



2022

**ANNUAL
REPORT**

KANSAS ELECTRIC POWER COOPERATIVE



Guiding Principles

SAFETY: We are devoted to a culture of safety to assure an accident-free, secure, and healthy work environment.

INNOVATION: We promote continuous learning, development, and creative thinking to encourage innovative, proactive, cost-effective, and technologically relevant business and energy solutions.

ENGAGEMENT: We strive to provide a positive, professional, and respectful work environment for our employees and members, and we are committed to building relationships based on genuine caring and understanding.

INTEGRITY: We expect our team to be completely transparent, open to new ideas, honest, trustworthy, fully accountable, ethical, and to do the right thing for our members, our industry partners, the general public, and each other.

FINANCIAL RESPONSIBILITY: We strive to provide power supply, support, and services to our members at the lowest possible cost, consistent with sound business practices, board policies, and cooperative principles.

Table of Contents

3	OUR STAFF
4	BOARD PRESIDENT & CEO MESSAGE
6	KEPCo BOARD OF TRUSTEES
8	LEGISLATIVE HIGHLIGHTS
9	KSI & KEPCo NEWS
11	RURAL DEVELOPMENT
12	OUR DIVERSE POWER SUPPLY
13	OPERATING STATISTICS
14	FINANCIAL REPORTS
26	ABOUT KEPCo

KEPCo's Purpose

KEPCo strives for excellence in providing safe, reliable, economical, and environmentally responsible power supply, exceptional support, and innovative services to our members and the Kansans they serve.

KEPCo STAFF



SUZANNE LANE
Executive Vice President &
Chief Executive Officer



MARK BARBEE
Senior Vice President &
Chief Operating Officer



SUSAN CUNNINGHAM
Senior Vice President, Regulatory &
Government Affairs, and
General Counsel



COLEEN WELLS
Senior Vice President &
Chief Financial Officer



STEPHANIE ANDERSON
Finance and Benefits Analyst III



KEITH BURK
Information Systems Specialist II



LINDSAY CLARK
Administrative Assistant



JERAD CROTINGER
Senior Operations Technician



CHRIS DAVIDSON
Senior Engineer



TERRY DEUTSCHER
Manager, SCADA and Meter
Maintenance



MARK DOJAC
Executive Director, Regulatory
Affairs and Planning



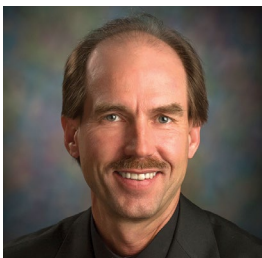
REBECCA FOWLER
Manager, Regulatory Affairs



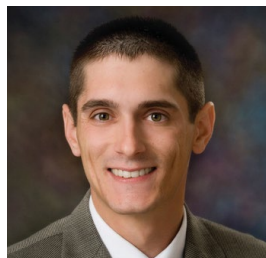
CAROL GARDNER
Operations Analyst III



SHAWN GEIL
Executive Director, Technical and
Energy Services



MAURICE HALL
Senior SCADA/Metering Technician



ROBERT HAMMERSMITH
Senior SCADA/Metering Technician



BRAD HUTTON
Financial/Regulatory Specialist



KRISTINA KUEBLER
Administrative Assistant



ADAM LEE
Senior SCADA/Metering Technician



MATT OTTMAN
Information Systems Specialist III



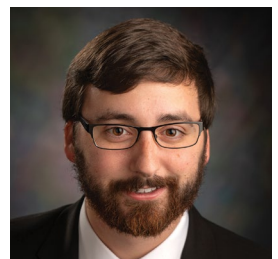
JULIE SPIELMAN
Finance and Accounts Payable/
Payroll Specialist



CLAUDINE STUEVE
Executive Assistant &
Manager of Office Services



PHIL WAGES
Director, Member Services,
Government Affairs and Business
Development



LUKE ZAHNER
Engineer II



Setting Right Pace Key to Navigating Change

LETTER FROM THE BOARD PRESIDENT AND EXECUTIVE VICE PRESIDENT/CEO



SUZANNE LANE
Executive Vice President &
Chief Executive Officer



MIKE MORTON
Board President

When reflecting about KEPCo and the electric utility industry in general in 2022, the rapid pace of change and the many challenges come first to mind. Electrification of the economy, technological advancements, pressures to reduce carbon emissions, efforts to aggregate resources, disruptions to electric supply chains, labor shortages, impacts of record-breaking heat and other extreme weather events, rapid deployment of renewable resources, volatile natural gas and energy prices, and unfathomable federal funding opportunities are notable examples of topics that utilities are experiencing all at once. The familiar adage “it’s not a sprint, it’s a marathon” comes to mind. As we can all attest, tackling any one of these issues — let alone all of them — requires the appropriate tools and preparation, and we responded with a marathon vs. sprint mentality, establishing a steady, manageable pace that assured affordability and reliability remained top priorities for our members.

While change should be encouraged, is often positive, and helps us evolve to serve the needs of the nearly 200,000 rural Kansans we proudly serve, finding the appropriate, marathon-like pace for change is key. According to marathon training experts, the four building blocks of marathon training include easing into a base mileage, completing long runs, performing speed work, and prioritizing rest and recovery.

Building base mileage — or in the case of an electric cooperative, developing and implementing a sustainable strategy — takes time, dedication, patience, and perseverance. Completing an occasional long run is essential to assure the body can adjust gradually to long distances, much like electric cooperatives when innovatively incorporating new strategies into our core mission. The speed work stage of marathon training involves practicing intervals and tempo runs to increase cardio capacity. This is highly synonymous with electric cooperatives adapting in real-time to the needs of our sole stakeholders, our members. And lastly, the rest and recovery stage assures adequate rest to help prevent injuries and mental and physical burnout, similar to cooperatives after implementing a new strategy, practice, or policy to assure the pace of change does not create unintended issues for our members or employees.

