

To: House Energy & Environment Committee

From: Erik Sartorius, Executive Director

Date: February 12, 2016

RE: Opposition to House Bill 2623

The League of Kansas Municipalities appreciates the opportunity to provide written testimony in opposition to House Bill 2623. This bill would do harm to our member cities which own and operate electric utilities in their communities.

The provision of electric power to their citizens is a critical mission for many cities in Kansas, on par with public safety and good roads. Reliability is paramount in providing power to citizens, and municipal utilities in Kansas can grow that reliability - and decrease cost - through new transmission projects.

Cities with municipal utilities have sought the ability to participate in transmission projects for some time. Action taken by the Federal Energy Regulatory Commission provided an exciting opportunity for cities to do just that. Municipal utilities and their partners believe that competition to provide the best, most cost-effective proposals for transmission projects is the best approach for Kansas.

HB 2623, however, would grant incumbent providers the right to construct transmission projects regardless of the cost of their plans. Incumbent utilities will have little incentive to be cost-efficient, and Kansas electric consumers will be the losers. We do not believe this is good public policy for the state.

We thank you for your attention to our members' concerns. We ask that you do not recommend House Bill 2623 favorably for passage.