

COMMUNITY ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

3:00 PM

Special Meeting

VIEWING AND ATTENDING THE PUBLIC UTILITY BOARD MEETING

This meeting will be held in a fully virtual format and is closed to in-person attendance

View Meeting / Livestreaming:

- Join the Teams meeting / livestream or view after the meeting by copying this link into a web browser: [Teams](#)
- A video of the meeting will be available to view on the City website following the meeting

Calling in to the Teams Meeting:

- Call 1-347-352-4853
- Conference ID: 792 943 901#
- Press *6 to mute and unmute your phone

Call to Order

1. Approval of Agenda

2. Regular Agenda

1. Additional Funding for GT-1 Overhaul
Resolution: Additional Funding for GT-1 Overhaul

3. Adjourn

The agenda and board packet for Utility Board meetings are available on-line at www.rpu.org and <http://rochestercitymn.iqm2.com/Citizens/Default.aspx>

FOR BOARD ACTION

Agenda Item # (ID # 14474)

Meeting Date: 2/4/2022

SUBJECT: Additional Funding for GT-1 Overhaul

PREPARED BY: Mark Kotschevar

ITEM DESCRIPTION:

The initiation of phase two for the Westinghouse Gas Turbine (GT1) Overhaul Project, which involves the repair and reassembly of the unit, was presented to the Board during the December 2021 meeting. The approved Board action gave authority to the RPU General Manager to continue the project if the total estimated cost did not exceed the budgeted \$2.5 million. The status and cost reports from Ethos Energy which included metallurgical tests, detailed inspections of all components, and the repair and replace decisions based on engineering specifications, were received in late January, 2022. These reports indicated higher than originally planned costs on a few of the major components including vanes, blades, diaphragms and rotor alignment. Internally, Power Resources staff also evaluated multiple major auxiliary components including bearings, the primary heat exchanger and turbine case welding to generate an estimate for repairs and replacements. In combining these costs, it was determined that the total project would exceed the \$2.5 million. These repair and replacement estimates from Ethos Energy and Power Resources' staff have been thoroughly evaluated and are within acceptable engineering standards and practices for this unit.

The decision to keep GT-1 within RPU's fleet of capacity resources is still a sound decision. Capacity sale revenues exceed \$10 million over the next decade. The unit provides valuable energy price hedging and grid resiliency to the Rochester community. GT-1 also reserves a valuable MISO Generation Interconnect that allows for the next generation of technology to enter into RPU's resource fleet, without incurring potentially large costs for transmission upgrades.

Subject to the General Manager's decision to move forward, staff is seeking approval of an additional \$1,020,000 for phase two of the project, which includes repair and reassembly of the gas turbine rotor and components. This project can still be completed by mid-June of 2022. The Board is also being asked to approve authorizing the RPU General Manager to perform acts to execute this project.

Staff will have a brief presentation with further details regarding the project at the meeting.

UTILITY BOARD ACTION REQUESTED:

Approve an additional \$1,020,000 for the Westinghouse Gas Turbine Overhaul Project, and authorize the RPU General Manager to perform the acts needed to execute this project.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an additional \$1,020,000 for the Westinghouse Gas Turbine Overhaul Project, and authorize the RPU General Manager to perform the acts needed to execute this project.

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President

Secretary