



Agenda  
Utility Advisory Committee Meeting  
Tuesday, March 12, 2024  
Richland City Hall ~ Council Chambers  
625 Swift Boulevard

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Committee Members: Chair Larkin, Vice-Chair Porter, and Members Hofstetter, Hyson, Porter, Richmond, Lo Presti, and Staven

Council Liaison: Councilmember Whitten

Staff Liaison: Energy Services Director Whitney

**Regular Meeting - 3:00 p.m.**

**Call to Order/Attendance:** Committee Memers: Chair Larkin, Vice-Chair Porter and Members Hofstetter, Hyson, Richmond, Staven, and Lo Presti Council Liaisons: Whitten Council Liaison Alternate: Jones Staff Liasion: Whitney

**Approval of Agenda:** (Approved by Motion)

**Approval of Minutes:** (Approved by Motion)

1. Approval of the January 9, 2024 Utility Advisory Committee Meeting Minutes
  - Arturo Mata, Administrative Assistant II

**Public Comments:** Please limit public comments to 3 minutes per speaker.

**Items of Business:**

2. Status - Each City Utility (10 Minutes each)
  - Clint Whitney, Energy Services Director
  - Pete Rogalsky, Public Works Director
  - Tom Huntington, Fire Chief
3. BPA Projects Update (10 Minutes)
  - Clint Whitney, Energy Services Director
4. Atlas Agro Documents (10 minutes)
  - Clint Whitney, Energy Services Director
5. Advanced Metering Infrastructure (AMI) Status (10 minutes)
  - Clint Whitney, Energy Services Director
6. Solar Battery Update (15 Minutes)
  - Clint Whitney, Energy Services Director

**Unfinished Business:**

**Other Informational Items:**

7. ABCs for BBCs Training

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8. Capital Work Plan Update - December 2023
  - Clint Whitney, Energy Services Director
9. Forward Agenda

### **Adjournment**

Richland City Hall is ADA accessible. Any individual who has difficulty attending the meeting in-person may request to provide comments remotely. (Ch. 42.30 RCW) Requests for sign interpreters, audio equipment, and/or other special services must be received 48 hours prior to the meeting by calling the City Clerk's Office at 509-942-7389.



# UTILITY ADVISORY COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 3/12/2024

Agenda Category: Approval of Minutes

Prepared By: Arturo Mata, Administrative Assistant II

**Subject:**

Approval of the January 9, 2024 Utility Advisory Committee Meeting Minutes

**Department:**

Energy Services

**Recommended Motion:**

Approve the minutes of the UAC meeting held on January 09, 2024.

**Summary:**

**Fiscal Impact:**

No fiscal impact

**Attachments:**

- I. 2024.01.09 UAC Minutes



**MINUTES**  
UTILITY ADVISORY COMMITTEE REGULAR MEETING  
Tuesday, January 09, 2024  
Richland City Hall ~ Council Chamber  
625 Swift Boulevard

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**Utility Advisory Committee Regular Meeting – 3:00 p.m.**

Chair Lo Presti called the meeting to order at 3:00 p.m.

**Attendance:** Chair Lo Presti, Vice Chair Dave Larkin, Committee Members Roy Miller, and Daniel Porter were present. Also present were Staff Liaison and Energy Services Director Whitney, Public Works Director Rogalsky, Battalion Chief Van Beek, Council Member Van Dyke, Power Operations Manager Trevor Wilkerson, and Administrative Assistant II Mata.

Members Bill Richmond and Harry Staven were excused.

**Utility Advisory Committee Election**

**CHAIR LO PRESTI MOVED AND MEMBER PORTER SECONDED THE MOTION FOR VICE CHAIR LARKIN TO BE APPOINTED AS CHAIR**

**MEMBER MILLER MOVED AND VICE CHAIR LARKIN SECONDED THE MOTION FOR MEMBER PORTER TO BE APPOINTED AS VICE CHAIR**

**Approval of Agenda**

**MEMBER MILLER MOVED AND MEMBER PORTER SECONDED THE MOTION TO APPROVE THE AGENDA AS PUBLISHED. THE MOTION CARRIED 4-0.**

**Minutes**

1. Approval of the November 14, 2023 Utility Advisory Committee Regular Meeting Minutes.

**CHAIR LO PRESTI REQUESTED THE MEETING MINUTES BE CORRECTED. MEMBER MILLER MOVED AND MEMBER LARKIN SECONDED THE MOTION TO APPROVE THE NOVEMBER 14, 2023 MEETING MINUTES WITH THE REQUESTED CHANGE. THE MOTION CARRIED 4-0.**

**Public Comments**

None.

**Items of Business**

2. Status of Each City Utility

BC Van Beek discussed 2023 budget highlights and items budgeted for 2024. He provided updates for 2023 call volume, future staffing, and Fire Station 76 construction. BC Van Beek also mentioned the Resource Navigator position is now a permanent position, and a Richland Paramedic was recently recognized at a national level. There were no questions.

Director Rogalsky provided updates for Public Works. He mentioned this time of year is slower, and the construction of the sewer plant project is progressing. There were no questions.

Director Whitney provided updates for AMI meter installations and City View Substation construction. He also mentioned the 2023 Capital Work Plan is being worked, and Energy Services is looking to start improvement/renewal projects. Director Whitney responded to questions asked by Members.

### 3. Recent US Government Negotiations on Lower Snake River Dams (LSRD) and BPA Provider of Choice Contracts

Director Whitney shared information about the U.S. Government negotiations on LSRD and BPA Provider of Choice contracts. Other renewable energy sources will be needed, and there are concerns due to high costs. Director Whitney responded questions asked by Members.

### 4. BPA Reserve Distribution Clause (RDC)

Director Whitney shared what the RDC is and where it comes from. BPA announced the final record of decision in December of 2023. The City of Richland is estimated to receive \$3.4 million in credits. This will help to offset and defer rate increases in 2024. There were no questions.

### 5. BPA Requested Outage Response Example

Power Operations Manager, Trevor Wilkerson, shared sample messaging for a BPA requested outage used in 2021, and what steps the City takes to notify customers with as much notice as possible. The City does have messaging and contingency responses if needed to respond to weather, equipment failures or system constraints. Trevor responded to questions asked by Members.

### 6. Atlas Agro Non-Potable Industrial Water Supply Rate

Brooke, from FCS Group, presented via Zoom the cost of service analysis for the non-potable water utility. This model will help to commence negotiations with Atlas Agro for a year-round non-potable water supply. There were no questions for Brooke.

Director Rogalsky responded to questions asked by Members.

### 7. Additional member questions and comments

Director Rogalsky responded to member questions about irrigation use and metered irrigation services.

Members requested an update for solar battery data.

**Unfinished Business**

None.

**Other Informational Items**

- 8. Tour of Biogas Facility at Landfill – March 2024
- 9. AMI Benefits to Customer – March 2024
- 10. Low Income Program – March 2024
- 11. Reliabilities Stats and Inventory Spares – May 2024
- 12. Tour of Fire Station 76 – May 2024
- 13. Resource Adequacy – July 2024
- 14. Electric Rates Review – September 2024

The following informational handouts were provided to Members:

- 15. 2023.11.14 UAC Minutes
- 16. Proposed CRSO Stay – PPC Updated BPA Ratepayer Impacts 12-15-23\_Final
- 17. Final FY 2024 Power DD Credit Estimates by PF Customer 121523
- 18. BP24-Dollar-Infographic
- 19. Mid-C Forward Price Curves 2021-2028
- 20. BPA Requested Outage Response Example
- 21. Richland Irrigation RR and COSA – Final

**Adjournment**

Chair Lo Presti adjourned the meeting at 4:25 pm.

Prepared by: \_\_\_\_\_  
Arturo Mata, Administrative Assistant II

Reviewed by: \_\_\_\_\_  
Clint Whitney, Energy Services Director

Approved by: \_\_\_\_\_  
David Larkin, Chair

DATE APPROVED:

DATE PUBLISHED:



# UTILITY ADVISORY COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 3/12/2024

Agenda Category: Items of Business

Prepared By: Clint Whitney, Energy Services Director  
Pete Rogalsky, Public Works Director  
Tom Huntington, Fire Chief

Subject:

Status - Each City Utility (10 Minutes each)

Department:

Energy Services

Recommended Motion:

This item is informational only.

Summary:

A representative from each of the City's utilities will provide a status update.

Fiscal Impact:

Attachments:



# UTILITY ADVISORY COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 3/12/2024

Agenda Category: Items of Business

Prepared By: Clint Whitney, Energy Services Director

**Subject:**

BPA Projects Update (10 Minutes)

**Department:**

Energy Services

**Recommended Motion:**

This item is informational only.

**Summary:**

BPA provides Tri-City electric utilities a quarterly update on significant transmission line projects BPA has planned in the region. Attached is the 4Q23 update of the BPA projects including:

- [South Tri-Cities Reinforcement](#) - New 500/115kV interconnection to the Tri-Cities 115kV transmission network.
- [Richland-Stevens 115kV Line](#) - Rebuild an existing 115kV line and add another 115kV line from Richland Sub to Stevens Sub.
- McNary Paterson Tap - A new 115kV line in the Paterson/Plymouth, WA area.
- Red Mountain-Horn Rapids 115kV Line - Rebuilding an existing 115kV line in West Richland, WA area.

Completion of the four projects will relieve transmission constraints and add additional transmission capacity to the Tri-Cities 115kV network. The most significant project is the South Tri-Cities Reinforcement followed by the Richland-Stevens 115kV line. The last of the projects is planned to be completed by winter 2027. However, BPA notes there are continued risks to the projects in the supply chain and labor markets.

**Fiscal Impact:**

There is no fiscal impact.

**Attachments:**

- I. BPA\_STriCities Report Q4 2023



# TRI-CITIES AREA REINFORCEMENT



Both the *Red Mountain-Horn Rapids and Richland-Stevens Drive 115 kV lines projects* will provide reinforcement. Under peak conditions, one line out could cause the other to overload. All four projects together will allow for additional load and mitigate bottlenecks in the Richland area.

**BACKGROUND** | Tri-Cities Area Reinforcement is a key part of Bonneville’s greater strategic goal of delivering projects on-schedule and on-budget while minimizing planned outages. Bonneville is accomplishing this by improving project scoping, planning, contracting and project management processes to ensure efficient execution of our capital programs and maintenance activities.

*BPA is committed to the continued outreach to our customers, constituents, and the public. We are working with local electric utilities in coordinating efforts and public outreach specific to these projects.*

**THE PROJECTS** | BPA is proceeding with four large projects in the Tri-Cities region. The primary goal of this work is to improve reliability and system flexibility. These projects have the added benefits of increasing BPA transmission capacity into the area, improving security, and modernizing BPA’s substations and lines.



*Please note: Next quarter bulleted items & project schedules are estimates. They are subject to change due to potential issues such as site conditions, supply chain issues, or staffing resources.*

The *South of Tri-Cities Reinforcement* adds a new 500 kV substation, Webber Canyon, and a 115kV line to our existing Badger Canyon substation. This ties the Tri-Cities region into the 500kV Grid. This project provides both short term operational and maintenance needs, long term reliability and additional load growth capacity to the Tri-Cities region.

The *McNary-Paterson Tap* is a new 115 kV line from McNary Substation to south Benton County. This project resolves low-voltage issues in Paterson Load area and provides some through flow relief.

| Project Name                         | Estimated Project Cost | Proposed Energization |
|--------------------------------------|------------------------|-----------------------|
| South Tri-Cities Reinforcement       | \$107M                 | Winter 2027           |
| McNary-Paterson Tap                  | \$7.4M                 | Summer 2024           |
| Red Mountain-Horn Rapids 115 kV Line | \$3.6M                 | Summer 2025           |
| Richland-Stevens Drive 115 kV Line   | \$12.5M                | Spring 2027           |



# TRI-CITIES AREA REINFORCEMENT

## ACTIONS IN THE LAST QUARTER & NEXT QUARTER

### South of Tri-Cities Reinforcement

#### ❖ Last Quarter

- ✓ Continued design with our Consultant
- ✓ Ongoing outreach with landowners on existing Right-Of-Way
- ✓ Continued developing Real Property service contract.
- ✓ Transformer and Reactor purchase contract award in progress.
- ✓ NEPA Public Meetings complete
- ✓ Public comment period closed Nov 20, 2023.
- ✓ Started Geotech investigation.

#### ❖ Next Quarter

- ✓ Develop the Geotech report & foundation recommendations.
- ✓ Award Transformer and Reactor contract
- ✓ Continuing Design
- ✓ Continuing Environmental and Cultural evaluation
- ✓ Continuing Community Outreach
- ✓ Complete Desk Top Analysis of Environmental/Cultural Resource
- ✓ Continue route alternative evaluation.
- ✓ Develop & Coordinate project construction sequencing plan.
- ✓ Finalize the substation Area of Potential Effects (APE).

### McNary-Paterson Tap

#### ❖ Last Quarter

- ✓ BPA partnered with Benton PUD on Railroad permits.
- ✓ Construction kicked off Oct 23, 2023

#### ❖ Next Quarter

- ✓ Acquire Railroad permits.

- ✓ Ongoing substation construction
- ✓ Transmission line construction planned for March 2024.

### Red Mountain-Horn Rapids 115kV line

#### ❖ Last Quarter

- ✓ Continued design updates with our consultant.
- ✓ Environmental Review complete
- ✓ Material orders placed.
- ✓ Ongoing Real Property Rights Review

#### ❖ Next Quarter

- ✓ Lease material yard
- ✓ Complete Design updates
- ✓ Continue to work on Land Acquisitions

### Richland-Stevens Drive 115kV line

#### ❖ Last Quarter

- ✓ Ongoing design with consultant
- ✓ Continued outreach with landowners on existing Right-Of-Way
- ✓ Finalized Substation layout within the existing substation yards.
- ✓ Finalized pole location for line route.

#### ❖ Next Quarter

- ✓ Environmental and Cultural evaluation in progress
- ✓ Finalize the Transportation Plan
- ✓ Continue outreach with City of Richland
- ✓ Develop & Coordinate project construction sequencing plan with City of Richland.

**Risks:** BPA is continuing to see risks in Supply Chain and labor markets including Technical Labor and Skilled Craftspeople.



# TRI-CITIES AREA REINFORCEMENT



## CONTACT

Media & General Inquiries, please contact:

**Doug G Johnson**

**Public Affairs Specialist (DK DK-7)**

P: 360-619-6797 C: 503-713-7658

E: [gdjohnson@bpa.gov](mailto:gdjohnson@bpa.gov)

Elected Officials inquiries, please contact:

**Kate Wilson (AIR).**

**Constituent Account Executive (AIR)**

P: 406-880-4037.

