

KPP LIGHTNING ROUND

Sept / Oct 2025

KPP To Purchase New Generation

MOVE WILL ADD 12 MW OF CAPACITY TO POOL

KPP Energy is purchasing four new diesel-fired generators in a move that will incrementally increase the overall capacity of the agency. The purchase is part of a long-term strategy to invest in new generation to economically and reliably serve the KPP membership.

The purchase includes four new Caterpillar C175 Tier 4 diesel generators rated at 3 megawatts (MW) each. The additional 12 MW of capacity comes at a useful time for KPP and helps the agency to meet new and expanding Southwest Power Pool (SPP) requirements. In addition, it is hoped that the new generators will serve an important reliability function at several KPP member cities.

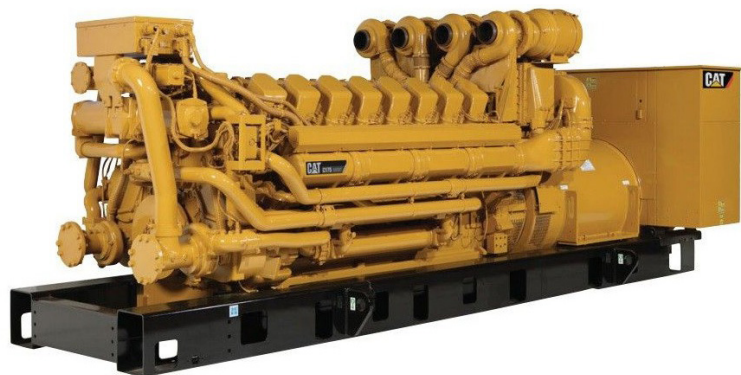
The installed location for the engines is not yet determined. Instead, KPP Energy staff will be conducting a formal “N-1 Reliability” assessment on KPP member cities to determine the most efficient and cost-effective placement.

In addition, details regarding the cost distribution – between KPP Energy and the cities in which the engines are installed – have yet to be determined. The cost of the engines is \$11.6 million. Additional cost will go into engineering, installation and possible ancillary equipment such as expanded fuel storage tanks.

Delivery is scheduled for no later than the third quarter of 2027, at a time when KPP’s capacity requirements will benefit from the generation addition. For more information about the new generation, please contact Colin Hansen at chansen@kpp.energy or Mike Shook at mshook@kpp.energy.

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SPP's 2025 Integrated Transmission Plan Draws Mixed Reviews

ERIC ALEXANDER, CHIEF STRATEGY OFFICER



Travel back 143 years ago. Imagine Thomas Edison, standing there, marveling at his company's technological breakthrough at the Pearl Street Generating Station, designed to serve an initial load of 400 lamps for 82 customers with six 100 kW dynamos.

But even at that point, surely Edison could not have imagined the complexity and magnitude of where our nation's electric system would be today, approximately 500 million miles of transmission serving approximately 160 million customers. Some consider our nation's electric transmission grid to be one of the greatest engineering marvels of the 20th century.

Fast forward to the turn of the century. We now have a partially mature renewable energy market, along with artificial intelligence, crypto currency mining, and electric vehicle charging loads. The energy landscape has and

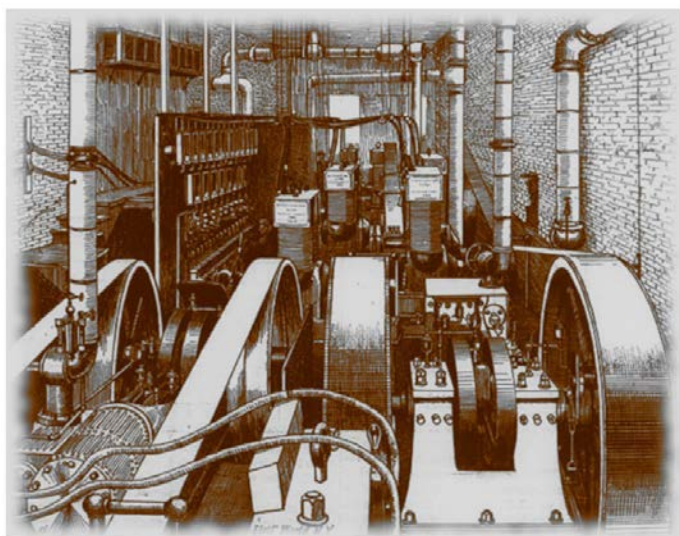
continues to change at an exponential rate unlike anything we've seen historically, yet the industry hasn't modernized the transmission grid to keep pace with the growing demand. As a result, many transmission planners are sounding the alarm bell in Washington stating our existing grid needs reform or we'll face increasing reliability risks.

SPP's Future Transmission Plans and Cost Estimates

As part of the transmission planning process, SPP's transmission group and stakeholders develop a 10-year Integrated Transmission Plan (ITP) annually and a 20-year plan every five years unless otherwise directed by the SPP Board of Directors. These ITP plans assess both near and long term economic and reliability transmission needs, considering future load growth assumptions, as well as generation forecasts and other variables.

While presenting their 2025 ITP study results at the October SPP Members Operating and Policy Committee (MOPC) meeting, SPP staff discussed some astounding forward load assumptions, anywhere between a 33% to 100% increase in load by 2035, depending on what level of speculative or spot load they include in their modeled cases.

Once the 2025 ITP results had been presented, stakeholders, state regulators, SPP staff, and members of the board dove into some robust discussions regarding reliability concerns, economic growth potential, affordability, cost allocation, project cost creep and mitigation measures, and how the projects in the 2025 ITP need to be evaluated with the 2026 ITP projects to see the overall efficiency of the two portfolios combined.



Above: Thomas Edison's Pearl Street Generating Station.



SPP's 2025 ITP Draws Mixed Reviews

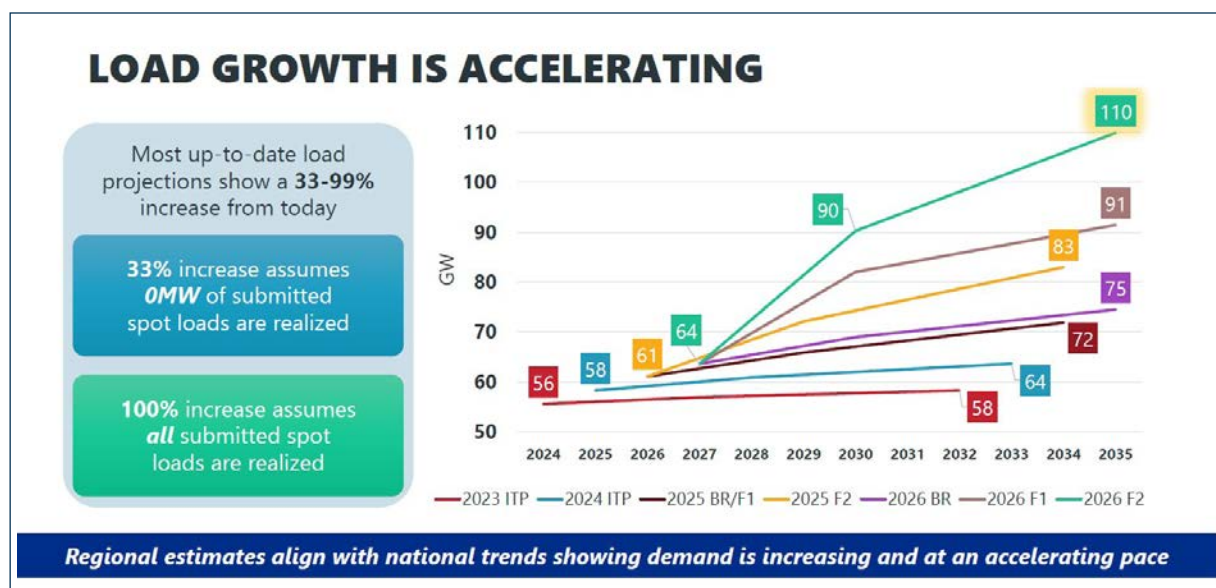
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One of the reasons this ITP has been highly debated and narrowly passed in several of the primary SPP stakeholder working groups is not only the cost, but at the foundation of this portfolio is something SPP has never built before, 765 kV transmission lines. In this 2025 ITP study, SPP has identified several 765 kV lines, mainly south of Kansas, that represent the first phase of a larger 765 kV “backbone” extending throughout SPP that will help solidify reliability throughout the footprint, reduce marginal losses and congestion, and provide the infrastructure needed for future economic growth opportunities within the SPP footprint.

