

# KPP LIGHTNING ROUND

**June 2023**

## KPP Energy Hosts Kansas USDA Rural Electric Infrastructure Funding Meeting

**BROOKE CARROLL, DIRECTOR OF MEMBER SERVICES**

On June 22nd, KPP Energy Staff hosted the Kansas USDA Rural Electric Infrastructure Funding meeting in Wichita at the KPP Energy offices. The meeting was coordinated by the Beneficial Electrification League (BEL), a not-for-profit organization, working with KPP Energy to assist with federal and state funding opportunities for the KPP membership. Chris McLean, USDA Assistant Administrator and Clare Sierawski, USDA Senior Advisor provided a presentation on the newly released Powering Affordable Clean Energy Program (PACE) and New ERA funding. The meeting was well attended with representatives from across the state. Brooke Carroll, KPP Director of Member Services, Paul Mahlberg, KMEA General Manager, Leslie Kaufman, KS Electric Co-ops VP & Legal Counsel, Todd Hillman, Sunflower Electric Power Corp. General Manager and CEO, and Suzanne Lane, Kansas Electric Power Cooperative, Inc. EVP and CEO were present to represent public power and electric cooperatives entities. In addition, Leslie Atherton (Haven), Stacy Barnes (Greensburg), Tim Johnson (Augusta), Stan Luke (Burlington), Rex Reynolds (Mount Hope), Leslie Stephan (Mount Hope), Matt Stiles (Hillsboro), and Terry Somers (Mount Hope) were in attendance to speak on behalf of the KPP membership.

The Powering Affordable Clean Energy (PACE) Program is part of the Inflation Reduction Act, which represents the largest investment in rural electrification since President Franklin Delano Roosevelt signed the Rural Electrification Act into law in 1936. With \$1 billion in funding, PACE helps make clean, affordable, and reliable energy accessible to the people of rural America. Under the

*(continued on page 2)*

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## KPP Energy Hosts Kansas USDA Rural Electric Infrastructure Funding Meeting (continued)

PACE, USDA Rural Development’s Rural Utilities Service (RUS) will forgive up to 60 percent of loans for renewable energy projects that use wind, solar, hydropower, geothermal, or biomass, as well as for renewable energy storage projects.

By hosting this regional meeting, the attendees advocated on why bringing these available dollars to rural Kansas was important. Attendees were able to describe their organization and explain the challenges that they are facing. Brooke Carroll explained, “As Director of Member Services for KPP Energy, I am able to see firsthand into the financial and capital improvement needs of these small and rural communities. In many Kansas public power communities, often the electric utility is their identity and livelihood. We want to make

sure these communities have access to any available funding programs to ensure the longevity of these critical assets.”

If you have any questions related to the PACE program or renewable energy projects, please contact Brooke Carroll at [bcarroll@kpp.agency](mailto:bcarroll@kpp.agency).



### Winter Storm Uri Progress

PERCENTAGE OF EXPENSES RECOVERED THROUGH MAY 2023



Winter Storm Uri Total Expenses

\$21,063,883

Surcharge Recovered

\$19,326,102

Balance Remaining

\$1,737,781



## In Memory of Larry Paine

**COLIN HANSEN, CEO AND GENERAL MANAGER**

Former Hillsboro City Administrator Larry Paine passed away on June 2. Larry was deeply involved in leading KPP, serving as President of KPP in 2019 and on the KPP Board of Directors beginning in 2010. He was a driving force in many KPP initiatives, including the installation of small-scale solar projects in KPP member cities, initiating a major power supply study, and the introduction of several new member services.

Larry had a wide-ranging career in local government, serving in positions in Arizona, California, and Idaho before finally moving to Kansas in 1998 as City Administrator in Baldwin City. After serving in Baldwin City and Concordia, Larry became the Hillsboro City Administrator in 2002.

