

**MINUTES
WESTMINSTER CITY COUNCIL
Council Workshop
Thursday, June 2, 2022**

The City Council of the City of Westminster met in a called meeting on Thursday June 2, 2022 at 4:00 pm at the Westminster Depot with Mayor Pro Tempore Jimmy Powell presiding. Those in attendance were:

Dale Glymph Adam Dunn Daby Snipes
Jimmy Powell Audrey Reese
City Administrator, Kevin Bronson
City Clerk, Rebecca Overton
Utility Director, Leigh Baker
Members of the public and press

Notice of the meeting and the agenda was posted on a window at the Depot and at westminstersc.org twenty-four hours prior to the meeting and all persons, organizations and local media requesting notification and the agenda were notified by email.

Call to Order

Mayor Pro Tempore Powell called the meeting to order at 4:00 pm.

Invocation and Pledge of Allegiance

Mr. Dale Glymph led the Council in the invocation and pledge.

Certification of Quorum

Rebecca Overton certified a quorum.

Presentation by PMPA General Manager Andy Butcher

Mr. Andy Butcher and Mr. Mike Frazier were present to do a brief presentation on the history of PMPA and the services they provide. Attached is a copy of the presentation that was presented to Council.

Adjourn

Upon a motion by Mr. Dunn and seconded by Mr. Powell, the motion ***to adjourn the meeting at 5:18 pm*** passed unanimously.

(Minutes submitted by Rebecca Overton)

Mayor Pro Tempore Jimmy Powell

Date

June 2, 2022

Presentation for the City of Westminster

June 2, 2022



PMPA is the wholesale power supplier for its ten member municipalities (“Participants”)



Abbeville
SOUTH CAROLINA
Pretty Near Perfect.™



Overview of PMPA

- PMPA is a Joint Action Agency; one of 42 in the country.
- PMPA has ten members: Abbeville, Clinton, Easley, Gaffney, Greer, Laurens, Newberry, Rock Hill, Union and Westminster.
- Incorporated in 1979, PMPA is a public body, corporate and politic of the State of South Carolina.
- Commenced supplying wholesale electric services to Participants on June 21, 1985.
- PMPA's member cities serve approximately 120,000 electric meters.

Electric Utility Industry Nationwide

- **Investor-Owned Utilities (IOU's)**
 - Stockholders
 - 193 in US, 68% of customers
- **Rural Electric Cooperatives (Coops)**
 - Appointed Boards & Members
 - 873 in US, 13% of customers
- **Municipal Electric Systems (Munis)**
 - City Councils/Utility Commissions
 - 2,006 in the US, 15% of customers

Electric Industry In SC

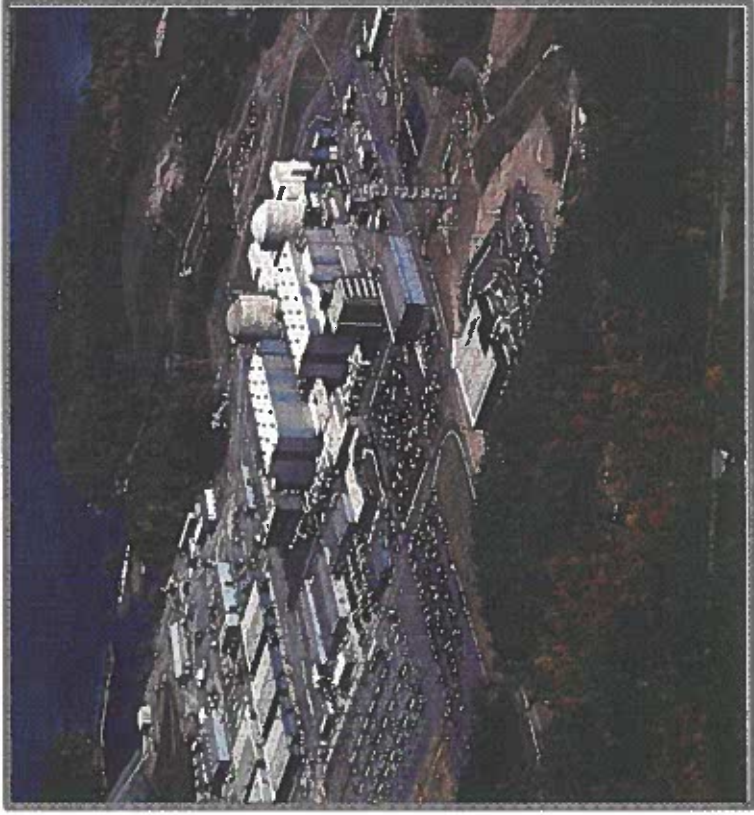
- IOUs
 - Duke, Dominion Energy (SCE&G), Lockhart
- Coops
 - 20 in SC
 - 15 purchase wholesale power from Central Electric Coop which buys from Santee Cooper
 - 5 are purchasing wholesale power from Duke (through Central)
- Santee Cooper
 - State-owned
 - Serves:
 - Central Electric Coop
 - Some retail (along the coast)
 - Some wholesale to munis (e.g. Georgetown)
 - Some large industrial customers