The projected cost for all this? The slimmed down version of the 2025 ITP portfolio, which includes up to 50 projects came in at an estimated \$11.16 billion, (yes billion with a B) for reliability and near-term needs. There is also the deferment of another \$7 billion for projects to be re-considered in the 2026 ITP that were a part of the original 2025 ITP plan. This doesn't include the \$7.7 billion for the 2024 ITP plan that was passed last year and it is unknown what the 2026 ITP plan will cost, especially since it extends the 765 kV projects into the northern

part of the SPP footprint. The cost benefit ratio for the 2025 ITP portfolio was estimated between 10:1 and 15:1. As for the individual states rate impacts, the future 1 case (reference case, based on current trends) has Kansas as 1 of the 5 states out of 15 that shows an increase in costs, however, in the future 2 case (emerging technologies case, more load additions, renewable penetration, EV's), all states show a rate reduction. Time will tell if these transmission projects cause regional shifts in market prices within the state of Kansas, potentially affecting load serving entities and generation owners differently, depending on their location within the state.

A billion here, a billion there. When it comes to reliability we're an intertwined, complex network of companies all wanting to avoid the lights going off. Unfortunately, we're experiencing a paradigm shift within our industry while facing dramatic cost increases causing sticker shock that we must explain to our customers and even though there are risks, this is what's needed to advance our region over the next 50 to 100 years. I wonder if Thomas Edison saw it the same way.



Left: Southwest Power Pool (SPP) slide describing load growth expectations. October 2025, MOPC ITP Business Case, Slide 10.



A Look Back at the 2025 KPP Conference

KNOWLEDGE, NETWORKING, AND NEW HORIZONS

September's KPP 2025 Conference was a success, bringing together a diverse group of members, speakers and vendors at the new KMU office space. Attendees enjoyed a thought-provoking presentation from keynote speaker Reed "Roller" Barrett, a welcome to Wichita from Wichita Mayor Lily Wu and many other engaging general and breakout sessions. Turnout for the conference was excellent – our thanks to all the KPP Energy members that attended!



Clockwise from top left: KPP CEO Colin Hansen opens the KPP 2025 Conference; Attendees from Lucas, Hillsboro & Glasco; Conference attendees from Haven, Burlington & Luray; Tenaska's Courtney Mehan discusses electric market trends; KPP Chief Strategy Officer Eric Alexander and Director of Member Services Leslie Atherton.



2025 KPP Conference

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Above: Wichita Mayor Lily Wu (center) joins the KPP Board of Directors in a ribbon cutting celebrating the new KPP Energy offices.



Above: A few offerings from the first-ever KPP “Merch Tent.”



Above: Mayors Lou Thurston (Hillsboro), Stan Luke (Burlington), Lily Wu (Wichita) & Terry Somers (Mount Hope). **Below:** Enjoying the food truck options at the conference yard party.



Above: Conference participants from Augusta. **Below:** Conference keynote speaker Reed “Roller” Barrett.



Public Power Week 2025

LESLIE ATHERTON, DIRECTOR OF MEMBER SERVICES



Public Power Week this year shone as a bright example of community engagement and collaboration. KPP Energy members once again demonstrated their commitment to championing the value of being community-powered through meaningful, and impactful events.

The Rundown

KPP membership earned a total of 555 points.

