

Jennie Robinson, President
Bill Kling, Councilmember
David Little, Councilmember
Michelle Watkins, Councilmember
John Meredith, Councilmember



Tommy Battle, Mayor
John Hamilton, City Administrator
Trey Riley, City Attorney
Shaundrika Edwards, City Clerk

Friday, February 27, 2026

11:30 AM

CITY COUNCIL CHAMBERS

Huntsville Utilities Work Session

CALL TO ORDER

1. PRESENTATION

- a. Huntsville Utilities CERP Presentation

2. DISCUSSION

- a. City Council discussion of the CERP presentation.

3. ADJOURNMENT

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PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

HUNTSVILLE CITY COUNCIL MINUTES

Work Session - February 27, 2026 - 11:30 a.m.

**City Council Chambers, City Hall
Huntsville, Alabama**

Members Present: **Dr. Jennie Robinson, President**
 Mr. Bill Kling
 Mr. David Little
 Mr. John Meredith
 Ms. Michelle Watkins

Mayor: **Mr. Tommy Battle**
City Administrator: **Mr. John Hamilton**
City Attorney: **Mr. Trey Riley**

President Robinson called the meeting to order at the time and place noted above.

This Work Session of the Council was called by President Robinson for the purpose of a Huntsville Utilities CERP Presentation and City Council Discussion of the Presentation.

President Robinson said no action would be taken at this meeting, that the meeting was being televised, and it was open to the public; however, there would be no public comments.

President Robinson recognized Mr. Wes Kelley, President and CEO of Huntsville Utilities.

Huntsville Utilities CERP Presentation.

(Mr. Kelley made a PowerPoint presentation.)

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

Mr. Kelley recognized members of the Huntsville Utilities boards, members of the Energy Task Force, members of his staff, and a representative of TVA.

Mr. Kelley said the Community Energy Resource Plan (CERP) was a brainchild of Mayor Battle, that there had been a discussion at the Chamber about all the issues in front of them, the complicated energy environment that was coming and how the community was going to respond to it, and Mayor Battle had said they needed to get a group of people together to analyze these issues and present recommendations to help Huntsville Utilities respond to a rapidly changing energy landscape.

Mr. Kelley said they had worked with the City of Huntsville to initiate this strategic planning effort, to ensure long-term reliability, affordability, and sustainability in their electric system delivery, and that had led to the formation of the Energy Task Force, and the diligent work of this group had resulted in the CERP. He said their consultant was Black & Veach, which was one of the largest engineering consulting firms in the country, and they had assisted in pulling this report together, providing a national perspective.

Mr. Kelley said the recommendations included working toward negotiating a new power contract with TVA; Grid Modernization, upgrading their transmission and distribution capabilities to keep up with modern technology; Local Generation; and a change in Governance of Huntsville Utilities, consolidating the Electric, Gas, and Water boards into one board, with consideration of Public Act-175.

Mr. Kelley said they should be aware that TVA rate increases would be coming in the future, and although there were none imminent, they needed to be cognizant of that in determining what steps they could take to try to lower that impact, such as demand-side management and local generation scenarios.

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

Mr. Kelley said they had to get the growth rate right, that if they did not, it would reduce their economic development opportunities and create system reliability challenges. He said growth and stability had been core to what Huntsville had been for the last 15 years, and they had to make sure that stayed in place, and demand-side management, grid modernization, and local generation all had a role to play in that.

Mr. Kelley said, concerning the governance structure, they needed to be in a position to respond quickly as things got more complicated in the broader energy market, and there were some oddities and ambiguities in the system that could perhaps be cleaned up, and the State had provided a vehicle to do that.

Mr. Kelley continued with an in-depth presentation concerning Huntsville's growth rate and the energy growth rate, including usage, meeting peak demand, TVA power supply, et cetera.

Mr. Kelley said the displayed screen showed the rise of data centers, that in 2019, data centers, or data-driven loads, including crypto mining and other things, represented about 1 percent of TVA's load, and now they believed it represented about 16 percent of TVA's industrial load, and it would continue to change.

