



Written Testimony Provided to the

Senate Utilities Committee - March 10, 2015

Gus Shaar, Plant Manager, Hutchinson, KS

In Opposition to S.B. 253

We appreciate the opportunity to provide written testimony to the Legislature concerning pending legislation that will be harmful to the Kansas economy, its citizens and the state's ability to provide clean renewable electricity that aids the state and contributes to the nation's overall energy security.

Siemens operates a nacelle assembly facility in Hutchinson. Nacelles are the cover housing for the generating components of a wind turbine, such as the generator, gearbox and brake assembly.

The \$50-million nacelle plant opened in 2010. Despite the negative effects following the end of the federal energy production tax credit and lower prices for fossil-derived fuels, we have been able to adjust our operations in the wind power market and remain competitive.

In fact, Siemens has a significant presence in Kansas. With almost 500 employees at six locations generating an annual payroll of \$40 million, our annual sales in the state total \$740 million and the company pays \$4.1 million in state taxes.

The legislation under consideration would have an untimely detrimental impact on economic development efforts throughout the state by sending a message that the number 2 state for wind energy has suddenly become unfriendly to one of its main industries. It will cause many companies such as ours to reevaluate our competitiveness and ability to expand in the state. While Kansas offers a geographical advantage to companies such as Siemens to serve the wind market in the USA efficiently, it is not the only state with this capability.

When Kansas passed its Renewable Portfolio Standard (RPS) in 2009, it made a statement - the state formalized its commitment to convert wind energy potential to clean energy. Its history of success speaks for itself.

I ask for your vote against this legislation. Your constituents will directly benefit from keeping the RPS intact. It will show Siemens and others that you value the investment the energy industry continues to make in Kansas.

Thank you for your consideration.

A handwritten signature in black ink that reads "Gus Shaar".

Gus Shaar, Plant Manager
Siemens Wind Power Nacelle Assembly Facility
Hutchinson, KS