

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

Date: July 8, 2021

To: M-S-R PPA Technical Committee

From: Martin R. Hopper, General Manager

Subject: Thursday, July 15, 2021, M-S-R PPA Technical Committee Meeting

Please find enclosed the agenda for the Thursday, July 15, 2021, M-S-R PPA Technical Committee Meeting to be held remotely at 10:00 AM. Please post as required for Brown Act compliance.

Distribution:

Delilah Morrow – NCI
Steve Gross – General Counsel
Toxie Burriss – MID
Martin Caballero – MID
Amy Santos – MID
Cindy Worley – MID
Basil Wong – SVP
Steve Hance – SVP
Paulo Apolinario – SVP
Ann Hatcher – SVP
Yanmei Qiu – SVP
Nathan Aronson – Redding
Kamryn Hutson – Redding
Lisa Casner – Redding

M-S-R Public Power Agency

MEETING OF THE TECHNICAL COMMITTEE

Thursday, July 15, 2021, 10:00 AM

WEBINAR DIGITAL PLATFORM OR PHONE MEETING

GoTo Meeting Information:

<https://global.gotomeeting.com/join/498134797>

Telephonic Only:

United States: +1 (872) 240-3412

Access Code: 498-134-797

AGENDA

M-S-R Public Power Agency meetings are currently being conducted via webinar for all representatives pursuant to Executive Orders signed by Governor Gavin Newsom related to the ongoing COVID-19 pandemic. Members of the public may join the Committee meeting by utilizing GoTo Meeting's webinar feature or through a phone line provided in the meeting agenda. Members of the public will continue to have the opportunity to provide public input via the webinar or phone features. Members of the public may also email their comments to the General Manager by 3 p.m. on the day prior to the Committee meeting. Public comment can be emailed to msr.general.manager@gmail.com. All public comments submitted by email on time will be read during the Committee meeting in the public input section of the 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 May 6 and June 10, 2021 Meetings* (attached)
4. General Manager Reports (attached, Martin Hopper)
5. Big Horn Wind Energy Project Operating Statistics (attached, Martin Hopper)
6. July 2021 Status Report Regarding WREGIS REC Transfers (attached, Martin Hopper)
7. Status Report Regarding 2021 Insurance Renewals (attached, Martin Hopper)

8. ***Discussion and Possible Action Regarding Schedule for Annual Strategic Plan Update***
(attached, Martin Hopper)
9. ***Discussion and Possible Action Regarding July 2021 Outside Services Budget Versus Actual Report and Mid-Year Budget Review*** (attached)
10. ***Discussion and Possible Action Regarding Strategic Reserve Funding Status*** (attached)
11. **Closed Session**
 - a. Existing Litigation: Government Code §54956.9 (d)(1) – 2 Cases (NM-PRC 20-00222-UT, and BP-22-BPA)
 - b. Significant Exposure To Litigation: Government Code §54956.9 (d)(2) – 1 Case
 - c. Threat To Public Services Or Facilities: Government Code § 54957 (a)
 - d. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8, Property: Lake and River Stations and connecting pipelines and rights-of-way, CR 6800 N, Waterflow, NM 87421. Negotiating Parties: Public Service Company of New Mexico and United States Bureau of Reclamation. Agency Negotiators: Martin Hopper, General Manager and Steve Gross, General Counsel. Under Negotiation: Purchase/Sale/Exchange/Lease of Real Property (provisions, price and terms of payment)
12. Announcement from Closed Session
13. Member Reports
14. Public Comment
15. ***Confirm date and time of next meeting***
16. 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
MAY 6, 2021

The M-S-R Public Power Agency (M-S-R PPA) Technical Committee held a regular meeting on May 6, 2021 via webinar. 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 – Basil Wong, and City of Redding – Kamryn Hutson. The meeting was called to order at 10:03 a.m.

Approval of Minutes

Upon a motion by Mr. Wong, seconded by Ms. Hutson, the minutes of the meeting held on October 15, 2020 and February 4, 2021 were approved unanimously on the call of the roll.

General Manager Report

The General Manager briefly reviewed his February 2021 through April 2021 reports included in the package covering January 2021 through March 2021 activities. The Committee noted and filed the reports.

Big Horn Operating Statistics Report

Mr. Hopper reviewed information regarding expected and average production and curtailment statistics. He noted the continued high levels of generation for both Big Horn I and Big Horn II. The Committee then discussed the continuing accumulation of Residual Energy under the Big Horn I Shaping and Firming Agreement. The Committee noted that delayed deliveries of produced energy could result in a mis-match under MRR reporting and potentially having the Agency ascribed with un-specified energy which bears a carbon burden. As we are entering a drought year this concern may be even more

critical than in a normal year. However, it was noted that this problem does not impact REC reporting, only carbon reporting. Possible solutions might involve temporarily raising the delivery cap, delivering the short-fall as-available, or in a lump sum. Mr. Hopper indicated he would reach out to Avangrid to explore potential solutions short of an amendment to the agreement which could raise grand-fathering issues. A special meeting of the Technical Committee will be called by the long-weekend to report back and discuss further.

WREGIS REC Status Report

Mr. Hopper reported that all transfers are currently meeting their expected delivery schedules. The Committee noted and filed the report.

Outside Services Budget versus Actual Report

Mr. Hopper reviewed overall trends and indicated that the fiscal year 2021 activities will conclude the year at or under budget. However, categories associated with Generation - Other are significantly above budget and will need to be addressed by internal transfers in the mid-year budget review. He reminded the Members that the Agency elected not to include an allowance for San Juan activities related to the PNM/Avangrid merger, but planned to address them as the scope and timing developed. As settlement negotiations have significantly advanced, the final scope can be addressed within the mid-year review and without the need for an overall budget augmentation. Activities related to the BPA rate case have also been heavily weighted to the first half of the year and budget projections were made on a linear basis. Therefore, Mr. Hopper indicated the apparent BPA cost over-runs will be self-correcting over the course of the year. The Committee noted and filed the report.

Closed Session Conference with Legal Counsel

M-S-R PPA Technical Committee retired to closed session at 10:32 a.m. pursuant to Government Code §54956.9(d)(1) – Conference with Legal Counsel – 3 cases of Existing Litigation (NM-PRC 20-00222-UT, BP-20E-BPA and BP-22-BPA), pursuant to Government Code §54957(a) – Threat to Public Services or Facilities, and Conference

with Real Property Negotiator Pursuant to Government Code Section 54956.8, Property: Lake and River Stations and connecting pipelines and rights-of-way, CR 6800 N, Waterflow, NM 87421. Negotiating Parties: Public Service Company of New Mexico and United States Bureau of Reclamation. Agency Negotiators: Martin Hopper, General Manager and Steve Gross, General Counsel. Under Negotiation: Purchase/Sale/Exchange/Lease of Real Property (provisions, price and terms of payment).

Announcement from Closed Session

Upon returning to open session at 11:37 A.M., Mr. Gross reported that there were no reportable actions.

Member Reports

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

Public Comment

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

Next Meeting

The next regular meeting date will be at 10:00 a.m. on Thursday July 15, 2021 and will be held virtually due to public health considerations. The meeting was adjourned at 11:40 A.M.

Respectfully submitted.

Martin R. Hopper
General Manager

Attachment 1

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

May 6, 2021
10:03 AM

<u>NAME</u>	<u>STATUS</u>	<u>ORGANIZATION</u>
Toxie Burriss	Member	Modesto
Basil Wong	Member	Santa Clara
Kamryn Hutson	Member	Redding
Martin Hopper	Chair	General Manager
Steve Gross	Guest	General Counsel
Pete Scanlon	Guest	BPA Counsel – attending Closed Session only

DRAFT

DRAFT MINUTES OF THE
M-S-R PUBLIC POWER AGENCY
TECHNICAL COMMITTEE SPECIAL MEETING
JUNE 10, 2021

The M-S-R Public Power Agency (M-S-R PPA) Technical Committee held a special meeting on June 10, 2021 via webinar. 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 – Basil Wong, and City of Redding – Kamryn Hutson. The meeting was called to order at 8:35 a.m.

Big Horn Wind Energy Project Residual Energy Status

Mr. Hopper reviewed information provided by Avangrid regarding Big Horn I Residual Energy accumulation. He noted that Avangrid contends the delivery model is working as expected and that as higher historic production comes into play, the delivery cap correspondingly increases and Residual Energy accumulation decreases. Mr. Hopper also shared a First In First Out (FIFO) model he constructed regarding Residual Energy accumulations. The Committee discussed the issue and noted the accumulations have not yet caused any carbon reporting issues and that the RPS Adjustment process is working as expected. It was the consensus of the Committee to keep monitoring Residual Energy inventories and revisit this issue at the next Technical Committee meeting.

Next Meeting

The next regular meeting is scheduled at 10:00 a.m. on Thursday July 15, 2021 and will be held virtually due to public health considerations. The meeting was adjourned at 8:55 A.M.

Respectfully submitted.

Martin R. Hopper
General Manager

Attachment 1

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

June 10, 2021
8:35 AM

<u>NAME</u>	<u>STATUS</u>	<u>ORGANIZATION</u>
Toxie Burriss	Member	Modesto
Amy Burrow	Guest	Modesto
Martin Caballero	Guest	Modesto
Brock Costalupes	Guest	Modesto
Basil Wong	Member	Santa Clara
Kamryn Hutson	Member	Redding
Gale Tonia	Guest	Redding
Martin Hopper	Chair	General Manager

DRAFT

M-S-R Public Power Agency Staff Report

Date: July 8, 2021
From: Martin R. Hopper, General Manager
To: M-S-R PPA Technical Committee
Subject: General Manager Reports

Please find attached General Manager reports as provided to the Commission or Commissioners as follows:

- May 2021 – Covering April 2021 Activities
- June 2021 – Covering May 2021 Activities

Macintosh HD:Users:martinhopper:My Laptop Documents:M-S-R Public Power Agency:Administrative:Staff Reports:Staff Report re General Manager Reports.doc

M-S-R Public Power Agency Staff Report

Date: May 12, 2021
From: Martin R. Hopper, General Manager
To: M-S-R PPA Commission
Subject: May 2021 General Manager Report

Overview:

This report will provide an overview of the General Manager's major activities and those of specified Agency contractors and consultants. Based on feedback from Commissioners and interested parties, the format and content of these reports will evolve.

General Manager:

Administrative Activities – April 2021 (Approx. 28 hours)

The General Manager reviewed and approved Check Requests prepared by the Administrative Assistant and updated Budget v. Actuals Reports.

Prepared for and conducted monthly status call with Commission President. Follow-up with incoming President regarding operating procedures, emergency coverage and related Succession Plan requirements.

Continued coordination with REU Staff regarding Natural Gas Project review & potential restructuring.

Prepared Agenda Packages and Staff Reports for May 2021 PPA & EA Technical Committee meetings.

Attended CMUA Annual Conference virtually. Attended sessions regarding emerging renewable electric energy issues and carbon-reduction activities and pending requirements.

The General Manger also provided direction to consultants and counsel re emergent filings and regulatory matters. Reports on project activities and status were prepared as needed.

Project Activities:

San Juan – April 2021 (Approx. 89 hours):

Research, prepare, and edit annual Trustee Disclosure documents regarding 2018R Bonds.

Coordinated and reviewed final expert witness testimony regarding PNM/Avangrid merger and impacts on SJGS Decommissioning Requirements and schedules. Prepared, reviewed and analyzed potential settlement (stipulation) terms regarding decommissioning requirements and commitments and participated in negotiation sessions regarding same. Identified and coordinated with allied parties regarding support of decommissioning public interest standards in merger approval documents.

Reviewed WSJM reclamation activities and year-to-date billings and followed-up with PNM regarding budget implications and impacts on potential buyout. Participated in clarification meeting with PNM and WSJM regarding clean-break implications of a reclamation obligation buy-out.

Continued discussions with PNM and General Consultant regarding Retirement Order for pond remediation bonds and attended (telephonically) Decommissioning Committee meeting regarding same.

Big Horn – April 2021 (Approx. 16 hours):

Reviewed materials and coordinated with BPA Counsel regarding review of BP-22 Initial Proposal and PNGC Settlement proposal. Provided direction to Counsel re same.

