

Testimony submitted by:

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Chairman Hedke and members of the Committee:

Thank you for the opportunity to provide testimony against the passage of HB 2373 to effectively repeal the Renewable Portfolio Standard (RPS). As a farmer, I am not representing anyone other than my fellow landowners and farmers along with their rural communities.

Our family farm depended on non-farm income for living expenses and sustaining the farming operation. Along with having a job, we fortunately had supplemental income from oil and gas production that today is down to one stripper well. Thus, with firsthand understanding of the economic value that oil and gas royalties bring to farmers and their communities, it is easy to recognize how valuable wind energy is becoming to the rural Kansas economy, and especially valuable to western Kansas where water resources are diminishing.

In addition to landowner royalties, every two or three pump jacks through taxation and every two or three wind turbines through voluntary payments to local units of government pays for a teacher's salary or a new school bus in many rural communities. Nearly one-third of Elk County's annual revenue comes from one wind farm owner in the form of voluntary payments.

With the 2020 RPS requirement now fulfilled and exceeded by a large margin by some utilities, passage of this bill would have no immediate effect on utilities. The one to two percent rate increases that have resulted from the RPS as computed by the Kansas Corporation Commission are a fraction of the rate increases needed to meet clean air regulations imposed on utilities by the EPA.

While wind has been incented by the federal tax credit, financial advisory firm Lazard determined in 2014 wind is now the lowest *unsubsidized* levelized cost of new generation at 3.7 cents per kilowatt hour. Studies have shown wind integration costs are minimal up to 30% renewable levels and Kansas utilities report that wind costs are now on par or lower than other sources and no new transmission has been built for specific the purposes moving wind energy to market.

Thus the relatively small cost of the RPS to consumers is now historical and the existence of a Kansas RPS going forward will be mainly symbolic. Symbolic indeed to other states having similar RPSs that will be looking to Kansas for low cost renewable energy. These states now see Kansas as a leader implementing a 20% RPS five years ahead of schedule. Let's don't lose their respect and hence a marketing opportunity by giving up on our successful policy.

The RPS is also symbolic to the wind and solar industry since industries typically look for favorable policies when deciding where to locate. The Siemens wind turbine plant in Hutchinson employing 360 people would not likely be in Kansas without the favorable state policies toward renewable energy. Repealing the RPS now would be like taking down the highway welcome to Kansas signs; there is no upside, only a downside, as the money has already been spent on the signs and people entering the state would think Kansas doesn't care.

Thus in the future when utilities are ready to expand their generation, federal tax credit or not, wind will be cost competitive and provide a hedge against future fuel cost volatility.

Let's not risk losing any of our potential for future economic growth by pulling the plug on the RPS thus taking down the Welcome to Kansas sign and telling the renewable energy industry we just don't care anymore whether you come to our state or not.

Thank you.