

LIGHTNING ROUND

October 2021

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Colin Hansen Announced as KPP CEO/General Manager

Colin to Assume the Office on February 1, 2022

Re-printed, with permission, from an article appearing in the APPA *Current* on October 20, 2021

Colin Hansen, who is currently Executive Director of Kansas Municipal Utilities (KMU), will be joining Kansas Power Pool (KPP) effective Feb. 1, 2022 as KPP's new CEO and General Manager.

Hansen will succeed current KPP CEO and General Manager Mark Chesney, who announced his retirement for the end of January 2022.

KPP was founded in 2004 to pool generation resources and services in order to maintain low-cost power supply to community-owned electric utilities.

Hansen will serve as KPP's third general manager.

"The opportunity to have Colin Hansen assume KPP's leadership reins, was too good to be true," said Gus Collins, KPP's Board Chairman. "Colin watched the formation of KPP and has supported the growth of the organization. His knowledge of the KPP membership and the utility space in Kansas and nationally is unmatched. We know good things are in store for the KPP membership with Colin Hansen's leadership."

At the same time, Collins noted that Chesney "has built upon the foundation laid by Colin Whitley and has grown KPP's service offerings and financial capabilities tremendously. Under Mark's leadership, KPP has embarked upon transformational projects with the addition of the Dogwood Energy Center, the Solomon Battery Storage Project, EV deployment and new transmission build and upgrades."

"Colin's dedication to public power at both the national level and in Kansas, along with his impressive record of accomplishments while serving as Executive Director of KMU, make him the perfect choice to serve as the next CEO and General Manager of KPP and to build upon Mark Chesney's incredible work," said Joy Ditto, President and CEO of the American Public Power Association (APPA).

"Having worked closely with Colin through his roles as a member of the APPA Advisory Committee, the APPA board and now as board chair, I have seen firsthand how deeply Colin cares about the public power community. I know that he will bring that same sense of mission to KPP and succeed as a leader, just as he has done at KMU for so many years," Ditto said. "Since Colin has moved to another APPA member in good

standing, he can also stay on as board chair in his new role at KPP. This is great news for all of us given his excellent leadership in that capacity."

Hansen's Legacy At KMU

Hansen has served in the role of KMU's Executive Director for nearly 22 years.

Under Hansen's leadership, KMU grew more than 10-fold in size and scale and built the KMU Training Center, a world-class utility training facility dedicated to workforce development for municipal utilities.

Hansen transitioned the association from being 90% dues-funded to diversify its income streams to allow for greater programmatic offerings to its member cities.

He oversaw the purposeful growth of the expanding technical and safety training opportunities for electric and natural gas utilities while dedicating new resources to enhance water and wastewater training and programming for member cities. During his tenure, Hansen coalesced the public power utility community to support more robust legislative and regulatory initiatives.

"Colin is going to be sorely missed at KMU," said Barry Hodges, President, KMU Board of Directors. "Fortunately, he is not straying from Kansas and the municipal utility community. Under Colin's leadership, KMU is well-positioned to continue providing top-shelf services to KMU member cities via a great staff. We thank Colin for everything he has done for the municipal utility community over the last two decades and wish him well in his new endeavor."

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“KMU has meant the world to me -- the member cities and staff are family,” said Hansen. “The progress we have made together in support of community-owned utilities will be some of the proudest achievements of my career. The concept of a joint action agency, unique to municipal utilities, has always interested me and I look forward to serving the municipal utility community in this new endeavor in power supply and transmission,” he said.



He has many other notable achievements during his tenure at KMU including being appointed by a Kansas Governor to Chair the Kansas Energy Council and also serving as Chair for Public Power Inc., Midwest Municipal Utilities, and the APPA Legislative and Resolutions Committee.

He was appointed to committees and task forces on electric, natural gas, water and telecommunications issues by four separate Kansas governors.

During the search process for the new KMU Executive Director, the organization will continue to be spearheaded by the KMU Executive Committee and KMU’s senior staff including Brad Mears, Assistant Executive Director, Brian Meek, Director of Training and Safety, and Katie Miller, Director of Technical Services. Kimberly Gencur Svaty will continue legislative and regulatory work with the municipal utility community.

KPP Now Looking to Install Dual Fuel

February Storm Event Changes Fuel Outlook for Upcoming RICE Installation

Referencing again circumstances which can cause a limited ability to receive natural gas, Assistant General Manager, Larry Holloway, reviewed for the KPP Board the results of an authorized pricing study conducted recently by Burns & McDonnell for KPP.

The anticipated Walnut Energy Center in Winfield involved an initial plan to install five, eleven MW Wartsila spark gas engines. They are said to be the most efficient generators. Since the February storm event, which caused fuel delivery issues, updated plans called for examining the pricing impact of installing dual fuel generators (natural gas and diesel) instead of straight gas.