Mr. Kelley said the CERP included Demand-Side Management, Grid Modernization, Local Generation, and Governance, and he said some of these were projects already under way and some were new projects. He presented concerning this, including time-of-use rates, which he said would be an issue for the Council to consider: if they wanted to roll this out on commercial customers, and potentially have an optional rate, or even a mandatory rate, with residential time of use. He said this would absolutely help lower peak demands and lower costs, but there was a tolerance issue associated with it.

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

Mr. Kelley presented concerning Grid Modernization, including moving from a 46-kV system to a 161-kV system., with an in-depth explanation.

Mr. Kelley presented concerning Local Generation, saying this was dependent upon future conversations with TVA and continuing with an in-depth explanation.

Mr. Kelley said they should evaluate Waste-to-Energy, and he said Mr. "Doc" Holladay, Director of the Solid Waste Disposal Authority (SWDA), was at the meeting, and he said he had done incredibly innovative things with the incinerator that was currently generating power for Redstone Arsenal, noting this was one of the best-kept secrets in Huntsville. He said they were working with Mr. Holladay to get some of their methane gas into Huntsville Utilities' gas system, cleaning it and putting it into the gas system as renewable natural gas, and there was the issue if they should have further conversation about power generation.

Mr. Kelley said the Governance issue was something that was the Council's responsibility, that Huntsville Utilities' governance and board structure were complex, involving some ambiguous historical practices, some unclear multi-utility decision-making authority, and other legal and contractual complexities, and CERP recommended the consolidation of Huntsville Utilities' three boards into one board, to have a single legal entity for contracting financial and operational requirements.

Mr. Kelley said with one board, they would still have, accounting wise, the Electric System, the Water System, and the Gas System, but they could issue contracts and operate legally as one entity, having one board that would meet at one time in the same room together.

Mr. Kelley said the State had provided an opportunity to clean this up, and all the other Utilities had moved to that model. He said they could adopt Public Act-175, or they could

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

amend the current statutes, go to the Legislature and draft a private act, or the City could enact ordinances, and he explained those methods in depth.

Mr. Kelley said Public Act-175 was something the Council could pass in a resolution adopting it, but there were some provisions in it they might not like. He said there was the opportunity to rectify this situation, and he further explained the problems encountered with the governance as it existed.

Mr. Kelley asked if there were any members of the Energy Task Force who would like to share any thoughts or observations.

Mr. Hall Bryant, Jr., said the task force had sat through many hours of "making soup" concerning this matter, and with Mr. Kelley 's presentation, he felt they had finally made the soup, and it was good. He said they had a wonderful Utilities, one they needed to trust, but like with everything else, they needed to verify, to trust and verify. He said he thought the best thing the Council had done prior to this was to have okayed the gas line, that it would give them another source, and they needed it now. He said the questions could be answered now, and they needed it, and it was coming.

Mr. Lyle Voyles congratulated the City Council and the Mayor for coming up with this idea, and he said they had picked the right people, that they all had something different to offer. He said he had watched the CEOs of Huntsville Utilities for a few decades, and he was not sure if they were going to be able to find somebody for this position if they told them in advance what they had just heard about what Mr. Kelley had to do. He said the Council was going to have to work the political loops, but they should not spend half their time having to go through a maze to make a decision to get something done. He said that was his recommendation, and he thanked them for the work they did.

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

City Council Discussion of the CERP Presentation.

Councilmember Kling said he had heard that data centers were coming in and soaking up energy, and Utilities were having to expand capacity, and he asked if there was a way not to saddle the residential customers with the cost of this, where they would be subsidizing the data centers.

Mr. Kelley said currently as data centers were being built, and infrastructure had to be built to serve those data centers, they were treated like a manufacturing customer, but everyone was starting to realize those customers were different from a manufacturing customer, and he expected by the end of the current year, TVA would move to change its rate structure for those large data centers, to handle them differently, and that would be good for them because, otherwise, as they built that infrastructure, it would increase costs, that now it was socialized, spread across all the customers, and if those particular customers were causing a unique burden to the system, they ought to pay a unique price associated with that.