Reviewed Big Horn energy production records and trends and updated periodic status reports. Prepared and populated tracking model for Big Horn I Wind Energy Project Residual Energy management.

Key Meetings – April 2021 (All telephonic)

Commission President, Telephonic, April 7 2021. Key Issues: PNM/Avangrid Merger and NM-PRC hearing processes and presentation of witnesses, BPA Rate Case status, operating procedures and presidential duties in case of emergency.

CMUA Annual Conference, Virtual, April 12 -13, 2021. Key Issues: Renewable energy values, benefits and regulatory issues. Carbon-reduction requirements and regulatory trends.

San Juan Decommissioning Committee, Telephonic, April 22, 2021. Key Issues: Retirement Order regarding evaporation pond removal bonds, Decommissioning Agreement and Decommissioning Study issues.

PNM and Westmoreland San Juan Mining, Telephonic, April 26, 2021. Key Issues: Clarification of clean-break requirements regarding Mine Reclamation Buyout and updates to proposals.

PNM/Avangrid All-Parties Settlement Conference, Telephonic, April 28, 2021. Key Issues: Possible settlement terms for stipulated merger conditions.

General Consultant:

The General Consultant regularly prepares a summary of his activities as part of his monthly billing process. A copy of General Consultant's May 2021 report is attached regarding 42 hours of support in April regarding San Juan, Renewable, and Administrative issues.

M-S-R Public Power Agency Staff Report

Date: May 3, 2021
From: Alan Hockenson
To: Martin Hopper
Subject: Specific Work Tasks for April 2021

During April, I spent time working on specific tasks on behalf of the M-S-R Public Power Agency (M-S-R PPA). These activities can be segregated into the categories of Generation, Renewable, and Administrative. There was no activity in the category of Transmission.

Generation (24 hours) – There were three specific lines of activity related to the decommissioning of the San Juan Generating Station (San Juan). All scheduled Reclamation Committee meetings were cancelled.

The San Juan Generating Station Decommissioning Committee (SJDC) meeting scheduled for April was held on April 22, 2021. In March, the Public Service Company of New Mexico (PNM) proposed a Resolution which would initiate a Decommissioning Study for San Juan. PNM later clarified its intent to count this study as the study required in section 5.1.1 of the San Juan Decommissioning and Trust Funds Agreement. The reason for the Resolution is PNM (and the other remaining San Juan Owners) do not want to provide the notification of intended plan closure that is required to initiate the Decommissioning Study. As a part of this process, PNM proposed three options (level of detail) for the work scope of the Decommissioning Study and recommended the option with the highest accuracy in costs estimates. As M-S-R's request, PNM finally released a detailed Work Scope for review.

There were ongoing communications with the Decommissioning Agent in coordination with the General Manager throughout April. The draft Resolution, Work Scope Options, and the final draft Work Scope were reviewed. Comments were developed and provided. The expectation of commencing demolition in 2022 was high until the detailed Work Scope was released. It is questionable whether the ulterior motive of PNM is to secure an updated Decommission Study with no intent of beginning demolition in 2022. The process is ongoing with the next meeting of the SJDC is scheduled for May 6, 2021.

Another outstanding issue is the New Mexico Environmental Department (NMED) requirement of a Surety Bond related to operating settling ponds. M-S-R has disputed his allocation of associated costs. No progress was made in April on this issue.

The final outstanding activity is the sale of the Lake and River Stations to the United States Bureau of Reclamation (USBR). Due diligence is still being performed although no progress milestones were achieved in April.

A brief weekly monitoring of PNM's public activities was undertaken to assure PNM is still willing and capable of performing its duties as the San Juan Decommissioning Agent and living up to its obligations under the Trust Agreements for both Decommissioning and Reclamation.

Renewable (13 hours) – Monthly operating data was received from Avangrid Renewables, Inc. (AR), and was reviewed. Additional research was conducted on the cause of the high level of curtailments during the month. Information was forwarded to the General Manager.

The WECC is the key forum for utility discussions and policy determinations in the Western Interconnection. Policies that emanate from the WECC can affect transmission providers and balancing authorities in how business is transacted. The weekly summaries of activities and meetings issued by the WECC were briefly reviewed. I researched the activities of the Federal Energy Regulatory Commission (FERC) to assure I am familiar with the issues of importance to M-S-R PPA.

Administrative (5 hours) – The activity in March was limited to updating the Annual San Juan Status Letter to the Bond Trustee as required in Bond Covenants. This effort included the confirmation of insurance coverages associated with the San Juan Generating Station.

All meetings were attended telephonically.

M-S-R Public Power Agency Staff Report

Date: June 22, 2021
From: Martin R. Hopper, General Manager
To: M-S-R PPA Commission
Subject: June 2021 General Manager Report

Overview:

This report will provide an overview of the General Manager's major activities and those of specified Agency contractors and consultants. Based on feedback from Commissioners and interested parties, the format and content of these reports will evolve.

General Manager:

Administrative Activities – May 2021 (Approx. 33 hours)

The General Manager reviewed and approved Check Requests prepared by the Administrative Assistant and updated Budget v. Actuals Reports.

Prepared for and conducted monthly status call with Commission President. Follow-up with General Counsel regarding continued ability to conduct virtual meetings and attendance transition plans.

Reviewed financial audit reports and attested to Management Representations for PPA & EA.

Prepared Agenda Packages and Staff Reports for May 2021 PPA & EA Commission meetings.

Prepared and issued draft minutes for May 2021 PPA & EA Technical Committee and Commission meetings and final minutes for prior meetings as approved.

Met with Financial Advisor regarding status of San Juan and Natural Gas Project Bonds and pending actions that may be required over balance of fiscal year.

The General Manger also provided direction to consultants and counsel re emergent filings and regulatory matters. Reports on project activities and status were prepared as needed.

Project Activities:

San Juan – May 2021 (Approx. 68 hours):

Coordinated and reviewed final expert witness testimony regarding PNM/Avangrid merger and impacts on SJGS Decommissioning Requirements and schedules. Prepared, reviewed and analyzed potential settlement (stipulation) terms regarding decommissioning requirements and commitments and participated in negotiation sessions regarding same. Identified and coordinated with allied parties regarding support of decommissioning public interest standards in merger approval documents. Completed negotiation of final Stipulation terms regarding San Juan Decommissioning and regulatory process for joining Stipulation.

Reviewed WSJM reclamation activities and year-to-date billings and followed-up with PNM regarding budget implications and impacts on potential buyout. Participated in clarification meeting with PNM and WSJM regarding clean-break implications of a reclamation obligation buy-out.

Continued discussions with PNM and General Consultant regarding Retirement Order for pond remediation bonds and proposed alternate Special Purpose Trust solution for NMED assurances.

Reviewed revised scope for proposed Decommissioning Study incorporating Stipulation requirements for study process.

Big Horn – May 2021 (Approx. 15 hours):

Reviewed materials and coordinated with BPA Counsel regarding review of BP-22 Initial Proposal and PNGC Settlement proposal. Provided direction to Counsel re same.

Reviewed Big Horn energy production records and trends and updated periodic status reports.

Attended (telephonically) BPA QBR update meetings and reviewed with Counsel and BPA Consultant impacts on BPA Transmission revenues, reserves, and rates.

Coordinated and met (telephonically) with Avangrid regarding Big Horn I Wind Energy Project Residual Energy accumulations and identified three potential actions – continued monitoring, modification of delivery cap, one-time true-up.

Initial review of CARB Scoping Plan update process and register for workshops regarding same.

Key Meetings – May 2021 (All telephonic – except as noted)

San Juan Citizens Alliance Executive Director, Telephonic, May 4, 2021. Key Issues: PNM/Avangrid Merger and San Juna Decommissioning Issues.

PNM/Avangrid Merger All-Parties Settlement Conference, Virtual, May 4, 2021. Key Issues: Status of proposed settlement and stipulation.

Commission President, Telephonic, May 5 2021. Key Issues: PNM/Avangrid Merger and NM-PRC hearing processes and Settlement/Stipulation Issues, San Juan Decommissioning Clean-Break prospects, and BPA Rate Case status.

PPA & EA Technical Committees, Virtual, May 6, 2021. Key Issues: San Juan negotiations, Budget v. Actuals, Big Horn Residual Energy.

Financial Advisor, Sacramento, CA, May 6, 2021. Key Issues: San Juan and Natural Gas Project Bonds pending activities, and Natural Gas Project Debt Service Fund Investments.

BPA QBR Briefing Part I, Virtual, May 11 & 18, 2021. Key Issues: Transmission Business Unit revenues, reserves and rates and budget v. actual discrepancies.

Avangrid Renewables, Telephonic, May 14, 2021. Key Issues: Big Horn I Residual Energy Account balances and possible actions to reduce/remediate.

PPA & EA Commissions, Virtual, May 19, 2021. Key Issues: Annual audit presentations and receipt of Financial Statements, PNM/Avangrid Merger Stipulation.

PNM & General Consultant, Telephonic, May 21, 2021. Key Issues: San Juan Evaporation Ponds performance bands and possible alternate structures including a Special Purpose Trust.

PNM/Avangrid All-Parties Status Conference, Telephonic, May 28, 2021. Key Issues: Stipulated merger conditions, Contested Hearing process regarding implementation of same and development of new procedural schedule.

General Consultant:

The General Consultant regularly prepares a summary of his activities as part of his monthly billing process. The General Consultant's June 2021 report is attached regarding 33 hours of support in May regarding San Juan, Renewable, and Administrative issues.

M-S-R Public Power Agency Staff Report

Date: June 1, 2021
From: Alan Hockenson
To: Martin Hopper
Subject: Specific Work Tasks for May 2021

During May, I spent time working on specific tasks on behalf of the M-S-R Public Power Agency (M-S-R PPA). These activities can be segregated into the categories of Generation, Renewable, and Administrative. There was no activity in the category of Transmission.

Generation (21 hours) – There were three specific lines of activity related to the decommissioning of the San Juan Generating Station (San Juan). There was no Reclamation Committee activities.

The San Juan Generating Station Decommissioning Committee (SJDC) meeting scheduled for May was held on early on May 6, 2021. The Public Service Company of New Mexico (PNM) is anxious to have a Decommissioning Study performed while avoiding the process prescribed in the Decommissioning Agreement. The PNM focus is to have a Work Scope for the study approved, thereby, attempting to lock in their preferred plan, “Retirement in Place.” Comments were provided by numerous Participants and PNM prepared a new draft Work Scope which was distributed on May 21, 2021. The next SJDC meeting is scheduled for June 3, 2021 to review the Work Scope and other decommissioning topics.

PNM has also been working with the New Mexico Environmental Department (NMED) requirement related to operating settling ponds. At the March SJDC, M-S-R PPA had suggested another means for providing surety to the NMED. Instead of named NMED as an insured in all the Participant’s trusts, a separate properly sized trust could be created (from proceeds of the existing trust) with NMED as the named insured. This method could be executed within the parameters of the Decommissioning Agreement and potentially avoid redundant administrative processing. A special teleconference to further this concept was held between PNM and the Agency. PNM was hopeful this process may alleviate the dual disputes raised by the Agency on this issue.

The final outstanding activity is the sale of the Lake and River Stations to the United States Bureau of Reclamation (USBR). The USBR has identified which units of property it is interested in purchasing. The next milestone is for the USBR to select (from a number of options) how to provide energy to power these facilities.

A brief weekly monitoring of PNM's public activities was undertaken to assure PNM is still willing and capable of performing its duties as the San Juan Decommissioning Agent and living up to its obligations under the Trust Agreements for both Decommissioning and Reclamation.

Renewable (10 hours) – Monthly operating data was received from Avangrid Renewables, Inc. (AR), and was reviewed.

The WECC is the key forum for utility discussions and policy determinations in the Western Interconnection. Policies that emanate from the WECC can affect transmission providers and balancing authorities in how business is transacted. The weekly summaries of activities and meetings issued by the WECC were briefly reviewed. I researched the activities of the Federal Energy Regulatory Commission (FERC) to assure I am familiar with the issues of importance to M-S-R PPA.

Administrative (2 hours) – The activity in May was limited to updating the Renewables Status Report.

All meetings were attended telephonically.

