

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

**Date:** Oct 28, 2020  
**To:** M-S-R PPA Technical Committee  
**From:** Martin R. Hopper, General Manager  
**Subject:** Friday, November 6, 2020, M-S-R PPA Technical Committee Special Meeting

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Please find enclosed the agenda for the Friday, November 6, 2020, M-S-R PPA Technical Committee Special Meeting to be held remotely at 9:00 AM. Please post as required for Brown Act compliance.

Distribution:

Tameka Garnett – 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  
Steve Handy – Redding  
Kamryn Hutson – Redding

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

### **SPECIAL MEETING OF THE TECHNICAL COMMITTEE**

Friday, November 6, 2020, 9:00 AM

WEBINAR DIGITAL PLATFORM OR PHONE MEETING

GoTo Meeting Information:

<https://global.gotomeeting.com/join/425139397>

#### **Telephonic Meeting Information:**

United States: [+1 \(872\) 240-3212](tel:+18722403212)

Access Code: 425-139-397

### **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](mailto: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. ***Discussion and Possible Action Regarding 2021 M-S-R PPA Budget*** (attached, Martin Hopper)
4. ***Approval of Minutes of September 3, 2020 Meeting*** (attached)
5. General Manager Reports (attached, Martin Hopper)
6. Big Horn Wind Energy Project Operating Statistics (attached, Martin Hopper)

7. Status Report Regarding November 2020 WREGIS REC Transfers (attached, Martin Hopper)
8. ***Discussion and Possible Action Regarding November 2020 Outside Services Budget Versus Actual Report*** (attached)
9. ***Discussion and Possible Action Regarding 2021 M-S-R PPA Meeting Schedule*** (attached, Martin Hopper)
10. Avangrid Acquisition of PNM (attached, Martin Hopper)
11. **Closed Session**
  - a. Existing Litigation: Government Code §54956.9 (d)(1) – 2 Cases (BP-20E-BPA, BP-22-BPA)
  - b. Threat To Public Services Or Facilities: Government Code § 54957 (a)
  - c. 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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## M-S-R Public Power Agency Staff Report

**Date:** October 28, 2020  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** Approval of 2021 M-S-R Public Power Agency Budget

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The proposed 2021 M-S-R PPA Budget has been prepared in conformance with our Bond Indentures and the policies and priorities established in the 2021 M-S-R PPA Strategic Plan adopted by this Commission on September 30, 2020.

Total expenditures under the budget, excluding Debt Service Revolving Fund distributions and receipts and Legacy Liability expenses either paid from Trusts or non-billable under Resolution 2016-04, will be \$78.83 million, which is about \$0.10 million lower than the 2020 M-S-R PPA Budget and are \$0.16 million lower than the 2021 Budget Estimate in the 2020 Budget.

San Juan Legacy Liability (Plant Decommissioning, Mine Reclamation, and Environmental) expenses are funded pursuant to Resolution 2016-04 and are neither invoiced to the Members nor offset by Budget revenues. These items are shown as Generation Plant Expense and include Decommissioning Agent costs, liability insurance premiums associated with decommissioning activities, and environmental insurance premiums pursuant to the Restructuring, Decommissioning and Reclamation Agreements.

The net budget costs and changes are summarized below:

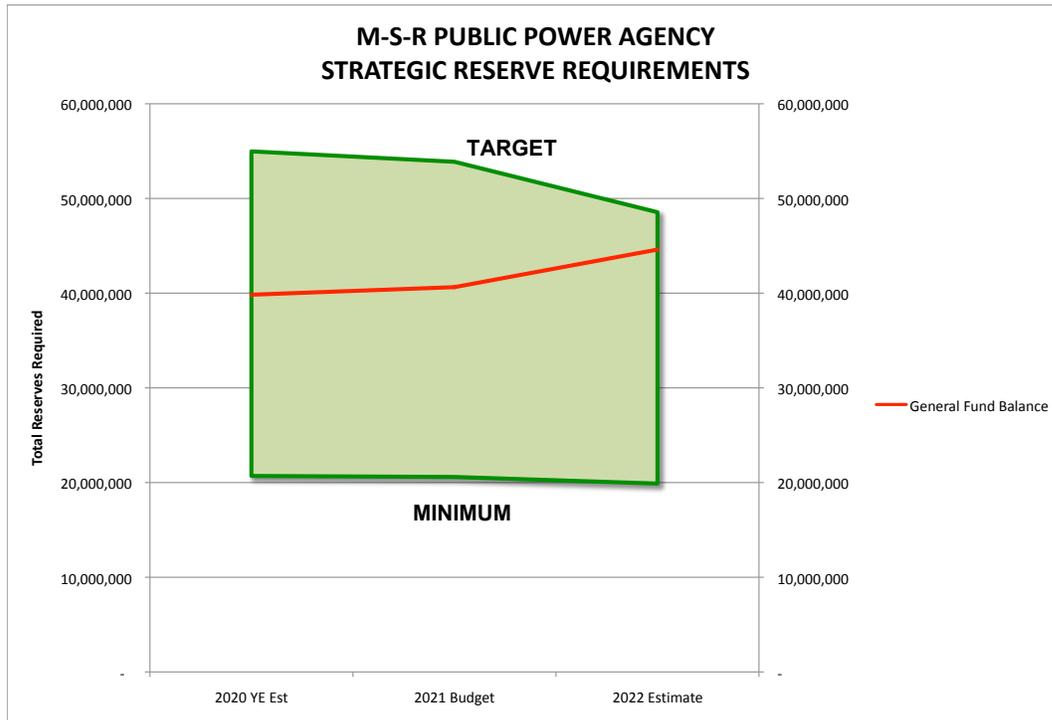
Category	Adopted 2020 Budget	Proposed 2021 Budget	% Change	Comment
Agency and Debt Admin	0.56	0.48	-14.7%	Decrease due to reduction in meeting and association cost.
Generation (San Juan)	27.90	27.92	0.1%	Per Debt Service schedule.
Renewables (Big Horn I & II)	50.23	50.27	0.1%	Generation based on historic performance projections.
Regulatory & Compliance	0.24	0.16	-31.9%	Reduction due to completion of certain FERC activities.
<b>Totals</b>	<b>78.93</b>	<b>78.83</b>	<b>-0.1%</b>	

The following table shows expected status of the Agency's Working Capital Policy's Strategic Reserve computed in conformance with Resolution 2020-01 adopted earlier this year:

<b>M-S-R PPA STRATEGIC RESERVE – TARGETS</b>			
<b>Category</b>	<b>2020 Estimated Year End</b>	<b>2021 Year End Projection</b>	<b>2022 Year End Projection</b>
Net Annual Budget	78,931,000	78,830,000	65,013,000
General Fund Available	39,836,000	40,636,000	44,602,000
General Fund In Days	176	189	250
Reserve Target In Days	243	250	273
Administrative & Operations Reserve Tranche	382,000	426,000	435,000
Purchase Power Reserve Tranche	12,061,000	11,116,000	11,164,000
San Juan Fixed Cost Reserve Tranche	4,569,000	4,569,000	0
Reserve for Mine Reclamation Tranche	8,599,000	8,489,000	7,941,000
Reserve for San Juan Decommissioning Tranche	29,362,000	29,272,000	29,006,000
Total Strategic Reserve Target	54,104,000	45,331,000	48,546,000
Potential Surplus Over General Fund	-15,137,000	-13,236,000	-3,944,000

<b>M-S-R PPA STRATEGIC RESERVE – MINIMUMS</b>			
<b>Category</b>	<b>2020 Estimated Year End</b>	<b>2021 Year End Projection</b>	<b>2022 Year End Projection</b>
Net Annual Budget	78,931,000	78,830,000	65,013,000
General Fund Available	39,836,000	40,636,000	44,602,000
General Fund In Days	176	189	250
Reserve Minimum In Days	140	145	145
Administrative & Operations Reserve Tranche	382,000	426,000	435,000
Purchase Power Reserve Tranche	6,031,000	5,558,000	5,582,000
San Juan Fixed Cost Reserve Tranche	4,569,000	4,569,000	0
Reserve for Mine Reclamation Tranche	8,394,000	8,295,000	7,763,000
Reserve for San Juan Decommissioning Tranche	12,305,000	12,296,000	12,131,000
Total Strategic Reserve Minimum	31,681,000	31,144,000	25,911,000
Potential Surplus Over General Fund	8,155,000	9,090,000	17,891,000

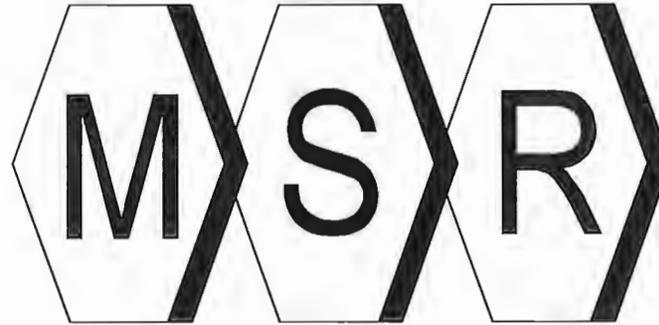
Illustrated graphically, the Agency’s General Fund Balance exceeds the Minimum Requirement in each year and is trending to the Target Amount as anticipated when the Working Capital Policy was approved.



The proposed 2021 M-S-R PPA Budget was reviewed by Member Staff in a workshop held November 6, 2020.

I recommend the Commission adopt the proposed 2021 M-S-R PPA Budget.

For Technical Committee review, the detailed worksheets used to build-up expected expenses are also attached.



# **Public Power Agency**

**2021 Draft Budget**

# MSR PUBLIC POWER AGENCY SUMMARY 2021 BUDGET

2020 Budget	2020 Year To Date Estimated	2021 Budget	2022 Budget Estimate
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**FUNDS PROVIDED:**

Operating Revenue	82,230,799	86,380,515	82,128,374	66,686,899
Other Revenue	900,000	780,000	800,000	800,000
Fund Provided	83,130,799	87,160,515	82,928,374	67,486,899

**FUNDS APPLIED:**

Agency Administration & General	512,490	397,497	434,690	461,690
Agency Debt Administrative	50,000	45,418	45,000	51,000
Generation Administrative & General	152,000	176,189	172,000	172,000
Generation Plant Costs	3,402,000	3,300,000	3,437,000	1,802,000
Renewable Administrative	507,000	414,513	486,000	485,000
Coordinating Services	465,000	437,596	475,000	485,000
Regulatory & Compliance	235,000	123,929	160,000	160,000
Purchase Power-Big Horn 1	34,368,291	36,915,618	34,368,264	34,368,264
Purchase Power-Big Horn 2	14,892,271	16,821,005	14,939,420	14,980,820
Interest Expense-Generation	3,063,750	3,063,750	1,950,500	660,625
Principal Payments-Generation	24,685,000	24,685,000	25,797,500	13,212,500
Funds Applied	82,332,802	86,380,515	82,265,374	66,838,899

**SURPLUS (DEFICIT) REVENUE**

	797,997	780,000	663,000	648,000
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## MSR PUBLIC POWER AGENCY 2021 Budget Summary

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b>REVENUE FROM MEMBERS</b>													
Modesto Irrigation District	2,509,782	2,613,284	2,792,003	2,812,266	2,535,757	2,580,269	2,308,200	2,259,008	2,312,200	2,485,645	2,548,445	2,518,430	30,275,289
City of Santa Clara	2,746,062	2,886,912	3,308,287	3,439,388	3,008,535	3,146,942	2,717,892	2,642,894	2,555,278	2,784,220	2,836,245	2,754,684	34,827,339
City of Redding	1,305,854	1,371,088	1,620,283	1,712,399	1,496,297	1,584,005	1,384,772	1,327,591	1,238,488	1,342,375	1,356,380	1,306,214	17,025,746
<b>TOTAL</b>	<b>6,561,698</b>	<b>6,871,284</b>	<b>7,720,573</b>	<b>7,964,053</b>	<b>7,040,589</b>	<b>7,311,216</b>	<b>6,390,864</b>	<b>6,229,493</b>	<b>6,105,966</b>	<b>6,612,240</b>	<b>6,741,070</b>	<b>6,579,328</b>	<b>82,128,374</b>
<b>BUDGET AMOUNTS / TRUE UP YEAR END</b>													
Agency Administration & General	51,310	51,307	51,307	51,307	51,307	51,307	21,145	21,140	21,140	21,140	21,140	21,140	434,690
Agency Debt Administrative	3,755	3,749	3,749	3,749	3,749	3,749	3,755	3,749	3,749	3,749	3,749	3,749	45,000
Generation Administrative & General	14,335	14,333	14,333	14,333	14,333	14,333	14,335	14,333	14,333	14,333	14,333	14,333	172,000
Generation Plant Costs	286,420	286,416	286,416	286,416	286,416	286,416	286,420	286,416	286,416	286,416	286,416	286,416	3,437,000
Generation Plant Costs-Non Billable	(11,420)	(11,416)	(11,416)	(11,416)	(11,416)	(11,416)	(11,420)	(11,416)	(11,416)	(11,416)	(11,416)	(11,416)	(137,000)
Interest Expense-Generation	214,980	214,979	214,979	214,979	214,979	214,979	110,105	110,104	110,104	110,104	110,104	110,104	1,950,500
Principal Payments-Generation	2,097,500	2,097,500	2,097,500	2,097,500	2,097,500	2,097,500	2,202,085	2,202,083	2,202,083	2,202,083	2,202,083	2,202,083	25,797,500
<b>ALLOCATED 50/35/15</b>	<b>2,656,880</b>	<b>2,656,868</b>	<b>2,656,868</b>	<b>2,656,868</b>	<b>2,656,868</b>	<b>2,656,868</b>	<b>2,626,425</b>	<b>2,626,409</b>	<b>2,626,409</b>	<b>2,626,409</b>	<b>2,626,409</b>	<b>2,626,409</b>	<b>31,699,690</b>
<b>BUDGET AMOUNTS / TRUE UP YEAR END</b>													
Renewable Administrative	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	486,000
ALLOCATED 23/49/28													
MID	9,315	9,315	9,315	9,315	9,315	9,315	9,315	9,315	9,315	9,315	9,315	9,315	9,315
SC	19,845	19,845	19,845	19,845	19,845	19,845	19,845	19,845	19,845	19,845	19,845	19,845	19,845
REU	11,340	11,340	11,340	11,340	11,340	11,340	11,340	11,340	11,340	11,340	11,340	11,340	11,340
<b>Coordinating Services</b>	<b>39,585</b>	<b>39,583</b>	<b>39,583</b>	<b>39,583</b>	<b>39,583</b>	<b>39,583</b>	<b>39,585</b>	<b>39,583</b>	<b>39,583</b>	<b>39,583</b>	<b>39,583</b>	<b>39,583</b>	<b>475,000</b>
<b>Regulatory &amp; Compliance</b>	<b>13,335</b>	<b>13,333</b>	<b>13,333</b>	<b>13,333</b>	<b>13,333</b>	<b>13,333</b>	<b>13,335</b>	<b>13,333</b>	<b>13,333</b>	<b>13,333</b>	<b>13,333</b>	<b>13,333</b>	<b>160,000</b>
ALLOCATED 40/40/20	52,920	52,916	52,916	52,916	52,916	52,916	52,920	52,916	52,916	52,916	52,916	52,916	636,000
MID	21,168	21,166	21,166	21,166	21,166	21,166	21,168	21,166	21,166	21,166	21,166	21,166	21,166
SC	21,168	21,166	21,166	21,166	21,166	21,166	21,168	21,166	21,166	21,166	21,166	21,166	21,166
REU	10,584	10,583	10,583	10,583	10,583	10,583	10,584	10,583	10,583	10,583	10,583	10,583	10,583
<b>Renewable &amp; Overheads</b>	<b>93,420</b>	<b>93,416</b>	<b>93,416</b>	<b>93,416</b>	<b>93,416</b>	<b>93,416</b>	<b>93,420</b>	<b>93,416</b>	<b>93,416</b>	<b>93,416</b>	<b>93,416</b>	<b>93,416</b>	<b>1,121,000</b>
<b>ACTUAL VARIABLE AMOUNTS</b>													
Purchase Power-Big Horn 1	2,534,130	2,720,876	3,434,213	3,697,902	3,079,295	3,330,365	2,715,863	2,609,442	2,354,379	2,651,762	2,691,789	2,548,248	34,368,264
Purchase Power-Big Horn 2	1,277,268	1,400,125	1,536,077	1,515,868	1,211,011	1,230,568	955,155	900,227	1,031,763	1,240,654	1,329,457	1,311,247	14,939,420
Generation Fuel	0	0	0	0	0	0	0	0	0	0	0	0	0
Transmission Losses	0	0	0	0	0	0	0	0	0	0	0	0	0
	3,811,398	4,121,001	4,970,290	5,213,770	4,290,306	4,560,933	3,671,018	3,509,669	3,386,142	3,892,416	4,021,246	3,859,495	49,307,684
<b>ACTUAL AMOUNTS (OWNERSHIP SHARE)</b>													
Generation Operation & Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Transmission Capital	0	0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED 50/35/15	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>6,561,698</b>	<b>6,871,285</b>	<b>7,720,574</b>	<b>7,964,054</b>	<b>7,040,590</b>	<b>7,311,217</b>	<b>6,390,863</b>	<b>6,229,494</b>	<b>6,105,967</b>	<b>6,612,241</b>	<b>6,741,071</b>	<b>6,579,320</b>	<b>82,128,374</b>

## MSR PUBLIC POWER AGENCY 2022 Budget Summary

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b>REVENUE FROM MEMBERS</b>													
Modesto Irrigation District	2,514,762	2,618,533	2,797,549	2,817,767	2,540,594	2,585,149	1,016,779	987,470	1,020,950	1,194,849	1,257,843	1,227,780	22,560,025
City of Santa Clara	2,749,246	2,890,242	3,311,777	3,442,854	3,011,643	3,150,073	1,813,708	1,738,651	1,651,189	1,880,375	1,932,505	1,850,923	29,423,186
City of Redding	1,306,703	1,371,938	1,621,133	1,713,249	1,497,147	1,584,855	976,910	939,732	850,629	954,516	968,521	918,355	14,703,688
<b>TOTAL</b>	<b>6,570,711</b>	<b>6,880,713</b>	<b>7,730,459</b>	<b>7,973,870</b>	<b>7,049,384</b>	<b>7,320,077</b>	<b>3,807,397</b>	<b>3,645,853</b>	<b>3,522,768</b>	<b>4,029,740</b>	<b>4,158,869</b>	<b>3,997,058</b>	<b>66,686,899</b>
<b>BUDGET AMOUNTS / TRUE UP YEAR END</b>													
Agency Administration & General	55,810	55,807	55,807	55,807	55,807	55,807	21,145	21,140	21,140	21,140	21,140	21,140	461,690
Agency Debt Administrative	4,255	4,249	4,249	4,249	4,249	4,249	4,255	4,249	4,249	4,249	4,249	4,249	51,000
Generation Administrative & General	14,335	14,333	14,333	14,333	14,333	14,333	14,335	14,333	14,333	14,333	14,333	14,333	172,000
Generation Plant Costs	287,665	287,667	287,667	287,667	287,667	287,667	12,665	12,667	12,667	12,667	12,667	12,667	1,802,000
Generation Plant Costs-Non Billable	(12,665)	(12,667)	(12,667)	(12,667)	(12,667)	(12,667)	(12,685)	(12,667)	(12,667)	(12,667)	(12,667)	(12,667)	(152,000)
Interest Expense-Generation	110,105	110,104	110,104	110,104	110,104	110,104	0	0	0	0	0	0	660,625
Principal Payments-Generation	2,202,085	2,202,083	2,202,083	2,202,083	2,202,083	2,202,083	0	0	0	0	0	0	13,212,500
<b>ALLOCATED 50/35/15</b>	<b>2,661,590</b>	<b>2,661,576</b>	<b>2,661,576</b>	<b>2,661,576</b>	<b>2,661,576</b>	<b>2,661,576</b>	<b>39,735</b>	<b>39,722</b>	<b>39,722</b>	<b>39,722</b>	<b>39,722</b>	<b>39,722</b>	<b>16,207,815</b>
<b>BUDGET AMOUNTS / TRUE UP YEAR END</b>													
Renewable Administrative	40,415	40,417	40,417	40,417	40,417	40,417	40,415	40,417	40,417	40,417	40,417	40,417	485,000
<b>ALLOCATED 23/49/28</b>													
MID	9,295	9,296	9,296	9,296	9,296	9,296	9,295	9,296	9,298	9,296	9,296	9,296	
SC	19,803	19,804	19,804	19,804	19,804	19,804	19,803	19,804	19,804	19,804	19,804	19,804	
REU	11,316	11,317	11,317	11,317	11,317	11,317	11,316	11,317	11,317	11,317	11,317	11,317	
<b>Coordinating Services</b>	<b>40,415</b>	<b>40,417</b>	<b>40,417</b>	<b>40,417</b>	<b>40,417</b>	<b>40,417</b>	<b>40,415</b>	<b>40,417</b>	<b>40,417</b>	<b>40,417</b>	<b>40,417</b>	<b>40,417</b>	<b>485,000</b>
Regulatory & Compliance	13,335	13,333	13,333	13,333	13,333	13,333	13,335	13,333	13,333	13,333	13,333	13,333	180,000
<b>ALLOCATED 40/40/20</b>	<b>53,750</b>	<b>645,000</b>											
MID	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	
SC	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	
REU	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	
<b>Renewable &amp; Overheads</b>	<b>94,165</b>	<b>94,167</b>	<b>94,167</b>	<b>94,167</b>	<b>94,167</b>	<b>94,167</b>	<b>94,165</b>	<b>94,167</b>	<b>94,167</b>	<b>94,167</b>	<b>94,167</b>	<b>94,167</b>	<b>1,130,000</b>
<b>ACTUAL VARIABLE AMOUNTS</b>													
Purchase Power-Big Hom 1	2,534,130	2,720,876	3,434,213	3,697,902	3,079,295	3,330,365	2,715,863	2,609,442	2,354,379	2,651,762	2,691,789	2,548,248	34,368,264
Purchase Power-Big Hom 2	1,280,826	1,404,094	1,540,503	1,520,225	1,214,346	1,233,969	957,635	902,522	1,034,500	1,244,089	1,333,191	1,314,920	14,980,820
Generation Fuel	0	0	0	0	0	0	0	0	0	0	0	0	0
Transmission Losses	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>3,814,956</b>	<b>4,124,970</b>	<b>4,974,716</b>	<b>5,218,127</b>	<b>4,293,641</b>	<b>4,564,334</b>	<b>3,673,498</b>	<b>3,511,964</b>	<b>3,388,879</b>	<b>3,895,851</b>	<b>4,024,980</b>	<b>3,863,168</b>	<b>49,349,084</b>
<b>ACTUAL AMOUNTS (OWNERSHIP SHARE)</b>													
Generation Operation & Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Transmission Capital	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>ALLOCATED 50/35/15</b>	<b>0</b>												
<b>TOTAL</b>	<b>6,570,711</b>	<b>6,880,713</b>	<b>7,730,459</b>	<b>7,973,870</b>	<b>7,049,384</b>	<b>7,320,077</b>	<b>3,807,398</b>	<b>3,645,853</b>	<b>3,522,768</b>	<b>4,029,740</b>	<b>4,158,869</b>	<b>3,997,057</b>	<b>66,686,899</b>

