

February 2026

KPP Energy Issues Caterpillar RFP

KPP ENERGY INVITES MEMBER CITIES TO SUBMIT PROPOSALS FOR NEW LOCAL GENERATION RESOURCES

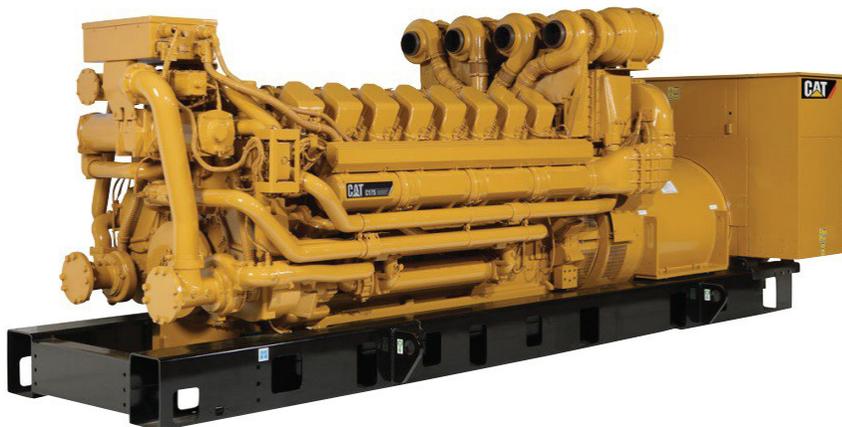
KPP Energy has issued a formal Request for Proposals (RFP) inviting member cities to participate in the ownership and siting of new local electric generation resources.

The initiative was approved by the KPP Board of Directors at its February 19th meeting as part of ongoing efforts to strengthen resource adequacy, enhance system reliability, and expand locally controlled generation. Through the program, member cities may propose suitable locations and ownership share structures for newly acquired generation units.

KPP Energy has secured four Caterpillar C175-16 Tier 4 packaged diesel generating units, each rated at approximately 3 megawatts (MW). Delivery of the units is anticipated during the second and third quarters of 2027.

Proposals submitted in response to the RFP will be evaluated and scored based on the criteria outlined in the RFP and Decision & Scoring Criteria documents.

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Caterpillar Engine RFP Issued

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Key evaluation factors outlined in the RFP and Decision & Scoring Criteria documents include:

- Proposed ownership share
- Site control and location suitability
- Transmission availability
- Available electric load relative to generating capacity

All proposals must be submitted no later than 5 p.m. on April 9, 2026. Submissions received after this deadline may be deemed non-responsive and may not be considered.

Member cities interested in participating are encouraged to carefully review the RFP materials and submit complete proposals by the stated deadline.

All communications, requests for clarification, and questions regarding this RFP must be submitted in writing to rfp@kpp.energy. To ensure fairness and transparency, KPP Energy will post all submitted questions and official responses to the designated KPP Energy SharePoint platform at rfp.kpp.energy for access by participating members.

In addition to strengthening KPP's resource adequacy position, the project is designed to enhance local generation capacity, improve system resilience, and provide greater flexibility in meeting future energy needs for the entire KPP membership.

EPA Repeals Endangerment Finding

MOST CONSEQUENTIAL SHIFT IN U.S. CLIMATE POLICY IN DECADES

In 2009, the Environmental Protection Agency's "Endangerment Finding" concluded that greenhouse gases, including carbon dioxide and methane, threaten public health and welfare—a determination that became the legal foundation for many proposed federal climate rules under the Clean Air Act.

On February 12, 2026, the EPA finalized a rule rescinding that finding, arguing that the earlier interpretation should be reversed. The action represents one of the most consequential shifts in U.S. climate policy in decades, because the endangerment determination has been a prerequisite for regulating greenhouse-gas emissions from power plants and new motor vehicles.

The final rule is expected to draw immediate lawsuits from states and environmental and public-health

groups, setting up a fight over whether EPA adequately justified departing from prior scientific conclusions and earlier court rulings.

Supporters of the rescission say it reins in what they view as regulatory overreach and could reduce compliance costs for electric utilities, automakers and other industries. Opponents counter that the scientific evidence of climate-related harms remains strong and that removing the finding could undercut future federal limits on greenhouse-gas pollution.

