

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

**Date:** April 28, 2022  
**To:** M-S-R PPA Technical Committee  
**From:** Martin R. Hopper, General Manager  
**Subject:** Thursday, May 5, 2022, M-S-R PPA Technical Committee Meeting

---

Please find enclosed the agenda for the Thursday, May 5, 2022, M-S-R PPA Technical Committee Meeting to be held remotely at 10:00 AM. Please post the Agenda Package as required for Brown Act compliance.

Distribution:

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

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

## MEETING OF THE TECHNICAL COMMITTEE

Thursday, May 5, 2022, 10:00 AM

WEBINAR DIGITAL PLATFORM OR PHONE MEETING

GoTo Meeting Information:  
<https://global.gotomeeting.com/join/428563245>

Telephonic Only:  
United States: +1 (224) 501-3412

Access Code: 428-563-245

### **AGENDA**

M-S-R Public Power Agency meetings are currently being conducted via webinar for all representatives pursuant to the requirements of AB 361. 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 SB 361 Compliance and Resolution 2022-02*** (attached, Martin Hopper)
4. ***Approval of Minutes of February 3, 2022 Meeting*** (attached)
5. General Manager Reports (attached, Martin Hopper)
6. Big Horn Wind Energy Project Operating Statistics (attached, Martin Hopper.)

7. ***Discussion and Possible Action Regarding May 2022 Outside Services Budget Versus Actual Report*** (attached, Martin Hopper)
8. ***Discussion and Possible Action Regarding M-S-R Coordinator 2023 Contract*** (attached, Martin Hopper)
9. **Closed Session**
  - a. Existing Litigation: Government Code §54956.9 (d)(1) – 3 Cases (NM-PRC 20-00222-UT, Supreme Court of the State of New Mexico S-1-SC-39152, and BP-24-BPA)
  - b. Significant Exposure To Litigation: Government Code §54956.9 (d)(2) – 1 Case
  - c. Threat To Public Services Or Facilities: Government Code § 54957 (a)
  - d. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8, Property: Lake and River Stations and connecting pipelines and rights-of-way, CR 6800 N, Waterflow, NM 87421. Negotiating Parties: Public Service Company of New Mexico and United States Bureau of Reclamation. Agency Negotiators: Martin Hopper, General Manager and Steve Gross, General Counsel. Under Negotiation: Purchase/Sale/Exchange/Lease of Real Property (provisions, price and terms of payment)
10. Announcement from Closed Session
11. Member Reports
12. Public Comment
13. ***Confirm date and time of next meeting***
14. Adjourn

ALTERNATE FORMATS OF THIS AGENDA WILL BE MADE AVAILABLE UPON REQUEST TO QUALIFIED INDIVIDUALS WITH DISABILITIES.
--

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

**Date:** April 28, 2022

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

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

**Subject:** SB 361 Compliance and Adoption of Resolution 2022 - 02 Regarding Local Emergency and Re-Authorizing Remote Telephonic Meetings

---

For the past two years the Commission and Committees (Legislative Bodies) of the Agency have been meeting via remote telephonic meetings pursuant to emergency proclamations and Executive Orders issued by the Governor due to the COVID-19 Pandemic. The recently enacted AB 361 modifies the Government Code provisions often referenced as the Brown Act to temporarily accommodate continued remote meetings during the pendency of the pandemic and partially supersedes certain prior proclamations and orders.

On October 20, 2021 the Commission adopted Resolution 2021 – 02 “Proclaiming a Local Emergency, Ratifying the Proclamation of a State of Emergency by Governor Newsom on March 2, 2020, and Authorizing Remote Teleconference Meetings of the Legislative Bodies of the M-S-R Public Power Agency Pursuant to Brown Act Provisions” making the necessary findings to allow the Agency to continue using remote teleconference meetings for the next 30-days after the date of approval. The Government Code amendments then anticipate the Agency renewing its finding to cover each subsequent 30-day period. A renewal of these findings was made by this Committee through Resolution 2022-01 on February 3, 2022 to cover February 2022 meetings.

Given the COVID-19 state of emergency has carried into 2022 and that the Agency desires to continue to avail itself of remote meetings to maintain public health and safety, re-adoption of the Resolution 2021-02 continues to be required. As the Agency and its Legislative Bodies regularly meet only quarterly and the first meeting in each quarter is normally held by the Technical Committee, the Commission delegated specific authority to the Technical Committee to adopt successors to Resolution 2021-02 as-needed and for legislative economy. The proposed Resolution 2022-02 will cover the May 2022 meetings of the Technical Committee and the Commission.

I recommend the Technical Committee adopt on behalf of the Commission the proposed Resolution 2022 – 02 “Proclaiming a Local Emergency, Re-Ratifying the Proclamation of a State of Emergency by Governor Newsom on March 2, 2020, and Authorizing Remote Teleconference Meetings of the Legislative Bodies of the M-S-R Public Power Agency Pursuant to Brown Act Provisions.”

RESOLUTION No. 2022 – 02

RESOLUTION OF THE TECHNICAL COMMITTEE  
ON BEHALF OF THE COMMISSION OF THE  
M-S-R PUBLIC POWER AGENCY  
PROCLAIMING A LOCAL EMERGENCY, RE-RATIFYING THE PROCLAMATION OF A STATE OF  
EMERGENCY BY GOVERNOR NEWSOM ON MARCH 4, 2020, AND AUTHORIZING REMOTE  
TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF M-S-R PUBLIC POWER AGENCY  
PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the M-S-R Public Power Agency is committed to preserving and nurturing public access and participation in meetings of the Commission, Technical Committee, and Financial Management Committee (herein “Legislative Bodies”); and

WHEREAS, all meetings of M-S-R Public Power Agency’s Legislative Bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the M-S-R Public Power Agency’s Legislative Bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a Legislative Body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Commission of the M-S-R Public Power Agency previously adopted a Resolution, No. 2022 – 02, on October 20, 2021, finding that the requisite conditions exist for the legislative bodies of the M-S-R Public Power Agency to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Commission of the M-S-R Public Power Agency must reconsider the circumstances of the state

of emergency that exists in the state, and the Commission of the M-S-R Public Power Agency has done so; and

WHEREAS, such conditions persist in the state, specifically, a state of emergency was proclaimed by Governor Newsom on March 4, 2020; and

WHEREAS, the Commission of the M-S-R Public Power Agency does hereby find that the State of Emergency proclaimed by the Governor has caused, and will continue to cause, conditions of peril to the safety of persons within the State that are likely to be beyond the control of services, personnel, equipment, and facilities of the M-S-R Public Power Agency, and desires to proclaim a local emergency and re-ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Commission of the M-S-R Public Power Agency does hereby find that the legislative bodies of M-S-R Public Power Agency shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, for the duration of such local emergency, meetings of Legislative Bodies of the M-S-R Public Power Agency shall continue to be conducted via webinar and members of the public may join such meetings by utilizing the webinar feature or through phone lines identified in the meeting agenda and will have the opportunity to provide public input via the webinar or phone features. Additionally, members of the public may also email their comments to the General Manager at [m.s.r.general.manager@gmail.com](mailto:m.s.r.general.manager@gmail.com) by 3 p.m. on the day prior to the meeting of the Legislative Body and such comments will be read during the public input section of the agenda or at time of the Legislative Body's consideration of an agenda item identified in such comments; and

WHEREAS, the Commission of the M-S-R Public Power Agency previously adopted a Resolution, No. 2022 – 02, on October 20, 2021, finding that if a regular or special meeting of any Legislative Body of the M-S-R Public Power Agency occurs subsequent to November 19, 2021, and prior to the next regularly scheduled meeting of the Commission of the M-S-R Public Power Agency, such Legislative Body, if not the Commission of the M-S-R Public Power Agency, is hereby authorized to adopt on behalf of the Commission of the M-S-R Public Power Agency a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which all Legislative Bodies of M-S-R Public Power Agency may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

///

NOW, THEREFORE, THE COMMISSION OF THE M-S-R PUBLIC POWER AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Local Emergency. The Commission of the M-S-R Public Power Agency hereby proclaims that a local emergency now exists and will continue to cause, conditions of peril to the safety of persons within the State that are likely to be beyond the control of services, personnel, equipment, and facilities of the M-S-R Public Power Agency.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Commission of the M-S-R Public Power Agency hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. The General Manager and Legislative Bodies of the M-S-R Public Power Agency are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) June 4, 2022, or such time the Commission adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Legislative Bodies of M-S-R Public Power Agency may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

Section 6. Delegation of Authority. The regular May 5, 2022 meeting of the Technical Committee of the M-S-R Public Power Agency, a Legislative Body of the M-S-R Public Power Agency, occurs subsequent to November 19, 2021, and prior to the regularly scheduled meeting of the Commission of the M-S-R Public Power Agency set for May 18, 2022. Therefore, this Legislative Body is authorized by Resolution 2021 – 02 to adopt on behalf of the Commission of the M-S-R Public Power Agency this subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which all Legislative Bodies of M-S-R Public Power Agency may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

///

PASSED AND ADOPTED this 5<sup>th</sup> day of May, 2022 upon the following vote of the Members:

Modesto Irrigation District

City of Santa Clara

City of Redding

ATTEST:

---

CHAIR

---

SECRETARY

DRAFT MINUTES OF THE  
M-S-R PUBLIC POWER AGENCY  
TECHNICAL COMMITTEE  
FEBRUARY 3, 2022

The M-S-R Public Power Agency (M-S-R PPA) Technical Committee held a regular meeting on February 3, 2022 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 PPA Members were represented: Modesto Irrigation District – Toxie Burriss, City of Santa Clara – Basil Wong, and City of Redding – Lisa Casner. The meeting was called to order at 10:02 a.m.