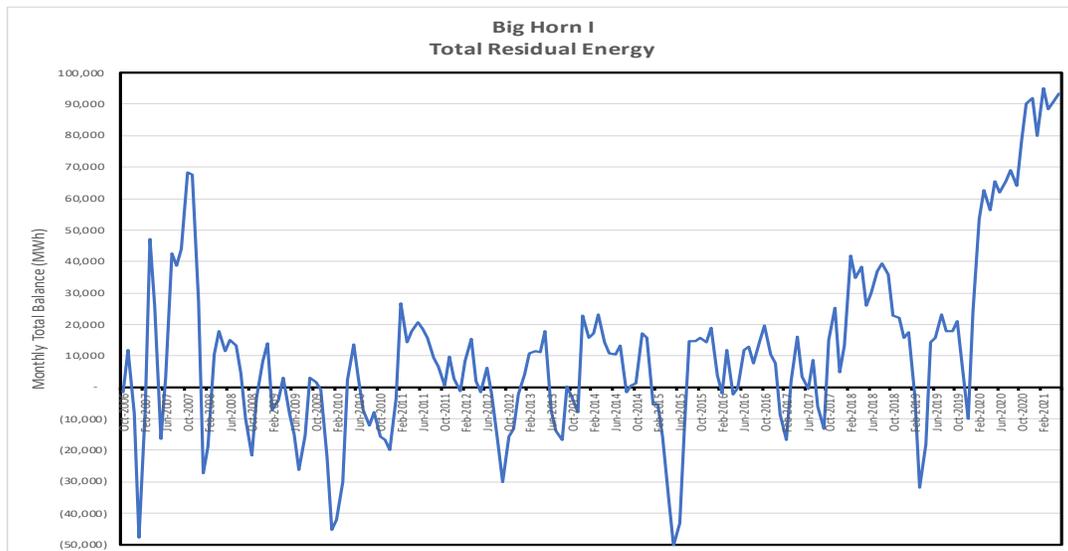
M-S-R Public Power Agency Big Horn Operations

Date: June 22, 2021
From: Martin Hopper, General Manager
To: M-S-R PPA Commission
Subject: Big Horn Operations Statistics

Energy Production Statistics for the Big Horn Wind Energy Project:

Big Horn I Operations	Production (MWh)	Monthly % of Contract Forecast	Cumulative Wind Year ¹ (MWh)	Residual Energy Owing ² (MWh)
March	46,256	94.9%	287,617	88,476
April	61,917	112.8%	349,534	90,440
May	48,732	116.6%	398,266	93,387
Contract Forecast	N/A	N/A	501,381	N/A
Annual Budget Forecast	N/A	N/A	510,000	N/A
Life of Project	N/A	N/A	7,531,928	N/A

Energy production in May 2021 was again above average and is consistent with the recent trend of above average generation levels. Although accumulated Residual Energy increased in May, on-peak Residual Energy decreased. As projected by Avangrid, growth in total Residual Energy has flattened and may indicate the shaping and firming algorithms are working correctly.

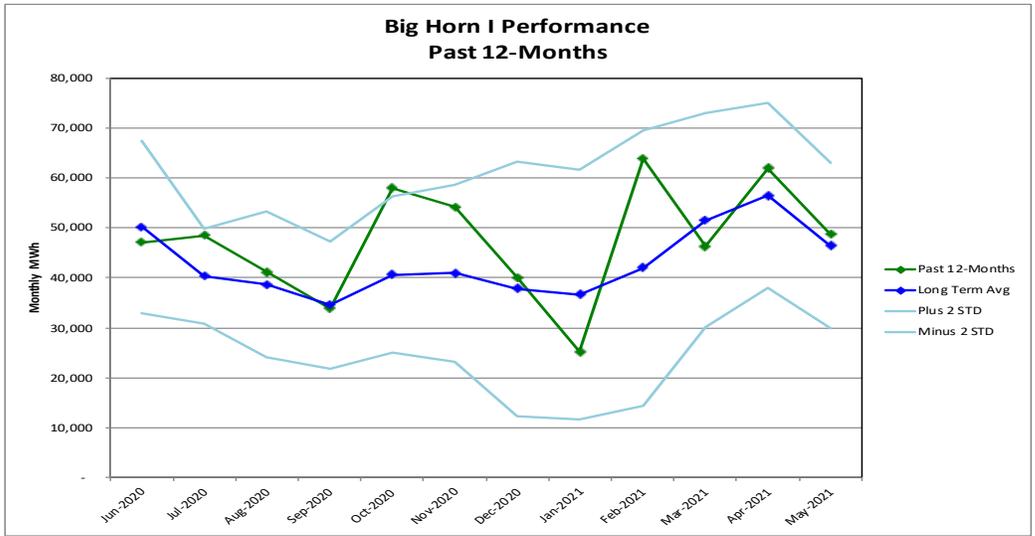


6/22/21

All Time - Total

Big Horn I Residual Accumulations.xlsx

- 1 Big Horn I Wind Year runs October 1 through September 30.
- 2 Positive number owed by Avangrid. Negative number owed to Avangrid.



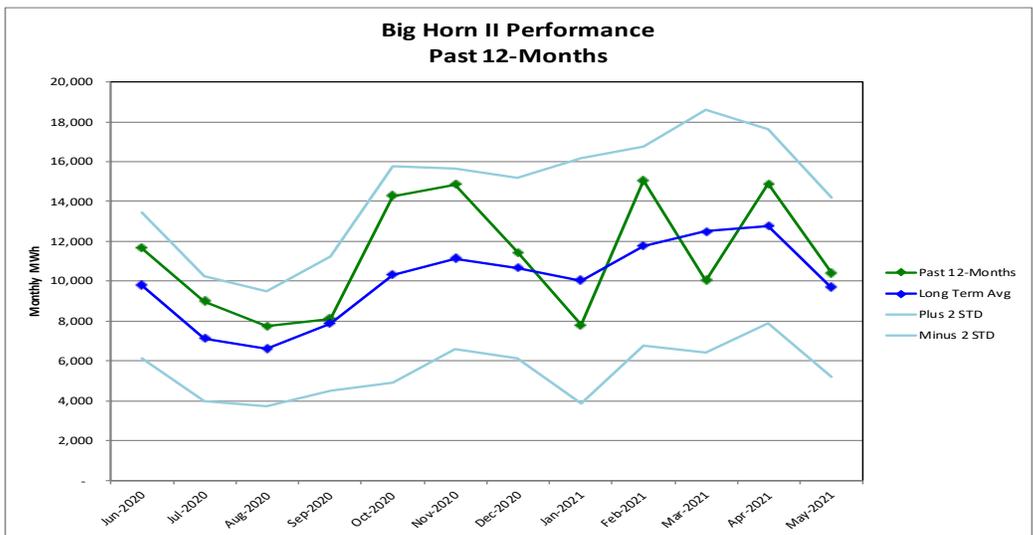
6/17/21

Past 12 Thru May 2021

Big Horn I Projections 2021.xlsx

Big Horn II Operations	Production (MWh)	Monthly % of Contract Forecast	Cumulative Wind Year ³ (MWh)
March	10,023	77.6%	59,180
April	14,872	119.3%	74,052
May	10,408	110.1%	84,460
Contract Forecast	N/A	N/A	123,088
Annual Budget Forecast	N/A	N/A	115,000
Life of Project Production	N/A	N/A	1,282,409

While March 2021 production was well below average, April 2021 rebounded to the second highest April on record and May 2021 was also well above average.



6/17/21

Past 12 Thru May 2021

Big Horn II Projections 2021.xlsx

³ Big Horn II Wind Year runs November 1 through October 31.

Transmission Curtailments:

Curtailments	On-Peak (MWh)	Off-Peak (MWh)	Total (MWh)
February	1	0	1
March	164	182	346
April	1	109	110
May	102	9	111
Year To Date	284	300	584
Historic Annual Average	1,304	803	2,108

Curtailments in 2020 were the lowest recorded since 2016 and were 35.5% of the average annual curtailments for the period 2017-2019. February curtailments were di minimus notwithstanding high production levels. However, March curtailments were the highest since July 2020. The curtailments were concentrated on the weekends of March 6/7 and 20/21 due to planned maintenance limiting the COI transfer capability to 1,150 MW. Additional weekend maintenance occurred in April.

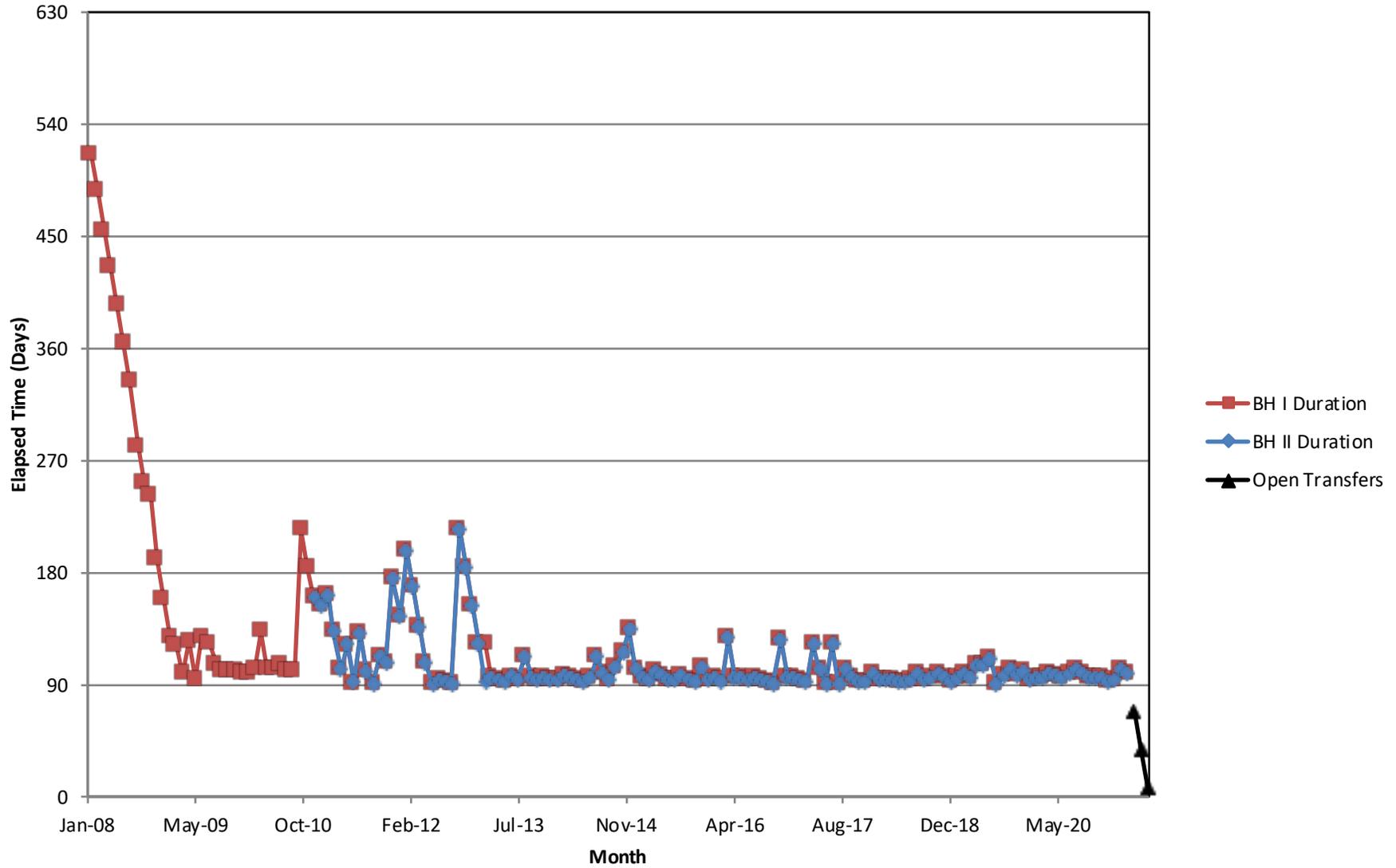
M-S-R Public Power Agency Staff Report

Date: July 7, 2021
From: Martin R. Hopper, General Manager
To: M-S-R PPA Commission
Subject: July 2021 WREGIS REC Transfers Status Report

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 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 July 2021 WREGIS REC Transfers Status Report.

