



Testimony of Jeff Martin
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On HB 2588 – Proponent
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Chairman Delperdang, Vice Chair Turner, Ranking Minority Ohaebosim and members of the Committee - Thank you for the opportunity to provide testimony in support of House Bill 2588.

Over the last six months, at the behest of the Chair of this committee, rooftop solar industry stakeholders and Evergy have worked to find a compromise on changes to the state's net-metering law, which was last updated 10 years ago. Those conversations have yielded what we believe to be important updates to net-metering policy in Kansas. Over the last decade, we have gone from a handful of rooftop solar installers in Kansas to more than 50 companies doing business in Kansas today, while also seeing rapid changes in solar panel technology and processes. The number of Evergy customers installing rooftop solar has increased as well, with about 6,400 net-metered customers in our service territory as of the beginning of 2024.

We collaborated on a number of definitions to bring the state's net-metering statute into alignment with the technologies and processes that have developed over the last 10 years. Much of our discussion and eventual compromise centered on technical changes and language that will support future changes in rooftop solar technology and other ways that consumers might connect to the grid with distributed generation systems of the future.

HB 2588 would amend the net-metering statute to allow an increase in the 1% cap currently in place and also allow an increase in the size of rooftop solar systems. The current 1% cap was implemented to essentially regulate the number of customers who can install rooftop solar and connect to the grid. The total amount of systems installed cannot exceed 1% of the total rated generating capacity of all net metered systems based on the utility's peak demand from the previous year. This is both for operational and financial purposes.

Operationally, it's important to ensure that there aren't too many distributed generation customers connecting to the system and overwhelming the grid; and financially, it's important to ensure that non-rooftop solar customers are not subsidizing those who choose to install solar. In HB 2588, instead of raising the cap all at once to 10%, the proposed legislation suggests a stair-step approach, raising the limit 1% each year until 2027, and capping it at that point at 5%. This incremental increase in the cap gives the utility time, if needed, to analyze and plan for the impact to the physical grid. Thereafter, any increases to the cap would require a hearing at the Kansas Corporation Commission to thoroughly investigate the need for such a change and requiring all parties to submit evidence that supports the need for a change.

The other significant change in HB2588 would increase the current size limit on rooftop solar systems from 15kW for residential and 100kW for commercial to 150kW for all customer classes. It is important that systems are appropriately sized so that a customer cannot generate significantly more than they consume. This goes back to the financial aspect of net-metering and the impact to non-solar customers. Current rate structures today collect significant amounts of a utility's fixed costs to serve through variable kilowatt hour charges. That means that for each solar installation, there is a subsidy by non-solar customers to pay the fixed costs of the system on behalf of a rooftop solar customer. As solar customers supply their energy and reduce their energy usage from Evergy, they are not paying for these fixed costs, but being subsidized by other customers.

Lastly, all stakeholders involved in these discussions over the last few months agree that there is a need for some consumer protection language to ensure that Kansans are not taken advantage of by less-than-reputable rooftop solar companies. Evergy hears weekly from consumers who share examples of salespersons going door-to-door, claiming to be with Evergy, asking for personal information, providing inaccurate financial information on the cost-savings associated with solar panel installation, and, in general, misleading consumers on the benefits of rooftop solar. We are grateful to companies like those represented in this compromise effort who work in good faith with Kansas consumers who desire to install rooftop solar. We look forward to working with these companies on an approach to consumer protection laws for the industry.

Evergy appreciated the opportunity to engage with the rooftop solar industry and renewable energy advocates to arrive at these positive changes to the net-metering policy in Kansas. Such improvements will benefit all involved and continue to support Kansans interested in self-generation by installing rooftop solar systems.

We hope you will vote favorably to advance HB 2588. Thank you for the opportunity to testify.