Even if the repeal stands, legal uncertainty may persist for years as courts evaluate the agency's reasoning under administrative-law standards, including whether the change is "arbitrary and capricious." States will also need to reconsider how their own climate programs interact with shifting federal policy.



KPP Participates in APPA Legislative Rally

JOHNSON, THURSTON, WALL & HANSEN HEAD TO CAPITOL HILL



This past week, representatives from KPP Energy participated in the American Public Power Association (APPA) Legislative Rally in Washington, D.C. The legislative rally is held each year to provide public power an opportunity to share issues and concerns with Congressional offices and to set national policy on a wide variety of topics.

Kansas Municipal Utilities (KMU) organizes the Hill visits on behalf of the delegation and leads the meetings. This year, 15 individuals representing municipal utilities attended the rally and held meetings with Kansas Representatives and Senators.

Representing KPP Energy were KPP President Tim Johnson (City of Augusta), Past President Lou Thurston (City of Hillsboro) and Taggart Wall (City of Winfield). KPP Energy CEO Colin Hansen also attended and participated.

During Hill visits with all six Congressional offices, the key messaging focused on affordability, generation, finance,

resiliency, and infrastructure & local authority. Specific items brought to the Kansas delegation's attention were the importance of municipal bonds and elective pay, hydropower through the power marketing administrations like WAPA and SWPA, FEMA restructuring, and potential federal preemption of pole attachment authority.

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L to R: Tim Johnson (Augusta), Greg DuMars (KMU), Jonathan Mitchell (Hoisington), Senator Jerry Moran, Jose Chan (Garden City), Josh Bedel (McPherson BPU), Colin Hansen (KPP Energy) & Brad Mears (KMU).



L to R: Jonathan Mitchell (Hoisington), Jose Chan (Garden City), Dustin Bedore (Goodland), Stacie Eichen (Wamego), Terri Pemberton (KMEA), Congressman Tracey Mann, Brad Mears (KMU), Greg DuMars (KMU), Colin Hansen (KPP Energy) & Josh Bedel (McPherson BPU).



KPP Participates in APPA Legislative Rally

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During the meetings, Hansen specifically noted proposed language in the Farm Bill that would restrict the ability of USDA to fund solar energy projects that are built on land currently being farmed. Section 9012 of the Farm Bill would apply in situations where more than five acres of covered farmland are utilized to build solar farms. Such language, if passed, could potentially be problematic for the KPP PACE Solar Project.

The Legislative Rally and Congressional Hill visits are an important component of advocacy with our national, state and local leaders. Our thanks to Brad Mears, Greg DuMars, Kimberly Gencur Svaty and Lori Ediger for their hard work in organizing another successful rally.



L to R: Greg DuMars (KMU), Colin Hansen (KPP Energy), Congressman Derek Schmidt, Terri Pemberton (KMEA) & Brad Mears (KMU).



L to R: Brad Mears (KMU), Tim Johnson (Augusta) & Taggart Wall (Winfield) outside the office of Congressman Ron Estes.



L to R: Terri Pemberton (KMEA), Jeremy Ash (Kansas City BPU), Congresswoman Sharice Davids, Colin Hansen (KPP Energy), Greg DuMars (KMU), Kimberly Gencur Svaty (KMU) & Amber Oetting (Kansas City BPU).



KPP PACE Project Update - Advancing from Engineering Completion into Execution

JAMES GING, CHIEF OPERATIONS OFFICER



As of February 10, 2026, the KPP Solar Portfolio is transitioning from engineering and procurement into the execution phase. Major engineering achievements have occurred at each site, equipment orders are secured with confirmed

delivery timelines, and construction plans align with both permitting and interconnection needs.

This progress positions the portfolio to move into coordinated field activity while keeping visibility into schedule, cost, and community commitments.

Engineering Status: Largely Complete

Engineering activities across the portfolio are complete.

All civil engineering packages are complete for each site, and most locations have received their electrical Issued for Construction (IFC) documents. There are only a limited number of outstanding electrical IFC issues, which are currently being resolved. Final approvals for the remaining sites are expected to be granted soon.

Medium voltage overhead distribution interconnection engineering has been completed for all projects, enabling prompt transition to construction once installation contracts are awarded. This milestone materially reduces downstream execution risk.

