

RESOLUTION NO. SUA 2022-2

“A RESOLUTION AUTHORIZING THE DECOMMISSIONING OF THREE 2MW DIESEL GENERATION UNITS LCOATED AT BOOMER LAKE STATION AND ONE 2MW DIESEL GENERATION UNIT LOCATED AT THE WATER TREATMENT PLANT; AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT TO THE GRDA POWER PURCAHSE AGREEMENT TO REMOVE THE DECOMMISSIONED GENERATION UNITS”

WHEREAS, Stillwater Utilities Authority (SUA) is the owner and operator of four 2MW diesel generation units located at Boomer Lake Station and the Water Treatment Plant; and

WHEREAS, SUA currently receives capacity payments in the amount of approximately \$259,000 annually for generation produced from these units pursuant to its Power Purchase and Sale Agreement with GRDA; and

WHEREAS, the four generation units are rarely called upon to operate; and

WHEREAS, the four generation units are not operationally reliable, and require ongoing maintenance, fuel, and testing costs;

WHEREAS, decommissioning or relocation of the units located at Boomer Lake Station has been explored in connection with the Boomer Lake Station Redevelopment Project site plan; and

WHEREAS, the estimated costs of relocation of the generation units to the North Tap Station is estimated to cost more than \$2,500,000 which is cost prohibitive; and

WHEREAS, decommissioning of the generation units can be done at minimal costs to SUA, and will result is the removal of carbon based generation from SUA’s generation portfolio; and

WHEREAS, GRDA is amenable to amending the Power Purchase Agreement to allow the decommissioning of the four generation units subject to GRDA Board approval; and

WHEREAS, SUA deems it to be in the best interest of SUA to decommission the generation units; and

WHEREAS, SUA desires to decommission three 2MW diesel generation units located at Boomer Lake Station; and

WHEREAS, SUA desires to decommission one 2MW diesel generation unit located at the Water Treatment Plant.

NOW, THEREFORE BE IT RESOLVED BY THE CHAIR AND TRUSTEES OF THE STILLWATER UTLITIES AUTHORITY:

Section 1. The following generation units owned and operated by SUA are hereby decommissioned:

1. Unit No. 1: Elliott 10037 located at Boomer Lake Station
2. Unit No. 2: Allis Chalmers 10669 located at Boomer Lake Station
3. Unit No. 3,4,5: Cummins/Onan 200.0DQKC-2125/C located at Boomer Lake Station
4. Unit No. 6: Cummins/Onan 200.0DQKC-2125/C located at the Water Treatment Plant.

Section 2. The General Manager of SUA is hereby authorized to execute an Amendment to the Power Purchase and Sale Agreement with GRDA to reflect the decommissioning of the four diesel generation units are more particularly set forth in Section 1.

PASSED AND ADOPTED this 7th day of March, 2022.

STILLWATER UTILITIES AUTHORITY

A Public Trust

WILLIAM H. JOYCE, MAYOR/CHAIR

(SEAL)
ATTEST:

TERESA KADAVY, SECRETARY

APPROVED AS TO FORM AND LEGALITY this 7th day of March, 2022.

KIMBERLY CARNLEY, GENERAL COUNSEL