Electric Industry In SC (continued)

- Munis
 - 21 Electric Cities in SC
 - » Abbeville, Bamberg, Bennettsville, Camden, Clinton, Due West, Easley, Gaffney, Georgetown, Greenwood, Greer, Laurens, McCormick, Newberry, Orangeburg, Prosperity, Rock Hill, Seneca, Union, Westminster, Winnsboro
 - » Most are members of the S.C. Assoc. of Municipal Power Systems (SCAMPS)
 - Some purchase from Santee, Progress, Dominion Energy (SCE&G), or Duke, and ten purchase from PMPA
 - All subject to the FOIA
 - In electric business for a long time:
 - Cities of Greenwood and Newberry – since 1896
 - Cities of Orangeburg and Union – since 1898

Catawba Nuclear Station

- Description of Catawba
- 2-Units: 2,258 MW
- Commercial Operation
 - Unit 1: June 1985
 - Unit 2: August 1986
- Original Cost: \$3.5B (\$1,500/kW)
- Extended License Termination: Through December 5, 2043
- Jointly owned by NC Municipal Power Agency No. 1, NC Electric Membership Corporation, Piedmont Municipal Power Agency, and Duke Power.



Ownership of Catawba

Percentage Ownership in Catawba

Unit 1

- NC Electric Membership Corp 61.50%
- Duke Power 38.50%

Unit 2

- NCMIPA#1 75.00%
- PMPA 25.00%

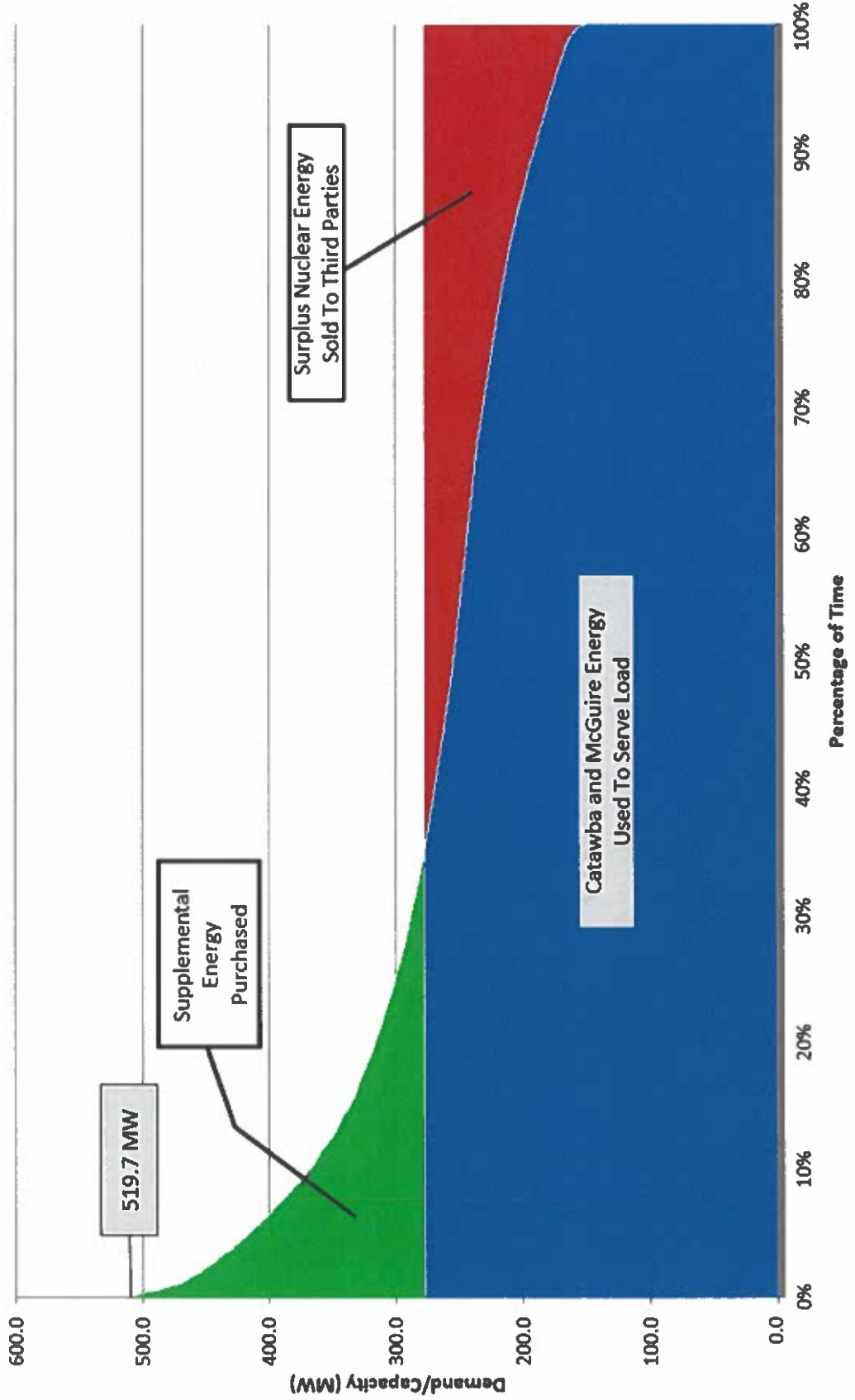


Power Supply Diversity

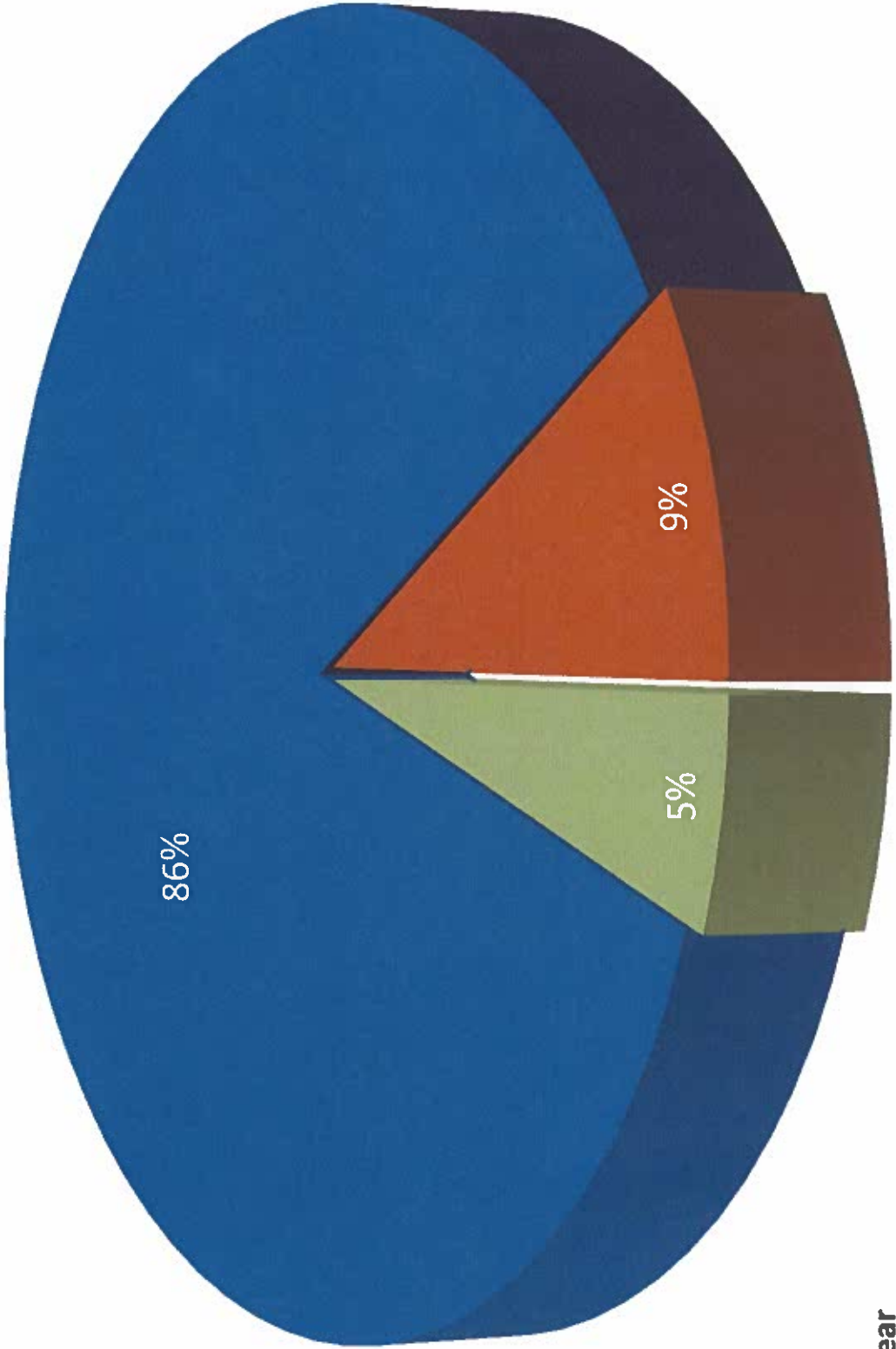
- Allocations from the Southeastern Power Administration (SEPA)
- Catawba Reliability Exchange
- McGuire Reliability Exchange
- Backstand Energy from The Energy Authority (TEA)
- Supplemental capacity & energy from Santee Cooper
- Other small purchases and Member City generation

