

LFG TO ELECTRICITY PROJECT IN SALT LAKE CITY

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10th Annual LMOP Conference



MURRAY

CITY
POWER





Murray City, Utah



"PUBLIC POWER WORKS IN MURRAY"



Murray City Power



MURRAY
CITY
POWER

- Since 1913
- 100 MW Summer Peaking
- 3-4% Sustained Annual Growth
- Reliability Is Critical
 - Comfort and safety of
 - Homes
 - Schools
 - Hospitals
 - Businesses – The service we deliver is the lifeblood of our economy.

RELIABILITY

- Qualified Employees
- Quality Equipment
- Poles and Wires – The Delivery System
- Substation Capacity
- Transmission Capacity
- Power Supply Resource Mix



1ST CHOICE
QUICK LUBE OIL
OIL CHANGES AND INSPECTIONS
EAST IN AND OUT

END

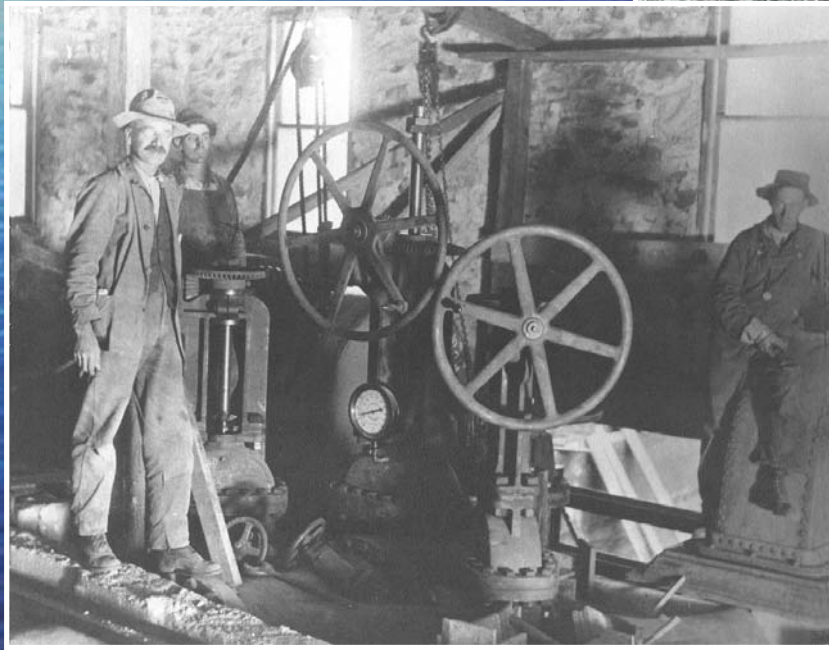
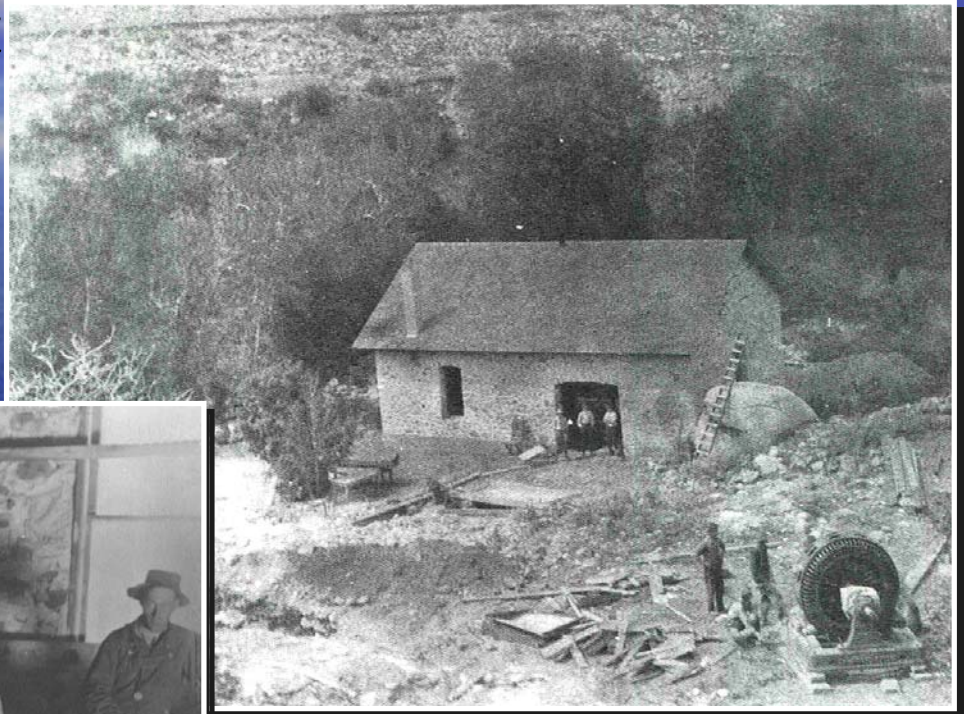


