



February 11, 2016

Testimony in Support of HB 2623

Mr. Chair and Members of the Committee:

On behalf of Americans for Prosperity activists across the state, thank you for this opportunity to voice our support for HB 2623.

FERC Order 1000 was initially promising in terms of requiring competitive bids for Southwest Power Pool (SPP) directed projects. We still believe that competition for higher voltage lines is good. However, since implementation of the order, a problem has developed that has left Kansas ratepayers on the hook for projects that are no longer needed.

Under the Order, the SPP has taken the lead in directing transmission line construction projects. The right of first refusal protection for lower voltage projects allows Kansas utilities to keep the best interest of the ratepayer in mind if the need for the project has changed. Currently, Kansas utilities are left with little recourse if conditions have changed and the project is no longer in the best interest of the Kansas utility and its customers. HB 2623 helps correct this imbalance by empowering Kansas utilities that have better knowledge of local conditions and are more subject to state regulatory agencies than the SPP or out of state utilities.

HB 2623 will move Kansas in line with Oklahoma, North Dakota, and South Dakota by allowing a limited right of first refusal for line projects between 100kV and 200kV. Projects greater than 200kV would still be subject to the requirements of FERC Order 1000. This includes a competitive bid requirement for large scale projects.

HB 2623 is a step in the right direction of protecting Kansas electric consumers from paying for unnecessary projects..

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