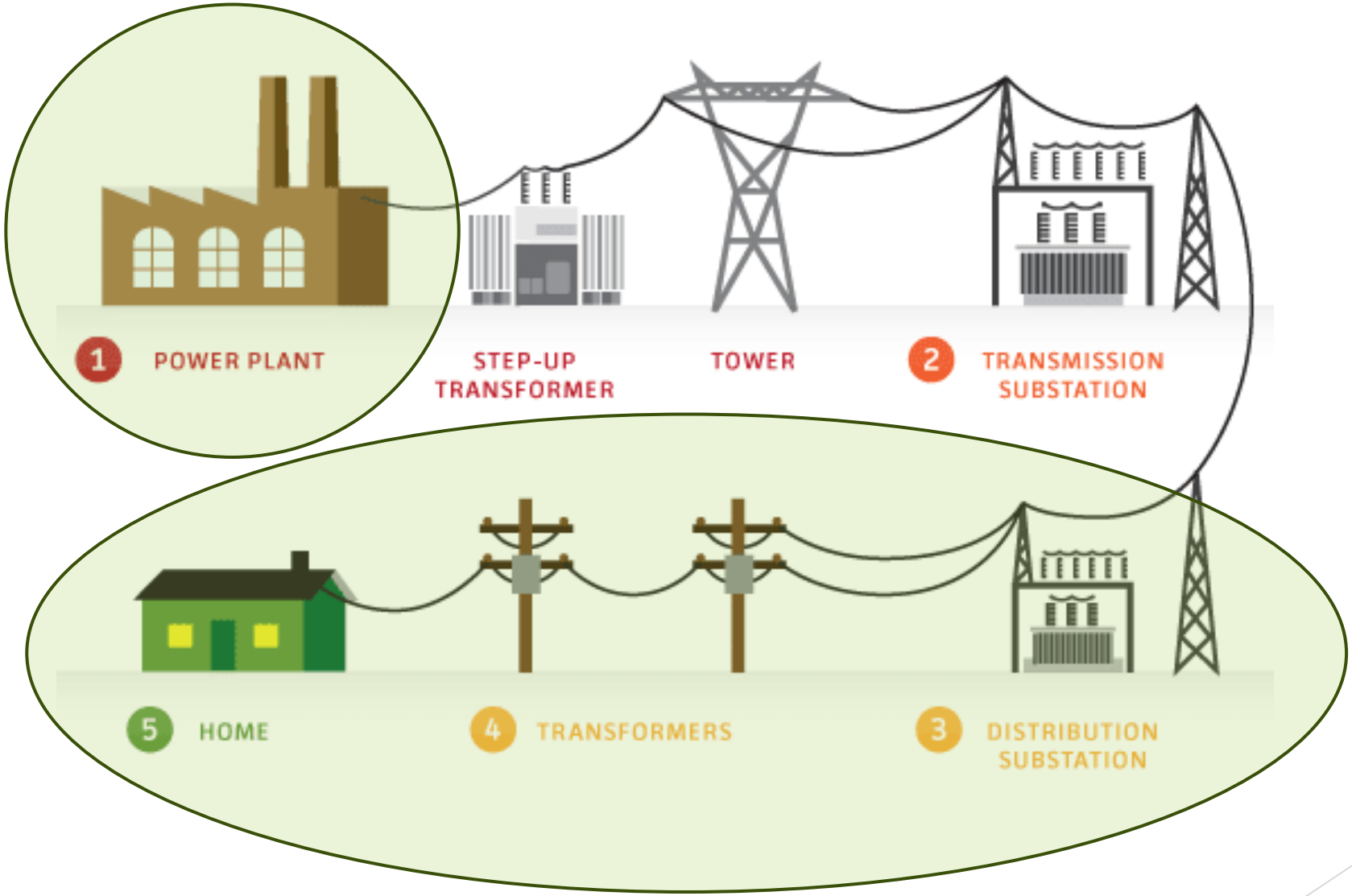