So what results did KEPCo’s marathon mentality achieve in 2022? When it comes to providing affordable power for our members, our diverse power supply, flexible rate structure, regulatory successes, reliable resources, and load management efforts allowed us to keep prices more stable than many utilities across the country. This was no easy task as several cost pressures challenged our performance. Natural gas and market energy prices in the summer of 2022 were at times more than double what they were in the summer of 2021. Timely, consistent

... we responded with a marathon vs. sprint mentality, establishing a steady, manageable pace that assured affordability and reliability remained top priorities for our members.

While many of the changes and challenges will continue to be at the forefront in the coming year, maintaining an “it’s a marathon, not a sprint” mentality will be possible because of the dedication and cooperation among all who are part of the KEPCo family.

coal delivery was challenged due to railroad labor shortages and the threat of rail strikes. And these issues came at a time when our region experienced one of the longest, hottest summers in recent years. Then, at year’s end, we experienced Winter Storm Elliott, a cross-country storm that brought strong winds, brutally cold temperatures, and some blizzard conditions to the eastern two-thirds of the U.S. Thanks to the hard work of our employees, members, and board of trustees, we were able to keep average rates to our members stable during this time of volatility; in other words, our marathon training paid off.

While achieving stable rates during an unstable year was a significant highlight from 2022, we experienced numerous other successes and challenges as well. Importantly, we concluded 2022 with zero safety or cybersecurity incidents, marking the 13th consecutive year of recording no lost-time accidents. Additionally, our owned and purchased resources remained overall reliable and provided continued value to our membership. Wolf Creek, the nuclear plant we co-own with Evergy, completed its 25th refueling outage safely and under budget. We remained financially strong, ending the year with a solid net margin and strong equity-to-asset ratio. We also ended 2022 with a successful, profitable year for our wholly owned, for-profit engineering

subsidiary, KEPCo Services, Inc. We remained engaged at the Southwest Power Pool, the Kansas Legislature, Congress, the Federal Energy Regulatory Commission, and the Kansas Corporation Commission, advocating for members in areas involving reliability, affordability, distributed energy resources, energy storage, and the value of fuel diversity. We successfully facilitated the 2022 load management season, garnering significant savings for members over the related 12-month period. We developed and implemented KEPCo’s first energy emergency policy, incorporating the lessons learned during and after 2021’s Winter Storm Uri.

These are just a few of the many accomplishments KEPCo was honored to achieve on behalf of our 16 member-owners, none of which would have been possible without the hard work of our staff, industry partners, and board of trustees. While many of the changes and challenges will continue to be at the forefront in the coming year, maintaining an “it’s a marathon, not a sprint” mentality will be possible because of the dedication and cooperation among all who are part of the KEPCo family.

Thank you to the board for your support and dedication to KEPCo, and to the KEPCo team for going above and beyond each and every day to serve our members.





Board of Trustees



DENNIS SVANES, TRUSTEE, MANAGER
4 Rivers Electric Cooperative, Inc.



TOM AYERS, ALTERNATE
4 Rivers Electric Cooperative, Inc.



LARRY FROESE, TRUSTEE
Ark Valley Electric Cooperative Assn., Inc.



**JACKIE HOLMBERG, ALTERNATE,
MANAGER**
Ark Valley Electric Cooperative Assn., Inc.



KEVIN BROWNLEE, TRUSTEE, MANAGER
Butler Electric Cooperative Assn., Inc.



RON OELKERS, ALTERNATE
Butler Electric Cooperative Assn., Inc.



DAN HUBERT, TRUSTEE
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**ALLEN ZADOROZNY, ALTERNATE,
MANAGER**
Caney Valley Electric Cooperative Assn., Inc.



CHARLES GOECKEL, TRUSTEE, MANAGER
Flint Hills Rural Electric Cooperative Assn., Inc.
VICE PRESIDENT



TERRY OLSEN, ALTERNATE
Flint Hills Rural Electric Cooperative Assn., Inc.



CHRIS PARR, TRUSTEE, MANAGER
FreeState Electric Cooperative, Inc.



MARK WULFKUHLE, ALTERNATE
FreeState Electric Cooperative, Inc.



**DOUGLAS JACKSON,
TRUSTEE, MANAGER**
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PAUL WILSON, ALTERNATE
Rolling Hills Electric Cooperative, Inc.



DONALD METZEN, TRUSTEE
Sedgwick County Electric Cooperative Assn.,
Inc.



SCOTT AYRES, ALTERNATE, MANAGER
Sedgwick County Electric Cooperative Assn.,
Inc.

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President

CHARLES GOECKEL
Vice President

BRYAN COOVER
Secretary

KEN HEDBERG
Treasurer

KEVIN COMPTON
Executive Committee Member

MARK SCHEIBE
Executive Committee Member

KIRK THOMPSON
Executive Committee Member



MICHAEL MORTON, TRUSTEE, MANAGER
Bluestem Electric Cooperative, Inc.
PRESIDENT



GARY BUSS, ALTERNATE
Bluestem Electric Cooperative, Inc.



KEVIN COMPTON, TRUSTEE
Brown-Atchison Electric Cooperative Assn., Inc.
COMMITTEE MEMBER



MICHAEL VOLKER, ALTERNATE, MANAGER
Brown-Atchison Electric Cooperative Assn., Inc.



KIRK THOMPSON, TRUSTEE, MANAGER
CMS Electric Cooperative, Inc.
COMMITTEE MEMBER



LINDA TOMLINSON, ALTERNATE
CMS Electric Cooperative, Inc.



