



Board of Directors Meeting  
Official Minutes from July 24, 2025  
Wichita, KS and Virtually

**1. Call to Order and Determination of a Quorum**

With the determination of a quorum, Lou Thurston called the July 24, 2025, Board of Directors meeting to order at 10:00 AM.

Board Members Present: Stacy Barnes, Greg Graffman, Tim Johnson, Chris Komarek, Alan Schneider, Scott Glaves, Gus Collins, Jason Newberry, and Lou Thurston.

Board Member Absent: None.

Others Present: J.T. Klaus (TWG), Taggart Wall (Winfield).

Others Present Virtually: Brian Wells (Marion), Angie Hicks (Augusta), Marc Cain (Augusta), Leslie Stephan (Mount Hope), Terry Somers (Mount Hope), Cody Warner (Augusta), Ronald Wilkins (Hillsboro), Nikki DeLuna (Mount Hope).

KPP Staff Present: Eric Alexander, Leslie Atherton, James Ging, Colin Hansen, Vickie Matney, Ivan Seward, Mike Shook, and Jessica Venters.

**2. July 2025 ECA Analysis – James Ging**

Chief Operating Officer James Ging walked Board members through the June 2025 ECA presentation. He noted that the total costs were under budget by \$718,106.18. Transmission costs were below budget \$120,103.66; energy costs were below budget \$1,051,362.80; and capacity costs were above budget \$456,131.40. In terms of sales, demand and energy both were 8% below expected. Ultimately, this resulted in an actual ECA of negative \$0.01003 versus budgeted negative \$0.00632.

**3. Consent Agenda**

**a. Minutes of the June 26, 2025, Board of Directors Meeting**

**b. Monthly Invoices & Payment Schedule**

Lou Thurston requested a motion to approve consent agenda items as listed above. Motion was made by Tim Johnson and seconded by Scott Glaves. Motion carried.

**4. Review & Closing of Agenda – Colin Hansen**

CEO Colin Hansen provided an overview of the meeting's agenda. No revisions were made.

**5. CEO Report – Colin Hansen**

General Manager and CEO, Colin Hansen, provided an industry update:

- "One Big Beautiful Bill" was signed by President Trump on July 4, 2025, following House's acceptance of Senate amendment. Hansen noted that one key provision of the bill is early phase-out of production tax credit and investment tax credits for wind and solar as well as tax programs for energy efficiency and electric vehicles.
- Highlights from the DOE Resource Adequacy Report were provided.
- On July 17, 2025, President Trump nominated David LaCerte to finish out the remainder of FERC Commissioner Philips's term, which runs through June 30, 2026.

**6. Financial Report – Vickie Matney**

Chief Financial Officer Vickie Matney presented written financial statements for the period ending May 31, 2025, showing a net position before DAI of \$4.5 million for the year. Collection and Disbursement of Generation Resource ECA Funds totaled around \$7.8 million as of May 2025. Chris Komarek moved and Tim Johnson seconded to approve the financials as presented. Motion carried.

**7. Market Update – Eric Alexander**

Chief Strategy Officer Eric Alexander provided the market update, including weather outlooks, degree days, load prices, and natural gas storage and prices.

**8. New Business**

**a. Fitch Ratings Public Power Peer Review & KPP Reaffirmation – Colin Hansen**

CEO and General Manager Colin Hansen provided the findings of the most recent Fitch review of KPP Energy, which resulted in reaffirmation of KPP's A- rating with outlook stable, noting one of the highlights as "consistently strong operating income and low leverage." Hansen noted the leverage ratio is something to be considered in the discussion of capacity resource options as a decreased leverage ratio could lead to a lower rating, which in turn leads to increased costs on bond issues.

Praise was given to Chief Financial Officer, Vickie Matney, for her extensive efforts and expertise in maintaining and pursuing improvement of KPP's Fitch rating.

**b. Executive Session**

At 10:32 AM, Scott Glaves moved and Stacy Barnes seconded, under the justification of K.S.A. 75-4319(b)(2) related to attorney-client privilege, to recess the meeting for twenty minutes to discuss matters involving contract negotiations, with KPP Board, General Counsel J.T. Klaus, Chief Financial Officer Vickie Matney, Chief Executive Officer Colin Hansen, Chief Operating Officer James Ging, Chief Strategy Officer Eric Alexander, and Director of Energy Services Mike Shook present, the meeting to reconvene in open session at 10:53 AM. Motion carried.

At 10:53 AM, regular session resumed with no action taken during executive session.

**c. Capacity Resource Evaluation Presentation & Discussion – Colin Hansen**

CEO and General Manager Colin Hansen provided an overview of the resource evaluation process. He reminded members that KPP Energy's mission is to provide affordable, reliable, and responsible power, and that those principles should guide the Board's decision-making. He noted two of the organization's strategic objectives, identified in 2024, are to evaluate capacity and add capacity. Before presenting additional information, he provided the staff recommendation as follows:

- Pursue Dogwood expansion for primary capacity addition.
- Continue with Walnut Energy Center development.
  - Maintain spot in SPP GI Queue

- Mitigate cost and investment of resources.
- Use as backup should Dogwood expansion not proceed.
- Begin working on installation of small generation with CATs, Cooper, and other similar technology.

Next, Hansen provided background on the Class 5 Technology Assessment of Walnut Energy Center where three technologies were evaluated – three types of solar turbines, Siemens gas turbine, and Wartsila project. He noted that the accuracy of a Class 5 estimate has a 150% bandwidth. Director of Energy Services Mike Shook took members through the assessment. Members were provided with a printed copy of the 6-page “KPP 2025 Technology Assessment Summary Table” document. Eventually, Shook pointed members to the total cost per kW at nameplate capacity rating with owner’s cost for each technology.

