

## MINUTES

### KANSAS ELECTRIC TRANSMISSION AUTHORITY

December 18, 2015

Kansas Corporation Commission, 1500 SW Arrowhead Road, Topeka, KS

#### Members Present

Earnie Lehman, Chairman  
Representative Dennis Hedke, Vice-chairman  
Tim McKee, Secretary  
Les Evans  
Senator Marci Francisco  
Representative Annie Kuether

#### Member Absent

Senator Rob Olson

#### Staff Present

Cindy Lash, Kansas Legislative Research Department  
Heather O'Hara, Kansas Legislative Research Department  
Matt Sterling, Office of Revisor of Statutes  
Nick Myers, Office of Revisor of Statutes  
Rebecca Cole, Committee Assistant

*Mr. Evans moved to approve the minutes of the September 22, 2015, meeting; seconded by Mr. McKee. The motion carried.*

Chairman Lehman recognized Cindy Lash, Kansas Legislative Research Department, for discussion of the Expenditure Report. The report showed an ending balance of \$251,382 for FY 2015, and \$288,339 as of November 30, 2015 (Attachment 1).

The Chairman opened the public comment portion of the meeting, which addressed the question of how Federal Energy Regulatory Commission (FERC) Order 1000 has impacted or will impact Kansas.

- Clare Gustin, Vice-President, Member Services and External Affairs, Sunflower Electric Power Corporation, reviewed the purpose of FERC Order 1000 and described the risks to ratepayers created by the Order. Ms. Gustin discussed the first project in the country to be subject to FERC Order 1000, Phase II of the Walkemeyer Project, which is in Sunflower's service territory. She indicated, because the increase in electric demand forecast for that area has not

materialized, the project is not needed at this time and will place a financial burden on Sunflower's ratepayers. Prior to FERC Order 1000, Sunflower was able to cancel projects that were not needed, but companies awarded the right to build transmission under the FERC Order 1000 competitive bid process have no incentive to request cancellation of projects. Ms. Gustin noted five midwestern states (Minnesota, Nebraska, North Dakota, Oklahoma, and South Dakota) have enacted state Right of First Refusal (ROFR) laws. In addition, New Mexico is considering ROFR legislation ([Attachment 2](#)).

- John Olson, Executive Director, System Operations and Transmission Development, Westar Energy, stated an unanticipated effect of FERC Order 1000 is that utility representatives involved in transmission planning may be less likely to share information because it could affect their competitive process. At this time, the Southwest Power Pool (SPP) has only one competitive project. Because the project is small, and many companies are competing to build it, SPP is incurring high overhead costs. He stated the planning process needs to be streamlined for small projects to reduce delays.
- ITC Great Plains submitted written testimony expressing support for the goals of FERC Order 1000 and noted it is too early to evaluate the processes used to implement the Order or the impact of the Order ([Attachment 3](#)).

The Chairman directed members' attention to the written updates on transmission projects provided by ITC Great Plains and Westar Energy on the Summit to Elm Creek project and by Clean Line Energy on the Grain Belt Express project ([Attachments 4, 5 and 6](#)).

Ms. Lash reviewed a draft of the 2015 KETA Annual Report. The Board authorized Chairman Lehman to work with staff to finalize the report for submission to the 2016 Legislature ([Attachment 7](#)).

The next quarterly meeting of the SPP Regional State Committee and Board of Directors Members Committee is January 25-26, 2016, in Oklahoma City, Oklahoma. The Committees will meet again on April 25-26, 2016, in Santa Fe, New Mexico ([Attachment 8](#)). Chairman Lehman will attend the January meetings *via* phone conference. Mr. McKee may attend in person.

Senator Francisco discussed the SPP quarterly meetings she attended on October 25-26, 2015. She stated there was discussion and approval of SPP's budget for the upcoming fiscal year, including salary increases for commissioners. The states of North Dakota and South Dakota were welcomed as new SPP members. SPP reported it reached a settlement agreement in its lawsuit with the Midwest Independent System Operator (MISO) regarding compensation to SPP for use of SPP's lines to transmit power between MISO and its newest member, Entergy, which is geographically separated from the rest of MISO. SPP reiterated its position that a regional plan to comply with Clean Power Plan requirements will be the most cost-effective approach.

Senator Francisco and Representative Hedke reported on the legislative tour of SPP. They received substantive presentations as well as a behind-the-scenes tour of the facility and its operations.

Members offered topics for future meetings. Suggestions included the following:

- Consider whether KETA should shift its focus to the need for lower voltage lines that affect primarily local communities;
- Stay abreast of what is happening with the Clean Power Plan, including discussion of how it will affect transmission development in Kansas, cost allocation, and how Kansas maximizes its natural resources;
- Consider whether KETA will have a position on potential ROFR legislation for Kansas; and
- Continue to monitor the status of the Grain Belt Express Clean Line.

The meeting was adjourned at 11:05 a.m.

Respectfully submitted,  
Tim McKee, Secretary

Approved by KETA members on:

March 28, 2016  
(Date)