



*Proponent Testimony Provided to the*  
House Financial Institutions and Rural Development Committee  
March 3, 2021

Roy Cessna, Mayor, City of Garden City

**In Support of House Bill 2429**

CITY COMMISSION

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Mr. Chairman, Vice-Chair and Ranking Member,

The City of Garden City, Kansas strongly supports House Bill 2429. The legislation would provide an urgently needed tool for many municipal utilities to respond to the significant financial strain caused by the February extreme winter weather event.

Below are points of the bill:

- HB 2426 would create a low-interest loan program from which a city could borrow from the State in order to cover the extraordinary costs related to the extreme weather crisis which impacted the Midwest in February.
- Bill would allow for a community owned electric or natural gas utilities to utilize the low-interest loan program.
- The loan could be paid back over a 10-year period, with an interest rate 2% below the market rate as per K.S.A. 75-4237.
- The loan cannot be used for normal operating expenses.
- If federal funding is made available related to the extreme weather event, those funds will be used to repay this loan.

The City of Garden City experienced an increase in our wholesale electric supply costs in the range from \$8M to \$11M. The exact amount over and above our normal costs is still being calculated by the Southwest Power Pool. However, we were invoiced for, and paid \$2,650,236.41 for the 7 days February 10 to February 16. During the extreme cold, we could not run our natural gas turbines (Jameson Energy Center) to mitigate these costs because of the natural gas shortages. Plus, the natural gas prices may have exceeded the wholesale electric cost anyway. The passage of this bill would provide a possible option for the City of Garden City to consider when faced with passing these extreme energy costs, estimated to be over \$900 for each for the 11,500 electric accounts, on to the residents of Garden City.

Thank you for your consideration and we urge your support of HB 2429.