

House Energy, Utilities and Telecommunications Committee
Testimony of Citizens' Utility Ratepayer Board
Neutral Oral and Written Testimony
House Bill 2227
February 7, 2023

Chairman Delperdang and members of the House Energy, Utilities and Telecommunications Committee, thank you for this opportunity to testify regarding House Bill (HB) 2227. My name is Patrick Orr. I am the Regulatory Analyst for the Citizens' Utility Ratepayer Board (CURB). CURB is the advocate for residential and small commercial ratepayers before the Kansas Corporation Commission (KCC or Commission) and the Kansas Legislature. My testimony reflects the interests of these utility ratepayer classes regarding HB 2227.

HB 2227 permits a "renewable energy supplier" to sell electricity generated by an "eligible generation facility" exclusively to the "host customer-generator," as these terms are defined by the bill. As these terms are defined, a person or entity that is engaged in the business of installing, owning and operating a solar or wind energy facility that is located on the premises owned by a retail electric customer may sell to that retail electric customer energy produced from the solar or wind facility through a power purchase agreement. To accommodate such sales, HB 2227 exempts these transactions from the definition of "utility" under K.S.A. 66-104 and exempts "renewable electric supplier," as defined by HB 2227, from the retail electric supplier act. Essentially, HB 2227 contemplates a financing agreement by which retail electric customers could place solar or wind facilities on their premises in order to utilize these resources to fulfill their electric energy needs.

As part of its duty to represent its constituents, CURB represents the interests of residential and small commercial utility ratepayers who may desire to install and use solar or wind energy to offset their use of retail energy furnished by electric utilities, but do not have the wherewithal to purchase the solar or wind facilities by themselves. In CURB's view, HB 2227 may be helpful to those CURB constituents by allowing what is essentially a finance mechanism through which they can acquire renewable energy for their own use. However, CURB anticipates that other stakeholders can and will testify to the practical effect of HB 2227 upon their interests. Further, whether to amend the pertinent statutes is a matter of public policy. Since the Kansas Legislature will weigh these, perhaps, competing interests, CURB believes that the Kansas Legislature will justly determine the policy of the State of Kansas on the subject matter of HB 2227. Therefore, CURB remains neutral.

In these regards, CURB wishes to testify as to the broad policy effected by having a diverse portfolio of energy sources available in Kansas. CURB notes that Kansascommerce.gov has posted

a statement on the internet that Kansas offers a diverse portfolio of financial incentives to businesses and producers engaged in conventional and renewable energy production. We believe this fact evidences the value that Kansans perceive from development of renewable energy, both from utilities and from other sources. The Kansas Farm Bureau has published its renewable energy goals, which include the development of a statewide energy plan that promotes the use of renewable energy and the use of tax credits and other incentives to achieve such a plan. Allowing retail electric consumers an opportunity to invest in solar and wind energy for their own use may help to diversify energy resources in our state. CURB believes that HB 2227 is consistent with the development of renewable energy resources in Kansas. We do not perceive that HB 2227 would pose a deleterious effect upon CURB's constituents at large at this time.

CURB hopes this testimony is helpful to the House Energy, Utilities and Telecommunications Committee, but understands that there may be other policy aspects of this bill to consider. CURB appreciates and respects the Committee's ability to weigh competing interests and policies to arrive at good law and policy for the State. Therefore, CURB is neutral on HB 2227. Thank you for considering CURB's perspective.