Before the Senate Utilities Committee Presented by Zack Pistora, Kansas Sierra Club Proponent Testimony on SB 347 February 6, 2018



Chairman Olson and honorable members of the committee,

Thank you for the opportunity to provide testimony to your consideration of Senate bill 347, which would promote energy efficiency among electric and natural gas utilities in Kansas by offering cost recovery of demand-side programs for meeting a state energy efficiency savings goal.

SB 347 puts the "efficient" in 'efficient and sufficient service' and reinforces energy efficiency as part of the public's interest.

Kansas law requires electric and gas public utilities provide "efficient and sufficient service" under K.S.A. 66-101(b) and 66-1-202, in exchange for exclusive service territory. Under this compact, public utilities must provide as much or as little power as each customer needs. Energy efficiency and demand-side programs can not only lessen a customer's need for energy and help them save money on their monthly bill, but also cumulatively help reduce the total load on grid and pipeline infrastructure. Correlating with the reduction of power demand is the increased conservation of natural resources for fuel, which is good for sustainability for both the industry and our environment. By easing power demand with energy efficiency programs, both industry and the state can avoid expensive energy-expansion projects, such as building new power plants, transmission lines or pipelines, etc., which inevitably adds more costs to businesses and taxpayers. Thus, it is in the public interest to incorporate efficiency as part of the energy service, and is why lawmakers included "efficient" in the bargain with public utilities so long ago.

With SB 347, public utilities will be allowed to recover costs from their demand-side programs; allowing financial incentive for doing the right thing, in terms of energy conservation and protecting our environment.

The Kansas Sierra Club reminds lawmakers that energy efficiency is a critical element of energy conservation, and that energy conservation is so important to our societal and environmental well-being. Energy efficiency – using improved technology and operations to deliver the same energy services with less fuel – is an answer for reducing use of raw carbon-based fuels and greenhouse gas emissions. Fossil fuels, through its process of extraction, refinery, burning, and transportation, have all previously done harm to our public health and ecological balance. If we have the opportunity to conserve energy, we must seize it, both individually and collectively, to reduce waste and negative consequences. If we are to continue to live in prosperity, we must speed the transition to an affordable, clean, and sustainable energy economy by including energy conservation in our energy portfolio.

We hope these comments lend insight to why energy efficiency is important, as well as why our government needs to encourage our public utilities to provide demand-side programs for the people of Kansas.

Thank you,

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The Sierra Club is the largest grassroots environmental organization dedicated to preserving, protecting, and enjoying our great outdoors. The Kansas Chapter represents our state's strongest grassroots voice on environmental matters for more than forty years now.