

House Committee on Energy, Utilities and Telecommunications

Testimony in Support of House Bill 2225

Presented by Eric Stafford, Vice President of Government Affairs, Kansas Chamber

Thursday, February 9, 2023

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state. We appreciate the opportunity to testify in support of House Bill 2225, which limits what costs can be recovered by an investor-owned utility through the transmission delivery charge.

As Kansas electric utility rates have grown more uncompetitive, our ratepayer members are seeking to prioritize and adopt any option the state has to increase oversight and accountability on behalf of ratepayers.

House Bill 2225 from our understanding was introduced to grant the Kansas Corporation Commission (KCC) stronger oversight into the excessive increases in the transmission delivery charge passed onto ratepayers. Since 2008, the TDC has increased from \$72 million to over \$300 million today, a large driver in the state's decreased competitive standing on electric rates. Ratepayers today see more than 20 percent of their bill dedicated to transmission delivery charges and both the London Economics rate study and the Chamber's 2022 energy report cite transmission buildout as one of the major cost drivers inflating electricity bills across our state.

HB 2225 would prevent transmission-related costs constructed from a utility's "internal or local planning processes" from being included as a transmission delivery charge passed on to ratepayers, without review and approval from the KCC. Investments required by a regional transmission organization, or Southwest Power Pool, would continue to be eligible for TDC recovery.

In closing, we respectfully ask the committee to support House Bill 2225 to protect Kansas ratepayers from further increases in the transmission delivery charge. I'm happy to answer questions at the appropriate time.