

Before the Senate Utilities Committee
Presented by Zack Pistora, Kansas Sierra Club
Proponent Testimony on SB 124
February 25, 2019



Chairman Masterson and Honorable Members of the Committee,

Thank you for the opportunity to provide positive testimony on SB 124, the Energy Fairness Act, that would prohibit discriminatory charges upon customer-generators like residential solar and small-wind electricity-producing customers. The Sierra Club has been quite active recently on this matter. We initially challenged Westar's demand charge at the Kansas Corporation Commission last year. Currently, we are appealing this decision in front of the Kansas Court of Appeals. We feel that the demand charges placed upon Kansas residential customer-generators are not only illegal according to K.S.A. 66-117(d), but is opposite of our cherished values of fairness, individual liberty, free enterprise, and environmental stewardship that Kansans hold dear. SB 124 represents a re-route of course in the right direction.

Current demand charges on customer-generators are unfair; the discriminatory charges comprise an unwarranted cost burden on a group of Kansans that are actually benefitting the electrical grid with their clean energy production.

The Sierra Club recognizes that Kansans who have installed solar and small-wind systems on their residential properties are trying to do themselves, the state, and the planet a favor. That is why the Sierra Club has adopted the position long ago (1977) that *"customers should not be discouraged from owning or installing renewable resource systems by discriminating rates or charges."* For individuals, bringing down one's utility bills while helping the environment with their own investment is noble deed that ought to be welcomed and rewarded in our energy policy, not penalized or discouraged. When producing electricity beyond their own self-need, these customer-generators add their power to our state's energy supply and reduce the need to dispatch expensive and less eco-friendly energy (like coal power). Kansas businesses that sell or install these energy-generating systems are creating jobs that are positive for Kansas' economy. The discriminatory demand charges on customer-generators is directly impeding this economic and environmental progress.

SB 124 will help our energy policy comply with existing Kansas law (K.S.A. 66-117d) and align Kansas with other states that embrace solar and energy independence.

The Kansas Legislature adopted 66-117d in 1980 that *"No electric or gas utility providing electrical or gas service in this state shall consider the use of any renewable energy source other than nuclear by a customer as a basis for establishing higher rates or charges..."*. States like Missouri, Ohio, Nevada, and Iowa (to name a few), also have laws that protect the right of renewable energy customer-generators to be treated equally to their non-generating peers. As a friendly amendment to the bill, we ask the committee consider rewording the language of SB 124 to be more affirmative to keeping distributed energy customer generators in the same rate class at their peer non-generating customers. Example language from Nevada: *customer-generators are to "remain within the existing broad rate class to which the resident would belong in the absence of a net metering system or a system that generates renewable energy or stores energy, or any combination thereof, without any fees or charges that are different than the fees and charges assessed to customers of the same rate class."*

We ask that you pass SB 124 favorably. Many Kansans are depending upon you to help save the day(light).

Thank you,

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The Sierra Club is the largest grassroots environmental organization dedicated to enjoying, exploring, and protecting our great outdoors. The Kansas Chapter represents our state's strongest grassroots voice on environmental matters for more than forty years.