

KPP LIGHTNING ROUND**July 2025**

Registration Open for KPP 2025 Conference

SEPTEMBER 25, 2025 - WICHITA, KANSAS

Registration is now open for the KPP 2025 Conference, set to take place on September 25th at the new KPP Energy offices at 2229 S. West Street in Wichita. The KPP 2025 Conference is a great opportunity for KPP members to learn more about the latest industry trends, hear from utility & city leaders and receive important updates on KPP programs. The KPP Annual Conference is a great forum not only for informative sessions, but an excellent opportunity to network with your public power peers.

We have an excellent agenda for the one-day event. The chock-full agenda includes presentations by Wichita Mayor Lily Wu, Kansas Rural Development Director Gimmie Jo Jansonius, and Dawn Lund of Utility Financial Solutions. The conference will also feature a technical breakout with sessions on energy market trends, local generation options by CAT, Solar & Cooper, and new distributed generation requirements by KMU.

Reed “Roller” Barrett, an award-winning keynote speaker, former F-16 fighter pilot in the Washington, DC Air National Guard, and professional magician and emergency medicine EMT, has been selected as the keynote speaker for the conference. He brings a unique blend of high-stakes leadership, psychological insight, and entertainment—offering an inspiring message shaped by overcoming personal challenges and guiding high-performance teams under pressure

Registration for this event is available only online by [clicking here](#). If you have questions about conference or registration, please contact Leslie Atherton, Director of Member Services at latherton@kpp.energy or at 316.264.3166.

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2025 KPP

ANNUAL CONFERENCE

EMPOWERING KANSAS COMMUNITIES



KPP HEADQUARTERS

2229 S. West Street, Wichita, KS



THURSDAY

SEPTEMBER 25 | 9AM

Join us at our brand-new headquarters for a full day of learning, updates, and connection.

EVENT HIGHLIGHTS:

- Featured Speaker: Reed Barrett
- Technical Sessions
- Member Spotlights
- The Great Yard Party

REGISTER TODAY!

KPP.ENERGY/EVENTS/2025-KPP-CONFERENCE/

City of Haven Featured on KSN Summer Road Trip

KPP ENERGY MEMBER SPOTLIGHT

In 2025, the City of Haven kept its focus on supporting local businesses, improving community spaces, and building pride in their small community northwest of Wichita. From grants to spotlights on local businesses to new housing developments, there's been a lot of positive momentum across town.

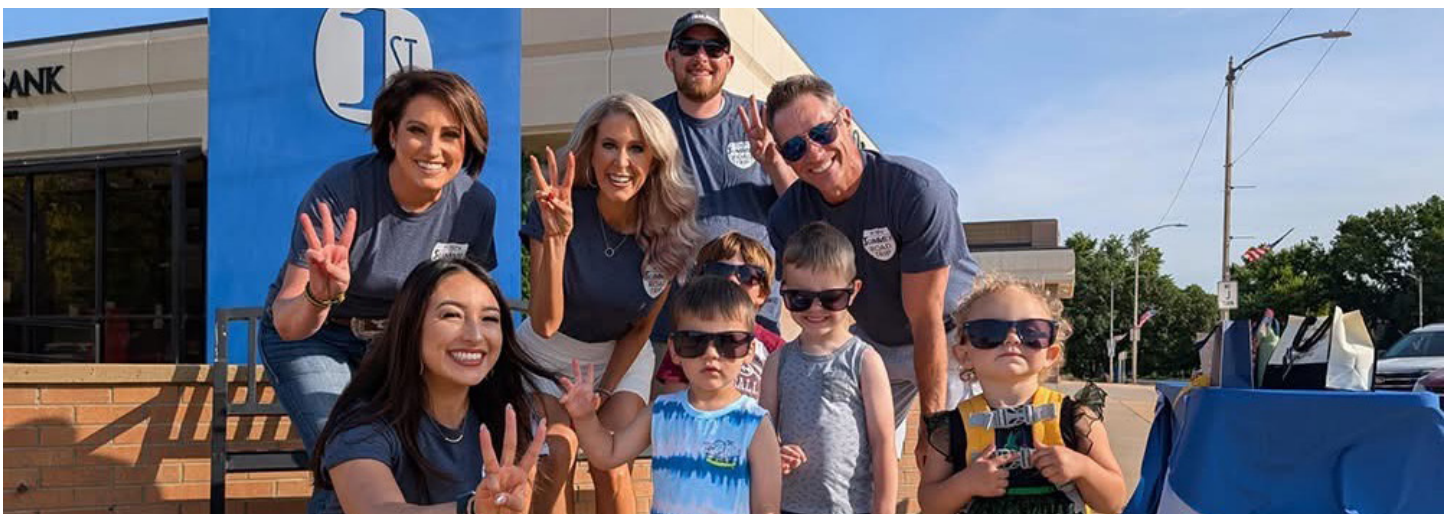
The Business Enhancement Grant Program recently awarded matching funds to two local businesses to help with building updates and equipment purchases. This 50/50 reimbursement grant—up to \$10,000—is available to for-profit retail businesses in Haven making improvements that benefit both their operations and the community.

