

October 2023

KPP Pursues PACE Loan for Member Solar Installations

KPP Energy is pursuing loan funding from the Rural Utilities Service (RUS) of the U.S. Department of Agriculture (USDA) to install an estimated 20 megawatts (MW) of solar energy arrays in member communities. Should KPP receive the funding, either 20 or 40 percent of the loan would be forgiven. Additional direct pay tax credits would also be applied.

A letter of interest (LOI) applying for the Powering Affordable Clean Energy (PACE) Program was submitted to RUS on July 10th. KPP issued the LOI jointly with KMEA and utilized the services of the Beneficial Electrification League (BEL) in drafting the proposal. The joint project includes \$35 million in potential loan funds for KPP Energy and \$65 million for KMEA. Joint applications with higher price tags are thought to be beneficial in pursuing federal grant dollars. On October 4th, KPP was formally invited to submit a full application.

The initial KPP proposal included the construction of nine potential solar sites, ranging from 1 MW to 5 MW. Sites were carefully selected based on several factors. The first key factor is the minimum daytime load of the member community. The size of the solar array must remain below this minimum daytime load to avoid being placed in the Southwest Power Pool (SPP) generation interconnection queue, a move that would likely delay the project for four or more years. In addition, a minimum solar installation of 1 MW was determined for the project to remain economic. Due to the speed with which this project must be developed, the second key factor is readily available and “shovel-ready” land for a solar installation.

KPP Energy staff is now working diligently to identify locations and prepare the full PACE loan application due on December 4th. If you have any questions or would like additional information about this project, please contact Colin Hansen at chansen@kpp.agency.

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Erie Crowned KPP Public Power Week Champion

HILLSBORO TAKES SECOND PLACE, AUGUSTA FINISHES THIRD

Public Power Week, celebrated annually across the nation, honors the contributions of community-owned electric utilities, and highlights their pivotal role in powering local economies and enhancing the quality of life for residents. KPP Energy encourages and supports its members in celebrating this special week by offering a KPP Energy Public Power Week Championship.

A detailed point system is distributed to members with items such as:

- adopting the Public Power Week Proclamation
- doing community service events
- hosting educational events at schools
- unique community-based ideas



Above: Erie Mayor Darrell Bauer (seated) & Erie City Council

Every year, KPP Members get more and more creative, and the championship has become extremely competitive. This year, the cities of Erie and Hillsboro scored the exact number of total points and the championship came down to an official coin-flip.

KPP Energy is proud to announce the City of Erie as this year's winner. This is the first championship for Erie, a recognition of the city's unwavering commitment to providing reliable, affordable, and sustainable energy solutions to its residents and businesses. To celebrate their electric utility, Erie adopted the Public Power Week Proclamation, hosted a food drive, held an open house

at the power plant for grade school students, provided a staff appreciation luncheon, participated in the homecoming parade, held an EV event for students, distributed educational materials, provided energy efficiency information to customers, and much more.



Above: Erie's Jake Tromsness provides a tour of the Erie Power Plant to schoolchildren.

KPP Energy staff presented the city with the Grand Public Power Week Trophy – designed and created by the City of Augusta – along with a donation of \$500 at the city's October 23rd Council meeting.

As previously noted, the City of Hillsboro came in second place. Third place was claimed by the City of Augusta. Thank you to all of our members that participated in Public Power Week – the response was outstanding and we look forward to another great competition next year.



Above: Erie Mayor Darrell Bauer & City Clerk Jamie Janssen Receiving the KPP Public Power Week Champion Traveling Trophy from KPP's Vickie Matney and Colin Hansen.



Public Power Week (continued from page 2)



Above: Hillsboro City Staff



Above: Burlington City Staff



Above: Burlington's Alan Schneider provides a presentation to grade school students.



Above: Haven City Staff



Above: City of Marion Food Drive for Public Power Week.



Above: Erie Electric Vehicle (EV) Event for Local Students.



Atherton Joins KPP Energy Team

KPP Energy is proud to announce that Leslie Atherton is joining the KPP staff as Administrative Manager. Atherton comes to KPP with over a decade of experience as City Clerk for her hometown, the KPP-member city of Haven, Kansas. Atherton holds a B.S. in Justice Studies from Fort Hays State University, where she graduated Cum Laude, Clerk Certification through Wichita State University, and the Certified Municipal Clerk distinction from the International Institute of Municipal Clerks.

