

**PAROWAN POWER BOARD MINUTES  
NOVEMBER 18, 2021  
CITY OFFICES – 35 EAST 100 NORTH – 5:30 P.M.**

**MEMBERS PRESENT:** Jeremy Franklin (Power Superintendent), Jared Burton (Chairman), Matt Gale (Council Representative), Jim Harris (Council Representative), Stacy Gale (Secretary).

**MEMBERS ABSENT:** Preston Griffiths (Mayor), Cleve Matheson (City Manager), Jim Rice, Kyle Hansen, John Robertson.

**PUBLIC PRESENT:** None.

**CALL TO ORDER:** Jared Burton called the meeting to order at 5:45 P.M.

**DECLARATION OF CONFLICTS WITH OR PERSONAL INTEREST ON ANY AGENDA ITEMS?** None.

**APPROVAL OF MINUTES:** Matt Gale moved to approve the minutes of August 19, 2021. Jim Harris seconded the motion. All members present voted in favor of approval. The motion carried. The minutes were approved.

**RED CREEK HYDRO UPDATE:** Jeremy Franklin said last time we met we talked about doing a feasibility study on the Red Creek Hydro plant, but he has been waiting to do that until we hear from Travelers Insurance, the city's insurance company, to find out about the deductible. He said there are two different flood zones there; one zone has a deductible of around \$1,000 (the insurance company thinks we are in that zone), the other has a deductible of closer to \$500,000. Jeremy said he needs to send them more information, like the elevation and area of the plant, so they can do a geological search to determine what zone it is in.

Jeremy said he has quotes for the equipment to be refurbished; to be pulled out, cleaned, baked, put back in and install; and all new controls which will be about \$250,000. He said the insurance will only pay up to what was existing or equivalent. Jeremy said if the deductible is low, then he would suggest we move forward; it's not going to cost us as much and we still get the production. There was a discussion on ways we can protect the plant from this happening again, such as building a wall, or diverting the water away from it.

Jim Harris reminded Jeremy of what they learned at UAMPS about the carbon credits from the federal government which will be a benefit to the city because we have two hydro plants.

Jeremy said the insurance company is also working on how much lost revenue we have had for the last few months. He said we will get some money for that, probably in the \$15,000 range.

There was a discussion about earmarking money each budget year for the hydro plant if we are going to keep it a long-term investment.

**ZERO EXPORT SOLAR DISCUSSION:** Jeremy Franklin said he talked to 5-6 utility companies at UAMPS and they do not have batteries right now. Jeremy handed out Hurricane City's policy. It says basically if a customer with a battery on Hurricane's system does not get a credit if they produce back on the grid, and the base rate is raised to \$40, which almost doubles it. Jeremy said that is something we can look at, doubling our \$17.92 base rate for battery customers.

Jeremy said the Zero Export does not export back to the system. Hurricane's policy says the customer cannot export back more than 6 KW; for us it would be 5 KW.

Jeremy said he would like to look at other cities policies. It was discussed to do more research and look at areas that have battery powered solar, like California and Arizona.

Jeremy said right now we have one customer, Del Tanner, Jr. who wants to do Zero Export and a battery. Jared said he thinks it's smart to get the policy right and have it in place.

Jeremy explained how he is currently billing solar customers.

**ENCHANT STUDY PROJECT:** Jeremy Franklin said the Enchant Study Project is a UAMPS project. He said Enchant Energy is an investor-owned entity that is acquiring the San Juan Generation Station in New Mexico when it shuts down in June 2022. What Enchant is going to do is keep running the plant but do a carbon capture and sequestration which basically captures 90% of the carbon that can be used in oil fields. Jeremy said Enchant is hoping to run the plant as is, so we will still take energy in July 2022; it may not be carbon captured energy, but we still get the energy.

Jared asked if we need to anything with this; Jeremy said right now it is a study agreement, that is why he signed us up, and the price is \$35 megawatt. He said UAMPS share is 100 megawatts, and we are 300 kilowatts, which, if we can't get the hydro plant back up and running, would be enough to replace it.

**STAFF & MEMBER COMMENTS:** Jeremy said the nuclear project is moving along, and there hasn't been any new cities sign on. The core boring activity is completed ahead of schedule.

There was a discussion about IPP in Delta and SB 202.

**PUBLIC COMMENTS:** None.

**ADJOURN:** Matt Gale moved to adjourn. Jared Burton seconded the motion. All members present voted in favor of adjournment. The meeting adjourned at 6:18 p.m.

*Minutes Approved at March 17, 2022 Meeting*

---

*Jared Burton, Committee Chair*

---

*Stacy Gale, Secretary*