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WRITTEN TESTIMONY IN OPPOSITION

House Energy, Utilities, and Telecommunications Committee

**HB 2228
Net Metering**

**Whitney Damron
On Behalf Of
Liberty Utilities**

February 7, 2023

Good Morning Chairman Delperdang and Members of the Committee:

On behalf of Liberty Utilities, we respectfully submit these written remarks in opposition to HB 2228 that proposes to broadly expand net metering in Kansas to the detriment of those customers who rely upon Liberty and other Kansas electric providers for firm and reliable electric service.

Liberty, through its predecessor company, The Empire District Electric Company was a part of the net metering compromise bill of 2014 that grandfathered in existing net metering customers with favorable compensation for excess power generated from their systems, but at the same time created the law we have today that allows for net metering customers to have adequate capacity to provide for their residential, commercial and school systems without unduly impacting a utility's ability to integrate and manage net metering customers on their system.

We believe current law works as evidenced by the continued growth of the solar industry in our state.

We see no reason to change current law.

HB 2228 proposes to expand the generating capacity of net metering customers on an electric provider by tenfold – moving from one percent of the utilities peak demand during the previous year to ten percent. An astounding increase.

Secondly, the bill would increase the recovery for excess electricity placed back onto a utility's service from its cost of avoided fuel cost to full retail recovery.

Liberty supports alternative energy sources as evidenced by its implementation of a significant amount of its generation from wind. That said, nothing in this bill relieves an electric provider from continuing to have to be capable of providing firm service at all times to all customers under its obligation to serve as a public utility.

The bill before you is a state-sanctioned, non-net metering customer paid subsidy to those who install and sell net metering systems with retain the benefits of firm service yet none of the downside risk should their system fail or the sun doesn't shine as needed. No sun? Just flip a switch and the lights still stay on.

Current law outside of the net metering statutes provides various incentives for installing these kinds of systems and we do not need the State weighing in on the side against non-net metering customers.

Non-net metering customers will be required to subsidize these systems with costs unfairly socialized to them.

Ideally a net metering system should be designed and sized to serve the electric needs of the house, business or school that installs such a system. It should not be the role of the State to allow for excess recovery when systems are allowed to over generate for the needs of the installer and sell excess generation at retail prices back to an electric provider who may or may not have use for the electricity generated, particularly when the electric provider must still be able to provide firm power to all customers, including net metering customers 24/7/365, rain or shine.

Any material change in the current net metering law should be carefully reviewed by the Kansas Corporation Commission with all parties involved and not in the form of HB 2228 written by the beneficiaries of this extreme change to current law.

On behalf of Liberty Utilities, I thank you for consideration of our position on this bill and would ask you to not advance this bill further.

WBD

Liberty Central Region serves approximately 180,000 customers in a six-state area composed of Kansas, Missouri, Arkansas, Iowa, Illinois, and Oklahoma with approximately 10,000 customers located in the southeast corner of Kansas. Liberty serves over 1 million customers in North America, Bermuda, and Chile.

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