



KANSANS FOR CLEAN ENERGY

jobs. rural prosperity. sustainable resources.

House Taxation, March 18, 2015
In Opposition to HB 2401

Chairman and members of the committee,

I am Cassi Reimer, a Southwest Kansas native, and my written testimony is on behalf of Kansans for Clean Energy, a coalition of groups across the state including Kansas Farmers Union, Kansas Rural Center, Kansas Natural Resource Council, Climate + Energy Project, Sierra Club, and Kansas Interfaith Power & Light. I appreciate the opportunity to speak in opposition of House Bill 2401.

We have heard in other hearings that there may be concerns that the renewable industry is not on equal footing with other sources of generation and concerns about wind energy incentives. It is important to note that HB 2401 gives an inequitable disadvantage to renewables and invalidates those previous concerns.

We have a world-class wind resource and an untapped solar market in Kansas. Capitalizing on the second best wind resource and the top ten best solar resource, Kansas has potential to benefit from a free energy generation fuel source.

By imposing an excise tax on renewables, you will quickly get the attention of investors. They will see that doing business in Kansas is unstable and unattractive because the state's tax policy towards renewables undermines their financial viability.

Nevertheless, I am not here for the industry; I am here on behalf of Kansans. As a Kansan, I oppose HB 2401. As it is written, Section 1(a) of this bill defines and explains that a person producing renewable energy for personal consumption would not be subject to an excise tax as long as they did not transfer more than 500 kWh in excess production in any 24-hour period.

The language of line 13 and 14 on page 1 as well as in section 3 is unclear and leads to many questions including: how will this excess production be measured, through net metering or parallel generation? Is the 500 kWh measured as gross excess production or the net amount of excess generation throughout that 24-hour period? Would small businesses and schools be penalized for not using their renewable generation, such as solar, during the weekends, outside of operation and student activities? Could western Kansans be at a greater risk to paying an excise tax for any excess generation due to a greater solar and wind resource in the west compared to eastern Kansas? How will this affect those persons purchasing power for personal consumption from a community solar farm, such as the Midwest Energy Community Solar Array?

Likewise, how are persons who generate for personal consumption who may have produced more than 500 kWh in a 24-hour period able to monitor, track, or obtain that information as required by section 4(a and b) and section 6?

I find imposing an excise tax on ethanol generation in Kansas in section 2(b) to be unfounded. A simple Internet search produced track records of federal and state governments giving excise tax credits to biofuels.

I ask you to oppose HB 2401 due in large part to the equivocal application for small renewable-energy users, but also in part to the damaging business message this would broadcast to investors.