

Testimony in Opposition to SB 81 Chuck Caisley, EVP, Chief Customer Officer, Evergy For the Senate Committee on Utilities

Feb. 5, 2025

Thank you, Mr. Chairman and members of the committee, for the opportunity to comment on SB 81, which would prohibit large industrial and commercial businesses from receiving certain tariffs or failing to meet workforce and electric demand requirements from qualifying for economic development electric rates.

Evergy agrees with the intent of this legislation—to ensure that large load projects pay their share. We disagree that this legislation is the right way to achieve that goal.

Evergy is preparing a new tariff to put forth at the Kansas Corporation Commission (KCC) that would apply to these new large load customers. We have worked extensively with Commission Staff and other stakeholders in the development of this tariff. The process will include views from all of the energy stakeholders in Kansas and give them a chance to provide input on the right policy for Kansas. The purpose of this newly proposed large-load power service tariff is to ensure that Kansas is price competitive with adjacent states when it comes to attracting data centers and other large load customers. It will also require new large load customers to be a net benefit to existing consumers by fairly accounting for and paying for the accelerated capital investment they cause.

We believe the KCC is the appropriate venue to get to a policy that works for Kansas. The Commission and Commission Staff have the expertise, the data and the forum to engage all stakeholders to protect existing customers while ensuring Kansas remains competitive. Passing legislation is a blunt instrument that will send a signal nationally that will have a chilling effect on the recruitment of data centers and potentially other large load manufacturers. Each potential large load customer presents unique requirements and unique contributions to the electrical grid and the state economy and should be evaluated individually -- not targeted in a one-size-fits-all piece of legislation. Currently, there are no 40 MW data centers in Kansas, so we have time to work on a policy that is beneficial for both business and residential energy consumers.

We are open to further discussions around potential changes to the existing economic development rider law. And, we commit to dialogue with all parties regarding potential changes. However, we would respectfully request the committee pause on SB 81 until more robust discussions can occur at the regulatory level that will help shape how Kansas incorporates these new types of customers. Until that happens, it seems premature to implement impediments to those companies eyeing Kansas as a future site for their business.

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