

LIGHTNING ROUND

July 2020

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'Outage Scheduling' to Lower Transmission Costs

Significant cost savings reported with only two testing days in June

KPP has instituted an "economic outage schedule" routine calculated to avoid transmission costs historically incurred to transmit energy from the Greensburg wind farm to the bulk transmission grid. The routine, implemented less than one month ago, has already yielded transmission cost savings. There is the expectation of more savings to come.

At the July meeting of the Board of Directors, Assistant General Manager Larry Holloway, reviewed the history of the onset of paying a local access charge to transmit



Larry Holloway explains the "economic outage schedule" concept.

energy. That charge is calculated from, and based on, the monthly coincident peak of Southern Pioneer – the owner of the 2-mile 34.5 kV line used to access the grid from the wind farm. Initially, the access charge was around \$1.70/kW-month; today is \$5.77 and is likely to increase in the future, Larry explained.

Although there is often revenue captured by offering the Greensburg project into the integrated market, that revenue is usually overwhelmed by charges incurred for access to the grid. Recently, an agreeable understanding sought by Larry and received from the Southwest Power Pool (SPP) has already allowed KPP to avoid expensive costs.

This net result is the consequence of strategically curtailing production at the wind farm. In part, a curtailment is possible now that the production tax credit, benefitting the owner of the project, expired in March of this year. Larry emphasized that we can

now avoid what was once our contract obligation to otherwise cover the cost of the production tax credit. He further explained that were it not for that cost, KPP could have saved around \$450,000 in 3 years by not running the wind farm project.



Observing rules of social distancing, the July Board meeting was also held virtually.

Under a new "fuel policy" structure, agreed to by the SPP market monitor, curtailment is only intended to occur during Southern Pioneer's coincident peak. A study of relevant, historic temperatures and historic peak times are used in making those judgment calls.

The timing of the recent implementation allowed KPP to test the scheduling practice for only two days in June. When netting market revenues against cost savings, the result was a net savings of local access charges of almost \$9600.

KPP's Electric Vehicle Makes Appearance in Burlington

Citizens were treated to a test drive!

KPP's electric vehicle rolled into Burlington just in time for its annual July 4th celebration at Kelley Park. Although a live band, delicious food and impressive fireworks regaled and satisfied the festival-goers, the EV did not escape the attention of many.



KPP's EV makes a Burlington appearance. There were about 15 test drives.

In Burlington, citizens were offered an opportunity to test drive the vehicle. Many did, and they have the t-shirt to prove it!

Familiar questions are now recurring: 'How many miles does this get on a charge? What is the operating cost equivalent to gasoline? Can you really charge it on ordinary house current?'

Those questions and more are easily answered. Plus, a test drive gives an opportunity to tell citizens about an attractive rebate given following the installation of a Level 2 charger.

When KPP purchased the vehicle recently with the intention of using it to promote growth of electric load, the idea was to find opportunities to feature the vehicle in various city events. Since then, the EV has made its appearance at parades and town festivals.



EV test drivers got a free t-shirt marking the occasion.



Crowds begin to gather in Kelley Park in Burlington on July 4th

At the July KPP Board meeting, Director of Administrative Services, Brooke Carroll, reported that Level 2 chargers are to be installed – 2 each in the cities of Ellinwood, Marion and Winfield.

First-Ever Sale of Renewable Energy Credits Completed

July Sale Could be Considered a Windfall

Earlier this month, KPP completed its first ever sale of renewable energy credits (RECs). Having previously sought Board approval to do so in June, James Ging, KPP Director of Engineering Services, led the sale effort representing KPP.

In June, James reported to the KPP Board that RECs accrue to KPP due to energy sales



James Ging

both from the Marshall County Wind Farm and the Greensburg Wind project. Although RECs are of no resource portfolio value to KPP, they do have a market value to generators operating under a Renewable Portfolio Standard (RPS) regimen. The ownership of RECs allow such entities to count them toward the achievement of the required or desired resource mix percentage.

No utilities in Kansas are legally required to achieve an RPS. However, KPP has recently considered the prospect of selling RECs through a qualified broker. Earlier this month, KPP sought bids outside of a formal RFP process and successfully sold RECs from the year 2019 in the approximate amount of \$42,000.

Did You Know?

The **2020 Fall Planning Summit**, previously scheduled for September 18 and 19, has been transformed into a virtual event. This decision comes with much consternation but with a desire for all to be safe and protected.

In making the transformation to virtual, numerous 1-hour Microsoft Teams sessions are planned over 5 dates. The lunch hour sessions are to occur on August 28, September 4, 11, 18 and 25. Seven guest speakers were previously committed to joining us in Wichita to make our event memorable and informative. However, we will still get the full benefit of their expertise and insights on topics ranging from technology to finance to legislation. More information is coming. Please plan to register.

The **August 6th AMI technical event** is still planned to be an **in-person** event. Our location is McPherson where we believe we can accommodate all persons under safe conditions. Many have already made the attendance formally known. If you haven't, please contact Brooke Carroll: bcarroll@kpp.agency

KPP Board of Directors meetings will continue virtually until further notice. Members are encouraged to "attend". Scenes from the July meeting are shown.



June 2020 Distribution of Energy Resources

