

LIGHTNING ROUND

May 2020

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Cities Forced Responses to COVID 19 Vary

Recurring Issues with Disconnects and Governor's Moratorium

Only a matter of days into the pandemic, governors from many states, including Kansas Governor Laura Kelly, imposed Executive Orders requiring utilities to suspend disconnects. At midnight on May 26th, that moratorium was lifted. But ahead of the Executive Order, many city utilities in Kansas, including some KPP members, voluntarily suspended shutoffs and adjusted yet other work practices in the interest, safety and well-being of customers. Additionally, numerous KPP members had determined to waive late fees. Although these measures were clearly humanitarian in nature, such moves were not put in place without a cost.

Indeed, virtually all businesses and citizens have felt the economic burden and suffering of a damaged economy. Now, with the moratorium lifted, the focus seems to center on how to handle customer accounts that would have been shutoff if not for the Executive Order.



Just after the beginning of May, when numerous state Orders were about to be renewed or modified, nearly all KPP cities voluntarily extended the suspension of shutoffs ahead of the Governor's action. As it appears that Kansans, and Americans, are beginning to approach "the other side" of the emergency, utilities have an unprecedented task of determining how to handle accounts where customers were, or are, simply unable to pay their bills.

Revenue shortfalls for utilities and budget impacts are among the challenges that seem destined to linger for many months. As reported by KPP separately, the Energy Assistance Fund for Kansas customers is taking applications through May 29, 2020. Cities are encouraged to alert customers to this resource.



Of concern in recent weeks was the possibility that policy makers, particularly at the federal level, would consider making shutoffs mandated for a time period long after the conclusion of the crisis. KPP, KMU, the Kansas Municipal Energy Agency (KMEA) and the American Public Power Association (APPA) continue to unitedly present a voice of advocacy to leaders in government concerning direct assistance to Public Power utilities. Under these extraordinary circumstances, utilities must continue to provide essential electric service to customers. Consequently, conditional calls continue to be made to assist utilities in weathering the financial storm effects.

Kansas Reopens Energy Assistance Fund

Federal Fund Helps Low Income Families Pay Energy Costs - LIEAP Program

Kansas Power Pool has informed its members that Kansas has reopened the Energy Assistance Fund to assist low income families pay energy costs. Kansas Power Pool also has offered to pay for the publication costs to promote this program in area newspapers of member cities.



Kansas energy customers can apply for LIEAP program funds on the Kansas Department for Children and Families Energy Assistance website. Applicants will need utility account numbers, proof of income, and social security numbers for all members of their household.

LIEAP is a federally funded program that helps eligible households pay a portion of their home energy costs by providing a one-time per year benefit. Typically, LIEAP is available in the fall and winter months, but the coronavirus situation has prompted the Kansas Department for Children and Families to reopen the application window through May 29, 2020.

Normally, LIEAP provides an annual benefit to help qualifying households pay winter heating bills. Persons with disabilities, older adults, and families with children are the primary groups assisted.

To qualify, applicants must be responsible for direct payment of their heating bills. The level of benefit varies according to household income, number of people living in the home, type of residence, type of heating fuel, and utility rates. Eligibility is based on an applicant's heating bill. If an applicant needs assistance covering electric costs, they need to request the benefit be split between the two utilities.

To learn more about the eligibility requirements or fill out a LIEAP application, visit the Kansas Department for Children and Families website or call 1-800-432-0043. LIEAP applications on the Kansas Department for Children and Families website became available beginning May 1, 2020.

President Signs Executive Order

Securing the Bulk Power System Subject of Department of Energy Announcement

President Trump signed an Executive Order on May 1st intended to maintain security of the nation's bulk power system. Citing the possibility of numerous nefarious activities from influences outside the U.S., the President's order expressed concern for the security of transmission lines as well as substations, control rooms, power generating stations, voltage regulators and a range of other equipment comprising the bulk system.



Recognizing that stakeholders questioned the outcome hoped for by the Executive Order, the U.S. Department of Energy (DOE) called on a cross section of parties to participate in a clarifying conference call on May 7th. The American Public Power Association (APPA) was a participant on the call. Emphasizing that the Order does portend what

some have called a "rip and replace", DOE officials assured stakeholders the effect of the Order is forward looking and not strictly retrospect.