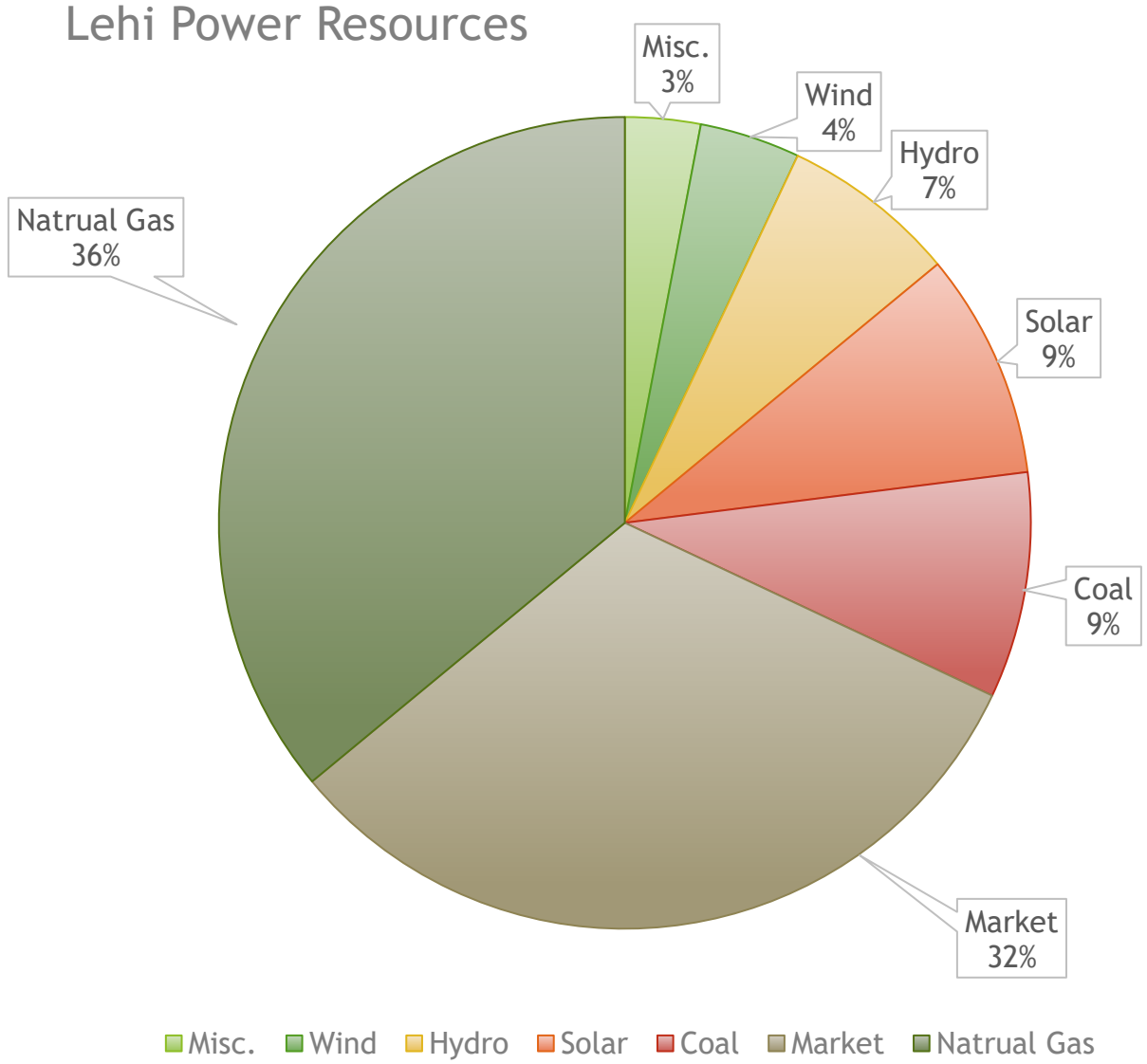
Who is Lehi City Power?

