UTILITY COMMITTEE
AGENDA

JUNE 22, 2015 - 5:00 P.M.

CITY HALL COUNCIL CHAMBERS
15 LOOCKERMAN PLAZA
DOVER, DELAWARE

PUBLIC COMMENTS ARE WELCOMED ON ANY ITEM AND WILL BE PERMITTED AT APPROPRIATE TIMES. WHEN POSSIBLE, PLEASE NOTIFY THE CITY CLERK (736-7008 OR E-MAIL AT CITYCLERK@DOVER.DE.US) SHOULD YOU WISH TO BE RECOGNIZED.

AGENDA ADDITIONS/DELETIONS

1. **HOUSE BILL NO. 171 AMENDING TITLES 9 AND 22 OF THE DELAWARE CODE RELATING TO TAXES ON SPECIAL BETTERMENTS**

2. **OVERVIEW OF CITY UTILITIES**

3. **TEA/NAES REPORTS (*MARCH AND APRIL*)**
   (STAFF RECOMMENDS ACCEPTANCE OF THE REPORTS)

4. **DISCUSSION ITEM PROPOSED DURING THE FY 2015/16 BUDGET REVIEW**
   - **A. COST-BENEFIT ANALYSIS OF POWER PLANT OPERATION**

5. **UPDATES**
   (COMMITTEE ACTION NOT REQUIRED ON THE BELOW ITEMS)
   - **A. GREEN ENERGY FUNDING AND PROGRAMMING**
   - **B. NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM (NPDES) MUNICIPAL SEPARATE STORM SEWER SYSTEMS (MS4) PERMIT**
   - **C. GARRISON OAK TECHNICAL PARK PROJECT UPDATES**
     - **C-1. CITY INFRASTRUCTURE**
     - **C-2. CALPINE ENERGY CENTER**
     - **C-3. DOVER SUN PARK**

6. **ADJOURNMENT BY 5:55 P.M.**

/TM S:\AGENDAS-MINUTES-PACKETS-PRESENTATIONS-ATT&EXH\COMMITTEE-AGENDAS\2015\06-22-2015 UTILITY.WPD

THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS.

SUMMARY OF HOUSE BILL 171

The Tax. For decades, Verizon and other traditional landline providers have paid a property tax on their poles, wires, cable and conduit for the distribution of landline telephone communication services ("Special Betterments Tax"). The tax is paid to the State's counties, municipalities, and school districts (the "Localities"). 9 *Del. C.* § 8101(8) and 22 *Del. C.* § 2001. This tax is a disincentive to investment in broadband infrastructure since increased investment brings increased taxes.

Although a competitive market for telephone services exists today, cable telephony and wireless providers do not pay a similar tax, arguably in violation of the State Constitution's uniformity of taxation clause.

The Problem.

- Until 1993, Verizon Delaware was the only provider of local exchange telephone service – serving 100% of the State as a regulated, rate of return utility.

- Over the past 20 years, the communications market has become fiercely competitive. Traditional landline telephone service has been replaced with new technologies such as cable telephony, wireless and high-speed broadband.

- In Delaware, 60% of the landlines have been disconnected over the past 10 years and 46% of households have no traditional landline phone service or use cell phones for all or almost all of their calls.

- Changing requirements for service and significant competition have resulted in Verizon upgrading its functionally outdated and increasingly obsolete copper-based networks to fiber-optic cable.

- The duplicative copper network will continue to depreciate in Delaware while the majority of fiber investment has been completed.

- Property taxes received by municipalities, school districts and counties on telecommunications facilities will decrease in the coming years as a result of the transition to new technologies throughout the State.

The Solution. House Bill 171 establishes a Telecommunications Tax Modernization Review Group to study and make recommendations for establishing a future funding mechanism to replace the property tax on telecommunications equipment and addressing the projected decrease in revenue to the counties, municipalities and school districts as a result of the transition to new communications technologies in the coming years. In addition, it begins the process of eliminating the disparate tax treatment of providers of telephone service and the disincentive to continued investment in broadband networks

Specifically, HB 171:

- Establishes a Review Group made up of impacted parties to study and make recommendations for legislation on a funding mechanism to replace the tax on telecom poles, wires, cable and conduit that is revenue-neutral to the localities and competitively neutral to the providers of telecommunications services.
- Caps the taxation of telecom poles, wires, cables and conduit at FY 2015 rates;
- Eliminates the tax as of June 30, 2018.

SPONSOR: Rep. Bennett & Sens. Hall-Long & McDowell
Reps. Hudson, Q. Johnson, Keeley, Longhurst, Schwartzkopf, M. Smith, Viola; Sens. Blevins, Lavelle, Poore, Simpson

HOUSE OF REPRESENTATIVES
148th GENERAL ASSEMBLY

HOUSE BILL NO. 171

AN ACT AMENDING TITLES 9 AND 22 OF THE DELAWARE CODE RELATING TO TAXES ON SPECIAL BETTERMENTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 8101(e)(8), Title 9 of the Delaware Code, by making deletions as shown by strike through and insertions as shown by underline as follows:

(e) Special betterments, whether or not also considered to be improvements, shall include and be limited to the following:

(8) Poles, wires, cable and conduit for distribution of telephone communication services either above or below ground; <u>provided, however, that in no event shall the amount of tax imposed on such property exceed the amount paid on such property to each political subdivision in the fiscal year ending June 30, 2015;</u>

Section 2. Amend §2001, Title 22 of the Delaware Code, by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2001 Limitation of municipal taxing powers.

(a) Every municipal corporation in this State, regardless of population, shall only have the power to impose, levy, assess, or collect a tax of any kind whatsoever as expressly authorized in its municipal charter or this title.

(b) Any provision in a municipal charter granting the municipal corporation "all powers," or any derivation thereof, shall not be construed as exempting the municipal corporation from the limitation set forth in subsection (a) of this section.

<u>(c) The amount of tax imposed by municipal corporations on poles, wires, conduit and cable for distribution of telephone communication may not exceed the amount paid on such property to each municipal corporation in the fiscal year ending June 30, 2015. As of June 30, 2018, no municipal corporation may impose a tax on poles, wires, conduit and cable for distribution of telephone communications.</u>

Section 3. Legislative Findings. The General Assembly finds as follows:

a. Competition and changes in technology have expanded types of communications services available to businesses and consumers in Delaware.

b. Most state and local taxes on communications services were adopted before changes in technology and the emergence of competition.

c. Antiquated tax structures, such as taxation of telecommunications poles, wires and conduit, are no longer suitable for the current and future communications marketplace.

d. Tax policy should encourage investment in communications networks because communications services are vital to the state's economic growth and competitiveness.

e. The State, municipalities, school districts and counties all currently receive revenues from communications taxes, and should participate in any discussions about restructuring those taxes.

f. Property taxes received by received by municipalities, school districts and counties on telecommunications facilities will decrease in the coming years as a result of the transition to new technologies throughout the State.

g. More information about the revenue impact of tax restructuring on consumers and local governments receiving revenues from current taxes is necessary so that the General Assembly may consider tax restructuring options that are revenue-neutral to local governments and eliminate the disparate treatment of like communications providers during the 2017 legislative session.

h. A Review Group of qualified persons representing the interests most affected by tax restructuring should study the issues and submit a recommendation and proposed legislation to the General Assembly.

Section 4. Legislative Directives. The General Assembly directs that a Telecommunications Tax Modernization Review Group (the "Review Group") be formed for the purpose of studying and making recommendations on funding mechanisms to replace the current property tax on poles, wires, cable and conduit for distribution of telephone service. The Review Group should consider options that: (1) are revenue-neutral to the localities, (2) are competitively neutral to providers of like communications services, and (3) encourage investment in broadband networks.

Section 5. The General Assembly further directs the Review Group to report findings and recommendations to the House of Representatives and Senate by March 1, 2017, or earlier if appropriate.

Section 6. The General Assembly further directs that the Chair of the Review Group shall be a member of the House of Representatives appointed by the Speaker of the House and, in addition to its chair, the Review Group shall have the following members:

1. One member of the Senate, appointed by the President Pro Tempore of the Senate;

2. The Secretary of Finance or his designee;

3. One representative from New Castle County government, appointed by the County Executive;

4. One representative from Kent County government, appointed by the President of Kent County Levy Court

5. One representative of Sussex County, appointed by the President of Sussex County Council;

4. Two representatives from local governments, appointed by the Chair;

5. One representative from the school districts, appointed by the Chair; and

6. One representative from a provider of landline telephone service that pays property tax on poles, wires, cable and conduit, appointed by the Chair:

Section 7. The General Assembly further directs that the Chair of the Review Group be responsible for guiding the administration of the Review Group by, at a minimum:

1. Setting dates, times and places for meetings;

2. Supervising the preparation and distribution of meeting notices, agendas, minutes, correspondence, and reports of the Review Group; and

3. Ensuring that the final report of the Review Group is submitted to the Speaker of the House of Representatives and President Pro Tempore of the Senate with a copy to the Governor, the Director of the Division of Research of Legislative Council and the Delaware Public Archives.

Section 8. The General Assembly further directs that staff support for the Review Group be provided by the Controller General's Office and the Office of the Secretary of Finance, under the direction of the Chair of the Review Group.

Section 9. The General Assembly further directs that in order to evaluate the revenue impacts of such proposal, if necessary, the Department of Finance is directed to collect information from municipalities, counties, and any other relevant agencies including itself, to determine the amount of revenue collected and remitted to the respective governments from all current taxes on communications services for the fiscal year beginning July 1, 2014 and ending June 30, 2014. The Department of Finance also may collect information from communications service providers about the amount of revenue paid or collected and remitted to governments from all communications taxes for the fiscal year beginning July 1, 2014 and ending June 30, 2014. Subject to the restrictions provided by § 368 of Title 30 of the Delaware Code, the Department of Finance shall provide the information collected under this section to the Review Group immediately upon receipt, or prior to September 15, 2015.

Section 10. The General Assembly further directs that the information collected from communications service providers shall not be disclosed to the public unless it is aggregated so that market share and other sensitive market information for individual companies cannot be determined. Information not so aggregated or other individual company information is not subject to disclosure.

Section 11. The General Assembly further directs that the governmental entities, agencies and communications providers shall cooperate reasonably with the Department of Finance's information gathering under this resolution. The Department shall have the authority to subpoena any entity, agency or communications provider that fails or refuses to cooperate reasonably with the Department's information gathering.

Section 12. The restrictions imposed on the counties' and municipalities' taxation of poles, wires, cables and conduit for distribution of telephone communication services in Sections 1, 2 and 3 above shall also apply to school districts.

Section 13. Section 1 of this bill is effective June 30, 2018.

Section 14. Sections 2-15 of this bill are effective upon enactment.

SYNOPSIS

This bill establishes a Telecommunications Tax Modernization Review Group to study and make recommendations for establishing a future funding mechanism to replace the property tax on telecommunications equipment and addressing the projected decrease in revenue to the counties, municipalities and school districts from the transition to new technologies throughout the State. The resulting mechanism should be revenue-neutral to the localities and competitively neutral to providers of like services. To encourage investment in broadband infrastructure, this bill also caps the amount of tax on telecommunications equipment at FY15 rates and eliminates the tax as of June 30, 2018.

Monthly Management Committee Update – March 2015

April 23, 2015

Prepared by:

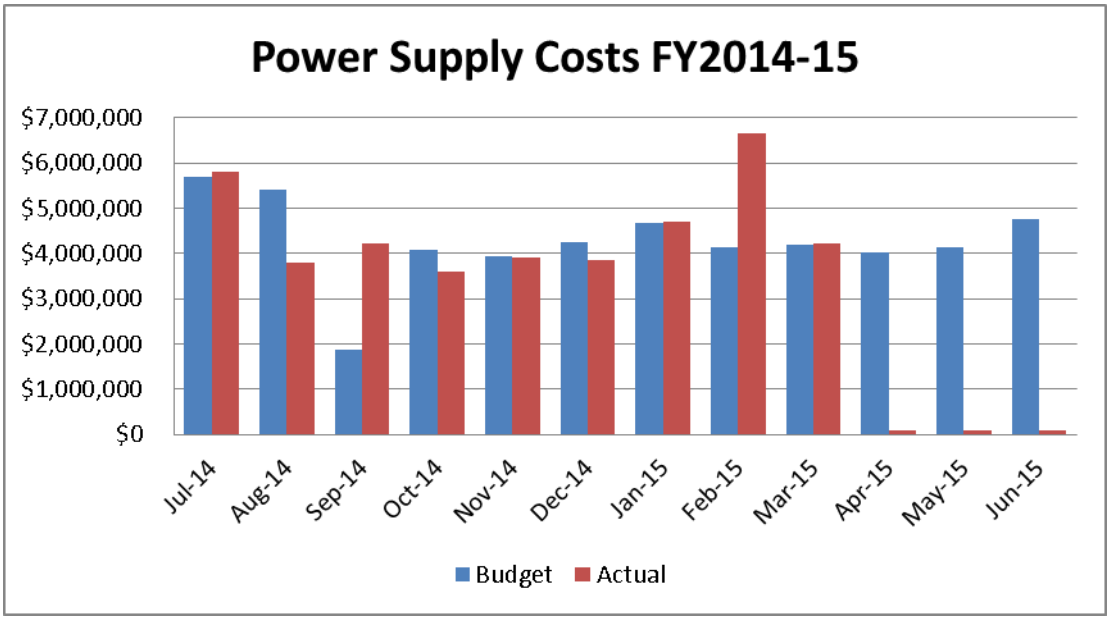
Arline Holloway
Client Services Manager
904.360.1347
aholloway@teainc.org

TABLE OF CONTENTS

I.	Executive Summary	1
II.	Budget Report	12
III.	Operations Management	15
IV.	Appendix	29

I. Executive Summary

a. Power Supply Summary:



Overall Power Supply costs were $17,885 above budget driven by higher Hedged Energy.

Dover's budgeted cost for all power supply (capacity AND energy) was $74.05/MWh. The actual cost of all power supply (capacity AND energy) was $69.32/MWh. The positive $4.73 budget variance was primarily driven by lower PJM Energy, Congestion and Losses.

The cost of energy alone was $46.76/MWh, versus a budgeted energy cost of $48.08 driven by a decrease in market prices.

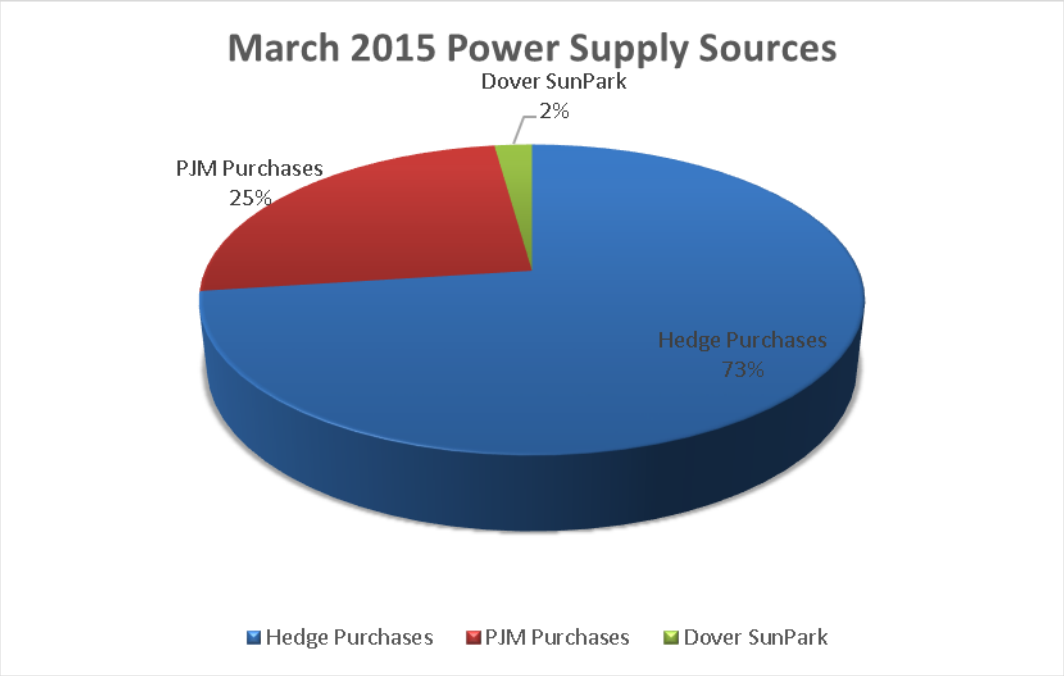
Dover's hedge purchases totaled 44,385 MWh, which was 73% of the actual load. The budgeted hedge purchase totaled 34,056 MWh which was 60% of the budgeted load.

Dover's power purchases from hedge transactions totaled $2,045,647. Purchases from PJM (energy and fees) totaled $1,106,377.75. This number includes DA spot market energy charges of $81,860.14 and Day-ahead Transmission Congestion credit of $43,164.05.

Dover's total load was 60,888 MWh versus a forecasted load of 56,758 MWh.

Dover's planned energy purchase from the SunPark solar installation was 1,605 MWhs. Dover's actual energy purchase from the SunPark installation was 1,327 MWh.