KEY PRINCIPLE OF POWER SUPPLY RELIABILITY

MAINTAIN A DIVERSITY OF

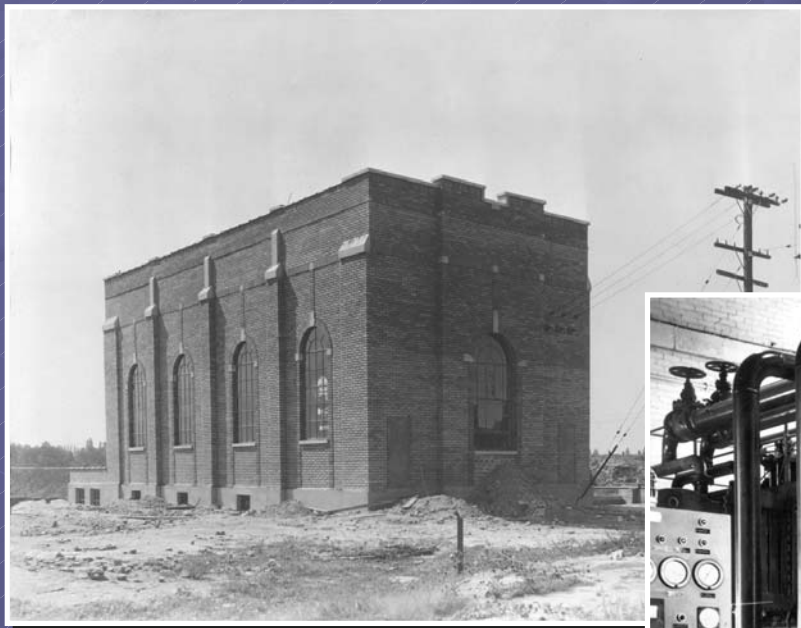
- SHAFTS,
- SITES, AND
- FUELS

1913 – Murray City Power's First Hydro-Electric Plant



Diesel Generation

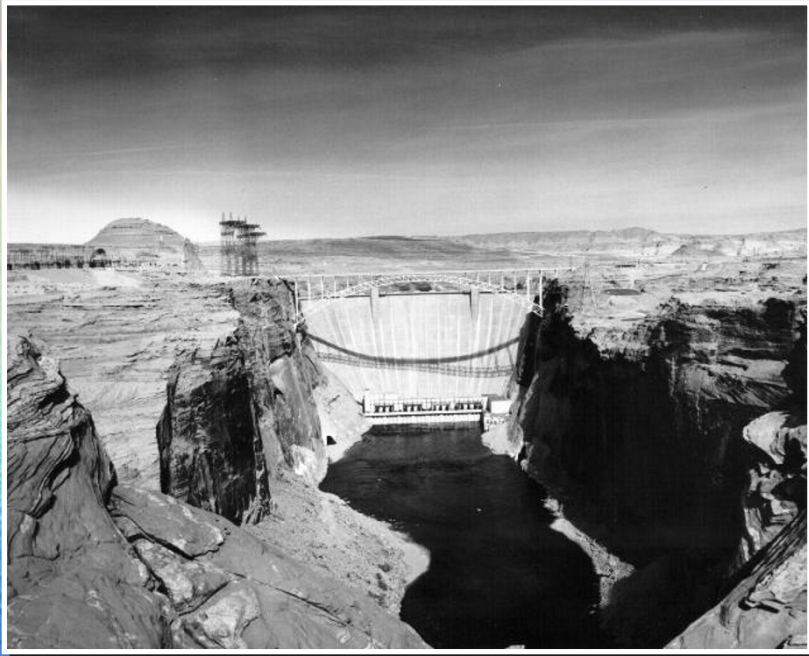
Expanded Diesel Plant – 1930's



Original Diesel Plant - 1926

Last Diesel Generator Added - 1958

Federal Hydro-Electric Projects



Glen Canyon Dam
On the Colorado River



Flaming Gorge Dam
On the Green River

Coal-Fired Power Plants



Hunter 2

Intermountain Power
Project



San Juan 4





Gas Turbine Generation Station

KEY PRINCIPLE OF POWER SUPPLY RELIABILITY

MAINTAIN A DIVERSITY OF

✓ SHAFTS,

✓ SITES, AND

• **FUELS**

MURRAY CITY POWER

- Our Efforts In Environmental Stewardship
 - 17,000 trees planted over past 30 years
 - Gas Turbines replaced Diesel Generators
 - Hybrid cars
 - Clean, renewable 5 MW Hydro Power Plant
 - Free Energy audits
 - Public education for wise energy use
 - Rates promoting energy efficiency
 - Sponsorship of Arbor Day / Earth Day

KEY PRINCIPLE OF POWER SUPPLY RELIABILITY

MAINTAIN A DIVERSITY OF

- ✓ SHAFTS,
- ✓ SITES, AND
- **FUELS**

WHERE ARE THE RENEWABLES?



A COMPLEX PARTNERSHIP

- Landfill owned by **Salt Lake City** and **Salt Lake County**
- LFG rights and generation facility to be developed by team of experienced LFG industry leaders:
 - **Landfill Energy Systems**, Temecula, CA
 - **DTE Biomass**, Ann Arbor, MI
- Power Purchaser: **Murray City Power**
 - Established utility to buy wholesale for retail distribution
 - Provide the critical revenue stream
 - Transmission Access through UAMPS (statewide JAA)
 - Owned by City of Murray, subject to approval process

POWER PURCHASE AGREEMENT from MCP perspective

- No direct capital investment or risk
- No additional staffing
- Experienced and reputable project developer
- Contractually firm pricing for 10+ years
- **Pricing Profile** matches load and market profiles, to increase project competitiveness