E: [klwilson@bpa.gov](mailto:klwilson@bpa.gov)

For technical inquiries, please contact:

**Rasha Kroonen**

**Senior Project Manager (TEPS-TPP-1)**

P: 360-619-6918 C: 360-448-0685

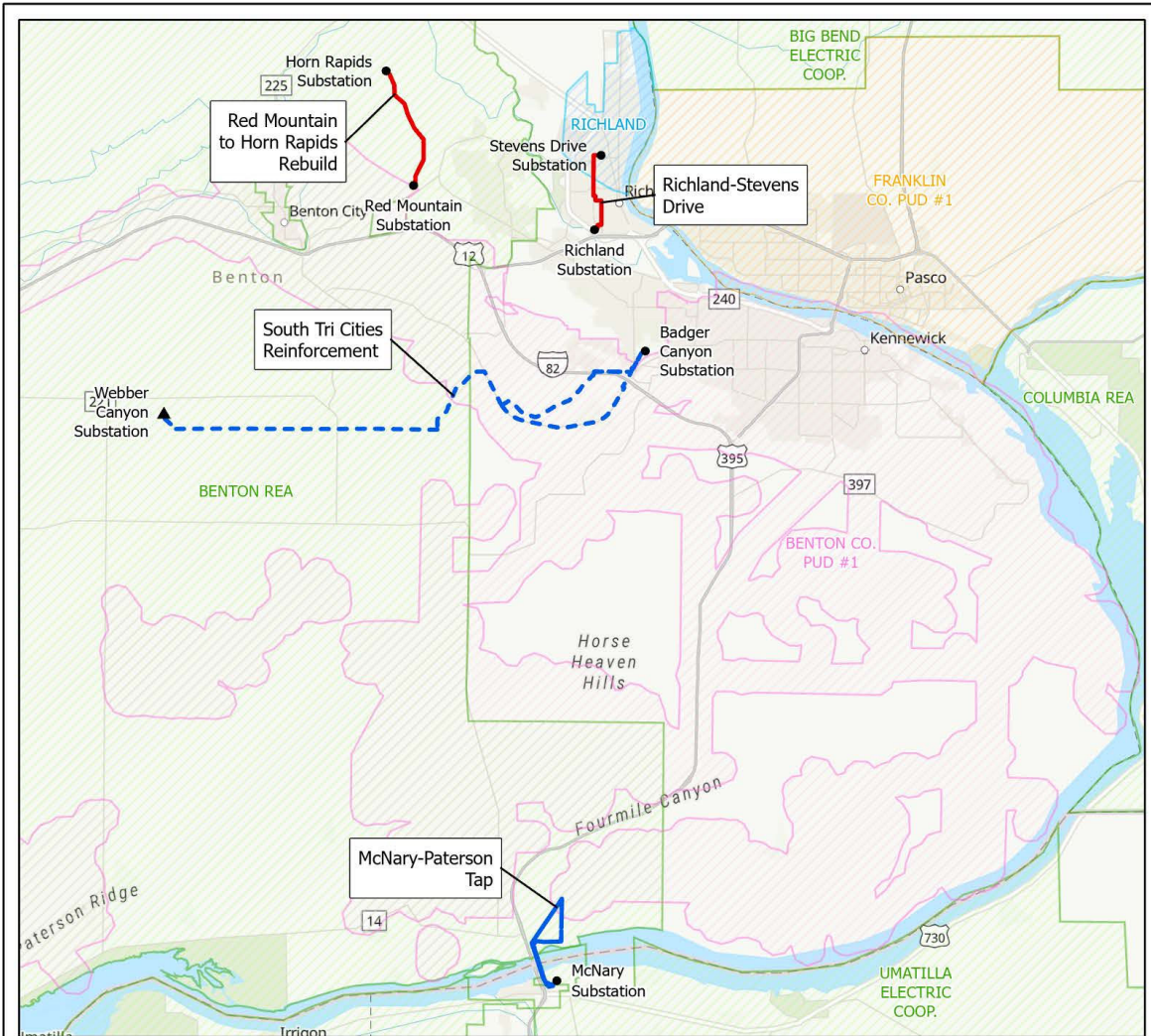
E: [rmkroonen@bpa.gov](mailto:rmkroonen@bpa.gov)







# TRI-CITIES AREA REINFORCEMENT

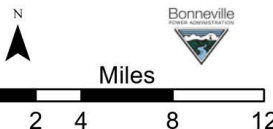


## Tri-Cities Area Reinforcement

- Existing Substation
- ▲ Planned Substation
- Transmission Line Rebuild
- Proposed Transmission Line
- - - Proposed Transmission Line Route Options

### PUBLIC UTILITY TERRITORIES

- Cooperative
- Municipal
- Benton Co. PUD #1
- Franklin Co. PUD #1



Map Location

Date: 6/12/2023

**Pre-decisional**



# UTILITY ADVISORY COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 3/12/2024

Agenda Category: Items of Business

Prepared By: Clint Whitney, Energy Services Director

**Subject:**

Atlas Agro Documents (10 minutes)

**Department:**

Energy Services

**Recommended Motion:**

This item is informational only.

**Summary:**

The City continues to work with Bonneville Power Administration (BPA) for a transmission line interconnection request, L0534, to support the Atlas Agro project. The Atlas Agro project is a new economic development customer with a projected 300MW load to produce a carbon-free ammonium nitrate fertilizer for regional agricultural use. The Atlas Agro project is also expected to utilize a large amount of the City's non-potable water.

The City submitted a new BPA line and load interconnection request, L0534, in 2Q22. BPA completed a feasibility study that identified the project could interconnect to the transmission system with approximately \$180M in new 500kV/230kV and 115kV infrastructure improvements. In addition, the interconnection would be contingent upon completion of multiple 115kV transmission projects, including the South of Tri-Cities Reinforcement project planned to be completed in the winter of 2027.

BPA can no longer directly serve industrial customers, so Atlas Agro has to obtain electrical service through an electrical utility like the City. With the projected load for Atlas Agro of 300MW, BPA will consider the customer to be a New Large Single Load (NLSL) that is exempt from priority firm (PF) rates. While BPA can provide transmission interconnection and capacity, BPA cannot provide power at the PF rates for NLSL loads. Customers that are an NLSL work with a utility, like the City, to either bring a power resource or obtain a power resource other than BPA PF. Atlas Agro has not made any commitments to a power resource yet.

Attached are agreements between BPA and the City as well as agreements between the City and Atlas Agro. There cannot be any agreements between BPA and Atlas Agro directly. The agreements are:

- MOU between the City and Atlas Agro - An overarching agreement with additional definitive agreements to be developed and approved.
- BPA cost allocation agreement between the City and Atlas Agro - An agreement for Atlas Agro to pay for the \$6.2M BPA preliminary engineering activities supporting the L0534 interconnection request.
- Reimbursable agreement between BPA and the City for \$6.2M preliminary engineering activities.

Additional agreements are expected for the remaining BPA interconnection costs in amounts supporting design engineering, environmental activities, material orders, and construction activities.

The MOU between the City and Atlas Agro identifies additional definitive agreements for:

- Reimbursement of all BPA cost allocations.

- Costs needed to complete a System Impact Study.
- Cost to upgrade system through a Facilities Agreement.
- Development of a wholesale power supply plan.
- A Retail Electric Service including terms, power requirements, and charges for electric service.
- And most importantly, a Financial Security agreement to ensure costs are not shifted to other ratepayers.

The Atlas Agro project is a complex project with multiple agreements expected between 2022-2028. There are significant milestones still to be met. However, the project offers significant utility, community, and regional benefits if it is completed.

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Fiscal Impact:

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Attachments:

1. Memorandum of Understanding with Atlas Agro North America Corp. for future provision of electric service (I)
2. BPA Cost Allocation Agreement with Atlas Agro North America Corp.
3. Reimbursable Agreement with the Bonneville Power Administration for Preliminary Engineering Activities and Facilities Study of Transmission Request No



**DocuSIGN SIGNATURE ROUTING FORM**

FOR INTERNAL USE ONLY: Complete and route with documents submitted for approval via DocuSign to the City Manager, Purchasing Manager or City Attorney. Vendors/third parties may disregard.

**Staff Contact:** Toni Clark

**Phone:** 509-942-7403

**Department:** Energy Services

**Date Needed:** 12/22/2023

**Council Approval:** 12/05/2023 **and RES/ORD No:** 2023-182 ; or **Standing Authority Res No. 157-15**

If the document being executed is an amendment to an existing Richland contract, please provide the assigned contract number: N/A

Why Sign?

Council authorized the City Manager to sign the Memorandum of Understanding.

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City Attorney's Office:

- Authority verified
- Certificate of Insurance (COI) included/pending execution; or  N/A
- All exhibits/attachments included; or  N/A
- DocuSign eligible per Policy No. 0950 for Electronic Signatures
- Attached applicable resolution/ordinance

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is made and entered into by and between Atlas Agro North America Corp. (“Customer”) and the City of Richland and its Energy Department (“RES”). Customer and RES may be referred to herein jointly as the “Parties” or individually as a “Party.”

### Recitals

WHEREAS, RES owns and operates an electric system and provides retail electric service to customers located in and around the City of Richland; and

WHEREAS, Customer seeks to develop an industrial project (the “Project”) in or near the City of Richland; and

WHEREAS, Customer seeks to timely secure retail electric service from RES as needed to construct, operate, and maintain the Project; and

WHEREAS, RES is willing and able to provide such retail electric service to the Project; and

WHEREAS, In order to provide retail electric service to the Project, RES may have to construct certain RES interconnection facilities and make other upgrades to its electric system (“RES System Upgrades”); and

WHEREAS, In order for the Bonneville Power Administration (“BPA”) to deliver to RES the wholesale power needed for RES to provide retail electric service to the Project, BPA may also have to construct certain upgrades to its transmission network (“BPA Network Upgrades”); and

WHEREAS, The Parties wish to negotiate the terms of certain definitive agreements pursuant to which RES would establish and provide retail electric service as needed by the Project (the “Definitive Agreements”).

NOW, THEREFORE, the Parties agree as follows:

### Terms

1. Nonbinding. This MOU is an agreement to negotiate in good faith the terms and conditions of those Definitive Agreements that the Parties agree are needed for RES to provide retail electric service to the Project. Nothing in this MOU shall be construed to create any binding obligation on either Party to: (i) execute any Definitive Agreements; (ii) execute any agreements with, or incur any financial obligation to, any persons who are not a Party hereto; (iii) complete any studies or RES System Upgrades; or (iv) complete the Project.

- a. Exception: Customer Payment Obligation is Binding. Notwithstanding the forgoing, the Parties each expressly acknowledge and agree that Customer's obligation to reimburse RES for certain costs and expenses incurred pursuant to this MOU as specifically set forth Section 3 shall be binding on Customer and enforceable by RES.
  
2. Term and Termination of MOU. This MOU shall become effective upon execution by both Parties (the "Effective Date"). This MOU shall end on the first to occur of: (i) the date that either Party gives written notice of termination of this MOU; or (ii) the date on which all Definitive Agreements have been executed by both Parties. Customer shall not be liable for reimbursing any costs incurred by RES after the expiration or termination of this MOU, except as may be provided in a Definitive Agreement. Notwithstanding the forgoing, all of Customer's cost-reimbursement obligations validly arising under Section 3 prior to the expiration or termination of this MOU shall survive until satisfied in full.
  
3. Reimbursement of RES Expenses. Customer agrees to reimburse RES for all costs and expenses reasonably and prudently incurred by RES in connection with negotiating and drafting this MOU and each of the Definitive Agreements (collectively, "Reimbursable Costs"). Such Reimbursable Costs may include both out-of-pocket expenses for professional services and costs internally allocated by RES to work performed by RES staff.
  - a. Deposit. Within ten (10) business days following the Effective Date of this MOU, Customer shall deliver to RES a deposit of sixty thousand dollars (\$60,000) ("Deposit"). RES may use the Deposit only to cover Reimbursable Costs. At least once each calendar quarter during the term of this MOU, RES shall send Customer a written statement setting forth in reasonable detail the Reimbursable Costs charged against the Deposit. If RES determines in good faith future Reimbursable Costs are reasonably likely to exceed the remaining Deposit balance, then RES may invoice Customer for an additional Deposit. Customer shall pay any such invoice within thirty (30) days of receipt.
  
  - b. True-Up. Upon the termination or expiration of this MOU pursuant to Section 2 above, or upon both Parties' execution of a comprehensive Financial Security Agreement as described in Section 10 below, any remaining Deposit balance shall be, at Customer's election, either refunded to Customer or applied as a credit against any Customer financial obligation arising under a Definitive Agreement.
  
4. Confidentiality Agreement. The Parties may negotiate and enter into an agreement to facilitate and protect the sharing of confidential information in connection with the provision of retail electric service to the Project ("Confidentiality Agreement").

- a. Confidential Information. Upon execution, the Confidentiality Agreement would apply to all commercially sensitive business information provided by one Party to the other in connection with the Project (“Confidential Information”). The obligations of the Confidentiality Agreement would remain effective for a specified number of years following the expiration or termination of the MOU and each of the Definitive Agreement.
  - b. Duty to Maintain Confidences. Under the Confidentiality Agreement, each Party shall hold in confidence all Confidential Information of the other Party to the maximum extent allowed by law. The Confidentiality Agreement would allow the Parties to disclose Confidential Information to BPA, and on a confidential basis to contractors, as is reasonably necessary for such Party to perform its obligations under any Definitive Agreements. Specific performance would be available as a remedy to a breach of the Confidentiality Agreement.
  - c. Washington Public Records Laws. Notwithstanding the forgoing, Customer would acknowledge in the Confidentiality Agreement that RES is a public agency that is subject to Washington’s public records and public meetings laws.
5. BPA Cost Allocation Agreement. RES has submitted to BPA a Line and Load Interconnection Request (“LLIR”) with respect to the Project. Based on the LLIR, RES may be required to make a financial commitment to BPA with respect to any required BPA Network Upgrades. In such case, one of the Definitive Agreements would be a BPA Cost Allocation Agreement. The BPA Cost Allocation Agreement would set forth the terms and conditions by which Customer would indemnify and reimburse RES for all costs that RES is obligated to pay BPA for the BPA Network Upgrades needed to serve the Project.
6. System Impact Study Agreement. RES may choose to complete a System Impact Study of its own electric system to ascertain what RES System Upgrades would be needed for RES to safely and reliably deliver energy to the Project. In such case, one of the Definitive Agreements would be a System Impact Study Agreement. The System Impact Study Agreement would require Customer to pay all of RES’ expected System Impact Study costs. Upon completion of the System Impact Study, RES will provide Customer with a written report of the results, which will include a good faith but non-binding cost estimate and schedule for completion of the RES System Upgrades.
7. RES Facilities Agreement. If the System Impact Study indicates that RES System Upgrades are necessary, then the Parties will negotiate and execute a Facilities Agreement. The Facilities Agreement will establish the terms and conditions by which RES will complete, at Customer’s expense, all RES System Upgrades. RES, acting by and through qualified contractors, shall be solely responsible for all necessary engineering, design, procurement, and construction work required to complete the RES System Upgrades. All RES System Upgrades shall be owned, operated, and maintained by RES. Nothing in the Facilities Agreement or otherwise shall prohibit RES from using

any RES System Upgrades to offer or provide retail electric service to any other customer.

- a. Customer Electric Facilities. Customer will be responsible for completing, at its own expense, any and all electric facilities needed by Customer to receive and consume energy delivered by RES to the agreed-upon point of delivery for the Project.

8. Wholesale Power Supply. As soon as practicable following the Effective Date of this MOU, the Parties shall begin conferring in good faith about the wholesale power supply options for electric service to the Project. Any wholesale power supply plan shall be subject to mutual agreement of the Parties. Depending on which option is selected, the wholesale power supply plan may or may not be reflected in another Definitive Agreement between the Parties. The wholesale power supply options for discussion will include, without limitation, each of the following:

- a. BPA NR Power. One option would be for RES to purchase a wholesale power supply for the Project from BPA. The Project will likely qualify as a New Large Single Load under applicable federal law and BPA policy. As a New Large Single Load, such power supply would be priced at BPA's NR Rate. If this option is selected, then it would likely be reflected in the terms of the retail Electric Service Agreement without need for an additional Definitive Agreement between the Parties on power supply.
- b. RES Procurement of Non-BPA Wholesale Power. A second option would be for RES to acquire wholesale power from suppliers and generators other than BPA. This option would also likely be reflected in a retail Electric Service Agreement without need for additional Definitive Agreements between the Parties. But in this case there would likely be significant additional obligations placed on the Customer to fully indemnify and secure RES against the additional physical, legal, and financial wholesale power supply costs and risks that RES would be incurring.
- c. Customer Procurement of Wholesale Power. A third option would be for Customer or an affiliate to acquire wholesale power directly from third-party suppliers or generators and have that power delivered to RES (using RES' BPA transmission rights) for resale and delivery by RES to the Project. This option would require the Parties to negotiate and execute at least one additional Definitive Agreement, that being a wholesale power purchase agreement.

9. Retail Electric Service Agreement. Upon reaching agreement as to the wholesale power supply plan, the Parties shall negotiate in good faith a retail Electric Service Agreement. The Electric Service Agreement will be generally consistent with the following framework:

- a. Term. The Electric Service Agreement shall become effective upon execution by both Parties. The Electric Service Agreement will include a start of service date, to occur after completion of the Project, any BPA Network Upgrades, and any RES System Upgrades. The Electric Service Agreement will include provisions for negotiating an amendment, extension, or renewal to accommodate any material changes made by BPA to the terms and conditions by which it provides wholesale power or transmission services to RES.
- b. Delivery of All Project Power Requirements. Under the Electric Service Agreement, RES shall be the exclusive provider of retail electric services with respect to the entire power demand of the Project. Notwithstanding the forgoing, the Electric Service Agreement shall establish a peak demand limit for the Project based on the available capacity of BPA's transmission system and RES' electric system to safely delivery energy to the Project.
- c. Charges for Electric Service. The Electric Service Agreement shall describe the various billing components applicable to retail electric service to the Project. Such billing components may include, without limitation: (i) an energy charge for the wholesale power supply procured by RES for service to the Project; (ii) a demand charge to recover a portion of RES's recurring costs to operate and maintain its electric system; and (iii) a fixed administrative charge to recover a portion of RES's ongoing planning, management, and administrative support costs incurred to provide retail electric service to the Project. RES may adjust any or all of the billing components consistent with prudent utility rate-making standards to ensure that RES is adequately recovering its costs of serving the Project.

10. Financial Security Agreement. In executing this MOU and negotiating the Definitive Agreements, one of RES' primary principles is to ensure that none of the costs or financial risks associated with RES' provision of retail electric service to the Project will be shifted to RES' other ratepayers. One of the Definitive Agreements will therefore be a Financial Security Agreement. The purpose of the Financial Security Agreement will be to ensure that all of Customer's financial obligations under the MOU and the Definitive Agreements are timely and fully met. The Parties agree to negotiate in good faith the terms and conditions of such Financial Security Agreement, which shall be generally consistent with the following general framework:

- a. Term. Upon execution by both Parties, the Financial Security Agreement will remain in effect so long as any financial obligation arising under this MOU or any of the Definitive Agreements remains outstanding.
- b. Letter of Credit or Parent Guarantee. The Financial Security Agreement will require the Customer to provide RES with either: (i) a letter of credit

from a U.S. financial institution; (ii) a parent guaranty from a corporate affiliate having an acceptable credit rating; and/or (iii) such other form of credit support as agreed by the Parties; individually or collectively the “Credit Support.” In any case, the Credit Support must be in a form and from an issuer acceptable to RES in its reasonable discretion. The amount of the Credit Support shall be determined and updated by RES in its reasonable discretion.

