



Testimony of Evergy
to the House Committee on Taxation
IN SUPPORT of Senate Bill 51
(Written Only)
March 6, 2025

Chairman Smith, Vice Chair Turner, Ranking Member Sawyer and Members of the Taxation Committee:

Evergy appreciates the opportunity to provide written testimony in support of SB51.

Evergy is seeing rapid growth in inquiries from companies nationwide who are looking to locate data centers and other large load commercial and manufacturing businesses in our service territory. We are cognizant of the immense power needs of these entities, while recognizing that they are also engines of economic development. At the moment, Kansas' incentives for large electric load customers are not as competitive as surrounding states.

Enterprise data centers contribute significantly to local taxes and are strong supporters of community initiatives, education, broadband expansion, and development of ancillary companies to the areas they locate in.

In fact, the Kansas Legislature in 2022 commissioned a broad and thorough study of electric rates in Kansas, and found that one of the surest ways to reduce electric rates in Kansas is to add more large load customers to the system. Because of their large volume electricity use, these large load customers, including data centers, absorb a greater share of the fixed costs of operating grid infrastructure (power plants, poles and wires), thus lowering rates for all customers.

Evergy is committed to responding to these opportunities and providing power, while also ensuring that Kansas ratepayers are not adversely impacted by the power needs of large load customers.

To that end, we are engaging with our regulator, the Kansas Corporation Commission, in an upcoming docket devoted to exploring the impact of large load customers on the electric grid.

Historically, growth on our system has occurred in smaller increments and at a slower pace where we had the ability to evaluate new prospective customers on an individualized basis. That

has changed. The scale and pace of growth in large load customers has required the Company to transition from individually evaluating new large customers to implementing a more streamlined and holistic approach. In order to ensure we have the power for companies who want to locate in Kansas, we are streamlining the process by which we evaluate company requests to locate in our territory; leverage the resources of these large customers to provide interim generation capacity needs; and work with prospective customers to identify existing capacity.

This path to power for entities that want to locate in Kansas will help ensure a benefit for all. Evergy is eager to play a role in helping Kansas wisely and thoughtfully incorporate data centers and other large load customers onto its electric system. The sales tax exemption language in SB51 can signal to the data center industry that Kansas is interested and ready to participate and enjoy the economic benefits of these investments.

Thank you again for considering our testimony in support of SB51.

Respectfully submitted,

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About Evergy, Inc.

Evergy, Inc. (NASDAQ: EVRG), serves 1.7 million customers in Kansas and Missouri. Evergy's mission is to empower a better future. Our focus remains on producing, transmitting and delivering reliable, affordable, and sustainable energy for the benefit of our stakeholders. Today, about half of Evergy's power comes from carbon-free sources, creating more reliable energy with less impact to the environment. We value innovation and adaptability to give our customers better ways to manage their energy use.