



January 27, 2021

TO: Kansas Senate Utilities Committee – Chairman Thompson
FROM: Chris M. McGown, EKOGA President
RE: Testimony in Support of SB24

Mr. Chairman and Members of the Committee –

Thank you for the opportunity to submit written comments in support of SB 24 on behalf of the Eastern Kansas Oil & Gas Association. EKOGA represents about 200 members involved in the production of Kansas shallow oil and gas resources. EKOGA supports SB 24 and the ability of Kansas citizens to choose, access, and utilize cheap and reliable energy.

The Kansas Oil & Gas industry is vital to our state's economy. The Kansas Oil & Gas industry supports 118,000 jobs, \$3B in annual family income, and \$1.4B in state and local tax revenue.¹ Historically, 100 of 105 Kansas counties have had commercial oil or gas production. In 2019, 90 counties reported production.² Any legislation that restricts access to these natural resources would be detrimental to our citizens and our vital Kansas industry. The Kansas Energy Choice Act would protect citizens from political fiat that would necessarily cause their energy costs to rise.

Kansans already favor reliable, low-cost natural gas – about 6 out of 10 state households utilize natural gas as their primary heat source.³ Natural gas is a more efficient and cheaper fuel than electric for heating and appliances. EIA data shows heating a home in the Midwest with electricity costs 2.4 times more than heating with natural gas.⁴ Any regulation that limits a home or business from using natural gas will result in significant cost increases for the end user.

Kansans are experiencing increased energy bills due to the state's reliance on wind energy – before wind generation became the state's largest electricity producer, Kansans enjoyed electric rates in the bottom half of the nation's rates. In 2009, Kansas electric rates were 34th in the nation, today we are 20th; average retail electricity prices have increased 64% since 2001 and 29% since 2009.⁵ Electricity is a significant expense for Kansas Oil & Gas producers – these electric price increases have significantly affected our industry. Kansas electric prices are trending in the wrong direction, forcing homes and businesses into using higher priced energy is bad for our citizens and business community.

For these reasons, EKOGA supports our citizen's ability to choose his or her own energy sources. We urge the committee to pass SB 24.

¹ <https://kansasstrong.com/get-the-facts/>

² <http://www.kgs.ku.edu/PRS/petro/interactive.html>

³ <https://www.eia.gov/state/analysis.php?sid=KS>

⁴ <https://www.eia.gov/outlooks/steo/pdf/wf01.pdf>

⁵ <https://www.eia.gov/electricity/state/kansas/>