STATE OF KANSAS)) SS CITY OF KANSAS CITY)

The Board of Public Utilities of Kansas City, Kansas (aka BPU, We, Us, Our) met in Regular Session on Wednesday, March 15, 2023 at 6:00 P.M. The following Board Members were present: Rose Mulvany Henry, President; Thomas Groneman, Vice President; Robert L. Milan, Secretary; Jeff Bryant, and Mary Gonzales. David Haley attended via Zoom.

Also present: William Johnson, General Manager; Angela Lawson, Deputy Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Jeremy Ash, Interim Chief Operating Officer; Johnetta Hinson, Executive Director Customer Service; Glen Brendel, Executive Director Electric Production; Darrin McNew, Acting Executive Director Electric Operations; Jerin Purtee, Executive Director Electric Supply; David Mehlhaff, Chief Communications Officer; Dennis Dumovich, Director of Human Resources; Andrew Ferris, Director Electric Supply Planning; Chris Stewart, Director Civil Engineering; Dustin Miller, Director of Applications; Durward Johnson, Senior Civil Engineer; and Robert Kamp, IT Project Manager.

A video of this meeting is on file at the Board of Public Utilities and can be found on the BPU website, www.bpu.com.

Ms. Mulvany Henry called the Board meeting to order at 6:00 P.M. She welcomed all that were listening to or viewing the meeting. She informed all that the meeting was being recorded including video and audio. During the public comment section, those attending in person, wishing to speak, should use the sign-up sheet at the entry and provide their name and address. Public comments were limited to five minutes and should be addressed to the Board. Members of the public who wished to speak to the Board using Zoom needed to use the Raise Hand feature at the bottom of the application or window to signal that they wish to address the board during the public comment section. Members of the public comment section. Nembers of the public comment section. No confidential information should be shared, including, account information. Staff would not provide individual account information during an open meeting. As always, the public could also email or call the BPU with any concerns. Ms. Mulvany Henry introduced herself and the other Board Members along with the General Manager, and Legal Counsel.

Roll call was taken and all Board Members were present, Mr. Haley via Zoom.

Item #3 - Approval of Agenda

A motion was made to approve the Agenda by Mr. Bryant, seconded by Ms. Gonzales, and unanimously carried.

REGULAR SESSION – WEDNESDAY, MARCH 15, 2023

STATE OF KANSAS)) SS CITY OF KANSAS CITY)

Item #4 - Approval of Regular Session Minutes of March 1, 2023

A motion was made to approve the minutes of the Regular Session of March 1, 2023, by Mr. Bryant, seconded by Mr. Milan, and unanimously carried.

Item #5 – Public Comments

Ms. Susan Stevens, 4018 Silver, Community Conscious Action Network, commented on her experience with the rising cost of utilities.

Mr. David Smith, 400 Troup Ave., expressed his appreciation regarding the Board's efforts regarding community assistance.

Mr. Ty Gorman, 2843 Parkwood Blvd., expressed his thoughts on the Community Engagement session that he listened to as well as the Weatherization presentation in the Work Session.

Item #6- Legislative Update - Josh Svaty

Mr. Josh Svaty, Gencur Svaty Public Affairs, reviewed with the Board, various federal funding opportunities. (See attached PowerPoint.)

Mr. Svaty responded to comments and questions from the Board.

Mr. Svaty explained that COVID aid funds were loosely governed blocks of money. The upcoming funds, which he reviewed, were all specific pieces of legislation with direct intent and would have associated rules and regulations structured behind them.

Item #7- General Manager / Staff Reports

i. *Customer Bill Presentation:* Mr. Andrew Ferris, Director Electric Supply Planning, walked through the BPU bill. He discussed the layout, and what was included, He also reiterated that this detailed explanation as well as a video could be found at <u>www.bpu.com</u> under the Residential tab. (See the attached.)

Mr. Ferris responded to questions and comments from the Board.

REGULAR SESSION – WEDNESDAY, MARCH 15, 2023

STATE OF KANSAS)) SS CITY OF KANSAS CITY)

ii. Budget Transfer – Electric Production: Mr. Glen Brendel, Executive Director Electric Production, explained the need to transfer capital dollars to fund discovery work on CT4. (See attached PowerPoint.)

Mr. Brendel answered questions from the Board.

A motion was made to approve the Budget Transfer for work on CT4, by Mr. Groneman, seconded by Mr. Milan, and unanimously carried.

iii. *Water Division Update*: Mr. Durward Johnson, Senior Civil Engineer reviewed with the Board some upgrades and testing done at the Emergency Interconnect that BPU shared with WaterOne at 117th and Parallel. (See attached PowerPoint.)

Mr. Johnson responded to questions and comments from the Board.

iv. *Miscellaneous Comments*: Mr. Johnson informed the Board that on March 23rd, there would be a meeting with BPU's utility assistance partners to continue conversations on what they were facing with the public, answer questions, and talk about how BPU could assist them as they worked to help the community with utility assistance.

Item #8 – Board Comments

Mr. Groneman thanked everyone that presented. He also reminded everyone that the APPA Lineworkers Rodeo was going to be held March 31- April 1 at the Agriculture Hall of Fame.

Mr. Haley thanked staff for the informative reviews and also Mr. Svaty and the public. He would give an update on the UG Economic Development & Finance Standing Committee meeting that he had attended at the next Board meeting.

Mr. Milan expressed his thoughts on how the Community Engagement committee might select the public participants for the committee. He also expressed his thoughts on the oath of office Board members took when each became a Board member, and the importance of reading and understanding the BPU ethics policy and the Boards responsibilities.

Ms. Mulvany Henry thanked the presenters from the Work and Regular Sessions. She renewed her request to have presentations beforehand in order to review them before the meetings. She also said it would be important to keep tabs on the funds that could potentially

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STATE OF KANSAS)) SS CITY OF KANSAS CITY)

be utilized by the UG and BPU to benefit this community. She also thanked those who attended in person and on Zoom.

Mr. Bryant thanked staff for the well planned and well delivered presentations. He expressed his thoughts on the utility bill presentation, including the additional UG fees on the bill. He would continue to request such presentations as one more avenue to communicate with residents.

Ms. Gonzales spoke about visiting with the crews working on a new development in her area. She thanked Mr. Bryant and Ms. Mulvany Henry, and the input from others, that she believed would be helpful in getting the Community Engagement committee off the ground. She also expressed her appreciation for all of the information presented.

Item #9 – Adjourn

At 8:09 P.M. a motion to adjourn was made by Mr. Bryant, seconded by Mr. Milan and unanimously carried.

ATTES Milan Sr.

APPROVED: President



Federal Funding & You

Kimberly & Josh Svaty

Kansas City Board of Public Utilities 15 March 2023

Federal Funding

Kansas Infrastructure Opportunities

Acronym Key:

- Infrastructure Investment and Jobs Act IIJA
- Bipartisan Infrastructure Law- BIL
- Inflation Reduction Act IRA

Infrastructure Investment and Jobs Act (IIJA) Bipartisan Infrastructure Law (BIL)

• Once-in-a-generation investment in infrastructure





No More Lead Pipes



Internet Access



Better Roads and Bridges



Investments in

Public Transit



Upgrade Airports and Ports



Investment in Passenger Rail



Network of Electric Vehicle Chargers



Upgrade Power Infrastructure



Resilient Infrastructure



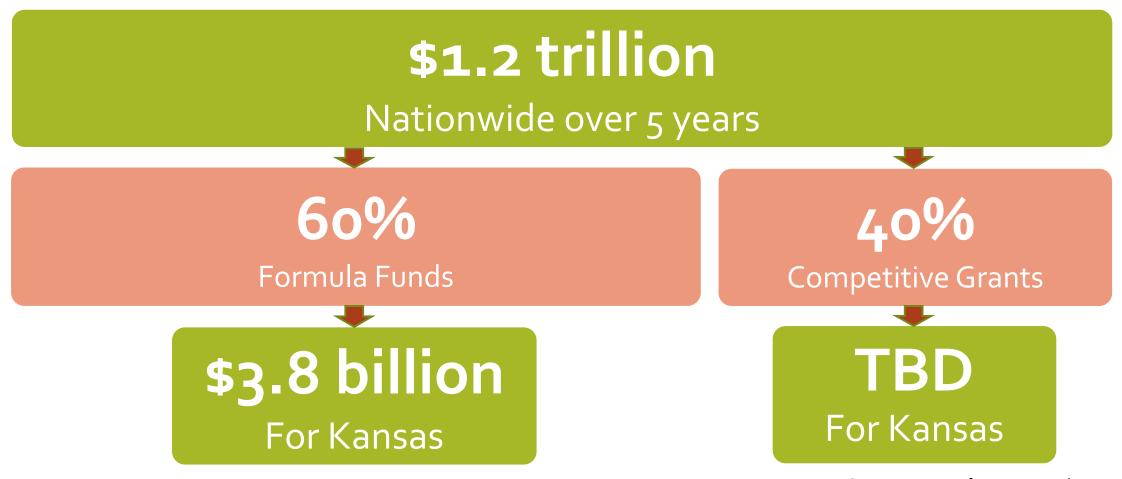
Investment in Environmental Remediation

Infrastructure Investment and Jobs Act (IIJA) Bipartisan Infrastructure Law (BIL)

\$1.2 Trillion Investment in Infrastructure/Economic Growth/Jobs/ Communities

- >375 unique programs at over a dozen federal agencies
- >125 new programs across 9 federal agencies representing 25% of spending
- >90 of investments will be delivered by non-federal partners
- ~60% flowing through formula grants
- ~38% of funding contains provisions that allow for expanded federal cost sharing arrangements – particularly for rural and disadvantaged communities

Bipartisan Infrastructure Law Overview



Source: Kansas Infrastructure Hub

BIL Formula Funding for Kansas

		Avg. Annual Funding	5-year Total
	Federal Highway Aid*	\$520 million	\$2.6 billion
	Bridge Replacement & Repair	\$45 million	\$225 million
	Public Transportation	\$54 million	\$272 million
2	Airports	\$22 million	\$109 million
ί φ ,	EV Charging Network	\$8 million	\$40 million
	Broadband	\$20 million	\$100 million
-	Water Infrastructure	\$91 million	\$454 million
Î	Wildfires Protection	\$5 million	\$25 million
	Cyberattack Protection	\$2.8 million	\$14 million
	Statewide Totals:	\$768 million	\$3.8 billion
	NOTE: Not all new money & does not include potential discretionary dollars		

NOTE: Not all new money & does not include potential discretionary dollars *Includes state, city & county

