

KPP LIGHTNING ROUND

January 2025

KPP Celebrates 20 Years

KANSAS POWER POOL BEGAN OPERATIONS IN 2005

KPP Energy is proud to celebrate its 20th anniversary as a municipal energy agency in 2025. Over the past two decades, KPP Energy has been dedicated to providing affordable and reliable electric service to its member communities. This milestone is a testament to the agency and its members' commitment to excellence and innovation in the energy sector.

KPP was first organized under Kansas municipal energy agency statutes in 2005. On January 18, 2005, the original operating agreement “to secure, by joint action among themselves, or by contract with other utilities, an adequate, reliable and economical supply of electric power and energy” was formalized. In the beginning, KPP was made up of six founding members – Augusta, Burlington, Clay Center, Neodesha, Wellington and Winfield. Since that time, KPP Energy – originally formed as the Kansas Power Pool – has undergone significant development. The agency now provides electricity to 24 communities across the state.

As KPP Energy celebrates this important milestone, it remains committed to its mission of providing reliable, affordable, and sustainable energy solutions to its member communities. The 20th anniversary is not just a celebration of the past but a stepping stone towards a brighter and more sustainable future. We look forward to serving the member communities of KPP for the next 20 years and beyond.

KPP
ENERGY

20
YEARS

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Larry Holloway to Retire March 1st

END OF AN ERA AT KPP ENERGY



KPP Assistant General Manager Larry Holloway will end a long and storied career in the utility industry on March 1st. His retirement will mark 16 years of service to KPP Energy and its members, a span of time that saw numerous advancements in the agency. He has distinguished himself

throughout his nearly 50-year career as a utility engineer, planner and administrator.

Holloway joined KPP – then Kansas Power Pool – in March of 2009, just four years after the formation of the municipal energy agency. At the time, he was only the third full-time KPP employee. At his retirement, Larry will be the second longest serving KPP employee.

There are numerous notable achievements credited largely to Holloway during his tenure at KPP, from obtaining network transmission services without restrictions for the entire KPP membership to the more-recent Solomon Energy Storage Center. He was instrumental in getting all KPP members into the SPP Integrated Market and securing long-term contracts with the cities that enabled notable agency investments such as partial ownership of Dogwood Energy Center. He spent nearly 12 years working diligently to make the Kingman-Cunningham Direct Connect project a reality, in addition to many other achievements for KPP.

Larry has been an important stakeholder and leader for KPP at the Southwest Power Pool (SPP). He has spent

time on numerous committees and task forces – including the Market and Operations Policy Committee (MOPC), Project Cost Working Group (PCWG), Z2 Task Force, and the Generation Testing Task Force. He has been a powerful and valuable voice for KPP – and for public power – at SPP.

Prior to coming on board at KPP, Larry was the Chief of Energy Operations for the Kansas Corporation Commission (KCC). In that role, Larry oversaw the regulation of rates, services and operations of the electric industry in Kansas and was involved in numerous high-profile and important dockets, mergers and rate proceedings. He also oversaw natural gas rate dockets during that time and served as the KCC staff voting representative for the Kansas Retail Wheeling Task Force when the state was considering electric utility deregulation. In addition, Larry represented the KCC on the SPP Cost Allocation Working Group and on the SPP Engineering and Operating Committee, prior to SPP forming a regional transmission organization.

During his time at the KCC, Larry taught numerous international courses for the National Association of Regulatory Utility Commissioners (NARUC). In that



Larry Holloway to Retire March 1st

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capacity, he traveled and taught in Azerbaijan, Kenya, South Africa, the Dominican Republic, Nicaragua, Guatemala, and El Salvador as he helped NARUC provide services to developing countries for U.S. Aid.

Before making the move to the KCC, Larry's career focused largely on nuclear energy. From 1989 to 1993, he was a System Engineering Supervisor at Wolf Creek Nuclear Power Plant managing system engineers assigned to the "Balance of Plant" – essentially everything except nuclear operations and electric for the nuclear power plant. He was a system engineer from 1984-1989 at the Brown Ferry Nuclear Plant in Alabama and Trojan Nuclear Plant in Oregon. He was a Level II Startup Engineer at Wolf Creek Nuclear Power Plant during the startup, testing and commissioning of Wolf Creek from 1983 to 1984. Previous positions included Design Engineer from 1981-1982 for Washington Nuclear Power II for Burns & Row and Nuclear Construction Engineer at Waterford III outside of New Orleans from 1981-1982.

Larry's engineering experience prior to the power business was as a field engineer for KPL Gas in 1978 to 1979 and a



project engineer at a phosphorous chemical plant in Lawrence, Kansas from 1979 to 1981.