Haven also welcomed KSN's Summer Road Trip on June 16. Neighbors gathered at the Senior Center for coffee and donuts before KSN stopped by local favorites like The Hardware Haven, Daisy Jo's, Gruntz Bar, and First National Bank of Hutchinson. At the same time, Haven Recreation and Haven Grade School highlighted how grants from the Hutchinson Community Foundation are helping boost engagement and learning. Jill Snyder, Haven's Economic Development Coordinator, shared more about these efforts on KSN's Good Day Kansas—with segments airing June 11 and August 4.



The “Love Where You Live – Haven” project, funded by a Community Catalyst grant, is helping improve community spaces and encourage involvement. The city also continues to highlight local businesses each month, including Ace High Diesel, Reign Real Estate, and Hayden's Hayday. Over on the west side, Wildcat Landing has Phase 1 ready for new homes—great for families and commuters wanting to join a growing community.

All of this adds up to a town that's moving forward. With local businesses growing, new homes going up, and more people getting involved, Haven is showing what small-town progress can look like.



Mega Loads Require Mega Solutions

ERIC ALEXANDER, CHIEF STRATEGY OFFICER



Today you can't open an energy-related news site without seeing an article related to the challenges of powering the forecasted data center load growth. In addition to the sheer magnitude of energy needed, most of these large companies have energy sustainability goals that have

to be taken into consideration as well. And since most of these loads have a flat load profile requiring stable energy production, one of the biggest challenges they're facing is how to get reliable, round-the-clock, carbon free energy.

One solution is a nuclear renaissance. Over the last few years, several large data companies, including Microsoft and Amazon, have made strategic alliances with existing nuclear facilities to source their data center's energy requirements. Microsoft is spending around \$1.5 billion to reopen one of the Three Mile Island nuclear reactors, and Amazon Web Services signed a 1,920 MW power purchase agreement with Talen Energy to co-locate their data center next to the existing Susquehanna nuclear facility in Pennsylvania. In conjunction with their reliance on traditional nuclear generators in the short term, both companies are deploying capital towards the advancement of Small Modular Nuclear Reactor (SMR) technologies to fuel future needs, with timelines showing commercial operation within the next 10 years.

Another business platform that is gaining traction is the concept of a "power foundry".

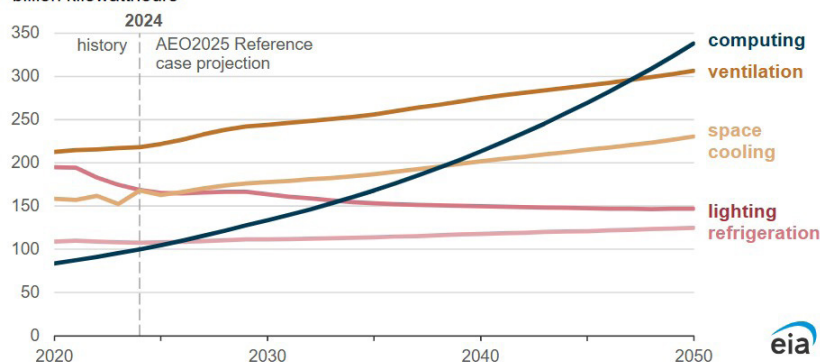
This strategy identifies areas that have the infrastructure to support the co-location of load and generation, such as natural gas availability and ideally carbon capture capabilities to support carbon reduction goals. GE Verona, Chevron, and Engine No. 1 recently inked a deal to provide 7 GE turbines for data centers in the Southeast, Midwest, and other Western regions.

