

KPP LIGHTNING ROUND

April 2025

KPP Energy Launches New Website

KPP Energy is proud to announce the launch of its newly redesigned website at www.kpp.energy, marking a major step forward in our efforts to improve digital accessibility, functionality, and member engagement. This launch also brings a change in our email domain—from @kpp.agency to @kpp.energy—so please update your contact information accordingly.

Developed over the course of the past year, the new site was designed with a focus on usability, accessibility, and showcasing our member communities. Visitors will notice a cleaner, more modern look paired with intuitive navigation and a layout that better organizes the content and resources our members rely on. Whether you're using a desktop computer, tablet, or smartphone, the responsive design ensures a seamless and consistent experience across all devices.

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KPP Energy Unveils New Website

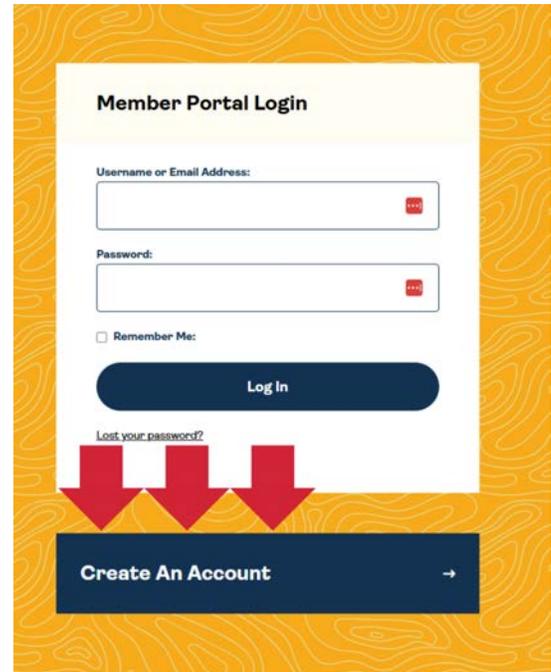
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Among the many enhancements, users will benefit from:

- Integrated event registration, directly on the site
- Improved communication and notification capabilities related to event registration
- Easier access through intuitive navigation to important documents, tools, and updates
- Better visual storytelling of member cities and KPP initiatives.

To take full advantage of the new site, members are encouraged to create an account within the Member Portal. Even if you had an account at our previous site (www.kpp.agency), accounts could not be transferred to the new platform. Please click “Create An Account” on the Member Portal page and allow at least one business day for your account to be approved.

This website launch represents more than a cosmetic upgrade—it’s part of KPP Energy’s ongoing mission to support and serve our public power communities with modern tools, clear communication, and continued innovation. We invite you to explore the site and experience the improvements for yourself.



Gus Collins Receives KMU Schowalter Award

Gus Collins, Director of Utilities for Winfield was presented with the 2025 Edgar P. Schowalter Award by Kansas Municipal Utilities (KMU). The Schowalter award is the highest honor presented by the association and is given to recognize individuals that have made outstanding contributions to the municipal utility industry. Collins was presented the award at the 2025 KMU Conference in Wichita on April 24, 2025, by Brad Mears, KMU Executive Director.

The Schowalter Award is named after the late Ed Schowalter, who was an outstanding leader in the municipal utility industry, both in Kansas and across the United States. Mr. Schowalter served the Kansas City Board of Public Utilities for 28 years and was a guiding force for KMU for over 27 years.

“Gus Collins has been an active voice for community owned and operated utilities within his community and across the municipal utility industry. Through his active involvement with municipal utilities and state utility organizations, he has provided industry leadership

and guidance that has helped Kansas utilities deliver essential utility services not only his community but others as well,” said Mears.

Throughout his professional career and background in public service, Collins has firsthand insight into the complexities of municipal governance and municipal utility management. He has served as Director of Utilities for the City of Winfield since August 2014, providing oversight of the city’s electric, natural gas, water, and wastewater utility operations.

In addition to leadership roles within KPP Energy, Collins has served active leadership roles with other Kansas utility industry organizations including KMU, Kansas Municipal Energy Agency, and Kansas Municipal Gas Agency. Gus has served on the KPP Energy Board of Directors since 2017 and served as President of the agency in 2020-2021.