Source: Kansas Infrastructure Hub

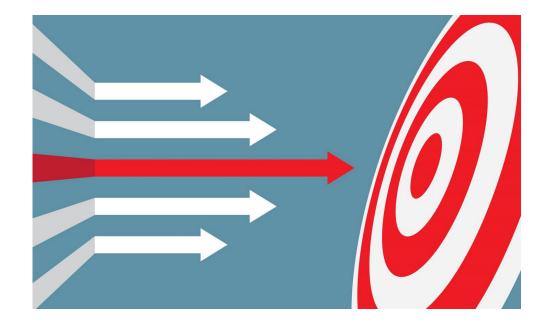
Inflation Reduction Act (IRA)

- What's in the IRA:
 - Creation of a 15% corporate minimum tax rate
 - Prescription drug price reform
 - IRS tax enforcement
 - Affordable Care Act (ACA) subsidy extension
 - And,
 - Energy security and climate change investments
 - Investment in domestic energy production and manufacturing
 - Reduction in carbon emissions by roughly 40 percent by 2030
 - Allows tax-exempt entities to claim energy tax credits directly (includes municipal utilities)



IRA Energy and Climate Funding

Energy and Climate	\$386 billion
Clean Electricity Tax Credits	\$161 billion
Air Pollution, Hazardous Materials, Transportation and Infrastructure	\$ 40 billion
Individual Clean Energy Incentives	\$ 37 billion
Clean Manufacturing Tax Credits	\$ 37 billion
Clean Fuel and Vehicle Tax credits	\$ 36 billion
Conservation, Rural Development, Forestry	\$ 35 billion
Building Efficiency, Electrification, Transmission, Industrial, DOE Grants and Loans	\$ 27 billion
Other Energy and Climate Spending	\$ 14 billion



FUNDING OPPORTUNITIES

rower mitastructure			Other energy
		Hydrogen-manufacturing and recycling	
Broadband	NTIA	State Energy Program Hydrogen	Directly eligible
		Equity, access, and deployment grants	
Electric Vehicles	FCC	Digital equity-and inclusion	Indirect
	EPA	Emergency benefit for low-income families	

FUNDING PATHWAYS

KCBPU Exploring the Following Opportunities

- Preventing Outages and Enhancing Resilience of the Electric Grid (KCC hosting forum this week)
- Energy Efficient Transformer Rebates
- Energy Sector Operational Support for Cyber resilience program
- Brownfield Cleanup Grants (sub-program)
- Brownfield Revolving Loan Fund Grants (sub-program)
- Extended Product System Rebates
- Weatherization Assistance Program
- Energy Efficiency Revolving Loan Fund Capitalization Grant Program
- Brownfield Projects
- Charging and Fueling Infrastructure Grants (Community Charging)
- Charging and Fueling Infrastructure Grants (Corridor Charging)
- National Electric Vehicle Infrastructure Formula Program
- Clean School Bus Program

Program Name	Agency Name	Funding Amount	
Power Marketing Administration Transmission Borrowing Authority	Department of Energy	\$10,000,000,000	
Regional Clean Hydrogen Hubs	Department of Energy	\$8,000,000,000	
Civil Nuclear Credit Program	Department of Energy	\$6,000,000,000	
Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency	Department of Energy	\$5,000,000,000	
Preventing Outages and Enhancing the Resilience of the Electric Grid / Hazard Hardening	Department of Energy	\$5,000,000,000	
Four Regional Clean Direct Air Capture Hubs	Department of Energy	\$3,500,000,000	
Weatherization Assistance Program	Department of Energy	\$3,500,000,000	
Battery Materials Processing Grants	Department of Energy	\$3,000,000,000	
Battery Manufacturing and Recycling Grants	Department of Energy	\$3,000,000,000	
Smart Grid Investment Matching Grant Program	Department of Energy	\$3,000,000,000	
Carbon Capture Demonstration Projects Program	Department of Energy	\$2,537,000,000	
Transmission Facilitation Program	Department of Energy	\$2,500,000,000	
Carbon Storage Validation and Testing	Department of Energy	\$2,500,000,000	
Advanced Reactor Demonstration Program	Department of Energy	\$2,477,000,000	
Carbon Dioxide Transportation Infrastructure Finance and Innovation Program	Department of Energy	\$2,100,000,000	
Energy Improvement in Rural or Remote Areas	Department of Energy	\$1,000,000,000	
Clean Hydrogen Electrolysis Program	Department of Energy	\$1,000,000,000	
Carbon Capture Large-Scale Pilot Programs	Department of Energy	\$937,000,000	
Advanced Energy Manufacturing and Recycling Grants	Department of Energy	\$750,000,000	
Critical Material Innovation, Efficiency, And Alternatives	Department of Energy	\$600,000,000	
Rehabilitation of High Hazard Potential Dams	Department of Homeland Security	\$585,000,000	
Maintaining and Enhancing Hydroelectricity Incentives	Department of Energy	\$553,600,000	
Energy Efficiency and Conservation Block Grant Program	Department of Energy	\$550,000,000	
Purchase of Power and Transmission Services	Department of Energy	\$500,000,000	
State Energy Program	Department of Energy	\$500,000,000	
Clean Hydrogen Manufacturing Recycling Research, Development, and Demonstration Program	Department of Energy	\$500,000,000	
Industrial Emission Demonstration Projects	Department of Energy	\$500,000,000	
Grants for Energy Efficiency and Renewable Energy Improvements at Public School Facilities	Department of Energy	\$500,000,000	
Industrial Research and Assessment Center Implementation Grants	Department of Energy	\$400,000,000	
Energy Storage Demonstration and Pilot Grant Program	Department of Energy	\$355,000,000	
Earth Mapping Resources Initiative	Department of the Interior	\$320,000,000	
Carbon Utilization Program	Department of Energy	\$310,140,781	
Assisting Federal Facilities with Energy Conservation Technologies Grant Program	Department of Energy	\$250,000,000	
Energy Efficiency Revolving Loan Fund Capitalization Grant Program	Department of Energy	\$250,000,000	
Cost-effective Codes Implementation for Efficiency and Resilience	Department of Energy	\$225,000,000	
National Dam Safety Program	Department of Homeland Security	\$215,000,000	

TOTAL - CLEAN E	NERGY AND POWER	\$74,952,140,78
Capital Improvement and Maintenance for Dams	Department of Agriculture	\$10,000,00
Building, Training, And Assessment Centers	Department of Energy	\$10,000,00
Career Skills Training	Department of Energy	\$10,000,00
Lithium-Ion Recycling Prize	Department of Energy	\$10,000,00
Energy Efficient Transformer Rebates	Department of Energy	\$10,000,00
Extended Product System Rebates	Department of Energy	\$10,000,00
Pumped Storage Hydropower Wind and Solar Integration and System Reliability Initiative	Department of Energy	\$10,000,00
Pre-Commercial Direct Air Capture Prize Competitions	Department of Energy	\$15,000,00
New Solar Research & Development	Department of Energy	\$20,000,00
Solar Recycling Research & Development	Department of Energy	\$20,000,00
Hydropower Research, Development, and Demonstration	Department of Energy	\$36,000,00
National Marine Energy Centers	Department of Energy	\$40,000,00
Wind Energy Tech Recycling Research & Development	Department of Energy	\$40,000,00
Solar Energy Research and Development	Department of Energy	\$40,000,00
Energy Auditor Training Grant Program	Department of Energy	\$40,000,00
Energy Efficiency Materials Pilot Program	Department of Energy	\$50,000,00
Wind Energy Technology Program	Department of Energy	\$60,000,00
Marine Energy Research, Development, and Demonstration	Department of Energy	\$70,400,00
40332) Critical Material Supply Chain Research Facility	Department of Energy	\$75,000,00
Section 243 Hydroelectric Efficiency Improvement Incentives (Sec	Department of Energy	\$75,000,00
Enhanced Geothermal Systems and Pilot Demonstrations	Department of Energy	\$84,000,00
Carbon Capture Tech Program 962 Of EPA (Sec 40303) Commercial Direct Air Capture Technology Prize Competition	Department of Energy Department of Energy	\$100,000,00
Watershed Rehabilitation Program Front-End Engineering and Design Program Out Activities Under	Agriculture	\$118,000,00
Hydroelectric Production Incentives	Department of Energy Department of	\$125,000,00
Battery and Critical Mineral Recycling	Department of Energy	\$125,000,00
Rare Earth Security Activities	Department of Energy	\$127,000,00
Rare Earth Elements Demonstration Facility	Department of Energy	\$140,000,00
Long-Duration Energy Storage Demonstration Initiative and Joint Program	Department of Energy	\$150,000,00
Industrial Research and Assessment Centers	Department of Energy	\$150,000,00
Energy and Minerals Research Facility	Department of the Interior	\$167,000,00