President Robinson said in the CERP report, she had noticed it said data centers were not a target for the City of Huntsville's economic development, and she asked if Mayor Battle would confirm that.

Mayor Battle said that was true, that they had looked at them and had jointly come to the conclusion that they ate up a lot of potential power and a lot of the source of the power they had, and the number of employees they would get back was not that great. He said they put a lot of capital into the ground, but for the City, they could have 10 Toyota Mazdas for one data center, and that would be 40,000 people having the opportunity to be employed versus 450. He said there was a weighing every community did at this time, and that weighing was very important for the City, to make sure they provided for the future, for the power of the future.

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

Councilmember Meredith said out west was different, and he asked if a data center were put in the city of Huntsville and Limestone County, what affect that would have on Huntsville Utilities.

Mr. Kelley said it would have a direct impact on Huntsville Utilities, that TVA's transmission network was interwoven, and there were two large 500-kV stations, which was the main way power got routed around the Valley, that there was one north of the Toyota plant and one in the Chase Industrial Park, and in between those were a bunch of 161 circuits. He said there were constraints and issues they shared with Athens, so as the Athens system continued to grow, there was less going down that pipe that came into Huntsville.

Councilmember Meredith said the technology behind the cooling could provide a significant decrease in costs, meaning the liquid immersion versus the air cooled, and he asked if Mr. Kelley could comment on that, for data centers.

Mr. Kelley said he was no expert in that space, that at this time, probably the smartest people in the world were being hired by the tech companies to solve that problem, and he kind of believed that over the next 5 to 10 years, they would look back and say it was a solved problem, that technology would have matured. He said at this time, everyone was building gas plants to either put at a data center or to support a data center, and nuclear was happening as well.

Mr. Kelley said he thought this land rush that was happening toward gas would start to subside, and he said Huntsville was not following that land rush, that Huntsville just had steady, organic growth that was moving. He said if they just annualized it out at 2 percent growth per year, in 10 years, that would be 20-plus percent, because it compounded, and at 20 years, it would be 40-plus percent, that with the way it compounded, it would be almost 50 percent bigger.

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

Mr. Kelley said there were these chunky loads, due to the data centers, that a lot of the data centers had loads larger than their entire electric utility, but in Huntsville, they were just focused on steady, organic growth.

Councilmember Little said in looking at the list of recommendations, he would say that getting the Governance in order would probably be the first thing they would want to tackle, and that would make all the other things a lot easier to do.

Mr. Kelley said he agreed that it would clarify, simplify.

Councilmember Little asked if it was correct the North Alabama Public Energy District (NAPED) figured into the discussion.

Mr. Kelley replied in the affirmative. He said NAPED had contracted with Volkert, and Volkert was completing a corridor study at this time, and by the summer, they would have the 30 percent engineering design done, which would give Huntsville Utilities pretty firm numbers with which to talk about Go/No-Go, so in the upcoming spring or summer, the Council could expect him to come back to give them a full update.

Councilmember Little asked if it was correct that having electricity available was not the issue, that it was getting it from the point of generation, or if it was that they might not be generating enough.

Mr. Kelley said on the TVA side, they had that “decade of decline,” where there was relatively flat usage, and they were tired of going through the assets associated with that, and then coming out of COVID, he thought everyone was surprised at the rate of growth. He said then they had had the rolling blackouts, and TVA had stepped up to that, and they had a plan on how to deal with that. He said transmission was where he was continuing to put pressure on

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

TVA, because getting it from those generating assets efficiently into Utilities was where he saw a concern.