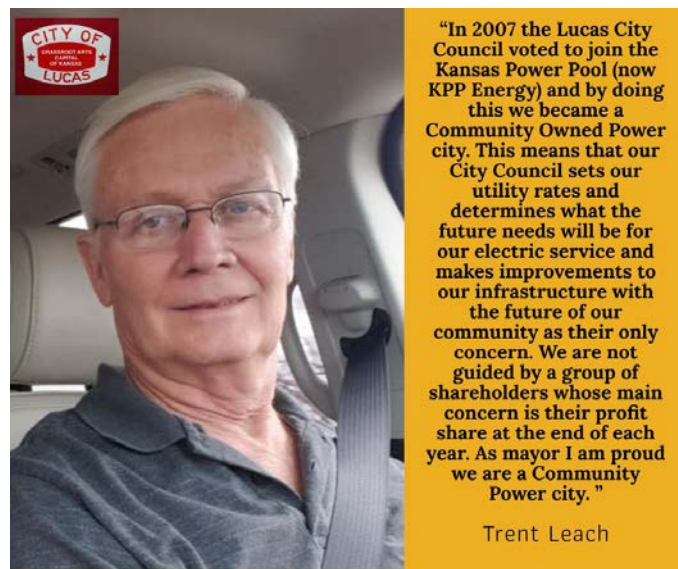
- 12 members adopted the Public Power Week proclamation.
- 6 members hosted food drives (one also included a warm winter gear drive).
- 3 members brought public power into schools — from Friday High Fives at the elementary level to sending a lineman to encourage high schoolers to consider trade school.
- 7 members took advantage of KPP's Employee Appreciation meal offer. Augusta and Oxford joined forces for their meal, while Greensburg cooked sausage gifted from Hillsboro.
- 6 members submitted photos and statements about why public power matters in their towns.
- 3 members held coloring contests, awarding prizes and displaying student artwork.
- 2 members added flyers to utility bills.
- 2 members hosted Touch-A-Truck events, delighting their youngest customers.



Creative Events

Lucas

There were some new and impressive campaigns that came from this year's celebration. In Lucas, community members who submitted their utility payment during Public Power Week were entered into a prize drawing. They also held a drawing at the school to give away color-changing light bulbs.



"In 2007 the Lucas City Council voted to join the Kansas Power Pool (now KPP Energy) and by doing this we became a Community Owned Power city. This means that our City Council sets our utility rates and determines what the future needs will be for our electric service and makes improvements to our infrastructure with the future of our community as their only concern. We are not guided by a group of shareholders whose main concern is their profit share at the end of each year. As mayor I am proud we are a Community Power city."

Trent Leach

Hillsboro

The products that came from Hillsboro are what the membership has come to expect – entertaining, creative, and engaging. This definitely includes their "Wizard of Oz" themed video, featuring City Administrator Matt Stiles as the tin man and the KPP Public Power Week trophy as the Wizard. Mayor Lou Thurston's "Coffee with the Mayor" podcast episode that dropped during Public Power Week featured KPP's Director of Member Services Leslie Atherton to champion the benefits of being community-powered. Both the video and the podcast are a credit to the incredibly positive spirit and teamwork of the entire team at the City of Hillsboro.



Public Power Week 2025

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Hillsboro also held a contest to rebrand the Public Power Week logo. The winning submission showcased the state of Kansas over a background of a variety of electricity-related symbols all in the aesthetically pleasing colors dark blue and gray. Because of its quality, viewers may be surprised to learn that it was submitted by 8th grader.

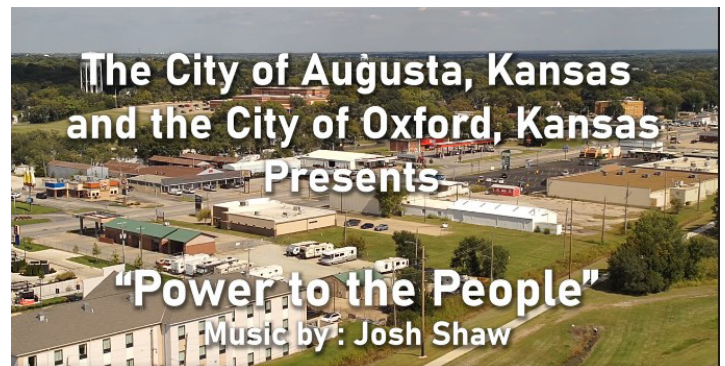


Augusta

Augusta's dedication to Public Power Week was once again on very strong display. The city took advantage of the serendipitous crossing of Public Power Week with Augusta High School's Fall Homecoming and participated in the homecoming parade. They threw out a ton of candy from KPP's Nissan Leaf EV and their line trucks, decorated with spiders, snakes, and squirrels. They also created a float, featuring a float-sized power pole set up with cross arms, a smoking transformer, and pinatas.



Impressively, the city produced a video summarizing their contributions to the Public Power Week celebration as well as highlighting their recent and ongoing projects. The video featured drone footage from not only Augusta, but also fellow KPP-member community, City of Oxford. Accompanying the video was arguably one of the best things to come from the week – an original song created by Josh Shaw, Augusta's City Manager, entitled, "Power to the People." Easily passing as the anthem of the electric lineman, the song speaks powerfully with phrases like



Public Power Week 2025

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“rubber-soled boots treading water and rain, knees howling like the wind, climbing poles through the pain,” and “hometown heroes working through the night.” The heroes in generation and production aren’t left out either. Shaw mentions them: “Remember when the sun refuses to shine and the wind is not on time, our engines growl for our hometown; public power is on the line.” These powerful words backed by moving rock music ignite the pride of public power and the promise of being better together.