Clean Energy and Power - \$74,952,140,781

and Cost-Saving Transportation (PROTECT) - FormulaTransportation\$7,299,999,998ProgramProgramFlood Mitigation Assistance Grants (National Flood Insurance Act Sec 1366)Department of Homeland Security\$3,500,000,000erior Wildfire Management - PreparednessDepar TranspCoastal Storm Risk Management, Hurricane, And Storm Damage Reduction ProjectsDepartment of Defense - Army Corps of Engineers\$2,550,000,000als and Emergency Preparedness GrantsDepar TranspInland Flood Risk Management ProjectsDepartment of Defense - Army Corps of Engineers\$2,500,000,000vironmental Infrastructure AssistanceDepar Army ArmyAquatic Ecosystem Restoration ProjectsDepartment of Defense - Army Corps of Engineers\$1,900,000,000\$1,900,000,000par	partment of Agriculture \$250,000,000 partment of the Interior \$245,000,000 partment of insportation \$234,125,000 partment of Commerce \$207,000,000 partment of Defense – ny Corps of Engineers \$200,000,000 partment of the Interior \$200,000,000 partment of Agriculture \$180,000,000	eral Lands	Department of Agriculture Department of Energy Department of Energy Department of the Interior Department of the Interior	\$50,000,000 \$50,000,000 \$50,000,000 \$50,000,000
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	partment of Agriculture \$180,000,000		Department of Defense – Army Corps of Engineers	\$45,000,000
and Cost-Saving Transportation (PROTECT) - Discretionary Transportation		t Were	Department of Defense – Army Corps of Engineers	\$45,000,000
1 folloting Resilent Operations for Transformative, Enterent, Department of	partment of the Interior \$162,000,000 partment of Defense –	ites	Department of the Interior	\$45,000,000
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State and Local Cybersecurity Grant Program	partment of the Interior \$130,000,000		Department of Defense – Army Corps of Engineers	\$30,000,000
Wildfire Management - Fuels Management Department of the Interior \$878,000,000	partment of Commerce \$100,000,000)f 2020	Department of Defense – Army Corps of Engineers	\$30,000,000
Reforestation Trust Fund (Replant Act) Department of Agriculture \$528,000,000 Id Recovery Fund Department	partment of Homeland \$100,000,000	l Units Of		
Hazardous Fuels ManagementDepartment of Agriculture\$514,000,000ects To Improve Watershed HealthDepartment	partment of the Interior \$100,000,000	:se-911	Department of Agriculture	\$30,000,000
Tomorrow through Ongoing Risk Mitigation (STORM) Act Security \$500,000	partment of Agriculture \$100,000,000		Department of the Interior	\$26,000,000
(Robert 1 Stafford Act, Sec 205) st Landscape Restoration Program Depar	partment of Agriculture \$100,000,000	ation	Department of the Interior	\$23,668,000
	partment of Agriculture \$100,000,000		Department of Agriculture	\$20,000,000
Flood and Inundation Mapping and Forecasting Water	vironmental Protection \$100,000,000		Department of Agriculture	\$20,000,000
Department of Commerce \$492,000,000	partment of Agriculture \$100,000,000		Department of the Interior	\$17,000,000
Habitat Restoration Department of Commerce \$491,000,000 agement on Federal Lands Program and Department	partment of Agriculture \$100,000,000	_	Department of Homeland Security	\$14,500,000
Federal Wildland Firefighter Salaries And Expenses Department of Agriculture \$480,000,000 ingenie for the Construction Agriculture for the formation of the Construction of the Constructi	¢100,000,000	, and Risks	Department of Homeland	\$13,400,000
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Grants For States And Tribes For Voluntary Restoration Department of the Interior \$400,000,000 ce Department	partment of Agriculture \$88,000,000	Program	Department of Agriculture	\$10,000,000
Burned Area Recovery Department of Agriculture \$325,000,000 illience - Adaptation Planning Department	par		1	#10,000,000
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Emergency Watershed Protection Program Department of Agriculture \$300,000,000 t to Implement National Seed Strategy Department of Defance	partment of Agriculture	7-00	Department O Homeland Security	\$4,000,000
Flood Control and Coastal Emergencies Department of Defense – Army Corps of Engineers \$251,000,000	partment of the Interior \$70,000,000		Security Department of Homeland	\$2,800,000
Cybersecurity for the Energy Sector Research, Development, and Demonstration Program Department of Energy \$250,000,000 ture Security and Resilience Research Security	×	ıg At-Risk	Security Department of Agriculture	
Rural And Municipal Utility Advances Cybersecurity Grant Department of Energy \$250,000,000 Itegy Department	partment of Agriculture \$60,000,000 partment of Commerce \$50,000,000		Department of Homeland	\$1,200,000
Aquatic Ecosystem Restoration And Protection Projects Department of the Interior \$250,000,000	partment of Commerce \$50,000,000 partment of Commerce \$50,000,000		Security	\$1,000,000
Prescribed Fires	partment of Commerce \$50,000,000	_	TOTAL - RESILIENCE	\$37,866,099,248



What's In It for Kansas?

Kansas Infrastructure Hub

- Kansas' coordinated approach
 - Working to identify best practices from across the nation for deploying funds and maximizing Kansas' funding opportunities.
- State Agency Sub-Cabinet
 - Administration
 - Agriculture
 - Commerce
 - Health and Environment
 - Transportation
 - Kansas Corporation Commission
 - Kansas Water Office
- Led by KDOT



Kansas Infrastructure Hub

- Advisory Committee
 - Public and Private Sector Partners to Maximize Funding to Kansas

- Kansas Infrastructure Summit
 - Wichita July 13-14
 - 500 attendees in-person/150 online



Problematic Issues for Kansas Communities

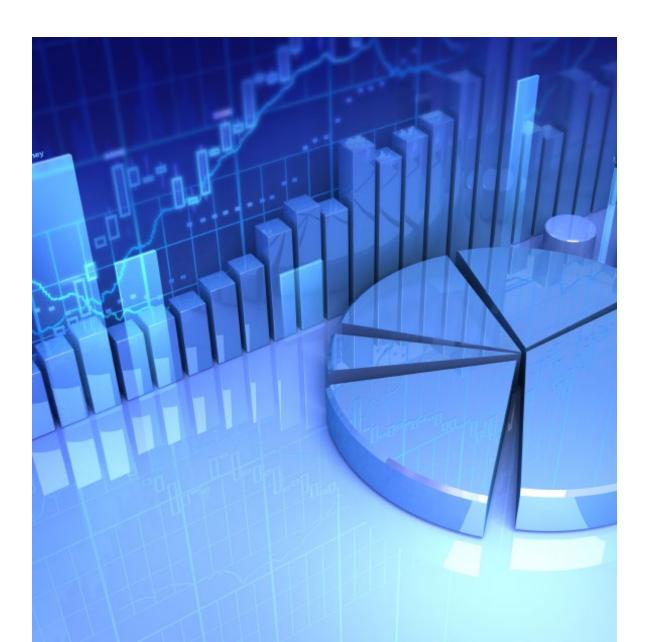
- Required matching funds for various funding opportunities;
- Registering for grant eligibility (Grants.gov);
- Internal capacity to develop and submit grant and other funding applications; and
- Internal capacity to administer grant awards.



Possible State Proposal

State Funding

- Matching Grant Funds
- Federal Grant Registration Assistance
- Grant Writing and Administration Support



Utility Organization Partnership



Utility Organization Partnershi

- KMU/KMEA/KPP Partnership
 - Hired Washington Law Firm
 - Amanda Wood, Becker & Poliakoff
 - Identify Funding Opportunities
 - Generation/Grid Security & Reliability/EV Infrastructure/ Renewables/Water/Broadband/Others
 - Conduct Informational Webinars
 - Answer Questions
 - Serve as Overall Resource for Combined Membership
 - Points of Contact:
 - KMU Greg Dumars
 - KMEA Tyson McGreer
 - KPP Brooke Carroll



? ? ? ? ? What Can We Do?Now?

PLAN NOW!!!

- Identify Potential Local, Regional, and/or Collaborative Projects
- Involve Stakeholders Early
- Identify Grant Writing Capabilities
- Monitor and Track Funding Opportunities
 - KMU/KMEA/KPP Partnership
 - Relevant Agency Announcements
- Be ready when funding announcement are released
- Engage Elected Officials



• Goal: Maximize Funding for Kansas

Grant Application Process and Timing



Pre-Award Phase (approximately 4 months)

Funding Opportunity Announcement (FOA) published on Grants.gov Grant applications are due 30 to 60 days after the FOA is published Applications undergo review process (e.g., peer review, financial review) for 1-3 months

4	5

Award Phase (approximately 1-2 months)

Funding recommendations become a final funding decision Grant-making agency sends Notice of Award (NOA) to successful grant applicant Post Award (approximately 1-5 years)



Implementation Phase

Applicant does routine progress and financial reporting for the duration of the grant

Grantors conduct audits and monitoring for the duration of the grant

Closeout is the official ending to the grant

Is Your Community Ready?

- Register with GRANTS.gov NOW!
 - If registered, new Unique Entity Identifier (UEI) requirement as of April 2022
 - 36 KMU Members are not currently registered
- Validate entity with SAM.gov
 - System for Award Management
- Register with FedConnect.net
 - Bridges the gap between government agencies, vendors, and grants applicants



FIND. APPLY. SUCCEED.





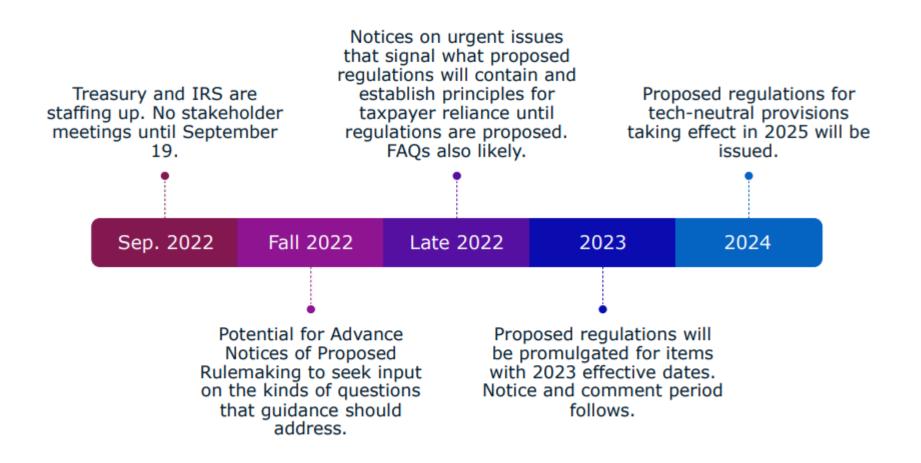
Inflation Reduction Deficit Reduction

Offsets (over 9 years)			
Book Profits Min. Tax	\$220 billion		
Stock Buybacks Tax	\$75 billion		
Extend Business Loss Limits	\$55 billion		
Prescription Drug Reform	\$240 billion		
Total Offsets: \$ 590 billion			
Investments (over 9 years)			
Energy Tax Incentives	\$260 billion		
Energy Spending	\$80 billion		
Additional IRS Funding	\$80 billion		
Ag/Other Spending	\$50 billion		
ACA Tax Credit Extension	\$65 billion		
Total Investments: \$ 535 billion			
Deficit Reduction:	\$55 billion		
Potential IRS Rev: \$180 Billion			
Deficit Reduction (w/IRS): \$235 billion			

Major Components of the IRA



Treasury Timeline for Guidance



Who Will Influence the Answer To All These Questions?