TYPICAL LOAD PROFILE

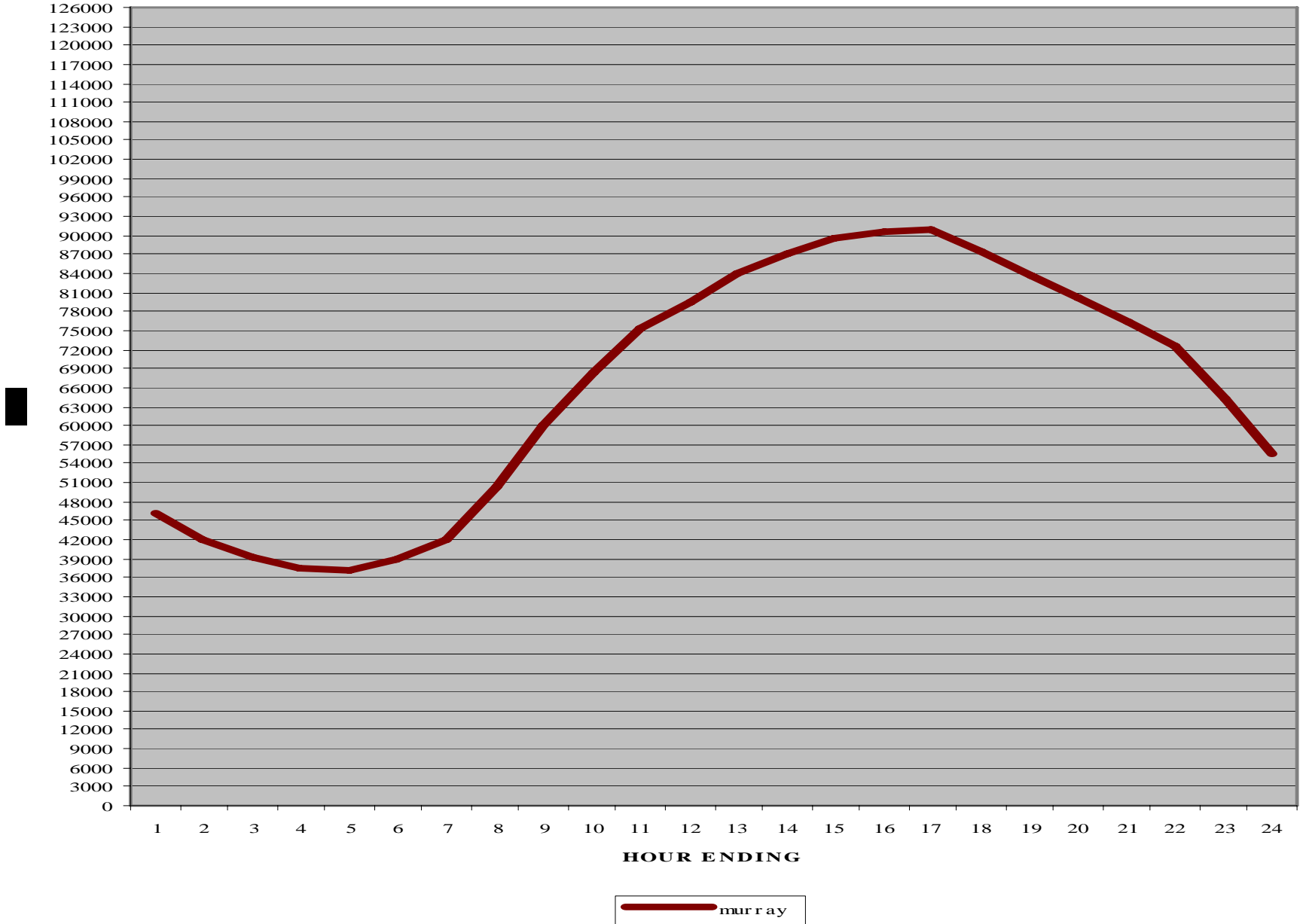


