

SENATE BILL 349

TESTIMONY

Dana Wreath, Executive Vice President, Berexco LLC
KIOGA Electric Committee
February 15, 2022

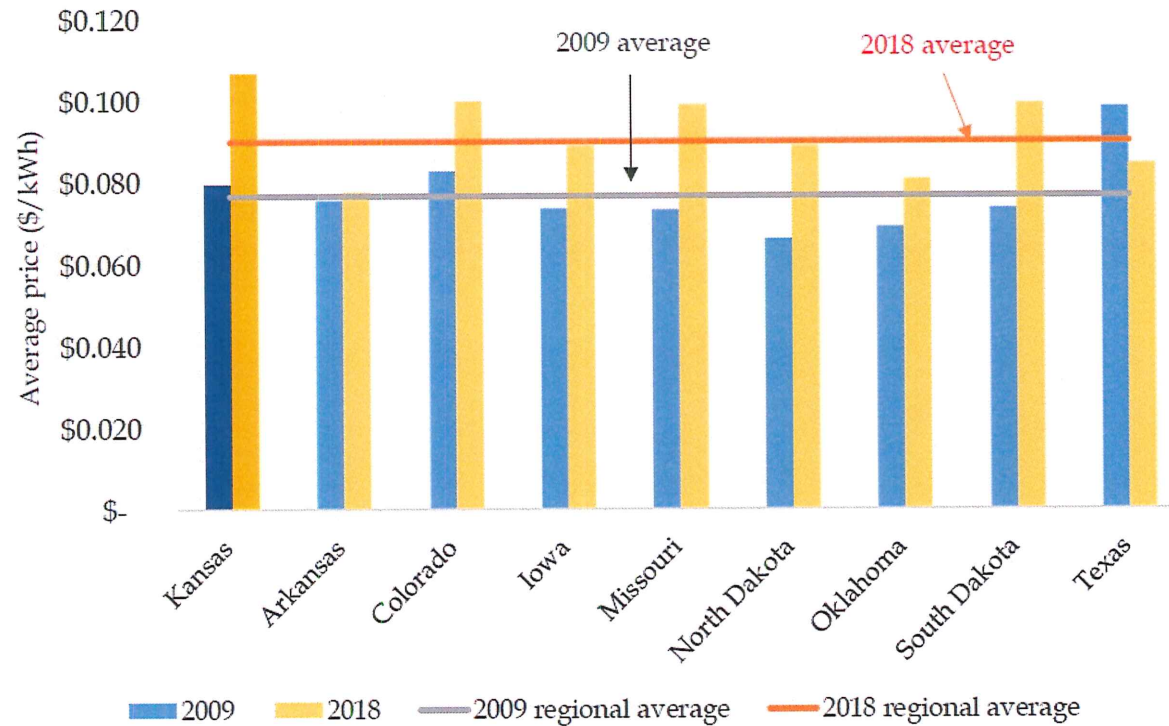
ELECTRIC COST IMPACT ON ECONOMIC DEVELOPMENT - AECOM CONCLUSION

Top line economic growth in Kansas has been slower than in all nine peer states included in this analysis since 2010. It appears that electricity rates in Kansas likely contribute to such under-performing economic development, including business attraction and retention.

SB 349

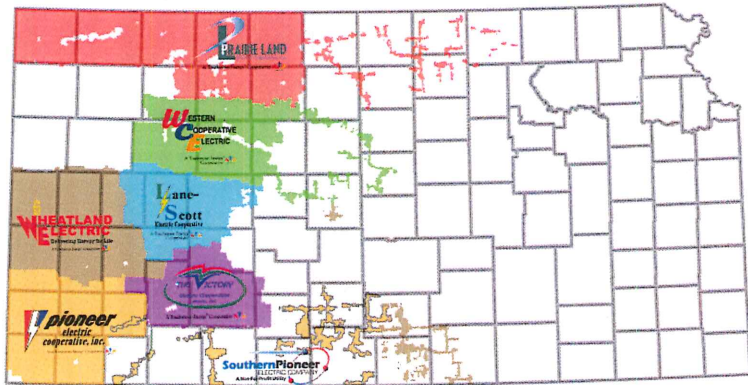
1. We support the bill since it is a good start and should help hold down rate increases in the state
2. ECA could be a loophole and should be addressed in the bill
3. Rural Kansas consumers pay the highest rates in the region and co-op rates are not addressed in the bill