## MSR PUBLIC POWER AGENCY PROJECTED DEBT SERVICE CALCULATION

<u>Debt Service Requirements</u>	<b>2021</b>	<b>2022</b>
Series 2018R Bonds Interest Expense	1,950,500	660,625
Series 2018R Bonds Principal Expense	25,797,500	13,212,500
Total Debt Service	27,748,000	13,873,125
Operating Revenue	82,128,374	66,686,899
Other Revenue	800,000	800,000
Operating Expense	(82,128,374)	(66,686,899)
Interest Expense included in Operating Expenses	1,950,500	660,625
Debt Service Principal included in Operating Expenses	25,797,500	13,212,500
Capital included in Operating Expenses	-	-
San Juan Reclamation Trust included in Operating Expense	3,300,000	1,650,000
Subtotal - Net Revenue	31,848,000	16,323,125
Debt Service Coverage	1.148	1.177
Required Debt Service Coverage	1.100	1.100
Net Revenue Required (110% of Debt Service)	30,522,800	15,260,438
Net Revenue	31,848,000	16,323,125
Additional Revenue Required for Coverage	(1,325,200)	(1,062,687)

## MSR PUBLIC POWER AGENCY 2021 BUDGET

### ACTIVITY Operating Revenue

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTED BUDGET
	Modesto Irrigation District	\$30,307,243	\$31,758,133	\$15,843,361	\$14,431,928	\$30,275,289	\$15,874,354	\$6,685,671	\$22,560,025
	City of Santa Clara	34,869,387	36,751,445	18,536,126	16,291,213	34,827,339	18,555,835	10,867,351	29,423,186
	City of Redding	17,054,169	17,870,937	9,089,926	7,935,820	17,025,746	9,095,025	5,608,663	14,703,688

\$82,230,799	\$86,380,515	\$43,469,413	\$38,658,961	\$82,128,374	\$43,525,214	\$23,161,685	\$66,686,899
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## MSR PUBLIC POWER AGENCY 2021 BUDGET

ACTIVITY Other Revenue

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN- JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTE D BUDGET
750130.4190000	Interest Income - General Fund	\$600,000	\$580,000	\$300,000	\$300,000	\$600,000	\$300,000	\$300,000	\$600,000
750131.4190000	Interest Income - Reserve Funds	300,000	200,000	100,000	100,000	200,000	100,000	100,000	200,000
		<u>\$900,000</u>	<u>\$780,000</u>	<u>\$400,000</u>	<u>\$400,000</u>	<u>\$800,000</u>	<u>\$400,000</u>	<u>\$400,000</u>	<u>\$800,000</u>

**MSR PUBLIC POWER AGENCY  
2021 BUDGET**

**ACTIVITY Generation Plant Cost**

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN-JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTED BUDGET
302301.9230000	San Juan Audit Fees-Moved to A&G	0	0	0	0	0	0	0	0
301303.4081000 *	Reclamation Agent	42,000	32,540	20,000	20,000	40,000	25,500	25,500	51,000
301303.5060000 *	San Juan Decommissioning/Environmental Insurance	60,000	93,133	48,500	48,500	97,000	50,500	50,500	101,000
**	Debt Service Coverage Fund	3,300,000	3,300,000	1,650,000	1,650,000	3,300,000	1,650,000	0	1,650,000

\* These cost are not included in revenue and will paid from former San Juan Working Capital Resolution 2016-04 planned through 2028

\*\* Debt Service Coverage Fund Moved from Other Revenue to Generation Plant Cost in order to be included in funds applied

\$3,402,000	\$3,425,673	\$1,718,500	\$1,718,500	\$3,437,000	\$1,726,000	\$76,000	\$1,802,000
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## MSR PUBLIC POWER AGENCY 2021 BUDGET

### ACTIVITY Purchase Power

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTED BUDGET
504313.55500xx	Purchase Power-Big Horn 1	\$34,368,291	\$36,915,618	\$18,796,781	\$15,571,483	\$34,368,264	\$18,796,781	\$15,571,483	\$34,368,264
504313.5550012	Purchase Power-Big Horn 2	14,892,271	16,821,005	8,170,917	6,768,503	14,939,420	8,193,963	6,786,857	14,980,820

\$49,260,562	\$53,736,623	\$26,967,698	\$22,339,986	\$49,307,684	\$26,990,744	\$22,358,340	\$49,349,084
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## MSR PUBLIC POWER AGENCY 2021 BUDGET

### ACTIVITY Agency Administration & General

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN-JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTED BUDGET
701202.9250000	General Insurance	\$189,400	\$141,151	\$156,000	\$0	\$156,000	\$183,000	\$0	\$183,000
701206.9210000	Postage	100	0	50	50	100	50	50	100
701207.9210000	Office Supplies	100	0	50	50	100	50	50	100
701209.9230000	Registration License	11,350	7,464	4,975	4,975	9,950	4,975	4,975	9,950
701301.9230000	Audit Fees	61,500	50,000	37,500	12,500	50,000	37,500	12,500	50,000
710310.9230000	Administration Services	70,000	56,000	30,000	30,000	60,000	30,000	30,000	60,000
701315.9230000	Bank Fees	10,000	14,000	7,500	7,500	15,000	7,500	7,500	15,000

Audit Fees includes the budget and estimated cost  
for the San Juan Audit

\$342,450	\$268,615	\$236,075	\$55,075	\$291,150	\$263,075	\$55,075	\$318,150
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**MSR PUBLIC POWER AGENCY  
2021 BUDGET**

**ACTIVITY Agency Debt Administrative**

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN-JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTED BUDGET
702204.9230000	Arbitrage Rebate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
702303.9230000	Bond Counsel	10,000	0	5,000	5,000	10,000	5,000	5,000	10,000
702303.9230001	Bond Counsel-Other	0	0	0	0	0	0	0	0
702308.9230000	Financial Services	25,000	36,037	12,500	12,500	25,000	15,500	15,500	31,000
702314.9230000	Trustee Fees	15,000	9,381	5,000	5,000	10,000	5,000	5,000	10,000

\$50,000	\$45,418	\$22,500	\$22,500	\$45,000	\$25,500	\$25,500	\$51,000
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## MSR PUBLIC POWER AGENCY 2021 BUDGET

### ACTIVITY Consulting/Engineering

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN-JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTED BUDGET
302304.9230000	Generation	\$21,000	\$33,884	\$17,500	\$17,500	\$35,000	\$17,500	\$17,500	\$35,000
302304.9230001	Generation-Other	0	0	0	0	0	0	0	0
503304.9230000	Renewable	50,000	38,712	20,000	20,000	40,000	20,000	20,000	40,000
503304.9230001	Renewable -Other	70,000	68,432	35,000	35,000	70,000	35,000	35,000	70,000
601304.9230000	Regulatory & Compliance	0	0	0	0	0	0	0	0
701304.9230000	Administrative & General	20,000	14,665	9,000	9,000	18,000	9,000	9,000	18,000
701304.9230001	Administrative & General-Other	0	0	0	0	0	0	0	0
		<u>\$161,000</u>	<u>\$155,693</u>	<u>\$81,500</u>	<u>\$81,500</u>	<u>\$163,000</u>	<u>\$81,500</u>	<u>\$81,500</u>	<u>\$163,000</u>

## MSR PUBLIC POWER AGENCY 2021 BUDGET

### ACTIVITY Coordinating Services

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN-JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTED BUDGET
302311.5560000	Generation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
503311.5560000	Renewable	465,000	437,596	237,500	237,500	475,000	242,500	242,500	485,000

2018 Forward, Coordinator costs are allocated to members based on contract count.  
Big Horn 1 (3 contracts), Big Horn (2 contracts).  
Modesto 40%, Santa Clara 40%, Redding 20%

\$465,000	\$437,596	\$237,500	\$237,500	\$475,000	\$242,500	\$242,500	\$485,000
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**MSR PUBLIC POWER AGENCY  
2021 BUDGET**

**ACTIVITY General Counsel**

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN-JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTED BUDGET
302305.9230000	Generation	\$15,000	\$20,850	\$12,500	\$12,500	\$25,000	\$12,500	\$12,500	\$25,000
503305.9230000	Renewable	2,000	120	1,000	1,000	2,000	1,000	1,000	2,000
601305.9230000	Regulatory & Compliance	1,000	0	500	500	1,000	500	500	1,000
701305.9230000	Administrative & General	30,000	10,365	10,000	10,000	20,000	10,000	10,000	20,000

\$48,000	\$31,335	\$24,000	\$24,000	\$48,000	\$24,000	\$24,000	\$48,000
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## MSR PUBLIC POWER AGENCY 2021 BUDGET

### ACTIVITY General Manager

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN-JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTED BUDGET
302306.9230000	Generation	\$100,000	\$105,662	\$55,000	\$55,000	\$110,000	\$55,000	\$55,000	\$110,000
503306.9230000	Renewable	60,000	45,582	30,000	30,000	60,000	30,000	30,000	60,000
601306.9230000	Regulatory & Compliance	40,000	19,389	15,000	15,000	30,000	15,000	15,000	30,000
701306.9230000	Administrative & General	100,000	77,238	50,000	50,000	100,000	50,000	50,000	100,000

\$300,000	\$247,871	\$150,000	\$150,000	\$300,000	\$150,000	\$150,000	\$300,000
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## MSR PUBLIC POWER AGENCY 2021 BUDGET

### ACTIVITY Outside Legal Services

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN-JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTED BUDGET
302309.9230000	Generation	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0
302309.9230001	Generation-Other	\$15,000	\$14,793	\$500	\$500	\$1,000	\$500	\$500	\$1,000
503309.9230000	Renewable	25,000	22,103	10,000	10,000	20,000	7,500	7,500	15,000
503309.9230001	Renewable -Other	275,000	231,597	137,500	137,500	275,000	137,500	137,500	275,000
601309.9230000	Regulatory & Compliance	175,000	99,442	57,500	57,500	115,000	57,500	57,500	115,000
701309.9230000	Administrative & General	2,000	0	0	0	0	0	0	0
701309.9230001	Administrative & General-Other	0	0	0	0	0	0	0	0
		<u>\$492,000</u>	<u>\$368,935</u>	<u>\$205,500</u>	<u>\$205,500</u>	<u>\$411,000</u>	<u>\$203,000</u>	<u>\$203,000</u>	<u>\$406,000</u>

**MSR PUBLIC POWER AGENCY  
2021 BUDGET**

**ACTIVITY Outside Service**

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN-JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTED BUDGET
302312.9230000	Generation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
503312.9230000	Renewable	23,000	7,967	9,000	9,000	18,000	9,000	9,000	18,000
601312.9230000	Regulatory & Compliance	19,000	5,098	7,000	7,000	14,000	7,000	7,000	14,000
701312.9230000	Administrative & General	17,040	26,614	2,770	2,770	5,540	2,770	2,770	5,540

\$59,040	\$39,679	\$18,770	\$18,770	\$37,540	\$18,770	\$18,770	\$37,540
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## MSR PUBLIC POWER AGENCY 2021 BUDGET

### ACTIVITY Travel & Meetings

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN-JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTED BUDGET
302203.9210000	Generation	\$1,000	\$0	\$500	\$500	\$1,000	\$500	\$500	\$1,000
503203.9210000	Renewable	2,000	0	500	500	1,000	2,500	2,500	5,000
701203.9210000	Administrative & General	1,000	0	0	0	0	0	0	0

2022 Proposed Big Horn Tour

\$4,000	\$0	\$1,000	\$1,000	\$2,000	\$3,000	\$3,000	\$6,000
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## MSR PUBLIC POWER AGENCY 2021 BUDGET

### ACTIVITY Other Expenditures

Account Code	DESCRIPTION	2020 REVISED BUDGET	YTD ESTIMATED 12/31/20	2021 JAN- JUN BUDGET	2021 JUL-DEC BUDGET	2021 TOTAL BUDGET	2022 JAN-JUN BUDGET	2022 JUL-DEC BUDGET	2022 PROJECTE D BUDGET
750160.427xxx	Interest Expense-Generation	\$3,063,750	\$3,063,750	\$1,289,875	\$660,625	\$1,950,500	\$660,625	\$0	\$660,625
100000.221xxx	Principal Payments-Generation	24,685,000	24,685,000	12,585,000	13,212,500	25,797,500	13,212,500	0	13,212,500

\$27,748,750	\$27,748,750	\$13,874,875	\$13,873,125	\$27,748,000	\$13,873,125	\$0	\$13,873,125
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**2021 MSR PURCHASE POWER BUDGET**

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
RENEWABLE, Big Horn I	2,534,130	2,720,876	3,434,213	3,697,902	3,079,295	3,330,364	2,715,862	2,609,442	2,354,379	2,651,763	2,691,788	2,548,249	34,368,264
RENEWABLE, Big Horn II	1,277,268	1,400,124	1,536,077	1,515,868	1,211,010	1,230,568	955,156	900,227	1,031,763	1,240,654	1,329,458	1,311,246	14,939,420
<b>TOTAL MSR</b>	<b>3,811,398</b>	<b>4,121,000</b>	<b>4,970,290</b>	<b>5,213,770</b>	<b>4,290,305</b>	<b>4,560,932</b>	<b>3,671,018</b>	<b>3,509,669</b>	<b>3,386,143</b>	<b>3,892,417</b>	<b>4,021,246</b>	<b>3,859,496</b>	<b>49,307,684</b>

**2021 MSR PURCHASE POWER BUDGET**

			<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
<u>Renewable Power (PPM) Big Horn I</u>															
12.5% of contract.	MID	MWh	4,654	5,027	6,450	6,976	5,742	6,243	5,017	4,805	4,296	4,889	4,969	4,682	63,750
52.5% of contract.	SNCL	MWh	19,548	21,113	27,091	29,301	24,117	26,221	21,071	20,179	18,042	20,534	20,869	19,666	267,749
35.0% of contract.	REDD	MWh	13,032	14,075	18,061	19,534	16,078	17,480	14,047	13,453	12,028	13,689	13,913	13,111	178,500
		<b>TOTAL MWh (1)</b>	<b>37,234</b>	<b>40,215</b>	<b>51,602</b>	<b>55,811</b>	<b>45,936</b>	<b>49,944</b>	<b>40,135</b>	<b>38,436</b>	<b>34,365</b>	<b>39,112</b>	<b>39,751</b>	<b>37,460</b>	<b>510,000</b>
<u>Dollars (Energy + F&amp;S)</u>															
	MID	\$	295,448	319,101	409,451	442,850	364,498	396,298	318,466	304,987	272,681	310,347	315,425	297,237	4,046,791
	SNCL	\$	1,222,312	1,320,168	1,693,960	1,832,134	1,507,981	1,639,543	1,317,541	1,261,776	1,128,122	1,283,952	1,304,896	1,229,711	16,742,095
	REDD	\$	814,875	880,112	1,129,307	1,221,423	1,005,321	1,093,029	878,360	841,184	752,081	855,968	869,972	819,807	11,161,438
<u>Dollars (WIC Rate)</u>															
	MID	\$	25,187	25,187	25,187	25,187	25,187	25,187	25,187	25,187	25,187	25,187	25,187	25,187	302,243
	SNCL	\$	105,785	105,785	105,785	105,785	105,785	105,785	105,785	105,785	105,785	105,785	105,785	105,785	1,269,419
	REDD	\$	70,523	70,523	70,523	70,523	70,523	70,523	70,523	70,523	70,523	70,523	70,523	70,523	846,279
		<b>TOTAL \$</b>	<b>2,534,130</b>	<b>2,720,876</b>	<b>3,434,213</b>	<b>3,697,902</b>	<b>3,079,295</b>	<b>3,330,364</b>	<b>2,715,862</b>	<b>2,609,442</b>	<b>2,354,379</b>	<b>2,651,763</b>	<b>2,691,788</b>	<b>2,548,249</b>	<b>34,368,264</b>
<u>Renewable Power (PPM) Big Horn II</u>															
65.0% of contract.	MID	MWh	6,425	7,168	7,990	7,868	6,024	6,142	4,476	4,144	4,940	6,203	6,740	6,630	74,750
35.0% of contract.	SNCL	MWh	3,459	3,860	4,302	4,236	3,244	3,307	2,410	2,231	2,660	3,340	3,629	3,570	40,250
0.0% of contract.	REDD	MWh	0	0	0	0	0	0	0	0	0	0	0	0	0
		<b>TOTAL MWh (2)</b>	<b>9,884</b>	<b>11,027</b>	<b>12,292</b>	<b>12,104</b>	<b>9,268</b>	<b>9,449</b>	<b>6,887</b>	<b>6,376</b>	<b>7,600</b>	<b>9,543</b>	<b>10,370</b>	<b>10,200</b>	<b>115,000</b>
<u>Dollars (Energy + See Note 4)</u>															
	MID	\$	690,442	770,298	858,668	845,532	647,374	660,087	481,069	445,365	530,864	666,643	724,365	712,528	8,033,233
	SNCL	\$	371,776	414,776	462,360	455,286	348,586	355,431	259,037	239,812	285,850	358,961	390,043	383,669	4,325,587
<u>Dollars (WIC Rate)</u>															
	MID	\$	34,125	34,125	34,125	34,125	34,125	34,125	34,125	34,125	34,125	34,125	34,125	34,125	409,500
	SNCL	\$	18,375	18,375	18,375	18,375	18,375	18,375	18,375	18,375	18,375	18,375	18,375	18,375	220,500
<u>Dollars (Transmission Service)</u>															
	MID	\$	105,658	105,658	105,658	105,658	105,658	105,658	105,658	105,658	105,658	105,658	105,658	105,658	1,267,890
	SNCL	\$	56,893	56,893	56,893	56,893	56,893	56,893	56,893	56,893	56,893	56,893	56,893	56,893	682,710
		<b>TOTAL \$</b>	<b>1,277,268</b>	<b>1,400,124</b>	<b>1,536,077</b>	<b>1,515,868</b>	<b>1,211,010</b>	<b>1,230,568</b>	<b>955,156</b>	<b>900,227</b>	<b>1,031,763</b>	<b>1,240,654</b>	<b>1,329,458</b>	<b>1,311,246</b>	<b>14,939,420</b>
<b>MSR TOTAL</b>			<b>3,811,398</b>	<b>4,121,000</b>	<b>4,970,290</b>	<b>5,213,770</b>	<b>4,290,305</b>	<b>4,560,932</b>	<b>3,671,018</b>	<b>3,509,669</b>	<b>3,386,143</b>	<b>3,892,417</b>	<b>4,021,246</b>	<b>3,859,496</b>	<b>49,307,684</b>

NOTES:

- (1) Renewable Power projected output forecast and pricing projections for 2021 & 2022 as per Martin Hopper email dated 10/9/2020 (spreadsheet: "Big Horn I Projections 2021.xlsx" and "Big Horn II Projections 2021.xlsx" )
- (2) Big Horn II Dollars include \$/MWh charges for Energy per PPA Annex H, Assumes escalation of 2% on \$15/MWh effective 1-1-11; Redelivery per RA Section 2.6.1; Transmission Losses, RA Section 2.6.3 - assumes BPATS Incremental Replacement Power at \$60/MWh; and Operating Reserves per RA Section 2.6.4

**2022 MSR PURCHASE POWER BUDGET**

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
RENEWABLE, Big Horn I	2,534,130	2,720,876	3,434,213	3,697,902	3,079,295	3,330,364	2,715,862	2,609,442	2,354,379	2,651,763	2,691,788	2,548,249	34,368,264
RENEWABLE, Big Horn II	1,280,826	1,404,094	1,540,503	1,520,225	1,214,347	1,233,970	957,635	902,522	1,034,499	1,244,090	1,333,191	1,314,918	14,980,820
<b>TOTAL MSR</b>	<b>3,814,957</b>	<b>4,124,970</b>	<b>4,974,716</b>	<b>5,218,127</b>	<b>4,293,641</b>	<b>4,564,334</b>	<b>3,673,497</b>	<b>3,511,965</b>	<b>3,388,879</b>	<b>3,895,852</b>	<b>4,024,979</b>	<b>3,863,168</b>	<b>49,349,084</b>