SB361 Compliance and Resolution 2022-01

Mr. Hopper reported that the COVID-19 state of emergency has carried into 2022 and he recommends the Agency continue to avail itself of remote meetings to maintain public health and safety, and thus re-adoption of Resolution 2021-02 is required. As the Agency and its Legislative Bodies regularly meet only quarterly and the first meeting in each quarter is normally held by the Technical Committee, the Commission delegated specific authority to the Technical Committee to adopt successors to Resolution 2021-02 as-needed and for legislative economy. The proposed Resolution 2022-01 will cover the February 2022 meetings of the Technical Committee and the Commission. It was moved by Representative Burriss and seconded by Representative Wong that the Technical Committee adopt on behalf of the Commission the proposed Resolution 2022 – 01 “Proclaiming a Local Emergency, Re-Ratifying the Proclamation of a State of Emergency by Governor Newsom on March 2, 2020, and Authorizing Remote Teleconference Meetings of the Legislative Bodies of the M-S-R Public Power Agency Pursuant to Brown Act Provisions.” Upon 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 October 27, 2021 were approved unanimously on the call of the roll.

### General Manager Report

The General Manager briefly reviewed his November 2021 through January 2022 reports included in the package covering October 2021 through December 2021 activities respectively. The Committee noted and filed the reports.

### Big Horn Operating Statistics Report

Mr. Hopper reviewed the updated Big Horn Wind Energy Project Statistics covering operations through December 2021 and noted the continued high levels of energy production. The Committee noted and filed the report.

### 2022 Ten-Year Resource and Legacy Liability Cost Forecasts

Mr. Hopper reviewed the forecasted expenditures for Legacy Liability activities and projected costs for the Big Horn I and Big Horn II Wind Energy Projects for the next ten years. The forecast assumptions and limitations of the report were reviewed. Mr. Hopper also noted the upcoming retirement of the remaining bonded indebtedness associated with the San Juan Project and possible accounting implications for the Members. The Committee noted and filed the report.

### Renewable Energy REC and Market Indices Forecasts

Mr. Hopper reviewed the requirements in the Big Horn I and Big Horn II Wind Energy Project Agreements related to the use and identification of indices for power and REC values. The Members were requested to share any forecasts they may have developed for these items and Mr. Hopper will investigate costs and possible service providers to update the 2017 Navigant study regarding such costs. The Committee noted and filed the report.

### Outside Services Budget versus Actual Report

Mr. Hopper indicated that the final fiscal year 2021 Legal and Consulting activities concluded the year at about 94% of budget. However, the Trust-funded Mine Reclamation and Plant Decommissioning work concluded the year at 101% of Budget primarily due to acceleration of Westmoreland Coal Company's activities. He reiterated that the Agency's Mine Reclamation Trust retains a surplus balance over the current funding requirement and acceleration of the performance of reclamation work is not detrimental to the Agency. Mr. Hopper indicated that by the time the February Commission package will be prepared, some fiscal year 2022 costs should be available. The Committee noted and filed the report.

### 2023 M-S-R Coordinator Contract

Mr. Hopper reviewed the report regarding proposed milestones for the review of potential successors to the M-S-R Coordinator. Although the Committee noted the schedule generally seems reasonable, continued COVID-19 meeting restrictions may affect both interview and transition timing. It was also suggested that the work-scope for proposers should include both start-up and hand-off phases to address both the beginning and end of contracts. In order to compare the full costs and benefits of a change in service-providers, transition costs will need to be considered in any evaluation. The Committee noted and filed the report and suggested the General Manager identify these additional issues for the Commission's consideration.

### Closed Session Conference with Legal Counsel

M-S-R PPA Technical Committee retired to closed session at 11:00 a.m. pursuant to Government Code §54956.9(d)(1) – Conference with Legal Counsel – 3 cases of Existing Litigation (NM-PRC 20-00222-UT, Supreme Court of the State of New Mexico S-1-SC-39152, and BP-22-BPA), pursuant to Government Code §54956.9(d)(2) – Significant Exposure to Litigation – 1 case, 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 12:09 P.M., Mr. Gross announced that there were no reportable actions.

Member Reports

Mr. Hopper solicited reports from the Members and received none. Mr. Hopper then offered congratulations to former Redding Electric Utility Director Dan Beans on his appointment as the City of Roseville's Electric Utility Director and noted that Nick Zettel has been appointed Redding's Interim Electric Utility Director and will be Redding's Commissioner to M-S-R.

Public Comment

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

Next Meeting

The next regular meeting will be held virtually at 10:00 a.m. on Thursday, May 5, 2022 (as may be required due to public health considerations.) The meeting was adjourned at 12:11 P.M.

Respectfully submitted.

Martin R. Hopper  
General Manager

Attachment 1

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

February 3, 2022  
10:02 AM

<u>NAME</u>	<u>STATUS</u>	<u>ORGANIZATION</u>
Toxie Burriss	Member	Modesto
Steve Hance	Member	Santa Clara
Lisa Casner	Alternate	Redding
Martin Hopper	Chair	General Manager
Steve Gross	Guest	General Counsel

DRAFT

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

**Date:** April 26, 2022  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** April 2022 General Manager Report

---

### **Overview:**

This report provides 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 – March 2022 (Approx. 33 hours)

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

Prepared for and conducted monthly status call with Commission President and coordinated with incoming President regarding future meetings.

Further coordination with Financial Advisor regarding updated analyses re Natural Gas Project Forward Delivery Agreement replacement.

Monitored CARB SB100 Scoping Plan update process, renewable reporting requirements and Environmental Justice proposals.

Coordination and oversight regarding annual Form 700 reporting and filing process.

Provided additional materials to BayTech regarding website update and coordinated transition of website hosting in preparation of go-live for site.

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

Project Activities:

San Juan – March 2022 (Approx. 61 hours):

Met with SJGS negotiating team and insurance brokers regarding Enchant proposal and clean-break opportunities and requirements for bonds, sureties, and insurance regarding decommissioning, mine reclamation, and environmental liabilities. Multiple virtual meetings.

Coordinated with 8-owners re comments and counter-proposal to Enchant regarding releases of liability, insurance, and decommissioning costs and limits on former owners.

Reviewed PNM Notice regarding extension of Sierra Club Consent Decree regarding groundwater issues.

Reviewed NM-PRC complaints by WRA and NEE and responses by PNM regarding timing of issuance of San Juan Energy Transaction Act bands.

Further review and analysis of Westmoreland mine reclamation buyout proposal construction dump element. Coordinated with PNM regarding same. Virtual meeting of negotiating team with Westmoreland.

Research and review of contractual issues and correspondence with PNM regarding Evaporation Pond Reclamation Bond dispute.

Coordinated with 8-owners re comments and counter-proposal to Enchant regarding San Juan Project purchase and releases of liability, insurance, and decommissioning costs and limits on former owners.

Attended Reclamation and Decommissioning Investment Committee meetings (virtually) regarding Trust Fund Funding Status and projected expenditures.

Big Horn – March 2022 (Approx. 18 hours):

Reviewed materials and coordinated with BPA Counsel regarding Financial Plan review and attended (virtual) Financial Plan workshops and regarding quarterly update report to Technical Committee.

Reviewed Big Horn energy production, residual energy accumulations, and REC transfer records and updated periodic status reports. Researched and corrected errors in internal production data models.

Researched prior studies and forms of requests for updated reviews of Big Horn indices. Reviewed Guidehouse proposal regarding study update.

Key Meetings – February 2022

Commission President, Telephonic, March 3, 2022. Key Issues: San Juan Decommissioning and Reclamation Clean-Break prospects, Enchant transaction prospects, M-S-R Coordinator process, and Big Horn REC review status.

PNM and Enchant Negotiators, Telephonic, March 4, 9, and 17, 2022. Key Issues: San Juan Reclamation and Decommissioning cash flow projections and net present value analyses.

Westmoreland San Juan Mining, Virtual, March 22, 2022. Key Issues: Reclamation Buyout Proposal and timing of future negotiations. Premeeting with Negotiating Team, Virtual.

San Juan Decommissioning and Reclamation Investment Committees, Virtual, March 23, 2022. Key Issues: Annual Funding Status Reports.

San Juan Decommissioning Committee, Telephonic, March 24, 2022. Key Issues: Decommissioning Study status and project timing.

**General Consultant:**

The General Consultant regularly prepares a summary of his activities as part of his monthly billing process. The General Consultant's April 2022 report is attached regarding 40 hours of support in March 2022 regarding San Juan, Renewable, and Administrative issues. Please note all described meetings were attended telephonically.

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

**Date:** April 1, 2022  
**From:** Alan Hockenson  
**To:** Martin Hopper  
**Subject:** Specific Work Tasks for March 2022

---

During March, 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 (25 hours) – The San Juan Generating Station (San Juan) Decommissioning Committee (SJDC) met on March 24<sup>th</sup>. San Juan Unit 1 will cease operations by July 1, 2022. The Public Service Company of New Mexico (PNM) has received regulatory approval to extend the operations of San Juan Unit 4 through the end of September to support shortfalls in other energy resources. Updates of ongoing activities were provided. The new project tracking table was reviewed and updates were suggested. The minutes of SJDC meetings held in 2018 were finalized and approved. Work on the 2019 SJDC meeting minutes is underway. The Decommissioning Agent has released draft minutes of the SJDC meeting minutes for December 2021 and January/February 2022. These minutes have been reviewed and comments provided.

