



Written testimony offered to the Senate Committee on Utilities  
**In Support of House Bill 2149**  
Mike Morley, Director of Government Affairs  
Midwest Energy, Inc.  
March 14, 2025

Chair Fagg, and members of the Committee:

Thank you for the opportunity to provide written testimony on House Bill 2149. I am Mike Morley, Director of Communications and Government Affairs at Midwest Energy, a customer-owned electric and natural gas cooperative based in Hays serving 50,000 electric customers in 28 central and western Kansas counties.

Midwest Energy is a strong **Proponent** of HB 2149, which has been developed through nearly two years of negotiations and compromise between solar installers, clean energy advocates and utilities.

Midwest Energy supports fair compensation for parallel generation customers and believes HB 2149 delivers this in two key ways:

**Eliminates Cross-Subsidization = Lower Rates for All Customers**

HB 2149 replaces a 47-year old compensation formula for parallel generation customers which forced utilities to grossly overpay for electricity solar owners returned to the grid, creating a cross-subsidization which was inequitable for non-solar customers, HB 2149 removes this unfair burden on all other ratepayers, bringing equity for all customers, solar and non-solar alike.

**An Appropriate Formula for Compensation**

The bill gives utilities the option to compensate parallel generation customers using the Locational Marginal Price (LMP) from the Southwest Power Pool's (SPP) real-time market, which provides accurate, timely pricing signals in hourly increments. This market efficiency puts compensation to solar owners directly in line with the market value of energy.

Additionally, HB 2149 includes much-needed consumer protections for solar customers and brings clarity to terminology and processes for both utilities and solar installers. By balancing the interests of all stakeholders, this bill represents a responsible path forward.

Midwest Energy remains committed to supporting policies that promote distributed energy generation in a way that is fair, market-based, and beneficial to all customers. We respectfully urge the committee to pass out HB 2149.

Thank you for your time and consideration.

Sincerely,

*Mike Morley*

Director, Corporate Communications and Government Affairs  
Midwest Energy, Inc.