**2022 MSR PURCHASE POWER BUDGET**

			<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
Renewable Power (PPM) Big Horn I															
12.5% of contract.	MID	MWh	4,654	5,027	6,450	6,976	5,742	6,243	5,017	4,805	4,296	4,889	4,969	4,682	63,750
52.5% of contract.	SNCL	MWh	19,548	21,113	27,091	29,301	24,117	26,221	21,071	20,179	18,042	20,534	20,869	19,666	267,749
35.0% of contract.	REDD	MWh	13,032	14,075	18,061	19,534	16,078	17,480	14,047	13,453	12,028	13,689	13,913	13,111	178,500
		<b>TOTAL MWh (1)</b>	<b>37,234</b>	<b>37,992</b>	<b>53,965</b>	<b>55,855</b>	<b>48,984</b>	<b>50,669</b>	<b>39,315</b>	<b>40,786</b>	<b>34,729</b>	<b>38,715</b>	<b>41,106</b>	<b>39,739</b>	<b>510,000</b>
Dollars (Energy + F&S)	MID	\$	295,448	319,101	409,451	442,850	364,498	396,298	318,466	304,987	272,681	310,347	315,425	297,237	4,046,791
	SNCL	\$	1,222,312	1,320,168	1,693,960	1,832,134	1,507,981	1,639,543	1,317,541	1,261,776	1,128,122	1,283,952	1,304,896	1,229,711	16,742,095
	REDD	\$	814,875	880,112	1,129,307	1,221,423	1,005,321	1,093,029	878,360	841,184	752,081	855,968	869,972	819,807	11,161,438
Dollars (WIC Rate)	MID	\$	25,187	25,187	25,187	25,187	25,187	25,187	25,187	25,187	25,187	25,187	25,187	25,187	302,243
	SNCL	\$	105,785	105,785	105,785	105,785	105,785	105,785	105,785	105,785	105,785	105,785	105,785	105,785	1,269,419
	REDD	\$	70,523	70,523	70,523	70,523	70,523	70,523	70,523	70,523	70,523	70,523	70,523	70,523	846,279
		<b>TOTAL \$</b>	<b>2,534,130</b>	<b>2,720,876</b>	<b>3,434,213</b>	<b>3,697,902</b>	<b>3,079,295</b>	<b>3,330,364</b>	<b>2,715,862</b>	<b>2,609,442</b>	<b>2,354,379</b>	<b>2,651,763</b>	<b>2,691,788</b>	<b>2,548,249</b>	<b>34,368,264</b>
Renewable Power (PPM) Big Horn II															
65.0% of contract.	MID	MWh	6,425	7,168	7,990	7,868	6,024	6,142	4,476	4,144	4,940	6,203	6,740	6,630	74,750
35.0% of contract.	SNCL	MWh	3,459	3,860	4,302	4,236	3,244	3,307	2,410	2,231	2,660	3,340	3,629	3,570	40,250
0.0% of contract.	REDD	MWh	0	0	0	0	0	0	0	0	0	0	0	0	0
		<b>TOTAL MWh (2)</b>	<b>9,884</b>	<b>11,027</b>	<b>12,292</b>	<b>12,104</b>	<b>9,268</b>	<b>9,449</b>	<b>6,887</b>	<b>6,376</b>	<b>7,600</b>	<b>9,543</b>	<b>10,370</b>	<b>10,200</b>	<b>115,000</b>
Dollars (Energy + See Note 4	MID	\$	692,755	772,879	861,544	848,364	649,543	662,298	482,680	446,857	532,642	668,876	726,791	714,915	8,060,143
	SNCL	\$	373,022	416,165	463,908	456,811	349,754	356,622	259,905	240,615	286,807	360,164	391,349	384,954	4,340,077
Dollars (WIC Rate)	MID	\$	34,125	34,125	34,125	34,125	34,125	34,125	34,125	34,125	34,125	34,125	34,125	34,125	409,500
	SNCL	\$	18,375	18,375	18,375	18,375	18,375	18,375	18,375	18,375	18,375	18,375	18,375	18,375	220,500
Dollars (Transmission Service	MID	\$	105,658	105,658	105,658	105,658	105,658	105,658	105,658	105,658	105,658	105,658	105,658	105,658	1,267,890
	SNCL	\$	56,893	56,893	56,893	56,893	56,893	56,893	56,893	56,893	56,893	56,893	56,893	56,893	682,710
		<b>TOTAL \$</b>	<b>1,280,826</b>	<b>1,404,094</b>	<b>1,540,503</b>	<b>1,520,225</b>	<b>1,214,347</b>	<b>1,233,970</b>	<b>957,635</b>	<b>902,522</b>	<b>1,034,499</b>	<b>1,244,090</b>	<b>1,333,191</b>	<b>1,314,918</b>	<b>14,980,820</b>
<b>MSR TOTAL</b>			<b>3,814,957</b>	<b>4,124,970</b>	<b>4,974,716</b>	<b>5,218,127</b>	<b>4,293,641</b>	<b>4,564,334</b>	<b>3,673,497</b>	<b>3,511,965</b>	<b>3,388,879</b>	<b>3,895,852</b>	<b>4,024,979</b>	<b>3,863,168</b>	<b>49,349,084</b>

NOTES:

(1) Renewable Power projected output forecast and pricing projections for 2021 & 2022 as per Martin Hopper email dated 10/9/2020 (spreadsheet: "Big Horn I Projections 2021.xlsx" and "Big Horn II Projections 2021.xlsx" )

(2) Big Horn II Dollars include \$/MWh charges for Energy per PPA Annex H, Assumes escalation of 2% on \$15/MWh effective 1-1-11; Redelivery per RA Section 2.6.1; Transmission Losses, RA Section 2.6.3 - assumes BPATS Incremental Replacement Power at \$60/MWh; and Operating Reserves per RA Section 2.6.4

M-S-R PPA 2021 Budget Detail

Description	2018 Actual	2019 Actual	2020 Budget Mid-Year	2020 YTD	2020 Expected	2021	2022	Notes
<b>GENERATION ADMINISTRATION &amp; GENERAL</b>								
<b>Generation Plant Cost:</b>								
PNM Reclamation Agent	41,805	10,375	42,000	21,540	32,540	40,000	51,000	Paid from Operating Funds - No Revenue in Budget (Paid from former San Juan Working Capital - Reso 2016-04) Forecast per PNM Reclamation Budget.
PNM "Continuing Coverage Insurance" re Decommissioning/Environmental Liabilities	87,138	77,147	60,000	78,133	93,133	97,000	101,000	Paid from Operating Funds - No Revenue in Budget (Paid from former San Juan Working Capital - Reso 2016-04) Projection per Tafoya Memo
<b>Trusts (Not In Annual Budget)</b>								
Mine Reclamation - SJCC	554,118	700,785	1,033,000	802,410	822,410	925,000	1,406,000	Paid from Trust - Projection per WSJM 2021 AOP
Plant Decommissioning								Paid from Trust - 2021 per L & RS RO, 2022 assumes L & RS sale (50/50 Land/Improves @\$5MM) + B&M Nominal Decomm. Pond Bonds both years.
	98,053	38,155	3,812	37,197	40,997	48,000	(17,000)	
<b>TOTAL</b>	<b>781,114</b>	<b>826,462</b>	<b>1,138,812</b>	<b>939,280</b>	<b>989,080</b>	<b>1,110,000</b>	<b>1,541,000</b>	

M-S-R PPA 2021 Budget Detail

Description	2018 Actual	2019 Actual	2020 Budget Mid-Year	2020 YTD	2020 Expected	2021	2022	Notes
<b>AGENCY ADMINISTRATION &amp; GENERAL</b>								
Registration/Licenses								
APPA	3,925	1,855	2,150	700	700	750	750	Historical: Dues and Annual Mtg, Leg Rally, JPA Workshop, CEO Roundtable, and Legal & Reg Registration. 2019 Attended CEO Roundtable Only. Going Forward: Annual Dues (\$750) Only Dues, Annual Mtg & Leg Day Registration - Note: Annual Mtg not attended 2019. All per GM Meeting Report Municipal Information Systems Association of California Dues and Annual Mtg Registration - Eliminate per GM Meeting Report. Annual Mtg per GM Meeting Report - Includes L&R mtg. Annual Dues commencing 2013. Dues have been subsequently waived but WSPP reserves right to resume annually.
CMUA	6,237	6,819	8,000	6,634	6,634	8,000	8,000	
MISAC	130	130	200	130	130	200	200	
NWPPA	-	-	-	-	-	-	-	
NCPA	945	995	1,000	-	-	1,000	1,000	
WSPP Dues	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>11,237</b>	<b>9,799</b>	<b>11,350</b>	<b>7,464</b>	<b>7,464</b>	<b>9,950</b>	<b>9,950</b>	

M-S-R PPA 2021 Budget Detail

Description	2018 Actual	2019 Actual	2020 Budget Mid-Year	2020 YTD	2020 Expected	2021	2022	Notes
<b>AGENCY DEBT ADMINISTRATIVE</b>								
Arbitrage Rebate								
Arbitrage Rebate	-	-	-	-	-	-	-	Arbitrage Rebates Paid
Bond Counsel								
Orrick Herrington	-	-	10,000	-	-	10,000	10,000	General support. 2018R Bonds was C.O.I. San Juan & SWTP divestiture items
Orrick Herrington - Other	-	-	-	-	-	-	-	
TOTAL	-	-	10,000	-	-	10,000	10,000	
Financial Services								
BLX	16,750	4,000	-	6,000	6,000	-	6,000	Arbitrage Review and MCDC Review. Next arbitrage review in 2022. 2020 Includes Working Capital Review. 2021 & 2022 include bond wind-up and support of potential Decommissioning Buyout.
Montague DeRose	7,375	-	15,000	2,119	15,037	10,000	10,000	
Moody's	-	-	-	-	-	-	-	
Standard & Poors	-	15,000	15,000	15,000	15,000	15,000	15,000	
TOTAL	24,125	19,000	30,000	23,119	36,037	25,000	31,000	
Trustee Fees								
Trustee Fees	26,000	12,828	15,000	6,254	9,381	10,000	10,000	Includes Fees on Trusts
GRAND TOTAL	50,125	31,828	55,000	29,373	45,418	45,000	51,000	

M-S-R PPA 2021 Budget Detail

Description	2018 Actual	2019 Actual	2020 Budget Mid-Year	2020 YTD	2020 Expected	2021	2022	Notes
<b>CONSULTING/ENGINEERING</b>								
<b>Generation</b>								
Navigant	-	-	-	-	-	-	-	No ongoing activity anticipated.
Navigant - Other	-	-	-	-	-	-	-	
KBT	79,954	33,072	36,000	22,648	33,884	35,000	35,000	Hockenson. Note: Higher efforts in 2013, 2014, & 2015 re San Juan negotiations. 2020 Actual @ 14 hrs/mo avg. 2021 & 2022 @ 14 hrs/mo - primarily re Decomm C'tee. If additional activity required for FMN/Enchant negotiations will make separate allocation to KBT - Other.
KBT - Other	-	-	-	-	-	-	-	Any activity required for FMN/Enchant negotiations will make special allocation here - scope not known at this time.
Others - Other	-	-	-	-	-	-	-	MID/Ferguson Group. Federal legislative advocacy & APPA Leg Rally support moved to Outside Services for 2016 & 2017 and beyond.
TOTAL	79,954	33,072	36,000	22,648	33,884	35,000	35,000	
<b>Renewable</b>								
Navigant	-	-	-	-	-	-	-	
Navigant - Other	-	-	-	-	-	-	-	Included REC and BH Repowering Study on 2017. Discuss need for updated Renewable & REC Forecast.
KBT	68,992	64,879	50,000	26,712	38,712	40,000	40,000	2019: ALH \$20k Negos and \$50k regular 2021 & 2022: \$40k which supports 15 hrs/mo.
KBT - Other - BPA Rate Case	58,960	37,947	70,000	24,752	68,432	70,000	70,000	Arthur - Rate Cases - primary. Note 2022 will include pre-BPA 24 workshops.
KBT - Other - OMP	-	-	-	-	-	-	-	Arthur - OMP
Mayson/North State Consulting	-	-	-	-	-	-	-	Support BPA Rate Case
Others - Other	-	-	-	-	-	-	-	
TOTAL	127,952	102,826	120,000	51,464	107,144	110,000	110,000	
<b>Administrative &amp; General</b>								
Navigant	3,324	3,288	5,000	2,141	2,141	3,000	3,000	Misc support and meeting services.
KBT	42,348	11,301	20,000	9,393	12,524	15,000	15,000	General support. Major Policy Manual revisions in 2018. Note: 2019 Suspension of mtg support continued into 2020 & 2021.
Others - Other	-	-	-	-	-	-	-	Includes GM Back-up per GM Succession Plan. 2021 & 2022 @ 5 hrs/mo
TOTAL	45,672	14,589	25,000	11,534	14,665	18,000	18,000	
<b>Regulatory &amp; Compliance</b>								
Navigant	-	-	10,000	-	-	-	-	Support FERC Counsel as requested none anticipated going forward given ramp-down in GC activities.
KBT	-	-	-	-	-	-	-	
Others - Other	-	-	-	-	-	-	-	
TOTAL	-	-	10,000	-	-	-	-	
GRAND TOTALS	253,578	150,487	191,000	85,646	155,693	163,000	163,000	
<b>BY CONTRACTOR:</b>								
Navigant	3,324	3,288	15,000	2,141	2,141	3,000	3,000	
Navigant - Other	-	-	-	-	-	-	-	
KBT	191,294	109,252	106,000	58,753	85,120	90,000	90,000	
KBT - Other	58,960	37,947	70,000	24,752	68,432	70,000	70,000	
Flynn, Ferguson Group - Other	-	-	-	-	-	-	-	
TOTAL	253,578	150,487	191,000	85,646	155,693	163,000	163,000	
<b>BY FUNCTION:</b>								
Generation	79,954	33,072	36,000	22,648	33,884	35,000	35,000	
Generation - Other	-	-	-	-	-	-	-	
Transmission	-	-	-	-	-	-	-	
Transmission - Other	-	-	-	-	-	-	-	
Renewables	68,992	64,879	50,000	26,712	38,712	40,000	40,000	
Renewables - Other	58,960	37,947	70,000	24,752	68,432	70,000	70,000	
Administrative and General	45,672	14,589	25,000	11,534	14,665	18,000	18,000	
Administrative and General Other	-	-	-	-	-	-	-	
Regulatory & Compliance	-	-	10,000	-	-	-	-	
TOTAL	253,578	150,487	191,000	85,646	155,693	163,000	163,000	

Note:

M-S-R PPA 2021 Budget Detail

Description	2018 Actual	2019 Actual	2020 Budget Mid-Year	2020 YTD	2020 Expected	2021	2022	Notes
COORDINATING SERVICES	479,354	453,467	465,000	307,030	460,545	475,000	485,000	Jan & Feb 2018 on old allocations and include San Juan final checkouts etc. Mar 2018 forward at new rate and contract count basis.
Generation	41,758	-	-	-	-	-	-	
Transmission								
Renewable	437,596	453,467	465,000	216,796	437,596	475,000	485,000	
Administrative & General								
<b>TOTAL</b>	<b>479,354</b>	<b>453,467</b>	<b>465,000</b>	<b>216,796</b>	<b>437,596</b>	<b>475,000</b>	<b>485,000</b>	
Generation (3/8)								
Modesto 50%	-	-	-	-	-	-	-	Post-SJGS Generation (0/5)
Santa Clara 35%	-	-	-	-	-	-	-	
Redding 15%	-	-	-	-	-	-	-	
Big Horn 1 (3/8)	287,612	272,080	279,000	114,418	262,558	285,000	291,000	Post-SJGS Big Horn 1 (3/5)
Modesto 12.5%	95,871	90,693	93,000	32,702	78,820	95,000	97,000	New Kt Modesto (1/5)
Santa Clara 52.5%	95,871	90,693	93,000	43,142	95,523	95,000	97,000	New Kt Santa Clara (1/5)
Redding 35%	95,871	90,693	93,000	38,574	88,215	95,000	97,000	New Kt Redding (1/5)
Big Horn 2 (2/8)	191,742	181,387	186,000	76,279	175,038	190,000	194,000	Post-SJGS Big Horn 2 (2/5)
Modesto 65%	95,871	90,693	93,000	40,749	91,695	95,000	97,000	New Kt Modesto (1/5)
Santa Clara 35%	95,871	90,693	93,000	35,530	83,343	95,000	97,000	New Kt Santa Clara (1/5)
Redding 0%	-	-	-	-	-	-	-	
Total								
Modesto	191,742	181,387	186,000	73,452	170,515	190,000	194,000	Pre-2018 39.69% Post-2018 40.00%
Santa Clara	191,742	181,387	186,000	78,671	178,866	190,000	194,000	41.56% 40.00%
Redding	95,871	90,693	93,000	38,574	88,215	95,000	97,000	18.75% 20.00%
<b>TOTAL</b>	<b>479,354</b>	<b>453,467</b>	<b>465,000</b>	<b>190,697</b>	<b>437,596</b>	<b>475,000</b>	<b>485,000</b>	<b>100.00% 100.00%</b>

M-S-R PPA 2021 Budget Detail

Description	2018 Actual	2019 Actual	2020 Budget Mid-Year	2020 YTD	2020 Expected	2021	2022	Notes
GENERAL COUNSEL								
<b>Generation</b>	6,985	12,989	25,000	14,850	20,850	25,000	25,000	Includes support of SJGS negotiations. Support of Closing of SJGS divestiture in 2017. Legacy liability issues post-2017. Any activity required for FMN/Enchant negotiations will make special allocation here - scope not known at this time.
<b>Transmission</b>	-	-	-	-	-	-	-	SWTP sale closed in 2016
<b>Renewable</b>	1,320	3,023	2,000	88	120	2,000	2,000	Contract Amends re VERBs and F&S proxy adjustments completed in 2019
<b>Administrative &amp; General</b>	18,617	14,582	12,000	6,365	10,365	20,000	20,000	Assume return to in-person meetings in 2021
<b>Regulatory &amp; Compliance</b>	330	-	1,000	-	-	1,000	1,000	Misc Issues
<b>TOTAL</b>	<b>27,252</b>	<b>30,594</b>	<b>40,000</b>	<b>21,303</b>	<b>31,335</b>	<b>48,000</b>	<b>48,000</b>	

Note:

M-S-R PPA 2021 Budget Detail

Description	2018 Actual	2019 Actual	2020 Budget Mid-Year	2020 YTD	2020 Expected	2021	2022	Notes
GENERAL MANAGER								
<b>Generation</b>	63,801	104,200	100,000	70,441	105,662	110,000	110,000	
<b>Transmission</b>	-	-	-	-	-	-	-	
<b>Renewable</b>	41,920	51,562	60,000	30,388	45,582	60,000	60,000	
<b>Administrative &amp; General</b>	120,948	75,347	100,000	51,492	77,238	100,000	100,000	
<b>Regulatory &amp; Compliance</b>	35,164	30,312	40,000	12,926	19,389	30,000	30,000	
<b>TOTAL</b>	<b>261,833</b>	<b>261,421</b>	<b>300,000</b>	<b>165,247</b>	<b>247,871</b>	<b>300,000</b>	<b>300,000</b>	

**M-S-R PPA 2021 Budget Detail**

Description	2018 Actual	2019 Actual	2020 Budget Mid-Year	2020 YTD	2020 Expected	2021	2022	Notes
<b>LEGAL SERVICES</b>								
<b>Generation</b>								
Duncan Weinberg	508	-	-	-	1,000	-	-	SJSG FERC-filed Agreements. Fuel & Capital Funding, Restructuring Agreements & SJPPA revisions. Also TEP & PNM IAs and Schedules (2016 or 2017) PNM 205 filing in 2017 re Exit Date Amendment. APS filing and further releases of liability carry over into 2018 - placed in Generation.
Duncan - Other Duncan Weinberg Experts Law Offices of Susie Berlin	-	-	-	-	-	-	-	CARB Matters (AB32 Gen'l & Cap and Trade). SB1368 Compliance and GHG reporting issues.
Law Offices of Susie Berlin - Other Richard Virtue/Louis Rose - Other	271	23,469	15,000	13,917	14,793	1,000	1,000	NMED/EPA Regional Haze. NM-PRC re SJGS Abandonment Case 2019 & 2020. PNM Merger 2021?
<b>TOTAL</b>	<b>779</b>	<b>23,469</b>	<b>15,000</b>	<b>13,917</b>	<b>15,793</b>	<b>1,000</b>	<b>1,000</b>	
<b>Renewable</b>								
Duncan Weinberg	17,445	205	3,000	-	500	-	-	Gen'l OMP/BPA Support
Duncan - Other	277,708	163,918	275,000	66,597	231,597	275,000	275,000	BPA Rate Cases including BP-14, BP-16, BP-18, BP-20 & Successors. Scope per BPA Priority matrix.
Duncan Weinberg Experts Law Offices of Susie Berlin	1,764	14,427	22,000	16,003	21,603	20,000	15,000	CEC RPS Regulations and Implementation. 2021 includes completion/follow-up re LTR.
Law Offices of Susie Berlin - Other Virtue/Others - Other	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>296,917</b>	<b>178,550</b>	<b>300,000</b>	<b>82,600</b>	<b>253,700</b>	<b>295,000</b>	<b>290,000</b>	
<b>Administrative &amp; General</b>								
Duncan Weinberg Duncan - Other Duncan Weinberg Experts Law Offices of Susie Berlin	5,260	60	2,000	-	-	-	-	Misc & CMUA Regulatory C'tee as directed. Now included in R&C.
Law Offices of Susie Berlin - Other Virtue/Others - Other	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>5,260</b>	<b>60</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Regulatory &amp; Compliance</b>								
Duncan Weinberg	206,562	153,339	100,000	43,568	67,568	75,000	75,000	FERC General overview and daily summaries. Representation on specific matters as-directed
Duncan - Other Duncan Weinberg Experts Law Offices of Susie Berlin	65,321	74,590	75,000	19,874	31,874	40,000	40,000	CARB Matters, Scoping Plan, Cap & Trade Regulation (AB32 et al), MRR, Allowances, SB1368 Compliance, & RPS Adjustment issues.
Law Offices of Susie Berlin - Other AF Legal Services AF Legal - Other Virtue/Others - Other	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>271,883</b>	<b>227,929</b>	<b>175,000</b>	<b>63,442</b>	<b>99,442</b>	<b>115,000</b>	<b>115,000</b>	
<b>TOTALS</b>	<b>574,839</b>	<b>430,008</b>	<b>492,000</b>	<b>159,959</b>	<b>368,935</b>	<b>411,000</b>	<b>406,000</b>	
<b>BY LAWYER:</b>								
Duncan Weinberg	224,515	153,544	103,000	43,568	69,068	75,000	75,000	
Duncan - Other	277,708	163,918	275,000	66,597	231,597	275,000	275,000	
Duncan Weinberg Experts	-	-	-	-	-	-	-	
Law Offices of Susie Berlin	72,345	89,077	99,000	35,877	53,477	60,000	55,000	
Law Offices of Susie Berlin - Other	-	-	-	-	-	-	-	
AF Legal Services	-	-	-	-	-	-	-	
AF Legal - Other	-	-	-	-	-	-	-	
Virtue/Others - Other	271	23,469	15,000	13,917	14,793	1,000	1,000	
<b>TOTAL</b>	<b>574,839</b>	<b>430,008</b>	<b>492,000</b>	<b>159,959</b>	<b>368,935</b>	<b>411,000</b>	<b>406,000</b>	
<b>BY FUNCTION:</b>								
Generation	508	-	-	-	1,000	-	-	
Generation - Other	271	23,469	15,000	13,917	14,793	1,000	1,000	
Transmission	-	-	-	-	-	-	-	
Transmission - Other	-	-	-	-	-	-	-	
Renewable	19,209	14,632	25,000	16,003	22,103	20,000	15,000	
Renewable - Other	277,708	163,918	275,000	66,597	231,597	275,000	275,000	
Admin & General	5,260	60	2,000	-	-	-	-	
Admin & General - Other	-	-	-	-	-	-	-	
Regulatory & Compliance	271,883	227,929	175,000	63,442	99,442	115,000	115,000	
<b>TOTAL</b>	<b>574,839</b>	<b>430,008</b>	<b>492,000</b>	<b>159,959</b>	<b>368,935</b>	<b>411,000</b>	<b>406,000</b>	

