



KPP
ENERGY

20
YEARS



2025 ANNUAL REPORT







2025 ANNUAL REPORT

- 04** MANAGEMENT MESSAGE
- 06** KPP BOARD OF DIRECTORS
- 08** KPP TEAM
- 09** WHOLESALE POWER COSTS & RELIABILITY
- 10** MEMBER CITIES MAP
- 11** MEMBER CITIES INFORMATION
- 12** ENERGY RESOURCES
- 14** FINANCIAL INFORMATION
- 20** MEMBER SPOTLIGHT
- 22** A NEW HOME FOR KPP ENERGY
- 24** PACE PROGRAM
- 26** POWER OF KPP'S LEGAL STRUCTURE

MANAGEMENT MESSAGE

In 2005, six communities came together with a goal. Those founding cities collectively wanted to take control of their own destiny in procuring predictably priced, reliable, and affordable wholesale electricity for their communities. They knew then, as we know now, the indispensable value of togetherness.

This year, **KPP Energy celebrated its 20th anniversary.** While the communities we serve have expanded to include 24 member cities and the services we provide have grown exponentially, the mission remains the same: to provide our member communities with affordable and reliable energy while preserving the strength and independence of public power.

As we reflect on the past year, we see 2025 not simply as a continuation—but as momentum building from a year of intentional planning, focused progress, working together, stewardship, and local control.

The electric industry is in the midst of profound change, perhaps unseen in decades. The rapid growth of data centers is creating new complexity, uncertainty, and significant cost increases for the electric industry. Demand for power is increasing quickly and often unpredictably, challenging traditional planning and forecasting.

At KPP, we don't see these as challenges but rather as an opportunity to lead. Your joint action agency is committed to staying at the forefront – providing leadership, a steadfast commitment to public service, and strategic intent.

A central theme of this strategy continues to be capacity—

ensuring we are positioned to meet both today's needs and tomorrow's demands. This initiative takes two forms. First, we are maximizing the value and longevity of existing member-owned generation and agency resources. Second, we are actively pursuing new generation opportunities that align with the evolving requirements of the Southwest Power Pool and the broader energy market and, more importantly, the needs of member communities.

To support the operation of existing member-owned generation, in **2025 KPP introduced the Generation Repair Fund**, providing financial assistance to members to keep local generation working reliably. In addition, the KPP Generation Task Force continued to work on strategies to improve the reliability and safety of these important local power plants.

Meanwhile, three major initiatives continued the focus on new capacity. The **Powering Affordable Clean Energy (PACE)** solar project made meaningful progress toward delivering 18 megawatts (MW) of community-owned renewable energy to seven member cities. KPP Energy also purchased 12 MW of diesel-fired peaking generation to provide capacity to the pool and augment the reliability of several member communities. We also continue to evaluate the proposed 55 MW Walnut Energy Center against investment in other large projects to add significant new capacity to the pool. These projects represent important steps forward for the strength and diversity of the entire KPP portfolio.

Throughout 2025, we upheld our mission of providing reliable, cost-effective electricity to our members, even in the midst of massive inflationary pressures. While transmission costs, which

are borne by all utilities and out of KPP's control, have increased by 64% over the past decade, the **overall energy cost to KPP members was 10.5% less in 2025 than it was in 2015**. That is an important story worth telling.

Electricity is often taken for granted when considering the building blocks of community, but a reliable and affordable power supply is what keeps our towns and cities running. Through the work we do behind the scenes, our members can focus on building vibrant towns and cities that prioritize economic stability and local quality of life. It remains useful to remember that one of the key tenets of the KPP Energy mission is to help our member communities thrive.

In addition to affordable and reliable electricity, the other main tenet of our mission is to provide innovative solutions to members. **In 2025, KPP introduced a new scholarship program** and an enhanced ability to conduct rate studies for members in addition to numerous other membership benefits.

What sets KPP apart is the strength of its members and the shared commitment to public power. As we look to the future, our focus remains steady: providing reliable power, enhancing the value of joint action, and supporting our members as they grow, adapt, and thrive. We want to express our deep appreciation for continued trust and partnership with KPP Energy.

Thank you for your commitment to the success of our shared mission.



A handwritten signature in black ink, appearing to read 'Lou Thurston'.

