MINUTES OF THE WORK SESSION
OF THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF STARKVILLE, MISSISSIPPI
JANUARY 31, 2025

Be it remembered that the Mayor and members of the Board of Aldermen met in a Work Session on Friday, January 31, 2025 at 11:00 a.m. in the second-floor conference room of City Hall located at 110 West Main Street, Starkville, MS. Present were Mayor Lynn Spruill, Alderwoman Kim Moreland, Sandra Sistrunk, Alderman Jeffrey Rupp, Alderman Mike Brooks and Alderman Henry Vaughn. City Attorney Berk Huskison and City Clerk / CFO Lesa Hardin were also present.

Mayor Spruill opened the work session. The work session was properly noticed pursuant to Miss. Code Ann. §25-41-13 and a copy of that notice is included in the minutes. The work session was live streamed on Facebook. The public and media were welcomed and attended. The session is also available for viewing on the City website.

Checky Herrington of Narrative 12 discussed the results of the Starkville Media Outreach Program.

Derek McGill, Director of TVA Customer Relations and Josh Wooten, TVA Customer Service Manager, presented the proposed Green Invest Program along with Starkville Utility Director Edward Kemp.

The Mayor and members of the Board discussed items on the upcoming February 4, 2025 agenda. Department Directors were available to answer questions related to the items. All agenda items were discussed. Mayor Spruill then closed the work session.

SIGNED AND SEALED THIS THE 18th DAY OF FEBRUARY, 2025.

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MAYOR D. LYNN SPRUILL

Attest:

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LESA HARDIN, CITY CLERK/CFO

WORK SESSION

CITY OF STARKVILLE, MISSISSIPPI

JANUARY 31, 2025

11:00 a.m.

A. **CALL THE WORK SESSION TO ORDER**

B. **UPDATE FROM CHECKY HERRINGTON OF NARRATIVE 12 ON THE RESULTS OF THE MEDIA OUTREACH PROGRAMMING**

C. **UPDATE BY DEREK MCGILL AND JOSH WOOTEN OF TVA ON THE GREEN INVEST PROGRAM**

D. **DISCUSSION OF THE AGENDA ITEMS FOR THE FEBRUARY 4, 2025 MEETING OF THE BOARD OF ALDERMEN FOR THE CITY OF STARKVILLE.**

E. **ADJOURN MEETING**

THERE WILL BE A WORK SESSION OF THE MAYOR AND BOARD OF ALDERMEN ON FRIDAY, JANUARY 31, 2025.

AT 11:00 AM IN THE STARKVILLE CITY HALL LOCATED AT 110 WEST MAIN STREET IN THE SECOND FLOOR CONFERENCE ROOM

The public and media are invited to attend.

The City of Starkville is accessible to persons with disabilities. Please call the ADA Coordinator at (662) 323-2525 ext. 3119, in advance for any services requested.

1-31-25
work session

Executive Summary:

Consideration for executing expanded flexibility agreements with TVA and amending the Green Invest Tranche Amendment pending concurrence by the Starkville city attorney and TVA.

Background:

TVA and the City of Starkville have been public power partners since 1938. In September 2019 Starkville entered into a Long-Term Agreement with TVA, strengthening our partnership to help ensure the long-term success of the public power model. One of the benefits of the Long-Term Agreement is an option to execute a Power Supply Flexibility Agreement that enables Starkville Utilities to procure or produce up to 5% of energy needs from an entity other than TVA. Other local power companies have used this benefit to enter Purchase Power Agreements (PPAs) with solar developers to help meet the renewable energy goals of their customers through the generation and transfer of Renewable Energy Certificates (RECs) that are produced by solar facilities. One REC is produced when a solar facility generates 1 MWh of energy, and these RECs can be retired on behalf of an organization to support their renewable energy objectives.

In March 2021, the Green Invest Agreement was executed to enable Starkville Utilities to acquire RECs from new renewable generation sources through one or more "Tranche Amendments" to help meet the renewable energy needs of Starkville Utilities customers.

In March 2021, Green Invest Tranche Amendment #1 was executed for Starkville Utilities to purchase the equivalent of 30 MW of RECs at $1.25 per REC from the Golden Triangle I (MS Solar 5) solar project.

In June 2022, TVA was notified by the Golden Triangle I solar developer that the cost of the project substantially exceeded initial estimated costs, resulting in an REC price increase from $1.25 per REC to $3.23 per REC. Due to the increase, Starkville requested to reduce their allocation of the project from 30 MW to 6.3 MW, matching Starkville's 5% Power Supply Flexibility allotment in the Long-Term Agreement.

In February 2023, Green Invest Tranche Amendment #1 was terminated and Green Invest Tranche Amendment #2 was executed for Starkville Utilities to purchase the equivalent of 6.3 MW of RECs at $3.23 per REC from the Golden Triangle I solar project.

In the spirit of providing financial compensation to Starkville Utilities in response to the Golden Triangle I solar developer's REC price increase, TVA is offering Starkville an option to convert, or account for, 1.5 MW from the Green Invest Tranche Amendment #2 against Starkville Utilities' 6.3 MW of power supply flexibility allotment. The 1.5 MW conversion option is estimated to generate ~$160,000/year of revenue for Starkville Utilities, or ~$3.2 million over the 20-year agreement.

Also, if the conversion agreement is executed, TVA is exploring an option to eliminate the requirement for Starkville Utilities to purchase the remaining 4.8 MW of RECs associated with Green Invest Tranche Agreement #2. This would require approval by Starkville's Board of Aldermen and TVA's leadership team as well as finding another entity to purchase those RECs. TVA is currently working to obtain internal approvals and identify an off-taker for the RECs.

Recommendation:

Pursuant to the Power Supply Expanded Flexibility Agreement (Flex Agreement), Starkville Utilities recommends requesting an exception to the requirements set forth in the Flex Agreement to allow 1.5 MW of its 6.3 MW contracted-for RECs under Tranche Amendment #2 to be converted into an Energy Resource under the Flex Agreement. This 1.5MW conversion is estimated to generate ~$160,000/yr of revenue or $3.2M over 20 years.

Starkville Utilities requests approval to enter into an agreement for the 1.5 MW conversion and approval for the remaining 4.8MW to be either:

(1) Sold by TVA to another Green Invest participant which would eliminate the Green Invest cost and acquisition of these RECs by Starkville. This option is pending TVA approval and will require the identification of another Green Invest participant to acquire these RECs (Preferred)
    or
(2) Retained by Starkville Utilities with an estimated cost of ~$34,000/yr or ~$680,000 over 20 years

Starkville Utilities also requests approval to enter into the Expanded Flexibility Agreement to allow this conversion opportunity and other opportunities under which Starkville may deploy energy resources to produce up to 5% of its own energy needs.