Note:

M-S-R PPA 2021 Budget Detail

Description	2018 Actual	2019 Actual	2020 Budget Mid-Year	2020 YTD	2020 Expected	2021	2022	Notes
<b>OTHER SERVICES</b>								
<b>Generation</b>								
Government Affairs Consulting/Politico Group	-	-	-	-	-	-	-	State Legislative Advocacy
Ferguson Group	-	-	-	-	-	-	-	Federal legislative advocacy & APPA Leg Rally support - Moved from Consulting starting in FY 2016
Platts	-	-	-	-	-	-	-	Indices
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Transmission</b>								
Other	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Renewable</b>								
Government Affairs Consulting/Politico Group	13,340	13,524	14,000	5,098	5,098	14,000	14,000	State Legislative Advocacy - suspended in 2020 due to COVID. Resumption?
Ferguson Group	-	-	5,000	-	-	-	-	Federal legislative advocacy - Resumption dependent on new administration or emergence of issues.
WREGIS Transaction Fees	3,913	2,954	4,000	1,913	2,869	4,000	4,000	Indices - all Ren starting 2018. Per C Cardoza, not needed for Ren - uses ICE in 2018.
Platts	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>17,253</b>	<b>16,478</b>	<b>23,000</b>	<b>7,011</b>	<b>7,967</b>	<b>18,000</b>	<b>18,000</b>	
<b>Administrative &amp; General</b>								
Bloomberg Government Web-Hosting	6,030	6,210	6,500	5,195	5,195	-	-	Service terminated in 2020. Note: Costs not segregated in records - billed in GM expenses.
Web Design/Maintenance	-	-	10,000	-	21,000	5,000	5,000	Website and e-mail replacement project in 2020. Maintenance support only in 2021 & 2022
Granicus - Form 700	-	1,839	540	-	419	540	540	Includes State of CA in 2019. Annual Fee = \$838 split between PPA & EA.
<b>TOTAL</b>	<b>6,030</b>	<b>8,049</b>	<b>17,040</b>	<b>5,195</b>	<b>26,614</b>	<b>5,540</b>	<b>5,540</b>	
<b>Regulatory and Compliance</b>								
Government Affairs Consulting/Politico Group	13,340	13,524	14,000	5,098	5,098	14,000	14,000	State Legislative Advocacy - suspended in 2020 due to COVID. Resumption?
Ferguson Group	-	-	5,000	-	-	-	-	Federal legislative advocacy - Resumption dependent on new administration or emergence of issues.
<b>TOTAL</b>	<b>13,340</b>	<b>13,524</b>	<b>19,000</b>	<b>5,098</b>	<b>5,098</b>	<b>14,000</b>	<b>14,000</b>	
<b>GRAND TOTAL</b>	<b>36,623</b>	<b>38,051</b>	<b>59,040</b>	<b>17,304</b>	<b>39,679</b>	<b>37,540</b>	<b>37,540</b>	

Outside Services

M-S-R PPA 2021 Budget Detail

Description	2018 Actual	2019 Actual	2020 Budget Mid-Year	2020 YTD	2020 Expected	2021	2022	Notes
TRAVEL & MEETINGS								
Generation	891	-	1,000	-	-	1,000	1,000	Reclamation & Decomm Investment C'tees - De Jong
Transmission	-	-	2,000	-	-	1,000	5,000	
Renewable	-	-	1,000	-	-	-	-	
Administrative & General	-	-	-	-	-	-	-	
TOTAL	891	-	4,000	-	-	2,000	6,000	

- 2011 No Trips
- 2012 Big Horn Spring
- 2013 San Juan Spring - Cancelled
- 2014 Big Horn Spring - Cancelled
- 2015 San Juan Fall - Not Scheduled
- 2016 Big Horn Spring - Not Scheduled
- 2017 Big Horn Fall

2021 Big Horn Tour

Suggest push until 2022

DRAFT MINUTES OF THE  
M-S-R PUBLIC POWER AGENCY  
TECHNICAL COMMITTEE  
SEPTEMBER 3, 2020

The M-S-R Public Power Agency (M-S-R PPA) Technical Committee held a regular meeting on September 3, 2020 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 – Paulo Apolinario (Basil Wong joined at 10:15 AM), City of Redding – Kamryn Hutson. The meeting was called to order at 10:09 a.m.

Agency Working Capital Policies

Mr. Hopper provided a detailed review of the revised draft Working Capital Policy which he stated incorporated all prior directions and feedback provided by this Committee, the Financial Management Committee members, and by the M-S-R PPA Commission. Calculations and input data were reviewed by the Agency’s General Consultant, Mr. Hockenson, and his edits and corrections have been implemented. Mr. Hopper noted that after this Committee’s review, final checks will be made by the Financial Management Committee members and by the Agency’s Financial Advisor. It was moved by Representative Burriss and seconded by Representative Wong to recommend the Commission adopt the proposed Working Capital Policy and Resolution 2020-01. On the call of the roll, the motion carried unanimously.

Annual Strategic Plan Review

Mr. Hopper provided a detailed review of the proposed 2021 Annual Strategic Plan. He noted the recommendations and proposed actions comport with the General Manager’s Goals set forth by the Commission. The descriptions and funding methods proposed for the Agency’s San Juan Legacy Liabilities have been harmonized with the proposed Tranches 4 and 5 of the Strategic Reserves set forth in the Working Capital Policies to be

adopted pursuant to Resolution 2020-01. The Committee requested a number of clarifying edits and that the recommendations pertaining to the Pacific Northwest Project (Big Horn Wind Energy Projects, etc.) be reordered to follow the plan text. It was moved by Representative Wong and seconded by Representative Burriss to recommend the Commission adopt the proposed 2021 Annual Strategic Plan as edited. On the call of the roll, the motion carried unanimously.

#### Biennial Policy Manual Update

Mr. Hopper provided a detailed review of the proposed Policies and Procedures Manual Updates. Policies implemented since the prior updates were incorporated in the draft and certain clarifying edits were made. Mr. Hopper commented that the Agency's work in codifying its policies and procedures in a comprehensive document should allow M-S-R PPA to avoid some of the issues recently experienced by other agencies during personnel transitions. For informational purposes Mr. Hopper also provided the Committee members with a draft procedure to be used in the review of invoices and payments made by the Agency. This document is designed to aid any delegee of the General Manager to make an independent review of payment requests made by the Treasurer's office. The Committee suggested a number of clarifying edits to the proposed Policies and Procedures Manual. It was moved by Representative Burriss and seconded by Representative Wong to recommend the Commission adopt the proposed updates, as edited, to the Policies and Procedures Manual and Resolution 2020-02. On the call of the roll, the motion carried unanimously.

#### Approval of Minutes

Upon a motion by Mr. Burriss, seconded by Mr. Wong, the minutes of the meeting held on August 6, 2020 were approved unanimously on the call of the roll.

#### General Manager Report

The General Manager briefly reviewed his August 2020 reports included in the package covering July activities. Mr. Hopper also informed the Committee that he had participated in a workshop conducted by the Air Resources Board regarding SB100

implementation. He noted their presentation included a conclusion that natural gas-fired generation will continue to be needed post-2050, albeit at much lower Capacity Factors than today. The Committee noted and filed the report.

#### Big Horn Operating Statistics Report

Mr. Hopper reviewed information regarding expected and average production and curtailment statistics. He noted the continued record generation for both Big Horn I and Big Horn II. The Committee noted and filed the report.

#### WREGIS REC Status Report

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

#### Status Report Regarding Reclamation Trust Agreement Amendments

Mr. Hopper reported that the proposed amendments to the San Juan Reclamation Trust to reflect the post-Bankruptcy restructuring of Westmoreland Coal Company into Westmoreland San Juan Mining Company have been completed and executed by the Trustee. No further action is required. The Committee noted and filed the report.

#### Outside Services Budget versus Actual Report

Mr. Hopper indicated that the majority of activities were tracking cost expectations. Mr. Wong indicated the addition of projected expenditures for the balance of the year was helpful and appreciated. The Committee then noted and filed the report.

#### Extension of M-S-R Coordinator Contract

Mr. Hopper reported that the Agency is required to provide notice to MID prior to the end of the year to exercise the first of the three optional one-year extensions to the M-S-R Coordinator Contract. Mr. Burriss reported MID has completed its review of the agreement and concluded the work scope and compensation provisions remain acceptable to MID and are fair and reasonable to the Agency. Mr. Hopper noted he has informally reached out to NCPA to benchmark the services and has received information regarding

their capabilities. Although the Committee encouraged further review, it was the consensus we should maintain the status quo for the coming year. It was moved by Representative Wong and seconded by Alternate Representative Hutson that we recommend the Commission approve a one-year extension of the M-S-R Coordinator Agreement for the period March 1, 2021 through February 28, 2022. On the call of the roll, the motion carried unanimously.

#### Designation of Real Property Negotiators

Pursuant to the requirements of Government Code §54956.8 to hold a Closed Session to provide direction to its negotiators, the Agency must first in Open Session designate such negotiators. The relevant Real Property is described as “Lake and River Stations and connecting pipelines and rights-of-way, CR 6800 N, Waterflow, NM 87421.” The negotiating parties are Public Service Company of New Mexico and United States Bureau of Reclamation. The items under negotiation are Purchase/Sale/Exchange/Lease of Real Property (provisions, price and terms of payment.) It was moved by Representative Wong and seconded by Representative Burriss to designate Agency Negotiators as being General Counsel, Steve Gross, or his designee, and General Manager, Martin Hopper, or his designee. On the call of the roll, the motion carried unanimously.

#### Closed Session Conference with Legal Counsel

M-S-R PPA Technical Committee retired to closed session at 12:35 p.m. pursuant to Government Code §54956.9(d)(1) – Conference with Legal Counsel – 2 cases of Existing Litigation (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 2:10 p.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 9:00 a.m. on November 5, 2020 and will be held virtually due to public health considerations. The meeting was adjourned at 2:12 p.m.

Respectfully submitted.

Martin R. Hopper  
General Manager

Attachment 1

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

September 3, 2020  
10:09 AM

<u>NAME</u>	<u>STATUS</u>	<u>ORGANIZATION</u>
Toxie Burriss	Member	Modesto
Basil Wong	Member	Santa Clara
Paulo Apolinario	Alternate	Santa Clara
Kamryn Hutson	Alternate	Redding
Martin Hopper	Chair	General Manager
Steve Gross	Guest	General Counsel

DRAFT

DRAFT MINUTES OF THE  
M-S-R PUBLIC POWER AGENCY  
TECHNICAL COMMITTEE  
OCTOBER 15, 2020

The M-S-R Public Power Agency (M-S-R PPA) Technical Committee held a special meeting on October 15, 2020 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, City of Redding – Kamryn Hutson. The meeting was called to order at 10:05 a.m.

Closed Session Conference with Legal Counsel

M-S-R PPA Technical Committee retired to closed session at 10:06 a.m. pursuant to Government Code §54956.9(d)(1) – Conference with Legal Counsel – 2 cases of Existing Litigation (BP-20E-BPA and BP-22-BPA.)

Announcement from Closed Session

Upon returning to open session at 1:16 p.m., Mr. Scanlon 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 9:00 a.m. on November 5, 2020 and will be held virtually due to public health considerations. The meeting was adjourned at 1:17 p.m.

Respectfully submitted.

Martin R. Hopper  
General Manager

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

August 17, 2020  
10:05 AM

<u>NAME</u>	<u>STATUS</u>	<u>ORGANIZATION</u>
Toxie Burriss	Member	Modesto
Basil Wong	Member	Santa Clara
Kamryn Hutson	Member	Redding
Nate Aronson	Guest	Redding
Martin Hopper	Chair	General Manager
Pete Scanlon	Guest	FERC Counsel

DRAFT

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

**Date:** October 28, 2020  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Technical Committee  
**Subject:** General Manager Reports

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

- September 2020 – Covering August 2020 Activities
- October 2020 – Covering September 2020 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:** September 18, 2020  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** September 2020 General Manager Report

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### **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 – August 2020 (Approx. 97 hours)

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

Substantially completed draft report regarding PPA Working Capital Policy. Based on Committee and Commission feedback incorporated concepts regarding Target and Minimum differentiation and updated multi-tranche Strategic Reserve sample allocations. Updated and revised tranche modeling and forecasting spreadsheets. Prepared corollary M-S-R EA draft policy and drafted implementing resolutions for both entities.

Completed and implemented counterparty credit reporting procedure applicable to Big Horn and Natural Gas Projects.

Completed annual PPA & EA Strategic Plan and biennial Policy Manual draft updates – identified major goals and issues, and coordinated Member and Committee reviews.

Prepared PPA & EA Tech C'tee packages for September meetings.

Coordinated with MID re review of Coordinator Agreement extension task and cost bases. Informal discussions with NCPA as alternate provider of services.

Received Santa Clara updates to Commissioner and Committee representatives and updated COI reporting requirement database.

Prepared for and conducted monthly status call with Commission President.

The General Manger also provided direction to consultants and counsel re emergent filings and regulatory matters. Reports on reclamation issues, decommissioning activities, and project status were requested and prepared.

Project Activities:

San Juan – August 2020 (Approx 24 hours):

Continued review of terms, conditions and economics of Westmoreland San Juan Mining Company proposal for buy-out of Mine Reclamation funding liabilities. Follow-up teleconference meetings w/ Gross re same. Reviewed final workscope for legal reviews regarding liabilities and CERCLA issues. Attended (telephonic) Reclamation Oversight Committee and negotiating team meetings re same.

Reviewed materials regarding pollution liability insurance coverage regarding mine reclamation and updated outline of issues for participant consideration.

Monitored NM-PRC meetings re SJGS status. Teleconf mtg w/ Adair and Crane re direction and status of Farmington/Enchant project.

Coordinated final amendments to incorporate US Bank comments and executed Amended Reclamation Trustee Agreement.

Big Horn – August 2020 (Approx 37 hours):

Attended (telephonically) BP-22 workshops regarding cost drivers, reserve requirements and EIM cost allocations. Coordinated with BPA Counsel re same.

Reviewed CARB materials regarding Cap and Trade accounting and CMUA response re same. Coordinated with Members and Regulatory Counsel re PCC-0 and PCC-1 grandfathered resources issues.

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

Key Meetings – August 2020

Commission President, August 5, 2020. Key Issues: Working Capital Policy, Reclamation Liability Buyout & Farmington/Enchant status.

PPA & EA Technical Committee, Telephonic, August 6, 2020. Key Issues: Working Capital Policies, Natural Gas Project restructuring and M-S-R Coordinator Agreement extension.

BP-22 Workshops, Telephonic, August 25 – 26, 2020. Key Issues: Allocation of costs of EIM participation and impacts on transmission rates and availability. Real-time loss rate and measurement changes. Cost drivers and preliminary revenue requirements for BP-22 rates.

Farmington/Enchant Energy, Telephonic, August 27, 2020. Key Issues: Appointment of New CEO, CCS project status and next steps.

San Juan Decommissioning Committee, Telephonic, August 27, 2020. Key Issues: Lake & River Station potential sales and NMED Bonds re evaporation ponds and pits.

**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 August 2020 report is attached regarding 33 hours of support in August regarding San Juan, Renewable, and Administrative issues.

**BPA Consultant:**

Our BPA Consultant, Dr. David Arthur, has provided an update on his activities through August 2020 and 29 hours of support. Note his detailed discussion regarding systemic over-allocation of costs to BPA Transmission functions and significant under-spending of transmission capital projects without true-up. Implications for BP-22 rates and decision process and upcoming workshops are also provided. Excessive transmission and ancillary service rates directly affect Big Horn 2 costs and indirectly effect Big Horn 1 costs through indexing of Firming & Shaping services.

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

**Date:** September 1, 2020  
**From:** Alan Hockenson  
**To:** Martin Hopper  
**Subject:** Specific Work Tasks for August 2020

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During August, 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 (12 hours) – There were two specific lines of activity related to the decommissioning of the San Juan Generating Station (San Juan) and the reclamation of the San Juan mines.

The San Juan Generating Station Decommissioning Committee (SJDC) held a meeting on August 27, 2020 to provide decommissioning updates and the shared documentation associated with the Retirement Order (RO) for the disposition of the Lake and River Stations.

The Reclamation Oversight Committee held meetings on August 5 and 19, 2020 which included a number of topics. The Annual Operating Plan (AOP) was reviewed the offer (and extension) by the coal miner to relieve the reclamation participants of financial obligation associated with reclamation.

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 (12 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 (9 hours) – The primary activity for August was the review, calculation validation, and recommended modifications to the draft Capital Working Policy documentations. This included a telephonic session with the General Manager on the 24<sup>th</sup>. Documentation from the September Technical Committee meeting was reviewed.

All meetings were attended telephonically.

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

**Date:** September 14, 2020  
**To:** Martin R. Hopper, General Manager  
**From:** David Arthur  
**Subject:** September 2020 BPA Update Covering August Activities (29 hours)

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August was an active month for BPA customer meetings. There was a customer led meeting regarding BP-22, TC-22, and EIM followed 2 weeks later by the monthly BPA led meetings on the same rate topics. There were 2 meetings regarding BPA's 3<sup>rd</sup> quarter financial results. Finally, there was a last minute meeting called to discuss an error BPA found in its modeling of Short-Term ATC along with the changes BPA made to correct the error.

### Customer Led Meeting:

The primary topic for the customer led meeting regarding BP-22, TC-22, and EIM was the possible accounting treatment for various charge codes arising from BPA participation in the CAISO EIM. The meeting started with various examples offered by BPA. Subsequently, customers offered their feedback that focused on where the charges should go (sub-allocated vs. to transmission customers overall) rather than on the examples themselves. The customers want to know when charges will be "sub-allocated" to participants vs. "peanut-buttered" to TBL customers.

The primary customer concern is that BPA's proposed treatment of charges may result in one group of customers subsidizing other groups of customers. For example will participating resources subsidize or be subsidized by non-participating resources? A second concern was expressed regarding "wheel-thru" customers. Currently, they typically do not receive imbalance charges. Under EIM it is unclear whether they will or will not be exposed to one or more imbalance charges when actuals deviate from schedules.

Powerex indicated that BPA's proposed policy might over-charge Long-term transmission rights holders thereby undermining the value of long-term transmission. Powerex suggested that there needed to be a "credit mechanism" to ensure the value of long-term transmission. BPA staff indicated that they were willing to discuss the issue further.

A second topic discussed was the treatment of generation imbalance under the EIM. Certain preference customers were uncertain how generation imbalance would be treated in the “new world” (EIM) vs. the old world (BPA). BPA indicated it all depended on where the resource was located. More to come in future meetings.

BPA further clarified that EI/GI existing bands likely will be eliminated and replaced by EIM sub-allocation charges. BPA also indicated that under certain circumstance it may be possible to receive both EIM and GI charges-details were not provided.

#### Transmission Losses:

BPA has indicated that transmission losses will be assigned to the transmission rights holder including transmission “donated” for EIM. The PTP customers indicated strong disagreement with this approach unless there was an offsetting credit for capacity. They argued that there would be a disincentive to “donate” transmission if there was no upside but a measurable downside. BPA acknowledged that this could be a concern but did not offer an alternative.

The discussion then turned to 3 options for loss payment: 1. In-kind; 2. Concurrent; 3. 168-hour. Further discussion was deferred until the BP-22 discussion later in the month.

#### Leverage:

The final topic for the day was discussion of BPA changes in the methodology for calculating leverage. BPA indicated that they were changing the treatment of certain line items in the calculation to better reflect reality. The net result of these changes was to lower the calculated leverage for TBL with the consequence that it would likely eliminate or reduce the need for revenue financing in the next few years. The long-term implications of these changes are uncertain.

#### QBR Workshop:

At the workshop BPA discussed the under-spending in capital for FY. 2020. For TBL the under-spending is forecast to be \$177 million. This is attributed to Covid-19 and the associated cut-back(s) in project execution. When asked about the operational consequences of this BPA indicated that there were no consequences related to reliability or safety. (How a deferral of this magnitude can have no consequence is unclear, unless the work was not actually necessary.)

BPA also discussed reserves available for risk. TBL’s reserves for risk are forecast to end FY 2020 \$109 million over the value forecast in the BP-20 rate case, a 74% increase.

BPA was asked about the linkage between revenue financing of forecasted capital, actually not spent, and growth in financial reserves for risk. Their answer was there

is no linkage because revenue financing is the first source of capital used and then and only then is additional borrowing relied upon. This means that TBL customers may be charged in rates under the leverage policy for expenditures that otherwise could be financed by borrowing (with no adverse impact on the leverage ratio) given the under spending.

The issue of increasing TBL reserves for risk above the targeted threshold received further attention on the Reserve Distribution Clause (RDC) discussion. Based on BPA's Financial Reserves Policy the RDC cannot be triggered until both the upper threshold for the business line (120 days cash on hand) and the mid-point target for the agency (90 days cash on hand) are exceeded.

This has the practical consequence of tying one business line to the other. In the specific case PBL is approaching its minimum target (60 days cash on hand) but the agency is well below its mid-point target (90 days cash on hand). Thus even though TBL is well above 120 days cash on hand it is not eligible for RDC until PBL raises its days cash on hand closer to 90 days cash on hand.

At the QBR workshop it was made clear that there is no current protocol that will increase PBL's days cash on hand above 60 days. In fact the only mechanism in place to raise PBL's days cash on hand to the minimum target of 60 days was suspended for the remainder FY.2020 and FY 2021. Excess reserves available for risk (greater than 120 days) are for all practical purposes "captive" for the foreseeable future-pending a change in the Reserves Policy or a "windfall growth" in Power's reserves due to higher than rate case forecast secondary revenues.

#### BP-22, TC-22, EIM Workshop:

The first topic was EIM losses. PTP customers again raised the concern that under BPA's proposed policy PTP customers could be charged for losses if they "donate" transmission for EIM. They indicated that this would be a significant disincentive to "donate".

An additional concern was raised regarding "wheeling" customers. Under the current BPA Tariff wheeling customers have minimal exposure to EIM charges. Under the BPA proposal for EIM PTP customers have a concern that non-EIM transfers could receive EIM charges. This is a subset of the growing concern that non-EIM participants may be at risk if/when BPA joins the CAISO EIM. BPA does not dispute the concern but to date has not offered information that would alleviate the concerns.

A second major discussion occurred regarding the appropriate load forecast to be used for scheduling in the EIM. Currently, customers can use their own or BPA's forecast. Under the EIM there is also a third option, the CAISO forecast.

