

March 11, 2019

The Honorable Ty Masterson, Chairperson
Senate Committee on Utilities
Statehouse, Room 224-E
Topeka, Kansas 66612

Dear Senator Masterson:

SUBJECT: Fiscal Note for SB 198 by Senate Committee on Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning SB 198 is respectfully submitted to your committee.

SB 198 would give the Kansas Corporation Commission (KCC) the authority to oversee and authorize the issuance of low-cost ratepayer-backed securitized bonds (K-EBRA bonds) in order to finance the retirement of existing generating assets in the state and any replacement generation facilities necessary to replace the lost capacity and energy from the retired generation facilities. The bill would require that the proceeds of these bonds be used to lower rates paid by electric utility customers by reducing costs of certain retired generating facilities; provide transition assistance to Kansas communities and electric generation facility workers that would be directly affected by the retirement of these facilities; make available capital investment for renewable facilities and services; and pay for reviews by the KCC and independent credit rating agencies as necessary to achieve the highest possible bond ratings. The bill specifies how these requirements would be accomplished.

Estimated State Fiscal Effect				
	FY 2019 SGF	FY 2019 All Funds	FY 2020 SGF	FY 2020 All Funds
Revenue	--	--	--	\$500,000
Expenditure	--	--	--	\$500,000
FTE Pos.	--	--	--	--

According to the Kansas Corporation Commission, enactment of SB 198 would result in \$500,000 in expenditures for outside consulting and legal fees necessary to review each application and meet the statutory standards set out in the bill. These expenditures would be paid from financing costs that would be included in the K-EBRA charge. Any fiscal effect associated with SB 198 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. L. Campbell". The signature is fluid and cursive, with a large initial "L" and a long, sweeping underline.

Larry L. Campbell
Director of the Budget

cc: Jake Fisher, KCC