CHART 1: HOURS OF THE DAY

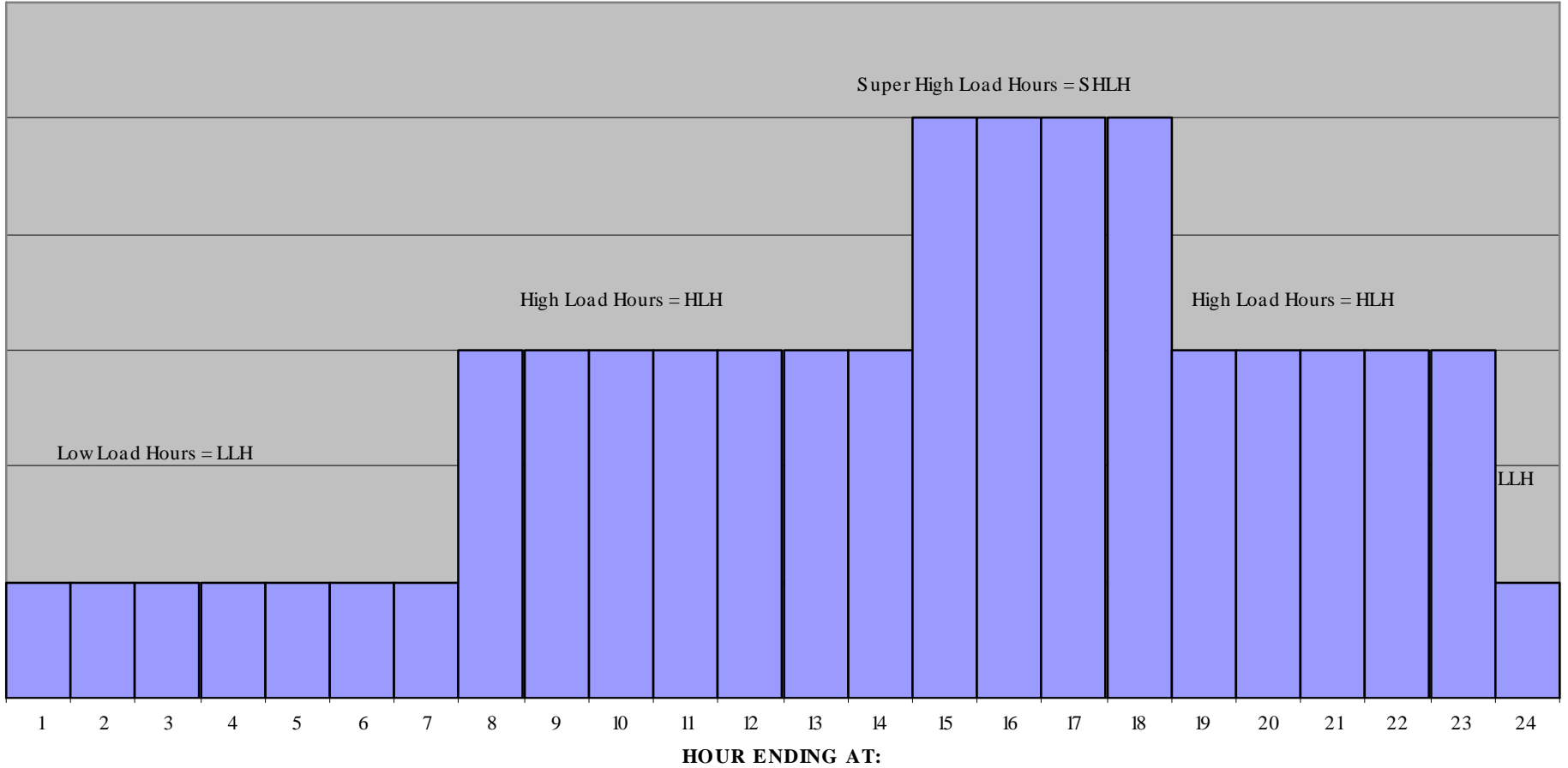