The Retirement Order (RO) for the Decommissioning Study is running at budget and remains on schedule for completion in May. The draft study is scheduled for review on April 4<sup>th</sup> with a presentation scheduled for May 17<sup>th</sup>.

PNM followed the SJDC advice from the February meeting and cancelled its meeting with San Juan County regarding Ordinance 121.

The contracts with the United States Bureau of Reclamation (USBR) related to the Lake and River Stations (land and facilities) and ongoing water supply are still proceeding. There was no change in status since the February SJDC meeting.

PNM has agreed to hold a meeting in early April with the Agency and the City of Anaheim regarding the disputes related to Surety Bonds. In preparation for this meeting, a chronology of events was compiled to support the Agency's positions in the matter. In addition, the Decommission Agreement, the Restructuring Agreement, and the New Exit Date Agreement were reviewed and pertinent sections were extracted for ease of reference by the General Manager.

The negotiations related to the sale of San Juan to Enchant Energy have not made substantive progress.

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

Renewable (13 hours) – Monthly operating data was received from Avangrid Renewables, Inc. (AR), and was reviewed.

The Annual Regional Transmission Organization meeting on Interregional Planning was held on the 4<sup>th</sup>. Both WestConnect and NorthernGrid finished their Regional Transmission Plans without identifying a need for independent transmission projects. The California Independent System Operator (CAISO) has expanded its transmission planning window to twenty years. Over this period, the CAISO is planning to achieve a 100% reliance on renewable generation. This plan requires substantial additions of generation in the San Joaquin Valley and off shore windmills interconnecting with the transmission grid at existing coastal generator sites. The CAISO also projects substantial imports of new generation from the Rocky Mountain Region (Wyoming) and the Inland Southwest (New Mexico). The CAISO plan calls for substantial new transmission investment. Multiple entities including the Federal Government are urging WestConnect and NorthernGrid to follow the lead of the CAISO. Frustration was expressed by an Independent Transmission Company (ITC) that a need for independent transmission is never identified. If a designation is ever made, the ITC would be eligible for cost sharing from utilities.

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 website was launched by Baytech Digital but some issues were identified that need resolution. The Renewable Status Report was reviewed and updated.

All meetings were attended telephonically.

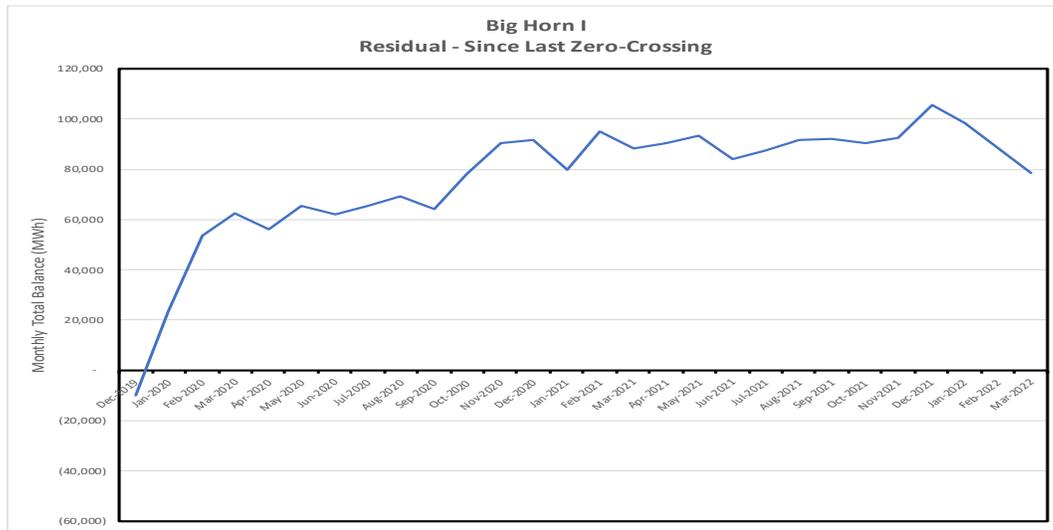
## M-S-R Public Power Agency Big Horn Operations

**Date:** April 16, 2022  
**From:** Martin Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** Big Horn Operations Statistics

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

Big Horn I Operations	Production (MWh)	Monthly % of Contract Forecast	Cumulative Wind Year <sup>1</sup> (MWh)	Residual Energy Owing <sup>2</sup> (MWh)
January	29,924	88.2%	173,661	98,518
February	45,009	90.2%	218,670	88,903
March	40,731	86.6%	259,401	78,367
Contract Forecast	N/A	N/A	512,755	N/A
Annual Budget Forecast	N/A	N/A </td <td>515,000</td> <td>N/A</td>	515,000	N/A
Life of Project	N/A	N/A	7,959,837	N/A

March Big Horn I energy production was below long-term averages for the third time in recent months. Residual Energy accumulation decreased accordingly in March as shown below.

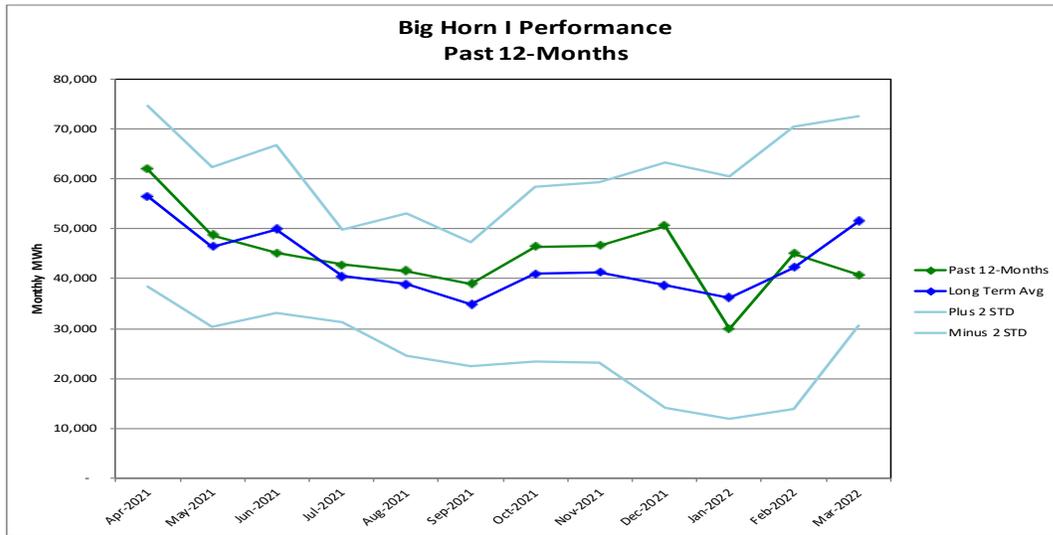


4/15/22

Last Zero Crossing

Big Horn I Residual Accumulations.xlsx

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



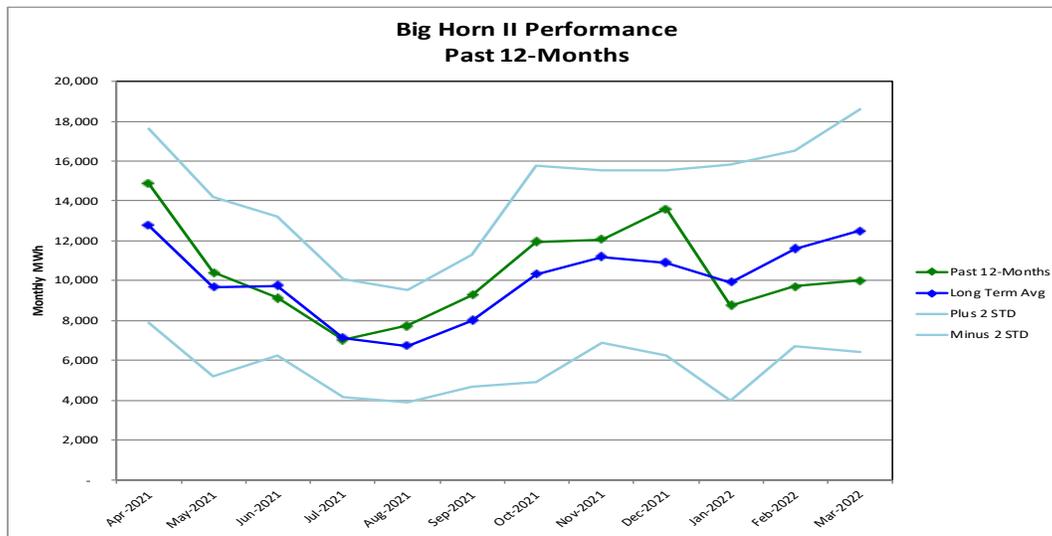
4/16/22

Past 12 Thru Mar 2022

Big Horn I Projections 2022.xlsx

<b>Big Horn II Operations</b>	<b>Production (MWh)</b>	<b>Monthly % of Contract Forecast</b>	<b>Cumulative Wind Year<sup>3</sup> (MWh)</b>
January	8,745	84.9%	34,437
February	9,712	76.7%	44,149
March	10,019	83.5%	54,169
Contract Forecast	N/A	N/A	123,588
Annual Budget Forecast	N/A	N/A	120,000
Life of Project Production	N/A	N/A	1,368,092

March Big Horn II energy production was below long-term average for the third time in recent months.