Currently, a customer who uses the BPA forecast can avoid certain charges for deviations of actuals from schedule. However, if their own forecast is more accurate they can avoid certain imbalance charges. Under the EIM certain EIM charges can be avoided by using the CAISO forecast but this may result in additional charges from BPA. Customers are seeking some guidance on how to select a forecast for scheduling purposes that does not subject them to undo risk.

The next topic focused on transmission losses. As discussed above this is a very intense subject. Currently, customers can return losses, physically, 168 hours after the operating hour. They are not charged a capacity payment.

BPA has taken the position that they would prefer losses be settled financially and that customers should be assessed a capacity charge for the capacity associated with the provision of losses by BPA. After much discussion BPA is willing to consider deferring imposition of financial settlement of losses until BP-24.

However, BPA does think that an imposition of a capacity charge and a modification to the "loss factors" is appropriate for BP-22. The proposed capacity charge is \$3.53 MWH to compensate for the reserves it claims it needs to hold to support the 168-hour delayed loss return. This is in addition to the associated energy charge if any.

BPA further indicated that it thinks that the aggregate charges (capacity plus energy) will be less than the current charges associated with the 168-hour return policy. (These are based on Mid-C Heavy load hours plus a 15% adder.) When additional information was requested by the PTP customers BPA indicated that it would need additional time to provide the additional material.

BPA also indicated that it would prefer concurrent return of losses but its systems could not accommodate this option prior to BP-24. PTP customers asked if there was a possibility of a time frame between concurrent and 168 hours. The BPA response was not a definitive no, but also was not encouraging, as it indicated it did not want to create a one-off system for an interim period.

The issue will be discussed further at the Sept. customer led meeting.

A related issue was the treatment of customers who failed to perform under the current 168-hour return policy. BPA acknowledged that one of its concerns was that some customers who said that they would return losses at 168 hours did not. PTP customers asked if there currently were consequences associated with that non-performance. BPA indicated that there were not consequences. Customers asked if there were consequences would BPA be more comfortable with the current return policy. BPA did not provide a firm response.

### EIM Related Transmission Losses:

The discussion then shifted to losses associated with EIM. Currently BPA intends to assign EIM related costs to either transmission rates (peanut butter) or sub-allocate. The “benefits” to offset these costs will flow to participating resources. For at least the first 6 months (March 22-August-22) Only BPA resources will be permitted to “participate”. Thus PTP customers will be exposed to the EIM related charges but not be able to offset the charges with “benefits” from their participating resources, if any.

PTP customers suggested for the BP-22 rate period that cost be netted against benefits before the benefits are allocated. BPA indicated that the topic could be discussed in the future but did not indicate much enthusiasm.

During the discussion BPA made two comments of some note: 1. “The market doesn’t ensure reliability”; 2. “EIM price signals are not sufficient to assure reliability.” These two comments have become the basis for BPA to maintain the current IE/GI charges and to impose additional EIM charges and penalties on transmission customers when/if BPA joins the CAISO EIM market.

This will likely be a disputed topic for the upcoming rate case and possibly future rate cases as well. The issue is not that the statements are necessarily incorrect but rather that BPA seems to be seeking opportunities to generate revenues from new sources to replace lost revenues from declining secondary energy prices.

### Grid Modernization:

BPA was asked about the segmentation of “Grid Modernization” charges to EIM related activities. BPA indicated that it was currently not segmenting the charges and it had no plans to do so. M-S-R suggested that it appeared that a majority of the costs were assigned to TBL and a majority of the benefits most likely were flowing to PBL. BPA did not directly dispute that statement but indicated that it likely would retain the current allocation protocols.

BPA indicated the issue could be the subject of comments and rate case discussions.

### TPP Change:

BPA indicated that going forward it would calculate the Treasury Probability Payment (TPP) at the agency level only. (FERC requires that BPA have a 95% probability or higher of making the payment.) Previously the TPP was calculated for each business line. This has the practical consequence of greater reliance on the financial strength of TPL (with its excess reserves and lower operating risks) and less reliance on the financial strength of PBL (with its lower financial reserves and higher operating risks).

In previous rate cases BPA has “assigned” the \$750 million treasury line of credit to PBL in order to ensure that PBL could meet the TPP requirement.

Power Rates:

The last major issue discussed was PBL rates. At the meeting it was disclosed that BPA and its Preference customers had been in private discussions regarding a possible settlement of the Power rate case.

The draft proposal discussed at the August 26 customer meeting involved a modification to “included secondary revenues” in return for only a 1% increase in PBL rates in BP-22 and a one-year extension of the suspension of the Financial Reserves Policy and its associated surcharges. The modification to “included secondary revenues” is intended to reduce the likelihood that secondary revenues will be overstated, as has been the case for the past 8-10 years. At the request of the Preference customers BPA indicated that it would consider some delay in implementation of the modifications.

The proposed change should help reduce the reoccurring decline in PBL financial reserves. However, the limitation of the rate increase to 1% and the one-year suspension of the FRP, when combined with the possible delay in implementation of the modifications to the inclusion of secondary revenues, likely will delay further any possible RDC for transmission customers.

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

**Date:** October 18, 2020  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** October 2020 General Manager Report

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### **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 – September 2020 (Approx. 85 hours)

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

Conduct September PPA & EA Tech C'tee meetings, issued approved minutes of prior meetings and prepare draft minutes of current meeting. Prepared analysis of cost of in-person v. virtual meetings of these committees and the Commissions.

Completed and obtained Commission approvals of PPA and EA Working Capital Policies.

Completed and obtained Commission review of Conflict of Interest Codes and provided biennial reports to FPPC.

Completed and obtained Commission approvals of annual PPA & EA Strategic Plan and biennial Policy Manual draft updates – identified and adopted major goals and issues statements.

Prepared PPA & EA Commission packages for September meetings and issued approved minutes of prior meetings.

Prepared for and conducted monthly status call with Commission President.

Coordinated with Financial Advisor and updated report re Natural Gas Project Forward Delivery Agreement and Debt Service Fund Sweeps and recommended continued invests within LAIF.

Coordinated with Financial Advisor and investment bankers regarding alternative structures for replacement of natural gas commodity with renewable electricity or other alternatives regarding 2009 pre-pay transaction.

Received, reviewed, and accepted updated proposal for website overhaul project and initiated work. Target completion December 2020.

Coordinated with Senior Accountant regarding processes and began preparation of proposed 2021 Budget.

The General Manger also provided direction to consultants and counsel re emergent filings and regulatory matters. Reports on reclamation issues, decommissioning activities, and project status were requested and prepared.

Project Activities:

San Juan – September 2020 (Approx 31 hours):

Continued review of terms, conditions and economics of Westmoreland San Juan Mining Company proposal for buy-out of Mine Reclamation funding liabilities. Follow-up teleconference meetings w/ Gross re same. Executed agreement for joint legal reviews regarding liabilities and CERCLA issues. Attended (telephonic) Reclamation Oversight Committee and negotiating team meetings re same.

Coordinated with FERC and New Mexico counsel to identify approved PNM ROEs for use in economic analyses of Legacy Liability funding.

Big Horn – September 2020 (Approx 18 hours):

Attended (telephonically) BP-22 workshops regarding cost drivers, reserve requirements and EIM cost allocations. Coordinated with BPA Counsel re same.

Reviewed CARB materials regarding Cap and Trade accounting and CMUA response re same. Coordinated with Members and Regulatory Counsel re PCC-0 and PCC-1 grandfathered resources issues.

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

### Key Meetings – September 2020

Commission President, September 2, 2020. Key Issues: Working Capital Policy, Reclamation Liability Buyout & Farmington/Enchant status.

PPA & EA Technical Committee, Telephonic, September 3, 2020. Key Issues: Annual Strategic Plans, Biennial Policy Manual Reviews, Working Capital Policies, Natural Gas Project restructuring and M-S-R Coordinator Agreement extension.

San Juan Reclamation Oversight Committee, September 2 and 16, 2020. Key Issues: Reclamation Cost review study, 2021 Reclamation AOP, and Westmoreland status.

BP-22 Workshops, Telephonic, September 29, 2020. Key Issues: Allocation of costs of EIM participation and impacts on transmission rates and availability. Real-time loss rate and measurement changes. Cost drivers and preliminary revenue requirements for BP-22 rates. Capital requirements and funding plans.

PPA & EA Commissions, Telephonic, September 30, 2020. Key Issues: Annual Strategic Plans, Biennial Policy Manual Reviews, Working Capital Policies, and Conflict of Interest Code review.

### **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 October 2020 report is attached regarding 30 hours of support in September regarding San Juan, Renewable, and Administrative issues.

### **BPA Consultant:**

Our BPA Consultant, Dr. David Arthur, has provided an update on his activities through September 2020 and 30 hours of support. The key findings in this detailed report can be found in the summary on Page 5 where Mr. Arthur identifies concerns with BPA's financial policy statements. Subsequent to the preparation of his report, BPA indicated implementation of their financial policy recommendations could require additional transmission function rate increases of up to 19% (in addition to their previously forecasted 5% increase in October 2021) over the next four years – all suggesting grave impacts on the rates M-S-R reimburses Avangrid for BPA services for Big Horn 2 and for the setting of the Firming and Shaping Rate for Big Horn 1.

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

**Date:** October 1, 2020  
**From:** Alan Hockenson  
**To:** Martin Hopper  
**Subject:** Specific Work Tasks for September 2020

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During September, 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 (16 hours) – There were three specific lines of activity related to the decommissioning of the San Juan Generating Station (San Juan) and the reclamation of the San Juan mines.

The San Juan Generating Station Decommissioning Committee (SJDC) meeting scheduled for 24, 2020 was eventually cancelled but only after a telephonic conversation with the Decommissioning Agent on the issues of insurance premiums, the allocation of insurance premiums, and the effort to resolve the need for a Surety Bond in 2021 were discussed.

The Reclamation Oversight Committee held meetings on September 2 and 16, 2020 which included a number of topics. The primary issues are the potential buy out of mine reclamation work by Westmoreland and the process to update the reclamation costs for trust purposes.

The City of Farmington and Enchant energy have proposed a plan to extend the operation life of San Juan Units 1 and 4. A series of documents proposing arrangements and contract modifications were reviewed, observations were provided to the General Manager, and a telephone conversation with the General Manager regarding those observations was held.

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 (12 hours) – Monthly operating data was received from Avangrid Renewables, Inc. (AR), and was reviewed. Materials distributed by Agency's Special Counsel on Bonneville Power Administration matters were 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 September was limited to updating the Renewable Status Report and reviewing the Commission Meeting package of materials. .

All meetings were attended telephonically.

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

**Date:** October 2, 2020  
**To:** Martin R. Hopper, General Manager  
**From:** David Arthur  
**Subject:** October Staff Report re September Activities - BPA Update

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During September BPA held the usual customer led workshop and separately the BPA led workshop on BP-22, TC-22, and EIM. In addition BPA held meetings on new tools to evaluate future transmission availability and finance related issues. Also, in September I assisted the BPA attorney in preparation of comments to BPA related to the August and September 1 workshops.

### Sept 1 BPA Customer Led Workshop

The Sept 1 BPA customer led workshop continued the discussions on transmission losses, charge codes, and EIM transmission donations.

NRU requested more time and flexibility on “windows” for selecting the form of energy losses. BPA responded that too much flexibility conflicts with capacity calculations. NRU requested an exception for “small” customers.

M-S-R requested greater clarity regarding BPA’s assertion that the proposed new formulas for calculating financial transmission loss return charges would result in lower energy loss charges. BPA indicated that they would consider more clarification in future communications.

The Northwest independent Power Producers asked why the methodology for economic charges for capacity losses from transmission losses differed from the methodology for economic losses from gen inputs. BPA responded: “It is just different”.

BPA reiterated that it preferred concurrent return of energy losses but that its systems would not be ready prior to the 2024 rate period.

Several PTP customers asked questions regarding some form of compromise between concurrent return of losses and the existing 168 hour delayed return protocol. After some discussion customers requested that BPA consider a 2-year delay and then adoption of the concurrent protocol. BPA was noncommittal.

## Charge Codes

BPA indicated that it was moving toward Instructed Imbalance Energy (IIE)/Uninstructed Imbalance Energy (UIE) CAISO charges as a replacement for BPA's existing imbalance energy bands. PPC asked for more clarification which BPA had difficulty providing. (More discussion of this issue is likely in the BP-22 rate case.)

PTP customers raised the issue of which charge codes related to EIM imbalance charges and which charge codes related to EIM congestion revenues. BPA responded that specific congestion revenue credits couldn't be tied to specific EIM transmission losses. Customers indicated that they had concerns they would be charged for losses that would not be offset by congestion revenues.

## EIM Donations

PTP customers expressed two concerns regarding this issue: 1. PTP customers that are using BPA's system for wheel throughs but are not participating in the EIM may be at risk for EIM charges even if they are "on" schedule; 2. Uncertainty of how donations may impact PTP rights including redirects. (These discussions seem to raise rather than answer questions regarding the economic and operational impact of BPA participation in the EIM on existing PTP customers.)

## Sept 9 Customer Led Workshop

This workshop focused on PNGC's desire for continuation of the "Seller's Choice pilot which allowed NT customers to designate Seller's Choice contracts, which allow the seller to deliver from it's choice of unidentified resources, as Network Resources without specifying a specific resource as the Network Resource. This option was made available as part of the BP-20 Settlement. BPA proposes to terminate Seller's Choice as of Sept 30, 2021. The option allows small preference customers to schedule "economic" energy from an undisclosed point of delivery up until the operating hour.

BPA indicated that this option requires manual entry into operating hour schedules, may impede EIM activity, and may unnecessarily restrict or limit the availability of Short-term ATC. In BPA's view this option is not consistent with the Tariff or the associated rights of Preference Customers under the Tariff.

## Transmission Availability

BPA held a limited purpose workshop to inform customers of some new tools it was developing. The intent is to provide potential transmission customers with more timely and accurate information regarding the likelihood that a request for addition firm transmission can be accommodated.

The initiative involves more frequent assessment of the critical flow paths. Overall customers seemed constructive on the efforts to date.

This meeting was followed up with two additional meetings on ATC. The first meeting (Sept 23) focused on areas where BPA has concluded that their forecasting techniques were not accurately forecasting actual ATC availability. Their response is to rely more on “data” based assessments. (It was not entirely clear what the actual operational implications might be.) It also was disclosed that BPA is continuing to focus more on “flow paths” based analysis rather than on “PTP contracts” based analysis. This reflects BPA’s recognition that “flow paths” not “PTP contracts” are increasingly the operational constraint triggering “congestion”.

The second meeting focused more on the importance on Conditional Firm (CF) in providing the maximum ATC-both Long-term and Short-term. BPA is no longer posting a Conditional Firm inventory, and is instead transitioning to addressing Conditional Firm as customers make Transmission Service Requests (TSRs). Customers were generally supportive but did have concerns regarding “first come first serve” and allocation of ATC based on priority order thereby preventing “jumping ahead”.

The month ended with a very intense meeting between customers and BPA staff, particularly regarding transmission losses and financial policies.

The meeting began with BPA indicating that it was “leaning” toward assigning loss factors by month rather than annually. Customers indicated that this had both burdensome impacts on back-office operations and could adversely impact commercial transactions.

Customers also strongly cited the lack of industry precedent for inclusion of “capacity” related charges in addition to energy related charges. BPA indicated that it was not aware of any entity that included capacity related charges but insisted that it was a benefit being provided and therefore there should be a related charge.

The issue also was raised as to what NT customers paid for losses. BPA indicated that the charges were included in the “power” rate. When asked for more details BPA indicated that it did not have that information available for the meeting.

Customers requested that BPA defer the capacity charges until BP-24 when BPA anticipates that it will be able to accommodate concurrent return of losses. BPA responded that currently it incurs costs under the 168-hour return paradigm and therefore there should be charges.

There was also a discussion of the capacity charge BPA proposes to add to the index energy price it intends to use for financial loss returns (the basis of charges to M-S-R under Big Horn II). BPA insists there is a capacity component to the financial losses even though they are concurrent with the schedule.

## Financial Health

The final BPA topic for the day was BPA's perception that it needed to make changes in its financial policies in BP-22. BPA provide data to suggest that its "leverage ratio" (debt/assets) was in excess of "industry" standards. (80%+ vs. industry standard 75%.)

BPA then indicated that it had thought that the "leverage" policy would raise enough finance capital –from transmission customer rates -to solve its lack of access to capital. While not part of its justification in BP-20when it pushed through the Leverage Policy, BPA asserts it was clear the policy was intended to force Transmission to repay debt more rapidly to free up borrowing capacity. Now, however, BPA has concluded that with the accounting changes to the leverage policy, previously announced, it is unlikely that the "leverage" policy alone will raise the necessary capital to meet the agency's projected capital expenditures.

BPA then presented several charts to demonstrate that by 2024 BPA would exhaust its borrowing authority, given its decision to maintain a \$1.5 billion "reserve". BPA suggested as a result of this self-imposed constraint that other forms of revenue financing would be required with a 15%-20% impact on transmission rates over the Bp-22 to Bp-26 time frame.

Customers asked whether the numbers presented reflected the reality that over the past several rate periods actual capital expenditures were significantly less than the rate case forecasts. BPA indicated that the numbers had not been adjusted. (In the most recent Fy. 2020 the under spending exceeded 30%.

BPA further indicated that it was time that customers quit financing all capital expenditures with a BPA "credit card".

The discussion raised two fundamental concerns: 1. BPA does not understand that investment that has a sound return is fundamental to economic expansion; 2. BPA may in fact not have sufficient access to capital to meet the regions future transmission needs-particularly as it advances into CAISO type markets. This latter issue should be a topic for serious discussions in the BP-22 rate case. Currently, it is not.

Further contributing to the distortions in BPA's stated financial view of the world is the acknowledgement that they view capital raised through revenue financing long-life assets in rates to have a cost of zero-free money.

Lastly, under current BPA financial policy the assets paid for up front-in-full- via current customer revenue financing will then be depreciated over the life of the asset and paid for again by the current customers, through depreciation charges (at least those current customers that remain as BPA transmission customers into the future).

M-S-R has previously raised this concern in BP-20 with some customer support and some customer denial of the double charging. M-S-R, subject to member concurrence, will raise this issue in BP-22.

In summary the discussion on financial policy was most troubling for 4 reasons:

1. It ignored the consistent excess forecasting of capital expenditures -and the associated increase in required but potentially unnecessary increase in the associated revenue financing.
2. It inappropriately characterized debt for sound transmission investment as “irresponsible”.
3. It failed to focus on an emerging strategic regional problem: BPA’s statutory borrowing limit and restrictions on its borrowing authority from other sources, notwithstanding the region’s likely need to invest significant capital to enhance and maintain its high voltage grid, replacing aging systems that have reached the end of their useful life.
4. BPA’s proposed approach results in current transmission customers paying once upfront for capital expenditures through revenue financing and then paying a second time as a result of subsequent depreciation charges for the life of the asset in future rates.

The final topic of the meeting was an in depth presentation by Power EX regarding the imposition of charges after the t-57 scheduling time line. Power Ex raised three fundamental concerns:

1. Customers with firm rights could be overcharged given CAISO charge types (charges and credits) and their allocation policies
2. Customers with non-firm rights could in certain circumstances gain advantage over customers with firm rights
3. Customers donating transmission rights for EIM should receive all of the congestion revenues associated with those transmission rights.

The presentation by Power Ex was supported by several PTP customers. BPA staff seemed unaware of some of the concerns raised even though Power Ex had previously provided BPA with its white paper.

At the end of the meeting BPA indicated this was the last customer meeting before it filed its BP-22 proposal in early December. However, subsequently BPA announce an additional meeting on October 7<sup>th</sup> on Transmission tariff issues, and more may be forthcoming given the number of unresolved issues.

It remains to be seen if BPA will provide any follow-up to forth-coming customer comments prior to the official start of BP-22. Customers and BPA staff historically have preferred to address complex issues outside of ex parte restrictions.