KPP Energy congratulates Gus Collins on this greatly deserved and significant honor.



SPP Releases Winter 2025 Market Report

INCREASE IN PRICES ACROSS SPP FOOTPRINT IN RECENT WINTER SEASON

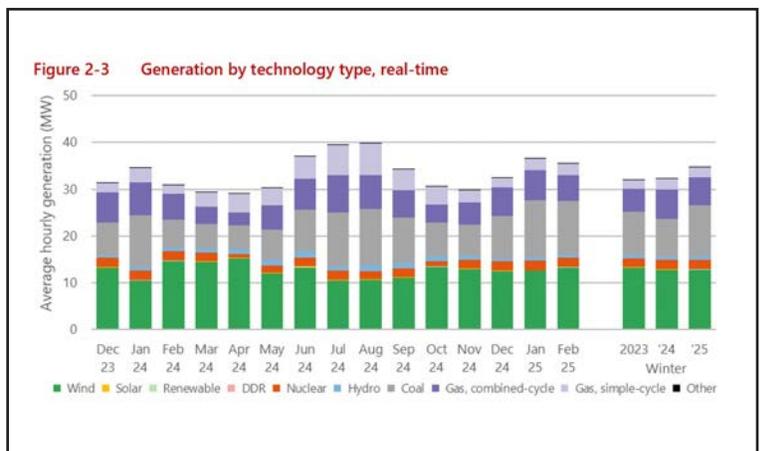
On Tuesday, April 15th, the Southwest Power Pool (SPP) Marketing Monitoring Unit (MMU) released its Quarterly State of the Market Report for the Winter 2025 period, which covers December 2024 through February 2025. The report covers market performance and highlights during the 2025 winter quarter.

Highlights for the period include:

- Overall, the average natural gas price was up by 54% in winter 2025 in comparison with 2024, with an average price of \$3.48/MMBtu. However, this was similar to the winter 2023 average gas price of \$3.33/MMBtu.
- Day-ahead prices increased from \$32.72/MWh in winter 2024 to \$34.27/MWh in 2025, an increase of 5%. Real-time prices also increased, from an average of \$29.11/MWh in winter 2024 to \$32.35/MWh in 2025, an increase of 11%. This increase in prices is driven predominantly by the increase in gas prices.
- Total day-ahead make-whole payments were up from \$41 million in winter 2024 to \$51 million in 2025. Since January 2024, day-ahead make-whole payments were in the \$5 million to \$10 million dollar range, reaching \$14.4 million in November 2024, \$29.7 million in January 2025, and \$12.9 million in February 2025.
- Total reliability unit commitment make-whole payments were up from \$31.4 million in winter 2024 to \$34.6 million in 2025. Gas resources, particularly simple-cycle resources, accounted for most of the increase.
- Total revenue neutrality uplift for winter 2025 was \$47 million, up from \$12 million in 2024. The lower revenue neutrality uplift for winter 2024 was buoyed

by negative revenue neutrality uplift in January 2024, as a result of the winter weather event that month.

- Average hourly load for the 2025 winter season was 8% above 2024, while the peak hourly load was up 3% compared to 2024.
- Wind generation was the primary technology type in terms of generation during the winter 2025 quarter, accounting for 37% of total generation, a drop from 40% in 2024. Coal generation increased from 25% of total generation in winter 2024 to 31% in 2025. Gas, combined-cycle decreased from 20% in winter 2024 to 17% in 2025.
- At the end of February 2025, nameplate capacity of wind resources was 34,808 MW. This is up from 33,572 MW at the end of February 2024, an increase of 1,236 MW.
- Transmission congestion right (TCR) funding for the winter 2025 quarter was 79%, up from 78% in 2024. Funding percentages for each month of winter 2025 were 71% for December, 81% for January, and 83% for February.



Above: Excerpt from the SPP report. The full report can be accessed at the following link: [SPP Winter 2025 Market Report](https://www.spp.org/Market-Reports/SPP-Winter-2025-Market-Report).