One company startup, GridFree AI which was founded by Patrick Yantz, former head of Global Edge Operations at Microsoft, and Ralph Alexander, former BP executive and Talen Energy CEO, has created a platform where their company provides grid independent power, battery storage, and cooling to support data center infrastructure. Although their current strategy relies mainly on natural gas for baseload generation, they will be capable of adapting to future technologies such as SMR's.

Regardless of how this industry eventually solves this energy resiliency conundrum, one thing is for certain, the next decade will be looked upon as one of the most challenging periods for powering our nation.

Electricity use for commercial computing could surpass space cooling, ventilation

Electricity consumption of selected end uses in the U.S. commercial sector (2020–2050)
billion kilowatthours



Data source: U.S. Energy Information Administration, *Annual Energy Outlook 2025* Reference case
Data values: Commercial Sector Key Indicators and Consumption



July Board Meeting Review

COLIN HANSEN, CEO / GENERAL MANAGER



The KPP Energy Board of Directors held their regular monthly meeting on July 24th at the KPP Energy offices in Wichita. A summary of meeting highlights is provided here.

June 2025 ECA Analysis

Chief Operating Officer (COO)

James Ging walked Board members through the June 2025 ECA presentation. He noted that the total costs were under budget by \$718,106. Transmission costs were below budget \$120,104; energy costs were below budget \$1,051,363; and capacity costs were above budget \$456,131. In terms of sales, demand and energy both were 8% below expected. Ultimately, this resulted in an actual ECA of negative \$0.01003 versus budgeted negative \$0.00632.

Organization & Industry Update

Chief Executive Officer (CEO) Colin Hansen, provided the following industry updates:

- The “One Big Beautiful Bill Act” (OBBBA) was signed by President Trump on July 4, 2025, following the House’s acceptance of Senate amendments. Hansen noted that key provisions of the bill include the early phase-out of production and investment tax credits for wind and solar as well as elimination of tax programs for energy efficiency and electric vehicles. The elective pay provisions for public power remain unchanged.
- Highlights from the DOE Resource Adequacy Report were provided.

- On July 17, 2025, President Trump nominated David Lacerte to finish out the remainder of FERC Commissioner Philips’s term, which runs through June 30, 2026.

Financial Statements

Chief Financial Officer (CFO) Vickie Matney presented written financial statements for the period ending May 31, 2025, showing a net position before DAI of \$4.5 million for the year. Collection and Disbursement of Generation Resource ECA Funds totaled around \$7.8 million as of May 2025.

Fitch Ratings Public Power Peer Review & KPP Reaffirmation

Hansen provided the findings of the most recent Fitch review of KPP Energy, which resulted in reaffirmation of KPP’s A- rating with outlook stable, noting one of the highlights as “consistently strong operating income and low leverage.” Hansen noted that the leverage ratio is something to be considered in the discussion of capacity resource options as a significantly increased leverage

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July Board Meeting Review

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ratio could lead to a lower rating, which in turn leads to increased costs on bond issues.

Praise was given to Matney for her extensive efforts and expertise in maintaining and pursuing improvement of KPP's Fitch rating.

Capacity Resource Evaluation Presentation & Discussion

Hansen provided an overview of the resource evaluation process. He reminded members that KPP Energy's mission is to provide affordable, reliable, and responsible power, and that those principles should guide the Board's decision-making. He noted two of the organization's strategic objectives, identified in 2024, are to evaluate capacity and add capacity. Before presenting additional information, he provided the recommendation from staff as follows:

- Pursue large simple cycle project for primary capacity addition.
- Continue with Walnut Energy Center development.
- Begin working on installation of small generation with CATs, Cooper, and other similar technology.

Next, Hansen provided background on the Class 5 Technology Assessment of Walnut Energy Center where three technologies were evaluated – three types of Solar turbines, a Siemens gas turbine, and Wartsila engines.

Director of Energy Services Mike Shook took members through the assessment. Members were provided with a printed copy of the 6-page "KPP 2025 Technology Assessment Summary Table" document. Eventually, Shook pointed members to the total cost per kW at nameplate capacity rating with owner's cost for each technology. Shook noted that the amounts provided for each project are not what the actual project will cost, but each are from Class 5 estimates to allow for an "apples-to-apples" comparison.

