

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairperson Mike Thompson at 1:30 pm on Thursday, March 25, 2021, in room 548-S of the Capitol.

All members were present except:

Senator Mike Petersen – Excused

Committee staff present:

Heather O'Hara, Legislative Research Department

Marisa Bayless, Legislative Research Department

Matt Sterling, Office of Revisor of Statutes

Sheila Wodtke, Committee Assistant

Zach Fridell, Office of Revisor of Statutes

Conferees appearing before the Committee:

James Zakoura, President, Kansans for Lower Electric Rates

Adam Beren, Chairman and President, Berexco, LLC; Chairman, KIOGA

Electric Power Committee

Others in attendance:

No list available

Briefing on:

"Kansas Energy Problem; High Electric Rates Rising Higher", James Zakoura, President, Kansans for Lower Electric Rates

Mr. Zakoura presented before The Committee on electrical rates in Kansas compared to other states, particularly those in the region. Mr. Zakoura stated for the last several years, Kansas has had the highest electric rates in the region, confirmed by data from several studies. He provided graphs indicating Evergy's rates in Kansas have increased far more than the cost of living, and capital investments in utility property are growing rapidly while electricity sales are flat.

Mr. Zakoura stated surcharges make up half of consumers' bills, and we need to get back to base rates and not have all these tacked-on fees. He also stated Evergy's Sustainability Transformation Plan (STP) will drive rates higher. He quoted the Wichita Eagle which reported the STP is expected to increase rates 10-11%. A 10% increase equals about \$220M/year, every year, or \$2.2B in increases over 10 years, or, the largest increase in state history.

In closing, Mr. Zakoura made a request to the Kansas Corporation Commission to take formal action and open a proceeding to craft a forward-looking electric policy that achieves regionally competitive electric rates as soon as reasonably possible. ([Attachment 1](#))

CONTINUATION SHEET

MINUTES of the Committee on Utilities at 1:30 pm on Thursday, March 25, 2021, in room 548-S of the Capitol.

Briefing on:

"Kansas Electric Generation: Capacity and Load Forecasts", Adam Beren, Chairman and President, Berexco, LLC; Chairman, Electric Power Committee, Kansas Independent Oil and Gas Association

Mr. Beren is the President of Berexco, LLC, which is an independent oil and gas exploration and production company headquartered in Wichita, Kansas.

His presentation was broken down into five sections:

- Berexco's Polar Vortex experience
- Trying to Understand the Rolling Blackouts and Implications Going Forward
- Review of Where we are with Electric Rates in Kansas
- How did we Get Here?
- Where do We go from Here?

Some of the points he stressed were that during the Polar Vortex, the wind didn't blow, the blades froze, and generally wind was not available. Many baseload gas and coal plants ramped up to fill in the gap and "save the day". He said the Southwest Power Pool has put way too much emphasis, and spent way too much money on wind and solar power at the expense of baseload preparedness. He also stated Evergy's net residential rates were up 52%-75% in the last ten years, and top line economic growth in Kansas has been slower than in all nine peer states since 2010, and it appears that electricity rates in Kansas likely contribute to such under-performing economic development, including business attraction and retention.

His final point was that Kansas needs to look into the pros and cons of deregulation. ([Attachment 2](#))

Following the presentation there was a brief period of question and answers.

The Chairman adjourned the meeting at 2:33 pm.