

April 2, 2024

The Honorable Leo Delperdang, Chairperson
House Committee on Energy, Utilities and Telecommunications
300 SW 10th Avenue, Room 582-N
Topeka, Kansas 66612

Dear Representative Delperdang:

SUBJECT: Fiscal Note for HB 2736 by Representatives Barth and Turk

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2736 is respectfully submitted to your committee.

HB 2736 would require a public utility to provide notice of a planned closure or decommissioning of any of its existing electric generation facilities to the Kansas Legislature. The bill would also require the utility to secure and place on the electric grid an equal or greater amount of reliable and readily dispatchable electric generation as the electric generation facility that is being closed or decommissioned, prioritizing utilizing existing land, transmission lines and other infrastructure that currently supports and provides for generation or transmission. The bill would prohibit an electric public utility from proposing a project to retire or terminate the functionality of a utility's existing electric generation facilities.

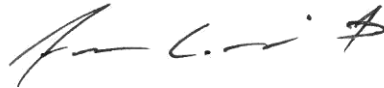
The bill would also prohibit an electric public utility from proposing a project to retire or from terminating the functionality of a utility's existing electric generation facilities. If an electric public utility receives notice of any federal regulation or regional transmission organization directive that may result in the retirement of an electric generation facility, the affected utility would be required to inform the Attorney General of the regulation or directive within 30 days after the receipt of notice. The Attorney General could take any action necessary to defend the interest of the state.

The Citizens' Utility Ratepayer Board (CURB) states that the agency would likely be involved in determinations of the retirement of existing electric transmission facilities under current law (KSA 66-1239). However, the bill would not change CURB's responsibilities under that statute and the bill would not have a fiscal effect for the agency. With respect to the permissive

involvement of the Attorney General concerning plant closures brought about by federal law, the Attorney General already has authority to protect Kansas interests. As a result, the Division of the Budget estimates that the enactment of the bill would not have a fiscal effect for the Attorney General. The Kansas Corporation Commission states that enactment of the bill would not have an effect the agency's revenues or expenditures. Any fiscal effect associated with HB 2736 is not reflected in *The FY 2025 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities state that enactment of HB 2736 could have a fiscal effect on cities and counties where these facilities are located. However, a fiscal effect cannot be estimated.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt". The signature is fluid and cursive, with a large initial "A" and a stylized "P" at the end.

Adam C. Proffitt
Director of the Budget

cc: Peter Barstad, Kansas Corporation Commission
Shonda Rabb, Citizens Utility Ratepayer Board
William Hendrix, Office of the Attorney General
Jay Hall, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities