



**Proponent Testimony Concerning SB 455  
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For the Senate Utilities Committee**

**February 14, 2024**

Thank you, Mr. Chairman and members of the Committee, for the opportunity to appear before you today regarding Senate Bill 455.

I am speaking today in support of a tool that would provide flexibility in how Evergy manages its generation fleet. This is a bill about reliability. As we learned from winter storm Uri in February of 2021, there are times when base load generation provided by nuclear and coal are essential.

Coal plants essentially operate like a battery backup for renewables right now, and we can't fully retire these coal units until some other form of cleaner, 24/7 reliable source of electricity generation, such as cost-effective battery storage, becomes available. Natural gas is not always available, especially in the winter when it is prioritized for home heating. Oil fired units help out some, but storage is limited. There is nothing like a near 60-day supply of fuel on the ground. Evergy continues to support an all-of-the-above resource mix, and this bill aligns with that strategy.

The intent of the language in SB 455 is to allow a coal plant to run less but still be available during winter and summer peaks when needed for reliability. It would have a positive impact on rates. Even though the facility is already in rate base, there would still be lower fuel costs, fewer operations and maintenance costs and fewer labor costs, while at the same time ensuring the unit is available for reliability purposes and to help meet Evergy's required reserve margin with the Southwest Power Pool.

We acknowledge that this proposed approach requires Evergy to be prudent in its management of plant maintenance with a workforce that is flexible enough to operate the facility at periodic intervals. Yet, without the assurances provided by this bill and the flexibility it would enable, we would likely choose to retire and securitize a power plant rather than retain it for reliability and risk inadequate cost recovery.

Some may ask why this legislation is needed, assuming that Evergy can run its generating facilities whenever it wants. Our concern is that without this legislation, outside entities could force a coal plant to shut down because it is not running very often. It seems now largely agreed that as we walk the path to a clean energy future, we need to maintain a reasonable pace and not rush our way to 100% carbon-free generation. Evergy should do what it can to keep these fossil-fuel assets in service, if only for the reliability, until we can retire them without any question that we could still provide reliable power to Kansans. Passage of SB 455 will help us do that.

*(more on back)*

Lastly, this language was included as a hedge for reliability in the securitization bill passed in Missouri in 2021. We do not have it in Kansas. We believe it gives us flexibility as we make decisions about our generation fleet and allows for the continued delivery of power in an affordable, reliable and sustainable manner.

In discussions with stakeholders when a similar bill was introduced in 2022, KEPCo asked for a change to the language and we are happy to make it. I've listed it here in red for easy finding: (g) For coal-fired electric generating facilities, if determined by the commission, **in a commission proceeding**, to be just, reasonable and necessary for the provision of sufficient and efficient service, an electric public utility shall be permitted to...

Mr. Chairman and Committee, I thank you again for your attention and am pleased to stand for questions at your convenience.