Load Duration Curve

2021 PMPA Loads
(excluding Union)



2021 PMPA Generation Mix



■ Nuclear

■ Purchased Power

■ Federal Hydro

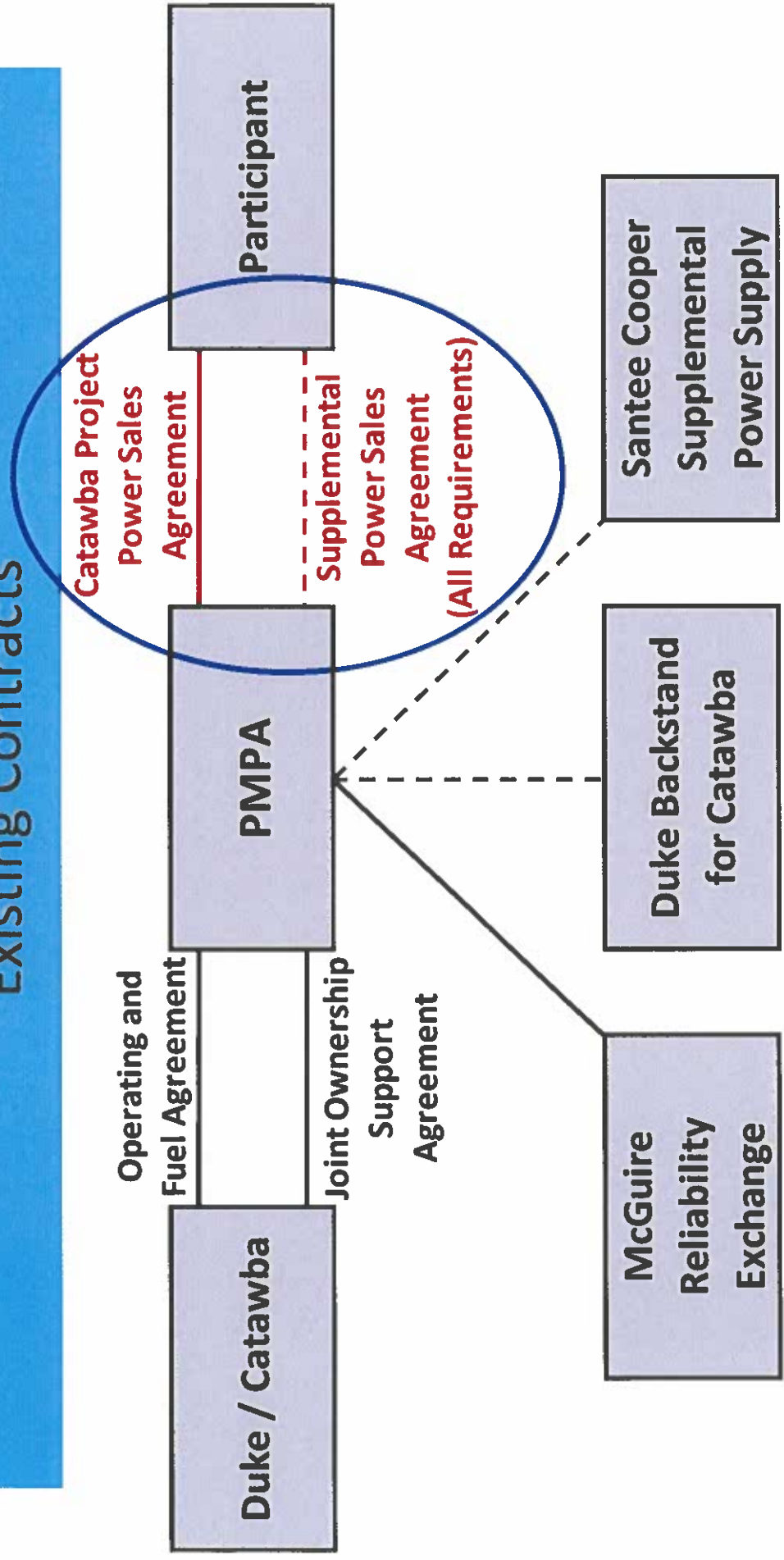
Why did the PMPA cities decide to purchase Catawba?

- An adequate, dependable power supply
- More control over wholesale costs
- Sharing of the risk