Hansen then provided information about a handful of similar projects other joint action agencies are taking on, all coming in with much lower costs than the Class 5 estimates presented. This emphasized that the Class 5 estimate works to evaluate capacity but would not be an estimate to base financing on.

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July Board Meeting Review

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Next, Shook provided information from the Net Present Value Comparison of the presented technologies. They ranged from negative \$137 million to positive \$29 million. The large simply cycle technology was the only resource that returned a positive NPV.

Estimated rate impact of each project, as calculated by Matney, was presented by Hansen. The large simple cycle resource had the most projected positive impact on rates, showing a deduction of \$0.37 to \$1.22 from 2026 – 2034.

Chief Strategy Officer Eric Alexander provided information on generator siting considerations, covering transmission upgrade costs, gas availability, transportation, and fuel management, as well as locational marginal pricing projections for cash flow analysis. He noted that the on-peak LMPs annually for Winfield were \$28.73 while those for Dogwood came in higher at \$33.90.

Alexander also provided information on the “no action” option which would involve purchasing paper capacity. He estimated this would cost anywhere from \$3 to \$5 million. He also went over the cost of being short on capacity and getting hit with deficiency payments. Over three years, this would cost anywhere from \$4 million to \$9.1 million. Hedging load costs using futures was explained by Alexander and demonstrated with a graph entitled, “Load Cost Comparison Using North Hub Futures vs Spot Prices.”

Walnut Energy Center Generation Interconnection Agreement (GIA) Negotiations

Chief Operating Officer James Ging showed the Board KPP Energy’s current Resource Plan and pointed out that some action must be taken to increase capacity by 2029.

In terms of next steps for Walnut Energy Center, he noted KPP Energy has until August 19th to execute a full

negotiated generation interconnection agreement and provide detailed responses to the GIA milestones as proof of progress. A request to extend the deadline to August 28th has been requested to work with the Board’s current meeting schedule. That is not expected to pan out.

Ging advised work is ongoing to insert a Material Modification Agreement step into the GIA in case the need to change technology arises. This would allow for the delay of payments for interconnection until the MMA is agreed to by KPP Energy and the Transmission Owner.

After staff fielded questions and more discussion was had, the Board unanimously approved allowing staff to sign the GIA on or before August 19, 2025, committing KPP Energy to an amount no greater than \$1.9 million.

PACE Solar Project

Ging provided PACE project updates:

- Geo Tech has not started. The racking order will not be placed until the report is received from Geo Tech.
- Two of seven transformers are ready to be delivered.
- Cris Naegele has test-metering set up and is working with Custom Internet on meter connectivity.
- Construction start for all sites is currently set as October 2025, though a delay is anticipated.
- Next steps include service agreement, operations and maintenance agreement, and operations.

Special Announcements

Hansen once again drew attention of members to the changes in the Board meeting schedule. He also encouraged members to register for KPP’s Annual Conference and provided highlights of what to expect at the Conference.



Fitch Ratings Affirms KPP Energy's Credit Rating

VICKIE MATNEY, CHIEF FINANCIAL OFFICER



Fitch Ratings affirmed KPP Energy's electric utility revenue bonds at 'A-' on July 17, 2025, following an extensive review that included discussions with KPP staff throughout June and July. These meetings focused on KPP's financial standing, long-term generation plans, and detailed analysis using the Fitch FAST framework.

Revenue Defensibility

Fitch rated KPP's Revenue Defensibility as 'a', highlighting the strength of KPP's unconditional, long-term, full-requirement contracts with its 24 members. These contracts provide stability by allowing revenues to be reallocated among members in the event of a default. Additionally, KPP's rates feature a monthly Energy Cost Adjustment (ECA), enabling recovery of costs that are not covered in base rates.

Operating Risk

The Operating Risk profile received an 'a' rating, underpinned by KPP's access to a diversified and low-cost power supply portfolio. Over the past five years, KPP's average power supply cost has remained competitive at 6.5 cents per kilowatt-hour, a reflection of its effective resource management and supply diversity.