• Big Impact Players on Tax Guidance:

John Podesta Lily Batchelder Tom West Secretary Granholm Janet Yellen





SAF





Hydrogen

LOSER

Manufacturers





Treasury and IRS



Auto Dealers



Nuclear

Big Winner #1: Hydrogen

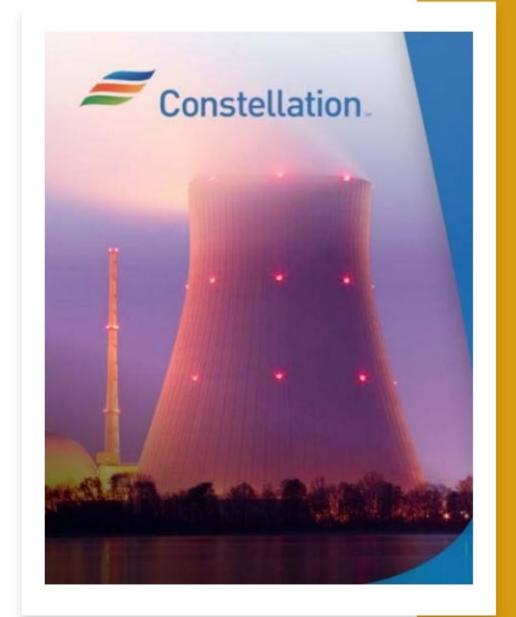


Big Winner #2: Brokers Matching Taxpayers to Enterprises Earning Tax Credits

- S TAX CREDITS
- Unprecedented Direct Pay
- Unprecedented Transferability
- Tax Equity Deals Still Likely
- No Adverse Impact on General Business Credits
- Market will evolve to maximize participation and minimize haircut

Big Winner #3: Existing Nuclear Facilities

- One tenth of the estimated revenue cost of the climate tax title goes to existing nuclear facilities.
- No additional capital expenditures are required.
- The structure of the credit provides a floor price for the sale of nuclear-generated electricity for the next decade.



Big Winner #4: The Treasury Department and the IRS

With limited legislative history and broad regulatory authority, Treasury will craft a significant amount of law through guidance

House Ways & Means Build Back Better markup and Senate Finance Committee markup of Clean Energy for America Act contain the most legislative history

Floor colloquies during both the House and Senate floor consideration of the Schumer-Manchin-Sinema final version also will be influential

IRS gets the largest cash infusion it will ever see.





Winner #5: Sustainable Aviation Fuel

- No one has figured out how to fuel an airplane with batteries
- Cleaner aviation fuel earns a larger credit:
 - SAF \$1.25-1.75
 - Biodiesel \$1.00
 - Alternative Fuels \$0.50
- The life cycle analysis gives multiple options for computation
- Downside: SAF credit expires after five years (12/31/27)



Winner #6: EV Auto Dealers

- The electric vehicle credit cap is removed. All brands should qualify for up to a \$7,500 credit.
- Auto dealers will be able to claim the credit at the point of sale on behalf of the buyer through an innovative Treasury window structure. The result will be a \$7,500 reduction in the price of the EVs.
- Dealers will have to become arbiters of EV purchaser's incomes since the credit is limited to individuals with the following income:
 - Joint return—\$300,000
 - Head of household—\$225,000
 - All others-\$150,000



Winner #7: Industrial Manufacturers

- Provides almost \$6 billion for competitive DOE grants on a 50/50 cost share basis for technology designed to accelerate greenhouse gas emissions reductions
- For vehicle manufacturers:
 - \$2 billion for competitive DOE grants for electric, hybrid and hydrogen fuel cell vehicles
- Provides \$10 billion in new funding for investment tax credits for clean energy manufacturing facilities. Categories of qualifying manufacturing and recycling projects are those that produce:
 - electric and fuel cell vehicles and their components, along with refueling infrastructure;
 - renewable energy equipment and components, and renewable fuels;
 - energy storage equipment and components;
 - energy conservation products;
 - grid modernization equipment; and
 - carbon capture, transport and storage equipment

New Concepts in the IRA

Technology Neutral Credits

Prevailing Wage Requirement

Apprenticeship Requirement

Domestic Content Bonus

Energy Communities Bonus

Full Direct Pay

Broad Transferability

Delayed Tech Neutral Credit: Electricity

Through 2024

2025 until at least 2032

Traditional ITC / PTC

- Wind
- Solar
- Geothermal
- Battery Storage
- Fuel Cell
- Biomass
- Trash Combustion
- Landfill Gas
- Hydropower
- Wave and Tide Power

Clean Electricity Credit

- New zero-emissions facilities can choose ITC or PTC
- Credit availability would phase out beginning the later of when the U.S. power sector emits 75% less carbon than 2022 levels, or 2032

Prevailing Wage & Apprenticeship Requirements

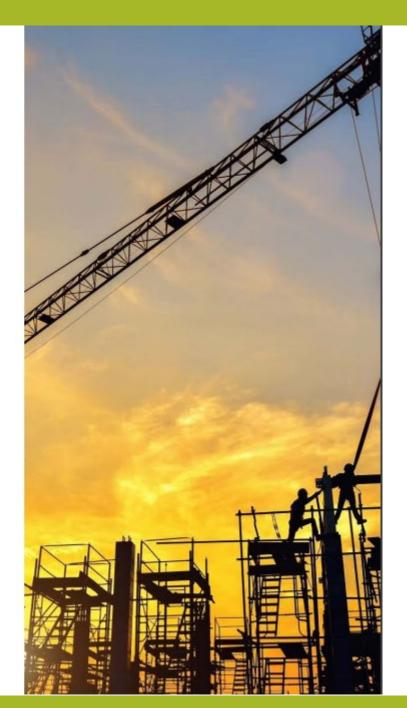
- New energy credits generally adopt a two-tier credit structure, with the maximum credit contingent on meeting prevailing wage and apprenticeship requirements
- Inflation Reduction Act provisions with prevailing wage/apprenticeship requirements for maximum benefit:
 - Section 13101 Credit for Electricity Produced from Certain Renewable Resources (PTC)
 - Section 13102 Energy Investment Credit (ITC)
 - Section 13103 Low-Income Communities Bonus Energy Credit for Wind and Solar
 - Section 13105 Zero-Emission Nuclear Power Production Credit
 - Section 13204 Clean Hydrogen
 - Section 13404 Alternative Fuel Refueling Property Credit
 - Section 13501 Advanced Energy Project Credit
 - Section 13701 Clean Electricity Production Credit
 - Section 13702 Clean Electricity Investment Credit



Prevailing Wage Requirements

Prevailing wage:

- Generally, applies to the construction of the facility or equipment subject to the credit as well as any alteration or repair during the period of the credit.
- IRS is expected to issue guidance identifying prevailing wage rates determined by the Department of Labor for:
 - Type of labor (i.e., construction, alteration, or repair)
 - Locality in which the facility or equipment is located
 - A taxpayer failing to satisfy these requirements may cure the failure by compensating each worker the difference between wages paid and the prevailing wage, plus interest, in addition to paying a \$5,000 penalty to the Treasury for each worker paid below the prevailing wage.



Apprenticeship Requirements

• Apprenticeship requirement:

—Requires apprentices to account for a set percentage of the labor force for the construction, alteration or repair of the facility or equipment subject to the credit (i.e., 10% (2023), 12.5% (2023), 15% (2024 and beyond)) based on year construction commences



- —Qualified apprentices must come from a DOL registered apprenticeship program
- —IRS is expected to issue guidance on:
 - Applicable DOL/state apprenticeship-to-journeyworker ratios
 - Exceptions for good-faith effort to meet apprenticeship requirement
 - Penalties (i.e., \$50 per required apprentice hour); higher intentionaldisregard penalty

Domestic Content Bonus Credit

- Domestic content
 - Generally, requires certifying that facilities are composed of steel, iron, or products manufactured in the U.S.
 - A manufactured product is deemed to have been manufactured in the U.S. if not less than the adjusted percentage of the total cost of all manufactured products (including components) are mined, produced, or manufactured in the U.S.
 - A product is deemed to have been manufactured in the U.S. if an applicable percentage of the total cost of the components are mined, produced, or manufactured in the U.S.
 - The applicable percentage varies by the credit and year construction begins
 - For most credits, the applicable percentage starts at 40% (20% for offshore wind) and increases annually up to 55%

Year Construction Begins	Facility Type	
	Offshore Wind	All Others
Before Jan. 1, 2025	20 percent	40 percent
2025	27.5 percent	45 percent
2026	35 percent	50 percent
2027	45 percent	55 percent
After Dec. 31, 2027	55 percent	55 percent

Energy Communities Bonus Credit

- Enhanced credits are available for facilities or projects placed in service after 2022 in energy communities:
 - Sections 45 and 45Y PTCs: 10% increase in amount of credit extra if the energy community requirements are satisfied
 - Sections 48 and 48E ITCs: 10% increase in credit rate if meet energy community requirements and (i) project has maximum net output of less than 1 megawatt, (ii) project begins construction before date that is 60 days after Secretary publishes guidance on prevailing wage and apprenticeship requirements, <u>or</u> (iii) meet prevailing wage and apprenticeship requirements
- · Energy communities include:
 - Brownfield sites
 - Areas that have (or have had since 2009) 0.17% or greater employment or 25% or greater local tax revenues related to the extraction, processing, transport or storage of coal, oil or natural gas, and have an unemployment rate at or above the national average unemployment rate for the previous year, or
 - Census tracts (or adjoining tracts) where a coal mine closed after 1999, or a coal-fired electric generating unit was retired after 2009
- IRS guidance is expected on the areas qualifying as "energy communities"



Business Energy Tax Credits



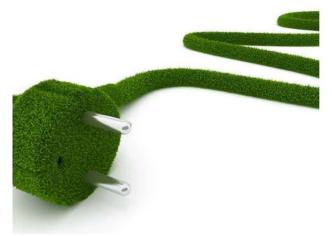
Credit for Electricity Produced from Certain Renewable Resources

Effective dates

- Modifications generally apply to facilities placed in service after 12/31/2021
- Reduction for tax-exempt financing is effective as of 8/16/2022
- Domestic content, elective payment, energy community, and amendments for qualified hydroelectric production and marine and hydrokinetic renewable energy apply to facilities placed in service after 12/31/2022

Credit for Electricity Produced from Certain Renewable Resources

- Section 45 electricity PTC significant modifications:
 - 2-tier credit: base credit rate of 0.3 cents per kilowatt hour, maximum credit rate of 1.5 cents per kilowatt hour for prevailing wage and apprenticeship requirements
 - Additional increases for domestic content and energy communities
 - Extends beginning-of-construction deadline to projects that begin construction before 1/1/2025 for:
 - Wind (including offshore wind), geothermal, biomass, trash combustion, landfill gas, hydropower, and wave and tide power projects
 - Revives credit for solar energy facilities
 - For qualified hydroelectric and marine and hydrokinetic facilities, (1) expands qualified hydroelectric and marine and hydrokinetic energy to include energy derived from pressurized water used in a pipeline for the distribution of water for agricultural, municipal, or industrial consumption, and not primarily for the generation of electricity, and (2) removes 50% credit reduction the previously applied to qualified hydroelectric and marine and hydrokinetic facilities



Energy Investment Credit

- Miscellaneous
 - Removes additional phaseout for wind facilities placed in service after 12/31/2021
 - Reduction for tax-exempt financing similar to PTC (section 45(b)(3))
 - Revises section 50 to provide that the amount of the ITC no longer reduces the eligible basis of property for purposes of computing the lowincome housing tax credit
 - Direct pay and transferability options

