



Hutchinson/Reno County Chamber of Commerce

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WRITTEN TESTIMONY

Kansas State Legislature
Energy and Environment Committee of the Kansas House of Representatives
Opposition to HB2373

Wednesday, March 11, 2015

Submitted by:
Jason M. Ball, President & CEO of the Hutchinson/Reno County Chamber of Commerce

On behalf of our members and the Board of Directors of the Hutchinson / Reno County Chamber of Commerce, I write to express our great concern regarding the detrimental economic impact that would result from any legislation that reduces or eliminates the existing renewable energy standards (RPS) set for energy production in Kansas. In brief, the RPS sets a goal that by 2020, at least 20% of peak energy demand will be provided through renewable resources. The electric generation of the state exceeds the current 15% standard, and nearly meets the 20% standard set for 2020.

The entire state of Kansas, and the Hutchinson / Reno County area specifically, has been the great beneficiary of job growth made possible through the investment of companies like Siemens Wind Energy. We greatly value their presence, investment and continued commitment to this community; and stand fully in support of them. More than 360 people are employed at Siemens Wind Energy, which will spend approximately \$20 million on payroll this year alone. Siemens continues to make investments in Kansas. Last year Siemens added the production of two new products in Hutchinson, and is making preparations to use more space at Hutchinson's industrial park.

A reduction of renewable energy standards will risk hampering the ability of Kansas to aggressively compete for, and win, projects from any industry currently conducting a site location search nationally. Professionals in economic development recognize that sites offering some portion of energy generated from renewable resources are considered to be more competitive. There are numerous manufacturers and businesses that have no direct connection to the energy industry, but have corporate goals for use of renewable energy and energy conservation. The existing RPS standard is viewed positively by these employers.

I have heard proponents of rolling back renewable standards say that, they like renewable energy but, "do not believe that government should be picking winners and losers". I submit that the private sector has given a clear indication of its preference for state goals related to renewable energy resources, due to the rising, and fluctuating, cost of traditional energy resources. Mark Sweeney, the Senior Principal of McCallum Sweeney Consulting has been quoted as saying, "Many of the companies that are expanding



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have a commitment to sustainability and renewable energy. If a state takes the unprecedented step of repealing its Renewable Portfolio Standard, that state will send a clear message to the marketplace that those companies interested in sustainability should look elsewhere. The competition for company and job location is too tough for a state to place itself at a self-inflicted disadvantage.”

This year Kansas suffers from slow economic growth, even while the nation experiences a more robust economic recovery. It is simply inexplicable why the legislature would take a step backward with regard to a policy that supports job growth.

Furthermore, the renewable portfolio standard has not been the cause of increased electricity costs. The Kansas Corporation Commission continues to report that the RPS accounts for less than 2% of rising energy rates, based on reporting required of electric producers in Kansas. True, energy rates have increased, but that is primarily the cause of federal requirements imposed on coal fired electric generation facilities – not the state RPS.

If this policy is repealed, Kansas inflicts a disadvantage upon itself. If supporting economic growth is one of the goals of our legislature – and we believe it should be – then Kansas RPS policy should remain in place, unchanged. It does not drive up the cost of energy. It does protect the jobs we already have, and it does support efforts to recruit new jobs to Kansas.