



Board of Directors Meeting
Official Minutes from March 20, 2025
Wichita, KS and Virtually

1. Call to Order and Determination of a Quorum

With the determination of a quorum, Lou Thurston called the March 20, 2025, Board of Directors meeting to order at 10:00 AM.

Board Members Present: Stacy Barnes, Gus Collins, Scott Glaves, Greg Graffman, Tim Johnson, Chris Komarek, Jason Newberry, Alan Schneider, and Lou Thurston.

Board Member Absent: None.

Others Present: J.T. Klaus (TWG).

Others Present Virtually: Cody Warner (Augusta), Marc Cain (Augusta).

KPP Staff Present: Eric Alexander, Leslie Atherton, James Ging, Colin Hansen, Vickie Matney, Ivan Seward, Mike Shook, Jessica Venters.

2. March 2025 ECA Analysis – James Ging

Chief Operating Officer James Ging walked Board members through the February 2025 ECA presentation. He noted that the total costs were under budget by \$437,757.84. Transmission costs were below budget \$105,549.05; energy costs were below budget \$624,705.00; and capacity costs were above budget \$292,262.55. In terms of sales, demand was 12% above expected and energy was 1% above expected. Ultimately, this resulted in an actual ECA of negative \$0.00364 versus budgeted \$0.00462.

3. Consent Agenda

- a. **Minutes of the February 20, 2025, Board of Directors Meeting**
- b. **Minutes of the March 13, 2025 Special Board of Directors Meeting**
- c. **Monthly Invoices & Payment Schedule**

Lou Thurston requested a motion to approve consent agenda items as listed above. Motion was made by Tim Johnson and seconded by Chris Komarek. Motion passed unanimously.

4. Financial Report – Vickie Matney

Vickie Matney presented written financial statements for the period ending January 31, 2025, showing a net position before DAI of \$256,169.98 for the year. Vickie Matney provided information on the investment of project funds to accrue 4.10% interest. Scott Glaves moved and Jason Newberry seconded to approve the financials as presented. Motion passed unanimously.

5. New Business

a. Consideration of Emergency Stabilization Fund – *Vickie Matney*

Chief Financial Officer Vickie Matney provided a presentation on the current state of KPP Energy's Emergency Stabilization Fund (ESF). She began by detailing the establishment and purpose of the fund. According to Matney, maintaining and growing this fund requires an accounting function that defers revenues from the income statement to the balance sheet. Historically, monies are moved from the "overflow" to the ESF. Matney advised that preliminarily the 2024 audit shows KPP's net position before DAI as \$10.5 million, leaving approximately \$3.5 million to move to the ESF pending Board approval. After providing additional information from the audit and the policy, she requested the Board's approval to move the revenues in excess of the 1.3 debt service coverage (\$3.5 million) to the ESF for 2024.

If approved, this would increase the cash balance of the ESF to around \$10.8 million. Lou Thurston commented on the significant impact this fund has on KPP's credit ratings and cash position, and it is the very reason KPP Energy was able to survive Winter Storm Uri much better than other entities.

Tim Johnson moved to approve Matney's request to move the revenues in excess of the 1.3 debt service coverage (\$3.5 million) to the ESF for 2024. Chris Komarek seconded, and the motion passed unanimously.

b. KPP Generation Repair Assistance Fund / KPP Resolution 2025-03-20 – *Colin Hansen*

Board members were provided with proposed Resolution 2025-03-20 to adopt a Generation Repair Fund Policy. After hearing from General Counsel J.T. Klaus and CEO Colin Hansen, Jason Newberry moved and Gus Collins seconded to adopt the resolution as presented. All members voted in favor of the same.

c. PACE Solar Project ITC Insurance – *Colin Hansen & J.T. Klaus*

CEO Colin Hansen noted that two proposals for Investment Tax Credit insurance were received; however, neither would cover loss resulting from any change in the law, which in his opinion is the greatest risk KPP faces with the PACE project. J.T. Klaus noted the quotes provided have expired but recommended gauging the Board's appetite for the insurance before obtaining fresh quotes. Stacy Barnes commented that if \$800,000 to \$1 million is not spent on ITC insurance, it may indeed be spent to litigate the matter. Klaus noted that any executive order issued would have to be ordered for retroactive application to affect the PACE project. After further explanation from Klaus, Gus Collins moved to take no action on ITC insurance at this time. Scott Graves seconded, and the motion passed unanimously.

6. Old Business

a. PACE Solar Project Updates – *James Ging*

- Priority Power continues to exceed expectations guiding KPP Energy through the necessary steps for the project.

