



## WIND-SHAPE PRODUCT MANAGES RISKS WHILE MEETING ENVIRONMENTAL REQUIREMENTS

Starting in 2021, eight of CMPAS’s twelve members will participate in a 15-year, 11.8-megawatt (MW) wind-shape product developed by Kyle Haemig, CMPAS Economist and Resource Planner.

“Today, our market is very different from what it was 10 or 20 years ago,” Kyle said. “It’s growing more slowly, and there has been a rotation of generation resources, as coal and nuclear are getting replaced by gas and renewables.”

That strategic change points to the value of Kyle’s work with members. Each year, he helps all members develop or update their multi-year plan for cost-effectively meeting the electric needs of their customers.

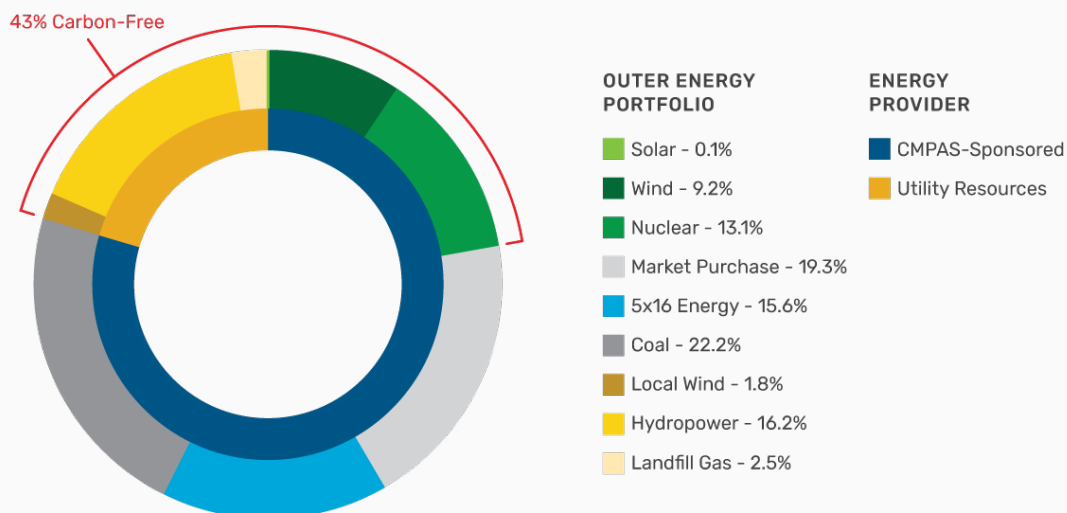
“We look at power supply, electric demand, and where their rates have been going and could go,” he commented.

“Then, we look at their portfolio of resources and develop ‘pro’ and ‘con’ cases for specific resources. We ask members about their appetite for risk, and we provide options that address their needs.”

When meeting with members about the wind-shape product, Kyle recommended that the city of Fairfax not take any of that contract. After Kyle met with Kasson, that city accepted his recommendation that it should become a large offtaker of the wind-shape product. In another meeting, this time with Kenyon Municipal Utilities (KMU), Kyle recommended that the city split its need for one megawatt of new capacity equally between the wind-shape product and an upcoming wind PPA.

“We relied heavily on CMPAS in providing information for our resource decisions,” said Mark Vahlsing, Administrator

### WHOLESALE POWER PORTFOLIOS



for the city of Kenyon. “We don’t have a big seasonal load like some other cities, and we have some wind contracts expiring.

“We wanted an arrangement where we would only take power when we needed it. What Kyle proposed was exactly what we needed.”

City of Fairfax Administrator Nicholas Johnson concurred. “We agreed with Kyle’s recommendation that we not participate in the wind-shape product. We really appreciate CMPAS’ independent analysis and member-centered flexibility on power purchases,” he said. “That helps us hold the line on electric rates.”

“The purpose of the wind-shape product was to manage risk and achieve long-term rate stability. After a bid process, we were able to negotiate a customized product with NextEra Energy. The members would obtain stable pricing, support for renewable energy compliance, and only take power when needed,” Kyle said.

“In fact,” he continued, “the flexibility of a project-based agency like ours has helped us dramatically lower our energy portfolio costs so that we are positioned among the least-cost wholesale power suppliers in the region.”

The CMPAS project orientation gives each member specialized attention for their portfolio development needs in load forecasting, resource planning, risk analysis, and procurement.

