

**FIXED CHARGE
INCREASES ON
ELECTRIC BILLS
IMPACT EVERYONE.**

- I want...*
- ✓ *Consumer choice*
 - Renewable energy
 - Energy efficiency
 - ✓ *Fair billing*

TAKE CONTROL OF YOUR ENERGY BILLS. WE CAN HELP.

CEP WORKS FOR KANSAS

Utility Roundtables on Westar Proposed Fixed Rate Increases
July 2015
Climate + Energy Project



MISSION

The Climate & Energy Project seeks to dramatically reduce greenhouse gas emissions in America's Heartland through the ambitious deployment of energy efficiency and renewable energy, in policy and practice.



**Take
Charge!**
CHALLENGE™



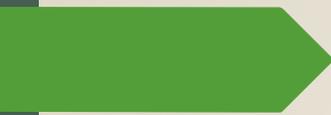
The Climate & Energy Project:

- ✓ Connects people, organizations, and ideas
- ✓ Facilitates productive, pragmatic, long-term solutions
- ✓ Presents balanced facts
- ✓ Ensures that a wide range of voices are represented



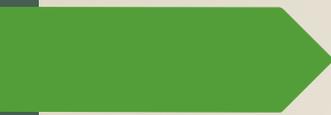
Utility Roundtable Sponsors

- Kansas Natural Resources Council
- Flint Hills Energy Efficiency and Renewable Energy Cooperative
- Manhattan Alliance for Peace and Justice
- Cromwell Solar
- Jayhawk Area Agency on Aging
- Lawrence Ecology Teams United in Sustainability
- The Alliance for Solar Choice
- Tell Utilities Solar won't be Killed
- Kansas Interfaith Power and Light
- Kansans for Clean Energy



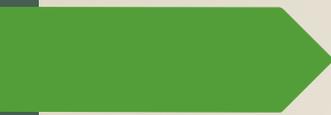
Why? To help you understand...

- The way you are currently charged for energy.
 - How it will change under Westar's plan.
 - How you can make a difference.
- 



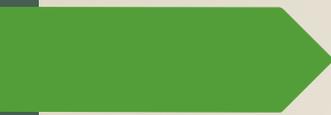
Working with the utilities

- CEP has a long history of working with Kansas utilities on clean energy and energy efficiency, and we value our relationship with them.
 - Intervening in this case is the proper way to interact on this issue.
 - We look for solutions that save energy and money for Kansans while reducing greenhouse gas emissions overall.
 - **YOU CAN MAKE A DIFFERENCE.**
- 



Overview

- **How are my bills currently determined?**
 - Variable Rate based on the energy you use
 - Flat Fee for Customer services
- **What's wrong with this model? Nothing.**
 - Low customer charge recovers billing and collection
 - electricity delivery charges are reflected in energy charge.
 - You have the ability to control your bills through conservation, efficiency, and renewable energy.



Two separate issues

Proposed Rate Designs

- Increased fixed charges
- Revised rate plans
- Solar options limited

Pre-approved cost recovery

- Increased residential bills by about \$9 per month (12.1%) for the average residential customer.*

- According to the Citizen's Utility Ratepayer Board

Proposed Changes

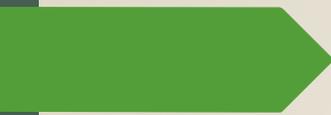
A higher customer charge **restricts your ability to lower your energy bills** through efficiency or renewable energy.

- National average \$5-10/month
- Westar Current charge = \$12/month
- **Proposed to \$27/month**

**National
Average,
\$5-10**

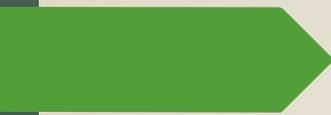
**Westar
Current, \$12**

**Westar
Proposed,
\$27**



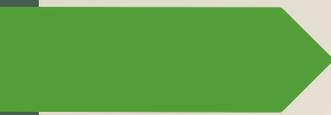
Proposed Changes

- Increased monthly customer charge from \$12 to \$27 by 2019; increasing \$3/year for five years.
- Residential customers will choose from three different rate designs.
- Customers with new solar panels will be forced to pay much higher rates.



If we want clean and stable energy, shouldn't customers expect rate increases?