LOU THURSTON

President



A handwritten signature in black ink, appearing to read 'Colin Hansen'.

COLIN HANSEN

CEO / General Manager

KPP BOARD OF DIRECTORS



Lou Thurston,
*KPP Board President
Hillsboro, Mayor*



Tim Johnson,
*KPP 1st Vice-President
Augusta, Director of Public Utilities*



Chris Komarek,
*KPP 2nd Vice-President
Ellinwood, City Administrator*



Stacy Barnes,
*KPP Board Secretary/Treasurer
Greensburg, City Administrator*



Jason Newberry,
*KPP Board Member
Wellington, Assistant City Manager
for Utilities & IT*



Greg Graffman,
*KPP Board Member
Kingman, City Manager*



Gus Collins,
*KPP Board Member
Winfield, Director of Utilities*



Scott Glaves,
*KPP Board Member
Clay Center Public Utilities,
Superintendent of Utilities*



Alan Schneider,
*KPP Board Member
Burlington, Electric Utilities
Superintendent*

HONORING THE SERVICE OF **SCOTT GLAVES AND GUS COLLINS**

KPP Energy extends its sincere gratitude to two exceptional leaders whose Board service has helped guide the organization through a period of growth, change, and continued commitment to Kansas public power: Scott Glaves and Gus Collins.

Both men completed two full terms on the KPP Energy Board of Directors, each providing steady **leadership, thoughtful perspective, and a deep dedication to the communities** they serve. Their combined years of service brought valuable institutional knowledge and a consistent focus on reliability, member value, and long-term planning.

Gus Collins, Director of Utilities for the City of Winfield, has more than 35 years of experience in local government and public service. Since joining Winfield in 2014, **Gus has brought a strong municipal leadership background**, including prior service as City Manager of Wellington and a practical understanding of the challenges and opportunities facing public power communities today.

Scott Glaves, Superintendent of Utilities for the Clay Center Public Utilities Commission, began his career in public power as an apprentice lineman in 2005 and has continued to lead with dedication and expertise throughout his tenure. **His career reflects the values of hard work, technical knowledge, and commitment** to service that define municipal utilities across Kansas.

In addition to their Board service, both leaders also served as President of the KPP Energy Board of Directors, helping to steer the organization with clarity and purpose. Gus served as President in 2020 and 2021, followed by Scott in 2022 and 2023, providing trusted leadership during pivotal years for KPP Energy and its members. KPP Energy is grateful for the time, wisdom, and care both Gus Collins and Scott Glaves have invested in this organization. **Their leadership has strengthened KPP's mission and ensured that member communities remain at the heart of every decision.**



MEET THE TEAM



Colin Hansen
CEO
General Manager



James Ging
Chief Operating
Officer



Vickie Matney
Chief Financial
Officer



Eric Alexander
Chief Strategy
Officer



Mike Shook
Director of
Energy Services



Leslie Atherton
Director of
Member Services



Ivan Seward
Senior
Accountant



Jessica Venters
Office
Administrator

WHOLESALE POWER COST & RELIABILITY



RELIABILITY

A dependable electric grid is essential to the economic health and quality of life in KPP member communities. Reliability shows up at every level — from the broader Southwest Power Pool network down to the local distribution system. Alongside affordability and sustainability, it remains a cornerstone of KPP Energy's mission.

WHOLESALE POWER COSTS

Affordable wholesale power is at the heart of everything KPP does. By working together through joint action, KPP members secure cost-effective energy supply that allows them to better serve residents, attract and keep businesses, and strengthen the communities they power.



MEMBER CITIES MAP



MEMBER CITIES INFORMATION

Generating Members	Population	2025 Peak Load (kW)
Winfield	12,104	50,736
Wellington	7,504	25,634
Augusta	9,342	21,604
Clay Center	3,989	13,680
Mulvane	7,111	13,486
Kingman	2,906	11,445
Burlington	2,560	8,776
Minneapolis	1,933	5,735
Ellinwood	1,969	5,304
Erie	1,085	3,429
Oxford	1,048	2,438

