



NEWS RELEASE

FOR IMMEDIATE RELEASE

January 30, 2025

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Board of Public Utilities Approves Financing to Support Future Energy Needs

SPRINGFIELD, Missouri – The Board of Public Utilities has approved lease/purchase financing to fund power supply projects necessary to meet the need for [additional electric generation capacity](#). The total cost of the power supply projects is approximately \$280 million. Payments are anticipated to be covered through the use of existing funds and future rate adjustments.

Over the past year, CU has been sharing with the community the rapidly changing energy landscape and challenges we are facing. This investment is the first step in ensuring Springfield’s energy reliability for the future. In [September](#), the board approved the installation of three natural gas combustion turbine units, adding 150 megawatts of capacity, and a total of 36-megawatts in utility scale zinc battery energy storage systems to store excess electricity for peak demand periods.

This investment is essential to ensuring near and long-term energy reliability for City Utilities customers. While the board authorized the lease/purchase financing at its regular meeting, any necessary rate adjustments to support payments will require separate approval at a later date by both the Board of Public Utilities and the Springfield City Council. To limit the impact on customers, any rate adjustments would be phased in over two years, with an estimated 3% adjustment in the first year. No rate adjustments would take effect until the projects are in service, with the first adjustment expected in 2027.

“We’ve carefully evaluated options to minimize the impact on customers,” said CU President and CEO Dwayne Fulk. “By spreading any potential adjustments over multiple years and using existing funds to cover half of the payments, we are minimizing the impact on customers.”

The need for these projects was accelerated by new planning reserve margins required by Southwest Power Pool (SPP). A planning reserve margin is the power capacity required beyond projected demand to ensure reliability during peak usage or unexpected outages in the SPP footprint. SPP recently increased the winter planning reserve margin from 15% to 36%.

“As a municipal utility with locally owned generation, these projects will allow us to continue to provide reliable power to Springfield at rates below state and national averages, Fulk added. “They are part of our broader strategy to address future power supply needs through affordable, reliable, and innovative solutions.”

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