

Testimony in Opposition to SB 167 Chuck Caisley, EVP, Chief Customer Officer, Evergy For the Senate Committee on Utilities

Feb. 11, 2025

Mr. Chairman and members of the committee, thank you for the opportunity to appear before you today to discuss the benefits of supporting EV adoption, the critical role of utilities in providing electric service for EVs, and the potential impact of SB167.

Electric vehicles (EVs) offer numerous benefits that extend beyond individual EV owners to all utility customers and the broader community. These benefits include:

- 1. **Economic Growth**: EV adoption stimulates local economies by creating jobs in manufacturing, installation, and maintenance of EV infrastructure. It also attracts businesses and tourists who prefer regions with robust EV charging networks.
- 2. **Energy Independence**: By promoting EV adoption, we reduce our reliance on imported petroleum, enhancing national energy security and keeping more energy dollars within our state.
- 3. **Grid Stability**: EVs can contribute to grid stability through managed charging and vehicle-to-grid technologies, which allow EVs to store and supply electricity during peak demand periods.
- 4. **Downward Rate Pressure**: Increased EV adoption leads to higher electricity sales, particularly during off-peak periods. The additional sales spread the fixed costs of the utility over a larger volume of sales. This can create downward pressure on rates to the benefit of all utility customers, not just EV owners.

In light of these benefits, Evergy is committed to supporting the ongoing transition to electric vehicles (EVs) and the development of EV charging infrastructure in Kansas. Pertinent to the proposed bill, Evergy's support takes two forms. For nearly a decade, our public network of approximately 300 EV charging stations has served the communities within Evergy's Kansas service area. In addition, Evergy recently introduced a rebate program designed to incentivize non-utility entities *such as the corporate proponents of SB167* to install, own, and operate their own public charging stations. This dual approach not only enhances the accessibility and convenience of EV charging for all Kansans but also fosters a collaborative effort in building a comprehensive and reliable EV infrastructure.

Both the public charging network and Evergy's rebate program reside within the regulatory construct. This is of course at odds with Senate Bill 167, which seeks to deregulate Evergy's public charging network and rebate program by removing the public charging network from the rate base and prohibiting Evergy from using retail electric revenues to directly or indirectly fund either initiative.

From a consumer perspective, Evergy believes the regulatory construct is decidedly advantageous relative to the cost treatment prescribed in SB167. For example:

- The cost and performance of Evergy's initiatives (e.g. network reliability) are subject to examination and scrutiny through Commission-mandated reports and general rate cases, ensuring transparency and accountability.
- The prudency of new investments in Evergy's public charging network is evaluated against four factors defined by the Commission in its Order approving Evergy's public charging rebate program (21-EMKE-320-TAR). These factors ensure that Evergy fulfills its obligation to provide access to charging where needed, while also acting as the provider of last resort.
- Since the Commission's guidance in December 2021, Evergy has not pursued a single new utility-owned charging station. Instead, our rebate program has successfully preapproved nearly 100 applications for non-utility charger installations, demonstrating the program's effectiveness in expanding the charging network through private investment.
- In 2021, the Legislature passed HB2145, which allows non-regulated entities to install charging stations and places no restrictions on the price that those non-regulated entities can charge customers for EV charging within Kansas. Opposite of that, the price Evergy charges customers is analyzed, scrutinized, and ultimately established during the general rate case process with our regulator, the Kansas Corporation Commission – a process that is inherently transparent.

In conclusion, maintaining Evergy's current EV charging network as a regulated asset is essential for ensuring equitable access, affordability, and reliability of EV charging services. It supports our state's economic growth, energy independence, grid stability, and can provide downward rate pressure benefiting all customers. Moreover, our charging rebate program demonstrates Evergy's commitment to supporting the expansion of EV charging infrastructure through private investment while recognizing our obligation as the provider of last resort. I urge the Committee to consider these factors as you deliberate on this bill.

Thank you for your time and consideration. I am happy to answer any questions you may have.

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