

DECEMBER 9, 2024

# SIKESTON BMU OPEN HOUSE

## ALTERNATIVES UPDATE



# BACKGROUND

- Over the last 3 years the Sikeston Board of Municipal Utilities (“SBMU”) has engaged experts to determine the best alternatives to transition our Sikeston Power Station (“SPS”) to other technologies that are more cost effective and less carbon intensive.
- At our first open house held in June 2023 the public was able to learn more about the challenges and opportunities we face and the process we are undertaking to meet the community’s energy needs going forward. Our second open house in January 2024 identified alternatives and the criteria we used to evaluate them.

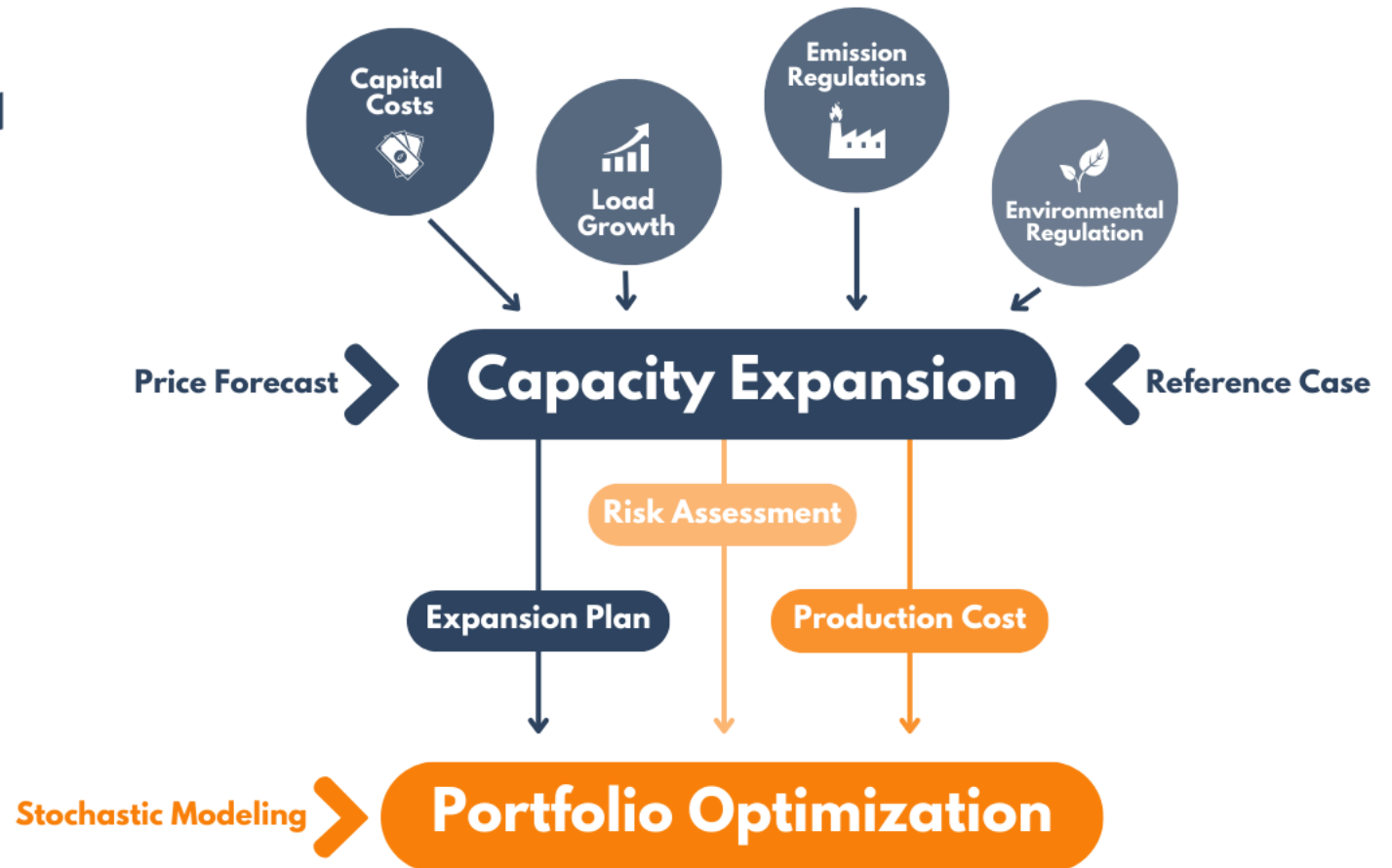


- Due to increased market competition, pressures from natural gas and renewables, as well as escalating costs for coal plant operations, SBMU initiated a Power Supply Plan (“PSP”) to aid the utility with long term planning to continue to meet the community’s needs for reliable and affordable electricity.
- This open house shows results from a more in-depth analysis and identifies next steps.