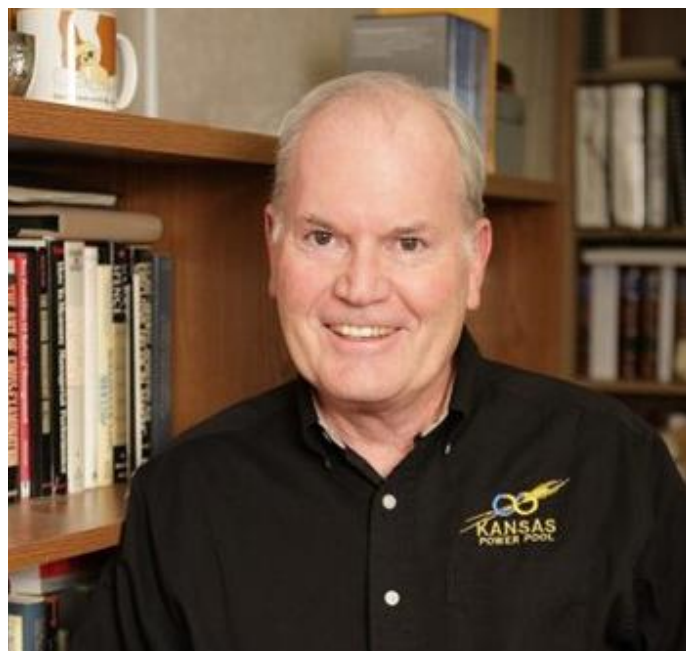
Prior to his retirement in July 2020, Larry was Hillsboro City Administrator for 13 years and was deeply involved in all aspects of city operation. He was instrumental in constructing a brand-new hospital in his community, establishing the City's Business Park, securing a new housing subdivision, improved city streets & drainage, upgrade and approval of the airport master plan and much more.

Larry was also involved in nearly every facet of operations at Kansas Municipal Utilities. He served on the KMU Board of Directors, was elevated to the KMU Executive Committee and became President of the association in 2018. He was instrumental in the development of the KMU Training Center.

Larry received the KMU Edgar P. Schowalter Award – the highest award for a municipal utility leader – in 2019,

the same year that he received the Larry Hobart Seven Hats Award from the American Public Power Association recognizing his leadership of a small public power system. He also received the Kansas Association of City Managers highest award – the Buford M. Watson Jr. Award – in 2010 for serving as a role model in the city manager community.

In a eulogy provided during the funeral services on Wednesday, June 7 in Hillsboro, KPP CEO and General Manager Colin Hansen noted, “Larry made huge and lasting contributions to cities and municipal utilities across Kansas. He left a lasting legacy of working tirelessly on behalf of the cities he managed, his association, his municipal energy agency, and the city manager community.”



*Larry Paine 1947-2023*



# KPP Invites Members to Regional Appreciation Events - July 26 & 27

Please mark your calendars for two regional member appreciation events to be held this summer in two KPP member communities. The events provide a great opportunity to learn more about all the activities happening at KPP Energy and to network and socialize with other KPP members.

The first Member Appreciation Event will be held Wednesday, July 26<sup>th</sup> in Wellington. The welcome event and meeting will be held at the Wellington Golf Course and will begin with a reception at 5 p.m., dinner at 6 p.m. and a short presentation and Q&A session with door prize drawing afterwards.

The second Member Appreciation Event will be held the following day, Thursday, July 27<sup>th</sup> in Minneapolis. The meeting will take place at The Farm, an exciting new venue in Minneapolis. Again, the schedule will be a reception at 5 p.m., dinner at 6 p.m. and a short presentation from KPP staff.

We would love to see as many KPP members as possible attend one – or both – of the member appreciation events. Please register [here](#). Deadline is July 12th.

JOIN US FOR A

# MEMBERSHIP *Appreciation* MEETING

A THANK YOU EVENT FOR OUR MEMBER CITIES

REGISTER TODAY!