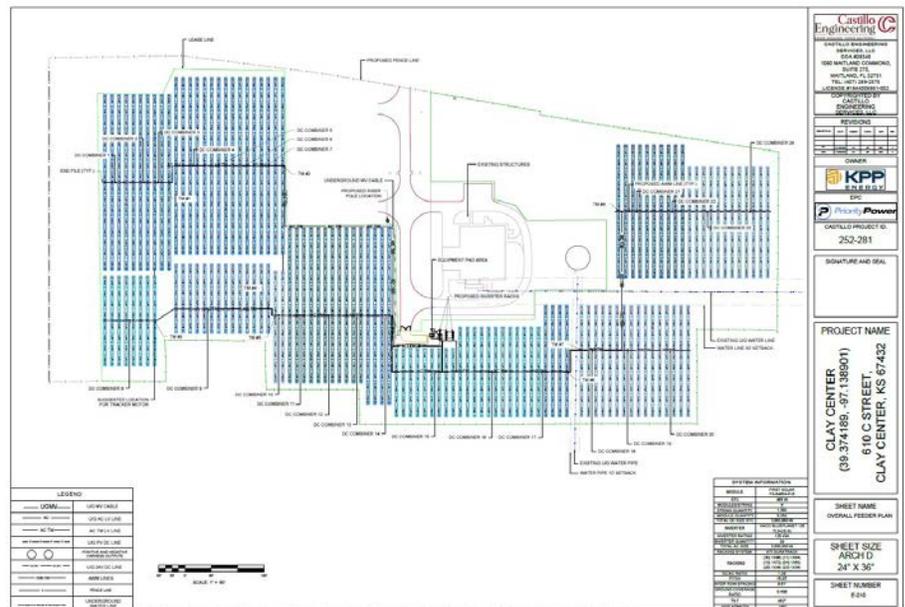
Procurement: Major Equipment Secured

The procurement process for long lead equipment has progressed significantly. Orders are in place with Siemens for string inverters, panelboards, and related components. Siemens engineering submittals have received approval, and production timelines are set through the second quarter and into early third quarter of 2026. Additionally, a new tariff affecting inverters was found; the resulting cost increase will be managed transparently as a direct pass-through item to KPP Energy.

Delivery timelines are scheduled at each location from April to June 2026, allowing construction to proceed in stages and minimizing material congestion on site.

The pricing for the Data Acquisition System (DAS) has been completed at every location, and overall costs for

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KPP PACE Project Update

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the portfolio are currently tracking under the initial budget. Purchase orders will be released following final electrical IFC issuance.

Construction Readiness and Compliance

Pile and racking designs have been approved across the portfolio, with deliveries scheduled between late April and early June depending on site. Building and electrical permitting is actively underway, with several permits already granted and others in process at the local level. Transformers are staged and ready at most locations, with only limited corrective actions found.

Contractor procurement is proceeding in alignment with Community Benefit Plan requirements, including prevailing wage compliance, apprenticeship participation, and local contractor engagement. Bid processes for civil,

mechanical, and electrical scopes are either underway or scheduled for release.

Safety and Community Interface

Safety and community coordination remain priorities. Updated safety signage and site access protocols have been developed for the Greensburg location to ensure safe coordination with the adjacent shooting range, reinforcing both worker safety and community awareness.

Outlook

With engineering completed, equipment procured, and construction planning in process, the KPP Solar Portfolio is positioned to enter the execution phase over the coming months. Ongoing focus will remain on schedule discipline, cost transparency, and member communication as site activities ramp up.



Winter Storm Fern Presents Challenges - KPP Responds

ERIC ALEXANDER, CHIEF STRATEGY OFFICER



It's mid-January, over a week before winter storm Fern begins to wreak havoc for a majority of the eastern half of the United States. KPP staff starts noticing dramatic forecast differences amongst the major weather models, starting around January 24th for several cities within the

SPP footprint as well as the production areas within Texas.

Over the next few days, the models start aligning and confirming that the central and eastern parts of the United States were going to see some seriously cold weather with the chance of snow and ice.

At this point, staff starts discussing what information needs to be gathered and processes implemented as well as reaching out to the generating members just to reiterate the cold weather risk and to take all precautions with fuel selection and deliveries.

