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February 5, 2013
Senate Utilities Committee
Neutral Testimony on SB 82

Chairman Apple & Members of the Utilities Committee,

Thank you for the opportunity to share some thoughts today on the Renewable Energy Standard in Kansas. ITC Great Plains, is an independent, transmission-only utility operating in the Southwest Power Pool (SPP) region. In December 2012, ITC Great Plains energized the KETA line in Western Kansas. ITC Great Plains also recently celebrated the groundbreaking for the V-Plan line in south west and south central Kansas and is in the planning process for the Elm Creek - Summit line in north central Kansas. Attached to this testimony is a brief update on all three projects.

ITC Great Plains is fully committed to owning and operating transmission infrastructure in Kansas and the SPP region. As a fully independent transmission company, we are solely focused on investing in necessary transmission infrastructure for reliability needs and emerging long-term energy policy objectives.

In the mid-2000's, there was a recognition that additional transmission infrastructure was needed in Kansas to meet both the emerging energy needs of the state, and the reliability needs of the system. As you are well aware, transmission assets in Kansas and across the United States are beginning to meet their intended life cycle and must be replaced with newer, more modern technology.

As planning discussions began at the SPP on the V-Plan project, the Kansas renewable energy standard encouraged development of wind projects and hence the development of a high voltage transmission line in south central Kansas. The renewable energy standard also encouraged economic development activity associated with wind projects and construction of the V-Plan project. In fact, developing and building necessary transmission infrastructure has led to regional support for wind projects and other generation within the state, too export energy outside the state.

Since 2006 and projected through 2021, SPP transmission expansion plans, balanced portfolio, priority projects, zonal sponsored, generation interconnection, regional and zonal reliability and transmission service investments in Kansas have or will total \$2 billion dollars or \$133 million per year. One quarter of all investments in SPP's transmission upgrade data base, are in Kansas. It is important to recognize that development of wind resources within Kansas has been a significant factor in this transmission development. Regardless of the mix of generation resources, this investment in infrastructure is dramatically improving the reliability and economic efficiency of the grid within Kansas.

ITC's portion of the V-Plan is projected to cost an estimated \$295 million. SPP identified benefits of priority projects, including the V-Plan, at \$1.5 billion in the SPP region over 40 years. The benefits of transmission investment to the state far outweigh the total cost of construction of any transmission project. These projects also provide increased reliability and reduced congestion on the transmission system.

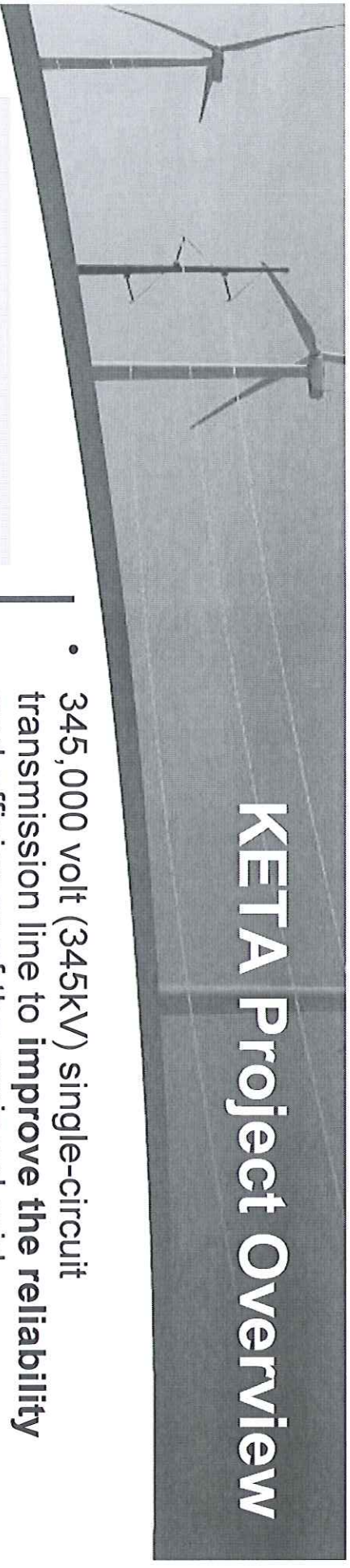
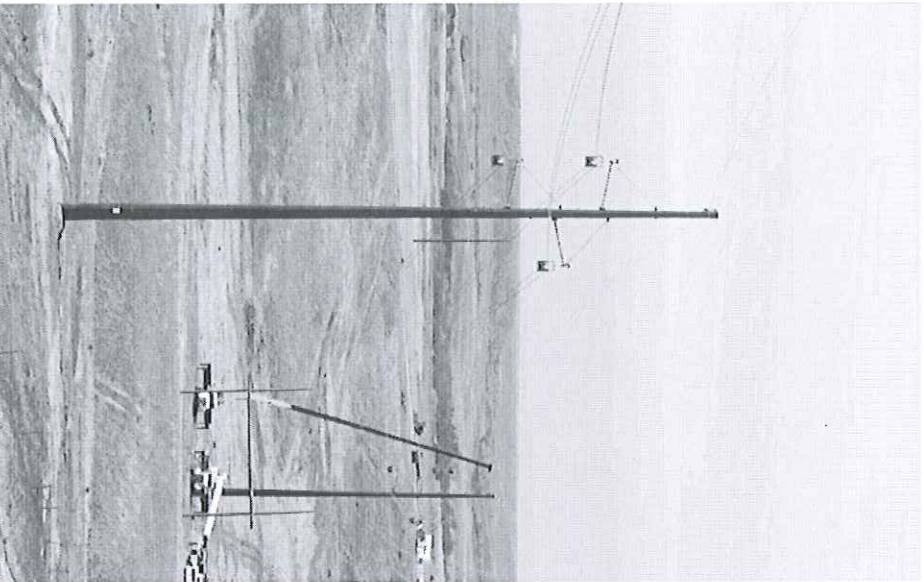
Thank you for the opportunity to submit written testimony.

