

**M-S-R PUBLIC POWER AGENCY  
MEMORANDUM**

**Date:** February 1, 2019

**To:** M-S-R PPA Technical Committee

**From:** Martin R. Hopper, General Manager

**Subject:** Thursday, February 7, 2019, M-S-R PPA Technical Committee Meeting

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Please find enclosed the agenda for the Thursday, February 7, 2019, M-S-R PPA Technical Committee Meeting to be held in Folsom, CA at 10:00 AM. Please post as required for Brown Act compliance.

Distribution:

Tara Mikkelsen – NCI  
Steve Gross – General Counsel  
Toxie Burriss - MID  
James McFall – MID  
Martin Caballero – MID  
Amy Santos – MID  
Cindy Worley – MID  
Steve Hance – SVP  
Ann Hatcher – SVP  
Kathleen Hughes – SVP  
Yanmei Qiu – SVP  
Steve Handy – Redding  
Lowell Watros – Redding

# M-S-R Public Power Agency

## MEETING OF THE TECHNICAL COMMITTEE

Thursday, February 7, 10:00 AM

Navigant Consulting, Inc.  
35 Iron Point Circle, Suite 225  
Folsom, CA 95630

### AGENDA

Any member of the public who desires to address the Committee on any item considered by the Committee at this meeting before or during the Committee's consideration of that item shall so advise the Chair and shall thereupon be given an opportunity to do so.

1. Call to Order
2. Roll Call
3. Approval of Minutes of November 8, 2018 Meeting (attached)
4. Status Reports:
  - a. Agency (attached)
  - b. San Juan Project:
    - (1) Decommissioning Status Report (attached)
    - (2) Reclamation Status Report (attached)
  - c. Pacific Northwest Project:
    - (1) Big Horn Deliveries (attached)
    - (2) Curtailment Task Force Report (attached)
5. ***Discussion and Possible Action Regarding February 2019 Outside Services Budget Versus Actual Report*** (attached)
6. ***Discussion and Possible Action Regarding February 2019 WREGIS REC Status Report*** (attached, Martin Hopper)
7. ***Discussion and Possible Action Regarding 2019 San Juan Project Ten-Year Forecast and Annual Legacy Liability Funding Status Report*** (attached, Martin Hopper)

**8. Closed Session**

- a. Existing Litigation: Government Code §54956.9 (d)(1) – 5 Cases (NM-PRC Case No. 19-00018-UT, United States Bankruptcy Court for the Southern District Of Texas Houston Division Case No.18-35672, BP-16-BPA, BP-18-BPA, BP-20-BPA)
  - b. Decision on Whether to Initiate Litigation: Gov’t Code Section 54956.9(d)(4) – one case
9. Announcement from Closed Session
10. Member Reports
11. Public Comment
12. *Confirm date and time of next meeting*
13. Adjourn

ALTERNATE FORMATS OF THIS AGENDA WILL BE MADE AVAILABLE UPON REQUEST TO QUALIFIED INDIVIDUALS WITH DISABILITIES.
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DRAFT  
MINUTES OF THE  
M-S-R PUBLIC POWER AGENCY  
TECHNICAL COMMITTEE  
NOVEMBER 8, 2018

The M-S-R Public Power Agency (M-S-R PPA) Technical Committee held a regular meeting on November 8, 2018 at the offices of Navigant, Inc., in Folsom, California. A list of the attendees is provided as Attachment 1. Mr. Hopper chaired the meeting.

Roll Call/Call to Order

The following M-S-R Members were represented: Modesto Irrigation District – Toxie Burriss, City of Santa Clara – Saul Lopez, City of Redding – Lowell Watros. The meeting was called to order at 9:20 a.m.

2019 Budget Workshop

Mr. Hopper introduced the basic assumptions and direction used in creating the budget for 2019. Ms. Worley led a walkthrough of the budget details. Mr. Hopper explained the decommissioning and reclamation costs associated with the San Juan Generating Station (San Juan). Mr. Hopper explained the trust mechanisms and indicated the Reclamation Investment Committee would be meeting the following week to discuss the process to update the funding curves which specify required contributions to the reclamation trust account. Mr. Hopper also noted that the Decommissioning Trust Fund will need to be at \$2.3 million at the end of 2022.

Mr. Hopper provided the bases used to estimate the energy production in 2019 for the Big Horn Wind Energy Projects. The estimate is 515,000 MWh for Big Horn and 115,000 MWh for Big Horn II. Mr. Hopper indicated that no tour of the wind facilities is planned for 2019 or 2020.

Mr. Hopper noted that Administrative and General costs are reduced significantly over prior levels due to the divestiture of the San Juan and Southwest Transmission Projects.

The Members then made a detailed review of the assumptions used regarding needed levels of consultant support and further adjustments and reductions were made. A brief discussion ensued on the requirement to pay Western Systems Power Pool (WSPP) dues. In addition, the scope of the M-S-R Coordinator work provided under its agreement was discussed as well as the level of interaction between the Members. At the end of the discussion, Mr. Hopper noted that the discussed adjustments to the budget would be incorporated in the version provided to the Commission as suggested during this meeting.

Upon a motion by Mr. Watros, seconded by Mr. Burriss, the Technical Committee recommends approval 2019 Budget with adjustments made during this meeting to the M-S-R Public Power Agency Commission by unanimous vote.

#### Recess and Return from Recess

The M-S-R PPA Technical Committee recessed at 11:15 a.m. to accommodate the meeting of the M-S-R Energy Authority (EA) Technical Committee. The M-S-R PPA Technical Committee returned from recess at 12:07 a.m.

#### Approval of Minutes

Upon a motion by Mr. Watros, seconded by Mr. Burriss, the minutes of the meetings held on September 6, and 27, 2018 were approved with minor spelling corrections, by unanimous vote.

#### Manager's Report

Mr. Hopper indicated there was mixed interest among the Members regarding intervention in the San Diego Gas & Electric Company TO-10 filing at the Federal Energy Regulatory Commission (FERC). Mr. Hopper discussed the possibility of creating a special member services agreement to allow selective participation and cost allocation when unanimity is not possible.

Mr. Hopper distributed final copies of the 2019 Strategic Plan and the Updated Organization, Authorizations, Policies & Procedures Manual (without Exhibits). It was

determined to limit the physical distribution of complete policy manuals due to the voluminous exhibits, but to make the entire document available on the Agency (and Authority's) web-sites.

#### Projects and Activities

Mr. Hockenson outlined the decommissioning activities at the San Juan Generating Station (San Juan). Mr. Hockenson noted that all work for which the Agency has a cost responsibility is scheduled to be completed by December with all budget expected to be spent. Other decommissioning work funded by the Remainers is expected to come in substantially under budget even with the planned demolition of additional out-buildings. No additional retirement orders are expected through 2021.

The Public Service Company of New Mexico has indicated it will be seeking approval to have an updated Decommissioning Study be performed in 2019. Additional details are expected at the Decommissioning Committee meeting scheduled for December 13, 2018.

Mr. Hockenson indicated that the wind production for the year remains steady although values for October were relatively low.

#### Outside Services Budget versus Actual Reporting

Mr. Hopper there are no exceptions noted in the report. Mr. Hopper explained the acceleration of expenditures for reclamation costs by the San Juan Coal Company (SJCC) as mine personnel shifted from mining activities to reclamation activities due to the extended forced outage of San Juan Unit 1. In itself, this did not increase reclamation work but only shifted the time for which it was performed.

#### WREGIS REC Status Report

Mr. Hopper indicated the numbers for recent transfers for July credits, transfers have returned to the expected schedule.

#### 2019 Meeting Schedule

Mr. Hopper introduced a proposed meeting schedule for Technical Committee meetings to be held 10:00 a.m. in Folsom, CA unless otherwise noted. He proposed February 7, May 9 in Modesto, July 11, 9:00 a.m. September 5 in Truckee, and 9:00 a.m. November 7. Mr. Hopper indicated the annual meeting to review Pacific Northwest action plans and priorities will be a special meeting to be held September 24, at 10:00 a.m. in Truckee.

Mr. Hopper also provided a proposed schedule for Commission meetings beginning at 12:00 noon in Folsom, CA. on February 20, May 22, September 18, and November 20.

Upon a motion by Mr. Lopez, seconded by Mr. Burriss, the 2019 meeting schedule for the Technical Committee was approved and a recommendation that the Commission approve the corresponding 2019 meeting schedule for Commission meetings be recommended to the Commission approval by unanimous vote.

#### Closed Session Conference with Legal Counsel

Pursuant to Government Code Section 54956.9(d)(1), the M-S-R PPA Technical Committee retired to closed session at 12:41 p.m. to Conference with Legal Counsel - 4 Existing Litigation (NM-PRC Case No. 17-000174-UT, BP-16-BPA, BP-18-BPA, and BP-20-BPA).

In addition, pursuant to Government Code Section 54956.9(d)(4), the M-S-R PPA Technical Committee considered initiating litigation – 1 case.

#### Announcement from Closed Session

Upon returning to open session at 1:32 p.m., Mr. Hopper reported that there were no reportable announcements.

#### Member Reports

Mr. Hopper solicited member reports from the Members and received none.

#### Public Comment

Mr. Hopper solicited comment from the Members and received none.

Next Meeting

The next regular meeting date will be at 10:00 a.m. on February 7, 2019 to be held at the offices of the Navigant, Inc. in Folsom, CA. The meeting was adjourned at 1:33 p.m.

Respectfully submitted.

Martin R. Hopper  
General Manager

DRAFT

Attachment 1

ATTENDANCE LIST  
M-S-R PUBLIC POWER AGENCY  
TECHNICAL COMMITTEE  
REGULAR MEETING

November 8, 2018  
9:20 AM

<u>NAME</u>	<u>STATUS</u>	<u>ORGANIZATION</u>
Toxie Burriss	Member	Modesto
Luke Fransden	Guest	Redding
Steve Gross	Guest	General Counsel
Steven Handy	Guest	Redding (telephonic)
Wendy Hulbert	Guest	Redding
Alan Hockenson	Guest	Consultant
Martin Hopper	Chair	General Manager
Saul Lopez	Alternate	Santa Clara
Pete Scanlon	Guest	Special Counsel (telephonic)
Holly Spaner	Guest	Redding
Lowell Watros	Alternate	Redding
Cindy Worley	Guest	Modesto

## **M-S-R Public Power Agency Staff Report**

**Date:** February 2, 2019  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** February 2019 Agency Status Report

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### **FPPC Reporting**

The Authority has traditionally used manual (paper) processes to manage the submission of FPPC Assuming Office, Leaving Office and Annual Statements (Form 700). The Authority has entered into an agreement with SouthTech Systems for the provision and maintenance of an automated (electronic) system to replace paper filings and allow reporters to make their submissions on-line. The Authority's application for approval of electronic filings was approved by the FPPC on January 25, 2019. The filing database has been completed and the system will go live prior to the end of the month for this year's filing system. In addition to providing electronic filing, the system automates the tracking of required and completed filings to assure compliance with FPPC requirements.

Macintosh HD:Users:martinhopper:My Laptop Documents:M-S-R Public Power Agency:Administrative:Director:Feb 2019 MSR PPA General StatusReport.doc

## **M-S-R Public Power Agency Status Report: San Juan Decommissioning**

**Date:** January 29, 2019  
**To:** Martin Hopper, General Manager  
**From:** Alan Hockenson, Consultant  
**Subject:** San Juan Decommissioning, Quarterly Update

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### **Decommissioning Committee Meetings:**

#### October 25, 2018:

On October 25, 2018, a meeting of the San Juan Decommissioning Committee (SJDC) was held and the budget for 2019 was approved. The only 2019 cost item to the M-S-R Public Power Agency (M-S-R PPA) would be an allocation of insurance costs. As for 2018 work, all was expected to be completed including the three projects for which M-S-R PPA would have a \$104,400 share in \$1.2 million in expenses. The Public Service Company of New Mexico (PNM) also indicated it would be proposing to have a Decommissioning Study performed pursuant to the Decommissioning Agreement.

#### December 13, 2018:

On December 13, 2018, at a meeting of the SJDC, PNM acknowledged it had embarked on a bidding process for the production of a Decommissioning Study in October and had conducted interviews for the work. PNM presented a Resolution for approval by the SJDC that would have authorized the work and commit the participating utilities to pay their respective share of the cost. The Resolution referenced an attached scope of work which was missing. The Resolution was rejected on the basis that it could not be approved with an undefined scope.

#### January 7, 2019:

On January 7, 2019, PNM presented a draft revised resolution with a simple scope summary attached. By the time the meeting was held revisions were made at the request of the City of Farmington (Farmington). The essence of the modifications was to recognize that a final decision to retire all four San Juan units had not been made and this Resolution would not concede that fact. Farmington had been negotiating with PNM on a Unit 4 life extension.

The Decommissioning Agreement requires a final Decommissioning Study be initiated within 30-days of the decision to retire the final Unit. PNM claimed the work they would be performing would be an early version of that study. However, SJDC members expressed concerns that this study would not satisfy the obligation to perform the Decommissioning Study as the Decommissioning Agreement requires. Although SJDC members noted their financial

auditors prefer to have such studies regularly updated, there appeared to be no need for such a study to be performed in absence of the triggering event. The Tucson Electric Company (TEP) had just completed its own study about six months ago. After a straw poll, it was clear PNM had no support for the Resolution. The proposed cost of the study was \$375,000 for which the M-S-R PPA allocation would have been approximately \$30,000. The rejection of this Resolution was a clear cost savings to M-S-R PPA as the work would have to be re-performed at an agreed time and under a scope reviewed by all Participants.

January 24, 2019:

On January 24, 2019, a regular meeting of the SJDC was held. PNM provided two lists of the Decommissioning Work scheduled for 2018 and an overhead photograph of the plant which identified which out-buildings had been demolished or will be demolished shortly. One list showed which (28) projects had been completed and closed; the other list showed what (13) projects had not been completed. Only one of three projects of concern to M-S-R PPA remained open, ash clean up on San Juan Unit 2. PNM has identified \$73,000 of unspent budget that it intends to be spent in 2019. This number may be reduced by about \$40,000 as work may have actually been completed but an accounting error may have not recognized the expense properly.

When PNM reviewed the completed projects, many showed minimal expenditures. PNM finally admitted there were four projects that were actually deferred until the entire generating station is retired. PNM decided to not remove lighting from the areas for safety concerns. PNM decided to leave batteries in place for eventual use as spare parts. PNM decided to not remove some control circuits as some access points would not be feasible if they were removed. Finally, PNM had planned to take certain elevators out of service but decided they should remain in service. PNM agreed to revise its lists and identify which projects were deferred and not completed. The 2018 budget for these four items totaled \$255,000 which PNM had planned to defer until all participants could share in these costs. It should be clear that if these projects are not completed by the time of final decommissioning, they should be the responsibility of the remaining owners.

Two other issues remain outstanding.

First, M-S-R PPA has an outstanding dispute about the allocation of insurance premiums for Decommissioning Work which is being addressed by the M-S-R PPA General Manger.

Second, PNM is still deciding whether it should cap the unused stacks or not. PNM has been studying this issue for most of the last year. PNM agreed to provide to the other SJDC participants the available information they had accumulated that in order to make its decision.

All meetings were attended telephonically.

## M-S-R Public Power Agency Status Report: San Juan Mine Reclamation

**Date:** February 2, 2019

**To:** M-S-R PPA Commission

**From:** Martin Hopper, General Manager

**Subject:** San Juan Mine Reclamation Update – Major Meetings and Budget Summary

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### Reclamation Oversight Committee: August 1, 2018:

On August 1, 2018, a meeting of the San Juan Reclamation Oversight Committee (ROC) was held to review Reclamation Study 2 as required by Section 5.2 of the Amended and Restated Mine Reclamation and Trust Funds Agreement (Reclamation Agreement). Although the expected reclamation volumes did not change, the expected total cost of remaining reclamation work for the period 2018 through 2038 Bond Release increased about \$15 million (8%) from \$187 million to \$201 million. The primary driver of this increase was a new estimate of equipment fuel cost and higher projections of fuel cost escalation. New actuarial studies of expected Trust earnings were requested for the use of the Reclamation Investment Committee in setting revised Funding Curves.

### Reclamation Investment Committee: November 13, 2018:

On November 13, 2018 the Reclamation Investment Committee adopted new Funding Curves for the Trust based on Reclamation Study 2 results. M-S-R PPA's funding requirement for the year-ending December 31, 2018, increased \$276,217 (1.6%) from \$17,392,780 to \$17,668,707. On December 26, 2018, M-S-R PPA made a \$400,000 deposit into its Reclamation Trust from funds reserved pursuant to Resolution 2016-04. The basis of this deposit can be allotted as \$276,217 reclamation curve cost increase, \$125,100 investment earnings shortfall, \$5,212 current year budget overage and (\$6,529) net Reclamation Trust fair market value adjustment.

### 2018 Reclamation Budget Comparisons:

Item	Budget/Expected	Actuals
Reclamation Work Performed <sup>1</sup>	520,711	554,118
Reclamation Agent Costs	70,000	41,805
Reclamation Trust Earnings <sup>2</sup>	(301,000)	(175,900)
<b>Total</b>	<b>289,711</b>	<b>420,023</b>

<sup>1</sup> During the pendency of shut-down and repair of Unit 1 due to the coal-silo explosion, SJCC shifted work from coal production to reclamation. This acceleration of reclamation work will reduce future reclamation cost.