Formation of PMPA 1976 – 1985

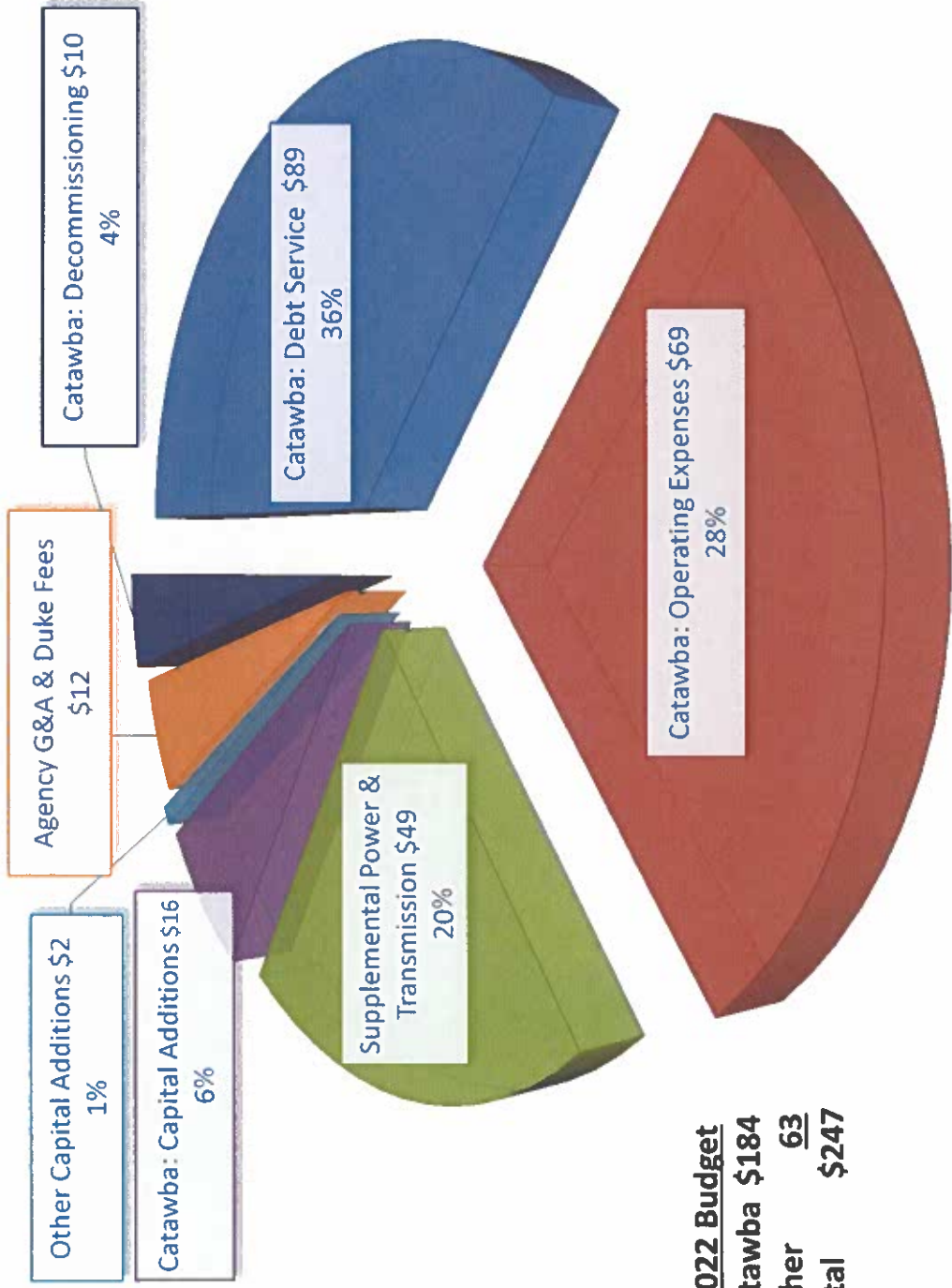
1976	Legislation introduced in South Carolina to allow municipal utilities to jointly own generation. Became law in 1978.
1979	PMPA incorporated
1980-84	PMPA contracts negotiated
1984-85	PMPA issued \$1.1 billion of tax exempt bonds to finance its interest in the Catawba Nuclear Station
1985	Catawba Nuclear Station began operation

Current PMPA Arrangement – Existing Contracts



So, how are things today?

Current PMPA Arrangement – 2022 PMPA Budget (\$ Millions)



2022 Budget
Catawba \$184
Other 63
Total \$247

PMPA Rate Objectives

1. Rates should be adequate to cover PMPA's cost of providing service.
2. Rates to the Participants should be fair and reasonable.
3. Rates should reflect the impact of a Participant's load additions or reductions on PMPA's cost of providing service.
4. Rates should assist Participants in the ability to attract and retain customers in order to promote Participant strength and stability in a competitive market.
5. Rates or other programs should allow PMPA and its Participants to maintain stable cash flow through matching revenues and costs.
6. Differences among Participants' average annual wholesale charges should be minimized, such that each Participant's average cost should be within $\pm 10\%$ of PMPA's average charge to all Participants.