Mr. Kelley said he was having this same issue at Huntsville Utilities, that they got the power from TVA, from the two big 500 stations, and it fed into the 161 lines, and those lines dropped power into their system at 13 locations, and some of it went directly into the power lines that went down the streets, and some of it went into their 46-kV system. He said that system was what they needed to expand and upgrade and replace, because they might have half a dozen substations that fed neighborhoods off a single 46 circuit, and they were in the very uncomfortable position that if a car hit a pole at the beginning of that circuit, all six of those substations would go out. He said ordinarily the system was looped, and that was no big deal, that they would isolate that outage and loop power from another part of the system, and they could get power back on to maybe five of those six stations, but during the summer and during the winter, that system was taxed, and they could not loop it around, so all those stations would stay out until that single pole was replaced.

Mr. Kelley said Huntsville deserved better than that, so they needed a system that was scaled up, that they needed to move past the 46 system and talk about building a 161 system so they would have the grid resilience they needed.

Councilmember Watkins said she was not in favor of combining the boards, that they would be losing specialized expertise, that each utility operated under a different regulatory framework, that Electric operated under grid and federal energy compliance; Gas operated under pipeline safety; and Water addressed treatment standards, environmental compliances, and stormwater management. She said combining those into a single board would be deleting the expertise as well as running into risks. She asked who would be the leader for all three of those,

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

who would be the subject matter expert. She said it would reduce the checks and balances, that they would be putting three major boards into one, and that was a serious concern. She said it would reduce transparency, with a single board making decisions on everything, that it would definitely have some impact on financial transparency, and she was also concerned about the risk, that one board would be making decisions for all three.

Councilmember Watkins said she did not know if Mr. Kelley had done a SWOT analysis to determine if this was the best way to do this, and she asked if they had identified their strengths and their weaknesses, if they had done any of that. She said State law separated them for legal protection. She asked if they were one board, how was she going to sue Water or Gas, with all three of them combined. She said this did not make sense to her.

Councilmember Watkins asked if the rates increased from the water treatment plants, TVA would object to that.

Mr. Kelley said most of the multi-service Utilities in Alabama, Tennessee, Kentucky, and Mississippi were merged boards, so TVA was familiar with that process. He said TVA would not allow them to take money from the electric system and give it to the water system or give it to the gas system, just like they could not take money from the electric system and give it to the City, outside of the payment-in-lieu-of-tax structure.

Councilmember Watkins asked what the main reason was for wanting to combine these three boards.

Mr. Kelley said it was for a single body that made decisions together.

Councilmember Watkins said she did not think they needed to do that, because transparency sometimes was not given lightly in the Council Chambers. She said Huntsville Utilities had come before the Council and presented a battery, in District 1, and Dr. Sommerset

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

had called her recently and said she had voted for an 83,000-pound Tesla battery, and she had told her she had never voted for that, but Dr. Sommerset again said she had.

Councilmember Watkins said she had dug into this, because she had never heard of a 83,000-pound Tesla battery, that she would have had questions concerning that. She said she had gone through her notes, where she had pulled the transcript from the meeting, and nothing was mentioned about an 83,000-pound Tesla battery, that it was presented as a 4-Megawatt battery.

Mr. Kelley said that was what it was.

Councilmember Watkins said Mr. Kelley had not said "83,000 pounds," and he had not said "Tesla." She said she was the type person who wanted to know up front, to give it to her, but Mr. Kelley had not, and that was definitely deceptive, in her perspective. She said Mr. Kelley had just told them it was going to help the grid, that he did not tell them the impact. She said with an 83,000-pound battery going into her community, she wanted to know the environmental impact, that she wanted to know what would happen if that battery caught on fire.

Mr. Kelley said after the Council approval, they went out for bid, and the Tesla battery was acquired through the bid process, that did not already have a Tesla battery, that they had to go out and purchase the battery through the bid procurement process after the Council's approval.

Councilmember Watkins said all Mr. Kelley needed to do was to come in and be transparent and open, like she expected him to be at all times, especially when it came to her community, because she was their voice, and if she did not know, and someone came and asked her, she would look like she had egg on her face because she had voted for something that she thought was "this," but it turned out to be "that." She said she did not like that, that she despised

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

it, that someone would come in and present something and present it totally different from what it was in the beginning.