KPP Financial Training Well Received

On April 8th, KPP Energy hosted a well-received financial training titled “Budgeting Basics & Beyond”, marking the inaugural session in the newly established KPP Training Room at 2229 S. West. The event brought together 24 participants representing 15 of KPP’s 24 member entities. Attendees included a diverse group of professionals—ranging from city, assistant, utility, and cemetery clerks to finance directors, city managers, electric superintendents, and even public safety leaders such as police and EMS directors.

Scot Loyd of Loyd Group, LLC led the session, delivering content in a practical, engaging, and conversational format that encouraged questions and discussion throughout the day. Topics included core budgeting principles, understanding the mill levy and revenue-neutral rate, and exploring best financial practices for municipalities. Participants were invited to bring their 2025 budgets for real-time guidance, which made the session even more interactive and applicable.

The training was met with positive feedback. Multiple attendees expressed appreciation for both the content and the opportunity to connect with peers. One attendee shared that it was “by far THE best one I’ve been to,” praising the format, the learning experience, and even the hospitality, calling out the “super brownie points” for the lunch provided.

Given the enthusiastic reception, consideration is being given to making this an annual offering. Hosting such an engaged group was a privilege, and KPP Energy looks forward to continuing to provide meaningful training and networking opportunities that support the professional growth and operational success of its members.



Above: Scot Loyd (Loyd Group, LLC) providing KPP attendees with important financial and budgeting training at the KPP “Budgeting Basics & Beyond” session on April 8th.

TRAINING

BUDGETING BASICS & BEYOND

SPEAKER :

SCOT
LOYD



LOYD GROUP, LLC
Certified Public Accountants



APRIL 8TH 10:00 AM
TO
3:00 PM

2229 S. WEST
WICHITA



BRING A COPY OF YOUR 2025 BUDGET TO
FOLLOW ALONG AND GET YOUR
QUESTIONS ANSWERED!

TOPICS TO BE COVERED:

- * BUDGETING BASICS
- * UNDERSTANDING THE MILL LEVY AND REVENUE NEUTRAL RATE
- * BEST FINANCIAL POLICIES AND PRACTICES.

→ REGISTER NOW at www.kpp.agency



April Board Meeting Review

COLIN HANSEN, CEO / GENERAL MANAGER



The KPP Energy Board of Directors held their regular monthly meeting on April 17 at KPP Energy in Wichita. A summary of meeting highlights is provided here.

April 2025 ECA Analysis

Chief Operating Officer (COO)

James Ging walked Board members through the March 2025 ECA presentation. He noted that the total costs were under budget by \$781,661. Transmission costs were below budget \$136,919; energy costs were below budget \$691,057; and capacity costs were above budget \$48,988. In terms of sales, demand was 6% below expected and energy was 11% below expected. Ultimately, this resulted in an actual ECA of negative 0.531 cents/kilowatt-hour (kWh) versus a budgeted positive 0.068 cents/kWh.

Organization & Industry Update

KPP CEO & General Manager Colin Hansen provided updates about KPP Energy and the overall electric industry. He discussed the changing policy landscape in Washington, D.C., specifically related to executive orders, tariffs, resource adequacy, and environmental regulation. Budget reconciliation in both chambers of Congress has occurred, Hansen advised, and one of the concerns affecting public power relates to the consideration of taxing municipal bonds. With potential affects to public power, Hansen also relayed that U.S. Senator Jerry Moran joined legislation to restore Congress' constitutionally authorized role in setting and approving U.S. Trade policy among other public power friendly actions.

Financial Statements

Chief Financial Officer (CFO) Vickie Matney presented written financial statements for the period ending February 28, 2025, showing a net position before DAI of \$1,460,121 for the year. Total expenses thus far for 2025 are \$1.375 million. She noted the debt service requirement for 2025 is 1.3, which equates to \$6.8 million for KPP.

Market Update

Chief Strategy Officer Eric Alexander provided a comprehensive market update. He covered the short-term weather outlook, showing warmer temperatures and continued drought, as well as the long-term weather outlook, showing the coming winter will be like the previous winter. He also explained the concept of Heating Degree Days and used it to look at the month of March over the last twenty-five years and then related it to the hourly market LMP prices. Natural gas highlights and SPP planning reserve margin were also discussed.

