



SENATE COMMITTEE ON UTILITIES

Opponent Testimony SB 167 – EV Charging Station Rate Structures

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**Presented by:
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Kansas Electric Cooperatives, Inc.**

Chairman Fagg, Vice Chair Petersen, Ranking Member Francisco, and members of the Senate Committee on Utilities, thank you for the opportunity to submit opponent testimony on behalf of Kansas Electric Cooperatives, Inc. (KEC) and our members concerning SB 167. I am Reagan McCloud, and I serve as Director of Government Relations for KEC, the statewide service association for 29 member, not-for-profit cooperatives providing electric service in 103 of 105 Kansas counties.

In its current form, SB 167 prohibits a utility from including costs associated with EV charging stations in its rate base, requires a utility providing public EV charging services to do so through a separate, nonregulated private enterprise with independent accounting for all associated costs and revenue, and mandates all utilities to establish special rate schedules for commercial DC fast charging stations, based on kWh consumed rather than electric demand, and using alternatives to traditional demand-based rate structures.

KEC's opposition is primarily focused on three key issues with the legislation.

First, the obligation to create a separate, nonregulated private enterprise with independent accounting for all associated costs and revenue for providing EV charging services leads to substantial operational complexities. The process to establish such an entity would significantly increase administrative overhead and accounting complications with no clear avenue to recover the costs and time of doing so. This would be particularly harmful to smaller cooperatives who already function with smaller staffs and fewer resources.

Second, the mandatory rate schedule specifications in Sec. 3 prohibiting the use of demand-based structures and charging users only by kWh consumed restricts cooperatives pricing flexibility and could potentially make providing EV charging services cost prohibitive. Fast charging stations can be high peak demand loads with extremely low load factors. For instance, a charging station center with a 2 MW peak load could trigger more than \$200,000 in fixed infrastructure costs to meet that peak demand. Prohibiting the use of a demand charge to recover the high fixed costs necessary to meet that demand and instead limiting the cooperative to charge only by kWh consumed, means those high fixed costs are shifted to other members of the cooperative.



Finally, the mere fact the legislation includes a strict requirement of a specific type of rate schedule for all electric utilities runs contrary to the intent of existing statutes governing electric cooperatives. K.S.A. 66-104(d) allows electric cooperatives to opt for self-regulation of rates. The statute recognizes the uniqueness of the not-for-profit, member-owned, member-governed business model of electric cooperatives, and intends to allow a co-op to retain local autonomy and flexibility and design retail rates in the best interest of its unique membership.

While KEC would prefer the committee not move forward with SB 167 at all, if it chooses to do so, we would request the following amendment recognizing the self-regulated status be included:

As used in this section, “Electric utility” does not mean any municipal utility, electric cooperative as defined in K.S.A. 66-104(d), and amendments thereto, or any electric utility owned by one or more of such cooperatives.

Thank you for the opportunity to provide our concerns with SB 167. I am happy to stand for questions at the appropriate time.

Reagan McCloud

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