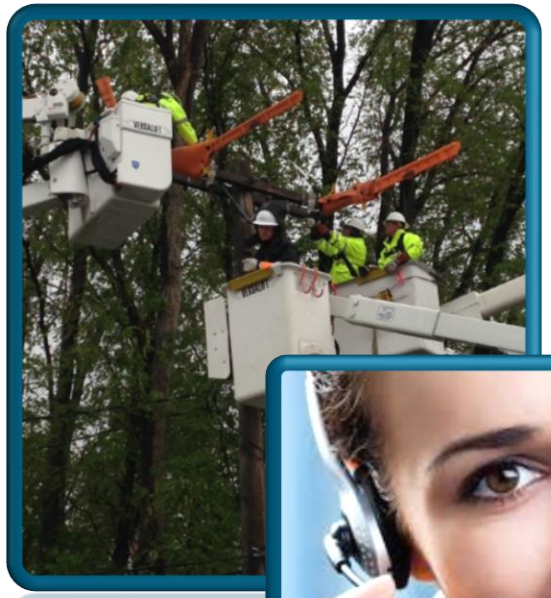

1
POWER PLANT
STEP-UP
TRANSFORMER
TOWER
2
TRANSMISSION
SUBSTATION
5
HOME
4
TRANSFORMERS
3
DISTRIBUTION
SUBSTATION

Municipal

Rural Electric Cooperative

Investor-owned


Lehi Power Resources
Misc.
3%
Wind
4%
Hydro
7%
Solar
9%
Coal
9%
Market
32%
Natrual Gas
36%
Misc.
Wind
Hydro
Solar
Coal
Market
Natrual Gas



