

MINUTES

KANSAS ELECTRIC TRANSMISSION AUTHORITY

March 19, 2013
Room 159-S—Statehouse

Members Present

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

Staff Present

Cindy Lash, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Rebecca Cole, Committee Assistant

Vice-chairman Earnie Lehman called the meeting to order. The agenda for the meeting was reviewed. *Senator Pat Apple moved to approve the agenda; the motion was seconded by Les Evans. The motion carried.*

Tim McKee moved to approve the minutes of the November 16, 2012, meeting; the motion was seconded by Mr. Evans. The motion carried.

Mr. Lehman opened the nominations for election of officers. *Mr. McKee made a motion to elect Earnie Lehman as Chairman. Mr. Evans seconded the motion. The motion carried.*

Mr. McKee nominated Senator Apple for Vice-chairman. Mr. Evans seconded the motion. The motion carried.

Mr. Evans nominated Mr. McKee as Secretary. Senator Apple seconded the motion. The motion carried.

The Chairman recognized Cindy Lash, Kansas Legislative Research Department (KLRD), for an update on the expenditure report. Ms. Lash stated the report, which is dated thru February 28, 2013, shows total revenue of \$308,546. Expenditures to date total \$8,866. An additional \$30,483 is encumbered for legal and administrative services (Attachment 1). Ms. Lash noted Kansas Electric Transmission Authority's (KETA's) budget request for FY 2014 and 2015, \$100,000 for each year, has passed both the House and the Senate with no changes, to date.

Chairman Lehman opened discussion of a letter dated, March 4, 2013, sent to Grain Belt Express Clean Line and the Kansas Corporation Commission (KCC) from landowners concerning the proposed route of a transmission line through Cloud County. Landowners provided a copy of the material to KETA to make it aware of landowners' concerns about the route. Senator Apple suggested a written response acknowledging their concern and noting any cause of action would be addressed by the KCC. Mr. McKee offered to draft the letter (Attachment 2). *Senator Apple moved that the Chairman sign the letter on behalf of KETA. Mr. Evans seconded the motion. The motion carried.*

The Chairman recognized Mr. McKee for discussion of the business plan outline, including possible revisions and items to focus on this year.

- Mr. McKee stated KETA should continue to monitor transmission projects that are underway and those soon to be underway, such as the Clean Line project; and also to continue contact with infrastructure authorities in other states.
- Senator Apple stated he would like to see KETA take a serious look this year at the composition of the Board. His concern is, with four legislative members, there could be significant turnover in an election year. He noted KETA's past accomplishments, but suggested now is the time to take a hard look at KETA's future role and its best path forward. In response to a question from Representative Kuether about time frames, Senator Apple indicated he would like to see the discussion resolved before the end of the year, so any changes proposed could be considered by the 2014 Legislature.
- Chairman Lehman noted there is interest among the utilities regarding the Mississippian Lime Formation, specifically whether utilities are able to provide the fracking companies enough power in a timely manner, and whether the demand will lead to the development of new transmission. Mr. Evans stated this is something that needs to be monitored, and that fits within the purview of KETA. Currently, it is being addressed through other governmental entities, but from KETA's point of view it is part of ensuring reliable operation of the transmission system, as well as fostering economic development. Mr McKee added the KCC has 18 new applications pending for horizontal drilling in Trego County in the Marmaton Formation, indicating the demand for power is increasing in several areas across the state. Representative Kuether voiced her support for keeping an eye on power demands related to new drilling.
- Senator Marci Francisco suggested KETA consider broadening section IV "Facilitate renewable energy development" to something like "Facilitate transmission infrastructure for energy development". KETA may want to look at all types of energy being developed in the state, and determine whether Kansas has adequate transmission to serve that development. KETA's role is not to facilitate energy development, but to facilitate transmission. Renewable energy would be one subset of development. Representative Hedke agreed, noting there are a number of activities on the horizon that may need an expansion of transmission.

The Chairman asked Ms. Lash to redraft the business plan outline based on these comments and circulate it to the members (Attachment 3).

Chairman Lehman discussed upcoming Southwest Power Pool (SPP) meetings. The Regional State Committee and Board of Directors-Members Committee will meet April 29-30 in Kansas City at the Kansas City Airport Hilton. The following meeting of those groups will be July 29-30 in Denver at the Denver Marriott City Center. With regard to the Kansas City meetings, Mr. Evans will plan to attend on April 30 on behalf of both KEPCo and KETA; Senator Francisco will plan to attend both days, pending the schedule of the Senate Committee on Ways and Means; Chairman Lehman will plan to attend both days; and both Senator Apple and Representative Kuether will try to attend (Attachment 4). *Mr. Evans made a motion to allow KETA members to be reimbursed for expenses associated with attending the April 29-30 SPP meetings in Kansas City. Tim McKee seconded the motion. The motion carried.*

Chairman Lehman recognized Mr. McKee to discuss an invitation from WIRES, a non-profit trade association promoting investment in transmission. WIRES is holding its spring meeting on April 3-4 in Kansas City at the headquarters of Burns & McDonnell. The Chairman encouraged available members of KETA to attend (Attachment 5). *Senator Apple made the motion to allow KETA members to be reimbursed for expenses associated with attending the April 3-4 WIRES meeting. Mr. Evans seconded the motion. The motion carried.*

The Chairman indicated staff will poll members regarding the date of the next meeting. He anticipates a half-day meeting during mid- to late-May.

Chairman Lehman adjourned the meeting at 12:55 p.m.

Respectfully submitted,
Tim McKee, Secretary

Approved by Authority on:

June 26, 2013

(Date)