<p style="font-size: small; text-align: center;">WEDNESDAY</p> <div style="background-color: white; color: #1a3d54; padding: 5px; display: inline-block; margin-bottom: 10px;"><b>JULY 26</b></div> <div style="background-color: #1a3d54; color: white; padding: 5px; display: inline-block; margin-bottom: 10px;"><b>BEGINS AT 5PM</b></div> <p style="margin-top: 20px;"><b>WELLINGTON GOLF CLUB</b></p> <p>1500 W. Harvey Ave. Wellington KS 67152</p>	<i>and</i>	<p style="font-size: small; text-align: center;">THURSDAY</p> <div style="background-color: white; color: #1a3d54; padding: 5px; display: inline-block; margin-bottom: 10px;"><b>JULY 27</b></div> <div style="background-color: #1a3d54; color: white; padding: 5px; display: inline-block; margin-bottom: 10px;"><b>BEGINS AT 5PM</b></div> <p style="margin-top: 20px;"><b>THE FARM</b></p> <p>205 W. 2nd Street Minneapolis KS 67467</p>
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EVENT SCHEDULE

- **RECEPTION** at 5PM
- **DINNER** at 6PM
- **PRESENTATION** at 7PM





# GridEx VII

THE LARGEST GRID SECURITY EXERCISE IN NORTH AMERICA

**NOV. 14 & 15, 2023**

KMU TRAINING FACILITY, MCPHERSON, KS



***KPP is bringing the most extensive, realistic, and valuable emergency grid response exercise to Kansas Municipals.***

**DO YOU HAVE A PLAN** for an emergency or an attack on your electric grid?

What will you do if your emergency response personnel are overwhelmed assisting calls about substation fires? Do you know the proper protocols for responding to good and bad social media posts and news crews? At what point should supervisors get the City Managers involved about questionable events? What if you have witnessed strange or unauthorized people around your electric assets? What if your line workers are targeted personally at their own homes? Should you contact the FBI? So many things can go wrong!

**WHAT IS GridEx VII**

The North American Electric Reliability Corporation's (NERC) Electricity Information Sharing and Analysis Center (E-ISAC) will facilitate its seventh biennial grid security exercise, GridEx VII, on November 14 and 15, 2023. GridEx VII provides the electricity industry, government agencies, and other relevant organizations the opportunity to exercise emergency response and recovery plans in the event of simulated cyber and physical security attacks and other contingencies that may affect North America's electricity system.

**WWW.KPP.AGENCY**

**SIGN-UP TODAY!**

**TO MAKE SURE THIS EVENT IS A SUCCESS, WE NEED YOU!**

## GOALS & OBJECTIVES

*The goal of GridEx VII is to exercise the resilience of the North American electricity system in the face of a coordinated attack from a nation-state adversary.*

**GridEx VII objectives include the following:**

- Exercise incident, operating, communications, mutual assistance, and crisis management response plans
- Respond to imminent cyber, physical, and other threats with the potential to affect the reliable operation of the grid
- Enhance coordination with state/provincial and local governments, suppliers supporting critical operations, and industry partners to facilitate restoration
- Manage interdependencies with natural gas sector, telecommunications sector, and other critical infrastructure sectors
- Exercise response to IT and communications systems failures
- Respond to emergency events in a remote or hybrid environment with reduced staff availability and limited access to resources

## PARTICIPATING IN GridEx VII

GridEx VII is a de-centralized exercise, designed for all electricity organizations across North America. KPP Planning Team have prepared all year to bring this coordinated two-day activity to Kansas Municipalities. This event is not just a cyber security event, but a complete simulated attack on a municipal electric grid. This year's event also incorporates municipal gas and water utilities attacks as well. Participants have the choice at registration to register as part of their own municipal organization or grouped with others. The exercise events escalate, and participants will have the opportunity to react and determine how to manage situations. At the conclusion, you should be able to begin creating or re-evaluating your own emergency response plans for your organization. All city staff are encouraged to attend and participate.

**SIGN-UP TODAY!**

**TO MAKE SURE THIS EVENT IS A SUCCESS, WE NEED YOU!**

### ALL KANSAS MUNICIPALITIES ARE INVITED

City Managers, IT Staff, City Clerks, Utility Workers, Supervisors, Police, Fire, Billing Staff, Mayors, City Council, Etc.

**REGISTER**

**WWW.KPP.AGENCY**

**Continue below to learn more about the GridEx VII Presenters**



# GridEx VII Presenters

- **Sam Alva, KCEM - Cybersecurity Advisor**

U.S. Department of Homeland Security Cybersecurity and Infrastructure Security Agency

**Presentation – “Federal Cybersecurity Resources Available to Municipalities”**

Sam will discuss who CISA is and what physical and cyber resources they can offer to State, Local, Tribal, and Territorial members for free. He will also explain how to prepare for an incident and how CISA can help if one occurs.