Financial Profile

KPP's Financial Profile also achieved an 'a' rating, providing evidence of the entity's consistently stable operating margins and robust liquidity. As of the end of 2024, KPP's leverage ratio was recorded at under 4.0x, underscoring prudent financial stewardship and a strong balance sheet.

Factors that could Lead to Negative Rating Action/Downgrade

- A decline in member credit quality that leads to weakening
- An inability, or unwillingness, among KPP or its members to maintain rates
- Sustained increases in leverage above 8.0x
- Future power supply decisions resulting in weakened financial metrics

Factors that could Lead to Positive Rating Action/Upgrade

- Sustained very low-cost burden after deployment of the new supply facility

Fitch's affirmation of the 'A-' rating for KPP Energy's electric utility revenue bonds reflect the agency's sound financial practices, contract stability, and effective risk management. This outcome supports ongoing investor confidence and ensures the continued financial health of KPP Energy.



Trump Administration's "One Big Beautiful Bill" Passes

LEGISLATION FUNDAMENTALLY REDEFINES U.S. ENERGY POLICY

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act (H.R. 1 / OBBBA) into law, marking a major turning point in federal energy policy.

The legislation was shepherded through Congress amid partisan contention, passing the House narrowly on May 22 (215–214, with 1 present) and Senate on July 1 (51–50, Vice President Vance casting the tie-breaking vote), before final approval on July 3 and its enactment the following day.

Key Energy Provisions

The bill eliminates or accelerates phase-out of numerous clean energy tax credits, including production (Section 45Y) and investment (Section 48E) tax credits for wind and solar. Projects placed in service after 2027 generally no longer qualify, unless construction begins within 12 months of enactment.

Of utmost concern to KPP Energy and public power, the OBBBA did not make any changes to the elective pay provisions. Existing eligibility and treatment for elective pay under prior law remain the same for public power. KPP plans to utilize elective pay credits for its PACE solar project.

Strict new rules target “foreign entities of concern”, barring projects linked to certain foreign actors from eligibility for tax credits, especially affecting technologies and materials tied to Chinese involvement.

The bill shifts federal energy incentives sharply toward fossil fuels and carbon capture. It mandates expanded oil and gas lease sales, restores pre-IRA royalty rates, reinstates full deductions for intangible drilling and delays

the methane emissions fee until 2035. Carbon capture tax credits are enhanced to support enhanced oil recovery.

It also halts federal incentives for residential renewables, EVs, and battery storage, removing solar leasing credits and transferability provisions used widely to finance large-scale clean energy projects.

Economic Impact

As one would expect, independent analyses warn the law may sharply reduce clean-power deployment. Wood Mackenzie and Reuters forecast 17% fewer solar and 20% fewer wind installations over the coming decade, and up to \$263 billion in renewable projects at risk.

Supporters vs. Critics

Supporters of the bill, including the White House, Interior Department officials, and oil-gas industry groups, argued that the bill is essential to restore grid reliability, reduce regulatory burdens, and reorient federal policy toward dependable energy sources like natural gas, coal, and nuclear.

Critics—from clean energy advocates and economists to some moderate Republican lawmakers—meanwhile warned that the bill undermines domestic innovation, harms high-growth clean energy communities (particularly in certain GOP districts), and surrenders leadership in green technology to nations like China.

Bottom Line

The One Big Beautiful Bill Act represents a decisive policy shift away from the federal clean energy agenda established under the Inflation Reduction Act and offers both new challenges and opportunities to KPP Energy and its members.



FERC Approves SPP's Fast-Track Plan to Boost Grid Reliability

SPP EXPEDITED RESOURCE ADEQUACY STUDY (ERAS) APPROVED JULY 21ST

The Federal Energy Regulatory Commission (FERC) has approved the Southwest Power Pool's (SPP) proposal to launch a one-time Expedited Resource Adequacy Study (ERAS), aimed at speeding up the addition of new power resources to support grid reliability across the region.

Approved on July 21, 2025, and effective July 22, the ERAS process gives load-responsible entities (LREs) like KPP Energy a faster path to interconnect new generation projects by 2030 to help offset expected capacity shortfalls as early as 2027. SPP estimates it could finalize agreements for selected projects by March 2026—months or even years faster than traditional queue timelines.

To qualify, projects must meet strict criteria: they must directly meet reliability needs, demonstrate development progress, and be ready for construction. The process is technology-neutral, meaning all resource types—including renewables, batteries, and gas—can participate if they meet the requirements.