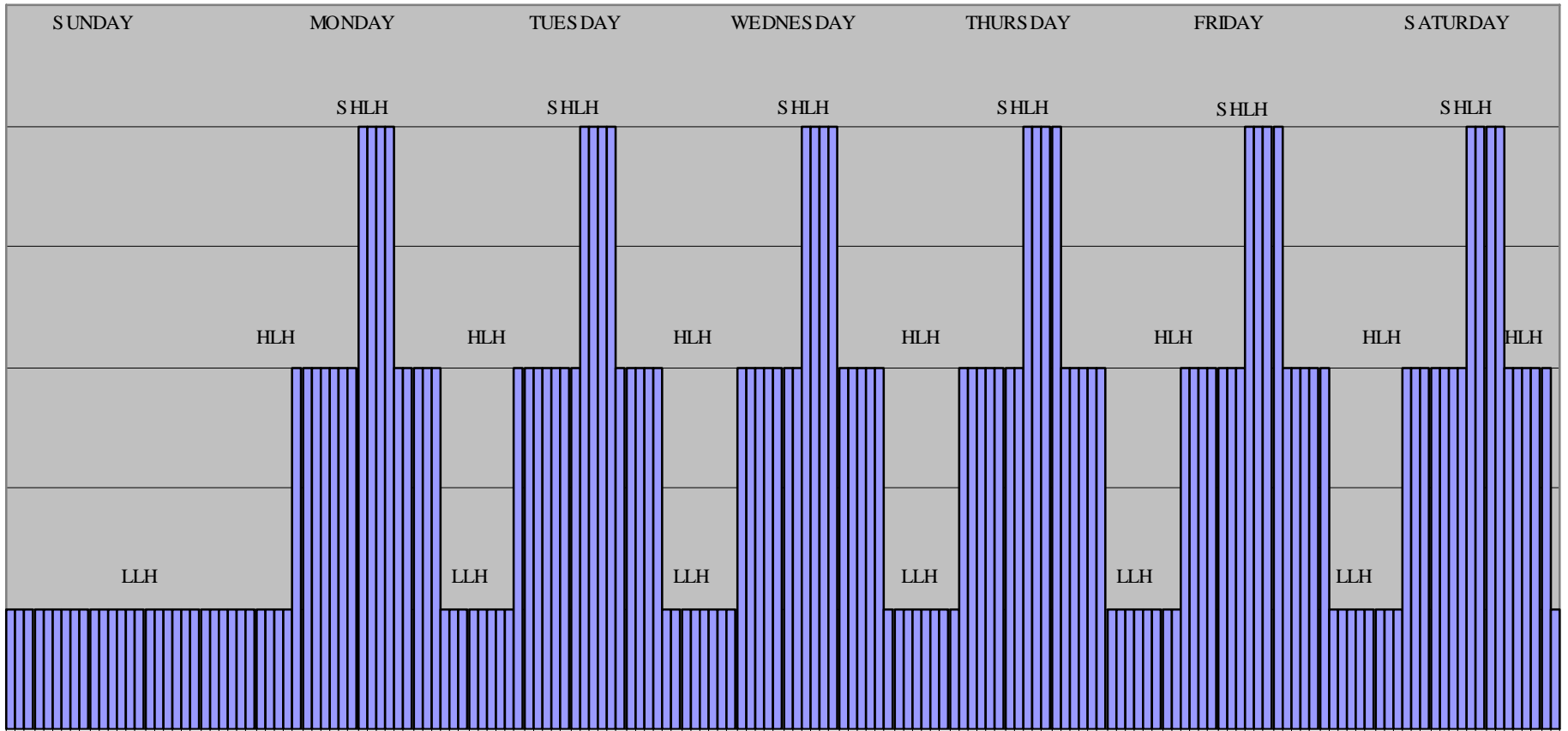
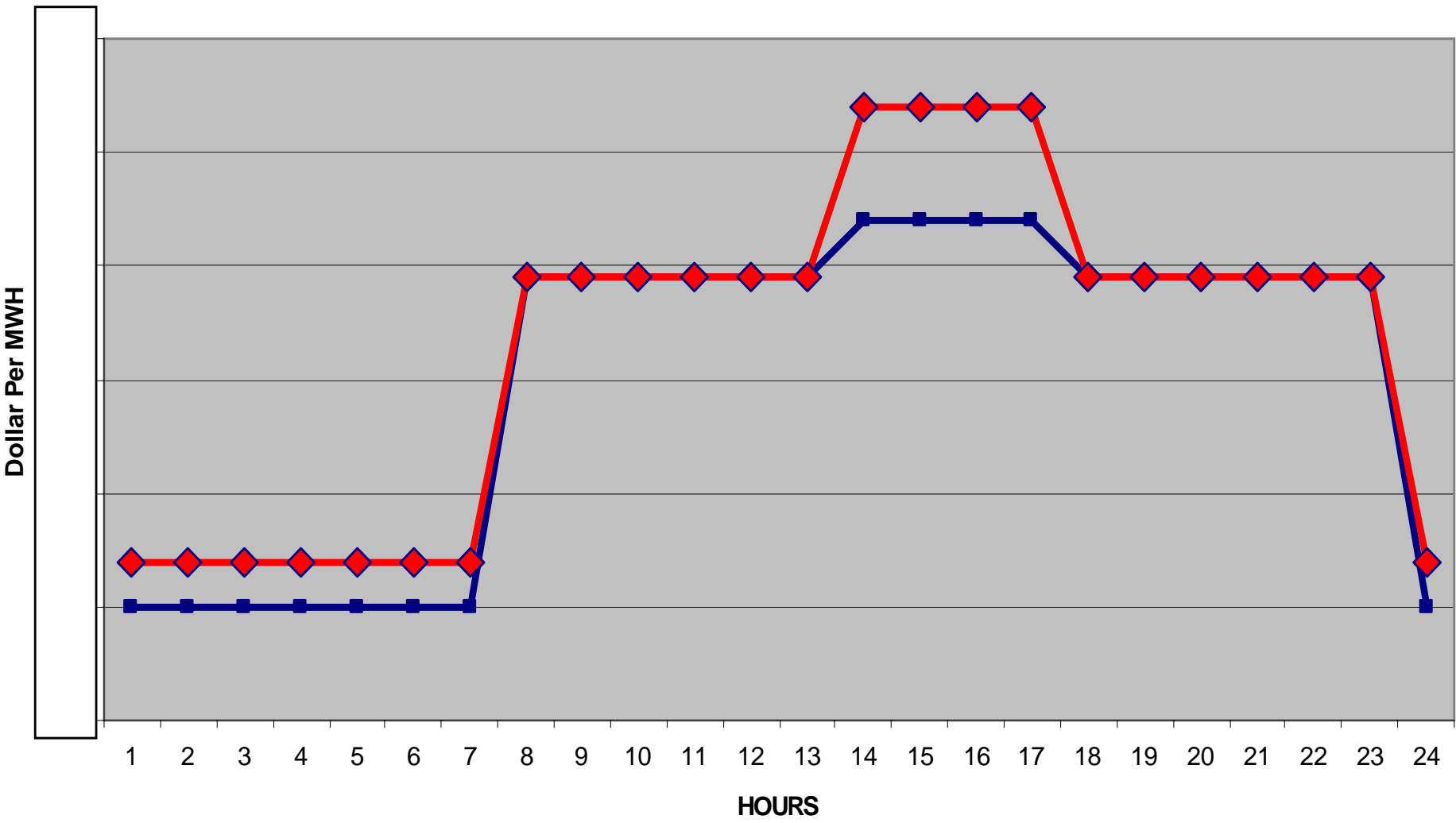


