



February 10, 2021  
Senate Committee on Utilities  
Room 548-S

Testimony re: SB 81, Requiring the state corporation commission to provide the legislature with an annual report of the electric rates of electric public utilities in the region.

Dear Chairman Thompson and Members of the Committee:

Thank you for this opportunity to testify in support of SB 81, which would prompt the Kansas Corporation Commission to annually analyze and report on the regional competitiveness of Kansas' electricity prices.

My name is Elizabeth Patton, and I am State Director of Americans for Prosperity in Kansas. Through broad-based grassroots outreach, AFP is driving long-term solutions to the country's biggest problems. AFP activists engage friends and neighbors on key issues and encourage them to take an active role in building a culture of mutual benefit, where people succeed by helping one another. AFP recruits and unites activists in 35 states behind a common goal of advancing policies that will help people improve their lives.

AFP supports SB 81 as a critical first step to legislative and regulatory changes to remove barriers to competition and innovation when it comes to energy policy. SB 81 would require the Kansas Corporation Commission to report to the Legislature by February each year on the average residential, commercial, and industrial electric rates of public utilities in Kansas, and comparisons to at least nine states in the region. The bill requests this report, including financial, statistical, and narrative information impacting rates, in order to "assist future legislative and regulatory efforts to develop forward-looking electric policy that leads to regionally competitive electric rates and reliable electric service." It would exempt municipal utilities as well as rural electric cooperatives.

SB 81 would help to provide detailed information on why Kansas has fallen behind the rest of the region when it comes to electricity prices. Affordable and reliable energy is a key driver of prosperity and economic opportunity. AFP supports removal of barriers to bottom-up energy innovation.

According to the [Energy Information Administration](#), Kansas has had the highest residential electricity rates in 2020 and 2019, with November 2020 data showing average rates of almost 13 cents per kilowatt-hour, roughly 12 percent above other states in the region and much higher than Iowa, Missouri, Nebraska, and the Dakotas. A [2019 analysis](#) by the Mercatus Center

at George Mason University found that the Kansas Corporation Commission has over 5,000 regulatory restrictions on the books, second only to the Kansas Department of Health and Environment when it comes to accumulated red tape.

Uncompetitive electricity rates can be a key driver of energy poverty – Even a 1 cent per kilowatt-hour change in residential rates could cost (or save) the [average Kansas household](#) over \$100 per year. According to [one estimate](#), over 60,000 Kansas households have incomes of 50 percent or more below the Federal Poverty Level and pay **29 percent** of their annual income simply for their home energy bills. COVID-19 has [further exacerbated](#) energy poverty in the U.S., underscoring the need for HB 2181 as a way to fully understand the causes of regionally uncompetitive rates.

Beyond the bottom lines of families and businesses currently in our state, electricity costs also have broader economic repercussions. [Site Selection magazine](#) recently explained that “finding affordable energy is one of the most important factors in identifying and choosing the right site when a company is expanding or relocating.”

For these reasons, I ask you to support SB 81.

Sincerely,

Elizabeth Patton  
Kansas State Director  
Americans for Prosperity