<sup>2</sup> Pursuant to Funding Curves adopted January 17, 2017, M-S-R PPA's earnings were assumed to be 1.7% per annum.

# M-S-R Public Power Agency Status Report: Big Horn Operations

**Date:** January 29, 2019  
**To:** Martin Hopper, General Manager  
**From:** Alan Hockenson, Consultant  
**Subject:** Big Horn Operations, End of 2018 Summary

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## **BIG HORN I OPERATION**

	<u>MWH</u>	<u>% of 5-Year Average</u>
November	38,602	91.2
December	37,470	92.7
2018 Total	513,294	105.7
Project Life (since October 2006)	6,234,542	94.1

## **BIG HORN II OPERATION**

	<u>MWH</u>	<u>% of 5-Year Average</u>
November	9,904	84.5
December	10,874	98.5
2018 Total	119,732	102.1
Project Life (since November 2010)	969,547	95.2

The Camp Fire began on November 8, 2018. The Pacific AC-DC transmission lines running through the area of Paradise, CA were removed from service and limited the import capability of energy from the Pacific Northwest. As a result, energy deliveries from Avangrid Renewables, Inc. (AR) were curtailed. The total energy curtailed in November was 731 MWh during on-peak periods and 331 MWh during off-peak periods. By comparison, there were only 10 MWh of curtailments in December, all during on-peak hours.

Energy production for Big Horn 1 in 2018 was average. Of the 12 operating years, 5 years had better production and 6 years had worse production in MWh. The average annual production during the 12 operating years is 510,491 MWh which is only 2,803 MWh less than the amount of energy produced in 2018. This is a difference of only 0.55%.

Energy production for Big Horn II in 2018 was also average. Of the 8 operating years, 4 years had better production and 3 years had worse production in MWh. The average annual production during the 8 operating years is 118,763 MWh which is only 696 MWh less than the amount of energy produced in 2018. This is a difference of only 0.82%.

AR has the right to curtail deliveries if there is an emergency on the transmission system. In the past the Bonneville Power Administration (BPA) has used its authority to curtail generation under high water high wind conditions. More recently, significant curtailments have resulted from transmission outages in the Redding and Paradise areas. Below is a table showing the

amount of energy curtailed each year from 2012 through 2018 and whether the curtailments were during on-peak or off-peak periods. On average, curtailments occur during on-peak hours two-thirds of the time and during off-peak periods one-third of the time.

	Curtailments (MWh)		<u>Total</u>
	<u>On-Peak</u>	<u>Off-Peak</u>	
2012	1,569	920	2,489
2013	496	81	577
2014	819	259	1,078
2015	170	346	516
2016	349	269	618
2017	2,671	962	3,633
2018	2,552	1,538	4,090
Total	8,626	4,375	13,001
Average	1,232	625	1,857

## **M-S-R Public Power Agency Status Report: Curtailment Task Force**

**Date:** January 28, 2019  
**To:** Martin Hopper, General Manager  
**From:** Alan Hockenson, Consultant  
**Subject:** Enhanced Curtailment Calculator Task Force

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The Enhanced Curtailment Calculator (ECC) Task Force (ECCTF) met in Denver, CO on January 22 and 23, 2019. I listened in on the discussions telephonically.

### Overview

The justification for the development of the ECC was that the effort would lead to a tool that could be used to minimize the issue of unscheduled flow or “loop flow” in the Western Interconnection. The effort is currently being staffed by Peak Reliability (Peak) that currently serves as the Reliability Coordinator (RC). However, Peak will be replaced by a pair of new RCs, the California Independent System Operator (CAISO) and the Southwest Power Pool (SPP). It is not clear if the new RCs will coordinate on the completion of the ECC or if the effort will remain uncompleted. Policy issues remain to be addressed.

### Importance

The M-S-R Public Power Agency (M-S-R PPA) receives its wind power from the Big Horn projects in Washington. Deliveries of energy are made by Avangrid Renewables (AR) through use of the Bonneville Power Administration (BPA) transmission system or other contractual or operational means for delivering such energy to the M-S-R PPA Members at the California-Oregon Border.

If the ECC is fully implemented, Balancing Authorities (BA) may have the obligation to take action to reduce energy flows on an overloaded transmission element, by any means of their choosing. The word “may” is critical as a policy would still need to be established that implements and requires use of the ECC to remediate real-time and projected day-ahead loop situations. If implemented as recommended, each BA would be making its own decisions to meet its obligations. Obviously, any BA would choose the best economic alternative to meet its obligations as is the current practice. As AR is now its own BA, it could make its own “reliability” decisions which could explain some language changes proposed in contract amendments that are currently being developed. A greater flexibility of AR to shift operations pursuant to contractual provisions could potentially provide additional economic benefits to AR to the detriment of M-S-R PPA.

In addition, the ECC, in conjunction of the changing transmission topography caused by the expanding EIM, is a further concern if M-S-R PPA were to exercise its option to terminate the transmission delivery arrangements with AR and seek other means for delivering Big Horn energy to California.

### ECC Background

About 12 or 13 years ago Xcel Energy (formerly the Public Service Company of Colorado) brought two related initiatives to the Western Electric Coordination Counsel (WECC). The initiatives were the Energy Imbalance Market (EIM) and the (ECC). The purpose of the EIM was to promote economy energy transactions on unused transmission capacity. The purpose of the ECC was to create a tool for better visibility of the WECC transmission system to promote reliability and potentially solve the problems of loop flow.

Both initiatives have progressed and evolved. The EIM has been taken over by the CAISO, has been operating since 2014, and has a relative large number of participants. The ECC was developed through the efforts of the ECCTF led by WECC reliability staff. When the WECC bifurcated and the reliability portion of the WECC was assigned to Peak Reliability (Peak), that organization took over the development of the ECC.

The overall plan of the ECC was to be developed in phases. Phase 1 was to develop a system to collect system data so that could be processed. Phase 2 was to develop a means to make available system wide data to utilities to better manage their systems. Phase 3 was to develop a methodology for identifying which utilities were contributed to an identified loop flow. Finally, Phase 4 was to provide a means for forecasting potential loop flow in the hour-ahead timeframe so it could be mitigated before it actually occurs and to provide for draft business practices to accomplish implementation.

### Status

Phase 1 and Phase 2 of the ECC development have been completed. Phase 3 has been under development and a Final Report being prepared by Peak is nearing completion regarding the proposed mechanism to be used to assist in resolving loop flow problems in real time. This proposed mechanism contains a 15-level priority system for allocating relief obligations and forgiveness for utilities that contribute less than 10% of the loop flow. Under the final phase, Phase 4, the ECC would provide a look into the day-ahead system to predict, and potentially mitigate loop flow, before it actually occurs. There is a major policy issue on how the ECC would be implemented and the interaction with responsible Balancing Authorities (BAs).

Peak is now under a time constraint as it failed to secure utility contracts to fund its continued existence. By the end of 2019, Peak will dissolve and the role that Peak provides as Reliability Coordinator (RC) will be bifurcated and transferred to two RCs, the CAISO and SPP. There is no certainty the ECC will be completed as envisioned and actually used to mitigate loop flow.

## Meeting Intelligence

The change in the RC structure has torpedoed this effort. The Peak staff is only trying to complete their Final Report to document what they have done so it can be passed on. The Final Report is very technical in nature and is the result of many hours of discussion and negotiations. There are still renegade participants that believe the Western Interconnection can be shoehorned into how business is done in the Eastern Interconnection. In fact, there was a desire stated that the West should strive to go to the “no tag, no schedule, generate base on load responsibility” that is being used in the East. Under that scenario, the RC function is critical to make sure disturbances don’t completely upset the system. The key ECCTF participants politely accepted the comment and quietly moved on to another topic in an effort not to dwell on the comment.

It appears the Final Report is basically done. No material changes are anticipated and it should be released sometime in spring 2019.

## Conclusions

Clearly the Peak staff and core members of the ECCTF fell very strongly that the ECC should be completed and implement pursuant to a necessary policy process. However, there is a competing view that the ECCTF needs to wrap up its Final Report and dissolve. It appears the new RCs can proceed with the completion of the ECC and create a future task force to continue the ECCTF concept if it fits their plans.

Loop flow is an issue on the Pacific AC Intertie and efforts to relieve situations when (or before) they arrive should be a desired outcome. There is a concern that the full implementation of the ECC will compounded as there will need to be a level of coordination between the two Reliability Coordinators that currently doesn’t exist. This is also a problem for Open Access Technology International, Inc. (OATI) who provides significant technical resources to the operation of the WECC marketplace.

It will likely be 2020 before this issue arises again, after the new RCs have been installed. At that point, the policy issues will need to be addressed as whether to use the ECC in managing real time situations and whether there is a desire to complete Phase 4 to try and address hour-ahead issues. There is a further issue on how well the new RCs will work together.

## Actions

The Technical Committee should review the Phase 3 Final Report, when issued, regarding potential impacts on AR and BPA BA operations and Big Horn deliveries. When and if Phase 4 resumes in the future (2020 or later), the Agency should monitor implementation policy issues and the M-S-R Coordinator should address schedule change and tagging issues on a real-time basis.

## M-S-R Public Power Agency Staff Report

**Date:** February 2, 2019  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** February 2019 Outside Services Budget versus Actual Report

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### **FISCAL YEAR 2018:**

#### Major Legal Providers Reporting Are:

Duncan, Weinberg, Genzer, and Pembroke:	Through:	November 30, 2018
Law Offices of Susie Berlin:	Through:	October 31, 2018
Porter Simon:	Through:	December 31, 2018

Year-end projections for Legal Providers total 86.6% of budget.

#### Major Consulting Providers Reporting Are:

Navigant Consulting:	Through:	November 30, 2018
KBT LLC:	Through:	November 30, 2018

Year-end projections for Consulting Providers total 78.0% of budget.

#### Legacy Liability Providers Reporting Are:

PNM – Reclamation Management:	Through:	December 31, 2018
Reclamation:	Through:	December 31, 2018
Decommissioning:	Through:	December 31, 2018

Year-end projections for Legacy Liability Providers total 99.8% of budget.

**FISCAL YEAR 2019:**

Major Legal Providers Reporting Are:

Duncan, Weinberg, Genzer, and Pembroke:	Through:	N/A
Law Offices of Susie Berlin:	Through:	N/A
Porter Simon:	Through:	N/A

Major Consulting Providers Reporting Are:

Navigant Consulting:	Through:	N/A
KBT LLC:	Through:	N/A

Legacy Liability Providers Reporting Are:

PNM – Reclamation Management:	Through:	N/A
Reclamation:	Through:	N/A
Decommissioning:	Through:	N/A

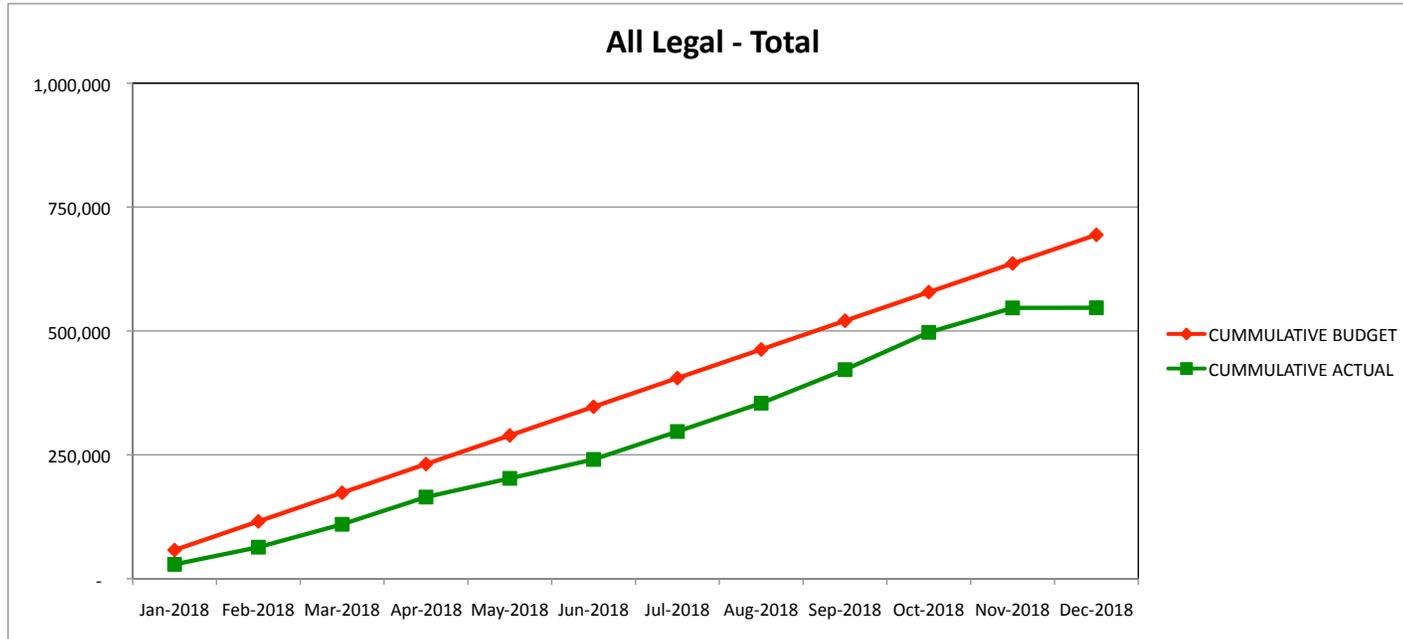
Detailed charts of monthly budget versus actual cost comparisons for each provider are attached in their usual format.

**Recommendation:**

I recommend the Commission note and file this report.

# M-S-R PPA All Legal Summary

Month of: **Dec-2018**



#### CURRENT MONTH

By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,500	22	2,478	1%
Gen - Other	417	0	417	0%
Renewables	3,083	0	3,083	0%
Rens - Other	25,000	0	25,000	0%
Reg & Comp	23,083	0	23,083	0%
Administrative	3,750	286	3,464	8%
<b>Total</b>	<b>57,833</b>	<b>308</b>	<b>57,525</b>	<b>1%</b>

#### YEAR TO DATE

By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	30,000	7,493	22,507	25%
Gen - Other	5,000	271	4,729	5%
Renewables	37,000	20,412	16,588	55%
Rens - Other	300,000	260,229	39,771	87%
Reg & Comp	277,000	234,496	42,504	85%
Administrative	45,000	23,877	21,124	53%
<b>Total</b>	<b>694,000</b>	<b>546,777</b>	<b>147,223</b>	<b>79%</b>

By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Duncan	44,583	0	44,583	0%
Berlin	8,333	0	8,333	0%
Porter Simon	4,500	308	4,192	7%
Others	417	0	417	0%
<b>Total</b>	<b>57,833</b>	<b>308</b>	<b>57,525</b>	<b>1%</b>

By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Duncan	535,000	458,142	76,858	86%
Berlin	100,000	61,113	38,887	61%
Porter Simon	54,000	27,252	26,748	50%
Others	5,000	271	4,729	5%
<b>Total</b>	<b>694,000</b>	<b>546,777</b>	<b>147,223</b>	<b>79%</b>

# M-S-R PPA Duncan Summary

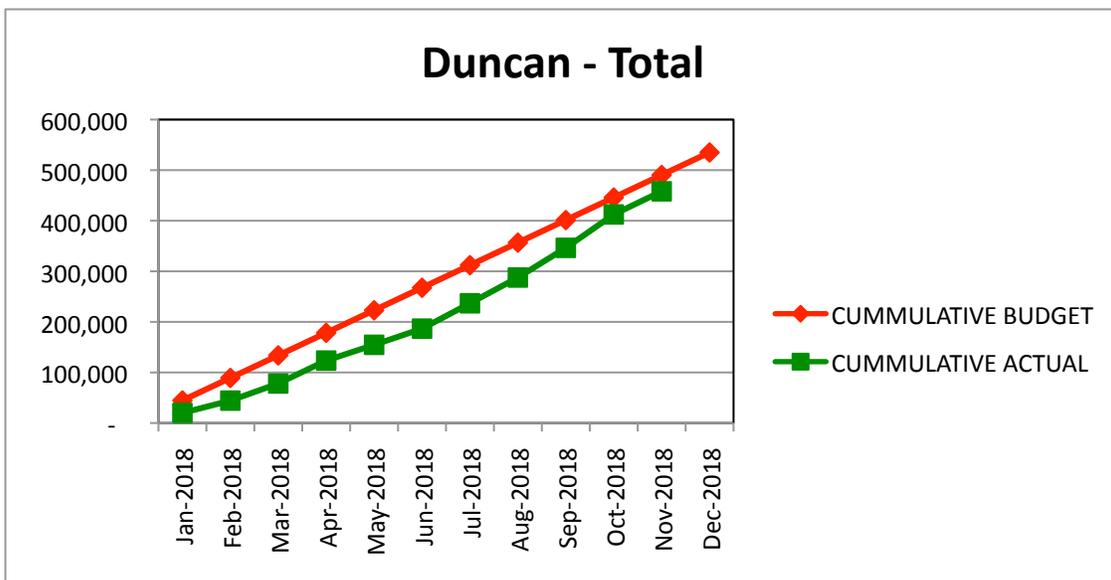
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	833	0	833	0%
Gen - Other	0	0	0	0%
Renewables	2,083	0	2,083	0%
Rens - Other	25,000	0	25,000	0%
Reg & Comp	16,667	0	16,667	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>44,583</b>	<b>0</b>	<b>44,583</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	10,000	508	9,492	5%
Gen - Other	0	0	0	0%
Renewables	25,000	17,445	7,555	70%
Rens - Other	300,000	260,229	39,771	87%
Reg & Comp	200,000	179,960	20,040	90%
Administrative	0	0	0	0%
<b>Total</b>	<b>535,000</b>	<b>458,142</b>	<b>76,858</b>	<b>86%</b>