- Module delivery dates were updated; delivered modules will be tarped.
- Castillo Engineering has been designated as the project engineer.
- Environmental approval for the Winfield site still has not been received.
- Many parts of the project remain on hold awaiting the expiration of the funding pause.

b. Walnut Energy Center – *Eric Alexander & Mike Shook*

CEO Colin Hansen kicked off the topic of Walnut Energy Center by covering the current timeline, noting there is a 15-business day deadline to withdraw the project from the queue. Hansen noted that the KPP staff recommendation is to allow the 15-day window to pass and to investigate a change in technology as well as alternative capacity options while keeping KPP's place in the queue. This will affect study costs and deposits. Vickie Matney noted KPP Energy has the potential to receive a refund of around \$400,000 if KPP Energy vacates the current queue position.

Hansen noted there has been no new modeling information or data changes on Walnut Energy Center since last week's board meeting. However, staff began preliminarily investigating alternative options with Walnut Energy Center as the backstop.

Hansen praised Vickie Matney, James Ging, Eric Alexander, and Mike Shook for the extensive work they have done on gathering information on potential options and providing them in a presentable fashion. Next, a proposed resource plan, in spreadsheet format, demonstrating the potential effect of the alternative option was provided. A Rate Impact Comparison was also provided, ultimately showing the rates are impacted less by the alternative than Walnut Energy Center.

Board President Lou Thurston asked if any consideration had been given to the increase in staff time that would be required to manage the proposed alternative. James Ging and Mike Shook advised they had not yet given a large amount of consideration to that as this alternative proposal is in its beginning stage. Tim Johnson suggested factoring into the alternative costs for increasing staff capacity.

Chief Strategy Officer Eric Alexander explained the value that hedging owned resources in the alternative option could bring to KPP to potentially increase revenue. He also noted that purchasing paper capacity is just that; it would not add energy resources to KPP.

At 11:28 AM, the meeting was paused for lunch.

At 12:06 PM, President Thurston asked the Board to provide staff with direction on how to proceed with the Walnut Energy Center. Jason Newberry said he didn't think it would hurt to stay in the queue a while longer while options are further evaluated. Greg Graffman moved to take no action at this time. Scott Glaves seconded and the motion passed unanimously.

7. Executive Session

At 12:09 PM, Tim Johnson moved and Jason Newberry seconded, under the justification of K.S.A. 75-4319(b)(2) related to attorney-client privilege, to recess the meeting for consultation with an attorney for ten minutes to discuss matters related to attorney-client privilege, with KPP Board, General Counsel J.T. Klaus, Chief Financial Officer Vickie Matney, Chief Executive Officer Colin Hansen, Chief Operating Officer James Ging, Chief Strategy Officer Eric Alexander, and Director of Energy Services Mike Shook present, the meeting to reconvene in open session at 12:20 PM.

At 12:20 PM, Tim Johnson moved and Stacy Barnes seconded to reconvene the regular meeting with no action taken during executive session. All members voted in favor of the motion.

Next, Tim Johnson moved to authorize KPP staff to negotiate for purchase of up to 25 MW of additional capacity for KPP and to authorize GM / CEO to execute such purchase through 2026 – 2028 for best interest and best prices not to exceed \$9 per KW month. Chris Komarek seconded, and the motion passed unanimously.

8. Chief Operations Officer Report – James Ging

James Ging verbally summarized his written report.

9. Energy Services Report – Mike Shook

Director of Energy Services, Mike Shook, provided a written report to the Board.

10. Member Services Report – Leslie Atherton

Members were provided with Leslie Atherton's written report.

11. CEO / General Manager Report – Colin Hansen

Members were provided with Colin Hansen's written report. He highlighted the following items:

- Member outreach continues.
- Congratulations offered to Chris Komarek as he was announced as the winner of the APPA's 7 Hats Award.
- Hopefully, renovations will be complete in time for the next board meeting to occur in the designated Board room.

12. General Counsel Report – J.T. Klaus

Members were provided with J.T. Klaus's written report. He reminded the Board and staff that matters discussed in executive session should remain confidential as discussing them outside of that could result in real damages.

13. Special Announcements

The July Board meeting will take place on July 24th rather than July 17th.

14. Adjourn

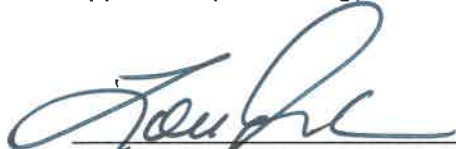
The meeting adjourned at 12:35 PM.

Respectfully submitted by KPP Energy Board Secretary:


Stacy Barnes, Secretary

Date: 4/17/25

Approved by KPP Energy Board President:


Lou Thurston, President

Date: 4-17-25