

## MINUTES

### KANSAS ELECTRIC TRANSMISSION AUTHORITY

October 31, 2011  
Room 546-S–Statehouse

#### Members Present

Representative Carl Holmes, Chairperson  
Earnie Lehman, Vice-chairperson  
Tim McKee, Secretary  
Senator Pat Apple  
Les Evans  
Representative Annie Kuether  
Senator Kelly Kultala

#### Staff Present

Cindy Lash, Kansas Legislative Research Department  
Heather O'Hara, Kansas Legislative Research Department  
Matt Sterling, Office of the Revisor of Statutes  
Rebecca Wempe, Stevens & Brand, LLP

Chairperson Holmes called the meeting to order. The agenda for the meeting was reviewed and approved. *Mr. McKee moved the agenda be approved; the motion was seconded. The motion carried.*

The Chairperson welcomed Dr. Ira Shavel and Bruce Tsuchida from Charles River Associates (CRA) to the meeting. Dr. Shavel discussed the results of the evaluation of four transmission projects, which included the following:

- Summit to Elm Creek 345 kV;
- Summit to Post Rock 345 kV;
- Post Rock to Mingo 345 kV; and
- Comanche to Stevens 345 kV.

The study's test year was 2022, testing two future scenarios: 10 GW of wind in the Southwest Power Pool (SPP) and 14 GW of wind in the SPP. The study aimed to tie the results as close as possible to SPP models and metrics. The study found very similar results, as the goal was to measure adjustment production cost, energy savings from reduced line losses, increased effective capacity factors measuring the benefit of adding transmission to reduce congestion on curtailed resources, and reduction in emissions. Dr. Shavel stated the modeling assumptions were to match those used in the SPP ITP 10 process, meaning the following was included: baseline transmission topology included all approved transmission projects with authorized "Notice to Construct" letters; power flow cases for the baseline and all individual

projects; fuel prices; new additions and retirements for SPP; and hourly load profiles and wind profiles for SPP that were synchronized ([Attachment 1](#)).

Dr. Shavel stated the initial results of the study showed little to no benefit for all four potential projects. The study looked at transmission lines to see if any of the proposed lines would reduce congestion, but did not find any reduction of merit. Dr. Shavel stated some of the reasons a reduction was not found were that it did not take into account any national requirements, such as a potential Renewable Portfolio Standard (RPS) and the study aligned with the SPP ITP 10 study.

Dr. Shavel introduced Bruce Tsuchida, who worked with Dr. Shavel on the CRA study. Mr. Tsuchida explained that every 345 kV has the capacity to transfer 1,700 to 1,800 MW. In October 2011, the results of the new approach that CRA applied to the study did not find benefits substantial enough to justify the building potential of 345 kV transmission projects. Mr. Tsuchida stated that instead of focusing on Kansas wind, the study's perimeters could be expanded to include other surrounding states, such as Nebraska. Dr. Shavel added that when areas start to build transmission lines, which can take at least five years, wind farms can be built in a year or two. Ultimately, the best agreement to be made would include building transmission in advance of wind development.

*Senator Apple moved the approval of the minutes from August 15, 2011, and September 12, 2011, and the motion was seconded. The motion carried.*

Cindy Lash, Kansas Legislative Research Department (KLRD), reviewed the Kansas Electric Transmission Authority (KETA) financial report ([Attachment 2](#)). Rebecca Wempe, Stevens & Brand, LLP, provided an update to Authority members about the Federal Energy Regulatory Commission (FERC) response to a request for rehearing on implementation of SPP's Highway-Byway cost allocation methodology. She stated entities could seek appeal through the circuit courts ([Attachment 3](#)).

Ms. Lash presented e-mail correspondence from staff of U.S. Senator Bingaman, seeking direct support from the Kansas Congressional Delegation for draft legislation that would provide tax-exempt status for bonds for energy infrastructure ([Attachment 4](#)). Chairperson Holmes suggested KETA invite local staff from Senator Roberts' office and Senator Moran's office to discuss the legislation with KETA. Tim McKee added that Senator Bingaman, the primary sponsor of the legislation, was interested in adding co-sponsors to the bill. Mr. McKee volunteered to draft a letter to the local staff members of the Kansas Congressional Delegation to attend the next KETA meeting.

Mr. McKee spoke about the meeting he attended in Laramie, Wyoming, with representatives from western states, Western Area Power Administration, and environmental and energy organizations. Mr. McKee heard presentations on production tax credits and the state of the wind turbine industry. Mr. McKee stated he intends to send a written report to Authority members in the next few days.

Ms. Lash presented a map created by the Kansas Corporation Commission (KCC) for Mr. McKee's presentation at the meeting in Laramie. Ms. Lash also provided information regarding upcoming SPP meetings ([Attachment 5](#)).

*Representative Kuether moved to approve the attendance of Authority members at SPP meetings on December 13, 2011, and January 30-31, 2012; the motion was seconded. The motion carried.*

The Chairperson recognized Carl Huslig, ITC Great Plains, to provide an update on Phase 1 of the KETA Project. Mr. Huslig stated the project is under budget and ahead of schedule. Phase 2 of the KETA Project will start when Phase 1 is complete. Both phases are coming in under budget and ahead of schedule for 2012.

Chairperson Holmes recognized Dave Peck, Westar Energy, for an update on the Rose Hill-Sooner 345 kV line. Mr. Peck stated the design phase is complete and materials are on site. All concrete foundations are approximately 97 percent complete and positioning of steel poles is 85 percent complete. The project was originally budgeted for \$99.5 million, but, to date, the project is under budget at \$90.0 million. Completion of the project is slated for April 2012. Mr. Peck also provided an update on the Kansas Y-Plan Project. Approximately 80 percent of line engineering is complete. All aerial work is complete, while land surveying is mostly complete. Utility crossings have been surveyed in several counties and Black & Veatch Corp. is doing detailed design, checking for interferences. Bids were received on October 13, 2011, and by mid-November, Westar predicts the bids will be awarded. There are approximately 335 parcels of land on which easements still need to be acquired. The projected completion date is December 31, 2014.

Ms. Lash provided an update on behalf of Mark Lawlor, Clean Line Energy. Mr. Lawlor reported there has been no change in status since the last KETA meeting. The hearing process before the Kansas Corporation Commission (KCC) on Clean Line's utility status was completed last week. An order should be issued within 30 to 60 days.

The Authority members reviewed the 2012 KETA Work Plan ([Attachment 6](#)). Authority members asked a question of CRA officials regarding the retention of files and information from studies. Dr. Shavel and Mr. Tsuchida explained that files and information are kept for a long time and files are only destroyed if there is a request to do so.

Carl Huslig provided an update on the activities of the SPP Area Generation Connection Task Force. Mr. Huslig stated the Task Force made a policy recommendation to SPP that there should be collector hubs and SPP staff should start designating these hubs on new lines. The recommendation was not well received by other SPP committees. Thus, moving forward, designating hubs will be tabled and the Task Force will continue to work on cost allocation and developing policies for what wind developers need.

*Representative Kuether moved that KETA send a letter to the Kansas Congressional Delegation regarding the desire to continue federal production tax credits for energy and send a copy of the letter to the Governor, and the motion was seconded. The motion carried.*

Chairperson Holmes adjourned the meeting at 3:12 p.m.

Respectfully submitted,  
Tim McKee, Secretary

Approved by the Authority on:

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February 27, 2011

(Date)