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House Commerce, Labor and Economic Development Committee
HB 2703 - Support
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Thank you Chairman Tarwater and members of the committee for the opportunity to provide comments today on HB 2703. Black Hills Energy is a natural gas utility proudly serving approximately 115,000 customers in 65 Kansas communities. All together the Black Hills Energy family serves 1.2 million natural gas and electric customers in eight states.

Government policies are beginning to be introduced which restrict the direct use of natural gas in Americans' homes and businesses. Preserving energy choice is critical for Kansans. HB 2703 protects that choice in state law, providing certainty for Kansans across the state that natural gas remains a viable option in their homes and for their businesses.

Domestically produced, abundant natural gas remains a strong value for our customer's energy needs. In 2019, the typical residential customer on our system paid an average monthly bill of \$49.98 – meaning they can heat their homes, have hot water, and cook meals for less than \$2 a day. Forced electrification would actually cost consumers. The average home's energy-related costs could increase by 46% per year if we had to replace our appliances and only use electricity.¹

Nationally, natural gas fuels nearly one third of the industrial sector and the affordability of natural gas has led to \$121 billion in savings for American businesses since 2009. Low natural gas prices are an economic driver, benefiting consumer purchasing power and confidence, creating higher profits among businesses and improving cost-competitiveness for American manufacturers relative to their international competitors.

Eliminating direct use of natural gas negatively impacts businesses and could stifle economic growth. Black Hills Energy is a committed partner in the communities we serve and works together with local leaders throughout our service territory to help grow Kansas with natural gas service. We have done this for many decades and look to for decades to come.

Natural gas is a clean source of energy, which has and will continue to reduce our country's carbon emissions. Through the use of new technology, renewable natural gas and increased energy efficiency, natural gas can continue to shrink our country's carbon footprint.

More than one million homes and businesses rely on natural gas in our service area. Natural gas also creates electricity when Americans need it most—including for customers we serve with electricity.

1. ¹AGA Implications for Policy-Driven Electrification <https://www.aga.org/research/reports/implications-of-policy-driven-residential-electrification/>

Without natural gas, we don't have a reliable way to keep fueling our country during peak demand or when renewable sources can't operate.

Black Hills Energy supports, and are a partner in, pursuing all sensible paths to reducing emissions and providing affordable, reliable energy for our customers today and tomorrow. Our natural gas and electric systems are among the most advanced in the industry, and we continue to invest in clean and modern energy.

Forced electrification is a method to achieving the goal of reducing carbon emissions, but it's not the best path for Americans. Sustainably reducing greenhouse gas emissions will require partnership among clean energy sources like renewables and natural gas, smart use of our country's infrastructure and careful consideration of the impact to Americans. HB 2703 keeps those options available for Kansans in their homes and their businesses.

Additionally, we are aware of an amendment being suggested by Kansas Gas Service in their testimony and are supportive of the language.

We appreciate the opportunity to address the committee and respectfully request passage of HB 2703. Thank you.