Larry is a registered Professional Mechanical and Civil Engineer in the state of Oregon. He holds a Master's Degree in Mechanical Engineering from the University of Kansas, Master's Degree in Engineering Management from Washington State University in addition to his bachelor's degrees in Civil Engineering and Mechanical Engineering from the University of Kansas.

"Larry is and always has been one of the most intelligent and influential people in the utility industry," said KPP CEO Colin Hansen. "His experience and wealth of knowledge about all aspects of the utility industry is unmatched. I was excited to have him playing such an important role in the growth and development of KPP."

"His impact on KPP Energy is profound and lasting," Hansen added. "I am honored to have gotten to work with him and wish him all the best in this new adventure."

KPP will be holding a retirement reception for Larry on February 20th from 1 p.m. to 4 p.m. We would like to invite the KPP membership and all of Larry's colleagues and friends to join us in wishing Larry well in his retirement.





JOIN US IN HONORING **LARRY HOLLOWAY** AND HIS REMARKABLE CAREER

Larry Holloway, KPP's Assistant General Manager – Operations is retiring on March 1st after a long and distinguished career in the utility industry. Since 2009, Larry's dedication and contributions to KPP Energy have been immeasurable. Prior to joining KPP, Larry was the Chief of Energy Operations for the Kansas Corporation Commission (KCC), the agency that he worked for since 1993. Prior work included the commissioning of the Wolf Creek Nuclear Plant.

WHEN

Thursday, February 20, 2025
1:00 PM - 4:00 PM

WHERE

KPP Energy Headquarters,
2229 S. West in Wichita

Light refreshments will be served.

ADDITIONAL INFORMATION

Please contact Jessica Venters
at jventers@kpp.agency.



PACE Project Update

JAMES GING, CHIEF OPERATIONS OFFICER



As discussed in the previous edition of the Lightning Round, KPP continues to make significant progress with the PACE solar project. I am pleased to provide the latest update on this initiative.

Field visits were initially scheduled for the week

of January 20th. However, due to unfavorable weather forecasts, those visits were postponed and are now rescheduled for the week of February 3rd. The purpose of these site visits is to address logistical questions such as access routes for trucks, necessary road improvements, storage locations for equipment, and more. Additionally, we intend to meet with local staff and obtain appropriate contact information.

The environmental process is nearing completion. Clay Center, Wellington, Marion, and Winfield must receive a “Finding of No Significant Impact” (FONSI) notice. This is achieved once the public has been notified and all comments have been addressed. Thus far, three of the four notices have been received – Clay Center, Marion and Wellington. Winfield is currently in the process and is expected to be published in the local newspaper by the end of the month. The remaining three projects - Greensburg, Ellinwood, and Hillsboro - have fewer requirements due to the nature of the site. They have met those requirements and have received their CADEX approvals.

Procurement has commenced with the purchase of solar panels from First Solar. The expected delivery of the panels is mid-March. The panels will be stored at each

site. Priority Power will be working to install cameras and fencing at each site to enhance security.

ATI, the racking company that meets USDA requirements, is working on preliminary designs for the sites. Once the designs are ready, bids will be prepared, and a purchase order can be issued for the racking.

The civil bidding documents are being prepared and will be released next week. Civil contractors will also be responsible for the fencing and any site access improvements. They should be the first sign of progress at each site. The goal is to engage them quickly so that they can begin work as soon as the environmental hurdles are cleared.

We appreciate everyone’s hard work and dedication to the PACE project. Please stay tuned for further updates.



KPP Generation Task Force Meets

MIKE SHOOK, DIRECTOR OF ENERGY SERVICES



KPP Energy held its bi-monthly Generation Task Force meeting on January 23rd, 2025, from 11 a.m. to 2 p.m., at the KPP Energy Offices in Wichita.

A full agenda regarding critical topics were presented to the Task Force for discussion. Items

included an update on KPP Energy's PACE Solar Project, which includes the installation of Solar PV projects in seven member cities ranging in size from 1 MW to 6 MW. KPP Energy, partnering with Priority Power (EPC Contractor) plan to begin construction on the project as early as March.

Updates were provided regarding the Southwest Power Pool, Walnut Energy Center, as well as review of the Payment for Generation Exercising/Training, which included review for the Generation Repair Fund Application & Request form.

The Generation Task Force participated in a presentation and discussion centered on Winter Preparedness

of Generating Assets, discussing topics such as fuel assurance, both diesel and natural gas, cold weather operational issues, cold weather safety, and staffing concerns.

KPP Energy Chief Operating Officer James Ging led a discussion and presentation on Resource Adequacy, highlighting the value of maintaining and keeping KPP Member generating units in available status, as SPP increases the Planning Reserve Margin for summer and instituting a new Winter Reserve Margin.

Assistant General Manager, Larry Holloway followed with a presentation on the Generating Availability Data System (GADS), explaining the requirement of SPP for generators to submit operational availability data. The data submitted through the GADS System will be used by SPP to calculate each utility's capacity obligations moving forward. Additionally, adjustments will be made based on the Equivalent Forced Outage Factor (EFOF) and Equivalent Forced Outage Rate Demand (EFORd), which will impact the unit's accredited capability and affect the Capacity Reserve Margin.

The next meeting of the KPP Energy Generation Task Force will be held on March 6, 2025.

Operational Cold Weather Concerns – Diesel Units

- Cold Start Issues
- Gelling of Fuel – Fuel Additives/Treatments
- Battery Issues
- Filters & Fuel Line Clogging
- Day Tank Issues
- Block Heaters
- Cold Weather Intake/Combustion Air Issues



TRAINING

BUDGETING BASICS & BEYOND

SPEAKER :

**SCOT
LOYD**



LOYD GROUP, LLC
Certified Public Accountants



**APRIL
7TH**

10:00 AM
TO
3:00 PM

2229 S. WEST
WICHITA



BRING A COPY OF YOUR 2025 BUDGET TO
FOLLOW ALONG AND GET YOUR
QUESTIONS ANSWERED!

TOPICS TO BE COVERED:

- * BUDGETING BASICS
- * UNDERSTANDING THE MILL LEVY AND REVENUE NEUTRAL RATE
- * BEST FINANCIAL POLICIES AND PRACTICES.



REGISTER NOW at www.kpp.agency



Longtime KPP General Counsel Curtis Irby Passes Away



Curtis Irby, who served as General Counsel for Kansas Power Pool from the formation of the agency in 2005 until 2017, passed away on Sunday, January 12, 2025 at his home in Wichita. He was 78 years old.

Curtis was instrumental in the formation of the Kansas Power Pool, now KPP Energy. His

legal expertise helped KPP receive approval from the State of Kansas to operate as a municipal energy agency. During his tenure, KPP made additions to the membership and formed a lasting pool of member resources.

“Curtis was extremely influential in forming the Kansas Power Pool,” said Bill Callaway, an initial member of the KPP Board of Directors and current commissioner for Clay Center Public Utilities. “His past knowledge of the Kansas Corporation Commission and the utility industry in general was invaluable. He was a common-sense man and upfront individual, who was greatly dedicated to creating a pool.”

Curtis was a graduate of Wichita State University, majoring in History and Political Science, where his life-long love of the Shockers began. He then went on to earn his Juris Doctor from Washburn Law School in 1971.

He practiced law for his entire professional career, where he found his calling in the field of Regulatory and Energy Law. He worked at the Kansas Corporation Commission from 1979-1984, leaving as Deputy General Counsel. He joined Glaves, Irby and Rhoads after departing the KCC

where he was an attorney while serving as KPP General Counsel.

He is survived by his wife, Phyllis “Sue” Susanne (Campbell); his sons, Matthew Curtis, of Wichita, Christopher Melton and daughter in law, Nicole Christine (Salamander); and his granddaughters, Virginia Sue and Eleanor Deborah, all of Lakewood CO.

A celebration of his life will be scheduled for later in the spring in Wichita.



Above: Curtis Irby, back row second from left, with the 2013 Kansas Power Pool Board of Directors.



Above: Irby with KMU’s Brad Mears during the 2016 Kansas Power Pool Members Dinner.



January Board Meeting Review

COLIN HANSEN, CEO / GENERAL MANAGER

The KPP Energy Board of Directors held their regular monthly meeting on January 16, 2025, virtually and at KPP Energy in Wichita. A summary of meeting highlights is provided here.

December 2024 ECA Analysis

Chief Operating Officer James Ging delivered the December 2024 ECA Analysis presentation to the Board. Transmission costs were above budget \$74,582; energy costs were above budget \$61,449; and capacity costs were above budget \$348,405. This resulted in total costs landing above budget by \$481,458. In terms of sales, demand was 14% below expected and energy was 12% below expected. Ultimately, these factors resulted in an actual ECA of positive \$0.01292 versus budgeted negative \$0.00378.

Financial Statements

Vickie Matney presented written financial statements for the period ending November 30, 2024, showing a net position before DAI of \$10,170,583 year-to-date, and an increase of \$146,074 in net position since the previous month. Information on the collection and disbursement of Walnut Center and PACE ECA funds showed a total of \$6,416,674 collected thus far for 2024.