4/15/22

Past 12 Thru Mar 2022

Big Horn II Projections 2022.xlsx

<sup>3</sup> Big Horn II Wind Year runs November 1 through October 31.

**Transmission Curtailments:**

<b>Curtailments</b>	<b>On-Peak (MWh)</b>	<b>Off-Peak (MWh)</b>	<b>Total (MWh)</b>
January	0	0	0
February	0	0	0
March	0	0	0
Big Horn I Wind Year To Date	125	53	178
Historic Annual Average	1,632	1,058	2,690

There have been no curtailments related to Big Horn I since December 2021.

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

**Date:** April 26, 2022  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** May 2022 Outside Services Budget versus Actual Report

---

### **FISCAL YEAR 2022:**

#### **Major Legal and Consulting Providers Reporting Are:**

Duncan, Weinberg, Genzer, and Pembroke:	Through:	March 31, 2022
Law Offices of Susie Berlin:	Through:	February 28, 2022
Porter Simon:	Through:	March 31, 2022
KBT LLC:	Through:	March 31, 2022
General Manager	Through:	March 31, 2022

Projected year-end expenditures in this category total 95% of the annual budget.

#### **Legacy Liability Providers Reporting Are:**

PNM – Reclamation Management:	Through:	March 31, 2022
WSJM – Reclamation:	Through:	March 31, 2022
PNM – Decommissioning:	Through:	March 31, 2022

Projected year-end expenditures in this category total 97% of the annual budget.

Detailed charts of monthly budget versus actual cost comparisons for each provider are attached.

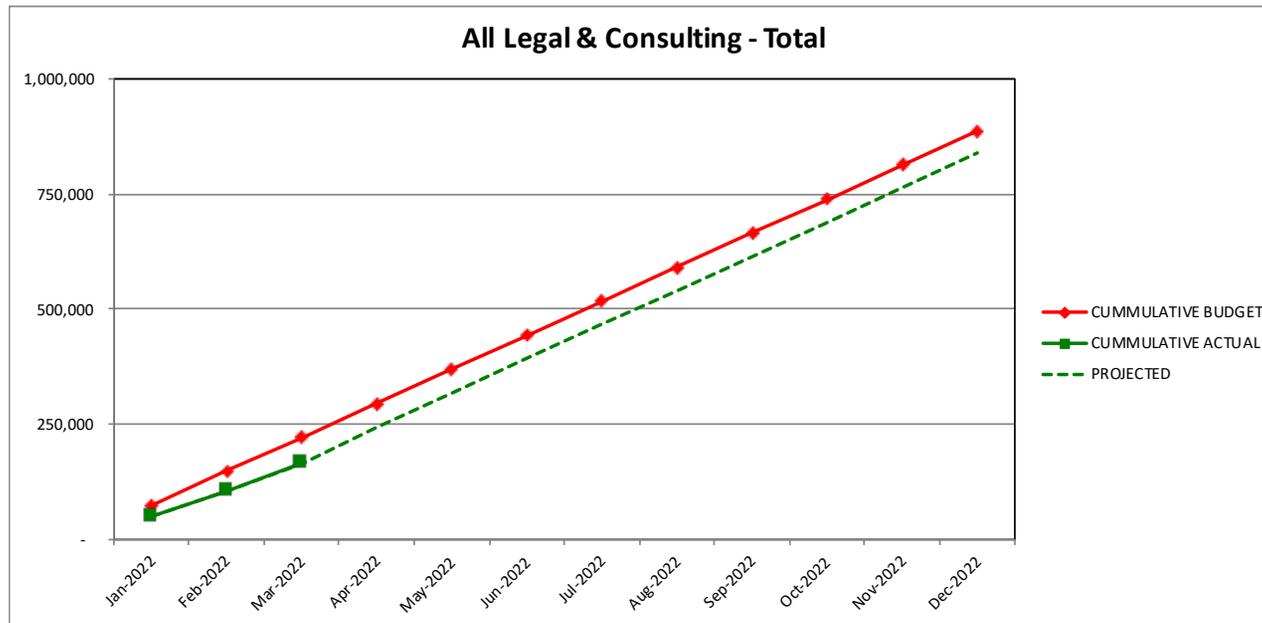
Please note any current and future period expenditures printed in *bold italics* are estimates.

### **Recommendation:**

I recommend the Commission note and file this report.

## M-S-R PPA All Legal & Consult Summary

Month of: **Mar-2022**



#### CURRENT MONTH

By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	18,750	16,545	2,206	88%
Gen - Other	83	0	83	0%
Renewables	7,667	5,123	2,544	67%
Rens - Other	30,000	23,092	6,908	77%
Reg & Comp	7,583	<b>6,954</b>	630	92%
Administrative	9,833	9,242	591	94%
<b>Total</b>	<b>73,917</b>	<b>60,955</b>	<b>12,961</b>	<b>82%</b>

#### YEAR TO DATE

By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	56,250	41,522	14,729	74%
Gen - Other	250	0	250	0%
Renewables	23,000	15,707	7,293	68%
Rens - Other	90,000	57,995	32,005	64%
Reg & Comp	22,750	<b>18,704</b>	4,046	82%
Administrative	29,500	31,884	(2,384)	108%
<b>Total</b>	<b>221,750</b>	<b>165,812</b>	<b>55,938</b>	<b>75%</b>

#### CURRENT MONTH

By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Duncan	25,417	21,842	3,575	86%
Berlin	3,750	<b>3,750</b>	0	100%
Porter Simon	4,000	1,518	2,482	38%
KBT	13,333	13,424	(91)	101%
General Mgr	25,000	20,085	4,915	80%
Others	2,417	337	2,080	14%
<b>Total</b>	<b>73,917</b>	<b>60,955</b>	<b>12,961</b>	<b>82%</b>

#### YEAR TO DATE

By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Duncan	76,250	54,756	21,494	72%
Berlin	11,250	<b>10,633</b>	617	95%
Porter Simon	12,000	5,918	6,082	49%
KBT	40,000	33,664	6,336	84%
General Mgr	75,000	60,503	14,497	81%
Others	7,250	337	6,913	5%
<b>Total</b>	<b>221,750</b>	<b>165,812</b>	<b>55,938</b>	<b>75%</b>

# M-S-R PPA Duncan Summary

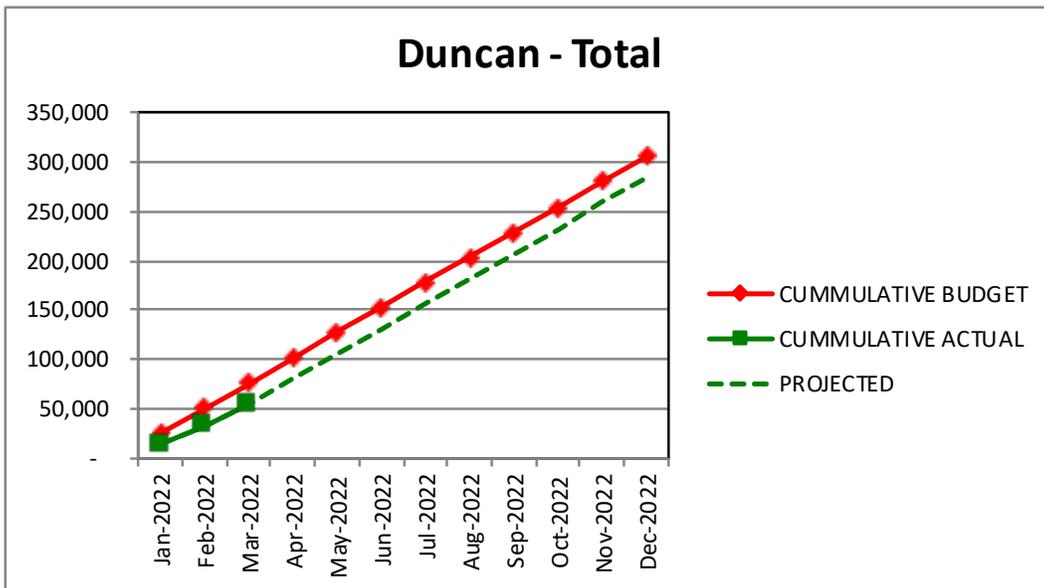
Month of: **Mar-2022**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	462	(462)	#DIV/0!
Gen - Other	0	0	0	0%
Renewables	0	0	0	0%
Rens - Other	22,917	18,360	4,557	80%
Reg & Comp	2,500	3,021	(521)	121%
Administrative	0	0	0	0%
<b>Total</b>	<b>25,417</b>	<b>21,842</b>	<b>3,575</b>	<b>86%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	834	(834)	#DIV/0!
Gen - Other	0	0	0	0%
Renewables	0	0	0	0%
Rens - Other	68,750	47,439	21,311	69%
Reg & Comp	7,500	6,484	1,017	86%
Administrative	0	0	0	0%
<b>Total</b>	<b>76,250</b>	<b>54,756</b>	<b>21,494</b>	<b>72%</b>



