



**Proponent Testimony | SB 455**  
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**For the House Committee on Energy, Utilities & Telecommunications**

**March 14, 2024**

Thank you, Mr. Chairman and members of the committee, for the opportunity to comment on SB 455, which deals with fossil fuel generation.

Before going further on this bill, I want to note that Evergy is proud of its coal-fired, natural gas and nuclear generation facilities. These power plant workhorses provide a reliable form of flexible and dispatchable energy that other sources of generation simply cannot replace. In fact, as this Committee knows, Evergy is currently looking to add new hydrogen-ready combined-cycle natural gas generation to its fleet.

Senate Bill 455 allows for a fossil-fuel plant to run less but still be available during winter and summer peaks when needed for reliability. It would have a positive impact on rates. Even though the facility is already in rate base, there would still be lower fuel costs, fewer operations and maintenance costs and fewer labor costs, while at the same time ensuring the unit is available for reliability purposes and to help meet Evergy's required reserve margin with the Southwest Power Pool.

This is a tool that would provide flexibility in how Evergy manages its generation fleet. This really is a bill about reliability. As we learned from winter storm Uri in February of 2021, there are times when base load generation provided by nuclear and coal are essential.

Coal plants are currently operating like a battery backup for renewables, and we can't fully retire these coal units until some other form of cleaner, 24/7, reliable source of electricity generation, such as cost-effective battery storage, becomes available. There is no better battery than a 45+-day supply of fuel on the ground. Evergy continues to support an "all of the above" resource mix, and SB 455 aligns with that strategy.

We acknowledge that this approach requires Evergy to be prudent in its management of plant maintenance. It means having a workforce that is flexible enough to operate the facility at periodic intervals. Yet, without the assurances provided by this bill and the flexibility it would enable, we would likely choose to retire and securitize a power plant rather than retain it for reliability and risk inadequate cost recovery.

(more on back)

Some may ask why this legislation is needed, assuming that Evergy can run its generating facilities whenever it wants. First, our concern is that without this legislation, outside entities could force a coal plant to shut down because it is not running very often. It seems now largely agreed that as we walk the path to a clean energy future, we need to maintain a reasonable pace and not rush our way to 100% carbon-free generation. Evergy should do what it can to keep these fossil-fuel assets in service, if only for the reliability, until we can retire them without any question that we could still provide reliable power to Kansans. Passage of SB 455 will help us do that.

And secondly, this language was included as a hedge for reliability in a securitization bill passed in Missouri in 2021. We do not have it in Kansas. We believe it gives us flexibility as we make decisions about our generation fleet and allows for the continued delivery of power in an affordable, reliable and sustainable manner.

The second part of the bill, which is similar to HB 2620, which this committee heard, establishes a Kansas Corporation Commission (KCC) process for the retirement of fossil fuel-fired electric generating units.

Coal fired generation in particular is under extreme scrutiny from federal regulators. While we want to continue to have the option of running our coal fired plants, we also do not want to put Kansas in jeopardy of being unable to retire generation if required or in the best interests of customers. Evergy engaged in discussions with the proponents and is supportive of that portion of the bill.

This bill would also create a predetermination proceeding where the KCC would make sure that any retirement is not going to harm customers and that the utility could meet its resource requirements in the Southwest Power Pool. This portion sunsets after 10 years.

Mr. Chairman, we are supportive of this bill because it is in the best interest of the utility and its customers to retire baseload only when it becomes economically prudent to do so and reliability is assured. Thank you for the opportunity to testify on SB 455.