



February 13, 2023
SB 88- KCC Elections
Oral In-Person
Proponent

FROM:
Elizabeth Patton, Americans for Prosperity, epatton@afphq.org
TO:
Senate Committee on Utilities
Room 548-S

Dear Chairman Olson and Members of the Committee,

My name is Elizabeth Patton, and I am the State Director of Americans for Prosperity – Kansas. Americans for Prosperity is the nation’s largest free market advocacy group, with tens of thousands of activists right here in Kansas. Through broad-based grassroots outreach, AFP is driving long-term solutions to the country’s biggest problems. AFP activists engage friends and neighbors on key issues and encourage them to take an active role in building a culture of mutual benefit, where people succeed by helping one another. We empower people to improve their lives and the lives of those around them by removing barriers that prevent them from reaching their potential.

Kansas has already fallen behind the rest of the region when it comes to electricity prices. We are at risk of falling further behind with top-down plans and policies like Evergy’s Sustainability Transformation Plan (STP) which will continue to raise electricity rates on Kansans without consideration of the impact on families and businesses that will have to pay the price. This is just one example of the more than 30 rate increases Kansans have experienced over the last 10 years which have been approved by the KCC.

According to the Energy Information Administration¹, Kansas has had higher residential electricity rates than the overall region. November 2021 data shows average rates of 13 cents per kilowatt-hours, roughly 13 percent above other states in the region and much higher than Missouri, Nebraska, and North Dakota.²

Uncompetitive electricity rates can be a key driver of energy poverty – Even a 1 cent per kilowatt-hour change in residential rates could cost (or save) the average Kansas household³ over \$100 per year. According to one estimate⁴, over 60,000 Kansas households have incomes of 50 percent or more below the Federal Poverty Level and pay 29 percent of their annual income simply for their home energy bills. COVID-19 has further exacerbated⁵ energy poverty in the U.S., underscoring the need for accountability and transparency from utilities to fully understand the causes of regionally uncompetitive rates.

¹ https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a

² https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a

³ <https://www.eia.gov/electricity/state/kansas/>

⁴ http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html-

⁵ <https://oneill.indiana.edu/doc/research/energy-insecurity-survey-june-2020.pdf>



We believe a distinct solution to this problem is a Kansas Corporation Commission who is accountable to the ratepayers directly.

Accountability ensures the Kansas Corporation is Commission (KCC) is working for ratepayers, not acting as a rubber stamp for special interests - be it for the utilities and their shareholders or for marginal energy producers that depend on government favoritism to compete with more efficient sources of electricity generation at the expense of ordinary Kansans.

Elected Commissioners bring better policy that is more in line with the state they represent.

Besides KDHE, the KCC has more regulations than any state agency. This is an additional way that the KCC is directing rulemaking and policy with the force of law and zero accountability to the constituency. Too many of these keep rates high by blocking competition and adding costs for red tape. Absent reform, rates will only continue to rise. Rates will decline if we enforce accountability on utilities and their regulators. This requires making the KCC an elected body accountable to the voters, not special interests, thereby aligning the interests of utility companies and those of families and businesses.

AFP believes we should strive to let the market deliver the right mix of energy at the lowest cost, we support energy policies that are fuel and technology neutral. And we think that if the legislature is going to allow the Kansas corporation Commission to be the primary drivers of rules and policy around our energy then they need to be elected and held accountable for every decision they make.

Sincerely,

Elizabeth Patton
Kansas State Director
Americans for Prosperity