## M-S-R Public Power Agency Big Horn Operations

**Date:** October 28, 2020  
**From:** Martin Hopper, General Manager  
**To:** M-S-R PPA Technical Committee  
**Subject:** Big Horn Operations Statistics

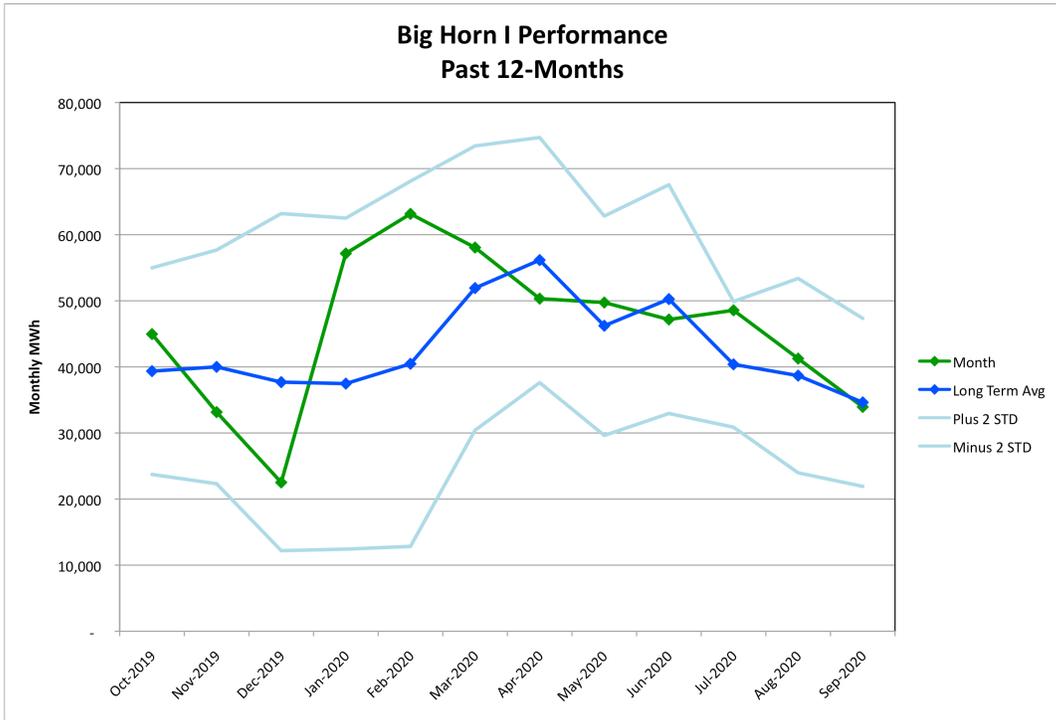
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**Energy Production Statistics for the Big Horn Wind Energy Project:**

<b>Big Horn I Operations</b>	<b>Production (MWh)</b>	<b>Monthly % of Forecast – Contract (5-Year)</b>	<b>Cumulative Wind Year Production (MWh)</b>
July	48,563	117.2%	474,809
August	41,257	119.0%	516,066
September	33,943	94.2%	550,009
Annual Contract Forecast	N/A	N/A	478,779
Annual Budget Forecast	N/A	N/A	510,000
Life of Project Production	N/A	N/A	7,133,662

<b>Big Horn II Operations</b>	<b>Production (MWh)</b>	<b>Monthly % of Forecast – Contract (5-Year)</b>	<b>Cumulative Wind Year Production (MWh)</b>
July	8,989	114.5%	105,434
August	7,748	115.4%	113,182
September	8,128	99.8%	121,309
Annual Contract Forecast	N/A	N/A	116,651
Annual Budget Forecast	N/A	N/A	115,000
Life of Project Production	N/A	N/A	1,183,683

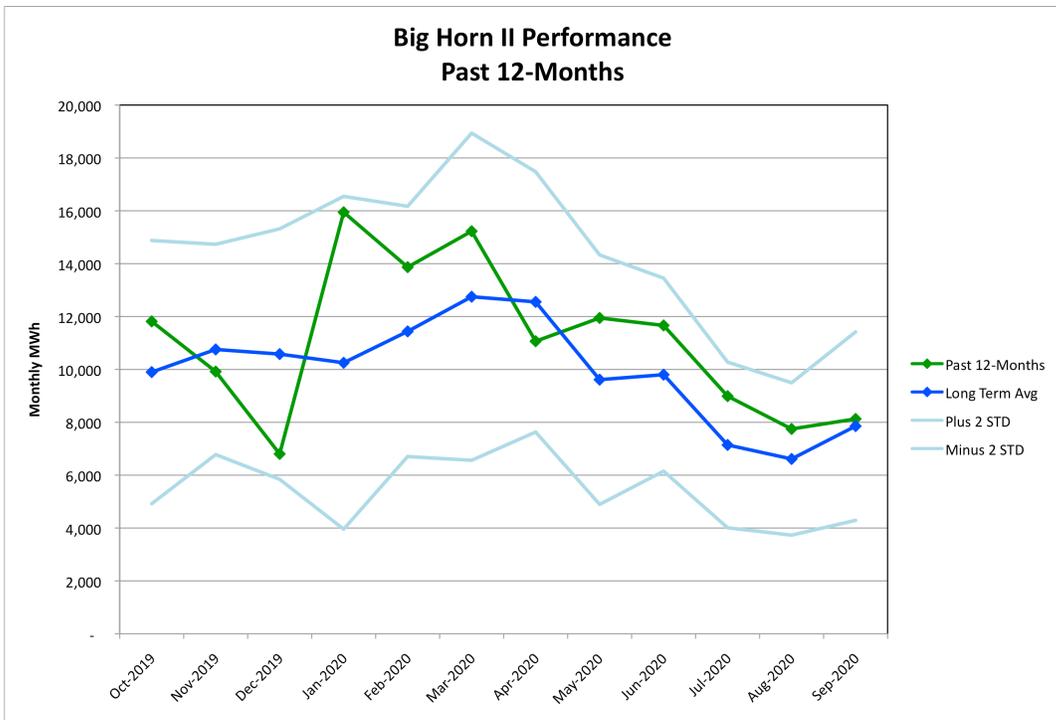
The Contract Year for Big Horn I ends in September of each year. The energy production for 2020 was at 114.9% of expected. Big Horn II has already reached 104.0% of expected energy deliveries for the Delivery Year ending in October with one month remaining.



10/23/20

Past 12 Thru Sep 2020

Big Horn I Projections 2020.xlsx



10/23/20

Past 12 Thru Sep 2020

Big Horn II Projections 2020.xlsx

**Transmission Curtailments:**

<b>Curtailments</b>	<b>On-Peak (MWh)</b>	<b>Off-Peak (MWh)</b>	<b>Total (MWh)</b>
July	450	9	459
August	72	26	88
September	116	92	208
Year To Date	1,048	638	1,686
Historic Annual Average	1,370	824	2,194

Curtailments in September were primarily for reliability issues related to the extensive forest fires that covered the West Coast states.

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

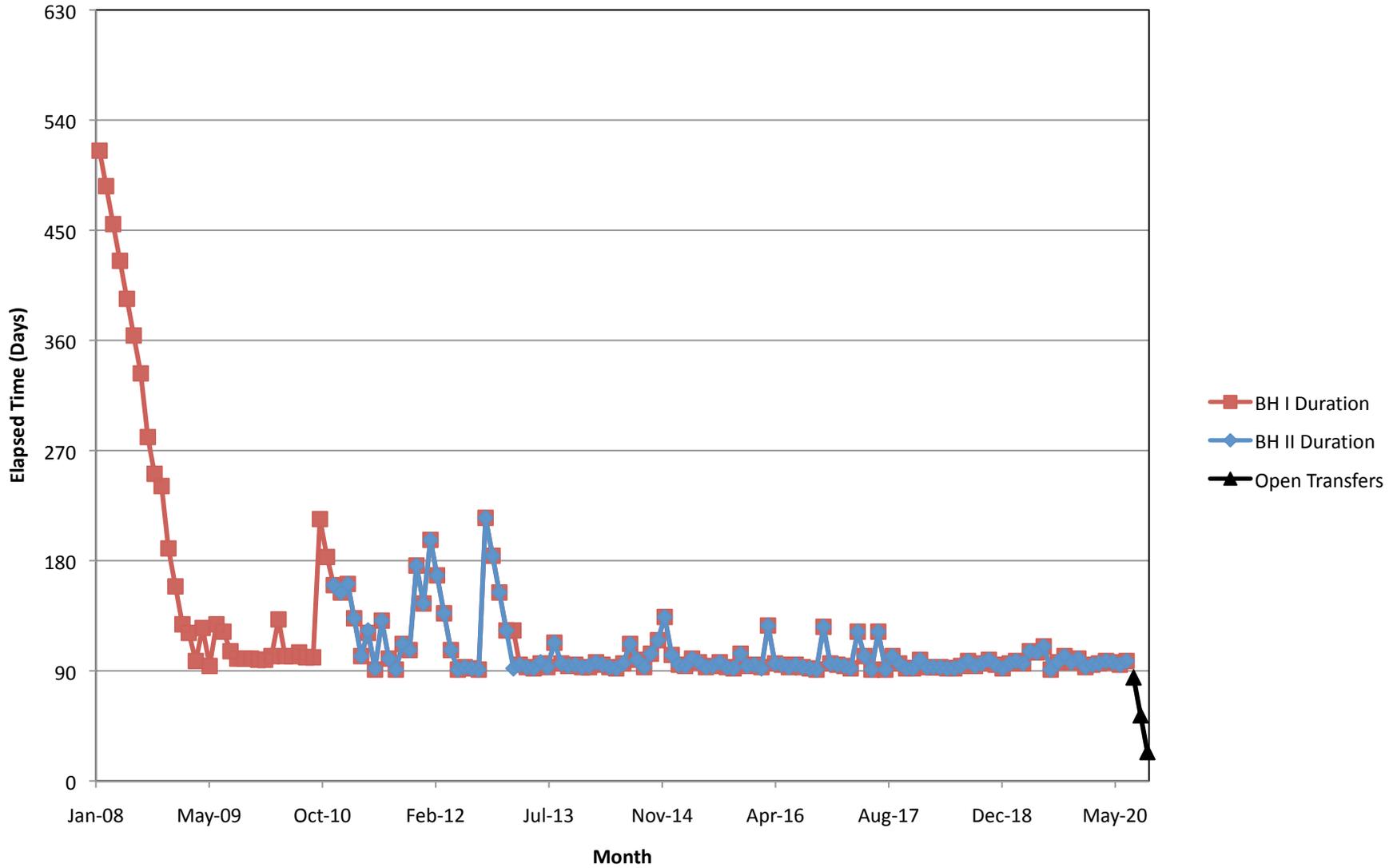
**Date:** October 28, 2020  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** November 2020 WREGIS REC Transfers Status Report

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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 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 November 2020 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-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			23-Oct-20	85
Aug-20			23-Oct-20	54
Sep-20			23-Oct-20	24

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:** October 28, 2020  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Technical Committee  
**Subject:** November 2020 Outside Services Budget versus Actual Report

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### **FISCAL YEAR 2020:**

#### Major Legal Providers Reporting Are:

Duncan, Weinberg, Genzer, and Pembroke:	Through:	August 31, 2020
Law Offices of Susie Berlin:	Through:	September 30, 2020
Porter Simon:	Through:	September 30, 2020

#### Major Consulting Providers Reporting Are:

Navigant Consulting:	Through:	February 29, 2020
KBT LLC:	Through:	September 30, 2020

#### Legacy Liability Providers Reporting Are:

PNM – Reclamation Management:	Through:	September 30, 2020
Reclamation:	Through:	September 30, 2020
Decommissioning:	Through:	September 30, 2020

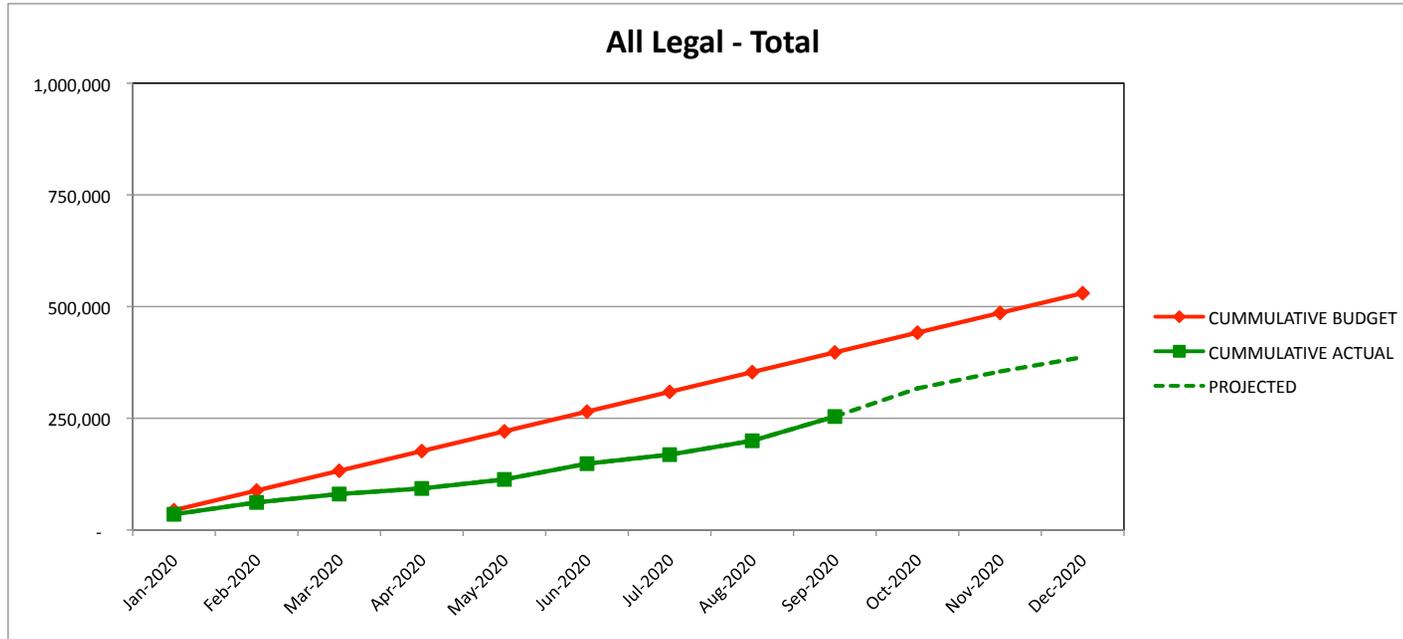
Detailed charts of monthly budget versus actual cost comparisons for each provider are attached. Pursuant to a request by Member Staff, the charts now include projected costs through year-end. Note: Any current period expenditures shown in attachments and printed in *bold italics* are estimates.

### **Recommendation:**

I recommend the Committee note and file this report.

# M-S-R PPA All Legal Summary

Month of: **Sep-2020**



#### CURRENT MONTH

By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,083	2,408	(325)	116%
Gen - Other	1,250	876	374	70%
Renewables	2,250	2,060	190	92%
Rens - Other	22,917	<b>40,000</b>	(17,083)	175%
Reg & Comp	14,667	7,164	7,503	49%
Administrative	1,000	1,782	(782)	178%
<b>Total</b>	<b>44,167</b>	<b>54,290</b>	<b>(10,124)</b>	<b>123%</b>

#### YEAR TO DATE

By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	18,750	17,258	1,492	92%
Gen - Other	11,250	14,793	(3,543)	131%
Renewables	20,250	18,151	2,099	90%
Rens - Other	206,250	<b>127,766</b>	78,484	62%
Reg & Comp	132,000	67,860	64,140	51%
Administrative	9,000	8,147	853	91%
<b>Total</b>	<b>397,500</b>	<b>253,975</b>	<b>143,525</b>	<b>64%</b>

By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Duncan	31,500	<b>47,500</b>	(16,000)	151%
Berlin	8,083	2,724	5,359	34%
Porter Simon	3,333	3,190	143	96%
Others	1,250	876	374	70%
<b>Total</b>	<b>44,167</b>	<b>54,290</b>	<b>(10,124)</b>	<b>123%</b>

By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Duncan	283,500	<b>176,088</b>	107,412	62%
Berlin	72,750	38,600	34,150	53%
Porter Simon	30,000	24,493	5,507	82%
Others	11,250	14,793	(3,543)	131%
<b>Total</b>	<b>397,500</b>	<b>253,975</b>	<b>143,525</b>	<b>64%</b>

# M-S-R PPA Duncan Summary

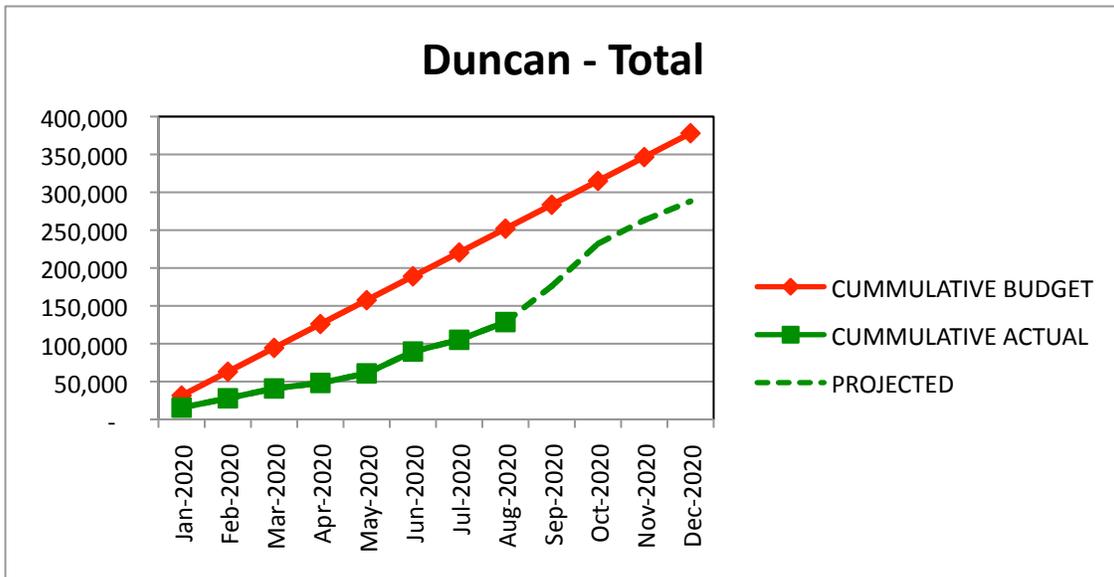
Month of: **Sep-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	<b>1,000</b>	<b>(1,000)</b>	#DIV/0!
Gen - Other	0	0	0	0%
Renewables	250	<b>500</b>	<b>(250)</b>	200%
Rens - Other	22,917	<b>40,000</b>	<b>(17,083)</b>	175%
Reg & Comp	8,333	<b>6,000</b>	2,333	72%
Administrative	0	0	0	0%
<b>Total</b>	<b>31,500</b>	<b>47,500</b>	<b>(16,000)</b>	<b>151%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	<b>1,000</b>	<b>(1,000)</b>	#DIV/0!
Gen - Other	0	0	0	0%
Renewables	2,250	<b>500</b>	1,750	22%
Rens - Other	206,250	<b>127,766</b>	78,484	62%
Reg & Comp	75,000	<b>46,822</b>	28,178	62%
Administrative	0	0	0	0%
<b>Total</b>	<b>283,500</b>	<b>176,088</b>	<b>107,412</b>	<b>62%</b>



# M-S-R PPA Berlin Summary

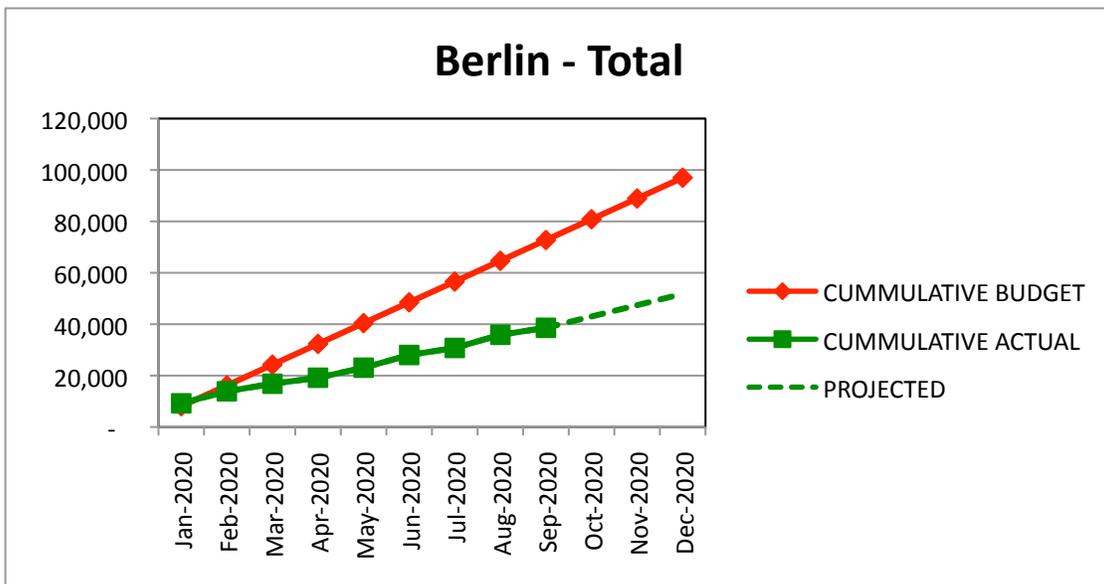
Month of: **Sep-2020**

## 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	1,833	1,560	273	85%
Rens - Other	0	0	0	0%
Reg & Comp	6,250	1,164	5,086	19%
Administrative	0	0	0	0%
<b>Total</b>	<b>8,083</b>	<b>2,724</b>	<b>5,359</b>	<b>34%</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	16,500	17,563	(1,063)	106%
Rens - Other	0	0	0	0%
Reg & Comp	56,250	21,038	35,212	37%
Administrative	0	0	0	0%
<b>Total</b>	<b>72,750</b>	<b>38,600</b>	<b>34,150</b>	<b>53%</b>



# M-S-R PPA Misc Legal Summary

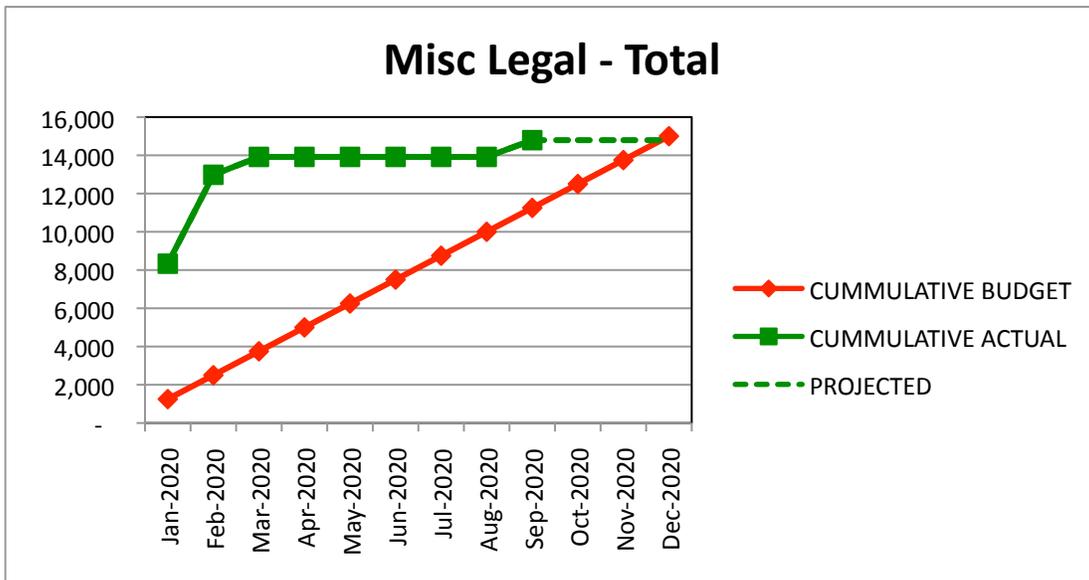
Month of: **Sep-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	1,250	876	374	70%
Renewables	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>1,250</b>	<b>876</b>	<b>374</b>	<b>70%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	11,250	14,793	(3,543)	131%
Renewables	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>11,250</b>	<b>14,793</b>	<b>(3,543)</b>	<b>131%</b>