- b. Cash Prepayment. The Financial Security Agreement may also require Customer to make a cash prepayment (“Cash Prepayment”). The Cash Prepayment made by Customer to RES under a Financial Security Agreement would replace the Deposit made by Customer and trigger the Deposit true-up provision of Section 3(b). The purpose of the Cash Prepayment would be to ensure that RES has sufficient liquidity to meet its foreseeable out-of-pocket expenses arising under this MOU and any Definitive Agreement. The exact amount of the Cash Prepayment will be determined by RES in its reasonable discretion.

11. Governing Law. This MOU, and any Definitive Agreement negotiated pursuant to this MOU, shall be governed by and construed in accordance with the laws of the State of Washington.

12. No Joint Venture. Neither this MOU, nor any Definitive Agreement contemplated herein, shall be deemed to create a partnership, joint venture, or agency relation among or between the Parties.

13. Authorization. Each person executing this MOU represents and warrants that they have been duly authorized by appropriate action of the governing body of the Party for which they sign to execute and deliver this MOU. Further, if successfully negotiated between the Parties, the Richland City Manager is authorized to sign and execute the Definitive Agreements contemplated by this MOU without further legislative action.

14. Assignment. This MOU may not be assigned by either Party without the prior written consent of the other Party.

15. Amendments. Customer’s binding obligation to reimburse RES for Reimbursable Costs as set forth in Section 3 of this MOU may be amended or modified only by a written instrument executed by both Parties.

16. No Third-Party Beneficiaries. This MOU is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties.

17. Execution in Counterparts. This MOU may be executed electronically and in counterparts, each of which shall be deemed an original, but all of which constitute one and the same instrument.

IN WITNESS WHEREOF, this MOU shall be dated and effective on the date and year first above written.

**City of Richland**

By:  JK  
Jon Amundson, ICMA-CM  
City Manager

Date: December 21, 2023

**Atlas Agro North America Corp.**

By: Daniel Holmes  
Name: Daniel Holmes  
Title: President, North America

Date: December 20, 2023

**RESOLUTION NO. 2023-182**

**A RESOLUTION OF THE CITY OF RICHLAND, WASHINGTON,  
AUTHORIZING A MEMORANDUM OF UNDERSTANDING WITH  
ATLAS AGRO AG FOR FUTURE PROVISION OF ELECTRIC  
SERVICE.**

**WHEREAS**, the City of Richland owns and operates an electric utility that provides retail electric service to customers located in and around the City of Richland; and

**WHEREAS**, Atlas Agro AG seeks to develop an industrial project (the "Project") in or near the City of Richland; and

**WHEREAS**, Atlas Agro AG seeks to timely secure retail electric service from the City's electric utility as needed to construct, operate, and maintain the Project; and

**WHEREAS**, the City is willing and able to provide such retail electric service to the Project; and

**WHEREAS**, in order for the City to provide retail electric service to the Project, the Bonneville Power Administration (BPA) must construct certain upgrades to its transmission network; and

**WHEREAS**, the City and Atlas Agro AG wish to negotiate the terms of certain definitive agreements pursuant to which the City will establish and provide retail electric service as needed by the Project; and

**WHEREAS**, in an effort to identify their aligned intent, the City and Atlas Agro AG have determined to enter into a non-binding Memorandum of Understanding to establish a foundation upon which future actions may be taken.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richland that the City Manager is authorized to sign and execute a non-binding Memorandum of Understanding with Atlas Agro AG to facilitate future actions necessary to provide retail electric service to Atlas Agro AG's industrial project.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately.

**ADOPTED** by the City Council of the City of Richland, Washington, at a regular meeting on the 5<sup>th</sup> day of December, 2023.

  
Terry Christensen, Mayor

Attest:

  
Jennifer Rogers, City Clerk

Approved as to Form:

  
Heather Kintzley, City Attorney

Adopted 12/05/2023

Resolution No. 2023-182



**DocuSIGN SIGNATURE ROUTING FORM**

FOR INTERNAL USE ONLY: Complete and route with documents submitted for approval via DocuSign to the City Manager, Purchasing Manager or City Attorney. Vendors/third parties may disregard.

**Staff Contact:** Arturo Mata

**Phone:** 509-942-7403

**Department:** Energy Services

**Date Needed:** 03/01/2024

**Council Approval:** 12/05/2023 **and RES/ORD No:** 2023-182 ; or **Standing Authority Res No. 157-15**

If the document being executed is an amendment to an existing Richland contract, please provide the assigned contract number: N/A

Why Sign?

Council has authorized the City Manager to sign the BPA Cost Allocation Agreement between the City and Atlas Agro North America through the Memorandum of Understanding signed on 12/05/2023. This agreement was drafted by Cable Huston LLP.

\*\*\*\*\*

City Attorney's Office:

- Authority verified
- Certificate of Insurance (COI) included/pending execution; or  N/A
- All exhibits/attachments included; or  N/A
- DocuSign eligible per Policy No. 0950 for Electronic Signatures
- Attached applicable resolution/ordinance

## BPA COST ALLOCATION AGREEMENT

This BPA Cost Allocation Agreement (“Cost Allocation Agreement”) is by and between Atlas Agro North America Corp. (“Customer”) and the City of Richland and its Energy Department (“RES”). Customer and RES each may be referred to herein as a “Party” or collectively as the “Parties.”

### RECITALS

**WHEREAS**, RES operates a system that is used to transmit and distribute electric energy to customers located in and around the City of Richland; and

**WHEREAS**, Customer has submitted a request for electric service at a new industrial facility to be located in RES’s service territory (the “Project”); and

**WHEREAS**, RES purchases wholesale power and transmission services from Bonneville Power Administration (“BPA”); and

**WHEREAS**, in order to provide the requested electric service to the Project, RES will require additional transmission capacity from BPA; and

**WHEREAS**, on or about August 15, 2022, RES submitted to BPA a Line and Load Interconnection Request for service to the Project (“Request No. L0534”); and

**WHEREAS**, BPA has tendered to RES for execution that certain Reimbursable Agreement No. 23TP-13083, (the “BPA Contract”), pursuant to which BPA will perform, at its expense, a Line and Load Interconnection Facilities Study (“LLIFS Work”); and

**WHEREAS**, pursuant to the terms and condition of the BPA Contract, BPA will also complete preliminary engineering activities, as described below, required to facilitate Request No. L0543 (the “BPA Work”) at RES’s expense; and

**WHEREAS**, subject to the terms and conditions set forth herein, upon execution of the BPA Agreement by RES, Customer agrees to directly pay BPA for the BPA Work.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

#### **Section 1. EFFECTIVE DATE.**

1.1 Effective Date and Term. This Cost Allocation Agreement is effective upon execution and delivery by both Parties (“Effective Date”), and will remain in effect until the BPA Work has been completed or the earlier termination hereof, and Customer has made all payments due and owing by Customer under this Cost Allocation Agreement.

- 1.2 Early Termination. If requested by Customer in writing, in its sole discretion, RES will, as soon as possible but no later than four (4) days after such request, direct BPA to terminate any BPA Work then being undertaken by BPA. RES will use best efforts to avoid incurring any additional costs for the BPA Work, and to cause BPA to promptly remit to Customer as soon as possible any unexpended funds held by BPA from the Payments Customer has made. If any expended funds are refunded by BPA to RES, then RES will remit all such funds to Customer no later than ten (10) days after receipt from BPA. This Section 1.2 will survive the early termination of this Cost Allocation Agreement.

## **Section 2. COST ALLOCATION.**

- 2.1 Customer Sole Source of Funding. Customer is solely responsible for all costs for BPA Work. RES is not responsible for any costs for BPA Work.
- 2.2 Advance Payments to BPA. As compensation for the BPA Work, Customer shall make four (4) payments directly to BPA (each, an “Advance Payment” and collectively, the “Advance Payments”). The sum of the Advance Payments is equal to BPA’s cost estimate for the BPA Work. The amount and due date for each Advance Payment are set forth in the payment schedule attached hereto as Exhibit A (the “Payment Schedule”). Payment 1 for \$50,000 was paid by RES to BPA on 1/11/2024 with Customer to reimburse RES within thirty (30) days of the Effective Date of this agreement.
- 2.3 Additional Payments to BPA. If, at any time during the performance of the BPA Work, BPA requests that RES provide additional funds for the BPA Work beyond the sum of the Advance Payments, then Customer will be solely responsible for paying directly to BPA any additional payments that may be requested by BPA and any invoices received from BPA for the BPA Work (collectively, “Additional Payments,” and together with the Advance Payments, each a “Payment” and collectively, the “Payments”). RES will forward to Customer any requests and invoices for Additional Payments for BPA Work as soon as possible but no later than four (4) days after receipt. Customer will pay each such request or invoice within twenty-five (25) days after the date of Customer’s receipt of such request or invoice from RES.
- 2.4 Manner of Making Payments. Customer shall make all Payments to BPA by wire transfer or ACH credit, with reference to “BPA Agreement No. 23TP-13083,” and in accordance with the “BPA Payment Instructions,” attached hereto as Exhibit B.
- 2.5 Documentation of Payments. Customer shall provide RES with documentation of each Payment made to BPA within ten (10) days after such Payment is made (but with all bank account and other confidential business information of Customer redacted from such

documentation). Notwithstanding the provisions of Section 15.2 below, such documentation shall be transmitted by electronic mail to:

Email: ~~rescontracts@ci.richland.wa.us~~

Promptly upon Customer's transmission to RES of documentation of each such Payment, RES shall request written (which may be by electronic mail) confirmation from BPA of its receipt of such Payment. Upon receiving any such confirmation from BPA, RES shall promptly provide such confirmation to Customer. Notwithstanding the provisions of Section 15.2 below, such confirmation shall be transmitted by electronic mail to:

Email: Kaustav.Chaudhuri@atlasagro.ag

- 2.6 Overdue Payments. If RES receives any notice from BPA concerning any overdue Payments under the BPA Contract, then RES will forward the notice to Customer as soon as possible but no later than four (4) days after receipt by RES. Customer understands and agrees that, if it does not timely make Payments to BPA when due, then BPA may suspend or terminate the BPA Work.
- 2.7 No Cost Guaranty. RES makes no representations or warranties to Customer concerning the total costs required for BPA to complete the BPA Work. Customer expressly understands and agrees that the actual costs of the BPA Work may exceed the amount of the sum of the Advance Payments.
- 2.8 Return of Unexpended Funds; Accounting.
- 2.8.1 When the BPA Work is completed, or at such earlier time as this Cost Allocation Agreement is terminated, to the extent that the sum of the Payments made by Customer to BPA exceed the total of the actual BPA cost for the BPA Work such that there are unexpended funds held by BPA, RES will use best efforts to cause BPA to promptly remit as soon as possible any unexpended funds held by BPA from Payments Customer has made. RES will request that BPA remit all such funds directly to Customer (pursuant to funding instructions that Customer will provide). If such funds are instead remitted by BPA to RES, then RES will remit all such funds it receives from BPA to Customer no later than ten (10) days after receipt of any such funds from BPA. This Section 2.8.1 will survive the termination or expiration of this Cost Allocation Agreement.
- 2.8.2 RES will forward to Customer any accountings of the actual costs charged for the BPA Work, which BPA is required to provide pursuant to the BPA Contract or as otherwise are received by RES, promptly upon receipt, and will use best efforts,

upon Customer's request, to cooperate with Customer in inquiries and discussions with BPA concerning the costs charged and the accountings.

- 2.9 If Customer requests payments to BPA be routed through RES, then an administrative fee of 1.75% will be added to the Customer payments to RES and within thirty (30) days following the Effective Date, Customer shall provide to RES financial security in an amount equal to the Advance Payments due and owing by Customer to BPA under this Cost Allocation Agreement. Such financial security may be in the form of a parent guaranty from an issuer acceptable to RES in its reasonable discretion, a cash deposit, or an irrevocable stand-by letter of credit issued by a FDIC insured bank having a branch office in the United States. RES may use such financial security to pay any amount that is not timely paid by Customer to BPA under this Agreement. RES shall release or return such financial security when Customer has made all payments due and owing by Customer under this Cost Allocation Agreement.

### **Section 3. BPA PERFORMANCE; CHANGES TO BPA CONTRACT.**

- 3.1 BPA Work under BPA Contract. Customer acknowledges and agrees that it has received and reviewed, prior to Customer's execution and delivery of this Cost Allocation Agreement, a copy of the BPA Contract. RES represents and warrants that Exhibit C attached hereto is a true and correct copy of the BPA Contract. The BPA Work to be completed by BPA pursuant to the BPA Contract, and paid for by Customer pursuant to this Cost Allocation Agreement, comprises the following tasks:

- (1) Perform preliminary engineering activities required to facilitate Request No. L0534.
- (2) Develop the Project Scope Package (Phase 1), including:
  - a. Preliminary total project estimates.
  - b. Preliminary project schedule.
  - c. Technical scoping information, preliminary bill of materials, and early risk identification.
  - d. Schedule and estimate to complete the Firm Fixed Price Package (Phase 2) activities.

- 3.2 Material Changes to BPA Contract. Prior to approving any material changes to the BPA Contract, RES will first obtain Customer's written consent, which consent will not be unreasonably conditioned, withheld, or delayed, but subject to Customer's termination rights pursuant to Section 1.2, above.

#### **Section 4. RES'S CONTRACT RIGHTS AND OBLIGATIONS.**

- 4.1 Enforcement of BPA Performance Obligations. RES will, in consultation with Customer, diligently enforce each of BPA's performance obligations and requirements set forth in the BPA Contract. RES will use best efforts to affirmatively pursue any legal remedies against BPA for recovery and reimbursement of the Payments made by Customer to BPA (less actual costs BPA incurred) in accordance with its rights and remedies under the BPA Contract. RES will promptly remit any such amounts recovered from BPA to Customer less RES's actual enforcement costs.
- 4.2 Termination of BPA Contract by BPA. If BPA terminates the BPA Contract due to any act or omission by RES, then that will also constitute an Event of Default by RES under this Cost Allocation Agreement, and Customer will be entitled to all rights and remedies set forth herein. If BPA terminates the BPA Contract due to Customer's failure to timely pay when due any Payment, then that will also constitute an Event of Default by Customer under this Cost Allocation Agreement, and RES will be entitled to all rights and remedies set forth herein.
- 4.3 Copies of BPA Documents. RES will provide Customer with a copy of any written: (i) notices to or from BPA related to the BPA Work or the LLIFS Work; (ii) invoices and accountings from BPA related to the BPA Work; (iii) work product and reports related to the BPA Work or the LLIFS Work; (iv) other correspondence concerning the BPA Work or the LLIFS Work, including but not limited to costs or project schedule; and (v) any other documents that BPA provides to RES in connection with the BPA Work or LLIFS Work.

#### **Section 5. INDEMNITY.**

- 5.1 Indemnification by Customer. Except as is otherwise expressly stated herein, Customer will indemnify, defend, and hold RES and its directors, officers, employees, contractors, and agents (each, a "RES Indemnified Party") harmless from and against any and all third-party Claims against, or Loss incurred by, any RES Indemnified Party to the extent arising from or related to BPA's performance or non-performance of the BPA Work under the BPA Contract. RES will provide immediate written notice to Customer of any such Claim. This indemnity, including defense, will not apply to any Claim or Loss to the extent such Claim or Loss results from the fault, negligence or intentional misconduct of any RES Indemnified Party, or from RES's breach of this Agreement or of the BPA Contract (other than a breach of the BPA Contract caused by Customer's failure to timely pay in full to BPA any Payment due and owing under this Cost Allocation Agreement).

- 5.2 Definitions of “Claim” and “Loss.” For purposes of this Cost Allocation Agreement, a “Claim” means any suit, legal action, enforcement action, investigation, or demand brought or asserted by any third-party relating to the BPA Work including, but not limited to, a demand for payment made by BPA against RES under the BPA Contract. A “Loss” means any monetary loss caused by or arising out of a Claim including, but not limited to, any cost, charge, fine, penalty or award of damages.
- 5.3 Survival of Indemnity. This indemnity will remain effective and will survive the termination or expiration of this Cost Allocation Agreement with respect to any Claim or Loss arising prior to the termination or expiration of the Cost Allocation Agreement, even if the written notice of such Claim or Loss is provided after termination or expiration of the Cost Allocation Agreement.