"The EO builds on a number of national security strategy documents released in recent years that highlight the fact that the "homeland is no longer a sanctuary," officials emphasized. 'Near peer' adversaries like Russia and China have the capability



and have demonstrated the intention to hold critical infrastructure at risk as a way to degrade the United States," they added.

A focus on supply chain was also part of the forward-looking Order with emphasis on a desired effort to "help push manufacturing back into the U.S. for critical pieces of equipment that take a long time to receive from other countries."



The conference call concluded with a reference to four intended pillars. Prohibiting the supplying of equipment by foreign adversaries, the pre-qualification of vendors, a system evaluation by DOE and the establishment of an infrastructure procurement task force were the four instituted. Stakeholders do not need to take immediate steps and no equipment as of today is prohibited; the report concluded.



2020 Legislative Update

Bills Passed Prior to Sine Die; Legislature Called Back into Session

Kansas Public Power utilities received a "final" legislative update on May 22nd. KMU legislative liaison, Kimberly Svaty, reported on the wrap up of the session noting bills passed of interest to Kansas municipals. Explaining also the significance of "Sine Die", Kansans received yet another report on May 26th when Governor Laura Kelly issued a proclamation calling the legislature back into session.

Of particular interest were bills pertaining to changes in property tax administration and also video/cable mounts to local infrastructure. The property tax bill would require certain disclosures and hearings before jurisdictions when local governments seek to receive additional tax dollars due to rising property values.



The video/cable bill originally sought to allow pole attachments of wireless facilities without contract, fees or franchise. In its final form, municipals would have very limited ability to regulate these deployments. Although local municipal utilities are to receive notice prior to attachments, municipals' arguments pertaining to public safety and needed regulation did not carry the day.

As reported separately, the Governor's moratorium suspending utility disconnects has been lifted as of May 26th.

If you do not regularly receive Kimberly's detailed updates, contact Brooke Carroll at: bc Carroll@kpp.agency

KPP News Briefs

- The annual KPP Fall Planning Summit, set for Sep 18 and 19 in Wichita, is to be an in-person event. Staff believes this year will be bigger and better than ever. Mark your calendars, and, remember that to take in all the discussion, more than one person will definitely need to attend from your City. All expenses are paid by KPP as traditional.
- KPP continues with plans to host an AMI Technical Event in July at the KMU training center. Additional prior feedback is being sought from KPP Members before more event announcements are to be made.
- After a COVID hiatus, KPP Staff are resuming governing body member orientations – virtually. KPP Staff will be in touch with you to get these on your calendar.
- The KPP Board gave a green light to Staff on May 21st to proceed with plans for a small scale battery storage experimental project. This approval came as follow up to the discussion in April.
- A transformer purchase order was submitted earlier this month for the Kingman Direct Connect transmission project (whose substation is to be known as the Cunningham Kingman Substation). Other engineering work is also underway. An alternate, and possibly less expensive, route is under consideration. The KCC Staff indicated they have no objection to the alternate route. The incumbent electric cooperative, Southern Pioneer, has not yet indicated that it will not oppose.
- A KPP-assisted small scale solar construction project has commenced in Marion.
- KPP is assisting Haven in preparing a capital improvement plan for their distribution system.
- KPP has submitted an “application” to the Southwest Power Pool for generation interconnection pertaining to KPP’s planned quick-start generation resource addition.
- Recent market research results were reported on in the May Board of Directors meeting. Positive ratings in the high 90% range were noted concerning KPP’s organizational characteristics. Other categories with positive reports were also discussed including: communications, the public power model, innovation and the range of KPP value-added services.
- The City of Hillsboro announced earlier this month the hiring of Matt Stiles as City Administrator. Coincident to the retirement of Larry Paine, Matt’s duties begin in June. Congratulations Matt! We’ll look forward to seeing you at our membership meetings.
- KPP CEO/General Manager, Mark Chesney, gave the Board an unofficial indication of his intention to retire by the end of May 2021. Mark began work with KPP in October 2012. In a letter to the Board dated May 20th he did not set a specific calendar date for retirement but promised to give the Board ample advance notice.

April 2020 Distribution of Energy Resources