Taking lessons learned from the February 2021 winter storm Uri, our CFO assessed KPP's cash position to account for the possibility that additional collateral might be needed to support gas purchases for our share of the Dogwood gas fired power plant. KPP staff has conversations with our gas supplier to gain insight into whether they're anticipating any operational issues within our footprint. Another prolonged arctic blast? Rinse and repeat.

FERN Arrives

As the cold weather started to settle in, staff began having morning and afternoon meetings, sharing information, discussing not only operational and market highlights but also how our communities were faring. Those meetings produced timely information that our CEO included in a daily update to the membership.

As part of the daily monitoring, staff worked closely with our cities and gas supplier to discuss any anticipated natural gas supply disruptions that could affect our members' ability to generate. Staff also had several discussions with our energy business partner Tenaska Power Services, discussing what they were hearing not only in SPP, but neighboring systems. The teams shared information that helped frame energy price risk, helping formulate KPP's strategic approach to reduce membership costs.

KPP's Resource Performance

KPP's generating cities are split between SPP registered units that require hourly pricing and operating data sent to SPP and non-registered behind the meter generation that requires operating characteristics and availability sent to SPP once Conservative Operations are declared.

For those registered units that operate on natural gas and received SPP dispatch instructions, those units generally performed well and saw minimal gas supply disruptions, but the pipeline operations did have to be constantly monitored.

For those non-registered units that run on diesel, SPP's average pricing didn't warrant the need to dispatch

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Winter Storm Fern Presents Challenges - KPP Responds

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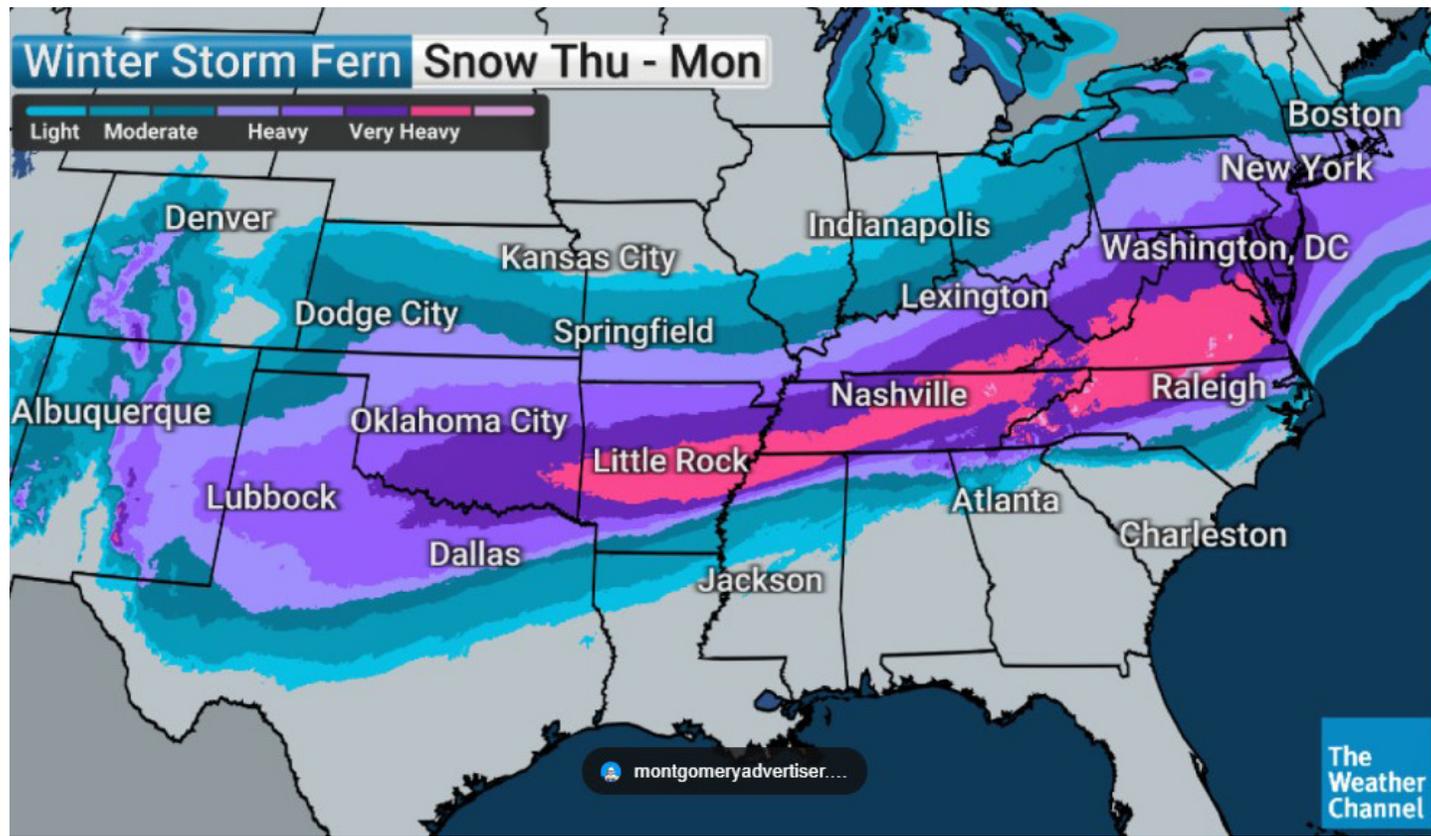
those units, but KPP was grateful they were ready and able to respond if prices escalated much further.