Figure 18. Average electricity rates in Kansas and regional states (2009 and 2018)

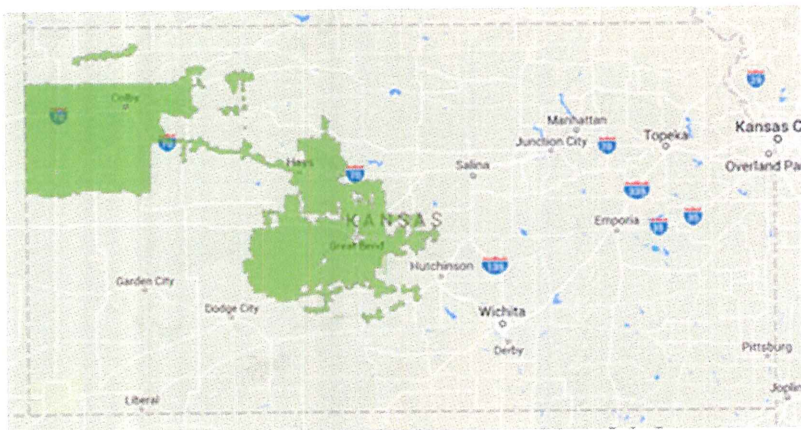


Year	Kansas	Arkansas	Colorado	Iowa	Missouri	North Dakota	Oklahoma	South Dakota	Texas	Regional average
2009	\$ 0.080	\$ 0.076	\$ 0.083	\$ 0.074	\$ 0.074	\$ 0.066	\$ 0.069	\$ 0.074	\$ 0.099	\$ 0.077
2018	\$ 0.107	\$ 0.078	\$ 0.100	\$ 0.089	\$ 0.099	\$ 0.089	\$ 0.081	\$ 0.100	\$ 0.085	\$ 0.090
CAGR	3.3%	0.3%	2.1%	2.1%	3.4%	3.3%	1.7%	3.4%	-1.7%	1.8%

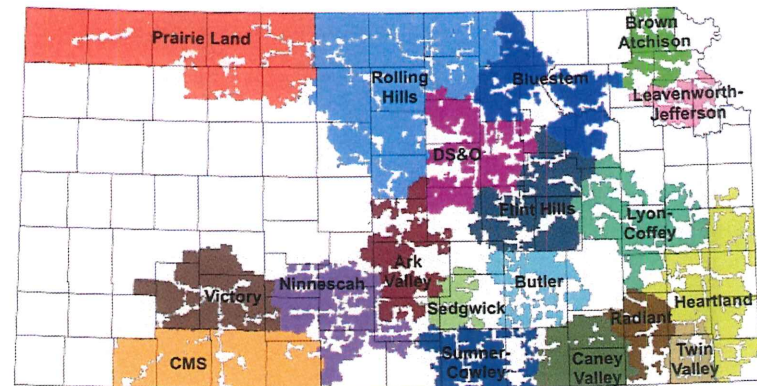
KANSAS ELECTRIC COOPERATIVE TERRITORIES & MIDWEST ENERGY



SUNFLOWER (6 coops, 1 reg)