Hansen then provided information about a handful of similar projects other joint action agencies are taking on, all coming in with much lower costs than the Class 5 Estimates presented. This emphasized that the Class 5 estimate works to evaluate capacity but would not be an estimate to base financing on.

Next, went over Capacity Resource Options, noting the following decision points facing the Board:

Decision Point 1.	Walnut Energy Center – Initial decision point due to SPP Generator Interconnection Agreement and GIA Queue. (60 days)
Decision 2.	Dogwood expansion with large simple cycle units. (+ / - 6 months – TBD)
Decision Points 3 & 4.	Caterpillar / Cooper units. (30 – 90 days based on current pricing)

Decision Points 3 and 4 would require determining potential city locations for these smaller engines. This could be done with an N-1 Reliability Assessment of non-generating cities performed by KPP Staff and used to develop and score sites based on reliability-need and value. The option to include cities with current generation assets exists as well. Hansen noted that KPP Energy would cover the cost of the generators, finance it, and help to install it. Then the city would finance it with their rates, and once paid off, the city would own the asset and pull capacity payments for it. For Cooper Machinery, potential city locations would include members who currently operate Cooper machinery or large diesel fuel units and have spare bays. Hansen noted the game plan for Decision Points 3 and 4 is not fully formed at this point.

Next, Shook provided information from the Net Present Value Comparison of the presented technologies. They ranged from negative \$137 million to positive \$29 million. The large simple cycle technology was the only resource that returned a positive NPV.

Estimated rate impact of each project, as calculated by Chief Financial Officer Vickie Matney, was presented by Hansen. The large simple cycle (Dogwood Expansion) resource had the most projected positive impact on rates, showing a deduction of \$0.37 to \$1.22 from 2026 – 2034.

Shook and Hansen noted that moving forward with Walnut Energy Center in full would likely eliminate the organization's ability to participate in the other technologies listed. Moving forward with the large simple cycle option would not eliminate the possibility of Walnut Energy Center, but Walnut Energy Center would have to look different. Until the large simple cycle project is a certainty though, it would be best to hold the current spot in the SPP GI Queue to keep Walnut Energy Center open as an option.

Chief Strategy Officer Eric Alexander provided information on generator siting considerations, covering transmission upgrade costs, gas availability, transportation, and fuel management, as well as locational marginal pricing projections for cash flow analysis. He noted that the on-peak LMPs annually for Winfield were \$28.73 while those for Dogwood came in higher at \$33.90.

Alexander also provided information on the "no action" option which would involve purchasing paper capacity. He estimated this would cost anywhere from \$3 to \$5 million. He also went over the cost of being short on capacity and getting hit with deficiency payments. Over three years, this would cost anywhere from \$4 million to \$9.1 million. Hedging load costs using futures was explained by Alexander and demonstrated with a graph entitled, "Load Cost Comparison Using North Hub Futures vs Spot Prices."

The Board recessed for a thirty-minute lunch break.

**d. Walnut Energy Center Generation Interconnection Agreement (GIA) Negotiations – James Ging**

Chief Operating Officer James Ging showed the Board KPP Energy's current Resource Plan, noting that some action must be taken to increase capacity by 2029.

Next, in terms of next steps for Walnut Energy Center, he noted KPP Energy has until August 19<sup>th</sup> to execute a full negotiated generation interconnection agreement and provide detailed responses to the GIA milestones as proof of progress. A request to extend the deadline to August 28<sup>th</sup> has been requested to work with the Board's current meeting schedule. That is not expected to pan out.

Ging advised work is ongoing to insert a Material Modification Agreement step into the GIA in case the need to change technology arises. This would allow for the delay of payments for interconnection until the MMA is agreed to by KPP Energy and the Transmission Owner.

In terms of costs, Ging pointed out the first payment would be due 30 days after the signing of the GIA in the amount of \$386,000. If technologies are changed, there would be engineering fees for needed for ratings. The remaining \$1.5 million would remain outstanding with a due date that would not hit until completion of the interconnection. In total, the cost is \$1.9 million.

After staff fielded questions and more discussion was had, Lou Thurston requested a motion to allow staff to sign the GIA on or before August 19, 2025, committing KPP Energy to an amount no greater than \$1.9 million. Motion was made by Gus Collins and seconded by Jason Newberry. All members voted in favor of the same.

## **9. Old Business**

### **a. PACE Solar Project Updates – James Ging**

Ging provided the following PACE project updates:

- Geo Tech has not started. The racking order will not be placed until the report is received from Geo Tech.
- Two of seven transformers are ready to be delivered.
- Cris Naegele has test-metering set up and is working with Custom Internet on meter connectivity.
- Construction start for all sites is currently set as October 2025, though a delay is expected.
- Next steps include service agreement, operations and maintenance agreement, and operations.

### **10. Operations Report – James Ging**

COO James Ging provided a written report to the Board.

### **11. Energy Services Report – Mike Shook**

Director of Energy Services, Mike Shook, provided a written report to the Board.

### **12. Member Services Report – Leslie Atherton**

Leslie Atherton, Director of Member Services, provided a written report to the Board.

### **13. General Counsel Report – J.T. Klaus**

Members were provided with J.T. Klaus's written report.

### **14. Special Announcements**

CEO Colin Hansen once again drew attention of members to the changes in the Board meeting schedule. He also encouraged members to register for KPP's Annual Conference and provided highlights of what to expect at the Conference.

### **15. Adjourn**

The meeting adjourned following special announcements.

Respectfully submitted by KPP Energy Board Secretary:

  
Stacy Barnes, Secretary

Date: 8/28/25

Approved by KPP Energy Board President:

  
Lou Thurston, President

Date: 8/28/25