Big Horn I & II REC Transfers



REC Transfer Timeliness

Month Ending	Big Hom I		Big Hom 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-19	96	4-Jan-19	96
Oct-18	7-Feb-19	99	7-Feb-19	99
Nov-18	5-Mar-19	95	5-Mar-19	95
Dec-18	2-Apr-19	92	2-Apr-19	92
Jan-19	7-May-19	96	7-May-19	96
Feb-19	6-Jun-19	98	6-Jun-19	98
Mar-19	5-Jul-19	96	5-Jul-19	96
Apr-19	14-Aug-19	106	14-Aug-19	106
May-19	13-Sep-19	105	13-Sep-19	105
Jun-19	18-Oct-19	110	18-Oct-19	110
Jul-19	30-Oct-19	91	30-Oct-19	91
Aug-19	6-Dec-19	97	6-Dec-19	97
Sep-19	10-Jan-20	102	10-Jan-20	102
Oct-19	5-Feb-20	97	5-Feb-20	97
Nov-19	9-Mar-20	100	9-Mar-20	100
Dec-19	2-Apr-20	93	2-Apr-20	93
Jan-20	5-May-20	95	5-May-20	95
Feb-20	4-Jun-20	96	4-Jun-20	96
Mar-20	7-Jul	98	7-Jul	98
Apr-20	5-Aug	97	5-Aug	97
May-20	3-Sep	95	3-Sep	95
Jun-20	6-Oct	98	6-Oct	98
Jul-20	10-Nov	102	10-Nov	102
Aug-20	7-Dec	98	7-Dec	98
Sep-20	4-Jan	96	4-Jan	96
Oct-20	3-Feb	95	3-Feb	95
Nov-20	5-Mar	95	5-Mar	95
Dec-20	2-Apr	92	2-Apr	92
Jan-21	4-May	93	4-May	93
Feb-21	10-Jun	102	10-Jun	102
Mar-21	7-Jul	98	7-Jul	98
Apr-21			7-Jul-21	69
May-21			7-Jul-21	38
Jun-21			7-Jul-21	8

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

Note: Rec'd from IRI 1-Feb-19

M-S-R Public Power Agency Staff Report

Date: July 8, 2021
From: Martin R. Hopper, General Manager
To: M-S-R PPA Commission
Subject: 2021 Insurance Renewals

The Agency has completed its annual Directors & Officers Liability, General Liability, and the Crime policy renewals. There were no significant changes made to the coverage levels for this renewal period. However, the net cost of the renewals will be \$13,820 higher than the prior premiums and fees for a total cost of \$140,911 as tabulated below:

Directors and Officers (D&O)

AEGIS renewed coverage and limits per expiring and increased the rate by 13% in net, from \$46,100 to \$52,420.

General Liability

AEGIS renewed coverage and limits per expiring and increased the net rate by 9%, from \$79,994 to \$87,494.

Crime Policy

The Hartford renewed coverage and limits per expiring and the premium remained essentially flat at \$997.

The Agency's insurance brokers, Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. and Modesto Irrigation District's General Service Manager recommended the policies be renewed as proposed. I concurred in this recommendation and directed the coverages bound.

M-S-R PPA also remains a named insured on certain insurance policies maintained by PNM to address the Agency's retained liabilities pertaining to San Juan Generating Station environmental claims and will be a named insured under additional PNM liability insurance policies pursuant to Decommissioning Agreement requirements.

I recommend the Commission note and file this report.

M-S-R Public Power Agency Staff Report

Date: July 8, 2021
From: Martin R. Hopper, General Manager
To: M-S-R PPA Technical Committee
Subject: 2021 Strategic Plan and Policies and Procedures Manual Updates

Each year the Agency reviews and updates its Strategic Plan for the ensuing five-year period. The high level goals of the Agency relate to achieving “clean-breaks” from San Juan Legacy Liabilities, and to streamlining the management of the Big Horn Wind Energy Projects.

The General Manager will provide an initial mark-up for Member review. Member comments on the General Manager’s initial draft are then consolidated and reviewed in a workshop format by the Technical Committee at its regular September meeting and are subsequently provided to the Commission for its consideration at its regular September meeting. As in recent years, an additional special workshop will held to further refine the priorities and workplans regarding Pacific Northwest/Bonneville Power Administration issues and rate cases.

The adopted Strategic Plan is then used in the preparation of the Agency’s annual budget to be adopted at its November meeting. The Strategic Plan also provides guidance to the General Manager in the preparation of his workplan and goals and objectives for the ensuing year.

The General Manager has set the following schedule for this year’s review:

- Technical Committee Input re High Level Goals – August 6, 2021
- General Manager’s Markups - August 13, 2021
- Member Mark-Ups and Commentary – August 27, 2021
- Technical Committee Workshop – September 2, 2021
- Commission Review – September 22, 2021
- BPA Day Technical Committee Workshop – September 28, 2021

Key Issues for update identified in the General Manager's Initial Review:

- San Juan Mine Reclamation “Clean-Break”:
 - Completion of negotiations with WSJM for buyout of liabilities.
- San Juan Decommissioning “Clean-Break”:
 - Completion of negotiations for sale of Lake & River Station to USBR.
 - Approval of Demolition Plan or Sale to Farmington/Enchant for balance of facilities.
- Big Horn Wind Energy Projects:
 - Negotiation of conformed agreements and establishment/update of indices for Extension Period Operations.
 - Complete BPA Rate Case BP-22 post-decisional workshop processes and mitigate transmission rate impacts.

M-S-R Public Power Agency Staff Report

Date: July 8, 2021
From: Martin R. Hopper, General Manager
To: M-S-R PPA Commission
Subject: July 2020 Outside Services Budget versus Actual Report and Mid-Year Budget and Goals Review

FISCAL YEAR 2021:

Major Legal and Consulting Providers Reporting Are:

Duncan, Weinberg, Genzer, and Pembroke:	Through:	May 31, 2021
Law Offices of Susie Berlin:	Through:	May 31, 2021
Porter Simon:	Through:	June 30, 2021
KBT LLC:	Through:	June 30, 2021

Legacy Liability Providers Reporting Are:

PNM – Reclamation Management:	Through:	May 31, 2021
WSJM – Reclamation:	Through:	June 30, 2021
PNM – Decommissioning:	Through:	May 31, 2021

Detailed charts of monthly budget versus actual cost comparisons for each provider are attached. Please note the charts include projected costs printed in ***bold italics*** through year-end. Note: Legacy Liability WSJM Reclamation budget adjusted to revised Annual Operating Plan provided by PNM April 16, 2021 and other Line Items are adjusted to incorporate the re-allocations recommended below.

Mid-Year Budget Review:

Overall, the Agency's controllable expense categories are generally tracking to the year-end budgets as discussed below. Historically, the Agency has not made budget transfers or changes within the same account or budget category in the absence of major emergent cost changes and particularly when such transfers would not significantly affect Member billings or cost allocations. The total of the consulting and legal budgets will remain unchanged at \$622,000. Various rebalancings of line items are described below will be implemented administratively in accordance with the previously expressed consensus of the Commission.

Outside Services:

In aggregate, the outside services categories through June 30, 2021, or 50% of the year have expenditures estimated at \$361,700 or about 58% of their annual budgets and are estimated to complete the year at \$600,400 or about 97% of the annual budget of \$622,000 based on weighted projections of expected workloads. Although certain BPA and San Juan activities have been concentrated in the first half of the year, annual costs will yield to previous year-end projections.

The following table summarizes the budget status and allocations by function:

Categories	Total Original Legal & Consulting 2021 Budget	Budget Reallocations	Total Reallocated Legal & Consulting 2021 Budget	Expected Legal & Consulting 2021 Year-End
Generation	60,000	18,000	78,000	76,000
Generation - Other	1,000	65,000	66,000	65,800
Renewables	62,000	-15,000	47,000	40,300
Renewables - Other	345,000	-	345,000	337,200
Regulatory & Compliance	116,000	-50,000	66,000	62,600
Agency Admin & General	38,000	-18,000	20,000	18,500
Total	622,000	-	622,000	600,400

The following table summarizes the budget status and allocations by provider:

Provider	Total Original 2021 Budget	Budget Reallocations	Total Reallocated 2021 Budget	Expected 2021 Year-End
Duncan Weinberg	350,000	-39,000	311,000	308,100
C. Susie Berlin	60,000	-20,000	40,000	35,300
Misc. Counsel (New Mexico: R. Virtue)	1,000	64,000	65,000	64,700
Porter Simon	48,000	-10,000	38,000	35,000
Navigant Consulting	3,000	-2,000	1,000	1,000
KBT Energy	160,000	7,000	167,000	156,300
Total	622,000	-	622,000	600,400

The main factors driving the adjustments were as follows:

- Duncan Weinberg – Generation expense added regarding review enforceability of certain Decommissioning Agreement provisions and reduction in Regulatory & Compliance cost for FERC and regulatory monitoring. Also note front loading of BPA activities due to Procedural Calendar concentration in first half of year.
- C. Susie Berlin – Significant reduction in general RES/RPS activities and lesser effort in first half of year in support of CARB reporting regulations (New CARB rulemaking process to ramp-up in fall.)
- Porter Simon – General reduction in administrative support. Activities related to San Juan Legacy Liability issues regarding decommissioning and mine reclamation clean break proposals anticipated to remain at current levels unless new litigation develops.
- KBT Energy – Reduction in general administrative support and increase for support of San Juan Legacy Liability issues regarding decommissioning and mine reclamation clean break proposals.

As the budget total is unchanged, no budgetary revisions will be made and any necessary adjustments to invoices will be handled through the annual true-up. Monthly Budget v. Actual reporting will track the Line Item adjustments noted above.

Legacy Liabilities:

Legacy Liabilities are funded from reserves and trusts and as such, do not directly affect the Agency's Budget. However, this report provides an opportunity to report on the status of such.

The following table summarizes funding status, expected activity and period-ending balances required and attained:

	Reclamation Trust	Decommissioning Trust
Beginning Balance	\$17,197,903	\$2,191,629
2021 Deposits	\$0	\$0
Expenditures Through June 30, 2021	\$621,488	\$61,609
Estimated Income Through June 30, 2021	\$74,693	\$7,389
Estimated Trust Balance June 30, 2021	\$16,651,108	\$2,137,409
Remaining Expected Expenditures Through Period	\$456,675	\$61,289
Expected Income Through Period	\$140,712	\$64,793
Expected Periodic Balance	\$16,335,145	\$2,140,913
Required Periodic Balance	\$15,184,493	\$2,280,000
Surplus/Deficit Balance	\$1,150,652	-\$139,087
Period Ending Date	December 31, 2021	December 31, 2022

Although the above summary shows the Reclamation Trust having a surplus position and the Decommissioning Trust having a deficit position at the end of their periodic cycles, it does not show the effect of unrealized investment valuation adjustments or future reclamation or decommissioning re-evaluations which also may require additional deposits. This table also does not reflect the costs of the Reclamation Operating Agent (PNM) which are expected to total about \$42,000 or continuing coverage environmental insurance costs of about \$15,000 in the current year and that are funded from the Agency's reserves.

Mid-Year Goals Review:

Attached to this report is the General Manger's Mid-Year Goals review that also includes hourly work estimates for specific General Manager and General Consultant activities.
NOTE: Goal Review TBD in Commission Version for 8/18/21.