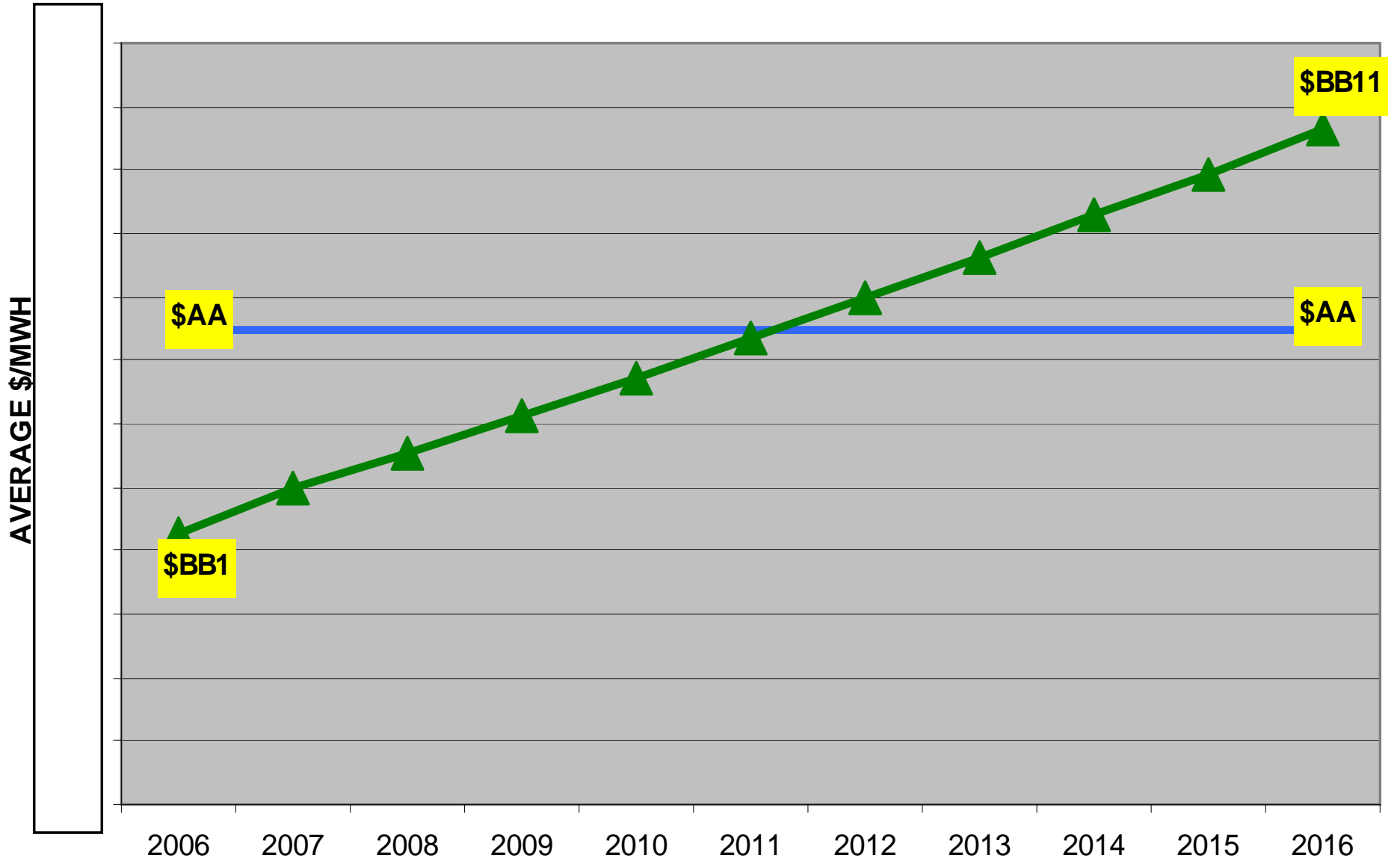
CHART 2 : DAYS OF THE WEEK





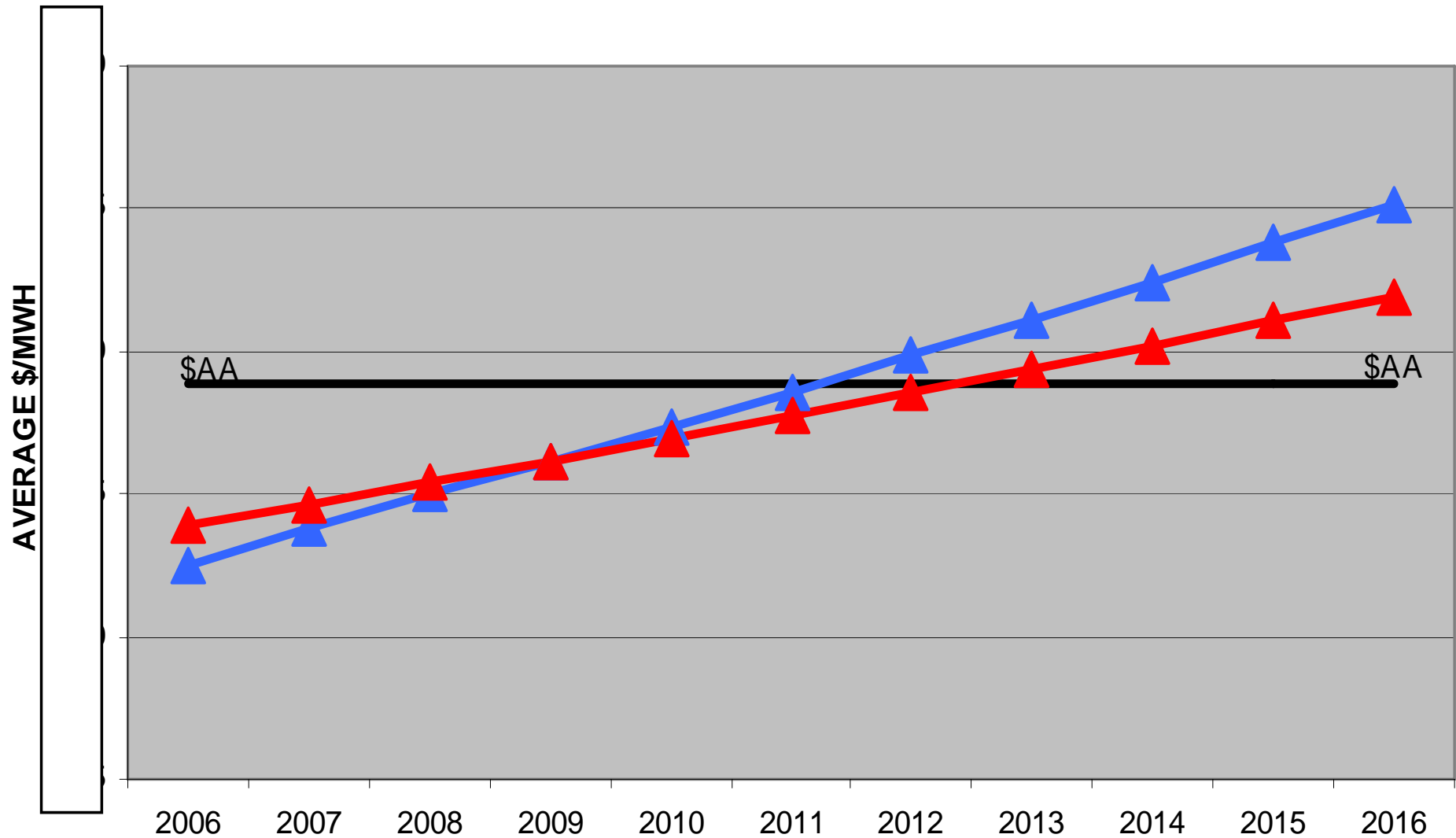
■ LFG Pricing Winter ◆ LFG Pricing Summer

