



**KANSAS ELECTRIC POWER COOPERATIVE, INC.**

# NEWSMAKER

A Touchstone Energy® Cooperative



Summer 2017

## The Changing Industry



Marcus Harris

We talk a lot about the changes taking place across the economy and in the electric utility industry. Electric cooperatives are not immune to these changes, but we are in a great position to embrace them and help our members be more productive and comfortable in their day-to-day lives. Many of the changes and choices now available are driven by technology and consumer demand for solutions that allow them to manage their energy costs, environmental footprint, and other factors. As a member-owned generation and transmission cooperative, KEPCo sees these changes as both opportunities and challenges. We are working to ensure that our cooperative enables our member distribution cooperatives to offer these technologies, while maintaining the reliability and financial integrity of our system and the electric grid.

Among the technologies impacting our industry are solar photovoltaic units, battery storage, efficient lighting and appliances, smart home devices, and electric vehicles. Each of these technologies continues to advance day-by-day and year-by-year, and each one has a unique impact on the electric grid. Some of these technologies add load to the grid, some reduce load on the grid, and some shift loads from one time to another. Implementation of new technologies and other industry changes in the coming years will likely require changes to rate design and cost recovery to ensure that all members pay a fair share of the costs to maintain the grid we enjoy today and in the future.



Prairie Sky Solar

KEPCo installed its first utility-scale solar farm earlier this year. Prairie Sky Solar was placed into service on February 21 and has operated well. Prairie Sky Solar was added to KEPCo's already diverse energy mix to supply energy throughout the year with the added benefit of offsetting capacity needs over KEPCo's summer peak. For decades, KEPCo and its member cooperatives have managed peak loads using various demand-side management programs and initiatives. This peak management has resulted in millions of dollars in savings for our member cooperatives and ultimately, the members of our member distribution cooperatives. With the addition of Prairie Sky Solar, KEPCo's non-greenhouse gas emitting resource mix improves, so that we now generate approximately 53% of our energy with non-GHG resources! Very few utilities across the country can make such a claim. This is a "shining" example of technology improving service to our members.

## **NRECA Legislative Conference**

A contingent of 20 Kansas electric cooperative representatives attended the NRECA Legislative Conference in Washington, D.C. on April 23, 24, and 25. Marcus Harris, EVP & CEO, Phil Wages, Director of Member Services, Government Affairs, and Business Development, and Bill Riggins, KEPCo's attorney, represented KEPCo at the conference.

Over 2,000 electric cooperative representatives from across the country were present in Washington to convey industry issues to their respective congressional leaders. Each year the conference is the largest electric cooperative grass roots event in the nation's capitol. "This conference enables electric cooperative representatives from each state to further enhance strong relationships with their respective congressional delegation and to communicate our collective concerns as Congress debates issues that affect our industry. The conference also provides our Kansas contingent the opportunity to express ideas and concerns to our Kansas delegation that are specific to Kansas electric cooperatives and rural Kansans," said Marcus Harris.

Issues discussed with the Kansas delegation included supporting the RUS loan program; geothermal, nuclear energy, and carbon capture tax credits; protecting the funding for the Low Income Home Energy Assistance Program; and modernization and reform of the Endangered Species Act (Lesser Prairie Chicken).



Kansas electric cooperative representatives at the NRECA Legislative Conference in Washington, D.C. meet with Senator Pat Roberts to discuss electric cooperative issues.

## KEPCo Attends Member Annual Meetings

Senior staff of KEPCo attended each of KEPCo's nineteen member electric cooperative's annual meetings and KEPCo's marketing display was exhibited at nine of the meetings as well. Marcus Harris, KEPCo's EVP & CEO spoke at several of the meetings, providing a wide-range of information on topics such as: the relationship of KEPCo to its member cooperatives; information about KEPCo's diverse power supply, in particular the amount of energy derived from non-greenhouse emitting resources; Prairie Sky Solar; the status of the Clean Power Plan; and the need for a diverse and flexible power supply in the future.



Marcus Harris providing remarks at Bluestem's annual meeting.

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## KEPCo Hires Director of Strategy



Suzanne Lane has been hired as Director of Strategy. Suzanne is not a new face among the electric cooperatives. Suzanne previously worked 19 years for Westar Energy. Suzanne's last role at Westar Energy was Manager of Customer Relations, where she led a team that managed key accounts and wholesale customers.

In her new role at KEPCo, Suzanne will be responsible for coordinating strategy development related to transmission, new technology implementation, power supply, and demand management.

Suzanne Lane

Suzanne and her husband, Martin, are from Topeka and have two daughters, Harper (8) and Paxton (6). Suzanne attended Seaman High School, is a graduate of Fort Hays State University with a BBA in Finance and an MBA from Washburn University.

In her spare time, Suzanne likes to cook, travel, and spend time with her family.

Welcome aboard Suzanne!

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## KEPCo Selects Engineering Intern



Luke Zahner

Luke Zahner of Overland Park, KS was selected as the recipient of the Stephen E. Parr Engineering Internship. Luke attended Blue Valley Southwest High School and is a senior at Kansas State University, majoring in Electrical Engineering.

During his summer with KEPCo, Luke worked on work plans for Bluestem and FreeState, a sectionalizing study for Lyon-Coffey, and a mapping project for Bluestem.

## 2017 Legislative Wrap-Up



Kansas Capitol

Most of the 2017 legislative session was devoted to developing a new tax plan, passing a balanced budget, and increasing K-12 education funding. No legislation was passed out of either the House or Senate utilities committees.

Early discussions of methods to fund K-12 education included imposing a fee on electric, natural gas, and water customers. The funding method was brought forth via SB281 in the Senate Select Committee on Education. Each utility impacted by the proposed fees lobbied against the

proposed funding method and offered joint testimony in opposition to the method. The testimony centered around the impact to consumers / members and the administrative difficulties imposed from the implementation of fees. An amendment was offered in committee that stripped the fees from the bill. The amendment was approved by the committee.

Since the fee proposal could have been brought back at any point during the remainder of the session, utility lobbyists remained vigilant in the subsequent weeks by staying in front of and visiting with legislators, expressing our concerns and opposition to the funding method.

In the end, legislators chose not to generate additional revenue through utility fees. Rather, K-12 education will be funded with a new school finance formula package.