

# Kansas Electric Transmission Authority (KETA)

Multi-State Infrastructure Authorities Meeting

Tim McKee, Secretary, KETA

[TEMCKEE@twgfirm.com](mailto:TEMCKEE@twgfirm.com)

316-630-8100

Salt Lake City, Utah  
September 15, 2010

**KS Electric  
Transmission Authority**  
**KETA**



# KETA

- Created by Kansas Legislature in 2005
  - K.S.A. 74-99d01 et seq.
- Began operations in 2006
- Seven Board Members
  - Three Appointed by Governor and Confirmed by the Senate
  - Four Year Staggered Terms
  - Four Legislators *ex officio* – Chairs and ranking minority members of Senate and House Utilities Committees

# Members

- Chairman, Representative Carl D. Holmes
- Vice-Chairman, Earnie Lehman
- Secretary, Tim McKee
- Les Evans
- Senator Pat Apple
- Senator Janis Lee
- Representative Annie Kuether

# Drivers For KETA's Creation

- Assist development of wind energy resources for use in Kansas and to export
- Increase ability to import and export fossil-fueled generation
- Reduce large retail rate disparities within Kansas

# Mission

- Ensure reliable operation of the electrical transmission system
- Diversify and expand the Kansas economy
- Facilitate consumption of Kansas energy through improvements in the state's electric transmission infrastructure

# KETA Authority

- Plan, finance, construct, develop, acquire, own and dispose of transmission facilities
- Function as a public entity and contract for maintenance and operation of transmission facilities

# Financial Authority

- Contract with Kansas Development Finance Authority to issue bonds and provide financing for projects
- Recover costs through Southwest Power Pool (SPP) Regional Transmission Organization tariffs, through assessments on all Kansas retail customers, and through fees for service

# KETA, State and Local Entities

- State and local entities must provide information, assistance and advice requested by the Authority
- State and local entities may lease, lend, grant, or convey land to the Authority without public notice

# KETA Limitations

- KETA transmission projects are subject to SPP approval
- Private entities must have an opportunity to express intent to build before KETA can proceed with construction
  - If the project is not started within 180 days by a private entity, KETA may proceed with the project