The Contest

Half of all KPP members participated in celebrating Public Power Week to some degree; the combined points of all KPP members this year totaled 555. Given the aforementioned contributions to the week, it is not surprising that the competition came down to City of Augusta with 125 points and City of Hillsboro with 130 points. By a mere margin of only five points, Hillsboro lays claim to Public Power Grand Champion for the second year in a row.

Due to the considerable time, effort and creativity applied to celebrate Public Power Week in both Augusta and Hillsboro, KPP Energy proudly awarded both cities \$500.

Who Wins?

Since its inception, the purpose of KPP Energy’s Public Power Week competition has been to educate communities about the value of being a public-power community, and strengthen the bond between public power providers and the communities they serve. Year after year, members have exceeded those expectations, showcasing how collaboration and creativity enhance the communities they serve. Our sincere thanks for all the hard work, creativity and dedication to public power by celebrating Public Power Week!



Above: Mulvane City Council & City Administrator Austin St. John



Above: KPP Energy staff.



Above: Glasco City Clerk Heather Bowles.



September & October Board Meetings Review

COLIN HANSEN, CEO / GENERAL MANAGER



The KPP Energy Board of Directors held their regular monthly meetings on September 24th and October 23rd at the KPP Energy offices in Wichita. A summary of highlights from each meeting is provided here.

September 24th Board Meeting

September 2025 ECA Analysis

Chief Operating Officer James Ging walked Board members through the August 2025 ECA presentation. August costs ran \$1.37 million under budget; transmission, energy, and capacity were all below plan, producing an actual ECA of a negative 1.33 cents per kilowatt-hour (kWh).

Financial Report

Chief Financial Officer Vickie Matney presented written financial statements for the period ending July 31, 2025, showing a net position before DAI of \$7.425 million for the year. She also confirmed that Moody's affirmed their A3 (stable) rating of KPP Energy.

Capacity Strategy Discussion

CEO Colin Hansen revisited KPP's long-term capacity strategy, reminding the Board that the approach is intentionally multi-path. The plan continues to prioritize Dogwood expansion and Walnut Energy Center. At the same time, staff are preparing for the installation of smaller generation units, with an N-1 Reliability Assessment being considered to identify the most strategic sites for placement.

Walnut Energy Center

Director of Energy Services Mike Shook reported that the KDHE single-source determination has been received. The Generation Interconnection Agreement has been submitted to GridLiance and Southwest Power Pool for signatures and then will be submitted to FERC.

PACE Solar Project

Chief Operating Officer James Ging noted:

- The Geo Tech field study reports should be in by the end of September.
- A practice test is set up at Greensburg shooting range for October 5th to determine impacts to the site.
- Procurement is on track to meet the May 26th completion date.

October 23rd Meeting

October 2025 ECA Analysis

Chief Operating Officer James Ging reported that September costs came in at about \$490,000 under budget. Transmission and energy expenses were both lower than planned, while capacity costs ran slightly higher. The actual ECA was -\$0.00210 compared to the budgeted -\$0.00272. Demand was down by 14 percent and overall energy sales were 11 percent lower than expected.

Refinance 2015A Bonds

Chief Financial Officer Vickie Matney provided the details on the original issuance of 2015A bonds of \$14.86 million, noting the remaining amount as of December 1, 2025, is \$7.4 million. The Board unanimously approved Resolution 2025-10-23 to refinance the series for an estimated \$228,700 savings over six years.

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September & October Board Meetings Review

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Tenaska Contract Extension & Modifications

Following a presentation by Chief Strategy Officer Eric Alexander, the Board authorized a five-year extension and modification of KPP's agreement with Tenaska.