KPP is also a joint owner in the Dogwood gas fired combined cycle power plant which performed very well both operationally and financially during Fern. Dogwood owners have supported strategies to both ensure natural gas deliveries during tight supply and purchasing gas in advance which lessen the facilities overall cost during high pricing events. The combination of those two decisions helped Dogwood maintain high reliability and therefore significant revenues during the cold snap.

Overall Impact To KPP

It goes without saying, companies are as strong as the decisions their leadership and board make, strategically positioning themselves to withstand economic uncertainty. KPP has invested in assets to protect the agency from exorbitant market costs and continues to evaluate additional opportunities. KPP also maintains a strong cash position to help negate unanticipated rate shocks. Those decisions not only reduced KPP's exposure to Fern but allowed KPP to report to its members there was **no increase in the energy cost adjustment** for January.

Thanks again to all the hard work by the KPP membership during another tumultuous winter storm!



Behind Every Switch: Electric Utility System Operations Training at KPP

LESLIE ATHERTON, DIRECTOR OF MEMBER SERVICES

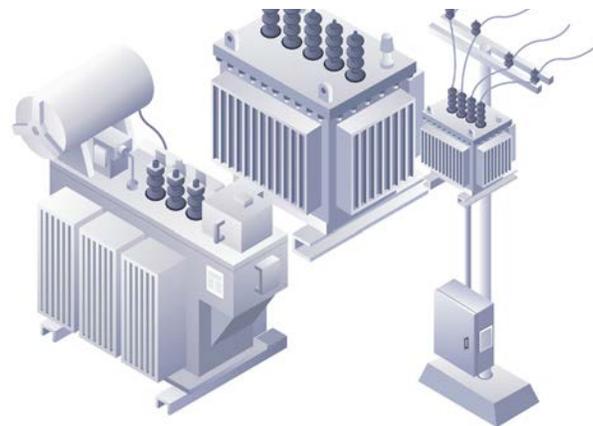


KPP Energy is proud to host a two-day Electric Utility System Operation (EUSO) course on May 11–12 in Wichita, offering a deep, practical look at how electricity moves from generation to the end-use customer. Designed for technical staff with fewer

than six years of experience and for non-technical employees at any stage, the class walks participants through the fundamentals of power systems in a clear, connected way.

EUSO begins with the building blocks of electricity, exploring voltage, current, and the differences between AC and DC. From there, the course follows the path of energy through generators, substations, transmission and distribution systems, and ultimately into homes and businesses. Participants will explore single-phase and three-phase generation, grounding, transformers, voltage control, protective equipment, and the relationships between load, demand, and energy. The course concludes with a guided system review, identifying real-world equipment across substations and switchyards.

This training is valuable well beyond line crews and engineers. IT staff, maintenance crew members, warehouse personnel, meter readers, billing staff, purchasing staff, and employees in accounting, HR, communications, and administration will all benefit from understanding how utility systems function and how their roles support reliable service.



Instruction will be led by Skip Collier, founder and lead instructor of Professional Training Systems, Inc. With more than 40 years of utility training experience and a career spanning Bonneville Power Administration, General Electric, and higher education, Skip brings a rare combination of technical depth and teaching skill. Thousands of utility professionals across North America have attended his courses, making EUSO one of the most widely taken trainings of its kind.

