

**Senate Committee on Utilities**

**Testimony in Support of House Bill 2225**

**Presented by Eric Stafford, Vice President of Government Affairs, Kansas Chamber**

**Wednesday, March 22, 2023**

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state. We appreciate the opportunity to testify in support of House Bill 2225, which limits what costs can be recovered by an investor-owned utility through the transmission delivery charge.

The version of HB 2225 before you today was passed by the Kansas House of Representatives 120-1. This amended language reflects a compromise reached between ratepayer groups, the Kansas Corporation Commission and Evergy. As Kansas electric utility rates have grown more uncompetitive, our ratepayer members are seeking to prioritize and adopt any option the state has to increase oversight and accountability on behalf of ratepayers.

House Bill 2225 was introduced to grant the Kansas Corporation Commission (KCC) stronger oversight into the excessive increases in the transmission delivery charge passed onto ratepayers. After Evergy expressed concerns on the financial impact to their company from the original bill, parties were able to sit down and come to consensus on the provisions of HB 2225.

Since 2008, the TDC has increased from \$72 million to over \$300 million today, a large driver in the state's decreased competitive standing on electric rates. Ratepayers today see more than 20 percent of their bill dedicated to transmission delivery charges and both the London Economics rate study and the Chamber's 2022 energy report cite transmission buildout as one of the major cost drivers inflating electricity bills across our state.

The compromise version of the bill lowers the return on investment on local projects like the original version but it maintains the use of the TDC. The new version provides increased KCC review processes and adds a requirement that Evergy address competitive rates and economic development impacts in rate cases.

In closing, we respectfully ask the committee to support House Bill 2225 to protect Kansas ratepayers from further increases in the transmission delivery charge. I'm happy to answer questions at the appropriate time.