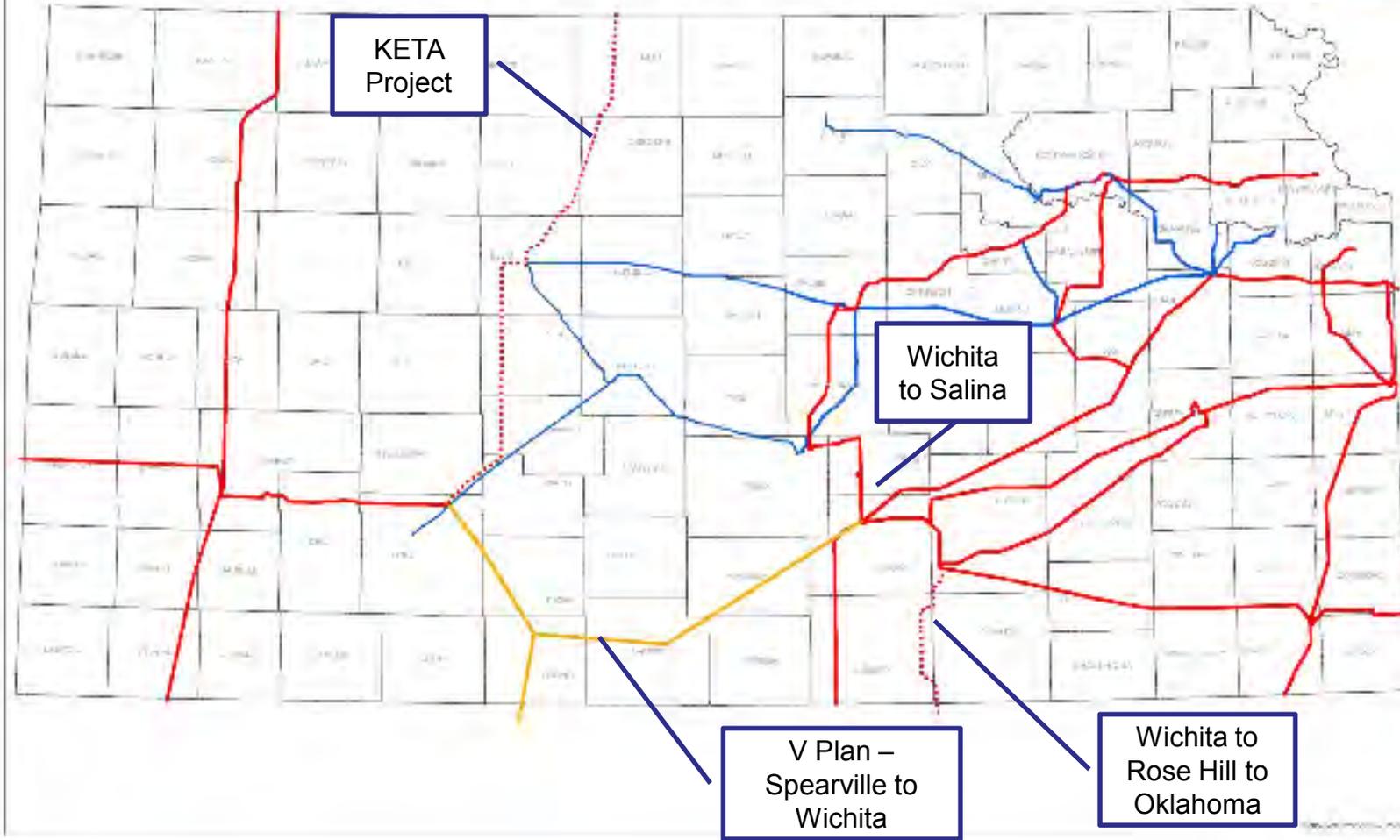
# What We Have Done

- Identified projects that will benefit Kansas
  - Commissioned an SPP study of economic benefit projects
- Spurred construction of important projects
  - Spearville – Axtell, NE (ITC Great Plains) –“KETA” Project 345 kV
  - Wichita – Reno – Salina (Westar Energy) 345 kV
  - Wichita – Rose Hill – Okla. Border (Westar Energy) 345 kV, to connect to OG&E Sooner Substation
  - Spearville – Wichita (Prairie Wind & ITC Great Plains) 345 kV
    - Intervened with the Kansas Corporation Commission in support of this line



# Transmission Projects

- Existing 345 kV —
- In Progress 345 kV - - - -
- Existing 230 kV —
- Priority Projects —



**KS Electric  
Transmission Authority**

**KETA**



# What We Are Doing

- Providing a forum and focus for discussion of transmission issues in Kansas and the region
- Improving understanding of the costs and benefits related to facilitating renewable energy generation
- Uncovering and screening potential transmission projects as a predicate to SPP review

# What We Are Doing

- Working with Southwest Power Pool to develop regional tariffs to support transmission expansion
  - Intervened with FERC in support of SPP's proposed tariff changes (highway/byway cost allocation plan)
- Monitoring the progress of many Kansas transmission projects

# What We Are Doing

- Exploring development of “collector lines” to move renewable energy resources to transmission and customers
- Building bridges to other states with similar infrastructure authorities: Colorado, New Mexico, Wyoming, Idaho, North Dakota, South Dakota



# Challenges

- Accurately capturing and aligning proposed project benefits and costs
- Securing federal tax-exempt status to finance and stimulate construction of transmission
- In future – increased difficulties in siting new construction, particularly across state lines



# Opportunities For Those Who Work With KETA

- Reduce financing costs for entities willing to build KETA-sanctioned projects
- Facilitate future upgrades to existing transmission lines
- Reduce transmission costs for renewable projects
- Reduce rate increases for customers
- Enhance partnerships with other states and the SPP



# Continuing Concerns

- Cost recovery mechanism
  - KCC and SPP roles – complex decisions
- Kansas ratepayer benefits
  - Balancing direct and indirect benefits never easy
  - It's not just about wind, it's about reliability and energy costs too
- Uncertainty about how much wind development potential will be realized and where it will be built

# Coordination With Other States

- KETA supports a joint state effort to seek federal tax exemption for bonds issued by KETA and its sister authorities
- KETA seeks more active engagement with other state transmission/infrastructure authorities to facilitate regional transmission expansion and large wind projects



# Contact Information

Rep. Carl D. Holmes, KETA Chairman

300 SW 10<sup>th</sup>, Room 68-W

State Capitol Building

Topeka, Kansas 66612-1504

<http://www.kansas.gov/keta/>

**KS Electric  
Transmission Authority**

**KETA**

