

Before the Senate Utilities Committee

February 5, 2025

Neutral Testimony on Senate Bill 81

Submitted by Justin Grady, *Deputy Director*, Utilities Division
On Behalf of The Staff of the Kansas Corporation Commission

Chair Fagg, Vice Chair Petersen, Ranking Minority Member Francisco, and members of the Committee, thank you for the opportunity to provide testimony today on behalf of the Staff of the Kansas Corporation Commission (KCC or Commission).

The Staff of the Commission (Staff) is neutral towards the passage of SB 81. We view economic development discounts, and the criteria for customers to qualify for those discounts, as policy issues properly within the purview of the Legislature.

SB 81 amends K.S.A 66-101j to disqualify certain customer types from receiving economic development discounts on electric utility rates. These prohibitions would extend to any large load (40 MW or greater) with a full-time work force less than 200 employees, unless that large load was being served under a data center or large load tariff.

This kind of large load (data centers) can offer high and stable electric load profiles, employment of highly skilled tech employees, significant property tax payments, and enhanced economic development (especially during construction). However, it can be a challenge to integrate these customers into the electric grid during times of diminishing capacity reserve margins, as we are facing in Kansas and the Southwest Power Pool (SPP) today. Recognizing the need to closely manage this process, Evergy has been meeting with Staff and the Citizens' Utility Ratepayer Board (CURB) to discuss the potential for development of a large load tariff, which would be approved by the KCC. Those discussions have been productive, and our understanding is that Evergy will be moving forward with filing a large load tariff with the KCC within the next several weeks. Because this tariff will be filed soon, we consider this proposed bill timely and will seek to participate in the stakeholder discussions pertaining to this bill should the Committee be interested in advancing this proposed legislation.

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Thank you for the opportunity to offer our perspective on the proposed bill and the opportunity to appear before your committee.