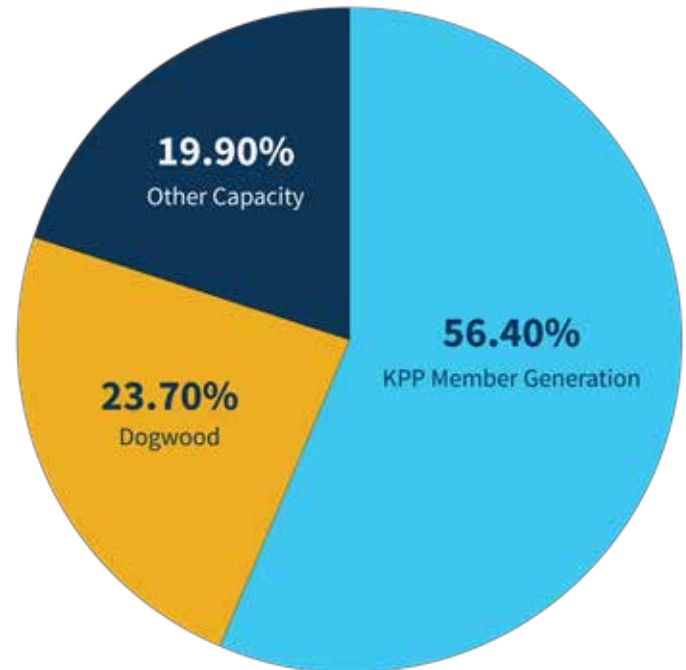
Non-Generating Members	Population	2025 Peak Load (kW)
Hillsboro	2,834	7,025
St. Marys	2,636	6,347
Marion	1,923	5,359
Haven	1,196	3,540
Greensburg	791	3,237
Lucas	391	1,860
Mount Hope	802	1,770
Attica	620	1,672
Udall	689	1,581
Waterville	629	1,400
Glasco	453	1,105
Holyrood	422	1,030
Luray	184	685

ENERGY RESOURCES

2025 presented a favorable market environment for keeping rates under budget for KPP. Regardless of the fact the year started out with a very cold January, the summer came in cooler than normal for KPP's service area. Since KPP's summer peak load is significantly higher than winter's, the cooler summer resulted in lower annual energy usage amongst KPP's membership compared to the forecast. For 2025, actual versus forecasted energy sales were down around 7%.

Notwithstanding the impacts of mild summer weather on SPP market prices, another contributing factor was that **natural gas prices remained below the 5-year average, which helped keep SPP's market prices muted.** Additionally, KPP's load zone resides in a congested wind corridor, which applied some additional downward pressure on local market prices compared to other parts of SPP. The weaker-than-expected market pricing was a contributing factor to **2025 total energy costs coming in 28% lower than forecasted.**

CAPACITY REQUIREMENTS



CAPACITY SOURCES

KPP maintained sufficient capacity to meet SPP's 2025 Planning Reserve Margin (PRM) requirement set at 115% of KPP's peak load. A significant amount of the required accredited capacity is carried by KPP members' generation as well as **KPP's ownership in the Dogwood combined cycle natural gas power plant.** The remaining capacity stems from power purchase agreements with the Greensburg and Marshall wind facilities, a transaction with the Grand River Dam Authority, and some capacity-only contracts.

ENERGY MIX

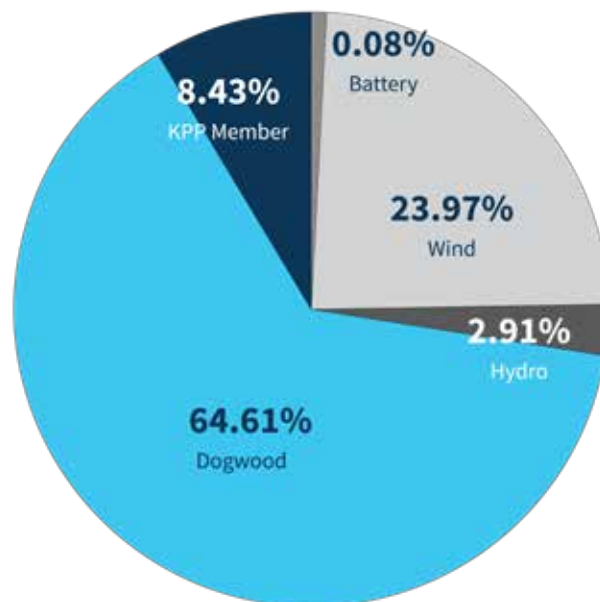
Looking at the annual energy production from KPP's pool of resources, the Dogwood combined cycle unit led KPP's portfolio in megawatt hours generated, followed by wind, KPP members' generation, hydro allocations and a 1 MW/4 MWh Battery Energy Storage System (BESS). While all the pooled resources contribute towards hedging KPP members against extreme prices, **the Dogwood facility produced a significant amount of the revenue that help offset load costs.** Although the facility managed to produce more energy in 2025 than budgeted, generation revenues were lower than forecasted due to cooler summer weather and lower power prices compared to the budget forecasts. The owners continue to support financial commitments for firm fuel delivery including gas transportation

