



Testimony Submitted to the
Senate Utilities Committee

Kansas Municipal Utilities
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Neutral Testimony to SB 81

Good afternoon, Mr. Chairman, Vice-Chair, Ranking Minority, and committee members. Thank you for the opportunity to provide comments regarding SB 81.

Kansas Municipal Utilities (KMU) is the statewide association representing Kansas cities and other public or not-for-profit agencies involved in the ownership and operation of municipal utilities across Kansas. Formed in 1928, KMU provides assistance and information to members with regard to legislative and regulatory issues, training and educational programs, and numerous other services that advance municipal utilities to achieve maximum benefits for the customer-owners served by our utilities. Our membership ranges in size from some of the largest utilities in the state, like the Kansas City Board of Public Utilities and the City of Wichita down to some of the smallest utility systems in the state serving fewer than 100 customers.

We appreciate that SB 81 as currently written does not apply to municipally owned and operated electric public utilities. Our publicly elected city councils, commissions, and Boards of Public Utilities are tasked with providing reliable, low cost, affordable power to the citizens and businesses in each of our 118 community-owned electric utilities. Our utilities work hand in hand with our local chambers, economic development groups and private developers to help our communities grow and thrive.

One area of growth potential for many of our communities – rural and urban alike – is in data center development. The scale of data centers varies greatly from the hyperscaler projects for the largest global tech companies to more narrowly focused data centers. Several KMU members are in advanced conversations for data center development in their communities. Data centers are large industrial loads that will put downward pressure on the overall base electric rate which is a goal of municipal utilities and we believe a goal of the Kansas Legislature based on the Electric Utility Rate Study that was issued in 2021. While data centers might not drive significant new employment numbers, in many of our communities that is a positive. Rate pressure can be relieved while a manageable number of new jobs are anchored in the community that are additive and do not strain existing infrastructure or schools.

The Legislature, like community owned utilities, are community oriented, deliberative bodies. We work hard to find balance to meet the needs of the community, while helping grow the community in a measured manner that doesn't risk significant cost increases to customers. Data center development may be a good fit in several of our communities and we would not want the Legislature to send a signal to potential investors that their projects are not suitable for a community or welcomed by the State.

Thank you for the opportunity to provide comment on SB 81 and we are happy to stand for questions.