

Before the Senate Utilities Committee
Presented by Zack Pistora, Kansas Sierra Club
Neutral Testimony on SB 69
February 20, 2019



Chairman Masterson and Honorable Members of the Committee,

Thank you for the opportunity to provide neutral testimony on SB 69, which authorizes an independent study to examine a wide scope of topics related to ratemaking and electric public utilities in Kansas. The Kansas Chapter and national team of Sierra Club has been active in Kansas utility and ratemaking matters over the years, both at the Kansas Corporation Commission (KCC) and here in the Statehouse. Today, we offer our comments on SB 69 from a neutral position because while we support the good intentions of the bill, we do have reservations with the execution of such a study as proposed.

The Kansas Sierra Club is concerned about the current ratemaking process and the high costs of electricity in Kansas, particularly for Kansas residential customers. We feel the study's scope of interest, as provided in SB 69, are appropriate for further consideration.

Over the years, the Sierra Club has felt that the concerns of the general public, along with nonprofit organizations like the Sierra Club, have not been adequately heard and favored, compared to the voice of the investor-owned utilities. This felt bias has been a product of several situations and decisions over time, in which inevitably, we felt our input was seemingly disregarded by the Kansas Corporation Commission. One particular set of examples include Sierra Club's efforts to advise the KCC that adopting expensive environmental retrofits was a costly pathway forward for Kansas energy generation. Today, we see that the costs of coal, both in retrofits and fuel cost, are a major factor in why Kansas' electricity rates are high compared to our surrounding neighbors and the national average. We certainly need to address our energy future and help keep electric costs down for our people and businesses. Many of the topics proposed for further study in SB 69 are quite relevant and necessary for better energy policy work going forward. We support this exploration with the goal of discussing policy solutions.

Still, the Kansas Sierra Club is uncertain that the study proposed by SB 69 will lead us to the policy outcomes we need.

In our view, we are nervous that SB 69 will fall short of its ambitions in terms of impact. First, because of the extensive study already provided by the Kansas Corporation Commission, we feel an additional study provided by a consultant may be either redundant, confusing, or competing for policymakers in determining a pathway forward. This study would likely be done by an independent, outside-of-Kansas consultant that may not have a direct stake in our future or well-being. With no guarantee of 'good' policy suggestions in our mind, we feel that perhaps a different and more immediate plan of discussing policy solutions would be better.

Another concern for the Kansas Sierra Club is that the projected million-dollar cost of SB 69's study could be eventually passed down to ratepayers. For us, we feel that ratepayers should not have to pay for this study and that doing so is contrary to our commitment to *lower* Kansans' electric bills.

For the reasons above, we stand neutral to SB 69. I am happy to answer any questions.

Thank you,

Zack Pistora | Legislative Director and State Lobbyist, Kansas Chapter of Sierra Club
zackpistora@gmail.com | 785-865-6503

The Sierra Club is the largest grassroots environmental organization dedicated to enjoying, exploring, and protecting our great outdoors. The Kansas Chapter represents our state's strongest grassroots voice on environmental matters for more than forty years.