When she's not working in municipal government, Leslie devotes her time to her family. Her family includes husband, Shannon, principal of Yoder Charter School and Haven Middle School, three daughters, Brylie (17), Mayzie (15), Posie (7), and one son, Mason (12).



KPP Testifies at Special Legislative Committee Hearing

KPP CEO & General Manager Colin Hansen testified on a municipal utility and rural electric cooperative panel before the 2023 Special Committee on Energy & Utilities on Oct. 17th. The panel was asked to comment on resource adequacy, integrated resource plans and load forecasts.

The 2023 Special Committee on Energy and Utilities is an interim committee of the Kansas Legislature made up of both Senators and Representatives. The committee is focusing on a number of utility issues during four days of meeting this fall, including electric transmission cost allocation, right of first refusal (ROFR), integrated resources plans, and use of eminent domain in siting transmission.

Joining Hansen on the panel for public power were Jeremy Ash, Chief Operations Officer for the Kansas City Board of Public Utilities (BPU) and Paul Mahlberg, General Manager for the Kansas Municipal Energy Agency (KMEA).

The panel also included representatives from Midwest Energy, Sunflower and KEPCo discussing issues of concern to the rural electric cooperatives.



KPP 2023 Conference Showcases Industry Trends

The KPP 2023 Conference was held on September 28 & 29 at the Wichita Hyatt Regency and provided conference participants with two days of educational and entertaining sessions with industry experts and leaders.

The conference was kicked off by Kansas Speaker of the House Dan Hawkins who welcomed KPP members to Wichita and discussed several pressing energy issues to be considered during the 2024 Legislative Session. The keynote session also featured new American Public Power Association (APPA) President & CEO Scott Corwin and former Bonneville Power Authority Administrator Steve Wright discussing the importance of public service.

Conference participants learned more about KPP's planned Walnut Energy Center from representatives from Burns & McDonnell and Wärtsilä North America. Other sessions included a discussion of the current trend towards electrification by Alex Hofmann from the Beneficial Electrification League and a very insightful and entertaining session by Troy Tabor, the Director of the Center for Entrepreneurship at Wichita State University, on the application of artificial intelligence (AI). Member showcases were provided by Jason Newberry (Wellington), Tim Johnson (Augusta), and Mayor Stan Luke (Burlington). In addition, conference attendees enjoyed a social networking event at TopGolf.



Conference Speakers Included:

-  **Scott Corwin, President & CEO**
American Public Power Association
-  **Representative Dan Hawkins**
Kansas Speaker of the House
-  **Steve Wright, CEO, Inspired Public Service**
Former Bonneville Power Authority Administrator
-  **Alex Hofmann, Chief Strategy Officer**
Beneficial Electrification League



Above: Kansas Speaker of the House Dan Hawkins



Above: APPA President & CEO Scott Corwin



KPP 2023 Conference (continued)



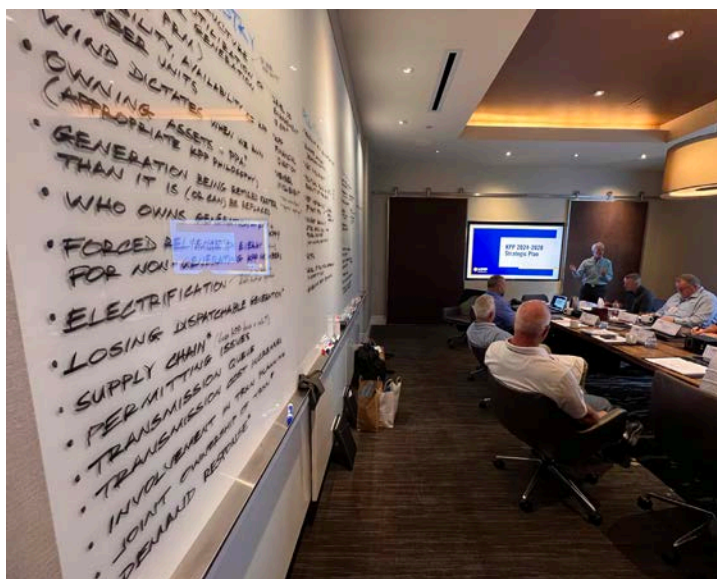
Above: Steve Wright discusses inspired public service.