# M-S-R PPA Porter Simon Summary

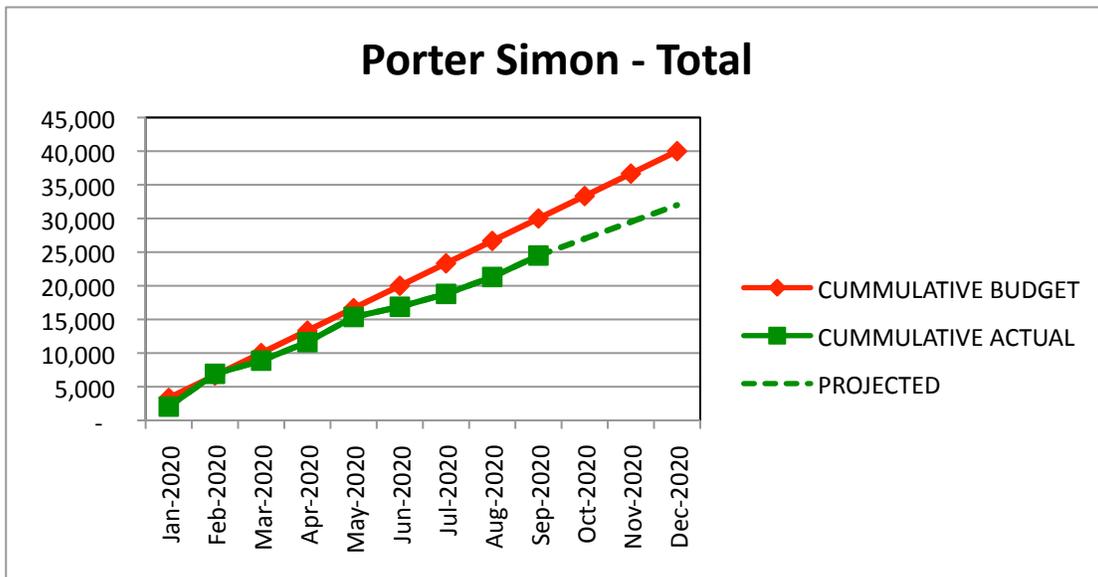
Month of: **Sep-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,083	1,408	675	68%
Gen - Other	0	0	0	0%
Renewables	167	0	167	0%
Rens - Other	0	0	0	0%
Reg & Comp	83	0	83	0%
Administrative	1,000	1,782	(782)	178%
<b>Total</b>	<b>3,333</b>	<b>3,190</b>	<b>143</b>	<b>96%</b>

## YEAR TO DATE

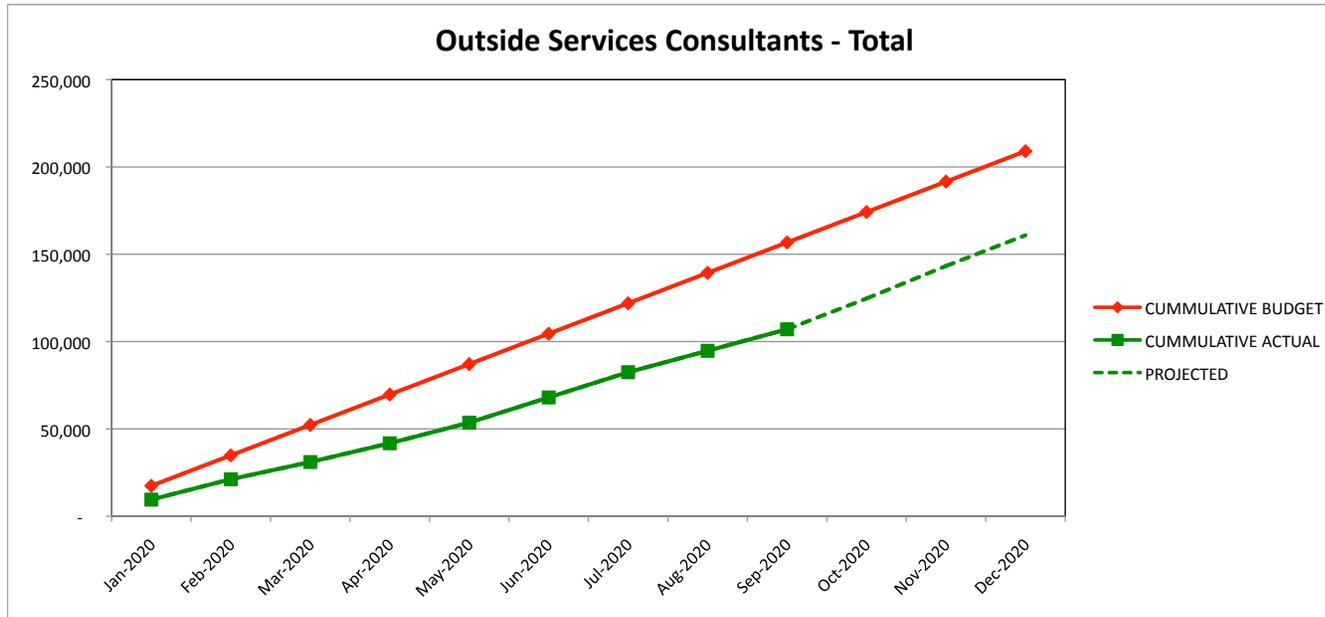
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	18,750	16,258	2,492	87%
Gen - Other	0	0	0	0%
Renewables	1,500	88	1,412	6%
Rens - Other	0	0	0	0%
Reg & Comp	750	0	750	0%
Administrative	9,000	8,147	853	91%
<b>Total</b>	<b>30,000</b>	<b>24,493</b>	<b>5,507</b>	<b>82%</b>





# M-S-R PPA Total Outside Consult Summary

Month of: **Sep-2020**



CURRENT MONTH				
By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	3,000	3,392	(392)	113%
Gen - Other	0	0	0	0%
Renewables	5,750	2,544	3,206	44%
Rens - Other	5,833	5,460	373	94%
Reg & Comp	1,583	0	1,583	0%
Administrative	1,250	924	326	74%
<b>Total</b>	<b>17,417</b>	<b>12,320</b>	<b>5,097</b>	<b>71%</b>

YEAR TO DATE				
By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	27,000	26,076	924	97%
Gen - Other	0	0	0	0%
Renewables	51,750	34,354	17,397	66%
Rens - Other	52,500	30,212	22,288	58%
Reg & Comp	14,250	5,098	9,153	36%
Administrative	11,250	11,300	(50)	100%
<b>Total</b>	<b>156,750</b>	<b>107,039</b>	<b>49,711</b>	<b>68%</b>

CURRENT MONTH				
By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Navigant	250	500	(250)	200%
KBT	14,000	11,820	2,180	84%
Others	3,167	0	3,167	0%
<b>Total</b>	<b>17,417</b>	<b>12,320</b>	<b>5,097</b>	<b>71%</b>

YEAR TO DATE				
By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Navigant	2,250	912	1,338	41%
KBT	126,000	95,932	30,068	76%
Others	28,500	10,195	18,305	36%
<b>Total</b>	<b>156,750</b>	<b>107,039</b>	<b>49,711</b>	<b>68%</b>

# M-S-R PPA Navigant Summary

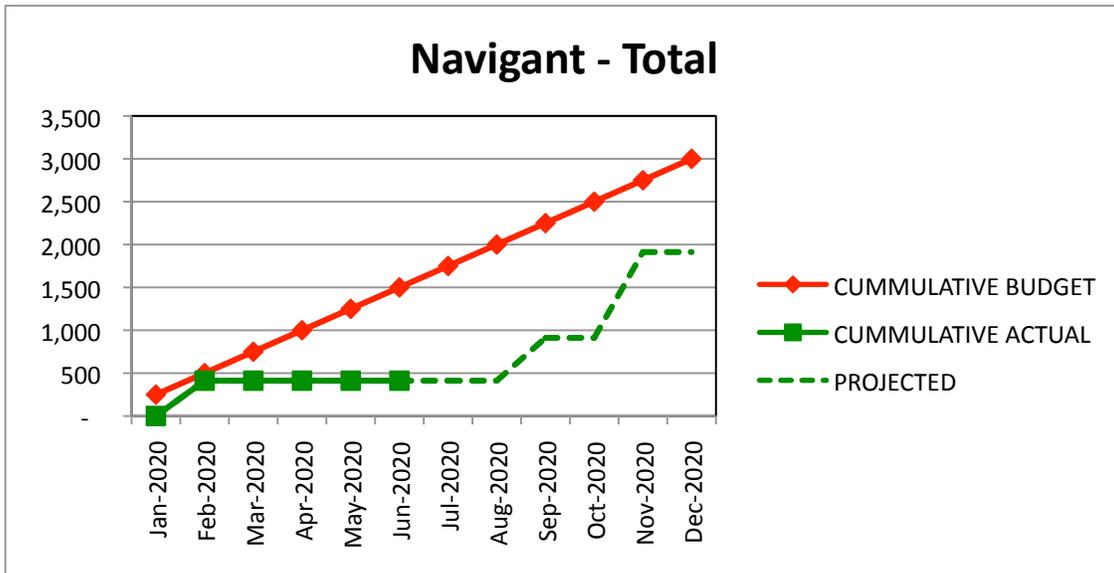
Month of: **Sep-2020**

## 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	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	250	<b>500</b>	<b>(250)</b>	200%
<b>Total</b>	<b>250</b>	<b>500</b>	<b>(250)</b>	<b>200%</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	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	2,250	912	1,338	41%
<b>Total</b>	<b>2,250</b>	<b>912</b>	<b>1,338</b>	<b>41%</b>



# M-S-R PPA KBT Summary

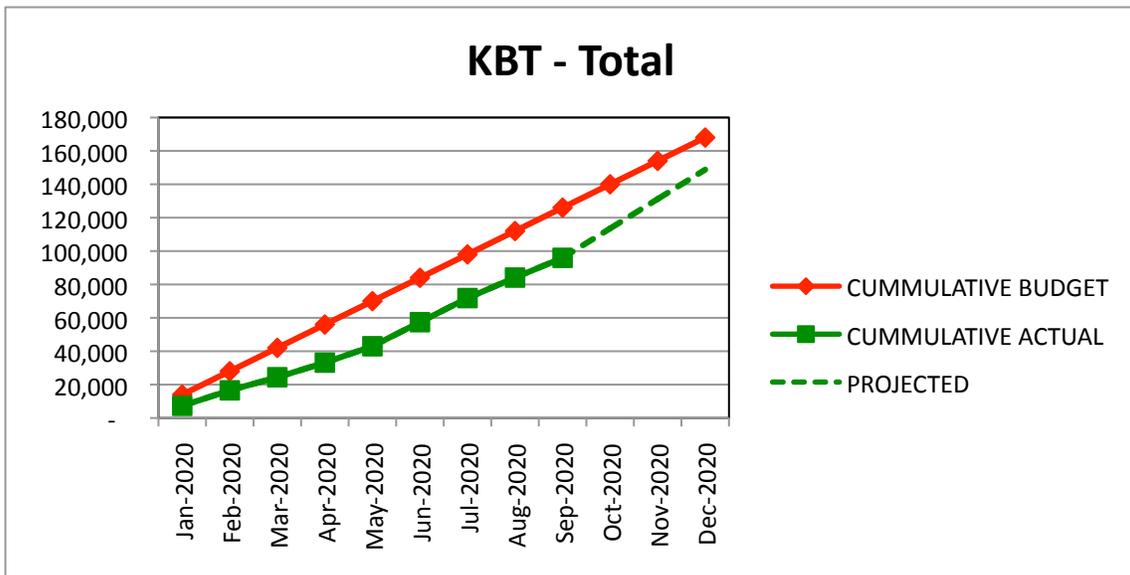
Month of: **Sep-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	3,000	3,392	(392)	113%
Gen - Other	0	0	0	0%
Renewables	4,167	2,544	1,623	61%
Rens - Other	5,833	5,460	373	94%
Reg & Comp	0	0	0	0%
Administrative	1,000	424	576	42%
<b>Total</b>	<b>14,000</b>	<b>11,820</b>	<b>2,180</b>	<b>84%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	27,000	26,076	924	97%
Gen - Other	0	0	0	0%
Renewables	37,500	29,256	8,244	78%
Rens - Other	52,500	30,212	22,288	58%
Reg & Comp	0	0	0	0%
Administrative	9,000	10,388	(1,388)	115%
<b>Total</b>	<b>126,000</b>	<b>95,932</b>	<b>30,068</b>	<b>76%</b>



# M-S-R PPA KBT Summary

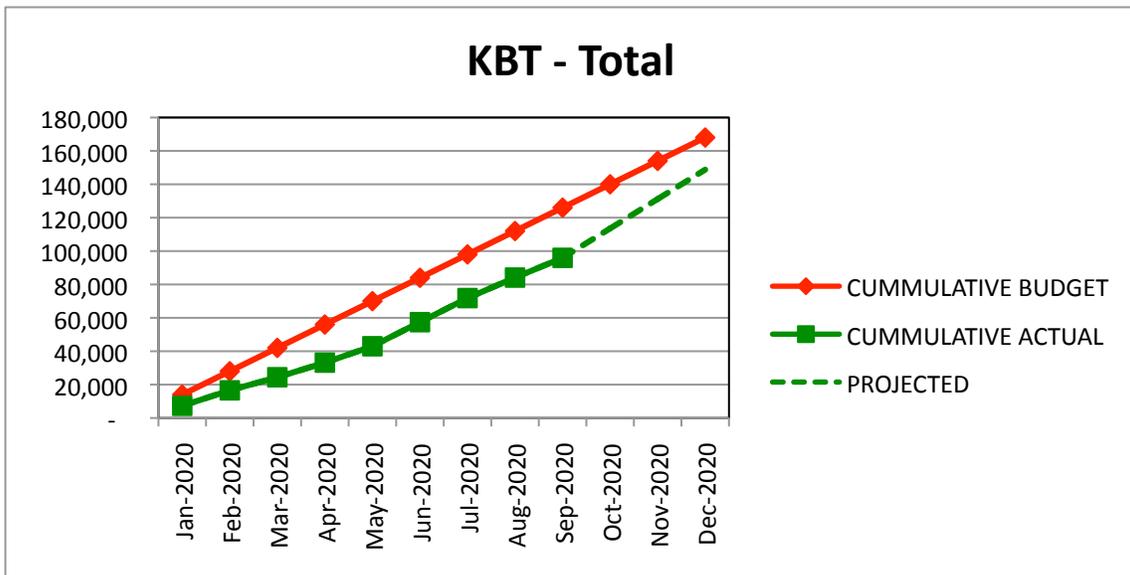
Month of: **Sep-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	3,000	3,392	(392)	113%
Gen - Other	0	0	0	0%
Renewables	4,167	2,544	1,623	61%
Rens - Other	5,833	5,460	373	94%
Reg & Comp	0	0	0	0%
Administrative	1,000	424	576	42%
<b>Total</b>	<b>14,000</b>	<b>11,820</b>	<b>2,180</b>	<b>84%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	27,000	26,076	924	97%
Gen - Other	0	0	0	0%
Renewables	37,500	29,256	8,244	78%
Rens - Other	52,500	30,212	22,288	58%
Reg & Comp	0	0	0	0%
Administrative	9,000	10,388	(1,388)	115%
<b>Total</b>	<b>126,000</b>	<b>95,932</b>	<b>30,068</b>	<b>76%</b>



# M-S-R PPA

## Misc Outside Services Summary

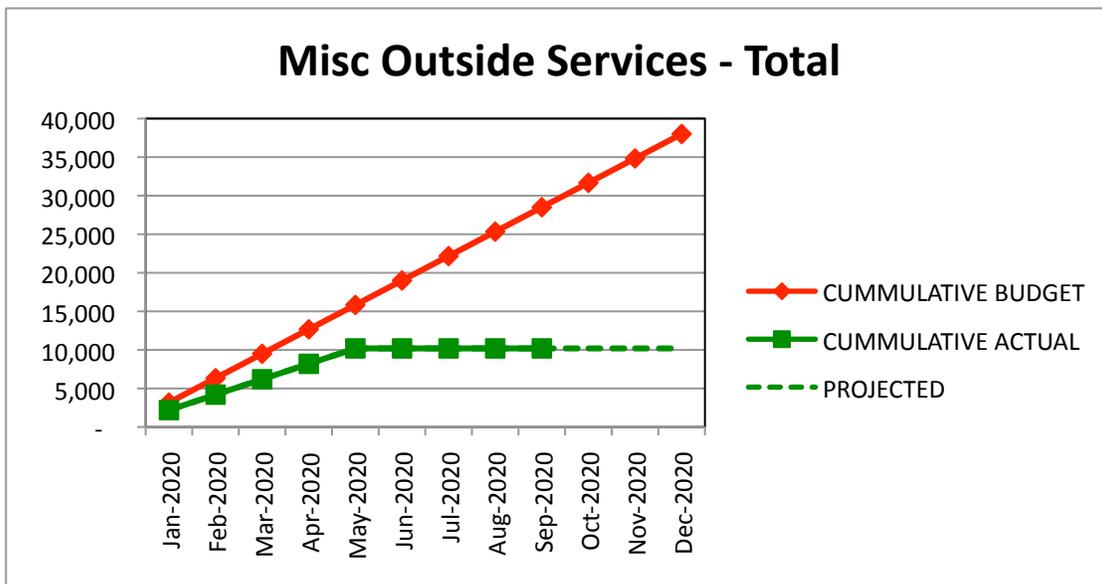
Month of: **Sep-2020**

### 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	14,250	5,098	9,153	36%
Rens - Other	0	0	0	0%
Reg & Comp	14,250	5,098	9,153	36%
Administrative	0	0	0	0%
<b>Total</b>	<b>28,500</b>	<b>10,195</b>	<b>18,305</b>	<b>36%</b>

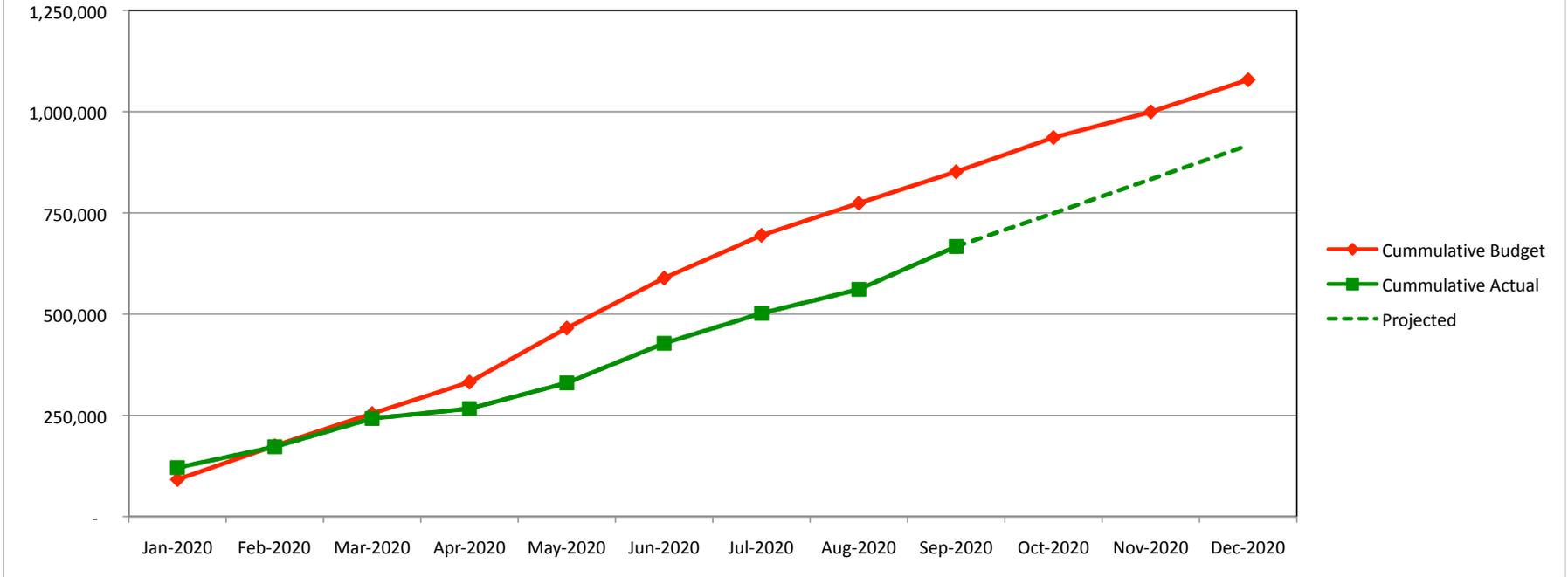


Consultant Costs - 2020	2020 Budget	Revised Budget	Task Orders	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Total	Average	Year-End	Notes
<b>Italics = Estimates</b>				8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%			Projection	
<b>Navigant</b>																			
<b>Generation</b>																			
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>																			
Administrative	5,000	3,000	-	-	412.14	-	-	-	-	-	-	500	-	1,000	-	1,912	174	2,086	
	5,000	3,000	-	-	412	-	-	-	-	-	-	500	-	1,000.00	-	1,912	174	2,086	
				0.00%	13.74%	13.74%	13.74%	13.74%	13.74%	13.74%	13.74%	30.40%	30.40%	63.74%	63.74%			70%	
<b>KBT</b>																			
<b>Generation</b>																			
General	21,000	36,000	2,120	3,180	3,392	2,120	3,816	3,816	1,696	2,544.00	3,392.00	2,800	2,800	2,800	34,476	2,873	34,476		
<b>Gen - Other</b>																			
SJGS Disposition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>																			
General	50,000	50,000	3,604	3,604	2,968	3,816	3,180	2,544	4,452	2,544.00	2,544.00	3,000	3,000	3,000	38,256	3,188	38,256		
<b>Rens - Other</b>																			
BP-20 Rate Case	70,000	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	BP-20 Rate Case
KBT 2020-01			2,912	728	1,638	-	-	-	-	-	-	-	-	-	2,366	1,183	2,366	Jan - Feb	
KBT 2020-02			2,912	-	-	637	910	-	-	-	-	-	-	-	1,547	774	1,547	Mar - Apr	
KBT 2020-03			12,740	-	-	-	-	2,184	7,644	-	-	-	-	-	9,828	4,914	9,828	May - Jun	
KBT 2020-04			21,840	-	-	-	-	-	-	5,733	5,278.00	-	-	-	11,011	5,506	11,011	Jul - Aug	
KBT 2020-05			21,840	-	-	-	-	-	-	-	-	5,460.00	10,920	-	16,380	8,190	16,380	Sep - Oct	
KBT 2020-06			21,840	-	-	-	-	-	-	-	-	-	-	10,920	10,920	10,920	Nov - Dec		
Sum			84,084	-	-	-	-	-	-	-	-	-	-	-	62,972	62,972	62,972		
<b>Regulatory &amp; Comp</b>																			
Administrative	15,000	12,000	848	848	848	1,908	636	424	2,544	1,908.00	424.00	900	900	900	13,088	1,091	13,088		
	156,000	168,000	84,084	7,300	9,270	7,845	8,754	9,816	14,428	14,425	12,274.00	11,820.00	17,620	17,620.00	148,792	38,638	148,792		
				4.35%	9.86%	14.53%	19.74%	25.59%	34.17%	42.76%	50.07%	57.10%	67.59%	78.08%	88.57%			89%	
<b>SUBTOTAL</b>	161,000	171,000	7,300	9,682	7,845	8,754	9,816	14,428	14,425	12,274	12,320	17,620	18,620	17,620	150,704	38,811	150,878		
				4.53%	10.55%	15.42%	20.86%	26.95%	35.92%	44.88%	52.50%	60.15%	71.10%	82.66%	93.61%			88%	
<b>Outside Services</b>																			
<b>Generation</b>																			
<b>Renewables</b>																			
Ferguson Group	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Politico Group	14,000	14,000	1,098	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-	-	5,098	425	5,098		
<b>Rens - Other</b>																			
Ferguson Group	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Politico Group	14,000	14,000	1,098	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-	-	5,098	425	5,098		
<b>Regulatory &amp; Comp</b>																			
Administrative	38,000	38,000	2,195	2,000	2,000	2,000	2,000	2,000	-	-	-	-	-	-	10,195	850	10,195		
				5.78%	11.04%	16.30%	21.57%	26.83%	26.83%	26.83%	26.83%	26.83%	26.83%	26.83%	26.83%			27%	
<b>GRAND TOTAL</b>	199,000	209,000	9,495	11,682	9,845	10,754	11,816	14,428	14,425	12,274	12,320	17,620	18,620	17,620	160,899	39,661	161,073		
				4.77%	10.64%	15.59%	20.99%	26.93%	34.18%	41.43%	47.60%	53.79%	62.64%	72.00%	80.85%			77%	
	Original 2020 Budget	Revised 2020 Budget																	
G	21,000	36,000																	34,476
G - Other	-	-																	-
R	69,000	69,000																	43,354
R - Other	70,000	70,000																	62,972
R&C	19,000	19,000																	5,098
A	20,000	15,000																	15,174
	199,000	209,000																	161,073
50/35/15	41,000	51,000																	49,650
Renew	139,000	139,000																	106,326

