

Before the Senate Utilities Committee
Presented by Zack Pistora, Kansas Sierra Club
Opponent to SB 455
2-14-24



Chairman Fagg and Honorable Members of the Committee,

Thank you for the opportunity to submit testimony in opposition to SB 455, which amends K.S.A. 2023 Supp. 66-1239 to allow for seldom-used coal plants to continue to cost Kansas ratepayers.

Ultimately, the Sierra Club is uncomfortable with policy proposals that may extend the life of coal power any longer than necessary. SB 455 codifies that coal-fired electric generating facilities can operate at low-capacity factors or remain offline, but still provide the utilities with recoverable expenses.

For several years, the Kansas Sierra Club has highlighted the costs of coal power, both economically, environmentally, and socially. In previous remarks to this committee, we have warned lawmakers that we are paying too high of a price – hundreds of millions of dollars more – to run our coal plants, even when more cost-effective options exist from the buying from the regional power market and/or investing in in-state clean energy solutions like renewables, energy efficiency, demand-side management are available to manage peak demand and capacity. Still, instead of utilizing securitization to retire a coal plant to invest into new clean energy resources that offer replacement generation capacity, stabilize workforces and property tax bases, and lower rates and emissions, our largest utility has kept its coal plants around. Meanwhile, Kansas ratepayers continue to pay full premium price for coal plants that run less than half the time on average.

Practically, we don't see SB 455 doing much to change the current status quo of energy regulation.

SB 455 offers flexibility of regulators to retain low-capacity factor coal plants in the rate base, while not defining what low-capacity actually means (1%, 5%, 20%?). Perhaps the continued ambiguity of the policy allows for greater discretion among regulators, but it still may mean that ratepayers continue to absorb more costs of idle power plants for longer. Could the KCC determine that utilities get full cost recovery for coal plants when they are running, while offering a limited rate of recovery for when the plants sit idle? SB 455 seemingly puts those possibilities into question.

With SB 455, along with other energy policy proposals in front of the Committee this session, it's apparent that policymakers and stakeholders need to connect the dots to a great energy policy package. These isolated energy policy proposals are not giving Kansans or their leaders the important holistic vision of our energy future that we need. As such, SB 455 on its own doesn't need nor deserve to be advanced right now.

Sincerely,

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The Sierra Club is the largest grassroots environmental organization dedicated to enjoying, exploring, and protecting our great outdoors. The Kansas Chapter has been our state's strongest grassroots voice on environmental matters for fifty years.