SPP 2025 Integrated Transmission Plan

Chief Operating Officer James Ging noted that the Southwest Power Pool (SPP) is under increased pressure to connect large loads and adjusting policy to accommodate large loads, such as AX Process (Amended AQ), HILLS and CHILLS, and ERAS. The 2025 ITP is the largest portfolio presented in SPP history, and approval of it by TWG was narrow. Most agree on the need, but disagreement remains about affordability and cost allocation. Ging provided information on rate impacts if the load develops vs. if it does not develop. The SPP Board will vote on the ITP in early November. He also noted that the 2026 ITP is panning out to be large as well.

CAT Generation Purchase

Director of Energy Services Mike Shook highlighted the opportunity to purchase Caterpillar engines: four 3-MW units priced at \$11.6 million, with a total estimated project cost of \$13.5 million once engineering, interconnection, and construction costs are added. Delivery is scheduled for no later than the third quarter of 2027, and the contract allows cancellation within 180 days subject to a 25 percent restocking fee.

CEO Colin Hansen walked the Board through the payment structure. He also presented ownership structure options, while CFO Vickie Matney analyzed funding choices and the impact on KPP's cash reserves. Chief Strategy Officer Eric Alexander modeled the effect on member city rates, showing that under a 70/30 hybrid ownership approach, a 3-MW unit would cost a city about \$6,700 per month over 20 years at 5 percent interest.



Shook also explained how siting decisions would be guided by an N-1 Reliability Assessment, which considers historical transmission reliability, supply and transformation capacity, and existing local generation.

The Board voted 7–2 in favor of executing the \$11.6 million sales agreement with Foley Equipment, while leaving siting, ownership, and funding details to be determined at a later date.

Walnut Energy Center

Director of Energy Services, Mike Shook, reported that KPP will seek a new construction air permit dependent on the technology chosen for the facility, and the GIA has been filed with FERC. He also noted that after SPP and GridLiance fees, \$58,000 will remain in deposit.

PACE Solar Project

Chief Operating Officer James Ging noted that design engineering and Geo Tech are progressing and the construction timeline window (December 2025 – May 2026) remains unchanged.

Special Announcements

CEO Colin Hansen reminded Board members to register for the upcoming Rate Forum on November 7th and the Annual Membership Meeting on December 12th.



Leadership Changes at FERC

LAURA SWETT & DAVID LACERTE APPOINTED COMMISSIONERS - SWETT NAMED FERC CHAIR

The Federal Energy Regulatory Commission (FERC) is welcoming two new members following the appointments of Laura Swett and David LaCerte.

Laura Swett was appointed to a five-year term ending June 30, 2030. Importantly, President Donald Trump named Swett as Chairman of FERC. “I am honored to serve as Chairman of FERC and grateful for President Trump’s confidence in me to advance America’s energy priorities at such a critical moment in our Nation’s history. I look forward to working with my colleagues and FERC’s excellent staff to continue the Commission’s crucial mission of ensuring reliable and affordable energy for all consumers,” Chairman Swett said.

A former senior legal and policy adviser at FERC under Chairman Kevin McIntyre and Commissioner Bernard McNamee, Swett most recently practiced at Vinson & Elkins LLP, focusing on energy regulatory and project-development matters. FERC highlighted her “deep understanding of the Commission’s statutory responsibilities and regulatory

framework.” She succeeds Commissioner Mark Christie, whose term concluded earlier this year.

David LaCerte has been confirmed to serve through June 30, 2026, filling the vacancy created by Commissioner Willie Phillips’ departure. LaCerte previously served as a senior adviser at the U.S. Office of Personnel Management and held roles at the U.S. Chemical Safety and Hazard Investigation Board and in private legal practice. FERC cited his “commitment to effective governance and regulatory integrity” in announcing his appointment.

With both commissioners in place, FERC returns to a full five-member panel—now with a Republican majority for the first time in several years. Analysts suggest this could influence policy direction on transmission planning, natural gas pipeline approvals, and market design.



Event Calendar

DATES TO REMEMBER

NOVEMBER 7, 2025

Rate Forum

NOVEMBER 20, 2025

KPP Board Meeting

DECEMBER 12, 2025

Annual Membership Meeting

JANUARY 15, 2026

KPP Board Meeting

FEBRUARY 19, 2026

KPP Board Meeting

MARCH 19, 2026

KPP Board Meeting

APRIL 16, 2026

KPP Board Meeting

APRIL 18, 2026

Lineworker Appreciation Day

APRIL 22 - 24, 2026

KMU Conference

KPP Resources by Fuel Source

SEPTEMBER 2025

