



Kansas Grain and Feed Association
Kansas Agribusiness Retailers Association
Renew Kansas Biofuels Association
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February 10, 2021

To: Senate Committee on Utilities
From: Randy Stookey, Senior Vice President of Government Affairs and General Counsel
Re: **Joint, Proponent Testimony on Senate Bill 81, requiring the state corporation commission to provide the legislature with an annual report of the electric rates of electric public utilities in the region.**

Chairman Thompson and members of the committee, thank you for the opportunity to provide testimony in support of Senate Bill 81. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association (Renew Kansas).

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA is an agribusiness industry trade association whose membership includes over 700 companies across Kansas. Renew Kansas is the trade association of the Kansas biofuels processing industry.

Across Kansas, our member grain elevators, biofuel processing plants, and agribusiness facilities contribute to the Kansas economy and provide gainful employment for thousands of Kansans. These industries also function as good corporate citizens, paying millions of dollars annually in property taxes that help support schools and local government.

Members of these industries are also high industrial users of energy. The ability of our members to operate a competitive or profitable business is often dependent upon the amount of costs they must cover, such as utilities.

It is understood that Kansas has the highest electric rates in our region. Paying higher energy rates than similarly-situated energy users in the Midwest causes our industries to be less competitive. In addition, as grain elevators and biofuel processors operate continuously, they are assessed surcharges at industrial peak use rates. Unfortunately, these high energy costs have become unsustainable – so much so, that many in the industry are now considering investments in on-site cogeneration in order to remain viable.

Kansas must continue to work to find resolution to the issue of high energy costs, or industries in our state will suffer. It is for this reason that our industries support the reporting requirement on Kansas energy rates in this bill. The report will provide the legislature with current information in order to pursue legislative and regulatory efforts to craft forward-looking electric policy that leads to regionally competitive electric rates and reliable electric service.

For these reasons, and to ensure Kansas remains a competitive state to do business in the future, we stand in support of Senate Bill 81. Thank you for allowing us the opportunity to testify. We respectfully request that this committee pass the bill out favorably.