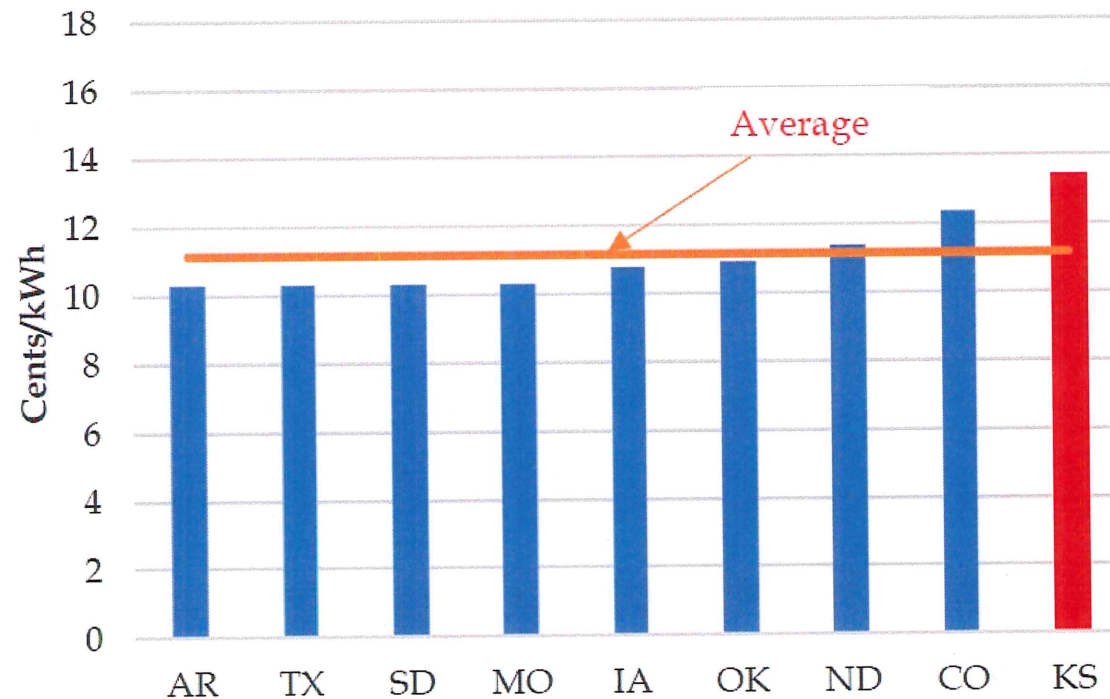


MIDWEST



KEPCO (18 coops)

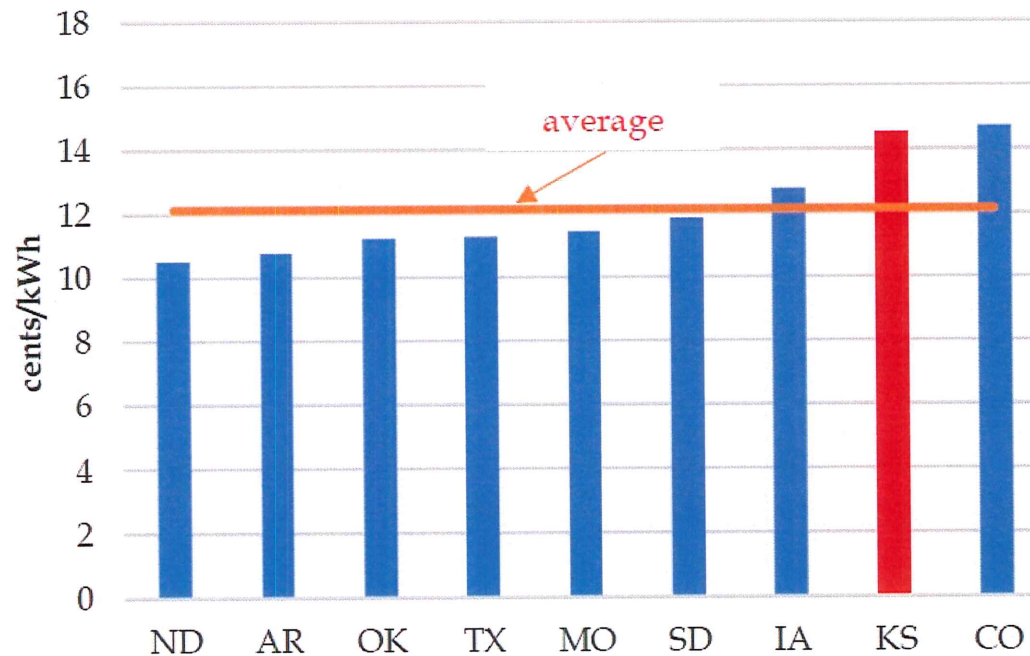
Figure 81. 2018 Average commercial electricity prices of co-ops in the region (cents/kWh)



Note: Electricity rates above were based on the rates of co-ops that are solely serving that particular state. LEI removed the co-ops that served multiple states. For the list of co-ops used for each of state, please see Section 10 (Appendix A).

Source: Commercial third-party database (Accessed on November 11, 2019)

Figure 80. 2018 Average residential electricity prices of co-ops in the region (cents/kWh)



Note: Electricity rates above were based on the rates of co-ops that are solely serving that particular state. LEI removed the co-ops that served multiple states. For the list of co-ops used for each of the state, please see Section 10 (Appendix A).

Source: Commercial third-party database (Accessed on November 11, 2019)

FINAL COMMENTS

1. Competitive electric rates are important for ALL KANSANS and for economic growth in the state
2. We need to limit electric rate increases in the state
3. Free markets work and further study is warranted
4. Other states have found solutions and have lower rates