

**WORK SESSION TO DISCUSS
ELECTRIC POWER SOURCES
October 19, 2017
6:00 PM**

PRESENT:	Tyler Vincent	Mayor
	DJ Bott	Councilmember (<i>via phone</i>)
	Alden Farr	Councilmember
	Ruth Jensen	Councilmember
	Tom Peterson	Councilmember
	Mark Thompson	Councilmember

ALSO PRESENT:	Kelly Andrew	Facilities Manager
	Dave Burnett	Public Power Director
	Mary Kate Christensen	City Recorder
	Mike Nelsen	Police Chief
	Derek Oyler	Finance Director
	Jason Roberts	City Administrator

Mr. Roberts and Mr. Burnett came to the table. Mr. Roberts stated that currently the City gets approximately 65-70% of its power from forward contracts. The fear with doing this is when the forward contract runs out, the City is at the mercy of the market, which can fluctuate greatly.

Councilmember Peterson felt that with the influx of solar, there could be a large surplus of power during peak demand. Mr. Burnett said there is already negative pricing in the market. He projected more and more power companies will go to time-of-day pricing because of the dynamics of when and how the City will get the power; all thermal plants will follow the renewables.

Mr. Roberts continued that there will always be a risk that the market can move independent of different generating sources. Every source has a risk, which is why it is better to diversify.

Mr. Burnett discussed the City's current power sources: the generating plant, WAPA's Colorado River Storage Project, Horse Butte wind power, power exchange pool from the market or within the UAMPS membership, and firm power products. Coal projects will probably be met with environmentalists. If the plants continue they will need to be retrofitted and the price will increase.

The City is currently looking at three projects. One is the carbon free nuclear power project that will be on the Idaho National Laboratory site. It is anticipated this will come in at \$65 or lower and will be completed in 2026. There is an advanced reactor on the site. It is designed to take any parts that will be involved in any nuclear project in the future and accelerate the pounding of the parts to see how long they will last. It will have natural circulation with a cooling pool, which means if there is a disaster and employees have to walk away, the plant would naturally shut down. Mr. Roberts added that once this is constructed, the power source would be purchased for the life of the project, which is 80 years.

Councilmember Farr expressed concern with the potential additional unplanned costs. There are other nuclear power projects where millions and billions of dollars are being spent. Mr. Burnett said this design will be more off-the-shelf parts. The other projects are all site build projects. He added that if the City is uncomfortable at any point, we can get out of it.

Mr. Burnett explained the internal generation option. Originally, they looked at six units at 2.2 megawatts each, three units in one building with the idea of another building with three units later on. This would produce 14-15 megawatts of internal generation. Mr. Roberts added that this is a very comparable source

and costs are going down. The biggest risk is that it is tied to the natural gas market. The construction risk is lower because the construction time is less and the part are more readily available.

Councilmember Peterson said he preferred the Muddy Creek Project (natural gas generation) because the City will not be responsible for the construction, only a base price.

The undersigned duly appointed Recorder for Brigham City Corporation hereby certifies that the foregoing is a true, accurate and complete record of the October 19, 2017 City Council Meeting.

Dated this 7th day of December 2017.

Mary Kate Christensen
Mary Kate Christensen, Recorder