

Proponent Oral Testimony  
SB 124  
Dorothy Barnett



Good afternoon Chairman Masterson, and committee members. Thank you for allowing me to speak to you today. The Climate + Energy Project has been a strong advocate for renewable energy in Kansas since 2007. Over the years we've been in lock step with the investor owned utilities on the value of wind energy and our many attempts at energy efficiency programs both here in the legislature and at the KCC. We worked for several years to encourage the utilities to offer programs that would allow more access to clean energy for commercial and industrial customers, which the utilities now have through their Renewables Direct programs. We've proudly given credit to Kansas utilities, the legislature and yes, to Governor Brownback for our states willingness to embrace wind power for the economic and environmental benefits it provides. Last week you heard from Mike Ross with the Southwest Power Pool – not in a million years could any of us imagined where Kansas wind would be today and in fact, in those early years, even the utilities were dubious of the role wind could play. Imagine where we'd be if we had said no to innovation back then.

Despite our long history and partnership with the IOUS – this issue of distributed generation and rooftop solar for Kansas homes is the most contentious issue we've ever faced. The idea that less than 2,000 rooftop solar systems across the Energy territory, could somehow jeopardize the utilities business plan is baffling. In 2018, KCP&L added 82 new solar customers. At that rate, even if the solar industry operated at ten times the magnitude it is today, it would still take TEN years to get to the current 1% cap. Residential solar is not a threat to the utility business model and Kansans should not be punished for trying to stabilize their energy costs or protect the environment.

Today you'll hear from solar companies who just want a regulatory and policy environment that is fair and allows them to grow their businesses without rule changes for their customers. They are not asking for solar rebates (like their Missouri competitors get) or a government handout, they just want to solve the problem their customers have and help them generate power to keep their electric rates in check.

This issue is not only about the retroactive charge you'll hear about, but it's also about the way utilities decided how much the charge should be.

Let me remind you how a demand charge is figured. Westar's charge is figured from 2-7 pm Monday through Friday. It's based on your highest hour of energy use (using 15-minute data). Imagine it's 4 pm and your kids all get home from school, they pop in a bag of popcorn into the microwave, fire up the X-Box and begin homework on the family computer. Someone opens the refrigerator and then starts cooking dinner on the electric stove. That's when your monthly demand is set. During the 8 months of "winter" the demand charge is \$3 per kw. During the 4 months of the summer – you'll also have your air conditioning running and if it cycles on when

all these other things are happening, watch out! It's \$9 per kw. I know you'll hear from the utilities that the energy charge (kWh) has been reduced in exchange for adding the demand charge, but listen carefully to the men and women who will describe how hard it is to manage their demand and protect themselves from these high charges.

For those of you in business, demand charges may be familiar, businesses often have demand charges, they also have the ability with technology to manage their demand. Residential customers do not and that's why nearly every other Commission has denied mandatory demand charges for residential customers. The states where it was initially approved were later reversed by the courts.

This kind of ratemaking may just be the beginning of utilities trying to save an antiquated business model that does not allow customers to manage their bills with old or new technology – what's next? Will the natural gas utility begin charging you more if you use a wood burning stove and don't buy as much natural gas from them? If I invest in insulation, doors and windows or go to Arizona for the winter, will the utilities add new fees to me too since I'm not purchasing as much power from them? We are not only concerned about the existing solar customers as well as folks who'd someday like to install solar, but we believe these residential demand charges are just the beginning. Westar and KCP&L have a voluntary demand charge rate and in more than one conversation, the utilities have indicated demand charges should be mandated for all residential customers. You may not be impacted by solar demand charges, but if we don't take action today, you could be the customer tomorrow that finds yourself having to cook your dinner at 8 pm and turn off your air conditioner at 2 pm when it's 100 degrees outside.

Over the past week, we've all heard a lot about protecting the utilities investments and threats to our states economic competitiveness. The Energy Fairness Act serves to protect the investments of Kansans and provides a way for Kansans to help grow the Kansas economy while relieving some of the price increases they've experienced. Please don't let the utilities scare tactics leave Kansas behind when we have an opportunity to be a leader and support our small solar businesses, their employees and the customers they serve. Let's work this bill and get moving on energy fairness and freedom.