and physical gas purchases, emphasizing the importance of supporting reliable operations during times when the natural gas infrastructure historically experiences operational complications and power prices have been volatile.

Aside from KPP-owned generation, another significant energy source used to serve KPP's load was the SPP market. **In 2025, KPP's load area price was negative almost 20% of the hours,** skewed by the negative pricing associated with strong wind production and low peak loads during the spring months. KPP was able to take advantage of the weak pricing environment, **utilizing SPP's generation to serve around 50% of KPP's total annual load.**



**ENERGY SOURCES
SERVING LOAD**



**PERCENT OF RESOURCES
PRODUCTION**

FINANCIAL INFORMATION **BALANCE SHEET**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets	2025	2024
Cash	\$34,955,563	\$34,508,934
Cash, board-designated for emergency stabilization	\$11,907,647	\$8,047,270
Cash and cash equivalents, restricted	\$500,000	\$500,000
	\$47,363,210	\$43,056,204
Investments, restricted	\$36,494,508	\$38,869,427
Accounts receivable	\$4,146,391	\$4,709,019
Prepaid expenses and other	\$3,535,015	\$3,591,524
Materials and supplies	\$507,546	\$481,983
Total Current Assets	\$92,046,670	\$90,708,157
Investments, Restricted	\$0	\$2,912,052
Capital Assets, Net of Accumulated Depreciation	\$63,791,355	\$56,360,992
Other Assets	\$105,046	\$157,211
Regulatory Assets		
Costs recoverable from future billings	\$910,810	\$1,377,965
Unrecovered development costs	\$8,721,353	\$9,357,155
Total Regulatory Assets	\$9,632,163	\$10,735,120
Total Assets	\$165,575,234	\$160,873,532
Deferred Outflows of Resources		
Deferred loss on refunding	\$359,934	\$597,871
Pensions	\$398,130	\$288,463
Total Deferred Outflows of Resources	\$758,064	\$886,334
Total Assets and Deferred Outflows of Resources	\$166,333,298	\$161,759,866

*A copy of the audit report can be found at www.kpp.energy

FINANCIAL INFORMATION **BALANCE SHEET**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Current Liabilities	2025	2024
Current portion of bonds payable	\$55,515,000	\$3,705,000
Accounts payable	\$134,042	\$293,229
Accounts payable – power bills	\$2,163,982	\$1,808,300
Accrued expenses	\$897,142	\$1,161,637
Accrued interest	\$112,925	\$121,973
Total Current Liabilities	\$58,823,091	\$7,090,139
Long-Term Debt		
Revenue bonds payable	\$32,495,000	\$88,010,000
Unamortized bond premiums and discounts, net	\$1,795,257	\$2,083,355
Total Long-Term Debt	\$34,290,257	\$90,093,355
Net Pension Liability	\$1,118,982	\$1,008,983
Total Liabilities	\$94,232,330	\$98,192,477
Deferred Inflows of Resources		
Emergency stabilization fund	\$20,287,000	\$16,287,000
Generation resource fund	\$9,000,012	\$7,000,008
Pensions	\$41,693	\$16,496
Total Deferred Inflows of Resources	\$29,328,705	\$23,303,504
Net Position		
Net investment in capital assets	\$8,924,132	\$3,903,297
Restricted – expendable for debt services	\$4,574,229	\$4,388,109
Unrestricted	\$29,274,902	\$31,972,479
Total Net Position	\$42,772,263	\$40,263,885
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$166,333,298	\$161,759,866