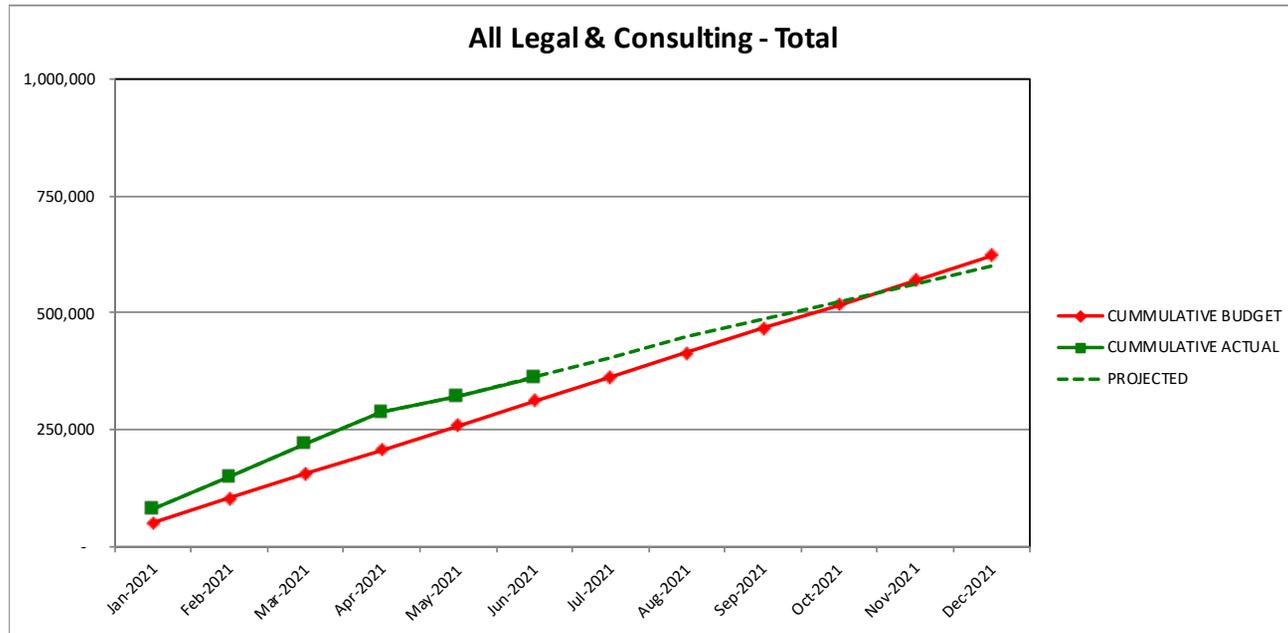
Recommendation:

I recommend the Commission note and file this report.

DRAFT

M-S-R PPA All Legal & Consult Summary

Month of: **Jun-2021**



CURRENT MONTH				
By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	6,500	8,012	(1,512)	123%
Gen - Other	5,500	7,000	(1,500)	127%
Renewables	3,917	2,832	1,085	72%
Rens - Other	28,750	17,640	11,110	61%
Reg & Comp	5,500	5,500	0	100%
Administrative	1,667	468	1,199	28%
Total	51,833	41,452	10,381	80%

YEAR TO DATE				
By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	39,000	42,489	(3,489)	109%
Gen - Other	33,000	49,788	(16,788)	151%
Renewables	23,500	16,262	7,238	69%
Rens - Other	172,500	218,175	(45,675)	126%
Reg & Comp	33,000	29,187	3,813	88%
Administrative	10,000	5,762	4,238	58%
Total	311,000	361,663	(50,663)	116%

CURRENT MONTH				
By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Duncan	25,917	16,500	9,417	64%
Berlin	3,333	3,500	(167)	105%
Porter Simon	3,167	2,332	835	74%
KBT	13,917	12,120	1,797	87%
Others	5,500	7,000	(1,500)	127%
Total	51,833	41,452	10,381	80%

YEAR TO DATE				
By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Duncan	155,500	209,081	(53,581)	134%
Berlin	20,000	14,342	5,658	72%
Porter Simon	19,000	13,750	5,250	72%
KBT	83,500	75,794	7,706	91%
Others	33,000	48,696	(15,696)	148%
Total	311,000	361,663	(50,663)	116%

M-S-R PPA Duncan Summary

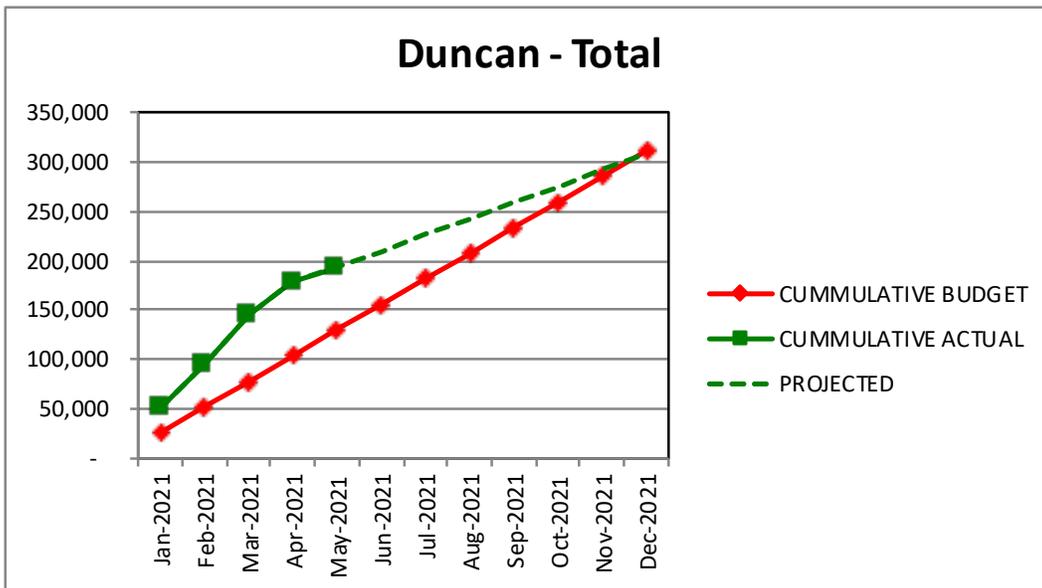
Month of: **Jun-2021**

CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	500	0	500	0%
Gen - Other	0	0	0	0%
Renewables	0	0	0	0%
Rens - Other	22,917	14,000	8,917	61%
Reg & Comp	2,500	2,500	0	100%
Administrative	0	0	0	0%
Total	25,917	16,500	9,417	64%

YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	3,000	5,955	(2,955)	199%
Gen - Other	0	0	0	0%
Renewables	0	0	0	0%
Rens - Other	137,500	187,781	(50,281)	137%
Reg & Comp	15,000	15,345	(345)	102%
Administrative	0	0	0	0%
Total	155,500	209,081	(53,581)	134%



M-S-R PPA Berlin Summary

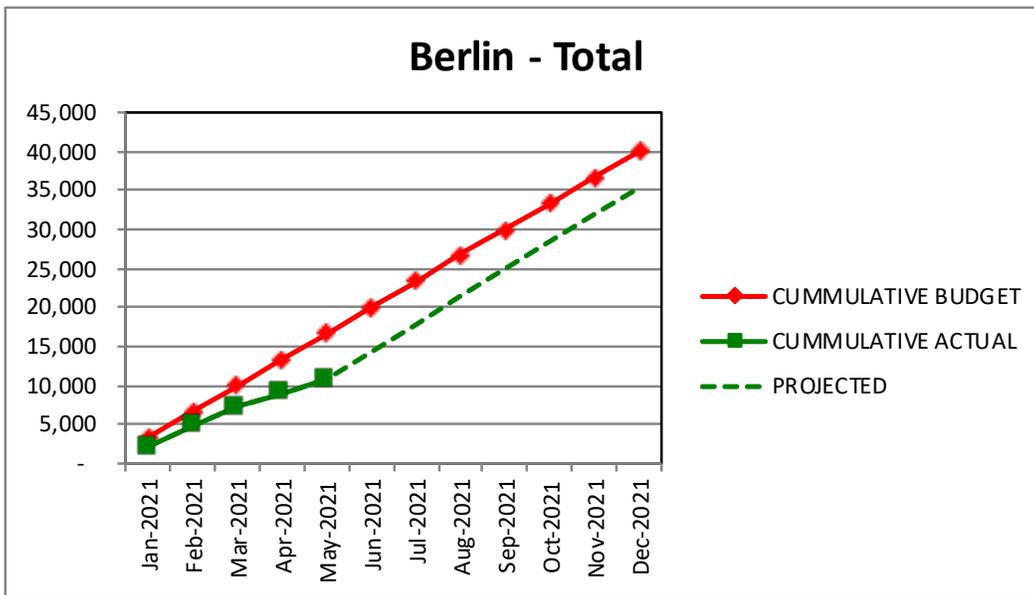
Month of: **Jun-2021**

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	417	500	(83)	120%
Rens - Other	0	0	0	0%
Reg & Comp	2,917	3,000	(83)	103%
Administrative	0	0	0	0%
Total	3,333	3,500	(167)	105%

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	14,583	10,842	3,741	74%
Administrative	0	0	0	0%
Total	16,667	10,842	5,825	65%



M-S-R PPA Misc Legal & Consult Summary

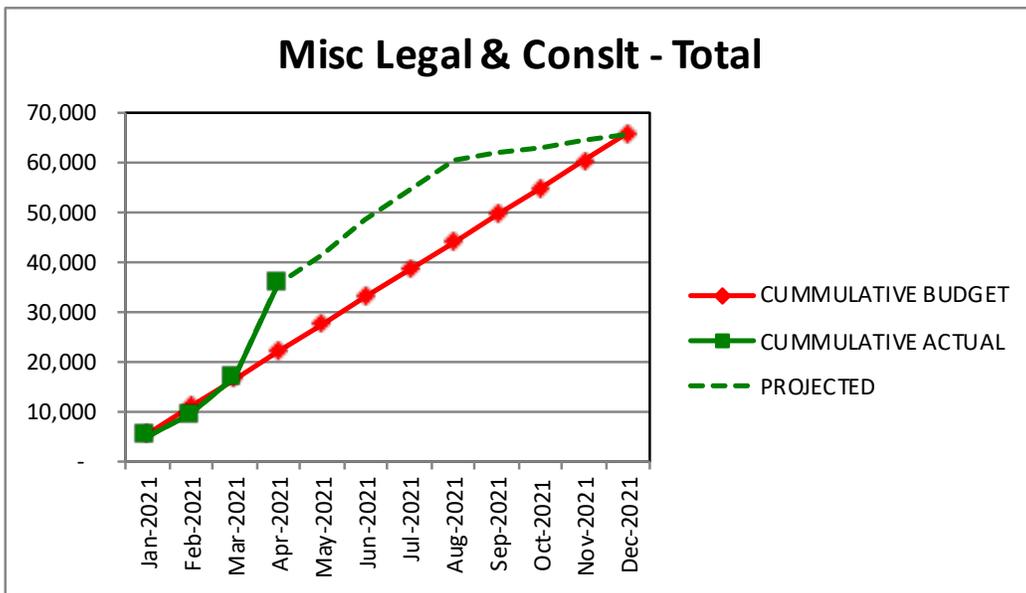
Month of: **Jun-2021**

CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	5,417	7,000	(1,583)	129%
Renewables	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	83	0	83	0%
Total	5,500	7,000	(1,500)	127%

YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	32,500	48,696	(16,196)	150%
Renewables	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	500	0	500	0%
Total	33,000	48,696	(15,696)	148%



M-S-R PPA Porter Simon Summary

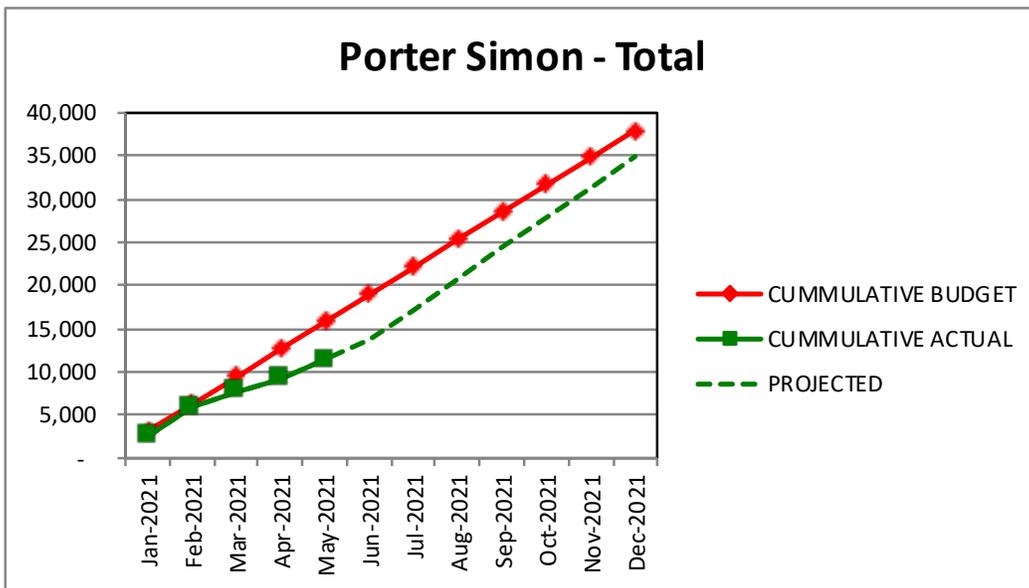
Month of: **Jun-2021**

CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,083	2,288	(205)	110%
Gen - Other	0	0	0	0%
Renewables	167	0	167	0%
Rens - Other	0	0	0	0%
Reg & Comp	83	0	83	0%
Administrative	833	44	789	5%
Total	3,167	2,332	835	74%

YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	12,500	10,670	1,830	85%
Gen - Other	0	0	0	0%
Renewables	1,000	286	714	29%
Rens - Other	0	0	0	0%
Reg & Comp	500	0	500	0%
Administrative	5,000	2,794	2,206	56%
Total	19,000	13,750	5,250	72%



M-S-R PPA KBT Summary

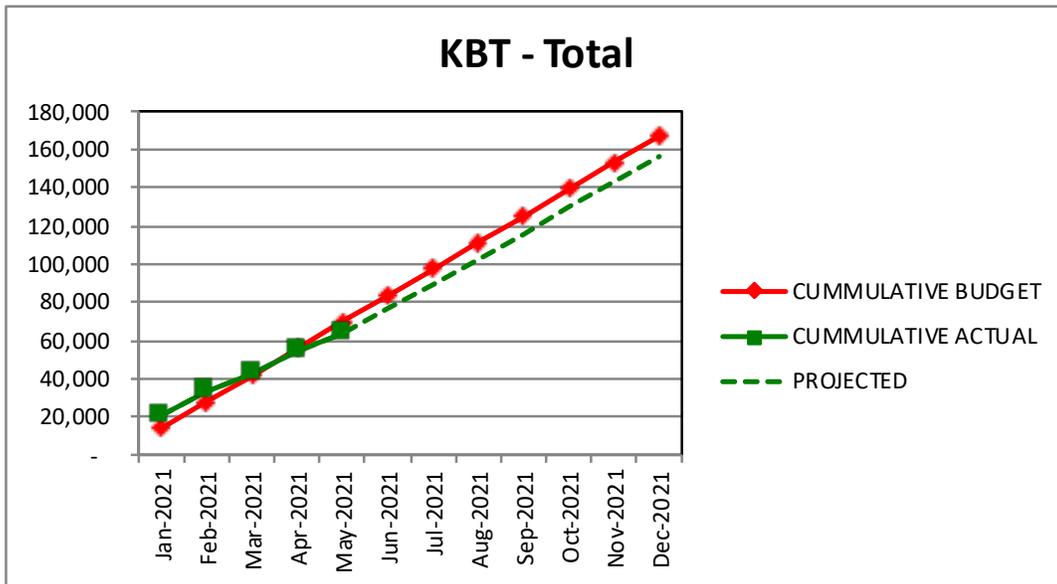
Month of: **Jun-2021**

CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	3,917	5,724	(1,807)	146%
Gen - Other	83	0	83	0%
Renewables	3,333	2,332	1,001	70%
Rens - Other	5,833	3,640	2,193	62%
Reg & Comp	0	0	0	0%
Administrative	750	424	326	57%
Total	13,917	12,120	1,797	87%

YEAR TO DATE

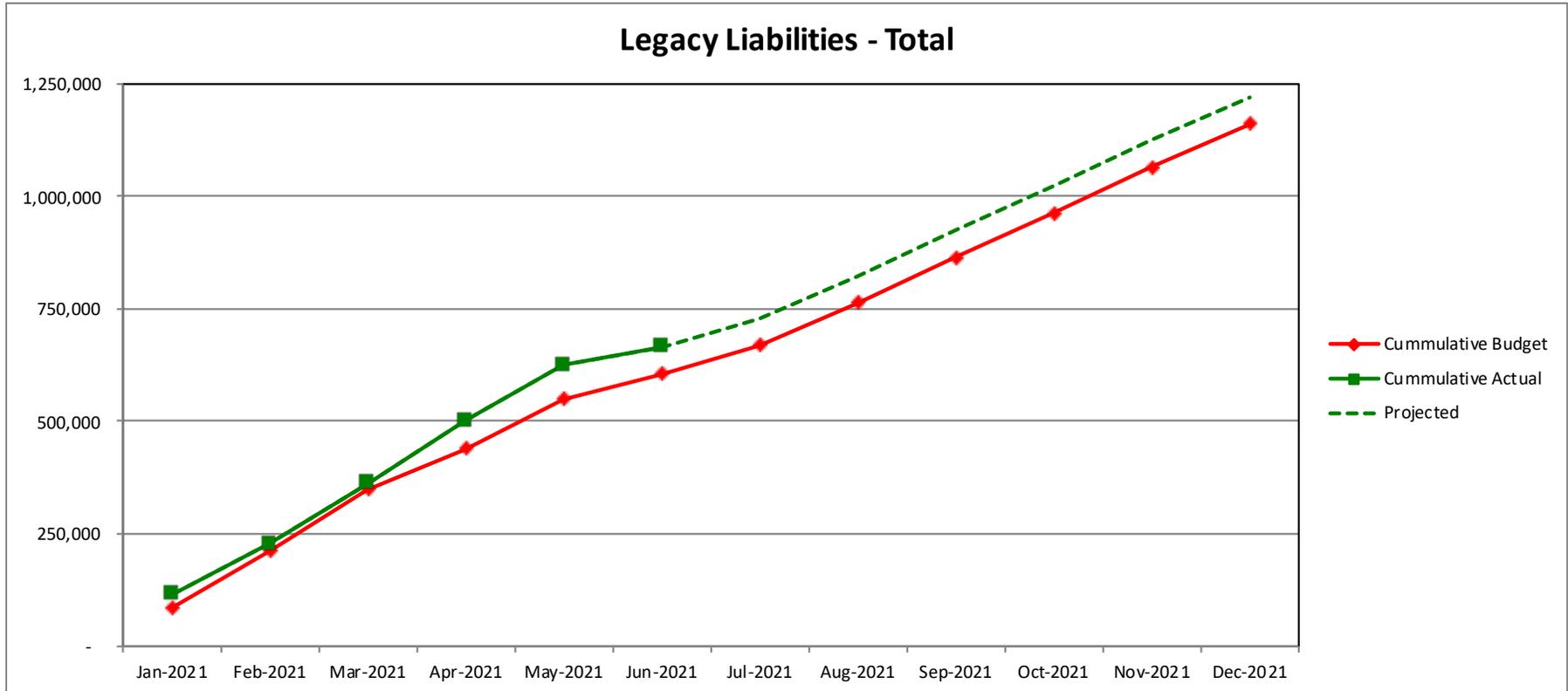
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	23,500	25,864	(2,364)	110%
Gen - Other	500	1,092	(592)	218%
Renewables	20,000	15,476	4,524	77%
Rens - Other	35,000	30,394	4,606	87%
Reg & Comp	0	0	0	0%
Administrative	4,500	2,968	1,532	66%
Total	83,500	75,794	7,706	91%



Legal Costs - 2021	2021 Budget	Reallocated Budget	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Total	Average	Year-End Projection	Notes
Italics = Estimates			8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%				
Legal																		
DWG&P																		
Generation																		
SJGS Agreements	-	6,000	-	-	-	1,629	4,326.00	-	-	-	-	-	-	-	5,955	496	5,955	
Renewables																		
BPA/PNW Gen1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rens - Other																		
BPA Rate Cases	275,000	275,000	48,455	42,128	46,840	28,432	7,926.00	14,000	14,000	14,000	14,000	14,000	14,000	14,000	271,781	22,648	271,781	
Regulatory & Comp																		
FERC Gen1	75,000	30,000	2,343	2,291	2,751	3,249	2,212.00	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,345	2,529	30,345	
	350,000	311,000	50,798	44,419	49,590	33,310	14,464.00	16,500	16,500	16,500	16,500	16,500	16,500	16,500	308,081	25,673	308,081	99%
			16.33%	30.62%	46.56%	57.27%	61.92%	67.23%	72.53%	77.84%	83.15%	88.45%	93.76%	99.06%				
Law Offices of Susie Berlin																		
Generation																		
Renewables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Regulatory & Comp																		
RES/RPS	20,000	5,000	-	-	-	-	-	500	500	500	500	500	500	500	3,500	292	3,500	
A&G																		
AB32/Cap & Trade/	40,000	35,000	2,145	2,652	2,496	1,677	1,872	3,000	3,000	3,000	3,000	3,000	3,000	3,000	31,842	2,654	31,842	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	60,000	40,000	2,145	2,652	2,496	1,677	1,872.00	3,500	3,500	3,500	3,500.00	3,500.00	3,500	3,500	35,342	2,945	35,342	88%
			5.36%	11.99%	18.23%	22.43%	27.11%	35.86%	44.61%	53.36%	62.11%	70.86%	79.61%	88.36%				
Others																		
Generation - Other																		
Najjar & Virtue	1,000	65,000	4,997	4,452	7,375	18,906	5,966.23	7,000	6,000	6,000	1,000	1,000	1,000	1,000	64,696	5,391	64,696	Richard Virtue
	1,000	65,000	4,997	4,452	7,375	18,906	5,966.23	7,000	6,000	6,000	1,000	1,000	1,000	1,000	64,696	5,391	64,696	
			7.69%	14.54%	25.88%	54.97%	64.15%	74.92%	84.15%	93.38%	94.92%	96.46%	97.99%	99.53%				100%
Sub Total	411,000	416,000	57,940	51,523	59,461	53,893	22,302	27,000	26,000	26,000	21,000	21,000	21,000	21,000	408,119	34,010	408,119	98%
			13.93%	26.31%	40.61%	53.56%	58.92%	65.41%	71.66%	77.91%	82.96%	88.01%	93.06%	98.11%				
General Counsel																		
Porter Simon																		
M-S-R PPA																		
Generation	25,000	25,000	2,068	2,068	1,584	1,430	1,232	2,288.00	2,083	2,083	2,083	2,083	2,083	2,083	23,170	1,931	23,170	
Renewables	2,000	2,000	-	220	-	-	66	-	167	167	167	167	167	167	1,286	107	1,286	
Regulatory & Comp	1,000	1,000	-	-	-	-	-	-	83	83	83	83	83	83	500	42	500	
A&G	20,000	10,000	440	1,034	264	22	990	44.00	1,200	1,200	1,200	1,200	1,200	1,200	9,994	833	9,994	
	48,000	38,000	2,508	3,322	1,848	1,452	2,288	2,332.00	3,533	3,533	3,533	3,533	3,533	3,533	34,950	2,913	34,950	92%
			6.60%	15.34%	20.21%	24.03%	30.05%	36.18%	45.48%	54.78%	64.08%	73.38%	82.68%	91.97%				
Consulting																		
KBT																		
Generation																		
General	35,000	47,000	3,604	3,604	3,392	5,088	4,452.00	5,724.00	3,500	3,500	3,500	3,500	3,500	3,500	46,864	3,905	46,864	
Gen - Other																		
SJGS Disposition	-	1,000	1,092	-	-	-	-	-	-	-	-	-	-	-	1,092	91	1,092	
Renewables																		
General	40,000	40,000	3,180	2,332	2,756	2,756	2,120.00	2,332.00	3,333	3,333	3,333	3,333	3,333	3,333	35,476	2,956	35,476	
Rens - Other																		
BP-22 Rate Case	70,000	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	BP-22 Rate Case
KBT 2021-01	-	-	21,840	12,376	6,552	3,094	2,730	-	-	-	-	-	-	-	18,928	9,464	18,928	Jan - Feb
KBT 2021-02	-	-	14,560	-	-	-	-	-	-	-	-	-	-	-	5,824	2,912	5,824	Mar - Apr
KBT 2021-04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,642	2,821	5,642	May - Jun
KBT 2021-0x	-	-	-	-	-	-	-	2,002.00	3,640	5,833	5,833	-	-	-	11,667	5,833	11,667	Jul - Aug
KBT 2021-0x	-	-	-	-	-	-	-	-	-	-	5,833	5,833	-	-	11,667	5,833	11,667	Sep - Oct
KBT 2021-0x	-	-	-	-	-	-	-	-	-	-	-	-	5,833	5,833	11,667	5,833	11,667	Nov - Dec
Sum	-	36,400	-	-	-	-	-	-	-	-	-	-	-	-	65,394		65,394	
Regulatory & Comp																		
Administrative	15,000	9,000	424	424	212	1,060	424.00	424.00	750	750	750	750	750	750	7,468	622	7,468	
	160,000	167,000	36,400	20,676	12,912	9,454	11,634	8,998.00	12,120.00	13,417	13,417	13,417	13,417	13,417	156,294	40,272	156,294	94%
			12.38%	20.11%	25.77%	32.74%	38.13%	45.39%	53.42%	61.45%	69.49%	77.52%	85.56%	93.59%	156,294			
Others																		
Administrative																		
Italics = Estimates																		
Navigant/Guidehou	3,000	1,000	-	-	-	-	-	-	-	-	250	250	250	250	1,000	83	1,000	Meetings
	3,000	1,000	-	-	-	-	-	-	-	-	250	250	250	250	1,000	83	1,000	
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%	50.00%	75.00%	100.00%				100%
Sub Total	163,000	168,000	20,676	12,912	9,454	11,634	8,998	12,120	13,417	13,417	13,667	13,667	13,667	13,667	157,294	40,355	157,294	94%
			12.31%	19.99%	25.62%	32.55%	37.90%	45.12%	53.10%	61.09%	69.22%	77.36%	85.49%	93.63%				
GRAND TOTAL	622,000	622,000	81,124	67,757	70,763	66,979	33,588	41,452	42,950	42,950	38,200	38,200	38,200	38,200	600,363	77,278	600,363	96.52%
			13.04%	23.94%	35.31%	46.08%	51.48%	58.15%	65.05%	71.96%	78.10%	84.24%	90.38%	96.52%				

