

MINUTES

KANSAS ELECTRIC TRANSMISSION AUTHORITY

January 22, 2010
Room 546-S—Statehouse

Members Present

Representative Carl Holmes, Chairperson
Earnie Lehman, Vice-chairperson
Tim McKee, Secretary
Senator Pat Apple
Les Evans
Senator Janis Lee

Staff Present

Cindy Lash, Kansas Legislative Research Department
Iraida Orr, Kansas Legislative Research Department
Kristen Kellems, Office of the Revisor of Statutes
Matt Sterling, Office of the Revisor of Statutes

Chairperson Holmes called the meeting to order at 1:05 p.m. He proposed several additions to the agenda, and asked for approval of the agenda. *Senator Lee made, and Mr. McKee seconded, a motion to approve the agenda as amended. The motion passed.*

The Chairperson congratulated Mr. McKee, whose appointment to KETA was approved by the Kansas Senate on January 21, 2010.

The Chairperson opened nominations for election of officers. *Senator Lee made, and Mr. Evans seconded, a motion to elect Representative Holmes as Chairperson. The motion passed. Senator Lee made, and Mr. Evans seconded, a motion to elect Mr. Lehman as Vice-chairperson and Mr. McKee as Secretary. The motion passed.*

Chairperson Holmes asked Board members and staff to introduce themselves, as KETA has three newly-assigned staff members.

The Chairperson asked for approval of the minutes of December 18, 2009. *Mr. Lehman made, and Mr. McKee seconded, a motion to approve the minutes. The motion passed.*

The Chairperson recognized Cindy Lash, Kansas Legislative Research Department, who presented the November 2009 expenditure report ([Attachment 1](#)). The Chairperson asked that the Board be provided a copy of the Governor's 2011 budget recommendation for KETA.

The Chairperson recognized Mr. Evans for a report on recent meetings of the Southwest Power Pool (SPP). Mr. Evans discussed activities of the Markets and Operations Planning Committee and the Strategic Planning Committee. SPP staff will release the results of its analysis on priority projects at a workshop to be held in Dallas on February 10, 2010. The information will be presented for stakeholder review and comment. It seems likely the Regional State Committee will recommend filing the highway/byway method of cost allocation with the Federal Energy Regulatory Commission (FERC). Once a cost allocation method has been approved by FERC, approval of priority projects with a known cost allocation method could proceed.

Chairperson Holmes and Senator Lee will represent KETA at an SPP Markets workshop and the SPP Board of Directors meeting in New Orleans on January 25-26, 2010.

Chairperson Holmes noted that Governor Parkinson, in his State of the State message, reported he is creating a Cabinet team to move forward on energy policy, including opportunities to bring transmission and wind farms to Kansas. The Chairperson invited Lieutenant Governor Findley, who will lead the team, to attend KETA meetings. The Lieutenant Governor will be asked to address the Board at an upcoming meeting ([Attachment 2](#)).

The Chairperson recognized Don Ford, Westar Energy for a discussion of Westar's recent announcement that it has selected a site near Spearville for development of up to 500 megawatts (MW) of wind energy. The company plans to build out the first 200 MW for service in 2011 or 2012. Westar will need 160-200 MW to meet the requirements of the state's renewable portfolio standard in 2011.

The Chairperson recognized Mr. Lehman for a discussion of the KETA Business Plan. The Board's comments are reported by section below.

I. Monitor active projects

The Board actively monitors the KETA Project, various Westar projects, and the V-Plan.

II. Support development of a region-wide bulk transmission system

II-A The Board is participating actively in the SPP planning processes.

II-B The Board can defer its evaluation of KETA financing alternatives and impacts while the highway/byway and base plan issues are being addressed by SPP.

II-C KETA may want to become more involved in monitoring and supporting the Eastern Interconnection Planning Collaborative (EIPC). This issue may be delayed until summer, when the Board may request a briefing from SPP; from ITC Great Plains, which holds a seat on the Executive Committee of the EIPC; or from Midwest ISO (MISO).

