

# Kansas Electric Transmission Authority (KETA)

A Briefing for Utility Perspectives

Rep. Carl Holmes, Chairman

Washington, D.C.  
October 13, 2009

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Transmission Authority  
**KETA**



## KETA

- Created by Kansas Legislature in 2005
- 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

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## Members

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

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## 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



## Drivers For KETA's Creation

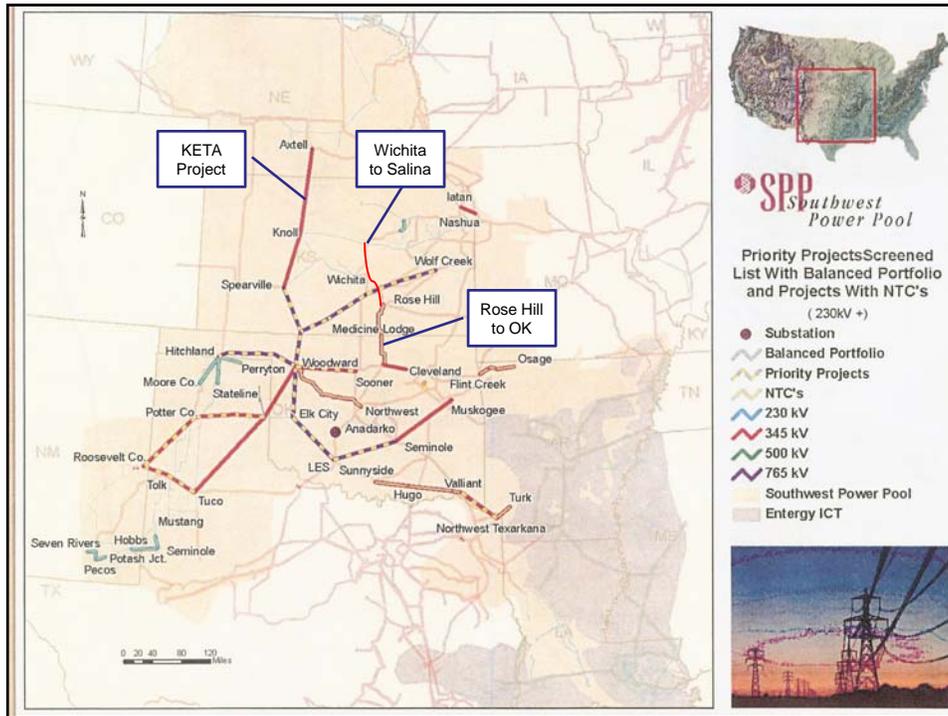
- Assist development of wind energy resources for use in Kansas and to export
- Increase ability to import and export fossil-fueled generation
- Reduce large retail rate disparities within Kansas

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## What We've Done

- Identified projects that will benefit Kansas
  - Commissioned an SPP study of economic benefit projects
- Spurred other parties to construct important projects
  - Spearville – Axtell, NE (will be built by ITC Great Plains) – “KETA” Project 345 kV or 765 kV
  - Wichita – Reno – Salina (Westar Energy) 345 kV
  - Wichita – Rose Hill – OK Border (Westar Energy) 345 kV

