



March 10, 2015

Testimony in Favor of HB 2373 – Renewable Portfolio Standard Sunset

Mr. Chairman and Members of the Committee:

On behalf of thousands of Americans for Prosperity members across Kansas, thank you for this opportunity to voice our support of HB2373, a bill that will sunset the current Kansas Renewable Portfolio Standard.

The Renewable Portfolio Standards (RPS) in Kansas were first proposed by Governor Kathleen Sebelius and then adopted in 2009 as part of a deal struck with Governor Mark Parkinson and the Republican led Legislature to end the administration's hold on licensing for the proposed Holcomb power plant.

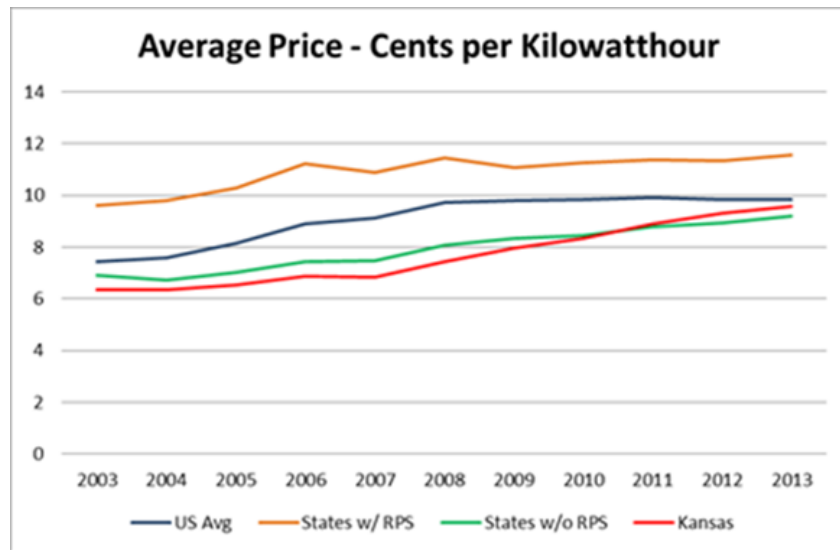
Kansas is the last state to have adopted RPS; no other state has chosen to adopt such mandates since 2009. Nearly six years after the adoption of RPS, the Holcomb power plant has not broken ground and remains mired in legal challenges.

The original argument in favor of RPS was to give renewable producers, primarily wind producers, a foothold in the electricity market. Today, almost all Kansas utilities that fall under the RPS mandate have already met the 20% requirement renewable requirement for 2020, and the few that have not, are very close.

A 20% share of the Kansas electricity market is more than a foothold. More than 50% of the wind generated electricity generated in Kansas is sent out of state. Now is the time to consider a policy for the future.

Nationally, states with RPS mandates average 27% higher electricity prices than states without. Since Kansas adopted RPS mandates in 2009, our average electricity rates have been climbing compared to states without RPS mandates and also compared to the national average. Electricity prices in Kansas are on a trajectory to exceed the national average this year.

The chart below shows the rate of Kansas electric rates (red) compared to states without an RPS (green), the national average (blue) and states with an RPS (brown).



There is a prevailing belief that ending the portfolio standard would create a disincentive for businesses to locate in Kansas or continue to pursue wind related projects in Kansas. If there is a genuine opportunity, the capital investments will follow.

According to “Wind Works for Kansas”, more than half of Kansas wind electricity production is exported to other states. Wind developments for export of electricity to other states are not impacted by Kansas RPS requirements.

Businesses with self-imposed renewable energy goals, Wal-Mart, Google, and Sprint for example have operations in RPS and non-RPS mandated states. There is sufficient wind energy production in Kansas for any business to meet their renewable goals without RPS mandates.

From an emissions perspective, Kansas electric production is already more than 40% emission free, including nuclear electricity generation. RPS mandates only address generation capacity, not the actual environmental impact of any source of electricity generation. As such, RPS mandates require renewable electricity generation with no consideration of the wind farm sites, building of hundreds of miles of new transmission lines, and other impacts to our environment.

According to some wind energy analysts, the cost of wind energy is now competitive with other sources of electricity. If true, there is no better time than now to end the RPS mandates and allow renewable to take a place alongside other energy sources, participating in a competitive electricity marketplace that provides value to Kansas consumers.

We urge the Committee to update a policy that has run its course, increase flexibility for our electric utilities, and benefit Kansas ratepayers.

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