

FOR BOARD ACTION

Agenda Item # 5

Meeting Date:

7/28/09

SUBJECT:

2009 Infrastructure Update

PREPARED BY:

Wally Schlink, Director of Power Resources

ITEM DESCRIPTION:

In June 2005, RPU staff and Burns & McDonnell developed the Electric Utility Baseline Strategy for 2005 – 2030 Electric Infrastructure Report and presented the same to the RPU Board for approval as the guidance plan for future infrastructure development. Based on this plan we have invested in emission controls at the SLP plant, purchased a site for future generation & substation expansion and proceeded in participation in transmission expansion projects. The plan has also critical to the development of our demand side management program which has been targeted to exceed regulatory requirements as a result of the plan's recommendations.

Prior to the Infrastructure Plan, beginning in 1999, RPU has had a Board approved power supply plan in place to meet the demand and energy needs of their customers. This plan has led to the installation of a new Pratt & Whitney gas turbine at Cascade Creek, the upgrading of the existing Westinghouse gas turbine at the same location and the notification to business partners of our intention to recover generating assets, primarily SLP, that are currently under contract to meet our future local needs. In addition RPU increased its activities in the areas of renewable energy and conservation. Additionally we undertook the installation of a high pressure steam line to meet the thermal energy needs of a large customer.

The Infrastructure Plan, as presented to the Board in 2005, was recognized to be a guideline document that would require updating as industry, economic, legislative, regulatory and other conditions emerge. With the changes in MISO and Minnesota Energy Act legislation, the need to update the Plan became apparent.

Staff will present the results of the 2009 Infrastructure Update and be available to answer any questions. It is staff's intent to submit a request for Board action at the August meeting requesting the acceptance of the recommendations included in the 2009 Infrastructure Update to be used as a guideline for power supply planning.

UTILITY BOARD ACTION REQUESTED:

Discussion item only, no action is requested.


General Manager

7-23-09
Date

ROCHESTER PUBLIC UTILITIES