Election of Officers

Board members considered agency bylaws as they relate to officer positions, including the number of positions, the term length, and term limit. The Board considered several options to change the bylaws, including removal of the Second Vice President position, implementation of two-year terms for officer positions, and removal of the automatic succession requirement.

Ultimately, the Board opted to keep intact all four positions (President, First Vice President, Second Vice President, and Secretary / Treasurer), keep the one-year term length for officer positions, and allow the succession requirement to remain as currently written in the bylaws.

Following that decision, the Board made the following elections:

- Lou Thurston, Hillsboro - President
- Tim Johnson, Augusta - 1st Vice President
- Chris Komarek, Ellinwood - 2nd Vice President
- Stacy Barnes, Greensburg - Secretary / Treasurer

PACE Project

KPP Energy CEO Colin Hansen provided an update on all the PACE project items completed in 2024, including closing of the bond issue, inking of the contract with Priority Power Management and the purchase of \$8 million in solar modules.

Chief Operating Officer James Ging provided an update to the Board regarding the planned construction activities:

- Pre-construction site visits are scheduled for January 21 – 23; Priority Power Management will be in attendance (*since revised*).
- All environmental reviews will hopefully be complete by the end of January.
- The \$8 million worth of solar panels will be arriving



January Board Meeting Review

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at the different sites in March and will need to be stored for three to nine months before the site is ready to put them to use.

- Ultimately, the goal is to have everything in service by June 2026.

KPP CEO & General Manager Colin Hansen added that once the environmental reviews are ironed out, staff will work with the State to have a groundbreaking event in Greensburg.

Winter Storm Preparedness

Director of Energy Services Mike Shook delivered a presentation covering Winter Storm Blair and effects from January 5 – 8, 2025. He provided information about the SPP grid conditions and advisories, KPP Energy’s preparation and member outreach in advance of and during the event, issues encountered at member cities during the event, including calls for mutual aid, and noted areas for improvement on KPP’s part as identified in a post-event review.

Walnut Energy Center

Mike Shook also updated the Board on the Walnut Energy Center project. He noted many items that are in process, including the SPP Generator Interconnection Queue, KDHE Air Permit, Class 5 Project Cost Estimate, Engine Technical Specification Review, and Major Electrical Technical Specification Review. Natural gas line construction and interconnection agreement to be negotiated and executed with City of Winfield and Gridliance still need completed.

Shook provided statistics showing construction costs escalated in 2021 and leveled off in the second quarter of 2023 and then remained either stable or slightly decreased in 2024. Shook explained the roles and

relationships in an EPCM Contracting arrangement and Open Book EPC – Multi Sub arrangement.

Summary of Financial Statistics of KPP Membership

Director of Member Services Leslie Atherton delivered an overview of the overall comprehensive financial health of the KPP membership by providing financial statistics covering debt service coverage, transfers as a percentage of customer revenue, revenue per kWh sold, and days of operating expenses covered by unrestricted cash. Overall, Atherton noted nothing alarming in the financial framework of KPP entities.

Under special announcements, Hansen notified the Board that staff will be holding a come-and-go reception set to occur from 1 to 4 p.m. on February 20, 2025 - following the February Board meeting - to honor Larry Holloway as he retires. Invitations will be distributed soon and all are invited.



President Trump Names Christie FERC Chairman

CHRISTIE OUTLINES TOP THREE PRIORITIES

President Donald Trump on January 20th elevated Mark Christie to become chairman of the Federal Energy Regulatory Commission (FERC). He replaces Willie Phillips, a Democrat, as Chair.

Christie began his term as a FERC Commissioner on January 4, 2021, after having been nominated by President Trump in July 2020 and confirmed by the U.S. Senate on November 30, 2020.

Christie issued a statement on the 20th, indicating that he planned to continue to emphasize his top three priorities:

“First, the need for FERC to protect consumers from excessive power costs. As a former state regulator, I am especially sensitive to the effect of FERC actions on consumers’ monthly power bills.

“Second, I have repeatedly warned that America is facing a reliability crisis driven by the dangerous pace of retirements of dispatchable generation units and failure to build sufficient new generation.

“Third, I have emphasized the critically important role of the states and their utility regulators in meeting these reliability and affordability challenges. A close partnership between FERC and the states is absolutely essential to address these problems.

“I look forward to continuing to work with my fellow commissioners, who are wonderful colleagues, and with FERC’s very knowledgeable, professional and dedicated staff.”

