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PROPONENT TESTIMONY

Senate Bill 24

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Kansas Gas Service

Senate Committee on Utilities

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Good morning Chairman Siewert and members of the committee. My name is Patrick Vogelsberg. I am the manager of government affairs for Kansas Gas Service. Kansas Gas Service is the state's largest regulated natural gas utility serving more than 635,000 residential, commercial and industrial customers in 341 communities across Kansas. Thank you for the opportunity to provide testimony in support for Senate Bill 24 which would protect the right of Kansans to choose their energy source.

In 2019, the city of Berkeley, Calif. was the first city in the U.S. to ban the use of natural gas in new residential and commercial construction. Since then, several cities have either passed or introduced similar laws to eliminate natural gas as a choice. While most of these cities are located on the east and west coasts, closer to home, we have seen similar activity in Norman, Oklahoma and Lawrence, Kansas. This pathway to clean energy is shortsighted and will ultimately hinder a community's ability to reduce emissions while removing a reliable, low-cost energy option from its citizens. The American Gas Association research shows the average residential customer would pay approximately \$879 more a year for utility service if electricity is the only option. Prohibiting natural gas eliminates a low-cost energy option from its citizens.

To prevent these policies, several states have enacted legislation to protect customer choice. Arizona, Louisiana, Oklahoma and Tennessee passed legislation in 2020. Kansas should

join these states and pass this legislation in 2021, signaling to current and future businesses and households that this is a state where all energy options remain available.

The direct-use of natural gas continues to be the most efficient use of this abundant energy resource. The natural gas industry, including Kansas Gas Service, continues to focus on innovation and advancing technologies that create new pathways for efficiency and reduced emissions. In addition to increasingly efficient appliances and building materials, opportunities are emerging for renewable natural gas and hydrogen. Natural gas distribution systems provide a potential solution to utilize fugitive sources of methane – food waste, wastewater, landfills and agriculture operations - by converting these sources to energy and preventing their release into the atmosphere.

Furthermore, the natural gas distribution system recently demonstrated its reliability and resilience in the most challenging weather conditions by providing continued direct-use heating and critical backup electric generation. The geographic scope and duration of the recent winter storm was extraordinary. For Kansas Gas Service, the challenges during this extreme winter storm were met around-the-clock by experienced and qualified employees from all functional roles. Due to the tireless effort of so many, conservation by Kansans and prior infrastructure investment, Kansas Gas Service was able to maintain service to its customers with minimal outages.

Since 2014, Kansas Gas Service has invested \$334.9 million (2014 – 2020) in our pipelines for system integrity and reliability improvements to safely deliver natural gas to homes and businesses. These past investments were critical during the storm in avoiding natural gas outages of citywide proportion, the occurrence of which would have been a catastrophic risk to human life. Thankfully, these investments were encouraged with the foresight of state leaders when the Gas System Safety and Reliability Policy Act was passed in 2006 and enhanced in 2018. This is one example of the benefit to a statewide approach to energy.

Energy policy resulting in statewide impacts, such as natural gas bans, is a matter of statewide concern. Kansas needs a diverse energy mix and we should continue to embrace a uniform, ‘all the above’ approach to energy policy.

Senate Bill 24 does four things: (1) it ensures that Kansans have a choice in the energy they wish to use in their homes and businesses; (2) it helps keep utility bills low for Kansans; (3) it provides regulatory certainty; and (4) it provides guidance from the state to communities as they

develop sustainability plans. Simply, Senate Bill 24 protects those that desire to maintain an affordable way to heat their home, cook their meals and operate their business.

Kansas Gas Service respectfully request that the committee act favorably on Senate Bill 24. Thank you for your consideration; I will stand for questions at the appropriate time.