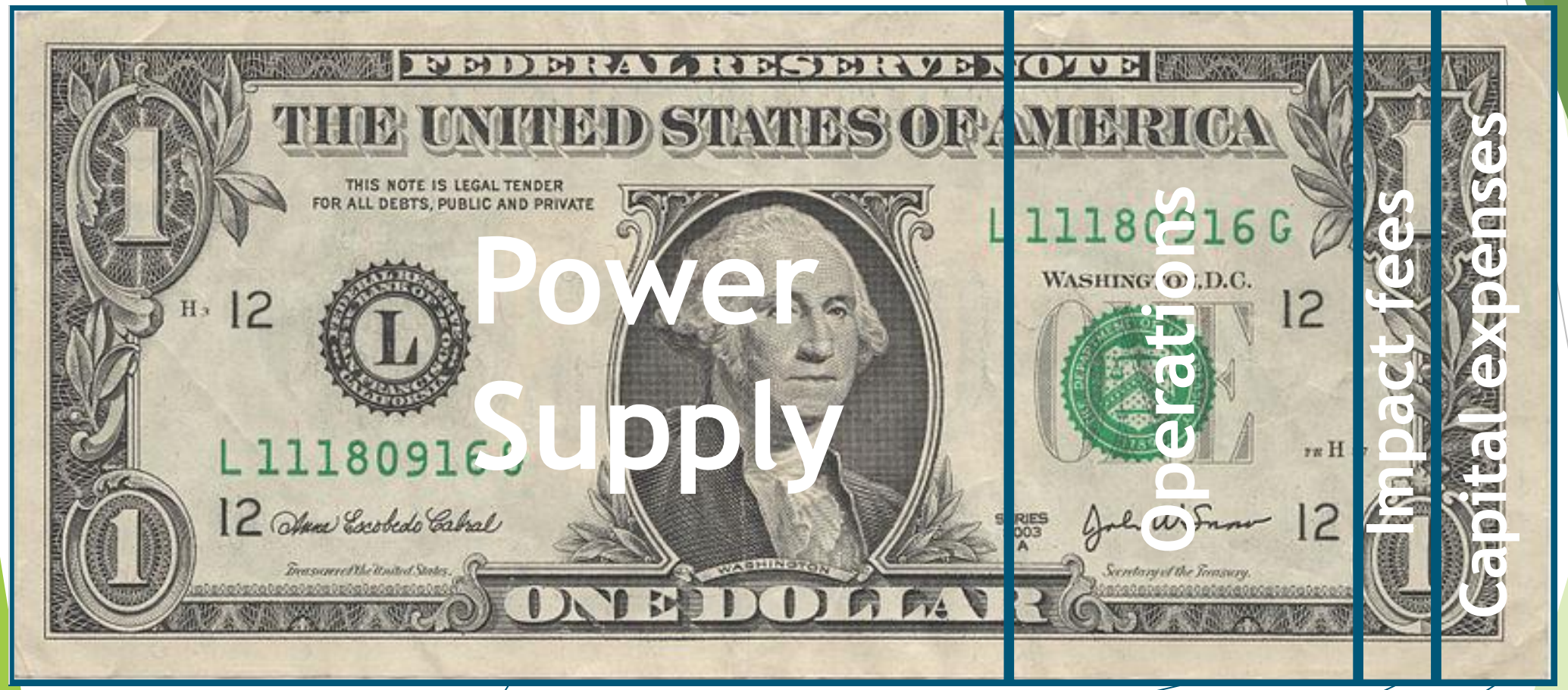
FY 2025 Rates

Customer Charge $7.50

< 1,000 KWh $.0814

> 1,000 KWh $.0927

PPAC $.017



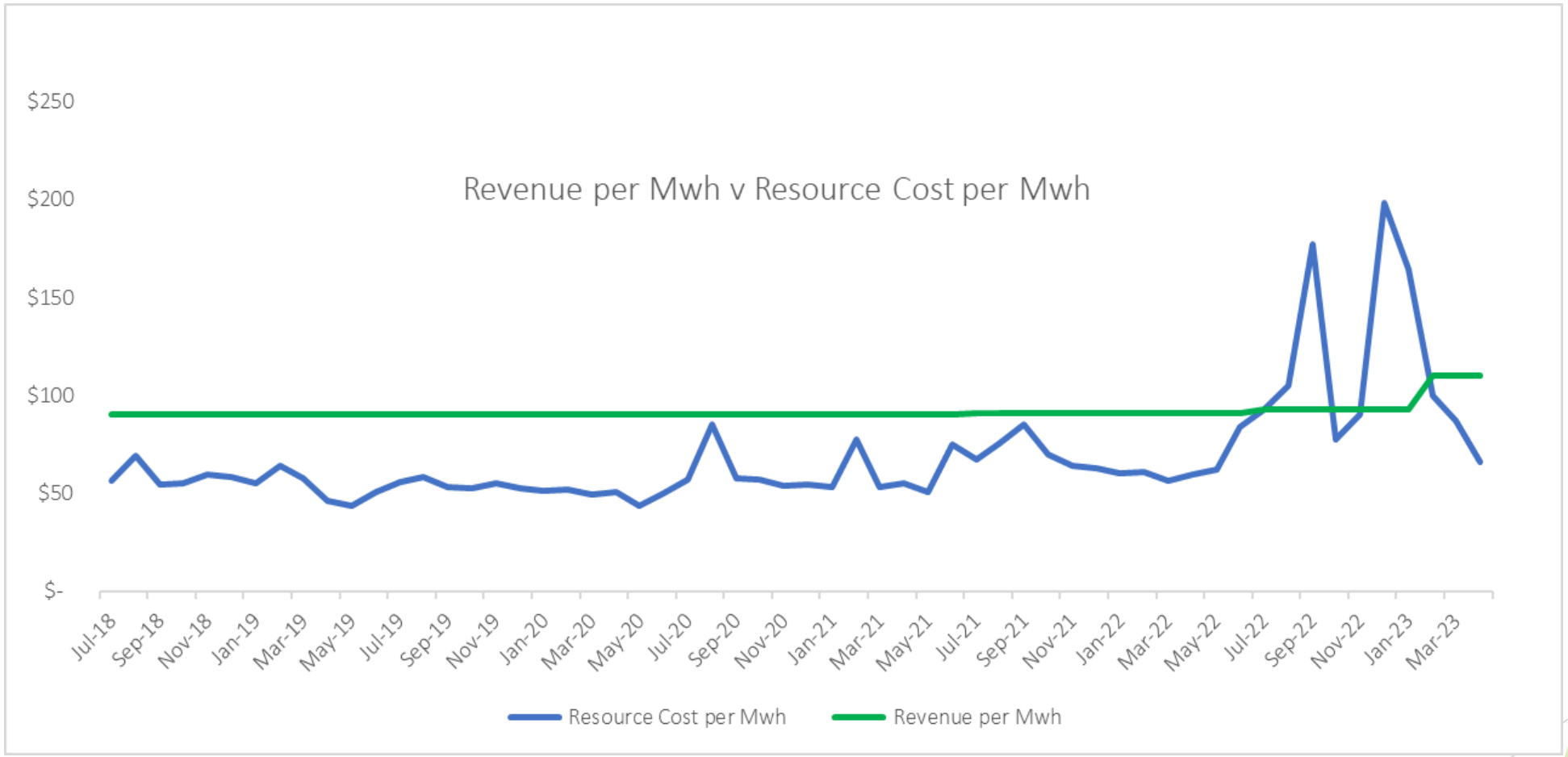
$39,000,000

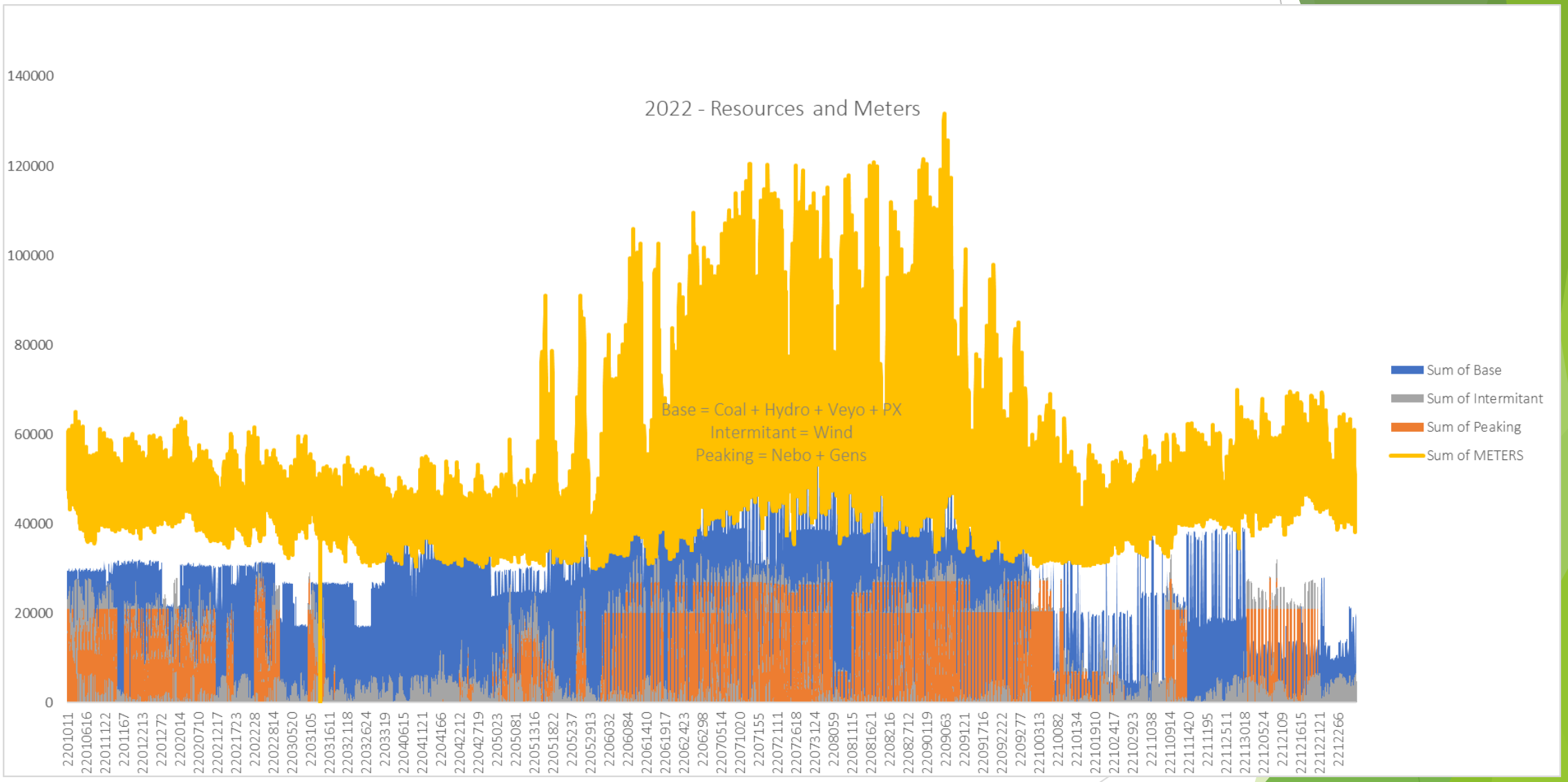
$13626123

$3,035,000

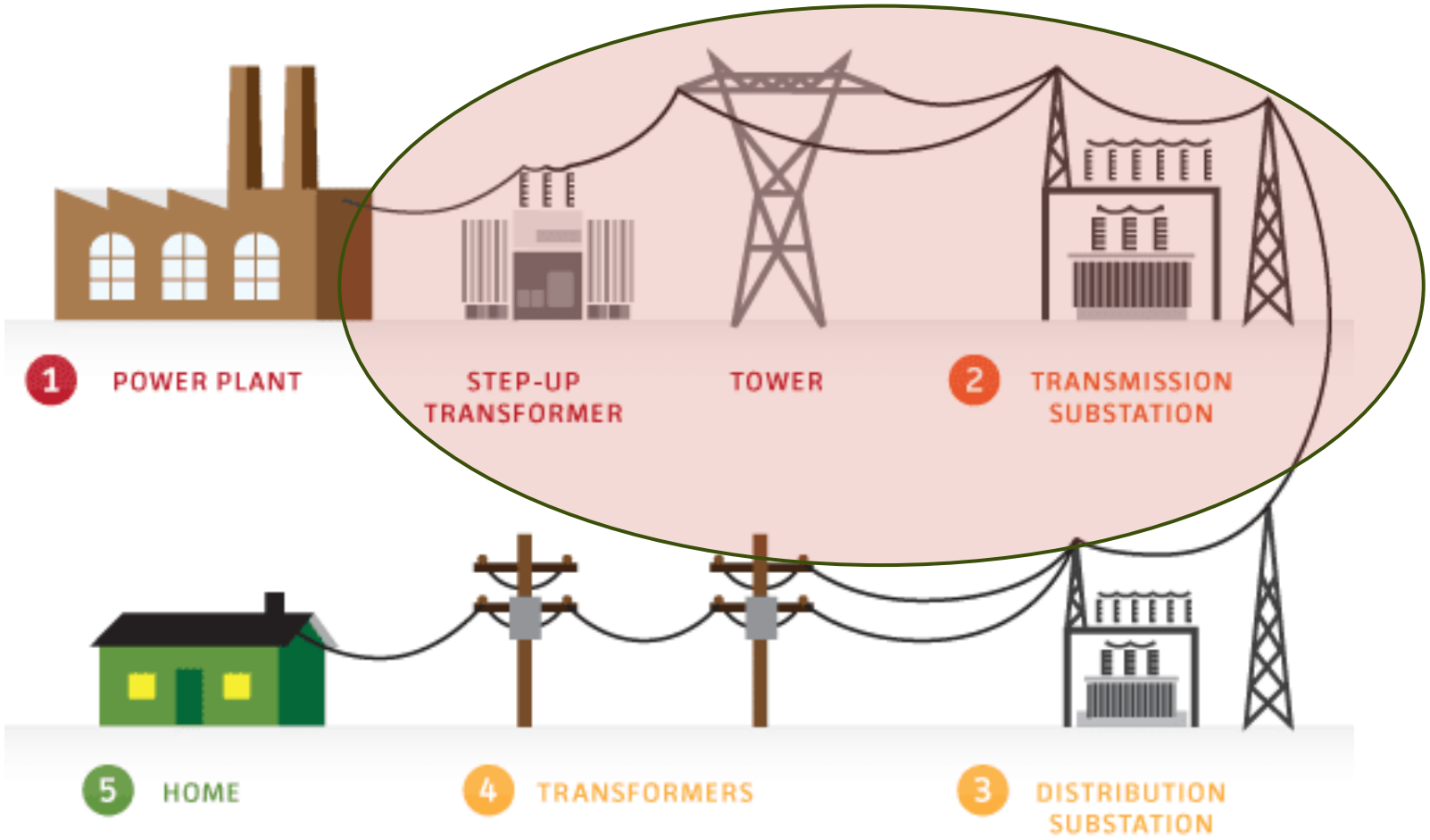
$4,668267

1. Resource Risk


Revenue per Mwh v Resource Cost per Mwh
$250
$200
$150
$100
$50
$-
Jul-18
Sep-18
Nov-18
Jan-19
Mar-19
May-19
Jul-19
Sep-19
Nov-19
Jan-20
Mar-20
May-20
Jul-20
Sep-20
Nov-20
Jan-21
Mar-21
May-21
Jul-21
Sep-21