# WHAT IS A POWER SUPPLY PLAN?

The Power Supply Plan (PSP) is a planning tool that SBMU used to analyze the various regulatory, economic, and technical aspects of producing and delivering electricity to their customers into the future.

The Power Supply Plan developed for Sikeston was a collaborative process involving SBMU, Leidos and DECARB.



# POWER SUPPLY PLAN

## ALTERNATIVES EVALUATED - INSTALLED CAPACITY IN MEGAWATTS

Resource	All Renewables Strategy	Gas Peaking Strategies		Jointly Owned Combined Cycle Strategies		Diverse Mix Strategies	
	1	2(a)	2(b)	3(a)	3(b)	4(a)	4(b)
Extend Southwestern Power Administration (SPA) hydro contract	34	34	34	34	34	34	34
Install / purchase solar generation on local SBMU system	20	20	20	20	20	20	20
Install / purchase solar generation on regional transmission grid	160	88	88	52	52	52	52
Install peaking gas generation - Reciprocating Engine	0	54	0	0	0	36	0
Install peaking gas generation - Combustion Turbine	0	0	50	0	0	0	50
Install baseload gas generation - Combined Cycle	0	0	0	70	90	32	32
Purchase capacity from market	80	31	35	17	0	20	6
<b>Total Installed Capacity</b>	<b>294</b>	<b>227</b>	<b>227</b>	<b>193</b>	<b>196</b>	<b>194</b>	<b>194</b>



# SBMU EVALUATION

## OUR SHORTLISTING PROCESS

In order to assist SBMU with the process, the utility has contracted with Leidos Engineering and DECARB to design and develop a Power Supply Plan to aid in SBMU's long term planning. SBMU has utilized a months long, inclusive public process to ensure alternatives meet the needs and values of the community. SBMU prioritized AFFORDABILITY and RELIABILITY as evaluation criteria in determining alternatives.

### Affordability

- The cost of electricity on a per kilowatt (kWh) basis
- Rate stability
- Capital costs
- Affordability

### Flexibility

- Ability to transition to other generation as conditions change
- Generation diversity

### Reliability

- Fuel Availability
- Sikeston ownership of generation solution

### Sustainability

- Greenhouse gas reductions
- Renewable energy share
- Spurs economic development
- Impact to local labor

# LEAST COST, PREFERRED ALTERNATIVES

## Regionally owned combined cycle gas turbine is Sikeston's Best Option

- Provides the most Reliability for SBMU customers
- Best economic benefit for Sikeston
- Best coverage of capacity requirements



# FORMALIZE POTENTIAL PARTNERSHIPS

Sikeston currently benefits from long term relationships with other Cities in Missouri and the analysis shows that Sikeston would continue to benefit from regional partnerships.

Joint ownership benefits SBMU customers by allowing utility to build a bigger plant, which improves efficiency and shares costs across more owners.

# PLANNING AND INFRASTRUCTURE

- 5-year development and construction timeline from start to final installation
- Develop a schedule and budget to be ready to move forward quickly when final decision is made
- Secure transmission access
- Secure feedstock infrastructure
- Further analysis is required to optimize benefits of future solar installations for SBMU customers
- Starting planning, permitting and development process now helps SBMU meet affordability and flexibility goals



# FINANCING

- Evaluate long-term SBMU financing options to fund the construction of new generation facility, including participation by potential partners.
- Develop financing plan to minimize costs for SBMU customers.

# PROCESS MOVING FORWARD

- SBMU Board will continue its evaluation process to develop the most affordable and reliable alternative to serve the community's electricity needs.
- SBMU will keep the public informed as the process continues.
- Decision on preferred alternative expected in 2025.

# THANK YOU FOR PARTICIPATING!

WE LOOK FORWARD TO COLLABORATING WITH THE RESIDENTS OF SIKESTON  
TO ENSURE OUR ENERGY PROTECTION.

**FOR QUESTIONS OR COMMENTS:**  
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