# M-S-R PPA Berlin Summary

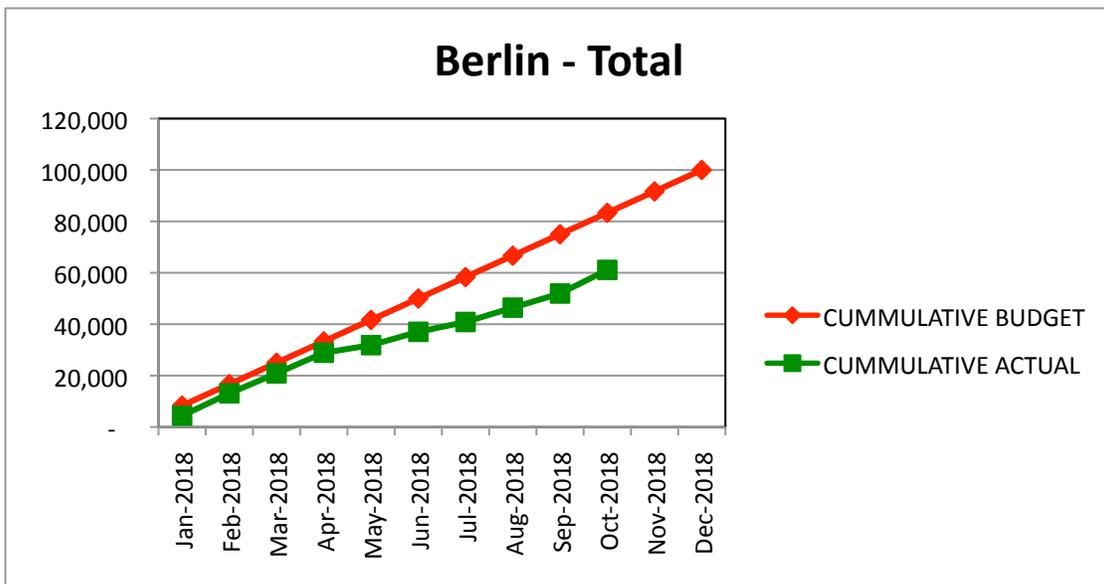
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	833	0	833	0%
Rens - Other	0	0	0	0%
Reg & Comp	6,250	0	6,250	0%
Administrative	1,250	0	1,250	0%
<b>Total</b>	<b>8,333</b>	<b>0</b>	<b>8,333</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	10,000	1,647	8,353	16%
Rens - Other	0	0	0	0%
Reg & Comp	75,000	54,206	20,794	72%
Administrative	15,000	5,260	9,741	35%
<b>Total</b>	<b>100,000</b>	<b>61,113</b>	<b>38,887</b>	<b>61%</b>



# M-S-R PPA Porter Simon Summary

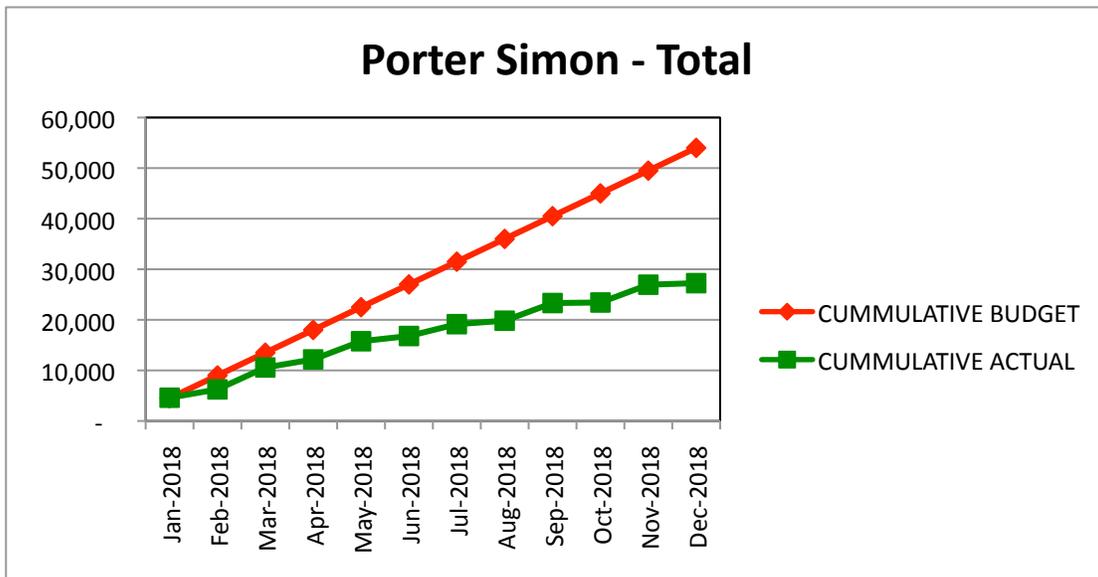
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	1,667	22	1,645	1%
Gen - Other	0	0	0	0%
Renewables	167	0	167	0%
Rens - Other	0	0	0	0%
Reg & Comp	167	0	167	0%
Administrative	2,500	286	2,214	11%
<b>Total</b>	<b>4,500</b>	<b>308</b>	<b>4,192</b>	<b>7%</b>

## YEAR TO DATE

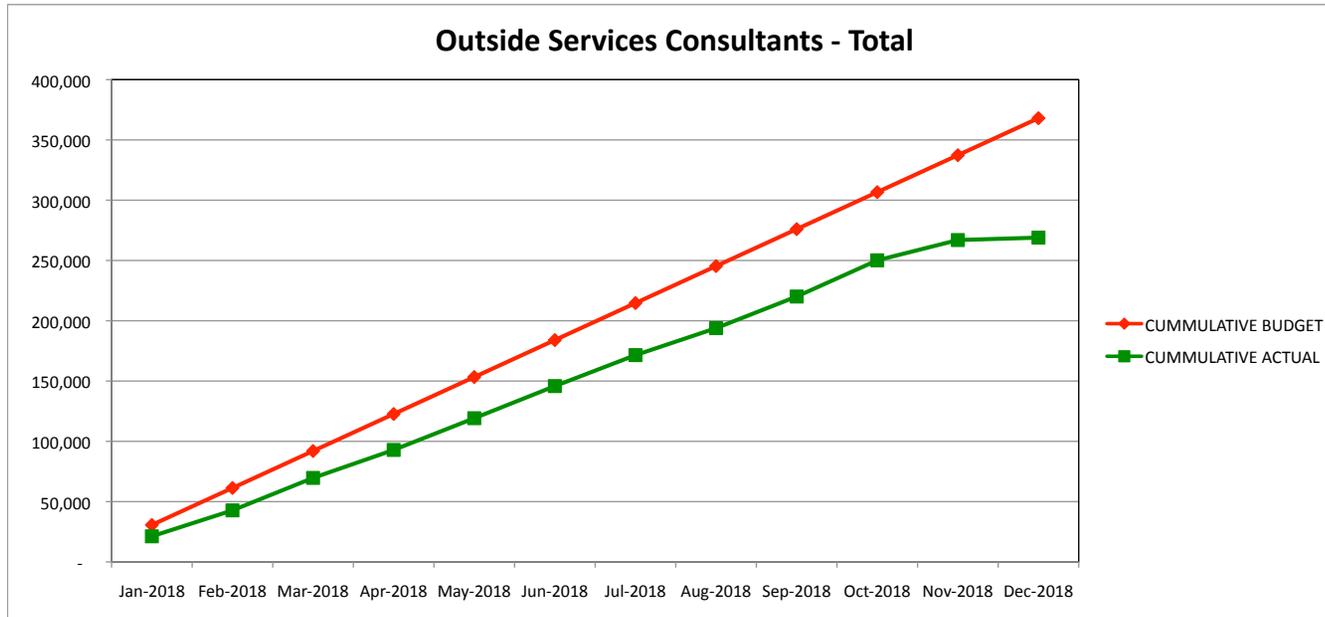
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	20,000	6,985	13,015	35%
Gen - Other	0	0	0	0%
Renewables	2,000	1,320	680	66%
Rens - Other	0	0	0	0%
Reg & Comp	2,000	330	1,670	17%
Administrative	30,000	18,617	11,383	62%
<b>Total</b>	<b>54,000</b>	<b>27,252</b>	<b>26,748</b>	<b>50%</b>



Legal Costs - 2018	2018 Budget	Reallocated Budget	Jan-2018 8.33%	Feb-2018 16.67%	Mar-2018 25.00%	Apr-2018 33.33%	May-2018 41.67%	Jun-2018 50.00%	Jul-2018 58.33%	Aug-2018 66.67%	Sep-2018 75.00%	Oct-2018 83.33%	Nov-2018 91.67%	Dec-2018 100.00%	Total	Average	Year-End Projection	Notes
<b>DWG&amp;P</b>																		
<b>Generation</b>																		
SJGS Agreements	10,000	10,000	508	-	-	-	-	-	-	-	-	-	-	-	508	46	555	
<b>Renewables</b>																		
BPA/PNW Gen1	25,000	25,000	3,715	1,823	3,038	7,807	-	416	284	-	364.50	-	-	-	17,445	1,586	19,031	
<b>Rens - Other</b>																		
BPA Rate Cases	300,000	300,000	-	11,910	16,079	19,711	17,051	21,010	31,434	30,420	39,497.57	48,665.65	24,451.77	-	260,229	23,657	283,886	
<b>Regulatory &amp; Comp</b>																		
FERC Gen1	200,000	200,000	15,744	10,554	14,765	17,837	14,079	10,557	18,441	20,500	18,820.40	17,325.23	21,337.53	-	179,960	16,360	196,320	
	535,000	535,000	19,967	24,287	33,881	45,354	31,129	31,982	50,159	50,920	58,682.47	65,990.88	45,789.30	-	458,142	41,649	499,791	93%
			3.73%	8.27%	14.60%	23.08%	28.90%	34.88%	44.25%	53.77%	64.74%	77.08%	85.63%	85.63%				
<b>Law Offices of Susie Berlin</b>																		
<b>Generation</b>																		
Renewables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>																		
RES/RPS	10,000	10,000	273	663	-	39	156	165	117	195.00	-	39.00	-	-	1,647	165	1,976	
<b>A&amp;G</b>																		
AB32/Cap & Trade/S	75,000	75,000	4,120	8,043	7,774	7,973	2,819	5,007	2,223	4,226.43	4,411.62	7,609.55	-	-	54,206	5,421	65,047	
	15,000	15,000	-	-	-	-	-	-	1,482	1,170.00	1,078.95	1,528.55	-	-	5,260	526	6,311	
	100,000	100,000	4,393	8,706	7,774	8,012	2,975	5,172	3,822	5,591.43	5,490.57	9,177.10	-	-	61,113	6,111	73,335	73%
			4.39%	13.10%	20.87%	28.88%	31.86%	37.03%	40.85%	46.44%	51.94%	61.11%	61.11%	61.11%				
<b>Others</b>																		
<b>Generation - Other</b>																		
Montgomery Andrew	5,000	5,000	-	-	236	-	35.24	-	-	-	-	-	-	-	271	45	542	
	5,000	5,000	-	-	236	-	35	-	-	-	-	-	-	-	271	45	542	
			0.00%	0.00%	4.72%	4.72%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%				
<b>Sub Total</b>	640,000	640,000	24,359	32,993	41,891	53,366	34,140	37,154	53,981	56,512	64,173	75,168	45,789	-	519,525	47,806	573,668	90%
			3.81%	8.96%	15.51%	23.85%	29.18%	34.98%	43.42%	52.25%	62.28%	74.02%	81.18%	81.18%				
<b>Porter Simon</b>																		
<b>M-S-R PPA</b>																		
<b>Generation</b>	20,000	20,000	858	484	1,606	935	462	1,012	594	550	110	-	352	22.00	6,985	582	6,985	
<b>Renewables</b>	2,000	2,000	330	-	242	539	-	-	66	-	44	-	99	-	1,320	110	1,320	
<b>Regulatory &amp; Comp</b>	2,000	2,000	220	-	22	-	-	-	88	-	-	-	-	-	330	28	330	
<b>A&amp;G</b>	30,000	30,000	3,189	1,186	2,459	1,21	3,134	22	1,595	132	3,340	106	3,068	286.00	18,617	1,551	18,617	
	54,000	54,000	4,597	1,650	4,329	1,595	3,596	1,034	2,343	682	3,494	106	3,519	308.00	27,252	2,271	27,252	50%
			8.51%	11.57%	19.59%	22.54%	29.20%	31.11%	35.45%	36.71%	43.18%	43.38%	49.90%	50.47%				
<b>GRAND TOTAL</b>	694,000	694,000	28,956	34,643	46,220	54,961	37,735	38,188	56,323	57,194	67,667	75,274	49,308	308	546,777	50,077	600,920	
			4.17%	9.16%	15.82%	23.74%	29.18%	34.68%	42.80%	51.04%	60.79%	71.64%	78.74%	78.79%				
	Legal Original 2018 Budget	Legal Revised 2018 Budget																
G	30,000	30,000													7,493		7,540	
G - Other	5,000	5,000													271		542	
R	37,000	37,000													20,412		22,327	
R - Other	300,000	300,000													260,229		283,886	
R&C	277,000	277,000													234,496		261,697	
A	45,000	45,000													23,877		24,928	
	694,000	694,000													546,777		600,920	
50/35/15 Renew	80,000	80,000													31,641		33,010	
	337,000	337,000													280,641		306,213	

## M-S-R PPA Total Outside Consult Summary

Month of: **Dec-2018**



CURRENT MONTH				
By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	5,833	0	5,833	0%
Gen - Other	0	0	0	0%
Renewables	12,000	1,000	11,000	8%
Rens - Other	5,000	0	5,000	0%
Reg & Comp	3,667	1,000	2,667	27%
Administrative	4,167	0	4,167	0%
<b>Total</b>	<b>30,667</b>	<b>2,000</b>	<b>28,667</b>	<b>7%</b>

YEAR TO DATE				
By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	70,000	75,584	(5,584)	108%
Gen - Other	0	0	0	0%
Renewables	144,000	77,187	66,813	54%
Rens - Other	60,000	57,360	2,640	96%
Reg & Comp	44,000	13,340	30,660	30%
Administrative	50,000	45,482	4,518	91%
<b>Total</b>	<b>368,000</b>	<b>268,953</b>	<b>99,047</b>	<b>73%</b>

CURRENT MONTH				
By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Navigant	5,000	0	5,000	0%
KBT	22,500	0	22,500	0%
Others	3,167	2,000	1,167	63%
<b>Total</b>	<b>30,667</b>	<b>2,000</b>	<b>28,667</b>	<b>7%</b>

YEAR TO DATE				
By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Navigant	60,000	3,324	56,676	6%
KBT	270,000	238,949	31,051	88%
Others	38,000	26,679	11,321	70%
<b>Total</b>	<b>368,000</b>	<b>268,953</b>	<b>99,047</b>	<b>73%</b>

# M-S-R PPA Navigant Summary

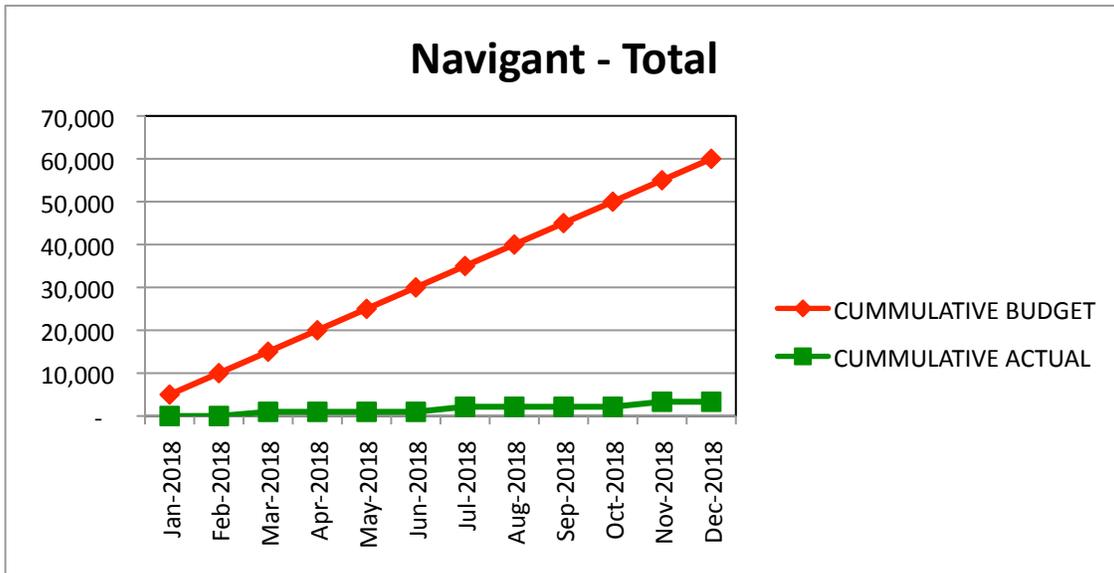
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	2,083	0	2,083	0%
Rens - Other	0	0	0	0%
Reg & Comp	2,083	0	2,083	0%
Administrative	833	0	833	0%
<b>Total</b>	<b>5,000</b>	<b>0</b>	<b>5,000</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	25,000	0	25,000	0%
Rens - Other	0	0	0	0%
Reg & Comp	25,000	0	25,000	0%
Administrative	10,000	3,324	6,676	33%
<b>Total</b>	<b>60,000</b>	<b>3,324</b>	<b>56,676</b>	<b>6%</b>



