

## Dennis Holt

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**From:** David Crews <David.Crews@ekpc.coop>  
**Sent:** Tuesday, September 12, 2017 9:42 AM  
**To:** Greg Shepler  
**Cc:** Dennis Holt; Mark D. Goss  
**Subject:** Re: Conference Call with David Crews

Thank you for these insights. I have reviewed the MOU with these questions in mind. We'll call you at 2:00 or as soon as our meeting breaks this afternoon.

Sent from my iPad

On Sep 11, 2017, at 7:24 AM, Greg Shepler <Greg.Shepler@enervision-inc.com<mailto:Greg.Shepler@enervision-inc.com>> wrote:

While the discussion may prompt some follow-up, here are the specific questions I have currently.

- \* We are considering PPAs where the provider will guarantee around the clock delivery even though not all hours will be provided by the specific generating resource (which may be wind, solar, or gas-fired). Is this acceptable?
- \* Must the point of delivery be the resource node, or can it be any PJM node specifically designated in the PPA (for example, even the EKPC Residual Aggregate)?

Looking forward to our call.

Greg Shepler

From: Dennis Holt [mailto:dholt@skrecc.com]  
Sent: Friday, September 8, 2017 6:45 PM  
To: Mark D. Goss <mdgoss@gosssamfordlaw.com<mailto:mdgoss@gosssamfordlaw.com>>; Greg Shepler <Greg.Shepler@enervision-inc.com<mailto:Greg.Shepler@enervision-inc.com>>  
Cc: David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
Subject: Conference Call with David Crews

Thanks to everyone for taking the time from their schedules to work in a conference call.

I have begun an e-mail chain so any communications will flow to everyone for next week's conference call.

David Crews will be available for a conference call after the Board Meeting on Tuesday September 12th at approximately 2:00 p.m. David requested that in order for him to be better prepared for the meeting he would like for any questions to be submitted beforehand so he can investigate and prepare a response.

Dennis Holt  
V.P. of Engineering and Operations  
South Kentucky RECC  
Somerset, Kentucky 42503  
Phone 606-678-4121  
Cell 606-872-3555

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Spam<<https://antispam.roaringpenguin.com/canit/b.php?c=s&i=0bU7aJoKy&m=7c103649481f&rlm=enervision-inc-com&t=20170908>> | Not

spam<<https://antispam.roaringpenguin.com/canit/b.php?c=n&i=0bU7aJoKy&m=7c103649481f&rlm=enervision-inc-com&t=20170908>>

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## Dennis Holt

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**From:** David Crews <David.Crews@ekpc.coop>  
**Sent:** Friday, November 10, 2017 4:34 PM  
**To:** Dennis Holt  
**Subject:** RE: Amendment Three Notice

Thanks Dennis. I have taken a look at it.

I am glad to see you are taking delivery at EKPC. I think its probably more appropriate to characterize it as the EKPC LMP than the EKPC hub.

I also think that we should probably name PJM as the supplier rather than the PPA.

Let's discuss during a break next Monday or Tuesday.

Is it ok to discuss with MD?

**From:** Dennis Holt [mailto:dholt@skrecc.com]  
**Sent:** Friday, November 10, 2017 3:34 PM  
**To:** David Crews <David.Crews@ekpc.coop>  
**Subject:** Amendment Three Notice

David,

Thanks so much for your assistance. Attached is a ***DRAFT*** Notice to EKPC of our Amendment 3 election. Please review it and make any changes you see necessary. We will fill in the blanks and forward as soon as we have reached a final agreement with the supplier. I told you earlier that we have narrowed the list to two suppliers. We have signed confidentiality agreements with both firms until the final agreement is reached.

Thanks again for your assistance, it is greatly appreciated.