Effective dates

- Modifications generally apply to facilities placed in service after 12/31/2021
- Reduction for tax-exempt financing is August 16, 2022 date of enactment
- Domestic content, elective payment, energy community, LIHTC, and provisions for energy storage technology, biogas property, microgrid controllers, dynamic glass, interconnection property, and linear generators assembly property apply for property placed in service after 12/31/2022



Energy Investment Credit

- Section 48 electricity ITC significant modifications:
 - Amount of Credit
 - Base credit rate of 6% of the basis of qualified energy property costs (2% for microturbines) and maximum credit rate of 30% (10% for microturbines) for projects meeting the prevailing wage and apprenticeship requirements
 - Additional increases for domestic content and energy communities
 - Timing
 - Extended credit for solar, fuel cell, microturbines, combined heat and power system property, small wind, and waste energy recovery property placed in service after 12/31/2021 and beginning construction before 1/1/2025
 - Extended credit for geothermal heat pumps placed in service after 12/31/2021 and beginning construction before 1/1/2035
 - However, phases out for projects that begin construction after 1/1/2033
 - New Qualifying Investments
 - Qualified energy property expanded to include (i) energy storage technology, (ii) biogas property, (iii) microgrid controllers, (iv) dynamic glass, (v) interconnection property, and (vi) linear generators assembly property that begins construction before 1/1/2025



Low-Income

Communities

Bonus Energy

Credit for

Wind and

Solar

· Qualified low-income residential building project

- Installed in (i) residential rental building under various housing programs, and (ii) financial benefits of electricity are allocated equitably among occupants
- · Qualified low-income economic benefit project
 - At least 50% of the financial benefits (which includes electricity acquired at a below-market rate) of the electricity produced are provided to households with income of (i) less than 200% of the poverty line, or (ii) less than 80% of the area median gross income

Low-Income Communities Bonus Energy Credit for Wind and Solar

- Credit recapture for property that ceases to be bonus eligible:
 - -1 year after placed in service, 100% recapture
 - 2 years after placed in service, 80% recapture
 - 3 years after placed in service, 60% recapture
 - 4 years after placed in service, 40% recapture
 - 5 years after placed in service, 20% recapture
- Direct pay and transferability options
- Effective for projects placed in service after 12/31/2022
- Guidance Issues:
 - Allocation and application process
 - Deduction of qualified low-income residential building project & qualified lowincome benefit project

Clean Electricity Production Credit

GHG emissions rate

- —The amount of GHG emitted by the facility, expressed as grams of $\rm CO_2E$ per KWh
- Treasury Secretary to publish annual table of GHG rates for categories of facilities
- —GHG emitted does not include any qualified carbon dioxide that is captured by the taxpayer and disposed of in secure geological storage or utilized

·Credit phase out after applicable year

- —Phase out starts on the latter of (i) 2032, or (ii) year in which annual GHG emissions from producing electricity is equal to or less than 25% of such emissions for 2022
- -100% of credit in first year following applicable year, then reduced by 25% each year thereafter

Clean Electricity Production Credit

• New section 45Y tech-neutral PTC (which will replace current section 45 PTC) is equal to the product of (1) kilowatt hours of electricity produced at a qualified facility and sold to an unrelated party during the year, and (2) the applicable amount for such facility



- New section 45Y tech-neutral PTC (which will replace current section 45 PTC) is equal to the product of (1) kilowatt hours of electricity produced at a qualified facility and sold to an unrelated party during the year, and (2) the applicable amount for such facility
- Applicable amount (adjusted for inflation)
 - Base amount: 0.3 cents
 - Alternative amount: 1.5 cents
 - Applies if maximum output is less than 1 megawatt or prevailing wage and apprenticeship requirements are met
 - Increases for energy communities and domestic content
 - Reduction for tax-exempt financing
- · Qualified facility if requirements are satisfied, facility is qualified for 10 years from date placed in service
 - Must be used to generate electricity
 - Placed in service after 12/31/2024 (includes new units and additions to existing facilities)
 - $\,$ GHG emissions rate may not be greater than 0 $\,$
- · Consumption, sales or storage only considered for electricity produced within U.S. or U.S. possession



Clean Electricity Production Credit No double benefit for:

- Section 45 PTC
- Section 45Q credit for carbon oxide sequestration
- Section 45J advanced nuclear power facility
- Section 45U zero-emission nuclear power production credit
- Section 48 ITC
- Section 48E technology-neutral ITC
- Section 48A advanced coal project credit
- Direct pay and transferability options
- Secretary to issue guidance on or before 1/1/2025
- Applies to facilities placed in service after 12/31/2024

Zero-Emission Nuclear Power Credit

• The law provides a new credit for the production of electricity from an existing qualified nuclear power facility for a 10-year period beginning with electricity produced and sold after 2023.



- •The base credit is 0.3 cents per kilowatt-hour and a maximum credit rate of 1.5 cents per kilowatt-hour.
- •A qualified nuclear power facility is any nuclear facility that is owned by the taxpayer, that uses nuclear energy to produce electricity, was not previously awarded a credit allocation under section 45J and is placed in service before the date of enactment (e.g., Aug. 16, 2022).
- Tax-exempt taxpayers may elect the direct-payment option in lieu of the credit.
 - Provides support for existing nuclear power plants and should allow a significant number of them to continue to operate for the next 10 years.

Clean Hydrogen Credit

- Clean Hydrogen Credit (new section 45V)
 - —PTC/ITC optionality for facilities beginning construction before 1/1/2033
 - —10-year PTC up to \$3/kg OR ITC up to 30%
 - Credit based on hydrogen lifecycle greenhouse gas emissions rate (well to gate) – limited to 4 kilograms or less of CO2e per kilogram of hydrogen produced



	4 - 2.5 kgs CO2e/ kg H2	<2.5 - 1.5 kgs CO2e/ kg H2	<1.5 - 0.45 kgs CO2e/ kg H2	<0.45 kgs CO2e/k g H2
PTC – Base credit	\$0.12	\$0.15	\$0.20	\$0.60
– Maximum credit (5x base)	\$0.60	\$0.75	\$1.00	\$3.00
ITC – Base credit	1.2%	1.5%	2%	6%
– Maximum credit (5x base)	6%	7.5%	10%	30%

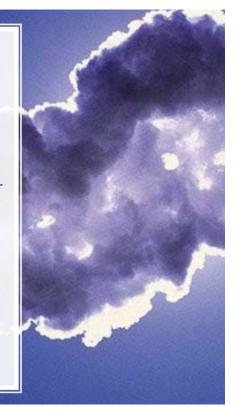
Clean Hydrogen Credit

- Other features and requirements:
 - Hydrogen produced may be for sale or use; U.S. production required
 - Third-party verification of production and sale/use
 - No double benefit for section 45Q credit under PTC or ITC
 - Direct-pay available to for-profit businesses; generally applies to year facility placed in service plus 4 following years
 - Transferability option
 - Tax-exempt bond financing rule rules similar to section 45(b)(3):
 - New credit amount reduced by the product of (1) credit amount, and (2) lesser of (i) 15%, and (ii) the fraction of proceeds of a tax-exempt obligation used to finance the facility over the aggregate amount of additions to the capital account of the facility
 - Applies to facilities beginning construction after Aug. 16, 2022
 - Repeals hydrogen excise-tax credit (section 6426(d)(2)) for fuel sold after 12/31/2022
 - Effective dates:
 - PTC: hydrogen produced after 12/31/2022
 - ITC: property placed in service after 12/31/2022 (if construction started before 2023, only basis attributable to construction after 12/31/2022)

Carbon Capture Credit

• Section 45Q guidance issues:

- Prevailing wage and apprenticeship requirements
 - Applies to construction of facilities and alteration and repairs during the 12-year credit period
 - Not applicable until 60 days after guidance issued, based on commenceconstruction date; still applies to alteration and repairs after guidance date
- Baseline carbon oxide determination for electricity generating facilities
- Denial of double-benefits for carbon-capture equipment associated with other credits (e.g., hydrogen PTC/ITC, clean fuels PTC)



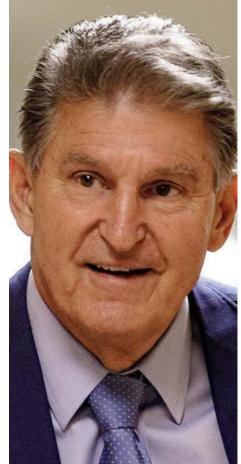
Carbon Capture Credit

 Section 45Q carbon capture credit – significant modifications:
 —Credit value increased and expanded for carbon-capture facilities beginning construction after 12/31/2022:

		Sequestration	EOR/Utilization
Industrial capture	Base credit	\$17/ton	\$12/ton
	Maximum credit (5x base)	\$85/ton	\$60/ton
Direct-air capture	Base credit	\$36/ton	\$26/ton
	Maximum credit (5x base)	\$180/ton	\$130/ton

- Maximum credit based on meeting prevailing wage and apprenticeship requirements
- —Enhanced credit applies to construction beginning before 1/1/2033
 - No placed in-service deadline

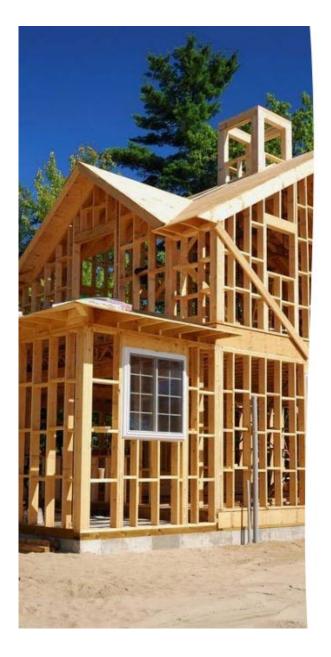
Advanced Energy Project Credit



- Allocates \$10 billion to extend section 48C qualified advanced energy project (QAEP) credit
 - At least \$4 billion must go to projects located within certain census tracts that did not previously receive a certification and allocation of credits under prior section 48C
 - Treasury Secretary has 180 days from enactment to set up certification program (i.e., Feb. 12, 2023)
- Base credit rate of 6% and maximum rate of 30% for meeting prevailing wage and apprenticeship requirements
- Certification process
 - After acceptance of an application by the Treasury Secretary, the taxpayer has 2 years to provide evidence that requirements for certification have been met
 - After certification, the taxpayer has 2 years to place project in service
- Qualifying projects are evaluated and based on:
 - reasonable expectation of commercial viability,
 - potential for domestic job creation,
 - net impact on reducing greenhouse gas emissions,
 - cost of energy and reduction in energy consumption or emissions, and
 - time from certification to project completion.

