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Senator Ty Masterson  
Senate Committee on Utilities

Testimony of Kansas City Area Development Council  
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In Support of SB 339

February 12, 2020

Mr. Chairman and members of the Senate Committee on Utilities:

**The Kansas City Area Development Council (KCADC) strongly supports SB 339.** KCADC is the regional economic development organization representing 18 counties, 50+ communities in the two-state Kansas City metropolitan area. KCADC attracts companies and talent to the entire region, creating wealth and helping drive substantial capital investment.

Because our organization represents the entirety of the KC region, we are acutely aware of Kansas' limitations when competing for major impact projects. The absence of competitive economic development utility riders (EDRs) has often times placed Kansas at a disadvantage when competing for high-impact projects. SB 339 will create consistency in the Evergy service territory (Kansas and Missouri) for companies evaluating new opportunities and expansion projects.

This legislation allows Evergy, and other energy providers, to negotiate a rate that uses existing or incremental generating capacity for new or existing customers who have an electric load of 50 MW or greater at one location in the service territory. Typical customers that will qualify are found in the data center, aviation, food processing and advanced manufacturing industries.

Recently, a major steel mill operation looked at multiple locations in the U.S. and across the KC region. The ability to negotiate a rate based on more than 50 MW of electric use significantly impacted their decision to locate in Sedalia, Missouri.

Currently in the KC region, there are multiple hyper-scale data center projects actively evaluating large-scale location options. None of these opportunities are considering a Kansas location, in part, due to the lack of utility incentives similar to those proposed in SB 339. Additionally, in the KCADC project pipeline, there are nearly three dozen companies evaluating the KC region for food and/or advanced manufacturing operations. Kansas' ability to compete rises exponentially with the availability of utility incentives like those proposed in SB 339.

Competitive utility economic development riders—like those in SB 339—will no doubt elevate the State of Kansas in projects considering a Heartland opportunity and increase the KC region's ability to compete for and win these projects. We need both of our state partners to be performing at the highest level possible for our region to reach its full economic potential.

We appreciate the opportunity to offer our opinion on SB 339, and respectfully urge you to consider the positive and substantial impact of having a competitive economic development resource available for large-scale projects. Thank you.