FERC concluded that the ERAS framework is fair, non-discriminatory, and aligned with open-access principles. Commissioners highlighted the importance of matching reliability needs with credible, near-term solutions.

Some stakeholders continue to express concern that the ERAS could allow queue-jumping or unfairly benefit utility-affiliated projects. In response, FERC has required SPP to file additional compliance measures within 30 days to clarify how the process will be coordinated and monitored.

KPP Energy supported approval of the ERAS framework and believes it will aid in getting new generation built and online. As an example of the need for such a process, KPP's Walnut Energy Center project was entered into the SPP generation interconnection queue in 2020 and only received approval for the project – five years later – in early 2025.



Southwestern Power Administration Raises Rates

REVENUE NEEDS FOR SWPA INCREASED BY 22.8%

The Southwestern Power Administration (SWPA) recently announced the expected implementation of a cost increase would begin on June 1. Currently, five KPP members have SWPA allocations. However, those allocations are pooled and shared amongst the entire KPP membership.

The five members with hydropower allocations through SWPA are: Augusta, Clay Center, Mulvane, Wellington and Winfield. KPP receives 4.2 megawatts (MW) of firm power from SWPA for these allocations.

The revenue-needs increase stated by SWPA is 22.8 percent. This is SWPA's first rate increase since 2013. Some of the most notable drivers of the rate increase, according

to SWPA, are Army Corps of Engineers expenses, a recent increase in interest rates, inflation in the cost of materials for projects and increased transmission costs.

SWPA was established in 1943 and is one of four Power Marketing Administrations in the U.S. By law, SWPA's power is marketed and delivered primarily to public bodies such as municipal utilities and rural electric cooperatives. Southwestern has over one hundred such "preference" customers, and these entities ultimately serve over 10 million end-use customers. Its service territory includes Arkansas, Kansas, Louisiana, Missouri, Oklahoma, Texas.

David LaCerte Nominated to Fill Vacant FERC Seat

FORMER FERC CHAIR CHRISTIE'S LAST MEETING ON JULY 24

On July 17, 2025, President Donald Trump officially nominated David LaCerte to the Federal Energy Regulatory Commission (FERC) to complete the term ending June 30, 2026, previously held by Willie Phillips.

LaCerte currently serves as Principal White House Liaison and Senior Adviser at the Office of Personnel Management (OPM), a role he's held since earlier this year. Previously, he held senior advisory roles in the first Trump administration and at the U.S. Chemical Safety and Hazard Investigation Board. From 2023 to 2025, he practiced energy litigation at Houston-based Baker Botts, where he worked on energy and environmental safety matters.

If confirmed, his appointment would shift FERC's composition to a 3-2 Republican majority, complying with rules limiting seats to a maximum of three commissioners per party. The nomination has been referred to the Senate Energy and Natural Resources Committee and now awaits the standard Senate confirmation process.

In related news, at a FERC Open Meeting on July 24th, Chairman Christie announced that it would be his last. On X (formerly known as Twitter), Christie posted that he "will stay on for a short period into August to help get some very important work done that FERC needs to do. And I am going to NARUC this weekend for the FERC-NARUC meeting." During the press conference after the meeting, both he and the reporters talked about his being at FERC for "a couple" more weeks.

At the press conference, Christie declined to provide specifics on the work planned for his remaining time at FERC. In response to another question, however, he cited the Supplemental Incentives NOPR (which would have limited the RTO Adder) as something he regretted being unable to bring to completion during his tenure as Chairman, noting that he was unable to get the votes needed to issue that rule.



Event Calendar

2025 DATES TO REMEMBER

AUGUST 21, 2025

KMU Energy Summit

AUGUST 28, 2025

KPP Board Meeting

SEPTEMBER 24, 2025

KPP Board Meeting

SEPTEMBER 25, 2025

KPP Energy Conference

OCTOBER 5 - 12, 2025

Public Power Week

OCTOBER 23, 2025

KPP Board Meeting

NOVEMBER 7, 2025

Rate Forum

NOVEMBER 20, 2025

KPP Board Meeting

DECEMBER 12, 2025

Annual Membership Meeting

KPP Resources by Fuel Source

JUNE 2025