*A copy of the audit report can be found at www.kpp.energy

FINANCIAL INFORMATION **OPERATING REVENUES**

	2025	2024
Operating Revenues	\$52,271,548	\$57,167,808
Operating Expenses		
Purchased power	\$17,164,771	\$18,544,265
Transmission expense	\$17,317,348	\$16,207,901
Dogwood operating costs	\$2,502,479	\$2,725,602
Amortization of unrecovered development costs	\$866,152	\$757,342
Depreciation	\$2,437,979	\$2,361,663
Total Operating Expenses	\$40,288,729	\$40,596,773
Administrative and General Expenses		
Salaries and benefits	\$1,882,348	\$1,698,825
Legal expenses	\$223,915	\$226,755
Consulting fees	\$124,168	\$93,258
Outside services	\$331,274	\$349,004
Insurance	\$381,562	\$334,313
Dues and memberships	\$253,455	\$233,088
Miscellaneous	\$743,780	\$656,390
Rent	\$39,899	\$57,870
Taxes	\$19,162	\$0
Payment in lieu of taxes	\$108,625	\$108,625
Total Administrative and General Expenses	\$4,108,188	\$3,758,128
Operating Income	\$7,874,631	\$12,812,907

*A copy of the audit report can be found at www.kpp.energy

FINANCIAL INFORMATION OPERATING REVENUES

Nonoperating Revenues (Expenses)	2025	2024
Investment and interest income	\$2,496,333	\$1,455,668
Interest expense on debt	(-\$1,694,718)	(-\$1,797,054)
Amortization of bond premiums and discounts, net	\$288,098	\$312,558
Net costs recoverable	(-\$467,153)	(-\$84,182)
Miscellaneous	\$11,191	\$0
Total Nonoperating Revenues (Expenses)	\$633,751	(-\$113,010)
Deferred Inflows of Resources – Emergency Stabilization	(-\$4,000,000)	(-\$3,500,000)
Deferred Inflows of Resources – Generation Resource Fund	(-\$2,000,004)	(-\$7,000,008)
Change in Net Position	\$2,508,378	\$2,199,889
Net Position, Beginning of Year	\$40,263,885	\$38,063,996
Net Position, End of Year	\$42,772,263	\$40,263,885

STATEMENT OF CASH FLOW

Operating Activities	2025	2024
Receipts from members	\$52,834,176	\$56,006,224
Payments to suppliers	(-\$39,401,670)	(-\$40,634,506)
Payments to employees	(-\$1,880,828)	(-\$1,627,726)
Net Cash Provided by Operating Activities	\$11,551,678	\$13,743,992
Noncapital Financing Activities		
Principal payments on noncapital bonds	(-\$340,000)	(-\$320,000)
Principal payments on noncapital debt	N/A	N/A
Interest payments on line of credit and noncapital bonds	N/A	N/A
Interest payments on noncapital bonds	(-\$67,080)	(-\$82,840)
Net Cash Used in Noncapital Financing Activities	(-\$407,080)	(-\$402,840)

*A copy of the audit report can be found at www.kpp.energy

STATEMENT OF CASH FLOW CONTINUED

Capital and Related Financing Activities	2025	2024
Proceeds from capital debt	\$0	\$51,670,000
Payments of issuance costs on capital debt	\$0	(-\$734,469)
Capital expenditures	(-\$7,203,160)	(-\$19,867,299)
Principal payments on revenue bonds	(-\$3,365,000)	(-\$3,265,000)
Interest payments on revenue bonds	(-\$4,063,929)	(-\$1,352,827)
Net Cash Provided by (Used in) Capital and Related		
Financing Activities	(-\$14,632,089)	\$26,450,405
Investing Activities		
Interest and investment income	\$2,133,885	\$1,455,669
Proceeds from sales and maturities of investments	\$55,843,958	\$23,307,773
Purchases of investments	(-\$50,183,346)	(-\$56,225,291)
Net Cash Provided by (Used in) Investing Activities	\$7,794,497	(-\$31,461,849)
Increase in Cash and Cash Equivalents	\$4,307,006	\$8,329,708
Cash and Cash Equivalents, Beginning of Year	\$43,056,204	\$34,726,496
Cash and Cash Equivalents, End of Year	\$47,363,210	\$43,056,204
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$7,874,631	\$12,812,907
Depreciation and amortization	\$3,304,131	\$3,119,005
Amortization of payment in lieu of taxes	\$108,625	\$108,625
Net pension liability	\$109,999	\$59,755
Changes in		
Accounts receivable	562,628	(-\$1,161,584)
Accounts payable and accrued expenses	(-\$68,000)	\$388,243