## **Section 6. DEFAULTS AND REMEDIES.**

- 6.1 Events of Default. An “Event of Default” means, with respect to a Party, the occurrence of either of the following:
- 6.1.1 The failure by either Party to make any payment when due according to the terms of this Cost Allocation Agreement, including Customer’s failure to make any of the Payments when due to BPA, and such failure to pay is not cured within the earlier of: (i) the period allowed for making a Payment under the BPA Contract; or (ii) thirty (30) days after a Party’s written notice to the Party that has not made the required payment.
- 6.1.2 If Customer disputes any request or invoice by BPA for an Additional Payment on the grounds that it is incorrect or otherwise inconsistent with the scope of the BPA Work, RES will promptly facilitate discussions with BPA concerning any such Customer dispute; provided, however, that Customer shall timely make any Payment to BPA notwithstanding an unresolved dispute and RES will continue to facilitate discussions notwithstanding Customer’s Payment.
- 6.1.3 The failure of either Party to satisfy any other material performance obligation under this Cost Allocation Agreement other than the payment of money when due if such failure is not remedied within thirty (30) days after written notice thereof to the defaulting Party by the non-defaulting Party.
- 6.2 Notice of Default. If a Party believes that an Event of Default has occurred and is continuing, such Party will provide written notice to the defaulting Party. If the default is not cured within the time allowed pursuant to Section 6.1 above, either Party may immediately thereafter initiate the Dispute Resolution process set forth in Section 7 below.

6.3 Remedies. Upon the occurrence of an Event of Default, and if the default is not cured within the time allowed pursuant to Section 6.1 above, and is not resolved through the Dispute Resolution process set forth in Section 7 below, then the non-defaulting Party may terminate the Cost Allocation Agreement upon written notice to the defaulting Party. The non-defaulting Party will also have any other rights or remedies available to it at law or equity including, without limitation, the recovery of actual damages. In the case of an uncured Event of Default due to Customer's failure to timely make any Payment to BPA under this Cost Allocation Agreement, RES may, in addition to any other remedies, direct BPA to suspend or terminate its performance of the BPA Work.

### **Section 7. DISPUTE RESOLUTION.**

- 7.1 Meeting of Party Representatives. If any dispute arises under this Cost Allocation Agreement, then senior officers of the Parties will meet to attempt to resolve such dispute within five (5) days after the written request of either Party.
- 7.2 Consent to Jurisdiction. Either Party may initiate legal action with respect to any dispute arising out of this Cost Allocation Agreement that is not resolved in accordance with Section 7.1. Any such legal action will be initiated and maintained exclusively in state court in Benton County, Washington. Each Party expressly consents to the jurisdiction of state court of such court and waives any claim that such court is in inconvenient forum.
- 7.3 Waiver of Jury Trial. Each of the Parties knowingly, voluntarily, and intentionally waives the right to a trial by jury in respect of any dispute arising out of this Cost Allocation Agreement.
- 7.4 Attorney Fees. If any litigation is initiated to enforce or interpret the terms of this Cost Allocation Agreement, the prevailing Party will be entitled to recover from the other Party its reasonable attorneys' fees, costs, and disbursements, in addition to any other relief to which such Party may be entitled.

### **Section 8. GOVERNING LAW.**

The validity, interpretation, and enforcement of this Cost Allocation Agreement will be governed by the laws of the State of Washington, without regard to its conflicts of law principles. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any applicable laws.

### **Section 9. AMENDMENT.**

The Parties may amend this Cost Allocation Agreement only by a written instrument duly executed by both Parties.

**Section 10. ASSIGNMENT.**

Customer may not assign its rights or obligations under this Cost Allocation Agreement without the prior written consent of RES. Any purported assignment of rights or obligations in violation of this Section 10 is void.

**Section 11. NO THIRD-PARTY BENEFICIARIES.**

This Cost Allocation Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties.

**Section 12. WAIVER.**

Any waiver at any time by either Party of any right arising under this Cost Allocation Agreement will not be deemed a continuing waiver with respect to such right or a waiver with respect to any other right arising under this Cost Allocation Agreement or any other agreement between the Parties.

**Section 13. NO PARTNERSHIP.**

This Cost Allocation Agreement will not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party has any right, power, or authority to enter any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

**Section 14. SEVERABILITY.**

If a court having jurisdiction over the matter finds any provision of this Cost Allocation Agreement invalid, then: (i) such provision will be deemed to be severed from the remainder of this Cost Allocation Agreement; (ii) the remainder of this Cost Allocation Agreement will remain in full force and effect; and (iii) the Parties will negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling.

**Section 15. MISCELLANEOUS PROVISIONS.**

15.1 Audit Rights. RES will maintain records and accounts in connection with costs incurred by BPA in connection with the BPA Work, and funds remitted to RES by BPA in connection with the BPA Work. Customer will have the right, upon reasonable notice, during normal business hours at RES's office where such records are kept, and at Customer's own expense, to audit RES's records as necessary and as appropriate in order to verify the accuracy of any such costs and funds remitted.

- 15.2 Notice. Any notice required or permitted to be given in writing under this Cost Allocation Agreement will be mailed by certified mail, postage prepaid, return receipt requested, or sent by overnight courier service, or personally delivered to a representative of the receiving Party. All such notices will be mailed, sent, or delivered, addressed to the Party for whom it is intended, at its address set forth below:

If to RES:

City of Richland  
Attn: Energy Services Director, M/S-23  
625 Swift Blvd  
Richland, WA 99352

If to Customer:

Atlas Agro North America Corp.  
Attn: Kaustav Chaudhuri  
Address: 723 The Parkway  
Richland WA 99352

In addition to, but not in lieu of, the foregoing methods for giving notice, any request RES receives from BPA for an Additional Payment for BPA Work and any notice RES receives from BPA concerning any overdue Payments will also be transmitted to Customer by electronic mail to:

Email: Kaustav.chaudhuri@atlasagro.ag

Either Party may change their address for any notice or other communication, including their email address for electronic transmissions pursuant to Section 2.5, above, by giving notice pursuant to this Section 15.2. Where this Cost Allocation Agreement requires written notice to or from BPA, the Parties acknowledge and agree that e-mail or similar written electronic communication qualifies as such written notice.

- 15.3 Consequential Damages. Neither Customer nor RES will be liable to the other for any loss of profit, loss of revenue, loss of use, or for any special, punitive, incidental, indirect, or consequential damage suffered by the other Party as a result of a Party's failure to perform its obligations under this Cost Allocation Agreement. This provision shall not apply, however, to Customer's obligation indemnify RES for Claims and Losses pursuant to Section 5.

- 15.4 Final Agreement. This Cost Allocation Agreement, together with the Exhibits attached hereto, which are hereby incorporated herein by this reference, contains the final understanding between the Parties concerning the subject matter hereof and, except as expressly provided for herein, supersedes all prior understanding and agreements, whether oral or written, between the Parties with respect to the subject matter hereof.
- 15.5 Representations and Warranties. Each Party represents and warrants to the other that: (i) it is duly organized and validly existing under the laws of the state in which it was established; (ii) it has all requisite power and authority to carry on the business to be conducted by it and enter into this Cost Allocation Agreement; (iii) the execution and delivery of this Cost Allocation Agreement and the performance of its obligations have been duly authorized and all necessary corporate action has been taken; and (iv) this Cost Allocation Agreement is legal, valid, binding and enforceable in accordance with its terms.
- 15.6 No Dedication of Facilities. Nothing in this Cost Allocation Agreement confers upon Customer an ownership interest in any of the facilities to be constructed or installed by BPA pursuant to Request No. L0534, even if such work is funded by Customer either directly or indirectly.
- 15.7 Captions. Captions and paragraph headings herein are for convenience only and are not a part of this Cost Allocation Agreement and will not be used in construing it.
- 15.8 Execution. This Cost Allocation Agreement may be executed in one or more counterparts, and upon execution by both Parties each executed counterpart will be deemed an original as if the Parties had signed the same instrument.
- 15.9 Mandatory Meaning. The term “will” as used herein is mandatory, except when used in the predictive context.

**IN WITNESS THEREOF**, the Parties have caused this Cost Allocation Agreement to be executed by their duly authorized officers or agents on the dates written below.

**City of Richland:**

By:  

Printed Name: Jon Amundson

Title: City Manager, ICMA-CM

Date: February 27, 2024

**Customer:**

By: Daniel Holmes

Printed Name: Daniel Holmes

Title: President, North America

Date: February 27, 2024

**EXHIBIT A**  
**Payment Schedule**

The payment schedule identified in the reimbursable agreement between the City of Richland (Contract 503-23) and BPA (BPA Agreement 23TP-13083) is listed as:

| Payment | Amount      | Date Due                              |
|---------|-------------|---------------------------------------|
| 1       | \$50,000    | Within 30 days of Agreement Execution |
| 2       | \$1,450,000 | March 1, 2024                         |
| 3       | \$1,500,000 | June 1, 2024                          |
| 4       | \$1,500,000 | September 1, 2024                     |
| 5       | \$1,700,000 | December 1, 2024                      |

EXHIBIT B  
BPA Payment Instructions

Reference Agreement No. 23TP-13083 when remitting payment to BPA.

B O N N E V I L L E P O W E R A D M I N I S T R A T I O N

# BPA Payment Instructions

## 1. Wire Transfer (FEDWIRE) Payment Instructions

Check with your bank for wire transfer deadlines and associated wire fees. You may contact us after your first wire payment, and we will verify that it transferred accurately.

**Necessary Information to Complete Process:**

- 1) **ABA Number:** 021030004
- 2) **Receiving Bank:** "TREAS NYC"
- 3) **Product Code:** "TREAS NYC / CTR"
- 4) **Account:** 89001401
- 5) **Third Party Information After "OBI="** Provide pertinent information to insure correct application of payment. (i.e.: the BPA invoice number you are paying, the contract number, or other information specific to your payment)

## 2. Automated Clearing House (ACH) Credit Instructions

Payments must be submitted no later than the day before payment is due since ACH is processed overnight. You may contact us at (503) 230-5788, after your first ACH payment, and we will verify that it transferred accurately.

**Necessary Information to Complete Process:**

- 1) **ABA Number:** 051036706
- 2) **Account Number:** 312013
- 3) **Receiving Bank:** Federal Reserve Bank
- 4) **Bank Address:** 701 E. Byrd Street, Richmond, VA 23219
- 5) **Bank Phone Number:** 804-697-8000
- 6) **Receiver Name:** BPA
- 7) **Identification Number:** This field may be used instead of the addenda record to identify the payment.

## 3. Direct Debit Payment

This option authorizes the Bonneville Power Administration (BPA) to automatically withdraw payments from a bank account. It is free and only requires registration. Submit the direct debit form.

## 4. Payment by Credit Card or Checking Account (Pay.gov)

BPA accepts VISA, MasterCard, American Express, Discover, and Diners for invoices under \$25,000 (limited to one credit card transaction per invoice) or electronic payments from a checking account for any dollar amount. Go to [Pay.gov](https://www.pay.gov).

## 5. Payment by Check (only if permitted by agreement or contract terms)

**U.S. Postal Service**

BONNEVILLE POWER ADMINISTRATION  
ATTN: LOCKBOX  
P.O. BOX 3621  
PORTLAND, OR 97208-3621

**FedEx**

BONNEVILLE POWER ADMINISTRATION  
ATTN: LOCKBOX  
905 NE 11<sup>th</sup> AVE  
PORTLAND, OR 97232

**For more information:** visit [HowtoPay](https://www.bpa.gov/HowtoPay), email [ar@bpa.gov](mailto:ar@bpa.gov) or call 503-230-5788.

This information is being provided to you upon your request. It contains sensitive account and banking information. It should be used for its intended purpose only.

Updated April 2019

EXHIBIT C

BPA Agreement 23TP-13083 for L0534 Preliminary Engineering Activities and Facilities Study

DocuSign Envelope ID: 363E181F-FEAD-4DE4-BA85-CF13C7EEF52B



**DOCUSIGN SIGNATURE ROUTING FORM**

FOR INTERNAL USE ONLY: Complete and route with documents submitted for approval via DocuSign to the City Manager, Purchasing Manager or City Attorney. Vendors/third parties may disregard.

Staff Contact: Jackie Carpenter

Phone: Ext. 7431

Department: Energy Services

Date Needed: 1/3/2024

Council Approval: 12/19/23 and RES/ORD No: 2023-188; or \_\_\_ Standing Authority Res No. 157-15

If the document being executed is an amendment to an existing Richland contract, please provide the assigned contract number: \_\_\_\_\_

Why Sign?

The BPA agreement 23TP-13083 and Resolution No. 2023-188 were approved by Council on December 19, 2023 for a facilities study for a line and load interconnection request related to the Atlas Agro development.

\*\*\*\*\*

City Attorney's Office:

- Authority verified
- Certificate of Insurance (COI) included/pending execution; or  N/A
- All exhibits/attachments included; or \_\_\_ N/A
- DocuSign eligible per Policy No. 0950 for Electronic Signatures
- Attached applicable resolution/ordinance



Rev. 6/2020

**U.S. DEPARTMENT OF ENERGY  
BONNEVILLE POWER ADMINISTRATION  
AGREEMENT**

Contract No. 503-23

|  |   |  |                   |
|--|---|--|-------------------|
| 1. AGREEMENT NUMBER  | 2. AGREEMENT EFFECTIVE FROM DATE IN BLOCK 4 UNTIL           | 3. AMENDMENT NO.   | 4. EFFECTIVE DATE |
| 23TP-13083   | See Section 2 of the Division of Responsibilities Statement | -0-  | Same as Block #17 |
| ISSUED TO  |   | ISSUED BY  |                   |
| 5. ORGANIZATION AND ADDRESS<br>City of Richland, Washington<br>ATTN: Mr. Clint Whitney, Energy Services<br>Director<br>625 Swift Boulevard MS-21<br>Richland, WA 99352 |   | 6. ORGANIZATION AND ADDRESS<br>U.S. Department of Energy<br>Bonneville Power Administration<br>ATTN: Brian Galbraith - TPCC/TPP-4<br>P.O. Box 61409<br>Vancouver, WA 98666 |                   |
| 7. TECHNICAL CONTACT   | PHONE NUMBER  | 8. TECHNICAL CONTACT   | PHONE NUMBER      |
| Kelly Hill   | (509) 942-7416  | Joe Braley   | (509) 544-4776    |
| 9. ADMINISTRATIVE CONTACT  | PHONE NUMBER  | 10. ADMINISTRATIVE CONTACT   | PHONE NUMBER      |
| Clint Whitney  | (509) 942-7402  | Eric Carter  | (360) 619-6006    |
| 11. TITLE/BRIEF DESCRIPTION OF WORK TO BE PERFORMED UNDER THIS AGREEMENT   |   |  |                   |

**PRELIMINARY ENGINEERING ACTIVITIES AND FACILITIES STUDY FOR LINE AND LOAD INTERCONNECTION REQUEST NO. L0534 - ATLAS AGRO**



**Background:** On August 15, 2022, the City of Richland, Washington (Richland) submitted a Line and Load Interconnection Request, seeking to interconnect to the Bonneville Power Administration's (BPA) facilities near BPA's White Bluffs Substation to serve 350 MW. The request was entered into BPA's Interconnection Queue as Request No. L0534 (Request). BPA performed a Line and Load Interconnection System Impact Study (LLISIS) to assess the impact of interconnecting Richland's facilities to BPA's transmission system, and on the transmission systems of any third parties. The LLISIS report was issued to Richland on September 28, 2023.

**Agreement:** This Reimbursable Agreement (Agreement) provides for BPA, at BPA's expense, to perform a Line and Load Interconnection Facilities Study (LLIFS) as part of the planning obligation to serve load growth for Network Integration Transmission Service customers, and for BPA, at Richland's expense, to perform preliminary engineering activities required to facilitate the Request. BPA requires \$6,200,000 in advance funding under this Agreement for completing the preliminary engineering activities.

Specific duties are defined in the attached Division of Responsibilities Statement.

**The following documents are attached to and become a part of this Agreement:**

- Division of Responsibilities Statement
- Financial Terms and Conditions Statement

|   |   |
|---|---|
| 12. AMOUNT TO BE PAID BY BPA  | 13. AMOUNT TO BE PAID TO BPA  |
| \$0-  | \$6,200,000 (estimated)   |
| 14. SUBMIT SIGNED AGREEMENT TO<br>U.S. Department of Energy<br>Bonneville Power Administration<br>ATTN: Brian Galbraith - TPCC/TPP-4<br>P.O. Box 61409<br>Vancouver, WA 98666 | 15. ACCOUNTING INFORMATION (For BPA Use Only)   |
|   | 16. SUBMIT INVOICE TO (Name and Address)  |
|   | Same as Block #5 above.   |
| PARTICIPANT   | BPA   |
| 17. APPROVED BY (Signature) DATE (mm/dd/yyyy)   | 18. APPROVED BY (Signature) DATE (mm/dd/yyyy)   |
|  December 30, 2023   |  Digitally signed by ERIC CARTER<br>Date: 2023.12.21 10:35:22 -08'00' |
| NAME AND TITLE<br>Jon Amundson, ICMA-CM<br>City Manager   | NAME AND TITLE<br>Senior Transmission Account Executive<br>Transmission Sales   |

DIVISION OF RESPONSIBILITIES STATEMENT

---

BPA and Richland hereby agree as follows:

**1. DIVISION OF RESPONSIBILITIES**

- (a) **BPA shall, at BPA's expense:**  
Perform a LLIFS.
- (b) **BPA shall, at Richland's expense:**
  - (1) Perform preliminary engineering activities required to facilitate the Request.
  - (2) Develop the Project Scope Package (Phase 1), including:
    - a. Preliminary total project estimates.
    - b. Preliminary project schedule.
    - c. Technical scoping information, preliminary bill of materials, and early risk identification.
    - d. Schedule and estimate to complete the Firm Fixed Price Package (Phase 2) activities.