KEN HEDBERG, TRUSTEE
DSO Electric Cooperative, Inc.
TREASURER



TIM POWER, ALTERNATE, MANAGER
DSO Electric Cooperative, Inc.



MARK SCHEIBE, TRUSTEE, MANAGER
Heartland Rural Electric Cooperative, Inc.
COMMITTEE MEMBER



H.H. STOCKEBRAND, ALTERNATE
Heartland Rural Electric Cooperative, Inc.



LORI JONES, TRUSTEE
Ninnescah Rural Electric Cooperative Assn., Inc.



TERESA MILLER, ALTERNATE, MANAGER
Ninnescah Rural Electric Cooperative Assn., Inc.



JOHN SCHON, TRUSTEE
Sumner-Cowley Electric Cooperative, Inc.



CONI ADAMS, ALTERNATE, MANAGER
Sumner-Cowley Electric Cooperative, Inc.



BRYAN COOVER, TRUSTEE
Twin Valley Electric Cooperative, Inc.
SECRETARY



ANGIE ERICKSON, ALTERNATE, MANAGER
Twin Valley Electric Cooperative, Inc.



New KEPCo Officers Elected

At the November meeting of the KEPCo Board of Trustees, Mike Morton was unanimously elected board president. Morton is general manager of Bluestem Electric Cooperative, Inc. in Wamego, which serves approximately 5,400 electric cooperative

consumer-members. He previously served as KEPCo's vice president. The KEPCo Board of Trustees comprises a trustee representative and an alternate from each of the 16 KEPCo member cooperatives. The board annually names seven trustee representatives to serve as its executive committee.

Other officers elected were vice president — Chuck Goeckel, manager of Flint Hills Rural Electric Cooperative, Inc. in Council Grove; secretary — Bryan Coover, president of the board of trustees at Twin Valley Electric Cooperative, Inc. in Altamont; and treasurer — Ken Hedberg, vice president of the board of trustees at DSO Electric Cooperative, Inc. in Solomon.

Along with the officers, the following individuals were elected to fill three additional positions on the executive committee:

Mark Scheibe, CEO of Heartland Rural Electric Cooperative, Inc. in Girard; Kevin Compton, vice president of the board of trustees at Brown-Atchison Electric Cooperative Association, Inc. in Horton; and Kirk Thompson, manager of CMS Electric Cooperative, Inc. in Meade.



MIKE MORTON
President



CHUCK GOECKEL
Vice President



BRYAN COOVER
Secretary



KEN HEDBERG
Treasurer

Legislative Year in Review

Throughout the 2022 legislative session, considerable attention was focused on renewable energy, as several bills were introduced in the Senate Utilities Committee that would have placed qualifications and specifications on the siting, development, and operation of renewable generating facilities. However, by the end of the session, no bill regarding or affecting renewable energy was passed out of the committee. In fact, the only energy-related bill to pass both chambers pertained to coal combustion residuals (CCR), which will allow the state, through the Kansas Department of Health and Environment, to develop an “equal to” program for CCR oversight rather than deferring that function to the U.S. Environmental Protection Agency.

“Several bills of interest were discussed this year, and although only one received action, KEPCo, KEC, Sunflower, and Midwest Energy worked collaboratively to communicate our positions and views, ensuring electric cooperative interests were known and understood by the legislature,” said Susan Cunningham, KEPCo SVP of regulatory and government affairs and general counsel.

At the national level, the annual National Rural Electric Cooperative Association (NRECA) Legislative Conference was held in May. A contingent of 16 Kansas electric cooperative representatives were part of approximately 880 electric cooperative representatives from across the country that attended the conference to receive updates on priority issues impacting electric cooperatives from key Capitol Hill and White House staff, as well as convey industry issues to their respective congressional leaders. Each year, the conference is the largest electric cooperative grassroots event in the nation's capitol, and this year was no exception, with over 200 congressional visits by attending members.

“The NRECA Legislative Conference is an invaluable method of communicating with our Kansas delegation the collective concerns of electric cooperatives and, in particular, the concerns of Kansas electric

cooperatives,” said Phil Wages, KEPCo director of member services, government affairs, and business development.

The specific issues discussed with the Kansas delegation included direct pay tax incentives for energy innovation, federal infrastructure funding, H.R. 2244/S. 978 – The Federal Financing for Rural America Act, and S. 3719 – The Southwestern Power Administration Fund Establishment Act. Kansas Senator Jerry Moran introduced S. 3719 and subsequent to our visit, Senator Roger Marshall became a co-sponsor of the bill.

In Kansas, as part of KEPCo's advocacy efforts, staff participated in the four Co-ops Vote events sponsored by our member cooperatives. The events were attended by electric cooperative staff, trustees, and area Kansas legislators and public officials and provides electric cooperatives the opportunity to meet with elected officials and discuss issues of importance to electric cooperatives and the communities in which they serve.

Co-ops Vote is a non-partisan campaign focused on enhancing the political strength of electric cooperatives through relationship building and voter engagement. Working in collaboration with our member cooperatives, this effort educates and engages legislators and co-op staff on important issues, such as expanding broadband coverage throughout rural Kansas, ensuring continued access to reliable and affordable electricity, and promoting the work of co-ops within the communities they serve.

“The Co-ops Vote events provide a setting in which KEPCo and its member cooperatives can present information to legislators in an open and relaxed forum. Sharing information is critical in order for lawmakers and decision-makers to develop an understanding of electric cooperatives' positions on topics or bills that may be debated in the legislature,” said Cunningham.

Through participation in Co-ops Vote events and other advocacy efforts, KEPCo earned the “5-Star Co-op” designation from NRECA.