ANNUAL AVERAGE PRICING OVER TIME



— LFG - STABLE PRICING —▲— LFG - TIME OF USE + 2.3% ANNAUL ESCALATOR

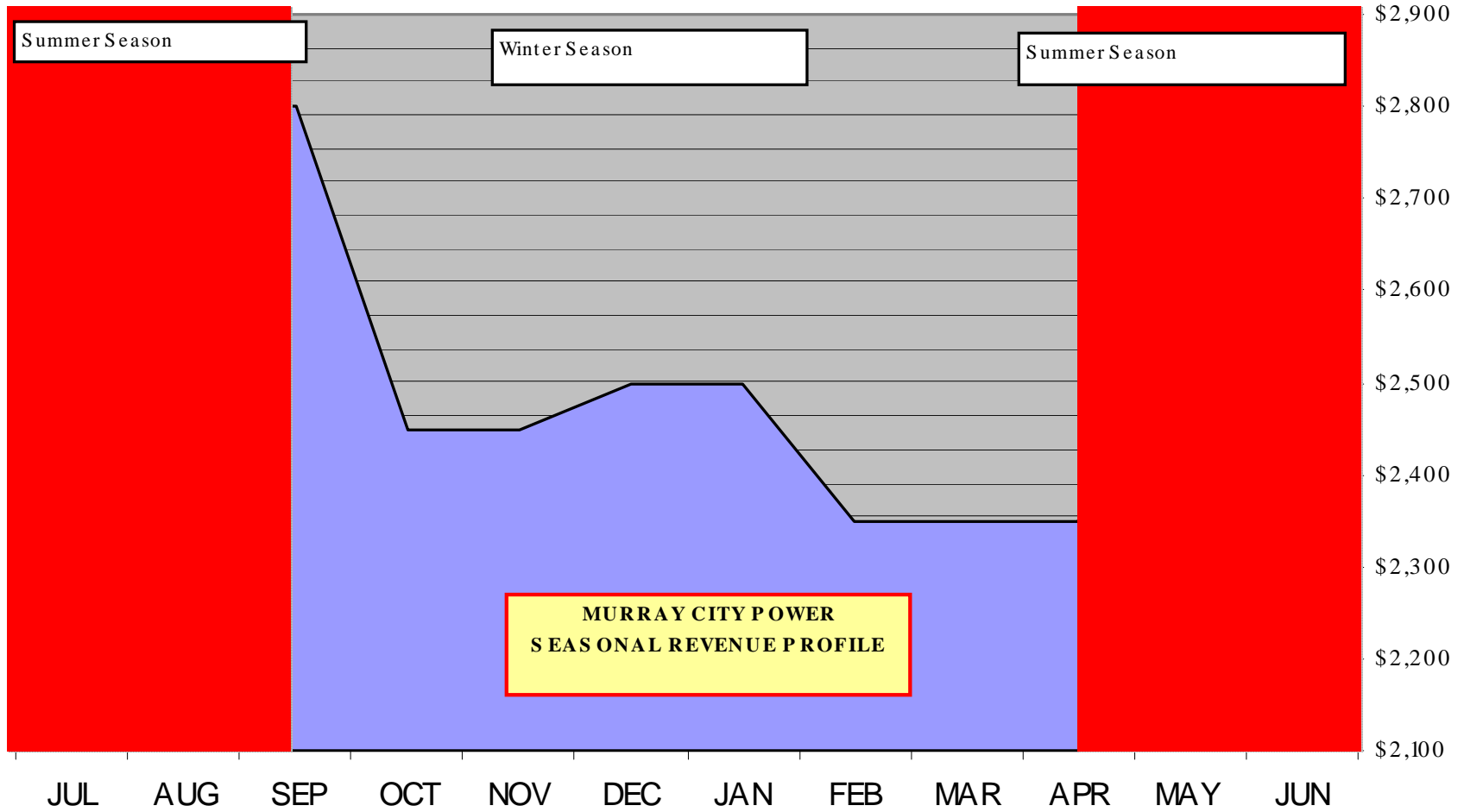
PRICING / RESOURCE SCENARIOS



- LFG - FLAT PRICING
- ▲ LFG - Scaled Pricing + 2.3% ANNUAL ESCALATOR
- ▲ IPP - FLAT Pricing + 1.15% ANNUAL ESCALATOR

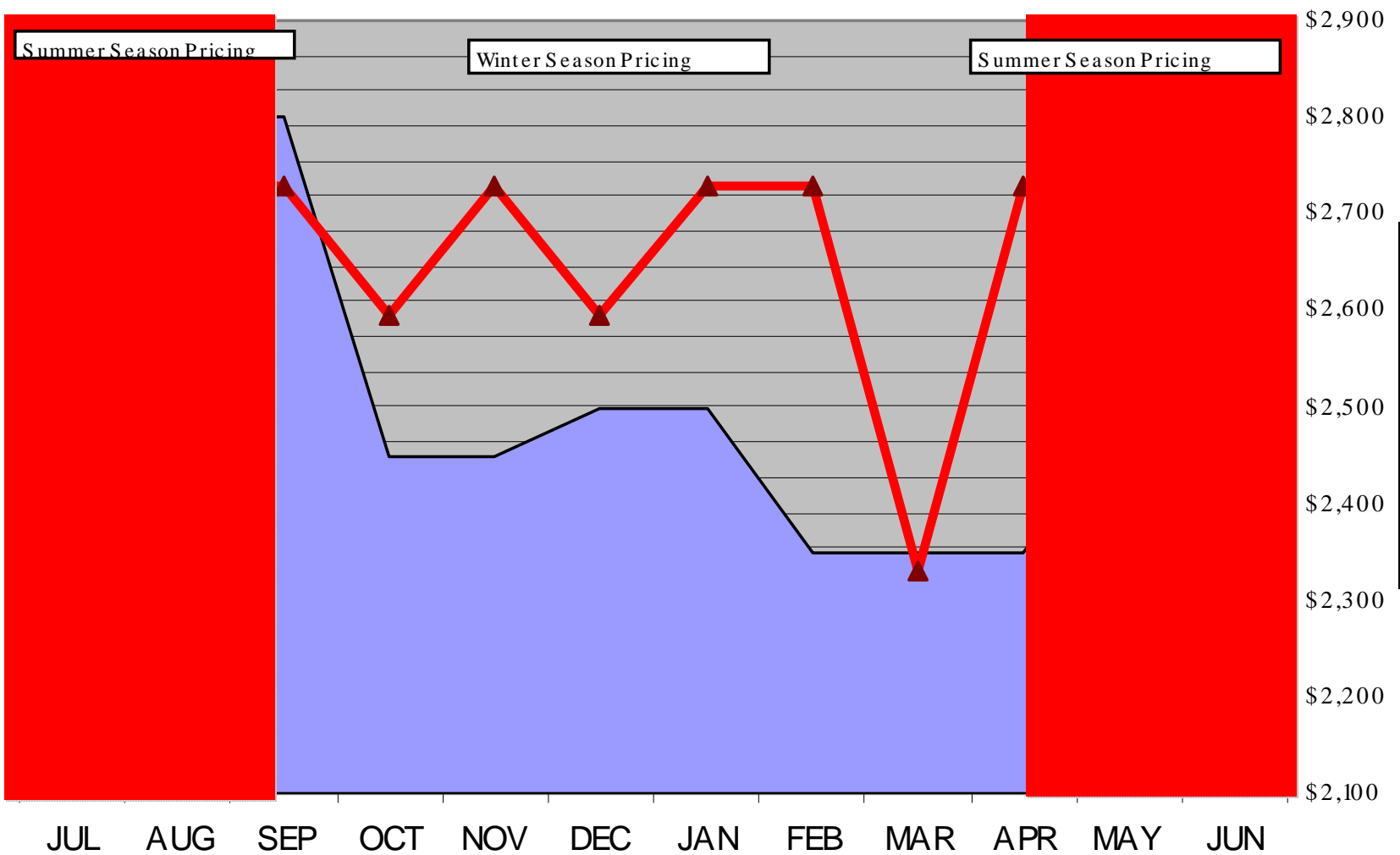
Landfill Gas Project Seasonal Time of Day Pricing Profile

