



Kansas Grain and Feed Association
Kansas Agribusiness Retailers Association
Renew Kansas Biofuels Association
21806 SW Tyler, Topeka, Kansas 66612 | 785.220.5211

February 11, 2021

To: House Committee on Energy, Utilities and Telecommunications
From: Randy Stookey, Senior Vice President of Government Affairs and General Counsel
Re: **Joint, Proponent Testimony on House Bill 2180, requiring changes to electric rates for transmission costs to be approved through an electric utility's general rate case**

Chairman Seiwert and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 2180. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association (Renew Kansas).

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA is an agribusiness industry trade association whose membership includes over 700 companies across Kansas. Renew Kansas is the trade association of the Kansas biofuels processing industry.

Across Kansas, our member grain elevators, biofuel processing plants, and agribusiness facilities contribute to the Kansas economy and provide gainful employment for thousands of Kansans. These industries also function as good corporate citizens, paying millions of dollars annually in property taxes that help support schools and local government.

Members of these industries are also high industrial users of energy. The ability of our members to operate a competitive or profitable business is often dependent upon the amount of costs they must cover, such as utilities.

It is understood that Kansas has the highest electric rates in our region. Paying higher energy rates than similarly-situated energy users in the Midwest causes our industries to be less competitive. In addition, as grain elevators and biofuel processors operate continuously, they are assessed surcharges at industrial peak use rates. Unfortunately, these high energy costs have become unsustainable – so much so, that many in the industry are now considering investments in on-site cogeneration in order to remain viable.

Senate Bill 2180 would prohibit electric public utilities from recovering increased transmission costs, through a transmission delivery charge, unless the utility files an application for a general retail rate change. This is a reasonable and prudent measure to allow for judicious oversight of increased charges to rate payers, to include increases in transmission delivery charges.

This bill represents sound, forward-looking electric policy to lead Kansas to regionally competitive electric rates and reliable electric service. For this reason, and to ensure Kansas remains a competitive state to do business in the future, we stand in support of House Bill 2180. Thank you for allowing us the opportunity to testify. We respectfully request that this committee pass the bill out favorably.