Wolf Creek Completes Refueling 25

KEPCo is a 6% owner of the Wolf Creek Nuclear Generating Station (Wolf Creek) located near Burlington, Kansas. Every 18 months, Wolf Creek undergoes a refueling outage, which typically occurs in the spring or fall when electricity demand is lowest and there is little winter heating or summer air conditioning load. In 2022, refueling commenced in early October.

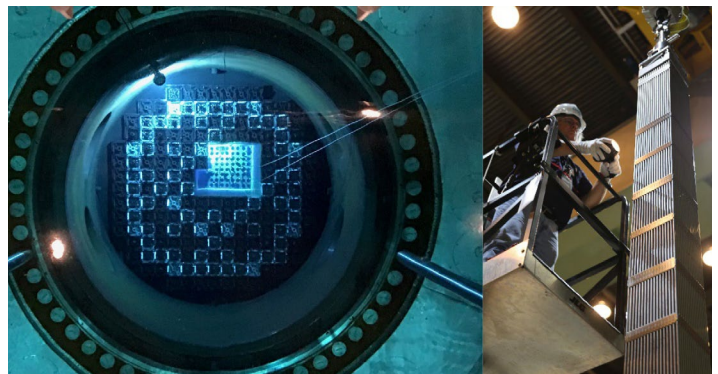
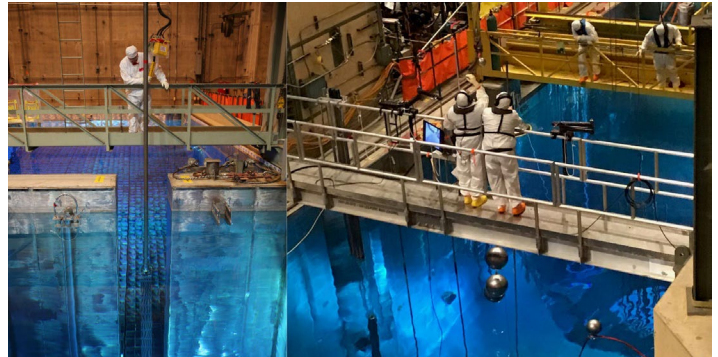
While the plant was offline, Wolf Creek performed nearly 9,000 scheduled maintenance activities while working 24 hours per day. By conducting inspections and performing maintenance at the same time as refueling, workers can eliminate the need to power down the plant at other times to perform the same work. This allows nuclear plants to produce electricity continuously for long lengths of time. To accomplish this, Wolf Creek brought in approximately 600 supplemental workers with specialty skills like reactor services or turbine-generator expertise. The outage schedule is based around the refueling activities and is adjusted to accommodate the number of maintenance activities needed.

During each refueling outage, about one-third of the 193 fuel assemblies are replaced with new assemblies and rearranged to levelize power generation inside the reactor.

The weight of all the fuel in the core is about 88 tons and has the energy equivalency of approximately 19 million tons of coal. Before new fuel is placed in the reactor, the fuel is closely inspected to ensure no abnormalities or damage is identified. The old assemblies are placed in the spent fuel pool and the new fuel is placed in the reactor.

Once the refueling and maintenance was completed, Wolf Creek was methodically and safely brought back online.

“Wolf Creek is one of the safest and best performing nuclear power plants in the country. Attention to detail while refueling



and performing maintenance during refueling outages is one of the most critical components in sustaining the safety and reliability of the plant. As an owner, KEPCo is pleased and proud that Wolf Creek has nearly a 40-year history of strong performance,” said Suzanne Lane, KEPCo EVP & CEO.



Prairie Sky Marks 5th Anniversary

In 2016, KEPCo’s Board of Trustees unanimously approved the addition of Prairie Sky Solar Farm, a 1-MW fixed-tilt solar facility, to its already diverse resource mix, which became operational in February 2017. Located on 22.5 acres in Butler County, Prairie Sky comprises 4,560 photovoltaic panels and can produce enough energy to supply the needs of about 164 homes. The developed portion of Prairie Sky encompasses close to 8 acres and the balance of the site has a native plant mixture that supports local wildlife.

Prairie Sky was the first utility-scale solar project in Kansas. Until Prairie Sky, solar energy in Kansas consisted of community-solar projects, commercial installations, and residential rooftop solar.

Officially dedicated on March 14, 2017, Prairie Sky has completed five years of operation. In addition to adding renewable energy to KEPCo’s resource portfolio, the solar farm helps KEPCo decrease peak demand, providing power cost savings to its distribution cooperative members. Over the past five years, Prairie Sky produced 9,383 MWh (net), delivered 9,332 MWh (net) to the Benton Substation load bus, and reduced KEPCo purchased power costs by almost \$1.1 million at a cost of just over \$700,000 for a net benefit of \$360,000.

“Prairie Sky has been a valuable resource for KEPCo and also a good learning opportunity for the KEPCo staff and our members,” said Mark Barbee, KEPCo SVP and COO.



KEPCo Supports Community Organizations

Supporting community organizations and engaging in the community is part of being a good corporate citizen and also reflects the Seventh Cooperative Principle, Concern for Community, which encourages cooperatives to work for the sustainable development of their communities through policies supported by the membership.

In 2022, through KEPCo's Charitable Giving Program, KEPCo and KEPCo staff, along with a CoBank matching contribution, donated more than \$31,000 to local and regional charities. The charities chosen by KEPCo staff were the Topeka Rescue Mission, Court Appointed Special Advocates, Harvesters, Ronald McDonald House, Salvation Army, Osage County Help House, Project 2 Restore, and TARC.

In addition to supporting charitable organizations, KEPCo staff supported four local senior adults needing assistance during the Christmas season by adopting them through the United Way Christmas Bureau.

