



**Neutral Testimony of Laura Maag Lutz
Westar Energy, Government Affairs Manager
On behalf of Westar Energy, KCP&L and Empire District Electric
Regarding HB2373
Before House Energy & Environment
March 11, 2015**

Chairman Hedke and members of the Committee: Thank you for the opportunity to provide information regarding HB2373. Though we are neutral on this legislation, we appreciate the opportunity to share our concerns regarding language in the bill that could impair the investor-owned utilities' ability to recover costs associated with their investments in renewable energy.

With HB2373, KSA 66-1259 would expire on Jan. 1, 2016. This statute allows affected utilities to recover reasonable costs incurred to meet the renewable energy resource requirements of the renewable energy standards act. Absent this statute, the utilities could be prevented from recovering part of their costs for investment in renewable energy, including commitments made on the basis of the RES.

Since the RES took effect in 2009, both Westar and KCP&L have invested in the development of wind to achieve the 20% requirement by 2020. Both utilities will have met that 20% goal by the end of 2016. However, our cost recovery process for those investments will continue for several years, and we want to make sure the mechanism for cost recovery stays in place in order to avoid stranded costs.

We are confident that small changes in the bill's wording could accomplish this, and we propose the following adjustments were this legislation to move forward:

Existing bill language

SB253. Section 1. K.S.A. 2014 Supp. 66-1256 is hereby amended to read as follows: 66-1256. K.S.A. 2014 Supp. 66-1256 through 66-1262, and amendments thereto, shall be known and may be cited as the renewable energy standards act. *The provisions of K.S.A. 66-1256 through 66-1262, and amendments thereto, shall expire on January 1, 2016.*

Proposed bill language

SB253. Section 1. K.S.A. 2014 Supp. 66-1256 is hereby amended to read as follows: 66-1256. K.S.A. 2014 Supp. 66-1256 through 66-1262, and amendments thereto, shall be known and may be cited as the renewable energy standards act. *The provisions of K.S.A. 66-1256 through 66-1262, and amendments thereto, except K.S.A. 66-1259, shall expire on January 1, 2016.*

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Existing statute language

66-1259. Same; renewable energy resource requirements; recovery of costs by affected utilities. The commission shall allow affected utilities to recover reasonable costs incurred to meet the new renewable energy resource requirements required in the renewable energy standards act.

Proposed statute language

66-1259. Same; renewable energy resource requirements; recovery of costs by affected utilities. The commission shall allow affected utilities to recover reasonable costs incurred to meet the ~~new~~ renewable energy resource requirements that were required in any previous version of the renewable energy standards act.

Thank you again for the opportunity to comment.