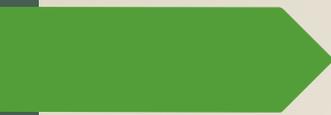
- The cost to maintain and upgrade infrastructure is a shared cost.
- In Kansas, we have been fortunate to have relatively low electricity rates.
- Rate increases are to be expected,
- Customer input and participation in the discussion is critical to ensure that the process is fair.
- THERE ARE OTHER MODELS THAT ARE BETTER THAN INCREASING FIXED CHARGES
- This is a great opportunity to work towards solutions that embrace a clean energy future.



I have a very energy-efficient house, use little energy, and have low bills.

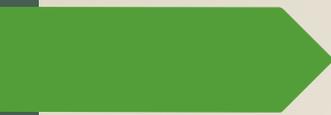
Why should I care?

- Fixed costs have a negative impact for those who have invested in energy efficiency.
- When a customer pays a high fixed cost regardless of the amount of energy they use, they have little incentive to conserve energy or invest in more efficient appliances, insulation, etc.
- Higher fixed costs delay the payback period for the return on investments, making energy efficiency or renewable energy investments a losing proposition.



How will these rate cases impact the growing solar industry? What if I want to install solar on my house?

- Solar customers or those interested in distributed generation will be negatively impacted by fixed costs in a similar way as those who've invested in energy efficiency.
- Having a high fixed cost also pushes the payback for solar panels on residential users out by 2-3 times longer, which will essentially eliminate the growing rooftop solar industry in Kansas.



Are there models that are more fair?

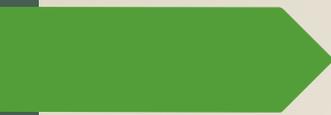
- There are many solutions to help utilities cover the necessary costs.
 - “Just say no” to any increase in fixed charges.
 - The current plan is simply too complicated.
 - **We see this as a great opportunity to work with the utilities to plan for the future of energy in Kansas.**
- Our case will be based on the idea that there is a better rate design which will allow utilities to recover all of their costs of service regardless of the amount of energy they sell. It's commonly called revenue decoupling.

What is revenue decoupling? Shifting the focus from **SELLING MORE ENERGY** to **SELLING ENERGY MORE EFFICIENTLY**.

Higher Energy Bills
Increased pressure
on finite resources



lower bills
less GHG emissions
Energy Independence



Revenue Decoupling: Everybody Wins.

- The KCC (under CURBs watchful eye) would set the revenue requirement.
 - Utilities would evaluate revenues annually to ensure that they are recovering their costs.
 - If they over-recover, customers will receive an annual credit.
 - If they under recover, all of us will pay a little more.
 - Customers control their energy usage
 - Energy efficiency and renewable energy are encouraged as efficient means of energy delivery.
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YOU CAN MAKE AN IMPACT!

- Submit a comment to the Kansas Corporation Commission opposing Westar's proposal.
COMMENTS CLOSE AUGUST 11.
 - By email: public.affairs@kcc.ks.gov
 - By phone: 1-800-662-0027 or (785) 271-3140.
 - By mail: Kansas Corporation Commission, Office of Public Affairs and Consumer Protection, 1500 SW Arrowhead Rd., Topeka, KS 66604-4027.
 - Reference Docket No 15-WSEE-115-RTS
- Write a Letter to the Editor of your local paper.
- Sign the petition to protect solar choice:
<http://tinyurl.com/KSSolarChoice>

YOU CAN MAKE AN IMPACT!

PUBLIC HEARINGS

July 21 – 4:30 Open House
5:00 Solar Rally
6:00 Hearing Begins

TOPEKA: Farley Elementary School
6701 SW 33rd

July 23 – 4:30 pm Open House
5:00 Solar Rally
6:00 Hearing Begins

WICHITA: Wichita State University
Lowe Auditorium
5015 E. 29th St. N.

Video conference hearing at these sites:

Emporia: Flint Hills Technical College,
Rooms A, B, C, 3301 W. 18th St.,

Hutchinson: Kansas Cosmosphere,
Banquet Room, 1100 N. Plum St.,

Salina: Kansas State University,
College Center, Room #103,
2310 Centennial Road

Pittsburg: Pittsburg High School,
Auditorium,
1978 E. 4th St.

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