"This year, we have all been impacted by record inflation rates, causing strains on family budgets, particularly those that can least afford it," Suzanne Lane, KEPCo EVP & CEO, said. "Supporting charitable organizations and bringing joy during the holiday season to individuals in need is especially rewarding and KEPCo is proud and humbled to do so."



Christmas tree with gifts that KEPCo wrapped and delivered to our adopted senior adults.

KEPCo SERVICES, INC.

KSI Completes Projects for 13 Members in 2022

KEPCo Services, Inc. (KSI) is a wholly owned, for-profit subsidiary of KEPCo. Established in 1997, KSI offers a wide range of technical and engineering services to KEPCo's member cooperatives and non-member cooperatives seeking engineering consulting services. KSI's goal is to provide value-added engineering services while creatively finding solutions that facilitate the goals and objectives of their clients.

Combining the long-standing, successful tradition of technical support and engineering services with new, innovative services to meet the needs of both member and non-member cooperatives in a dynamic electric utility industry, KSI has developed a robust menu of services, which are executed by experienced engineers who understand rural electric cooperatives and their engineering needs. The engineering services offered include construction work plans, sectionalizing studies, distributed generation interconnection evaluations, arc hazard assessments, spill prevention control and countermeasure plans, substation design, and work order inspections, among others. With a broad knowledge of generation, transmission, and distribution systems, and by focusing on the unique needs of electric cooperatives, KSI is able to provide high value, professional services in an efficient and cost-effective manner.

In 2022, KSI participated in projects for 13 KEPCo members and one non-member cooperative. Some of the more substantive projects included arc flash studies, construction workplans,



work order inspections, member solar interconnections, sectionalizing studies, and spill plan updates.

KSI also worked with six member cooperatives to complete their solar projects. In 2021, 12 KEPCo member cooperatives joined together to form the Kansas Cooperative Sun Power Program, a series of solar farms developed by Today's Power, Inc., totaling 20 megawatts of solar power that will provide year-round solar energy to the members of the participating cooperatives. In 2021, six of the participating cooperatives installed one-megawatt solar arrays at 11 different locations across rural Kansas, and in 2022, KSI finished the project by aiding in the design, procurement of materials, fabrication, and installation of the relay and control aspects for the remaining six cooperatives. The solar sites were operational and online for the 2022 summer peak demand season.

Additional information about KSI and a description of KSI's current engineering services is available at www.kepc.org/ksi.

KSI has developed a robust menu of services, which are executed by experienced engineers who understand rural electric cooperatives and their engineering needs.

Safety is Priority No. 1

KEPCo prioritizes a commitment to safety excellence and has developed a pervading culture of safety.

KEPCo's safety culture is grounded in all levels of the company and focuses on prevention through observation and assessment of hazards, continually monitoring safety systems and practices, and instilling among all employees a commitment to creating a safe workplace so that each employee accepts responsibility for his or her own safety and the safety of others.

"Our goal is to foster the attitude that doing any job safely is an integral component of doing it well, and that safety requires helping and being helped by fellow employees at every level of the company," said Terry Deutscher, manager of SCADA and Meter Maintenance and KEPCo Safety Committee chairman.

Ultimately, the level of safety excellence will reflect the amount of time and resources that are invested to improve the processes, conditions, and behavior that determine safety performance. In recognition of this commitment, over the past couple of years, KEPCo has revamped both its physical safety and cybersecurity programs by creating robust training



programs and in-depth, topic specific safety manuals. Each month all KEPCo staff complete safety training modules, including an exam, which requires a passing score.

"When I became CEO almost five years ago, one of my top priorities was to examine KEPCo's safety practices and seek ways and methods to improve our safety program and establish metrics to gauge our performance," Suzanne Lane, KEPCo EVP & CEO, said. "I am extremely proud of KEPCo's Safety Committee and all of our employees for embracing the safety culture that has been established. As a result of our employees' engagement, I'm pleased to state that KEPCo did not have a lost-time accident or cybersecurity incident in 2022."

KEPCo Supports Economic Development

USDA Rural Economic Development Loan and Grant Program | Affordable Housing

For over 30 years, KEPCo and its member cooperatives have actively promoted the USDA Rural Economic Development Loan and Grant (REDLG) program. The REDLG program provides zero-interest loans for projects in rural communities that will create or retain employment. Importantly, providing access to zero-interest capital, the REDLG program satisfies each of the three pillars of economic development — business retention, business expansion, and business creation. In the past 10 years, KEPCo and its member cooperatives have infused \$9.7 million into the economy of rural Kansas and added or saved 254 jobs.

In 2022, as in the past couple of years, utilization of the REDLG program remained dampened due in part to continued supply chain issues, a tight labor market, the tightening of capital markets, and inflationary pressures on transportation, food, and housing at levels not seen in many years. When

these economic issues are combined, an economic risk barrier to investment is created, not only for new businesses but existing businesses as well.

This year, KEPCo submitted one application on behalf of a member, but the selection for funding of the project did not occur until early 2023. As such, there were no REDLG projects selected for funding in Kansas in 2022. Even though recent economic factors have moderated economic development opportunities, KEPCo is hopeful that interest in the REDLG program will return in 2023 and is available to assist our member cooperatives.

The lack of available and/or affordable housing in rural Kansas has been an economic development impediment for several years. When Governor Laura Kelly took office, she created the Office of Rural Prosperity to address the needs of rural communities. This included a statewide housing needs assessment, which had not been done in nearly three decades. The survey highlighted the need for the expansion of affordable housing in rural communities.

This year, in an effort to remedy this issue, Governor Laura Kelly signed into law House Bill 2237, which was crafted to help address the state's housing shortage by investing in and incentivizing residential development, especially in rural areas.