*A copy of the audit report can be found at www.kpp.energy

STATEMENT OF CASH FLOW CONTINUED

	2025	2024
Deferred inflows of resources	\$25,197	(-\$14,288)
Deferred outflows of resources	(-\$109,669)	\$11,569
Prepaid expenses and other current assets	(-\$25,514)	\$15,289
Unrecovered development costs	(-\$230,350)	(-\$1,595,529)
Net Cash Provided by Operating Activities	\$11,551,678	\$13,743,992

**A copy of the audit report can be found at www.kpp.energy*





CLAY CENTER PUBLIC UTILITIES COMMISSION

When winter storms move through north-central Kansas, Clay Center Public Utilities Commission focuses on one thing above all else: keeping the community powered safely and reliably. As shown in this year's video feature, CCPUC's approach to winter operations is rooted in preparation, local decision-making, and a strong sense of responsibility to the people it serves.

That steady approach is reflected in the long-tenured leadership of **Bill Callaway, whose decades of service with Clay Center, first as Superintendent of Utilities and now as a Commissioner, have helped shape a culture of reliability, institutional knowledge, and calm decision-making under pressure.** His longevity brings continuity and experience that cannot be replaced, particularly during high-stress events like severe winter weather.

Utility staff closely monitor weather forecasts and system conditions leading up to cold weather events, allowing them to plan ahead and respond quickly as demand increases. **This proactive approach helps reduce outages and ensures that homes, businesses, and critical facilities continue to receive dependable electric service during extreme conditions.**

As a community-owned utility, CCPUC's decisions are made locally by people who live and work in Clay Center. During winter storms, that local connection matters. **Crews understand the system, the community, and the urgency of restoring power quickly and safely.** Reliability is not just a goal—it is a personal commitment to neighbors and fellow residents.

Clay Center's winter storm response reflects the broader strength of public power and the value of collaboration through KPP Energy. **By combining local expertise with regional coordination, CCPUC remains prepared to meet challenging conditions** while maintaining affordable, reliable service.

Through careful planning, experienced leadership, and dedication to community, **Clay Center Public Utilities Commission demonstrates what public power looks like at its best**—steady, resilient, and rooted in local service.



A NEW HOME FOR KPP ENERGY

AND A NEW CHAPTER FOR CONNECTION

In 2025, KPP Energy reached a defining milestone: the organization welcomed members into its new permanent headquarters at 2229 South West Street in Wichita, a space designed to reflect both stability and long-term commitment to Kansas public power communities. After carefully evaluating more than two dozen properties, the KPP Energy Board of Directors made the unanimous decision to purchase a building that is safe, convenient, parking-friendly, and built for the future. Importantly, this strategic investment was made with no effect on member rates, shifting resources from rent into an owned asset while maintaining strong liquidity and financial stewardship.

That vision came to life immediately in a new way this fall, as KPP Energy hosted its 2025 Annual Conference in-house for the first time. Held on September 25, the one-day event brought together 56 member representatives for daytime sessions, alongside 28 total guests and speakers, supported by 11 staff members working on-site to ensure a seamless experience. The new headquarters provided an ideal setting for meaningful conversations, timely industry updates, and stronger peer-to-peer connections across Kansas communities.

Attendees heard from **keynote speaker Reed “Roller” Barrett, an award-winning former F-16 fighter pilot and professional magician**, and participated in sessions highlighting energy market trends, resource adequacy, distributed generation updates, and the value of community-owned power.

The conference concluded with KPP’s first-ever “Great Yard Party,” an outdoor celebration that welcomed around 80 attendees, featuring Wichita’s top food trucks, games, and fellowship. More than a closing event, it marked a new tradition, transforming KPP’s headquarters into what it was always meant to be: a hub for engagement, collaboration, and shared purpose.