Legacy Liability - Total

Month of: Jun-2021



CURRENT MONTH					YEAR TO DATE				
By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %	By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
PNM - Reclamation	3,333	3,333	0	100%	PNM - Reclamation	20,000	11,902	8,098	60%
WSJM - Reclamation	47,270	33,401	13,869	71%	WSJM - Reclamation	561,463	611,893	(50,430)	109%
PNM - Decommission	4,000	4,000	0	100%	PNM - Decommission	24,000	41,446	(17,446)	173%
Total	54,603	40,734	13,869	75%	Total	605,463	665,241	(59,777)	110%

PNM - Reclamation

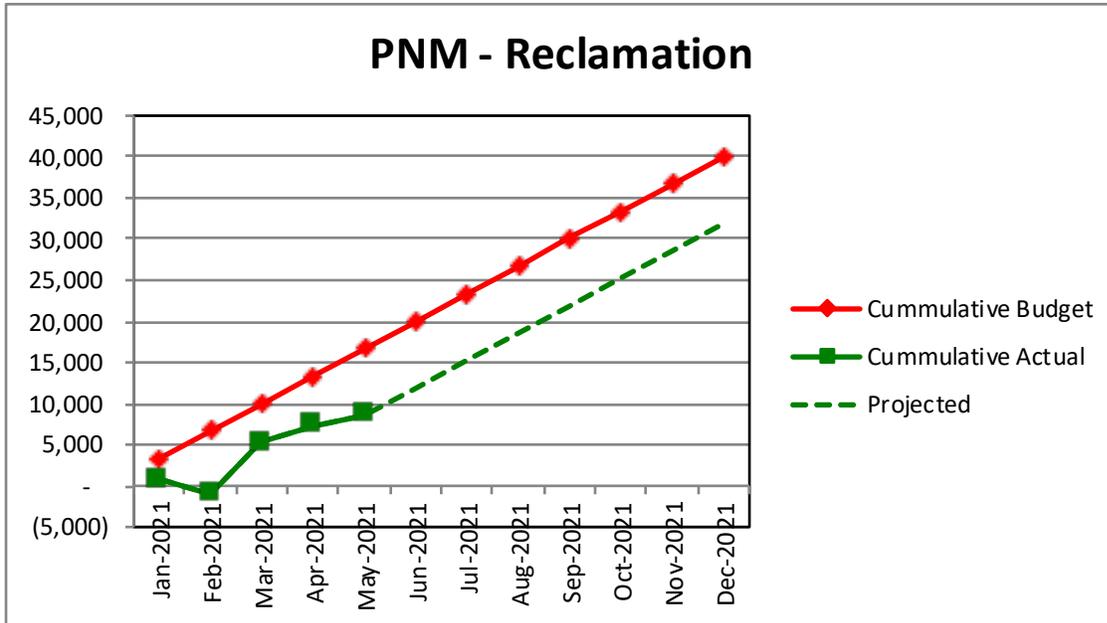
Month of: **Jun-2021**

CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	3,333	3,333	0	100%
Total	3,333	3,333	0	100%

YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	20,000	11,902	8,098	60%
Total	20,000	11,902	8,098	60%



WSJM - Reclamation

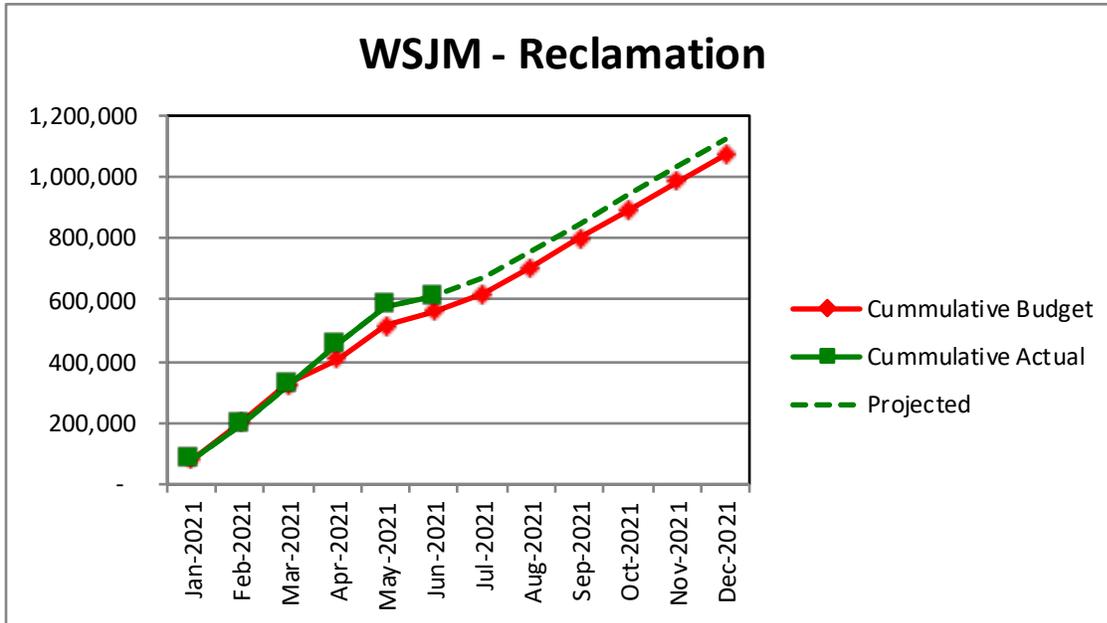
Month of: **Jun-2021**

CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	47,270	33,401	13,869	71%
Total	47,270	33,401	13,869	71%

YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	561,463	611,893	(50,430)	109%
Total	561,463	611,893	(50,430)	109%



PNM - Decommissioning

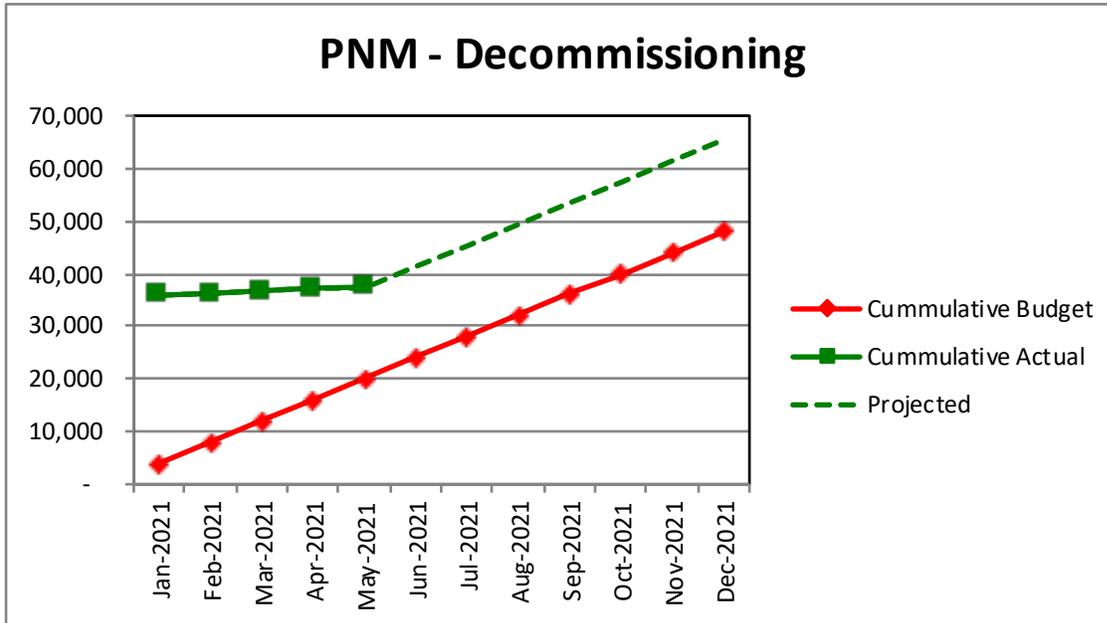
Month of: **Jun-2021**

CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	4,000	4,000	0	100%
Total	4,000	4,000	0	100%

YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	24,000	41,446	(17,446)	173%
Total	24,000	41,446	(17,446)	173%



Legacy Liability Costs - 2021	M-S-R 2021 Budget	Revised or A.O.P	Jan-2021 8.33%	Feb-2021 16.67%	Mar-2021 25.00%	Apr-2021 33.33%	May-2021 41.67%	Jun-2021 50.00%	Jul-2021 58.33%	Aug-2021 66.67%	Sep-2021 75.00%	Oct-2021 83.33%	Nov-2021 91.67%	Dec-2021 100.00%	Total	Average	Year-End Projection
PNM - Reclamation - Budget	40,000	40,000	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000		
Cummulative Budget			3,333	6,667	10,000	13,333	16,667	20,000	23,333	26,667	30,000	33,333	36,667	40,000			
Reclamation Trust Funds																	
Operating Agent			673	(1,691)	6,198	2,222	1,166.26	3,333	31,902	2,658	31,902						
Cummulative Actual	40,000	40,000	673	(1,691)	6,198	2,222	1,166.26	3,333	3,333	3,333	3,333	3,333.33	3,333.33	3,333	31,902	2,658	31,902
			673	(1,018)	5,180	7,402	8,568	11,902	15,235	18,568	21,902	25,235	28,568	31,902			80%
			1.68%	-2.54%	12.95%	18.50%	21.42%	29.75%	38.09%	46.42%	54.75%	63.09%	71.42%	79.75%			
WSJM - Reclamation - Budget	925,000	1,072,463	78,389	120,172	128,336	82,729	104,568	47,270	57,341	85,926	94,355	90,726	94,927	87,725	1,072,463		
Cummulative Budget			78,389	198,561	326,897	409,626	514,193	561,463	618,804	704,731	799,085	889,811	984,738	1,072,463			
San Juan - Surface	925,000	1,072,463	78,389	113,437	128,336	135,985	122,346	33,400.75	57,341	85,926	94,355	90,726	94,927	87,725	1,122,893	93,574	1,122,893
San Juan - Underground			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cummulative Actual	925,000	1,072,463	78,389	113,437	128,336	135,985	122,346	33,400.75	57,341	85,926	94,355	90,726	94,926.57	87,725	1,122,893	93,574	1,122,893
			78,389	191,826	320,161	456,146	578,492	611,893	669,234	755,161	849,515	940,241	1,035,168	1,122,893			105%
			7.31%	17.89%	29.85%	42.53%	53.94%	57.05%	62.40%	70.41%	79.21%	87.67%	96.52%	104.70%			
PNM - Decommissioning	48,000	48,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000		
Cummulative Budget			4,000	8,000	12,000	16,000	20,000	24,000	28,000	32,000	36,000	40,000	44,000	48,000			
Initial Decommissioning			35,902	276	408	492	367.63	4,000	65,446	5,454	65,446						
Cummulative Actual	48,000	48,000	35,902	276	408	492	367.63	4,000.00	4,000	4,000	4,000	4,000.00	4,000.00	4,000	65,446	5,454	65,446
			35,902	36,179	36,587	37,078	37,446	41,446	45,446	49,446	53,446	57,446	61,446	65,446			
			74.80%	75.37%	76.22%	77.25%	78.01%	86.35%	94.68%	103.01%	111.35%	119.68%	128.01%	136.35%			136.35%
Total Legacy Liability	1,013,000	1,160,463	114,965	112,022	134,942	138,698	123,880	40,734	64,674	93,260	101,688	98,059	102,260	95,058	1,220,240	101,687	1,220,240
			114,965	226,987	361,929	500,626	624,507	665,241	729,915	823,175	924,863	1,022,922	1,125,182	1,220,240			105%
			9.91%	19.56%	31.19%	43.14%	53.82%	57.33%	62.90%	70.94%	79.70%	88.15%	96.96%	105.15%			
Cummulative Budget			85,723	213,228	348,897	438,959	550,860	605,463	670,138	763,397	865,085	963,145	1,065,404	1,160,463			
Cummulative Actual			114,965	226,987	361,929	500,626	624,507	665,241	729,915	823,175	924,863	1,022,922	1,125,182	1,220,240			