**2. TERM & TERMINATION**

- (a) This Agreement shall become effective upon execution by both parties and shall terminate upon full performance by both parties of their respective obligations set forth herein, but in no event shall the term of this Agreement exceed five years from its effective date.
- (b) This Agreement may be terminated by either party prior to full performance (i) upon written notice at any time before Payment No. 2 is due, and (ii) at any other time upon 30 calendar days' written notice of intent to terminate to the other party. Either party may issue a written notice of intent to terminate to the other party for any reason, including but not limited to a default by the other party of its obligations set forth in this Agreement.
  - (1) Upon issuance of a written notice of intent to terminate, BPA shall take reasonable steps to cease work on the items set forth above in Section 1(b), which are the financial responsibility of Richland.
  - (2) Within 15 calendar days of a party providing written notice of intent to terminate, the appropriate managers and executives of both parties will meet and discuss in good faith the notice of intent to terminate and determine if they can find a mutually acceptable solution to the issue(s) that gave rise to the notice of intent to terminate.
    - a. In the event the parties can agree upon a mutually acceptable solution, the party who provided the written notice of intent to terminate shall withdraw the notice by subsequent written notice.

DIVISION OF RESPONSIBILITIES STATEMENT

- b. In the event the parties cannot agree upon a mutually acceptable solution, this Agreement will terminate after 30 calendar days of the written notice of intent to terminate.
- (c) If this Agreement is terminated prior to the work set forth in Section 1, above, being completed, the parties agree:
  - (1) Richland shall pay BPA's reasonably incurred costs associated with completed or ongoing work tasks set forth above in Section 1(b) that BPA was performing at Richland's expense prior to the issuance of the notice of intent to terminate. If Richland terminates this Agreement prior to full performance, Richland shall also pay any reasonably incurred expense(s) by BPA after Richland's issuance of the notice to terminate necessary for BPA to terminate the work set forth above in Section 1.
  - (2) In the event Richland terminates this Agreement for any other reason than a BPA default, then Richland's Line and Load Interconnection Request No. L0534 will be removed from BPA's queue and will receive no further consideration, unless otherwise agreed by the parties.

**3. UNCONTROLLABLE FORCES**

The parties shall not be in breach of their respective obligations to the extent the failure to fulfill any obligation is due to an Uncontrollable Force. "Uncontrollable Force" means an event beyond the reasonable control of, and without the fault or negligence of, the party claiming the Uncontrollable Force, that prevents that party from performing its contractual obligations under this Agreement and which, by exercise of that party's reasonable care, diligence and foresight, such party was unable to avoid. Uncontrollable Forces include, but are not limited to:

- (a) strikes or work stoppage;
- (b) floods, earthquakes, fire, or other natural disasters; terrorist acts; epidemics, pandemics and
- (c) final orders or injunctions issued by a court or regulatory body having competent subject matter jurisdiction which the party claiming the Uncontrollable Force, after diligent efforts, was unable to have stayed, suspended, or set aside pending review by a court of competent subject matter jurisdiction.

Neither the unavailability of funds or financing, nor conditions of national or local economies or markets shall be considered an Uncontrollable Force. The economic hardship of either party shall not constitute an Uncontrollable Force. Nothing contained in this provision shall be construed to require either party to settle any strike or labor dispute in which it may be involved.

DIVISION OF RESPONSIBILITIES STATEMENT

---

If an Uncontrollable Force prevents a party from performing any of its obligations under this Agreement, such party shall: (1) immediately notify the other party of such Uncontrollable Force by any means practicable and confirm such notice in writing as soon as reasonably practicable; (2) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligation hereunder as soon as reasonably practicable; (3) keep the other party apprised of such efforts on an ongoing basis; and (4) provide written notice of the resumption of performance. Written notices sent under this section must comply with Section 4, Notices.

**4. NOTICES**

Any notice or other communication related to this Agreement shall be delivered in person, by email, First Class mail or overnight delivery service to the Technical or Administrative contact set forth above. Notices are effective on the date received.

**5. LIMITATION OF LIABILITY**

Neither party shall be liable to the other party for any lost or prospective profits or any special, punitive, exemplary, consequential, incidental or indirect losses or damages under this Agreement.

**6. TRANSMISSION CREDITS**

If applicable, BPA and Richland intend to enter into a separate long-term agreement that describes the classification of network upgrades eligible for transmission credits, and the terms of repayment of such credits.

**7. PROJECT SCHEDULE**

The estimated completion date for the activities being performed under this Agreement is twelve months following BPA's receipt of an executed Agreement and advance funding from Richland. BPA reserves the right to modify the project schedule by providing written notice to Richland of the schedule change.

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DIVISION OF RESPONSIBILITIES STATEMENT

---

BPA's cost of performing the preliminary engineering at Richland's expense shall be the actual cost of doing the work specified in this Agreement, plus an overhead rate of 24%, representing the indirect costs of performing the work plus the contractual support costs of contract negotiation, billing and accounting functions, and contract management.

Richland hereby agrees to advance \$6,200,000, the estimated preliminary engineering cost, to BPA based on the following payment schedule:

| Payment | Amount      | Date Due                              |
|---------|-------------|---------------------------------------|
| 1       | \$50,000    | Within 30 days of Agreement Execution |
| 2       | \$1,450,000 | March 1, 2024                         |
| 3       | \$1,500,000 | June 1, 2024                          |
| 4       | \$1,500,000 | September 1, 2024                     |
| 5       | \$1,700,000 | December 1, 2024                      |

If BPA needs additional funds to complete the work at any time during performance of the preliminary engineering, BPA may request, in writing, for Richland to advance such additional funds to BPA for deposit in the account. Richland shall advance such additional funds within 30 days of BPA's written request, and BPA may temporarily stop work until Richland supplies the requested funds. If Richland does not advance such additional funds by the due date or, if at any time before completion of the preliminary engineering Richland elects to stop work under this Agreement, BPA has the right to cease all work and restore, as a cost to the preliminary engineering at Richland's expense, government facilities and/or records to their condition prior to the beginning of work under this Agreement.

Within a reasonable time after completion of the preliminary engineering, BPA shall make a full accounting to Richland showing the actual costs charged against the account. BPA shall either remit any unexpended balance in the account to Richland or bill for any costs in excess of the deposits in the account. Richland shall pay any excess costs within 30 days of the invoice date (due date).

Payments not received by the due date will accrue interest on the amount due beginning the first calendar day after the due date to the date paid, at an annual interest rate equal to the higher of i) the prime rate (as reported in the Wall Street Journal in the first issue published during the month in which payment by Richland is due) plus 4 percent; or ii) such prime rate multiplied by 1.5.

**RESOLUTION NO. 2023-188**

**A RESOLUTION OF THE CITY OF RICHLAND, WASHINGTON,  
AUTHORIZING A REIMBURSABLE AGREEMENT WITH THE  
BONNEVILLE POWER ADMINISTRATION FOR PRELIMINARY  
ENGINEERING ACTIVITIES AND FACILITIES STUDY OF  
TRANSMISSION REQUEST NO. L0534 – ATLAS AGRO.**

**WHEREAS**, the City of Richland is a consumer-owned electric municipal utility obtaining wholesale transmission and power services from the Bonneville Power Administration (BPA); and

**WHEREAS**, the City provides retail electric utility service to customers with infrastructure planning transmission interconnection requests coordinated through BPA; and

**WHEREAS**, the City submitted a BPA transmission line and load interconnection Request No. L0534 on or about August 15, 2022, to support additional transmission capacity for the Atlas Agro prospective project load in the Northwest Advanced Clean Energy Park; and

**WHEREAS**, BPA has tendered to the City for execution that certain Reimbursable Agreement No. 23TP-13083, BPA Contract, in which BPA will perform, at its expense, a Line and Load Interconnection Facilities Study (LLIFS); and

**WHEREAS**, pursuant to the terms and conditions of the BPA Reimbursable Agreement, BPA will also complete, at the City's expense, preliminary engineering activities required to facilitate Request No. L0534; and

**WHEREAS**, subject to the terms and conditions set forth, upon execution of the BPA Reimbursable Agreement by the City, the City agrees to pay BPA directly for the BPA work.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richland that the City Manager is authorized to sign and execute the Reimbursable Agreement with BPA for Preliminary Engineering Activities and Facilities Study of Transmission Request No. L0534 - Atlas Agro.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately.

*This space intentionally left blank.*

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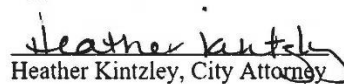
**ADOPTED** by the City Council of the City of Richland, Washington, at a regular meeting on the 19<sup>th</sup> day of December, 2023.

  
Terry Christensen, Mayor

Attest:

  
Jennifer Rogers, City Clerk

Approved as to Form:

  
Heather Kintzley, City Attorney

**RESOLUTION NO. 2023-182**

**A RESOLUTION OF THE CITY OF RICHLAND, WASHINGTON,  
AUTHORIZING A MEMORANDUM OF UNDERSTANDING WITH  
ATLAS AGRO AG FOR FUTURE PROVISION OF ELECTRIC  
SERVICE.**

**WHEREAS**, the City of Richland owns and operates an electric utility that provides retail electric service to customers located in and around the City of Richland; and

**WHEREAS**, Atlas Agro AG seeks to develop an industrial project (the "Project") in or near the City of Richland; and

**WHEREAS**, Atlas Agro AG seeks to timely secure retail electric service from the City's electric utility as needed to construct, operate, and maintain the Project; and

**WHEREAS**, the City is willing and able to provide such retail electric service to the Project; and

**WHEREAS**, in order for the City to provide retail electric service to the Project, the Bonneville Power Administration (BPA) must construct certain upgrades to its transmission network; and

**WHEREAS**, the City and Atlas Agro AG wish to negotiate the terms of certain definitive agreements pursuant to which the City will establish and provide retail electric service as needed by the Project; and

**WHEREAS**, in an effort to identify their aligned intent, the City and Atlas Agro AG have determined to enter into a non-binding Memorandum of Understanding to establish a foundation upon which future actions may be taken.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richland that the City Manager is authorized to sign and execute a non-binding Memorandum of Understanding with Atlas Agro AG to facilitate future actions necessary to provide retail electric service to Atlas Agro AG's industrial project.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately.


**ADOPTED** by the City Council of the City of Richland, Washington, at a regular meeting on the 5<sup>th</sup> day of December, 2023.

  
Terry Christensen, Mayor

Attest:

  
Jennifer Rogers, City Clerk

Approved as to Form:

  
Heather Kintzley, City Attorney



**DocuSIGN SIGNATURE ROUTING FORM**

FOR INTERNAL USE ONLY: Complete and route with documents submitted for approval via DocuSign to the City Manager, Purchasing Manager or City Attorney. Vendors/third parties may disregard.

**Staff Contact:** Jackie Carpenter \_\_\_\_\_  
**Phone:** Ext. 7431 \_\_\_\_\_  
**Department:** Energy Services \_\_\_\_\_  
**Date Needed:** 1/3/2024 \_\_\_\_\_

**Council Approval:** 12/19/23 and **RES/ORD No:** 2023-188 ; or      **Standing Authority Res No. 157-15**

If the document being executed is an amendment to an existing Richland contract, please provide the assigned contract number: \_\_\_\_\_

Why Sign?

The BPA agreement 23TP-13083 and Resolution No. 2023-188 were approved by Council on December 19, 2023 for a facilities study for a line and load interconnection request related to the Atlas Agro development.

\*\*\*\*\*

City Attorney's Office:

- Authority verified
- Certificate of Insurance (COI) included/pending execution; or  N/A
- All exhibits/attachments included; or  N/A
- DocuSign eligible per Policy No. 0950 for Electronic Signatures
- Attached applicable resolution/ordinance



**U.S. DEPARTMENT OF ENERGY  
BONNEVILLE POWER ADMINISTRATION  
AGREEMENT**

Contract No. 503-23

|   |   |   |   |
|---|---|---|---|
| 1. AGREEMENT NUMBER<br><b>23TP-13083</b>  | 2. AGREEMENT EFFECTIVE FROM DATE IN BLOCK 4 UNTIL<br><b>See Section 2 of the Division of Responsibilities Statement</b> | 3. AMENDMENT NO.<br><b>-0-</b>  | 4. EFFECTIVE DATE<br><b>Same as Block #17</b> |
| <b>ISSUED TO</b>  |   | <b>ISSUED BY</b>  |   |
| 5. ORGANIZATION AND ADDRESS<br><b>City of Richland, Washington<br/>ATTN: Mr. Clint Whitney, Energy Services<br/>Director<br/>625 Swift Boulevard MS-21<br/>Richland, WA 99352</b> |   | 6. ORGANIZATION AND ADDRESS<br><b>U.S. Department of Energy<br/>Bonneville Power Administration<br/>ATTN: Brian Galbraith – TPCC/TPP-4<br/>P.O. Box 61409<br/>Vancouver, WA 98666</b> |   |
| 7. TECHNICAL CONTACT<br><b>Kelly Hill</b>   | PHONE NUMBER<br><b>(509) 942-7416</b>   | 8. TECHNICAL CONTACT<br><b>Joe Braley</b>   | PHONE NUMBER<br><b>(509) 544-4776</b>         |
| 9. ADMINISTRATIVE CONTACT<br><b>Clint Whitney</b>   | PHONE NUMBER<br><b>(509) 942-7402</b>   | 10. ADMINISTRATIVE CONTACT<br><b>Eric Carter</b>  | PHONE NUMBER<br><b>(360) 619-6006</b>         |

11. TITLE/BRIEF DESCRIPTION OF WORK TO BE PERFORMED UNDER THIS AGREEMENT

**PRELIMINARY ENGINEERING ACTIVITIES AND FACILITIES STUDY FOR LINE AND LOAD  
INTERCONNECTION REQUEST NO. L0534 – ATLAS AGRO**


**Background:** On August 15, 2022, the City of Richland, Washington (Richland) submitted a Line and Load Interconnection Request, seeking to interconnect to the Bonneville Power Administration's (BPA) facilities near BPA's White Bluffs Substation to serve 350 MW. The request was entered into BPA's Interconnection Queue as Request No. L0534 (Request). BPA performed a Line and Load Interconnection System Impact Study (LLISIS) to assess the impact of interconnecting Richland's facilities to BPA's transmission system, and on the transmission systems of any third parties. The LLISIS report was issued to Richland on September 28, 2023.

**Agreement:** This Reimbursable Agreement (Agreement) provides for BPA, at BPA's expense, to perform a Line and Load Interconnection Facilities Study (LLIFS) as part of the planning obligation to serve load growth for Network Integration Transmission Service customers, and for BPA, at Richland's expense, to perform preliminary engineering activities required to facilitate the Request. BPA requires \$6,200,000 in advance funding under this Agreement for completing the preliminary engineering activities.

Specific duties are defined in the attached Division of Responsibilities Statement.

**The following documents are attached to and become a part of this Agreement:**

- Division of Responsibilities Statement
- Financial Terms and Conditions Statement

|  |   |
|--|---|
| 12. AMOUNT TO BE PAID BY BPA<br><b>\$-0-</b>   | 13. AMOUNT TO BE PAID TO BPA<br><b>\$6,200,000 (estimated)</b>  |
| 14. SUBMIT SIGNED AGREEMENT TO<br><b>U.S. Department of Energy<br/>Bonneville Power Administration<br/>ATTN: Brian Galbraith – TPCC/TPP-4<br/>P.O. Box 61409<br/>Vancouver, WA 98666</b> | 15. ACCOUNTING INFORMATION ( <i>For BPA Use Only</i> )  |
|  | 16. SUBMIT INVOICE TO ( <i>Name and Address</i> )<br><b>Same as Block #5 above.</b>   |
| <b>PARTICIPANT</b>   | <b>BPA</b>  |
| 17. APPROVED BY ( <i>Signature</i> )<br> DATE ( <i>mm/dd/yyyy</i> )<br><b>December 30, 2023</b>       | 18. APPROVED BY ( <i>Signature</i> )<br><b>ERIC CARTER</b> Digitally signed by ERIC CARTER<br>DATE ( <i>mm/dd/yyyy</i> )<br>Date: 2023.12.21 10:35:22 -08'00' |
| NAME AND TITLE<br><b>Jon Amundson, ICMA-CM<br/>City Manager</b>  | NAME AND TITLE<br><b>Senior Transmission Account Executive<br/>Transmission Sales</b>   |

## DIVISION OF RESPONSIBILITIES STATEMENT

---

BPA and Richland hereby agree as follows:

### **1. DIVISION OF RESPONSIBILITIES**

- (a) **BPA shall, at BPA's expense:**  
Perform a LLIFS.
- (b) **BPA shall, at Richland's expense:**
  - (1) Perform preliminary engineering activities required to facilitate the Request.
  - (2) Develop the Project Scope Package (Phase 1), including:
    - a. Preliminary total project estimates.
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    - c. Technical scoping information, preliminary bill of materials, and early risk identification.
    - d. Schedule and estimate to complete the Firm Fixed Price Package (Phase 2) activities.

