

Before the Senate Utilities Committee  
Presented by Zack Pistora, Kansas Sierra Club  
Opponent to SB 456  
2-15-24



Chairman Fagg and Honorable Members of the Committee,

Thank you for the opportunity to submit testimony in opposition to SB 456, which prescribes several stipulations before retiring a fossil fuel electric power plant. The Kansas Chapter of Sierra Club suggests several reasons why this legislation is unnecessary and likely to cause impediments for our utilities and Kansas Corporation Commission to execute determinations to the best interests of Kansans.

**SB 456 is unnecessary as utilities and regulators already consider such a robust set of criteria and considerations in their evaluations of utility plans and proposals. Rather, SB 456 intrudes upon the best discretion and evaluation of utilities and regulators on what is best for customers and Kansans.**

Electric utilities, state regulators at the Kansas Corporation Commission, and the Southwest Power Pool all already incorporate many of the identified provisions in SB 456 currently in their evaluation of energy generation. Costs and benefits, generation capacity, reliability, etc. in their evaluation of retiring power plants and adding new generation. SB 456 installs a default position against transitioning aging or outdated energy infrastructure by requiring additional checkboxes and red tape that could prolong expensive and harmful energy infrastructure and block smart energy investment. SB 456's all-or-nothing approach to plant retirement could mean that a plant retirement, even with an overwhelming balance of positive advantages that satisfies stipulations enumerated in the bill could be blocked due to single element of the criteria.

**SB 456 omits a key factor in assessing electric generation power plant retirements and new investments: time. Without a provision that distinguishes the evaluation of power generation in near-term or long-term components, SB 456 creates a disposition against beneficial investments with payoffs over time.**

Small-view or near-term evaluations on impacts or rates or baseload energy supply could keep Kansas from unlocking additional beneficial energy assets with long-term payoffs. If the Legislature were to require SB 456's all-or-nothing stipulations, the fine print could legally force the KCC to prevent a powerplant retirement even when a powerplant could save ratepayers money in the long-run. What if KS has a clunker coal plant that is seldom used, no longer economical, and continues to saddle ratepayers with debt costs and continued Operations & Maintenance costs? Regulators would normally recommend that plant to be shut down to save ratepayers money, especially if retiring the plant wouldn't negatively affect reserve capacity requirements. But with SB 456, the utility would be required to replace that power plant with dispatchable energy even in a scenario when the utility doesn't necessarily need to.

If SB 456 were to become law, would it necessarily mean that utilities couldn't ever overcome this rebuttal presumption and retire fossil fuel plants as usual? No. In most instances, utilities retiring fossil power plants will inherently check these conditional boxes. That said, in certain circumstances, such a checklist creates obstacles that may counter the true intent of this legislation by not valuing or evaluating the retirement and alternative options holistically.

**Fossil fuel power plants, like coal, continue to place extraordinary costs on Kansas ratepayers. If you care about lower electric bills and/or lower polluting energy, you should oppose SB 456.**

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.*