Dennis Holt  
Interim CEO  
South Kentucky RECC  
Somerset, Kentucky 42503  
Phone 606-678-4121  
Cell 606-872-3555

Dennis Holt  
Interim CEO  
Phone (606) 678-4121



200 Electric Avenue  
P. O. Box 910  
Somerset KY 42502

November 10, 2017

Mr. Anthony S. Campbell  
President and Chief Executive Officer  
East Kentucky Power Cooperative, Inc.  
4775 Lexington Road  
P.O. Box 707  
Winchester, Kentucky 40392-0707

Dear Mr. Campbell,

Pursuant to the provisions of Amendment No. 3 to the Wholesale Power Contract between East Kentucky Power Cooperative, Inc. ("EKPC"), and South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") dated November 13, 2003 ("Amendment 3"), and the Memorandum of Understanding and Agreement Regarding Alternate Power Sources, between EKPC and the 16 Owner Members of EKPC including South Kentucky, dated July 15, 2015 ("MOU"), South Kentucky does hereby provide the following notice of its election to reduce its purchases of electric power from EKPC and replace same with electric power furnished from an Alternate Source.

According to the provisions of Section 4(A) of the MOU there are five (5) primary procedures and requirements for the content of this notice; in compliance with these provisions, South Kentucky provides the required information with respect to its Alternate Source election immediately following each listed item.

*(i) the term during which the Alternate Source will be used to reduce the Owner Member's purchases from EKPC under the Wholesale Power Contract, including the date on which such use will begin, and the length of time during which such use will continue, which length may not exceed 20 years (including any renewal options for an Alternate Source that is a contract with a third party)*

**The Alternate Source (which is further described below) will be used to reduce South Kentucky's purchases from EKPC under the Wholesale Power Contract for a term of [ ] years commencing at 12:00 a.m. (EST) on June 1, 2019.**

*(ii) the maximum electrical capacity, in kW, to be available from the Alternate Source and the corresponding amount of reduction in demands to be served by EKPC as a result of the use of the Alternate Source, appropriately taking into account expected losses, if any*

**The maximum electrical capacity to be available from the Alternate Source, and the corresponding amount of reduction in demands to be served by EKPC as a result of the use of the Alternate Source, is 58,000 kW.**

*(iii) a general description of the nature of the Alternate Source and the primary generating facilities from which the subject electric power and energy will be produced*

**The Alternate Source shall be in the form of a Purchase Power Agreement between South Kentucky RECC and \_\_\_\_\_ to be delivered to the East Kentucky Hub of the PJM Market.**

*(iv) the approximate, expected pattern of use or dispatching of the Alternate Source and the corresponding pattern of hourly reductions in energy to be purchased by the Owner Member from EKPC*

**As stated, the Alternate Source will supply the contracted capacity amount all hours of each year of the [\_\_\_\_\_] year term, by purchasing the required power from the PJM wholesale marketplace or other recognized wholesale marketplaces.**

*(v) a designation of whether the Alternate Source will be:*

*(a) interconnected to the Owner Member's distribution system (and not to any transmission system) and will not produce energy in any hour in excess of the Owner Member's load at the Related EKPC Point of Delivery. Such Alternate Sources are referred to in this MOU&A as "Behind the Meter Sources". The "Related EKPC Point of Delivery" with respect to any Alternate Source is the point of delivery under the Owner Member's Wholesale Power Contract through which energy purchased from EKPC would be used to serve the load served by the Alternate Source if the Alternate Source did not exist;*

*(b) interconnected or delivered to EKPC's or another entity's transmission system;  
or*

*(c) interconnected to the Owner Member's distribution system and will produce energy that exceeds the Owner Member's load at the Related EKPC Point of Delivery.*

**The Alternate Source will be: (b) interconnected or delivered to EKPC's or another entity's transmission system.**

South Kentucky remains proud to be an Owner-Member of EKPC and looks forward to working with its leadership and others in effectuating the terms of the Wholesale Power Agreement, as amended, and the MOU.

I appreciate your time and attention to this matter, and please do not hesitate to contact me with any questions or concerns.

Sincerely Yours,

Dennis Holt  
Interim President and  
Chief Executive Officer  
South Kentucky Rural  
Electric Cooperative Corporation

## Dennis Holt

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**From:** David Crews <David.Crews@ekpc.coop>  
**Sent:** Wednesday, November 15, 2017 8:36 AM  
**To:** 'Carter Babbit'  
**Cc:** Dennis Holt; Lynne Travis; Asia Ellington; Mark D. Goss  
**Subject:** RE: South Kentucky Question

Thanks for contacting me. Dennis made me aware that Greg was no longer at Enervision just yesterday.