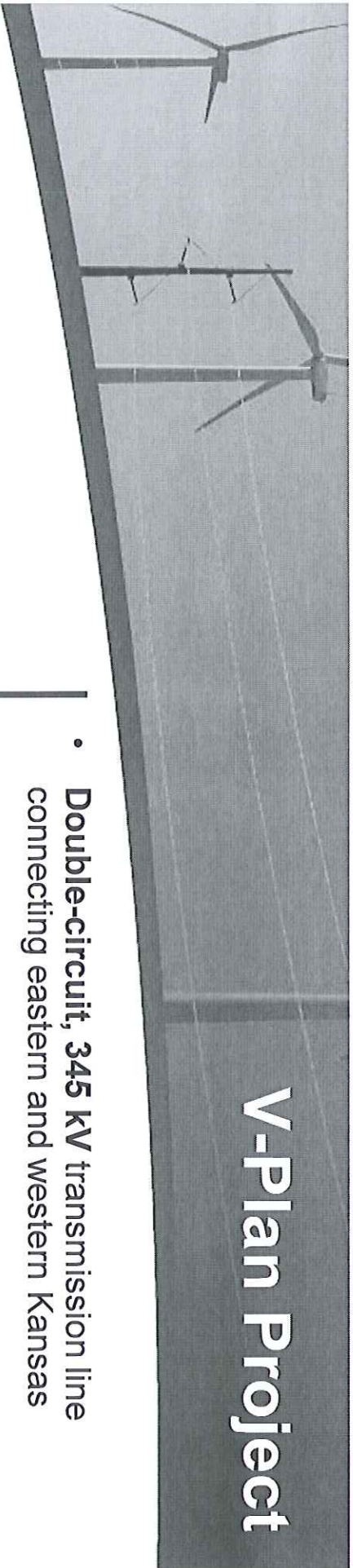
Michael L. White, Manager, State Government Affairs

building the future

KETA Project Overview

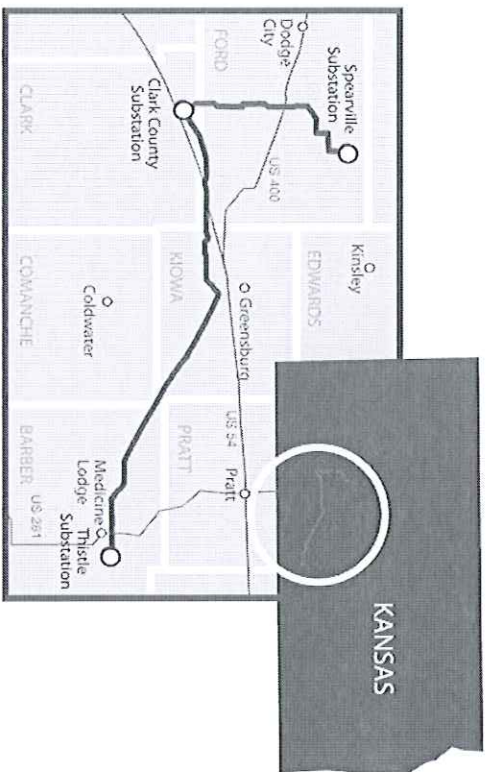
- 345,000 volt (345kV) single-circuit transmission line to **improve the reliability** and efficiency of the regional grid
- **Ease congestion** across the transmission network – SPP identified benefits of **\$111-131 million/year** for Balanced Portfolio Projects including KETA
- Provide access to more reliable, efficient and affordable electricity
- Address the **lack** of high-voltage transmission lines in central and western Kansas
- Collaboration with local Kansas utilities – **Sunflower Electric Power Corporation and Midwest Energy**
- Approx. **225 miles** from Spearville north to the Post Rock substation near Hays, to Axtell, Nebraska





V-Plan Project

- **Double-circuit, 345 kV** transmission line connecting eastern and western Kansas
- Contribute to a **stronger transmission grid** that will benefit the entire region by increasing **efficiency and reliability**
- Enable energy developers to tap into the transmission grid, further establishing a **competitive energy market** in the state
- SPP identified benefits of Priority Projects including V-Plan at **\$1.5 billion** in SPP region over 40 years
- Collaboration with local Kansas utilities – **Sunflower Electric Power Corporation** and **Mid-Kansas Electric Company**
- Approx. **122 miles** through Ford, Clark, Kiowa and Barber counties
- Began construction in Barber County **Nov. 2012**
- In service late **2014**





Future Great Plains Projects

Elm Creek-Summit

- A new 60-mile, 345,000-volt (345 kV) transmission line to improve the **reliability** of the grid in central Kansas
- Link 345 kV Summit Substation southeast of **Salina** to a new 345 kV substation southeast of **Concordia** near existing 230 kV Elm Creek Substation
- ITC co-development agreement with **Mid-Kansas Electric**: ITC Great Plains will construct, co-own with MKEC and operate the northern section of the line
- **Westar Energy** will construct, own and operate the southern section
- Scheduled to be complete and in service in **2018**