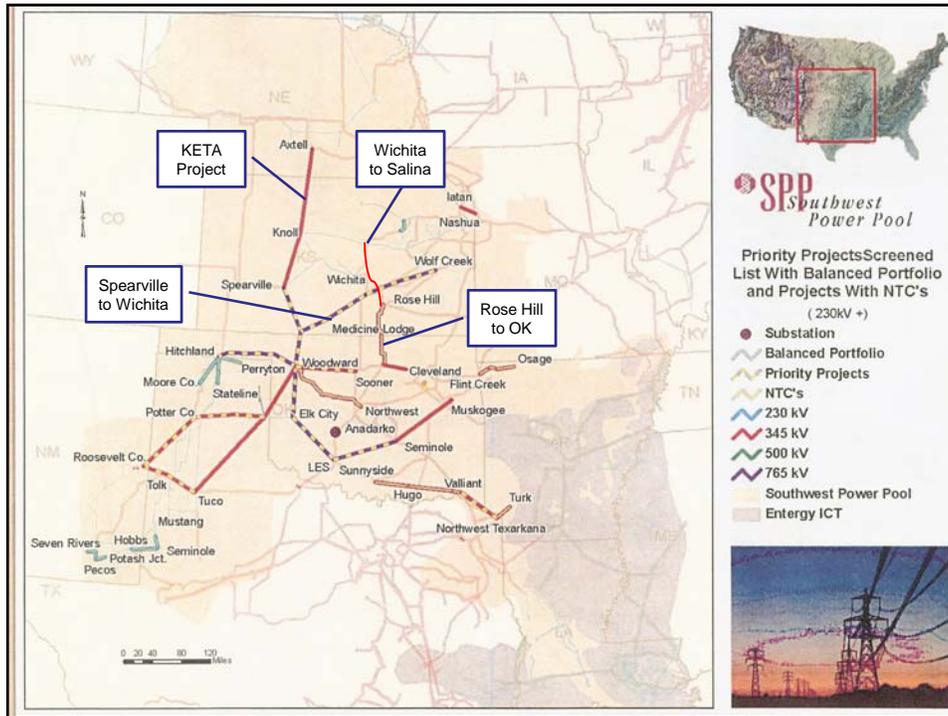


## What We've Done

- Encouraged the construction of a fourth transmission line
  - Spearville to Wichita (construction planned by Prairie Wind and ITC Great Plains)
- Improved understanding of the importance of a robust grid to the expansion of renewable energy generation

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## What We're Doing

- Working with Southwest Power Pool to develop regional tariffs to support transmission expansion
- Monitoring the progress of many Kansas transmission projects

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## What We're Doing

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

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## 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

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## KETA Limitations

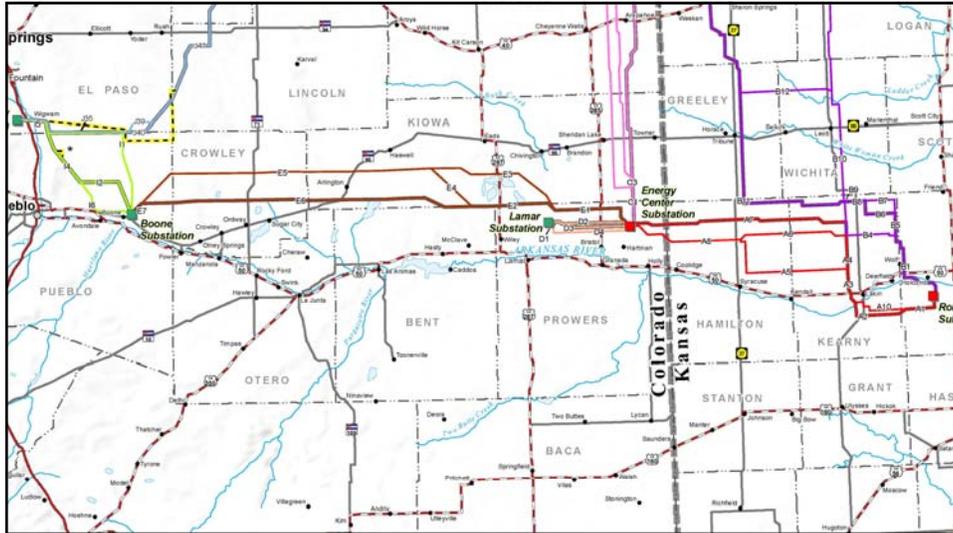
- KETA projects must be accepted by the SPP
- Private entities must have an opportunity to provide intent to build before KETA can proceed with construction
- If the project is not started within 180 days by the private entity, KETA may proceed with the project



## Coordination With Other States

- KETA actively engaged with other state transmission/infrastructure authorities to facilitate regional transmission expansion and large wind projects
- The states have jointly sought federal tax exemption for bonds issued by KETA and its sister authorities
- The FERC has begun to take notice of the states' grassroots efforts





Source: Eastern Plains Transmission Project  
Western Area Power Administration, 1/16/08



## KETA's Contribution

- Fostering a competitive environment for construction
  - Kansas has gone from little transmission expansion to competing companies desiring to build the same lines
- Challenging the planning process by recognizing benefits hitherto ignored. This will justify more construction.



## Challenges

- Accurately capturing proposed project benefits and costs
- Tapping federal tax-exempt financing to stimulate construction
- Integrating into regional transmission planning process

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## Opportunities

- Reduce financing costs for entities willing to build KETA sanctioned projects
- Facilitate future upgrades to existing transmission lines
- Work with SPP and other states to establish a truly regional and reliable EHV network
- Reduce transmission costs for renewable project developers
- Reduce rate increases for customers

## Continuing Concerns

- Cost recovery mechanism
  - KCC and SPP roles – complex decisions
- Kansas ratepayer benefits
  - Balancing direct and indirect benefits never easy
- Will Wind developers build along proposed transmission routes?
  - Who “blinks” first?

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## Contact Information

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