Advanced Manufacturing Production Credit

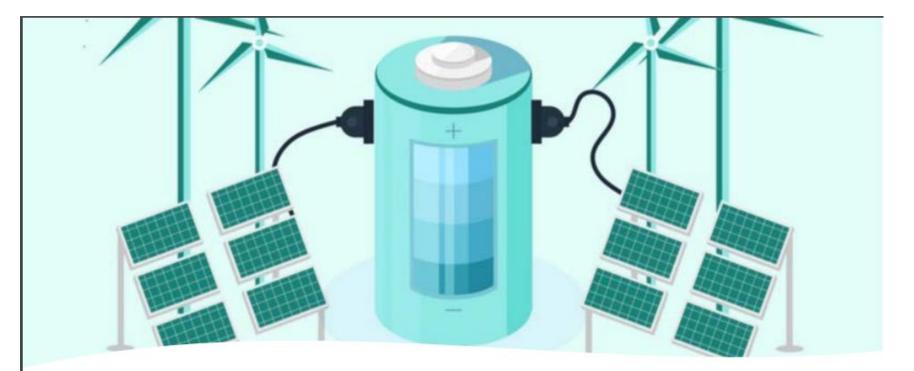
- New PTC (section 45X) for each eligible component that is produced in the U.S. and sold to unrelated parties as part of the taxpayer's business
 - Election available to treat sales of components to related parties as sales to unrelated parties
 - Treasury Secretary to provide guidance on form and manner of election, which may require registration to prevent improper or excessive credits
- · Credit amount varies based on the eligible components
 - E.g., \$12/square meter for photovoltaic wafers, and \$3/kilogram of solar grade polysilicon
- Eligible component
 - solar energy component
 - wind energy component
 - central inverter, commercial inverter, distributed wind inverter, microinverter, residential inverter or utility inverter
 - qualifying battery component
 - applicable critical minerals
 - Exception: Eligible components do not include any property produced at a facility for which section 48C credit is taken



New Energy Efficient Home Credit

- The Act retroactively extends the section 45L credit for qualified new energy efficient homes acquired through Dec. 31, 2032 (previously expired for homes acquired after Dec. 31, 2021).
 - Single Family Homes: the credit is extended to homes acquired prior to 2033 and the credit amount is increased to \$2,500 (for energy efficient homes meeting certain Energy Star requirements). The credit can increase to \$5,000 for homes certified as zero energy ready under the DOE Zero Energy Ready Home Program.
 - Multifamily Homes: a base credit of \$500 and a maximum credit of \$2,500 is provided for multifamily units meeting certain Energy Star requirements. The credit can increase to a base credit of \$1,000 and a maximum credit of \$5,000 for multifamily units certified as zero energy ready under the DOE Zero Energy Ready Home Program. To claim the bonus credit amount, home builders must satisfy the prevailing wage requirements for the full construction period.

The credit is non-transferable and non-refundable.

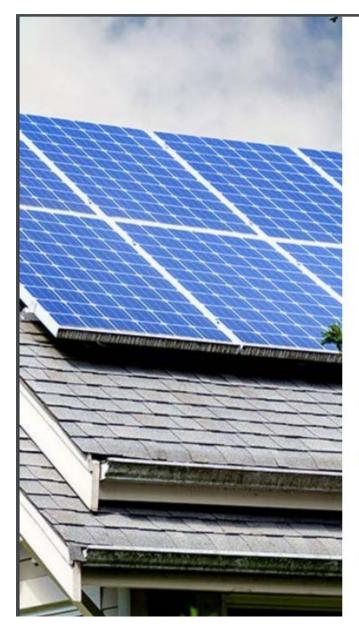


Cost Recovery for Qualified Property, Facilities, and Energy Storage Technology

- Facilities and properties placed into service after 12/31/2024 are treated as five-year property for depreciation purposes, allowing for accelerated cost recovery:
 - Any qualified tech-neutral PTC facility (defined in 45Y(b)(1)(A))
 - Any qualified tech-neutral ITC property (defined in 48E(b)(2))
 - Any tech-neutral ITC energy storage technology (defined in 48E(c)(2))

Individual Energy Tax Credits





Residential Clean Energy Credit

- Prior to the new law, taxpayers were eligible for a 26% credit for installing renewable energy property in a residence in 2021 or 2022, 22% if placed in service in 2023, with a complete phaseout thereafter. Qualifying property included solar electric, solar water heating, fuel cell, small wind, biomass fuel property or geothermal heat pump properties.
- The new law extends the credit through 2034 for residential solar, wind, geothermal, and biomass fuel.
- Applies a 30% credit for property placed in service between 2022 and 2032. Credit decreases to 26% for property placed in service in 2033 and 22% for property placed in service in 2034.
- Expands eligibility to battery storage technology with a capacity of at least 3 kilowatt-hours.

Clean Vehicle Credit

- The new law maintains the existing \$7,500 consumer credit for the purchase of a qualified new clean vehicle, including electric vehicles, plug-in hybrids, and hydrogen fuel cell vehicles.
- The credit is split into two components:



- \$3,750 if critical minerals requirements are satisfied
 - Critical minerals in a battery must be (1) extracted in the U.S. or a country with which the U.S. has a free trade agreement in effect, or (2) recycled in North America. The value of minerals must be equal or greater to an applicable percentage
- \$3,750 if battery component requirements are satisfied
 - The percentage of the value of the components contained in a battery manufactured or assembled in North America must be equal to or greater than the applicable percentage

Clean Vehicle Credit



• The clean vehicle credit requires that a minimal percentage of components be North American-made.

Critical minerals requirements	;
2023	40%
2024	50%
2025	60%
2026	70%
2027 and later	80%

Battery component requirements	
2023	50%
2024-2025	60%
2026	70%
2027	80%
2028	90%
2029 and later	100%

Alternative Fuel Refueling Property Credit

- Modifies the section 30C alternative fuel refueling property credit:
 - Extends the credit to property placed in service prior to 2033.
 - Removes the per-location limitation and increases the per item limitation to \$100,000.
 - Base credit of 6% and a maximum credit of 30% if prevailing wage and apprenticeship requirements are met.
 - Property must be located in an eligible census tract, which is either (1) described in section 45D(c) (low-income communities for purposes of the New Market Tax Credit), or (2) is not in an urban area.
- Allows for transferability of credits for projects placed in service after 2022.



Clean Vehicle Credit



Features & requirements:

- No credit is available if the manufacturer's suggested retail price exceeds \$80,000 (vans, SUVs and pickups) or \$55,000 for all other vehicles.
- No credit is available to buyers with modified adjusted gross income greater than \$300,000 (joint filers), \$225,000 (head of household) or \$150,000 (all others).
- Removed the previous manufacturer quota, which phased out the tax credit for manufacturers as they neared 200,000 clean vehicles sold. Applies to vehicles placed in service after 2022.
- Beginning in 2023, the buyer is allowed to transfer the credit to the dealer, thereby allowing the credit effectively to be taken into account in the purchase price. The transfer process includes significant requirements for vehicle dealers to qualify. The Treasury Secretary is directed to establish a direct-payment program for dealers to monetize the transferred credits.



Credit for Previously Owned Clean Vehicles

- New section 25E refundable credit for the purchase of used electric or fuel-cell vehicles after 2022 through 2032.
- The base credit is equal to the lesser of \$4,000 or 30% of the sale price.
- Previously owned clean vehicles:
 - Have a model year at least two years earlier than the calendar year of acquisition (e.g., 2021 or older if acquired in 2023)
 - Original use commenced with someone other than the buyer
 - Acquired in a qualified sale (by a dealer for \$25,000 or less and where the credit has not yet been taken)
- The buyer's modified adjusted gross income may not exceed \$150,000 (joint filers), \$112,500 (head of household) or \$75,000 (all others).

Program Objectives

The Greenhouse Gas Reduction Fund will be designed to achieve the following program objectives:

- 1. Reduce greenhouse gas emissions and other air pollutants.
- 2. Deliver the benefits of greenhouse gas and air pollution reducing projects to low-income and disadvantaged communities.
- 3. Mobilize financing and private capital to stimulate additional deployment of greenhouse gas and air pollution reducing projects.

Zero-Emissions Technologies Competition

This competition will award \$7 billion in competitive grants to states, tribes, municipalities, and eligible non-profit entities to enable the deployment of residential rooftop solar, community solar and associated storage and upgrades in low-income and disadvantaged communities - so that all families have access to low-cost clean energy. EPA expects to make up to 60 grants under this competition.

General and Low-Income and Disadvantaged Communities Competition

This competition will award \$19.97 billion in competitive grants to create a national network of eligible non-profit entities who will facilitate the technical assistance and capacity building necessary to strengthen the ecosystem of community-based organizations, small businesses, workers, suppliers and financial institutions required to accelerate the transition to an equitable net-zero economy and catalyze the jobs of the future. These grantees will partner with community financing institutions like state, local and independent green banks, community development financial institutions, credit unions, and others to enable investments in projects that reduce pollution and lower energy costs – particularly in low-income and disadvantaged communities. EPA expects to make between 2 and 15 grants under this competition.

About the Greenhouse Gas Reduction Fund

The Inflation Reduction Act provides \$27 billion to EPA for expenditure until September 30, 2024 to administer the Greenhouse Gas Reduction Fund. This includes:

- \$7 billion for competitive grants to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies, including distributed technologies on residential rooftops;
- 2. Nearly \$12 billion for competitive grants to eligible entities to provide financial and technical assistance to projects that reduce or avoid greenhouse gas emissions; and
- 3. \$8 billion for competitive grants to eligible entities to provide financial and technical assistance to projects that reduce or avoid greenhouse gas emissions in low-income and disadvantaged communities.

Weatherization Assistance Program

- The Weatherization Assistance Program is allocated to state.
- In Kansas, the Kansas Housing Resources Corporation is the administrator for the program and it is managed through four regional providers.
- In FY2023 Kansas will receive \$3,259,743 for the program.
- Weatherization assistance is to income-eligible households to improve energy efficiency, therefore lowering utility bills by ensuring households retain heat and air conditioning while keeping the elements out.
- Additional Weatherization Assistance Program information is available at <u>Kansas Housing</u> <u>Resource Corporation</u>.

Low Income Home Energy Assistance Program (LIHEAP/LIEAP)

- The program provides an annual one-time benefit.
- Program has been in existence for over two decades, but under the BIL\IIJA programs, Kansas receives an additional \$936,883.