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- (b) This Agreement may be terminated by either party prior to full performance (i) upon written notice at any time before Payment No. 2 is due, and (ii) at any other time upon 30 calendar days' written notice of intent to terminate to the other party. Either party may issue a written notice of intent to terminate to the other party for any reason, including but not limited to a default by the other party of its obligations set forth in this Agreement.
  - (1) Upon issuance of a written notice of intent to terminate, BPA shall take reasonable steps to cease work on the items set forth above in Section 1(b), which are the financial responsibility of Richland.
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    - a. In the event the parties can agree upon a mutually acceptable solution, the party who provided the written notice of intent to terminate shall withdraw the notice by subsequent written notice.

## DIVISION OF RESPONSIBILITIES STATEMENT

- b. In the event the parties cannot agree upon a mutually acceptable solution, this Agreement will terminate after 30 calendar days of the written notice of intent to terminate.
- (c) If this Agreement is terminated prior to the work set forth in Section 1, above, being completed, the parties agree:
  - (1) Richland shall pay BPA's reasonably incurred costs associated with completed or ongoing work tasks set forth above in Section 1(b) that BPA was performing at Richland's expense prior to the issuance of the notice of intent to terminate. If Richland terminates this Agreement prior to full performance, Richland shall also pay any reasonably incurred expense(s) by BPA after Richland's issuance of the notice to terminate necessary for BPA to terminate the work set forth above in Section 1.
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### **3. UNCONTROLLABLE FORCES**

The parties shall not be in breach of their respective obligations to the extent the failure to fulfill any obligation is due to an Uncontrollable Force. "Uncontrollable Force" means an event beyond the reasonable control of, and without the fault or negligence of, the party claiming the Uncontrollable Force, that prevents that party from performing its contractual obligations under this Agreement and which, by exercise of that party's reasonable care, diligence and foresight, such party was unable to avoid. Uncontrollable Forces include, but are not limited to:

- (a) strikes or work stoppage;
- (b) floods, earthquakes, fire, or other natural disasters; terrorist acts; epidemics, pandemics and
- (c) final orders or injunctions issued by a court or regulatory body having competent subject matter jurisdiction which the party claiming the Uncontrollable Force, after diligent efforts, was unable to have stayed, suspended, or set aside pending review by a court of competent subject matter jurisdiction.

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## DIVISION OF RESPONSIBILITIES STATEMENT

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### **6. TRANSMISSION CREDITS**

If applicable, BPA and Richland intend to enter into a separate long-term agreement that describes the classification of network upgrades eligible for transmission credits, and the terms of repayment of such credits.

### **7. PROJECT SCHEDULE**

The estimated completion date for the activities being performed under this Agreement is twelve months following BPA's receipt of an executed Agreement and advance funding from Richland. BPA reserves the right to modify the project schedule by providing written notice to Richland of the schedule change.

## DIVISION OF RESPONSIBILITIES STATEMENT

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Richland hereby agrees to advance \$6,200,000, the estimated preliminary engineering cost, to BPA based on the following payment schedule:

| Payment | Amount      | Date Due                              |
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| 4       | \$1,500,000 | September 1, 2024                     |
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Payments not received by the due date will accrue interest on the amount due beginning the first calendar day after the due date to the date paid, at an annual interest rate equal to the higher of i) the prime rate (as reported in the Wall Street Journal in the first issue published during the month in which payment by Richland is due) plus 4 percent; or ii) such prime rate multiplied by 1.5.

**RESOLUTION NO. 2023-188**

**A RESOLUTION OF THE CITY OF RICHLAND, WASHINGTON, AUTHORIZING A REIMBURSABLE AGREEMENT WITH THE BONNEVILLE POWER ADMINISTRATION FOR PRELIMINARY ENGINEERING ACTIVITIES AND FACILITIES STUDY OF TRANSMISSION REQUEST NO. L0534 – ATLAS AGRO.**

**WHEREAS**, the City of Richland is a consumer-owned electric municipal utility obtaining wholesale transmission and power services from the Bonneville Power Administration (BPA); and

**WHEREAS**, the City provides retail electric utility service to customers with infrastructure planning transmission interconnection requests coordinated through BPA; and

**WHEREAS**, the City submitted a BPA transmission line and load interconnection Request No. L0534 on or about August 15, 2022, to support additional transmission capacity for the Atlas Agro prospective project load in the Northwest Advanced Clean Energy Park; and

**WHEREAS**, BPA has tendered to the City for execution that certain Reimbursable Agreement No. 23TP-13083, BPA Contract, in which BPA will perform, at its expense, a Line and Load Interconnection Facilities Study (LLIFS); and

**WHEREAS**, pursuant to the terms and conditions of the BPA Reimbursable Agreement, BPA will also complete, at the City's expense, preliminary engineering activities required to facilitate Request No. L0534; and

**WHEREAS**, subject to the terms and conditions set forth, upon execution of the BPA Reimbursable Agreement by the City, the City agrees to pay BPA directly for the BPA work.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richland that the City Manager is authorized to sign and execute the Reimbursable Agreement with BPA for Preliminary Engineering Activities and Facilities Study of Transmission Request No. L0534 - Atlas Agro.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately.

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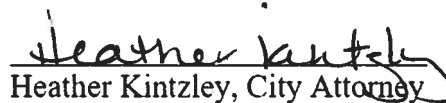
**ADOPTED** by the City Council of the City of Richland, Washington, at a regular meeting on the 19<sup>th</sup> day of December, 2023.

  
Terry Christensen, Mayor

Attest:

  
Jennifer Rogers, City Clerk

Approved as to Form:

  
Heather Kintzley, City Attorney



# UTILITY ADVISORY COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 3/12/2024

Agenda Category: Items of Business

Prepared By: Clint Whitney, Energy Services Director

**Subject:**

Advanced Metering Infrastructure (AMI) Status (10 minutes)

**Department:**

Energy Services

**Recommended Motion:**

This item is informational only.

**Summary:**

The City's AMI contractor continues to install electric and water meters after most of the remaining meters were delivered in late 4Q23 and early 1Q24. The water meters are 93.8% complete and the electric meters are 95.1% complete. Attached are graphs of the current count of meter installations.

The AMI system network connectivity will be optimized in April when the installations will be closer to being 100% complete.

There are two components to the AMI project remaining to be completed, which include:

- Customer portal for meter hourly load profile data.
- Outage map.

The customer portal is being implemented through a [MyMeter](#) replacement of the Customer Information System (CIS) eCare portal that is expected to be complete by the end of 2024.

The outage map is being demonstrated by Itron in 2Q24 as an addition to the existing Itron AMI software. The current outage information provides historical information but not real-time outage information. The expectation is to have an outage map and real-time information for customers similar to many other utilities that share on <https://poweroutage.us/>.

Additional AMI project information is available at the [AMI Cleargov link](#).

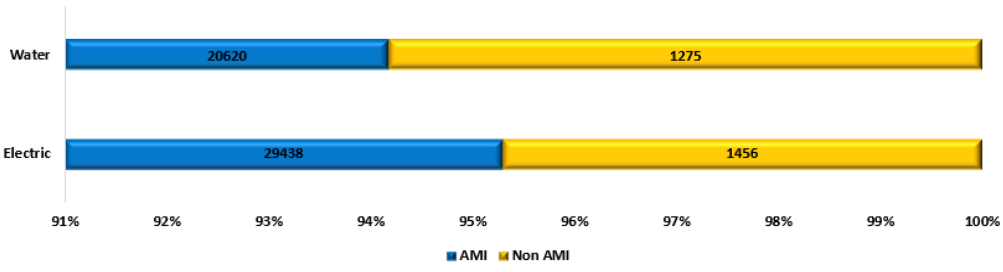
**Fiscal Impact:**

There is no fiscal impact.

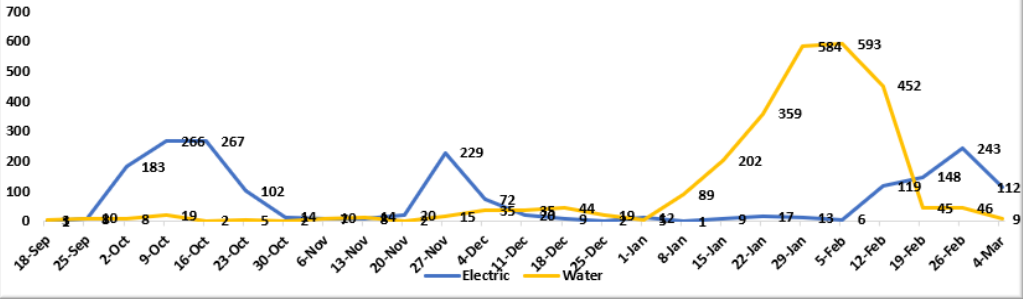
**Attachments:**

- I. AMI Installation Counts

### Meter Counts



### Meter Installs by Week





# UTILITY ADVISORY COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 3/12/2024

Agenda Category: Items of Business

Prepared By: Clint Whitney, Energy Services Director

**Subject:**

Solar Battery Update (15 Minutes)

**Department:**

Energy Services

**Recommended Motion:**

This item is informational only.

**Summary:**

Attached are graphs for the solar generation from the Horn Rapids Solar, Storage and Training (HRSST) site located at 2800 Horn Rapids Road. The HRSST site was a joint Energy Northwest (ENW), IBEW-77, Tucci Energy Services, and City of Richland project constructed in 2020 with 3200 kW of solar generation over 20 acres and with a 1MW/4MWh lithium-ion energy storage device.

ENW owns the battery with a Participant Agreement with the City to operate it for the City's benefit. Tucci Energy Services owns the solar generation with a Power Purchase Agreement (PPA) with the City for the renewable energy generated. IBEW-77 owns the land with leases to ENW and Tucci.

The data for the graphs is for the 2/1/2023 through 2/1/2024 periods. A couple of notables include:

- The total energy generated through that period was 5,655,538 kWh.
- A peak 3,194 kW was generated in April 2023.
- The peak daily energy generated was 640,574 kWh on 7/2/2023.
- The annual capacity factor was 20.1%.

The current rate for energy through the PPA is \$39.3/MWh with a 1% per year escalation. BPA shapes the energy purchased by the City into a block resource for approximately \$20/MWh and a \$59.3/MWh total energy cost for the City. Attached is a chart of the average wholesale market energy prices through 2/2023 in the Mid-Columbia and forward costs through 2030 of approximately \$80/MWh.

**Fiscal Impact:**

There is no fiscal impact.

**Attachments:**

1. Mtr 4975 Summary - HRSST 2-2023 through 2-2024
2. Mtr 4975 Peak Day Generation on 7-2-2023
3. Mtr 4975 Daily Peaks - HRSST 2-2023 through 2-2024
4. Mtr 4975 Daily Energy - HRSST 2-2023 through 2-2024
5. Long\_Term\_Price\_Curve\_Sheet

