

FOR IMMEDIATE RELEASE
Date: Monday, August 28, 2024
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AUSTIN UTILITIES AND SMMPA Extend Power Sales Contract to 2050

AUSTIN, Minn. – Austin Utilities and Southern Minnesota Municipal Power Agency (SMMPA) agreed to extend the Power Sales Contract to 2050. The extension will require Austin Utilities to purchase and receive and for SMMPA to sell and deliver all electric power and energy required for Austin Utilities service territory.

The first contract was executed in 1981 and was a 50-year commitment, which was scheduled to end in 2030. In 2008, SMMPA board of directors initiated a contract approval process through an amendment to the Power Sales Contracts with SMMPA members from 2030 to 2050.

In 2023 AU commissioned a study with 1898 & Co. for a Power Supply Plan Study. The study focused on two options: AU self-supplying power without an agency or to extend a power sales contract with SMMPA or a similar agency. The study considered the recent changes to the Minnesota Carbon Free Regulations and MISO Operating Processes. The changes created a much more equal playing field in the electric industry for securing generation resources. The financial results of the two options, self-supply or continue to be served by a power agency, were nearly equal.

Additional analysis included a Request for Information (RFI) that was sent to 6 power providers located in the Midwest. The RFI included 19 questions relating to membership, governance, debt, rates, additional program services, generation planning and needs. AU received 4 total responses that were reviewed by the Board of Commissioners and staff. After careful review, SMMPA provided the best long-term opportunity for AU success.

In making the decision to extend the contract, other items were considered. Austin Utilities would retain energy efficiency support, regulatory and political voice, expert resources, and a project aggregator that SMMPA provides. Examples of value-added projects include the construction of the SMMPA Murphy Creek substation in 2013 to enhance reliability and the introduction of community solar for AU customers in 2017. Additionally, a level 2 EV charger was installed in each SMMPA community starting in 2019. Extending the Power Sales Contract may open doors for a future power generation resource in Austin, which has not had local generation since 2016.

Austin Utilities Board of Commissioners, along with staff reviewed the findings from the study and unanimously approved extending the Power Sales Contract from 2030 to 2050 on June 3, 2024. General Manager Mark Nibaur, AU Board of Commissioners Jay



Lutz, Operations Director Alex Bumgardner presented the proposal to extend the Power Supply Contract at a City Council work session on July 1, 2024. Dave Geschwind, Executive Director and Chief Executive Officer from SMMPA also spoke in favor of the contract extension.

On July 15, 2024, City Council unanimously approved the extension.

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Austin Utilities is a municipal utility serving approximately 12,300 electric customers, 10,300 natural gas customers, and 9,000 water customers. Their mission is to offer utility products and services in a safe, reliable and responsible manner in order to enhance the quality of life in our community. Austin Utilities' Board of Commissioners are elected by the consumer-owners of Austin to represent their best interest. For more information about Austin Utilities visit www.austinutilities.com.