Following the conference, KPP staff gathered feedback and launched a post-event improvement list, reinforcing the organization’s commitment to continually strengthening the member experience year after year.

With a permanent home and an expanded ability to convene members on-site, KPP Energy is building not only infrastructure, but deeper connections across Kansas, empowering communities and strengthening public power for generations to come.

“*Owning assets rather than renting wisely utilizes KPP ratepayers’ funds, ensuring resourceful stewardship for the future.*”

SCOTT GLAVES

Clay Center Public Utilities Commission

KEY BENEFITS OF OUR NEW HEADQUARTERS

NO IMPACT ON RATES

The purchase was a strategic balance-sheet investment, not a cost increase for members.

ABILITY TO HOST EVENTS ON-SITE

In 2025, KPP hosted the Annual Conference in-house for the first time, creating deeper connection and engagement.

LONG-TERM ASSET VALUE

Transitioning from rent to ownership builds equity and strengthens financial stewardship over time.

PRIDE OF OWNERSHIP

A permanent home reflects stability, longevity, and confidence in Kansas public power.

MEMBER-FRIENDLY ACCESS

Improved parking, convenience, and a welcoming space for city utility leaders.

ENHANCED SAFETY & SECURITY

Greater control over building access and customized security measures.

FREEDOM TO GROW

Ownership allows flexibility for renovations, staffing needs, and future expansion.



PACE PROGRAM

2025 ANNUAL REPORT SECTION

In 2025, the Powering Affordable Clean Energy (PACE) Program remained a cornerstone of KPP’s long-term vision. Following earlier federal endorsements and collective planning among member cities, the program transitioned from preparatory stages to advanced engineering and pre-construction efforts. Set for completion in mid-2026, PACE aims to provide 18 MW of solar power to KPP members.

PROJECT SCOPE & COMMUNITY IMPACT

PACE’s solar installations vary from 1 MW to 6 MW each. The total investment stands at \$48 million, with financial support combining USDA loans—featuring loan forgiveness—and IRS clean-energy tax credits, which offset nearly 60% of costs. This funding arrangement eases fiscal pressure on participating communities and speeds up access to locally-produced renewable energy.

Throughout 2025, member cities played a critical role by offering project sites and actively joining design and readiness reviews. Their involvement helped streamline federal compliance and set the groundwork for efficient rollout beginning late 2025.

2025 ENGINEERING & DESIGN MILESTONES

Engineering and procurement teams made notable strides in completing design documents and preparing the sites:

Civil engineering plans neared finalization, while electrical designs achieved 90% completion.

Soil studies and load tests concluded across all selected locations.

Orders for essential, long-lead items—such as racking systems, trackers, and Siemens KACO inverters—were placed to secure project timelines.



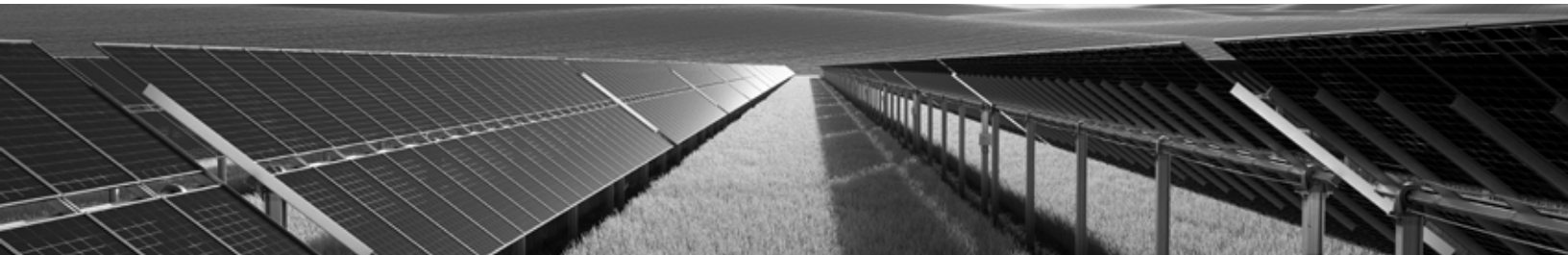
Progress was also seen in preparations for grid interconnection. Communities have worked together to meet updated requirements, highlighted by the December 2025 interconnection framework, underscoring KPP’s commitment to reliable integration for distributed energy sources.

