

To: Senate Committee on Utilities, Senator Michael Fagg, Chair

From: Ben Postlethwait, State Director of The Nature Conservancy

Date: February 13th, 2024

RE: SB 456 – Establishing a rebuttable presumption against retirement of fossil fuel-fired electric generating units

Chairman Fagg and members of the Committee, thank you for the opportunity to provide neutral testimony on SB 456. The Nature Conservancy in Kansas is a conservation nonprofit with a mission of conserving the lands and waters on which all life depends. We manage over 60,000 acres across 10 counties and have a conservation impact on an additional 100,000 acres across the state. An expeditious and responsible renewable energy transition is critically important for the natural resources that we manage, and we often assist developers in identifying low impact siting areas for these energy assets.

The Nature Conservancy is not and has never been party to the procedures of the Kansas Corporation Commission, but we understand the regulatory role in which the Commission serves. In reviewing SB 456 and discussing with those who engage regularly with the commission, no problem could be identified within the current electric generating unit decommissioning process that SB 456 would address. Interests ranging from utilities to environmental advocates indicated that the existing process sufficiently addresses the reliability and rate concerns enumerated in SB 456. **Therefore, The Nature Conservancy recommends that the committee not unnecessarily burden the process with redundant statutory requirements.** However, we understand that there may be concerns outside of our scope of expertise and wish to address a couple of topics covered by SB 456.

Subparagraph (C) of section 1(c)(4) states that the decommissioning must not be “solely based on achieving environmental, social, or governmental goals, laws, rules, or regulations.” Many decommissionings might be characterized as an environmental, social, governance (ESG) or sustainability-related goal contained within a utility’s Integrated Resource Plan. Additionally, this subparagraph as written would prevent the retirement of facilities under the circumstance that they could no longer meet emissions regulations. Aging equipment and excessive cost of upgrades or repairs to meet such standards is a common reason for decommissioning but would not be allowed under this subparagraph. The Nature Conservancy would suggest that this subparagraph be altered or deleted to accommodate existing resource planning processes and regulatory requirements.

The use of the term “dispatchable” in describing the requirements for replacement generation requires additional clarification. Oftentimes, this term is used to describe electric generation that can be immediately activated, for example natural gas combustion turbines. However, maintaining a reliable, balanced, and sustainable power system requires a diverse energy mix that includes renewables, such as wind and solar energy. There are calculations verified by the

Southwest Power Pool to sustain base load requirements while ensuring low rates and sustainable generation.

Decommissioning an existing power plant is a robust process that already accounts for the needs of the rate payer, the utility, and the regional transmission organization. As written, SB 456 has the potential to complicate this process and create barricades to best practices and slow the important transition to clean energy resources.

If the committee deemed it necessary to add additional criteria to decommissioning electric generation, these questions, among others would need to be addressed. As mentioned previously, The Nature Conservancy recommends that the committee not alter the commission's process as there is no evidence of concern.