

# Citizens' Utility Ratepayer Board

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SB 347 Testimony  
Citizens' Utility Ratepayer Board  
Neutral Testimony

I am David Nickel, Consumer Counsel for the Citizens' Utility Ratepayer Board (CURB), which is a five-member voluntary board appointed by our Governor. The Kansas legislature created CURB as an independent state agency in 1989, to represent residential and small commercial ratepayers before the Kansas Corporation Commission (KCC), Kansas Courts and the Kansas legislature.

CURB genuinely advocates for cost-effective energy efficiency measures. Cost-effective energy efficiency allows utility consumers an opportunity to reduce their energy consumption. Cost-effective energy efficiency can reduce energy demand, in turn reducing the need for additional energy capacity, thus possibly reducing energy costs for all consumers and perhaps reducing Kansans' carbon footprint.

CURB supports enhancing customer access to energy efficiency and demand-side management programs. Utility rates have increased substantially over the past ten years, leaving customers struggling to find energy efficiency measures that can help lower overall usage and reduce their overall utility bill. Thus, CURB believes that the conception of an optimal and comprehensive energy efficiency plan is important to the goals of reduced energy use and energy costs. However, an optimal comprehensive energy efficiency program requires substantial time, study and stakeholder input. Indeed, CURB would appreciate a meaningful opportunity to work with all stakeholders toward achieving an optimal comprehensive energy efficiency plan.

In these regards, amending the Kansas Energy Efficiency Investment Act (KEEIA) in the drastic manner suggested by SB 347 is likely a step in the wrong direction. First, KEEIA was enacted in 2014 and has only been tried in one KCC docket. In that docket (16-KCPE-446-TAR), KCP&L obtained KCC approval to implement 7 of 14 programs it had proposed. Second, KEEIA vests in the Commission the

needed discretion to approve energy efficiency programs that benefit utility consumers and to disapprove those that do not. Third, KEEIA allows all stakeholders to work together to arrive at mutually-agreeable energy efficiency goals and programs. In short, KEEIA is good legislation; it can lead to cost-effective energy efficiency in Kansas. If anything, the only amendment necessary to KEEIA is to encourage stakeholder cooperation earlier in the regulatory process.

Moreover, S.B. 347 does little to create meaningful opportunities that help Kansans reduce their energy consumption and utility bills. Instead, S.B. 347 focuses on a legislative mandate for public electric and natural gas utilities. CURB opposes the mandatory 1% decrease in retail sales to be achieved through energy-efficiency for electric utilities. In 2016, only 16 states accomplished a 1% reduction in retail electric sales. Those sixteen states averaged \$254 million in spending on energy-efficiency programs during 2016.<sup>1</sup> Similarly, only ten states achieved a benchmark of a 0.75% decrease from the prior year's total retail natural gas sales in 2016. Of the ten states achieving this benchmark, the average gas efficiency program expenditures was \$49 million.

As written, S.B. 347 provides a mandate to public utilities, but with no acknowledgement of the cost to consumers of the mandate. While reduction of energy consumption is a laudable goal that CURB supports, CURB questions whether public utilities are best suited to provide such efficiency measures. The cost of programs needed to achieve the mandate will be directly passed onto consumers, along with mechanisms that guarantee the utility achieve its Commission authorized revenue requirement each year – regardless of sales, as well as incentives for the utility shareholders. With the cost of Kansas electricity prices exceeding the national average<sup>2</sup>, the remaining question is how much more utility customers will have to pay utility companies *not* to use energy. CURB supports the goal of making Kansas a more energy-efficient environment. However, the rate impacts for consumers cannot be ignored. S.B. 347 does not provide adequate protections for consumers from rate increases caused by an efficiency mandate.

Thank you for the opportunity to testify on S.B. 347.

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<sup>1</sup> American Council for an Energy-Efficient Economy (ACEEE) 2017 State Energy Efficiency Scorecard

<sup>2</sup> U.S. EIA Electric Power Monthly, December 22, 2017 Report;

[https://www.eia.gov/electricity/monthly/epm\\_table\\_grapher.php?t=epmt\\_5\\_06\\_a](https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_06_a)