# Legacy Liability - Total

Month of: **Sep-2020**

## Legacy Liabilities - Total



### CURRENT MONTH

By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
PNM - Reclamation	3,500	4,846	(1,346)	138%
SJCC - Reclamation	74,000	100,801	(26,801)	136%
PNM - Decommission	0	326	(326)	#DIV/0!
<b>Total</b>	<b>77,500</b>	<b>105,974</b>	<b>(28,474)</b>	<b>137%</b>

### YEAR TO DATE

By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
PNM - Reclamation	31,500	26,387	5,113	84%
SJCC - Reclamation	820,000	603,211	216,789	74%
PNM - Decommission	0	37,523	(37,523)	#DIV/0!
<b>Total</b>	<b>851,500</b>	<b>667,121</b>	<b>184,379</b>	<b>78%</b>

# PNM - Reclamation

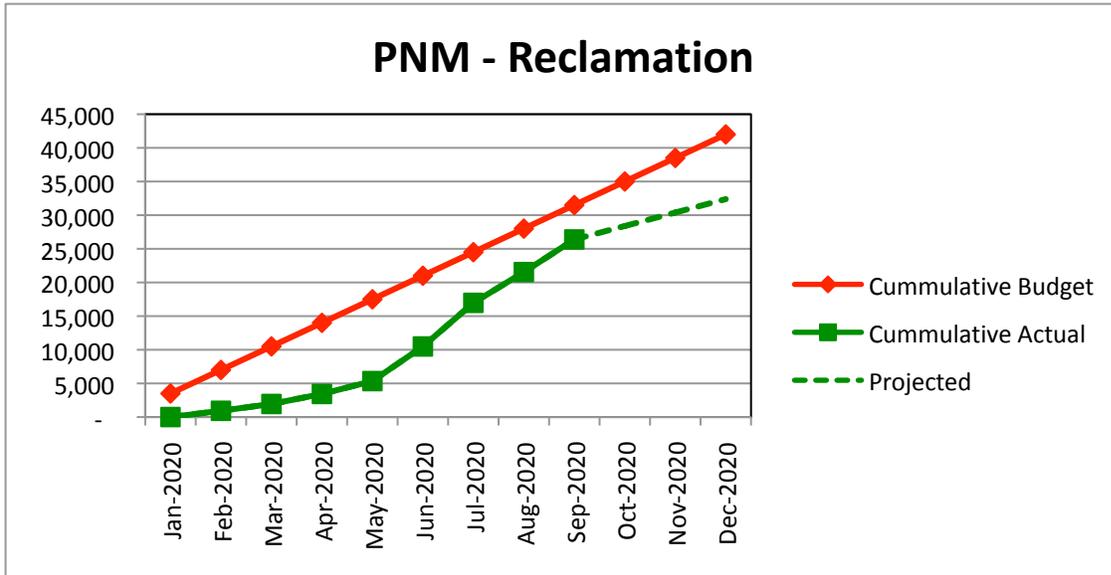
Month of: **Sep-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	3,500	4,846	(1,346)	138%
<b>Total</b>	<b>3,500</b>	<b>4,846</b>	<b>(1,346)</b>	<b>138%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	31,500	26,387	5,113	84%
<b>Total</b>	<b>31,500</b>	<b>26,387</b>	<b>5,113</b>	<b>84%</b>



# SJCC - Reclamation

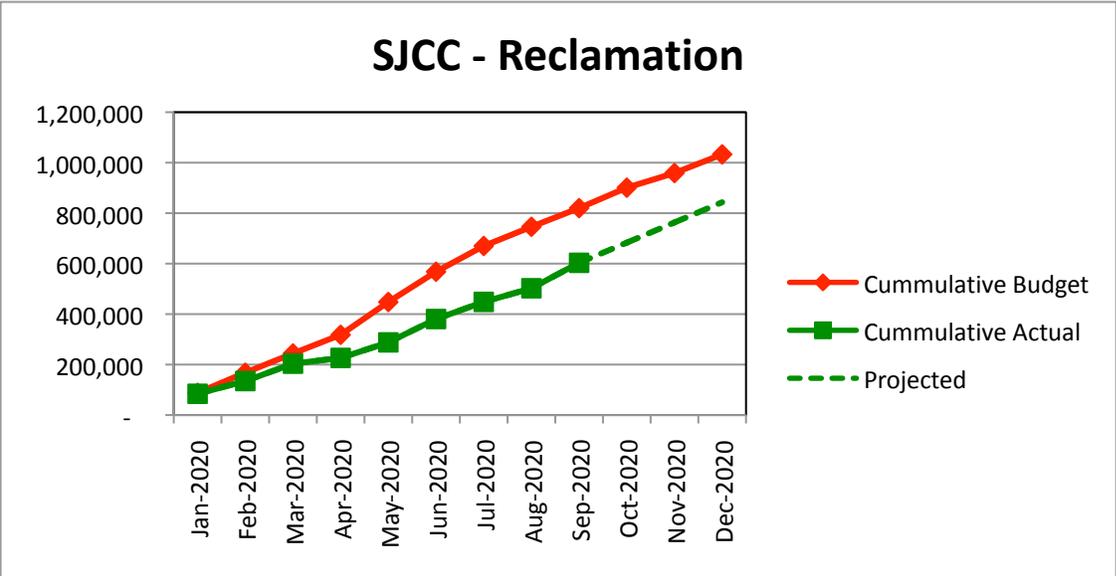
Month of: **Sep-2020**

### CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	74,000	100,801	(26,801)	136%
<b>Total</b>	<b>74,000</b>	<b>100,801</b>	<b>(26,801)</b>	<b>136%</b>

### YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	820,000	603,211	216,789	74%
<b>Total</b>	<b>820,000</b>	<b>603,211</b>	<b>216,789</b>	<b>74%</b>



# PNM - Decommissioning

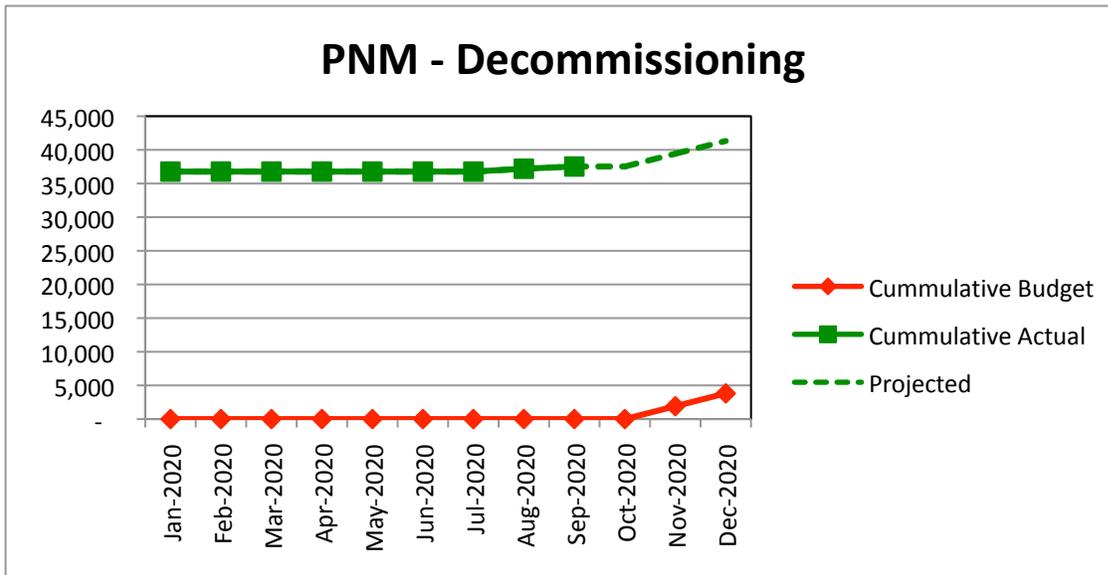
Month of: **Sep-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	326	(326)	#DIV/0!
<b>Total</b>	<b>0</b>	<b>326</b>	<b>(326)</b>	<b>#DIV/0!</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	37,523	(37,523)	#DIV/0!
<b>Total</b>	<b>0</b>	<b>37,523</b>	<b>(37,523)</b>	<b>#DIV/0!</b>



Legacy Liability Costs - 2020	M-S-R 2020 Budget	Revised or A.O.P	Jan-2020 8.33%	Feb-2020 16.67%	Mar-2020 25.00%	Apr-2020 33.33%	May-2020 41.67%	Jun-2020 50.00%	Jul-2020 58.33%	Aug-2020 66.67%	Sep-2020 75.00%	Oct-2020 83.33%	Nov-2020 91.67%	Dec-2020 100.00%	Total	Average	Year-End Projection
<b>PNM - Reclamation - Budget</b>	42,000	42,000	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000		
<b>Cummulative Budget</b>			3,500	7,000	10,500	14,000	17,500	21,000	24,500	28,000	31,500	35,000	38,500	42,000			
<b>Reclamation Trust</b>																	
<b>Funds Operating Agent</b>			-	930	1,012	1,490	1,912	5,144	6,477	4,574	4,846.22	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	32,387	2,699	32,387
<b>Cummulative Actual</b>	42,000	42,000	-	930	1,012	1,490	1,912	5,144	6,477	4,574	4,846.22	2,000	2,000.00	2,000	32,387	2,699	32,387
			0.00%	2.22%	4.63%	8.17%	12.73%	24.97%	40.40%	51.29%	62.83%	67.59%	72.35%	77.11%			77%
<b>SJCC - Reclamation - Budget</b>			88,000	80,000	76,000	74,000	130,000	120,000	102,000	76,000	74,000	81,000	58,000	74,000	1,033,000		
<b>Cummulative Budget</b>			88,000	168,000	244,000	318,000	448,000	568,000	670,000	746,000	820,000	901,000	959,000	1,033,000			
			88,000	168,000	244,000	318,000	448,000	568,000	670,000	746,000	820,000	901,000	959,000	1,033,000			
<b>San Juan - Surface</b>	1,033,000	1,033,000	84,228	50,500	68,861	22,783	61,560	92,613	67,827	54,039	100,801.49	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	843,211	70,268	843,211
<b>San Juan - Underground</b>			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cummulative Actual</b>	1,033,000	1,033,000	84,228	50,500	68,861	22,783	61,560	92,613	67,827	54,039	100,801.49	80,000	80,000.00	80,000	843,211	70,268	843,211
			8.15%	13.04%	19.71%	21.91%	27.87%	36.84%	43.40%	48.64%	58.39%	66.14%	73.88%	81.63%			82%
<b>PNM - Decommissioning</b>	-	3,812	-	-	-	-	-	-	-	-	-	-	1,906	1,906	3,812		
<b>Cummulative Budget</b>			-	-	-	-	-	-	-	-	-	-	1,906	3,812			
<b>Initial Decommissioning</b>			36,768	-	-	-	-	-	-	429	326.49	-	<b>1,900</b>	<b>1,900</b>	41,323	3,444	41,323
<b>Cummulative Actual</b>	-	3,812	36,768	-	-	-	-	-	-	429	326.49	-	1,900.00	1,900	41,323	3,444	41,323
			964.61%	964.61%	964.61%	964.61%	964.61%	964.61%	964.61%	975.86%	984.43%	984.43%	1034.27%	1084.12%			1084.12%
<b>Total Legacy Liability</b>		1,078,812	120,996	51,430	69,873	24,272	63,472	97,757	74,304	59,042	105,974	82,000	83,900	83,900	916,921	76,410	916,921
			120,996	172,426	242,299	266,572	330,044	427,800	502,105	561,147	667,121	749,121	833,021	916,921			
			11.22%	15.98%	22.46%	24.71%	30.59%	39.65%	46.54%	52.02%	61.84%	69.44%	77.22%	84.99%			85%
<b>Cummulative Budget</b>			91,500	175,000	254,500	332,000	465,500	589,000	694,500	774,000	851,500	936,000	999,406	1,078,812			
<b>Cummulative Actual</b>			120,996	172,426	242,299	266,572	330,044	427,800	502,105	561,147	667,121	749,121	833,021	916,921			

*Italics = Estimated*

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

**Date:** October 28, 2020  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** Approval of 2021 Regular Meeting Dates

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The following meeting dates are based on the customary schedule for M-S-R PPA as adjusted for known conflicts. Due to the COVID-19 pandemic, meetings are assumed to be held virtually until further notice.

Attachment “A” regarding Meeting Cost Analyses discusses the savings accrued by holding virtual rather than in-person meetings. The Members may wish to elect to continue to hold certain meetings virtually even after in-person meetings are again permissible to capture some of these savings.

For the Commissioner’s information a copy of the Draft 2021 California JPA Meeting Calendar is attached.

<b>Month</b>	<b>Technical Committee Date/Time</b>	<b>Technical Committee Note</b>	<b>Commission Date/Time</b>	<b>Commission Note</b>
February 2021	4 10:00 AM	Virtual Meeting	17 12:00 Noon	Virtual Meeting
May 2021	6 10:00 AM	Virtual Meeting	19 12:00 Noon	Virtual Meeting
July 2021	15 10:00 AM	Virtual Meeting	21 12:00 Noon	Limited Agenda
September 2021	2 9:00 AM 28 10:00 AM	Virtual Meeting BPA Day	22 12:00 Noon	Virtual Meeting
November 2021	Oct 27 9:00 AM	Virtual Meeting	17 12:00 Noon	Virtual Meeting

Financial Management Committee: 1:00 PM, Thursday, May 6, 2021.

If required by emergent business, Special Meetings of the Commission would be called for the same day as TANC Commission meetings.

I recommend the M-S-R PPA Commission adopt the above schedule for the Agency’s 2021 Regular meetings.

## 2021 California JPA Meeting Calendar

BANC Commission (2:00 PM 4 <sup>th</sup> Weds)	CMUA Regulatory & Legislative C'tees	CMUA Board Meeting	M-S-R Technical C'tees	M-S-R PPA & EA Commissions (Noon)	NCPA Facilities/ Pooling C'tees	NCPA LEC PPC C'tee	NCPA L&R C'tee	NCPA Commission Meeting	SCPPA Board (3 <sup>rd</sup> Thurs)	TANC Commission (10:00 AM)
Jan 27	Jan 14	Jan 26			Jan 6	Jan 11		Jan 28	Jan 21	Jan 22
Feb 24	Feb 11		Feb 4	Feb 17	Feb 3	Feb 8	Feb 24	Feb 25	Feb 18	Feb 17
Mar 24	Mar 11				Mar 3	Mar 8		Mar 25	Mar 18	Mar 17
Apr 28	Apr 8	Apr 13 <i>Ann Conf</i>			Apr 7	Apr 12	Apr 28	Apr 29	Apr 15	Apr 21
May 26	May 13		May 6	May 19	May 5	May 10		May 27	May 20	May 19
Jun 23?	Jun 10				Jun 2	Jun 7		Jun 17	No meeting	Jun 30
Jul 28	Jul 8	Jul 16	Jul 15	Jul 21 <i>Ltd Agenda</i>	Jul 7	Jul 12		Jul 29	Jul 15	July 21
Aug 25	Aug 12				Aug 4	Aug 9	Aug 25	Aug 26	Aug 19	Aug 18
Sep 22	Sep 9		Sep 2 & 28	Sep 22	Sep 1	Sep 13	Sep 29 <i>Ann Conf</i>	Oct 1 <i>Ann Conf</i>	Sep 16	Sep 22
Oct 27	Oct 14		Oct 27		Oct 6	Oct 11		Oct 28	Oct 21	Oct 20
Nov 24	Nov 4	Nov 16		Nov 17	Nov 3	Nov 15		No meeting	Nov 18	Nov 17
Dec 22					Dec 1	Dec 6	Dec 1	Dec 2	Dec 16	Dec 22

*APPA Joint Action Workshop - CNX*

*NCPA Strategic Issues Conference - CNX*

*CMUA Capitol Day - Jan 25, 2021, Virtual or Sacramento, CA*

*APPA CEO Roundtable - Feb 7 - 9, 2021, Virtual or Phoenix, AZ*

*APPA/ACWA Legislative Rally & Conference - Mar 1 - 3, 2021, Washington, DC*

*CMUA Annual Meeting - Apr 11 - 13, 2021, San Diego, CA*

*APPA National Conference - June 18 - 23, 2020, Chicago, IL*

*NCPA Annual Conference - Sept 29 - Oct 1, 2021, Napa, CA*

*NCPA/NWPPA Federal Policy Forum - TBA: Fall 2021, Washington, DC*

## Attachment "A"

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

**Date:** October 28, 2020  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** In-Person and Virtual Meeting Cost Analyses

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Subsequent to our February 2020 in-person meetings, the Agency/Authority Commissions and the Agency/Authority Committees have been meeting virtually without any physical presence. Although Brown Act requirements allow telephonic meetings provided there is at least one physical location within an entity's service territory (which for the M-S-R entities is all of California except the counties of Ventura, Los Angeles, San Bernardino, Orange, Riverside, San Diego and Imperial), this restriction has been suspended by Executive Order of the Governor during the pendency of the pandemic.

For the period January 1, 2019 through February 28, 2020 the Agency (including M-S-R Energy Authority) incurred \$12,900 in-person meeting cost (attorney travel time, mileage, and meeting room/meal cost) for an average cost per meeting of about \$500. These costs exclude General Manager salary, General Counsel or FERC Counsel costs of meeting participation since these items do not vary between in-person and virtual meetings. The Agency's incremental cost of hosting virtual meetings is zero because the Agency maintains a flat-rate subscription to GoTo Meeting of \$49 per month - which is a fixed cost. Member travel-time costs are excluded from this analysis but are not inconsequential.

The Agency and Authority have continued to operate effectively over the past few months. Routine business has been efficiently maintained and major policies have been reviewed and updated. As it has been said that a significant portion of successful communication is non-verbal, Member staff should be commended for their patience in reaching consensus and completing these projects without meeting face-to-face.

Looking forward to post-pandemic conditions, the Technical Committee should plan to reserve in-person meetings for more in-depth discussions such as those associated with Strategic Plan reviews, BPA Day and priority matrix development, and the annual budget workshop. Virtual meetings would be reserved for routine reporting and business updates. In-person meetings would also be called as-needed to address San Juan Clean-Break negotiations and other sensitive matters.

Future meetings of the Commission should be conducted in-person for Commissioner convenience if TANC and BANC also return to in-person meetings. If TANC and BANC continue to meet virtually, in-person meetings of the Commission could be reserved for in-depth discussions of sensitive or detailed matters. However, the Agency/Authority will be required, even for virtual meetings, to maintain one location accessible to the public in conformance with Brown Act requirements once the Governor's Brown Act waivers expire.

DRAFT

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

**Date:** October 28, 2020  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** Avangrid Acquisition of PNM

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On Wednesday, October 21, 2020 the proposed acquisition of PNM Resources by Avangrid Inc. (parent and guarantor of Avangrid Renewables, LLC, M-S-R PPA's counterparty in the Big Horn Wind Energy Projects) through its merger subsidiary NM Green Holdings, Inc. was announced. The all cash transaction is valued at \$4.3 billion based on a proposed price of \$50.30 for PNM Resources shares.

The proposed transaction is expected by Avangrid and PNM to take about one-year to close and the following major approvals and time-lines have been identified by the transacting parties:

1. Federal Authorities:
  - a. Federal Energy Regulation Commission (FERC) 3 –6 months
  - b. Department of Justice (Hart Scott-Rodino Clearance) 1 month
  - c. Committee on Foreign Investment in the United States (CFIUS) 3 months
  - d. Federal Communications Commission 1 month
  - e. Nuclear Regulatory Commission 6 –8 months
2. State Authorities:
  - a. New Mexico Public Regulation Commission (NMPRC) 8 –14 months
  - b. Public Utility Commission of Texas (PUCT) 6 –8 months

PNM Resources will operate under the umbrella of Avangrid Networks which currently encompasses Maine Natural Gas, New York State Electric & Gas and other utility operations in New York, Connecticut, Massachusetts and Maine, including Central Maine Power. Avangrid CEO Dennis Arriola, who will remain as CEO of the combined company, called the merger a “strategic fit” and said it would enhance Avangrid’s position in clean-energy distribution and transmission and expand its leadership in renewables.

Avangrid also touts being committed to UN Sustainable Development Goals. These 17 goals include the production and efficient consumption of affordable and clean energy, and investing in land restoration for improving livelihoods, reducing vulnerabilities, and reducing risks for the economy. These commitments, coupled with Iberdrola S.A.’s access to low-cost capital may augur well for the resolution of San Juan Generating Station legacy liabilities pertaining to the environment, mine reclamation, and plant demolition/site restoration.