

## GRDA Energy Sell-Back Directive

Kansas Municipal Energy Agency (“KMEA”) and the Grand River Dam Authority (“GRDA”) are parties to a Power Purchase and Sale Agreement effective May 11, 2005 whereby KMEA, on behalf of certain member cities, purchases up to 84 megawatts of capacity and energy. Likewise, the City of Garnett (“City”) and KMEA are parties to a Power Purchase Agreement – Grand River Dam Authority Power Supply, effective May 11, 2005, which provides for the City’s purchase of up to 3 megawatts of the GRDA capacity and energy.

KMEA and GRDA have entered into a separate “Agreement for the Purchase and Sale of Electric Energy” dated October 20, 2017 (“Sell-Back Agreement”) attached hereto and incorporated herein by reference. Under the Sell-Back Agreement, KMEA has the right, but not the obligation, to sell back all or a portion of the contract energy amount to GRDA on a day-ahead schedule at a price determined pursuant to the terms of the Sell-Back Agreement. The Sell-Back Agreement will permit KMEA to schedule energy sales on behalf of the City using the Day-Ahead Energy Schedule.

KMEA will schedule only the capacity and energy amount of the cities that elect to have KMEA implement the Sell-Back. KMEA will credit the net revenues/costs generated under the Sell-Back Agreement on a pro rata basis to those cities that participate in the Sell-Back.

KMEA is requesting that the City execute this Directive if your City would like your contract capacity to be included as part capacity and energy amount under the Sell-Back Agreement. The City can terminate this arrangement with KMEA at any time with a 10-day prior notice.

Agreed to this \_\_\_\_ day of \_\_\_\_\_, 2018:

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[Name]

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[Position]

**Agreement for the Purchase and Sale  
of Electric Energy  
Between  
Kansas Municipal Energy Agency  
And  
Grand River Dam Authority**

**October 20, 2017**

### **Preamble**

This Agreement for the Purchase and Sale of Electric Energy (“Agreement”) is made and entered into as of October 20, 2017, by and between Kansas Municipal Energy Agency (“KMEA”), with its principal business office being located at 6300 West 95<sup>th</sup> Street, Overland Park, Kansas 66212, and Grand River Dam Authority (“GRDA”), an agency of the State of Oklahoma, organized and existing pursuant to 82 O.S. §§ 861 *et. seq.*, with its principal business office being located at 226 Dwain Willis Avenue, Vinita, Oklahoma 74301, (each individually as a “Party” and collectively as “Parties”).

### **Witnesseth:**

Whereas the Parties entered into a Power Purchase and Sale Agreement effective May 11, 2005 (“Original Agreement”);

Whereas the Parties entered into the First Amendment to the Power Purchase and Sale Agreement on October 14, 2009 (“First Amendment”);

Whereas the Parties entered into the Second Amendment to the Power Purchase and Sale Agreement on June 9, 2010 (“Second Amendment”);

Whereas Exhibit B of the Original Agreement and the First and Second Amendments, specifies (for each month of the year) the Nominal Capacity Billing Demands, the Minimum Capacity Billing Demands, the Maximum Capacity Billing Demands (all in kilowatts (kW), and Billing Energy (kilowatt-hours);

Whereas for a one-year period, December 1, 2017 to November 30, 2018 (“Pilot Period”), the Parties desire to purchase and sell between them specified electric energy.

Now, therefore, in consideration of the premises and of the mutual covenants and benefits flowing from each Party to the other as herein set forth, the Parties agree as follows.

### **Article I** **Integration**

This Agreement contains the entire agreement and understanding between the Parties as to the purchase and sale of specified electric energy on an hourly basis between the Parties during the Pilot Period, and regarding such specified energy on an hourly basis, supersedes all prior agreements, commitments, representations, writings, term sheets, memoranda of understanding, and discussions between them. Any prior obligations, conditions, warranties, or representations regarding the subject matter of this Agreement shall not bind either of the Parties.