# Peaks and Totals Raw

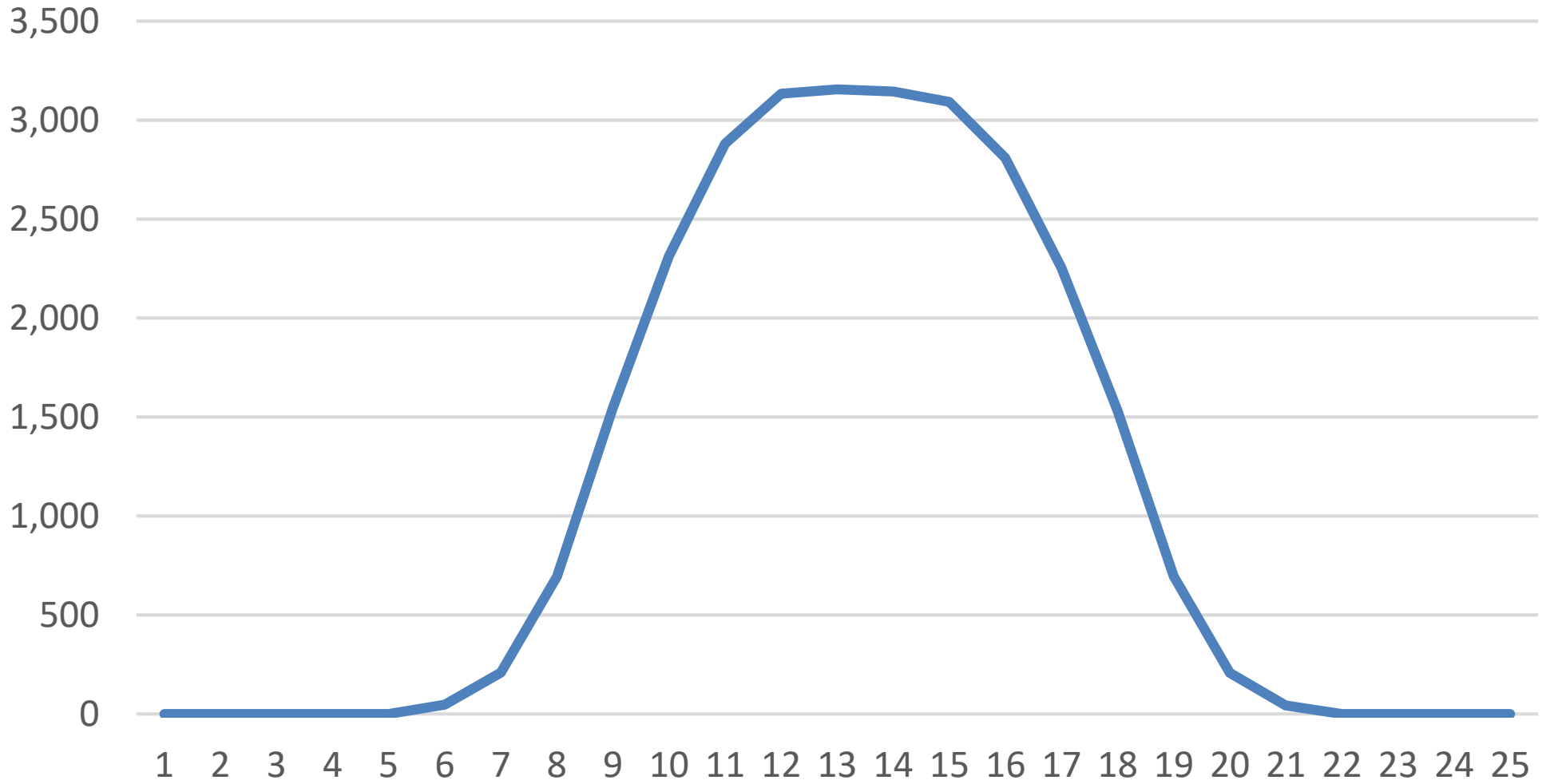
**Selected Meters:**

4975 Horn Rapids Solar GENR In

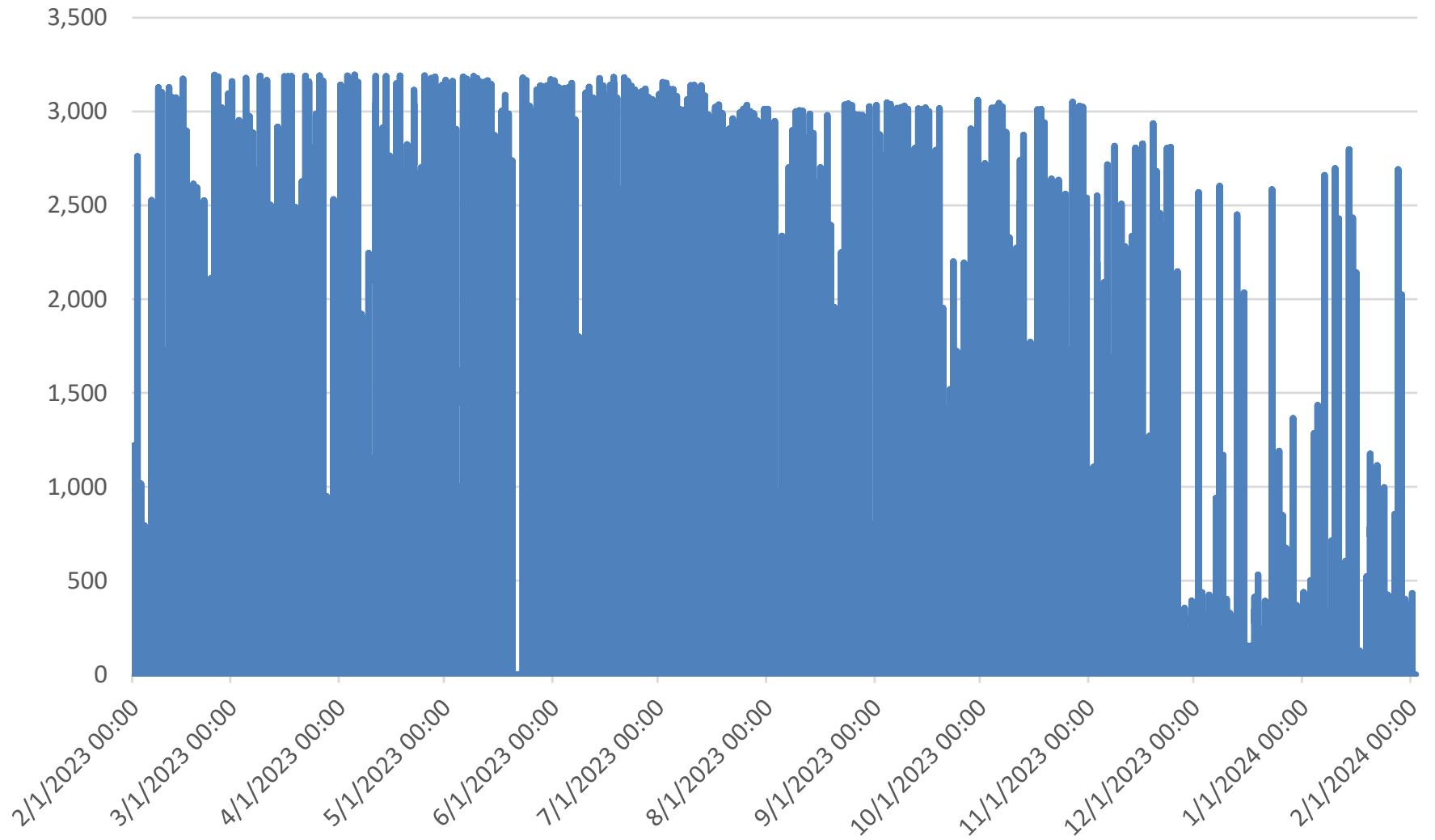
| Date           | Hour Count | Total kWh  | Max kW   | Max kW Hour      | HLH Total kWh | HLH Max kW | HLH Max kW Hour  | LLH Total kWh | LLH Max kW | LLH Max kW Hour  | Power Factor | Load Factor | Min kW | Min kW Hour     |
|----------------|------------|------------|----------|------------------|---------------|------------|------------------|---------------|------------|------------------|--------------|-------------|--------|-----------------|
| February 2023  | 672        | 354,330.14 | 3,193.98 | 2/24/2023 12:00  | 305,494.03    | 3,193.98   | 2/24/2023 12:00  | 48,836.12     | 3,075.08   | 2/12/2023 12:00  | 99.99        | 16.51       | 0.00   | 2/1/2023 01:00  |
| March 2023     | 743        | 509,055.23 | 3,190.90 | 3/26/2023 14:00  | 438,918.63    | 3,189.58   | 3/22/2023 13:00  | 70,136.61     | 3,190.90   | 3/26/2023 14:00  | 100.00       | 21.47       | 0.00   | 3/1/2023 01:00  |
| April 2023     | 720        | 600,468.41 | 3,194.91 | 4/5/2023 13:00   | 515,703.45    | 3,194.91   | 4/5/2023 13:00   | 84,764.97     | 3,141.31   | 4/30/2023 13:00  | 100.00       | 26.10       | 0.00   | 4/1/2023 01:00  |
| May 2023       | 744        | 652,671.31 | 3,187.51 | 5/9/2023 12:00   | 546,265.19    | 3,187.51   | 5/9/2023 12:00   | 106,406.12    | 3,172.99   | 5/7/2023 15:00   | 100.00       | 27.52       | 0.00   | 5/1/2023 01:00  |
| June 2023      | 720        | 727,317.65 | 3,183.05 | 6/18/2023 12:00  | 619,724.55    | 3,181.07   | 6/21/2023 13:00  | 107,593.10    | 3,183.05   | 6/18/2023 12:00  | 100.00       | 31.74       | 0.00   | 6/1/2023 01:00  |
| July 2023      | 744        | 793,103.39 | 3,155.53 | 7/2/2023 13:00   | 640,574.24    | 3,151.43   | 7/3/2023 13:00   | 152,529.15    | 3,155.53   | 7/2/2023 13:00   | 100.00       | 33.78       | 0.00   | 7/1/2023 01:00  |
| August 2023    | 744        | 578,606.74 | 3,041.00 | 8/24/2023 13:00  | 517,717.53    | 3,041.00   | 8/24/2023 13:00  | 60,889.22     | 2,986.56   | 8/13/2023 13:00  | 100.00       | 25.57       | 0.00   | 8/1/2023 01:00  |
| September 2023 | 720        | 518,651.00 | 3,060.43 | 9/30/2023 13:00  | 428,735.26    | 3,060.43   | 9/30/2023 13:00  | 89,915.74     | 3,047.48   | 9/4/2023 13:00   | 100.00       | 23.54       | 0.00   | 9/1/2023 01:00  |
| October 2023   | 744        | 434,765.96 | 3,049.51 | 10/27/2023 13:00 | 367,991.36    | 3,049.51   | 10/27/2023 13:00 | 66,774.60     | 3,029.50   | 10/29/2023 13:00 | 99.99        | 19.16       | 0.00   | 10/1/2023 01:00 |
| November 2023  | 721        | 239,752.73 | 2,935.43 | 11/19/2023 12:00 | 188,703.73    | 2,828.71   | 11/16/2023 12:00 | 51,049.00     | 2,935.43   | 11/19/2023 12:00 | 99.98        | 11.33       | 0.00   | 11/1/2023 01:00 |
| December 2023  | 744        | 96,715.94  | 2,602.10 | 12/8/2023 12:00  | 86,337.64     | 2,602.10   | 12/8/2023 12:00  | 10,378.31     | 1,190.63   | 12/25/2023 11:00 | 99.84        | 5.00        | 0.00   | 12/1/2023 01:00 |
| January 2024   | 744        | 147,860.05 | 2,797.64 | 1/14/2024 13:00  | 104,279.79    | 2,696.89   | 1/10/2024 12:00  | 43,580.25     | 2,797.64   | 1/14/2024 13:00  | 99.94        | 7.10        | 0.00   | 1/1/2024 01:00  |
| February 2024  | 24         | 2,239.84   | 431.81   | 2/1/2024 12:00   | 2,239.84      | 431.81     | 2/1/2024 12:00   | 0.00          | 0.00       | 2/1/2024 01:00   | 99.69        | 21.61       | 0.00   | 2/1/2024 01:00  |

Total 8784 5,655,538  
 Nameplate Rating: 3200kW  
 Capacity Factor, % 20.1%

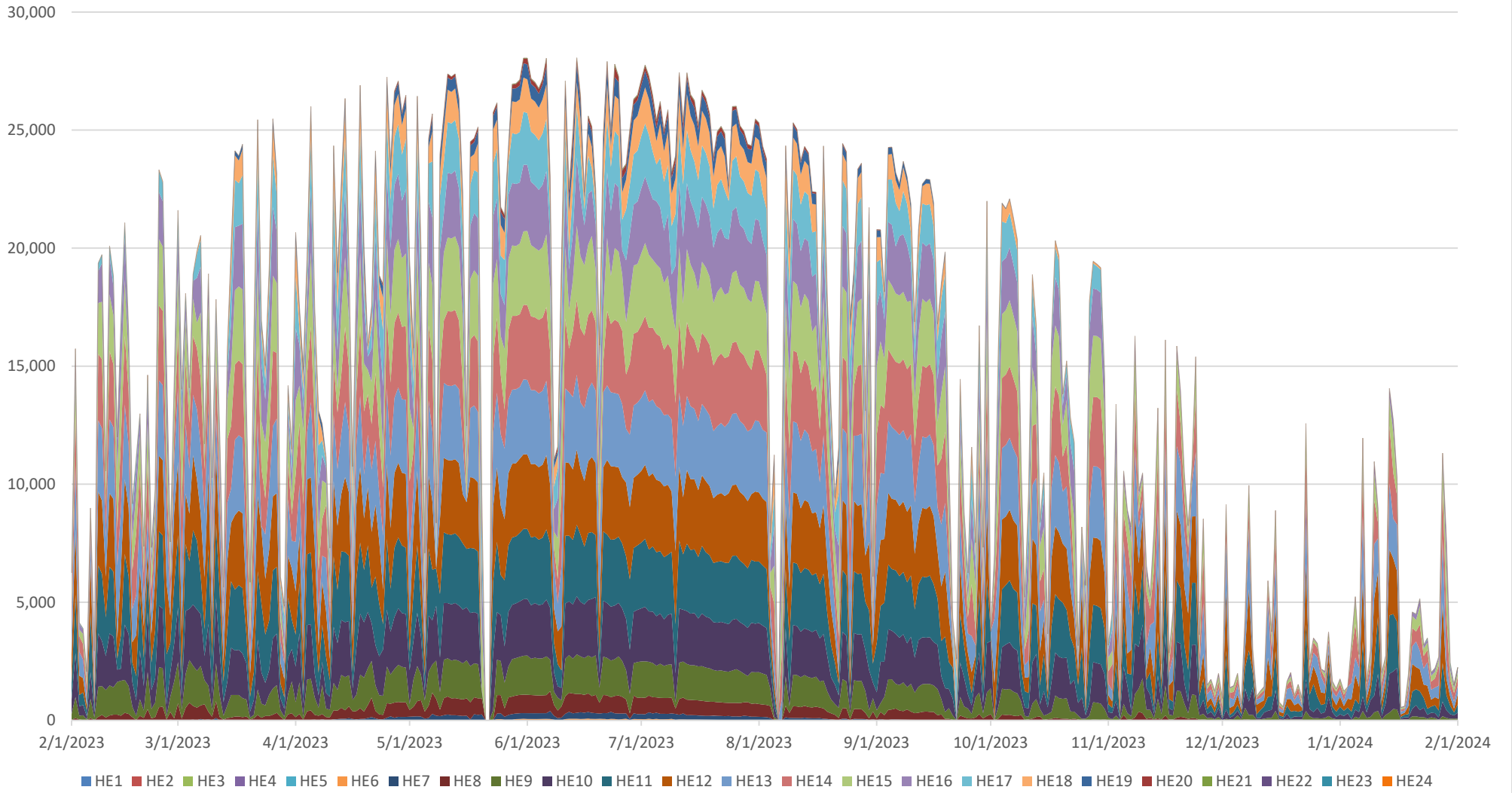
HRSST Meter 4975 on 7/2/2023, kW



# HRSST Generation (Meter 4975), kW

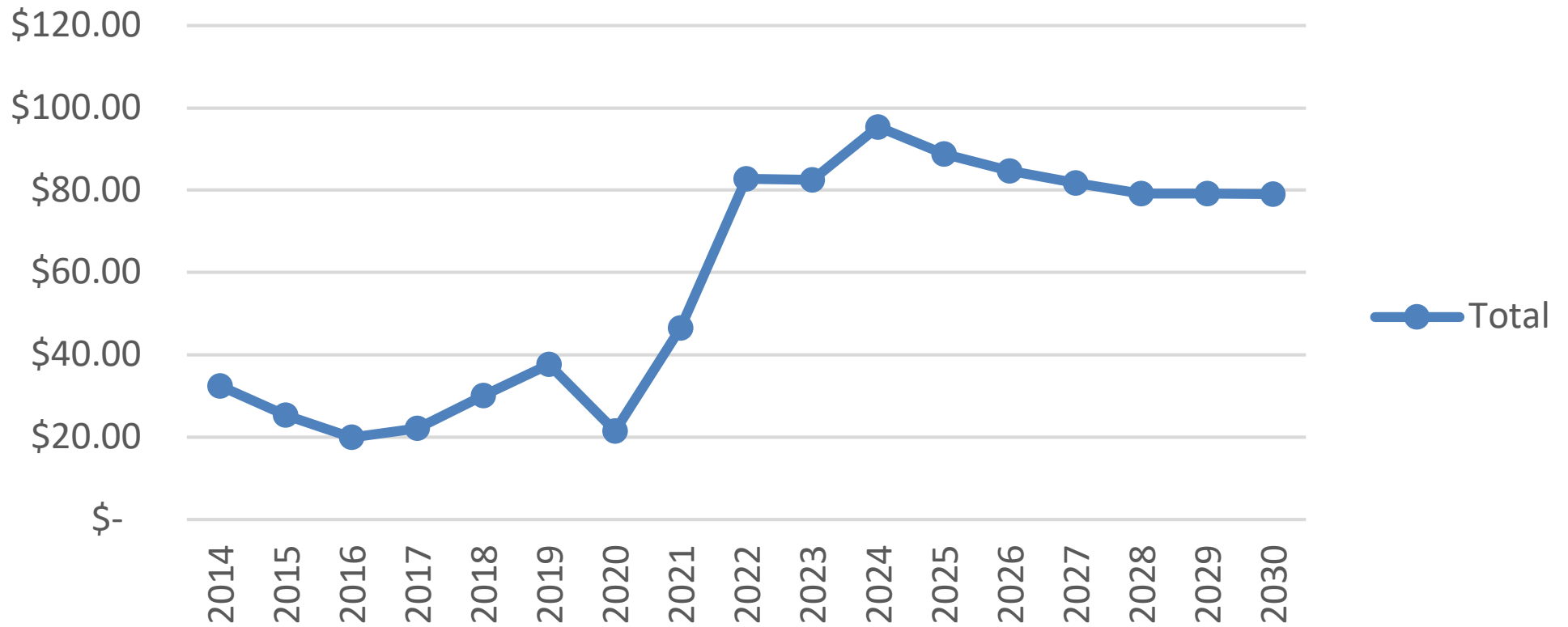


HRSST Generation (Meter 4975), kWh



AVG Price

## Calendar Year Avg Electrical Market Price, \$/MWH



Calendar Year



# UTILITY ADVISORY COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 3/12/2024

Agenda Category: Other Informational Items

Prepared By:

Subject:  
ABCs for BBCs Training

Department:  
Energy Services

Recommended Motion:  
This is an informational item only.

Summary:

On May 2, 2024, the City Clerk's Office is hosting a mandatory training session, **ABCs for BBCs**, taught by attorney Ken Harper. The intended audience is all board, commission, and committee members (including City Council), ELT, BCC staff liaisons, and staff liaison assistants. The training will occur in the Council Chambers of Richland City Hall from 6pm-8pm.

Ken Harper last provided this training session on November 16, 2017. A refresher is timely and warranted.

Fiscal Impact:  
No fiscal impact.

Attachments:



# UTILITY ADVISORY COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 3/12/2024

Agenda Category: Other Informational Items

Prepared By: Clint Whitney, Energy Services Director

**Subject:**

Capital Work Plan Update - December 2023

**Department:**

Energy Services

**Recommended Motion:**

This item is informational only.

**Summary:**

Attached is a summary of 2023 capital work planned by Energy Services. The 2023 capital budget was approved for \$11.1M with actual capital expenses of \$8.7M through December. The \$2.4M variance was due to:

- Shifting of \$212k Southwest Service Area Purchase from 4Q23 to 1Q24. Ninety-one Reata Ridge customer accounts are scheduled to be transferred from BPUD to the City's Energy Services on 3/12.
- Capital work for new residential and commercial developments was \$840k less than historically. This is probably attributed to higher interest rates.
- The actual underground cable replacement costs were \$820k lower than estimated.
- Shifting of \$530k engineering consulting for Fusion Substation & transmission line to align with the 2027/2028 timing of BPA's South Tri-Cities Reinforcement project.

**Fiscal Impact:**

There is no fiscal impact.