Specifically, HB 2237 enacts the Kansas Affordable Housing Tax Credit Act, the Kansas Housing Investor Tax Credit Act, the Historic Kansas Act, and the Kansas Rural Home Loan Guarantee Act. The bill authorizes residential real property appraisals in rural counties to be done without finishing the sales comparison approach to value. This will allow bond proceeds under the Kansas Rural Housing Incentive District Act to be used for the development of residential homes and renovations of certain buildings in areas considered economically distressed.

"By expanding access to quality, affordable housing, communities and businesses can better recruit and retain workers, families and entrepreneurs in rural Kansas," Governor Kelly said. "This bill gives our rural communities more tools to spur economic growth vital to the economy."

KEPCo SVP of Regulatory and Government Affairs and General Counsel Susan Cunningham said, "KEPCo applauds Governor Kelly's leadership on this issue, which will lessen an economic development barrier and provide the opportunity for communities, large and small, to attract businesses by incentivizing housing opportunities necessary to meet the needs of the communities and their workforce."



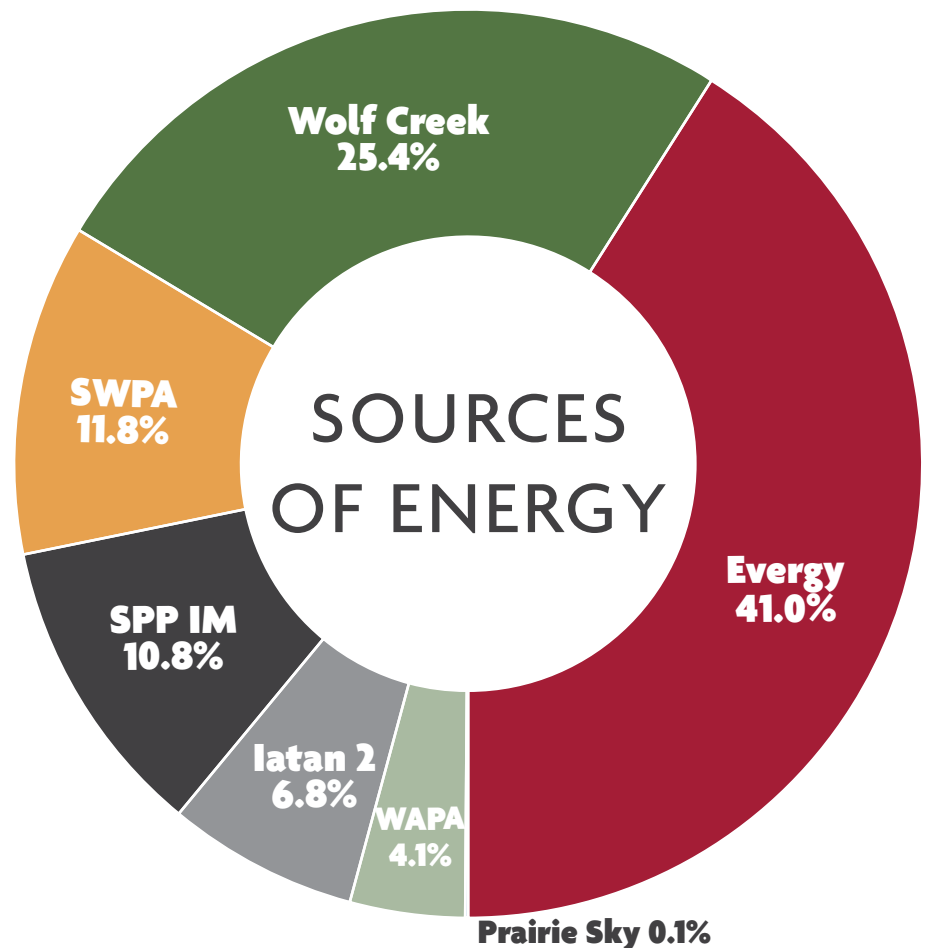


Our Diverse Power Supply

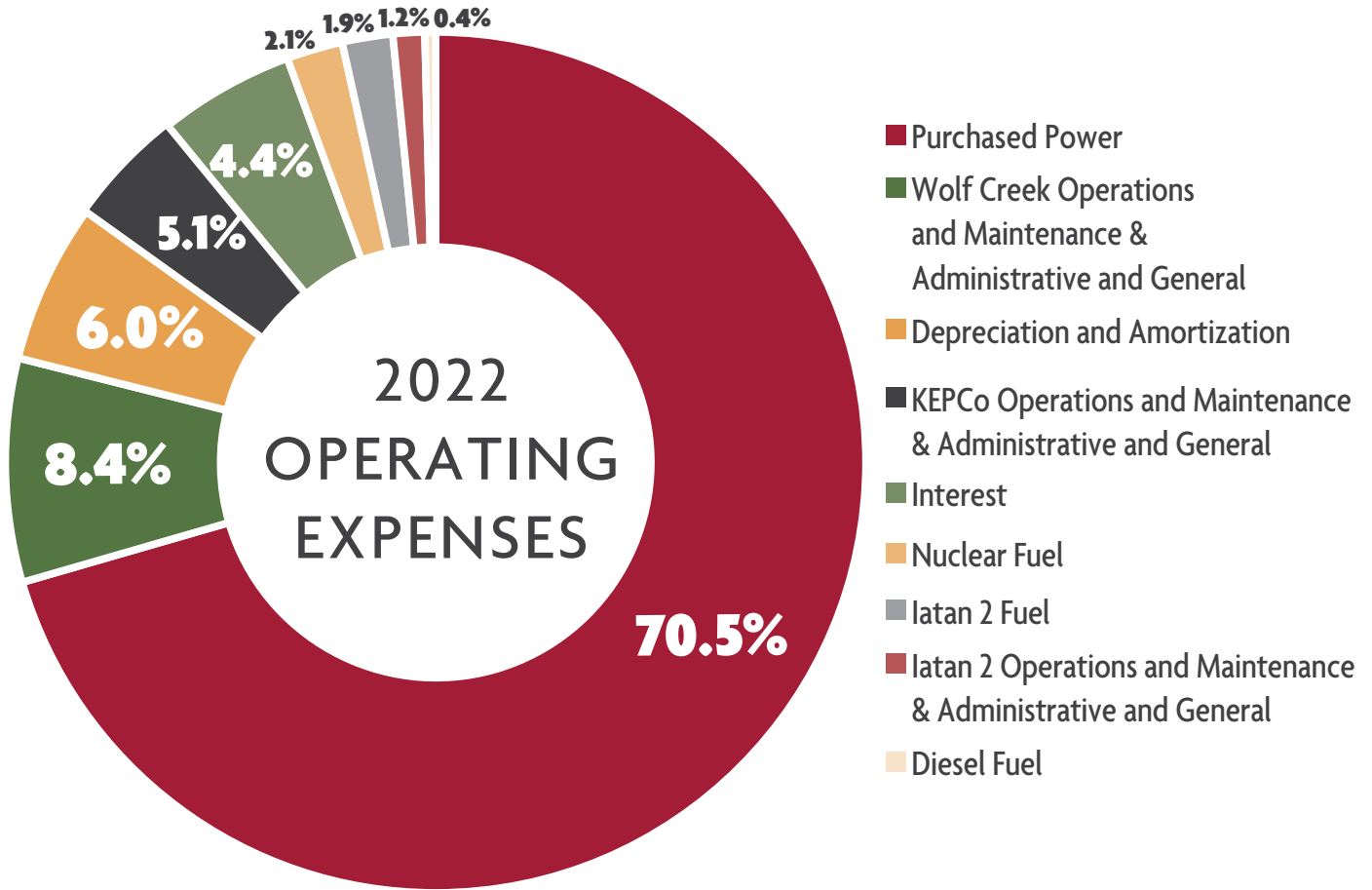
To create long-term, reliable, economic power supply for its members, KEPCo has built a diverse power supply that includes nuclear, hydro, coal, wind, natural gas, diesel, and solar resources. As part of its power supply strategy, KEPCo seeks to maintain a diversified and balanced power supply, which includes a mix of owning generation when