Above: APPA's Scott Corwin & KPP's Colin Hansen



Above: Troy Tabor presents AI applications.



Far Left: Whiteboard notes from the two-day KPP Strategic Planning Retreat.



Left: Barry Hodges (Minneapolis) demonstrates superior TopGolf skills.



October Board Meeting Review

COLIN HANSEN, CEO / GENERAL MANAGER

The KPP Energy Board of Directors held their regular monthly meeting on October 19, 2023 at the KPP offices in Wichita. A summary of meeting highlights is provided here.

September 2023 ECA Analysis

KPP Assistant General Manager of Operations Larry Holloway presented the monthly update relating to the September 2023 ECA calculation. Total cost was below budget \$1,080,343. Energy costs were below budget \$895,299, transmission costs were below budget \$179,187, and capacity costs were above budget \$4,886. Energy sales were below budget by three percent. The actual September ECA was a negative 1.17 cents per kilowatt-hour (kWh) vs. the budget estimate of a positive 0.069 cents per kWh. So far in calendar year 2023, the ECA has only been positive in one out of nine months.

August 2023 Financial Statements

Vickie Matney, KPP Controller, presented the financial statements for the period ending August 31, 2023. Matney then provided a PowerPoint presentation to the Board entitled "Credit Rating Agency Overview" based on a presentation made by Moody's and Fitch representatives at the APPA Business & Financial Conference in September. She noted that drivers of a stable outlook by Moody's now include a fixed obligation charge coverage (FOCC) of 1.8x and 200 days cash on hand. Fitch believes that the outlook for public power is deteriorating due to sustained cost pressures and slower economic growth.

Joint Prosecution and Defense Agreement

The KPP Board approved (with modifications) a new Joint Prosecution and Defense Agreement to be executed with KEPCo and KMEA that relate to joint efforts to obtain remedies related to Evergy's Open Access Transmission Tariff and Generation Formula Rate.



PACE Grant Update

KPP Director of Member Services Brooke Carroll provided a PowerPoint presentation to the Board entitled "KPP Energy USDA PACE LOI" in which she provided an update regarding KPP's application for a PACE loan for small utility-scale solar photovoltaic electrical energy generating systems for energy improvement in rural or remote areas.

KPP listed nine potential solar sites ranging from one megawatt (MW) to five MW for a total of 20 MW in the original letter of interest (LOI). The agency received notice of formal invitation to submit a full application on October 4, 2023. The deadline to submit the full application is December 4, 2023. The Board discussed the proposal in detail, including cost estimates generated by KPP Energy staff.

Open KPP Board of Directors Position

Scott Glaves announced that Colin Hansen had provided a list of potential KPP Energy Board of Directors candidates to Board members. Hansen noted that the list was generated based on interest that had been expressed to him by numerous KPP member representatives and

(continued on page 8)



October Board Meeting Review (continued from page 9)

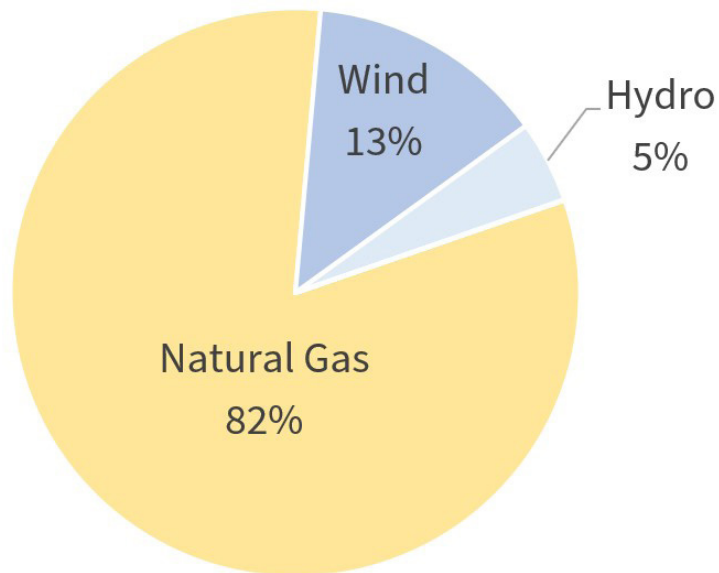
that appointment of the new Board member was very competitive and interest in the seat is very encouraging.