# M-S-R PPA KBT Summary

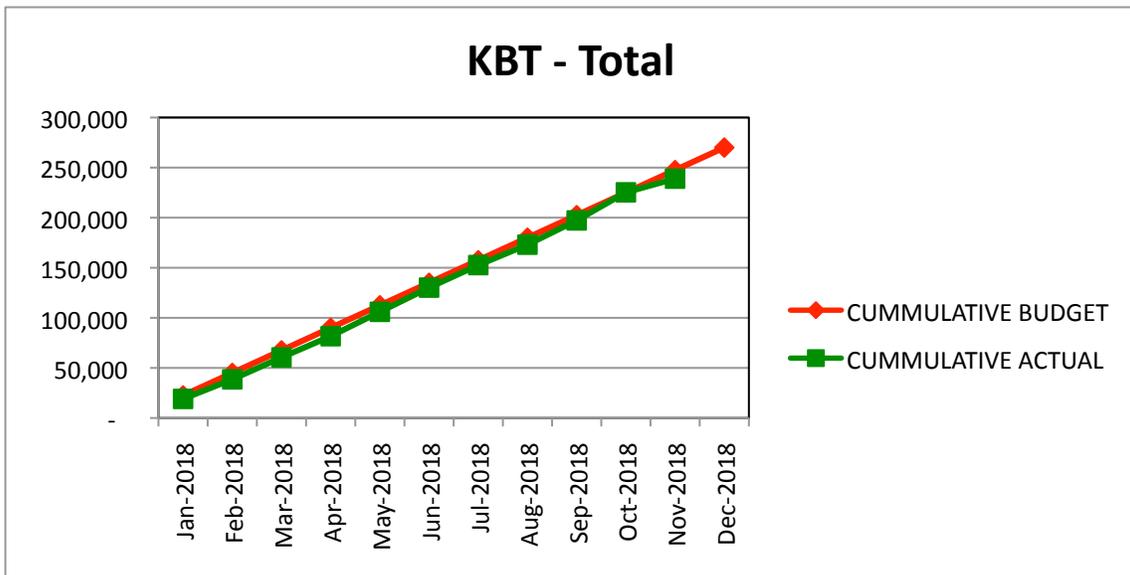
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	5,833	0	5,833	0%
Gen - Other	0	0	0	0%
Renewables	8,333	0	8,333	0%
Rens - Other	5,000	0	5,000	0%
Reg & Comp	0	0	0	0%
Administrative	3,333	0	3,333	0%
<b>Total</b>	<b>22,500</b>	<b>0</b>	<b>22,500</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	70,000	75,584	(5,584)	108%
Gen - Other	0	0	0	0%
Renewables	100,000	63,847	36,153	64%
Rens - Other	60,000	57,360	2,640	96%
Reg & Comp	0	0	0	0%
Administrative	40,000	42,158	(2,158)	105%
<b>Total</b>	<b>270,000</b>	<b>238,949</b>	<b>31,051</b>	<b>88%</b>



# M-S-R PPA

## Misc Outside Services Summary

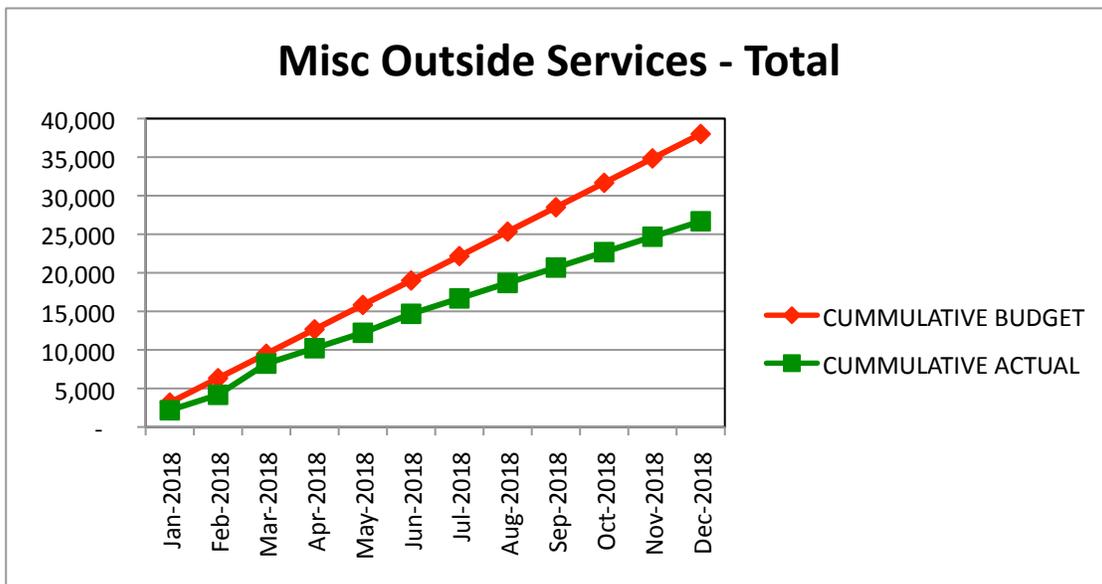
Month of: **Dec-2018**

### CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	1,583	1,000	583	63%
Rens - Other	0	0	0	0%
Reg & Comp	1,583	1,000	583	63%
Administrative	0	0	0	0%
<b>Total</b>	<b>3,167</b>	<b>2,000</b>	<b>1,167</b>	<b>63%</b>

### YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	19,000	13,340	5,660	70%
Rens - Other	0	0	0	0%
Reg & Comp	19,000	13,340	5,660	70%
Administrative	0	0	0	0%
<b>Total</b>	<b>38,000</b>	<b>26,679</b>	<b>11,321</b>	<b>70%</b>

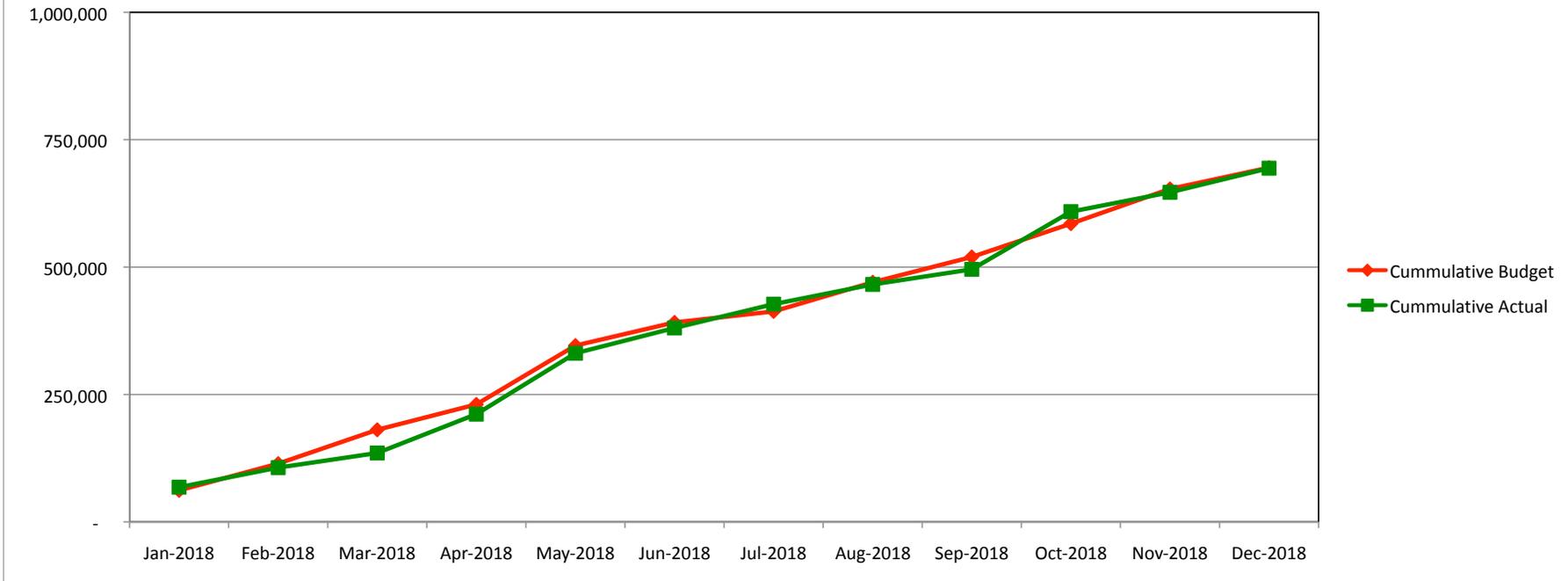


Legacy Liability Costs - 2018	M-S-R 2018 Budget	Revised or A.O.P	Jan-2018 8.33%	Feb-2018 16.67%	Mar-2018 25.00%	Apr-2018 33.33%	May-2018 41.67%	Jun-2018 50.00%	Jul-2018 58.33%	Aug-2018 66.67%	Sep-2018 75.00%	Oct-2018 83.33%	Nov-2018 91.67%	Dec-2018 100.00%	Total	Average	Year-End Projection
<b>PNM - Reclamation - Budget</b>	70,000	70,000	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	70,000		
<b>Cummulative Budget</b>			5,833	11,667	17,500	23,333	29,167	35,000	40,833	46,667	52,500	58,333	64,167	70,000			
<b>Reclamation Trust</b>																	
<b>Funds Operating Agent</b>			9,345	(47)	696	8,736	4,496	1,129	2,442	3,272	7,186	849	1,674	2,028.60	41,805	3,484	41,805
<b>Cummulative Actual</b>	70,000	70,000	9,345	(47)	696	8,736	4,496	1,129	2,441.54	3,272	7,186	849	1,673.66	2,029	41,805	3,484	41,805
			13.35%	13.28%	14.28%	26.76%	33.18%	34.79%	38.28%	42.95%	53.22%	54.43%	56.82%	59.72%			60%
<b>SJCC - Reclamation - Budget</b>			55,992	46,714	25,754	9,198	74,810	39,571	15,728	51,384	43,808	59,461	62,335	35,956	520,710		
<b>Cummulative Budget</b>			55,992	102,706	128,459	137,657	212,468	252,039	267,767	319,151	362,959	422,420	484,755	520,710			
			43,393	86,785	130,178	173,570	216,963	260,355	303,748	347,140	390,533	433,925	477,318	520,710			
<b>LaPlata</b>	46,059	4,303	4,407	4,571	4,321	4,269	4,375	4,549	4,335	4,647	4,229	4,613	4,965.32	53,584	4,465	53,584	
<b>San Juan - Surface</b>	474,651	54,485	34,096	23,421	63,139	110,695	44,068	39,312	29,951	17,638	49,245	18,739	15,746.08	500,534	41,711	500,534	
<b>San Juan - Underground</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cummulative Actual</b>	521,000	520,711	58,788	38,503	27,992	67,461	114,964	48,443	43,861	34,286	22,284	53,474	23,351	20,711.40	554,118	46,176	554,118
			58,788	97,291	125,283	192,744	307,708	356,151	400,011	434,297	456,581	510,055	533,406	554,118			106%
			11.29%	18.68%	24.06%	37.02%	59.09%	68.40%	76.82%	83.40%	87.68%	97.95%	102.44%	106.42%			
<b>PNM - Decommissioning</b>					34,800	34,800	34,800								104,400		
<b>Cummulative Budget</b>					34,800	69,600	104,400	104,400	104,400	104,400	104,400	104,400	104,400	104,400			
<b>Initial Decommissioning</b>		104,400							486	1,129	166	58,701	12,951	24,619.65	98,053	8,171	98,053
<b>Cummulative Actual</b>	100,000	104,400							486	1,129	166	58,701	12,951	24,619.65	98,053	8,171	98,053
									486	1,615	1,781	60,482	73,434	98,053			
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.47%	1.55%	1.71%	57.93%	70.34%	93.92%			93.92%
<b>Total Legacy Liability</b>		695,111	68,133	38,456	28,688	76,197	119,460	49,572	46,788	38,686	29,637	113,024	37,976	47,360	693,977	57,831	693,977
			68,133	106,589	135,277	211,473	330,933	380,506	427,293	465,980	495,617	608,641	646,617	693,977			
			9.80%	15.33%	19.46%	30.42%	47.61%	54.74%	61.47%	67.04%	71.30%	87.56%	93.02%	99.84%			99.8%
<b>Cummulative Budget</b>			61,825	114,372	180,759	230,591	346,035	391,439	413,000	470,217	519,859	585,153	653,321	695,110			
<b>Cummulative Actual</b>			68,133	106,589	135,277	211,473	330,933	380,506	427,293	465,980	495,617	608,641	646,617	693,977			

# Legacy Liability - Total

Month of: Dec-2018

## Legacy Liabilities - Total



### CURRENT MONTH

By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
PNM - Reclamation	5,833	2,029	3,805	35%
SJCC - Reclamation	35,956	20,711	15,244	58%
PNM - Decommission	0	24,620	(24,620)	#DIV/0!
<b>Total</b>	<b>41,789</b>	<b>47,360</b>	<b>(5,570)</b>	<b>113%</b>

### YEAR TO DATE

By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
PNM - Reclamation	70,000	41,805	28,195	60%
SJCC - Reclamation	520,710	554,118	(33,407)	106%
PNM - Decommission	104,400	98,053	6,347	94%
<b>Total</b>	<b>695,110</b>	<b>693,977</b>	<b>1,134</b>	<b>100%</b>

# PNM - Reclamation

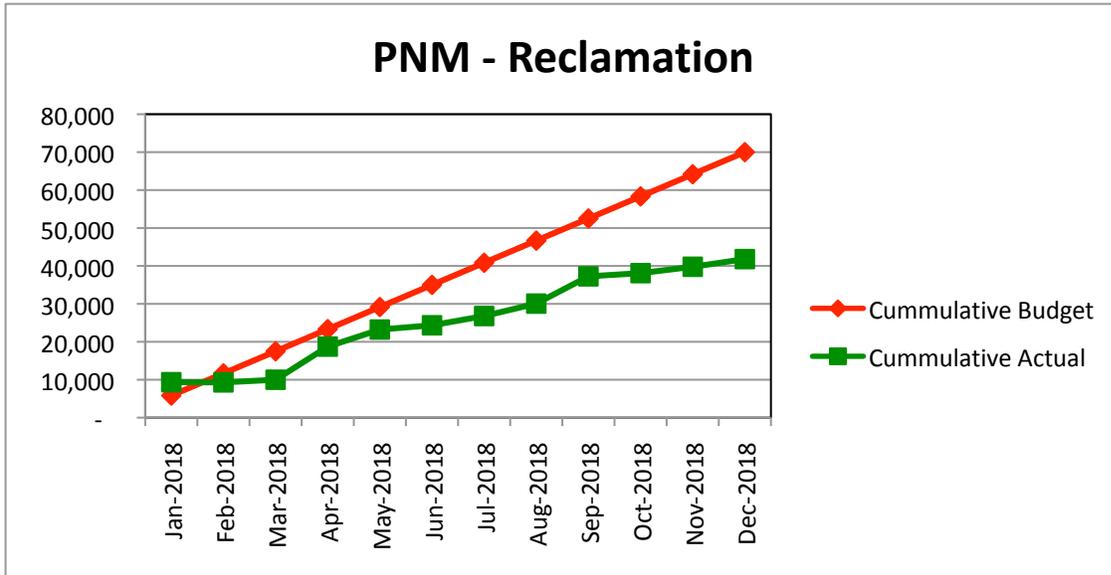
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	5,833	2,029	3,805	35%
<b>Total</b>	<b>5,833</b>	<b>2,029</b>	<b>3,805</b>	<b>35%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	70,000	41,805	28,195	60%
<b>Total</b>	<b>70,000</b>	<b>41,805</b>	<b>28,195</b>	<b>60%</b>