Councilmember Watkins said all she was saying was when Mr. Kelley came into the Council Chambers and presented something, she wanted him to be open and honest and transparent with her at all times, and then they would not have to have the discussion they were having at this time, that if he had told her on the front end, she would not have to run behind to find out, that she had been really confused and asking herself when she had voted for a Tesla battery, when had she voted for an 83,000-pound battery in her community.

Councilmember Watkins said there were some serious concerns to be addressed when talking about bringing a battery of that magnitude into a community, and that was not expressed, that it was not told. She said she thought she had voted for a megawatt whatever it was, that Mr. Kelley had come before the Council and presented it, and he never told her what he was going to do. She said she expected Mr. Kelley, the subject matter expert, to educate her on it, and when he came in to present it to the Council, she expected him to give them the information, that if she had to do his job, they had a serious problem.

Councilmember Watkins said she planned on having a meeting in her community, and Mr. Kelley and his staff were going to come there and present, and they were going to bring an environmental impact study back that told the good and the bad of what this was going to do to this community, and they were going to do it before they installed it in the community.

Mr. Kelley said that was a sure thing.

Councilmember Meredith asked if the City of Huntsville could stop an entity from putting a data center in the city.

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

Mr. Kelley said he did not think they could stop one, that they could just not incentivize it or recruit it. He said there might be a data center that would come to Huntsville, but it would not be incentivized or recruited, per the Mayor's directive.

Councilmember Meredith asked what the power concerns were in the west.

Mr. Kelley said trail emission constraints was something they needed to address, and they were addressing that with TVA. He said he could have a more detailed conversation with Councilmember Meredith about that, but he would suggest that conversation either be had in Executive Session, due to potential economic development impact, or they have that conversation individually.

Councilmember Meredith said, concerning the battery storage issue, his understanding was if a battery was not used, it would degrade.

Mr. Kelley said that was correct.

Councilmember Meredith asked what the energy loss was for batteries that were not continually in use.

Mr. Kelley said it was certainly present, but Huntsville did not have these systems yet, so they did not have any hands-on experience, and he did not know what the degradation of the cells was, that he was not familiar with that. He said one of the technologies was they could replace cell by cell, so that they kept working. He said they were not intending to do that with the Pilot project that was discussed earlier, that they intended to get it and then understand its operating characteristics, in terms of life cycle.

Mr. Kelley said on that project, they had gotten a planning grant, and the grant was nice, although it was not going to move the day. He said while the Trump Administration had canceled the tax credit for solar, the investment tax credit for BESS, Battery Energy Storage

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

Systems, remained in place. He said even though Huntsville Utilities was a tax-exempt entity, luckily, they had written into the law direct-pay provisions, so about 30 percent of the cost was coming back through the form of investment tax credits. He said, obviously, the whole point of the project was to lower that peak demand they had talked about earlier, how they could shave that peak demand, because it cost them real money. He said the early numbers looked very good, and they were looking at this as a money-saving opportunity, to lower that peak demand charge from the wholesale power rate.

Councilmember Meredith asked what the effect was of the increase of electric vehicles in the community and the charging stations at homes.

Mr. Kelley said early on, people were saying it was going to melt down the power grid, and if everyone had an electric vehicle, there would be no question that that would happen, but they were far from that. He said the last time they had received a report on the number of electric vehicles in the community, it was around 2,000 in Madison County, and that was not enough that it presented any operational impacts to them, but if that increased by 10-fold, or 100-fold, they would have a different conversation.

Councilmember Meredith asked about roof-top solar.

Mr. Kelley said they were calling it "Solar Connect," that they were finally getting it going, and they had two customers, that were Pilot customers. He said for customers who had their own solar generation, under a single meter from Huntsville Utilities, that for any power that flowed back onto the Huntsville Utilities system, they would pay them the same as they paid TVA for that power. He said no customer was getting special treatment, that he could either buy those electrons from TVA or from that customer. He said they tried up that rate every year, based on the prior year's cost at TVA. He said they would start marketing that program soon.