Samuel Alva serves as the Cybersecurity Advisor for Region IIV. As a CSA, Samuel contributes to the development of the national risk picture by assisting with the identification, assessment, monitoring, and minimizing of risk to critical infrastructure. Samuel engages as a physical and cyber technical security advisor with Federal, State, local, tribal, and territorial government mission partners and members of the private sector stakeholder communities. CSAs serve as the link to Department of Homeland Security (DHS) infrastructure protection resources; coordinate security and resiliency assessments, training, and provide a vital link for information sharing in steady-state and during incident response.

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- **Allie Denning - Director of Public Affairs**

Office of Information Technology Services

**Presentation – “Addressing the Press and the Public During a Crisis”**

Allie will discuss and train on crisis communication. Communicating with stakeholders and the press is critical to managing a crisis. In this presentation, participants will learn some key basics for how to communicate when faced with an emergency.

Allie joined the Office of Information Technology Services (OITS) in January 2022 as the Director of Public Affairs. Allie came to OITS after serving as the Public Information Officer for the Kansas Department of Administration. In her role, Allie is responsible for working with the Kansas legislature to ensure support for the agency’s budget and legislative agenda. She’s also responsible for agency communications and providing support on special projects. Administration from Kansas State University and a Mini MBA for Tech Executives from Boston University.

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- **Valerie Larson-Holmes - Director of Communications**

Missouri River Energy Services, Cybersecurity and Infrastructure Security Agency

**Presentation – “How to Put Together a Crisis Communication Plan”**

Valerie will explain what defines a crisis, the components of an effective communication plan, and how to develop, test, and refine the plan.”

Valerie Larson-Holmes is Director of Communications for Missouri River Energy Services (MRES). She joined MRES in 2001 and is responsible for managing member and public relations, communications, branding, advertising campaigns, websites, reports, newsletters, and other internal and external publications. Valerie has more than 30 years of experience in communications and marketing for utilities, land-grant universities, and advertising agencies. She graduated with a bachelor’s in agricultural journalism and economics from Iowa State University in Ames. She is currently Vice Chair of the American Public Power Association’s Communications Section and is a member of the Public Relations Society of America and the South Dakota Advertising Federation. Valerie also serves on the Public Affairs Committee of the National Hydropower Association.

# GridEx VII Presenters Continued

- **Erin McGinnis, ACRP - Director of Statewide Cyber Collaboration & Preparedness**

Kansas Information Security Office (KISO)

**Presentation – “Executive Level Response – How Managers and Governing Body Can Be Prepared to Respond to a Crisis or Disaster”**

Erin will provide a discussion on how management and governing body members should plan to lead their staff during a crisis. She will give you tools to prepare staff to act in an efficient and effective way when time is of the essence.

Erin McGinnis serves as Director of Statewide Cyber Collaboration & Preparedness in the Kansas Information Security Office (KISO). In her role, she spends her days preparing people and organizations to expect the unexpected. In her time with the KISO, she has made significant progress in developing the business continuity program and posture of the State as well as developing partnerships that foster whole-of-state cybersecurity collaboration. The KISO provides cybersecurity services to the State of Kansas’ executive branch agencies, boards, and commissions to help maintain a secure information network that facilitates the business of the State, protects privacy, and reduces risk.

- **Rick E. Whitson, KCEM**

- *Montgomery County Director of Emergency Management, District Fire Chief, Deputy Corone*

**Presentation – “County Emergency Management Resources – How the County Can Help”**

Rick will present on the services and resources available to counties and cities when a physical, cyber, or a weather-related crisis occurs through county collaboration efforts. He will explain how to call on those in your county equipped to help in the event strikes your city.