# M-S-R PPA Berlin Summary

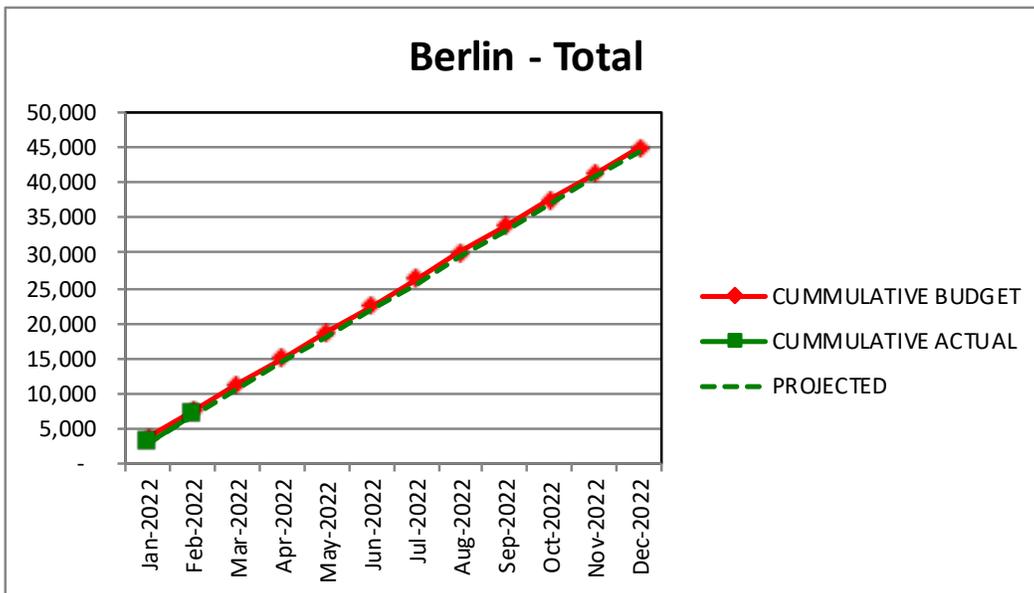
Month of: **Mar-2022**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	417	<b>417</b>	0	100%
Rens - Other	0	0	0	0%
Reg & Comp	3,333	<b>3,333</b>	0	100%
Administrative	0	0	0	0%
<b>Total</b>	<b>3,750</b>	<b>3,750</b>	<b>0</b>	<b>100%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	1,250	<b>417</b>	833	33%
Rens - Other	0	0	0	0%
Reg & Comp	10,000	<b>10,216</b>	<b>(216)</b>	102%
Administrative	0	0	0	0%
<b>Total</b>	<b>11,250</b>	<b>10,633</b>	<b>617</b>	<b>95%</b>



# M-S-R PPA Misc Legal & Consult Summary

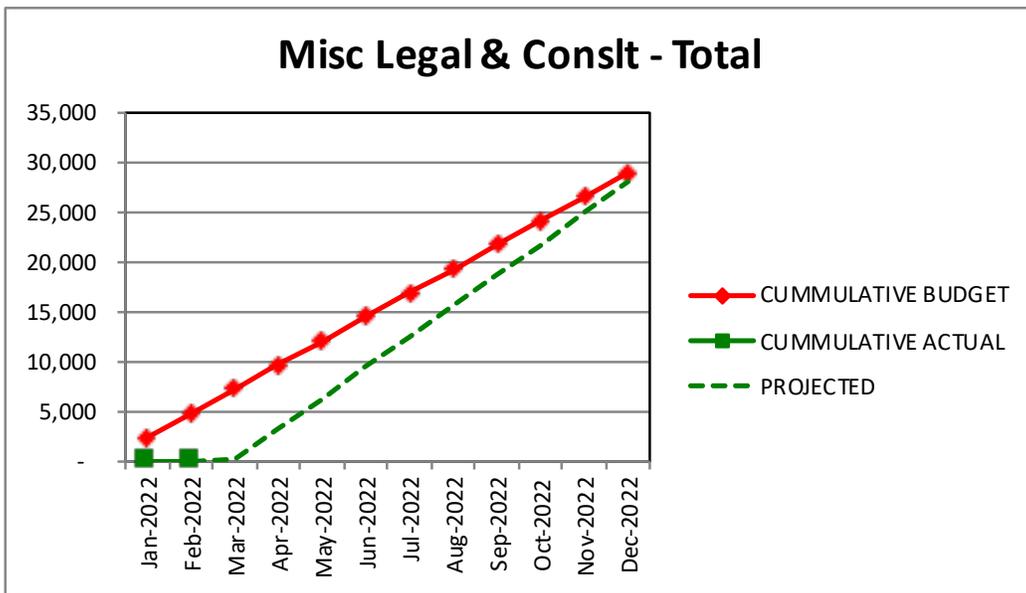
Month of: **Mar-2022**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	<b>0</b>	0	0%
Gen - Other	83	<b>0</b>	83	0%
Renewables	0	<b>0</b>	0	0%
Rens - Other	2,083	<b>0</b>	2,083	0%
Reg & Comp	0	<b>0</b>	0	0%
Administrative	250	<b>337</b>	<b>(87)</b>	135%
<b>Total</b>	<b>2,417</b>	<b>337</b>	<b>2,080</b>	<b>14%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	<b>0</b>	0	0%
Gen - Other	250	<b>0</b>	250	0%
Renewables	0	<b>0</b>	0	0%
Rens - Other	6,250	<b>0</b>	6,250	0%
Reg & Comp	0	<b>0</b>	0	0%
Administrative	750	<b>337</b>	413	45%
<b>Total</b>	<b>7,250</b>	<b>337</b>	<b>6,913</b>	<b>5%</b>



# M-S-R PPA Porter Simon Summary

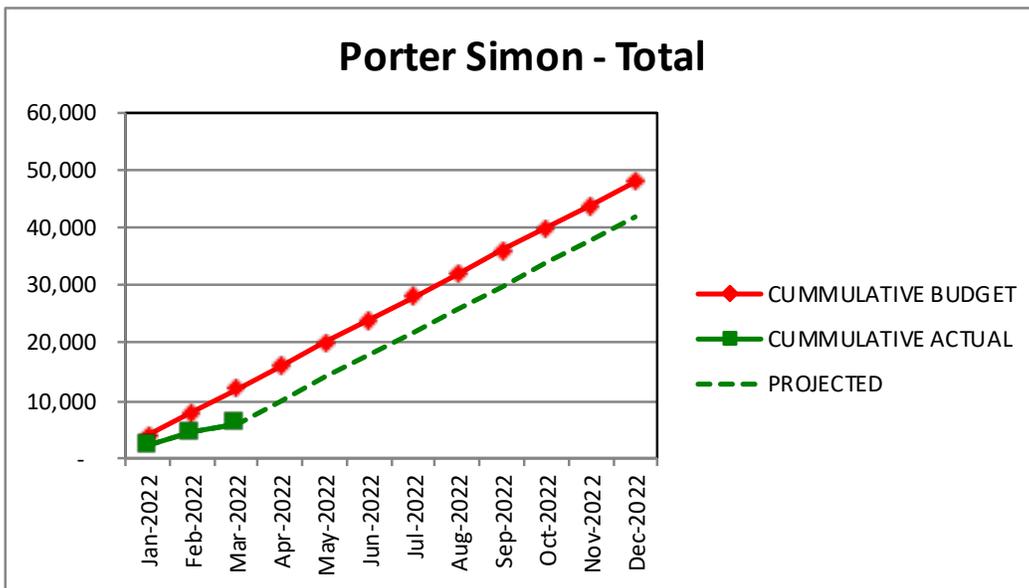
Month of: **Mar-2022**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,083	1,496	587	72%
Gen - Other	0	0	0	0%
Renewables	167	0	167	0%
Rens - Other	0	0	0	0%
Reg & Comp	83	0	83	0%
Administrative	1,667	22	1,645	1%
<b>Total</b>	<b>4,000</b>	<b>1,518</b>	<b>2,482</b>	<b>38%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	6,250	4,444	1,806	71%
Gen - Other	0	0	0	0%
Renewables	500	132	368	26%
Rens - Other	0	0	0	0%
Reg & Comp	250	0	250	0%
Administrative	5,000	1,342	3,658	27%
<b>Total</b>	<b>12,000</b>	<b>5,918</b>	<b>6,082</b>	<b>49%</b>



# M-S-R PPA KBT Summary

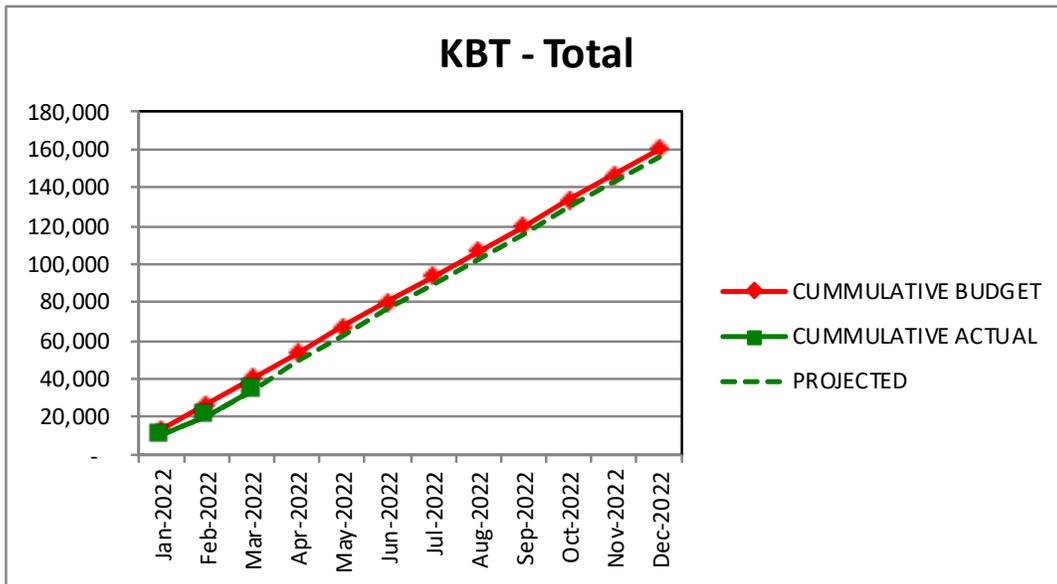
Month of: **Mar-2022**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	4,167	5,512	(1,345)	132%
Gen - Other	0	0	0	0%
Renewables	2,917	2,756	161	94%
Rens - Other	5,000	4,732	268	95%
Reg & Comp	0	0	0	0%
Administrative	1,250	424	826	34%
<b>Total</b>	<b>13,333</b>	<b>13,424</b>	<b>(91)</b>	<b>101%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	12,500	13,144	(644)	105%
Gen - Other	0	0	0	0%
Renewables	8,750	7,208	1,542	82%
Rens - Other	15,000	10,556	4,444	70%
Reg & Comp	0	0	0	0%
Administrative	3,750	2,756	994	73%
<b>Total</b>	<b>40,000</b>	<b>33,664</b>	<b>6,336</b>	<b>84%</b>



