

BILL NO. _____

RESOLUTION NO. _____

A RESOLUTION CONVEYING THE CITY COUNCIL'S INTENT TO RETIRE THE BLUE VALLEY INDEPENDENCE POWER AND LIGHT POWER PLANT AND PROVIDE GUIDANCE ON FUTURE IMPLEMENTATION TO PROVIDE GENERATING CAPACITY AND A TRANSITION OF AFFECTED INDEPENDENCE POWER AND LIGHT EMPLOYEES.

WHEREAS, the City of Independence currently owns and operates a power plant known as Blue Valley which includes three turbines which have been operating for over 50 years; and,

WHEREAS, the Blue Valley plant in recent years has generated less the 2% of the city's total energy needs; and,

WHEREAS, the City of Independence has received an extensive master energy plan which has been presented to the City Council and the Public Utilities Advisory Board; and,

WHEREAS, the Master Energy recommended the retirement of the Blue Valley plant and exploring plans to replace the 98 MW generating capacity; and,

WHEREAS, a 2011 Master Energy plan also recommended the retirement of the Blue Valley plant; and,

WHEREAS, the current Master Energy plan projects the retirement of the Blue Valley plan would reduce annual power plant labor costs by \$3.6 million annually; and,

WHEREAS, the projected labor costs savings would provide funding with which to secure needed additional generating capacity potentially through a larger ownership interest in the Dogwood power plant; and,

WHEREAS, the City Council and the Public Utilities Advisory Board have both recommended seeking Requests for Proposal for to consider for providing additional generating capacity; and,

WHEREAS, the clear statement of our plans to retire Blue Valley power plan can assist providing clear direction of future plans by Independence Power and Light to provide electricity; and,

WHEREAS, time is needed to develop transition plans for affected Blue Valley production plant employees through job reassignment, retraining, retirement or severance; and,

WHEREAS, the timely retirement of the Blue Valley plant can save the utility significant monies on an annual basis and help provide more competitive utility rates; and,

WHEREAS, a clear decision on retirement of Blue Valley has direct bearing on the cost of service study currently underway;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. The City Council formally endorses retirement of the Blue Valley power plant on or before June 1, 2020.

SECTION 2. That the City Council hereby directs the City Manager to undertake developing an overall plan that would include:

- 1.Retirement of the Blue Valley plant including ceasing power generation by Blue Valley units 1, 2 and 3.
2. Staffing plan for existing Blue Valley power production staff affected by retirement of the three generating units
- 3.Recommendations of the best and most cost-effective means to provide for replacement generating capacity based on information contained in the most recent Master Energy plan.

SECTION 3. The City Manager (or his designee) provides periodic reports, no less than every six months, to the City Council and the Public Utilities Advisory Board.

PASSED THIS _____ DAY OF _____, 2018, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Counselor

REVIEWED BY:

City Manager