Rick Whitson is the County Director of Emergency Management for Montgomery County which is in Southeast Kansas. Rick has been in this position, as well as the District Fire Chief and Deputy Coroner for the past six years. Prior to this position, he was the Captain and Advanced EMT on a combination Fire/EMS department for 20 years. His department consisted of five fire apparatuses and five ambulances, averaging over 3,500 calls per year. Overall, Rick has been involved in emergency response, incident command, planning, preparing, and mitigating emergencies for over 26 years. Rick has resided in Independence, Kansas for nearly all his life and enjoys spending time with his wife Erica and two sons, Boston and Phoenix.





## Fiscal Responsibility Act Includes Energy Provisions

On June 3rd, President Biden signed into law the Fiscal Responsibility Act of 2023 (FRA, Public Law 118-5), which suspends the limit on federal debt through January 1, 2025. The act includes changes that affect federal spending and revenues as well as a number of energy provisions.

The Fiscal Responsibility Act is divided into four divisions. Division A establishes caps on federal spending for Fiscal Years (FY) 2024 and 2025, limits spending in temporary spending bills so as to create an incentive to complete all 12 annual appropriations bills for FY' 24 and FY' 25 and establishes budget enforcement mechanisms for the House and the Senate.

Division B rescinds unobligated COVID funding, rescinds some funding to the Internal Revenue Service provided in the Inflation Reduction Act, establishes an executive branch "Pay-as-you-go Act," and ends the student loan payment pause. It does not appear that the "Pay-as-you-go Act" provisions will directly affect direct payments either to issuers of direct payment bonds or recipients of direct payment tax credits.

Division C makes revisions to the Temporary Assistance to Needy Families program, modifies

exemptions for the Supplemental Nutritional Assistance Program, and makes energy permitting reforms.

Division D officially suspends the debt limit through January 1, 2025.

Regarding energy permitting reforms, the legislation included the text from the BUILDER Act of 2023, which was included in the broader House-passed energy permitting reform bill, the Lower Energy Costs Act (H.R. 1). Provisions are included that would modernize the National Environmental Policy Act (NEPA) as well as establish deadlines for action. In addition, the bill directs the North American Electric Reliability Corporation to study total current transfer capabilities and provide recommendations to strengthen reliability and meet and maintain transfer capability between neighboring transmission regions.

Democratic and Republican negotiators have said that discussions on energy infrastructure permitting and transmission cost allocation, interregional transfer capacity, and siting will continue this summer.



## Moran, Marshall Co-Sign Distribution Transformer Letter

Kansas Senators Jerry Moran and Roger Marshall were part of a group of 47 U.S. Senators that sent a letter to Secretary of Energy Jennifer Granholm urging the Department of Energy (DOE) to reconsider its proposed rule to increase conservation standards for distribution transformers. The bipartisan letter was led by Senator Bill Hagerty (R-TN).

On December 28, 2022, DOE announced it was proposing new energy efficiency standards for distribution transformers to improve the resiliency



*U.S. Senator  
Jerry Moran*



*U.S. Senator  
Roger Marshall*

of the grid. In announcing the proposed rule, DOE said that it “represents a strategic step to advance the diversification of transformer core technology, which will conserve energy and reduce costs. Almost all transformers produced under the new standard would feature amorphous steel cores, which are significantly more energy efficient than those made of traditional, grain-oriented electrical steel.”

For over a year, the electric sector has been informing DOE about the severity of the supply chain challenges that have prolonged and complicated distribution transformer production and availability. The announcement of this proposed rule caught the manufacturing and electric sector completely off guard. Increasing efficiency standards and changing out production in the middle of a supply crisis will only make the crisis worse. This letter requests that DOE refrain from promulgating a final rule that will exacerbate the shortage and requests that the Department provide a briefing to the Senate regarding their efforts to alleviate the shortage as well as a path forward to solve supply chain challenges.

## Supreme Court Narrows the Scope of Waters of the U.S.

On May 25, the U.S. Supreme Court issued its long-anticipated decision in *Sackett v. EPA*. The decision has important implications for the Biden Administration’s 2023 Water of the United States (WOTUS) Rule, the various cases challenging that rule, and CWA implementation going forward. APPA and other energy groups have opposed expansion of the WOTUS rule over concerns about future development projects.