In order to qualify, applicants must meet the following requirements:

- 1. An adult living at the address must be personally responsible for paying the heating costs incurred at the current residence, payable either to the landlord or the fuel vendor.
- 2. Applicants must demonstrate a recent history of payments toward purchase of the primary heating energy.

Benefits Levels Vary According To Certain Factors

- Household income
- Number of persons living at the address
- Type of dwelling
- Type of heating fuel

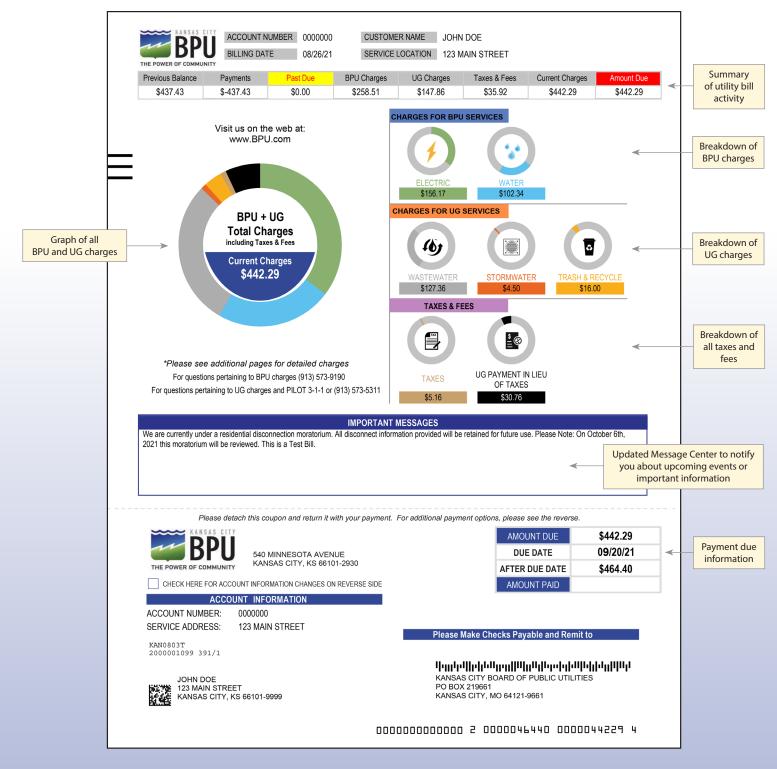
LIEAP Requirements

The combined gross income (before deductions) of all persons living at the address may not exceed 150% of the federal poverty level according to the guidelines listed below:

Persons Living at the Address	Maximum Gross Monthly Income
1	\$1,699
2	\$2,289
3	\$2,879
4	\$3,469
5	\$4,059
6	\$4,649
7	\$5,239
8	\$5,829
9	\$6,419
10	\$7,009
11	\$7,599
12	\$8,189
+1 \$590 for each additional person	

Quest ins?

A NEW & EASY-TO-READ BPU Residential Customer Billing Statement



Take a look at the back page



If you have questions regarding the new billing statement, please contact the Customer Service Department at 855-BPU-BILL (855-278-2455)

Back of the New Customer Billing Statement

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<u>KWH</u> - Kilowatt Hour is 1,000 watts of electric energy used fo		a af a sha		
<u>CCF</u> - Is the measurement of the amount of water used. One <u>KW</u> - Demand is the measurement of electric capacity or dem			())))	
ELECTRIC CUSTOMER CHARGE - This charge normally pre- energy a customer uses. The Customer Charge represents a calculation, postage and the expenses associated with the ba	vides for recovery of costs incurred in providing service portion of the cost of system access and customer servi	to customers and is not related to how ice including the cost of meter reading	w much g, bill	
WATER CUSTOMER CHARGE - A monthly charge based on	•			
ENERGY RATE COMPONENT (ERC) - The Energy Rate Cor all purchased power costs and other ancillary costs incurred t	mponent is a rider applied to the amount of energy used o provide energy to customers.	by a customer to recover the Utility's	fuel and	
ENVIRONMENTAL SURCHARGE (ESC) - The Environmenta that are required to meet Federal, State, or Local environmen	tal regulations.			
ESTIMATED READING (EST) - Weather related or unforesee reading will be estimated.	n circumstances may prevent us from obtaining an actua	al meter reading. In this case, your me	eter	
KANSAS WATER PLAN TAX - A State of Kansas imposed tax	based on gallons of water consumed.			
For additional definitions, information and rates, please	visit www.BPU.com, and go to Residential or Busir	ness > Rates > Rate Application N	lanual.	
	Automatic Bank Draft Payment P		illing	
	<u>com</u> or calling (913) 573-9190 for int	formation. esota Ave, Kansas City, KS		Differ ways to your BP
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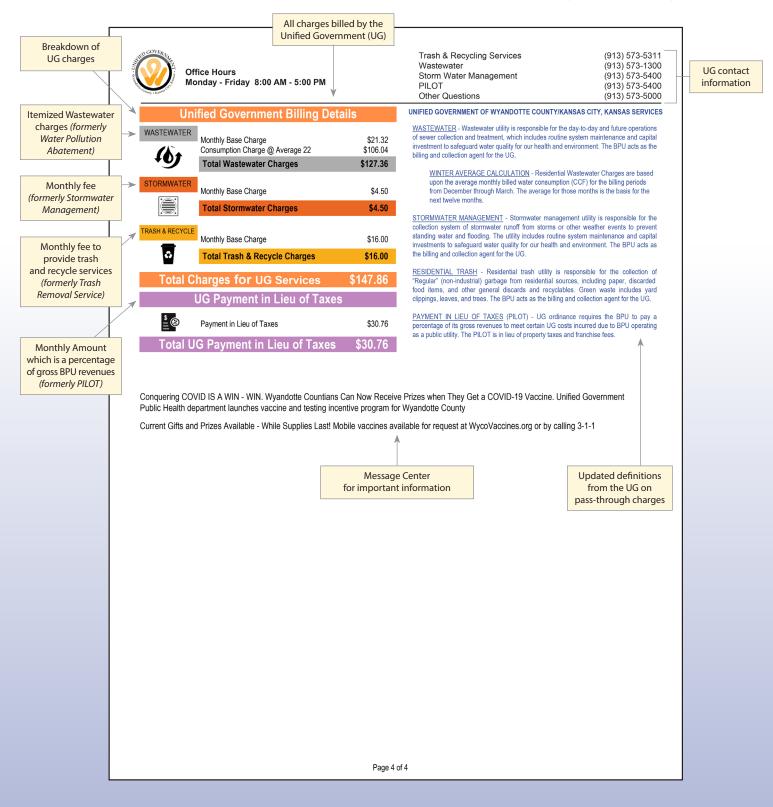
BPU Call Center hours Board of Customer Service, BPU Billing Inquiries (913) 573-9190 **Customer Service Hours** (913) 573-9522 **Public Utilities** 24 Hour Outage Service BPU Monday - Friday 7:00 AM - 6:00 PM Water Issues (913) 573-9622 contact Main Number (913) 573-9000 information **Electric Usage History** Water Usage History Electric Use Graph Water Use Graph (current & historic) (current & historic) with temperature Consumption (KWH) with temperature 200 Consumption (CCF) data Temperature (F) Temperature data 1600 1200 Ē Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug 2021 Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug 2020 2021 Aug 2020 Usage Temperature Usage Temperature **BPU Billing Details Electric Usage Information** Electric Service Period: 07/24/21-08/23/21 Rate: 100 Itemized ELECTRIC usage details electric charges Electric Customer Charge \$22.00 Read Date Meter No. Previ Current Usage Electric Consumption Charge \$84.06 83385 08/23/21 15186750 82085 1300 KWH Energy Rate Component \$ 0.02998 Environmental Surcharge \$ 0.00857 \$38.97 \$11.14 Water Usage Information **Total Electric Charges** \$156.17 Water Service Period: 07/24/21-08/23/21 Rate: 010 Itemized usage details WATER Read Date Meter No Previous Rea nt Usage Current Read water charges Water Customer Charge \$19.35 08/23/21 NE92472091 12767826 13009259 24 CCF 4 Water Consumption Charge \$82.99 \$102.34 **Total Water Charges Total Charges for BPU Services** \$258.51 Details of Taxes Details tax charges Kansas Water Plan Tax \$0.57 Sales Tax \$4.59 **Total Taxes** \$5.16 Payment Payment Details information Regular Payment (08/19/21) \$-437.43 391/2 Total Payments Received - Thank You \$437.43 2000001100 This is a test bill. BPU Warns Customers of Telephone Scams Targeting Customers. Multiple reports have been made about calls stating if payment is not made, services will be shut off within 30 minutes. If you made an application for KERA and have received the Additonal Pre-Qualification letter please email your letter to Docs@bpu.com, or messages contact customer service at 913 573 9190. for general information 0000000 10309159 072621 Page 3 of 4

Second sheet breakdown of individual charges and usage information





If you have questions regarding the new billing statement, please contact the Customer Service Department at 855-BPU-BILL (855-278-2455) Breakdown of pass-through charges from the Unified Government of Wyandotte County







CT4 Fuel Nozzles



EP CT4 Fuel Nozzles 2023





- NOx control
- Permit Limits for Similar Machines
- Historical view of NOx Performance
- Brief History of Combustion Problems
- Current Combustion Problems Debris
- Options
- Potential Impact



What is DLN

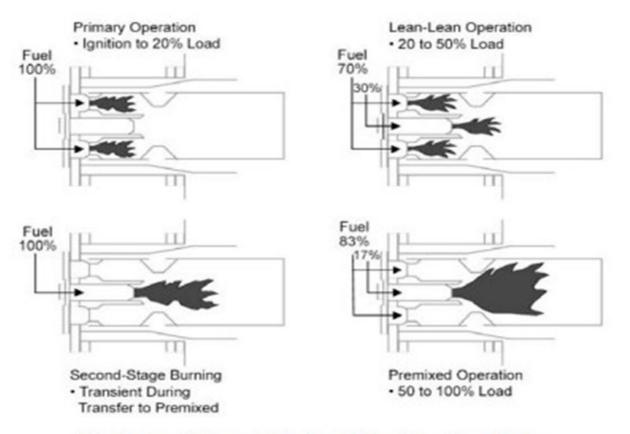


Fig. 2. Fuel-Staged Dry Low NO, Operating Modes





Examples of other DLN permit limits

Table 2: NO_emission limits.

Number of Permits	NO, Emission Limit (ppm)
37	<9.0
51	9.0
106	<15.0
11	15.0
117	<25.0
10	25.0
5	>25.0

This table confirms the trend towards single digit NO_x emissions. For certain gas turbines, NO_x emission rates \ge 9 ppm can be met using LPM combustors. Permit limits less than 9 ppm require the application of post combustion controls.

