



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606
312.587.8390 Main Line
312.587.8391 Fax
www.mwalliance.org

March 6, 2025

House Committee on Taxation
Kansas House of Representatives
300 SW 10th St.
Topeka, KS 66612

Dear Members of the House Committee on Taxation,

Thank you for the opportunity to comment today. The Midwest Energy Efficiency Alliance (MEEA) is a member-based, nonprofit organization promoting energy efficiency to optimize energy generation, reduce consumption, create jobs and decrease carbon emissions in all Midwest communities. Our members include energy efficiency-related businesses, manufacturers, local governments, utilities, academic institutions, researchers and advocacy groups. MEEA engages in energy efficiency policy and programs in 13 Midwest states, including Kansas, where 51 of our 170+ members are headquartered or operating.

MEEA sees energy efficiency as the least-cost foundation of the clean energy economy, creating immediate energy savings, reducing utility costs and emissions, improving public health, enhancing grid resiliency and lowering energy bills. We would argue that policymakers should consider energy efficiency when crafting policy to attract large energy users like data centers. MEEA understands that data centers are critical to our daily lives, where computing and artificial intelligence are involved in more and more of our economy's processes. Additionally, we recognize the economic opportunity that construction of these facilities can offer local communities. However, it should be noted that these facilities use an incredible amount of energy to power their operations, and Kansas would be best suited if legislation recommended or incentivized data centers to be sited in ideal locations to minimize grid strain and be constructed and operated in the most efficient manner possible.

Energy Efficiency and Demand

For several years, our nation has seen relatively flat demand for energy, despite increases in population and economic output. Energy efficiency has succeeded in tempering this demand by reducing unnecessary generation. Unfortunately, recent trends show that many utilities expect demand to skyrocket in the coming years, largely due to the rapid growth of data centers and other energy-intensive buildings. It is critical that policymakers consider the impacts of these facilities, as unfettered demand from new facilities will strain the grid, potentially leading to disastrous outcomes like poorer reliability or even blackouts.

Kansas will not be immune to these upcoming challenges that could potentially arise due to increased demand. Increasing supply will almost certainly be necessary, as Energy, the largest energy provider in the state, is already planning to open [two new 705 MW](#) gas fired power plants to meet rising demand. In a [2024 presentation](#) to the



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Joint Committee on Kansas Security, Evergy detailed the energy load impacts of emerging large manufacturing and data center customers in the Kansas Central, Metro and Missouri West region. As one example, the energy demand of the new Google Data Center is expected to be 6x larger than Evergy Metro's current largest customer, Kansas City, MO. If the State of Kansas seeks to incentivize the construction of additional data centers in the region, MEEA would encourage data centers to be appropriately sited, constructed and operated in the most efficient way possible.

We were extremely heartened to see Evergy get its first energy efficiency plan under the Kansas Energy Efficiency Investment Act (KEEIA) approved in 2023. Now that those programs are being implemented, Kansans have the opportunity to be proactive in reducing their energy bills and improving the comfort and resiliency of their homes. Reducing customers' energy usage can help strengthen the grid by reducing congestion and peak demand. We hope to see this momentum on efficiency carry over into this sector of the economy. At the very least, we would encourage collaboration between data centers and other high energy users with their utility and their energy efficiency teams.

Data Centers and Energy Usage

As the digital landscape continues to grow rapidly, addressing the immense energy requirements of data centers has emerged as a critical issue that impacts our economy and our nation's energy resiliency. A data center can use ten to fifty times as much energy as a typical commercial office building, per U.S. Department of Energy data. These vast computing facilities consume tremendous amounts of energy, largely due to their IT equipment and the extensive cooling systems necessary to prevent overheating caused by densely packed server racks and other hardware. When cooling infrastructure operates inefficiently and airflow is poorly managed, it results in substantial energy waste, increasing operational costs.

Fortunately, there are proven methods available to significantly enhance energy efficiency within data centers. By adopting best practices, such as implementing hot aisle/cold aisle containment strategies, investing in high-efficiency HVAC systems and upgrading to energy-efficient servers, storage solutions and networking hardware, data center operators can achieve substantial reductions in energy consumption and associated costs. Ensuring that the building's envelope and ducts are tightly sealed will make it so that these systems do not need to work as hard, thereby reducing the amount of energy they use and mitigating some of the facility's demand for energy. These measures yield economic benefits by decreasing the overall energy demands of digital infrastructure.

By incorporating energy efficiency provisions into legislation, the state can reduce load growth and associated potential impacts to Kansas ratepayers. It would be wise for the state to encourage or incentivize these energy efficiency considerations and for qualifying data centers to coordinate with their local utilities' energy efficiency teams to



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ensure the facility maximizes its energy efficiency potential for both efficient construction and operation of these structures.

Conclusion

As the region's premier advocate for energy efficiency, MEEA recommends the state consider how energy efficiency can be incorporated to ensure that new data centers prioritize energy efficiency, both in their construction and operation. We also recommend that the state's decisionmakers and data center operators work in lockstep with the state's utilities to ensure these facilities are built in locations where there is room on the grid. While MEEA understands data centers' role in the world, the amount of energy they consume can be overwhelming to existing infrastructure. It is imperative that the structures are sited and operate in a way that reduces their energy consumption as much as possible.

The energy usage of these structures will negatively impact residents if their demand is left unchecked. Kansans deserve thoughtful planning around these investments and policies, especially when it comes to data centers adversely impacting energy reliability and affordability. Energy efficiency and demand response are critical to mitigating these impacts. MEEA remains committed to being a resource for Kansas legislators and regulators and we welcome the opportunity to continue engagement on energy policy for the state moving forward.

Thank you for the opportunity to comment. If you have any questions on these comments or would like to discuss energy efficiency policy further, please reach out to Clara Stein at cstein@mwalliance.org.

Sincerely,

Paige Knutsen, Executive Director

These comments reflect the views of the Midwest Energy Efficiency Alliance – a Regional Energy Efficiency Organization – and not the organization's members or individual entities represented on our board of directors.