Italics = Estimated

M-S-R Public Power Agency Staff Report

Date: July 8, 2021
From: Martin R. Hopper, General Manager
To: M-S-R PPA Commission
Subject: July 2021 M-S-R Strategic Reserve Funding Status

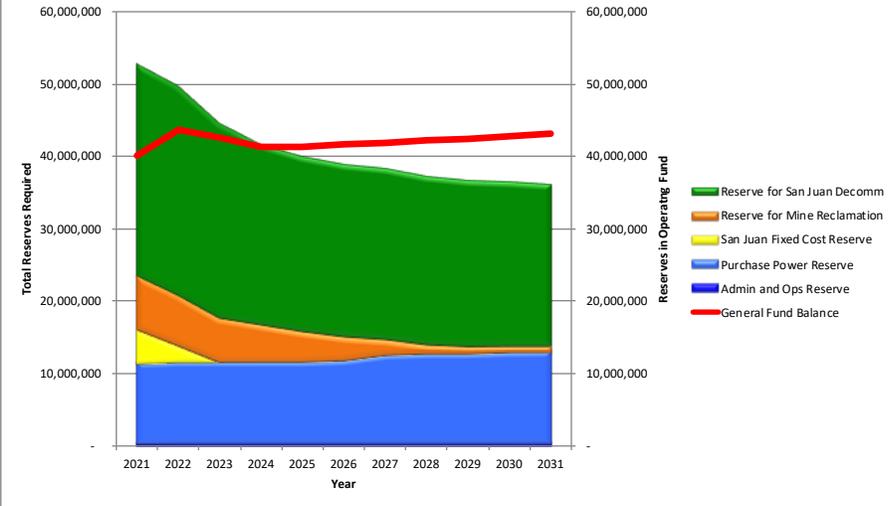
Pursuant to Resolution 2020 – 01, the M-S-R PPA Commission established a Strategic Reserve composed of five tranches, Operating Reserves pertaining to Administrative and General Budgets, Purchase Power, and San Juan Fixed Expenses; and Legacy Liabilities Reserves pertaining to Mine Reclamation, and to San Juan Decommissioning, to be held within and considered a part of the Agency’s General Fund. The Strategic Reserve subsumed and superseded the Agency’s previously established Working Capital Policies, the Member Cash Call Reserve Account, Legacy Liability reservations established pursuant to Resolution 2016-04, and includes the Reserve and Contingency Fund element of the General Fund established pursuant to the Subordinate Lien Indenture of Trust.

The Strategic Reserve Resolution also established Target and Minimum amounts for each Strategic Reserve tranche based on their individually expected risks and exposures but also provided that although the five individual Strategic Reserve tranche requirements are computed separately to establish a total Strategic Reserve requirement, they are to be managed as a collective sum and not as individual reservations. Finally, the Commission is to be briefed on the status of the Strategic Reserve annually in conjunction with the preparation of the Annual Budget and from time to time as needed to guide policy direction or in this instance, in conjunction with the Mid-Year Budget Review.

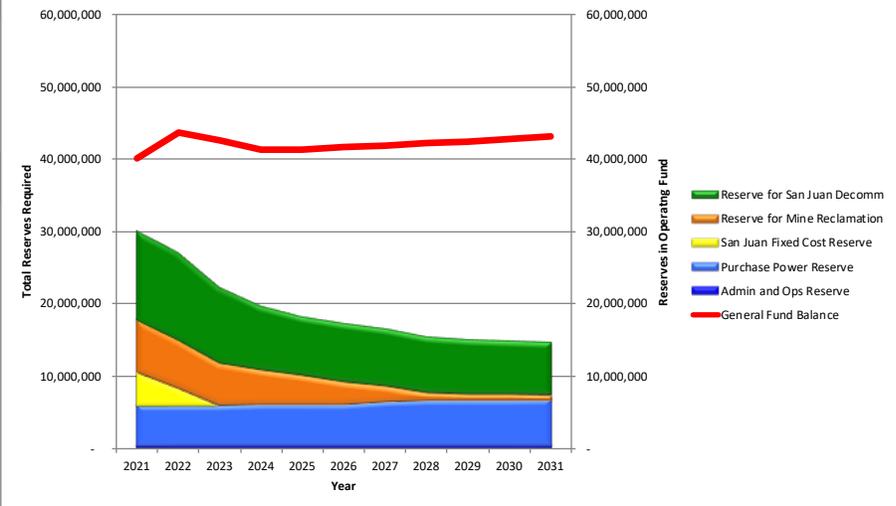
The status of the Agency’s Working Capital Policy’s Strategic Reserve has been computed in conformance with Resolution 2020-01 as based on the adopted 2021 Budget and updated costs and performance to date.

The following charts show projected balances of each Strategic Reserve tranches under Target and Minimum scenarios.

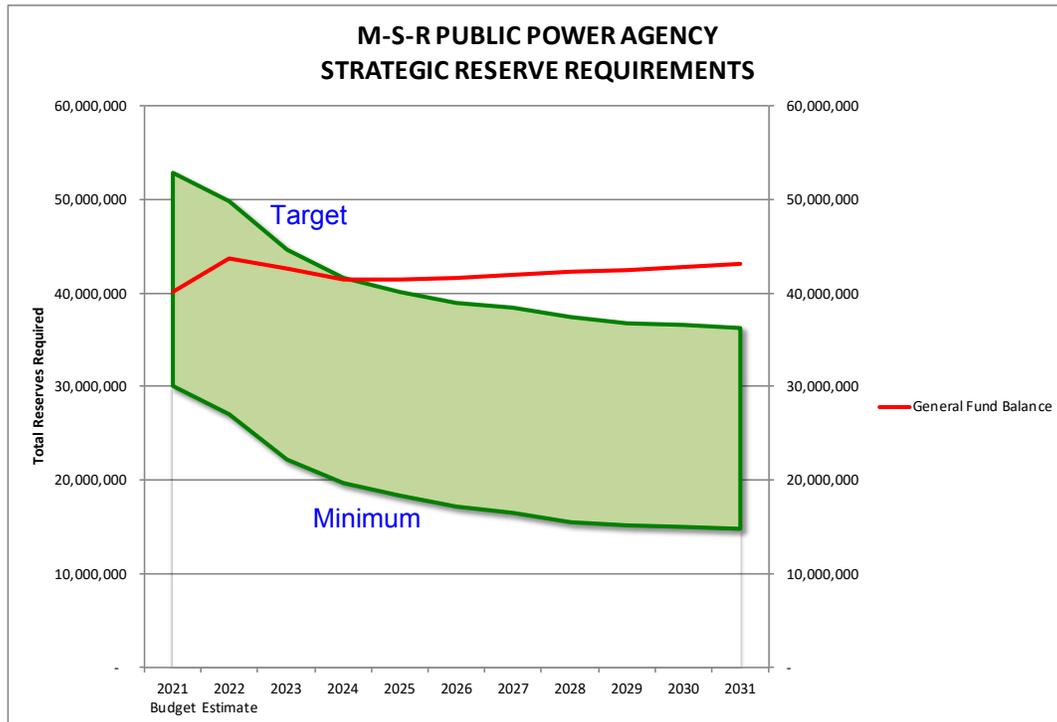
**M-S-R PUBLIC POWER AGENCY
STRATEGIC RESERVE RECOMMENDATIONS
TARGETS**



**M-S-R PUBLIC POWER AGENCY
STRATEGIC RESERVE RECOMMENDATIONS
MINIMUMS**



Illustrated as a graphical overlay, the Agency’s General Fund Balance exceeds the Minimum Requirement in each year and is trending to the Target Amount as anticipated when the Working Capital Policy was approved.



Although the General Fund Balance always exceeds the Minimum Strategic Reserve requirement and exceeds the Target Strategic Reserve requirement after 2024, the disbursement triggers in Section E of the Resolution will not be met before 2025 at the earliest. It is also worthy to note that the largest single reserve tranche by far is for the San Juan Decommissioning contingency. Although the Agency has made significant progress defining the bounds of the Decommissioning liability, no agreement has yet been reached with and among the San Juan owners on final Decommissioning scope.

NOTE: The Purchase Power Tranche will be updated before presentation to the Commission 8/18/21 to incorporate final BP-22 Rates to be published in final ROD July 28, 2021.

The following tables set forth the detailed components of the Strategic Reserve for the current and two next-succeeding fiscal years:

M-S-R PPA STRATEGIC RESERVE – TARGETS			
Category	2021 Estimated Year End	2022 Year End Projection	2023 Year End Projection
Net Annual Budget	78,579,000	65,391,000	51,547,000
General Fund Available	40,7118,000	43,685,000	42,598,000
General Fund In Days	186	244	302
Reserve Target In Days	245	278	316
Administrative & Operations Reserve Tranche	423,000	441,000	450,000
Purchase Power Reserve Tranche	11,024,000	11,163,000	11,173,000
San Juan Fixed Cost Reserve Tranche	4,569,000	2,288,000	0
Reserve for Mine Reclamation Tranche	7,456,000	6,844,000	5,998,000
Reserve for San Juan Decommissioning Tranche	29,359,000	29,095,000	27,022,000
Total Strategic Reserve Target	52,831,000	49,831,000	44,643,000
Potential Surplus Over General Fund	-12,713,000	-6,146,000	-2,045,000

M-S-R PPA STRATEGIC RESERVE – MINIMUMS			
Category	2021 Estimated Year End	2022 Year End Projection	2023 Year End Projection
Net Annual Budget	78,579,000	65,391,000	51,547,000
General Fund Available	40,7118,000	43,685,000	42,598,000
General Fund In Days	186	244	302
Reserve Minimum In Days	139	152	158
Administrative & Operations Reserve Tranche	423,000	441,000	450,000
Purchase Power Reserve Tranche	5,519,000	5,588,000	5,593,000
San Juan Fixed Cost Reserve Tranche	4,569,000	2,288,000	0
Reserve for Mine Reclamation Tranche	7,241,000	6,646,000	5,816,000
Reserve for San Juan Decommissioning Tranche	12,264,000	12,099,000	10,393,000
Total Strategic Reserve Minimum	30,016,000	27,062,000	22,252,000
Potential Surplus Over General Fund	10,102,000	16,623,000	20,346,000

The data tabulated above will be incorporated as-needed in the proposed 2022 M-S-R PPA Strategic Plan.

I recommend the Commission note and file this report.