# SJCC - Reclamation

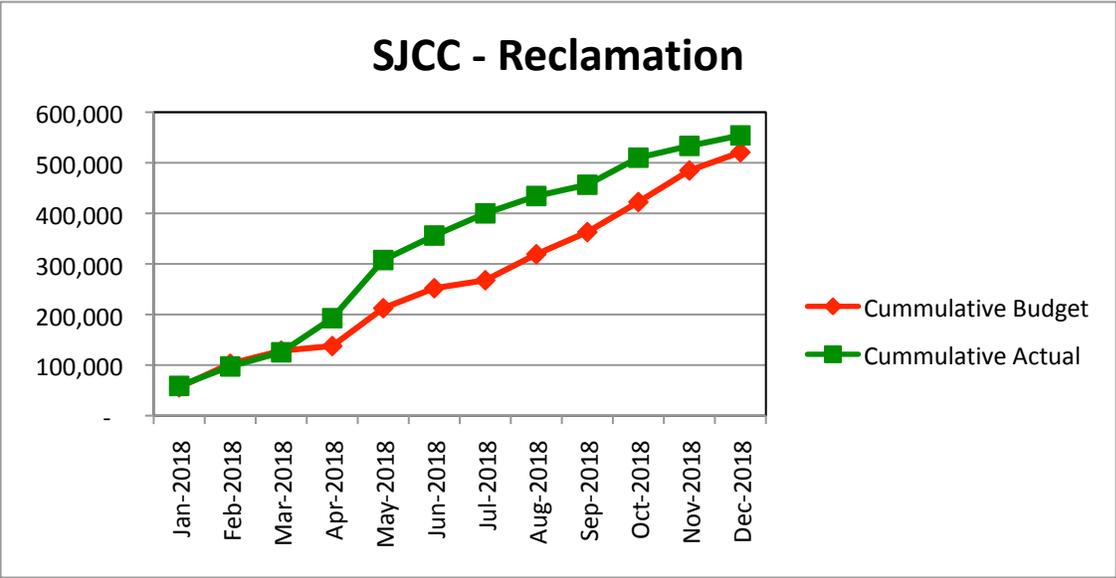
Month of: **Dec-2018**

### CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	35,956	20,711	15,244	58%
<b>Total</b>	<b>35,956</b>	<b>20,711</b>	<b>15,244</b>	<b>58%</b>

### YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	520,710	554,118	(33,407)	106%
<b>Total</b>	<b>520,710</b>	<b>554,118</b>	<b>(33,407)</b>	<b>106%</b>



# PNM - Decommissioning

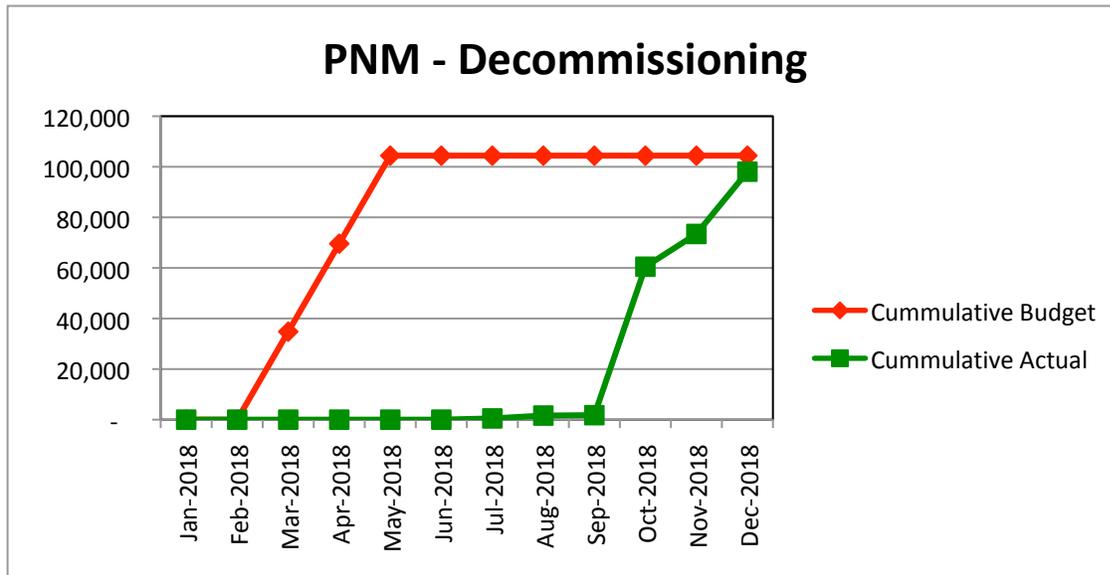
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	24,620	(24,620)	#DIV/0!
<b>Total</b>	<b>0</b>	<b>24,620</b>	<b>(24,620)</b>	<b>#DIV/0!</b>

## YEAR TO DATE

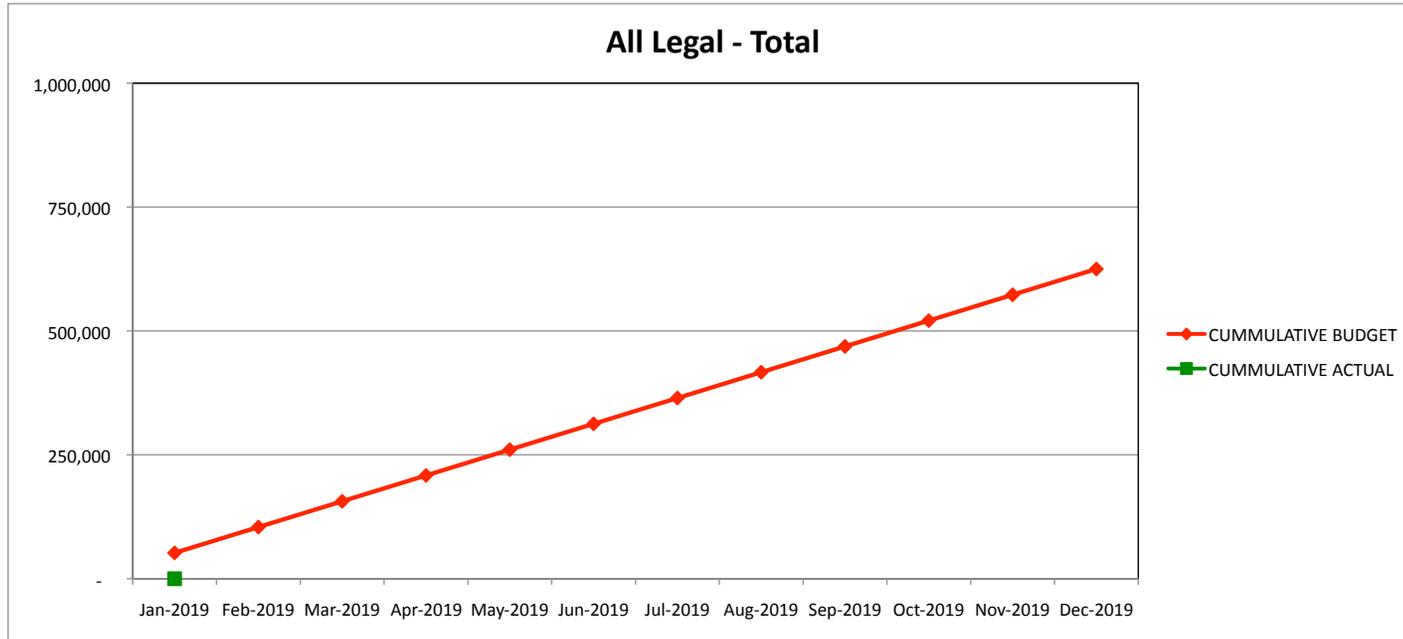
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	104,400	98,053	6,347	94%
<b>Total</b>	<b>104,400</b>	<b>98,053</b>	<b>6,347</b>	<b>94%</b>



Legacy Liability Costs - 2018	M-S-R 2018 Budget	Revised or A.O.P	Jan-2018 8.33%	Feb-2018 16.67%	Mar-2018 25.00%	Apr-2018 33.33%	May-2018 41.67%	Jun-2018 50.00%	Jul-2018 58.33%	Aug-2018 66.67%	Sep-2018 75.00%	Oct-2018 83.33%	Nov-2018 91.67%	Dec-2018 100.00%	Total	Average	Year-End Projection
<b>PNM - Reclamation - Budget</b>	70,000	70,000	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	70,000		
<b>Cummulative Budget</b>			5,833	11,667	17,500	23,333	29,167	35,000	40,833	46,667	52,500	58,333	64,167	70,000			
<b>Reclamation Trust Funds Operating Agent</b>			9,345	(47)	696	8,736	4,496	1,129	2,442	3,272	7,186	849	1,674	2,028.60	41,805	3,484	41,805
<b>Cummulative Actual</b>	70,000	70,000	9,345	(47)	696	8,736	4,496	1,129	2,441.54	3,272	7,186	849	1,673.66	2,029	41,805	3,484	41,805
			13.35%	13.28%	14.28%	26.76%	33.18%	34.79%	38.28%	42.95%	53.22%	54.43%	56.82%	59.72%			60%
<b>SJCC - Reclamation - Budget</b>			55,992	46,714	25,754	9,198	74,810	39,571	15,728	51,384	43,808	59,461	62,335	35,956	520,710		
<b>Cummulative Budget</b>			55,992	102,706	128,459	137,657	212,468	252,039	267,767	319,151	362,959	422,420	484,755	520,710			
			43,393	86,785	130,178	173,570	216,963	260,355	303,748	347,140	390,533	433,925	477,318	520,710			
<b>LaPlata San Juan - Surface San Juan - Underground</b>	46,059	474,651	4,303	4,407	4,571	4,321	4,269	4,375	4,549	4,335	4,647	4,229	4,613	4,965.32	53,584	4,465	53,584
<b>Cummulative Actual</b>	521,000	520,711	58,788	38,503	27,992	67,461	114,964	48,443	43,861	34,286	22,284	53,474	23,351	20,711.40	554,118	46,176	554,118
			58,788	97,291	125,283	192,744	307,708	356,151	400,011	434,297	456,581	510,055	533,406	554,118			106%
			11.29%	18.68%	24.06%	37.02%	59.09%	68.40%	76.82%	83.40%	87.68%	97.95%	102.44%	106.42%			
<b>PNM - Decommissioning Cummulative Budget</b>			-	-	34,800	34,800	34,800	-	-	-	-	-	-	-	104,400		
<b>Initial Decommissioning</b>		104,400	-	-	-	-	-	-	486	1,129	166	58,701	12,951	24,619.65	98,053	8,171	98,053
<b>Cummulative Actual</b>	100,000	104,400	-	-	-	-	-	-	486	1,129	166	58,701	12,951	24,619.65	98,053	8,171	98,053
			-	-	-	-	-	-	486	1,615	1,781	60,482	73,434	98,053			
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.47%	1.55%	1.71%	57.93%	70.34%	93.92%			93.92%
<b>Total Legacy Liability</b>		695,111	68,133	38,456	28,688	76,197	119,460	49,572	46,788	38,686	29,637	113,024	37,976	47,360	693,977	57,831	693,977
			68,133	106,589	135,277	211,473	330,933	380,506	427,293	465,980	495,617	608,641	646,617	693,977			
			9.80%	15.33%	19.46%	30.42%	47.61%	54.74%	61.47%	67.04%	71.30%	87.56%	93.02%	99.84%			99.8%
<b>Cummulative Budget</b>			61,825	114,372	180,759	230,591	346,035	391,439	413,000	470,217	519,859	585,153	653,321	695,110			
<b>Cummulative Actual</b>			68,133	106,589	135,277	211,473	330,933	380,506	427,293	465,980	495,617	608,641	646,617	693,977			

# M-S-R PPA All Legal Summary

Month of: **Jan-2019**



#### CURRENT MONTH

By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,083	0	2,083	0%
Gen - Other	83	0	83	0%
Renewables	3,083	0	3,083	0%
Rens - Other	25,000	0	25,000	0%
Reg & Comp	18,917	0	18,917	0%
Administrative	2,917	0	2,917	0%
<b>Total</b>	<b>52,083</b>	<b>0</b>	<b>52,083</b>	<b>0%</b>

#### YEAR TO DATE

By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	2,083	0	2,083	0%
Gen - Other	83	0	83	0%
Renewables	3,083	0	3,083	0%
Rens - Other	25,000	0	25,000	0%
Reg & Comp	18,917	0	18,917	0%
Administrative	2,917	0	2,917	0%
<b>Total</b>	<b>52,083</b>	<b>0</b>	<b>52,083</b>	<b>0%</b>

By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Duncan	40,000	0	40,000	0%
Berlin	7,500	0	7,500	0%
Porter Simon	4,500	0	4,500	0%
Others	83	0	83	0%
<b>Total</b>	<b>52,083</b>	<b>0</b>	<b>52,083</b>	<b>0%</b>

By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Duncan	40,000	0	40,000	0%
Berlin	7,500	0	7,500	0%
Porter Simon	4,500	0	4,500	0%
Others	83	0	83	0%
<b>Total</b>	<b>52,083</b>	<b>0</b>	<b>52,083</b>	<b>0%</b>

# M-S-R PPA Duncan Summary

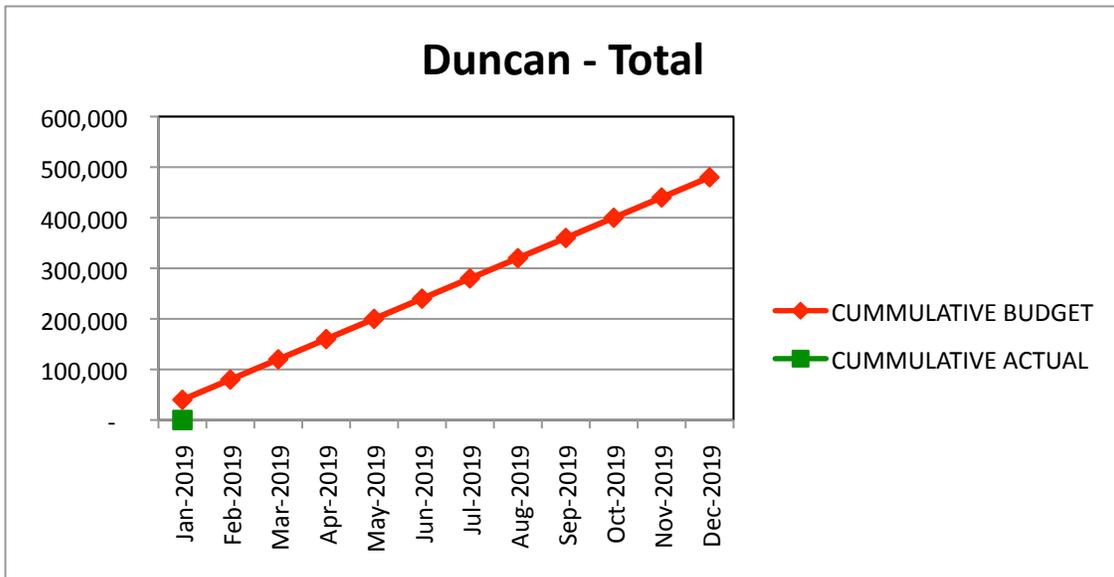
Month of: **Jan-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	417	0	417	0%
Gen - Other	0	0	0	0%
Renewables	2,083	0	2,083	0%
Rens - Other	25,000	0	25,000	0%
Reg & Comp	12,500	0	12,500	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>40,000</b>	<b>0</b>	<b>40,000</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	417	0	417	0%
Gen - Other	0	0	0	0%
Renewables	2,083	0	2,083	0%
Rens - Other	25,000	0	25,000	0%
Reg & Comp	12,500	0	12,500	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>40,000</b>	<b>0</b>	<b>40,000</b>	<b>0%</b>



# M-S-R PPA Berlin Summary

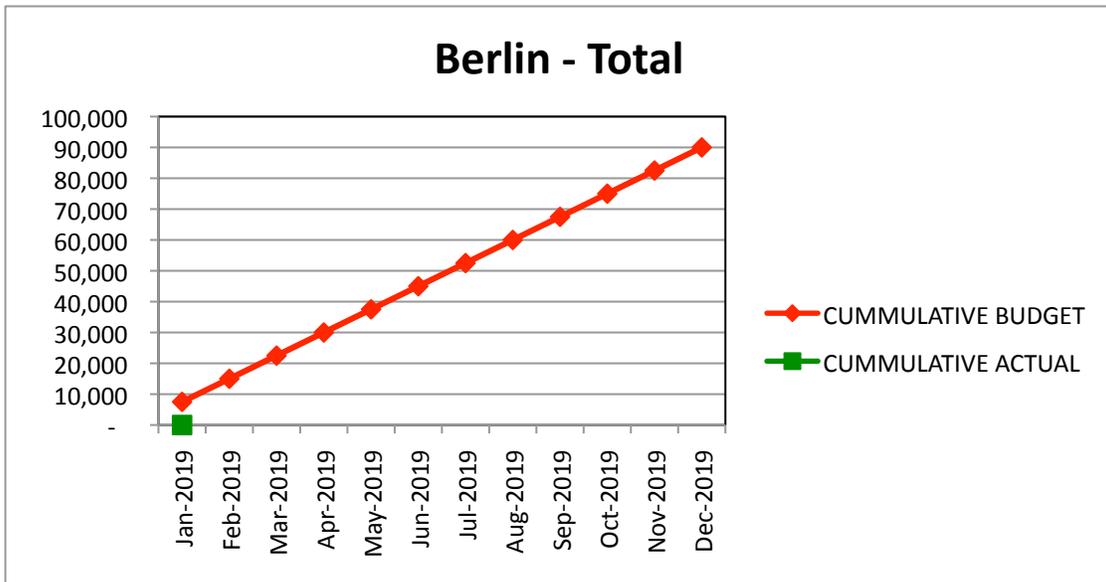
Month of: **Jan-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	833	0	833	0%
Rens - Other	0	0	0	0%
Reg & Comp	6,250	0	6,250	0%
Administrative	417	0	417	0%
<b>Total</b>	<b>7,500</b>	<b>0</b>	<b>7,500</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	833	0	833	0%
Rens - Other	0	0	0	0%
Reg & Comp	6,250	0	6,250	0%
Administrative	417	0	417	0%
<b>Total</b>	<b>7,500</b>	<b>0</b>	<b>7,500</b>	<b>0%</b>