Event Details

May 11–12

KPP Energy Headquarters, 2229 S. West, Wichita

- *Light breakfast and lunch provided*
- *Each member utility may send one attendee at no cost; additional registrations are \$530. (However, if the no-cost registrant does not attend and a substitute is not sent, the \$530 registration fee will be assessed to the member utility.)*
- *Room block information and registration available soon at www.kpp.energy*

Deadline to register is: Noon on Friday, May 1st

Questions may be directed to Director of Member Services, Leslie Atherton.



February Board Meeting Review

COLIN HANSEN, CEO / GENERAL MANAGER



The KPP Energy Board of Directors held their regular monthly meeting on February 19th at the KPP Energy offices in Wichita. A summary of highlights and other additional information and activities from the meeting is provided here.

December 2025 and January 2026 ECA

The ECA covering December 2025 showed total costs were under budget by \$193,969. Transmission costs were below budget \$69,993; energy costs were above budget \$203,585; and capacity costs were below budget \$326,639. In terms of sales, demand and energy were both below budget by 5% and 4%, respectively. The resulting ECA was \$0.00057 versus budgeted \$0.001038.

January's ECA results showed total costs were under budget by \$213,110, largely due to \$500,000 being transferred from the Emergency Stabilization Fund in recognition of Winter Storm Fern. Transmission costs and energy costs were below budget by \$46,785 and \$279,679, respectively. Capacity costs were above budget \$113,965. Ultimately, this resulted in an actual ECA of negative \$0.00004 versus budgeted positive \$0.00153.

Financial Statements

Chief Financial Officer Vickie Matney presented written (preliminary) financial statements for the period ending December 31, 2025, showing a net position of \$46.8 million and total assets at \$166 million. Collection and Disbursement of Generation Resource ECA Funds totaled \$9 million as of December 2025.

Emergency Stabilization Fund Transfer

KPP Energy maintains an Emergency Stabilization Fund (ESF) to offset extraordinary costs to member cities incurred because of emergency events. The KPP Board authorized the transfer of \$500,000 from the ESF to the Operating Fund at the recommendation of staff.

Generator Repair Fund

Mike Shook, Director of Energy Services, informed the Board that two applications for assistance from the Generator Repair Fund have been received. One is from Wellington for the repair of their boiler feed pump, and the other is from Winfield for their steam control valve rack and steam leak. The total repair requests as submitted are \$358,417. Fifty percent of requests are in the form of grants.

2026 Work Plan

CEO & General Manager Colin Hansen presented the 2026 work plan related to the objectives outlined in KPP Energy's Strategic Plan. This included tasks to support existing member-owned generation as well as work to add capacity, including Dogwood Energy Facility expansion, evaluation of Walnut Energy Center, completion of the PACE project, and added local generation from the CAT project. Plans to offer education, outreach, and member assistance were outlined under Member Engagement and Support.

Generation Repair Fund Modifications

Director of Energy Services Mike Shook presented a request to the KPP Energy Board to amend the Generation Repair Fund policy to provide a monthly "invoice" option for reimbursement of assistance. Shook clarified that, to allow this, the requesting member would need to adopt a new Power Purchase

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February Board Meeting Review

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Agreement with a revision to broaden the definition of “Facilities Charge.” Members were provided with a proposed resolution, as prepared by General Counsel, J.T. Klaus, to implement the policy change allowing for the “invoice” option. After brief discussion, this was ultimately adopted.

Caterpillar C175-16 Packaged Engine Gen-Sets RFP

CEO Colin Hansen presented the proposed Request for Proposal (RFP) related to Caterpillar packaged engine-generator sets. He provided an overview of the decision criteria, including ownership structure options, property for siting, transmission availability, and available load versus generating capacity. He also covered general eligibility information, including reliability assessment, distribution capacity and interconnection, and generator fueling. Following an executive session, Board members unanimously voted to approve the RFP.