Dennis proposed a call between EKPC and the power provider but I declined. I am happy to work with SK and you to make sure you are structuring this so that it aligns with the A3 and the MOU.

When SK provides EKPC with the A3 notice to serve the 58 MWs from a alternate source, that 58 MWs comes out of the Wholesale Power Contract and is no longer part of the load that EKPC serves in PJM. SK is in the PJM footprint so it will need to become a member of PJM to serve this load. The load will have to be served in accordance with the PJM policies. All the PJM expenses associated with the 58 MWs will be borne by SK or the entity that hedges SKs load in PJM. The MOU calls for EKPC to act as agent for SK with regard to managing the transaction in PJM to ensure that the balance of our members are not adversely affected.

I have discussed the notice with Dennis and I will shoot you and MD a revision with modest mark ups.

I suggest that we have a call that would include EKPC, Enervision, SK and Goss Samford to discuss the structure of the transaction to assure there aren't any surprises down the road. This call would be to ensure the structure of the transaction will meet the A3 and MOU requirements and including the bidders could be disruptive to the process.

**From:** Carter Babbit [mailto:Carter.Babbit@enervision-inc.com]  
**Sent:** Tuesday, November 14, 2017 2:23 PM  
**To:** David Crews <David.Crews@ekpc.coop>  
**Cc:** Dennis Holt <dholt@skrecc.com>; Lynne Travis <Lynne.Travis@enervision-inc.com>; Asia Ellington <Asia.Ellington@enervision-inc.com>  
**Subject:** South Kentucky Question

David,

I hope you are doing well. As you are probably aware, I have taken over the South Kentucky project from Greg Shepler and look forward to working with you. I had a follow up question from his email dated 10/24. We read your responses as indicating that SKRECC will become a PJM member and EKPC will be the agent for SKRECC account. Our understanding under this scenario is that EKPC, as EDC, will carve out the 58 MWs of load by scheduling a WLR contract between the main EKPC PJM account and SKRECC's PJM account. If you could confirm our understanding, that would be helpful?

In addition, based on an email from Dennis this morning, it sounds like you guys discussed a call with the power provider to work out some of these issues. I am in agreement that a call is in order. Would sometime Monday after 10:00AM work for you. If so, I will try and coordinate with the power provider and send out a call in number. Please let me know what time would work best for you.

Thank you,  
Carter Babbit

**Carter Babbit Vice President, Power Supply**

T (678) 510-2917 | C (404) 216-3863 | (888) 999-8840

[carter.babbit@enervision-inc.com](mailto:carter.babbit@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Delivering results to help you succeed!**

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## Dennis Holt

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**From:** David Crews <David.Crews@ekpc.coop>  
**Sent:** Wednesday, November 22, 2017 9:34 AM  
**To:** Dennis Holt  
**Subject:** Re: Amendment Three Notification

Will do.

Sent from my iPhone

On Nov 21, 2017, at 7:21 PM, Dennis Holt <dholt@skrecc.com<mailto:dholt@skrecc.com>> wrote:

David,

Did you get an opportunity to complete your revisions to the Amendment Three Notification? I would like to move forward soon and if you could please send me your redlined version with the desired description I would greatly appreciate it.

Dennis Holt  
Interim CEO  
South Kentucky RECC  
Somerset, Kentucky 42503  
Phone 606-678-4121  
Cell 606-872-3555

## Dennis Holt

---

**From:** David Crews <David.Crews@ekpc.coop>  
**Sent:** Thursday, November 23, 2017 11:00 PM  
**To:** Dennis Holt; Mark D. Goss  
**Subject:** EKPC Alternat Source Notice (002)  
**Attachments:** EKPC Alternat Source Notice (002).doc

My comments on the notice. Call me Monday to discuss. Without a firm contract at this point, I think the best option is to point to PJM as the Power Supply. PJM will be part of the power supply regardless of the supplier.

