



**Neutral Testimony Concerning SB 456  
Darrin Ives, VP, Regulatory, Evergy  
For the Senate Utilities Committee**

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Thank you, Mr. Chairman and members of the committee, for the opportunity to comment on SB 456, which establishes a rebuttable presumption against retirement of fossil fuel-fired electric generating units. We are currently neutral to the policy behind SB 456, but are in dialogue with the proponents to find acceptable language that does not put Kansas in jeopardy of being unable to retire generation if required or in the best interests of customers. Evergy's concern with the bill as written is that it is overly prescriptive and would tie our hands if there were significant additional costs or federal mandates that require closure of coal plants. Our customers would bear the burden of that policy and it could be very costly in an era of changing Washington mandates.

Before going further on this bill, it is also important to note that Evergy is proud of its coal-fired, natural gas and nuclear generation facilities. These baseload workhorses provide a reliable form of dispatchable energy that other sources of generation simply cannot replace. In fact, SB 456 as written seems unnecessary given that Evergy is currently looking to add new hydrogen capable combined cycle natural gas generation.

If Evergy determines that it is prudent to retire a coal-fired generating station in our fleet, we would approach the Kansas Corporation Commission for approval to do so. The Commission has broad authority to address whether or not the proposed retirement of said facility is prudent and in the best interests of customers. Evergy would also need to secure the Southwest Power Pool's agreement that we are not only able to meet our peak load, but the required reserve margin above that as well.

Furthermore, Evergy's Integrated Resource Plan lays out a 10- to 15-year timeline with expected sources of generation and retirement of existing facilities, and that IRP takes into consideration affordability, reliability and sustainability, while giving the KCC a longer view of what Evergy's plans are for generation. The IRP currently includes keeping coal-fired generation for a reasonable amount of time, but it is in the best interest of the utility and its customers to retire coal only when it becomes economically prudent to do so and reliability is assured.

*(more on back)*

Several of our specific concerns with SB 456 as introduced, include:

- Changing the pre-determination timeframe from 180 days to 240. A lengthier process harms our ability to complete projects in a timely manner and subjects us to significant contract risk with counterparties and market-related cost changes.
- Creating a rebuttable presumption. This is similar to declaring an individual guilty until proven innocent. We believe the approach should be neutral, allowing the KCC to render judgement based on the merits of the proposed retirement - not tipping the scales at the outset.
- Ensuring the utility can meet its peak load and reserve margin. Evergy must be able to meet customer demand in the most economical, least restrictive way possible to ensure reliability and affordability while also meeting the SPP-required reserve margin.
- Creating a conflict between state and federal law. The bill could pre-empt federal authority. If a federal regulation is issued to close a certain type of facility, SB 456 may put us in a position of non-compliance with either federal or state law.
- Changing technology. We would propose a 10-year sunset on SB 456, given the changing nature of technology in power generation.

We have prepared a redline of changes we recommend for this bill and have shared with the proponents to determine if there is common ground for the bill to move forward. We look forward to updating the committee on those ongoing discussions. Thank you for the opportunity to share our perspective on this legislation.