



**AMERICANS FOR
PROSPERITY**

KANSAS

February 7, 2018

Testimony in opposition to SB 322

Chairman and Members of the Committee on Utilities, thank you for holding this hearing and for this opportunity to provide testimony in opposition to SB 322 on behalf of our more than 50,000 activists in Kansas.

Maintaining access to affordable electricity through a reliable grid is critical to our state's economic development. However, we believe that the changes being proposed in SB 322 move us further away from this goal as they would re-introduce and expand subsidies that were removed in the reform enacted to the Net Metering and Easy Connection Act in 2014.

Allowing true competition in the electricity market, not handing out subsidies to a select few, is the right policy to ensure affordable energy and a reliable grid. Competition in turns leads to a healthy economic climate, fostering economic and job growth in the state. Instead, net metering forces utilities to purchase electricity from a select few at above market rates.

The 2014 reform allowed net metering to continue, but at the same time, it provided rate payers with a fair and more balanced approach by using the Monthly System Average Cost of Energy per Kilowatt Hour as a basis to credit net excess energy from distributed generators.

SB 322 would undo this common-sense reform, potentially harming the least fortunate in our society. This is because in order to cover the cost purchasing electricity at above market rates from net-metering customers, power utilities will inevitably pass the cost down to all customers, including non-net metering customers, many of whom are already experiencing "energy poverty".

Energy poverty is commonly defined as having to spend more than 10% of your income on energy related expenses. According to the [Home Energy Affordability Gap](#), over 151,000 households in our state find themselves in this predicament, with 64,000 of them facing an energy burden equal to 29% of their income.

With this in mind, one has to wonder, what is the rationale to go back to a framework that will inevitably raise the electricity prices for non-metered customers in the state?

We believe that the changes would amount to a regressive tax on the families and small business of Kansas. For this reason, we respectfully encourage you to preserve the well-thought reforms of 2014 and vote against SB322, a bill that would once again rig the system in favor of a few at the expense of the many.

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