

STATE OF KANSAS

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TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
WAYS & MEANS (RANKING MINORITY MEMBER)
UTILITIES
TRANSPORTATION
JOINT COMMITTEE ON STATE BUILDING
CONSTRUCTION
JOINT COMMITTEE ON LEGISLATIVE BUDGET

Proponent Testimony for SB124
February 25, 2019

Chair Masterson, Vice Chair Peterson, Ranking Member Francisco and fellow committee members,

I am here to share my thinking about the best possible future for energy in this state and to hopefully encourage the Legislature to provide clarity and direction to the KCC, as has been our legislative practice over many years.

SB124 deals with two important issues. First, a fairness issue for individual consumers who have only one choice in the marketplace to buy their electricity. This bill attempts to protect Kansas consumers and their right to manage their energy usage in order to lower their bills without penalty. Secondly, this bill hopes to remove the disincentive for our constituents and renewable energy businesses to invest in solar panels and perhaps other technologies and continue what had begun in our state as a growing private energy business with renewables. That fairness issue and the disincentives lie in the policy decision to implement a penalty through a demand charge for any customer who installs distributed generation on their property.

As part of my review of this recent change at the KCC, I looked back at the 2009 net metering bill, S. Sub for HB2369. Section 11 laid out the net metering process:

- a) If the electricity supplied by the utility exceeds the electricity generated by the customer-generator during a billing period, the customer-generator shall be billed for the net electricity supplied by the utility in accordance with normal practices for customers in the same rate class.
- b) If a customer-generator generates electricity in excess of the customer-generator's monthly consumption, all such net excess energy (NEG), expressed in kilowatt-hours, shall be carried forward from month-to-month and credited at a ratio of one-to-one against the customer-generator's energy consumption, expressed in kilowatt-hours, in subsequent months.
- c) Any net excess generation credit remaining in a net-metering customer's account at the end of each calendar year shall expire.

In 2014 S. Sub for HB2101 changed the rate for any excess electricity generated by a customer to "the utility's monthly system average cost of energy per kilowatt hour."

Protections for the State's IOU Utilities were placed into both bills:

1. The renewable portfolio requirement would require net renewable generation capacity constituting not less than the following portions of each affected utility's peak demand based on the average of the three prior years:
 - 10 percent for calendar 2011 through 2015;
 - 15 percent for calendar years 2016 through 2019; and
 - 20 percent for each calendar year beginning in 2020.
2. A limit was placed on net metering for residential customer-generators of 15 kilowatts. For commercial, industrial, religious institution, agricultural, industrial, and local, state and federal government customer-generators, the limit would be 100 kilowatts, unless otherwise agreed to by the utility and the customer-generator. For schools, the limit would be 150 kilowatts.

Back to SB124 and what is always my goal on policy decisions that I face as do all of you on this committee. I do not believe we should have a policy here in the Legislature or at that KCC that discourages the use of renewables by private citizens and businesses or a policy that hurts our state economy and those who would invest in these new technologies

I, likewise, do not want to hurt our utility companies. Westar serves 707,000 customers and KCP&L serves 254,000 customers in Kansas for a total of 961,000 customers. The latest count indicates that there are fewer than 2,000 residential and commercial renewable customers combined. I do not honestly believe, especially with the protections built into the two bills from 2009 and 2014, that will pose any significant economic hardship on our investor owned utilities.

I do believe that we need to not stand in the way of individual property rights and the wish of many Kansans who wish to invest in their homes and attempt to control their energy and electric usage and costs. Many of our constituents and voters are "cutting the cord" on their phones and choosing to access their entertainment options using new technologies. We, so far, have not passed laws that punish them financially for those decisions. I support SB124 and hope we can send a clear policy message to the KCC to adopt policies to likewise support our energy conscious constituents.