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I am Aron Cromwell, an engineer, solar installer and the CEO of Cromwell Solar, the largest solar energy firm in Kansas. I am opposed to HB 2401, a Bill that seeks to impose an Excise Tax on ethanol and renewable energy.

This bill is very troublesome to the solar industry, has technical flaws, and will not result in a net increase in state revenue. House Bill 2401 will affect the owners of small, commercial solar arrays and create confusion in the solar industry, which inevitably will lead to fewer projects being built. While it can only be assumed that the authors of this bill hope to increase revenue by adding this tax, assessing and collecting this tax is going to be almost impossible and it will likely reduce revenue for the state by stifling solar development.

Producers of Solar electricity generation in this state are connected to utilities via net metering or parallel generation. The bidirectional meter used to keep track of electricity flow to and from the electric grid does not measure excess energy – only the net difference. To abide by the record keeping rules laid out in Sections 6 and 7, the small, commercial producer will need equipment they currently do not have – adding a new cost. And that assumes such equipment is readily available. This bill asks small solar producers to do something that they currently are not able to do – keep track of excess generation.

If at any point in a day excess energy is generated by a solar array, one would need to start measuring their output, in case it might get over 500 kWh that day. If it does not get that high, you would need to zero your meter. Who is going to be doing this? Determining how to monitor and who will monitor such excess will lead to increased bureaucracy by the state, add new costs to producers for monitoring equipment that is not industry standard and likely lead to the loss of jobs, as big projects become uneconomical due to the new tax.

The lack of detail in this bill raise questions on what defines 500 kWh of excess generation. Any system that is 60 kW or larger could produce 500 kWh in a day. If that day happens to fall on a day when a business is closed and has no load – and assuming there is a way to measure this - then this will trigger the tax. But what does this mean? Is it a tax on just the amount over 500 kWh? Does the trigger kick in for all excess generation thereafter? Who regulates this and will existing systems need to go back and install new and likely expensive instrumentation to produce such records as to be available “at all times during business hours”?

The uncertainty this bill will create will have a chilling effect on new development. Because it's not clear how to measure this excess and what the triggering of excess will mean, will likely prevent any small commercial projects or larger from being built. The overall impact on revenue

for the state will likely be negative, as new projects are built and new job growth either stagnates or reduces in our industry.

If the technical challenges of measuring are somehow overcome, there are still few projects in the state that could produce 500 kWh, and when that happens, the amount will still be insignificant when compared to the costs to the State of implementing and collecting this tax.

The Kansas solar industry is small but growing. Throughout the state we are training and employing new installers, designers and office staff and using sub-contractors. We talk a lot about how job creation in our state, and everyone agrees it is our top priority and worthy of conducive state policies. I present to you today that this Bill would do nothing to help state coffers, seriously harm our industry, and make it more difficult for us to install new projects and keep our staff employed. I strongly encourage you to vote no on House Bill 2401.

I appreciate your service to my State and your time in the consideration of all sides of this issue. If I may answer any questions or clarify any point please do not hesitate to ask at whatever time would be most appropriate. Always feel free to contact me at the office at 785-749-6020 or via email at ACromwell@CromwellEnv.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Aron Cromwell', written in a cursive style.

Aron Cromwell, CEO Cromwell Solar
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