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Date: March 15, 2021

To: The Honorable Jeff Longbine, Chair
Senate Financial Institutions & Insurance Committee

From: Ernest Kutzley, AARP Kansas

RE: SB 245, 32 Year Non-Bypassable, Non-Changeable Utility Bond Surcharge

Mr. Chairman and committee members, thank you for this opportunity to present our written testimony. My name is Ernest Kutzley and I am the Advocacy Director for AARP Kansas. I am providing testimony today in opposition to SB 245, repeating our opposition expressed last year.

Many of our members have low or fixed incomes. They often struggle to make ends meet and pay their bills. Others have lost their jobs due to the COVID-19 pandemic.

AARP supports sustainable energy policies. Kansas and the nation are on the road to a clean energy future. However, AARP also monitors the affordability and reliability impacts of proposed policies. We believe SB 245 fails both tests.

SB 245 could increase Kansas' already embarrassingly high electricity bills and, worse, could jeopardize reliability.

This is because there would be a new 32-year non-bypassable, non-changeable surcharge on consumers' electricity bill.

SB 245 encourages utilities to retire pre-maturely existing power plants as well. Customer-backed utility revenue bonds would be issued and the spending plan could not be reviewed or altered by the KCC.

After the February 2021 power shortage, we are not sure this is a good idea, given the SPP interruption of service causing power blackouts in Kansas. Indeed, during the February 15-16 period, SPP's generation mix consisted of 50% coal fired power and 30% natural gas fired power (and they were still interrupting customers—a first in their history). The SPP investigation and the seven KCC dockets are necessary to learn more about what happened,

and why, before a new law is passed encouraging power plants needed to keep the lights on to close pre-maturely. Then and only then should esoteric matters such as those encompassed by this bill be explored.

Given the pandemic, coupled with the recent power shortages and black outs, Kansas needs to hit the pause button before pursuing expensive and unnecessary initiatives like SB 245.

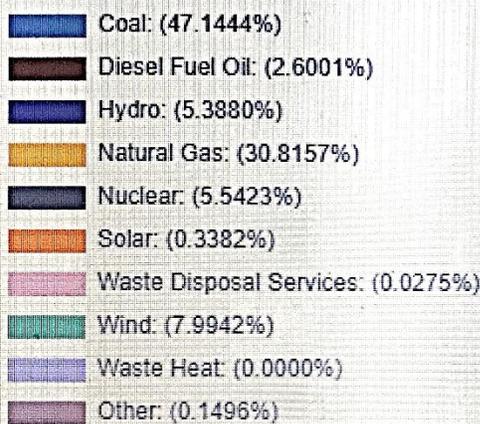
We urge a no vote.

During the cold weather of February 15, SPP was blacking out customers. While AARP is fuel neutral, we support sustainable energy policies but also are concerned about reliability. This is the fuel mix of SPP on February 15 at the hour shown. We urge the KCC's seven investigations and SPP's investigation to ensure that this never happens again. In any event, now is not the time to incent existing power plant closures given on this date they were supplying almost 80 percent of the power.

William H. Malcolm
AARP Senior Legislative Representative
State Advocacy - Utilities

Generation Mix for 2021-02-15 17:30:00 (Central Time)

Pie chart view of current generation mix percentage by fuel type.



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