

DRAFT

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT PUBLIC MEETING January 26, 2023

South Utah Valley Electric Service District (SESD) held a public meeting on Wednesday, January 26, 2023 – at 6:00 p.m. at the SESD office 803 N 500 E – Payson, UT.

Trustees Present: Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder

Trustees Excused:

Also Present: Brook Christensen, Jennifer Hatcher, and Mark Holdaway – SESD

Ray Loveless called the rate hearing to order at 6:00 p.m. Brent Gordon offered an opening prayer and Nelson Abbott led everyone in the Pledge of Allegiance.

WELCOME

Ray Loveless welcomed everyone to the meeting. After the welcome, Ray explained that SESD held a public rate hearing for a \$0.04/kWh rate increase on December 28, 2022. He told everyone that no motion had been made on December 28th to pass the rate increase because a question had been raised as to whether SESD really had a quorum with only four board members present at the time. Ray said that after the rate hearing SESD's staff reviewed state statute and found that four board members out of seven did constitute a quorum. Therefore, a motion legally could have been made. Ray explained that, however, another meeting was being held tonight since some people at the rate hearing left with the understanding that another meeting would be held for public comment before the rate increase was passed.

PUBLIC FORUM

Ray Loveless opened the floor for public comment.

Sixteen people addressed the board. One of the concerns expressed to the board was how board seat elections are conducted and how SESD's customers are notified of those elections. Richard Behling explained that he ran for his board seat after receiving a post card in the mail notifying people of the upcoming election. Mark Holdaway mentioned that SESD posts all notices for elections according to state law in newspapers and on the state's Public Notice website. Mark also affirmed Richard's statement about mailing election notices to its customers. Ray Loveless explained that in the most previous election for his board seat people received ballots in the mail in addition to the notices mailed out announcing the election. Ray then assured everyone that SESD is doing its best to follow the law and be transparent in its board seat elections.

Many people asked why SESD was raising its rates. Ray explained that SESD's wholesale cost of power has risen dramatically over the last year. The increased cost has been due to several factors including decreased hydro generation in the West because of the decades-long drought; environmental regulations causing the closure of baseload coal plants and inhibiting the building of new gas plants; the war in Ukraine and sanctions in Russia drawing U.S. natural resources to other parts of the world; and some bank speculation in the power markets. Overall, the demand for power has outpaced the available generation resources.

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RATE HEARING MEETING
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(continued)

Many of those in attendance expressed their concern with the fossil bans popping up across the nation and their effects on not only the power industry but in other aspects of life as well. Nelson Abbott reminded everyone that these fossil fuel bans negatively affecting the power industry are largely the result of government and environmental regulations. He encouraged people to reach out to their state and Congressional representatives to ask them to change these regulations.

Some people asked about rooftop solar and if it could be a way to help mitigate some of SESD's resource deficiencies. Ray mentioned that solar and wind do help some with the resource shortage, but because of their intermittency, they are not able to fully cover the loss of baseload from coal and gas plants. When someone asked about SED's solar policy, Ray invited Mark Holdaway to explain SESD's Net Metering Policy. After the explanation, Ray assured everyone that SESD is reviewing its Net Metering Policy to see if any changes need to be made in light of current power market conditions.

Population growth creating increased demand for a low supply of power resource was another concern brought up by some of the public. Some people also asked how annexation by Payson, Salem and Spanish Fork into SESD's service area is affecting SESD's operations. One person asked if SESD is serving people within the boundaries of these three cities. This person stressed that Payson, Salem and Spanish Fork should be serving the people within their boundaries so SESD can use SESD resources to serve SESD customers. Ray affirmed that SESD is working with those three cities and also through the court system to get the three cities to serve all the people within their boundaries that are currently being served by SESD.

Finally, some people accused SESD's Board of not planning well enough for the future with its resources. Ray explained that when a power generation project becomes available, an entity only has one opportunity to ask for an allocation and to join the project. The participating entity only has one chance to look forward for the next 20-40 years and determine how much power it needs during that time. The entity then has to balance the cost of power with expected growth. Ray also said that many of UAMPS' (SESD's wholesale power provider) projects already had their power fully allocated even before SESD joined the organization. He assured everyone that SESD is working diligently to find other sources of power to limit its exposure to the open market.

After everyone who wanted to address the board had the opportunity to do so, Ray asked for a motion to raise the rates in SESD's rate schedules by \$0.04/kWh and to move to a quarterly-average power cost adjustment (PCA).

MOTION to raise the rates in SESD's rate schedules by \$0.04/kWh and to move to a quarterly-averaged PCA.

Brent Gordon made a motion seconded by Nelson Abbott to raise the rates in SESD's rate schedules by \$0.04/kWh and to move to a quarterly-averaged PCA. Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

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ADJOURNMENT

**Nelson Abbott made a motion to adjourn the meeting.
The hearing was adjourned at 7:46 p.m.**

Ray Loveless, Chairman

Mark Holdaway, Clerk

Date Approved

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Next Meeting Date

The next scheduled meeting will be a regular board meeting held on
Tuesday, February 7, 2023 at 11:00 a.m.

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