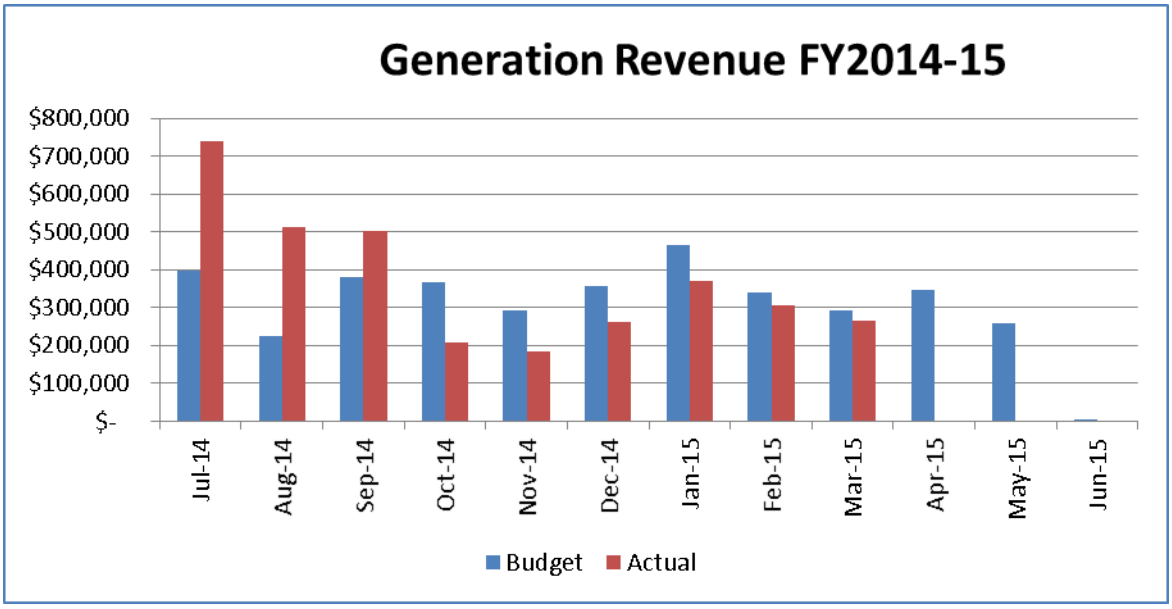
I. Supply Source Summary:



II. Supply Variance:

Purchased Power Variance Report:	March		
	Budget	Actual	Variance
Gross Load	56,758	60,888	(4,130)
Wholesale Load	55,153	59,561	(4,408)
Hedged Volume (MWh)	34,056	44,385	(10,329)
Unhedged Volume (MWh)	21,097	15,176	5,921
Dover SunPark Volume (MWh)	1,605	1,327	278
Renewable Energy Credits Volume	241	144	97
Hedged Cost ($/MWh)	$ 49.32	$ 46.09	$ 3
Unhedged Energy Cost ($/MWh)	$ 41	$ 43	$ (2)
Solar Energy Cost ($/MWh)	$ 115	$ 116	$ (1)
Energy Costs ($/MWh)	$48.08	$46.76	$1.32
All-in Costs - Energy, Capacity and RECs ($/MWh)	$74.05	$69.32	$4.73

b. Generation Summary:



Dover generated 464.95 MWhs in the month. Net generation revenue was $263,813 vs. a budget of $291,274.

Generation Breakdown:

City of Dover

Monthly Wholesale Generation

March 2015

Net Generation
464.95

Production Margin

				Formula
PJM - Generation				
	Economic and Reliability Dispatch	$	15,187.22	**A**
Natural Gas & Oil Consumption				
	Purchases for Generation	$	(19,000.00)	
	Natural Gas Transport	$	(264.72)	
	Eastern Shore Cashout	$	(88.64)	
	Oil Consumption	$	(22,348.04)	
	Subtotal: Natural Gas & Oil Consumption	$	(41,701.40)	**B**
Gross Production Margin		$	(26,514.18)	**C = (A + B)**
$/MWh Generation Production Gross Margin		$	(57.03)	**E = (C/D)**
PJM - Capacity				
	Generation Capacity Credit	$	725,758.98	
	Reactive Supply and Transmission Losses	$	58,278.84	
	Subtotal: PJM - Capacity	$	784,037.82	**F**
All in Generation Margin				
	All in Generation Margin Total	$	757,523.64	**(G = C + F)**

c. Emissions Summary:

Emissions Allowance Summary through March 31st, 2015

2015 The reinstated Cross-State Air Pollution Rule (CSAPR) replaced the Clean Air Interstate Rule (CAIR) beginning January 1, 2015. The final CAIR true-ups for 2014 will occur in 2015, after which CAIR allowances will have no value. To avoid confusion, EPA CAMD should have removed all post-2014 CAIR allowances from the Allowance Tracking System on March 3, 2015.

The State of Delaware was included in the CAIR footprint but is not included in the CSAPR footprint. CAIR allowances cannot be used for CSAPR compliance, so Dover's CAIR allowances essentially became valueless when CSAPR was reinstated.

The separate Clean Air Act acid rain deposition control program (CAA Title IV) which governs SO_2 national allowance trading program will remain in effect, however the CAIR provisions for SO_2 are no longer applicable to Dover's generating units.

Market liquidity for Title IV SO_2 allowances is very low, with few transactions occurring. The following table shows estimated values for Dover's banked allowances, based on mid-point of bids and offers from Evolution Markets.

Beginning with the January 2015 report, TEA no longer includes a CAIR summary. It will continue to report on Dover's Clean Air Act Title IV SO_2 allowances.

Mark Value for Clean Air Act Title IV Allowances			
Commodity	**$/Ton ICE Settlement as of April 15th**	**Tons**	**Market Value**
SO_2 Allowances – Title IV	$0.375	15,018	$ 5,632
TOTAL			**$ 5,632**

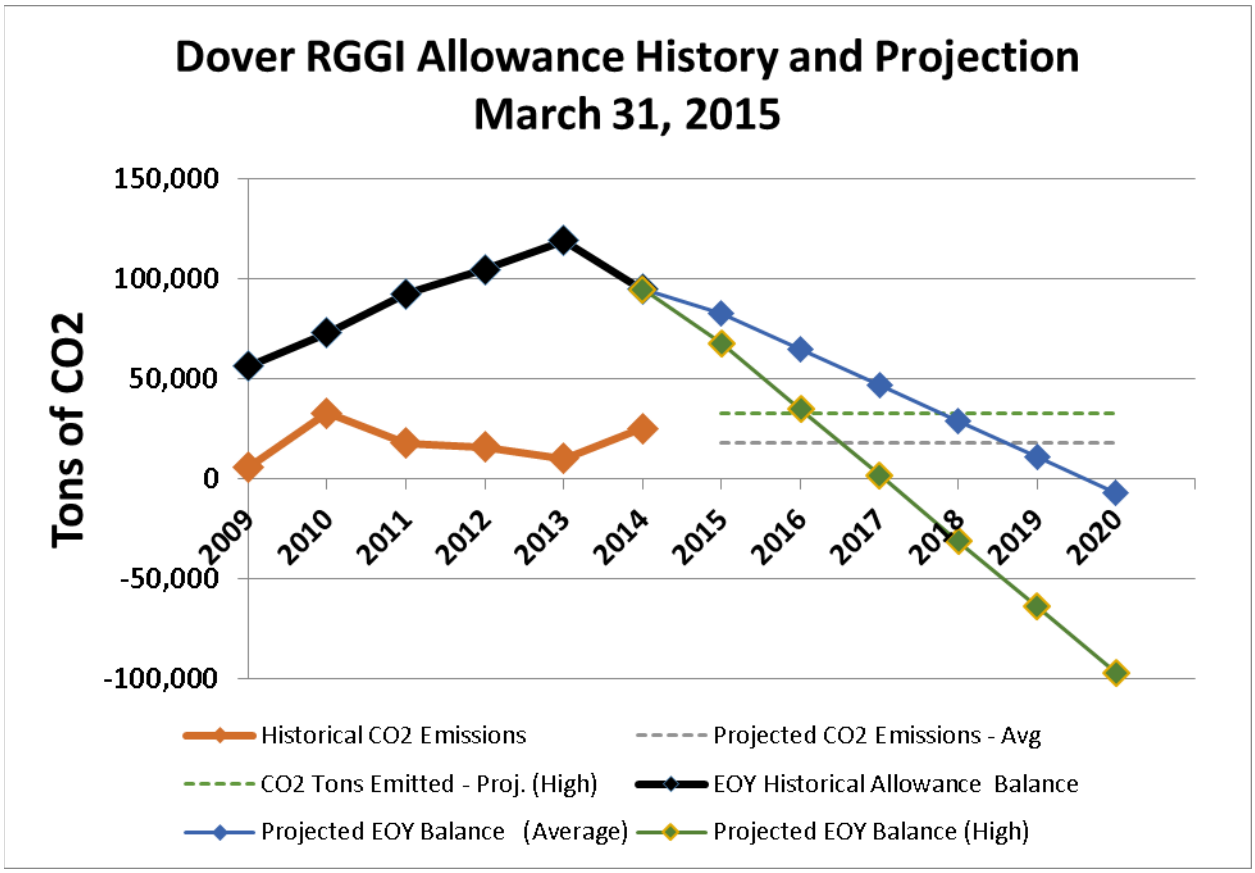
Regional Greenhouse Gas Initiative

The State of Delaware is a participant in the Regional Greenhouse Gas Initiative (RGGI). The City of Dover must comply with RGGI by surrendering carbon dioxide (CO_2) allowances pursuant to the State of Delaware's laws (Title 7, Chapter 60, Sub-Title II-A). Delaware adopted a combined emissions allowance allocation/auction mechanism for RGGI, in which 40% of CO_2 allowances were allocated to sources for 2009, declining by 8% per year so that by 2014, all CO_2 allowances are auctioned.

Dover had more than a sufficient number of RGGI allowances allocated to it to cover its requirements through the first compliance period (calendar years 2009-2011) and second compliance period (2012 –

2014). Any unused allowances are carried over ("banked") for subsequent years. The table below and associated graph is in a new format for the monthly report. It includes Dover's historical activities, and has been enhanced to include projections through 2020. Two projections presented: (1) future annual emissions equal the average for 2009 – 2014, and (2) future annual emissions equal to the highest emissions for 2009 – 2014.

Dover, DE RGGI Allowance History and Forecast - March 31, 2015								
Compliance Year (CY)	CO2 Allowances Purchased	Allocated CO2 Allowances	CO2 Tons Emitted - Historical	EOY Historical Allowance Balance	CO2 Tons Emitted - Proj. (Avg)	CO2 Tons Emitted - Proj. (High)	Projected EOY Balance (Average)	Projected EOY Balance (High)
2009		62,184	5,796	56,388				
2010		49,747	32,971	73,164				
2011		37,311	17,763	92,712				
2012		27,983	15,957	104,738				
2013		24,818	10,213	119,343				
2014	**1,000**	N/A	25,426	94,917			94,917	94,917
2015	**6,000**	N/A	2,221	**98,696**	18,021	33,000	82,896	67,917
2016		N/A			18,021	33,000	64,875	34,917
2017		N/A			18,021	33,000	46,854	1,917
2018		N/A			18,021	33,000	28,833	-31,083
2019		N/A			18,021	33,000	10,812	-64,083
2020		N/A			18,021	33,000	-7,209	-97,083



The table and chart indicate that Dover could run out of banked allowances as early as the end of 2016 under the high emissions scenario and by the end of 2019 under the average scenario. Therefore, Dover has recently initiated a program to participate in RGGI's quarterly auctions to insure it has adequate allowances in the future.

In anticipation of needing additional RGGI allowances in the future, Dover participated in Auction 26 held on December 3, 2014 and Auction 27 held on March 11, 2015. It was awarded 1,000 allowances from its highest price bid, at the auction clearing price of $5.21/ton in Auction 26 and 6,000 allowances in Auction 27 at the auction clearing price of $5.41/ton.

Auction 28 is scheduled for June 3, 2015. TEA and Dover have begun preparations to participate in this upcoming auction.

Based on the April 15, 2015 ICE price for the May 2015 strip ($5.43/ton), the estimated market value of Dover's existing 98,696 ton RGGI allowance bank is $535,919.

Renewable Energy Certificates

Dover owns two photovoltaic systems totaling 15 kW, consisting of (one 5 kW unit at the Utilities Administration Building and two 5 kW units at the McKee Run generating station. Dover also receives solar energy produced by the 10 MW Dover Sun Park which is owned by White Oak Solar Energy, LLC. In addition to the all of the physical energy produced by the Sun Park, Dover receives 15% of Sun Park's Solar Renewable Energy Credits (SRECS).

Dover participates in the Delaware Municipal Electric Corporation's (DEMEC) Renewable Portfolio Standard (RPS) for compliance with the State of Delaware's RPS laws applicable to municipal utilities. The first compliance period under DEMEC's RPS was for the 36 months ending May 2014.

Through the end of February, 2015, Dover had accumulated a total of 6,729 SRECS from these renewable energy resources, net of 2,941 SREC transferred to DEMEC for retirement on October 3, 2014 in accordance with the RPS requirement for the first compliance period.

Delaware periodically holds SRECs auctions, however these auctions are for size tiers N1 – N3, E1 and E2. The Dover Sun Park is in the N4 tier for very large facilities. State-wide carve outs for Tier 4 has been fully subscribed, so there is not a market for tier T4 SRECs in Delaware.

The nearest viable market for Dover's SRECs is Pennsylvania. Daily settlement prices from Flett Exchange Environmental Services (www.flettexchange.com) were used for 2011/12 through 2014/15 vintage allowances. The February 19, 2015 daily settlement prices for Pennsylvania SRECS are used in the table below.

SREC Vintage (June 1 – May 31)	Market Clearing Price	SREC Balance	Market Value
2012/2013	$25.00	2,172	$54,300
2013/2014	$30.00	2,701	81,030
2014/2015	$35.00	1,856	64,960
TOTAL		**6,729**	**$200,290**

Market prices dropped $5.00/SREC between last month's report and this report for the 2014/15 vintages, resulting in a small decline in the market value for banked allowances.

TEA continues to recommend to Dover to retain these allowances for compliance with its Renewable Portfolio Standard (RPS). Additionally, Dover will need to acquire additional SRECs in future years.

d. Operations Management Summary:

During the month of March, there were no reportable lost time accidents. The facility has now gone 77 days without an OSHA recordable accident and 77 consecutive days without a lost time reportable accident. There were no Environmental Notices of Violations or exceedances issued and there were no Near Miss reports. Unit 3 operated 8.4 hours on March 4 in order to complete a capacity test and to clear the derate ticket which was in place due to a fan failure. All units are currently in a planned outage cycle for this month and will be made available as the projected outage work for each unit is completed.
Monthly Budget Variance – The actual expenses attributable to O&M of the two sites for the month of March are $493,711 against a budgeted amount of $480,131 for a unfavorable variance of $13,580 or 2.83%. The principal reasons for the unfavorable variance were due to an unexpected purchase of bulk water treatment chemicals, unplanned repairs to all three boilers and the Unit 3A ID Fan and higher than anticipated electricity costs due to unit operations.

e. Risk Management Summary:

Forward power prices in PJM have increased from last month.

The current projected cost of service is below:

PY	Hedge Ratio	Blended Cost ($/MWh)	Monthly Change ($/MWh)
2014-15	79%	$ 46.44	$ (0.14)
2015-16	65%	$ 43.47	$ (0.27)
2016-17	47%	$ 42.30	$ (0.14)
2017-18	37%	$ 42.54	$ (0.19)
2018-19	22%	$ 42.44	$ (0.22)

TEA
THE EnergyAuthority

II. Budget Report

	Budget Mar-15	Actual Mar-15	Variance
Gross Load	**56,758**	**60,888**	**(4,130)**
Power Supply			
Hedged Energy	$1,679,616	$2,045,647	($366,031)
PJM - Energy, Congestion & Losses	$864,431	647,425	$217,006
PJM - ARR, Transmission and Fees	$543,782	458,953	$84,829
Dover SUN Park Energy	$184,761	$153,863	$30,898
Dover SUN Park RECs	$23,900	$19,932	$3,968
Management Fees	$83,000	$83,000	$0
PJM - Capacity UCAP Obligated Purchased	$823,464	$ 812,018.83	$11,445
Subtotal - Power Supply	**$4,202,954**	**$4,220,839**	**($17,885)**
Power Generation O&M			
Plant O&M	480,131.00	$493,711	(13,580.00)
Subtotal Generation O&M	**480,131.00**	**493,711.00**	**($13,580)**
Power Generation Production Margin			
PJM - Economic and reliability dispatch	$0	$ (15,187.22)	$15,187
Fixed Fuel and Transport Charges	$0	$ 41,701.40	($41,701)
Subtotal Generation Production Margin	**$0**	**$ 26,514.18**	**($26,514)**
Power Generation Non-Production Revenue			
PJM - Generation Capacity Credit	($740,515)	$ (725,758.98)	($14,756)
Capacity Replacement Charge	$11,160	$ -	$11,160
PJM - Reactive Supply & Transmission Losses	($42,050)	$ (58,278.84)	$16,229
Subtotal - Non-Production Revenue	**($771,405)**	**($784,038)**	**$12,633**
SubTotal - All Generation	**(291,274)**	**($263,813)**	**($27,461)**
Total - Utilities Cost	**$3,911,680**	**$3,957,027**	**($45,347)**

Variance Analysis:

Power Supply

- Dover consumed 4,130 MWh more than forecasted for the month.
- The return of seasonal weather normalized system conditions driving a favorable variance for budgeted PJM - Energy, Congestion & Losses of $217,006.
- This resulted in a net power supply cost of $69.32/MWh, $4.73/MWh below budget.
- The city realized an unfavorable variance of $17,885 for power supply vs. the monthly budget.
- Dover Sun Park generated 278 MWh less than forecast.

Generation

- Power generation had an unfavorable budget variance of $27,461.
- Plant O&M expenses had a unfavorable budget variance of $13,580 for the month.

TEA
THE EnergyAuthority

	Budget YTD	Actual YTD	Variance
Gross Load	**561,241**	**572,002**	**(10,761)**
Power Supply			
Hedged Energy	$16,110,987	$16,232,520	($121,533)
PJM - Energy, Congestion & Losses	$9,540,716	$7,898,201	$1,642,515
PJM - ARR, Transmission and Fees	$2,996,251	$3,110,715	($114,464)
Dover SUN Park Energy	$1,336,037	$1,271,110	$64,927
Dover SUN Park RECs	$261,670	$258,548	$3,122
Management Fees	$747,000	$996,000	($249,000)
PJM - Capacity UCAP Obligated Purchased	$7,278,361	$7,162,216	$116,145
Subtotal - Power Supply	**$38,271,022**	**$36,929,310**	**$1,341,712**
Power Generation O&M			
Plant O&M	$4,207,579	$4,435,664	($228,085)
Subtotal Generation O&M	**$4,207,579**	**$4,435,664**	**($228,085)**
Power Generation Production Margin			
PJM - Economic and reliability dispatch	($1,786,240)	($2,388,055)	$601,815
Fixed Fuel and Transport Charges	$1,288,950	$1,551,267	($262,317)
Subtotal Generation Production Margin	**($497,290)**	**($836,789)**	**$339,499**
Power Generation Non-Production Revenue			
PJM - Generation Capacity Credit	($6,545,193)	($6,405,830)	($139,363)
Capacity Replacement Charge	$98,640	$0	$98,640
PJM - Reactive Supply & Transmission Losses	($369,780)	($546,775)	$176,995
Subtotal - Non-Production Revenue	**($6,816,333)**	**($6,952,605)**	**$136,272**
SubTotal - All Generation	**($3,146,044)**	**($3,253,730)**	**$247,686**
Total - Utilities Cost	**$35,164,978**	**$33,575,580**	**$1,589,398**

III. Operations Management

NAES Corporation
Dover, Delaware

March 2015
Monthly Report



Welcome to the New Additions to Our Plant Staff!
Tyler Brown (left), Operator, and Don Mordus, Plant Manager

TEA
THE EnergyAuthority

Table of Contents

1.0 Environmental, Health, and Safety

2.0 Financial

3.0 Operations

4.0 Maintenance

5.0 CIP

6.0 General Plant Information

7.0 Summary of NAES Performance

1.0 Environmental, Health and Safety:

During the month of March, there were no lost time accidents. The facility has gone 77 days through March 30, 2015 without an OSHA Recordable Accident or a Lost Time reportable accident. There were no Near Misses reported in March at McKee Run. The plant received no Notice of Violations (NOVs) during the month. The March DMR will be submitted to DNREC for the McKee Run site once the analytical data is received from the laboratory.

During the month of March, there were twelve IWW discharges to the Kent County Public Works sewer system for a total of 402,068 gallons. The monthly sampling occurred on March 25, 2015. The March SIU Report will be submitted to Kent County Public Works once the analytical data is received from the laboratory. Note: The test results were received in early April which indicated there were no issues except for a slight exceedance in the nickel loading. Kent County Public Works is aware of the slight exceedance and requested plant staff investigate the potential source and continue monitoring for nickel in the next month.

On March 27, 2015, the City of Dover submitted to the Annual Greenhouse Gas Report to EPA. This report documents the CO2, methane and nitrous oxide emitted from electrical generation Units 1, 2, 3 and 11.

As required by the DNREC NPDES permit, McKee Run was required to sample all storm water outfalls (001, 004, 005 and 006) as specified in the October 1, 2014 NPDES permit. The laboratory sample results indicated that all samples were below permissible levels. (The March DMR was submitted with the analytical results from this sampling event.)

In order to comply with the new NPDES permit date October 1, 2014, the McKee Run facility was required by the DRBC to develop and submit a PCB Pollution Management Prevention Plan (PMP) for Outfalls 001 and 004. McKee Run had 180 days from October 1, 2014 to create and submit a PMP. This report was submitted to DRBC on March 30, 2015.

In December 2014, McKee Run was required by the new October 1, 2014 NPDES permit to collect annual Delaware River Basin Commission (DRBC) PCB samples from Outfalls 001 and 004. The samples were analyzed by a lab and the final samples results were sent to DRBC and DNREC for review. The results indicated that PCBs are present in both Outfall 001 and the 004 samples. Additional investigation and monitoring is required to determine the source of these PCBs.

DNREC visited McKee Run on March 11, 2015 to perform a visual inspection of Outfall 005 as a follow-up to the December 23, 2014 annual site inspection. No issues or violations occurred from this inspection. The DNREC representative merely spot checked the plant efforts to improve the conditions around the outfall since the December 2014 inspections. On March 31, 2015, McKee Run voluntarily implemented three improvement projects around Outfall 005. One was burying the existing silt fencing deeper in the ground in anticipation of the spring rain. The second improvement was to manually clean any minor sediment build-up on or around the silt sack material covering the drain grate, rinses the reusable silt sack with water and reinstalled it silt sacks over the drain grates. The third improvement was to place clean stone around the drain to hold back any sediment from entering the drain until the final grading and reseeding project for this area is completed. An improvement report, along with photographs, was submitted to DNREC to document the improvements.

Environmental, Health, and Safety Statistics		
	Month (March)	Fiscal Year to Date (7/1/14-6/30/15)
NOVs	0	0
Opacity Deviations	4	5
Environmental Deviations	0	0
OSHA Recordable	0	1
OSHA LTA's	0	1
First Aid cases	0	0
Restricted Workday Accident	0	0
Near Miss	0	14
Man Hours Worked	4,267.5	92,434.75
Date last OSHA Recordable		1/12/15
Date last Lost Time Accident		1/12/15
Days since last OSHA recordable		77
Days since last Lost Time Accident		77

SO_2 Allowances Summary					
SO_2 Allowance Vintage	**SO_2 Allowances Sold - YTD**	**SO_2 Allowances Available (Per Unit, Prior to Sale & Reconciliation)**		**Total SO_2 Tons Emitted– U3 and U11 YTD**	**SO_2 Allowances Balance***
		Unit #3	***Unit #11***		
2013 and earlier	0	10,365	690	2	11,053
2014	0	1850	138	1	1,987
2015	0	1850	138	10	1,978
			Total SO2 Allowance Balance		**15,018**
***Note – Emissions allowances are deducted according to oldest vintage first, unless otherwise directed.**					

CO2 Allowance Summary					
CO2 Allowance Vintage	**CO2 Allowances Bought/Sold YTD**	**CO2 Allowances Available (Per Facility, Prior to Sale)***		**Total CO2 Tons Emitted**	**CO2 Allowance Balance**
		McKee Run	***VanSant***		
2014 and earlier	1,000	194,244	7,799	108,126	94,917
2015	6,000	2,176	403	2,579	3,421
			Total CO2 Allowance Balance		**98,338**

***Note: CO2 allowance values are provided by the RGGI CO2 Allowance Tracking System.**
****Note: 6,000 CO2 Tons Purchased in 2015 Auction**

NOx Summary – Ozone Season (May-Sep) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2013	1.1	1.7	19.3	1.3	23.4
2014	0.4	0.6	35.0	0.8	36.8
2015	0.0	0.0	0.0	0.0	0.0
NOx Summary - Year (Jan-Dec) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2013	1.1	1.7	19.4	1.3	23.5
2014	0.8	1.1	39.8	3.7	45.4
2015	0.0	0.0	2.1	1.2	3.3
SO_2 Summary - Year (Jan-Dec) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2012	0.0	0.0	0.0	0.1	0.1
2014	0.0	0.0	0.4	0.6	1.0
2015	0.0	0.0	9.6	0.4	10.0

2.0 Financial

Financial – Current Month

Month – March			
	Actual	Budget	Variance
Personnel	299,579	369,500	69,921
Materials & Supplies	17,294	9,950	(7,344)
Administrative Expenses	176,838	100,681	(76,157)
Total	**$493,711**	**$480,131**	**($13,580)**

Financial – Fiscal Year to Date

Number of Months – 9			
	Actual	Budget	Variance
Personnel	2,348,859	2,547,300	198,441
Materials & Supplies	229,764	190,400	(39,364)
Administrative Expenses	1,581,738	1,469,879	(111,859)
Total	**$4,160,361**	**$4,207,579**	**$47,218**

2.1 Variance analysis:

The actual expenses for the month of March are $493,711 against a budgeted amount of $480,131 for an unfavorable variance of $13,580 or 2.83%. The variance was due to the following:

PERSONNEL EXPENSES – A favorable monthly variance of $69,921 was due to having three (3) payroll periods budgeted but only two (2) payroll periods expensed in addition to having a less than full complement of staff. The favorable variance was offset somewhat by higher than anticipated overtime costs to support forced outage repairs. As a result, this impacted three (3) labor accounts – Straight Time, Overtime, and Labor Burdens.

MATERIALS AND SUPPLIES EXPENSES- An unfavorable monthly variance of $7,344 was due to an unanticipated purchase of bulk water treatment chemicals.

ADMINISTRATIVE EXPENSES – An unfavorable monthly variance of $76,157 due to the required repairs to all three boilers and to the Unit #3A ID fan (bearing failure) and higher than anticipated electricity costs due to unit operations.

The forecasted expenses for this fiscal year are $6,064,007 expensed versus an approved budget of $6,141,100 thereby realizing a 98.74% expenditure rate.

3.0 Operations

Unit Operations / Outages / Trips: On March 2, Units 1, 2, and 11 started the spring planned outage at 700 hours. Unit 3 operated 8.4 hours on March 4 in order to complete a capacity test and to clear the derate ticket which was in place due to the fan failure. Upon completion of the capacity test, the unit was taken offline and the unit started its spring planned outage.

Month – March 2015							
		McKee Unit 1	McKee Unit 2	McKee Unit 3	MRS Facility	VanSant Unit 11	Total All Units
Capacity	MW	17	17	102	136	39	175
On Line Hours	Hrs	0.0	0.0	8.400	8.400	0.0	8.400
Starts	#	0	0	1	1	0	1
Gross Generation	MWh	0.0	0.0	505.931	505.931	0.0	505.931
Net Generation	MWh	0.0	0.0	467.549	467.549	0.0	467.549
Total Auxiliaries	MWh	0.0	0.0	234.909	234.909	0.0	234.909
Auxiliaries purchased	MWh	33.333	33.333	196.527	263.193	8.276	271.469
Fuel Gas Used#	MMBTU	0.0	0.0	4,761	4,761	0.0	4,761
Fuel Oil Used	MMBTU	0.0	0.0	968	968	0.0	968
Fuel Oil Used	Gallons	0.0	0.0	7,077	7,077	0.0	7,077
Total Fuel	MMBTU	0.0	0.0	5,730	5,730	0.0	5,730
Net Heat Rate	BTU/KWh	0.0	0.0	12,257	12,257	0.0	12,257
Unit Trips	#	0	0	0	0	0	0
Capacity Factor	%	0.0	0.0	0.62	0.46	0.0	0.36
Availability Factor	%	4.17	4.17	11.99	6.78	4.17	6.13
Commercial Unavailability (CU)	%	0.0	0.0	0.0	0.0	0.0	0.0
Planned Outage Hours	Hours	712.000	712.000	653.930	2077.930	712.000	2789.930
Maintenance Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Forced Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Shutdown Hours	Hours	31.000	31.000	0.0	62.0	31.00	93.00
HW Boiler Gas Usage	MMBTU				1,430		1,430
Pilot Gas Usage	MMBTU	0.0	0.0		0.0		0.0

 # Note: Does not include HWB or Pilot Gas. Fuel usage numbers are taken from fuel flow instruments.

2014-2015 Fiscal Year-to-Date (9 Months)							
		McKee Unit 1	McKee Unit 2	McKee Unit 3	MRS Facility	VanSant Unit 11	Total All Units
Capacity	MW	17	17	102	136	39	175
On Line Hours	Hrs	30.966	35.134	491.432	557.532	27.700	585.232
Starts	#	3	5	36	44	6	50
Gross Generation	MWh	261.694	252.941	24,778.323	25,292.958	981.195	26,274.153
Net Generation	MWh	247.853	233.930	22,552.917	23,034.700	970.476	24,005.176
Total Auxiliaries	MWh	247.197	252.367	4,304.898	4,804.462	34.862	4,839.324
Auxiliaries purchased	MWh	266.689	266.689	2,129.612	2,662.990	42.419	2,705.409
Fuel Gas Used	MMBTU	3,780.381	3,255.417	243,226.480	250,262.278	7,544.726	257,807.004
Fuel Oil Used	MMBTU	0.0	0.0	20,793.918	20,793.918	5,209.202	26,003.120

Fuel Oil Used	Gallons	0.0	0.0	150,686	150,686	37,645	188,331
Total Fuel	MMBTU	3,780.381	3,255.417	264,020.398	271,056.196	12,753.928	283,810.124
Net Heat Rate	BTU/KWh	15.253	13.916	12.257	13.808	13.121	13.464
Unit Trips	#	1	3	1	5	1	6
Capacity Factor	%	0.22	0.21	3.36	2.54	0.38	2.06
Availability Factor	%	63.36	62.17	59.41	61.65	66.17	62.78
Commercial Unavailability (CU)	%	2.81	4.01	4.00	3.60	0.0	2.70
Planned Outage Hours	Hours	2,224.00	2,224.00	2,405.930	6,853.930	2,224.00	9,077.930
Maintenance Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Forced Outage Hours	Hours	184.920	263.500	255.157	703.577	0.0	703.577
Reserve Shutdown Hours	Hours	4,135.114	4,052.366	3,414.814	11,602.294	4,323.300	15,925.594
HW Boiler Gas Usage	MMBTU				6,455.055		6,455.055
Pilot Gas Usage	MMBTU	527.631	623.391		1,151.022		1,151.022

Fuel Oil Inventory

	Monthly Inventory (Start)	Monthly Inventory (End)	Fuel Purchases (Month)	Monthly Inventory (Change)	FY 14-15 Inventory (Start)	Fuel Purchases (FYTD)	FY 14-15 Inventory (Change)
McKee Run (#2 Fuel Oil)	738,488	731,438	0	7,050	452,963	451,198	278,475
VanSant (#2 Fuel Oil)	221,980	223,497	0	1,517	73,572	186,592	149,925

Note: As measured by tank level instruments. Tank levels may change due to oil temperature .

VanSant Lifetime through March 2015

	Actual Starts	Factored Starts	Fired Hours
VanSant	1373	2352.75	4344.6
Since HGP - Dec 2004	262	685.05	961.02

Team Report:

The Operations staff continues to support maintenance activities during the planned outage by serving as Confined Space Attendants for confined space areas as well as other support tasks. They assisted in the natural gas line purge on Unit 3 and on Unit 11 at VanSant. The Operations staff has also supported the outage by performing various LO/TO tasks needed to test or place equipment in or out or service.

Operations personnel continue to support maintenance by working on Preventative Maintenance (PM) work orders and other work orders that they have the skills to successfully complete the task. The Operations Department continues to utilize the Day Shift Workers in both the Operations and Maintenance areas to assist with maintenance of the plant.

The Plant Operations staff participated in simulation training held by OES-NA training which helps prepare them for the PJM Certified System Operator exam and provides some of the required continuing education hours (CEHs) necessary to maintain PJM Certified System Operator qualifications.

4.0 Maintenance

During the month of March, the Plant Maintenance staff continued addressing the backlog of work orders. Back logged Work Orders are work orders that have been open for great than 30 days. There was seventy-eight work orders issued with ninety work orders being completed during the month. There were no safety work orders entered into the plant's Computerized Maintenance Management System (MP2). The table below summarizes the monthly work order activities based on MP2 records and will improve with time. This table gives a clearer picture of outstanding work; PM's and back logged work items.

City of Dover – McKee Run & VanSant Work Order Backlog									
Site	**WO Type**	**Starting WO Backlog**	**Received WOs**	**Total WOs**	**Comp WOs**	**Completed Received WOs**	**Total Completed WOs**	**End Backlog**	**Total Open WO's**
McKee Run		1	0	1	1	0	1	0	0
	CIP	16	2	18	1	1	2	15	16
	CM	73	24	97	30	18	48	43	49
	EW	3	0	3	0	0	0	3	3
	PM	86	46	132	28	0	28	58	104
	PR	18	1	19	0	0	0	18	19
	RO	39	2	41	6	2	8	33	33
	SP	12	0	12	0	0	0	12	12
	SW	0	0	0	0	0	0	0	0
Site Totals		**248**	**75**	**323**	**66**	**21**	**87**	**182**	**236**
Site	**WO Type**	**Start Backlog**	**Received WOs**	**Total WOs**	**Comp WOs**	**Completed Received WOs**	**Total Completed WOs**	**End Backlog**	**Total Open WO's**
VanSant	CIP	3	0	3	0	0	0	3	3
	CM	10	0	10	1	0	1	9	9
	PM	16	3	19	2	0	2	14	17
	SP	4	0	4	0	0	0	4	4
	SW	0	0	0	0	0	0	0	0
Site Totals		**33**	**3**	**36**	**3**	**0**	**3**	**30**	**33**

Notable activities during the month include:

The NAES Maintenance staff started the removal and replacement of the condensate lines that run to the outdoor storage tank into the main plant. The lines were damaged in part from the winter freeze as well from exposure to the weather over time.

The NAES IC&E Staff and STI CEMS completed the first quarterly opacity audits. The monitors and blowers were checked for proper settings and voltage readings. The purge air filters were changed out. Units 1, 2, 3 and 11 audits were completed with no issues identified.

The NAES IC&E Staff and Preferred Electrical Inc. completed the power and control wiring for the wet compression system. The wiring was installed and then terminated per project wiring diagrams.

5.0 Capital Improvement Projects (CIP)

Project Number	Description	Update
EG1212	Unit 3 Turbine Repairs	Progress: Spring activities include the replacement of the turbine supervisory equipment probes and panel and performing balancing of the turbine thereafter. Contractors were onsite to review/tune work schedule. Schedule: Parts are on order with expected delivery date of early-to-mid April. Contractors will be back onsite to remove bearings for modifications and to install vibration monitoring equipment.
EG1402	Unit #3 Cooling Tower Repairs	Progress: Final checkout completed. Schedule: Still have not received final report and invoicing in order to close out the project.
EG1406	McKee Run HEP Pipe Repairs	Progress: Work is complete and final report has been received. Schedule: Project is complete.
EG1407	Metering System Upgrades	Progress: Project on Hold. Schedule: Project is on Hold until next year when RFP process will begin again. Project would be slated to be completed once Units 1 and 2 are taken out of service.
EG1416	VanSant Capacity Increase	Progress: The secondary breaker equipment and additional MCC equipment has been tied in electrically and is presently in service. Load side electrical wiring is almost complete excepting terminations of the cables. PLC programming work released to begin after conference call with Mee Industries. Schedule: Mechanical installation to start at beginning of April.
EG1503	Unit #3 Auxiliary System Component Replacement	Progress: Work is complete. Schedule: Work is complete.
EG1504	Unit#3 Boiler System Repairs	Progress: Work scopes are finalized with some work in progress. Tube samples have yet to be sent out for analysis. CEMS Sample line work will be completed in April. Schedule: Work is primarily on schedule to be completed.
EG1505	VanSant Station Component Replacement	Progress: Project on Hold due to funding removed to support other CIPs. Schedule: Project on Hold due to funding removed to support other CIPs.
EG1506	McKee Run/VanSant Safety Improvements	Progress: Updated Drawings and Arc Flash modifications are scheduled to be completed in April. Schedule: Project on schedule to completed this FY.
EG1507	McKee Run Units #1-#2 Component Replacement	Progress: Project on Hold Schedule: Project on Hold
EG1508	McKee Run/VanSant Structural Preservation	Progress: Project on Hold Schedule: Project on Hold

6.0 General Plant Information

Plant Staff welcomed Don Mordus on March 30, 2015, as the new Plant Manager for McKee Run Generating Station. Don most recently held the position of Project Manager II with NAES in their New Castle, DE office, and brings a strong background of Plant and Project Management experience with him.
In addition, Tyler Brown was welcomed as a new Operator with McKee Run. Tyler comes to us from Ohio, but is a native Eastern Shore native, along with his family. Tyler is a 2007 graduate of The Williamson Free School of Mechanical Trades in Media, PA, and brings his experience in boilers, steam turbines and cooling towers. We look forward to working with Tyler and incorporating him into our team.

On-going efforts are being made to fill one (1) open Operator positions. Several interviews have been held in this effort.

Training:

OES-NA will be here for simulation training on April 9 and 10. The two day, eight hour course will focus on Voltage Control, Congestion Management, Disturbance Response, and Restoration. This training will help operators maintain their PJM certification.

Topics discussed during the monthly safety committee meeting were reviewed by the entire staff. The monthly safety topic was on "General Safety-Take Two".

7.0

Calendar of Events	Date
NOx Emissions Reconciliation Due	March 1, 2015
SO2 Emissions Reconciliation Due	March 1, 2015
SARA III / Tier II Report Due	March 1, 2015
Units 1, 2, and 3 Spring Outage	March 2, 2015 – May 29, 2015
Unit 11 Spring Outage	March 2, 2015 – May 29, 2015
Air Emission Inventory	April 30, 2015
NOx Ozone Season Starts	May 1, 2015
EIA-860 Reporting Due	May 4, 2015
EIA-923 Reporting Due	May 15, 2015
PJM Summer Capacity Test Period	June 1, 2015 – August 31, 2015
FY 2014-201454 Budget Year Begins	July 1, 2015
Toxic Release Inventory (TRI) Annual Report	July 1, 2015
Semi-Annual Title V Certification Due	July 31, 2015
NOx Ozone Season Ends	September 30, 2014
Annual VanSant Black Start Test	TBD
Units 1, 2, 3 and 11 Fall Outage Starts	TBD
Winter Capacity Period	December 1, 2015 to February 28, 2016
Title V Annual Certifications Due	January 31, 2016

Summary of NAES Performance to Date

Plant Performance FY 2014-2015				
Measure	Month	Year to Date	YTD Incentive	FY Maximum Incentive

Commercial Unavailability (CU)	0.0%		2.66%		$0	$96,875
Safety	0		1		$9,082	$18,163
Environmental	0		0		$18,163	$18,163
Capacity Tests Completed	Summer	Winter	Summer	Winter		
Unit 1	No	No	Yes	Yes*	$3,634	$3,634
Unit 2	No	No	Yes	Yes*	$3,634	$3,634
Unit 3	No	No	Yes	Yes	$21,797	$21,797
Unit 11	No	No	Yes	Yes	$7,266	$7,266
Total YTD Incentive %	37.50%		*Total YTD Incentive*		$63,576	$169,532

Note*: All units have successfully completed the Summer (FY 2014-2015) Testing for PJM and were entered in the PJM Winter Capacity Test Exemption Program. Unit 11 and Unit 3 successfully completed capacity testing for the Winter period. Units 1 and 2 did not come online so were included in the Winter Exemption Program.

Capacity Testing – FY 2014-2015

Summer 2014 (June 1- Aug 31)			**Winter 2014-2015 (Dec 1- Feb 28)**		
Unit	Rated Net Capability (MW)	Reported Net Capability (MW)	Unit	Rated Net Capability (MW)	Reported Net Capability (MW)
1	17	17.4	1	17	17*
2	17	17.5	2	17	17*
3	102	103.99	3	102	102^
11	39	39.8#	11	39	39
Total	175	175	Total	175	175

Note: * Denotes Unit qualified for the PJM Winter Demonstration Period Exemption Program.
Note: # Depicts Net Corrected Capacity for Ambient Air Conditions – VanSant Unit only
Note: ^ Depicts Derated Capacity Test Results. Derate was for 66 MW. Full Capacity Test was performed on March 4, 2015.

IV. Appendix 1 – PJM Invoice Breakdown

Sum of Monthly	Gen	Load	Grand Total
Auction Revenue Rights		$ (10,639.62)	$ (10,639.62)
Balancing Operating Reserve		$ 8,165.35	$ 8,165.35
Balancing Operating Reserve for Load Response		$ (7.17)	$ (7.17)
Balancing Spot Market Energy		$ 10,435.62	$ 10,435.62
Balancing Transmission Congestion		$ (866.97)	$ (866.97)
Balancing Transmission Losses		$ 497.84	$ 497.84
Black Start Service		$ 1,920.22	$ 1,920.22
Capacity Resource Deficiency		$ (461.94)	$ (461.94)
Capacity Transfer Rights		$ 11.76	$ 11.76
CT Lost Opportunity Cost Allocation		$ (9.36)	$ (9.36)
Day-Ahead Load Response Charge Allocation		$ 587.92	$ 587.92
Day-ahead Operating Reserve		$ 5,557.42	$ 5,557.42
Day-ahead Operating Reserve for Load Response		$ 116.24	$ 116.24
Day-ahead Scheduling Reserve		$ 602.72	$ 602.72
Day-ahead Spot Market Energy		$ 81,860.14	$ 81,860.14
Day-ahead Transmission Congestion		$ (43,164.05)	$ (43,164.05)
Day-ahead Transmission Losses		$ 4,315.70	$ 4,315.70
Expansion Cost Recovery		$ 403.00	$ 403.00
FERC Annual Recovery		$ 4,085.33	$ 4,085.33
Generation Deactivation Refund		$ (621.16)	$ (621.16)
Inadvertent Interchange		$ (4.39)	$ (4.39)
Load Management Test Failure		$ (279.93)	$ (279.93)
Load Reconciliation for Balancing Operating Reserve		$ (28.99)	$ (28.99)
Load Reconciliation for Day-ahead Scheduling Reserve		$ (0.48)	$ (0.48)
Load Reconciliation for FERC Annual Recovery		$ (23.16)	$ (23.16)
Load Reconciliation for Inadvertent Interchange		$ (3.85)	$ (3.85)
Load Reconciliation for Market Monitoring Unit (MMU) Funding		$ (1.36)	$ (1.36)
Load Reconciliation for Non-Synchronized Reserve		$ (2.77)	$ (2.77)
Load Reconciliation for North American Electric Reliability Corporation (NERC)		$ (4.08)	$ (4.08)
Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding		$ (0.24)	$ (0.24)
Load Reconciliation for PJM Scheduling, System Control and Dispatch Service		$ (71.39)	$ (71.39)
Load Reconciliation for Reactive Services		$ (5.36)	$ (5.36)
Load Reconciliation for Regulation and Frequency Response Service		$ (59.48)	$ (59.48)
Load Reconciliation for Reliability First Corporation (RFC)		$ (6.64)	$ (6.64)
Load Reconciliation for Schedule 9-6 - Advanced Second Control Center		$ (6.98)	$ (6.98)
Load Reconciliation for Spot Market Energy		$ (12,811.23)	$ (12,811.23)
Load Reconciliation for Synchronized Reserve		$ (38.44)	$ (38.44)
Load Reconciliation for Transmission Congestion		$ (716.97)	$ (716.97)
Load Reconciliation for Transmission Losses		$ (566.47)	$ (566.47)
Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service		$ (25.69)	$ (25.69)
Locational Reliability		$ 157,598.28	$ 157,598.28
Market Monitoring Unit (MMU) Funding		$ 130.05	$ 130.05
Meter Error Correction		$ 11,854.65	$ 11,854.65
Network Integration Transmission Service		$ 76,990.92	$ 76,990.92
Non-Firm Point-to-Point Transmission Service		$ (1,021.38)	$ (1,021.38)
Non-Synchronized Reserve		$ 1,451.83	$ 1,451.83
North American Electric Reliability Corporation (NERC)		$ 719.51	$ 719.51
Organization of PJM States, Inc. (OPSI) Funding		$ 34.19	$ 34.19
PJM Scheduling, System Control and Dispatch Service - Advanced Second Control Center		$ 1,612.18	$ 1,612.18
PJM Scheduling, System Control and Dispatch Service - Capacity Resource/Obligation Mgmt.		$ 952.63	$ 952.63
PJM Scheduling, System Control and Dispatch Service - Control Area Administration		$ 10,316.98	$ 10,316.98
PJM Scheduling, System Control and Dispatch Service - Market Support		$ 2,378.13	$ 2,378.13
PJM Scheduling, System Control and Dispatch Service - Market Support Offset		$ (270.36)	$ (270.36)
PJM Scheduling, System Control and Dispatch Service - Regulation Market Administration		$ 81.56	$ 81.56
PJM Settlement, Inc.		$ 270.36	$ 270.36
Reactive Services		$ (152.48)	$ (152.48)
Reactive Supply and Voltage Control from Generation and Other Sources Service	$ (29,467.58)	$ 35,799.79	$ 6,332.21
Real-Time Load Response Charge Allocation		$ 217.39	$ 217.39
Regulation and Frequency Response Service		$ 19,909.45	$ 19,909.45
Reliability First Corporation (RFC)		$ 1,170.74	$ 1,170.74
RPM Auction	$ (140,469.48)		$ (140,469.48)
Synchronized Reserve		$ 13,148.49	$ 13,148.49
Transmission Enhancement		$ 4,194.81	$ 4,194.81
Transmission Losses	$ (4,203.73)		$ (4,203.73)
Transmission Owner Scheduling, System Control and Dispatch Service		$ 4,530.44	$ 4,530.44
Grand Total	**$ (174,140.79)**	**$ 390,049.25**	**$ 215,908.46**

Monthly Management Committee Update – April 2015

May 28th 2015

Prepared by:

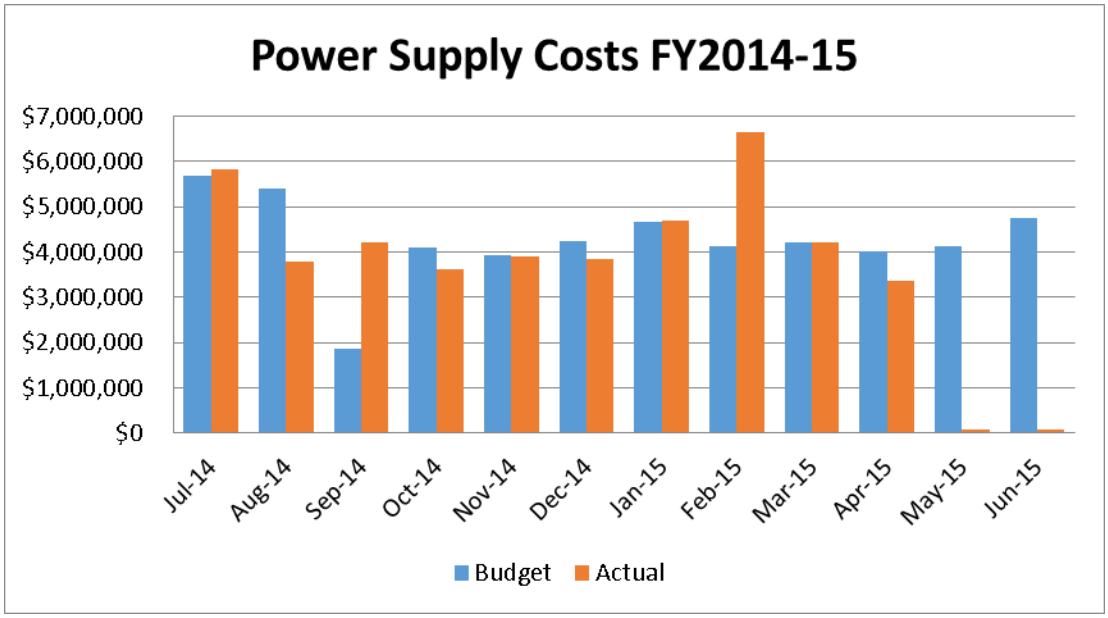
Arline Holloway
Client Services Manager
904.360.1347
aholloway@teainc.org

TABLE OF CONTENTS

I.	Executive Summary	1
II.	Budget Report	12
III.	Operations Management	15
IV.	Appendix	29

I. Executive Summary

a. Power Supply Summary:



Overall Power Supply costs were $641,484 below budget driven by highly negative PJM Energy congestion and low PJM Energy costs.

Dover's budgeted cost for all power supply (capacity AND energy) was $75.48/MWh. The actual cost of all power supply (capacity AND energy) was $64.78/MWh. The positive $10.70 budget variance was also primarily driven by lower PJM Energy, Congestion and Losses.

The cost of energy alone was $39.38/MWh, versus a budgeted energy cost of $51.57.

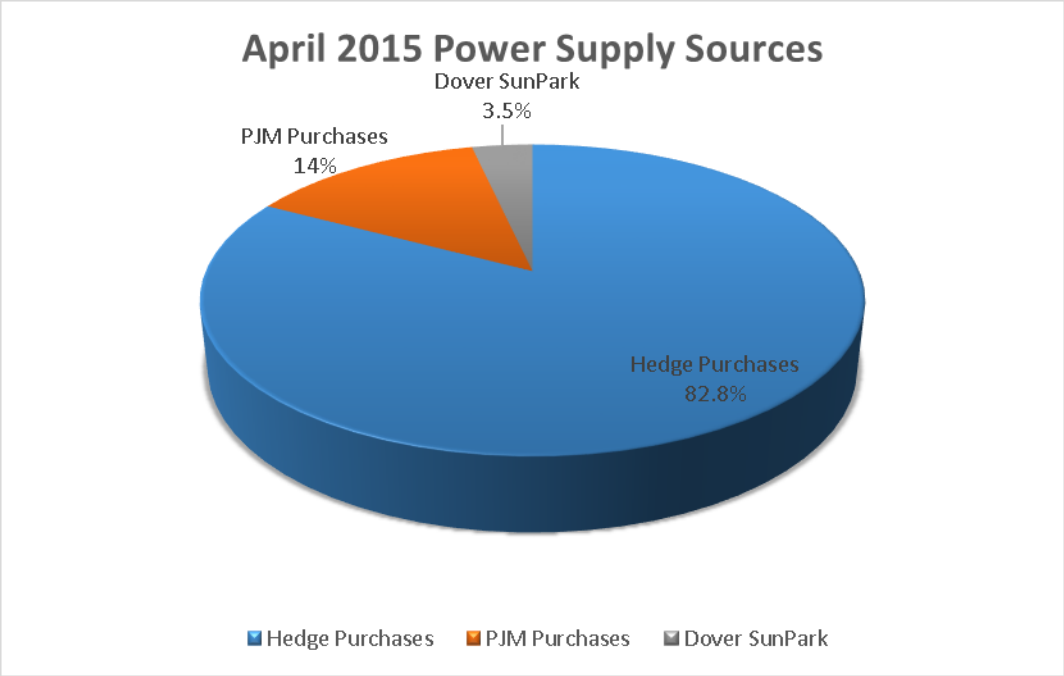
Dover's hedge purchases totaled 43,040 MWh, which was 82.79% of the actual load. The budgeted hedge purchase totaled 40,304 MWh which was 76% of the budgeted load.

Dover's power purchases from hedge transactions totaled $1,959,322. Purchases from PJM (energy and fees) totaled $1,085,417.63. This number includes DA spot market energy charges of $257,835.76 and Day-ahead Transmission Congestion credit of ($307,981.12).

Dover's total load was 51,985 MWh versus a forecasted load of 53,116 MWh.

Dover's planned energy purchase from the SunPark solar installation was 2,100 MWhs. Dover's actual energy purchase from the SunPark installation was 1,830 MWh.

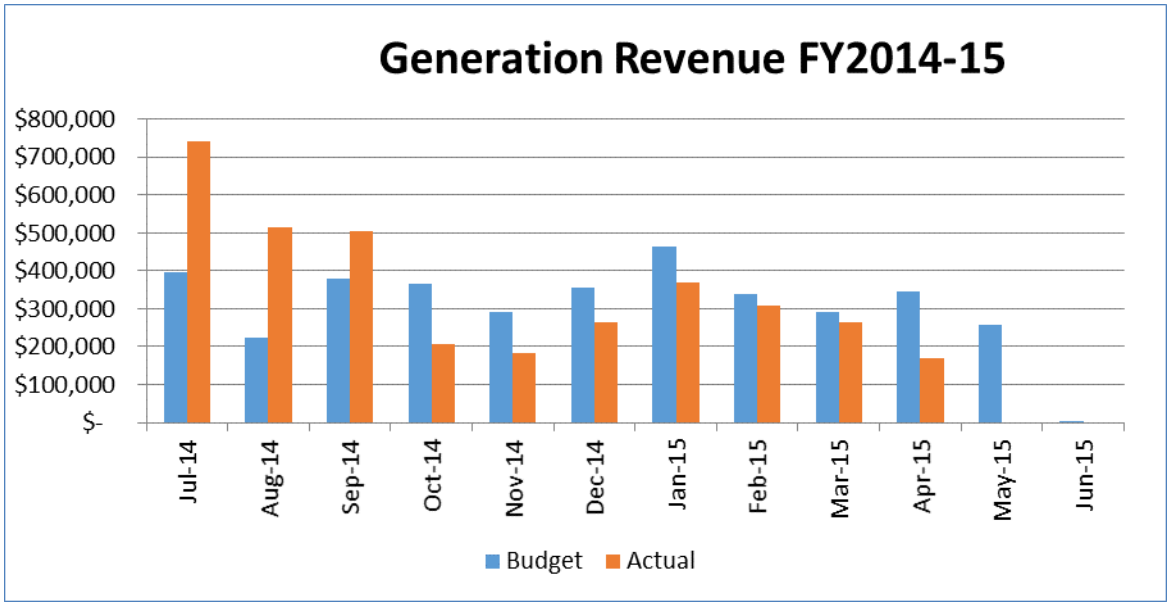
I. Supply Source Summary:



II. Supply Variance:

Purchased Power Variance Report:	April		
	Budget	Actual	Variance
Gross Load	53,116	51,985	1,131
Wholesale Load	51,016	50,155	861
Hedged Volume (MWh)	40,304	43,040	(2,736)
Unhedged Volume (MWh)	10,712	7,115	3,597
Dover SunPark Volume (MWh)	2,100	1,830	270
Renewable Energy Credits Volume	315	199	116
Hedged Cost ($/MWh)	$ 47.90	$ 45.52	$ 2
Unhedged Energy Cost ($/MWh)	$ 52.92	$ (17.46)	$ 70
Solar Energy Cost ($/MWh)	$ 115	$ 116	$ (1)
Energy Costs ($/MWh)	**$51.57**	**$39.38**	**$12.19**
All-in Costs - Energy, Capacity and RECs ($/MWh)	**$75.48**	**$64.78**	**$10.70**

b. Generation Summary:



Net generation revenue for the month of April was $170,916 vs. a budget of $346,820.

Generation Breakdown:

City of Dover

Monthly Wholesale Generation

April 2015

Net Generation

0.00

Production Margin

PJM - Generation				
	Economic and Reliability Dispatch	$	-	A
Natural Gas & Oil Consumption				
	Purchases for Generation	$	-	
	Natural Gas Transport	$	-	
	Eastern Shore Cashout	$	-	
	Oil Consumption	$	-	
	Subtotal: Natural Gas & Oil Consumption	$	-	B
Gross Production Margin		$	-	C = (A + B)
$/MWh Generation Production Gross Margin		$	-	E = (C/D)
PJM - Capacity				
	Generation Capacity Credit	$	702,347.40	
	Reactive Supply and Transmission Losses	$	34,698.10	
	Subtotal: PJM - Capacity	$	737,045.50	F
All in Generation Margin				
	All in Generation Margin Total	$	737,045.50	(G = C + F)

c. *Emissions Summary:*

Emissions Allowance Summary through April 30, 2015

The reinstated Cross-State Air Pollution Rule (CSAPR) replaced the Clean Air Interstate Rule (CAIR) beginning January 1, 2015. The final CAIR true-ups for 2014 will occur in 2015, after which CAIR allowances will have no value.

The State of Delaware was included in the CAIR footprint but is not included in the CSAPR footprint. CAIR allowances cannot be used for CSAPR compliance, so Dover's CAIR allowances essentially became valueless when CSAPR was reinstated.

The separate Clean Air Act acid rain deposition control program (CAA Title IV) which governs SO_2 national allowance trading program will remain in effect, however the CAIR provisions for SO_2 are no longer applicable to Dover's generating units.

Market liquidity for Title IV SO_2 allowances is very low, with few transactions occurring. The following table shows estimated values for Dover's banked allowances, based on mid-point of bids and offers from Evolution Markets.

Beginning with the January 2015 report, TEA no longer includes a CAIR summary. It will continue to report on Dover's Clean Air Act Title IV SO_2 allowances.

Mark Value for Clean Air Act Title IV Allowances			
Commodity	**$/Ton ICE Settlement as of May**	**Tons**	**Market Value**
SO_2 Allowances – Title IV	$0.375	15,018	$ 5,632
TOTAL			**$ 5,632**

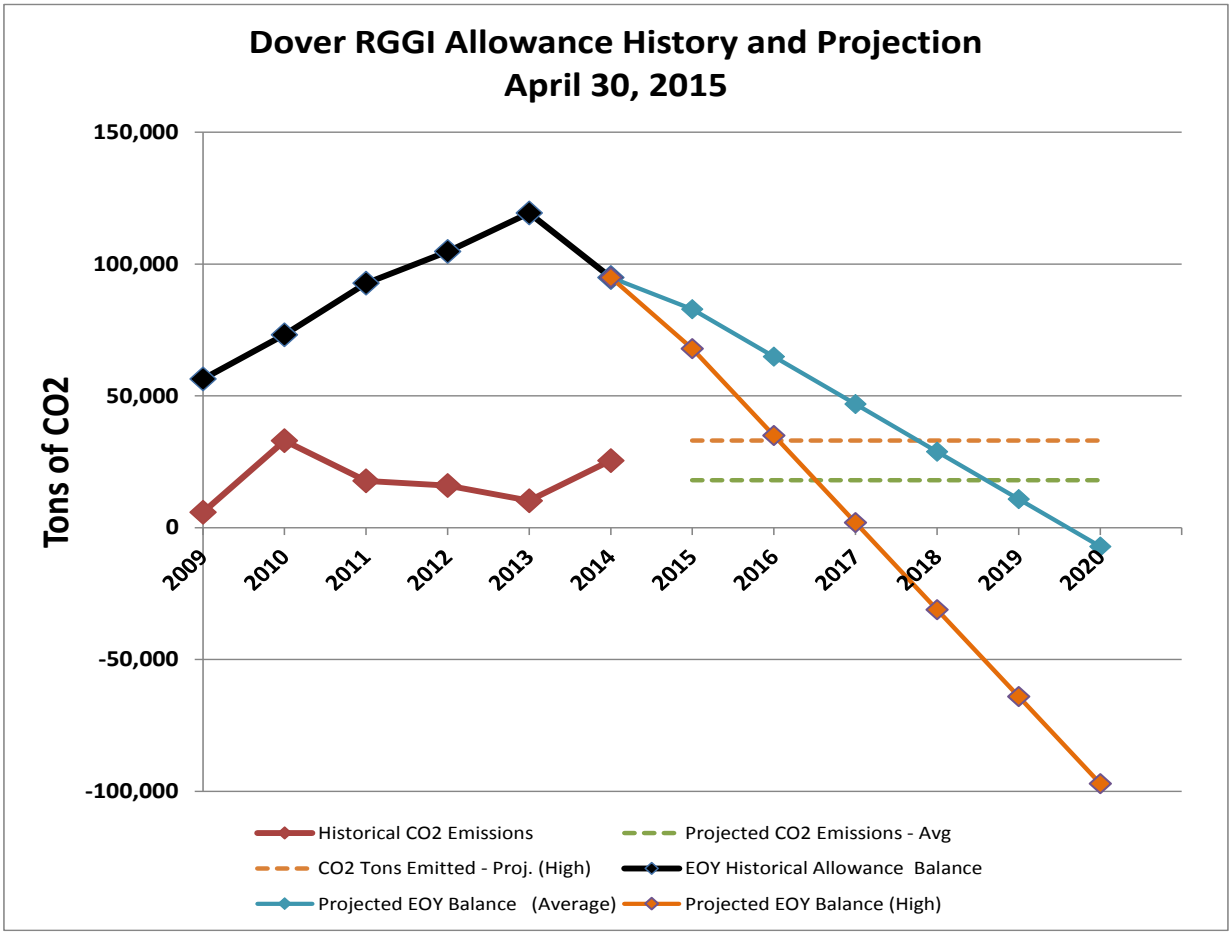
Regional Greenhouse Gas Initiative

The State of Delaware is a participant in the Regional Greenhouse Gas Initiative (RGGI). The City of Dover must comply with RGGI by surrendering carbon dioxide (CO_2) allowances pursuant to the State of Delaware's laws (Title 7, Chapter 60, Sub-Title II-A). Delaware adopted a combined emissions allowance allocation/auction mechanism for RGGI, in which 40% of CO_2 allowances were allocated to sources for 2009, declining by 8% per year so that by 2014, all CO_2 allowances are auctioned.

Dover had more than a sufficient number of RGGI allowances allocated to it to cover its requirements through the first compliance period (calendar years 2009-2011) and second compliance period (2012 – 2014). Any unused allowances are carried over ("banked") for subsequent years. The table below includes Dover's historical activities, and has been enhanced to include projections through 2020. Two projections are presented: (1) future annual emissions equal the average for 2009 – 2014, and (2) future annual emissions equal to the highest emissions for 2009 – 2014.

TEA
THE EnergyAuthority

Dover, DE RGGI Allowance History and Forecast - April 30, 2015								
Compliance Year (CY)	CO2 Allowances Purchased	Allocated CO2 Allowances	CO2 Tons Emitted - Historical	EOY Historical Allowance Balance	CO2 Tons Emitted - Proj. (Avg)	CO2 Tons Emitted - Proj. (High)	Projected EOY Balance (Average)	Projected EOY Balance (High)
2009		62,184	5,796	56,388				
2010		49,747	32,971	73,164				
2011		37,311	17,763	92,712				
2012		27,983	15,957	104,738				
2013		24,818	10,213	119,343				
2014	**1,000**	N/A	25,426	94,917			94,917	94,917
2015	**6,000**	N/A	2,579	**98,338**	18,021	33,000	82,896	67,917
2016		N/A			18,021	33,000	64,875	34,917
2017		N/A			18,021	33,000	46,854	1,917
2018		N/A			18,021	33,000	28,833	-31,083
2019		N/A			18,021	33,000	10,812	-64,083
2020		N/A			18,021	33,000	-7,209	-97,083



The table and chart indicate that Dover could run out of banked allowances as early as the end of 2016 under the high emissions scenario and by the end of 2019 under the average scenario. Therefore, Dover has recently initiated a program to participate in RGGI's quarterly auctions to insure it has adequate allowances in the future.

In anticipation of needing additional RGGI allowances in the future, Dover participated in Auction 26 held on December 3, 2014 and Auction 27 held on March 11, 2015. It was awarded 1,000 allowances from its highest price bid, at the auction clearing price of $5.21/ton in Auction 26 and 6,000 allowances in Auction 27 at the auction clearing price of $5.41/ton.

Auction 28 is scheduled for June 3, 2015. TEA and Dover have begun preparations to participate in this upcoming auction.

Based on the May 18th, 2015 ICE price for the June 2015 strip ($5.45/ton), the estimated market value of Dover's existing 98,338 ton RGGI allowance bank is $535,942.

Renewable Energy Certificates

Dover owns two photovoltaic systems totaling 15 kW, consisting of (one 5 kW unit at the Utilities Administration Building and two 5 kW units at the McKee Run generating station. Dover also receives solar energy produced by the 10 MW Dover Sun Park which is owned by White Oak Solar Energy, LLC. In addition to the all of the physical energy produced by the Sun Park, Dover receives 15% of Sun Park's Solar Renewable Energy Credits (SRECS).

Dover participates in the Delaware Municipal Electric Corporation's (DEMEC) Renewable Portfolio Standard (RPS) for compliance with the State of Delaware's RPS laws applicable to municipal utilities. The first compliance period under DEMEC's RPS was for the 36 months ending May 2014.

Through the end of April, 2015, Dover had accumulated a total of 6,930 SRECS from these renewable energy resources, net of 2,941 SREC transferred to DEMEC for retirement on October 3, 2014 in accordance with the RPS requirement for the first compliance period.

Delaware periodically holds SRECs auctions, however these auctions are for size tiers N1 – N3, E1 and E2. The Dover Sun Park is in the N4 tier for very large facilities. State-wide carve outs for Tier 4 has been fully subscribed, so there is not a market for tier T4 SRECs in Delaware.

The nearest viable market for Dover's SRECs is Pennsylvania. Daily settlement prices from Flett Exchange Environmental Services and SREC Trade. The most recent settlement prices for Pennsylvania SRECS are used in the table below.

d. Operations Management Summary:

During the month of April, there were no reportable lost time accidents, although one of our employees was injured April 16th, while moving a waste oil drum into a storage shed for shipment. The facility has gone 14 days without an OSHA recordable accident and 107 consecutive days without a lost time accident. There were no Environmental Notice of Violations or exceedances issued during the month and there was one Near Miss reported. All units are currently in a planned outage cycle for the month of April and will be made available as the projected outage work for each unit is completed.

Monthly Budget Variance – The actual expenses attributable to O&M of the two sites for the month of April are $566,130 against a budgeted amount of $389,431 for an unfavorable variance of $176,699 or 45.37%. The principal reasons for the unfavorable variance were due to unbudgeted repairs to all three boilers, repairs to the Unit #3A ID fan and two monthly electricity invoices which were included during this period due to the timing of the invoice payment. The forecasted expenditures for this year are $6,051,604 expensed versus an approved budget of $6,141,000 thereby resulting in a 98.54% expenditure rate of the approved budget to year end.

e. Risk Management Summary:

Forward power prices in PJM have increased from last month.

The current projected cost of service is below:

PY	Hedge Ratio	Blended Cost ($/MWh)	Monthly Change ($/MWh)
2014-15	79%	$ 46.67	$ 0.18
2015-16	69%	$ 44.31	$ 0.57
2016-17	47%	$ 42.82	$ 0.31
2017-18	37%	$ 42.84	$ 0.12
2018-19	25%	$ 42.88	$ 0.21

II. Budget Report

	Budget Apr-15	Actual Apr-15	Variance
Gross Load	**53,116**	**51,985**	**1,131**
Power Supply			
Hedged Energy	$1,930,633	$1,959,322	($28,689)
PJM - Energy, Congestion & Losses	$566,853	($124,248)	$691,101
PJM - ARR, Transmission and Fees	$356,587	$424,245	($67,658)
Dover SUN Park Energy	$241,744	$212,274	$29,470
Dover SUN Park RECs	$33,325	$27,546	$5,779
Management Fees	$83,000	$83,000	$0
PJM - Capacity UCAP Obligated Purchased	$796,901	$ 785,420.74	$11,480
Subtotal - Power Supply	**$4,009,043**	**$3,367,559**	**$641,484**
Power Generation O&M			
Plant O&M	$389,431	$566,130	(176,699.00)
Subtotal Generation O&M	**$389,431**	**$566,130**	**($176,699)**
Power Generation Production Margin			
PJM - Economic and reliability dispatch	$0	$0	$0
Fixed Fuel and Transport Charges	$0	$0	$0
Subtotal Generation Production Margin	**$0**	**$ -**	**$0**
Power Generation Non-Production Revenue			
PJM - Generation Capacity Credit	($716,626)	$ (702,347.40)	($14,279)
Capacity Replacement Charge	$10,800	$ -	$10,800
PJM - Reactive Supply & Transmission Losses	($30,425)	$ (34,698.10)	$4,273
Subtotal - Non-Production Revenue	**($736,251)**	**($737,046)**	**$795**
SubTotal - All Generation	**($346,820)**	**($170,916)**	**($175,905)**
Total - Utilities Cost	**$3,662,223**	**$3,196,644**	**$465,579**
Unit Costs			
Total - Power Supply	$75.48	$64.78	$10.70
Total - Power Generation	($6.53)	($3.29)	($3.24)
Final Cost of Service to City of Dover Ratepayers	$68.95	$61.49	$7.46

Variance Analysis:

Power Supply

- Dover consumed 1,131 MWh less than forecasted for the month.
- Dover experienced a favorable variance for budgeted PJM - Energy, Congestion & Losses of $691,101.
- This resulted in a net power supply cost of $64.78/MWh, $10.70/MWh below budget.
- The city realized a favorable variance of $641,484 for power supply vs. the monthly budget.
- Dover Sun Park generated 116 MWh less than forecast.

Generation

- Power generation had an unfavorable budget variance of $175,905 driven primarily by Plant O&M expenses which had an unfavorable budget variance of $ 176,699 for the month.

	Budget YTD	Actual YTD	Variance
Gross Load	**561,241**	**623,988**	**(62,746)**
Power Supply			
Hedged Energy	$18,041,620	$22,283,136	($4,241,516)
PJM - Energy, Congestion & Losses	$10,107,569	$7,773,953	$2,333,616
PJM - ARR, Transmission and Fees	$3,352,838	$3,534,960	($182,123)
Dover SUN Park Energy	$1,577,781	$1,483,384	$94,397
Dover SUN Park RECs	$294,995	$286,093	$8,902
Management Fees	$830,000	$996,000	($166,000)
PJM - Capacity UCAP Obligated Purchased	$8,075,262	$7,947,637	$127,625
Subtotal - Power Supply	**$42,280,065**	**$44,305,163**	**($2,025,099)**
Power Generation O&M			
Plant O&M	$4,597,010	$5,001,794	($404,784)
Subtotal Generation O&M	**$4,597,010**	**$5,001,794**	**($404,784)**
Power Generation Production Margin			
PJM - Economic and reliability dispatch	($1,786,240)	($2,388,055)	$601,815
Fixed Fuel and Transport Charges	$1,288,950	$1,551,267	($262,317)
Subtotal Generation Production Margin	**($497,290)**	**($836,789)**	**$339,499**
Power Generation Non-Production Revenue			
PJM - Generation Capacity Credit	($7,261,819)	($7,108,178)	($153,641)
Capacity Replacement Charge	$109,440	$0	$109,440
PJM - Reactive Supply & Transmission Losses	($400,205)	($581,473)	$181,268
Subtotal - Non-Production Revenue	**($7,552,584)**	**($7,689,651)**	**$137,067**
SubTotal - All Generation	**($3,452,864)**	**($3,524,646)**	**$71,782**
Total - Utilities Cost	**$38,827,201**	**$40,780,518**	**($1,953,317)**
Unit Costs			
Total - Power Supply	$75.33	$71.00	$4.33
Total - Power Generation	($6.15)	($5.65)	($0.50)
Final Cost of Service to City of Dover Ratepayers	$69.18	$65.35	$3.83

III. Operations Management

NAES Corporation
Dover, Delaware

April 2015
Monthly Report



New Inlet Fogging System and Skid Installed at Van Sant Generating Station for Increased Unit Capacity

TEA
THE EnergyAuthority

Table of Contents

1.0 Environmental, Health, and Safety

2.0 Financial

3.0 Operations

4.0 Maintenance

5.0 CIP

6.0 General Plant Information

7.0 Summary of NAES Performance

1.0 Environmental, Health and Safety:

During the month of April, there were no lost time accidents or environmental incidents. A recordable injury occurred on April 16, 2015 when an employee smashed his hand while attempting to place a used oil drum into the Used Oil Building. The employee received two stitches to close a cut on the back of his hand he sustained when the accident occurred. He returned to work the same day. The facility has gone 14 days through April 30, 2015 without an OSHA Recordable Accident or a Lost Time reportable accident.

One Near Miss reported in April at McKee Run when an Operations Supervisor and a Maintenance Supervisor identified that a LOTO was inadequate prior to maintenance work was being started on the equipment. When walking down the LOTO, it was noticed that the lube oil pumps for the ID Fans and the Boiler Feed Pumps were not included under the LOTO. The potential existed for the lube oil pumps to become energized which could have caused bodily injury to the employee, the employee to become covered in lube oil or the potential for an environmental spill. The LOTO was corrected and work was completed with no other issues.

During the month of April, there were no IWW discharges to the Kent County Public Works sewer system. The April SIU Report was submitted to Kent County Public Works indicating no discharge occurred in April.

As required by the DNREC NPDES permit, McKee Run was required to sample all storm water outfalls (001, 004, 005 and 006) as specified in the October 1, 2014 NPDES permit. The laboratory sample results indicated that all samples were below permissible levels. (The April DMR was submitted to DNREC with the analytical results from this sampling event.)

Three (3) NAES employees attended and completed an annual DOT/RCRA refresher course that covered DOT hazardous material training, awareness and security training plus RCRA hazardous waste handling training.

The VanSant Quarterly Excess Emission (opacity) report was submitted to DNREC. The State and Local Emissions Inventory System (SLEIS) Report was submitted to DNREC on April 28, 2015. The new Designated Representative for McKee Run and VanSant is Scott D. Koenig, City Manager, City of Dover and the new Alternate Designated Representative is Harry Maloney, III, City of Dover Electric Director.

Cover Picture:

Pictured is the new VanSant Generating Station Inlet Fogging equipment installed during the spring outage. Final setup and verification of the inlet fogging system flow and spray patterns will be performed in the coming weeks to allow for increased capacity of the VanSant combustion turbine during the summer operating period.

Environmental, Health, and Safety Statistics		
	Month (April)	Fiscal Year to Date (7/1/14-6/30/15)
NOVs	0	0
Opacity Deviations	0	5
Environmental Deviations	0	0
OSHA Recordable	1	2
OSHA LTA's	0	1
First Aid cases	0	0
Restricted Workday Accident	0	0
Near Miss	1	15
Man Hours Worked	4,040	96,474.75
Date last OSHA Recordable		4/16/15
Date last Lost Time Accident		4/16/15
Days since last OSHA recordable		14
Days since last Lost Time Accident		14

SO_2 Allowances Summary

SO_2 Allowance Vintage	SO_2 Allowances Sold - YTD	SO_2 Allowances Available (Per Unit, Prior to Sale & Reconciliation)		Total SO_2 Tons Emitted– U3 and U11 YTD	SO_2 Allowances Balance*
		Unit #3	Unit #11		
2013 and earlier	0	10,365	690	2	11,053
2014	0	1850	138	1	1,987
2015	0	1850	138	10	1,978
			Total SO2 Allowance Balance		**15,018**

***Note – Emissions allowances are deducted according to oldest vintage first, unless otherwise directed.**

CO2 Allowance Summary

CO2 Allowance Vintage	CO2 Allowances Bought/Sold YTD	CO2 Allowances Available (Per Facility, Prior to Sale)*		Total CO2 Tons Emitted	CO2 Allowance Balance
		McKee Run	VanSant		
2014 and earlier	1,000	194,244	7,799	108,126	94,917
2015	6,000	2,176	403	2,579	3,421
			Total CO2 Allowance Balance		**98,338**

***Note: CO2 allowance values are provided by the RGGI CO2 Allowance Tracking System.**
****Note: 6,000 CO2 Tons Purchased in 2015 Auction**

NOx Summary – Ozone Season (May-Sep) Tons					
Year	Unit #1	Unit #2	Unit #3	Unit #11	TOTAL
2013	1.1	1.7	19.3	1.3	23.4
2014	0.4	0.6	35.0	0.8	36.8
2015	0.0	0.0	0.0	0.0	0.0
NOx Summary - Year (Jan-Dec) Tons					
Year	Unit #1	Unit #2	Unit #3	Unit #11	TOTAL
2013	1.1	1.7	19.4	1.3	23.5
2014	0.8	1.1	39.8	3.7	45.4
2015	0.0	0.0	2.1	1.2	3.3
SO_2 Summary - Year (Jan-Dec) Tons					
Year	Unit #1	Unit #2	Unit #3	Unit #11	TOTAL
2012	0.0	0.0	0.0	0.1	0.1
2014	0.0	0.0	0.4	0.6	1.0
2015	0.0	0.0	9.6	0.4	10.0

2.0 Financial

Financial – Current Month

Month – April			
	Actual	Budget	Variance
Personnel	232,647	251,100	18,453
Materials & Supplies	10,531	16,550	6,019
Administrative Expenses	322,952	121,781	(201,171)
Total	**$566,130**	**$389,431**	**($176,699)**

Financial – Fiscal Year to Date

Number of Months 10			
	Actual	Budget	Variance
Personnel	2,581,506	2,798,400	216,894
Materials & Supplies	240,295	206,950	(33,345)
Administrative Expenses	1,904,690	1,591,660	(313,030)
Total	**$4,726,491**	**$4,597,010**	**($129,481)**

2.1 Variance analysis:

The actual expenses for the month of April are $566,130 against a budgeted amount of $389,431 for an unfavorable variance of $176,699 or 45.37%. The variance was due to the following:

PERSONNEL EXPENSES – A favorable monthly variance of $18,453 was due to having a less than full complement of staff. As a result, this impacted three (3) labor accounts – Straight Time, Overtime, and Labor Burdens.
MATERIALS AND SUPPLIES EXPENSES- A favorable monthly variance of $6,019 was due to purchasing computer equipment earlier in the fiscal year that was budgeted for in April.
ADMINISTRATIVE EXPENSES – An unfavorable monthly variance of $201,171 due to costs associated with the required repairs to all three boilers and to the Unit #3A ID fan (bearing failure). A budget amendment was approved to address the shortage. In addition, there were (2) monthly electricity bills that were expensed in this period due to timing of invoice payment.
The forecasted expenses for this fiscal year are $6,051,604 expensed versus an approved budget of $6,141,100 thereby realizing a 98.54% expenditure rate.

3.0 Operations

Unit Operations / Outages / Trips: All units remained in a planned outage since March 2. Outage is scheduled to clear at 0700 hours on May 29.

TEA
THE EnergyAuthority

Month – April 2015

		McKee Unit 1	McKee Unit 2	McKee Unit 3	MRS Facility	VanSant Unit 11	Total All Units
Capacity	MW	17	17	102	136	39	175
On Line Hours	Hrs	0.0	0.0	0.0	0.0	0.0	0.0
Starts	#	0	0	0	0	0	0
Gross Generation	MWh	0.0	0.0	0.0	0.0	0.0	0.0
Net Generation	MWh	0.0	0.0	0.0	0.0	0.0	0.0
Total Auxiliaries	MWh	0.0	0.0	0.0	0.0	0.0	0.0
Auxiliaries purchased	MWh	24.399	24.399	121.100	169.898	4.180	174.078
Fuel Gas Used#	MMBTU	0.0	0.0	0.0	0.0	0.0	0.0
Fuel Oil Used	MMBTU	0.0	0.0	0.0	0.0	0.0	0.0
Fuel Oil Used	Gallons	0.0	0.0	0.0	0.0	0.0	0.0
Total Fuel	MMBTU	0.0	0.0	0.0	0.0	0.0	0.0
Net Heat Rate	BTU/KWh	0.0	0.0	0.0	0.0	0.0	0.0
Unit Trips	#	0	0	0	0	0	0
Capacity Factor	%	0.0	0.0	0.0	0.0	0.0	0.0
Availability Factor	%	0.0	0.0	0.0	0.0	0.0	0.0
Commercial Unavailability (CU)	%	0.0	0.0	0.0	0.0	0.0	0.0
Capacity							
On Line Hours							
Starts							
Gross Generation							
Net Generation							
Total Auxiliaries							
Auxiliaries purchased							
Fuel Gas Used							
Fuel Oil Used							
Fuel Oil Used							
Total Fuel							
Net Heat Rate							
Unit Trips	Hours	720.000	720.000	720.000	2,160.000	720.000	2,880.000
Capacity Factor							
Availability Factor							
Commercial Unavailability (CU)							
Planned Outage Hours							
Maintenance Outage Hours							
Forced Outage Hours							
Reserve Shutdown Hours							
HW Boiler Gas Usage							
Pilot Gas Usage							
Planned Outage Hours							
Maintenance Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Forced Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Shutdown Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
HW Boiler Gas Usage	MMBTU				36.006		36.006
Pilot Gas Usage	MMBTU	0.0	0.0		0.0		0.0

Note: Does not include HWB or Pilot Gas. Fuel usage numbers are taken from fuel flow instruments.

Fuel Oil Inventory							
	Monthly Inventory (Start)	Monthly Inventory (End)	Fuel Purchases (Month)	Monthly Inventory (Change)	FY 14-15 Inventory (Start)	Fuel Purchases (FYTD)	FY 14-15 Inventory (Change)
McKee Run (#2 Fuel Oil)	731,438	733,644	0	2,206	452,963	451,198	278,475
VanSant (#2 Fuel Oil)	223,497	225,267	0	1,770	73,572	186,592	149,925

Note: As measured by tank level instruments. Tank levels may change due to oil temperature .

VanSant Lifetime through April 2015			
	Actual Starts	Factored Starts	Fired Hours
VanSant	1,373	2,352.75	4,344.6
Since HGP - Dec 2004	262	685.05	961.02

Team Report:

The Plant Operations PJM certified staff members participated in simulation training provided by OES-NA. This training helps operators acquire required continuing education hours (CEHs) necessary to maintain their PJM Certified System Operator qualifications.

Operations personnel continue to support maintenance by working on Preventative Maintenance (PM) work orders and other work orders that they have the skills to successfully complete the task. The Operations Department continues to utilize the Day Shift Workers in both the Operations and Maintenance areas to assist with maintenance of the plant.
The operators also use the GPi Learning courses to improve their knowledge and skills. The GPI online training which supports plant safety, OSHA, and environmental training requirements are being used by the teams to complete their training for the year. Along with the GPI OSHA training, the operators review the plant's safety procedures.

The Plant Operations staffs are writing Job Hazard Analysis (JHA) for monthly preventative maintenance work tasks and other standard duties at the plant. The JHAs will aid in improving safe work practices and improve safety awareness.

4.0 Maintenance

During the month of April, the Plant Maintenance staff continued addressing the backlog of work orders. Back logged Work Orders are work orders that have been open for greater than 30 days. There were seventy-three work orders issued with one hundred three work orders being completed during the month. There were no Safety Work Orders entered into the plant's Computerized Maintenance Management System (MP2) during the month. A new category was added to the WO Type, "ADM" for work orders that are administrative in nature. The table below summarizes the monthly work order activities based on MP2 records and will continue to improve with time. This table gives a clearer picture of outstanding work; PM's and back logged work items.

City of Dover – McKee Run & VanSant Work Order Backlog									
Site	WO Type	Starting WO Backlog	Received WOs	Total WOs	Comp WOs	Completed Received WOs	Total Completed WOs	End Backlog	Total Open WO's
McKee Run		0	4	4	0	2	2	0	2
	ADM	23	0	23	0	0	0	23	23
	CIP	16	2	18	0	2	2	16	16
	CM	45	14	59	13	6	19	32	40
	EW	3	0	3	1	0	1	2	2
	PM	98	34	132	55	0	55	43	77
	PR	11	2	13	1	1	2	10	11
	RO	28	6	34	9	5	14	19	20
	SP	5	3	8	2	0	2	3	6
	SW	0	0	0	0	0	0	0	0
Site Totals		**229**	**67**	**296**	**81**	**18**	**99**	**148**	**197**
Site	**WO Type**	**Start Backlog**	**Received WOs**	**Total WOs**	**Comp WOs**	**Completed Received WOs**	**Total Completed WOs**	**End Backlog**	16
VanSant	ADM	0	0	0	0	0	0	0	0
	CIP	3	0	3	0	0	0	3	3
	CM	9	2	11	1	2	3	8	8
	PM	16	3	19	1	0	1	15	18
	SP	4	1	5	0	0	0	4	5
	SW	0	0	0	0	0	0	0	0
Site Totals		**32**	**6**	**38**	**2**	**2**	**4**	**30**	**34**

Notable activities during the month include:

The NAES IC&E staff and JB Testing completed the underground oil line testing. The oil lines were purged with nitrogen and then helium was injected into the lines. The path of the oil lines were tested for leaks with a helium detector by the contractor. There were no leaks detected. This is an annual test to help in monitoring the integrity of the oil lines and to remain in compliance with Delaware AST regulations.

The NAES Maintenance Staff completed the replacement of the condensate lines that supply water to the boilers and indoor condensate tank from the outdoor condensate. It was discovered that the lines were corroded and were in need to replacement. The lines were installed and tested for water leaks. No leaks were detected. This will improve the reliability of the condensate water supply to the boilers.

The NAES IC&E Staff and Meggitt Vibration Systems worked on the installation of a new Turbine Supervisory System which includes new vibration and expansion equipment on the Unit 3 turbine. Vibration probes were installed on the X and Y axis of each bearing location. In addition, sensors were also installed to monitor turbine expansion and shell expansion as well as provide a back-up RPM monitoring. Installation of the equipment will provide more accurate and reliable information on the status of the turbine. The system will be commissioned in mid-May when the unit will be operated to determine whether further balancing of the unit will be needed.

5.0 Capital Improvement Projects (CIP)

Project Number	Description	Update
EG1212	Unit 3 Turbine Repairs	Progress: Spring activities included the replacement of the turbine supervisory equipment probes and panel and performing balancing of the turbine thereafter. Contractors were onsite to begin the installation work. Schedule: Some parts are on back order with expected delivery date of early-to-mid May. Contractors will be back onsite to remove bearings for modifications and to install vibration monitoring equipment. Unit will be operated in May to check out system and to run vibration tests for balancing purposes.
EG1402	Unit #3 Cooling Tower Repairs	Progress: Work is complete and final report has been received. Schedule: Project is complete.
EG1406	McKee Run HEP Pipe Repairs	Progress: Work is complete and final report has been received. Schedule: Project is complete.
EG1407	Metering System Upgrades	Progress: Project on Hold. Schedule: Project is on Hold until next year when RFP process will begin again. Project would be slated to be completed once Units 1 and 2 are taken out of service.
EG1416	VanSant Capacity Increase	Progress: Mechanical work is almost complete with final tie-in work to be completed in May and commissioning of system to occur in late May. Emission testing scheduled for late June. Schedule: Mechanical installation to be complete at end of May. PLC programming and commissioning of system to occur shortly thereafter. Emission testing scheduled for late June.
EG1503	Unit #3 Auxiliary System Component Replacement	Progress: Work is complete. Schedule: Work is complete.
EG1504	Unit#3 Boiler System Repairs	Progress: Tube samples have yet to be sent out for analysis. CEMS Sample line work was completed in April. Schedule: Work is on schedule to be completed.
EG1505	VanSant Station Component Replacement	Progress: Project on Hold due to funding removed to support other CIPs. Schedule: Project on Hold due to funding removed to support other CIPs.
EG1506	McKee Run/VanSant Safety Improvements	Progress: Updated Drawings received and final work to be completed in June. Schedule: Project on schedule to completed this FY.
EG1507	McKee Run Units #1-#2 Component Replacement	Progress: Project on Hold Schedule: Project on Hold
EG1508	McKee Run/VanSant Structural Preservation	Progress: Project on Hold Schedule: Project on Hold

6.0 General Plant Information

Plant Staff congratulated William (Lance) Berryhill, Operations Supervisor, for achieving 30 years of continuous Plant Service on April 15, 2015. The momentous occasion was observed with a congratulatory cake and thanks from everyone for his hard work and dedication over the years. A presentation of his service awards will be held separately.

On-going efforts are being made to fill one (1) open Operator positions. Several interviews have been held in this effort.

Training:

Pat Everly of OES-NA was onsite for simulation training on April 9 and 10. The two day, eight hour course focused on Voltage Control, Congestion Management, Disturbance Response, and Restoration. The training consists of sharing a laptop with two operators as they worked together to restore power from a black start condition. This training will help operators maintain their PJM certification by obtaining simulation credits.

Plant employees continue with General Physics safety training and environmental courses to enhance their overall knowledge of permit and safety requirements.

Topics discussed during the monthly safety committee meeting were reviewed by the entire staff. The monthly safety topic was on "Lawn Care Safety".

Calendar of Events	Date
Units 1, 2, and 3 Spring Outage	April 2, 2015 – May 29, 2015
Unit 11 Spring Outage	April 2, 2015 – May 29, 2015
Air Emission Inventory	April 30, 2015
NOx Ozone Season Starts	May 1, 2015
EIA-860 Reporting Due	May 4, 2015
EIA-923 Reporting Due	May 15, 2015
PJM Summer Capacity Test Period	June 1, 2015 – August 31, 2015
FY 2014-201454 Budget Year Begins	July 1, 2015
Toxic Release Inventory (TRI) Annual Report	July 1, 2015
Semi-Annual Title V Certification Due	July 31, 2015
NOx Ozone Season Ends	September 30, 2014
Annual VanSant Black Start Test	TBD
Units 1, 2, 3 and 11 Fall Outage Starts	TBD
Winter Capacity Period	December 1, 2015 to February 28, 2016
Title V Annual Certifications Due	January 31, 2016

7.0 Summary of NAES Performance to Date

Plant Performance FY 2014-2015						
Measure	Month		Year to Date		YTD Incentive	FY Maximum Incentive
Commercial Unavailability (CU)	0.0%		2.66%		$0	$96,875
Safety	0		1		$9,082	$18,163
Environmental	0		0		$18,163	$18,163
Capacity Tests Completed	Summer	Winter	Summer	Winter		
Unit 1	No	No	Yes	Yes*	$3,634	$3,634
Unit 2	No	No	Yes	Yes*	$3,634	$3,634
Unit 3	No	No	Yes	Yes	$21,797	$21,797
Unit 11	No	No	Yes	Yes	$7,266	$7,266
Total YTD Incentive %	37.50%		Total YTD Incentive		$63,576	$169,532

Note*: All units have successfully completed the Summer (FY 2014-2015) Testing for PJM and were entered in the PJM Winter Capacity Test Exemption Program. Unit 11 and Unit 3 successfully completed capacity testing for the Winter period. Units 1 and 2 did not come online so were included in the Winter Exemption Program.

Capacity Testing – FY 2014-2015					
Summer 2014 (June 1- Aug 31)			**Winter 2014-2015 (Dec 1- Feb 28)**		
Unit	Rated Net Capability (MW)	Reported Net Capability (MW)	Unit	Rated Net Capability (MW)	Reported Net Capability (MW)
1	17	17.4	1	17	17*
2	17	17.5	2	17	17*
3	102	103.99	3	102	102^
11	39	39.8#	11	39	39
Total	175	175	Total	175	175

Note: * Denotes Unit qualified for the PJM Winter Demonstration Period Exemption Program.
Note: # Depicts Net Corrected Capacity for Ambient Air Conditions – VanSant Unit only
Note: ^ Depicts Derated Capacity Test Results. Derate was for 66 MW. Full Capacity Test was performed on April 4, 2015.

IV. Appendix 1 – PJM Invoice

REPORT NAME:	Monthly Billing Statement - CSV and XML
CUSTOMER ACCOUNT:	City of Dover, Delaware
CUSTOMER CODE:	DOVDE
CUSTOMER ID:	76
FINAL BILLING STATEMENT ISSUED:	5/7/2015 9:07
BILLING PERIOD START DATE:	4/1/2015
BILLING PERIOD END DATE:	4/30/2015
INVOICE NUMBER:	2015043000076
INVOICE DUE DATE:	5/15/2015 12:00

CHARGES	ADJ	BILLING LINE ITEM NAME	SOURCE BILLING PERIOD START	AMOUNT ($)
1100		Network Integration Transmission Service		384954.6
1108		Transmission Enhancement		66224.76
1130		Firm Point-to-Point Transmission Service		0
1140		Non-Firm Point-to-Point Transmission Service		0
1200		Day-ahead Spot Market Energy		257835.76
1205		Balancing Spot Market Energy		-40376.27
1210		Day-ahead Transmission Congestion		-307981.12
1215		Balancing Transmission Congestion		9259.37
1220		Day-ahead Transmission Losses		-1340.45
1225		Balancing Transmission Losses		-608.66
1230		Inadvertent Interchange		-145.33
1242		Day-Ahead Load Response Charge Allocation		147.64
1243		Real-Time Load Response Charge Allocation		2016.9
1250		Meter Error Correction		-1877.18
1301		PJM Scheduling, System Control and Dispatch Service - Control Area Administration		8649.13
1302		PJM Scheduling, System Control and Dispatch Service - FTR Administration		6.82
1303		PJM Scheduling, System Control and Dispatch Service - Market Support		1990.39
1304		PJM Scheduling, System Control and Dispatch Service - Regulation Market Administration		79.29
1305		PJM Scheduling, System Control and Dispatch Service - Capacity Resource/Obligation Mgmt.		921.9
1306		PJM Scheduling, System Control and Dispatch Service - Advanced Second Control Center		1343.11
1307		PJM Scheduling, System Control and Dispatch Service - Market Support Offset		-224.93
1313		PJM Settlement, Inc.		224.93
1314		Market Monitoring Unit (MMU) Funding		205.12
1315		FERC Annual Recovery		3424.9
1316		Organization of PJM States, Inc. (OPSI) Funding		35.28
1317		North American Electric Reliability Corporation (NERC)		603.21
1318		Reliability First Corporation (RFC)		981.42

1320		Transmission Owner Scheduling, System Control and Dispatch Service		3798.05
1330		Reactive Supply and Voltage Control from Generation and Other Sources Service		36198.31
1340		Regulation and Frequency Response Service		13755.44
1360		Synchronized Reserve		8586.26
1362		Non-Synchronized Reserve		766.42
1365		Day-ahead Scheduling Reserve		42.39
1370		Day-ahead Operating Reserve		2768.36
1375		Balancing Operating Reserve		3176.77
1376		Balancing Operating Reserve for Load Response		-10.31
1378		Reactive Services		8334.47
1380		Black Start Service		1997.26
1400		Load Reconciliation for Spot Market Energy		-23262.54
1410		Load Reconciliation for Transmission Congestion		-5794.83
1420		Load Reconciliation for Transmission Losses		-1699.27
1430		Load Reconciliation for Inadvertent Interchange		-13.14
1440		Load Reconciliation for PJM Scheduling, System Control and Dispatch Service		-69.74
1442		Load Reconciliation for Schedule 9-6 - Advanced Second Control Center		-7.32
1444		Load Reconciliation for Market Monitoring Unit (MMU) Funding		-1.29
1445		Load Reconciliation for FERC Annual Recovery		-22.63
1446		Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding		-0.23
1447		Load Reconciliation for North American Electric Reliability Corporation (NERC)		-3.98
1448		Load Reconciliation for Reliability First Corporation (RFC)		-6.48
1450		Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service		-25.09
1460		Load Reconciliation for Regulation and Frequency Response Service		-141.59
1470		Load Reconciliation for Synchronized Reserve		-116.21
1472		Load Reconciliation for Non-Synchronized Reserve		-10.06
1475		Load Reconciliation for Day-ahead Scheduling Reserve		-27.12
1478		Load Reconciliation for Balancing Operating Reserve		-52.32
1490		Load Reconciliation for Reactive Services		-22.61
1500		Financial Transmission Rights Auction		-1197.3
1600		RPM Auction		14277.6
1610		Locational Reliability		787991.4
1730		Expansion Cost Recovery		403.2
1932		Generation Deactivation Refund		-608.92
1230	A	Inadvertent Interchange	2/1/2015	36.24
1230	A	Inadvertent Interchange	3/1/2015	19.42
1243	A	Real-Time Load Response Charge Allocation	2/1/2015	9.96
1243	A	Real-Time Load Response Charge Allocation	3/1/2015	2.68
1250	A	Meter Error Correction	3/1/2015	-7793.79
1320	A	Transmission Owner Scheduling, System Control and Dispatch Service	7/1/2014	-0.02
1360	A	Synchronized Reserve	4/1/2013	-1017.1

	1360	A	Synchronized Reserve	5/1/2013	-748.97
	1360	A	Synchronized Reserve	6/1/2013	-173.63
	1360	A	Synchronized Reserve	7/1/2013	-4837.7
	1360	A	Synchronized Reserve	8/1/2013	-1544.25
	1360	A	Synchronized Reserve	9/1/2013	-13393.88
	1360	A	Synchronized Reserve	10/1/2013	-165.35
	1360	A	Synchronized Reserve	11/1/2013	-4.2
	1360	A	Synchronized Reserve	12/1/2013	-154.49
	1360	A	Synchronized Reserve	2/1/2015	-1.18
	1360	A	Synchronized Reserve	3/1/2015	-0.01
	1370	A	Day-ahead Operating Reserve	3/1/2015	29.34
	1375	A	Balancing Operating Reserve	3/1/2014	1.02
	1375	A	Balancing Operating Reserve	5/1/2014	13.1
	1375	A	Balancing Operating Reserve	6/1/2014	17.96
	1375	A	Balancing Operating Reserve	7/1/2014	4.28
	1375	A	Balancing Operating Reserve	9/1/2014	5.43
	1375	A	Balancing Operating Reserve	10/1/2014	1.03
	1375	A	Balancing Operating Reserve	1/1/2015	0.82
	1375	A	Balancing Operating Reserve	2/1/2015	36.49
	1375	A	Balancing Operating Reserve	3/1/2015	36.59
	1376	A	Balancing Operating Reserve for Load Response	3/1/2015	-0.01
	1730	A	Expansion Cost Recovery	4/1/2015	-2.36
	1911	A	Michigan - Ontario Interface Phase Angle Regulators	3/1/2015	172.59
			Total Charges		1205903.55

CREDITS		ADJ	BILLING LINE ITEM NAME	SOURCE BILLING PERIOD START	AMOUNT ($)
	2100		Network Integration Transmission Service		0
	2108		Transmission Enhancement		62029.95
	2130		Firm Point-to-Point Transmission Service		0
	2140		Non-Firm Point-to-Point Transmission Service		204.85
	2210		Transmission Congestion		-11796.35
	2220		Transmission Losses		14517.92
	2320		Transmission Owner Scheduling, System Control and Dispatch Service		0
	2330		Reactive Supply and Voltage Control from Generation and Other Sources Service		29467.58
	2340		Regulation and Frequency Response Service		0
	2360		Synchronized Reserve		0
	2365		Day-ahead Scheduling Reserve		0
	2370		Day-ahead Operating Reserve		0
	2375		Balancing Operating Reserve		0
	2380		Black Start Service		0
	2420		Load Reconciliation for Transmission Losses		-341.02
	2510		Auction Revenue Rights		53198.1
	2600		RPM Auction		716625
	2630		Capacity Transfer Rights		-58.8
	2661		Capacity Resource Deficiency		2629.46

2666		Load Management Test Failure		270.9
2912		CT Lost Opportunity Cost Allocation		39
2140	A	Non-Firm Point-to-Point Transmission Service	3/1/2015	31.89
2220	A	Transmission Losses	2/1/2015	4.15
2220	A	Transmission Losses	3/1/2015	-7.36
2360	A	Synchronized Reserve	7/1/2013	-4456.55
2360	A	Synchronized Reserve	9/1/2013	-4827.64
2912	A	CT Lost Opportunity Cost Allocation	4/1/2015	0.34

Total Credits	857531.42
Monthly Billing Net Total	348372.13
Previous Weekly Billing Net Total	313493.97
Total Due / Receivable	34878.16

End of Report

FUND SUMMARY as of 05/15/2015

Total Collected	$ 1,145,099.76
DEMEC Admin Fee Paid	$ 67,703.86
State Admin Fee Paid	$ 26,675.07
Customer Grants Paid	$ 535,563.25
Customer Only Grants/Fees Reserved and Amount Owed	$ 63.75
Community Project Funds Requested - Dov. Lib - Requested	$ 1,970,000.00
Community Project Funds Paid - Dov. Lib	$ 298,908.32
Energy Depot Fees Paid	$ 56,901.77
Efficiency Program Dollars Paid	$ 37,268.34
Solar Electric Power Association (SEPA) Fee Paid	$ 6,476.41
Unencumbered Funds Available Grants	**$ 5,538.99**
Funds Available for Dover Library	**$ 110,000.00**
Current Grant Payment Delay (Months)	**0.0**

GRANTS PAID

Date Grant Paid	Applicant	Type	Grant Amount Paid	Review Fee Paid	Amount Owed
9/21/2007	Laura Drew Kelly	Geo-Res	$ 3,000.00	$ 225.00	$ -
12/5/2007	Domingo Reyes	PV-Res	$ 12,762.50	$ 750.00	$ -
4/16/2008	Lakeland Commercial Group	Geo-NonRes	$ 10,800.00	$ 750.00	$ -
6/19/2008 & 08/25/2008	L.D. Shank - Triad Farms	PV-NonRes	$ 30,000.00	$ 750.00	$ -
10/6/2008	City of Dover	PV-NonRes	$ 40,820.00	$ 750.00	$ -
10/21/2008	Robert & Cynthia Hartman	Geo-Res	$ 1,800.00	$ 135.00	$ -
10/21/2008	Robert Varipapa	Geo-Res	$ 2,400.00	$ 180.00	$ -
2/27/2009	David Jump	PV-Res	$ 15,000.00	$ 750.00	$ -
2/27/2009	Jakob Seren	PV-Res	$ 15,000.00	$ 750.00	$ -
2/27/2009	William Sweet	PV-Res	$ 15,000.00	$ 750.00	$ -
3/31/2009	LD Shank - Triad Farms	SHW-NonRes	$ 3,000.00	$ 225.00	$ -
3/31/2009	Warren & Joan Seaver	Geo-Res	$ 3,000.00	$ 225.00	$ -
4/22/2009	William Sweet	SHW-Res	$ 3,000.00	$ 225.00	$ -
4/28/2009	State of DE/DNREC - DE National	PV-NonRes	$ 30,000.00	$ 750.00	$ -
4/29/2009	Delaware Primary Care, LLC	PV-NonRes	$ 30,000.00	$ 750.00	$ -
9/11/2009	NCALL	PV-NonRes	$ 30,000.00	$ 750.00	$ -
9/11/2009	D.Brian Beckman	Geo-Res	$ 2,000.00	$ 150.00	$ -
9/21/2009	LSKC Dover, LLC - Kids Cottage	PV-NonRes	$ 29,925.00	$ 750.00	$ -
10/5/2009	Mark F. Boller	Geo-Res	$ 3,000.00	$ 225.00	$ -
10/5/2009	John Welgan	PV-Res	$ 15,000.00	$ 750.00	$ -
11/4/2009	LSKC LLC/ Kids Cottage	Geo-NonRes	$ 12,000.00	$ 750.00	$ -
3/25/2010	James G. McGiffin Jr. & Kathleen M.	Geo-Res	$ 3,000.000	$ 225.000	$ -
3/23/2010	Minaxi Patel	PV-Res	$ 15,000.000	$ 750.000	$ -
5/28/2010	Nancy Warner	Geo-Res	$ 1,200.000	$ 90.000	$ -
6/2/2010	David Teel	Geo-Res	$ 1,800.000	$ 135.000	$ -
6/2/2010	Dewey J. Barich	Geo-Res	$ 2,400.00	$ 180.000	$ -
7/12/2010	Mike & Sharon Laverty	PV-Res	$ 5,105.000	$ 382.880	$ -
8/19/2010	James Grilli	Geo-Res	$ 1,800.00	$ 135.000	$ -
8/19/2010	Michael Noble	PV-Res	$ 15,000.000	$ 750.000	$ -
9/17/2010	David Teel	PV-Res	$ 7,500.000	$ 562.500	$ -
3/8/2011	Michael & Carol Apgar	PV-Res	$ 7,500.000	$ 562.500	$ -
3/17/2011	Elizabeth Murphey School	Geo-NonRes	$ 9,200.000	$ 690.000	$ -
5/24/2011	Richard Avant	Geo-Res	$ 2,400.000	$ 180.000	$ -
6/23/2011	Charles Messina Plumbing &	SHW-NonRes	$ 10,000.000	$ 750.000	$ -
10/4/2011	Charles Bounds	Geo-Res	$ 1,800.000	$ 135.000	$ -
3/29/2011	Michael J Kopp	Geo-Res	$ 2,300.000	$ 135.000	$ 37.500
7/8/2011	Psychiatric Access of Central DE	PV-NonRes	$ 13,187.500	$ 750.000	$ -
3/7/2012	Ruth Ann Piper	Geo-Res	$ 1,200.000	$ 90.00	$ -
3/7/2012	Robert Hall	Geo-Res	$ 3,000.000	$ 225.00	$ -
3/7/2012	Elizabeth Murphey School (Bradford	Geo-NonRes	$ 13,800.000	$ 750.00	$ -
3/7/2012	Elizabeth Murphey School (Florence	Geo-NonRes	$ 12,000.000	$ 750.00	$ -
3/7/2012	Elizabeth Murphey School (Elizabeth	Geo-NonRes	$ 5,400.000	$ 405.00	$ -
3/7/2012	Elizabeth Murphey School (Garage &	Geo-NonRes	$ 1,800.000	$ 135.00	$ -
3/7/2012	Frank Daniels	Geo-Res	$ 4,400.000	$ 303.75	$ 26.25
3/7/2012	Elizabeth Murphey School (Sanford	Geo-NonRes	$ 10,200.00	$ 750.00	$ -
9/15/2012	Chong S. Tamburo-Lepage	Geo-Res	$ 2,300.00	$ 172.50	$ -
12/19/2012	Christopher W. Los	Geo-Res	$ 3,000.00	$ 225.00	$ -
1/30/2013	Matthew and Kimberly Chesser	Geo-Res	$ 3,000.00	$ 225.00	$ -
2/25/2013	Dennis Ho	PV-Res	$ 6,775.00	$ 508.13	$ -
6/28/2013	John DeMarie	Geo-Res	$ 3,000.00	$ 225.00	$ -
10/30/2013	James and Corinna Fritsch	PV-Res	$ 5,287.50	$ 396.56	$ -
10/30/2013	James and Deri Austin	PV-Res	$ 7,500.00	$ 562.50	$ -
2/28/2014	Calogero Guarraggi	PV-Res	$ 7,500.00	$ 562.50	$ -
2/28/2014	Elizabeth Murphey School	Geo-NonRes	$ 3,700.00	$ 277.50	$ -
2/21/2014	Mohammed Fuad	Geo-Res	$ 3,000.00	$ 225.00	$ -
4/8/2014	Holly Pfeifer	PV-Res	$ 5,750.00	$ 431.25	$ -
5/13/2014	Governors Avenue Animal Hospital	PV-NonRes	$13,550.75	$ 750.00	$ -
7/17/2014	Julia M. Pillsbury	Geo-Res	$ 3,000.00	$ 225.00	$ -
11/7/2014	Elizabeth Murphey School	Geo - NonRes	$ 3,700.00	$ 277.50	$ -
11/7/2014	Elizabeth Murphey School	Geo - NonRes	$ 3,700.00	$ 277.50	$ -
1/8/2015	Rex Bell	Geo - Res	$ 2,300.00	$ 172.50	$ -
Total			**$ 535,563.25**	**$ 26,675.07**	$ 63.75

ARRA RELIEF GRANTS PAID

Paid by State	Customer	System Type	Amount
6/10/2011	Arturo Sanchez	Solar - PV - Res	$ 7,500.00
10/19/2011	John Diamond Enterprise LLC	Solar - PV - Com	$ 30,000.00
10/19/2011	John Diamond Enterprise LLC	Geo HP - Com	$ 10,000.00
Total			**$ 47,500.00**

RECEIVED APPLICATIONS

Status	Applicant	Type	Grant Reservation Request	Review Fee
Total			$ -	$ -

ENERGY DEPOT FEES

Paid	Fee Period	Amount
3/3/2008	Start-up Fees	$ 5,872.50
4/15/2008	Start-up Fees	$ 1,957.50
4/15/2008	Mar, Apr, May 2008	$ 1,692.13
7/22/2008	June, July, Aug 2008	$ 1,692.13
10/10/2008	Sept, Oct, Nov 2008	$ 1,692.13
1/2/2009	Dec 08, Jan, Feb 2009	$ 1,692.13
4/3/2008	Mar, Apr, May 2009	$ 1,692.13
7/1/2009	June, July, Aug 2009	$ 1,692.13
9/11/2009	Sept, Oct, Nov 2009	$ 1,692.13

SEPA Fees

Date	Measure	
3/19/2012	2012 Annual Membership	$ 2,158.81
1/31/2013	2013 Annual Membership	$ 2,158.80
1/27/2014	2014 Annual Membership	$ 2,158.80

1/4/2010	Dec 09, Jan, Feb 2010	$ 1,692.13
3/29/2010	Mar, April, May 2010	$ 1,692.13
6/30/2010	June, July, Aug 2010	$ 1,692.13
10/4/2010	Sept, Oct, Nov 2010	$ 1,692.13
1/3/2011	Dec 2010, Jan, Feb 2011	$ 1,692.13
4/5/2011	Mar, Apr, May 2011	$ 1,692.13
7/8/2011	June, July, Aug 2011	$ 1,692.13
10/4/2011	Sept, Oct, Nov, 2011	$ 1,692.13
1/3/2012	Dec 2011; Jan, Feb 2012	$ 1,692.13
4/5/2012	Mar, Apr, May 2012	$ 1,692.13
7/2/2012	June, July, Aug 2012	$ 1,692.13
10/2/2012	Sept, Oct, Nov 2012	$ 1,692.13
11/30/2012	Dec 12, Jan, Feb 2013	$ 1,692.13
2/25/2013	Mar, Apr, May 2013	$ 1,692.13
7/22/2013	June, July, Aug 2013	$ 1,692.13
8/26/2013	Sept, Oct, Nov, 2013	$ 1,692.13
12/3/2013	Dec 13. Jan, Feb 2014	$ 1,692.13
3/4/2014	Mar, Apr, May 2014	$ 1,692.13
6/4/2014	June, July, Aug 2014	$ 1,692.13
9/4/2014	Sept, Oct, Nov 2014	$ 1,692.13
12/1/2014	Dec 14, Jan, Feb 2015	$ 1,692.13
3/9/2015	Mar, Apr, May 201	$ 1,692.13
Total Paid		**$ 56,901.77**

Total		**$ 6,476.41**

ENERGY EFFICIENCY CAMPAIGNS/EDUCATION PROGRAMS

Paid	Program Measure	Amount
10/21/2008	1,500 CFL Campaign & Educational	$ 5,012.29
12/11/2008	Reimbursement for Green Energy/Information Pamphlets	$ 3,459.12
3/31/2009	Thermal Imager for Home Audits Program	$ 5,581.12
1/4/2011	Eco @ Home Energy Conserve. Calendars	$ 20,015.81
1/14/2014	Presbyterian Church of Dover - Energy Efficiency Grant	$3,200.00
Total		**$ 37,268.34**

Dover Library Community Funds Collection - **$ 1,970,000.00** Allocation change from Dover

Collections	
$ 5,021.15	1/2 of Oct 2009 GEF Payment
$ 4,783.94	1/2 of Nov 2009 GEF Payment
$ 4,813.23	1/2 of Dec 2009 GEF Payment
$ 5,454.02	1/2 of Jan 2010 GEF Payment
$ 5,147.49	1/2 of Feb 2010 GEF Payment
$ 4,897.69	1/2 of March 2010 GEF Payment
$ 3,976.14	1/2 of April 2010 GEF Payment
$ 5,638.90	1/2 of May 2010 GEF Payment
$ 5,645.35	1/2 of June 2010 GEF Payment
$ 6,590.60	1/2 of July 2010 GEF Payment
$ 7,786.09	1/2 of August 2010 GEF Payment
$ 6,415.31	1/2 of Sept 2010 GEF Payment
$ 5,327.96	1/2 of Oct 2010 GEF Payment
$ 4,787.73	1/2 of Nov 2010 GEF Payment
$ 4,939.75	1/2 of Dec 2010 GEF Payment
$ 5,452.55	1/2 of Jan 2011 GEF Payment
$ 5,410.35	1/2 of Feb 2011 GEF Payment
$ 4,646.32	1/2 of March 2011 GEF Payment
$ 4,742.22	1/2 of April 2011 GEF Payment
$ 4,702.48	1/2 of May 2011 GEF Payment
$ 5,664.97	1/2 of June 2011 GEF Payment
$ 6,430.15	1/2 of July 2011 GEF Payment
$ 6,916.50	1/2 of Aug 2011 GEF Payment
$ 6,149.31	1/2 of Sept 2011 GEF Payment
$ 5,243.92	1/2 of Oct 2011 GEF Payment
$ 4,829.91	1/2 of Nov 2011 GEF Payment
$ 4,531.81	1/2 of Dec 2011 GEF Payment
$ 4,990.50	1/2 of Jan 2012 GEF Payment
$ 5,071.81	1/2 of Feb 2012 GEF Payment
$ 4,828.32	1/2 of March 2012 GEF Payment
$ 4,857.07	1/2 of April 2012 GEF Payment
$ 4,230.04	1/2 of May 2012 GEF Payment
$ 5,711.19	1/2 of June 2012 GEF Payment
$ 6,085.89	1/2 of July 2012 GEF Payment
$ 7,347.66	1/2 of Aug 2012 GEF Payment
$ 6,453.66	1/2 of Sept 2012 GEF Payment
$ 4,886.43	1/2 of Oct 2012 GEF Payment
$ 4,132.99	1/2 of Nov 2012 GEF Payment
$ 5,513.86	1/2 of Dec 2012 GEF Payment
$ 5,187.25	1/2 of Jan 2013 GEF Payment
$ 5,307.83	1/2 of Feb 2013 GEF Payment
$ 4,783.25	1/2 of March 2013 GEF Payment
$ 4,903.40	1/2 of April 2013 GEF Payment
$ 4,673.21	1/2 of May 2013 GEF Payment
$ 5,322.04	1/2 of June 2013 GEF Payment
$ 6,352.74	1/2 of July 2013 GEF Payment
$ 6,519.11	1/2 of Aug 2013 GEF Payment
$ 5,995.23	1/2 of Sept 2013 GEF Payment
$ 4,913.73	All of Oct 2013 GEF Payment
$ 8,589.16	All of Nov 2013 GEF Payment
$ 8,846.64	All of Dec 2013 GEF Payment
$ 9,286.45	All of Jan 2014 GEF Payment
$ 10,267.60	All of Feb 2014 GEF Payment
$ 8,950.89	All of March 2014 GEF Payment
$ 8,960.46	All of April 2014 GEF Payment
$ 8,069.10	All of May 2014 GEF Payment
$ 9,357.61	All of June 2014 GEF Payment
$ 10,776.24	All of July 2014 GEF Payment
$ 10,967.67	All of Aug 2014 GEF Payment
$ 10,883.75	All of Sept 2014 GEF Payment
$ 8,932.20	All of Oct 2014 GEF Payment
$ 8,549.42	All of Nov 2014 GEF Payment
$ 8,805.66	All of Dec 2014 GEF Payment
$ 9,524.94	All of Jan 2015 GEF Payment
$ 10,268.95	All of Feb 2015 GEF Payment
$ 9,387.70	All of March 2015 GEF Payment
	All of April 2015 GEF Payment
	All of May 2015 GEF Payment
	All of June 2015 GEF Payment
$ 424,437.37	**Total Collections**

Allocation Request from Dover 10/30/2013 - DEMEC to direct more money to library

10/30/2013 **Dover Library Community Grant Payment Schedule**

Payment Due Date	Requested Amount	Funds Paid to Date
10/17/2011	$ 48,267.00	$ 48,267.00
12/5/2012	$ 152,141.32	$ 152,141.32
June 1, 2014	$ 98,500	$ 98,500.00
June 1, 2015	$ 98,500	
June 1, 2016	$ 98,500	
June 1, 2017	$ 98,500	
June 1, 2018	$ 98,500	
June 1, 2019	$ 98,500	
June 1, 2020	$ 98,500	
June 1, 2021	$ 98,500	
June 1, 2022	$ 98,500	
June 1, 2023	$ 98,500	
June 1, 2024	$ 98,500	
June 1, 2025	$ 98,500	
June 1, 2026	$ 98,500	
June 1, 2027	$ 98,500	
June 1, 2028	$ 98,500	
June 1, 2029	$ 98,500	
June 1, 2030	$ 98,500	
June 1, 2031	$ 98,500	
June 1, 2032	$ 98,500	
June 1, 2033	$ 98,500	
Total	**$ 1,970,000.00**	**$ 298,908.32**

City of Dover
Electric Revenue Fund
FY15 - White Oak Solar Park Incremental Cost

	July	August	September	October	November	December	January	February	YTD	Original Budget
Power Supply & Generation										
Dover Sun Park - Energy	$ 227,139	$ 219,981	$ 185,885	$ 140,672	$ 96,640	$ 54,849	$ 80,597	$ 111,516	$ 1,117,277	$ 2,067,600
Dover Sun Park - REC's	47,469	42,307	33,221	25,192	17,303	9,828	14,396	-	189,716	378,600
Total Power Supply Cost	274,609	262,288	219,105	165,864	113,943	64,677	94,993	111,516	1,306,993	2,446,200
Non-Solar Power Supply Cost	(170,970)	(136,533)	(97,948)	(80,182)	(63,893)	(26,259)	(48,763)	(103,862)	(728,410)	(860,244)
Incremental Energy Cost	$ 103,639	$ 125,755	$ 121,157	$ 85,682	$ 50,050	$ 38,418	$ 46,229	$ 7,654	$ 578,583	$ 1,585,956
Revenues										
Customer Sales - Electricity	(9,870)	(8,024)	(7,893)	(7,840)	(8,061)	(8,135)	(8,448)	(8,367)	(66,638)	(84,600)
Rent Receipts	(14,807)	-	-	(14,807)	-	-	(15,177)	-	(44,792)	(101,400)
Total Revenues	(24,677)	(8,024)	(7,893)	(22,647)	(8,061)	(8,135)	(23,625)	(8,367)	(111,429)	(186,000)
Incremental Sun Park Cost	$ 78,962	$ 117,731	$ 113,264	$ 63,034	$ 41,989	$ 30,283	$ 22,604	$ (713)	$ 467,154	$ 1,399,956
MWh Purchased/Generated - Solar	2,217.724	2,006.392	1,602.868	1,213.000	833.320	472.956	694.980	961.592	10,002.832	18,159.000
MWh $ Solar Energy	$ 102.42	$ 109.64	$ 115.97	$ 115.97	$ 115.97	$ 115.97	$ 115.97	$ 115.97	$ 111.70	$ 113.86
Solar REC's MWh	332.000	301.000	240.000	182.000	125.000	71.000	104.000	-	1,355.000	
MWh $ Solar REC (one month lag)*	142.98	140.56	138.42	138.42	138.42	138.42	138.42	-	$ -	
MWh $ Non-Solar Energy	$ 77.09	$ 68.05	$ 61.11	$ 66.10	$ 76.67	$ 55.52	$ 70.16	$ 108.01		

Note: Solar REC's are one month behind due to the time the invoice is received.

City of Dover
Electric Revenue Fund
FY15 - White Oak Solar Park Incremental Cost

	July	August	September	October	November	December	January	February	March	April	YTD	Original Budget
Power Supply & Generation												
Dover Sun Park - Energy	$ 227,139	$ 219,981	$ 185,885	$ 140,672	$ 96,640	$ 54,849	$ 80,597	$ 111,516	$ 153,863	$ 212,274	$ 1,483,415	$ 2,067,600
Dover Sun Park - REC's	47,469	42,307	33,221	25,192	17,303	9,828	14,396	19,932	27,546	-	237,194	378,600
Total Power Supply Cost	274,609	262,288	219,105	165,864	113,943	64,677	94,993	131,448	181,409	212,274	1,720,608	2,446,200
Non-Solar Power Supply Cost	(170,970)	(136,533)	(97,948)	(80,182)	(63,893)	(26,259)	(48,763)	(103,555)	(70,973)	(115,153)	(914,229)	(1,131,760)
Incremental Energy Cost	$ 103,639	$ 125,755	$ 121,157	$ 85,682	$ 50,050	$ 38,418	$ 46,229	$ 27,894	$ 110,436	$ 97,121	$ 806,380	$ 1,314,440
Revenues												
Customer Sales - Electricity	(9,870)	(8,024)	(7,893)	(7,840)	(8,061)	(8,135)	(8,448)	(8,367)	(8,186)	(7,849)	(82,673)	(84,600)
Rent Receipts	(14,807)	-	-	(14,807)	-	-	(15,177)	-	-	-	(44,792)	(101,400)
Total Revenues	(24,677)	(8,024)	(7,893)	(22,647)	(8,061)	(8,135)	(23,625)	(8,367)	(8,186)	(7,849)	(127,464)	(186,000)
Incremental Sun Park Cost	$ 78,962	$ 117,731	$ 113,264	$ 63,034	$ 41,989	$ 30,283	$ 22,604	$ 19,527	$ 102,250	$ 89,272	$ 678,915	$ 1,128,440
MWh Purchased/Generated - Solar	2,217.724	2,006.392	1,602.868	1,213.000	833.320	472.956	694.980	961.592	1,326.748	1,830.424	13,160.004	18,159.000
MWh $ Solar Energy	$ 102.42	$ 109.64	$ 115.97	$ 115.97	$ 115.97	$ 115.97	$ 115.97	$ 115.97	$ 115.97	$ 115.97	$ 112.72	$ 113.86
Solar REC's MWh	332.000	301.000	240.000	182.000	125.000	71.000	104.000	144.000	199.000	-	1,698.000	
MWh $ Solar REC (one month lag)*	142.98	140.56	138.42	138.42	138.42	138.42	138.42	138.42	138.42	-	$ -	
MWh $ Non-Solar Energy	$ 77.09	$ 68.05	$ 61.11	$ 66.10	$ 76.67	$ 55.52	$ 70.16	$ 107.69	$ 53.49	$ 62.91		

Note: Solar REC's are one month behind due to the time the invoice is received.