

LIGHTNING ROUND

Special Email Report on the Fall Planning Retreat

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KPP Members Gather for Fall Planning Retreat

Record number of attendees hear wide range of industry issues

Wichita was once again the venue for the 5th annual Retreat on September 14th and 15th when top industry representatives from throughout the country delved into the complexities and challenges of generating, transmitting and delivering electric energy

CEO/General Manager Mark Chesney welcomed a record number of attendees representing 20 of the 24

KPP municipal utilities. His opening remarks were followed by an introduction of special guest speakers from Arkansas, Maryland, Nebraska, Texas and Utah.



Chesney then presented his view of the current and future State of the Industry touching on the curiosity of what the local utility will look like within 30 years or even 3. Specifically, how the utility will adjust to

changing customer preferences was fundamental to his message of greeting. (continued on page 3)



Carl Monroe, Chief Operating Officer of the Southwest Power Pool addresses KPP members

Balancing Transmission Infrastructure and Reliability

Industry must find the right mix of transmission capital investment to ensure reliability of delivery. That was an important takeaway when SPP Executive Vice President and Chief Operating Officer Carl Monroe presented to KPP members on September 14, 2018. Monroe was one of numerous invited speakers to address a range of themes presented at the KPP Fall Planning Retreat. (continued on page 3)



KPP member representatives and spouses combined active learning on industry topics along with networking and fellowship.

Make plans now to attend the 2019 Fall Planning Retreat to be held again at the Drury Broadview on Sep 19 and 20, 2019.

Mark your calendar!

The 6th Annual Fall Planning Retreat will be held on September 19 and 20, 2019 at the Drury Broadview Hotel in downtown Wichita.

Electric Vehicles: Starting Slowly but Accelerating

Consistent growth for three years is beginning to affect vehicle inventory and usage



Customer knowledge is the main barrier to purchasing and using electric vehicles (EVs). This was a primary message to KPP members from Heather Siebken, Director of Product Development & Marketing for the Omaha Public Power District (OPPD). Addressing the 5th Annual Fall Planning Retreat, Siebken provided an overview of the recently launched EV charging station incentive program of OPPD. She stressed that the success of the program's launch will be influenced by the customer's uncertainty with charging access, vehicle operating cost and performance.



Charger rebates, dealership discounts and federal tax credits have combined with advances in battery technology to spur acceptance of the technology by consumers. Some car companies have announced intentions to eventually discontinue manufacturing internal combustion engines altogether. Although this is seen primarily as a transportation issue, utility industry representatives are focused on the potential for load growth and energy sales through expanded use of charging stations.



Also sharing the Retreat program was Tami Alexander, Program Coordinator with the Central Kansas Clean Cities Coalition. She noted that sales of EVs have increased on average of 49% year over year since 2011. With the prediction of continued acceleration, her organization's mission is to envision and facilitate reasonable and practical access to the technology by central and western Kansans. EV drivers perform most of their charging at home stating that only 13% to 16% is done away from home. Utility rate structures will continue to be modified to not only influence customer behaviors on charging but also to protect utility operations on-peak, she said.



Kevin Garlick of the Utah Municipal Power Agency addresses KPP members

Retreat Presentations on the KPP Website

All Power Point presentations made at the Fall Planning Retreat can now be downloaded from the KPP website. Presentation topics include commercial solar, GridLiance transmission and Wartsila quick start engine technology. Also found are a generic KPP budget overview and the Friday afternoon breakout session presentations.



James Ging, KPP Director of Engineering

KPP Members can log in at www.kpp.agency. Visitors to the site should navigate from the Members Only section through the Archives and into the Meeting Docs. From there you will find the "2018 Fall Retreat" and links to the presentations.

Concurrent breakouts on Friday afternoon featured James Ging, KPP Director of Engineering Services, and his run-through of the technical details of the KPP Small Scale Solar projects. James was paired with Steve Strom of Custom Internet Services. (continued on page 4)



Steve Strom, Custom Internet Services



Winfield City Manager, Jeremy Wilmoth, right, greets Wartsila representative Mikael Backman

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Monroe stressed that the grid infrastructure is not yet adequate to ensure the lowest cost for delivery of energy. KPP Members have been alerted for a few years that transmission investments and cost recovery will continue to escalate for several more years. Monroe presented a chart showing a point of intersection at which transmission expansion is

optimal to provide low cost delivery. Beyond that intersection, each additional expansion serves to further lower costs to customers.



Wellington City Council member, Joe Soria, welcomes Retreat speakers

Although SPP owns neither transmission nor generation resources, its operation of the grid has been compared to air traffic controllers who neither own airplanes nor airports. Monroe explained that transmission owners and participants in the SPP are found in fourteen states. The membership is composed of 98 entities among which municipal systems are the second largest class.

Members Gather

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Chesney called out the providers of rooftop solar installations, battery storage and web-based energy management services with the suggestion of caution. He predicted that these 3rd parties significantly erode the relationship between the utility and the customer. Noting that fewer kWhs will be purchased, Chesney cautioned that utilities may potentially fall into the dilemma of having to either cut costs continually or raise rates continually. "This is a losing business model", he posited. More importantly, he said, "the customer will no longer see you as a trusted energy adviser."



Minneapolis City Council member, David Sweat, listens to Retreat presentations

Chesney suggested that utilities must study and adopt new ways of creating innovative revenues. He concluded by suggesting that utilities can begin to prepare for the future today by acknowledging that technologies and customer expectations will continue to change and expand. An advancing grid will also require a growing display of talent, skill and technical knowledge on the part of governing bodies and policy makers.



Burlington Electric Utility Director, Alan Schneider, right, confers with Burlington City Council member, Thomas Tschantz



Retreat Presentations on the KPP Website

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Steve formally launched the KPP Cyber Security Scorecard initiative first announced by the American Public Power Association (APPA). KPP members should understand that this initial assessment of cities' readiness will be heavily funded by both KPP and a grant from APPA. KPP is determined to make participation easily accessible without placing a cost burden on members.

Presentations were also made concurrently by Larry Holloway, KPP Assistant General Manager of Operations, on giving rate support to cities' having retail customers owning distributed generation. An active calculation and modeling interface is also provided with that presentation for members. Larry was followed by Mark Chesney, KPP CEO/General Manager who presented recent line worker survey results.



Larry Holloway, KPP Assistant General Manager—Operations



Kimberly Svaty of Gencur Svaty, KPP's consultant on legislative affairs, presents a legislative update to KPP members.



Brett Hooton, President of GridLiance High Plains, addresses KPP members concerning transmission plans.



Mikael Backman, representing Wartsila, addresses KPP members concerning quick start and flexible generating technology.

Mark your calendar!

The annual KPP Rate Forum will be held on November 1, 2018 in McPherson at the KMU Training Center. Start time is 11:00. Lunch will be served. The Rate Forum is a very careful look at the drivers of the proposed rates for 2019.

The last KPP event of 2018!

The annual KPP Membership Meeting will be again held in McPherson at the KMU Training Center. The date is the 14th of December at 11:00. Lunch will be served.

All member representatives should assure their governing body has duly appointed them to serve on the Membership Committee. Following up to the Rate Forum, rates will be formally considered for approval by the Membership.

See you there!