3 MWH per Hour Cash Flow Impact



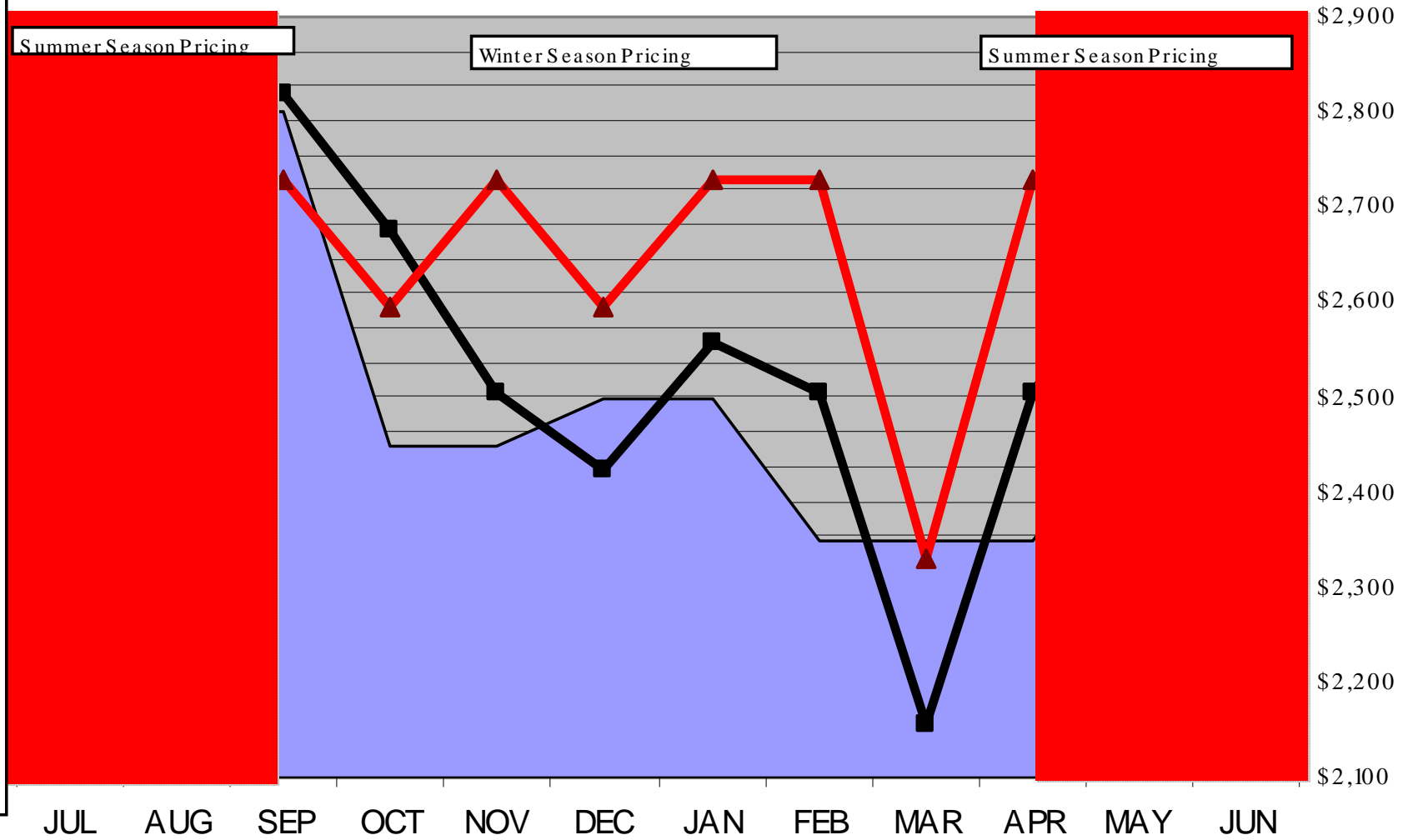
Landfill Gas Project Seasonal Time of Day Pricing Profile

3 MWH per Hour Cash Flow Impact for Fiscal Year 2007



Landfill Gas Project Seasonal Time of Day Pricing Profile

3 MWH per Hour Cash Flow Impact for Fiscal Year 2007



SALT LAKE VALLEY LFG TO ELECTRICITY PROJECT

SUMMARY

- 10.5 year contract, with renewal option
- **95%** capacity factor
- Competitively priced
- Environmentally sound and sensitive
- Equivalent to supplying **2 TIMES** the entire power demand of City of Murray's government facilities and street lighting with a renewable power resource – Murray City Corp is 100% Green.
- Tremendous PR value for utility and City
- Made possible by City utility ownership, and UAMPS membership

REMEMBER

In the end, all of the little birds -
Opponents of LFG for one reason or another –
Experienced a change....,

And got behind the Big Blue LFG Bird



Salt Lake Valley
LFG To Electricity Project



Landfill Gas Recovery and Energy Systems