With respect to wetlands, specifically, the court held that the definition of WOTUS includes only those

wetlands that have a continuous surface connection to other jurisdictional waters. Adjacent wetlands are included within WOTUS if they are indistinguishably part of a body of water that itself is a water under the CWA. As a result, the court found that EPA’s position – that adjacent wetlands are jurisdictional when they possess a significant nexus to traditional navigable waters and that wetlands are “adjacent” when they are “neighboring” – lacks merit.



# Southwest Power Pool Anticipates Sufficient Energy Resources for 2023 Summer Season

**COLIN HANSEN, CEO AND GENERAL MANAGER**

In a May 22nd press release, the Southwest Power Pool (SPP) noted that they expect to have sufficient generating capacity to meet the regional demand for electricity through the 2023 summer season.

SPP staff discussed the 2023 Summer Seasonal Assessment during their 2023 Preparedness Workshop and Emergency Communications User Forum on May 23rd that Larry Holloway and I both attended virtually.

SPP conducts this assessment each year to identify and mitigate threats to reliability during the summer season lasting from June to September. The analysis considers factors such as historical and predicted future electricity use, weather forecasts, the variability of available wind energy, drought conditions and generation, and transmission outages.

The 2023 Summer Seasonal Assessment anticipates normal conditions across the SPP region and shows a 99.5% probability SPP will have sufficient resources available to serve region-wide load during peak hours throughout the summer. Even if peak electricity use exceeds forecasts by as much as 5%, the study still found

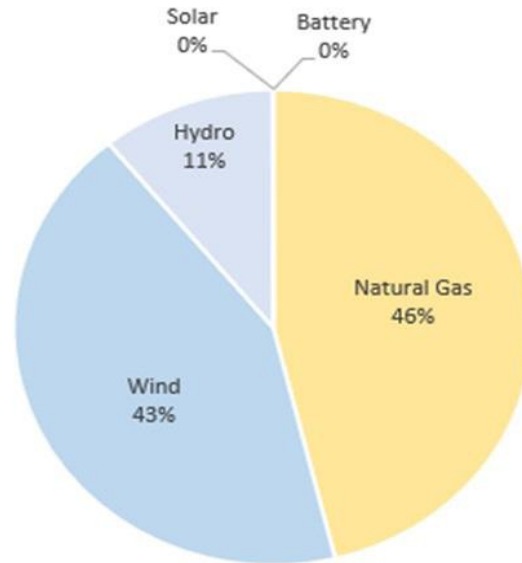
a 95% likelihood SPP will maintain resource sufficiency to serve all load. If extreme weather, unexpected outages or other circumstances affect the region, SPP has systems, tools and procedures ready to mitigate risks and maintain electric reliability. Under different scenarios, the grid operator may call on generating units to commit to run earlier or more often than usual, delay planned outages, import energy from neighboring systems or tap into available reserves depending on the severity and duration of a reliability event.

“Ensuring there is enough capacity available to meet the needs of our customers is our most important role as a regional transmission organization, reliability coordinator and balancing authority for our region,” said Bruce Rew, Senior Vice President of Operations. “While our summer assessment didn’t raise any reliability concerns, we continue to plan for exceptional operational circumstances and work closely with our members to prepare for any possibility. We monitor the grid and make changes as necessary to responsibly and economically keep the lights on.”



## KPP Resources by Fuel Source

MAY 2023



## Event Calendar

2023 DATES TO REMEMBER

**JULY 20, 2023**

KPP Board Meeting

**JULY 26, 2023**

KPP Member Appreciation Event - Wellington Golf Club, Wellington, Kansas

**JULY 27, 2023**

KPP Member Appreciation Event - The Farm, Minneapolis, Kansas

**AUGUST 17, 2023**

KPP Board Meeting

**SEPT. 28-29, 2023**

KPP 2023 Conference

**OCTOBER 1-7, 2023**

Public Power Week

**OCTOBER 19, 2023**

KPP Board Meeting

**NOVEMBER 3, 2023**

KPP Rate Forum  
McPherson, Kansas

**NOVEMBER 14-15, 2023**

GridEx VII  
McPherson, Kansas

**NOVEMBER 16, 2023**

KPP Board Meeting

**DECEMBER 8, 2023**

KPP Annual Members Meeting & Board Meeting  
McPherson, Kansas