Billing Components

- Base Billing Demand of \$43.86/kW
- Additional Billing Demand of \$7.72/kW
- Base Energy Charge of 2.168¢/kWh
- Additional Energy Charge of 3.874¢/kWh

Westminster's 2021 Annual Power Invoice

- Base Billing Demand charge is \$149,650 per month or approximately \$1.8 million per year, plus Base Energy charge is approximately \$390 thousand per year, for a total “minimum bill” of \$2.2 million.
- Westminster's total annual bill is approximately \$2.6 million (before temporary billing credit of \$382,144).

PMPA's Historical and Projected Rate Path

2015	2016	2017	2018	2019	2020
------	------	------	------	------	------

4.0% 0.0% 0.0% 0.0% 0.0% (5.0%)

	Projected				
2021	2022	2023	2024	2025	2026

0.0% 0.0% 0.0% 0.0% 0.0% 0.0%

PMPA's Historical and Projected Billing Credits

2015	2016	2017	2018	2019	2020
------	------	------	------	------	------

PMPA - \$ 21,340,000 \$ 50,000,000 \$ 30,000,000
 Westminster - \$ 296,021 \$ 682,401 \$ 409,440

Projected					
2021	2022	2023	2024	2025	2026

PMPA \$ 28,000,000 \$ 10,800,000 - - - -
 Westminster \$ 382,144 \$ 147,398 - - - -

PMPA	\$140,140,000
Westminster	\$1,917,404



PMPA's Historical Average Effective Rates

(In Millions and Cents/kWh) (Excludes Economic Development)	2018	2019	2020	2021
Charges for Power Delivered	\$ 233.33	\$ 229.93	\$ 215.54	\$ 215.36
Total Energy Billed	2,422.08	2,350.42	2,202.47	2,287.03
Average AR Rate	9.63	9.78	9.79	9.42
Billing Credit	\$ (21.34)	\$ (50.00)	\$ (30.00)	\$ (28.00)
Net Charges for Power Delivered (After Billing Credit)	\$ 211.99	\$ 179.94	\$ 185.54	\$ 187.36
Total Energy Billed	2,422.08	2,350.42	2,202.47	2,287.03
Average Effective AR Rate	8.75	7.66	8.42	8.19
Rate Decrease	-9.15%	-21.74%	-13.92%	-13.00%

Benefits Provided by PMPA

- Economic Development Funds - \$16,875
- Travel and Training Funds - \$12,500
- APPA National Conference – up to \$2,500
- APPA Legislative Conference – up to \$2,500
- SC Economic Development Institute - \$3,000
- PMPA Power Conference
- Scholarship Funds - \$2,000

All funds are available annually every year



Technical Services

- Manages PMPA's Catawba entitlement and delivers all-requirements power supply to the Westminster substation
- Represents Westminster in negotiations with Duke Energy, Southeastern Power Administration, Santee Cooper, and other utilities
- Provides transmission planning and is the point of contact for transmission service

Technical Services

- Provides load forecasts every few years (or as needed)
- Manages the Net Billing Program for all Members
- Provide Apogee online home energy audit service
- Provide customer satisfaction services
- Electric Operations Forum for PMPA Members

Technical Services



- Provides Information Technology (IT) services
 - Manage servers and security cameras
 - Manage all users, VPN services, and desktop support
 - Manage cybersecurity software and system backups
 - Manage wireless access
 - Supports phone system



Technical Services



- Advanced Metering Infrastructure (AMI) Platform
- Allows for wireless electric and water meter readings
- Server hosted by PMPA
- PMPA supplies all infrastructure equipment
- Demand Response switches purchased and installed by PMPA to lower peak demand for Westminster
- As needed technical support by PMPA