A Westar Energy proposal to change the utility’s rate structure could leave residential customers with less control over their monthly electricity bills.

The fee hikes, if instituted, would raise each household’s customer charge, a flat monthly fee, from $12 to $27 by 2020, with a $3 increase per year. Westar has estimated the move would increase the average customer’s monthly bill by about $9, or 12 percent.

At a Thursday roundtable meeting, members of the Climate and Energy Project in Manhattan explained how a higher flat fee would discourage household electricity users from pursuing renewable energy and energy efficient options.

“The way our bills are configured now, with a low customer charge and a variable energy charge, really puts the customer in the driver’s seat,” project director Dorothy Barnett said during her presentation. “If you’re seeing that you’re using too much energy, you can make adjustments in your home” to reduce your bill.

“With this higher customer charge that’s being proposed, you lose a lot of that autonomy,” she said. “Because more of your bill is going to fixed charges and less is variable.”

Westar filed a request in March with the Kansas Corporation Commission for the rate increase to recover $152 million the company recently spent on infrastructure upgrades. The costs were primarily associated with upgrading equipment at the La Cygne coal-fired plant and the Wolf Creek nuclear plant near Burlington.

The national average for the fixed-charge component of an electricity bill is between $5 and $10, according a study by the American Council for an Energy Efficient Economy.

If customers are going to have to pay a high fixed fee regardless of how much energy they use, Barnett said, they will be less inclined to invest in renewable energy sources or energy efficiency measures that would save them money in the long term.

“It’s not going to matter that you invested in a high-efficiency heating and air conditioning unit.” she said. “Because it’s going to take you a lot longer to pay back that investment you made in energy efficient products.”

Ian Spomer, senior project developer at Cromwell Solar, said payback times for residential solar panel installations would increase by five to 10 years if the Kansas Corporation Commission approves the proposed rate increases.

The increases would apply directly to the current residential plan, called the standard plan. If the proposal is approved, however, Westar also will introduce two additional plans, the stability
plan, which would include a $50 per month fixed charge and a lower variable charge, and the
demand plan, which would include a demand charge in addition to a $27 fixed charge and a
standard variable charge.

In some cases, households producing 85 to 95 percent of their electricity through solar energy
could see their monthly bills increase by more than 100 percent, Spomer said.

Most households with installed solar panels participate in a system called “net energy metering,”
which allows them to use the energy they produce and, in the case of a surplus, sell any extra
back to the grid.

Spomer said one common misconception about solar power is that the process of selling surplus
energy back to the grid results in energy loss during transmission. In fact, he said, the energy
doesn’t have to travel far. It generally goes to the closest users — usually neighboring homes.

Nonetheless, Spomer said, it’s standard procedure for power companies to charge solar-powered
households a demand charge in addition to their regular fees. He said Westar’s rate hikes would
only create an even larger burden for those households.

“This is supposedly about equality and fairness,” said Bill Dorssett, president of the Flint Hills
Renewable Energy and Efficiency Cooperative. “The reality is… this is not about justice. This is
really about monopoly control.”

During her presentation, Barnett advocated a system of calculating electricity costs called
“revenue recoupling,” which involves obtaining a minimum revenue requirement from the power
company and using that figure, rather than the total amount of electricity sold, to determine each
user’s yearly electricity bill.

Revenues above the estimate would result in a credit to customers, while revenues below the
estimate would result in a charge at the end of the year.

State Sen. Tom Hawk, D-Manhattan, asked whether the proposed rate increases could indicate
that Westar, and utility companies in general, are in the process of shifting costs more heavily
onto their residential customers while easing up on fees for commercial electricity users.
“Tobeclear,thisis not a bash Westar party,” Barnett said. “We have a long history working with
Kansas utilities.

“But it’s important for people to understand that intervening and making public comments in this
case is the official way to get involved,” she continued. “We want people to know that there are
things they can do moving forward to influence the outcome.”