



Testimony Submitted to the
House Energy & Utilities Committee
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In Opposition to HB 2228

Good morning Mr. Chairman, Vice-Chair, Ranking Minority, and members of the committee. Thank you for the opportunity to testify in opposition to House Bill 2228.

Kansas Municipal Utilities (KMU) is the statewide association representing Kansas cities and other public or not-for-profit agencies involved in the ownership and operation of municipal utilities across Kansas. Formed in 1928, KMU provides assistance and information to members with regard to legislative and regulatory issues, training and educational programs, and numerous other services toward the advancement of municipal utilities to achieve maximum benefits for the customer-owners served by our utilities. Our membership ranges in size from some of the largest utilities in the state such as those operated by the Kansas City Board of Public Utilities and the City of Wichita down to some of the smallest utility systems in the state serving fewer than 100 customers.

Net metering statutes have been in Kansas statutes since the comprehensive energy policy bill was enacted in 2009 after three sessions of thoughtful and at times grueling debate. Net metering language was one of several policy provisions in that large energy bill. Recognizing the unique nature and diverse nature of the state's 118 community-owned electric utilities, Kansas lawmakers did not mandate that each community owned utility adhere to a new state policy. Kansas lawmakers adopted the philosophy of a majority of states regarding net metering requirements and community owned utilities – an exemption to the state mandate.

That said, Kansas municipal electric utilities took the Legislature's action regarding net metering seriously. As such immediate work began on a Distribution Generation Toolkit for our community owned utilities to refer to when designing and implementing their own distributed generation policies. KMU encouraged our member communities to craft and adopt net metering policies and we strongly believe this has been a successful endeavor.



Net metering, or distributed generation facilities, employ small-scale technology to produce or dispatch electricity closer to the end use of power – a customer’s home or small business. Net metering can benefit customers by reducing some of their utility bills however net metering also presents significant challenges both operationally and economically as well.

Designing an equitable state net metering mandate that works for an electric system with 65,000 customers or 25 customers is nearly impossible. Lending credence to the decision making of lawmakers in Kansas and across the nation allowing for community owned utilities to craft their own net metering policies reflective of their community and customer base.

Electric systems must always be in balance. Locally designed net metering policies allow for thoughtful study and consideration of the system itself – potential opportunities or constraints posed by any new generation resource. Local utility operators and elected community leaders are most qualified to ensure system balance. Further, a state-imposed net metering mandate may exacerbate inherent inequities in net metering policy paradigms. Rate design is complicated. It is imperative that rate classes not subsidize other rate classes, rates must be just and reasonable and the system is dependent upon all customers paying a near equal amount. There are additional costs associated with net metering technologies – many of which are borne by the home or small business owner. The utility however incurs costs as well which must be reflected in distributed generation policies to ensure a just and reasonable rate design for all customers.

KMU supports locally designed and implemented net metering policies and programs and will continue to encourage our communities to facilitate deployment while other encouraging other types of new technologies. We have community solar projects and the first battery storage project in SPP within our fleet, and a significant amount of clean energy integration along with strong net metering policies. Thank you for the opportunity to provide testimony in opposition to HB 2228. We do not oppose net metering policies, but KMU does oppose bringing municipal utilities under the state net metering mandate.