# M-S-R PPA General Manager Summary

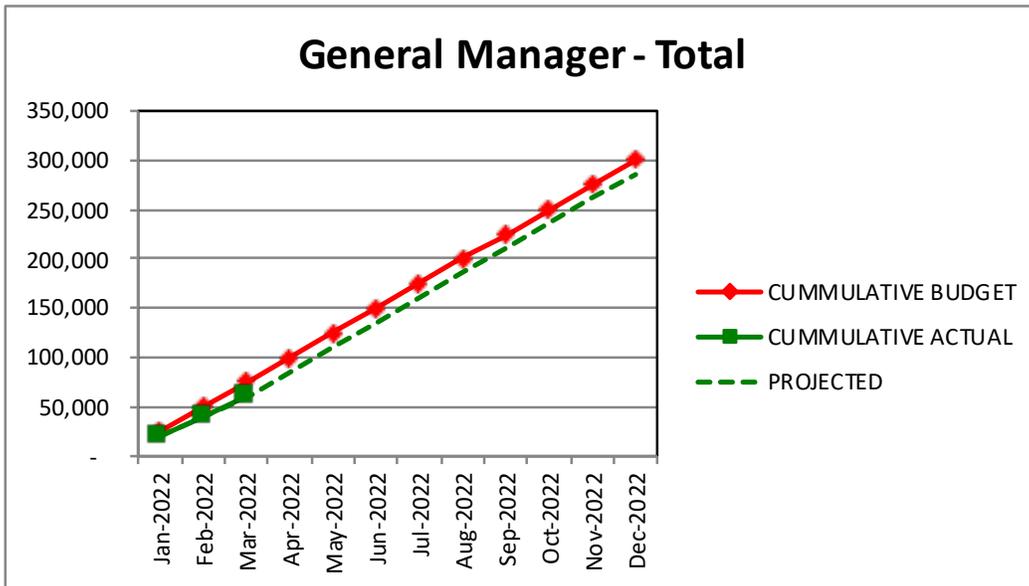
Month of: **Mar-2022**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	12,500	9,075	3,425	73%
Gen - Other	0	0	0	0%
Renewables	4,167	1,950	2,217	47%
Rens - Other	0	0	0	0%
Reg & Comp	1,667	600	1,067	36%
Administrative	6,667	8,460	(1,793)	127%
<b>Total</b>	<b>25,000</b>	<b>20,085</b>	<b>4,915</b>	<b>80%</b>

## YEAR TO DATE

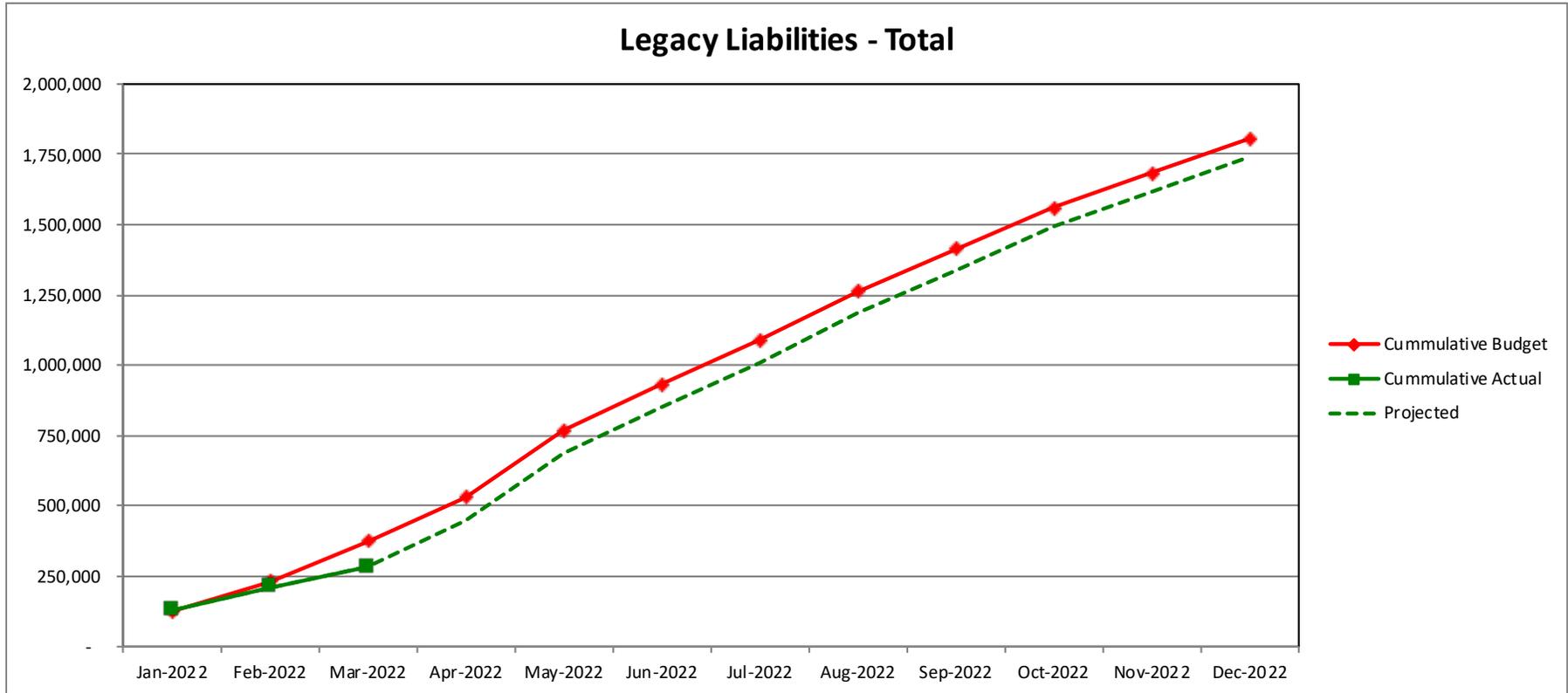
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	37,500	23,100	14,400	62%
Gen - Other	0	0	0	0%
Renewables	12,500	7,950	4,550	64%
Rens - Other	0	0	0	0%
Reg & Comp	5,000	2,004	2,996	40%
Administrative	20,000	27,449	(7,449)	137%
<b>Total</b>	<b>75,000</b>	<b>60,503</b>	<b>14,497</b>	<b>81%</b>





# Legacy Liability - Total

Month of: Mar-2022



CURRENT MONTH					YEAR TO DATE				
By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %	By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
PNM - Reclamation	4,417	352	4,065	8%	PNM - Reclamation	13,250	2,160	11,090	16%
WSJM - Reclamation	120,197	75,665	44,532	63%	WSJM - Reclamation	305,600	239,383	66,216	78%
PNM - Decommission	9,917	362	9,555	4%	PNM - Decommission	29,750	44,942	(15,192)	151%
Decomm Insurance	8,417	(2,814)	11,231	-33%	Decomm Insurance	25,250	(2,814)	28,064	-11%
<b>Total</b>	<b>142,947</b>	<b>73,565</b>	<b>69,382</b>	<b>51%</b>	<b>Total</b>	<b>373,850</b>	<b>283,671</b>	<b>90,179</b>	<b>76%</b>

