



New Prague Utilities Commission

In the Counties of Scott & Le Sueur

118 CENTRAL AVENUE NORTH · NEW PRAGUE, MINNESOTA 56071 ·
PHONE (952) 758-4401 · www.ci.new-prague.mn.us · FAX (952) 758-1149

Bruce Reimers
General Manager

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Bruce Reimers, Utilities General Manager

DATE: March 24, 2025

SUBJECT: **Authorizing the Issuance of Bonds, Acknowledgement of Bids and Approving Authorization Process in Connection with the Planning and Construction of the Electrical Generating Plant/The Power Supply System for a New Prague Utilities Commission Project**

Southern Minnesota Municipal Power Association (SMMPA), New Prague's wholesale power supplier, informed Utilities Members over the past year of changes that need to be made to meet capacity requirements. These changes align with growing demands and support the capacity limitations of wind and solar resources mandated by the State of Minnesota. To meet the 100% carbon free mandate, SMMPA and its members will need to build dispatchable generation (generation that can be called on with near 100% reliability) to provide short term capacity when renewable resources are not available. SMMPA has offered members the opportunity to expand their generation capacity under a 20-year capacity agreement that will pay members for new generation assets.

This opportunity aligns with New Prague Utilities need for additional generation to be used when there are regional transmission outages and support the operations of the distribution system. Currently, New Prague has 17.5 Mega Watts of local generation and a peak system load of around 18 MW. The planned addition of 11.3 MW, with an estimated cost of \$18,000,000 to \$20,000,000, will serve the needs of New Prague for the foreseeable future and be funded through the 20-year capacity contract that is being offered by SMMPA.

Recommendation: The New Prague Utilities Commission recommends approval of Resolution 25-04-07-05 Authorizing the Issuance of Bonds, Acknowledgement of Bids and Approving Authorization Process in Connection with the Planning and Construction of the Electrical Generating Plant/The Power Supply System for a New Prague Utilities Commission Project