



March 9, 2015

## **Testimony in Favor of SB 253 – Renewable Portfolio Standard Sunset**

Mr. Chairman and members of the Committee:

On behalf of thousands of Americans for Prosperity members across Kansas, thank you for this opportunity to voice our support of SB253, a bill that will sunset the current Kansas Renewable Portfolio Standard.

The Renewable Portfolio Standards (RPS) in Kansas were first proposed by Governor Kathleen Sebelius and then adopted in 2009 as part of a deal struck with Governor Mark Parkinson and the Republican led Legislature to end the administration's hold on licensing for the proposed Holcomb power plant.

Kansas is the last state to have adopted RPS; no other state has chosen to adopt such mandates since 2009. Nearly six years after the adoption of RPS, the Holcomb power plant has not broken ground and remains mired in legal challenges.

The original argument in favor of RPS was to give renewable producers, primarily wind producers, a foothold in the electricity market. Today, almost all Kansas utilities that fall under the RPS mandate have already met the 20% requirement renewable requirement for 2020, and the few that have not, are very close.

A 20% share of the Kansas electricity market is a foothold. Now is the time to consider a policy for the future.

Kansas renewable portfolio standards are not necessary to spur additional wind investments. According to "Wind Works for Kansas", more than half of Kansas wind electricity production is exported to other states. Wind developments for export of electricity to other states are not impacted by Kansas RPS requirements.

Businesses with self-imposed renewable energy goals, Wal-Mart, Google, and Sprint for example have operations in RPS and non-RPS mandated states. There is sufficient wind energy production in Kansas for any business to meet their renewable goals without RPS mandates.

The continued presence of RPS mandates does send a clear message that the State of Kansas has a business environment in which the legislature picks winners and losers.

From an emissions perspective, Kansas electric production is already more than 40% emission free, including nuclear electricity generation. RPS mandates only address generation capacity, not the actual environmental impact of any source of electricity generation. As such, RPS mandates require renewable electricity generation with no consideration of the wind farm sites, building of hundreds of miles of new transmission lines, and other impacts to our environment.

The Committee is well aware of the EPA proposed 111(d) rules. It is imperative that Kansas agencies have flexibility in developing the plan. More importantly, during implementation of the plan utilities need maximum flexibility to implement the SIP without additional regulations.

Government mandates are not without cost. States with RPS mandates average 27% higher electricity prices than states without. Since Kansas adopted RPS mandates in 2009, our average electricity rates have been climbing compared to states without RPS mandates and the national average. Electricity prices in Kansas are now on a trajectory to exceed the national average this year.

Today, electricity cost 16% more than if Kansas rates had followed the national trend over the past five years. For an average Kansas household using 945 Kilowatt hours a month, that could add up to more than \$180 in additional electricity cost each year.

According to some wind energy analysts, the cost of wind energy is now competitive with other sources of electricity. There is no better time than now to end the RPS mandates and allow wind to take its place alongside other energy sources.

We urge the Committee to avoid a policy that reduces flexibility for our electric utilities, that picks winners in neighboring states, and losers here at home.

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