



Testimony Provided to the

Senate Assessment and Taxation Committee - March 16, 2015

Virinder Singh, Representing EDF Renewable Energy

In Opposition to S.B. 257

Chairman Donovan and Members of the Committee,

On behalf of EDF Renewable Energy, I respectfully appear before you in opposition to S.B. 257.

EDF Renewable Energy has developed three wind farms adjacent to Spearville in Ford County, and will construct a new project in Sumner County. We also operate wind farms in the state. The projects provide substantial local economic development benefits. In the case of our new project—Slate Creek in Sumner County—we will be employing 150 workers through the end of the year with substantial revenues accruing to local landowners, local contractors, and the local community.

Our presence in Kansas is no accident. Kansas is blessed with tremendous wind resources. Today's wind projects in Kansas provide a fixed, long-term price at levels that frankly cannot be beat by any other newly-built electricity generation resource today. Kansas's energy future is an incredibly promising one, and one likely filled with local wind and local natural gas. Just as important, we work well with local stakeholders in Ford County and Sumner County. Our operations and maintenance staff are a permanent presence in the area and members of the local community. Our investments are truly long-term and represent a deep commitment to the state.

S.B. 257 would revise the property tax treatment of wind projects that are already in operation in the state or are in construction. Such retroactive treatment will have a truly chilling effect on the willingness of companies to develop wind projects in the state. And just as important it would have a chilling effect on financial institutions to finance wind energy projects in the state. Projects in operation and, just as important, those such as Slate Creek which are beginning construction already have contracts in place for the power or for the project assets. Even projects in construction have agreements already in place for the turbines, balance of system, and construction services. In other words, there is effectively no ability to revise the economics of these projects in response to unexpected and retroactive decisions via legislation from the Legislature. We cannot overemphasize the negative commercial signal such policies send to both the wind energy industry and the financial community.

We understand that the state's leadership must make challenging decisions in order to address the state's fiscal balance. However, we must point out when necessary, as it is regarding S.B. 257, that certain decisions that negatively affect projects whose major financial milestones have already passed carries with it a very negative message regarding investment in the state such that the effort can backfire on itself over time. We do welcome a discussion to identify alternatives that address the state's fiscal situation while also maintaining an important reputation that Kansas is a good place to do business.

I am happy to stand for questions at the appropriate time.