### **Article II** **General**

1. Any written notice required or appropriate hereunder shall be deemed properly given if mailed, postage prepaid, or delivered, with documentation of delivery, to the Party concerned as follows:

General Manager  
 Kansas Municipal Energy Agency  
 6300 West 95<sup>th</sup> Street  
 Overland Park, Kansas 66212

General Manager, CEO  
 Grand River Dam Authority  
 P.O. Box 409  
 Vinita, Oklahoma 74301

2. Each Party warrants that (A) it is duly organized and is validly existing and in good standing under the laws of the State of Oklahoma or the State of Kansas and (B) it is authorized to enter into and perform its obligations under this Agreement.
3. This Agreement shall be binding upon, and its benefits inure to, the Parties and their successors and assigns; however, no transfer or assignment of any rights or obligations herein shall occur without the written consent of both Parties, except for GRDA concerning the right of assignment of all or substantially all of its rights to the State of Oklahoma or any agency of the State of Oklahoma.
4. This Agreement and the service rendered hereunder shall be subject to the rules, regulations, and orders of all governmental authorities having jurisdiction over either Party and any of the subject matter hereof. Service hereunder will also be subject to any Open Access Transmission Tariffs and Federal Energy Regulatory Commission-approved Regional Transmission Organization Membership Agreements.
5. Each Party acknowledges that this Agreement has been reviewed by legal counsel and is considered to be an arm's length transaction. Each Party further warrants and represents that express covenants of good faith and fair dealing, each with the other, are applicable, and each represents and warrants that the terms and conditions of this Agreement are valid in the opinion of counsel for each and that if any term or condition of this Agreement is unlawful or unenforceable, each Party waives any claim or defense associated with such provision.
6. This Agreement is for the benefit and convenience of both Parties and does not (A) establish any form of agency of one Party on behalf of the other, (B) form or create a partnership between the Parties, nor (C) form or create a joint venture between the Parties.
7. The agreement is not intended to and shall not create rights of any character whatsoever in favor of any person, corporation, association, or entity other than the Parties, and the obligations assumed are solely for the use and benefits of the Parties, their successors in interest, or assigns.
8. Each Party will give all necessary permission to the other to enable the representatives of the other Party to carry out this Agreement.



9. Any determination that a portion of this Agreement is invalid shall not affect the validity of the remainder of the Agreement. In the event a court or administrative agency of competent jurisdiction determines that any portion of this Agreement is invalid, the Parties shall meet and attempt to renegotiate the Agreement so as to restore the original intent of the Agreement and the original balance of burdens and benefits.
10. The words and phrases of this Agreement shall be given their ordinary meaning, and this Agreement shall be interpreted and construed in accordance with the laws of the state of Oklahoma.
11. This Agreement, any subsequent amendment, as well as any obligation herein or therein assumed by any Party, shall not become effective until approved by the Board of Directors or Trustees of both Parties.

**Article III**  
**Term and Termination Right**

1. The term of this Agreement is one-year: December 1, 2017 to November 30, 2018.
2. Without any restrictions, limitations, or conditions on the right to terminate, either Party may, with at least thirty days prior written notice, terminate this Agreement before the end of the Pilot Period.

**Article IV**  
**Pilot Period Scheduling and Billing**

All billing and terms and conditions of the Original Agreement and Second Amendment, and as more specifically specified in Exhibit B to the Second Amendment will be applicable and continue in effect and KMEA will continue to pay charges for Nominal Capacity Billing Demand, Minimum Capacity Billing Demand, Maximum Capacity Billing Demand, and Billing Energy during the Pilot Period.

The monthly Pilot Period Billing Energy to KMEA will be based on the following:

- (1) KMEA will continue to submit to GRDA the information for the creation of a Month-Ahead Energy Schedule ("MA ES") pursuant to the Original Agreement.
- (2) For all energy scheduled under the MA ES, KMEA will be charged the kilowatt-hour charges specified in GRDA's Schedule WP-OCA-Wholesale Power Service Outside Control Area Generation Bus.
- (3) In addition to the MA ES, on a day-ahead basis, within the hourly limits of energy identified in the MA ES, KMEA will submit a Day-Ahead Energy Schedule ("DA ES") to GRDA for selling energy back to GRDA. In scheduling the DA ES, KMEA must schedule amounts to GRDA of equal hourly MW values such that the net purchase from GRDA is in blocks of at least 12 consecutive hours.
- (4) For all energy sold back to GRDA, GRDA will credit KMEA's monthly bill at the kilowatt-hour charges specified in GRDA's Schedule WP-OCA-Wholesale Power Service Outside Control Area Generation Bus as specified for Off-Peak and On-Peak

kilowatt-hours including the Schedule PCA-Power Cost Adjustment less \$0.0085 per kWh.

(5) For billing purposes, GRDA will show the monthly energy GRDA sold to KMEA under the MA ES, the energy sold back to GRDA under the DA ES, and the net energy of the MA ES less the DA ES.

(6) During the Pilot Period, GRDA reserves the right to modify the above energy billing rates to the extent Schedule WP-OCA is modified.

IN WITNESS HEREOF, the hands and seals of the Parties have been affixed to two copies, each to be considered original and executed by their respective officers, duly authorized on the date above set forth.



