



Kansas Grain and Feed Association  
Renew Kansas Biofuels Association  
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February 7, 2023

To: House Committee on Energy, Utilities, and Telecommunications  
From: Randy Stookey, Senior Vice President and General Counsel, KGFA and Renew Kansas  
Re: **Written, Joint, Proponent Testimony on House Bill 2227, authorizing solar power purchase agreements with renewable energy suppliers, exempting the sales of electricity pursuant to power purchase agreements from public utility regulation and requiring electric public utilities to enter into parallel generation contracts with certain customers of the utility**

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Chairman Delperdang and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 2227. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA) and Renew Kansas Biofuels Association (Renew Kansas). KGFA is the state association of the grain receiving, storage, and processing industry, with membership of more than 950 Kansas business locations and 99% of the commercially licensed grain storage in the state. Renew Kansas is the trade association of the Kansas biofuels industry.

Across Kansas, our member grain elevators and biofuel processing plants contribute to the Kansas economy and provide gainful employment for thousands of Kansans. These industries also function as good corporate citizens, paying millions of dollars in property taxes that help support schools and state and local government. Members of these industries are also high industrial users of energy. The ability of our members to operate a competitive or profitable business is often dependent upon the amount of input costs, such as utilities.

Unfortunately, Kansas continues to have the highest electric rates in our region. Paying higher energy rates than similarly situated energy users in the Midwest causes our industries to be less competitive. These high energy costs are not sustainable and have caused our industry to invest in on-site energy cogeneration. In addition, to continue accessing the expanding low-carbon fuel standard markets, Kansas biofuel facilities will soon be required to secure direct connection to low carbon energy inputs such as wind and solar.

Third-party power purchase agreements (PPAs) allow schools, residential users, and churches to install solar generation and battery storage to achieve a direct connection to low carbon energy. Currently, however, such agreements can only be entered into through a regulated utility.

House Bill 2227 would amend Kansas to allow residential, organizational, and commercial customers to pursue PPA's with developers other than regulated utilities - a practice currently allowed by twenty-seven other states. The bill would limit the size of the PPAs for residences, commercial users, and schools, but allows military installations to enter a PPA without a size limitation. **We would encourage the committee to amend the bill to also allow industrial users of energy to enter PPAs without a size limitation.**

This bill would further our state policy of pursuing regionally competitive electric rates while maintaining reliable electric service. To ensure Kansas remains a competitive state to do business, we stand in strong support of the bill.

Thank you for allowing us the opportunity to testify in support of House Bill 2227. We respectfully request that the committee amend the bill to allow use of PPAs by industrial users, without limitation, and pass the bill out favorably.