

To: Chairman Olson and Senate Utilities Committee
From: Dorothy Barnett, executive director Clean Energy Business Council,
a project of the Climate + Energy Project
February 6, 2018
Proponent of SB 322



For the past decade, the Climate + Energy Project (CEP) has been a supporter of renewable energy. We have submitted testimony before committees at the Kansas legislature and have participated in multiple dockets at the Kansas Corporation Commission. We have also participated in collaborative conversations with solar companies and utilities around the complicated issue of distributed generation.

While embracing utility scale renewable energy, the investor owned utilities were proponents of a bill passed in 2014 that made substantial changes to net metering. Customers who have made investments since 2014 now live under a cloud of uncertainty as the KCC has indicated they will allow demand charges or other fees to be added to those with net-metered systems.

In 2014, the Renewable Portfolio battle was coming to a head, clean energy advocates were supporting the Kansas Energy Efficiency Act alongside the utilities, there was transmission legislation being considered and additionally, an attempt to get rid of net metering. In order to keep net metering in place, clean energy advocates agreed to a compromise, hoping the KCC would support a fair and transparent process to identify benefits of distributed generation as well as potential costs.

In 2015, we saw the first attempt by Westar to add demand charges to solar customers, up to \$50 per month. This fee was denied by the KCC but during Docket 16-GIME-403-GIE last year, the Commission gave utilities permission to add demand charges or other fees to distributed generation customers during their next rate case if the utility cost studies indicated it would be appropriate.

Clean energy advocates argued for a third party study that would be transparent and stakeholder driven to determine both the costs and the benefits of distributed generation to solar users, non-solar users and the utility system. The Commission denied our plea and the utilities would not agree to a study.

You will likely hear from the utilities that we made a deal and the 2014 legislation should stand. I would say, however, much has changed in the past four years. The traditional way of generating and delivering energy is rapidly changing, in part because of the growth of Distributed Energy Resources (DER) and changing technology. These resources, such as small wind and rooftop solar generation, are located on the distribution grid, generally on or near the customer's home or facility.

These changes are happening in part due to solar energy's rapidly declining price, various forms of policy support, rising electric rates and environmental concerns which all have attributed to the growth of solar power. Total installed price for residential PV fell more than 50% from 2008-2012 and continued decline is expected. As electricity rates have increased, consumers are looking for long term price stability. In Kansas, according to the CURB website, Westar South territory has had a 43%

residential bill increase from January 2009 through 2016 and Westar North a 60% bill increase during the same time frame. KCP&L's percent increase from 2007 through 2016 for a 1500 kWh July residential bill was 88.63%. Kansans are frustrated with these rising utility costs and looking for ways they can limit bill increases.

Utilities argue non-solar users are subsidizing solar users, however, their own required net metering reports made to the KCC indicate they are not even close to the 1% cap on net metering.

- Westar System = $4,962 \text{ kW}^1$ (Net Metered Systems) / $5,936 \text{ MW}^2$ (Peak) = 0.084%
- KCP&L System = $1,200 \text{ kW}^3$ (Net Metered Systems) / $1,768 \text{ MW}$ (Peak) = 0.068%
- Empire District = 0^4 kW (Net Metered Systems) / 72 MW (Peak) = 0%

Instead of working to limit the growth of solar, Kansas should take advantage of the changes we've experienced over the past four years and find ways to grow an industry that can save customers money on their ever increasing bills and grow the economy with local jobs described by Clean Energy Business Council members. Passing SB 322 will help Kansas thrive in the transition to a clean energy economy.

Thank you,

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¹ <http://kcc.ks.gov/electric/net-metering-in-kansas> 12-WSEE-669-CPL last report 2016

² http://kcc.ks.gov/images/PDFs/legislative-reports/2017_electric_supply_and_demand_report.pdf

³ 12-KCPE-665-CPL last report 2016

⁴ 12-EPDE-689-CPL last report 2015