ATTEST:

(Seal)

Susan Wagner  
Susan Wagner, Secretary Pro Tem

**Grand River Dam Authority**

By

Daniel Sullivan  
Daniel Sullivan, Chief Executive Officer

ATTEST:

(Seal)

Katia Mitchell  
Katia Mitchell  
Office Manager

**Kansas Municipal Energy Agency**

By

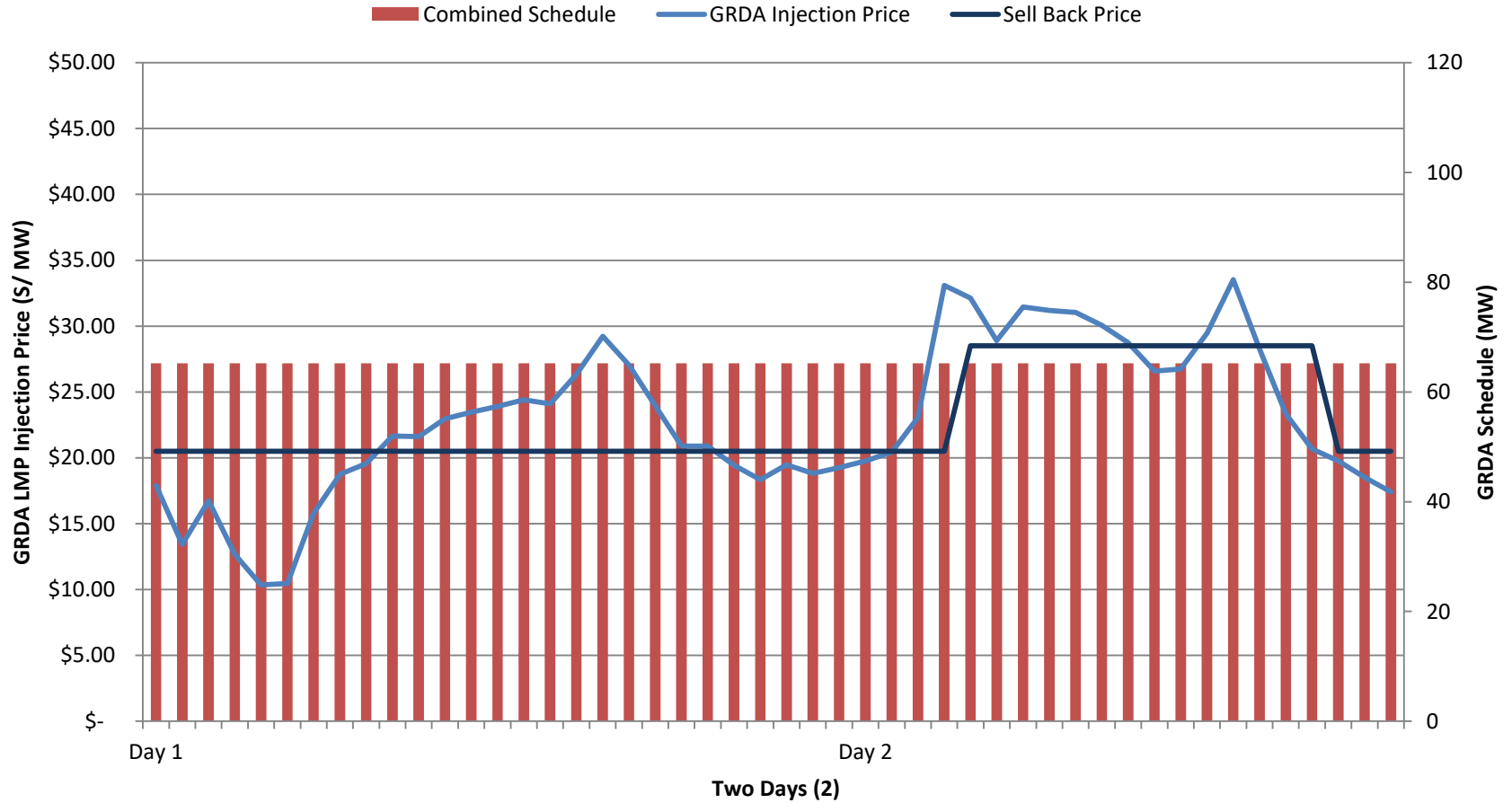
Paul Mahlberg  
Paul Mahlberg, General Manager