prudent, purchasing power using a combination of long- and short-term contracts, adding renewables when cost effective, and incorporating demand side technology in power supply planning processes through member load management programs. Proudly, KEPCo's current portfolio minimizes greenhouse gas emissions with approximately 65% of its supply from non-greenhouse gas emitting sources.

In addition to its owned generation and long-term hydro allocations, KEPCo purchases its remaining requirements from Evergy, Inc. for base, intermediate, and peaking power supply. This contract provides KEPCo with power from coal, natural gas, solar, and wind resources. KEPCo also purchases a portion of its power supply from the SPP Integrated Market (IM).

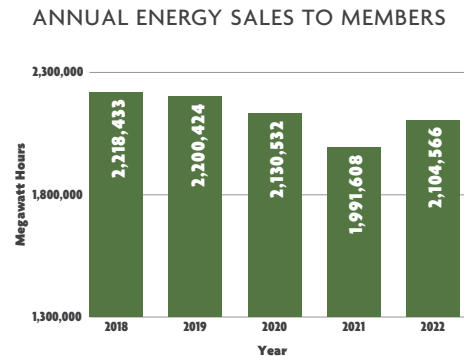
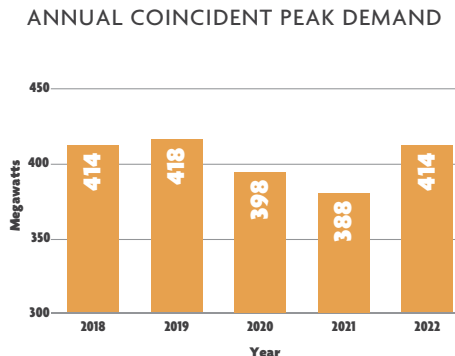
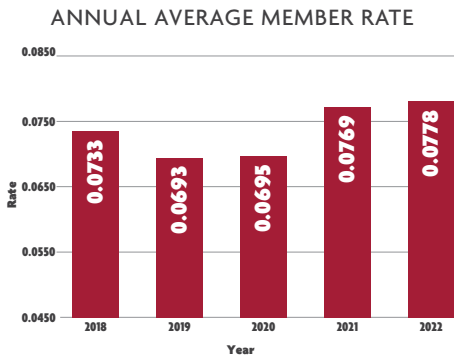
- ▶ **100 MEGAWATTS** of hydropower purchases from the Southwestern Power Administration
- ▶ **70 MEGAWATTS** of owned generation from the Wolf Creek Generating Station
- ▶ **31 MEGAWATTS** of owned generation from the Iatan 2 Generating Plant
- ▶ **20 MEGAWATTS** of peaking power from the Sharpe Generating Station
- ▶ **13 MEGAWATTS** of hydropower purchases from the Western Area Power Administration
- ▶ **1 MEGAWATT** of solar power from the Prairie Sky Solar Farm



Operating Statistics



Proudly, KEPCo’s current portfolio minimizes greenhouse gas emissions with approximately 65% of its supply from non-greenhouse gas emitting sources.





KEPCo strives for excellence in providing safe, reliable, economical, and environmentally responsible power supply, exceptional support, and innovative services ...

