



JV2

Joint Venture 2

AMERICAN MUNICIPAL POWER, INC.





Joel Mazur
City Manager
City of Napoleon

Letter To Participants

The Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2) experienced a successful year, providing significant savings to participating AMP members in 2017. OMEGA JV2 provided project participants with approximately \$12 million in peak-shaving savings.

In 2017, OMEGA JV2 generation capacity operated at better than 91 percent during the time of the PJM 1CP and 5CP peak periods, which greatly surpassed the budget projection of 66 percent. OMEGA JV2 peaking generation assets generated 9,652,231 kWh in 2017. This was 24 percent below 2016 generation, but 29 percent above the five-year annual production average.

In 2017, AMP kicked off a major gas turbine maintenance improvement plan, approved by participants in 2016. The improvements consist of approximately \$4.8 million in projects intended to increase reliability and operating efficiencies, and are anticipated to be implemented by the end of 2018. In addition, participants approved the purchase of a spare LM5000 gas turbine engine for use during repairs to the two existing LM5000 engines. OMEGA JV2 took delivery of the spare engine in November.

FINANCES

OMEGA JV2 is debt free — the final debt service charge to participants was for December 2017. OMEGA JV2 participating communities paid \$2.53 per kilowatt-month (kW-month) as a fixed rate for operations and maintenance costs in 2017. Project financing participants were charged \$3.17/kW-month for debt service, which remained unchanged from the previous two years.



OMEGA JV2 is a joint venture project formed in 2000, composed of 36 AMP member communities, and owns three gas turbine peaking generation units and 35 diesel units. The project has a subscribed capacity of 134.096 megawatts. Thirty-four of the diesel units were upgraded in 2015 with diesel oxidation catalysts and one unit was retired in 2016. AMP manages the project on behalf of participants and can operate the diesel units remotely from its Energy Control Center for peak shaving.

OMEGA JV2 participants: Amherst, Arcanum, Bowling Green, Bradner, Brewster, Custar, Cuyahoga Falls, Dover, Edgerton, Elmore, Galion, Genoa, Grafton, Hamilton, Haskins, Jackson Center, Lodi, Lucas, Milan, Monroeville, Montpelier, Napoleon, Niles, Oak Harbor, Oberlin, Painesville, Pemberville, Pioneer, Seville, Shelby, South Vienna, St. Marys, Versailles, Wadsworth, Woodville and Yellow Springs.

2017 financials are available at www.amppartners.org

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