While extensively reporting on the Burns & McDonnell analysis for indicative capital cost, O&M, engine performance, emission rates, fuel consumption and any hourly operating limitations, six Wartsila engine options were then reviewed. Also discussed were the comparative merits of other technologies including combined cycle and aeroderivative gas turbines. It was reported that the efficiency difference in spark gas versus dual fuel is in an acceptable risk range. After recommending a change in engine type, Board approval was given to proceed with plans to acquire and install three, eighteen MW dual fuel model engines.



Stock photo of the Wartsila 18V50DF engine. 18 refers to the name plate capacity in MWs, V refers to the cylinder configuration, 50 is the bore size in centimeters and DF means dual fuel.

KPP is already part of the ongoing Southwest Power Pool (SPP) generation interconnection study. SPP has indicated that the engine type change, as contemplated, will not disrupt KPP’s participation in the study or the timing of the study results. That indication assumes that the change will be timely communicated to SPP.

UPCOMING EVENTS

RATE FORUM

Friday, November 5, 11 AM, KMU Training Center, McPherson

LUNCH WILL BE SERVED. Register at www.kpp.agency. **Registration closes 10/31**

ANNUAL MEMBERSHIP MEETING

Friday, December 10, 11 AM, KMU Training Center, McPherson

LUNCH WILL BE SERVED. Register at www.kpp.agency **beginning 11/3**

KPP Board Approves New Agreement with Tenaska

New Contract Continues Facilitator Relationship Commenced in 2012

Reminding newer Board members of the role of a “facilitator” in the Southwest Power Pool (SPP) market, CEO/General Manager, Mark Chesney, described elements of a proposed new agreement with Tenaska. The agreement, which was unanimously approved, represents an almost invisible cost increase in monthly fees as compared to those being paid currently. He added that the cost “is hundreds of thousands of dollars per year” less than costs incurred before a contract amendment in 2016.



Mark Chesney, file photo

The tasks of forecasting loads, preparing resource bid offers, documenting transactions, preparing a monthly settlement package and making the full use of Tenaska’s proprietary energy management software are among functions performed by Tenaska for KPP throughout each day and each month.

Detailed discussion ensued during the Board meeting confirming the appropriateness of fees and the revenue sharing for other management tasks including those pertaining to optimizing resources.

After acknowledging the helpful assistance of Counselors Kimberlyn Gilchrist and J.T. Klaus, Mark summarized the new agreement to be in force through October 2026.

Approval Given for O&M Agreement with Minneapolis

Solomon Energy Storage Center Making Notable Construction Progress

The approval of an operation and maintenance agreement with the City of Minneapolis brings the Solomon Energy Storage Center one step closer to being online and active. The date of operation is expected to be at, or soon after, the end of November.

With project approval having been given in May 2020, KPP, Kelson Energy (project manager), FlexGen (construction contractor/vendor) and the City of Minneapolis have worked diligently to bring online what is touted as the largest installation of its kind in Kansas.



Concrete construction photo from September 2021.



Battery modules are said to be in port awaiting transport to Minneapolis for final installation.

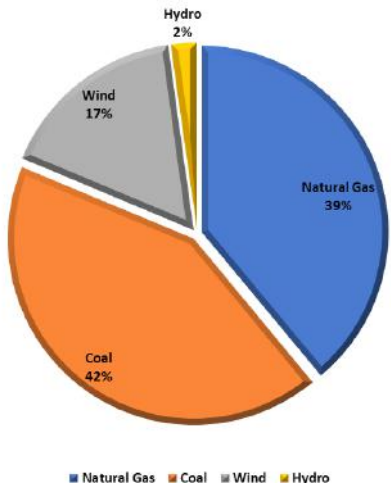
Referencing work already performed by the City personnel, the agreement commencement date was to be October 13th. KPP has expressed complete confidence in the City and has noted maintenance training to help assure that the asset performs well for all KPP Members.

When the initial project proposal was made last year, emphasis was given to the strategic location of the installation as economically beneficial not only to the City but also to all KPP Members.

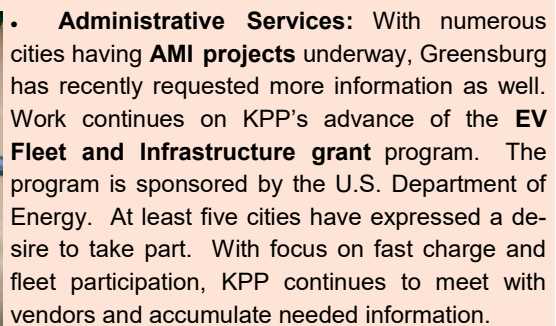
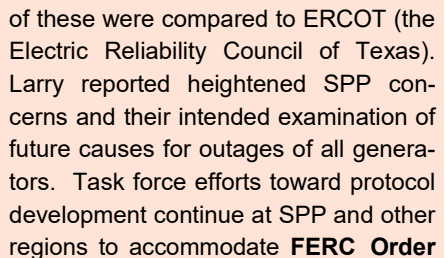
A formal ribbon cutting is expected to be announced soon.