# PNM - Reclamation

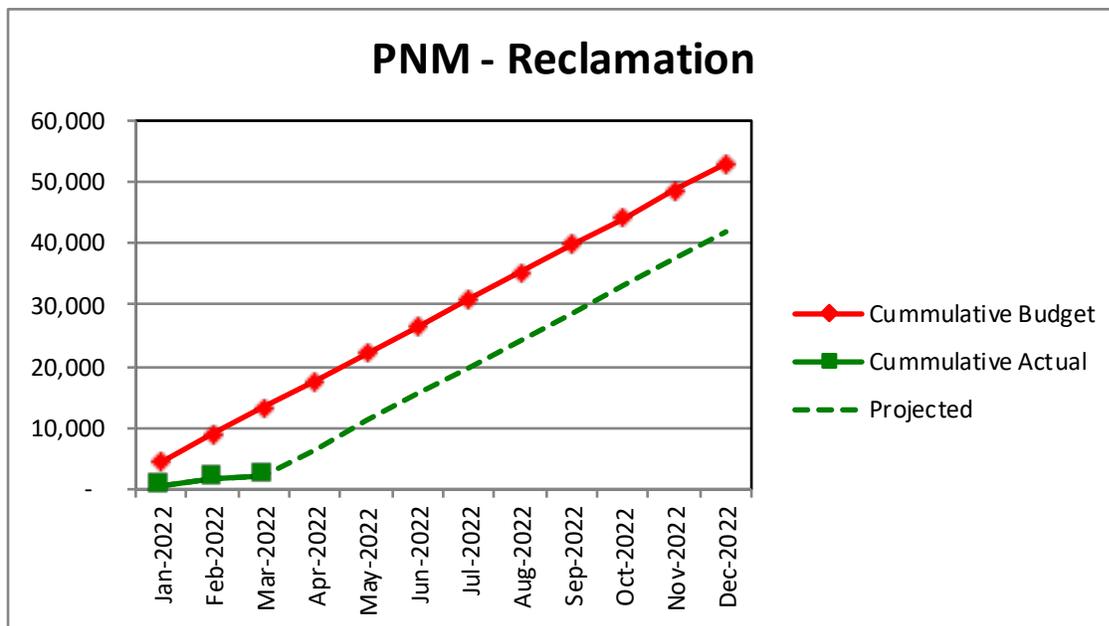
Month of: **Mar-2022**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	4,417	352	4,065	8%
<b>Total</b>	<b>4,417</b>	<b>352</b>	<b>4,065</b>	<b>8%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	13,250	2,160	11,090	16%
<b>Total</b>	<b>13,250</b>	<b>2,160</b>	<b>11,090</b>	<b>16%</b>



# WSJM - Reclamation

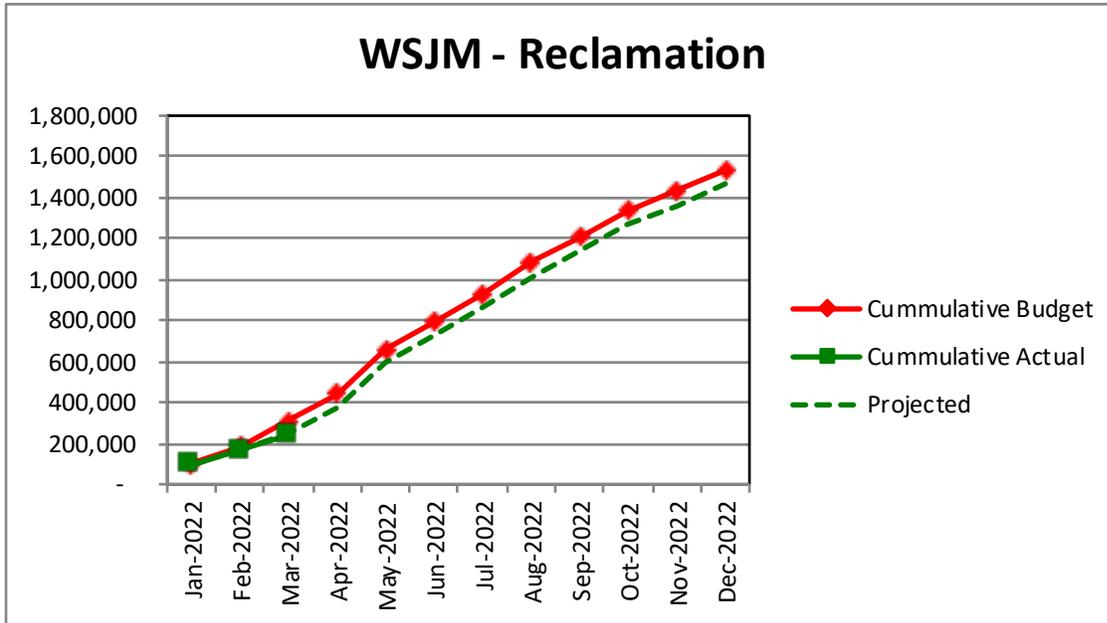
Month of: **Mar-2022**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	120,197	75,665	44,532	63%
<b>Total</b>	<b>120,197</b>	<b>75,665</b>	<b>44,532</b>	<b>63%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	305,600	239,383	66,216	78%
<b>Total</b>	<b>305,600</b>	<b>239,383</b>	<b>66,216</b>	<b>78%</b>



# PNM - Decommissioning

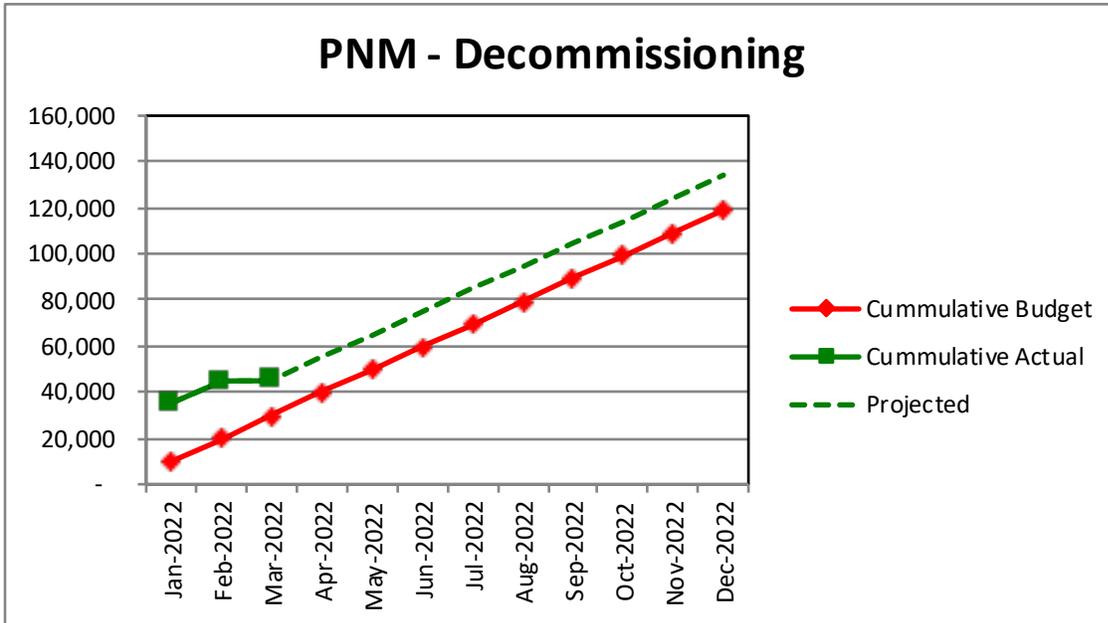
Month of: **Mar-2022**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	9,917	362	9,555	4%
<b>Total</b>	<b>9,917</b>	<b>362</b>	<b>9,555</b>	<b>4%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	29,750	44,942	(15,192)	151%
<b>Total</b>	<b>29,750</b>	<b>44,942</b>	<b>(15,192)</b>	<b>151%</b>



# Decommissioning Insurance

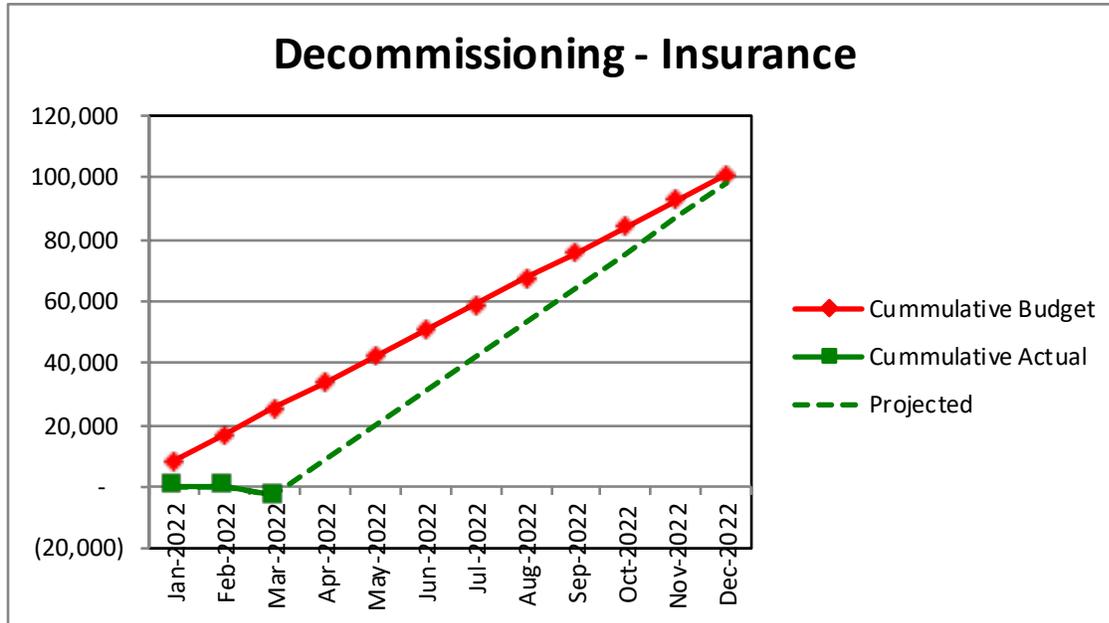
Month of: **Mar-2022**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	8,417	(2,814)	11,231	-33%
<b>Total</b>	<b>8,417</b>	<b>(2,814)</b>	<b>11,231</b>	<b>-33%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	25,250	(2,814)	28,064	-11%
<b>Total</b>	<b>25,250</b>	<b>(2,814)</b>	<b>28,064</b>	<b>-11%</b>



