



Metro Nashville
DISTRICT ENERGY SYSTEM

Metro District Energy System Advisory Board
Regularly Scheduled Meeting of
February 21, 2013

Minutes of Meeting

The meeting was held at the Energy Generation Facility at 90 Peabody Street Nashville, TN 37210

Facilitators: Harry Ragsdale, DES Project Contract Administrator and Kevin Jacobs, Thermal Engineering Group

Board Members Present:

Karen Bennett
Yuri Cunza
Lannie Holland *on behalf of Richard Riebeling*
Tom Thompson

Board Members not Present:

Joy Harris
Richard Riebeling
Phil Ryan
Brian Taylor
Tom Turner
Nancy Whittemore

Others Present:

Tim Hestle, CEPS General Manager
Bob Lackey, DES Liaison
Robin Lamborn, DES Advisory Board Secretary
Randall Pomeroy, Pomeroy Marketing
Kim Sheffield, Pomeroy Marketing

The meeting was called to order by the Chair and began at 10:06 A.M.

At the request of the Chair, Mr. Ragsdale proceeded with the presentation to the Board.

Mr. Ragsdale reviewed the customer cost comparison table for the previous twelve (12) months. On an aggregate basis, the steam costs were down 5.77% as fuel prices remain low. Chilled water costs increased 3.61% due to higher energy rates. Services to Metro have increased due to the addition of the Music City Center, which remains in a testing/start-up mode.

Mr. Ragsdale and Mr. Jacobs discussed the customer sales for chilled water and steam for the second quarter of FY13. Mr. Jacobs presented a graph of the amount of cooling degree days in the month of August for the past twenty years, as August is typically the peak month for chilled water demand and consumption. Mr. Jacobs also presented a graph for the heating degree days in the month of January for the past twenty years, as January is typically the peak month for steam demand and consumption. The cyclic patterns help predict sales going forward.



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Mr. Ragsdale and Mr. Jacobs discussed the review of the contractor's performance for the second quarter of FY13 and their energy efficiency guarantees. Mr. Jacobs and Mr. Ragsdale provided steam and chilled water conversion tables for electricity, water, and plant efficiency for the previous year. The contractor's performance continues to remain excellent in all areas.

Mr. Jacobs discussed the contractor's performance for the water treatment. Mr. Jacobs stated that the contractor does a very consistent job in managing and operating the pumps. The contractor's performance is excellent in all areas of water treatment.

Mr. Ragsdale and Mr. Jacobs reviewed the results of the inspections of both the Energy Generating Facility (EGF) and the Energy Distribution System (EDS). Mr. Ragsdale spoke about the maintenance items and stated that Constellation does an excellent job with safety and maintaining a number of strict policies. Continuing areas of focus include water infiltration and corrosion of the structural metal components.

Mr. Ragsdale and Mr. Jacobs provided an update on the natural gas purchasing and discussed the FY13 gas spending and budget comparison. Actual fuel costs were 5.3% lower since the 15-17% contingencies were removed. Mr. Ragsdale and Mr. Jacobs discussed the actual and projected gas cost comparison history. Budgeted Unit Costs are more in line with Actual & Projected Unit Costs and Market Unit Prices.

Mr. Jacobs reviewed the FY13 costs to date report. Through the end of this period of operations, approximately 43.67% of the FY13 budget (\$20,086,000) has been expended.

Mr. Ragsdale and Mr. Jacobs provided the Board with an update on capital expenditures. Bond fund expenditures and available balances were reported and summarized. The total amount spent as of the end of the second quarter of FY13 was \$675,109. The total remaining balance as of 01/31/13 was \$3,676,356.

Mr. Ragsdale and Mr. Jacobs provided the Board with updates on the various active DES capital projects. Connection service to the Nashville Hyatt Place is complete. The Board also received updates on capital projects that are closed or are closing-out, including the tunnel lighting replacement and various manhole repairs. The Time of Use and Thermal Storage project has been closed due to the inability to secure property that would be most effective as a Thermal Storage site.

Mr. Jacobs discussed the avoided energy costs and CO2 production related to the self-generation of heating and cooling with in-building equipment as compared to using the DES distribution system. Mr. Jacobs reviewed a graph detailing the cooling comparison for CY12, which shows annual savings with DES would be \$377,556 in energy costs and 2,886 ton of CO2. Mr. Jacobs also reviewed a graph detailing the heating comparison for CY12, which shows annual savings with DES would be \$6,185,277 in energy costs and 51,848 ton of CO2.

Mr. Ragsdale introduced Randall Pomeroy and Kim Sheffield with Pomeroy Marketing and Communications, who are the facilitators of the new Metro website, which includes a site for DES. Mr. Pomeroy discussed some of the platform changes and new additions to the website, including the consolidation of some current Metro ITS services which help to make the website more efficient and informative for all users.

Mr. Ragsdale announced the annual customer meeting/luncheon will be at the Downtown Partnership on March 21, 2013 at 12:30pm.

Without further discussion, and upon a motion, the meeting was adjourned by the Chair.

The next Board Meeting will be held Thursday, May 16, 2013 at 10:00 A.M.



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Prepared by: Robin Lamborn

Robin Lamborn, DES Advisory Board Secretary

Date: 05-16-13

Approved: Karen Bennett

Karen Bennett, Chair, DES Advisory Board

Date: 5/16/13

Approved: Bob Lackey

Bob Lackey, DES Liaison

Date: 5-16-13