# M-S-R PPA Porter Simon Summary

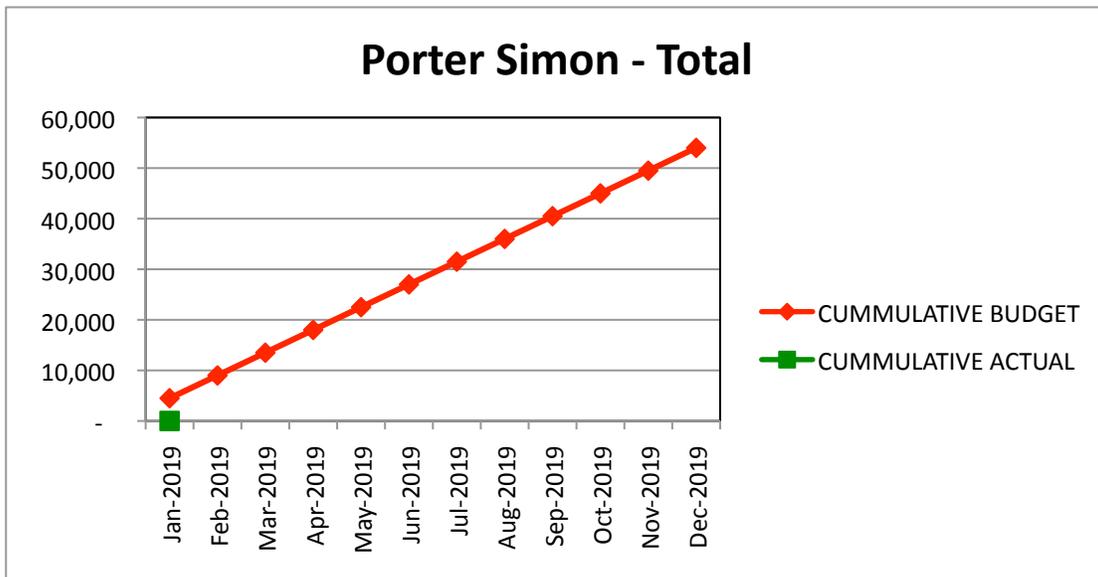
Month of: **Jan-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	1,667	0	1,667	0%
Gen - Other	0	0	0	0%
Renewables	167	0	167	0%
Rens - Other	0	0	0	0%
Reg & Comp	167	0	167	0%
Administrative	2,500	0	2,500	0%
<b>Total</b>	<b>4,500</b>	<b>0</b>	<b>4,500</b>	<b>0%</b>

## YEAR TO DATE

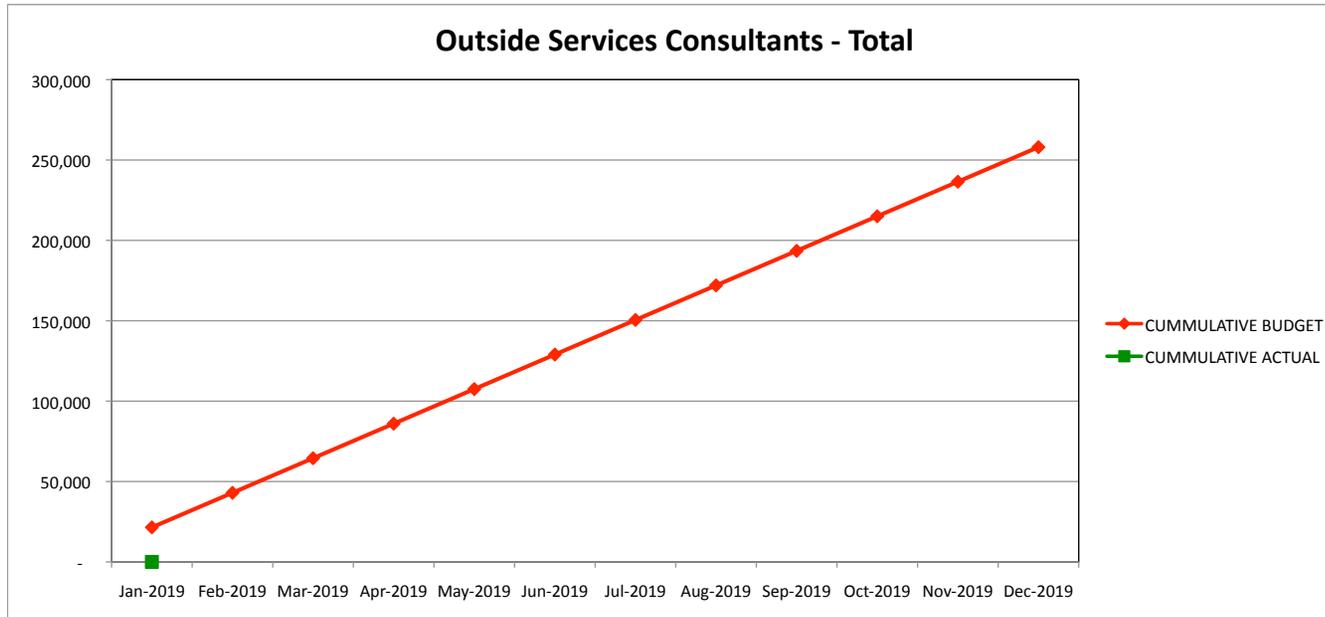
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	1,667	0	1,667	0%
Gen - Other	0	0	0	0%
Renewables	167	0	167	0%
Rens - Other	0	0	0	0%
Reg & Comp	167	0	167	0%
Administrative	2,500	0	2,500	0%
<b>Total</b>	<b>4,500</b>	<b>0</b>	<b>4,500</b>	<b>0%</b>



Legal Costs - 2018	2019 Budget	Reallocated Budget	Jan-2019 8.33%	Feb-2019 16.67%	Mar-2019 25.00%	Apr-2019 33.33%	May-2019 41.67%	Jun-2019 50.00%	Jul-2019 58.33%	Aug-2019 66.67%	Sep-2019 75.00%	Oct-2019 83.33%	Nov-2019 91.67%	Dec-2019 100.00%	Total	Average	Year-End Projection	Notes
<b>DWG&amp;P</b>																		
<b>Generation</b>																		
SJGS Agreements	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>																		
BPA/PNW Gen1	25,000	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Rens - Other</b>																		
BPA Rate Cases	300,000	300,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>																		
FERC Gen1	150,000	150,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>480,000</b>	<b>480,000</b>																0%
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
<b>Law Offices of Susie Berlin</b>																		
<b>Generation</b>																		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>																		
RES/RPS	10,000	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>																		
AB32/Cap & Trade/S	75,000	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>A&amp;G</b>																		
5,000	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>90,000</b>	<b>90,000</b>																0%
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
<b>Others</b>																		
<b>Generation - Other</b>																		
Montgomery Andrew	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>1,000</b>	<b>1,000</b>																0%
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
<b>Sub Total</b>	<b>571,000</b>	<b>571,000</b>																0%
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
<b>Porter Simon</b>																		
<b>M-S-R PPA</b>																		
<b>Generation</b>																		
20,000	20,000	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>																		
2,000	2,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>																		
2,000	2,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>A&amp;G</b>																		
30,000	30,000	30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>54,000</b>	<b>54,000</b>																0%
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
<b>GRAND TOTAL</b>	<b>625,000</b>	<b>625,000</b>																0.00%
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
	Legal Original 2019 Budget	Legal Revised 2019 Budget																
G	25,000	25,000																
G - Other	1,000	1,000																
R	37,000	37,000																
R - Other	300,000	300,000																
R&C	227,000	227,000																
A	35,000	35,000																
	<b>625,000</b>	<b>625,000</b>																
50/35/15 Renew	61,000	61,000																
	337,000	337,000																

## M-S-R PPA Total Outside Consult Summary

Month of: **Jan-2019**



CURRENT MONTH				
By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	1,667	0	1,667	0%
Gen - Other	0	0	0	0%
Renewables	9,500	0	9,500	0%
Rens - Other	5,833	0	5,833	0%
Reg & Comp	2,417	0	2,417	0%
Administrative	2,083	0	2,083	0%
<b>Total</b>	<b>21,500</b>	<b>0</b>	<b>21,500</b>	<b>0%</b>

YEAR TO DATE				
By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	1,667	0	1,667	0%
Gen - Other	0	0	0	0%
Renewables	9,500	0	9,500	0%
Rens - Other	5,833	0	5,833	0%
Reg & Comp	2,417	0	2,417	0%
Administrative	2,083	0	2,083	0%
<b>Total</b>	<b>21,500</b>	<b>0</b>	<b>21,500</b>	<b>0%</b>

CURRENT MONTH				
By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Navigant	3,333	0	3,333	0%
KBT	15,000	0	15,000	0%
Others	3,167	0	3,167	0%
<b>Total</b>	<b>21,500</b>	<b>0</b>	<b>21,500</b>	<b>0%</b>

YEAR TO DATE				
By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Navigant	3,333	0	3,333	0%
KBT	15,000	0	15,000	0%
Others	3,167	0	3,167	0%
<b>Total</b>	<b>21,500</b>	<b>0</b>	<b>21,500</b>	<b>0%</b>

# M-S-R PPA Navigant Summary

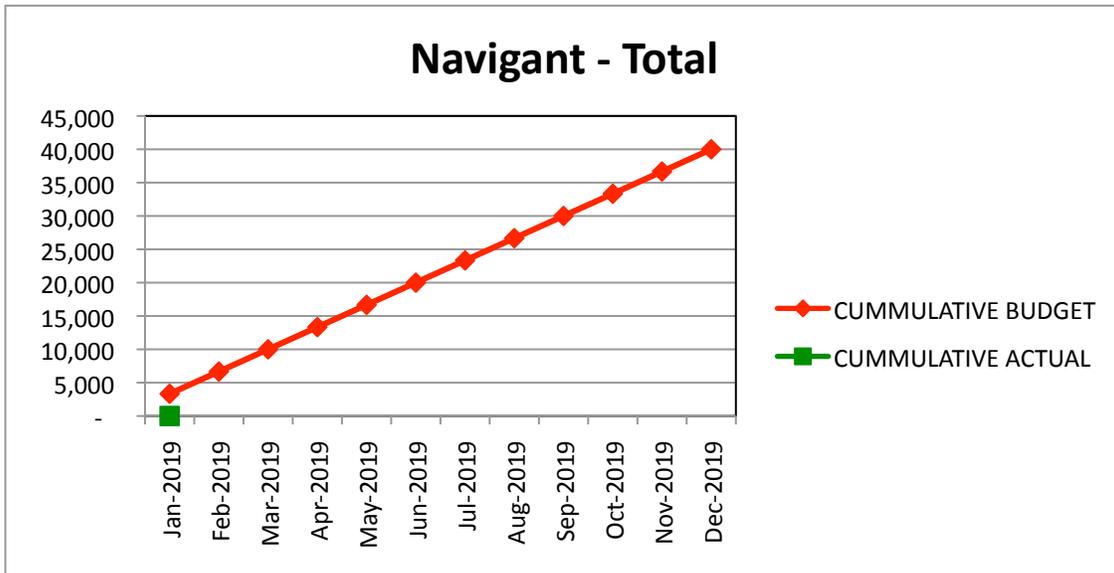
Month of: **Jan-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	2,083	0	2,083	0%
Rens - Other	0	0	0	0%
Reg & Comp	833	0	833	0%
Administrative	417	0	417	0%
<b>Total</b>	<b>3,333</b>	<b>0</b>	<b>3,333</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	2,083	0	2,083	0%
Rens - Other	0	0	0	0%
Reg & Comp	833	0	833	0%
Administrative	417	0	417	0%
<b>Total</b>	<b>3,333</b>	<b>0</b>	<b>3,333</b>	<b>0%</b>



# M-S-R PPA KBT Summary

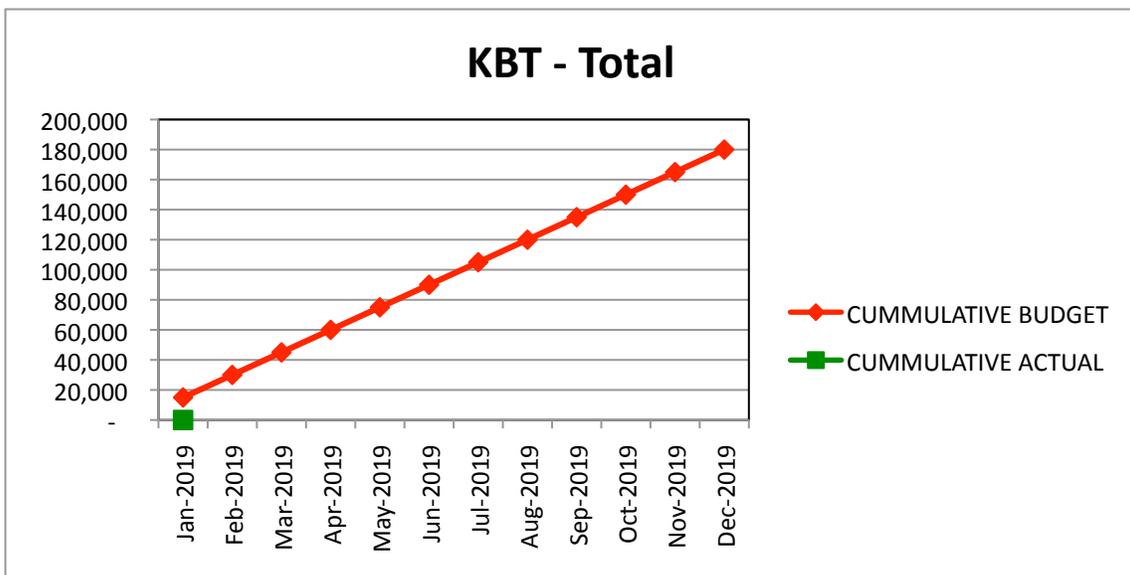
Month of: **Jan-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	1,667	0	1,667	0%
Gen - Other	0	0	0	0%
Renewables	5,833	0	5,833	0%
Rens - Other	5,833	0	5,833	0%
Reg & Comp	0	0	0	0%
Administrative	1,667	0	1,667	0%
<b>Total</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	1,667	0	1,667	0%
Gen - Other	0	0	0	0%
Renewables	5,833	0	5,833	0%
Rens - Other	5,833	0	5,833	0%
Reg & Comp	0	0	0	0%
Administrative	1,667	0	1,667	0%
<b>Total</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>0%</b>



# M-S-R PPA

## Misc Outside Services Summary

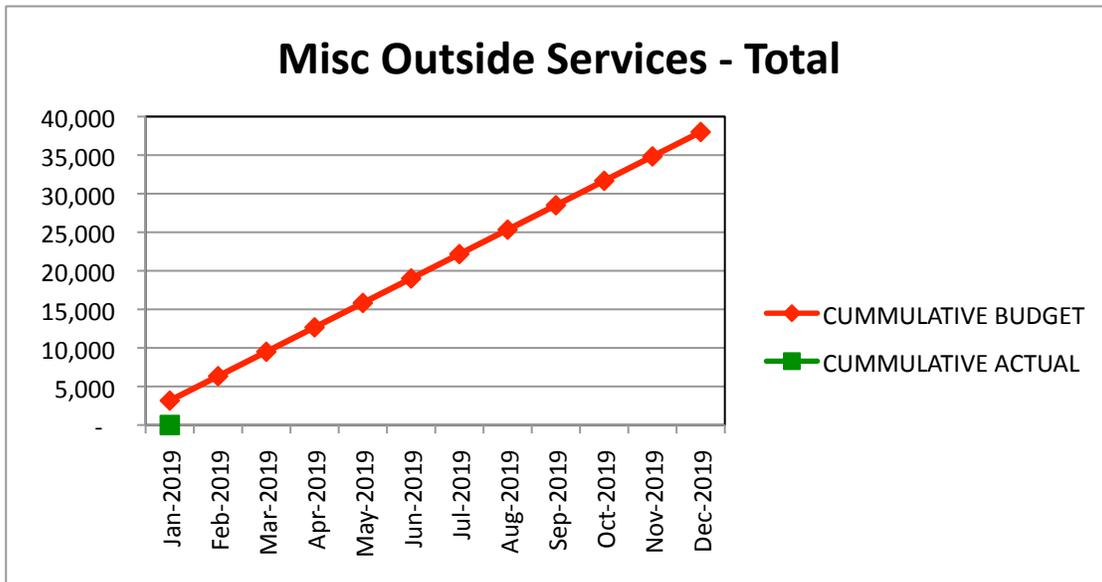
Month of: **Jan-2019**

### CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	1,583	0	1,583	0%
Rens - Other	0	0	0	0%
Reg & Comp	1,583	0	1,583	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>3,167</b>	<b>0</b>	<b>3,167</b>	<b>0%</b>