MEMBER ENGAGEMENT & COMMUNITY READINESS

Toward the end of the year, engineering teams coordinated closely with suppliers to verify inventory and ensure equipment met technical standards. Additional procurement packages covering civil and electrical aspects are scheduled for release, paving the way for initial construction activities.

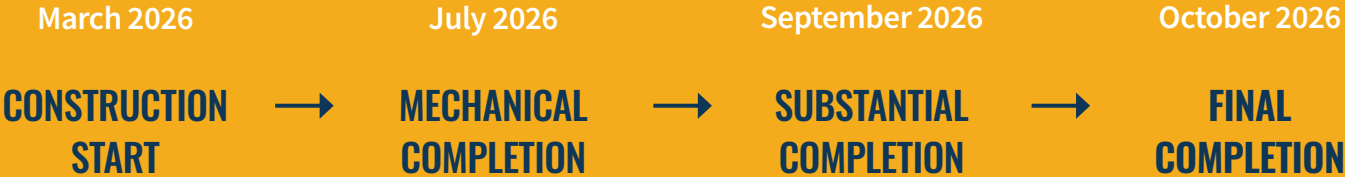
TRANSITION TOWARD CONSTRUCTION

Member Services facilitated city visits throughout 2025, fostering collaboration within the PACE Program. Efforts included presenting resolutions, briefing communities, walking through sites, and holding technical discussions with local officials and utility personnel. These actions solidified partnerships and prepared communities for upcoming construction.



TRANSITION TOWARD CONSTRUCTION

By early 2026, the work accomplished in 2025 had propelled the PACE Program toward its construction phase. Updated timelines capture this progress:



Together, these milestones reflect the successful design, procurement, and coordination achieved during 2025.

THE POWER OF KPP'S LEGAL STRUCTURE

A GENERAL COUNSEL REFLECTION

Rarely a week passes without someone asking me, “**What is KPP Energy?**” **What is a “Municipal Energy Agency?” Is it a Joint Action Agency? What does “KPP” stand for? Who buys electricity from KPP?**

These are all fair and easy enough questions to answer, especially for the uninformed and uninitiated. That said, the simple answer always misses the point.

Marking its 20th Anniversary in 2025, KPP Energy is, quite simply, one of the most unique and remarkable municipal agencies in the country and is (at its legal core) unlike anything else in Kansas.

KPP is a municipal energy agency, a joint action agency, a cooperative effort of more than 20 cities, a repository of

pooled resources, a generating, purchasing, transmitting, and distributing **provider of reliable and affordable wholesale electric power for 24 cities in Kansas.**

It is KPP’s legal structure of shared governance, pooled resource planning, and the collective strength of assured load, that has propelled KPP well beyond the “doing things together” model of mere joint action agencies that might try to mimic it.

Yes, KPP’s members cooperate to have KPP bid, purchase, manage, and provide power for them each and every day, but it is KPP’s unique Operating Agreement, which pools not just load, but all its members' generating capacity, as well as long-term planning responsibilities, that empowers KPP to tackle even the most complex energy challenges with one unified approach.





Not unlike the idea that became the United States of America some 250 years ago, **KPP's ability to act in the long-term interests of its Members flows directly from ideas that started on mere paper over 20 years ago.**



KPP's strength flows from 20-year Power Purchase Agreements executed by all its members who have committed to purchase their full requirements through KPP. These contracts, combined with each member's pooled load and generating capabilities, form the cornerstone for long-term reliable resource planning, enhanced financing capabilities, and a creditworthiness that has enabled **major investments (including KPP's ownership in Dogwood Energy Center).**

Ultimately, it is KPP's legal and contractual framework that ensures stability, accountability, and long-range planning for its member communities.



Using this model, as a municipal energy agency, a joint action agency, a power pool, and a wholesale utility, **KPP Energy continues to provide a uniquely strong, locally-governed model for delivering affordable and reliable community-owned electricity,** not just for today's challenges, but for our future, as well.



J.T. KLAUS

General Counsel



www.kpp.energy