Winter Storm Fern Post-Mortem

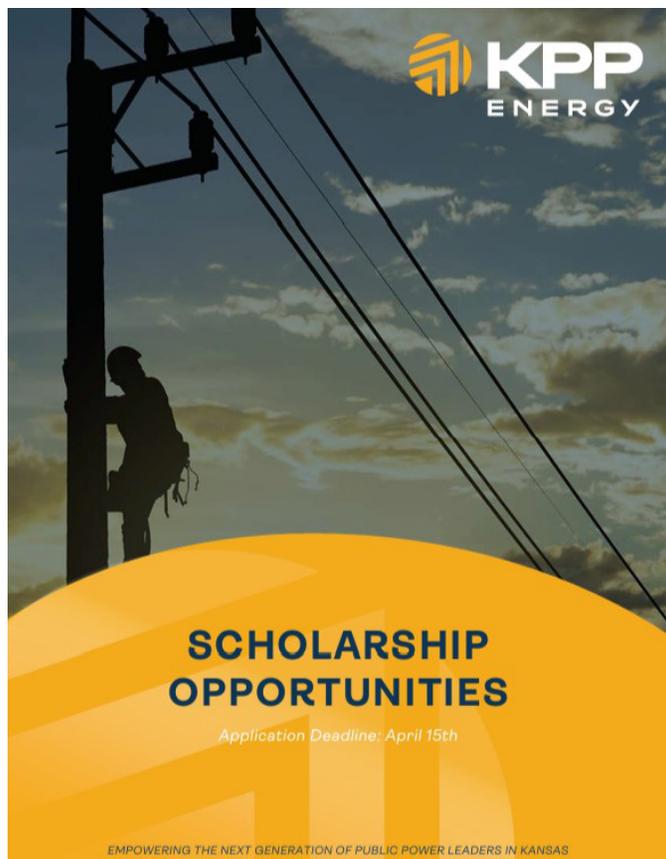
Chief Strategy Officer Eric Alexander provided an overview of what occurred with location marginal prices during Winter Storm Fern in the Southwest Power Pool (SPP) footprint. He outlined the challenges brought on the electric industry and KPP Energy because of the storm and the strategies that allowed KPP to operate with minimal fiscal impact. He expressed gratitude for those KPP members that generated or were prepared to generate during the storm.

Update on Refunding of 2015 A Bonds

Chief Financial Officer Vickie Matney reported on the refunding of the 2015A bonds, which was originally presented in October of 2025 and then turned unfavorable in November. Savings are now estimated to be favorable and could provide KPP members with in excess of \$275,000 in savings. KPP staff is pursuing.



KPP Energy Scholarship Program: Applications Open Through April 15



Undergraduate applicants should plan to study in fields connected to the electric utility industry, including engineering, energy management, electrical technology, accounting, communications, mathematics, science, or economics. Line worker applicants must intend to enroll in an approved technical college powerline or electrical line worker program.

Applications are due April 15. Following an eligibility review, applicants will be evaluated using a 100-point rubric that considers academic readiness, alignment with industry needs, financial need, and community involvement. Finalists will be presented to the KPP Board for approval, with attention to equitable representation across member communities.

KPP staff began outreach to school counselors in January, and scholarship materials have been shared with member utilities and posted on the KPP Energy website. We encourage each member city to help amplify this opportunity by sharing information locally with schools, families, and civic organizations. Investing in students today helps ensure strong public power communities tomorrow. Thank you for helping us connect with the next generation of leaders, lineworkers, and professionals who may one day serve the very communities that raised them.

The future of public power starts at home, and KPP Energy is once again inviting member communities to help spread the word. Applications are now open for the 2026 KPP Energy Scholarship Program, an initiative designed to support local students while strengthening the long-term workforce that keeps our municipal utilities running strong.

Through this program, KPP Energy will award up to six one-time scholarships this spring: three for students pursuing undergraduate degrees and three for students enrolling in an accredited line worker program. Eligible applicants must be high-school seniors who live in a household receiving electric service from a KPP member city and who plan to enroll full time in the fall semester.



Event Calendar

2026 DATES TO REMEMBER

MARCH 19, 2026
KPP Board Meeting

APRIL 16, 2026
KPP Board Meeting

APRIL 18, 2026
Lineworker Appreciation Day

APRIL 22 - 24, 2026
KMU Conference

APRIL 23, 2026
KPP Member Appreciation Event

MAY 11-12, 2026
Electric Utility System Operations (EUSO) Training

MAY 21, 2026
KPP Board Meeting

JUNE 18, 2026
KPP Board Meeting

JUNE 26 - JULY 1, 2026
APPA National Conference

KPP Resources by Fuel Source

JANUARY 2026