GRDA Project

GRDA Sell-Back  
Option



# Current Schedule



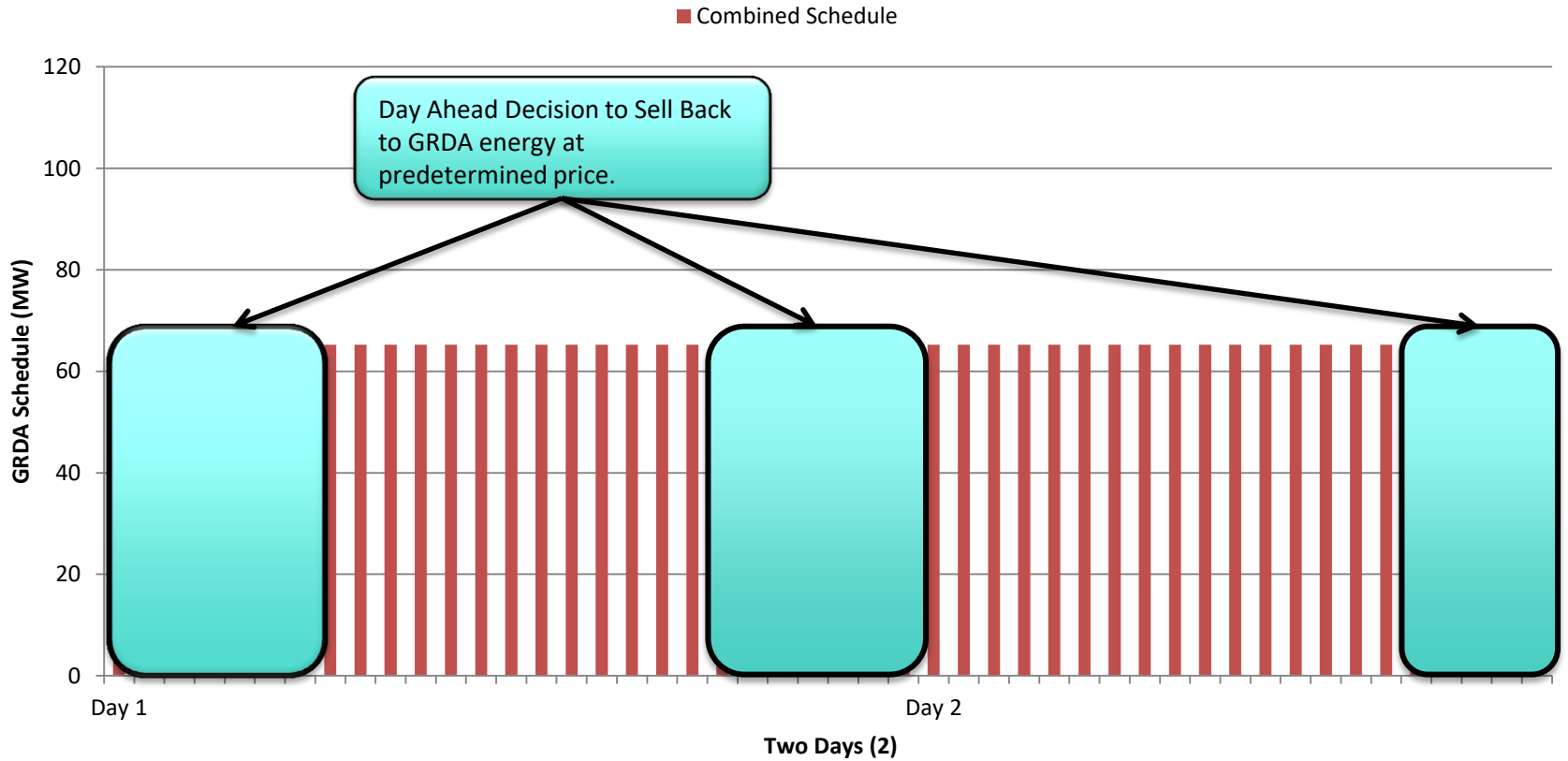


# *Proposed Scheduling*

- All existing scheduling and charges remains intact.
- Additionally, KMEA may now sell back to GRDA energy at Contract price minus \$8.50. GRDA demand remain regardless of sell-back.
- There are some scheduling parameters, day-ahead, the resulting net schedule shall be of one value and shall be 12 hours in length or longer.

# Schedule with sell-back

## Combined Schedule



# *Estimated Savings*

- KMEA estimates that we will sell back to GRDA between 35% & 40% of Contracted energy resulting in a net benefit to GRDA cities of \$400,000.

# *Additionally*

- KMEA does not see any down side.
  - KMEA is not obligated to sell back energy to GRDA, KMEA will have option to sell back energy.
  - One Year Trial basis. Beginning February 1, 2018.
- Cities can tell us if they want us to “optimize” this contract by executing an Amendment to Agreement.