

February 19, 2025

The Honorable Leo Delperdang, Chairperson
House Committee on Energy, Utilities and Telecommunications
300 SW 10th Avenue, Room 582-N
Topeka, Kansas 66612

Dear Representative Delperdang:

SUBJECT: Fiscal Note for HB 2226 by House Committee on Energy, Utilities and Telecommunications

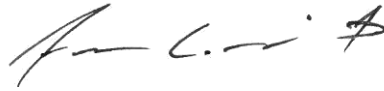
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2226 is respectfully submitted to your committee.

HB 2226 would provide incumbent electric transmission owners the right of first refusal to conduct a competitive bid process to construct, upgrade, own and maintain electric transmission lines approved for construction by the regional transmission organization. The bill would also list requirements to conduct such competitive bid processes with a need date of four years or more. The bill would authorize any other electric transmission entity to conduct a competitive bid process to construct, upgrade, own and maintain any line when the incumbent electric transmission owner does not exercise that right.

The Kansas Corporation Commission indicates that enactment of the bill would require the appointment of an independent evaluator to oversee the selection process for the competitive construction bids. The Commission estimates that enactment of the bill would generate two projects per year at \$25,000 to \$50,000 per project from agency fee funds for an independent evaluator and would also require an RFP to have independent evaluators under contract that would be able to respond to the projects when necessary. The Citizens' Utility Ratepayer Board indicates that enactment of the bill would not have a fiscal effect on operations and any workload increases would be absorbed within the current budget and resources. The Office of Judicial Administration

indicates that enactment of the bill would not have a fiscal effect. Any fiscal effect associated with HB 2226 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Lynn Retz, Kansas Corporation Commission
Shonda Rabb, Citizens Utility Ratepayer Board
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties
Trisha Morrow, Judiciary