Nov-21
Jan-22
Mar-22
May-22
Jul-22
Sep-22
Nov-22
Jan-23
Mar-23
Resource Cost per Mwh
Revenue per Mwh


2022 - Resources and Meters
Base = Coal + Hydro + Veyo + PX
Intermitant = Wind
Peaking = Nebo + Gens
Sum of Base
Sum of Intermitant
Sum of Peaking
Sum of METERS
140000
120000
100000
80000
60000
40000
20000
0
2201011
22010616
2201122
2201167
2201213
2201272
2202014
2202071
2202121
2202172
2202228
2202281
2203052
2203105
2203161
2203211
2203262
2203319
2204061
2204112
2204166
2204221
2204271
2205023
2205081
2205131
2205182
2205237
2205291
2206032
2206084
2206141
2206191
2206242
2206298
2207051
2207102
2207155
2207211
2207261
2208059
2208111
2208162
2208216
2208271
2209011
2209063
2209121
2209171
2209222
2209277
2210031
2210082
2210134
2210191
2210241
2210292
2211038
2211091
2211142
2211195
2211251
2211301
2211352
2212052
2212109
2212161
2212212
2212266

2. Outside Risk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Oregon Fires

2020

- 5 mega fires
- 1.2 million acres burned
- Claimed around 5,000 homes & businesses
- 9 lives lost

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Oregon Fires

Results

- First 17 Plaintiffs claims = $90 M
- 2500 Class plaintiffs
- Feds intend to seek $1B for Firefighting cost
- Latest Estimates of PacifiCorp's expense $2.6 - $46 B

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Oregon Fires

Local Impact

- PacifiCorp increased transmission rate by 45%
- Transmission was 10% of energy supply costs in fy24
- It's expected new percent of energy cost is 15%
- Lehi’s estimated impact is $1.6 million in fy25

