



Senator Ty Masterson, Chairman
Senate Utilities Committee
Kansas Capitol Building
300 SW 10th Street
Topeka, KS 66612

Dear Senator Masterson:

On behalf of the professional economic development community across Kansas, we wanted to support Senate Bill 339. The bill would provide for an economic development rider for large scale economic development projects that use a projected load of 50 megawatts of power or greater at one site. This new tool would be available for all electric providers within the State of Kansas. This will help level or improve Kansas's competitiveness within economic development recruitment.

Let me identify several key points concerning SB 339:

- Kansas has been at a disadvantage when it comes to competition for large scale projects nationally because of limitations with the existing economic development riders (EDRs). SB 339 will create consistency in the Evergy service territory by passing this bill.
- This legislation allows Evergy or another energy provider to negotiate a rate that uses existing or incremental generating capacity for new or existing customers who have a projected load of 50 MW or greater at one location in their service territory. Typical customers that would qualify are found in the following industries: data centers, aviation, food processing and advanced manufacturing.
- This mega project utility economic development tool has been proven to be successful in Missouri in attracting a steel mill.
- This special contract rate will not impact other customer's rates.
- The bill aligns Kansas and Missouri's standard EDR's.
- To qualify for a Standard EDR, customers who have a demand equal or greater than 200 KW will receive a 20% average discount over a five-year period. To qualify customers also must have received state or local incentives and run a minimum of two shifts six days a week or make a significant investment in jobs or financially. This will put Kansas and Missouri on the same footing during competition.

- There is also a proposed enhancement to the Standard EDR for customers using 300 KW. There customers would receive a 40% average discount each year for five years. Again, to qualify a customer would need to receive state or local incentives. Operations must run a minimum of two shifts, six days per week. No exemptions for capital investment or employment for the Enhanced EDR.
- The London Economics International rate study commissioned by the State stated that EDRs can help make our rates regionally competitive. These tools have many downstream effects that benefit other customers. A large new load will help reduce rates for all customers through direct and indirect benefits.

In closing, we support SB 339. The entire state can benefit from this bill to help attract large scale economic development projects with this enhanced economic development too. Kansas will be made more attractive to major energy users. Please call upon any of our members to learn more about Senate Bill 339. Thank you for consideration of this important bill. For contact information, please email keda@kansaseda.com or (785) 296-4225.

Kind Regards,

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