

**Joint Testimony submitted by
Earnie Lehman,
Tim McKee and
Les Evans
To the Senate Utilities Committee
Expressing a neutral position on SB 318**

January 21, 2016

Mr. Chairman and members of the Committee, thank you for the opportunity to appear before you today. We are the three gubernatorially appointed members of the Kansas Electric Transmission Authority (KETA). We offer this testimony jointly in that capacity, and as members of KETA since its inception in 2005. For reference only, Earnie is KETA's Chair and also President and General Manager of Midwest Energy, Inc. Tim is KETA's Secretary and partner in the law firm of Triplett, Woolf & Garretson, LLC. Les is a KETA member and Senior Vice President & Chief Operating Officer of Kansas Electric Power Cooperative Inc., commonly known as KEPCo.

We have been honored to be a part of an organization that has accomplished so much with so little expenditure of state resources. KETA's enabling legislation gave it a mission *"to further ensure planning and reliable operation of the electrical transmission system, diversify and expand the Kansas economy and facilitate the delivery and use of Kansas energy through*

improvements in the state's electric transmission infrastructure and related policy initiatives.” In company with others KETA has delivered results. Since KETA’s creation in 2005 more than 400 miles of 345 kV transmission lines representing a \$618.5 million investment have been built in Kansas. One 174 mile line in central Kansas resulted from a study commissioned by KETA. A second line now under construction north from Salina was jointly studied by KETA and other parties before being approved by the Southwest Power Pool (SPP), the Regional Transmission Organization that includes Kansas and all or part of 13 other states. Additionally KETA served as an advocate for other new transmission facilities in Kansas not reflected in the statistics above. While many of the facilities now in service would likely have been constructed at some future time, Kansas got a head start over neighboring states.

This new transmission has facilitated exponential growth in the Kansas wind industry, with most of the cost falling (as it should) on entities beyond Kansas whose customers benefit from the energy carried by these new facilities. New transmission has also provided a more liquid market for energy deliveries from conventional electric generating facilities powered by fossil and nuclear fuels. Now that the entire Southwest Power Pool operates as a single market for

the daily delivery of energy, Kansas' expanded transmission network benefits both wind energy exporters and Kansas electric ratepayers.

KETA members participate in most board meetings and members committee meetings of the Southwest Power Pool. KETA adds weight to the Kansas voice in these critical proceedings. Going forward Kansas and the entire country face increasing challenges from expanded federal regulation such as the EPA's Clean Power Plan. KETA filed critical comments regarding the proposed regulations with the EPA Administrator. Were KETA to continue to exist we would envision continuing the Authority's engagement with the EPA and SPP to 1) make sure Kansas ratepayers are not saddled with unnecessary costs even as 2) we continue to help Kansas energy resources find a market in other states.

We understand SB 318 dissolves KETA. We would be sorry to see it go. However we recognize the exigencies of Kansas' fiscal crisis and the difficult choices lawmakers face. That is why we take this opportunity simply to remind you of KETA's accomplishments and of its ability to provide additional benefits should the Legislature and the Governor so desire.

Thank you.