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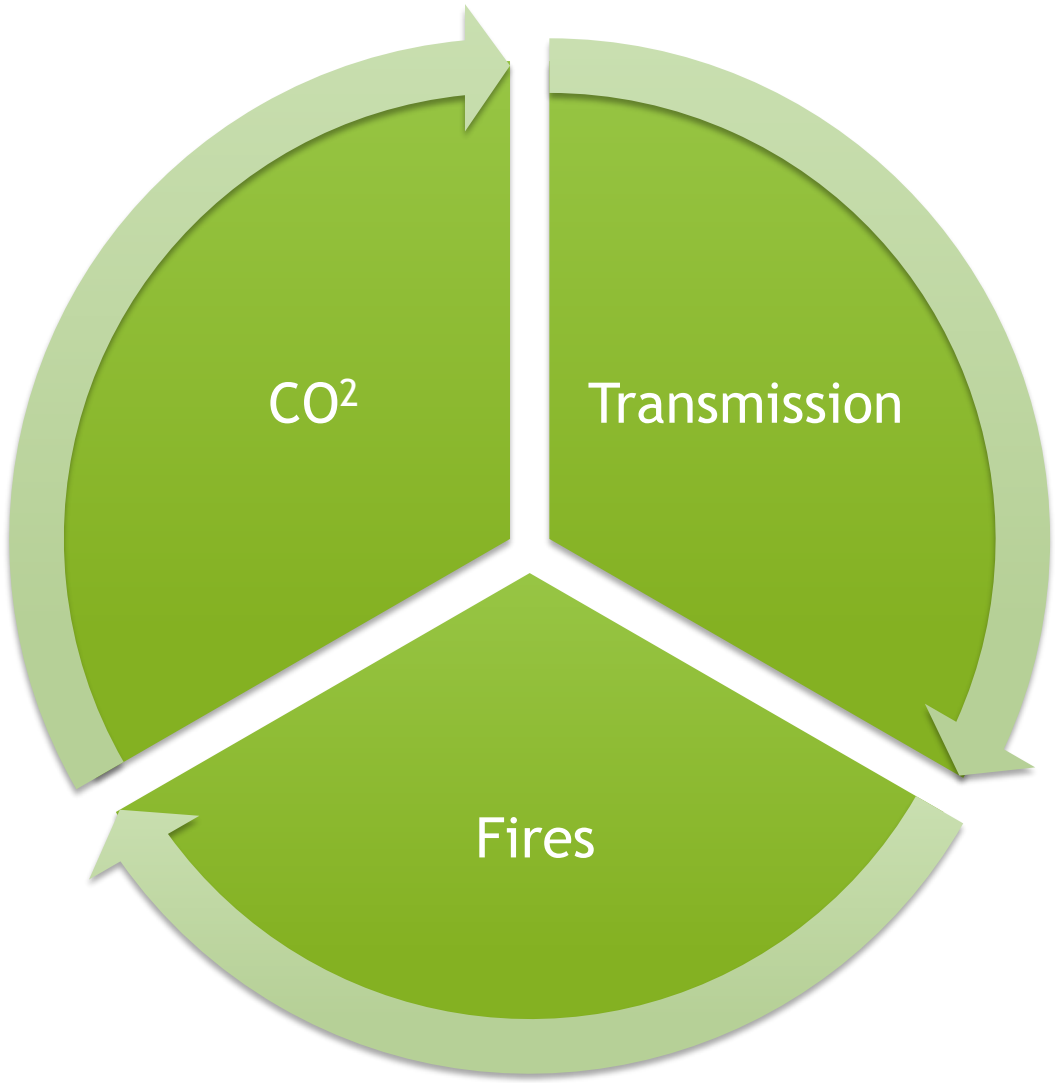
CO^2
Transmission
Fires

1. Internal Risk

Growth

2014-2024

- 20K additional customers
- 72% peak growth
- 75% energy growth
- 21.5 MW generation
- 5 new substations
- 2 rebuilt substations

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Behind the meter generation opportunities

1. Run for UAMPS
2. Run for Lehi
3. Run to beat market prices
4. Run to avoid low gas sell back prices

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To Consider:

Lessons learned

- Check the interconnection
- Understand transmission costs
- Evaluate staffing
- Black start capabilities

Fatal flaw first

- Air permit
- Transmission requirements
- Gas line
- Site control
- Interconnection costs

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