### YEAR TO DATE

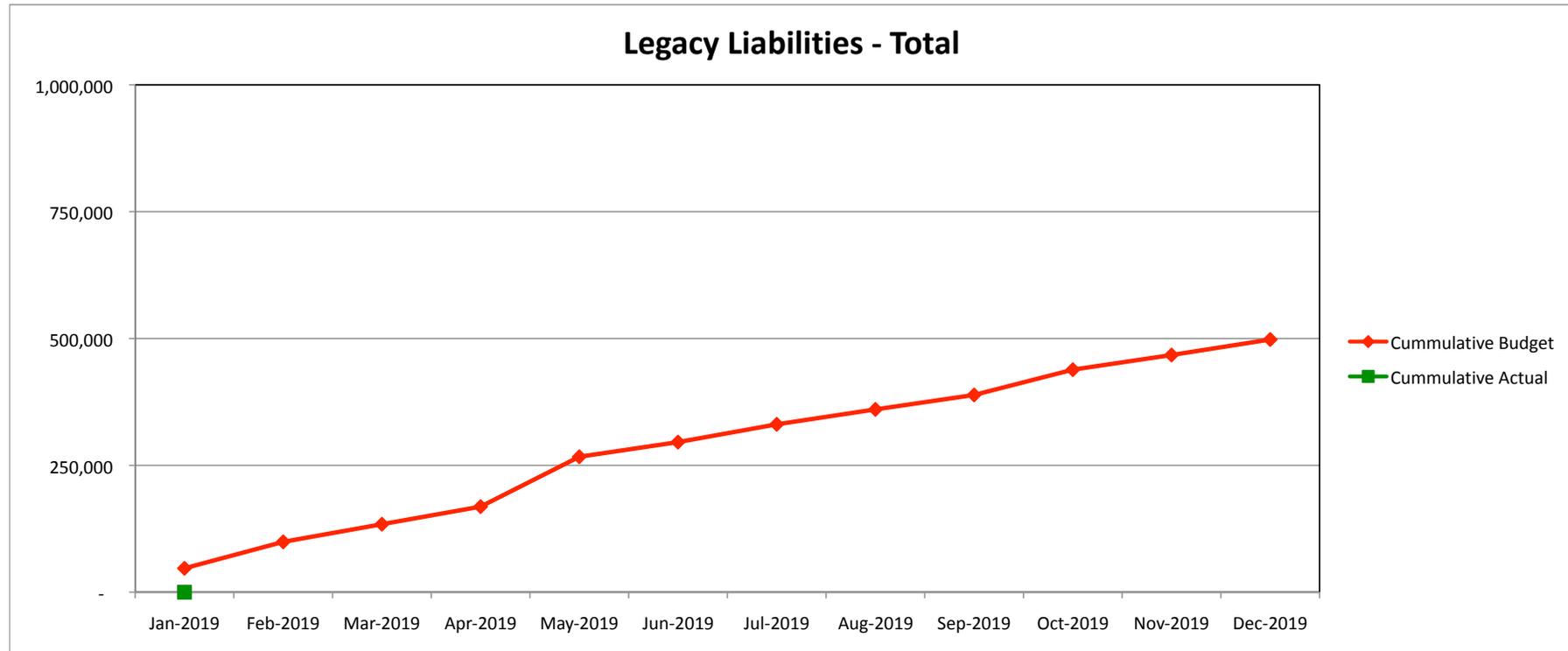
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	1,583	0	1,583	0%
Rens - Other	0	0	0	0%
Reg & Comp	1,583	0	1,583	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>3,167</b>	<b>0</b>	<b>3,167</b>	<b>0%</b>



Consultant Costs - 2019	2019 Budget	Revised Budget	Task Orders	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Total	Average	Year-End Projection	Notes
				8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%				
<b>NAVIGANT</b>																			
<b>Generation</b>																			
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>	25,000	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>	10,000	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Administrative</b>	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	40,000	40,000	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0%
<b>KBT</b>																			
<b>Generation</b>																			
General	20,000	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gen - Other</b>																			
SJGS Disposition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>																			
General	70,000	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Rens - Other</b>																			
BP-20 Rate Case	70,000	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sum	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>																			
<b>Administrative</b>	20,000	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	180,000	180,000	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0%
<b>SUBTOTAL</b>	220,000	220,000	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0%
<b>Outside Services</b>																			
<b>Generation</b>																			
<b>Renewables</b>																			
Ferguson Group	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Politico Group	14,000	14,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Rens - Other</b>																			
<b>Regulatory &amp; Comp</b>																			
Ferguson Group	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Politico Group	14,000	14,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Administrative</b>	38,000	38,000	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0%
<b>GRAND TOTAL</b>	258,000	258,000	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0%
	Original 2019 Budget	Revised 2019 Budget																	
G	20,000	20,000																	
G - Other	-	-																	
R	114,000	114,000																	
R - Other	70,000	70,000																	
R&C	29,000	29,000																	
A	25,000	25,000																	
	258,000	258,000																	
50/35/15	45,000	45,000																	
Renew	184,000	184,000																	

# Legacy Liability - Total

Month of: Jan-2019



CURRENT MONTH				
By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
PNM - Reclamation	4,083	0	4,083	0%
SJCC - Reclamation	42,985	0	42,985	0%
PNM - Decommission	0	0	0	0%
<b>Total</b>	<b>47,069</b>	<b>0</b>	<b>47,069</b>	<b>0%</b>

YEAR TO DATE				
By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
PNM - Reclamation	4,083	0	4,083	0%
SJCC - Reclamation	42,985	0	42,985	0%
PNM - Decommission	0	0	0	0%
<b>Total</b>	<b>47,069</b>	<b>0</b>	<b>47,069</b>	<b>0%</b>

# PNM - Reclamation

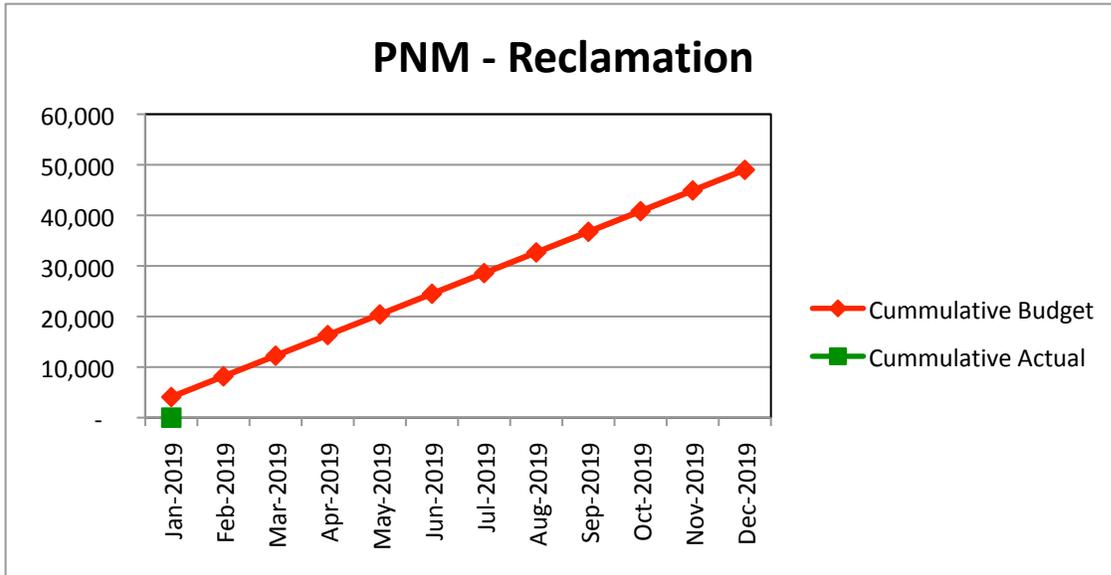
Month of: **Jan-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	4,083	0	4,083	0%
<b>Total</b>	<b>4,083</b>	<b>0</b>	<b>4,083</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	4,083	0	4,083	0%
<b>Total</b>	<b>4,083</b>	<b>0</b>	<b>4,083</b>	<b>0%</b>



# SJCC - Reclamation

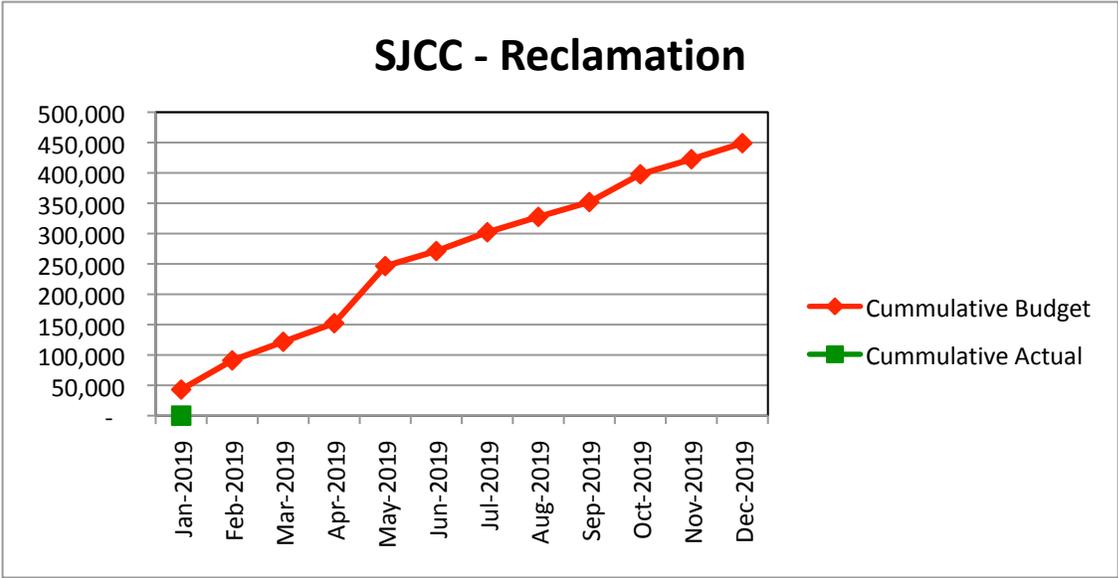
Month of: **Jan-2019**

### CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	42,985	0	42,985	0%
<b>Total</b>	<b>42,985</b>	<b>0</b>	<b>42,985</b>	<b>0%</b>

### YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	42,985	0	42,985	0%
<b>Total</b>	<b>42,985</b>	<b>0</b>	<b>42,985</b>	<b>0%</b>



# PNM - Decommissioning

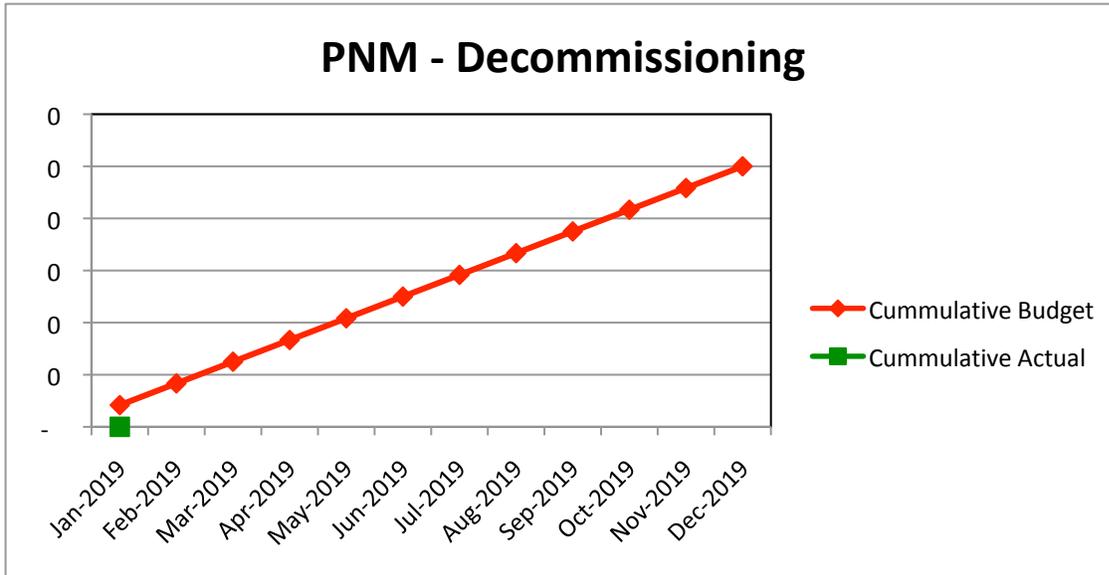
Month of: **Jan-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>



Legacy Liability Costs - 2019	M-S-R 2019 Budget	Revised or A.O.P	Jan-2019 8.33%	Feb-2019 16.67%	Mar-2019 25.00%	Apr-2019 33.33%	May-2019 41.67%	Jun-2019 50.00%	Jul-2019 58.33%	Aug-2019 66.67%	Sep-2019 75.00%	Oct-2019 83.33%	Nov-2019 91.67%	Dec-2019 100.00%	Total	Average	Year-End Projection
<b>PNM - Reclamation - Budget</b>	49,000	49,000	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	49,000		
<b>Cummulative Budget</b>			4,083	8,167	12,250	16,333	20,417	24,500	28,583	32,667	36,750	40,833	44,917	49,000			
<b>Reclamation Trust</b>																	
<b>Funds Operating Agent</b>															-	#DIV/0!	#DIV/0!
<b>Cummulative Actual</b>	49,000	49,000	-	-	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			#DIV/0!
<b>SJCC - Reclamation - Budget</b>			42,985	48,053	30,691	30,576	94,172	24,772	30,971	25,348	24,401	45,771	24,804	26,456	449,000		
<b>Cummulative Budget</b>			42,985	91,038	121,729	152,305	246,477	271,248	302,219	327,568	351,969	397,740	422,544	449,000			
			41,886	88,711	118,617	148,411	240,176	264,314	294,493	319,194	342,971	387,572	411,742	437,522			
<b>LaPlata</b>	51,687	51,687															
<b>San Juan - Surface</b>	397,313	397,313															
<b>San Juan - Underground</b>																	
<b>Cummulative Actual</b>	449,000	449,000	-	-	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			#DIV/0!
<b>PNM - Decommissioning</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Cummulative Budget</b>			0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Initial Decommissioning</b>		0															
<b>Cummulative Actual</b>	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			#DIV/0!
<b>Total Legacy Liability</b>		498,000	-	-	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			#DIV/0!
<b>Cummulative Budget</b>			47,069	99,205	133,979	168,638	266,893	295,749	330,803	360,234	388,719	438,573	467,461	498,000			
<b>Cummulative Actual</b>			-	-	-	-	-	-	-	-	-	-	-	-			