EPAs RACT/BACT/LAER Clearinghouse data from 2005

NSAS CITY

Hourly data

CT4 NOx vs Ambient Temp 2008-2023

Filtered for: Natural Gas Operation and MW > 50 Removed Bad (very low) NOx data in 2009, 2010 and 2011





CT4 Combustion Problems History

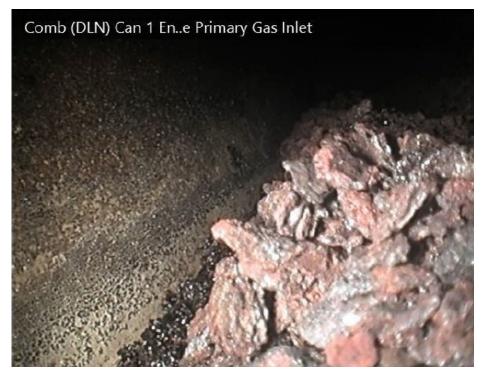
- <u>Fall 2015</u> CT4 Combustion Inspection
- Fall 2017 Began to see CT4 Emissions problems
 - NOx ~ 1ppm higher than normal & Exhaust Temperature
 Spreads ~ 40°F higher than normal
- <u>Fall 2018</u> CT4 Fuel Nozzle Refurbishment
 - High NOx and Exhaust Temperature Spreads persisted
- <u>Fall 2018</u> Notified from GE that a fleet-wide RCA was underway.
- Fall 2019 to 2020 CT4 Fuel Nozzle Refurbishment
 - GE Refurbished Nozzles according to new, corrected shop methods that resulted from the RCA.
 - Causes of problems above since 2017:
 - Primary Fuel Nozzle C-seals Over-crushed
 - Primary Fuel Nozzle Metering Orifices Chamfered



Present CT4 Combustion Problems

• <u>Fall 2022</u> – High Exhaust Temperatures Spreads, Debris found in Primary Nozzles. Examples below:



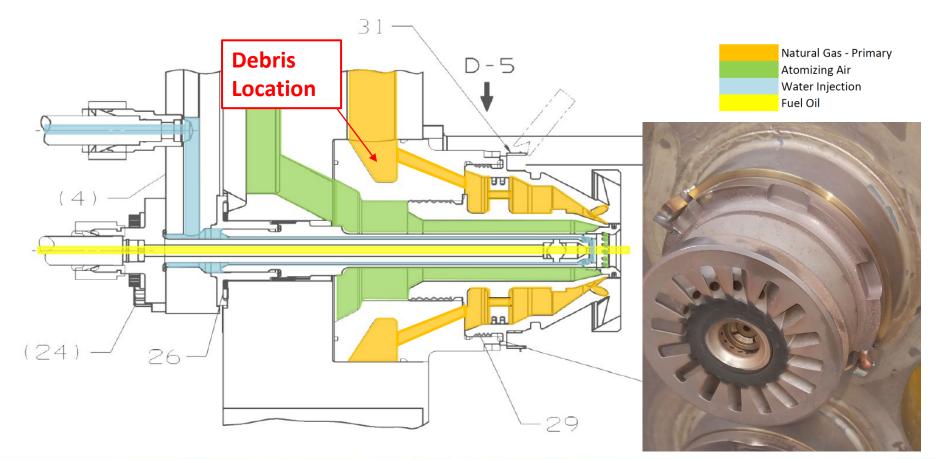


EP CT4 Fuel Nozzles 2023



CT4 Combustion Problems

Best-effort Fuel Nozzle Cleaning Oniste



EP CT4 Fuel Nozzles 2023



CT4 Options for Debris Removal

- CT4 Shop Fuel Nozzle Cleaning
 - Estimates:
 - \$500,000
 - 11 week outage
- CT4 Purchase New Primary & Secondary Fuel Nozzles
 - Future capital request FY 2025/2024 for new Fuel Nozzles
 - Investigating option for combustion can modifications to support instrumentation upgrade to utilize Auto Tune. (investigating benefits with other Auto Tune type DLN users)
 - 52 week lead time



Questions?

EP CT4 Fuel Nozzles 2023



BPU / WaterOne Emergency Interconnect Overview

March 15, 2023



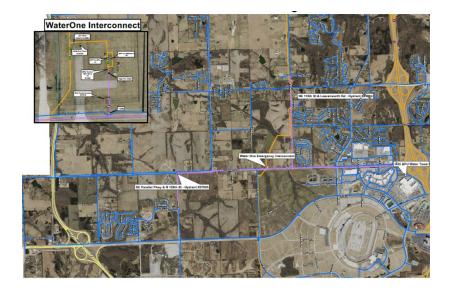
Objectives:

- Provide answers to: When, Why, What, & How
- Construction work & upgrades
- Discuss testing & the exercise
- Summary & Questions?



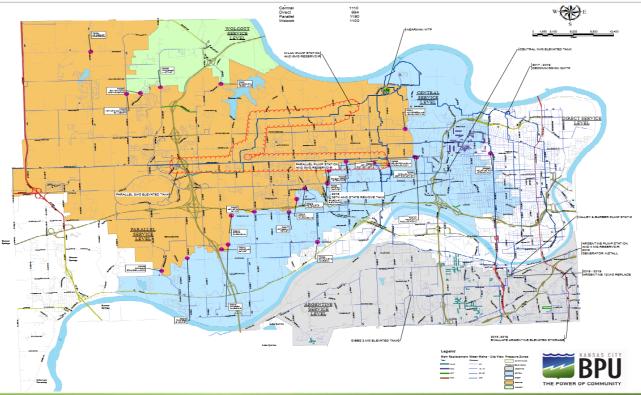
30 inch Emergency Interconnect

- Shared Interconnect
- Built 2010
- 117th St & Parallel Pkwy
- Receive up to 20 MGD to Parallel & Central systems
- Monitor & Control from either
 NWTP or locally



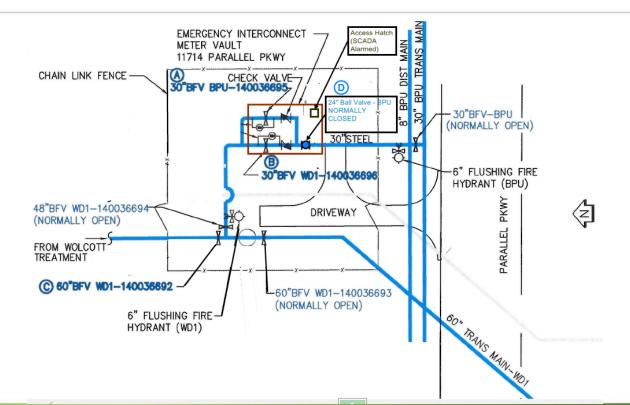


Distribution Pressure Zones



Interconnection Schematic







Beginning Excavation





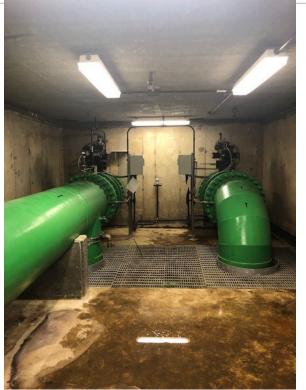




















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Installation of 24" Ball Valve





After







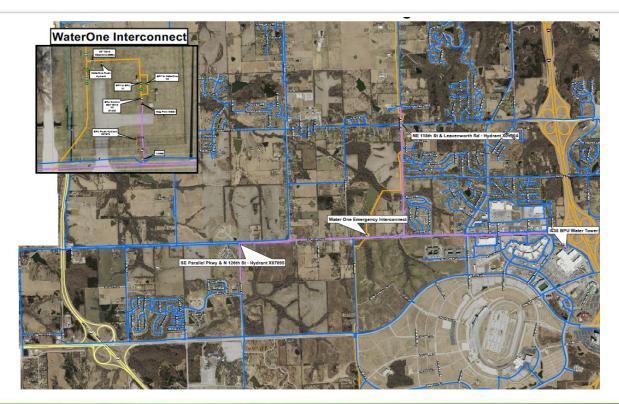


Testing Considerations

- Time of year best for BPU & WaterOne
 - Demands
 - Other project
 - Staffing
- Communication with regulatory authorities
- Customer Considerations
- What flow rate(s) to use
- What is the total volume
- Communication during the testing

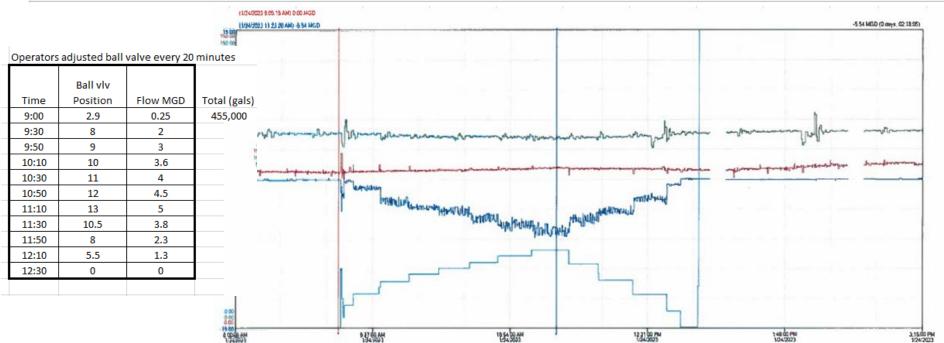
Water Samples Collected





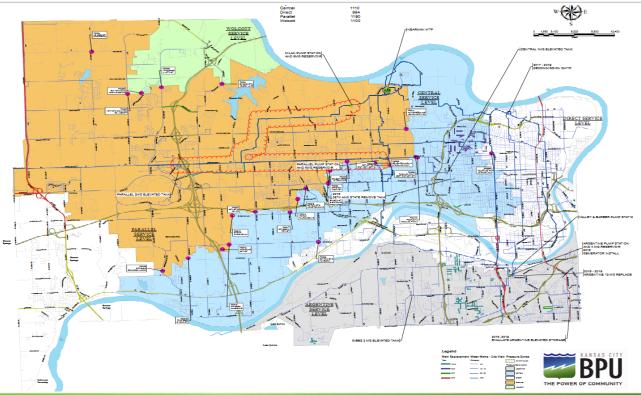


Process Data





Two Other Interconnections





Summary Points

- Interconnect testing was successful
- Operators gained experience controlling and monitoring
- Coordination and communication were successful
- No short term Water Quality concerns



Questions ?