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

Councilmember Meredith said someone had mentioned "trust and verify," and he said when they had the pipeline discussion, there was no answer given to every question he asked, so how could he verify.

Mr. Kelley said he understood. He said before any long-term commitments were made, the Council would be fully apprised on that. He said the engineering work had to be done, and he believed the engineering work was best done in a collaborative effort among the three entities. He said they needed a legal entity to issue a non-disclosure agreement, and it was also helpful to contract with an engineer, with one entity contracting with the engineer and contracting with the lawyer, rather than, like they were talking about with Huntsville Utilities, getting an invoice here and an invoice here. He said this just simplified the matter, that it was a planning process. He said what they had formed through the North Alabama Public Energy District to this point had been a planning board, that they had not done anything, that it could turn into more, but it had not.

Councilmember Meredith asked how it would turn into more.

Mr. Kelley said once the engineering analysis was done, it would be capacity agreements that would have to be drafted, and he said the Council would be aware of those commitments before they were authorized.

President Robinson said the demand-side management, self-generation, and grid modernization proposals all seemed excellent to her and very forward thinking and would be a great boom to the community if they could move forward on them, and she believed that could be facilitated more efficiently with a consolidated board. She said Mr. Kelley had mentioned Public Act-175 a number of times, and she asked if he could provide a link for it, that if he would send her that link, she would send it to the other Council members.

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

President Robinson asked if the Council were to use Public Act-175 to consolidate the boards, how that would impact Pilot funding.

Mr. Kelley said his answer was that it would not impact it at all. He said he could appreciate the City wanting something on this, and he thought that would be easily done. He said he had talked to the second largest municipal Utility in the state, Riviera Utilities, in Foley, and they were a 310 Board, organized under Public Act-175, and they had an agreement related to Pilot. He said in Huntsville, they were in a different situation because the City's Pilot was controlled by the TVA Wholesale Power Contract, and it dictated how the Pilot worked and how much they got paid. He said that was Electric Pilot, and it was set by the terms of the TVA Wholesale Power Contract, and Gas and Water were set by ordinance.

President Robinson asked how this would impact rate setting, noting at this time, they had rate-setting power.

Mr. Kelley said the State statute said the Utility Board would set the rates, and that was because the Utility Board was also issuing the debt, that the party that issued the debt and was responsible for the debt was also the party that controlled the rates, that those two things were linked together. He said at this time, when Huntsville Utilities issued debt, it was in the name of the City of Huntsville, but under a 310 Board structure, or a Public Act-175 structure, the entity would issue its own debt, and set the rates, because the rates were there to pay the debt service.

Mr. Kelley said he understood why the Council did not like that, which was why it would be nice to do a private act, or something else, that they could customize and make it how they would like it, but that would require a trip to Montgomery.

President Robinson asked if a private act that would permit them to consolidate boards and also retain rate-setting authority would simply be involved in getting local legislation.

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

Mr. Kelley said that was correct.

President Robinson asked if that would still be accomplishing the same end.

Mr. Kelley said it could, that there was the potential to address every one of those issues through a private act. He said they would have to think through it, as to when they got to Montgomery, what the next step would be, that when they took it to the State Legislature, they would be asking the entire Legislature to vote on it.

Mr. Rod Kanter, Bond Counsel to the City, said what Mr. Kelley had said was exactly correct, but they had to remember that they had an existing Gas, an existing Electric, and an existing Water indenture, and under that indenture, they had rate covenants, and, therefore, the holder of the asset had to be able to effectuate the rate covenant. He said they could not change that by Act, but they could potentially change it down the road by contract with their bondholders, but at the end of the day, they would have that. He said the good news was that there was a lot they could do in the existing Act-175, under the Articles of Incorporation, that any concerns could be addressed in the Articles when they created the entity.