III. Develop a transmission plan for Kansas that enhances economic development, service reliability and energy security

Members noted this section of the plan is independent of the SPP. This section deals with lower voltage lines, transmission dependent utilities, and security at a level SPP would not normally address. Some of the points raised during discussion are listed below.

- KETA needs to identify the stakeholders for this section of the plan;
- Economic development and service reliability are important issues in communities that need tools for bringing in less expensive electricity;
- It would be helpful to know the current status of transmission in Kansas and areas of congestion;
- SPP's migration to the new Integrated Transmission Plan should result in more robust transmission that will value economic development;
- The federal Energy Policy Act of 2005 created an electric reliability organization, the North American Electricity Reliability Corporation (NERC), which has regional components. KETA may want to invite someone involved with NERC compliance to address the Board; and
- There may be transmission needs in Kansas that are below the threshold of issues with which SPP deals.

To address the last point, KETA may want to send a letter to load serving entities, regulators, and others that lays out the SPP planning process in brief and asks whether the entities have concerns that are outside the SPP process that KETA could address.

Chairman Holmes would like to have an update to the report "Kansas Electric Generation: Capacity and Peak Load, 2008 to 2028", prepared by the Kansas Energy Council in 2008. The Energy Information Agency has reduced its projections of load growth significantly.

IV. Facilitate renewable energy development

The Board will take up this topic after the SPP makes a decision on the V-Plan.

V. Build partnerships with other State Infrastructure Authorities

Mr. McKee will send a letter to the other state infrastructure authorities asking to be kept informed of their activities.

VI. Make policy recommendations to the Governor and the Legislature, as appropriate, regarding improvements to Kansas' electric transmission system

This is the outcome of the Board's process, and does not need to be separately addressed.

The Chairperson recognized Tom Stuchlik, Westar Energy, for an update on the company's current transmission projects. He reported that the line from Reno to Summit is expected to be completed in mid-September, 2010. Westar continues to acquire right-of-way for the Rose Hill to Sooner line, and anticipates the project will be complete in mid-2012. Oklahoma is progressing on approximately the same time frame for its portion of the line.

The Chairperson recognized Carl Huslig, ITC Great Plains, for an update on the KETA project. Regarding Phase 1, from Spearville to Knoll, the company expects to have right-of-way acquired by mid-summer 2010, pending any condemnation proceedings. This portion of the line is expected to be in service by the end of 2011. Regarding Phase 2, from Knoll to Axtell, a siting application will be submitted to the Kansas Corporation Commission in March. ITC Great Plains has been meeting with Nebraska officials to determine exactly where the line will cross the state line. The eastern corridor appears most likely. The target for completing Phase 2 is the end of 2012.

The Chairperson asked staff to poll Board members regarding their availability for a KETA meeting during the weeks of April 5 and April 12.

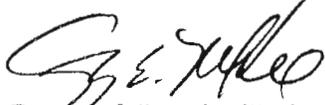
The Chairperson asked for a motion to go into executive session, with no action to follow the executive session. *Mr. McKee made, and Mr. Evans seconded, the motion set out below. The motion passed.*

Mr. Chairman,

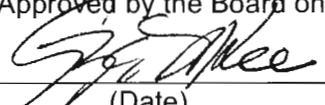
I move to recess the meeting until 3:00 p.m. for an executive session as authorized by subsections (b)(1) and (b)(3) of K.S.A. 74-99d04, to discuss and possibly take action on proprietary information gathered from third parties pursuant to a promise of confidentiality and information related to transmission security or availability which is not otherwise available to all electric energy market participants. In the opinion of the Board, disclosure of such information would be harmful to the competitive position of third parties and security issues. In addition to Board members, the executive meeting requires the attendance of Cindy Lash and Iraida Orr, Kansas Legislative Research Department, and Kristen Kellems and Matt Sterling, Office of the Revisor of Statutes. The meeting will resume in Room 546-S of the Statehouse at 3:00 p.m.

The public meeting resumed at 3:00 p.m.

The meeting was adjourned at 3:05 p.m.


Respectfully submitted,
Tim McKee, Secretary

Approved by the Board on:


(Date)
4-22-10