**Attachments:**

- I. RES CWP REPORT-December 2023



# **Richland Energy Services Capital Work Plan December 2023**



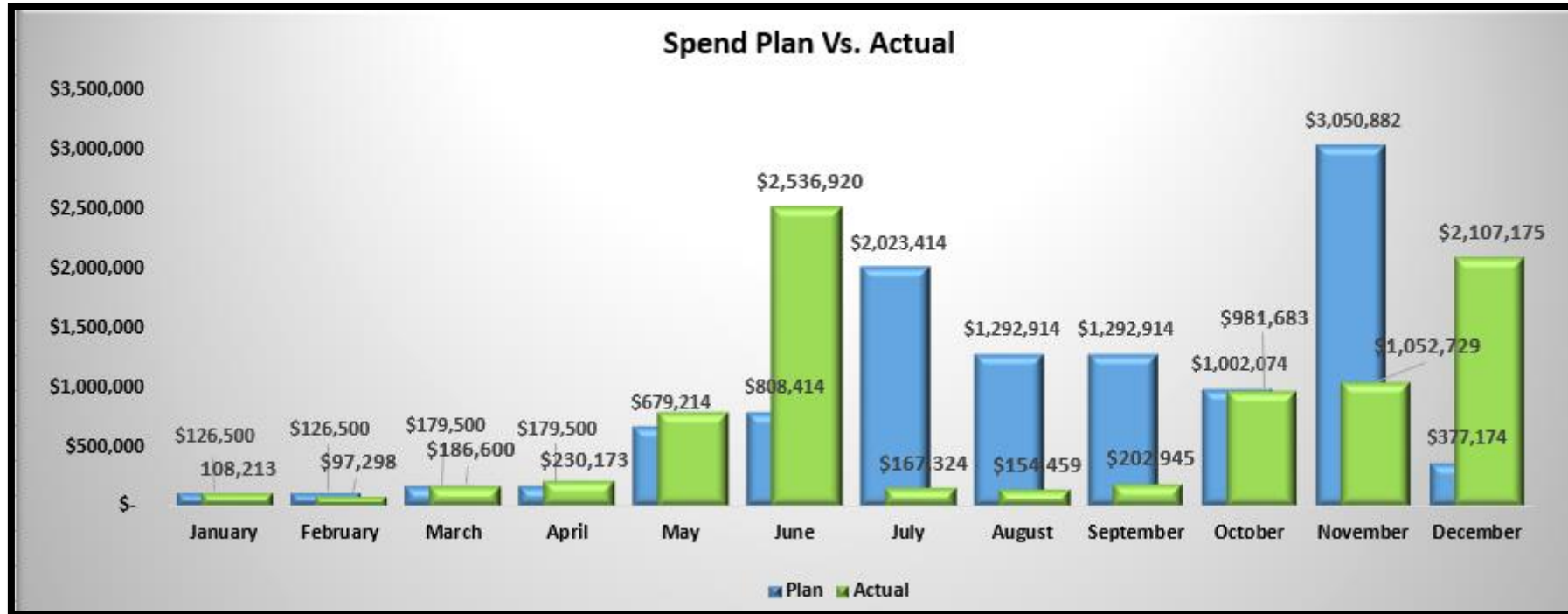
# CWP Costs for December

|  | Approved 2023 Budget | 2023 Estimated Costs | Actual              | Remaining           | December           |
|--|----------------------|----------------------|---------------------|---------------------|--------------------|
| - Line Extensions                                | \$2,120,000          | \$ 2,120,000         | \$ 1,281,132        | \$ 838,868          | \$ 71,316.90       |
| + System Improvements                            | \$1,028,000          | \$ 1,028,000         | \$ 876,697          | \$ 151,303          | \$ 78,571.20       |
| + Renewal and Replacement                        | \$3,198,000          | \$ 3,198,000         | \$ 2,080,239        | \$ 1,117,761        | \$ 512,550.44      |
| - Purchase Southwest Service Area Infrastructure | \$212,000            | \$ 212,000           | \$ -                | \$ 212,000          | \$ -               |
| + Substation Improvements                        | \$4,581,000          | \$ 4,581,000         | \$ 4,413,266        | \$ 167,734          | \$ 1,444,736       |
| <b>Grand Total</b>                               | <b>\$11,139,000</b>  | <b>\$ 11,139,000</b> | <b>\$ 8,651,334</b> | <b>\$ 2,487,666</b> | <b>\$2,107,175</b> |

|                                    |                    |
|------------------------------------|--------------------|
| <b>Cost Performance YTD:</b>       | <b>\$8,651,334</b> |
| <b>Cost Performance remaining:</b> | <b>\$2,487,666</b> |
| <b>YTD % Complete</b>              | <b>78%</b>         |



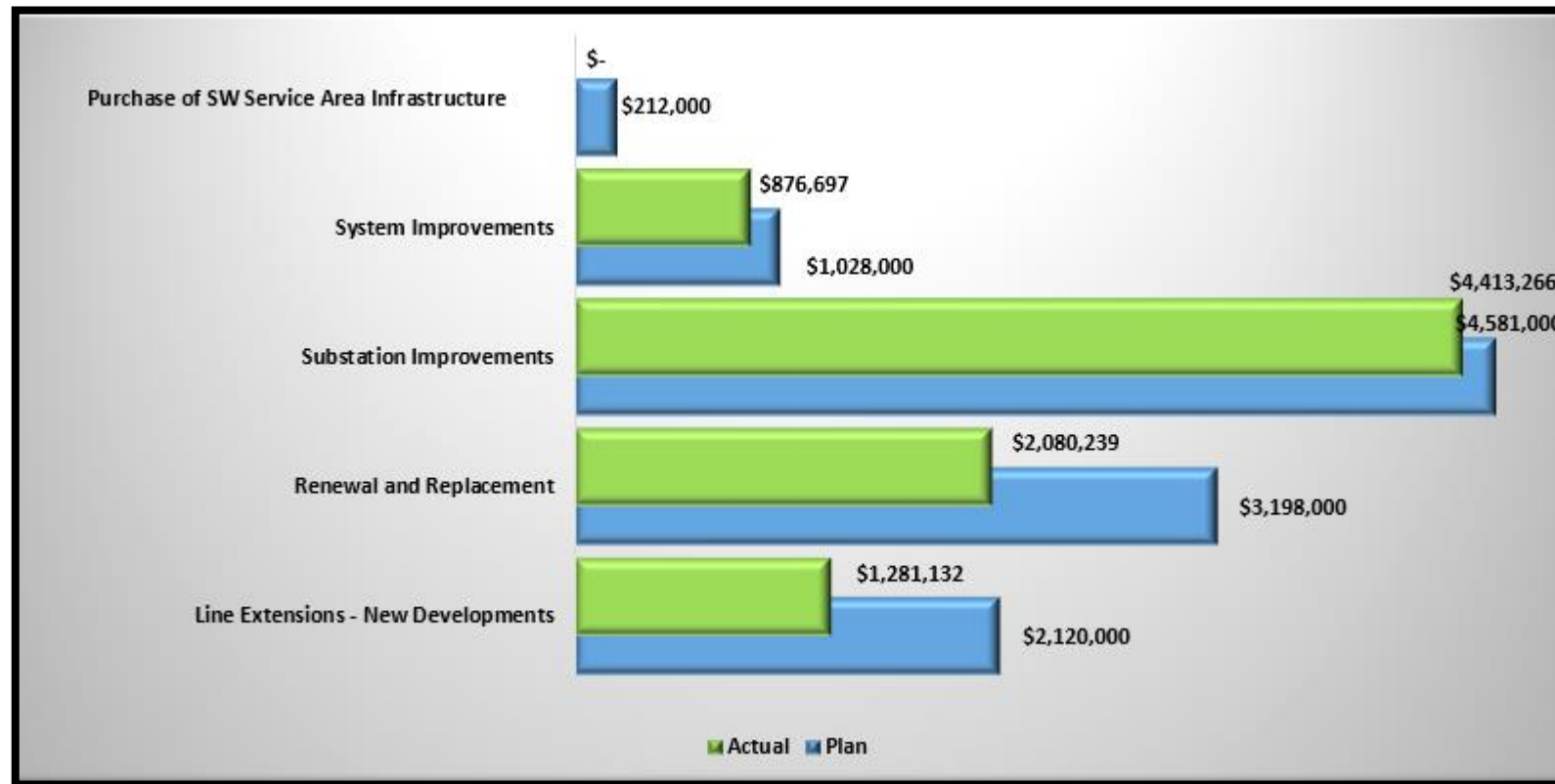
# CWP Monthly Spend Vs. Actuals



| % Complete of Overall Spend Plan |                   |
|----------------------------------|-------------------|
| To-Date Projected                | \$ 11,139,000     |
| To-Date Actual                   | \$ 8,651,334      |
| Variance                         | (\$2,487,666) 78% |

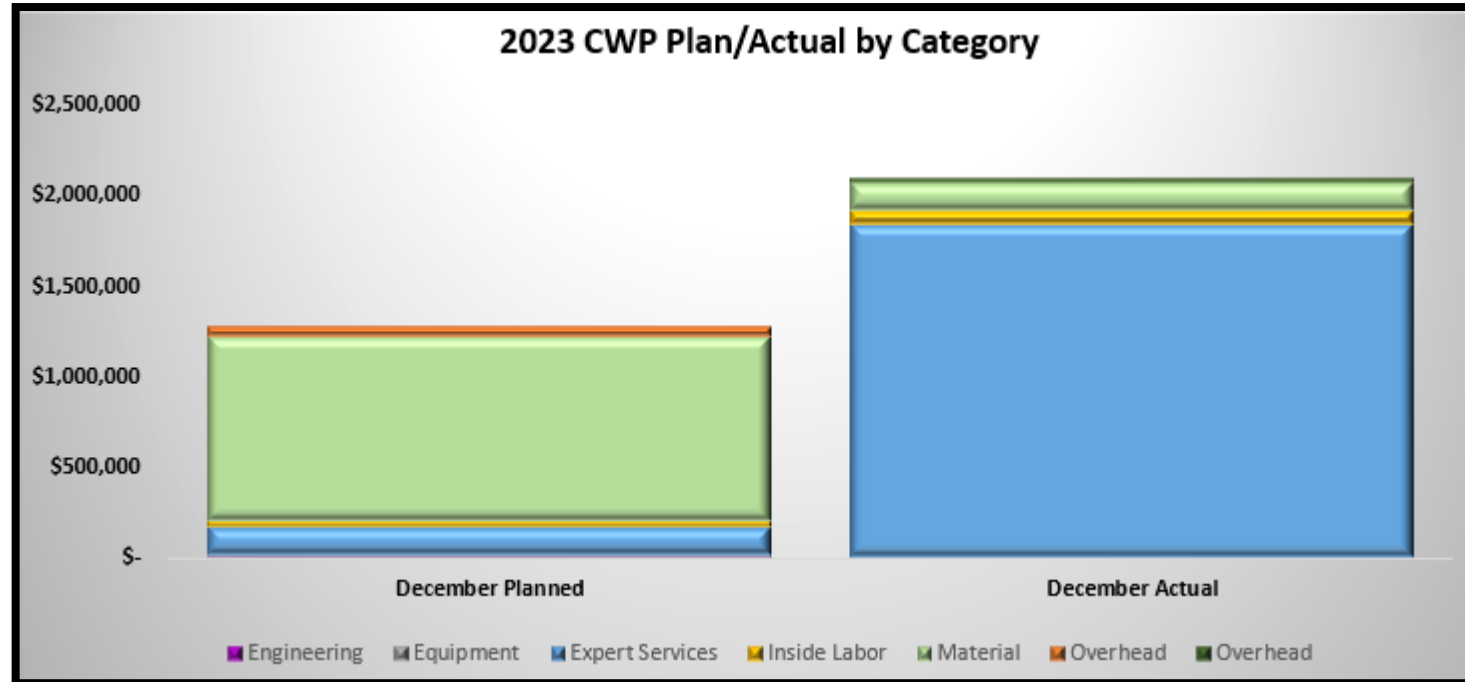


# Costs by Category





# CWP Cost Types



| Cost Type     | December Planned  | December Actual     |
|---------------|-------------------|---------------------|
| Engineering   | \$ 11,750         | \$ 10,246           |
| Equipment     | \$ 8,667          | \$ -                |
| Expert Servic | \$ 156,000        | \$ 1,844,493        |
| Inside Labor  | \$ 41,668         | \$ 71,824           |
| Material      | \$ 100,253        | \$ 154,667          |
| Overhead      | \$ 58,835         | \$ 25,944           |
| <b>Total</b>  | <b>\$ 377,174</b> | <b>\$ 2,107,175</b> |



# CWP Project Costs for December

|   | Approved 2023 Budget | 2023 Estimated Costs | Actual              | Remaining           | December           |
|---|----------------------|----------------------|---------------------|---------------------|--------------------|
| ▣ Line Extensions                                     | \$2,120,000          | \$ 2,120,000         | \$ 1,281,132        | \$ 838,868          | \$ 71,316.90       |
| ▣ System Improvements                                 | \$1,028,000          | \$ 1,028,000         | \$ 876,697          | \$ 151,303          | \$ 78,571.20       |
| ▣ System Improvements                                 |                      |                      |                     |                     |                    |
| + METER INSTALLATION MATERIALS                        | \$0                  | \$ -                 | \$ 454,444          | \$ (454,444)        | \$50,682.75        |
| + NEW & ALT SVCS - UNDERGROUND                        | \$498,000            | \$ 498,000           | \$ 323,963          | \$ 174,037          | \$24,844.22        |
| + RES OH UG ENG DESIGN DWGS                           | \$0                  | \$ -                 | \$ 12,672           | \$ (12,672)         | \$373.07           |
| + SKYLINE DR DEVELOPMENT; NEW PRIMARY AND SEC         | \$0                  | \$ -                 | \$ 9,643            | \$ (9,643)          | \$0.00             |
| + Fusion Substation Transmission Line                 | \$530,000            | \$ 530,000           | \$ -                | \$ 530,000          | \$0.00             |
| ▣ Material Specifications                             | \$0                  | \$ -                 | \$ 34,405           | \$ (34,405)         | \$2,597.10         |
| ▣ Renewal and Replacement                             | \$3,198,000          | \$ 3,198,000         | \$ 2,080,239        | \$ 1,117,761        | \$ 512,550.44      |
| + First Street Re-Gasket                              | \$0                  | \$ -                 | \$ 137,518          | \$ (137,518)        | \$444.00           |
| + Thayer Substation - Bank 1 Rebuild and 115kV Bus O  | \$318,000            | \$ 318,000           | \$ 20,030           | \$ 297,970          | \$270.64           |
| + 2023 Pole Replacement Program                       | \$646,000            | \$ 646,000           | \$ -                | \$ 646,000          | \$0.00             |
| + 1937 Forest, RR old 1-0AL and move XFR to Street    | \$0                  | \$ -                 | \$ 528,210          | \$ (528,210)        | \$266,584.80       |
| + 1006 ADAMS ST; REPLACE EX OH POLELINE               | \$0                  | \$ -                 | \$ 21,069           | \$ (21,069)         | \$906.00           |
| + 1412 RICHE CT; RENEW/REPLACE OH SYSTEM              | \$0                  | \$ -                 | \$ 26,276           | \$ (26,276)         | \$0.00             |
| ▣ UG Cable Replacement                                |                      |                      |                     |                     |                    |
| + 1902 Airport Way, Renew Replace Boring Contract R   | \$1,916,000          | \$ 1,916,000         | \$ 1,095,207        | \$ 820,793          | \$244,073.16       |
| + 2500 GWW, R and R UG Prim for Apt complex, ILLAHE   | \$0                  | \$ -                 | \$ 208,014          | \$ (208,014)        | \$0.00             |
| ▣ Purchase Southwest Service Area Infrastructure      | \$212,000            | \$ 212,000           | \$ -                | \$ 212,000          | \$ -               |
| ▣ Substation Improvements                             | \$4,581,000          | \$ 4,581,000         | \$ 4,413,266        | \$ 167,734          | \$ 1,444,736       |
| + Demand Response by Voltage Reduction (DR by VR)     | \$0                  | \$ -                 | \$ 630              | \$ (630)            | \$0.00             |
| + Gateway Substation 2021 Project                     | \$0                  | \$ -                 | \$ 7,390            | \$ (7,390)          | \$261.34           |
| + City View Bank 2 Addition                           | \$4,293,000          | \$ 4,293,000         | \$ 4,401,922        | \$ (108,922)        | \$1,444,474.83     |
| + City View Extension 131, EXT 3P 750 Aprox 2000ft fr | \$288,000            | \$ 288,000           | \$ 918              | \$ 287,082          | \$0.00             |
| + Substation PLC Replacement (Sandhill Crane, City V  | \$0                  | \$ -                 | \$ 2,406            | \$ (2,406)          | \$0.00             |
| <b>Grand Total</b>                                    | <b>\$11,139,000</b>  | <b>\$ 11,139,000</b> | <b>\$ 8,651,334</b> | <b>\$ 2,487,666</b> | <b>\$2,107,175</b> |



# UTILITY ADVISORY COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 3/12/2024

Agenda Category: Other Informational Items

Prepared By:

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Subject:  
Forward Agenda

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Department:  
Energy Services

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Recommended Motion:  
This item is informational only.

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Summary:  
Tour of Biogas Facility at Landfill – March 2024  
Low Income Program – May 2024  
Reliabilities Stats and Inventory Spares – May 2024  
Tour of Fire Station 76 – May 2024  
Resource Adequacy – July 2024  
Electric Rates Review – September 2024

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Fiscal Impact:  
There is no fiscal impact.

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Attachments: