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MEMORANDUM
VIA EMAIL TRANSMITTAL

TO: Dave Schelkoph, General Manager Marshall Municipal Utilities
CC: Sharon Hanson, City Administrator
FROM: Dennis H. Simpson, Real Estate Consultant
DATE: March 17, 2023
RE: WAPA Renewable Energy Credits (REC) Designated Entity Contract
FILE NO. M015.085

This memo is sent to you as a follow-up to our phone conference on Thursday, March 16, 2023. On that date, you and I did discuss matters related to the new proposed WAPA Renewable Energy Credits (REC) Agreement. At your request, I had reviewed the draft agreement as proposed by WAPA. The proposed agreement would allow for MRES to serve as Marshall's agent for the administration for the WAPA REC contract.

I have reviewed the draft agreement and you and I discussed that matter in detail. My questions regarding that contract, revolved around the potential costs to be incurred pursuant to Section 7 of the agreement. After our discussion, I do have a better handle on the financial implications and would recommend that the contract be brought forward for approval.

As you and I discussed, Marshall Charter Provision §13.04(subd.1) indicates that the Marshall City Council must approve contracts for periods of time exceeding 10 years. The proposed WAPA REC Contract dovetails with the Firm Electric Service (FES) contract dated November 28, 2012. That FES) contract has previously been approved by Marshall City Council, as that contract runs through December 31, 2050. The proposed REC agreement is also to extend to December 31, 2050. Therefore, I have advised that this agreement between WAPA, MRES and the City of Marshall must be approved by the Marshall City Council. You have concurred with that recommendation and have indicated to me that you would work with City Administrator, Sharon Hanson at the appropriate time to bring this matter before Council for approval. You have indicated that approval by WAPA and MRES will take sometime and it may be a couple of months before this is brought to City Council for action. Please let me know if you have any additional questions or concerns.

DHS:jlh