

To: Chairman Lynn and Senate Commerce Committee
From: Dorothy Barnett, executive director Clean Energy Business Council,
a project of the Climate + Energy Project
March 12, 2018
Proponent of SCR 1612



The Clean Energy Business Council (CEBC) represents twenty-five businesses and organizations who are all focused on advancing the clean energy economy and growing their businesses in Kansas. Members represent energy efficiency, solar, wind, electrical supply companies, manufacturers, chambers, nonprofits and even the US Army. In addition to their commitment to the advanced energy economy, they all are impacted by non-competitive electricity rates.

One way Kansans could have mitigated some of the high cost of electricity was to have access to utility scale energy efficiency programs, like all of the other states in our region.

The Kansas Energy Efficiency Investment Act (KEEIA), enacted in 2014 was introduced by KCP&L and supported by the clean energy community. This Act received a 40-0 vote in the Senate and 99-25 in the House. Modeled after Missouri’s Energy Efficiency Investment Act (MEEIA), the Act was intended to illustrate the state’s goal to “promote the implementation of cost-effective, energy efficiency in Kansas.”

In 2017, KCP&L asked the Kansas Corporation Commission to approve a suite of energy efficiency programs for their Kansas customers. Despite meeting cost-effectiveness testing in Missouri, the same programs were largely rejected by the KCC. This ruling denied Kansas customers the opportunity to utilize programs available across the state line.

KEEIA applies to Kansas public electric or gas utilities who are regulated by the KCC. All states with lower rates surrounding Kansas have policies in place (either with goals or mandates) that support utility investments in energy efficiency.

Average Price of Electricity to Ultimate Customers by End-Use Sector November 2017 (Cents per Kilowatt-hour)¹

| State | Residential | Commercial | Industrial | ACEEE Ranking |
|--------------|--------------------|-------------------|-------------------|--------------------------|
| Kansas | 13.37 | 10.13 | 7.63 | 48th |
| Missouri | 10.46 | 8.59 | 6.58 | 37th |
| Nebraska | 10.53 | 8.49 | 7.01 | 44th |
| Oklahoma | 10.76 | 7.66 | 5.09 | 40th |

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

Colorado

12.02

9.78

7.16

15th

Despite the directive of the legislature to help Kansans achieve lower electricity bills four years ago, Kansans continue to be subjected to higher bills with no end in sight.

On February 1st, of this year, Westar filed a rate case that if approved, will not only add \$4 per month to everyone's monthly service charge, moving residential customers from \$14.50 to \$18.50 just for having their service, but will also substantially change the economics for every Westar residential customer who has installed solar since October 2015. They have asked the commission to add demand charges to residential solar users.

To make this a little clearer, Your DEMAND CHARGE is the maximum one hour of demand for electricity between 2 – 7 pm on weekdays. Think about what families are doing during that time – kids getting home from school, supper being cooked, the furnace or AC turning up or down. Solar users will be charged \$3.15 per kw of demand from October through May and \$9.45 per kw of demand from June through September. The average Kansas household uses between 5-8 kW per month.

SCR 1612 is a good start; it recognizes we have a problem with high electricity costs. Unfortunately, for Kansans already struggling to pay their electric bills, for Kansans that have invested thousands of dollars to help protect themselves from rising electricity costs and for the solar companies that will be unable to sell residential systems in Kansas if the Westar demand charge is allowed to move forward, it's too little too late.

The Clean Energy Business Coalition encourages you to support SCR 1612, and to also insist the Kansas Corporation Commission not only begin a comprehensive study, but wait to approve additional rate increases until the results are presented to the Kansas Legislature.

Thank you for your consideration.