## **M-S-R Public Power Agency Staff Report**

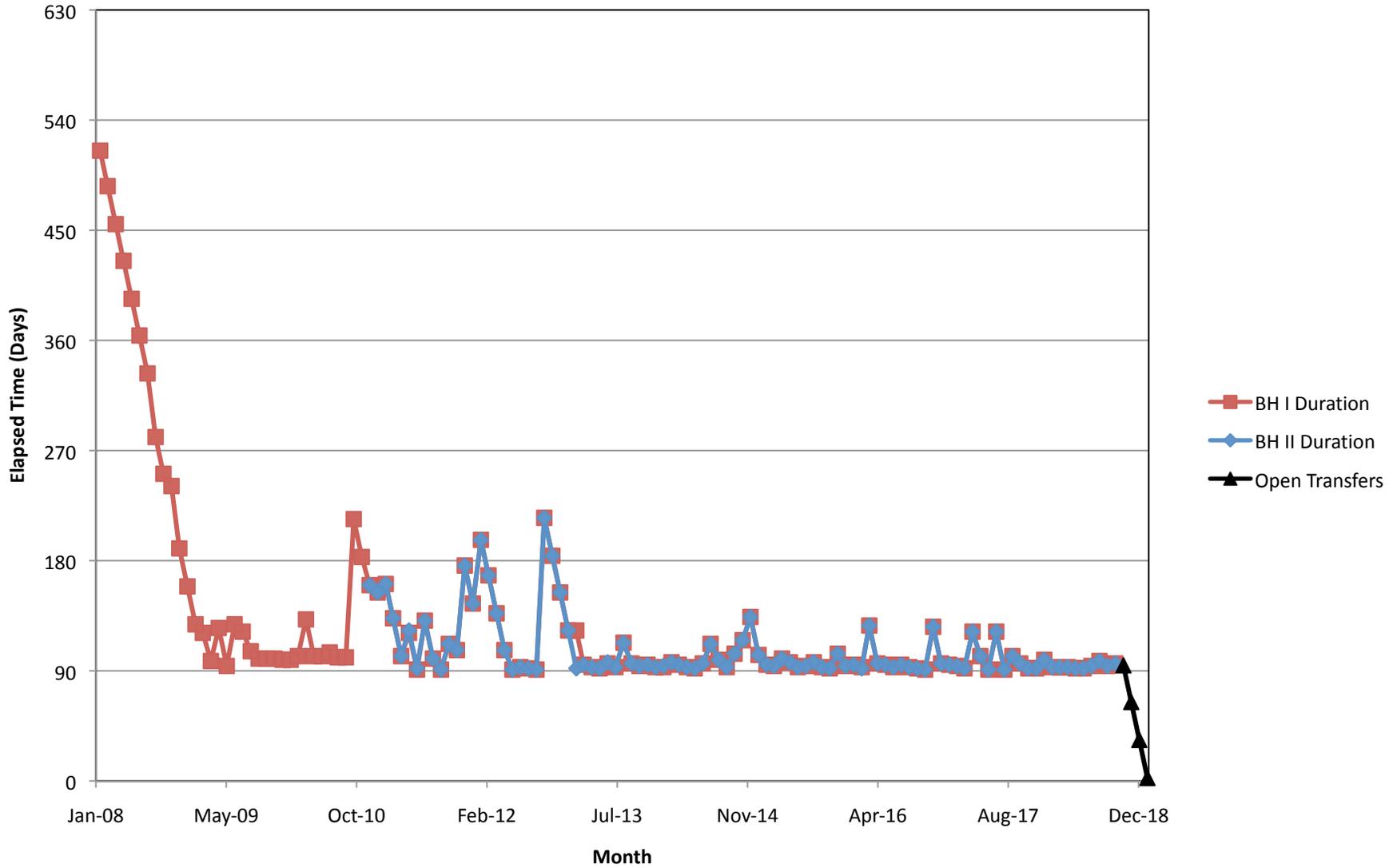
**Date:** February 1, 2019  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Technical Committee  
**Subject:** February 2019 WREGIS REC Transfers Status Report

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In 2013, the General Manager met with Iberdrola Renewables, Inc (now Avangrid Renewables, Inc.) regarding the status of its transfers of Western Renewable Energy Generation Information System (WREGIS) Renewable Energy Credits (RECs) for the Big Horn I and Big Horn II Wind Energy Projects to M-S-R PPA. Ideally, the WREGIS timelines would allow transfers of RECs to M-S-R PPA about 90-days after the close of a reporting month. At the time of that meeting, some transfers were as many as 215-days outstanding. Avangrid has subsequently reviewed its internal procedures and has generally completed Big Horn I and Big Horn II transfers in a timely manner. The attached chart illustrates current and historic status of REC transfers. As requested by the Commission, this report will be updated and presented at each regular meeting.

I recommend the Commission note and file the February 2019 WREGIS REC Transfers Status Report.

# Big Horn I & II REC Transfers



REC Transfer Timeliness

Month Ending	Big Horn I		Big Horn II		Today's Date	Open Transfers
	Date Transferred to Members	BH I Duration	Date Transferred to Members	BH II Duration		
Jan-08	29-Jun-09	515				
Feb-08	29-Jun-09	486				
Mar-08	29-Jun-09	455				
Apr-08	29-Jun-09	425				
May-08	29-Jun-09	394				
Jun-08	29-Jun-09	364				
Jul-08	29-Jun-09	333				
Aug-08	8-Jun-09	281				
Sep-08	8-Jun-09	251				
Oct-08	29-Jun-09	241				
Nov-08	8-Jun-09	190				
Dec-08	8-Jun-09	159				
Jan-09	8-Jun-09	128				
Feb-09	29-Jun-09	121				
Mar-09	7-Jul-09	98				
Apr-09	2-Sep-09	125				
May-09	2-Sep-09	94				
Jun-09	5-Nov-09	128				
Jul-09	30-Nov-09	122				
Aug-09	15-Dec-09	106				
Sep-09	8-Jan-10	100				
Oct-09	8-Feb-10	100				
Nov-09	10-Mar-10	100				
Dec-09	9-Apr-10	99				
Jan-10	10-May-10	99				
Feb-10	10-Jun-10	102				
Mar-10	10-Aug-10	132				
Apr-10	10-Aug-10	102				
May-10	10-Sep-10	102				
Jun-10	13-Oct-10	105				
Jul-10	9-Nov-10	101				
Aug-10	10-Dec-10	101				
Sep-10	2-May-11	214				
Oct-10	2-May-11	183				
Nov-10	9-May-11	160	9-May-11	160		
Dec-10	3-Jun-11	154	3-Jun-11	154		
Jan-11	11-Jul-11	161	11-Jul-11	161		
Feb-11	11-Jul-11	133	11-Jul-11	133		
Mar-11	11-Jul-11	102	11-Jul-11	102		
Apr-11	29-Aug-11	121	31-Aug-11	123		
May-11	30-Aug-11	91	31-Aug-11	92		
Jun-11	8-Nov-11	131	8-Nov-11	131		
Jul-11	8-Nov-11	100	8-Nov-11	100		
Aug-11	30-Nov-11	91	30-Nov-11	91		
Sep-11	20-Jan-12	112	20-Jan-12	112		
Oct-11	15-Feb-12	107	15-Feb-12	107		
Nov-11	24-May-12	176	24-May-12	176		
Dec-11	24-May-12	145	24-May-12	145		
Jan-12	15-Aug-12	197	15-Aug-12	197		
Feb-12	15-Aug-12	168	15-Aug-12	168		
Mar-12	15-Aug-12	137	15-Aug-12	137		
Apr-12	15-Aug-12	107	15-Aug-12	107		
May-12	30-Aug-12	91	30-Aug-12	91		
Jun-12	1-Oct-12	93	1-Oct-12	93		
Jul-12	31-Oct-12	92	31-Oct-12	92		
Aug-12	30-Nov-12	91	30-Nov-12	91		
Sep-12	3-May-13	215	3-May-13	215		
Oct-12	3-May-13	184	3-May-13	184		
Nov-12	3-May-13	154	3-May-13	154		
Dec-12	3-May-13	123	3-May-13	123		
Jan-13	3-Jun-13	123	3-May-13	92		
Feb-13	3-Jun-13	95	3-Jun-13	95		
Mar-13	2-Jul-13	93	2-Jul-13	93		
Apr-13	31-Jul-13	92	31-Jul-13	92		

May-13	4-Sep-13	96	5-Sep-13	97
Jun-13	1-Oct-13	93	1-Oct-13	93
Jul-13	21-Nov-13	113	21-Nov-13	113
Aug-13	5-Dec-13	96	5-Dec-13	96
Sep-13	2-Jan-14	94	2-Jan-14	94
Oct-13	3-Feb-14	95	3-Feb-14	95
Nov-13	3-Mar-14	93	3-Mar-14	93
Dec-13	3-Apr-14	93	4-Apr-14	94
Jan-14	8-May-14	97	8-May-14	97
Feb-14	3-Jun-14	95	3-Jun-14	95
Mar-14	2-Jul-14	93	2-Jul-14	93
Apr-14	31-Jul-14	92	31-Jul-14	92
May-14	4-Sep-14	96	4-Sep-14	96
Jun-14	20-Oct-14	112	20-Oct-14	112
Jul-14	7-Nov-14	99	7-Nov-14	99
Aug-14	2-Dec-14	93	2-Dec-14	93
Sep-14	12-Jan-15	104	12-Jan-15	104
Oct-14	23-Feb-15	115	23-Feb-15	115
Nov-14	13-Apr-15	134	13-Apr-15	134
Dec-14	13-Apr-15	103	13-Apr-15	103
Jan-15	6-May-15	95	6-May-15	95
Feb-15	2-Jun-15	94	2-Jun-15	94
Mar-15	9-Jul-15	100	9-Jul-15	100
Apr-15	5-Aug-15	97	5-Aug-15	97
May-15	1-Sep-15	93	1-Sep-15	93
Jun-15	2-Oct-15	94	2-Oct-15	94
Jul-15	5-Nov-15	97	5-Nov-15	97
Aug-15	2-Dec-15	93	2-Dec-15	93
Sep-15	31-Dec-15	92	31-Dec-15	92
Oct-15	12-Feb-16	104	12-Feb-16	104
Nov-15	3-Mar-16	94	3-Mar-16	94
Dec-15	4-Apr-16	95	4-Apr-16	95
Jan-16	3-May-16	93	2-May-16	92
Feb-16	5-Jul-16	127	5-Jul-16	127
Mar-16	5-Jul-16	96	5-Jul-16	96
Apr-16	3-Aug-16	95	3-Aug-16	95
May-16	1-Sep-16	93	1-Sep-16	93
Jun-16	3-Oct-16	95	3-Oct-16	95
Jul-16	1-Nov-16	93	1-Nov-16	93
Aug-16	1-Dec-16	92	1-Dec-16	92
Sep-16	30-Dec-16	91	30-Dec-16	91
Oct-16	6-Mar-17	126	6-Mar-17	126
Nov-16	6-Mar-17	96	6-Mar-17	96
Dec-16	5-Apr-17	95	5-Apr-17	95
Jan-17	5-May-17	94	5-May-17	94
Feb-17	31-May-17	92	31-May-17	92
Mar-17	31-Jul-17	122	31-Jul-17	122
Apr-17	10-Aug-17	102	10-Aug-17	102
May-17	30-Aug-17	91	30-Aug-17	91
Jun-17	30-Oct-17	122	30-Oct-17	122
Jul-17	30-Oct-17	91	30-Oct-17	91
Aug-17	11-Dec-17	102	11-Dec-17	102
Sep-17	4-Jan-18	96	4-Jan-18	96
Oct-17	31-Jan-18	92	31-Jan-18	92
Nov-17	2-Mar-18	92	2-Mar-18	92
Dec-17	9-Apr-18	99	9-Apr-18	99
Jan-18	4-May-18	93	4-May-18	93
Feb-18	1-Jun-18	93	1-Jun-18	93
Mar-18	2-Jul-18	93	2-Jul-18	93
Apr-18	31-Jul-18	92	31-Jul-18	92
May-18	31-Aug-18	92	31-Aug-18	92
Jun-18	2-Oct-18	94	2-Oct-18	94
Jul-18	6-Nov-18	98	6-Nov-18	98
Aug-18	3-Dec-18	94	3-Dec-18	94
Sep-18	4-Jan	96	4-Jan	96
Oct-18				
Nov-18				
Dec-18				
Jan-19				

Note: Rec'd from IRI 3-Mar-15  
Note: Rec'd from IRI 1-Apr-15

2-Feb-19	94	Note: Rec'd from IRI 1-Feb-19
2-Feb-19	64	
2-Feb-19	33	
2-Feb-19	2	

## **M-S-R Public Power Agency Staff Report**

**Date:** January 30, 2019

**From:** Martin R. Hopper, General Manager

**To:** M-S-R PPA Commission

**Subject:** 2019 M-S-R Public Power Agency Ten-Year San Juan Cost Forecast and Legacy Liability Funding Status Report

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### **Background:**

M-S-R PPA's former interests in Unit No. 4 of the coal-fired San Juan Generating Station (SJGS) located in New Mexico and certain Legacy Liabilities pertaining to Mine Reclamation and Plant Decommissioning are referred to as the San Juan Project. The Restructuring Agreements allowing M-S-R PPA's divestiture of its interests in the SJGS became effective January 31, 2016, and the divestiture was made December 31, 2017. This forecast has been made on the basis of those agreements. As of July 1, 2019, there will be about \$76 million of outstanding bonded indebtedness associated with the San Juan Project. As of December 31, 2018, there are between \$20 and \$40 million of outstanding Legacy Liabilities associated with Mine Reclamation and Plant Decommissioning.

### **Purpose and Use of Forecast:**

During the operating period for the San Juan Project, the annual Ten-Year San Juan Cost Forecast was prepared to allow the Members to project and budget for long-term San Juan cost trends. The Member's obligations to pay for San Juan Project costs flow from the underlying Project Agreements and this forecast is for information and budgeting purposes and is not a binding commitment or guarantee by M-S-R PPA. The forecast is designed to provide a reasonable estimate of the likely costs to be incurred to satisfy known legacy obligations and the status of the funds held in Trust and in the Agency's reserves for payment of those costs.

## **Issues and Assumptions:**

### 1. SJGS Operating Period:

- a. As discussed above, this forecast is based upon M-S-R PPA's exit from the ownership and operation of the San Juan Project effective December 31, 2017 ("Exit Date"). The Remaining participants in the SJGS are assumed to terminate power generation activities and the Coal Supply Agreement with San Juan Coal Company on June 30, 2022, as proposed in PNM's 2017 Integrated Resource Plan adopted by the New Mexico Public Regulation Commission.

### 2. Legacy Costs

- a. Legacy costs pertaining to Mine Reclamation liabilities as enumerated in the Amended and Restated Mine Reclamation And Trust Funds Agreement have been computed on the basis of the funding curves adopted by the Reclamation Investment Committee on November 13, 2018. Pursuant to M-S-R PPA Resolution 2016-04 Use And Transfers Of Reserves And Working Capital, all such expenses are funded through the Trust and/or paid from Agency reserves. PNM's administrative costs of about \$50,000 per year to M-S-R PPA are assumed to also be paid from Agency reserves and are shown in this forecast for information purposes only. Additional annual insurance costs, in amounts yet to be determined are to also be paid from Agency reserves.
- b. Legacy costs pertaining to Plant Decommissioning liabilities have been estimated on the basis of the Decommissioning And Trust Funds Agreement and an assumed full station shut-down in 2022. Generally only mandatory ARO activities are assumed to be performed. Any costs associated with brown/green-fielding activities are assumed to be incurred subsequent to the period of this forecast. Pursuant to M-S-R PPA Resolution 2016-04 Use And Transfers Of Reserves And Working Capital, all expenses pertaining to decommissioning activities are funded through the Trust and/or paid from Agency Reserves and are shown in this forecast for information purposes only.

The above assumptions were presented to the Technical Committee at its February 7, 2019, meeting. The attached forecasts incorporate these assumptions and are suitable for the Member's analysis of long-term San Juan Project economics.

**Recommendation:**

I recommend the M-S-R PPA Commission note and file the 2019 M-S-R Public Power Agency San Juan Ten-Year Legacy Liability Cost Forecast and Legacy Liability Funding Status Report.

Macintosh HD:Users:martinhopper:My Laptop Documents:M-S-R Public Power Agency:Administrative:Staff Reports:Staff Report Re 2019 MSR Ten Year San Juan Cost Forecast.doc

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**SAN JUAN 10-YEAR LEGACY LIABILITY COST FORECAST:**

	M-S-R Capacity Allocation 1_/_	Reclamation Trust Funds Operating Agent Costs 2_/_	Legacy Liabilities: Mine Reclamation 3_/_	Legacy Liabilities: Plant Decomm 4_/_	Legacy Cost (\$/kW-mo)
Year	MW	\$	\$	\$	\$/kW-mo
2019	146	50,000	440,000	0	0.25
2020	146	50,000	640,000	0	0.37
2021	146	50,000	720,000	0	0.41
2022	146	50,000	1,680,000	260,000	1.11
2023	146	50,000	2,950,000	920,000	2.21
2024	146	60,000	2,850,000	1,100,000	2.25
2025	146	60,000	2,590,000	190,000	1.59
2026	146	60,000	2,830,000	40,000	1.64
2027	146	60,000	2,800,000	40,000	1.62
2028	146	60,000	2,340,000	40,000	1.36

1\_/\_ Capacity after 2017 only used for computing Legacy Cost attributions.

2\_/\_ PNM cost per SJGS 2019 Budget escalated at 2.5%/yr - paid from reserves.

3\_/\_ Based on 2022 Four Unit shutdown - Expenses paid from Trusts - all years.

4\_/\_ Based on 2022 Four-Unit shutdown - Expenses paid from Trusts - all years.

Mandatory ARO Costs only - does not include site brownfielding costs.

M-S-R share post-2022 costs at 7.6%.

**SAN JUAN LEGACY LIABILITY FUNDING STATUS:**

	<b>Balance Required</b>	<b>Balance Held December 31, 2018</b>	<b>Notes</b>
<b>Mine Reclamation Trust</b>	\$17,668,707	\$17,743,564	Balance Required as of December 31, 2018. – No additional funding required at this time.
<b>Plant Decommissioning Trust</b>	\$2,280,000	\$2,234,515	Balance Required no later than December 31, 2022. – Expected interest earnings will exceed requirement.
<b>Potential SJGS Site Brown/Green-fielding</b>	\$19,400,000		Escalated 2013 High Estimate. – Note: New Decommissioning Study underway.
		\$2,234,515	Held in Decommissioning Trust
		\$6,534,035	Resolution 2016-04 Operating Fund Reservation
		\$3,300,000	Held in Debt/Service Coverage Revolving Fund
		\$14,900,000	Held in Agency Reserves/Operating Fund
			\$26,968,550