

Before the Senate Utilities Committee

**February 7, 2023
Proponent Testimony
On Senate Bill 68**

WRITTEN Testimony

Submitted by Todd Newkirk, International Representative
404 W 6th Street, Lebo, KS 66856 todd@ibew.org 620-202-2708
International Brotherhood of Electrical Workers (IBEW), Kansas

Chair Olson, Vice Chair Petersen, Ranking Minority Member Francisco, and members of the Committee, thank you for the opportunity to submit testimony. I am an International Representative for IBEW and a fellow Kansan who serves Kansas electrical unions and its members who support the utility industry. These workers produce safe and deliver reliable electricity to Kansas citizens each day. Many of our members are workers with state based electric utilities. One of our energy partners is Evergy, we have provided labor for nearly 90 years. I offer support to SB-68 with the following comments.

The competitive process envisioned by Federal Energy Regulatory Commission (FERC) Order 1000 has now been shown to fall short from original expectations to deliver new market player entries, greater innovation, and lower costs for expanding the dire need to expand the nation's transmission capabilities for our electrical grid. Our national security parallels the need for a secure and sturdy electrical grid, they go hand in hand. Those shortfalls are varied by geographical location with pending litigation in states where Rights of First Refusal (ROFR) has been enacted, such as Texas. Now is the right time for Kansas to join Midwest regional states to enact support for state-based native utilities in the regulated service territories to have the ability to decline a project designed and driven from outside Kansas investment pressures. As a whole, the Kansas transmission system was prudently constructed with proper planning that has stood the test of time despite consistent weather challenges and expansions required by consumer load. This is not true by accident or luck. When built right, electrical transmission systems last long. As our renewable resources will continue to attract export opportunities for power purchase contracts to customers, it is critical the standards and construction specifications relied upon are not compromised by requiring utility companies to award projects based on the lowest bid.

Kansas needs to follow suit of our surrounding states and put Right of First Refusal as an option on new transmission projects built on our native utility service territories and right of ways to our state based utility companies/providers. We need to continue to be wise as we have historically have been in Kansas for defending our electrical systems and be wary of any project being promised upfront as a "low cost, high value" expansion opportunity.

An area of discovery in SB-68 that would be good committee discussion if an amendment were submitted is Item Section 1(f)1. Should it be modified to read "greater than 100 kilovolts ***not to exceed 345 kilovolts***" in allowing first refusal rights for a native utility. Applying a kilovolt ceiling would keep current visions alive for innovation as high voltage dedicated DC type transmission delivering renewable energy remains a preferred technology for long distance efficient multi-state delivery dedicated to renewables. However, any transmission project regardless of kilovolt size the native utility should always have the right of first refusal when existing right of ways are required to be used for any project not sourced by the native utility. As Kansas is the crossroads of the nation's highway system, the future visions of the electrical grid will be similarly poised to grow and network from the continued need to move electrical power. We need to ensure as like in our highways, these projects have similar specification and quality standards and safeguards in place as the native utilities uphold. The Kansas Turnpike is a great example of coordinating building something right that was a needed expansion that has benefited Kansans and the entire nation moving across our state while the state pushed the vision of need forward. The native utilities need this legislation to do exactly that.

SB-68 should become law. Since FERC Order 1000, a number of states, including Iowa, Minnesota, North Dakota, South Dakota and Texas, have enacted their own ROFR requirements for electric transmission.