

March 21, 2022

The Honorable Mike Thompson, Chairperson
Senate Committee on Utilities
Statehouse, Room 548-S
Topeka, Kansas 66612

Dear Senator Thompson:

SUBJECT: Fiscal Note for SB 350 by Senate Committee on Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning SB 350 is respectfully submitted to your committee.

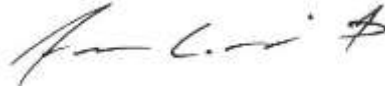
SB 350 would require a public utility to file a petition for a determination of the rate-making principles and treatment with the Kansas Corporation Commission and issue an order within 180 days of the date the petition is filed prior to undertaking the construction of, or participation in, a coal-fired electric generating facility. If the Commission determines a coal-fired electric generating facility to be just, reasonable, and necessary for the provision of sufficient and efficient service, an electric public utility would be permitted to:

1. Retain coal-fired electric generating facilities in its rate base;
2. Recover expenses associated with the operation of any facilities that remain in service to provide greater certainty that generating capacity will be available to provide essential service to customers, including during extreme weather events; and,
3. Recover any portion of its rate base and prudently incurred expenses necessary for the facilities:
 - a. To operate at a low-capacity factor; or
 - b. That are offline during normal operating conditions and providing capacity only.

The Kansas Corporation Commission estimates the enactment of SB 350 would increase its FY 2023 expenditures by approximately \$100,000 for one-time costs to hire a consultant to

assist in evaluating the pre-determination request to operate a coal unit in a seasonal or capacity only manner. Any fiscal effect associated with SB 350 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Peter Barstad, KCC