



Kansas Grain and Feed Association
Kansas Agribusiness Retailers Association
Renew Kansas Biofuels Association

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Senate Bill 68
Joint, Oral, In-Person Testimony
Opponent

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To: Senate Committee on Utilities

Chairman Olson and members of the committee, thank you for the opportunity to provide testimony in opposition to Senate Bill 68. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association (Renew Kansas).

KGFA is the state association of the grain receiving, storage, processing, and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA is an agribusiness industry trade association whose membership includes over 700 companies across Kansas. Renew Kansas is the trade association of the Kansas biofuels processing industry.

Our member grain elevators, biofuel processing plants, and agribusiness facilities contribute to the Kansas economy and provide gainful employment for thousands of Kansans across the state. These industries also function as good corporate citizens, paying millions of dollars in property taxes annually to support schools and local government.

Members of these industries are also high industrial users of energy. The ability of our members to operate a competitive or profitable business is often dependent upon the amount of their input costs, such as utilities.

It is unfortunate that Kansas continues to have the highest electric rates in our region. Paying higher energy rates than similarly situated users in the Midwest causes Kansas industries to be less competitive. As grain elevators and biofuel processors must operate continuously, they are also assessed rates for peak use.

The increasing expenses for energy transmission infrastructure build-out has only further added to these costs. These high costs are unsustainable for Kansas industry, and work against economic development in our state.

It is our understanding that Senate Bill 68 would grant certain Kansas energy producers a right to build regulated transmission projects rather than the project being put out for a public bid. The preferential treatment proposed in the bill would create a transparently anti-competitive environment for these build projects. Such a removal of the competitive bid process could only serve to increase costs for the project and, eventually, for rate payers.

We agree with Kansas' energy rate policy to move our state toward "regionally competitive electric rates and reliable electric service" to ensure Kansas remains a competitive state to do business.

As Senate Bill 68 would conflict with that policy, and cause further economic harm to rate payers, we stand in strong opposition to the bill. Thank you for allowing us the opportunity to testify.