2024 Financial Audit

James Gripka of Forvis Mazars was present and provided an overview of the 2024 financial audit of KPP Energy. Members were provided with a copy of the 34-page report entitled, "Independent Auditor's Reports, Financial Statements, and Required Supplementary Information" covering December 31, 2024, and 2023. The Independent Auditor's Report communicated that, during the audit, no deficiencies in internal control that would be considered to be material weaknesses were identified; however, material weaknesses or significant deficiencies may exist that were not identified. Gripka classified it as a "very clean" audit.

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April Board Meeting Review

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CEO Colin Hansen recognized Chief Financial Officer Vickie Matney and Senior Accountant Ivan Seward for their hard work. Board President, Lou Thurston, echoed Hansen's praise. The Board unanimously accepted the Independent Auditor's Reports, Financial Statements, and Required Supplementary Information covering 2023 and through December 31, 2024, as presented.

Modification to Sick Leave Policy

KPP Energy's current sick leave policy does not put a cap on sick leave but notes no sick leave will be paid out upon termination. As a result of the 2024 audit, Vickie Matney suggested revised language that would cap sick leave at eight hundred hours but continue to not be paid out upon termination or retirement. The Board approved the revised language.

PACE Solar Project

Chief Operating Officer James Ging provided the following updates regarding the PACE Solar Project:

- Fifty-five percent of the solar modules have been delivered. If the environmental releases don't come soon, a secondary storage location may need to be identified.
- Thirty percent drawings have been received from Castillo Engineering for Ellinwood and Wellington. Substantial completion of IFC documents is set for July 13.
- The projected construction timeline will depend on USDA release.
- Procurement for trackers and inverters is still under evaluation.
- A kickoff meeting with KMU staff to establish training criteria for a Solar Training Academy occurred. The inverter and tracker manufacturers will provide training materials.

- Newly established tariffs are estimated to cost 2% of the 10% project contingency.

Walnut Energy Center

Director of Energy Services, Mike Shook, provided the following updates regarding the Walnut Energy Center project:

- DISIS restudy is complete with the cost of required upgrades to the transmission system estimated at \$2 million.
- The Class 5 estimate from Burns & McDonnell indicates the project will cost more than \$175 million.
- Options for the Air Operating Permit were presented. Staff will proceed with holding off on the PSD permit, submit a one versus two applicability determination request to KDHE, and hold off on the constructing permitting process. This will remove any legal reporting and compliance connection between City of Winfield and KPP Energy.

Operations Report

COO James Ging provided an Operations Report, covering cold temperatures in 2025 that rivaled previous winter storms. He also noted the higher amount of alert declarations this winter in comparison to previous years. Ging said this is because SPP's modeling system is getting better and more granular.

Member Services Report

Leslie Atherton, Director of Member Services, delivered the Member Services Report to the Board, highlighting the April 8th Financial Training and the approval of City of Luray's 40101(d) application for grant funding.



Winfield Recognized as a Reliable Public Power Provider

CITY JOINS AUGUSTA AND WELLINGTON AS RP3 RECIPIENTS

The City of Winfield has earned a Reliable Public Power Provider (RP3)[®] designation from the American Public Power Association for providing reliable and safe electric service.

The RP3 designation, which lasts for three years, recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development, and system improvement. Criteria include sound business practices and a utility-wide commitment to safe and reliable delivery of electricity. Winfield joins more than 250 public power utilities nationwide that hold the RP3 designation, including the KPP member cities of Augusta and Wellington.

“Receiving an RP3 designation is a great honor signifying a utility has demonstrated commitment to industry best practices,” said Jeremy Ash, Chair of APPA’s RP3 Review Panel and General Manager at Kansas City Board of Public Utilities, Kansas. “And ultimately, the culture developed from this pursuit of excellence and continued improvement through the RP3 program results in measurable value delivered to the local community.”

“We couldn’t be prouder to be honored with this designation,” said Taggart Wall, Winfield City Manager. “This is the culmination of a lot of work from a lot of people who really care about powering our community. But this designation is not a final destination. We are committed to continuing to look for ways to improve our operations and service to our customers.”