About KEPCo

Kansas Electric Power Cooperative, Inc. (KEPCo), headquartered in Topeka, Kansas, was incorporated in 1975 as a not-for-profit generation and transmission cooperative (G&T). It is KEPCo's responsibility to procure an adequate and reliable power supply for its 16 distribution electric cooperative members at a reasonable cost.

In addition to its core mission, KEPCo also assists its member cooperatives on such important activities as rural economic development, electric appliance rebates, load and power cost forecasting, and system enhancement projects.

Governed by a 16-member board of trustees, KEPCo's members collectively serve over 75,000 consumer-members in the eastern two-thirds of Kansas, which represents nearly 200,000 rural Kansans. The board of trustees establishes policies, provides direction, and acts on issues that often include recommendations from working committees of the board and KEPCo staff. The board also elects a seven-person executive committee, which

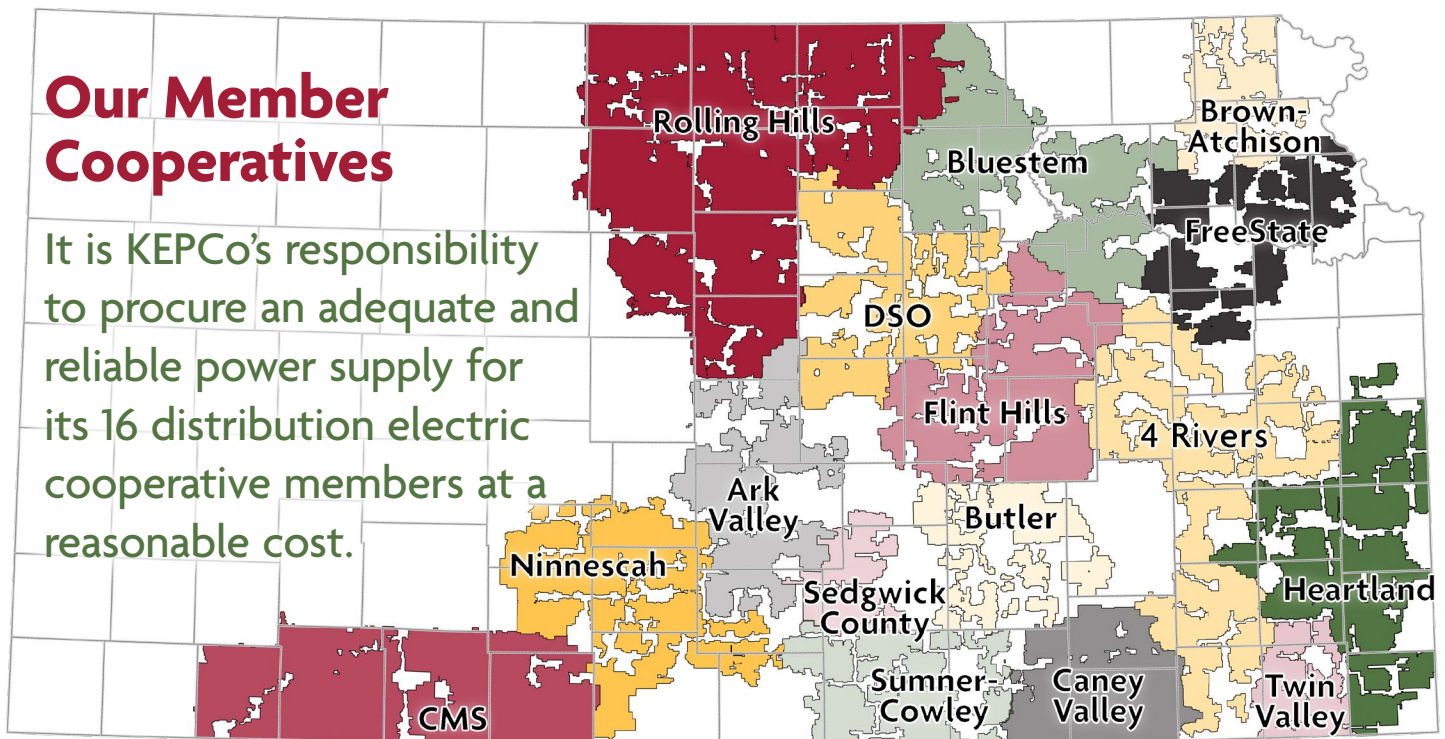
includes the president, vice president, secretary, treasurer, and three additional members.

KEPCo's power supply resources consist of 70 MW of owned generation from Wolf Creek Generating Station, 30 MW of owned generation from Iatan 2 Generating Plant, 20 MW of owned generation from Sharpe Generating Station, hydro allocations consisting of 100 MW from the Southwestern Power Administration and 13 MW from the Western Area Power Administration, 1 MW of owned generation from Prairie Sky Solar Farm, and partial requirement power purchases from regional utilities.

KEPCo is a Touchstone Energy® Cooperative, a national network of electric cooperatives across 46 states that provides resources and leverages partnerships to engage and serve their members. By working together, Touchstone Energy cooperatives stand as a source of power and information to their 32 million consumer-members every day.

Our Member Cooperatives

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47

YEARS OF OPERATION



16

MEMBER CO-OPS



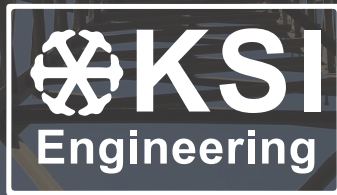
24

EMPLOYEES



25

REFUELING OUTAGES AT WOLF CREEK



25

YEARS WITH KSI ENGINEERING



65%

GENERATION FROM NON-GREENHOUSE GAS EMITTING SOURCES



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Topeka, KS 66615



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www.kepco.org