Dennis Holt  
Interim CEO  
Phone (606) 678-4121



200 Electric Avenue  
P. O. Box 910  
Somerset KY 42502

November 10, 2017

Mr. Anthony S. Campbell  
President and Chief Executive Officer  
East Kentucky Power Cooperative, Inc.  
4775 Lexington Road  
P.O. Box 707  
Winchester, Kentucky 40392-0707

Dear Mr. Campbell,

Pursuant to the provisions of Amendment No. 3 to the Wholesale Power Contract between East Kentucky Power Cooperative, Inc. ("EKPC"), and South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") dated November 13, 2003 ("Amendment 3"), and the Memorandum of Understanding and Agreement Regarding Alternate Power Sources, between EKPC and the 16 Owner Members of EKPC including South Kentucky, dated July 15, 2015 ("MOU"), South Kentucky does hereby provide the following notice of its election to reduce its purchases of electric power from EKPC and replace same with electric power furnished from an Alternate Source.

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**The Alternate Source (which is further described below) will be used to supply 58 MWs of South Kentucky's outside the EKPC Wholesale Power Contract for a term of [ ] years commencing at 12:00 a.m. (EST) on June 1, 2019.**

Deleted: reduce
Deleted: purchases from
Deleted: under the

*(ii) the maximum electrical capacity, in kW, to be available from the Alternate Source and the corresponding amount of reduction in demands to be served by EKPC as a result of the use of the Alternate Source, appropriately taking into account expected losses, if any*

The maximum electrical capacity to be available from the Alternate Source, and the corresponding amount of reduction in demands to be served by EKPC as a result of the use of the Alternate Source, is 58,000 kW.

(iii) a general description of the nature of the Alternate Source and the primary generating facilities from which the subject electric power and energy will be produced

The Alternate Source shall be in the form of South Kentucky RECC becoming a PJM member and purchasing energy, capacity, transmission and services required by PJM policies from the PJM market.

Deleted: of a Purchase Power Agreement between

Deleted: \_\_\_\_\_ to be delivered to the East Kentucky Hub of the PJM Market.

(iv) the approximate, expected pattern of use or dispatching of the Alternate Source and the corresponding pattern of hourly reductions in energy to be purchased by the Owner Member from EKPC

As stated, the Alternate Source will supply the contracted capacity amount all hours of each year of the [\_\_\_\_\_] year term, by purchasing the required power from the PJM wholesale marketplace.

Deleted: or other recognized wholesale marketplaces.

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I appreciate your time and attention to this matter, and please do not hesitate to contact me with any questions or concerns.

Sincerely Yours,

Dennis Holt  
Interim President and  
Chief Executive Officer  
South Kentucky Rural  
Electric Cooperative Corporation

## Dennis Holt

---

**From:** David Crews <David.Crews@ekpc.coop>  
**Sent:** Friday, November 24, 2017 9:38 AM  
**To:** Mark D. Goss  
**Cc:** Dennis Holt  
**Subject:** Re: EKPC Alternat Source Notice (002)  
**Attachments:** image001.png

I have no problem with MD's edit.

Sent from my iPhone

On Nov 24, 2017, at 8:07 AM, Mark David Goss  
<mdgoss@gosssamfordlaw.com<mailto:mdgoss@gosssamfordlaw.com>> wrote:

We can speak Monday as you suggest. Regarding (i) from a quick read, I believe there may be a phrase missing from David's language and I suggest it should say something like:

"The Alternate Source (which is further described below) will be used to supply 58 MW's of South Kentucky's power requirements outside of and separate from the Wholesale Power contract between South Kentucky and EKPC for a term...etc...."

<image001.png>

**From:** David Crews [mailto:David.Crews@ekpc.coop]  
**Sent:** Thursday, November 23, 2017 11:00 PM  
**To:** Dennis Holt <dholt@skrecc.com<mailto:dholt@skrecc.com>>; Mark David Goss  
<mdgoss@gosssamfordlaw.com<mailto:mdgoss@gosssamfordlaw.com>>  
**Subject:** EKPC Alternat Source Notice (002)

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