Immediately before joining FERC, Christie was the Chairman of the Virginia State Corporation Commission

(Virginia SCC), on which he served for nearly 17 years. He was elected to the Virginia SCC, which regulates utilities, insurance and banking, three times by the Virginia legislature on bipartisan votes.

During Christie’s service as a state regulator, he was elected president of the Organization of PJM States, Inc. (OPSI), an organization of utility regulators representing the 13 states and the District of Columbia which participate in the PJM transmission and markets organization. He served for more than a decade on the OPSI governing board. Christie also served as president of the Mid-Atlantic Conference of Regulatory Utilities Commissioners (MACRUC), a regional chapter of the National Association of Regulatory Utility Commissioners (NARUC).

Christie is a magna cum laude graduate of Wake Forest University, where he earned Phi Beta Kappa and degrees in History and English. He earned his law degree at Georgetown, where he completed a summer clerkship after his first year in the FERC Office of General Counsel.



EIA Forecasts Electric Consumption in U.S. to Continue to Grow in 2025, 2026

REPRINTED FROM JANUARY 16, 2025 APPA PUBLIC POWER CURRENT

After almost two decades of relatively little change, consumption of electricity grew by 2% in the United States during 2024, “and we forecast it will continue growing at that rate in 2025 and 2026,” the U.S. Energy Information Administration said on Jan. 15.

If electricity consumption grows in each of the next two years, it would mark the first three years of consecutive growth since 2005–07, though this result could be affected significantly by weather, EIA said in its Short-Term Energy Outlook. “The growth in electricity consumption in our forecast is mostly the result of growing power demand in the commercial and industrial sectors,” it noted.

Total forecast U.S. consumption of electricity grows by 86 billion kilowatthours (BkWh) in 2025 and by 77 BkWh in 2026, which is similar to the growth in 2024, EIA said.

“We expect that retail sales of electricity into the industrial sector will increase fastest, growing by 2% in 2025 and by 3% in 2026. Forecast sales of electricity to the commercial sector increase by 2% annually in 2025 and 2026, reflecting increased electricity demand from data centers. Residential electricity consumption grows by 2% in 2025 and by 1% in 2026.”

Generating Capacity Outlook

U.S. generating capacity grows the most for solar power in the forecast, with the electric power sector adding 26 gigawatts of new utility-scale solar capacity in 2025 and 22 GW in 2026.

EIA estimates that about 37 GW of solar capacity was added in 2024. “As with capacity, we expect solar power will also be the leading source of growth in U.S. electricity generation. We expect these capacity

additions will increase U.S. solar generation by 34% in 2025, 75 BkWh, and by 17% in 2026, 49 BkWh.”

New utility-scale battery storage projects are helping renewables integrate onto the power grid, with battery storage capacity growing by 47% (14 GW) in 2025 and 25% (11) GW in 2026, EIA said.

It expects U.S. generation from wind and hydropower to increase by a combined 38 BkWh in 2025 and by 31 BkWh in 2026. Generation from nuclear will increase by 14 BkWh in 2025 and 4 BkWh in 2026, it said.

Generation from coal-fired power plants remains relatively flat in both 2025 and 2026, even with some scheduled retirements, as coal generators become more competitive with natural gas generators, which we expect to face rising fuel costs, EIA said.

Natural Gas Supply and Demand

Over the next two years, EIA expects that natural gas demand in the United States will generally grow by more than natural gas supply.

In 2025, it forecasts supply of natural gas, including both production and imports, will rise by 1.4 Bcf/d in 2025, while demand for natural gas, including domestic consumption and exports, rises by 3.2 Bcf/d. Exports are the leading source of natural gas demand growth in the forecast.

EIA also forecasts consumption in the residential and commercial sectors to increase in 2025 because it expects colder weather than in 2024. “However, we forecast a decrease in consumption in the electric power sector this year as natural gas prices rise and more renewables and coal are used to generate electricity, displacing some natural gas-fired generation capacity.”



Event Calender

DATES TO REMEMBER

FEBRUARY 20, 2025

KPP Board Meeting

MARCH 20, 2025

KPP Board Meeting

APRIL 7, 2025

Financial Training

APRIL 17, 2025

KPP Board Meeting

APRIL 18, 2025

National Lineman
Appreciation Day

APRIL 24, 2025

KPP Member
Appreciation Event

APRIL 23-25, 2025

KMU 2025 Conference

MAY 15, 2025

KPP Board Meeting

JUNE 6 - 11, 2025

APPA National Conference
New Orleans, Louisiana

KPP Resources by Fuel Source

DECEMBER 2024