Mr. Kanter said he realized they were asking about a separate private act, and he did not want to get off that discussion, but he wanted to say that sometimes they could have the best of both worlds, by proceeding under established authority, and, therefore, not risk putting what they were going for in the hands of all kinds of groups, like they would go out for a cheeseburger and come back with a fish sandwich, and that was not what they would want, so they would remove that from the table, while at the same time being able to tailor what was ultimately created to suit the needs of what their interests were.

President Robinson asked if, then, Public Act-175 provided sufficient flexibility to permit them to deal with any concerns they might have.

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

Mr. Kanter replied in the affirmative. He said anything that did not go against their covenants in their existing indenture, because those were in place, that they were in place to the debt holders. He said there was a lot of creativity that could be included in what they created under 175, that the Articles could do things, within reason, a lot of the things that had been tentatively addressed on this date.

Councilmember Meredith said he had been approached by citizens who were talking about reaching out to the local delegation with complaints, things like the billing cycles, access charges, and the double-billing with the computer switchover, and he said if they were going to the State and saying what they wanted, and there were citizens that had already gotten their complaints to people, it was going to get really murky down there.

President Robinson asked if there were any other comments.

Mr. Kelley said affordability remained top of mind, and he displayed a chart he said showed Huntsville Utilities' Electric rates for an average residential customer, which was 1200 kilowatt hours, compared to the other systems nearby, and he said Athens and Decatur were a little bit lower than they were, and then others were shown that were higher, and there was Alabama Power, at \$206.62, and they were at \$146.90. He said this was all 153 Utilities that paid the same rate to TVA, and they could see that all the large communities served by TVA had higher residential rates, at an average usage, than Huntsville.

Mr. Kelley displayed another chart, and he said this looked at the cost of power they paid TVA and the average revenue, and he said they had divided everything by kilowatt hours. He said the orange was the non-fuel cost to TVA, which meant the base energy and the base demand charges, that the blue was the fuel-cost adjustment, which had been part of the TVA rate structure for 15 years. He said up until their rate change, they had buried that inside the

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

Huntsville Utilities energy charge, and with the new bills, they had broken it out as a separate line item, and decreased the energy charge by the same amount, because only the Council could change their rates. He said the energy charge did not change every month, but the TVA fuel-cost adjustment did, so they had broken it out separately so people could track it separately and calculate their bills.

Mr. Kelley said the bar on top was Huntsville Utilities' revenue. He said what they paid, talking about Electric, Water, and Gas, 900 employees, 400 or 500 trucks on the road, all their assets on the Electric side, was paid out of the gap between the bar and the line, which was about 20 percent, so about 20 percent of a retail customer's bill was kept by Huntsville Utilities, and 80 percent went to TVA. He said the fuel-cost adjustment threw people off because it could be a quarter or more of their utility bill, and it was not in the rate, that it was a separate rider that TVA changed every month.

Councilmember Kling asked if the chart Mr. Kelley had previously displayed showing Huntsville's rates versus the others included the availability fees.

Mr. Kelley replied in the affirmative. He said they had a separate chart where they looked at availability fees, to see how they fell in that category, and he could certainly get that for Councilmember Kling.

President Robinson thanked everyone who was involved in the Energy Task Force for the time they had committed to studying some very challenging and very technical issues; and Black & Veach for their work as consultants; and the board members. She said this was a discussion that deserved more depth than they could give at a regular Council meeting, and she thanked everyone for making themselves available for this to happen.

PROCEEDINGS OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA AT
ITS WORK SESSION HELD FEBRUARY 27, 2026

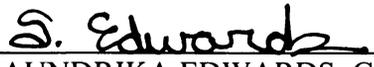
ADJOURNMENT.

Upon motion, the meeting was adjourned.

(Meeting adjourned at 1:10 p.m. on February 27, 2026.)


PRESIDENT OF THE CITY COUNCIL

SUBMITTED BY:


SHAUNDRIKA EDWARDS, CITY CLERK

DATE: MARCH 12, 2026