Legacy Liability Costs - 2022	M-S-R 2022 Budget	Revised or A.O.P	Jan-2022 8.33%	Feb-2022 16.67%	Mar-2022 25.00%	Apr-2022 33.33%	May-2022 41.67%	Jun-2022 50.00%	Jul-2022 58.33%	Aug-2022 66.67%	Sep-2022 75.00%	Oct-2022 83.33%	Nov-2022 91.67%	Dec-2022 100.00%	Total	Average	Year-End Projection
<b>PNM - Reclamation - Budget</b>	53,000	53,000	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	53,000		
<b>Cummulative Budget</b>			4,417	8,833	13,250	17,667	22,083	26,500	30,917	35,333	39,750	44,167	48,583	53,000			
<b>Reclamation Trust Funds Operating Agent</b>			548	1,260	352.16	<b>4,417</b>	<b>41,910</b>	3,492	41,910								
<b>Cummulative Actual</b>	53,000	53,000	548	1,260	352.16	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	41,910	3,492	41,910
			548	1,808	2,160	<b>6,577</b>	<b>10,993</b>	<b>15,410</b>	<b>19,827</b>	<b>24,243</b>	<b>28,660</b>	<b>33,077</b>	<b>37,493</b>	<b>41,910</b>			
			1.03%	3.41%	4.08%	12.41%	20.74%	29.08%	37.41%	45.74%	54.08%	62.41%	70.74%	79.08%			79%
<b>WSJM - Reclamation - Budget</b>	1,533,635	1,533,635	102,418	82,985	120,197	136,266	213,113	139,080	134,052	153,865	125,800	126,377	97,483	101,999	1,533,635		
<b>Cummulative Budget</b>			102,418	185,403	305,600	441,866	654,979	794,059	928,111	1,081,976	1,207,776	1,334,153	1,431,636	1,533,635			
<b>San Juan - Surface</b>	1,533,635	1,533,635	93,160	70,559	75,664.82	<b>136,266</b>	<b>213,113</b>	<b>139,080</b>	<b>134,052</b>	<b>153,865</b>	<b>125,800</b>	<b>126,377</b>	<b>97,483</b>	<b>101,999</b>	<b>1,467,419</b>	122,285	1,467,419
<b>San Juan - Underground</b>			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cummulative Actual</b>	1,533,635	1,533,635	93,160	70,559	75,664.82	136,266	213,113	139,080	134,052	153,865	125,800	126,377	97,483	101,999	1,467,419	122,285	1,467,419
			93,160	163,719	239,383	<b>375,650</b>	<b>588,763</b>	<b>727,843</b>	<b>861,895</b>	<b>1,015,760</b>	<b>1,141,560</b>	<b>1,267,937</b>	<b>1,365,420</b>	<b>1,467,419</b>			
			6.07%	10.68%	15.61%	24.49%	38.39%	47.46%	56.20%	66.23%	74.43%	82.68%	89.03%	95.68%			96%
<b>PNM - Decommissioning</b>	119,000	119,000	9,917	9,917	9,917	9,917	9,917	9,917	9,917	9,917	9,917	9,917	9,917	9,917	119,000		
<b>Cummulative Budget</b>			9,917	19,833	29,750	39,667	49,583	59,500	69,417	79,333	89,250	99,167	109,083	119,000			
<b>Initial Decommissioning</b>			35,239	9,340	361.84	<b>9,917</b>	<b>134,192</b>	11,183	134,192								
<b>Cummulative Actual</b>	119,000	119,000	35,239	9,340	361.84	9,917	9,917	9,917	9,916.67	9,917	9,917	9,916.67	9,916.67	9,917	134,192	11,183	134,192
			35,239	44,580	44,942	<b>54,858</b>	<b>64,775</b>	<b>74,692</b>	<b>84,608</b>	<b>94,525</b>	<b>104,442</b>	<b>114,358</b>	<b>124,275</b>	<b>134,192</b>			
			29.61%	37.46%	37.77%	46.10%	54.43%	62.77%	71.10%	79.43%	87.77%	96.10%	104.43%	112.77%			112.77%
<b>Decommissioning Insurance</b>	101,000	101,000	8,417	8,417	8,417	8,417	8,417	8,417	8,417	8,417	8,417	8,417	8,417	8,417			
<b>Cummulative Budget</b>			8,417	16,833	25,250	33,667	42,083	50,500	58,917	67,333	75,750	84,167	92,583	101,000			
<b>Premiums Paid</b>			-	-	(2,814.21)	<b>11,222</b>	<b>98,186</b>	8,926	107,112								
<b>Cummulative Actual</b>	101,000	101,000	-	-	(2,814.21)	11,222	11,222	11,222	11,222.22	11,222	11,222	11,222.22	11,222.22	11,222	98,186	8,926	107,112
			-	-	(2,814)	<b>8,408</b>	<b>19,630</b>	<b>30,852</b>	<b>42,075</b>	<b>53,297</b>	<b>64,519</b>	<b>75,741</b>	<b>86,964</b>	<b>98,186</b>			
			0.00%	0.00%	-2.79%	8.32%	19.44%	30.55%	41.66%	52.77%	63.88%	74.99%	86.10%	97.21%			106.05%
<b>Total Legacy Liability</b>	1,806,635	1,806,635	137,364	89,576	84,795	159,016	235,863	161,830	156,802	176,615	148,550	149,127	120,233	124,749	1,741,706	145,886	1,750,632
			137,364	226,939	<b>311,735</b>	<b>470,751</b>	<b>706,615</b>	<b>868,445</b>	<b>1,025,246</b>	<b>1,201,861</b>	<b>1,350,411</b>	<b>1,499,538</b>	<b>1,619,772</b>	<b>1,744,520</b>			
			7.60%	12.56%	17.26%	26.06%	39.11%	48.07%	56.75%	66.52%	74.75%	83.00%	89.66%	96.56%			97%
<b>Cummulative Budget</b>			125,168	230,903	373,850	532,866	768,729	930,559	1,087,361	1,263,976	1,412,526	1,561,653	1,681,886	1,806,635			
<b>Cummulative Actual</b>			128,947	210,106	<b>283,671</b>	<b>445,493</b>	<b>684,162</b>	<b>848,797</b>	<b>1,008,404</b>	<b>1,187,825</b>	<b>1,339,181</b>	<b>1,491,113</b>	<b>1,614,152</b>	<b>1,741,706</b>			

*Italics = Estimated*

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

**Date:** April 26, 2022

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

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

**Subject:** 2023 M-S-R Coordinator Agreement – Service Provider Competition

---

The term of the current M-S-R Coordinator agreement with MID, as extended, expires February 28, 2023 and the agreement specifies that if M-S-R PPA is to extend the agreement for the third (of three) optional one-year extensions, we are to provide notice to MID no later than December 31, 2022. At its September 22, 2021 meeting, in the adoption of the Agency's 2022 Strategic Plan, the Commission directed that the Agency conduct a competitive review of current and potential service providers prior to the expiration of the current agreement and award of future contracts.

At the February meetings of the Technical Committee and the Commission, I outlined a process by which we would have prospective M-S-R Coordinator competitors bid the existing scope of work utilized by MID with a target of awarding a new contract, or an extension of MID's existing contract, at the September 28, 2022 Commission meeting. After review of an update of the existing scope, MID suggested an alternate approach.

The alternate approach to the solicitation of proposals for M-S-R Coordinator services would be to provide prospective candidates with those portions of the M-S-R Operating Agreement<sup>1</sup> specifying the M-S-R Coordinator's duties, Big Horn 1 Operating and Accounting Procedures<sup>2</sup> Big Horn 2 Operating and Accounting Procedures<sup>3</sup>, the Big Horn 1 Firming and Shaping Agreement (redacted of any confidential terms) and the BH2 Redelivery Agreement (redacted of any confidential terms) supporting such procedures. This approach preserves the value to MID of their detailed development of work scope, yet allows the candidates to propose new approaches to the work and confirm or rebut the presumption that MID's approach provides the greatest value and application of best practices to the provision of M-S-R Coordinator services.

---

<sup>1</sup> Amended and Restated Operating Agreement Between The M-S-R Public Power Agency and the Modesto Irrigation District, The City of Santa Clara, California, and The City of Redding, California dated February 1, 1997.

<sup>2</sup> Amended and Restated Service Schedule A to the Operating Agreement, Big Horn Operating Procedures, adopted by the M-S-R PPA Commission November 18, 2006.

<sup>3</sup> Operating Agreement Service Schedule K – Operating and Accounting Procedures For Big Horn II Wind Energy Project adopted by the M-S-R Commission May 18, 2011 pursuant to Resolution 2011-05.

A draft RFP conforming to this approach will be [was] provided to the Technical Committee at its May 5, 2022 meeting. The following elements of the prior time-line would remain in place:

1. Evaluate and rank proposals by June 30, 2022. (Note: Evaluations to include transition and termination costs.)
2. Interview top-ranked proposers and identify recommend awardee by August 15, 2022.
3. Negotiate agreement and award contract by/at September 28, 2022 Commission Meeting.
4. If awardee is not incumbent contractor the following actions will be required:
  - a. Review of duties and training of contractor – 4 weeks.
  - b. Parallel operations with current M-S-R Contractor – 8 weeks (covering two months operations, close-outs, and Member billing.)
  - c. Full transfer of duties to new M-S-R Coordinator March 1, 2023.

I recommend the Commission note and file this report.