If you are thinking about applying for the Reliable Public Power Provider (RP3) designation and would

like assistance, please contact KPP Director of Member Services Leslie Atherton at latherton@kpp.energy.

In addition, APPA is offering a free webinar series to present strategies on how utilities can strengthen their application taught by industry experts on the RP3 Review Panel. Each webinar will review the critical areas of utility operation that are captured in the four main sections of the application: reliability, safety, workforce development, and system improvement. Each webinar includes time for Q&A with the panel members so members can get further clarity on their application process.

Each hour-long webinar in the series will begin at 2:00 pm Eastern. Registration is for the entire series, as participants are encouraged to attend each session. Registrants will get access to the recordings and slides from all webinars in the series for future reference.

- Strengthening Your RP3 Application: Reliability (5/7)
- Strengthening Your RP3 Application: Safety (5/14)
- Strengthening Your RP3 Application: Workforce Development (5/22)
- Strengthening Your RP3 Application: System Improvement (5/28)

Congratulations to the City of Winfield on this significant achievement and designation.



American Public Power Association



President Lifts EPA MATS Restrictions on Coal Plants

NUMEROUS REGIONAL COAL PLANTS IMPACTED BY PROCLAMATION

Earlier this month, President Trump signed a proclamation to lessen the Environmental Protection Agency's Mercury and Toxics Standards (MATS) rule for over a third of the United States' coal fired capacity, including several inside SPP's footprint. The President's fact sheet states that "Compliance with the Biden-era standards requires the application of emissions-control technologies that, for many coal plants, are not commercially viable." It appears that the President is utilizing a clause under Title 42 of the United States Code that deals with public health, social welfare, and civil rights:

"The President may exempt any stationary source from compliance with any standard or limitation under this section for a period of not more than 2 years if the President determines that the technology to implement such standards is not available and that it is in the national security interests of the United States to do so. An exemption under this paragraph may be extended for 1 or more additional periods, each period not to exceed 2 years. The President shall report to Congress with respect to each exemption (or extension thereof) made under this paragraph"

The move would push out the enforcement of the upcoming Biden-Era EPA Standards from 2027 to 2029 unless extended further at some point.

There are a number of units in Kansas and the greater Kansas and SPP area that are impacted by the decision. These include:

Sunflower Electric

- Holcomb Station

Oklahoma Gas and Electric

- Sooner Units 1 & 2
- Muskogee Unit 6
- River Valley

City Utilities of Springfield

- John Twitty Energy Center

Western Farmers Electric Cooperative

- Hugo Generating Station



KPP Energy Member Appreciation Night

KPP Energy held its annual membership appreciation event on Thursday, April 24th in conjunction with the KMU 2025 Conference. Thanks to all the members that

came out to participate in an evening of fun networking at Nortons Brewing Company in downtown Wichita. We greatly appreciate all our KPP Energy members!



Left to Right: Attendees received a KPP Energy 20th Anniversary Mug.



Above: Enjoying the outdoor back patio at Norton's.



Above: Alec Lang (Capybara Caricatures) drawing Austin Meyer (City of Haven) and spouse.



Above: KPP Members gathered for food, drink & networking.



Above: Norton's served as host for KPP Member Appreciation Event.



Above: Impromptu selfie with KPP members & staff.



Event Calendar

2025 DATES TO REMEMBER

MAY 15, 2025

KPP Board Meeting

MAY 22, 2025

KPP Generation Task Force Meeting

JUNE 6 - 11, 2025

APPA National Conference
New Orleans, Louisiana

JULY 24, 2025

KPP Board Meeting

AUGUST 21, 2025

KPP Board Meeting

SEPTEMBER 18, 2025

KPP Board Meeting

SEPTEMBER 25-26, 2025

KPP Energy Conference

OCTOBER 5 - 12, 2025

Public Power Week

OCTOBER 16, 2025

KPP Board Meeting

NOVEMBER 7, 2025

Rate Forum

DECEMBER 12, 2025

Annual Membership Meeting

KPP Resources by Fuel Source

MARCH 2025

