

To: Chairman Olson and Senate Utilities Committee
From: Dorothy Barnett, executive director Clean Energy Business Council, a project of the Climate + Energy Project
February 6, 2018
Proponent of SB 347 – Oral Testimony



The Kansas Energy Efficiency Investment Act (KEEIA) was enacted in 2014. Introduced by KCP&L and supported by the clean energy community, this Act received a 40-0 vote in the Senate and 99-25 in the House. Modeled after Missouri’s Energy Efficiency Investment Act (MEEIA), the Act was intended to illustrate the state’s goal to “promote the implementation of cost-effective, energy efficiency in Kansas.”

In 2017, KCP&L asked the Kansas Corporation Commission to approve a suite of energy efficiency programs for their Kansas customers. Despite meeting cost-effectiveness testing in Missouri, the same programs were largely rejected by the KCC. This ruling denied Kansas customers the opportunity to utilize programs available across the state line.

KEEIA applies to Kansas public electric or gas utilities who are regulated by the KCC. All states with lower rates surrounding Kansas have policies in place (either with goals or mandates) that support utility investments in energy efficiency.

Average Price of Electricity to Ultimate Customers by End-Use Sector November 2017 (Cents per Kilowatt-hour)¹

State	Residential	Commercial	Industrial	ACEEE Ranking
Kansas	13.37	10.13	7.63	48th
Missouri	10.46	8.59	6.58	37th
Nebraska	10.53	8.49	7.01	44th
Oklahoma	10.76	7.66	5.09	40th
Colorado	12.02	9.78	7.16	15th

This bill is critical to helping Kansans achieve lower electricity bills.

If Kansas is to remain economically competitive, we must utilize every tool available to stabilize electric bills. If SB 347 is implemented, Kansans will recognize true energy and cost savings at all levels.

The proposed KEEIA legislation sets modest, measurable energy savings goals for natural gas and electric utilities to help their customers save energy beginning in 2019. It requires the KCC to utilize

¹ https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a

the National Standard Practice Manual² to determine the appropriate test for evaluating the cost-effectiveness of demand-side programs. The revisions clarify the legislature's directive to the KCC to allow cost recovery mechanisms that further encourage investments in energy efficiency programs and to allow utilities who exceed the goals laid out in KEEIA to earn a bonus.

The original 2014 legislation, was well-intentioned, unfortunately, it did not have measurable goals to ensure the Kansas Corporation Commission would fully consider the Legislature's desire to provide Kansans access to utility energy efficiency programs. This bill strengthens that language and makes clear the legislative bodies intention to enact energy efficiency programs.

Kansans overwhelmingly support energy efficiency programs, as evidenced by their public comments during the KEEIA docket. By supporting this bill, you are showing Kansans that you stand with them.

Thank you,

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² <https://nationalefficiencyscreening.org/national-standard-practice-manual/>