As KPP President, Scott Glaves nominated Stacy Barnes of Greensburg for the open Board position. The nomination was motioned and seconded by the Board. After discussion, the Board voted unanimously in favor of the nomination. Glaves thanked those interested in the Board position for their interest and encouraged them to remain involved with the agency.



KPP Resources by Fuel Source

SEPTEMBER 2023



KCC Announces Notice of Funding Opportunity For Subgrants to Eligible Entities to Improve the Resilience of the Electric Grid

The Kansas Corporation Commission (KCC) has announced a Notice of Funding Opportunity to eligible entities to improve the resilience of the state's electric grid. The notice stems from a \$13.3 million grant awarded to the state of Kansas to modernize electrical grid infrastructure. The investment from the U.S. Department of Energy is provided through its Grid Resilience State and Tribal Formula Grants program. Kansas was one of nine states and three tribal nations to receive a combined total of \$207.6 million in grants in this third round of funding.

The funds, which will be administered by the Kansas Corporation Commission (KCC), will be used to promote projects that strengthen and modernize the power grid against natural disasters while advancing projects that attract, train, and retain a skilled Kansas workforce.

The purpose of the KCC Notice of Funding Opportunity is to provide guidance to eligible entities (electric grid operators, electricity storage operators, electricity generators, transmission owners or operators, distribution provider and fuel suppliers or other entities determined by the DOE) for preparation of subgrant applications. KPP member communities are eligible entities and encouraged to apply.

Under the Program, the Department of Energy (DOE) provides grants to States to improve the resilience of their electric grid against disruptive events. A disruptive event, as defined by the program, is "an event in which operations of the electric grid are disrupted, preventively shut off, or cannot operate safely due to extreme weather, wildfire, or a natural disaster."

The primary goals of the program are to demonstrate measurable improvements in energy resilience, with a focus to necessary and supporting grid modernization investments in rural, underserved and disadvantaged communities, to invest in modernized grid infrastructure and to create good-paying jobs.

The KCC's allocation from the DOE totals \$13,313,126 for fiscal years 2022 and 2023. The allocation for each fiscal year thereafter, for the next three fiscal years, is expected to be approximately \$6,647,000.

The KCC is now seeking applications from eligible entities. Links to the Fund Application Guidance, an informational webinar, and reference materials can be found at <https://www.kcc.ks.gov/kansas-energy-office/formula-grant-for-preventing-outages-and-enhancing-the-resilience-of-the-electric-grid>.

For more information or to discuss projects that might qualify for the KCC program, please contact KPP Director of Member Services Brooke Carroll at bcarroll@kpp.agency.



KPP LIGHTNING ROUND

Hansen Tours Nuclear Facilities at Idaho National Laboratory with U.S. Senator Roger Marshall

KPP Energy CEO and General Manager Colin Hansen toured the Idaho National Laboratory (INL) in Idaho Falls, Idaho at the invitation of Senator Roger Marshall. Hansen was invited to participate in the tour by Senator Marshall who, for many years, has expressed an interest in nuclear energy. In particular, Senator Marshall is interested in new Small Modular Reactor (SMR) nuclear technologies.

INL is the leading laboratory in the United States for basic and applied nuclear and radiological science research and applications. The lab is home to the Advanced Test Reactor and associated assets for post-irradiation examination, fuel fabrication, materials testing, and development assets. INL has more than 70 years of experience in nuclear reactor plant design, operations and decommissioning, and nuclear materials processing.

KPP Energy thanks the Senator for the invitation and the Idaho National Laboratory staff for the informative tour.



Event Calendar

2023 DATES TO REMEMBER

NOVEMBER 3, 2023

KPP Rate Forum
McPherson, Kansas

NOVEMBER 14-15, 2023

GridEx VII
McPherson, Kansas

NOVEMBER 16, 2023

KPP Board Meeting

DECEMBER 8, 2023

KPP Annual Members
Meeting & Board Meeting
McPherson, Kansas

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