September 2021 Distribution of Energy Resources

Fuel Source of KPP Resources in September, 2021



- **Operations Report:** Larry Holloway noted that the Southwest Power Pool (SPP) has produced a report analyzing February weather event causes for **gas supply and production issues** as well as generator freezing and power outages for SPP. The cause and frequency



KPP Quarterly Cybersecurity Report

Quarantined Emails – Q3: 1,561

Quarter	Count
Q3	1,561
Q2	1,108
Q1	592

July August September

Email Phishing/SPAM and Malware Report

Internal Network Scan

Category	Q1	Q2	Q3
CRITICAL	0	0	0
High	10	10	10
Medium	100	90	80
Low	100	90	80

CSA External Network Scan

ADDRESSES OWNED	ADDRESSES SCANNED
5 No Change	5 No Change
0% of addresses owned	20% of addresses scanned
HOSTS	SERVICES
2 No Change	4 No Change
VULNERABLE HOSTS	VULNERABILITIES
0 No Change	0 No Change
0% of hosts vulnerable	0% of hosts vulnerable

Reimbursement Resolution: An inducement resolution was adopted initiating KPP's role in financing one half of a prospective \$3 million turnkey acquisition by Burlington of a RICE engine with a name plate capacity of slightly less than 5 MWs. This project was also reported on in last month's edition of the *Lightning Round* explaining Burlington's role in servicing debt.

September 2021 ECA Review

Billing Unit	Actual	Budget Forecast
Capacity Demand (MW-Mts)	130,424	
Active Demand (MW-Mts)	127,488	133,433
Energy (MWh)	82,065	81,140
Average Monthly Cost (\$/MWh)	\$64.50	\$66.88
Average Annual Cost (\$/MWh)		\$66.88

ECA (\$/kWh)

Actual: \$60.00217 Budget: \$66.00000

September 2021 ECA

Cost Item	Actual	Budget Invoiced
SPV Transmission Charges	\$1,175.00	\$1,040.00
MGEC Load Costs	\$56,328.00	\$56,376.00
MGEC Load Costs	\$50,727.37	\$50,727.50
Powerline Equipment	\$2,848.40	\$2,820.00
MGEC Costs	\$0.00	\$0.00
Permitting Costs	\$44,629.00	\$44,629.00
Charge Payment	\$1,000.00	\$1,000.00
Other	\$0.00	\$0.00
Total Transmission Costs	\$1,300.40	\$2,106.50
Cost Item		
SPV Energy Costs	\$1,175.00	\$1,040.00
MGEC Energy Costs	\$1,175.00	\$1,040.00
Groundwater Storage Costs	\$1,175.00	\$1,040.00
Permitting Costs	\$1,175.00	\$1,040.00
Powerline Equipment	\$2,848.40	\$2,820.00
MGEC Costs	\$0.00	\$0.00
SPV MGEC Charges	\$1,175.00	\$1,040.00
Other	\$0.00	\$0.00
Total Energy Costs	\$1,302,820.38	\$1,822,774.79

Legend: Actual (Blue), Budget Forecast (Orange)

Legend: Actual (Blue), Budget Invoiced (Orange)

Public Power Week Observed Throughout KPP Family

Augusta Wins 2021 “Competition”

This year’s observance by KPP Members of Public Power Week had noticeably expanded over last year. That was among the detailed reports given during the October meeting of the KPP Board of Directors.



In noting a friendly “competition” conducted this year by KPP Staff, KPP Director of Administrative Services, Brooke Carroll, commented that “Augusta was the grand prize winner.” A point system tallied participation by Members involving food drives, city staff appreciation luncheons and EV events among other activities



such as official proclamations and the submitting of event photographs. Public Power Week this year even generated the planning for five local EV events to be held in the future.

A well-publicized encouragement for participation yielded involvement by 21 of 24 KPP Member Cities – 88%! Brooke noted also that a grand champion traveling trophy will be presented at an upcoming City Council meeting in Augusta. That presentation will also include a \$500 contribution by KPP to the City’s electric utility department.



Waterville and Hillsboro also received honorable mentions for their participation this year.

Public Power Week is nationally observed during the first full week in October. It has become a much-needed instrument in the tool bag for promoting the value of community-owned utility systems.