



ACTION ALERT: Changes Needed to FPB Power Contract with KYMEA

Why does the contract need to be changed?

1. To reduce risk to ratepayers.
2. To ensure local control over power supply decisions.
3. To increase accountability of KyMEA to ratepayers.

What's wrong with the KYMEA Contract?

1. It was rushed to a vote in 2016 without proper review and without comparison to competitive bids from other power suppliers. The process neglected public input and Board concerns.
2. The 10-year commitments to power suppliers make exiting from the contract very difficult.
3. Actual costs to the FPB are unknown because rates the KYMEA will charge have not been disclosed.

What does FPB need to do?

1. **Hire qualified independent legal counsel** to advise FPB and pursue changes to the KYMEA contract.
2. **Pursue all recommendations from consultant E3.**
3. **Solicit proposals for competitive power supply options and weigh alternatives.**

What You Can Do:

Contact the FPB board of directors, talk to them about these concerns, and urge them to take action.

FPB Board of Directors

Walt Baldwin, John Cubine, Dawn Hale, Ralph Ludwig, Anna Marie Pavlik

To Email the FPB Board, send to: kpoe@fewpb.com and cjennings@fewpb.com.

Submit Comments to the FPB at: <http://fpb.cc/customersupport/>

KEY QUESTIONS about the KYMEA POWER CONTRACT:

- Does the FPB have the right to choose which power supplies serve our community?
- How will KYMEA calculate our electric rates and what will they be?
- What are the risks of being committed to coal-power contracts through 2029?
- What will be the cost to ratepayers from the excess power capacity that KYMEA has committed to, but which its Members* do not need?
- Why didn't KYMEA give FPB more time to consider the contract before pushing for approval?

**The "Members" are FPB and the other municipal utilities that form the KYMEA.*

Also contact Mayor Bill May, Frankfort City Commissioners, Judge Huston Wells, and County Magistrates to share your concerns.

Recommendations made to the FPB by consulting firm E3:

The KYMEA power contract needs clarification on numerous issues:

1. Require unanimous Member approval for all power supplies that will serve all Members.
2. Provide Members the right to not be served by a power supply they do not want.
3. Provide the method for calculating Rates that will be charged to Members.
4. Clearly state that FPB's Net Metering and Demand Response programs will not be unreasonably limited by KYMEA or other Members.

Changes needed to KYMEA management and interaction with Members:

1. Increase transparency and information sharing regarding project bids, power supply procurement, rate-making, and other Agency matters.
2. Use an Integrated Resource Planning process, with a 10 – 20 year planning horizon.
3. Use competitive bidding for professional consulting contracts.
4. Utilize Member resources (e.g. office space, staff support) to reduce KYMEA overhead costs.

For more information:

E3's Reports to the FPB, other documents, and a webinar on the KYMEA are available online at:

<https://kyconservationfound.org/clean-and-sustainable-communities-project/>

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